



**THE SINGARENI COLLIERIES COMPANY LIMITED**  
(A Government Company)  
**2X600 MW SINGARENI THERMAL POWER PROJECT**  
**Jaipur (V&M)-504216, Mancherial (Dist), T.G.**

Ref no: STPP/COMC/2024-25/24

Dt: 27.11.2024

To,  
The Secretary,  
Telangana Electricity Regulatory Commission,  
Vidyut Niyamtran Bhavan, Sy.No.145-P,  
G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045

Sir,

**Sub:** SCCL – Filing of Annual tariff Petition for FY 2025-26 containing revised tariff proposal of FY 2025-26 and True up of FY 2023-24 in respect of Singareni Thermal Power Project, Phase-I (2X600 MW) - Reg.

It is to kindly state that Annual tariff Petition for FY 2025-26 containing revised tariff proposal of FY 2025-26 and True up of FY 2023-24 in respect of Singareni Thermal Power Project, Phase-I (2X600 MW) along with six copies are hereby submitted. The application is submitted under Section 62 and 86.1 (a) of Electricity Act 2003 read with Telangana State Electricity Regulatory Commission (Multi Year Tariff) regulation 2023.

A filing fee of Rs.25,000/- (Rupees Twenty five thousand only) is paid as per regulation 4(5)(a) of regulation 2 of 2016. A banker's cheque number: 551555, dated: 25.11.2024 is attached towards filing fee.

It is prayed before this Hon'ble commission to accept the accompanying petition.

Thanking You.

Yours sincerely

Director (Finance)  
**N. BALRAM, IRS**  
DIRECTOR (FINANCE)

THE SINGARENI COLLIERIES CO.,LTD.  
KOTHAGUDEM - 507 101.

Encl: Vakaltnama & Petition with 6 copies.

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**Filing of Annual Tariff Petition for FY  
2025-26  
&  
True up of FY 2023-24  
of  
Singareni Thermal Power Project,  
(2X600 MW)**



BEFORE THE TELANGANA ELECTRICITY REGULATORY  
COMMISSION, HYDERABAD

CASE NO. OF 2024

(To be filled by the office)

IN THE MATTER OF:

Filing of Annual Tariff Petition for FY 2025-26 in respect of 2X600 MW Singareni Thermal Power Plant containing proposal for revised tariff for FY 2025-26 in accordance with sections 62 and 86.1 (a) of Electricity Act 2003 read with Telangana Electricity Regulatory Commission (Multi Year Tariff) regulation 2023 and True up of FY 2023-24 in terms of Section 62 and 86.1 (a) of Electricity Act 2003 read with Telangana Electricity Regulatory Commission (Terms and Conditions of Generation Tariff) regulations, 2019.

AND IN THE MATTER OF:

The Singareni Collieries Company Limited (SCCL): Kothagudem Collieries, Bhadradri Kothagudem Dist, Telangana State - 507101; Represented by its authorized representative i.e., **Director Finance, SCCL.**

**PETITIONER**

AND

1. Southern Power Distribution Company of Telangana Limited (TGSPDCL): Corporate Office: # 6-1-50, Mint Compound, Hyderabad, Telangana-500 063.
2. Northern Power Distribution Company of Telangana Limited (TGNPDCL): H.No: 2-5-31/2, corporate Office, Vidyut Bhavan, Nakkalagutta, Hanamkonda, Warangal, Telangana- 506001

**RESPONDENTS**



**N. BALRAM, IRS**  
DIRECTOR (FINANCE)  
THE SINGARENI COLLIERIES CO. LTD.  
KOTHAGUDEM - 507 101.





# **Volume – I**

**Annual Tariff Petition & Annexure-A to  
Annexure-J**





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**N. SALRAM, IRS**  
 DIRECTOR (FINANCE)  
 THE SINGARENI COLLIERIES CO. LTD.

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Through

**Shri N .Balram**  
**Director(Finance)**  
**The Singareni Collieries Company Limited**  
**Kothagudem Collieries**  
**Bhadradri Kothagudem Dist,**  
**Telangana State - 507101**

  
**N. BALRAM, IRS**  
**DIRECTOR (FINANCE)**  
**THE SINGARENI COLLIERIES CO. LTD**  
**KOTHAGUDEM - 507 101.**

(Form I)  
(See clause 13 and 14)  
**General Heading for Proceedings**  
**BEFORE THE TELANGANA ELECTRICITY**  
**REGULATORY COMMISSION, HYDERABAD**  
**CASE NO. OF 2024**  
(To be filled by the office)

IN THE MATTER OF:

Filing of Annual Tariff Petition for FY 2025-26 in respect of 2X600 MW Singareni Thermal Power Plant containing proposal for revised tariff for FY 2025-26 in accordance with sections 62 and 86.1 (a) of Electricity Act 2003 read with Telangana Electricity Regulatory Commission (Multi Year Tariff) regulation 2023 and True up of FY 2023-24 in terms of Section 62 and 86.1 (a) of Electricity Act 2003 read with Telangana Electricity Regulatory Commission (Terms and Conditions of Generation Tariff) regulations, 2019.

AND IN THE MATTER OF:


The Singareni Collieries Company Limited (SCCL): Kothagudem Collieries, Bhadradi Kothagudem Dist, Telangana State - 507101; Represented by its authorized representative i.e., **Director Finance, SCCL.**

**PETITIONER**

AND

1. Southern Power Distribution Company of Telangana Limited (TGSPDCL): Corporate Office: # 6-1-50, Mint Compound, Hyderabad, Telangana-500 063.
2. Northern Power Distribution Company of Telangana Limited (TGSPDCL): H.No: 2-5-31/2, corporate Office, Vidyut Bhavan, Nakkalagutta, Hanamkonda, Warangal, Telangana- 506001

**RESPONDENTS**

  
**N. BALRAM, IRS**  
DIRECTOR (FINANCE)  
THE SINGARENI COLLIERIES CO. LTD.  
KOTHAGUDEM - 507 101.



(Form II)  
(See clause 14 and 15)  
General Heading for Proceedings  
**BEFORE THE TELANGANA ELECTRICITY  
REGULATORY COMMISSION, HYDERABAD**  
CASE NO. OF 2024  
(To be filled by the office)

IN THE MATTER OF:

Filing of Annual Tariff Petition for FY 2025-26 in respect of 2X600 MW Singareni Thermal Power Plant containing proposal for revised tariff for FY 2025-26 in accordance with sections 62 and 86.1 (a) of Electricity Act 2003 read with Telangana Electricity Regulatory Commission (Multi Year Tariff) regulation 2023 and True up of FY 2023-24 in terms of Section 62 and 86.1 (a) of Electricity Act 2003 read with Telangana Electricity Regulatory Commission (Terms and Conditions of Generation Tariff) regulations, 2019.

AND IN THE MATTER OF:

The Singareni Collieries Company Limited (SCCL): Kothagudem Collieries, Bhadradi Kothagudem Dist, Telangana State - 507101; Represented by its authorized representative i.e., **Director Finance, SCCL.**

**PETITIONER**

AND

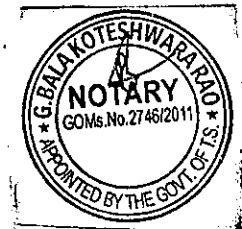
1. Southern Power Distribution Company of Telangana Limited (TGSPDCL): Corporate Office: # 6-1-50, Mint Compound, Hyderabad, Telangana-500 063.
2. Northern Power Distribution Company of Telangana Limited (TGNDPDCL): H.No: 2-5-31/2, corporate Office, Vidyut Bhavan, Nakkalagutta, Hanamkonda, Warangal, Telangana- 50600.

**RESPONDENTS**

**Affidavit verifying the Petition**

I, Shri N. Balram, son of N. Hunya aged 44 years residing at Bungalow no: S-4, Bungalows area, Lakshmidivipally, Kothagudem – 507101 do solemnly affirm and say that


  
**N. BALRAM, IRS**  
DIRECTOR (FINANCE)  
THE SINGARENI COLLIERIES CO. LTD.  
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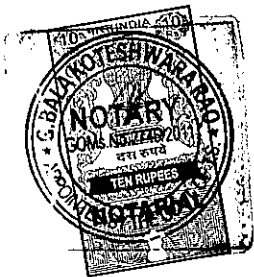
1. I am the Director Finance of SCCL, the petitioner in the above matter and am duly authorized by the said petitioner to make this affidavit.
2. I have read and understood the contents of the accompanying Annual tariff petition for FY 2025-26 containing revised tariff proposal of FY 2025-26 and True up of FY 2023-24 for 2X600 MW Singareni Thermal Power Project located in Jaipur, Mancherial, filed by Petitioner before this Hon'ble Commission for approval of the statements made in paragraphs of the petition accompanying affidavit now shown to me are true to my knowledge and are derived from official records made available to me and are based on information and advice received which I believe to be true and true.


I Solemnly affirm at Hyderabad on day of November, 2024 that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed there from.

Place: Hyderabad  
Date : 26.11.2024

  
(Shri N. Balram)  
**N. BALRAM, IRS**  
DIRECTOR (FINANCE)  
THE SINGARENI COLLIERIES CO. LTD.  
KOTHAGUDEM - 507 101.

ATTESTED



  
**G. BALA KOTESWARA RAO**  
ADVOCATE & NOTARY M.A., L.L.M.  
GOMs. No. 2746/2011  
# 16-11-1/B, Gruhashilpi Nivas,  
Saleem Nagar, Malakpet, Hyderabad-36, T.S.

**26 NOV 2024**

**1. Facts of the Case:**

This petition is filed for approval of Annual tariff petition for FY 2025-26 containing revised tariff proposal of FY 2025-26 in respect of 2X600 MW Singareni Thermal Power Plant in accordance with sections 62 and 86.1(a) of Electricity Act 2003 read with Telangana Electricity Regulatory Commission (Multi Year Tariff) regulation 2023 and for truing up of FY 2023-24 in terms of Section 62 and 86.1(a) of Electricity Act 2003 read with Telangana Electricity Regulatory Commission (Terms and Conditions of Generation Tariff) regulations, 2019.

**2. The details of Petitioner are respectfully submitted as under:**

- I. Name and Address of Applicant: **The Singareni Collieries Company Limited (SCCL), Kothagudem Collieries, Bhadradi Kothagudem Dist, Telangana State - 507101**
- II. Primary Business of the Applicant: **Coal Mining**
- III. Details of Distribution Licensee purchasing power:
  - a. **Southern Power Distribution Company of Telangana Limited (TGSPDCL): Corporate Office: # 6-1-50, Mint Compound, Hyderabad, Telangana- 500063.**
  - b. **Northern Power Distribution Company of Telangana Limited (TGSPDCL): H.No: 2-5-31/2, Corporate Office, Vidyut Bhavan, Nakkalgutta, Hanamkonda, Warangal, Telangana- 506001.**
- IV. Details of Generating Company: **The Singareni Collieries Company Limited (SCCL): Kothagudem Collieries, Bhadradi Kothagudem Dist, Telangana State - 507101.**
- V. Name and Location of the Generating station for which annual tariffs to be determined, is as follows:
  - a. Name/Location of Generating Station: **Singareni Thermal Power Project (STPP), Pegadapalli (V), Jaipur Mandal, Mancherial District, Telangana**
  - b. Total existing unit wise installed capacity in MW: **Unit-I: 600 MW, Unit-II: 600 MW**
  - c. Nature of Generation plant: **Thermal**
  - d. Type of primary and secondary fuel:

  
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DIRECTOR (FINANCE)  
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KOTHAGUDEM 507101

- i. Primary Fuel: **Coal**
- ii. Secondary Fuel: **Light Diesel Oil/Heavy Fuel Oil**
- e. Commercial operation of units:
  - i. Unit-I: **25.09.2016**
  - ii. Unit-II: **02.12.2016**
- f. Proposed capital cost: **As per details attached herein.**
- g. Details of project loans: **As per Details of Project Specific Loans attached herein.**

**3. Grounds of the case:**

Annual tariff petition for FY 2025-26 containing revised tariff proposal of FY 2025-26 and True up of FY 2023-24 is filed in accordance with Sections 62, 86.1(a) of The Electricity Act 2003.

The revised tariff proposal for FY 2025-26 is submitted as required in terms of TGERC Multi Year Tariff regulation, 2023. The truing up proposal of the FY 2023-24 is submitted as per TGERC regulations 01 of 2019.

It is to state that both the proposals in this tariff filing are submitted in compliance with the timelines provided in clause 6 of TGERC MYT regulation 2023.

While filing the present Annual tariff petition for FY 2025-26 containing revised tariff proposal of FY 2025-26 and True up of FY 2023-24 proposals, The Singareni Collieries Company Limited has endeavored to comply with the various applicable legal and regulatory directions of this Hon'ble Commission including the directions contained in the Conduct of Business regulation 2015, TGERC Terms and Conditions of generation Tariff regulation 2019 (regulation 1 of 2019) and TGERC (Multiyear tariff) regulation 2023 issued by Hon'ble TGERC.

Based on the information available, the applicant has made bona-fide efforts to comply with the directions of the Hon'ble Commission and discharge its obligations to the best of its abilities. However, should any further material become available in the near future, the applicant reserves the right to file such additional information and consequently amend/revise the application.

  
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DIRECTOR (FINANCE)  
THE SINGARENI COLLIERIES CO. LTD.



#### 4. The Background of the petition

The Singareni Collieries Company Limited (SCCL) was established as a coal mining company incorporated under the companies Act 1956. The company is owned by the Government of Telangana with 51.096% Shareholding. The other Shareholders of the company are Government of India (48.902%) and Private shareholders (0.002%).

SCCL has entered in the business of power generation by setting up a 2X600 MW Coal based Thermal Power Plant, namely Singareni Thermal Power Plant(STPP) in Jaipur of Mancherial District. The units of STPP achieved COD during financial year 2016-17 in the dates as mentioned below.

**COD Unit-I: 25.09.2016**

**COD Unit-II: 02.12.2016**


SCCL had entered into a Power Purchase Agreement (PPA) with two Distribution companies of Telangana for the power generated from STPP which would be sold to them at a tariff decided by Hon'ble Telangana Electricity Regulatory Commission (TGERC). The PPA shall remain valid for a period of 25 years from the COD of the last unit (unit-II). The copy of reference PPA and its amendment are attached as **Annexure-A**.

TGERC vide its tariff order dated 28.08.2020 trued up the capital cost and fixed charges for 2X600 MW STPP up to 31.03.2019 and determined the tariff for STPP during MYT period of FY 2019-24. The order copy is attached as **Annexure-B**.

The Hon'ble Commission had also carried out the Midterm review of control period FY 2019-24 and issued order in respect of said Midterm review on 23.03.2023. The order copy is attached as **Annexure-C**.

The Hon'ble Commission had also carried out the true up for FY 2022-23 and Multiyear Tariff (MYT) for FY 2024-25 to FY 2028-29 and issued order on 28.06.2024. The order copy is attached as **Annexure-D**.

Further, it is to state that this Hon'ble Commission has issued new tariff regulation for the control period FY 2024-29, and in terms of this a generating entity/ petitioner is required to file annual tariff petition for 2025-26 prior to 30.11.2024.

  
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DIRECTOR (FINANCE)  
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Accordingly, STPP is herein submitting this tariff petition containing the proposal for trueing up in FY 2023-24 besides the revised tariff proposal for FY 2025-26.

At the outset, it is submitted that the true up orders dated 23.03.2023 passed by this Hon'ble commission in respect of the period FY 2019-20 to FY 2021-22, have been challenged in the Hon'ble APTEL by the STPP, but during the proceedings of Multiyear tariff determination for FY 2024-29 it was argued by STPP that the said orders/appeal proceedings are absolutely unconnected and disjuncted to the determination of tariff for FY 2024-29 and trueing up of FY 2022-23. Subsequently, the Hon'ble Commission was pleased to issue order dated 28.06.2024 determining the tariff of FY 2022-23 and MYT period of FY 2024-29. Therefore de hors to said proceedings in appeal, similarly the Hon'ble Commission is requested to consider the present proceedings viz, true up of FY 2023-24 and the revised tariff proposed for the period 2025-26. The present proceedings are governed by the latest regulation 2 of 2023 passed by this Hon'ble Commission where as earlier true up order is governed by the earlier regulation TS 01 of 2019.

#### **5. Enabling Regulations**

SCCL is submitting annual tariff petition for FY 2025-26 comprising the proposals for trueing up of tariff during FY 2023-24 and for revised tariff for FY 2025-26 which is within the jurisdiction of Hon'ble TGERC. As per section 62, appropriate commission can determine the tariff for supply of electricity by a generating company to a distribution licensee. Further the Hon'ble state electricity regulatory commission shall determine tariff for generation and sale of electricity within the state as per section 86.1(a).

The Hon'ble TGERC issued Telangana Electricity Regulatory Commission (Multiyear tariff) regulation 2023 (Regulation 2 of 2023) for determination of tariff in the control period of 2024-29 and provided clause 1.5 in the aforementioned regulation clearly mentioning that determination of Aggregate Revenue Requirement (ARR) and tariff for previous periods shall be governed by the provisions of regulations and guidelines in force during that relevant period.

In view of above, the Hon'ble commission is required to determine the tariff of STPP during 2025-26 as per TGERC Regulation 2 of 2023 and to allow trueing up of FY 2023-24 as per regulation 01 of 2019.

  
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DIRECTOR (FINANCE)  
THE SINGARENI COALFIELDS CO. LTD

**6. Capital cost claimed in the truing up petition of FY 2023-24 and revised tariff proposal for FY 2025-26.**

The Hon'ble Commission issued order dated 28.06.2024 for true up of FY 2022-23 and Multiyear tariff for FY 2024-25 to FY 2028-29 allowing the final capital cost at the end of financial year 2022-23 as Rs.7745.32 Cr in the aforesaid order.

Accordingly, the opening capital cost for truing up of FY 2023-24 shall be Rs.7745.32 Cr and the detailed capitalization in this period of FY 2023-24 is provided in **Annexure-E**. This also contains estimated additional capitalization for FY 2025-26. It is to kindly state that the opening capital cost for the purpose of revised tariff petition for FY 2025-26 shall be arrived upon by adding the estimated additional capitalization for FY 2024-25 with the closing capital cost in FY 2023-24 claimed now in this truing up petition.

**7. Computation of return on equity**

It is to submit that STPP has considered 30% of the capital cost as equity as specified in the provision of regulation of MYT tariff regulation 2023. The relevant portion is reproduced below:

*"27.1.....Provided that in case of generating entity, Licensee, and SLDC, if any fixed asset is capitalised on account of capital expenditure project prior to 01.04.2024, debt-equity ratio allowed by the Commission for determination of tariff for the period ending 31.03.2024 shall be considered"*

Regulation 29.2(a) of Telangana Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2023 provides that the base rate for computation of return on equity shall be 15.5%. Further, the base rate of ROE is required to be grossed up with the effective tax rate as per clause 30.1.

Accordingly, the return on equity is computed by applying base rate of return as 15.5% and effective tax rate of 25.168%.

The return on equity claimed for FY 2023-24 and FY 2025-26 is given below:

Financial Year	FY 2023-24 (Truing up based on actual)	FY 2024-25 (Estimated)	FY 2025-26 (Revised)
Return on Equity (In Crores)	482.82	485.13	486.55

  
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 DIRECTOR (FINANCE)  
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It is to state that the ROE for FY 2023-24 was computed based on regulation 9 & 11 of Telangana Electricity Regulatory Commission (Terms and Conditions of Generation Tariff) regulations, 2019.

#### 8. Interest and financing charges on loan.

The Hon'ble commission in the order on midterm review allowed refinancing of loan in respect of STPP and allowed interest on loan accordingly. STPP claims the sharing of gains accrued due to refinancing in the truing up of FY 2023-24 by applying regulation 12 of TS01 of 2019.

The interest and financing charges on loan for period 2025-26 have been computed as given in clause 31 of Regulation 2 of 2023.

It is submitted that the loan outstanding as on 1st April, 2023 was computed after considering the cumulative depreciation up to 31st March, 2023 as notional repayment of the loan.

#### 9. Claim for depreciation

It is to state that the depreciation is claimed in accordance with regulation 28 of TGERC MYT tariff regulation 2024-29. The beginning value base of the capital cost for the purpose of depreciation was considered as Rs. 7794.61 Crore.


The depreciation rates for different assets for each financial year were computed based on the asset capitalization schedule as considered in this tariff petition adopting the straight-line method of depreciation computation and rates specified in annexure-I of MYT regulation 2023.

It is stated that the balance depreciable value as on 1st April, 2023 was computed by deducting the cumulative depreciation claimed up to 31st March, 2023.

The depreciation claimed for the FY 2023-24 and FY 2025-26 is given below:

Particulars	FY2023-24 (Truing up based on actual)	FY2024-25 (Estimated)	FY2025-26 (Revised)
Depreciation (In Crores)	401.03	402.81	403.85

The depreciation for FY 2023-24 was computed based on regulation 10 of Telangana Electricity Regulatory Commission (Terms and Conditions of Generation Tariff) regulations, 2019 by adopting straight line method and depreciation rates Specified therein.

  
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 DIRECTOR (FINANCE)  
 TAMILNADU ELECTRICITY REGULATORY COMMISSION LTD

## 10. Interest on working capital:

The Interest on working capital for STPP has been worked out in accordance with regulation 13.1 to 13.4 of Multiyear tariff regulation for 2025-26.

The coal & oil component of working capital have been computed based on 20 days coal stock for non-pit head stations corresponding to target availability or maximum storage capacity whichever is lower and cost of coal for 30 days of generation corresponding to target availability and 1 month's cost of secondary fuel for target availability.

The maintenance spares @1% of GFA expenses, 1 month's normative O&M expenses and forty five days receivables have been added with the above to arrive at gross working capital. Net working capital has been worked out by subtracting 1 month's payable for coal & oil computed at target availability from gross working capital.

The rate of interest on working capital for revised tariff of FY 2025-26 has been computed as 10.45% which is 150 basis point more than the 1-year MCLR of SBI prevailing as on October 2024.

The Interest on working capital claimed for the FY 2023-24 and FY 2025-26 is given below:

Particulars	FY2023-24 (Truing up based on actual)	FY2024-25 (Estimated)	FY2025-26 (Revised)
Interest on Working Capital (Rs. Crores)	116.28	89.81	89.81

The Interest on working capital of STPP during truing up period of 2023-24 has been computed as per clause 13.1 to 13.4 of Multi-year generation tariff regulation 2019-24.

## 11. Operating and Maintenance (O&M) Expenses:

The claim for Operating & maintenance expenses for FY 2025-26 has been made in specified trifurcation of R&M, Emp and A&G Expenditure based on actual values of the past control period after applying the formula provided in clause 45 of TS 02 of 2023. The Hon'ble commission is requested to consider the cumulative WPI figures of the past control period i.e around 29.6% to add with the K figure of the last control period which was 1.04 and to consider the K value for the purpose of computing R&M expenditure as 1.34 in place of 1.08.

  
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The yearly WPI values starting FY 2019-20 to FY 2023-24 is given in the table below:

WPI			
INDEX20172018	114.9		
INDEX20182019	119.8	4%	FY 2019-20
INDEX20192020	121.8	2%	FY 2020-21
INDEX20202021	123.4	1%	FY 2021-22
INDEX20212022	139.4	13%	FY 2022-23
INDEX20222023	152.5	9%	FY 2023-24
	Average	5.92%	

The total O&M expenditure as claimed for FY 2023-24 and FY 2025-26 is given below:

(In Rs.Crores)

SI No	Item	FY 2023-24 (Truing up based on actual)	FY 2024-25 (Estimated)	FY 2025-26 (Revised)
1	Employee Expenses	171.86	180.90	190.40
2	A&G Expenses	51.93	55.00	58.26
3	R & M Expenses	90.49	95.85	101.52
	<b>Total O&amp;M Expenses</b>	<b>314.28</b>	<b>331.75</b>	<b>350.19</b>

The O&M expenditure of STPP during truing up period 2023-24 has been claimed based on actual.

## 12. Operating Norms:

The following norms have been adopted from the norms provided in regulation TS 02 of 2023 for FY 2024-29:

Thermal	Unit	STPP
Normative Annual Plant Availability Factor (Target Availability)	%	85.00%
Normative Annual Plant load Factor (for computation of incentive)	%	85.00%
Gross Station Heat Rate	Kcal/kWh	2,300
Secondary fuel oil consumption	ml/kWh	0.5
Auxiliary energy consumption	%	5.75%
Transit and Handling Losses	%	0.80%

  
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 THE SINGARENI COLLIERIES CO. LTD.  
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The norms for truing up period of FY 2023-24 was already approved by the Hon'ble commission's order dated 28.8.2020 in para 5.2.8. These approved norms for FY 2023-24 has been used for computation of tariff claims.

### 13. Energy Charges:

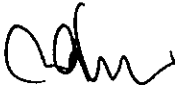
The energy charges for period FY 2025-26 has been considered as approved by this Hon'ble Commission vide its order dated 28.06.2024.

Description	Unit	Energy Charge for Ensuing Period		
		FY2023-24 (Truing up based on actual)	FY2024-25 (Estimated)	FY2025-26 (Revised)
Auxiliary Consumption	%	6.13	5.75	5.75
Gross Station Heat Rate	kcal/kWh	2314.73	2300.00	2300.00
Secondary Fuel oil consumption	ml/kWh	0.15	0.50	0.50
Calorific Value of Secondary Fuel	kcal/ml	10.01	10.00	10.00
Landed Price of Secondary Fuel	Rs./ml	0.07	0.07	0.07
Gross Calorific Value of Coal	kcal/kg	3836.04	3808.80	3808.80
Landed Price of Coal	Rs./kg	5.93	5.86	5.86
Specific Coal Consumption	kg/kWh	0.603	0.60	0.60
Rate of Energy Charge from Primary Fuel	Rs./kWh	3.806	3.749	3.749
Rate of Energy Charge from Secondary Fuel	Rs./kWh	0.011	0.036	0.036
<b>ECR</b>	<b>Rs./kWh</b>	<b>3.817</b>	<b>3.785</b>	<b>3.785</b>

It is submitted that adjustment of ECR on account of variation in price or heat value of fuel shall be done as specified in regulation 46.5.

It is to humbly submit that the month wise actual Availability and Plant Load Factor certificated by SLDC for FY 2023-24 are attached as **Annexure-F**.

The energy charge for truing up of FY 2023-24 was computed based on clause 21 of generation tariff regulation 01 of 2019.

  
**N. BALRAM, IRS**  
 DIRECTOR (FINANCE)  
 THE SINGARENI COLLIERIES CO. LTD.  
 KOTHAGUDEM - 507 101.

**14. Incentive**

STPP has computed incentive for tariff period 2025-26 based on estimated generation at the rate specified in clause 46.6 of Regulation 2 of 2023.

The incentive projected during the control period 2025-26 is given below:

Description	Unit	Ensuing Year Revised
		FY 2025-26
Incentive for additional generation	Rs Crs	23.07

**15. Other charges:**

The Hon’ble commission is requested to allow the claim of other charges (water charges, Audit fee & Tariff filling fee) on actual basis for FY 2023-24 in accordance with clauses 2.59 & 19.6 of TGERC Regulation No.1 of 2019. The details of Water Charges, Tariff filing fee and audit fees as claimed for FY 2023-24 containing all the relevant documents are attached as **annexure-G**.

Further, Hon’ble commission is requested to allow the claim of water charges for FY 2024-25 & FY 2025-26 in line with TGGENCO MYT order dated 28.10.2024.

It is to humbly submit that the average water charges for control period FY 2019-20 to FY 2023-24 is Rs.8.6 Crores. Accordingly, for FY 2024-25 & FY 2025-26 projections are made with 10% escalation as per irrigation department of Telangana government.

**16. Tariff for FGD system:**

The Hon’ble commission has deferred the claim of capitalization for the FGD system and stated that it would carry out prudence check of the cost of FGD system in the true up of relevant year after commissioning of the same. The relevant portion from order dated 29.12.2023 on CIP and business plan for FY 2024-29 is extracted hereunder:

*“4.2.12 SCCL submitted that it has awarded the works of FGD system through competitive bidding process. The works being still in progress, the Commission is not expressing any opinion on the proposed completion cost at this stage. The Commission shall carry out the prudence check of the cost of FGD system in true-up for the relevant year after commissioning of the same.”*

**N. BALRAM, IRS**  
DIRECTOR (FINANCE)  
THE SINGARENI COLLIERIES CO. LTD.  
KOTHAGUDEM - 507 101.



Accordingly, the cost of FGD system together with its effect on the tariff components and additional auxiliary energy shall be submitted after commissioning of the system in truing up petition of relevant year. Thus, the STPP reserves its right to submit the same at a subsequent period.

### 17. Integrated (Naini) mines:

Since SCCL is working on the swapping of coal from Naini coal mines, Odissa, no proposal of input cost of coal from Naini mines is submitted before this Hon'ble Commission. The petitioners reserve their liberty to submit the same as when is found that it is needed in disposal of this petition.

### 18. Computation of ARR

The summary of ARR claimed in this petition before the Hon'ble TGERC is submitted below:

(In Rs.Crores)

SI No	Item	Truing up period	Ensuing Year (Projected)	
			2024-25	2025-26
<b>A</b>	<b>Annual Fixed Charges</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
1	Operation & Maintenance Expenses	314.28	331.75	350.19
2	Depreciation	401.03	402.81	403.85
3	Interest and finance charges on loan	247.71	219.14	184.16
4	Interest on Working Capital	116.28	89.81	89.81
5	Return on Equity	482.82	485.13	486.55
6	Less: Non-Tariff Income	5.16	5.26	5.37
<b>7</b>	<b>Annual Fixed Charges</b>	<b>1556.96</b>	<b>1523.36</b>	<b>1509.19</b>
<b>B</b>	<b>Energy Charges</b>			
1	Energy Charge Rate	3.817	3.785	3.785
2	Scheduled Energy (ex-bus)	8308.458	7854.640	8882.874
3	Energy Charges	<b>3171.34</b>	<b>2972.98</b>	<b>3362.17</b>
<b>C</b>	<b>Other Charges</b>			
1	Incentive	0.00	0.00	23.07
2	water charges, Audit fee & Tariff filling fee	35.50	9.46	10.41

  
**SUBALRAM, IRS**  
 DIRECTOR (FINANCE)  
 THE SINGARENI COLLIERIES CO., LTD.

3	<b>Sub Total (Other Charges)</b>	<b>35.50</b>	<b>9.46</b>	<b>33.48</b>
<b>D</b>	<b>Grand Total</b>	<b>4763.79</b>	<b>4505.80</b>	<b>4904.84</b>

A copy of tariff computation forms are enclosed as **Annexure-H**.

**19. Authorization for filing on the petition:**

The Director (Finance) of SCCL has been authorized to sign on the petition / documents to be filed before the Hon'ble TGERC. Copy of the authorization is enclosed as **Annexure-I**.

**20. Jurisdiction:**

The determination of tariff in this annual tariff petition is within the Jurisdiction of TGERC. As per section 62, appropriate commission can determine the tariff for supply of electricity by a generating company to a distribution licensee. Further, the state electricity regulatory commission shall determine the tariff for generation within the state as per section 86.1(a) read with clause 38 of TGERC (conduct of business) regulations 2015.

**21. Limitation:**


The determination of tariff is a continuous process and the provisions of limitation Act does not apply to the issues to be decided as part of regulatory process such as determination of tariff etc.

**22. Court Fee:**

The present petition is filed for determination of truing up for 2023-24 and revision of tariff for 2025-26. Hence a fee of Rs 25,000/- (Rs twenty five thousand) is paid as per regulation 4(5)(a) of regulation 2 of 2016 (levy of fees for various services rendered by the commission). A copy of the banker's cheque for paying the requisite court fee is attached as **Annexure -J**.

**23. Declaration:**

This subject matter of this petition has not been raised by the petitioner before any other competent forum and that no other competent forum is currently seized of the matter or has passed any order in relation thereto.

  
**N. BALRAM, IRS**  
 DIRECTOR (FINANCE)  
 THE SINGARENI COLLIERIES CO. LTD.  
 KOTHAGUDEM - 507 101.

24. Prayer before Hon'ble commission

SCCL prays to the Hon'ble Commission may be pleased to:

- a) Consider the submissions made by SCCL in this annual tariff petition for FY 2025-26, and the truing up of tariff/expenditure for the period FY 2023-24.
- b) Approve revised tariff for FY 2025-26 and allow to recover additional trued up expenditure for FY 2023-24 in respect of 2X600 MW Singareni Thermal Power Plant (STPP).
- c) Pass such further Orders, as the Hon'ble Commission may deem fit and appropriate in circumstances of the case.

Place : Hyderabad

Date : 27.11.2024



(Shri N. Balram)

**N. BALRAM, IRS**  
DIRECTOR (FINANCE)  
THE SINGARENI COLLIERIES CO. LTD.  
KOTHAGUDEM - 507 101.



**Annexure - A : A Copy of Power  
Purchase Agreement and its amendment**



**POWER PURCHASE AGREEMENT**





# **POWER PURCHASE AGREEMENT**

**BETWEEN**

**THE SINGARENI COLLIERIES COMPANY LIMITED**

**AND**

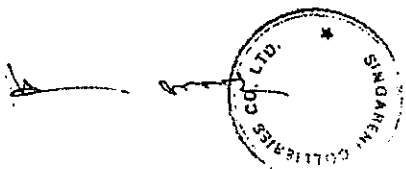
**TELANGANA STATE SOUTHERN POWER DISTRIBUTION COMPANY LIMITED**

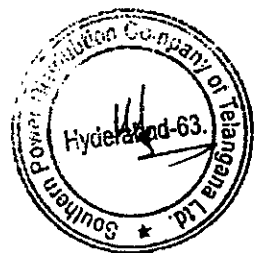
**TELANGANA STATE NORTHERN POWER DISTRIBUTION COMPANY LIMITED**

**FOR SALE OF POWER FROM**

**SINGARENI THERMAL POWER PROJECT (2X600 MW) (STAGE-I)**

**Dated 18<sup>th</sup> day of January 2016**

A handwritten signature is written over a circular stamp. The stamp contains the text "SINGARENI COLLIERIES CO. LTD." around the perimeter and a small star in the center.

A circular stamp with the text "Southern Power Distribution Company of Telangana Ltd." around the perimeter and "Hyderabad-63." in the center. A handwritten signature is written over the stamp.

A circular stamp with the text "TSPDCL" around the perimeter and "WARANGAL" at the bottom. In the center, there is a stylized logo with the letters "N/D". A handwritten signature is written over the stamp.

17

एक सौ रुपये

Rs. 100

₹. 100



सत्यमेव जयते

ONE HUNDRED RUPEES

भारत INDIA  
INDIA NON JUDICIAL

తెలంగాణ తేలంగానా TELANGANA

11 JAN 2016

*Stamp*  
G-104751

202, Date: 11-01-2016, Rs.100/-  
To: Ch Prabhakar S/o. Sambaiah, R/o. Hyd.  
Whom: The Singareni Collieries Company Limited, R/o. Hyd.

MOHAMMED WASIFUDDIN  
Licenced Stamp Vendor  
Lic No. 16-07-088/2012/ R.No.16-07-034  
H. No. 5-7-14, Nampally, Hyd-01, T.S  
P. No. 9346156131

POWER PURCHASE AGREEMENT  
BETWEEN  
THE SINGARENI COLLIERIES COMPANY LIMITED  
AND

TELANGANA STATE SOUTHERN POWER DISTRIBUTION COMPANY LIMITED  
TELANGANA STATE NORTHERN POWER DISTRIBUTION COMPANY LIMITED

FOR SALE OF POWER  
FROM

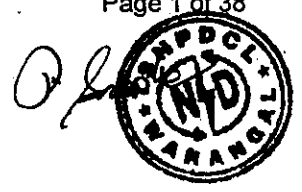
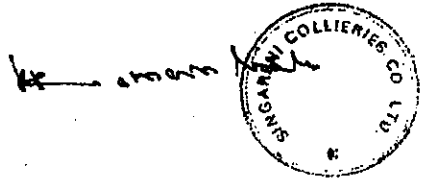
SINGARENI THERMAL POWER PROJECT (2X600 MW) (STAGE-I)  
Dated 18<sup>th</sup> day of January 2016.

THIS POWER PURCHASE AGREEMENT, hereinafter called "Agreement", entered into at Hyderabad on this 18<sup>th</sup> day of January, Two Thousand and Sixteen.

Between

1. Telangana State Southern Power Distribution Company Limited constituted on 02-06-2014 under AP Reorganization Act 2014 and the sub-section (6) of section 23 of Andhra Pradesh Electricity Reform Act, 1998 (Act, 30 of 1998) and having its registered office at 6-1-50, Corporate Office, Mint Compound,

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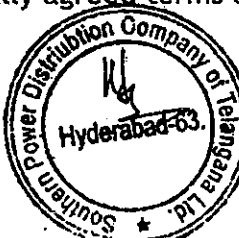
Hyderabad-500 063 (hereinafter referred to as "TSSPDCL"); Telangana State Northern Power Distribution Company Limited, constituted on 02-06-2014 under AP Reorganisation Act 2014 the sub-section (6) of section 23 of Andhra Pradesh Electricity Reform Act, 1998 (Act, 30 of 1998) and having its registered office at H.No.2-5-31/2, Corporate Office, Vidyut Bhavan, Nakkalagutta, Hanamkonda, Warangal - 506001 (hereinafter referred to as "TSNPDCL"); (hereinafter each of TSSPDCL and TSNPDCL are, as the context may require, individually referred to as "TSDISCOMS" and collectively referred to as the "TSDISCOMS" which expression shall, unless it be repugnant to the context or meaning thereof include its successors and assigns), as parties of the first part, and

2. THE SINGARENI COLLIERIES COMPANY LIMITED, constituted under the Companies Act 1956 having its registered office at Kothagudem, Khammam District (hereinafter called "SCCL") which expression shall, unless repugnant to the context or meaning thereof include its successors and assigns), as party of the second part entered on 18.01.2016 and will be submitted to TSERC for approval.

WHEREAS the erstwhile Govt. of Andhra Pradesh had accorded approval to SCCL for setting up of Singareni Thermal Power Project (2 x 600 MW) Stage-I at Pegadapalli village, Jaipur Mandal, Adilabad District, Telangana State, hereinafter referred to as "Singareni Thermal Power Project (2 x 600 MW) Stage-I", and generally referred to as "PROJECT" whereas SCCL is a Public Sector Company owned by the Government of Telangana and Government of India in the ratio 51:49 and will be executing the Project and to be owned & operated by SCCL.


AND WHEREAS TSDISCOMS are desirous of purchasing the capacity of 1200 MW from Singareni Thermal Power Project (2 x 600 MW) Stage-I and SCCL is willing to sell the same to TSDISCOMS on mutually agreed terms and conditions.

*[Signature]*

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*[Signature]*


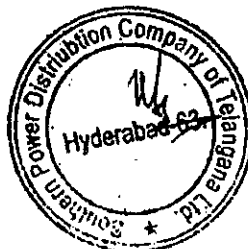




AND WHEREAS SCCL is setting up Singareni Thermal Power Project (2 x 600 MW) Stage-I at Pegadapalli village, Jaipur Mandal, Adilabad District, Telangana State, hereinafter referred to as "Singareni Thermal Power Project (2 x 600 MW) Stage-I", and generally referred to as "PROJECT" to be owned and operated by SCCL.

The terms and conditions of the Power Purchase Agreement are as per prevailing TSERC regulations and any changes in TSERC regulations that may occur in future shall be applicable for all operating norms or any other parameters.

Now therefore, in consideration of the premises and mutual agreements, covenants and conditions set forth herein, it is hereby agreed between the Parties as follows:

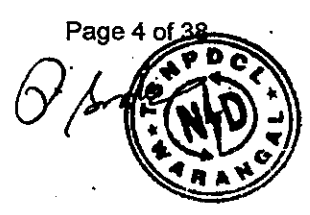
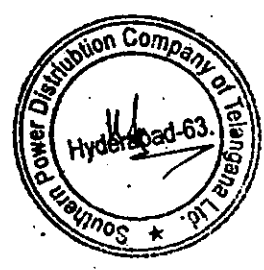
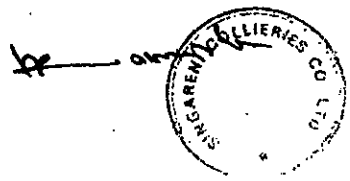

  


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### Article 1: INTERPRETATION AND DEFINITIONS

The words or expressions used in this agreement but not defined hereunder shall have the same meaning assigned to them by the Electricity Act 2003 as amended from time to time, the Rules framed there under and Regulations issued by TSERC from time to time.

- 1.1 'Act' means the electricity Act, 2003
- 1.2 Agreement to Hypothecate cum Deed of Hypothecation - shall have the meaning as ascribed in Annexure V.
- 1.3 Availability - 'Availability' as defined in the TSERC (Terms and Conditions of Tariff) Regulations as amended or replaced from time to time
- 1.4 Acceptance Test for establishing the Capacity of the Unit - Acceptance test for establishing the Capacity of the Unit shall be performed in the presence of SCCL and TSDISCOMS representatives and on satisfying the capacity of the Unit, the capital cost of the project shall be arrived at on pro-rata basis against the rated capacity.
- 1.5 'Additional Capitalization' means the capital expenditure actually incurred after date of commercial operation of the station and admitted by the Commission after prudence check.
- 1.6 Approved Capital Cost: to be taken into account at any time for the purposes of the Tariff means, the amount of Capital Cost of the Project shall be the aggregate of the following sub-items.
  - 1.6.1 The Completed Cost approved by TSERC up to COD.
  - 1.6.2 Any additional Project costs incurred for execution of the Project by SCCL and approved by the TSERC to be included in the final Capital Cost.
  - 1.6.3 Cost of initial spares subject to limitation of 2.5% of the Original Project cost.
  - 1.6.4 Any additional works / services that became necessary for efficient and successful operation of the generating station, but not included in the original project cost as per TSERC regulations applicable from time to time.



1.7 **Authority:** means the Central Electricity Authority referred to in Electricity (Supply) Act, 1948 or any successor entity entrusted with its functions and capacities.

1.8 **Auxiliary Consumption:** Auxiliary consumption means the energy consumed by SCCL for operating the unit and facilities in the power plant. The difference between generation and net energy export (Ex-Bus) which is measured for billing purposes by means of the existing meters at SCCL generator terminals as well as outgoing feeders from the station bus is Auxiliary Consumption.

1.9 **Availability Computation:** It is in relation to a Thermal Generating station for any period means the average of the daily average declared capacity for all the days during that period expressed as a percentage of the installed capacity of the Generating stations minus the normative auxiliary consumption in MW, as specified in this regulation and shall be computed in accordance with the following formula.

$$\text{Availability} = 10000 \times \frac{\sum_{i=1}^N \text{DC}_i}{\{N \times \text{IC} \times (100 - \text{AUX}_n)\}} \%$$

- Where DC<sub>i</sub> = Average Declared Capacity for the ith day of the period in MW
- N = No. of Days during the period
- IC = Installed Capacity of the generating station in MW
- AUX<sub>n</sub> = normative auxiliary consumption as percentage of gross generation.

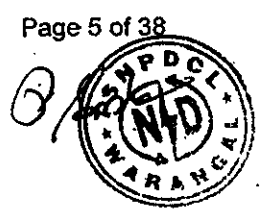
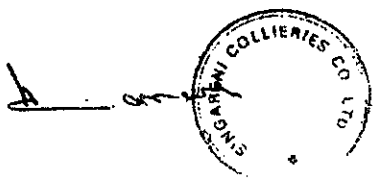
1.10 **Billing Centre** - The office as intimated by SCCL to the TSSPDCL and TSNPDCL from where the bills will be raised on them.

1.11 **Billing Date:** The Billing Date shall be 5 (five) days after the Meter Reading Date in each Calendar month.

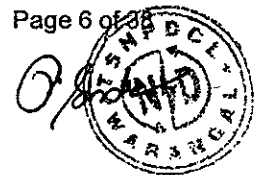
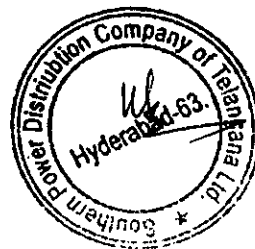
1.12 **Billing Month:** The Billing Month means Metering Date of calendar month to the Metering Date of the next calendar month.

1.13 **Bus Bars / Ex Bus:** Bus bars of the station to which outgoing feeders are connected.

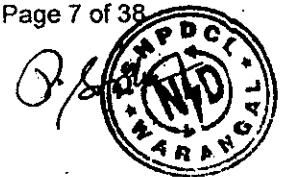
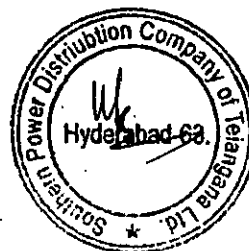
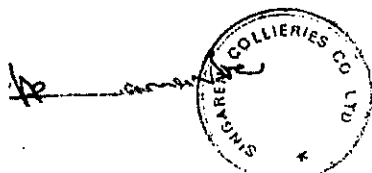
1.14 **Business Day:** It shall be construed as a reference to a day (other than Sunday) on which banks are generally open for business in Hyderabad.



- 1.15 **Capacity Charges:** Capacity Charges (or) Fixed Charges as determined by TSERC and shall be paid in proportion to the Contracted Capacity from time to time
- 1.16 **Capital cost:** - Capital cost of project or its units or stages as the case may be, means the capital expenditure thereof as admitted by the Commission for determination of tariff.
- 1.17 **Charges for Supply of Electricity:** Mean and include all charges including the Tariff to be paid by the TSSPDCL and TSNPDCL in respect of supply of electricity to them from the Project in accordance with the provisions of this Agreement
- 1.18 **COD of the Project:** means the Commercial Operation Date of both the Units.
- 1.19 **Commercial Operation Date or COD:** means in relation to each unit of the thermal generating station, the date declared by the generating company after demonstrating the maximum continuous rating (MCR) or the installing capacity (IC) through a successful trial run after notice to the beneficiaries, from 00:00 hour of which scheduling process as per the Electricity Grid Code (IEGC) is fully implemented, and in relation to the generating station as a whole, the date of commercial operation of the last unit of the generating station.
- 1.20 **Contracted Capacity:** Capacity contracted (2x600 MW) by TSSPDCL and TSNPDCL under this Agreement
- 1.21 **Cut-off date:** Means 31<sup>st</sup> March of the year closing after two years of the year of commercial operation of the project, and in case the project is declared under commercial operation in the last quarter of the year, the cut-off date shall be 31<sup>st</sup> march of the year closing after three years of the year of commercial operation.
- 1.22 **Date of Effectiveness of Agreement:** Date of signing of this agreement including payment security as envisaged in Annexure V.
- 1.23 **Debt:** means the amount of any loans, debentures or other similar obligations, contracted or raised and received by SCCL for the Project, but only to the extent that the proceeds of such capital contribution are exclusively utilized on the Capital Cost of the Project.
- 1.24 **Debt Repayment:** means, in relation to a specified period, the amount of Debt 70% of the capital cost which SCCL is due to repay in such period, in Indian Rupees in which the Debt is incurred.

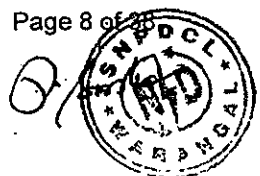
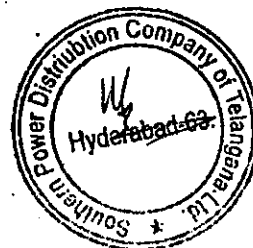
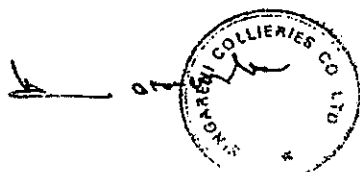


- 1.25 **Declared Capacity (DC):** means the capability of the generating station to deliver ex-bus Electricity in MW declared by such generating station in relation to any period of the day or Whole of the day, duly taking into account the availability of fuel.
- 1.26 **Depreciation:** means the sum of the amounts of depreciation on buildings, equipment and other capital facilities of the Project on the date hereof, and in respect of any asset, shall be allowed upto 90% of the approved Capital Cost and shall cease so soon as its net book value equals the residual value i.e., 10 percent of its original cost as included in the Capital Cost.
- 1.27 **Designated Officer:** The Designated Officer in TSSPDCL and TSNPDCL shall be of the rank of a Financial Advisor & Chief Controller of Account (FA & CCA) and GM (F&A) or any other Officer designated by TSSPDCL and TSNPDCL for matters relating to Billing and Payment.
- 1.28 **Dispatch Instructions:** Dispatch Instruction shall be as mentioned in the Grid Code as per clause 1.24
- 1.29 **Duration of Agreement:** Duration of Agreement shall be 25 years from date of C.O.D of the Project.
- 1.30 **Due Date of Payment:** In case of a regular Monthly Bill due date of payment shall be within 60 (Sixty) days from the Billing Date and in case of a Supplementary Bill it shall be within 60 (Sixty) days from the presentation of the Supplementary Bill to the Designated Officer of TSSPDCL and TSNPDCL.
- 1.31 **Energy Certification Committee (ECC):** shall be the Body of the Designated Officers constituted at the headquarters by both the Parties to certify each Billing Month the Net Energy Sale by one Party to the other based the Monthly Meter Readings jointly recorded at the power house.
- 1.32 **Equity:** means the actual equity (including internal accruals) limited to 30 percent of Approved Capital Cost of the Project in Rupees and is used for the purposes of computation of ROE in fixed charges during the period of the Agreement.
- 1.33 **Escrow Agreement:** Shall have the meaning as ascribed in Annexure V.
- 1.34 **Grid Code:** Grid Code means the Code of Technical Interface (Grid Code) 2001 Revision 1, June 2001 as approved by APERC vide Proceedings No. APERC / Dir-Engg / Grid- Code/20 dated 26-05-2001 and adopted by TSERC Lr.No.TSERC No. L-01/DD LAW-1 Dt. 24-11-2014 as Regulation No.1 of 2014.





- 1.35 **Gross Calorific Value (GCV):** Gross Calorific Value means, in respect of coal and secondary fuel, heat produced in Kcal by complete combustion of one kilogram of solid fuel or one litre of liquid fuel, as the case may be.
- 1.36 **Income Tax:** Taxes on Income actually payable and paid shall be limited to Tax on Return on the Equity component of the RoCE, and exclusive of tax on profit, if any, in excess of such return, penalties, interest on delayed payment of tax etc., and duly adjusted for any refund etc. received for previous periods.
- 1.37 **Infirm power:** means electricity injected in to grid prior to the commercial operation of a unit or block of generating station.
- 1.38 **Installed Capacity:** means the summation of the name plate capacities of all the units of generating station or the capacity of the generating station (reckoned at the generator terminals) as approved by the commission from time to time.
- 1.39 **Installed Capacity Test:** In relation to any Generating Unit means any capacity test of such Generating Unit to be carried out pursuant to Annexure-II (Commissioning and Testing).
- 1.40 **Interconnection point:** Interconnection point means the point at the outlet side of HV feeder (including the feeders between the generating stations) breaker where the power plant and the grid are connected in the power plant switchyard.
- 1.41 **Interest on Working Capital:** The Interest on Working Capital shall be as per the TSERC Norms.
- 1.42 **Licensee:** Means a person, granted a licensee under section 14 of the Electricity Act, 2003.
- 1.43 **Maximum continuous rating:** It is in relation to unit of the thermal power generating station means the maximum continuous output at the generator terminals, guaranteed by the manufacturer at rated parameters, and in relation to a unit or block of a combined cycle thermal power generating station means the maximum continuous output at generator terminals, guaranteed by the manufacturer with steam injection and corrected to 50Hz grid frequency and specified site conditions.




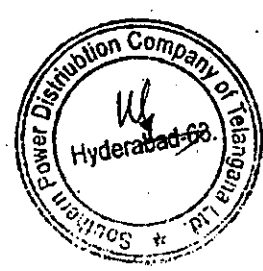
- 1.44 **Meter:** 'Meter' means a device suitable for measuring, indicating and recording consumption of electricity or any other quantity related with electrical system and shall include, wherever applicable, other equipment such as Current Transformer (CT), Voltage Transformer (VT) or Capacitor Voltage Transformer (CVT) necessary for such purpose;
- 1.45 **Metering Date:** Metering Date for the first calendar month will be Date of COD of each unit. Subsequent Metering Date will mean midday (12:00 hours) of the last day of each calendar month. However, the Metering Date of the Financial Year ends at 24:00 Hrs on 31<sup>st</sup> march of Subsequent year and so on.
- 1.46 **Monthly Bill:** Monthly Bill will have the meaning ascribed to it under Article 6 for Thermal Energy supplied under this Agreement.
- 1.47 **Net Electrical Energy:** It is the energy, supplied from SINGARENI THERMAL POWER PROJECT 2 x 600 MW Stage-I measured in kWh, at the point of interconnection in accordance with the provisions of Article 7.
- 1.48 **Plant Load Factor (PLF):**The Plant Load Factor in a Tariff Year expressed in percentage is:

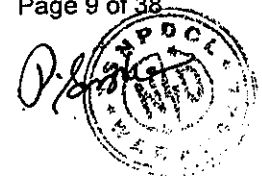
$$PLF = \frac{\text{Total net Electrical Energy measured at Interconnection Point} \times 100}{(\text{Installed Capacity of Thermal Power Station in MW}) \times (8760) \times (100 - A)}$$

Whereas A is the auxiliary consumption expressed in percentage of the thermal Power station.

- 1.49 **Project:** means the coal based Thermal Power Station namely Singareni Thermal Power Project (STPP) 2 x 600 MW Stage-I established at Pegadapalli Village, Jaipur Mandal, Adilabad District, Telangana State, India, having a design rated capacity of 2 x 600 MW and all facilities and related assets required for the efficient, economic and safe operation of the Power Station including, without limitation, any railway yard & equipment, coal handling and ash disposal facilities and sampling and testing facilities and infrastructure features where so ever situated;
- 1.50 **Prudent Utility Practices:** Prudent Utility Practices means the practices, methods, techniques, and standards that are generally accepted nationally and internationally from time to time and commonly used in the national and international electric utility industry for the operation and maintenance of equipment of the size and having the other characteristics of a Power Station in a safe, prudent and reliable manner consistent with the parameters for such operation and maintenance set forth in this Agreement, which practices, methods,

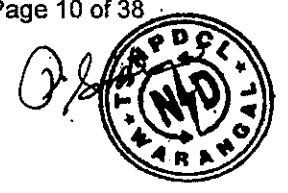
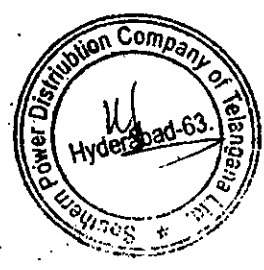
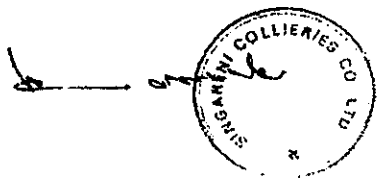
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techniques and standards shall be adjusted as necessary to take account of the requirements of Law, physical conditions at the site on which a Power Station is located and operation and maintenance guidelines of the manufacturers of plant and equipment incorporated in the Power Station which SCCL is required to follow in order to maintain in effect any warranties, guarantees or insurance policies relating thereto.

- 1.51 **Station Heat Rate:** Station Heat Rate means the quantum in Kilo Calories of input heat energy required by a Thermal Power Station to generate one Electrical Energy Unit at the Generator terminals, as per TSERC Regulations.
- 1.52 **Supplementary Bill:** Supplementary Bill will have the meaning ascribed to it in Article 6.
- 1.53 **Tariff Year:** Tariff Year shall be the financial year.
- 1.54 **TSERC:** means the Telangana State Electricity Regulatory Commission constituted under the Andhra Pradesh Reorganisation Act, 2014.



**Article 2: ALLOCATION, TRANSMISSION & WHEELING OF POWER**

**2.1 Installed Capacity:**

2.1.1 The Installed Capacity of Singareni Thermal Power Project Stage -1 is 1200 MW (2x600 MW).

2.1.2 The Project is being developed for the sale of 1200 MW power to TSSPDCL and TSNPDCL, excluding Auxiliary Consumption.

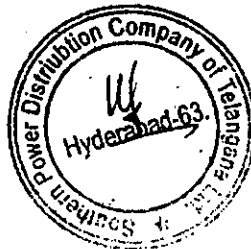
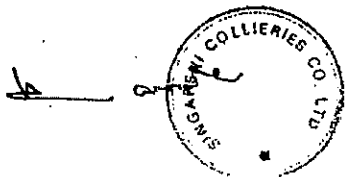
**2.2 Allocation of Capacity**

2.2.1 The Project is being developed for the sale of power to TSSPDCL and TSNPDCL in proportion of sharing as approved by Government of Telangana.

2.2.2 The allocation made from the Project by Government of Telangana or any other competent authority in favour of TSSPDCL and TSNPDCL shall be contracted capacity subject to signing of the agreement, opening of LC and providing appropriate payment security mechanism as provided at annexure V in this agreement. TSSPDCL and TSNPDCL shall draw electricity against the above contracted capacity limited to the amount of LC opened and maintained by it. SCCL shall intimate SLDC from time to time regarding the quantum of capacity TSSPDCL and TSNPDCL are eligible to draw

**2.3 Transmission / Wheeling of Electricity**

2.3.1 Sale of electricity shall be at the bus bars of the Project and it shall be the obligation and responsibility of TSSPDCL and TSNPDCL in coordination with TSTRANSCO to make the required arrangement for evacuation of electricity from such delivery points of the SCCL



**Article 3: SALE AND PURCHASE OF AVAILABLE ELECTRICAL CAPACITY AND ENERGY**

**3.1 Power Supplies by SCCL**

**3.1.1 Scheduling:** It is understood and agreed by and between the parties that SCCL shall operate the project as a base load station as per the manufacturers' guidelines, applicable grid operating standards, directions of the TSERC and relevant statutory provisions, as applicable from time to time. Methodology of generation scheduling shall be as per IEGC and TSERC appropriate regulations.

All charges / fees related to scheduling and despatch of electricity shall be borne by TSSPDCL and TSNPDCL.

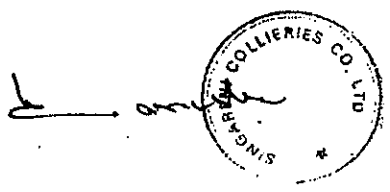
SCCL shall make declaration of the capacity at the busbars of the station after taking into account the capability of the station to deliver Ex-Bus which shall be considered while calculating Declared Capacity (DC)

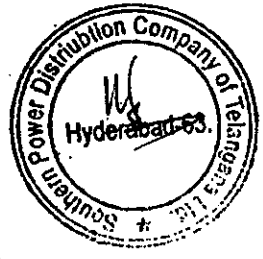
**3.1.2 Declared Capacity :** Declared Capacity or 'DC' means the capability of the station to deliver Ex-Bus electricity in MW declared by the station in relation to any period of the day or whole of the day, duly taking into account the availability of Coal as per the procedure laid down in IEGC

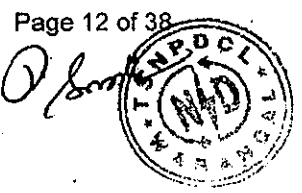
Notwithstanding the following, Station shall be deemed as available to the extent of DC declared by the station for any time period:

- (a) Failure on account of TSSPDCL and TSNPDCL to transmit and wheel electricity from the Ex-Bus of the station in coordination with TSTRANSCO
- (b) Any other reason not attributable to SCCL restricting scheduling and despatch of capacity at the Ex-Bus of the station

**3.2 Sale and Purchase of Infirm Power:** After Synchronization and prior to the COD of any Generating Unit, SCCL will sell and TSSPDCL and TSNPDCL will purchase all infirm power generated by that Generating Unit in proportion to the allocation made. TSSPDCL & TSNPDCL will reimburse SCCL the actual cost of all Coal & Secondary Fuel consumed for such generation.





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3.3 **Sale and Purchase of Declared Capacity and Net Electrical Energy:** From and after the Commercial Operation Date of the 1<sup>st</sup> Unit, subject to the provisions of this Agreement, SCCL shall sell, and TSSPDCL and TSNPDCL shall purchase, the entire Declared Capacity and all Net Electrical energy generated by the Unit / Project from the (2x600 MW) Power Project for the consideration set forth in this agreement.

The obligation of SCCL to sell capacity to the TSDISCOMs under this PPA shall, in each Settlement Period, be 80% of the declared capacity of the Unit / Project or to be revised as per TSERC tariff Regulations issued from time to time.

- (a) SCCL shall always inform, along with the Availability Declaration, the capacity committed to TSDISCOMs for each Settlement period.
- (b) **Net Electrical Energy:** Means the Energy Units actually delivered to TSSPDCL and TSNPDCL (TSDISCOMs) by SCCL pursuant to sale to TSDISCOMs of the capacity under Article 3 of this PPA, as computed at the Inter Connection Point, which point shall be the only point at which such Net Electrical Energy shall be computed under this Agreement.

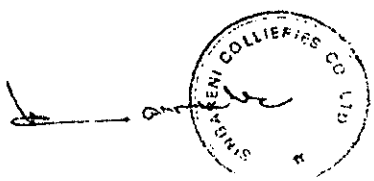
3.3.1 **Power Supplies by TSDISCOMS:**

Upon SCCL's request, TSDISCOMS shall provide electrical energy to SCCL for construction, start-up and maintenance, and also for commissioning of the Project. TSDISCOMS shall furnish a bill to SCCL for such power at a price equal to TSDISCOMS's published tariff for construction power during the construction and start-up period up to the COD of the Project.

After COD of the Project, Tariff Bills presented by SCCL to TSDISCOMS shall be on a net energy basis taking into account the power supplied by TSDISCOMS to the Project.

3.4 **Dispatch Instructions (DI):**

- 3.4.1 At 10.00 hours every day, SCCL shall DIRECTLY provide Capacity Notice to the SLDC, denoting the Unit-wise Hourly MW Availability (00.00 - 24.00 hours) on day ahead basis. TSDISCOMS shall in turn intimate the same day by 16.00 hours the Generation Schedule to SCCL for the following day with respect to all the Units of the Project that have declared Capacity Notice.



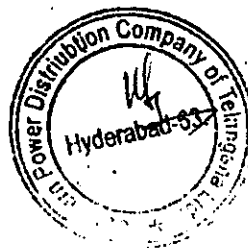
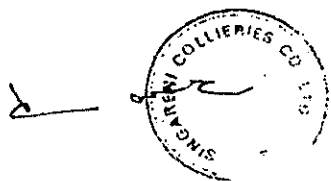
3.4.2 SCCL shall follow the SLDC's directives, to back down, increase or resume generation, decrease generation at times on a day, provided that such directives are consistent with the technical limits of the facility, Prudent Utility Practices or in accordance with discharge functions of SLDC. Number of Dispatch Instructions per day shall not exceed two. The duration of back down and quantum of energy backed down each day shall be reconciled and certified by both SCCL (at Station level) and SLDC on monthly basis.

3.4.3 Nothing contained in this Agreement shall be construed to require SCCL to operate the facility, at any time, including emergency, inconsistent with Prudent Utility Practices and the Technical Limits in any manner.

3.4.4 Backing down limits of units:

For Singareni thermal Power Project, TSDISCOMs capacity shall not be backed down more than the limit of 35.00% of 1200 MW capacity allocated to TSDISCOMs.

In absence of any dispatch instructions from TSTRANSCO, the Units will operate according to the day ahead capacity notice furnished by SCCL.



## Article 4: GENERATION TARIFF

### 4.1 Terms and Conditions

4.1.1 The tariff for the electricity supplied from the Project would be as determined under the tariff regulations of TSERC and tariff order thereof from time to time

4.1.2 Tariff for sale of electricity from the Project would be based on prevailing TSERC Regulations time to time.

4.2 **Capacity Charges (Fixed Charges):** SCCL shall claim the Annual Fixed Charges as approved by TSERC for each Tariff Year. The Annual Fixed Charges shall be computed as per TSERC norms and regulations and shall comprise of the following

- a) Return on capital employed (RoCE)
- b) Depreciation
- c) O&M expenses
- d) Taxes on Income as per actuals

4.2.1 **Capital Cost:** The capital cost of the Project shall be taken as Rs.8250.00 crores (provisional) as per Annexure-I.

4.2.2 **The Operation & Maintenance Charges:** The Operation & Maintenance and Insurance Expenses (O&M) for 600 MW sets would be as per the latest norms or regulations issued by TSERC.

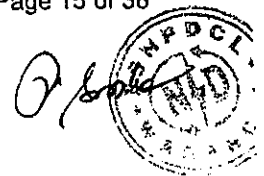
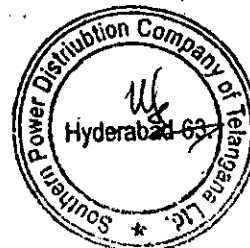
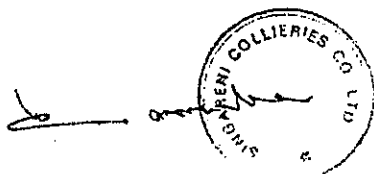
4.2.3 **Interest on Working Capital:** Interest on Working Capital shall be calculated as per TSERC norms / regulations from time to time.

4.2.4 **Debt-Equity ratio:** The debt-equity ratio as on the date of Commercial operation shall be taken as 70:30 for determination of tariff irrespective of the actual quantum of debt and equity.

4.2.5 **Recovery of Fixed Charges:**

(a) Annual Fixed Charges shall be computed for 100% after the Unit is declared for commercial operation date.

(b) When the actual Capital Cost of project is finalized, the amount of any over payment or under payment relative to the Approved Capital Cost shall be refunded or paid (as the case may be) in twelve equal payments at the time of the payment of the next twelve monthly bills for Tariff payments after such finalization.





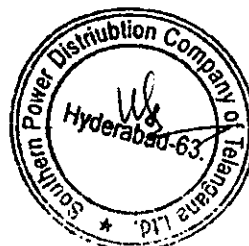
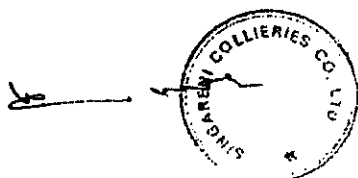
- (c) Target availability of the unit for recovery of full fixed charges shall be 80%.
- (d) One-twelfth of the full "Annual Fixed Charges", computed pursuant to this Article 4 shall be claimed through the "Monthly Bill", on every Recovery month of a Financial Year.

SCCL shall receive full Annual Fixed Charges if Availability in the Tariff Period or Tariff Year is not less than 80%. If Availability is less than 80%, Fixed Charges shall be allowed on pro-rata basis.

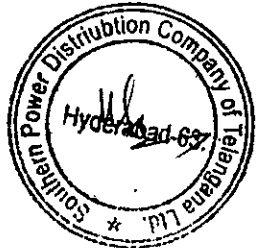
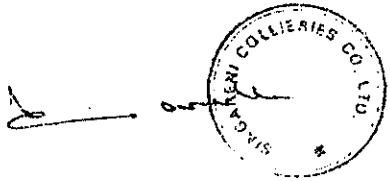
- 4.2.6 **Deemed Generation:** Stoppage of generation due to problems in Power evacuation for Generating stations shall be treated as Deemed Generation for the purpose of computation of availability for payment of fixed charges. In case of shortage of fuel, TSSPDCL, TSNPDCL and SCCL will decide and finalise in consultation with Coal Companies at that time.
- 4.3 **Variable Charge:** For any Billing Month, the Variable Charge component of the Tariff (comprising cost of Coal and Secondary Fuel Oil) shall be determined as per annexure-III

Variable Charges consists of cost of coal & oil. Landed cost of coal and oil shall include Transit and handling charges, royalty on coal, taxes, duties as applicable. Transportation cost by rail/road or any other means and energy charges shall be arrived after considering transit & Windage losses as given in Annexure-IV. Variable charges shall be paid based on the computation as per Annexure-III. Variations, if any, in delivered cost of coal & oil consequent to raising of initial bill shall be adjusted. For claiming such revision, SCCL will raise supplementary Bills.

- 4.4 **Operating parameters:** The values of Operating parameters like Station Heat Rate, Auxiliary power consumption and specific consumption of secondary fuel oil for the duration of the PPA shall be as per prevailing TSERC Regulations from time to time.
- 4.5 **Incentive:**
- (a) Target plant load factor for incentive shall be 80%.
- (b) Incentive shall be payable at a flat rate of 25 paise/kwh for ex-bus scheduled energy corresponding to scheduled generation in excess of ex-bus energy corresponding to target Plant Load Factor.



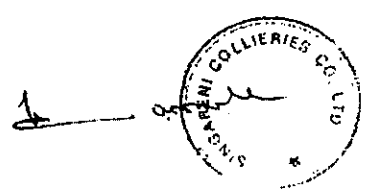
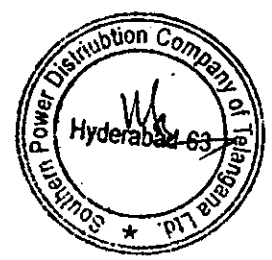
- 4.6 **General:** Any changes in TSERC regulations that may occur in future shall be applicable for all operating norms or any other parameters. For anything not covered in this agreement, TSERC regulations will be applicable.
  
- 4.7 **Commercial Operation Date or COD:** COD in relation to a generating unit means, the date declared by the generating company after demonstrating the maximum continuous rating (MCR) or the installing capacity (IC) through a successful trial run after notice to the beneficiaries, and in relation to the generating station means, the date of commercial operation of the last unit.



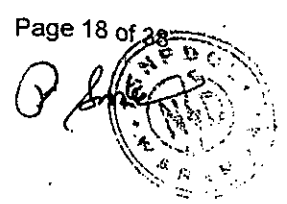
**Article 5: TAXES, LEVIES, DUTIES, ROYALTY, CESS ETC**

- 5.1 **Levies, Taxes, Duties, Cess:**The above Tariff is exclusive of any statutory taxes, levies, duties, cess or any other kind of imposition (s) whatsoever imposed/charged by any Government (Central/State) and/ or any other local bodies/authorities on generation of electricity including auxiliary consumption or any other type of consumption including water, transmission, environment protection, sale or on supply of power/ energy and / or in respect of any of its installations associated with Generating Stations and/or on Transmission System.
- 5.2 The total amount of such levies/taxes/ duties/ cess etc. payable by SCCL to the authorities concerned in any month on account of the said levies/taxes/duties/cess etc. as referred to above shall be borne and additionally paid by TSSPDCL and TSNPDCL to SCCL.
- 5.3 Incidence of income tax liability on project income limited to the extent of RoE as per the provisions of the Income Tax Act applicable from time to time shall be recovered from TSSPDCL and TSNPDCL duly certified by Statutory Auditors of SCCL.
- 5.4 **Income Tax:** Incidence of tax liability on SCCL as per Income Tax Act in force from time to time shall be payable in addition to the amount as per the Tariff Bill by TSSPDCL and TSNPDCL duly certified by the Auditors of SCCL. However the tax payable on project income exceeding the Return on Equity will not be charged to TSSPDCL and TSNPDCL. If any advance income tax is payable by SCCL in any month, SCCL shall submit a bill to TSSPDCL and TSNPDCL supported by a certificate of its chartered accountant at least 20 (twenty) days before the due date of such payment. TSSPDCL and TSNPDCL shall pay to SCCL an amount equal to such advance tax within ten (10) days from the receipt of such Bill. After the tax assessment is completed for any year, if any, balance tax amount is payable by SCCL, TSSPDCL and TSNPDCL shall pay such balance tax within 15 days of demand by SCCL. In case the tax authority refunds any amounts to SCCL including interest thereon, SCCL shall promptly make an appropriate refund to TSSPDCL and TSNPDCL.
- 5.5 Income Tax applicable for the sale of power under this agreement shall be governed by the applicable TSERC regulations and the parties agree to abide by and comply such regulations.

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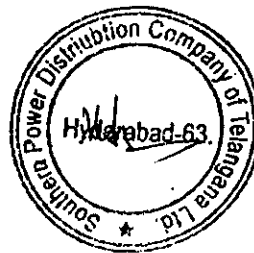
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## Article 6: BILLING AND PAYMENT

### 6.1 Billing:

- 6.1.1 All charges for supply of Electricity under this Agreement shall be billed by SCCL as determined time to time by the TSERC and/ or any other Competent Authority and the same shall be paid by TSSPDCL and TSNPDCL in accordance with the following provisions:
- 6.1.2 SCCL shall present the bills for electricity supplied to TSSPDCL and TSNPDCL from the Project for the previous month based on Energy Account issued by Telangana State Load Dispatch Centre or any other Competent Authority as per TSERC regulations applicable from time to time.
- 6.1.3 Billing Centre of SCCL shall carry out billing and associated functions. SCCL would submit the bills to the officer to be nominated by TSSPDCL and TSNPDCL
- 6.1.4 The Monthly Bill for the Project shall include the Charges for Supply of Electricity under this Agreement, taxes, duties, cess etc including additional bills for the past period (s) on account of orders of TESERC/ Appellate Tribunal for Electricity/ Other Courts/ Other Competent Authority (ies). If for certain reasons some of the charges which otherwise are in accordance with this Agreement, cannot be included in the main Monthly Bills, such charges shall be billed as soon as possible through Supplementary Bill(s).
- 6.1.5 TSSPDCL and TSNPDCL shall arrange payment of such Monthly Bill (s) / Supplementary Bill (s) promptly through irrevocable Letter of Credit at the designated account of SCCL or through RTGS. The date of transfer of payment to SCCL account shall be considered as the date of payment for computation of rebate or late payment of surcharge in respect of such payment. The bill (s) of SCCL shall be paid in full subject to the condition that -
- i. there is no apparent arithmetical error in the bill (s)
  - ii. the bill (s) is /are claimed as per the notified / agreed tariff
  - iii. they are in accordance with energy accounts issued by Telangana State Load Dispatch Centre or any other Competent Authority as per TSERC regulations applicable from time to time.



6.1.6 All payments made by TSSPDCL and TSNPDCL shall be appropriated by SCCL for amounts due from TSSPDCL and TSNPDCL in the following order of priority:

- i. towards Late Payment Surcharge, payable if any
- ii. towards earlier unpaid bill (s) if any; and
- iii. towards the statutory dues like, other tax, royalty etc in the current bill (s).

6.1.7 In case TSSPDCL and / or TSNPDCL dispute any amount, even then, it shall pay 95% of the disputed amount forthwith and file a written objection with SCCL within 30 days of presentation of the bill, giving following particulars:

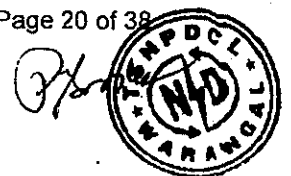
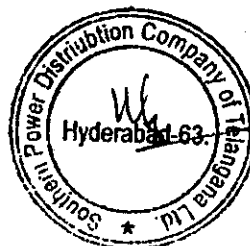
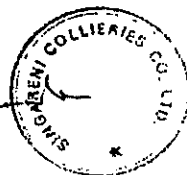
- i. Item disputed, with full details / data and reasons of dispute
- ii. Amount disputed against each item

Provided that non acceptance of tariffs determined / approved by TSERC shall not be a valid ground for dispute

6.1.8 The amount of excess / shortfall with respect to the said 95% payment based on finally determined amount in line with Article 6 shall be paid / adjusted with the applicable interest @ 15% per annum from the date on which the amount in dispute was payable / refundable

6.1.9 **Monthly Bill:** On or before each Billing Date, SCCL shall submit to TSSPDCL and TSNPDCL a Monthly Bill based on (a) meter reading (taken pursuant to Article 7) that has either been signed by both Parties or certified by SCCL with respect to TSSPDCL and TSNPDCLs' refusal to sign within five days of the Metering Date and (b) the Tariff, which will set out the monthly Fixed Charges and the monthly Variable Charges with respect to the Project covered under this Agreement.

6.1.10 Each Monthly Bill for a Billing Month shall be payable by TSSPDCL and/or TSNPDCL in accordance with this Agreement on or before the Due Date of Payment., which will be the date 30 days from the date of presentation of the Tariff Bill to the Designated Officer of TSSPDCL and TSNPDCL.



6.2 **Supplementary Bills:** Any amount due to SCCL by TSSPDCL and/ or TSNPDCL under this Agreement other than amounts set out in a monthly Tariff Bill shall be payable within thirty (30) days after presentation of Supplementary Bill(s) by SCCL to TSSPDCL and /or TSNPDCL. This will include, but not be limited to the following:

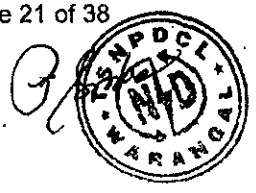
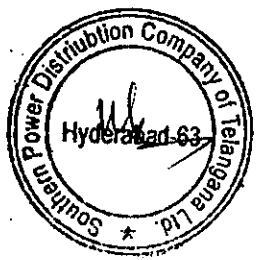
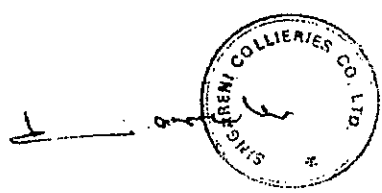
- i. Claims for Income Tax.
- ii. Claims for increased costs, if any
- iii. Statutory Duties, Taxes, Cess, Levies, fee, Royalty, etc.
- iv. Monthly Tariff Adjustments
- v. Water charges, NALA charges, etc.
- vi. Any claims of Central/State/Local authorities/Bodies, etc.
- vii. Any other claim admissible under this Agreement.

6.3 **Payment mechanism:** The bills shall be presented to the Designated Officer of TSSPDCL and TSNPDCL for payments. Payments by TSSPDCL and TSNPDCL for such bills raised by SCCL shall be made within 60 days through revolving Letter of Credit (LC) or through RTGS. LC is to be opened in favour of SCCL to cover one month receivables valid for the term of the PPA. All LC charges shall be to TSSPDCL and TSNPDCL account. Escrow to cover one month receivables valid for the tenure of the PPA as per the procedure indicated in the Annexure-V.

6.3.1 **Rebate on payment through LC:** For payment of bills through a letter of credit or through RTGS on presentation, the SCCL and TSSPDCL and TSNPDCL agreed to a maximum rebate of 2 percent of the bill amount. If the payments are made within one week of presentation of the bill, the SCCL and TSSPDCL and TSNPDCL agreed to a maximum rebate of 1.25 percent of the bill amount as per TSERC regulations applicable from time to time.

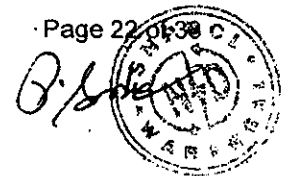
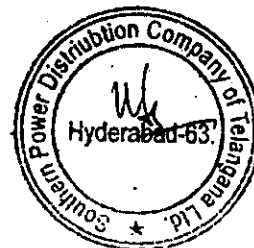
6.3.2 **Surcharge Due on Late Payment:** In case the payment by TSSPDCL and TSNPDCL is delayed beyond a period of 60 days from the date of billing, late payment surcharge at the rate of 1.25% per month or part thereof shall be levied by SCCL to TSSPDCL and TSNPDCL

6.3.3 **Rebate and Late payment surcharge shall be as per terms and conditions of tariff issued by TSERC as applicable from time to time. No rebate shall be payable on the bills raised on account of taxes, duties, royalty/ cess etc**



## Article 7: METERING

- 7.1 The interface meters, viz. Main and Standby meters, of 0.2S accuracy class shall be installed and maintained by SCCL in coordination with TSTRANSCO, TSDISCOMS as per Central Electricity Authority (Installation and operation of meters) Regulations 2006 as amended from time to time (or) as notified by TSERC and Check meter of 0.2S accuracy class shall be installed and maintained by TSDISCOMS. Cost of the main meter, standby meter and charge for all types of testing and calibration will be borne by SCCL and those of check meter by TSSPDCL and TSNPDCL.
- 7.2 The main and check meters shall be installed on outgoing feeders and the Standby meters on HV side of Generator Transformers and Station Auxiliary Transformers.
- 7.3 The interface meters and the associated CTs and VTs/CVTs shall be got tested for FACTORY ACCEPTANCE TESTS as per relevant IS/IEC and for ACCURACY at an NABL accredited laboratory in presence of representatives of TSTRANSCO and TS DISCOMS for ensuring their healthiness and accuracy respectively.
- 7.4 The interface meters shall be tested at the time of installation at site for accuracy using standard reference meter of better accuracy class than the meter under test.
- 7.5 All the interface meters shall be sealed by SCCL and TS DISCOMS. Whenever seals have to be removed for any reason, advance notice shall be given to other party for witnessing the removal of seals and resealing. The breaking and resealing of the meters shall be recorded by the party, who carried out the work, in the meter register, mentioning the date of removal and resealing, serial numbers of the broken and new seals and the reason for removal of seals.
- 7.6 **Half yearly Checks:** All the interface meters shall be checked for accuracy half yearly by TS DISCOMS and shall be treated as working satisfactorily so long as the errors are within the limits prescribed for meters of the specific class. SCCL shall extend required coordination and attend for the check test.
- 7.7 **Yearly Test for Accuracy:** SCCL shall get the main and stand by interface meters tested at an NABL accredited laboratory once in every year in the presence of representatives of both TSTRANSCO and TS DISCOMS. TSDISCOMS shall get the check interface meters tested at an



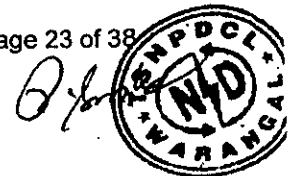
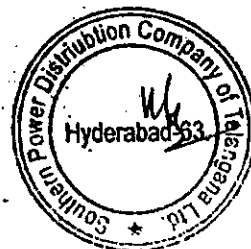
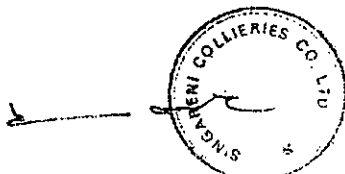
NABL accredited laboratory once in every year in the presence of representatives of both TSTRANSCO and SCCL.

7.8 SCCL shall install AMR modules for the interface meters to enable online transmission of meters' data to TSTRANSCO/TSDISCOMS.

7.9 SCCL shall provide Data Acquisition System ("DAS") facility compatible with TSLDC's Supervisory Control and Data Acquisition ("SCADA") system in consultation with TSLDC for transfer of real time data to SLDC as per IEGC 2010.

7.10 Monthly meter readings of main, check and standby meters shall be jointly taken (and a joint acknowledgement thereof signed) by the authorised representatives of SCCL, TSTRANSCO, and TSDISCOMS at an agreed time on each Metering Date and also the load survey data shall be downloaded through MRI. Whenever difference between the readings of main meter and check meter for any month is more than the limit specified in CEA metering regulations 2006, as amended from time to time, corrective measures shall be taken as mentioned therein. Whenever difference between the readings of main meter and standby meters for any month is more than 1.2%, procedure prescribed as in case of main & check meters shall be followed.

7.11 Readings of the main meter shall form the basis of billing. In case of failure of main meter or if the error of main meter is beyond the permissible limits, billing for the month shall be done on the basis of the readings of check meter and the main meter shall be replaced immediately. In case of failure of both main meter and check meter billing for the month shall be done based on the readings of standby meters and the main and check meters shall be replaced immediately.



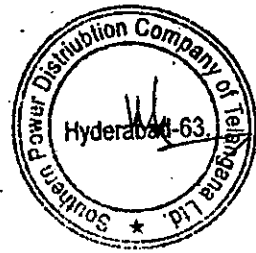
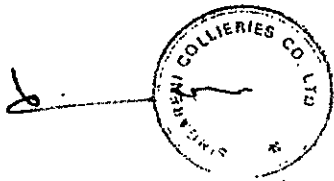


**Article 8: CHANGE IN LAW**

8.1 **Change in law:** In the event of any new law, regulation or tax or in the event of any change, amendment, modification or repeal of any law, regulation or tax (including without limitation, any withholding taxes, cess, duties, environmental taxes, sales taxes, property taxes, import fees or assessments) of any Government Authority after the date of effectiveness of this agreement, detrimentally or beneficially affects SCCL, then SCCL shall send a notice in writing to TSSPDCL and TSNPDCL regarding such an event and both parties shall meet and endeavour to agree to an amendment to this agreement to pass on the impact of such an event to TSSPDCL and TSNPDCL, which shall be settled through supplementary invoice. If within 90(ninety) days after such notification, the parties are unable to reach agreement on such amendment, or in the event that an agreement to amend has been reached but no amendment has been executed within 30 (thirty) days after reaching of such agreement to amend, either party shall have the right to commence the dispute resolution procedures set forth in Article 12 to determine the appropriate amendment to this agreement.

**Article 9: IMPLEMENTATION OF THE AGREEMENT**

9.1 All discretions to be exercised and directions, approvals, consents and notices to be given and actions to be taken under these provisions unless otherwise expressly provided herein, shall be exercised and given by the signatories to this Agreement or by the authorized representative(s) that each Party may nominate in this behalf and notify in writing to the other Party by Registered Post with Acknowledgement due. Any other nomination of authorized representative (s) shall be informed likewise in writing to / by TSSPDCL and TSNPDCL within one month of signing of the Agreement. Notwithstanding any nomination, the Chairman & Managing Director / SCCL or his authorized representatives at its Registered Office shall be authorized to act for and on behalf of SCCL.



**Article 10: DURATION OF THE AGREEMENT**

10.1 The Agreement shall come into effect for all purposes and intent from the date of signing of the Agreement.

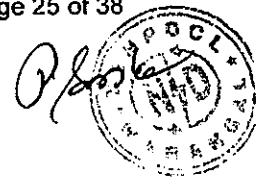
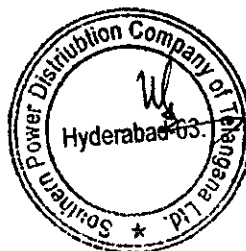
Subject to the establishment and continuance of payment security as envisaged under Annexure V to the satisfaction of SCCL, Agreement shall remain operative up to completion of twenty five (25) years from the date of commercial operation of last unit of the Project, unless it is specifically extended on mutually agreed terms.

This Agreement may be extended, renewed, amended or replaced by another Agreement, on or before the expiry of this agreement, on such terms and for such further period of time as the Parties may mutually agree subject to prior consent of Telangana State Electricity Regulatory Commission (TSERC).

**Article 11: FORCE MAJEURE**

11.1 No party shall be liable for any claim for any loss or damage whatsoever arising out of failure to carry out the terms of the Agreement to the extent that such a failure is due to force majeure events such as war, rebellion, mutiny, civil commotion, riot, strike, lock-out, forces of nature, accident, act of God and any other reason beyond the control of concerned party. But any party claiming the benefit of this clause shall reasonably satisfy the other party of the existence of such an event and give written notice within a reasonable time to the other party to this effect. Generation/drawal of power shall be started as soon as practicable by the parties concerned after such eventuality has come to an end or ceased to exist.

The Generator is entitled to claim only fixed charges and cannot claim any consequent losses during Force Majeure Period



**Article 12: ARBITRATION**

12.1 All differences or disputes between the parties arising out of or in connection with this Agreement shall be endeavoured to be settled amicably through negotiation between the Chief Executives of the respective parties within 90 days, failing which shall be settled through arbitration as provided herein.

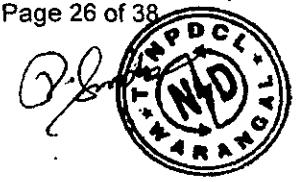
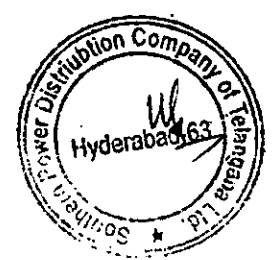
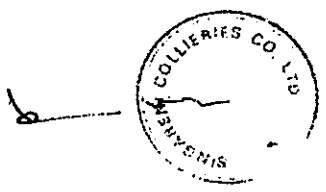
In the event of any such differences or disputes between the parties, any party may by a written notice of 30 days to the other party request Telangana State Electricity Regulatory commission (TSERC) to settle such disputes. The same shall be dealt as per the provisions of Electricity Act 2003. The place of Arbitration shall be at Hyderabad.

**Article 13: GENERAL**

13.1 Agreement final and complete: This Agreement contains the full and complete understanding between the parties and supersedes all prior arrangements and understandings whether written or oral appertaining to the subject matter of this Agreement and may not be varied except by an instrument in writing signed by all of the parties to this Agreement. No representations or promises not expressly contained in this Agreement have any effect of modifying this Agreement.

13.2 Waiver: If any provision of this Agreement shall be adjudged by a court to be unlawful void or unenforceable such provision shall to the extent required be severed from this Agreement and rendered ineffective as far as possible without modifying the remaining provisions of this Agreement and shall not in any way affect any other circumstances or the validity or enforcement of this Agreement.

No failure or delay on the part of the parties to this Agreement relating to the exercise of any right power privilege or remedy provided under this Agreement shall operate as a waiver of such right power privilege or remedy or as a waiver of any preceding or succeeding breach by the other party to this Agreement nor shall any single or partial exercise of any right power privilege or remedy preclude any other or further exercise of such or any other right power privilege or remedy provided in this Agreement all of which are several and cumulative and are not



exclusive of each other or of any other rights or remedies otherwise available to a party at law or in equity.

13.3 **Circumstances not covered in this Agreement:** The parties acknowledge and accept that it has not been possible to envisage all the circumstances that may arise in the course of the dealings between the parties and therefore it has not been possible to provide for all such eventualities. In the course of the implementation of the Agreement the parties may be faced with matters which have not been expressly dealt with in this Agreement.

The parties shall discuss and find an appropriate solution to such matters amicably and parties shall act on best endeavour basis keeping in view the interest of both the parties. If the parties are unable to arrive at a settlement, the matter shall be referred to arbitration in accordance with Article 12 and the decision of the arbitrator(s) shall be final and binding on the parties.

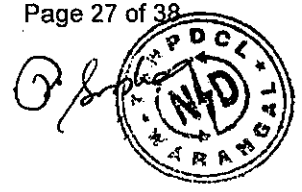
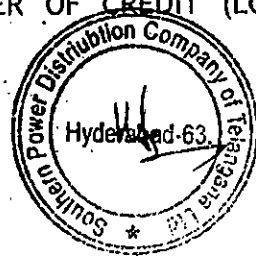
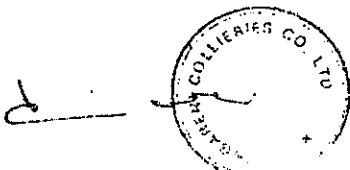
**ARTICLE 14: NOTICE**

14.1 All notices required or referred to under this Agreement shall be in writing and signed by the respective authorized signatories of the Parties mentioned herein above, unless otherwise notified. Each such notice shall be deemed to have been duly given to the other Party if delivered or served by Registered Post/Speed Post or by any other mode with an acknowledgement in terms of Article 9.

**ARTICLE 15: ASSIGNMENT**

15.1 In case the functions of TSSPDCL and TSNPDCL are reorganized and /or this Agreement is assigned to other organization (s) / agency (ies), party or wholly, the Agreement shall be binding mutatis mutandis upon the successor Distribution / Trading Organisation (s) / agency (ies) / entities and shall continue to remain valid with respect to the obligations of the successor organization (s) / agency (ies) is / are owned or controlled by the Government of Telangana.

15.2 In the event the functions of TSSPDCL and TSNPDCL are reorganized and / or privatized or this Agreement is assigned to Private Organisation (s) / agency (ies), partly or wholly, TSSPDCL and TSNPDCL shall ensure that the agreements namely 'Escrow Agreement' and 'Agreement to Hypothecate Cum Deed of Hypothecation' as mentioned at Annexure V under ESTABLISHMENT OF LETTER OF CREDIT (LC) AND PAYMENT



SECURITY MECHANISM are signed by the assignee before assignment of this Agreement.

- 15.3 Only such of the successor entities who fulfill the above requirements and execute the requisite documents as above shall be termed as the permitted assigns
- 15.4 In other cases, SCCL shall have the right to terminate this Agreement. In the event of termination of this Agreement, TSSPDCL and TSNPDCL shall be liable and continue to pay the Capacity Charges each month till firm arrangement for sale of TSSPDCL's and /or TSNPDCL'S share with alternate customers substituting the TSSPDCL and TSNPDCL is tied up.
- 15.5 For the purpose of obtaining financing for the Project, SCCL may assign or create security over its rights and interests under or pursuant to this Agreement to any one or all the lenders of this Project.

IN WITNESS WHEREOF THE PARTIES HAVE SIGNED THIS AGREEMENT ON THE DAY, MONTH AND YEAR FIRST WRITTEN ABOVE.

For and on behalf of  
THE SINGARENI COLLIERIES COMPANY  
LIMITED

*[Signature]*  
**DIRECTOR (E&M)**  
 The Singareni Collieries Co. Ltd.,  
 (A Government Company),  
 KOTHAGUDEM - 507 101 (A.P.)

For and on behalf of  
TSDISCOMS

*[Signature]*  
*(K. S. ABASA)*  
 Chief General Manager (Commercial)  
 TSSPDCL, Corporate Office,  
 6-1-50, Mint Compound, Hyderabad-63.  
 TSSPDCL

2. *[Signature]*  
 18/11/2016  
**R. SANDHYA RANI,**  
 Chief General Manager  
 IPC & RAC TSNPDCL,  
 Warangal.

TSNPDCCL  
In the presence of

1. *[Signature]*  
 18/11/16  
 SMD (Fin, Comm. & Vtg.)  
 TETRA TECH PRIVATE LIMITED  
 HYDRABAD

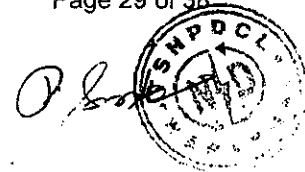
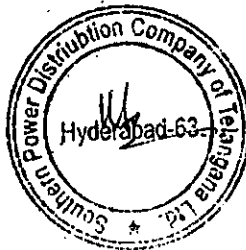
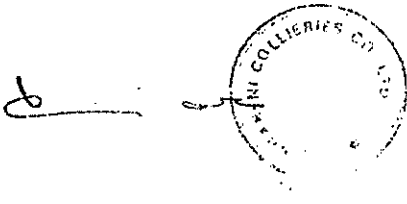
In the presence of

1. *[Signature]*  
 GM (A&P)



## ANNEXURE-1

SINGARENI THERMAL POWER PROJECT (2X600MW)		
DETAILS OF PROJECT COST		
Sl.No	Description	Rs. Crores
1	Total BTG Package	3681.22
2	Total Cost of BoP	916.01
3	Total Cost of SCCL Scope Works	1002.48
4	Erection, Testing and Commissioning including insurance	
4.1	BTG	439.74
4.2	BoP	154.00
5	Taxes, Duties, Freight & Insurance	860.05
6	Contingencies	38.00
7	Establishment Costs	55.00
8	Consultancy & Engineering	127.00
9	Start up Fuel	40.00
10	Operator training	1.50
11	Financing Expenses	10.00
12	Interest During Construction	925.00
	Total Cost	8250.00



ANNEXURE-II

COMMISSIONING & TESTING

1. Commissioning and Testing

1.1 Guidelines

The commissioning of the Project will require satisfactory performance of a number of tests prescribed to demonstrate conformance with regulatory requirements.

An Installed Capacity Test shall be carried out during the Reliability Run as defined in the "Tests on Completion" in the EPC Contract entered into, or to be entered into, by SCCL for the purposes of the Project.

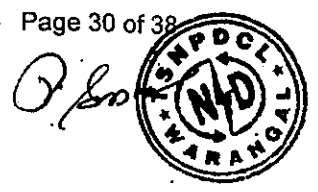
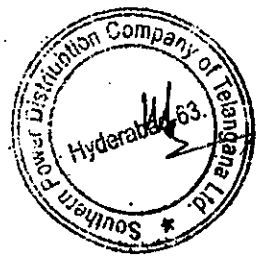
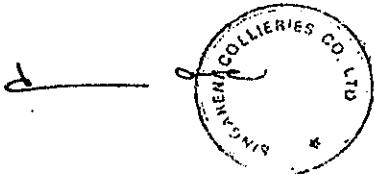
SCCL shall give TSSPDCL and TSNPDCL at least fifteen (15) days prior written notice of the date on which the Installed Capacity Test will commence.

SCCL, TSSPDCL and TSNPDCL shall designate representatives to witness and observe the test. The Generating Unit shall be operated within the manufacturer's specified limits and in accordance with Prudent Utility Practices for the duration of the test.

1.2 Test Conditions - General Considerations

The Installed Capacity Test shall be designed and carried out in accordance with standard ASME PTC 6 - Turbo-Generators.

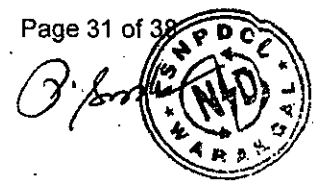
- (i) The Installed Capacity Test will be run under any and all ambient conditions (temperature, humidity etc) that may exist during the time of the Installed Capacity Test, and no corrections in final generator gross output will be allowed as a result of prevailing ambient conditions.
- (ii) The fuel will be within the range of the fuel specification in the Coal Supply Agreement (CSA). In addition, the ability of the Power Station to meet rated capacity with fuel of the lowest quality permitted under the CSA will be demonstrated.
- (iii) Correction curves will be used if Grid operation during the Installed Capacity Test exceeds the Grid Technical Limits.



- (iv) The Installed Capacity Test shall be deemed to have demonstrated the gross generation capacity of the Generating Unit under all design conditions and therefore no adjustments shall be made on account of fuel quality or ambient conditions.
- (v) Electrical system Characteristics Test shall demonstrate the Project's ability to operate within the limits of the electrical system characteristics. Electrical system characteristics compliance shall be deemed to be achieved in case of:
  - (a) Voltage provided the Project operates within the nominal voltage levels of the Grid for the duration of the Installed Capacity Test. If during the test, voltage tests cannot be performed due to Grid constraints, data supplied from tests of the generator step-up transformers and generator supplied by the manufacturers shall be used to establish the ability of the Project to operate within the specified voltage limits.
  - (b) Grid frequency provided the Project operates within the nominal frequency levels for the duration of the Installed Capacity Test.
  - (c) Power factor, provided the Project operates within the power factor range for the duration of the Installed Capacity Test. If, during the Installed Capacity Test, power factor tests cannot be performed due to Grid constraints, data supplied from tests of the generators and the generator step-up transformers supplied by the manufacturers shall be used to establish the ability of the Project to operate within the specified voltage limits.

Electrical output shall be measured at the generator terminals using test class instruments with an overall measurement uncertainty of  $\pm 0.5\%$  (utilizing meters of class 0.2S accuracy) as per ASME PTC 19.1. The metering system shall be capable of measuring instantaneous output (MW), hourly average power (MW) and the integrated energy over the relevant test period (MWh).

The generating Unit shall not be treated as passing its Installed Capacity Test unless it has demonstrated an Installed Capacity of at least equal to 540 MW.





**1.3 Installed Capacity Test**

For each generating Unit, Installed Capacity Test shall be carried out at maximum continuous rating over a continuous period of seventy-two (72) hours for determination of installed capacity of the unit. Provided that if any Generating Unit's Installed Capacity is determined to be higher than 600 MW, including if any permitted retest shall result in such Generating Unit's Installed Capacity being higher than 600 MW, then the Installed Capacity of such Generating Unit shall be limited to 600 MW and shall apply for the purpose of calculation of PLF.

A Generating Unit shall not be rejected by TSDISCOMs on the grounds of the installed Capacity test being demonstrated, at less than 540 MW inspite of the best efforts made by SCCL.

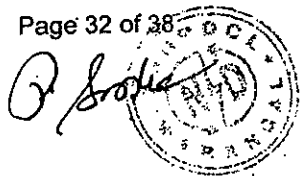
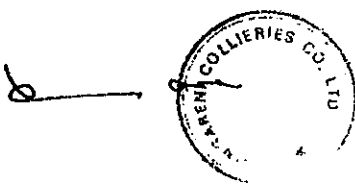
**1.4 Test Results**

**1.4.1** Within five (5) Days after the conclusion of the Installed Capacity Test SCCL shall submit a written report to TSSPDCL and TSNPDCL which shall contain:

- (i) details of the results of the tests including sufficient data to demonstrate that all requirements of the Installed Capacity Test and the Electrical System Test have been met;
- (ii) if a Generating Unit has passed the Installed Capacity Test for the purposes of COD, the date and time for commencement of Commercial Operation for each of such Generating Units for the purposes of this Agreement.

**1.4.2** If TSSPDCL and / or TSNPDCL dispute any or all of the results contained in the report provided by SCCL pursuant to paragraph 1.4.1 above then TSSPDCL and / or TSNPDCL shall initiate the Informal Dispute and Arbitration detailed in Article 12 of this Agreement.

**1.4.3** Energy generated during testing and commissioning: At all times after the Scheduled Date of Synchronisation of each Generating Unit, TSSPDCL and TSNPDCL shall accept all electrical output produced by such Generating Unit during start-up, commissioning and testing performed pursuant to Article 3 of this Agreement.



ANNEXURE - III

COMPUTATION OF VARIABLE CHARGES

Variable Charge =  $V_c * E$

$$V_c = \frac{100 \{ P_p \times (Q_p)n + P_s \times (Q_s)n \}}{(100 - (AUXn))}$$

Where,

- Pp = Landed cost of primary fuel namely coal or lignite or gas or liquid fuel in Rs/Kg or Rs/cubic-metre (m<sup>3</sup>) or Rs./litre, as the case may be
- (Qp)n = Quantity of primary fuel required for generation of one kWh of electricity at generator terminals in Kg or litre or m<sup>3</sup>, as the case may be, and shall be computed on the basis of normative Gross Station Heat Rate (less heat contributed by secondary fuel oil for coal/lignite based generating stations) and gross calorific value of coal/lignite or gas or liquid fuel as fired.
- Ps = Landed cost of Secondary fuel oil in Rs./ml
- (Qs)n = Normative Quantity of Secondary fuel oil in ml/kWh as per TSERC norms, and
- AUXn = Normative Auxiliary Energy Consumption as percentage of gross generation

The monthly Variable Charge to be shown in the Monthly Thermal energy Bill will be the aggregate of the Variable Charge calculated for each of the Thermal Power Stations, i.e.,

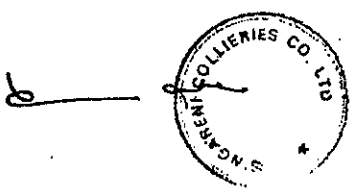
Monthly Variable Charge in Thermal Tariff Bill

$$= V_c * E$$

Where

V<sub>c</sub> = Variable Charge per unit calculated pursuant to this article.

E = Net Electrical Energy in kWh delivered at the Interconnecting point.



ANNEXURE-IV

COMPUTATION OF DELIVERED COST OF COAL - THERMAL PLANTS

1. **Weight of Coal:** In terms of the then APERC's Order dt. 24.03.03 (Para 122), the cost of coal lost in transit, windage & shrinkage etc., needs to be factored into the Variable charge since SCCL has little control over such loss. Thus the weight of coal received for each Thermal Power Station for the purpose of calculating Weighted Average Delivered Cost of Coal will be the actual weight of coal received at the Thermal Power Station, i.e., it will be the weight of coal supplied by the supplier reduced by the quantity lost in transit, windage & shrinkage, etc. This loss shall however be limited to 0.2% or actual whichever is less.
2. **Cost of Coal:** Total Cost of Coal\* delivered at each Thermal Power Station shall constitute the price paid to the coal supplier, all incidental duties and taxes paid to the State or Central Government and cost of optimal transportation.  
\* Cost of coal means at which Coal is transported and priced for respective grades as per SCCL's Coal Marketing Department.
3. **Weighted Average Delivered Cost of Coal:**  
The cost of coal for the computation of Variable Charges will be the weighted average delivered cost of coal. For the purpose of the weighted average, cost of coal received will be the total cost of coal calculated as per clause 2 above divided by the quantity of coal delivered at the Thermal Power Station (in Rs. Per metric tonne), as per Clause 1 above.

Example:

Opening Stock at KTPS = 100 metric tonne

Opening Weighted average cost of coal=Rs.920 per metric tonne

Let quantity of Coal supplied by Mahanadi Coal Fields Ltd to KTPS = 100 metric tonnes

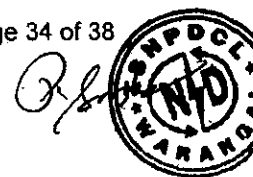
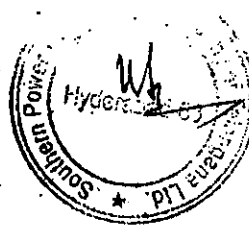
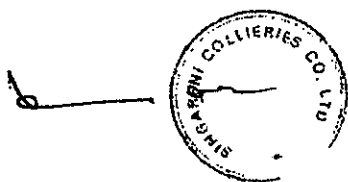
**Cost of Coal:**

Basic Cost = Rs. 70,000

Royalty = Rs. 500

CST = Rs.280

Freight = Rs. 23,000



Total Cost = Rs. 93780

Coal Lost in Transit, Windage & Shrinkage = 0.8 metric tonne

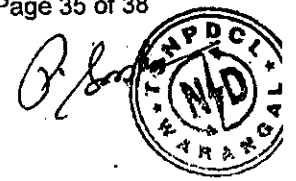
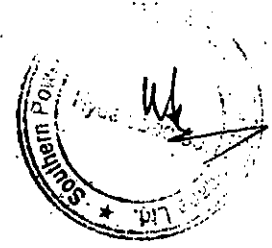
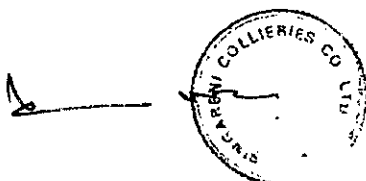
Coal delivered at KTPS = 99.2 metric tonne

Closing Weighted Average cost of coal

= [Cost of Coal received + (Op Stock \* Op Weighted Average Cost/Tonne)] / [Op Stock + Coal delivered #]

= Rs. 93,780 + (Rs. 920 \* 100) / [100 + 99.2] = Rs. 933 per metric tonne.

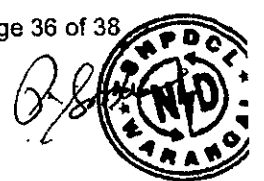
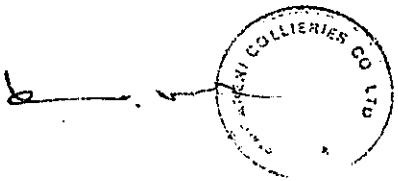
The cost to be taken for the purpose of Variable Cost is Rs. 933 per Tonne  
#considering transit loss, windage & shrinkage etc.



ANNEXURE-V

ESTABLISHMENT OF LETTER OF CREDIT (LC) AND PAYMENT SECURITY MECHANISM

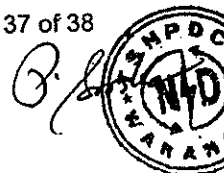
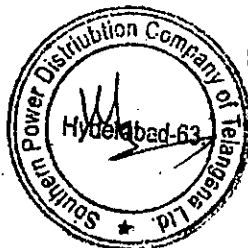
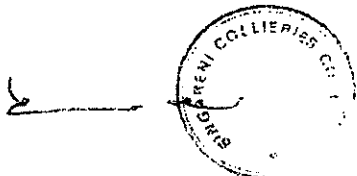
- 1.0 TSSPDCL and TSNPDCL shall establish an irrevocable revolving letters of Credit (LC) in favour of SCCL with any public sector / scheduled commercial bank (as per list supported by SCCL) at least one month prior to the commencement of electricity supply from the first unit of the Project
- 2.0 The LC shall cover 105% of the month's estimated billing in respect of electricity supplied from the Project to TSSPDCL and TSNPDCL.
- 3.0 The amount of LC shall be reviewed on half yearly basis on 1<sup>st</sup> April and 1<sup>st</sup> October in each financial year on the basis of the average of billing of previous 12 months
- 4.0 The LCs shall be established for a minimum period of one year. TSSPDCL and TSNPDCL shall ensure that a valid LC is made available at all times during the entire/extended validity of this agreement. New LCs shall be furnished / existing LCs reinstated not later than 30 days prior to the expiry of existing LCs
- 5.0 LC shall specify the manner and dates when bill (s) can be presented to Bank by SCCL. The bills so presented by SCCL to the bank shall be promptly paid on their presentation. The LC charges shall be borne by TSSPDCL and TSNPDCL respectively for their LCs
- 6.0 All costs relating to opening and maintenance and negotiation of LC shall be borne by TSSPDCL and TSNPDCL, respectively
- 7.0 In case of drawal of the LC amount by SCCL in accordance with the terms of this Article, the amount of LC shall be reinstated automatically not later than 7 days from such drawal. TSSPDCL and TSNPDCL shall arrange to furnish to SCCL a certificate to this effect from Bank (s) providing LC. In the event LC is not reinstated within 7 days, regulation of power supply to the extent of 2.5% of the Contracted Capacity will start with immediate effect from 00 hrs on 8<sup>th</sup> day. SCCL will have right to divert 2.5% of the contracted capacity to Third Party (ies) and or reduce the schedule of TSSPDCL and / or TSNPDCL by the same quantum whoever fails.



Provided that TSSPDCL and / or TSNPDCL shall continue to be liable to pay the Capacity Charges in proportion to its contracted capacity during the period of regulation / diversion of capacity or till the capacity is re-allocated to other Bulk Power Customer (s) / Third Party (ies).

8.0 In addition to above, TSSPDCL and TSNPDCL hereby agrees separately to provide an alternative payment security arrangement in the form of Escrow Arrangement as a back up to the Letters of Credit. Under this arrangement an Escrow Account in favour of SCCL shall be established through which the receivables of TSSPDCL and TSNPDCL shall be routed as per the terms of Escrow Agreement. TSSPDCL and TSNPDCL hereby agrees that SCCL will have first charge on Receivable of TSSPDCL and TSNPDCL. However, such first charge shall be on the amounts, in excess of amounts, which have already been charged or agreed to be charged prior to the date of execution of this Agreement and as listed in the schedule enclosed with this Agreement. TSSPDCL and TSNPDCL agreed to enter into a separate 'Agreement to Hypothecate Cum Deed of Hypothecation' whereby, TSSPDCL and TSNPDCL shall hypothecate Receivables to the extent required for Payment of dues of SCCL by TSSPDCL and TSNPDCL including under this Agreement by creation of first charge in favour of SCCL. These Receivable shall be routed through Escrow Account for payment to SCCL in case of default in payments by TSSPDCL and / or TSNPDCL. "Receivables" for this purpose shall mean all of the present and future payments, receipts, obligations, monies, claims, bills and any other property whatsoever which may from time to time be derived from or accrue or be offered or due to the TSSPDCL and TSNPDCL in respect of the sale by the TSSPDCL and / or TSNPDCL to the consumers of electric capacity, energy and /or services or for any other reason whatsoever and all proceeds thereof.

9.0 The Escrow Agreement and Agreement to Hypothecate Cum Deed of Hypothecation shall be established by TSSPDCL and TSNPDCL to the satisfaction of SCCL within 60 days of entering into this Agreement. In the event, TSSPDCL and TSNPDCL does not sign the 'Escrow Agreement' and 'Agreement to Hypothecate Cum Deed of Hypothecation' within the said period or TSSPDCL and TSNPDCL creating any superior charge in favour of any other party on its Receivable, SCCL shall have the right to reallocate contracted capacity of TSSPDCL and/or TSNPDCL to Third Party (ies). In case of termination of this Agreement or reallocation of capacity due to reasons stated above, TSSPDCL and TSNPDCL shall be liable to pay capacity charges for such capacity till the capacity is reallocated.



TSSPDCL, TSNPDCL and SCCL agree that this Agreement shall deemed to have created a legally binding first charge on TSSPDCL'S and TSNPDCL'S Receivables in favour of SCCL. Accordingly, TSSPDCL and TSNPDCL shall not create any encumbrance, charge and lien or otherwise execute any instrument which in any way affects the first charge over the Receivables. While creating any subsequent charge on its Receivables or agreeing to provide Escrow cover or any other form or payment security to any other entities like electricity supplier(s), banks, financial institutions etc. during the interim period till signing of Escrow Agreement with SCCL, TSSPDCL and TSNPDCL shall duly inform such electricity supplier (s), banks, financial institutions etc of the legally binding first charge on TSSPDCL'S and TSNPDCL'S Receivables in favour of SCCL and the first charge of SCCL shall be in preference to any other charge that TSSPDCL and TSNPDCL may create in favour of any other party.

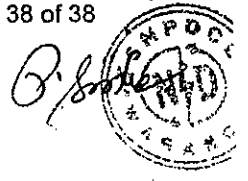
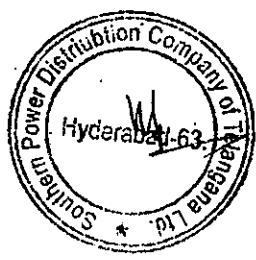
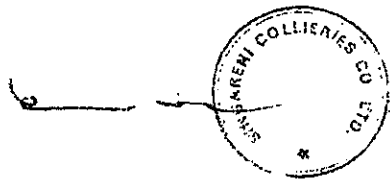
TSSPDCL and TSNPDCL agree to ensure that the successor entities of TSSPDCL and TSNPDCL are duly notified of the above arrangement with SCCL and shall be bound by the terms of this Agreement as if they are parties of this Agreement.

10.0 Notwithstanding the obligations of TSSPDCL and TSNPDCL to pay all the dues as per this Agreement, in the event of non-payment of bills within a period of 60 days from date of billing or default in opening of LC of requisite amount in favour of SCCL by TSSPDCL and TSNPDCL separately, SCCL shall be entitled to regulate / divert the contracted capacity of TSSPDCL and / or TSNPDCL to any other Bulk Power Customer (s) / Third Party (ies) as per the provisions of generic procedure for regulation of power supply issued by TSERC.

In case of default in payment of bills beyond a period of 90 days of billing by TSSPDCL or TSNPDCL, SCCL shall have the right to re-allocate TSSPDCL'S or TSNPDCL'S power to other Bulk Power Customers (s).

It is clarified that the above arrangement shall not be construed as relieving TSSPDCL and TSNPDCL of any of its obligations to SCCL including obligation of payment of Capacity Charges

For the removal of any doubt it is clarified that in case of default, TSSPDCL and TSNPDCL shall continue to be liable to pay the Capacity Charges in proportion to their contracted Capacity during the period of regulation / diversion of capacity or till the capacity is re-allocated to other Bulk Power Customer (s) / Third-Party (ies)







AMENDMENT AGREEMENT

TO

THE POWER PURCHASE AGREEMENT DATED 18<sup>TH</sup>  
DAY OF JANUARY, 2016

BETWEEN

**THE SINGARENI COLLIERIES COMPANY  
LIMITED**

AND

**SOUTHERN POWER DISTRIBUTION COMPANY  
OF TELANGANA LIMITED**

**NORTHERN POWER DISTRIBUTION COMPANY  
OF TELANGANA LIMITED**

FOR SALE OF POWER

FROM

SINGARENI THERMAL POWER PROJECT  
(2X600 MW) (STAGE-I)

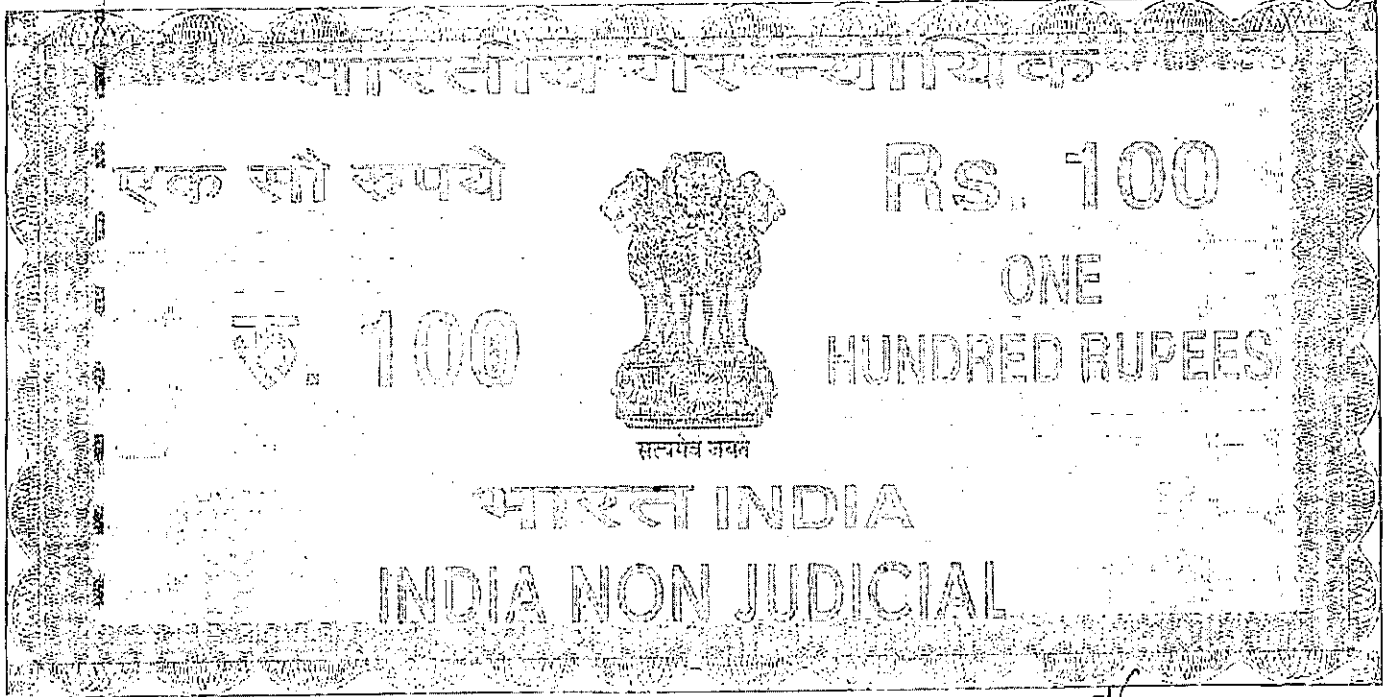
**Dated 22<sup>nd</sup> day of May 2024**



CHIEF GENERAL MANAGER  
(IPC), TSSPDCL,  
Corporate Office, 6-1-50,  
Mint Compound, Hyd-500 083



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తెలంగాణ తేలంగానా TELANGANA

BF 099142

Txn Id: 240520170007901929  
 Date: 20 MAY 2024, 05:00 PM  
 Purchased By:  
 CHOUTAPALLY PRABHAKAR  
 S/o SAMBAIAH  
 R/o HYD  
 For Whom  
 \*SELF\*\*

B MARY  
 LICENSED STAMP VENDOR  
 Lic. No. 16-07-001/2013  
 Ren.No. 16-07-004/2022  
 5-9-22/11/104hilltop Colony  
 Adarshnagar Hyderabad  
 Ph 9885160969

AMENDMENT AGREEMENT  
 TO  
 THE POWER PURCHASE AGREEMENT DATED 18<sup>TH</sup> DAY OF JANUARY, 2016  
 BETWEEN  
 THE SINGARENI COLLIERIES COMPANY LIMITED AND  
 SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED  
 NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED  
 FOR SALE OF POWER  
 FROM  
 SINGARENI THERMAL POWER PROJECT (2X600 MW) (STAGE-I)  
 Dated 22<sup>nd</sup> day of May 2024

THIS AMENDMENT OF POWER PURCHASE AGREEMENT, hereinafter called  
 "Amendment Agreement", entered into on this 22<sup>nd</sup> day of May, Two Thousand and  
 Twenty Four.

Between

1. Southern Power Distribution Company of Telangana Limited constituted on 02-06-2014 under AP Reorganisation Act 2014 and the sub-section (6) of section 23 of Andhra Pradesh Electricity Reform Act, 1998 (Act, 30 of 1998) and having its registered office at 6-1-50, Corporate Office, Mint Compound, Hyderabad 500 063 (hereinafter referred to as "TGSPDCL"); Northern Power Distribution Company of Telangana Limited, constituted on 02-06-2014 under AP Reorganisation Act 2014 and the sub-section (6) of section 23 of

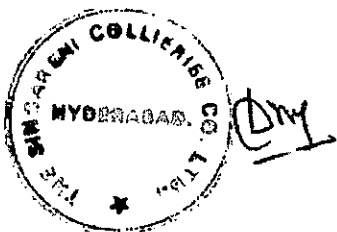



*[Signature]*  
 CHIEF GENERAL MANAGER  
 (PC), TSSPDCL,  
 Corporate Office - 6-1-50



Andhra Pradesh Electricity Reform Act, 1998 (Act, 30 of 1998) and having its registered office at H.No.2-5-31/2, Corporate Office, Vidyut Bhavan, Nakkalagutta, Hanamkonda, Warangal 506001 (hereinafter referred to as "TGNPDCL"); (hereinafter each of TGSPDCL and TGNPDCL are, as the context may require, individually referred to as "TGDISCOM" and collectively referred to as the "TGDISCOMs" which expression shall, unless it be repugnant to the context or meaning thereof include its successors and assigns), as parties of the first part, and

2. THE SINGARENI COLLIERIES COMPANY LIMITED, constituted under the Companies Act 1956 having its registered office at Kothagudem, Khammam District (hereinafter called "SCCL") which expression shall, unless repugnant to the context or meaning thereof include its successors and assigns), as party of the second part and will be submitted to TSERC for record.
3. Whereas, the Original Power Purchase Agreement (PPA) dated 18<sup>th</sup> January 2016 was entered between TGSPDCL & TGNPDCL (TGDISCOMs) and SCCL.
4. Whereas, TGDISCOMs have sought approval to the above mentioned PPA dated 18.01.2016 under Section 86 (1) (b) of the Electricity Act, 2003 read with Section 21(4) of APER Act in respect of Singareni Thermal Power Project Stage-I (2x600 MW).
5. Whereas, Hon'ble TSERC vide order Dated.22.10.2021 accorded consent to the PPA subject to modifications prescribed in the aforementioned order and directed TGDISCOMs to submit the PPA duly incorporating the modifications for the record of the Commission.
6. Further, Hon'ble TSERC vide order dated. 21.11.2022 in O.P No. 8 of 2021 directed that "*.... the energy charges shall cover fuel costs and shall be worked out on the basis of ex-bus energy sent out corresponding to scheduled generation .....*", Which necessitates, the limiting of ex-bus energy to the scheduled generation until TSERC DSM regulations are implemented.



  
CHIEF GENERAL MANAGER  
(IPC), TSSPDCL,  
Corporate Office, G-1-50,  
Mint Compound, Hyd-500 063



- 7. As such, SCCL and TGDISCOMs reached consensus on replacing the present manual based Joint Meter Reading (JMR) with MRI based JMR to match ex-bus energy timings with scheduled energy timings, in order to admit the energy as per the directions of Hon'ble TSERC vide order dated.21.11.2022 and for amendment of relevant clauses (1.45 &7.10) of the Original Power Purchase Agreement (PPA) dated 18th January 2016.
- 8. Now therefore, the parties TGDISCOMs and SCCL enter into amendment agreement to the original PPA dated 18th January, 2016 as per the directives of Hon'ble TSERC vide orders dated. 22.10.2021 in O.P No. 8 of 2016 and dated. 21.11.2022 in O.P No. 8 of 2021. The amendments in the tabular format are given in the following pages.
- 9. Provisions of PPA dated. 18<sup>th</sup> January, 2016 those are required to be modified as under:

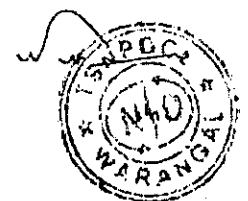
Article	Existing provision of PPA dated. 18.01.2016	Modified provision vide present amendment agreement
Cover page and Heading of PPA	TELANGANA STATE SOUTHERN POWER DISTRIBUTION COMPANY LIMITED TELANGANA STATE NORTHERN POWER DISTRIBUTION COMPANY LIMITED	SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED
First Para of Recital of PPA	Telangana State Southern Power Distribution Company Limited constituted on 02-06-2014 under AP Reorganisation Act 2014 and the sub-section (6) of section 23 of Andhra Pradesh Electricity Reform Act, 1998 (Act, 30 of 1998) and having its registered office at 6-1-50, Corporate Office, Mint Compound, Hyderabad 500 063 (hereinafter referred to as "TSSPDCL"); Telangana State Northern Power Distribution Company Limited, constituted on 02.06.2014 under AP Reorganisation Act 2014 the sub-section (6) of section 23 of Andhra Pradesh Electricity Reform Act, 1998 (Act, 30 of 1998) and having its registered office at H.No.2-5-31/2, Corporate Office,	Southern Power Distribution Company of Telangana Limited constituted on 02-06-2014 under AP Reorganisation Act 2014 and the sub-section (6) of section 23 of Andhra Pradesh Electricity Reform Act, 1998 (Act, 30 of 1998) and having its registered office at 6-1- 50, Corporate Office, Mint Compound, Hyderabad 500 063 (hereinafter referred to as "TGSPDCL"); Northern Power Distribution Company of Telangana Limited, constituted on 02-06- 2014 under AP Reorganisation Act 2014 and the sub-section (6) of section 23 of Andhra Pradesh Electricity Reform Act, 1998 (Act, 30 of 1998) and having its registered office at II.No.2-5-31/2, Corporate Office, VidyutBhavan, Nakkalagutta, Hanamkonda, Warangal 506001 (hereinafter referred to as "TGNPDCL"); (hereinafter each of



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CHIEF GENERAL MANAGER  
(IPC), TSSPDCL,  
Corporate Office, 6-1-50,  
Mint Compound, Hvd-500 063



Article	Existing provision of PPA dated. 18.01.2016	Modified provision vide present amendment agreement
	VidyutBhavan, Nakkalagutta, Hanamkonda, Warangal 506001 (hereinafter referred to as "TSNPDCL"); (hereinafter each of TSSPDCL and TSNPDCL are, as the context may require, individually referred to as "TSDISCOMS" and collectively referred to as the "TSDISCOMS" which expression shall, unless it be repugnant to the context or meaning thereof include its successors and assigns), as parties of the first part, and	TGSPDCL and TGNPDCL are, as the context may require, individually referred to as "TGDISCOM" and collectively referred to as the "TGDISCOMS" which expression shall, unless it be repugnant to the context or meaning thereof include its successors and assigns), as parties of the first part, and
Fourth Para of Recital of PPA	AND WHEREAS TSDISCOMS are desirous of purchasing the capacity of 1200 MW from Singareni Thermal Power Project (2 x 600 MW) Stage-I and SCCL is willing to sell the same to TSDISCOMS on mutually agreed terms and conditions.	AND WHEREAS TGDISCOMs are desirous of purchasing all the declared capacity and energy from Singareni Thermal Power Project (2x600 MW) Stage-I and SCCL is willing to sell the same to TGDISCOMs on mutually agreed terms and conditions.
<b>Article 1</b>	<b>Interpretation and Definitions</b>	<b>Interpretation and Definitions</b>
1.2	<b>Agreement to Hypothecate cum Deed of Hypothecation</b> – shall have the meaning as ascribed in Annexure V.	Deleted.
1.6	<b>Approved Capital Cost:</b> to be taken into account at any time for the purposes of Tariff means, the amount of Capital Cost of the Project shall be the aggregate of the following sub-items.	<b>Approved Capital Cost:</b> to be taken into account at any time for the purpose of the Tariff means, the amount of Capital Cost of the Project admitted subject to approval of TSERC.
1.6.1	The Completed Cost approved by TSERC up to COD.	
1.6.2	Any additional Project costs incurred for execution of the Project by SCCL and approved by the TSERC to be included in the final Capital Cost.	
1.6.3	Cost of initial spares subject to limitation of 2.5% of the Original Project cost.	
1.6.4	Any additional works / services that became necessary for efficient and successful operation of the	



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CHIEF GENERAL MANAGER  
(IPC), TSSPDCL,  
Corporate Office, 3-1-50,



Article	Existing provision of PPA dated. 18.01.2016	Modified provision vide present amendment agreement
	generating station, but not included in the original project cost as per TSERC regulations applicable from time to time	
1.7	<b>Authority:</b> means the Central Electricity Authority referred to in Electricity (Supply) Act, 1948 or any successor entity entrusted with its functions and capacities.	<b>Authority or CEA:</b> means the Central Electricity Authority referred to in section 70 of the Act.
1.8	<b>Auxiliary Consumption:</b> Auxiliary consumption means the energy consumed by SCCL for operating the unit and facilities in the power plant. The difference between generation and net energy export (Ex-Bus) which is measured for billing purposes by means of the existing meters at SCCL generator terminals as well as outgoing feeders from the stations bus is Auxiliary Consumption.	<b>Auxiliary Energy Consumption (AUX):</b> in relation to a period, in case of a Generating Station or Unit, means the quantum of energy consumed by auxiliary equipment of the Generating Station, such as the equipment being used for the purpose of operating plant and machinery, including switchyard of the Generating Station and the transformer losses within the Generating Station, and shall be expressed as a percentage of the sum of gross energy generated at the generator terminals of all the Units of the Generating Station: Provided that the Auxiliary Energy Consumption shall not include the energy consumed for supply of power to housing colony and other facilities at the Generating Station and the power consumed for construction works at the Generating Station.
1.18	<b>COD of the Project:</b> means the Commercial Operation Date of both the Units.	<b>COD of the Project:</b> means the Commercial Operation Date of the last Unit of the project.
1.22	<b>Date of Effectiveness of Agreement:</b> Date of signing of this agreement including payment security as envisaged in Annexure V.	<b>Date of Effectiveness of Agreement:</b> Date of Effectiveness of Agreement shall be the synchronisation date of first Unit.
1.28	<b>Dispatch Instructions:</b> The Dispatch Instruction shall be as mentioned in the Grid Code as per clause 1.24.	<b>Dispatch Instructions:</b> The Dispatch Instruction shall be as per the Telangana State Electricity Regulatory Commission (State Electricity Grid Code) Regulation, 2018 [Regulation No.4 of 2018] as amended from time to time.
1.33	<b>Escrow Agreement:</b> Shall have the meaning as ascribed in Annexure V.	Deleted.



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**CHIEF GENERAL MANAGER**  
 (IPC), TSSPDCL  
 Corporate Office, C-1-50,  
 Mint Compound, Hyd-500 053



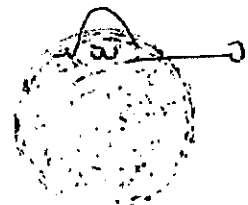
Article	Existing provision of PPA dated. 18.01.2016	Modified provision vide present amendment agreement
1.34	<b>Grid Code:</b> Grid Code means the Code of Technical Interface (Grid Code) 2001 Revision 1, June 2001 as approved by APERC vide Proceedings No. APERC / Dir-Engg / Grid- Code / 20 dated 26-05-2001 and adopted by TSERC Lr. No. TSERC No. L-01 / DD Law-1 Dt. 24-11-2014 as Regulation No.1 of 2014.	<b>Grid Code:</b> means the Indian Electricity Grid Code specified by the Central Commission or the Telangana State Electricity Regulatory Commission (State Electricity Grid Code) Regulation, 2018 [Regulation No.4 of 2018] whichever is applicable as amended from time to time or subsequent re-enactment thereof.
1.36	<b>Income Tax:</b> Taxes on Income actually payable and paid shall be limited to Tax on Return on the Equity component of the RoCE, and exclusive of tax on profit, if any, in excess of such return, penalties, interest on delayed payment of tax etc., and duly adjusted for any refund etc. received for previous periods.	Deleted.
1.44	<b>Meter:</b> 'Meter' means a device suitable for measuring, indicating and recording consumption of electricity or any other quantity related with electrical system and shall include, wherever applicable, other equipment such as Current Transformer (CT), Voltage Transformer (VT) or Capacitor Voltage Transformer (CVT) necessary for such purpose;	<b>Main, Check and Standby Meter:</b> Meter for measurement and checking of import/export of energy at interconnection point for Energy Accounting.
1.45	<b>Metering Date:</b> Metering Date for the first calendar month will be Date of COD of each unit. Subsequent Metering Date will mean midday (12:00 hours) of the last day of each calendar month. However, the Metering Date of the Financial Year ends at 24:00 Hrs on 31 <sup>st</sup> March of subsequent year and so on.	<b>Metering Date:</b> Metering Date for the first calendar month will be Date of COD of each unit. Subsequent Metering Date will mean first day of each calendar month on which meter reading up to 24:00 hours of last day of previous month will be recorded. The Metering Date of the Financial Year ends at 24:00 Hrs on 31 <sup>st</sup> March of subsequent year and so on.
1.48	<b>Plant Load Factor (PLF):</b> The Plant Load Factor in a Tariff Year expressed in percentage is:	<b>Plant Load Factor (PLF):</b> The Plant Load Factor in a Tariff Year expressed in



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CHIEF GENERAL MANAGER  
(IPC), TSSPDCL,  
Corporate Office, G-1-50,  
Mint Compound, Hvd-500 063



Article	Existing provision of PPA dated. 18.01.2016	Modified provision vide present amendment agreement
	<p>PLF=Total Net Electrical Energy measured at Interconnection Pointx100            (Installed Capacity of Thermal Power Station in MW)*(8760)*(100-A)</p> <p>Where A is the auxiliary consumption expressed in percentage of the thermal Power station;</p>	<p>percentage is:  <math display="block">PLF = 10000 \times \frac{\sum_{i=1}^N SGI_i}{N \times IC \times (100 - Aux)} \% \text{ where}</math></p> <p>N: No. of time blocks in the given period;            SGI: Schedule Generation in MW for the ith time block in such period;            IC: Installed Capacity of the generating station in MW;            AUXn: Normative auxiliary consumption in MW expressed as percentage of gross generation;</p>
<b>Article 2</b>	<b>Allocation, Transmission &amp; Wheeling of Power</b>	<b>Allocation, Transmission &amp; Wheeling of Power</b>
2.2.2	<p>The allocation made from the Project by Government of Telangana or any other competent authority in favour of TSSPDCL and TSNPDCL shall be contracted capacity subject to signing of the agreement, opening of LC and providing appropriate payment security mechanism as provided at annexure V in this agreement. TSSPDCL and TSNPDCL shall draw electricity against the above contracted capacity limited to the amount of LC opened and maintained by it. SCCL shall intimate SLDC from time to time regarding the quantum of capacity TSSPDCL and TSNPDCL are eligible to draw.</p>	Deleted.
<b>Article 3</b>	<b>Sale and Purchase of Available Electrical Capacity and Energy</b>	<b>Sale and Purchase of Available Electrical Capacity and Energy</b>
3.1.1	<p><b>Scheduling:</b> It is understood and agreed by and between the parties SCCL shall operate the project as a base load station as per the manufacturers' guidelines, applicable grid operating standards, directions of the TSERC and relevant statutory provisions, as applicable from time to time. Methodology of generation</p>	Deleted.



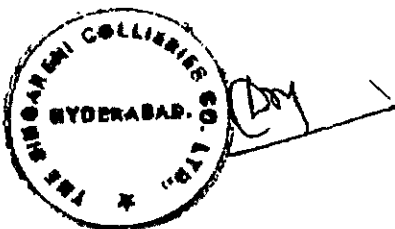
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 (IPC), TSSPDCL,  
 Corporate Office, C-1-50,  
 Mint Compound, Hyd-500 063





Article	Existing provision of PPA dated. 18.01.2016	Modified provision vide present amendment agreement
	scheduling shall be as per IEGC and TSERC appropriate regulations. All charges / fees related to scheduling and despatch of electricity shall be borne by TSSPDCL and TSNPDCL. SCCL shall make declaration of the capacity at the busbars of the station after taking into account the capability of the station to deliver Ex-Bus which shall be considered while calculating Declared Capacity (DC).	
3.3	<p><b>Sale and Purchase of Declared Capacity and Net Electrical Energy:</b> From and after the Commercial Operation Date of the 1st Unit, subject to the provisions of this Agreement, SCCL shall sell, and TSSPDCL and TSNPDCL shall purchase, the entire Declared Capacity and all Net Electrical energy generated by the Unit / Project from the (2 x 600 MW) Power Project for the consideration set forth in this agreement.</p> <p>The obligation of SCCL to sell capacity to the TSDISCOMs under this PPA shall, in each Settlement Period, be 80% of the declared capacity of the Unit / Project or to be revised as per TSERC tariff Regulations issued from time to time.</p> <p>(a) SCCL shall always inform, along with the Availability Declaration, the capacity committed to TSDISCOMs for each Settlement period.</p> <p>(b) Net Electrical Energy: Means the Energy Units actually delivered to TSSPDCL and TSNPDCL (TSDISCOMs) by SCCL pursuant to sale to TSDISCOMs of the capacity under Article 3 of this PPA,</p>	<p><b>Sale and Purchase of Declared Capacity and Net Electrical Energy:</b> Save as otherwise provided in this Agreement, from and after the COD of the First Generating unit, SCCL shall make available and deliver, and TGDISCOMs shall purchase for the consideration set forth in this Agreement, the entire declared capacity and all Net Electrical Energy generated by the Project, subject, in the case of Net Electrical Energy, to such dispatch instructions as may be in effect from time to time.</p>

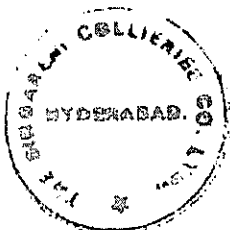


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Article	Existing provision of PPA dated. 18.01.2016	Modified provision vide present amendment agreement
	as computed at the Inter Connection Point, which point shall be the only point at which such Net Electrical Energy shall be computed under this Agreement.	
<b>3.4</b>	<b>Dispatch Instructions (DI):</b>	<b>Dispatch Instructions (DI):</b>
3.4.1	At 10.00 hours every day, SCCL shall DIRECTLY provide Capacity Notice to the SLDC, denoting the Unit-wise Hourly MW Availability (00.00 – 24.00 hours) on day ahead basis. TSDISCOMS shall in turn intimate the same day by 16.00 hours the Generation Schedule to SCCL for the following day with respect to all the Units of the Project that have declared Capacity Notice.	Dispatch Instructions shall be as per the TSERC Regulations 4 of 2018 and any amendments by TSERC thereon.
3.4.4	<b>Backing down limits of units:</b> For Singareni thermal Power Project, TSDISCOMS capacity shall not be backed down more than the limit of 35.00% of 1200 MW capacity allocated to TSDISCOMS. In absence of any dispatch instructions from TSTRANSCO, the Units will operate according to the day ahead capacity notice furnished by SCCL.	<b>Backing down Limits of Unit:</b> The Technical Minimum limit of Generating Unit shall be in accordance with the relevant provisions of Grid Code. In the absence of any dispatch instructions from TGSLDC, the Unit will operate according to the day ahead capacity notice furnished by SCCL.
<b>Article 4</b>	<b>Generation Tariff</b>	<b>Generation Tariff</b>
4.2	<b>Capacity Charges (Fixed Charges):</b> SCCL shall claim the Annual Fixed Charges as approved by TSERC for each Tariff Year. The Annual Fixed Charges shall be computed as per TSERC norms and regulations and shall comprise the following a) Return on capital employed (RoCE); b) Depreciation; c) O&M expenses;	<b>Annual Fixed Charges:</b> SCCL shall claim the annual fixed charges as approved by TSERC for each tariff year



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**CHIEF GENERAL MANAGER**  
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 Corporate Office, G-1-50,  
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Article	Existing provision of PPA dated. 18.01.2016	Modified provision vide present amendment agreement
	d) Taxes on Income as per actuals;	
4.2.4	<b>Debt-Equity ratio:</b> The debt equity ratio as on the date of Commercial operation shall be taken as 70:30 for determination of tariff irrespective of the actual quantum of debt and equity.	Deleted.
4.2.5	<p><b>Recovery of Fixed Charges:</b></p> <p>(a) Annual Fixed Charges shall be computed for 100% after the Unit is declared for commercial operation date.</p> <p>(b) When the actual Capital Cost of project is finalized, the amount of any over payment or under payment relative to the Approved Capital Cost shall be refunded or paid (as the case may be) in twelve equal payments at the time of the payment of the next twelve monthly bills for Tariff payments after such finalization.</p> <p>(c) Target availability of the unit for recovery of full fixed charges shall be 80%.</p> <p>(d) One-twelfth of the full "Annual Fixed Charges", computed pursuant to this Article 4 shall be claimed through the "Monthly Bill", on every Recovery month of a Financial Year.</p> <p>SCCL shall receive full Annual Fixed Charges if Availability in the Tariff Period or Tariff Year is not less than 80%. If Availability is less than 80%, Fixed Charges shall be allowed on pro-rata basis.</p>	<p><b>Recovery of Fixed Charges:</b> The fixed charges shall be computed on the annual basis based on norms specified in TSERC Regulation and shall be recovered on monthly basis as per TSERC Regulation.</p>



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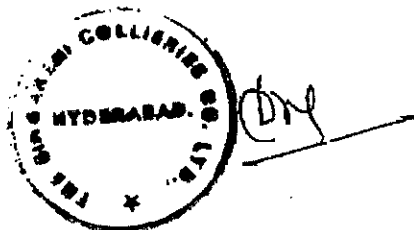
Article	Existing provision of PPA dated. 18.01.2016	Modified provision vide present amendment agreement
4.3	<p><b>Variable Charge:</b> For any Billing Month, the Variable Charge component of the Tariff (comprising cost of Coal and Secondary Fuel Oil) shall be determined as per annexure-III. Variable Charges consists of cost of coal &amp; oil. Landed cost of coal and oil shall include Transit and handling charges, royalty on coal, taxes, duties as applicable. Transportation cost by rail/road or any other means and energy charges shall be arrived after considering transit &amp; windage losses as given in Annexure-IV. Variable charges shall be paid based on the computation as per Annexure-III. Variations, if any, in delivered cost of coal &amp; oil consequent to raising of initial bill shall be adjusted. For claiming such revision, SCCL will raise supplementary Bills.</p>	<p><b>Variable Charges:</b> For any billing month, the variable charges shall be determined as per TSERC Regulation.</p>
4.5	<p><b>Incentive:</b></p> <p>(a) Target plant load factor for incentive shall be 80%.</p> <p>(b) Incentive shall be payable at a flat rate of 25 paisa / kWh forex-bus scheduled energy corresponding to scheduled generation in excess of ex-bus energy corresponding to target Plant Load Factor.</p>	<p><b>Incentive:</b> Incentive shall be as per TSERC Regulation.</p>
<b>Article 5</b>	<b>Taxes, Levies, Duties, Royalty, Cess etc</b>	<b>Taxes, Levies, Duties, Royalty, Cess etc</b>
5.4	<p><b>Income Tax:</b> Incidence of tax liability on SCCL as per Income Tax Act in force from time to time shall be payable in addition to the amount as per the Tariff Bill by TSSPDCL and TSNPDCL duly certified by the Auditors of SCCL. However the tax payable on project</p>	Deleted.



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**CHIEF GENERAL MANAGER**  
 (PG), TSSPDCL,  
 Corporate Office, 14-50,  
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Article	Existing provision of PPA dated. 18.01.2016	Modified provision vide present amendment agreement
	<p>income exceeding the Return on Equity will not be charged to TSSPDCL and TSNPDCL. If any advance income tax is payable by SCCL in any month, SCCL shall submit a bill to TSSPDCL and TSNPDCL supported by a certificate of its chartered accountant at least 20 (twenty) days before the due date of such payment. TSSPDCL and TSNPDCL shall pay to SCCL an amount equal to such advance tax within ten (10) days from the receipt of such Bill. After the tax assessment is completed for any year, if any, balance tax amount is payable by SCCL, TSSPDCL and TSNPDCL shall pay such balance tax within 15 days of demand by SCCL. In case the tax authority refunds any amounts to SCCL including interest thereon, SCCL shall promptly make an appropriate refund to TSSPDCL and TSNPDCL.</p>	
<b>Article 6</b>	<b>Billing and Payment</b>	<b>Billing and Payment</b>
6.1.10	<p>Each Monthly Bill for a Billing Month shall be payable by TSSPDCL and / or TSNPDCL in accordance with this Agreement on or before the Due Date of Payment, which will be the date 30 days from the date of presentation of the Tariff Bill to the Designated Officer of TSSPDCL and TSNPDCL.</p>	<p>Each monthly bill for a billing month shall be payable by TGSPDCL and/or TGNPDCL in accordance with this agreement on or before the due date of payment, which will be the date 60 days from the date of billing to the designated officer of TGSPDCL and TGNPDCL.</p>
6.2	<p><b>Supplementary Bills:</b> Any amount due to SCCL by TSSPDCL and / or TSNPDCL under this Agreement other than the amounts set out in a monthly Tariff Bill shall be payable within thirty (30) days after presentation of Supplementary</p>	<p><b>Supplementary Bills:</b> Any amount due to SCCL by TGSPDCL and TGNPDCL under this agreement other than the amounts set out in a monthly tariff bill and the bills shall be payable within sixty (60) days after presentation of supplementary bill(s) by SCCL to</p>



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 CHIEF GENERAL MANAGER  
 (IPC), TSSPDCL,  
 Corporate Office, C-1-50,  
 Mint Compound, Hyd-500 063



Article	Existing provision of PPA dated. 18.01.2016	Modified provision vide present amendment agreement
	<p>Bill(s) by SCCL to TSSPDCL and/or TSNPDCL. This will include, but not limited to the following:</p> <ul style="list-style-type: none"> <li>i. Claims for Income Tax;</li> <li>ii. Claims for increased costs, if any;</li> <li>iii. Statutory Duties, Taxes, Cess, Levies, fee, Royalty, etc.;</li> <li>iv. Monthly Tariff adjustments;</li> <li>v. Water charges, NALA charges, etc.;</li> <li>vi. Any claims of Central / State / Local authorities / Bodies, etc.;</li> <li>vii. Any other claim admissible under this Agreement;</li> </ul>	<p>TGSPDCL and/or TGNPDCL. This will include, but not limited to the following:</p> <ul style="list-style-type: none"> <li>i. Claims for Income Tax;</li> <li>ii. Statutory duties, taxes, cess, levies, fee, royalty, etc.;</li> <li>iii. Monthly tariff adjustments;</li> <li>iv. Water charges, NALA charges, etc.;</li> <li>v. Any claims of central / state / local authorities / bodies, etc.;</li> <li>vi. Any other claim admissible under this Agreement;</li> </ul> <p>Any Supplementary Bill which reflects an amount owed by SCCL to TGDISCOMs shall be reflected as a credit in the next monthly bill.</p>
6.3	<p><b>Payment mechanism:</b> The bills shall be presented to the Designated Officer of TSSPDCL and TSNPDCL for payments. Payments by TSSPDCL and TSNPDCL for such bills raised by SCCL shall be made within 60 days through revolving Letter of Credit (LC) or through RTGS. LC is to be opened in favour of SCCL to cover one month receivables valid for the term of the PPA. All LC charges shall be to TSSPDCL and TSNPDCL account. Escrow to cover one month receivables valid for the tenure of the PPA as per the procedure indicated in the Annexure-V.</p>	<p><b>Payment Mechanism:</b></p> <ol style="list-style-type: none"> <li>1. Letter of Credit (LC) <ul style="list-style-type: none"> <li>(a) The bills shall be presented to the Designated Officer of TGDISCOMs for Payments. Payments by TGDISCOMs for the bills raised by SCCL shall be made within 60 days through Letter of Credit (LC).</li> <li>(b) A revolving LC to be opened in favour of SCCL to cover one-month receivables, subject to review of value of bills each year on 1st April.</li> <li>(c) LC shall be valid for the term of the PPA by Renewing/ Revalidating / Opening New LC in place of existing LC.</li> <li>(d) LC charges in relation to opening, operation and maintenance shall be TGDISCOMs account.</li> </ul> </li> <li>2. Escrow Account <ul style="list-style-type: none"> <li>(a) In addition, TGDISCOMs shall open an Escrow account by entering Escrow Agreement with a Nationalised Bank (for the entire period of PPA) thirty (30) days prior to effective date, to cover one-month receivables valid for the tenure of the</li> </ul> </li> </ol>



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 Corporate Office, 24-50,  
 Mint Compound, Hyd-500 063

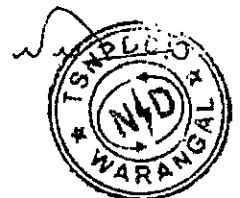


Article	Existing provision of PPA dated. 18.01.2016	Modified provision vide present amendment agreement
		<p>PPA as a back up to LC.</p> <p>(b) TGDISCOMs shall cause all receipts of TGDISCOMs arising from sale of power (both LT &amp; HT) to be deposited in Escrow account aggregating to an amount not less than LC amount.</p> <p>(c) Such instruction shall be irrevocable during the term of this Agreement. TGDISCOMs shall not act in any manner as may negatively affect the inflow of revenues into this account and shall take such steps as may be necessary to assure the flow of the specified level of revenues in such account during the term of this Agreement.</p> <p>(d) In the event of TGDISCOMs failure to pay any sums due to SCCL on the due date of payment through LC or otherwise, when any sum is due to SCCL, or in case of non-renewal of LC, SCCL by notice in writing to the Bank holding the Escrow account, may require such bank not to honour any of cheques, hundies and requisition presented to it by or on behalf of TGDISCOMs or any other drawls on the account until after the claim of SCCL is first discharged.</p> <p>(e) This arrangement shall continue parallelly with LC for the entire period of this Agreement.</p>
6.3.1	<p><b>Rebate on payment through LC:</b> For payment of bills through a letter of credit or through RTGS on presentation, the SCCL and TSSPDCL and TSNPDCL agreed to a maximum rebate of 2 percent of the bill amount. If the payments are made within one week of presentation of the bill, the SCCL and TSSPDCL and TSNPDCL agreed to a maximum rebate of 1.25 percent of the bill amount as per TSERC regulations applicable</p>	<p><b>Rebate:</b> Any rebate on the bills shall be as per TSERC Regulation, provided that no rebate shall be payable on the bills raised on account of taxes, duties, royalty / cess etc.</p>



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 Corporate Office, C-1-50,  
 Mint Compound Hyd-500 083

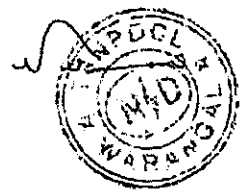


Article	Existing provision of PPA dated. 18.01.2016	Modified provision vide present amendment agreement
	from time to time.	
6.3.2	<b>Surcharge Due on Late Payment:</b> In case the payment by TSSPDCL and TSNPDCL is delayed beyond a period of 60 days from the date of billing, late payment surcharge at the rate of 1.25% per month or part thereof shall be levied by SCCL to TSSPDCL and TSNPDCL.	<b>Delayed Payment Charges:</b> Delayed Payment Charges and its treatment shall be as per the provisions of TSERC Regulation.
6.3.3	Rebate and Late payment surcharge shall be as per the terms and conditions of tariff issued by TSERC as applicable from time to time. No rebate shall be payable on the bills raised on account of taxes, duties, royalty / cess etc.	Deleted.
<b>Article 7</b>	<b>Metering</b>	<b>Metering</b>
7.10	Monthly meter readings of main, check and standby meters shall be jointly taken (and a joint acknowledgement thereof signed) by the authorised representatives of SCCL, TSTRANSCO, and TSDISCOMS at an agreed time on each Metering Date and also the load survey data shall be downloaded through MRI. Whenever difference between the readings of main meter and check meter for any month is more than the limit specified in CEA metering regulations 2006, as amended from time to time, corrective measures shall be taken as mentioned therein. Whenever difference between the readings of main meter and standby meters for any month is more than 1.2%, procedure prescribed as in case of main & check meters shall be followed.	Monthly meter readings of main, check and standby meters shall be jointly taken (and a joint acknowledgement thereof signed) by the authorised representatives of SCCL, TGTRANSCO, and TGDISCOMs at an agreed time on each Metering Date which shall be downloaded through MRI and shall be used for computation of Monthly Energy Charges basing on scheduled Energy, till the intra-state DSM (Deviation settlement Mechanism) is implemented in the state by Hon'ble TSERC. The load survey data shall also be downloaded through MRI. Whenever difference between the readings of main meter and check meter for any month is more than the limit specified in CEA metering regulations 2006, as amended from time to time, corrective measures shall be taken as mentioned therein. Whenever difference between the readings of main meter and standby meters for any month is more than 1.2%, procedure prescribed as in case of main & check meters shall be followed.



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**CHIEF GENERAL MANAGER**  
 (IPC), TSSPDCL,  
 Corporate Office, G-1-60,  
 Hyderabad - 500 063

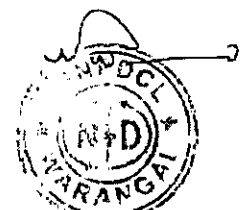




Article	Existing provision of PPA dated. 18.01.2016	Modified provision vide present amendment agreement
<b>Article 10</b>	<b>Duration of the Agreement</b>	<b>Duration of the Agreement</b>
10.1	<p>The Agreement shall come into effect for all purposes and intent from the date of signing of the Agreement.</p> <p>Subject to the establishment and continuance of payment security as envisaged under Annexure V to the satisfaction of SCCL, Agreement shall remain operative up to completion of twenty five (25) years from the date of commercial operation of last unit of the Project, unless it is specifically extended on mutually agreed terms.</p> <p>This Agreement may be extended, renewed, amended or replaced by another Agreement, on or before the expiry of this agreement, on such terms and for such further period of time as the Parties may mutually agree subject to prior consent of Telangana State Electricity Regulatory Commission (TSERC).</p>	<p>This Agreement shall be deemed to be in force from date of synchronisation of Unit 1 and in operation for twenty five (25) years from the date of commercial operations (COD) of the project. This Agreement may be extended, renewed, amended or replaced by another Agreement, on or before the expiry of this Agreement, on such terms and for further period of time as the parties may mutually agree subject to prior consent of TSERC.</p>
<b>Article 14</b>	<b>Notice</b>	<b>Notice</b>
14.1	<p>All notices required or referred to under this Agreement shall be in writing and signed by the respective authorized signatories of the Parties mentioned herein above, unless otherwise notified. Each such notice shall be deemed to have been duly given to the other Party if delivered or served by Registered Post/Speed Post or by any other mode with an acknowledgement in term of Article 9.</p>	<p>All notices required or referred under this Agreement shall be in writing and signed by the respective authorized signatories of the Parties mentioned herein above, unless otherwise notified. Each such notice shall be deemed to have been duly given to the other party if delivered or served by registered post/speed post or by any other mode with an acknowledgement in term of Article 9. Provided further that the parties are not precluded from issuing a notice by a special messenger or any mode of information technology platform. In case usage of information technology platform, a simple post copy confirmation be sent by certified posting.</p>




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 Corporate Office, C-1-50,  
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Article	Existing provision of PPA dated. 18.01.2016	Modified provision vide present amendment agreement
<b>Article 15</b>	<b>Assignment</b>	<b>Assignment</b>
15.1	In case the functions of TSSPDCL and TSNPDCL are reorganized and / or this Agreement is assigned to other organization (s) / agency (ies), party or wholly, the Agreement shall be binding mutatis mutandis upon the successor Distribution/Trading Organisation (s) / agency (ies) / entities and shall continue to remain valid with respect to the obligations of the successor organization (s) /agency (ies) is /are owned or controlled by the Government of Telangana.	SCCL acknowledges and accepts that TGDISCOMs shall (with the consent of SCCL) be entitled to assign all its rights, duties, obligations and responsibilities under this agreement to any other successor entities, either wholly or partly and to one or more of them and in such manner as may be agreed to between TGDISCOMs and the said successor entities with the approval of TSERC and after due service of written notice of the proposed assignment to SCCL. Upon such assignment taking place, the corresponding rights, obligations and interest of TGDISCOMs shall in connection with this agreement or incidental thereto devolve on the successor entities:
15.2	In the event the functions of TSSPDCL and TSNPDCL are reorganized and/or privatized or this Agreement is assigned to Private Organisation(s) / agency (ies), partly or wholly, TSSPDCL and TSNPDCL shall ensure that the agreements namely "Escrow Agreement" and "Agreement to Hypothecate Cum Deed of Hypothecation" as mentioned at Annexure V under ESTABLISHMENT OF LETTER OF CREDIT (LC) AND PAYMENT SECURITY MECHANISM are signed by the assignee before assignment of this Agreement.	Provided that TGDISCOMs shall continue to be responsible for all obligations outstanding prior to the date of assignment, until these are fully discharged by the successor entities: Provided that at a subsequent date, the successor entities refuses to accept any rights / obligations / liabilities as not devolving on them, these will automatically revert to TGDISCOMs, who shall discharge their obligations in respect of such rights, obligations and liabilities without any demur:
15.3	Only such of the successor entities who fulfil the above requirements and execute the requisite documents as above shall be termed as the permitted assigns	Provided further that, in the event of the successor assignees refuses to perform any or all obligations that have devolved on them pursuant any scheme of sale / transfer of any of the parties, then the subsisting parties to the agreement may bring such situation to the notice of the TSERC and TSERC will be required to pass any appropriate orders requiring compliance by any other authority including but not limited to government.
15.4	In other cases, SCCL shall have the right to terminate this Agreement. In the event of termination of this Agreement, TSSPDCL and TSNPDCL shall be liable and continue to pay the Capacity Charges each month till firm arrangement for sale of	



  
**CHIEF GENERAL MANAGER**  
 (IPC), TSSPDCL,  
 Corporate Office, 5-1-50,  
 Warangal.



Article	Existing provision of PPA dated. 18.01.2016	Modified provision vide present amendment agreement
	TSSPDCL's and / or TSNPDCL'S share with alternate customers substituting the TSSPDCL and TSNPDCL is tied up.	
Annexure-III	Computation of Variable Charges	Deleted.
Annexure - IV	Computation of Delivered Cost of Coal – Thermal Plants	Deleted.
Annexure-V	Establishment of Letter of Credit (LC) and Payment Security Mechanism	Deleted.

10. The terms and conditions of PPA dated 18.01.2016 which are not altered by this agreement shall remain valid and enforceable and the present amendment agreement shall not any way effect any other circumstances or situations effecting validity or enforcement of unaltered terms and conditions in PPA dated 18.01.2016.

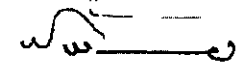
IN WITNESS WHEREOF THE PARTIES HAVE SIGNED THIS AGREEMNT ON THE DAY, MONTH AND YEAR FIRST WRITTEN ABOVE.

For and on behalf of  
**THE SINGARENI COLLIERIES  
COMPANY LIMITED**

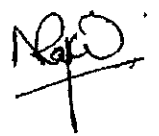
  
**DIRECTOR (E&M)**  
**The Singareni Collieries Co. Ltd**  
**KOTHAGUDEM - 507 101.**

For and on behalf of  
**TGDISCOMs**


1.   
**TGSPDCL**  
**CHIEF GENERAL MANAGER**  
**(IPC), TSSPDCL,**  
**Corporate Office, 3-1-50,**  
**Mint Compound, Hyd-500 063**

2.   
**TGNPDCL**  
**K. TIRMAL RAO**  
**Chief General Manager**  
**IPC & RAC TSNPDCL,**  
**Warangal.**

In the presence of

1. 

In the presence of

1. B.V. Shankar Reddy ED/Comm/TS&C  
2.  SE/IPC/TS&C



2. 



**Annexure - B : TGERC tariff order dated  
28.08.2020**





**Telangana State Electricity Regulatory Commission**

5<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Lakdi-ka-Pul, Hyderabad 500004

**ORDER**

**ON**

**TRUE-UP FOR FY 2016-17 TO FY 2018-19**

**AND**

**BUSINESS PLAN,  
CAPITAL INVESTMENT PLAN &  
MULTI YEAR TARIFF  
FOR FY 2019-20 TO FY 2023-24**

**FOR**

**SINGARENI THERMAL POWER PROJECT (2x600 MW)**

**OF**

**THE SINGARENI COLLIERIES COMPANY LIMITED**

**28.08.2020**

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**LIST OF ABBREVIATIONS**

A&G	Administrative and General
AAD	Advance Against Depreciation
AFC	Annual Fixed Charges
APTEL	Appellate Tribunal for Electricity
ARR	Aggregate Revenue Requirement
BFP	Boiler Feed Pump
BHEL	Bharat Heavy Electricals Ltd.
BMCR	Boiler maximum continuous rating
BoP	Balance of Plant
BTG	Boiler, Turbine and Generator
CCDAC	Coal Conservation & Development Advisory Committee
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CFB	Circulating Fluidised Bed
CFL	Compact Fluorescent Lamps
CIL	Coal India Limited
CIP	Capital Investment Plan
CISF	Central Industrial Security Force
CPCB	Central Pollution Control Board
COD	Commercial Operation Date
CPI	Consumer Price Index
CSR	Corporate Social Responsibility
DC	Designated Consumer
DMFT	District Mineral Foundation Trust
DPR	Detailed Project Report
EA 2003	Electricity Act, 2003
EPC	Engineering, Procurement and Construction
EPCA	Environment Pollution Control Authority
ERP	Enterprise Resource Planning
ESP	Electrostatic Precipitator
FGD	Flue Gas Desulphurisation
FSA	Fuel Supply Agreement
FY	Financial Year
GCV	Gross Calorific Value
GFA	Gross Fixed Assets
GoTS	Government of Telangana State
GSHR	Gross Station Heat Rate
GST	Goods and Services Tax
HPSV	High-Pressure Sodium Vapour Lamps
ICB	International Competitive Bidding
IDC	Interest During Construction
IDCT	Induced Draft Cooling Tower
Ind AS	Indian Accounting Standard
IoWC	Interest on Working Capital
IT	Information Technology
kcal	kilo calories
kg	Kilogram
KTPP	Kakatiya Thermal Power Plant
kWh	Kilo Watt hour
MAT	Minimum Alternative Tax
MCLR	Marginal Cost of Funds based Lending Rate
MGR	Merry-Go-Round
MMT	Million Metric Tonne
MoC	Ministry of Coal
MoEF&CC	Ministry of Environment, Forest & Climate Change

MoP	Ministry of Power
MoU	Memorandum of Understanding
MU	Million Units
MW	Mega Watt
MYT	Multi Year Tariff
NAPAF	Normative Annual Plant Availability Factor
NAPLF	Normative Annual Plant Load Factor
NH	National Highway
NHAI	National Highways Authority of India
NIT	Notice Inviting Tender
NOx	Nitrogen oxides
NTPC	National Thermal Power Corporation Limited
O&M	Operations and Maintenance
O.P.	Original Petition
OEM	Original Equipment Manufacturer
OFC	Optical Fibre Communication
PAF	Plant Availability Factor
PAT	Perform, Achieve and Trade
PFC	Power Finance Corporation
PLF	Plant Load Factor
PPA	Power Purchase Agreement
PSC	Pre-Stressed Concrete
PVC	Price Variation Clause
R&M	Repairs & Maintenance
RCC	Reinforced Cement Concrete
RCE	Revised Capital Expenditure
RDO	Revenue Division Officer
REC	Rural Electrification Corporation
RITES	Rail India Technical and Economic Service
RoE	Return on Equity
Rs.	Rupees
RUB	Railway Under Bridge
S&T	Signalling and Telecommunication
SBI	State Bank of India
SCCL	Singareni Collieries Company Ltd.
SLC	Standing Linkage Committee
SLDC	State Load Despatch Centre
SMET	State Mineral Exploration Trust
SPCB	State Pollution Control Board
SOx	Sulphur Oxides
SPCB	State Pollution Control Board
TNSEB	Tamil Nadu State Electricity Board
TSERC	Telangana State Electricity Regulatory Commission
TSGENCO	Telangana State Power Generation Corporation Ltd.
TSMDC	Telangana State Mineral Development Corporation
TSNPDCL	Northern Power Distribution Company of Telangana Ltd.
TSPCC	Telangana State Power Coordination Committee
TSSPDCL	Southern Power Distribution Company of Telangana Ltd.
TSTRANSCO	Transmission Corporation of Telangana Ltd.
UDL	Undischarged Liability
WPI	Wholesale Price Index

**TELANGANA STATE ELECTRICITY REGULATORY COMMISSION  
HYDERABAD**

O.P.Nos.4 and 5 of 2019, 8 and 9 of 2020 &  
I.A.No.2 of 2020 in O.P.No.5 of 2019

**Present**  
**Sri T.Sriranga Rao, Chairman**  
**Sri M.D.Manohar Raju, Member (Technical)**  
**Sri Bandaru Krishnaiah, Member (Finance)**

**Dated: 28.08.2020**

**Between:**

**The Singareni Collieries Company Limited**

**... Petitioner**

**And**

- 1. Southern Power Distribution Company of Telangana Limited**
- 2. Northern Power Distribution Company of Telangana Limited**

**... Respondents**

The Singareni Collieries Company Limited (SCCL) filed the Petitions u/s 62 and 86 (1) (a) of the Electricity Act, 2003 and under the provisions of the "Terms and Conditions for Determination of Tariff for Supply of Electricity by a Generating Company to a Distribution Licensee and Purchase of Electricity by Distribution Licensees" Regulation No.1 of 2008, adopted by Telangana State Electricity Regulatory Commission (hereinafter referred to as "TSERC" or "Commission") vide its Regulation No.1 of 2014 and the "Terms and Conditions of Generation Tariff" Regulation No.1 of 2019 for approval of true-up for FY 2016-17 to FY 2018-19, and Business Plan, Capital Investment Plan and Aggregate Revenue Requirement and Multi Year Tariff (MYT) each Financial Year within the Control Period comprising five years from 01.04.2019 to 31.03.2024 (FY 2019-20 to FY 2023-24) for its 2x600 MW Thermal Power Project (TPP).

The Commission, in exercise of its powers under the Electricity Act, 2003, Regulation No.1 of 2008, adopted by TSERC vide its Regulation No.1 of 2014, Regulation No.1 of 2019, and after considering Petitioner's submissions, suggestions and objections of the other stakeholders, responses of Petitioner, issues that are raised during the Public Hearing and all other relevant material, passed the following common Order.

**COMMON ORDER  
CHAPTER 1  
INTRODUCTION**

**1.1 BACKGROUND**

- 1.1.1 Telangana State Electricity Regulatory Commission (herein referred to as TSERC or the Commission) was constituted by the Government of Telangana State (GoTS) in terms of the provisions of Schedule XII (C) (3) of the A. P. Reorganisation Act of 2014, read with Section 82 of the Electricity Act, 2003 (Act) vide G.O.Ms.No.3, Energy (Budget) Department, dated 26.07.2014.
- 1.1.2 This Commission having been established u/s 82(1) of the Act had notified TSERC (Adoption) Regulation No.1 of 2014 on 10.12.2014, accordingly all the Regulations framed by the erstwhile APERC shall continue to apply for the State of Telangana including the (Terms and conditions for determination of tariff for supply of electricity by a generating company to a distribution licensee and purchase of electricity by distribution licensees) Regulation, 2008 (Regulation No.1 of 2008) and its subsequent amendments thereto. Subsequently, the Commission had notified TSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2019 which came into force from the date of its publication in Telangana Gazette i.e., on 01.02.2019.
- 1.1.3 SCCL is a coal mining company incorporated under the Companies Act, 1956 and owned by GoTS, with 51.096% shareholding. The other shareholders of the company are Government of India (GoI) and private shareholders in the ratio of 48.902% and 0.002% respectively. SCCL has established a 2x600 MW coal based TPP (hereinafter referred to as "the project") at Jaipur in Mancherial District. SCCL entered into a Power Purchase Agreement (PPA) dated 18.01.2016 with the Southern Power Distribution Company of Telangana Ltd. (TSSPDCL) and Northern Power Distribution Company of Telangana Ltd. (TSNPDCL) (hereinafter referred to as "DISCOMs") for sale of power from the project for a period of 25 years from the Commercial Operation Date (COD) of last Unit (Unit 2) at the tariff determined by the Commission under Section 62 of the Electricity Act, 2003. Units 1&2 achieved COD on 25.09.2016 and 02.12.2016 respectively.
- 1.1.4 The Commission, in its Order dated 19.06.2017 in O.P.No.9 of 2016

(hereinafter referred to as "Tariff Order") approved the capital cost and generation tariff for the project for FY 2016-17 to FY 2018-19 in accordance with the Regulation No.1 of 2008 adopting the Central Electricity Regulatory Commission (CERC) (Terms and Conditions of Tariff) Regulations, 2014.

- 1.1.5 Aggrieved by the Commission's Order dated 19.06.2017, SCCL filed an Appeal before the Hon'ble Appellate Tribunal for Electricity (APTEL) (Appeal No.312 of 2017) on certain issues and the Appeal is sub-judice.
- 1.1.6 SCCL filed a Petition on 10.07.2018 for approval of true-up for FY 2016-17 and FY 2017-18 and revised additional capitalisation and tariff for FY 2018-19. The said Petition was returned vide letter dated 31.07.2018. Pursuant to the Judgment of Hon'ble APTEL dated 28.09.2018 in DFR No.3035 of 2018 & I.A.No.1127 of 2018, the Petition was again filed on 05.10.2018. Subsequently, the Petitioner filed the additional submissions on 04.12.2019 requesting the Commission to consider the same for true-up for FY 2016-17 to FY 2018-19.
- 1.1.7 Regulation No.1 of 2019 stipulate the terms and conditions of generation tariff for the Control Period from FY 2019-20 to FY 2023-24. The Petitions for approval of Business Plan, Capital Investment Plan and MYT for the Control Period from FY 2019-20 to FY 2023-24 were filed on 30.03.2019 respectively.

## **1.2 ADMISSION OF PETITIONS AND REGULATORY PROCESS**

- 1.2.1 The Petitions for approval of true-up for FY 2016-17 to FY 2018-19, Business Plan, Capital Investment Plan and MYT for FY 2019-20 to FY 2023-24 were scrutinised and found to be generally in order as required under the TSERC (Conduct of Business) Regulations, 2015 (Regulation No.2 of 2015). The Commission admitted the filings and the same were taken on record by assigning the following Original Petition (O. P.) numbers:
- O.P.No.4 of 2019 – True-up for FY 2016-17 to FY 2018-19
  - O.P.No.5 of 2019 – MYT for FY 2019-20 to FY 2023-24
  - O.P.No.8 of 2020 – Business Plan for FY 2019-20 to FY 2023-24
  - O.P.No.9 of 2020 – Capital Investment Plan for FY 2019-20 to FY 2023-24
- 1.2.2 SCCL filed I.A.No.2 of 2020 in O.P.No.5 of 2019 with the following prayers:

*"SCCL prays to the Hon'ble Commission that it may be pleased to grant the following as interim arrangement:*

*a) Allow to raise energy bills based on average annual fixed charges as claimed before it for the control period 2019-24, pending determination of ARR and tariff for 2019-24.*

*b) Provide in-principle approval for urgent capital investment needs as detailed in the application.*

*c) Pass such further orders, as the hon'ble commission may deem it appropriate and proper in circumstances of the case."*

1.2.3 The Commission vide its Order dated 08.02.2020 in the above stated IA ruled as under:

*15. Therefore, the Commission deems it fit to accord in-principle approval for undertaking the above stated works for complying with the revised emission norms. It is made amply clear that this in-principle approval should not be construed as the final approval of the Commission on the technology or the capital expenditure or the impact of the same on the tariff proposed by the applicant / petitioner. The Commission shall carry out the due diligence of the same and would take a view in the final order to be issued in the original petition.*

*16. For the reasons stated and the detailed discussion rendered above, we deem it fit to allow this application and direct the respondents to pay the tariff as applicable for FY 2018-19 for the energy supplied by the applicant / petitioner from 01.04.2019 till the disposal of the main petition."*

1.2.4 The Petitioner, as directed by the Commission, published for information of all stakeholders a notice in two (2) English newspapers, two (2) Telugu newspapers and one (1) Urdu newspaper on 25.02.2020.

1.2.5 Overview of Stakeholders' Consultation Process:

1.2.5.1 The filings have been made available by the Petitioner along with supporting material to the public at large including all stakeholders. The filings and supporting material were also hosted on the websites of the Commission as well as the Petitioner.

1.2.5.2 It was also notified in the public notice (Annexure-1) that, objections/ suggestions on the filings may be filed before the Commission by 12.03.2020 which was later extended upto 18.04.2020. In response to the public notice, objections/ suggestions/ comments were received from three (3) stakeholders (Annexure-2) by the Commission in writing no further objections/suggestions were received during the Public Hearing. The additional objections/ suggestions submitted pursuant to the Commission's directions during the Public Hearing have also been considered by the Commission. The list of



persons who attended the Public Hearing on 23.07.2020 is enclosed at Annexure-3.

1.2.5.3 The Petitioner was directed to give the reply to the stakeholders in writing by 19.05.2020 by sending the same to the respective stakeholder with a copy to the Commission. The replies were also posted on the website of the Commission.

1.2.5.4 The Public Hearing was initially scheduled to be held on 18.03.2020 which was postponed to 08.04.2020. However, due to the situation arising out of pandemic COVID-19, the Hearing could not be taken up on 08.04.2020. Although the imposition of lockdown by the Government has eased but advisory has been issued for not conducting any public meeting resulting in large gathering. Therefore, the Commission, vide the Public Notice dated 17.07.2020, scheduled the Hearing by video conference on 23.07.2020. The Commission has conducted the virtual Public Hearing on 23.07.2020 in the attendance of the Petitioner, the Respondents and the other interested stakeholders. During the Public Hearing, the Petitioner made a brief submission on its filings and then the Commission heard the Respondents and other stakeholders desiring to be heard. At the end, the Petitioner responded on the issues raised by the objectors and on directions of the Commission, filed a written submission regarding the same.

### **1.3 DATAGAPS AND PETITIONER'S RESPONSES**

1.3.1 During scrutiny, the filings of the Petitioner was found to be deficient in certain aspects and therefore, additional information was sought. The Commission has considered the original filings and additional information submitted by the Petitioner.

**Contd...**

## CHAPTER 2 SUMMARY OF FILINGS

### 2.1 PETITIONER'S SUBMISSIONS

2.1.1 The Petitioner has made the following submissions in their original filings and the additional submissions:

- True-up for FY 2016-17 to FY 2018-19
- Business Plan for FY 2019-20 to FY 2023-24
- MYT for FY 2019-20 to FY 2023-24

2.1.2 The summary of each of the submissions is detailed below:

### 2.2 TRUE-UP FOR FY 2016-17 TO FY 2018-19

2.2.1 The capital cost claimed by SCCL for true-up for FY 2016-17 to FY 2018-19 is as shown in the Table below:

**Table 1: Capital cost claimed by SCCL for FY 2016-17 to FY 2018-19**

(Rs. Crore)					
Particulars	Legend	As on COD of Unit 2	From COD Unit 2 to 31.03.2017	FY 2017-18	FY 2018-19
Opening capital cost (gross)		7558.63			
Less: undischarged liability		448.54			
Opening capital cost (net)	A	7110.09	7114.82	7210.44	7611.94
Additional capitalisation	B	0.00	72.53	191.20	757.86
Liability discharged	C	4.73	23.09	210.30	91.20
Closing capital cost	E=A+B+C	7114.82	7210.44	7611.94	8461.00

2.2.2 The AFC claimed by SCCL for true-up for FY 2016-17 to FY 2018-19 is as shown in the Table below:

**Table 2: AFC claimed by SCCL for FY 2016-17 to FY 2018-19**

(Rs. Crore)				
Particulars	From COD of Unit 1 till COD of Unit 2	From COD of Unit 2 till 31.03.2017	FY 2017-18	FY 2018-19
Return on Equity	40.92	139.21	438.11	475.08
Interest on Loan	56.26	169.75	490.99	487.24
Depreciation	35.89	122.11	383.35	413.74
Interest on Working Capital	10.26	35.39	108.75	110.68
O&M expenses	18.19	64.19	207.60	220.56
<b>Annual Fixed Charges</b>	<b>161.53</b>	<b>530.64</b>	<b>1628.80</b>	<b>1707.30</b>

### 2.3 BUSINESS PLAN FOR FY 2019-20 TO FY 2023-24

2.3.1 SCCL submitted the Business Plan constituting the following:

- i. Generation Planning and forecasts

- ii. Capital Investment Plan
- iii. Future performance targets
- iv. Proposed efficiency improvement measures
- v. Compliance status of environmental norms
- vi. Saving in operating costs
- vii. Financial statements for the Control Period duration
- viii. Other new measures for generation business

2.3.2 The norms of operation proposed for the Control Period from FY 2019-20 to FY 2023-24 are as under:

**Table 3: Norms of operation proposed by SCCL for Control Period from FY 2019-20 to FY 2023-24**

Parameter	Unit	Proposed
Normative Annual Plant Availability Factor (NAPAF)	%	80%
Normative Annual PLF	%	80%
Auxiliary Consumption	%	7.00%; Additional 1.5% for FGD from FY 2021-22 onwards
Gross Station Heat Rate	kcal/kWh	2400
Secondary Fuel Oil Consumption	ml/kWh	2.00
Transit Loss	%	0.80%

2.3.3 The generation forecast for the Control Period from FY 2019-20 to FY 2023-24 is as under:

**Table 4: Generation forecast submitted by SCCL**

Financial Year	Gross Generation	Auxiliary Consumption	Net Generation
	MU	%	MU
2019-20	9601.78	7.00%	8929.65
2020-21	9575.54	7.00%	8905.26
2021-22	9575.54	7.33%	8873.45
2022-23	9575.54	8.50%	8761.62
2023-24	9601.78	8.50%	8785.63

2.3.4 SCCL submitted the month wise generation forecast for each year of the Control Period from FY 2019-20 to FY 2023-24.

2.3.5 The summary of Capital Investment Plan and capitalisation plan proposed for the Control Period from FY 2019-20 to FY 2023-24 is as under:

**Table 5: Capital Investment Plan and capitalisation plan submitted by SCCL**

(Rs. Crore)

Particulars	Capital Investment	Capitalisation					Total
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	

Particulars	Capital Investment	Capitalisation					Total
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	
FGD system	645.32	0.00	0.00	0.00	645.32	0.00	645.32
In-furnace modifications for NOx compliance	38.00	0.00	0.00	19.00	19.00	0.00	38.00
O&M modules	301.18	0.00	153.10	82.96	65.12	0.00	301.18
Railway works	284.04	0.00	42.94	161.50	79.60	0.00	284.04
Erection works in main plant	55.89	0.00	26.91	20.98	8.00	0.00	55.89
Township civil works	24.15	0.00	7.81	10.20	6.14	0.00	24.15
<b>Total</b>	<b>1348.57</b>	<b>0.00</b>	<b>230.75</b>	<b>294.64</b>	<b>823.18</b>	<b>0.00</b>	<b>1348.57</b>

## 2.4 MYT FOR FY 2019-20 TO FY 2023-24

2.4.1 The AFC claimed by SCCL for the Control Period from FY 2019-20 to FY 2023-24 is as shown in the Table below:

**Table 6: AFC claimed by SCCL for FY 2019-20 to FY 2023-24**

(Rs. Crore)

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Depreciation	437.35	443.02	456.87	486.19	507.48
Advance Against Depreciation	0.00	0.00	0.00	12.84	0.00
Interest on Loan	484.39	447.73	420.59	412.40	391.11
Interest on Working Capital	96.92	103.86	112.23	123.21	135.06
Interest on Working Capital for FGD system	0.00	0.00	0.40	0.40	0.40
O&M expenses	229.01	242.51	256.37	277.84	291.40
O&M expenses for FGD system	0.00	0.00	12.91	12.91	12.91
O&M expenses for NOx mitigation system	0.00	0.38	0.76	0.76	0.76
Return on Equity	501.51	508.35	523.92	557.05	581.45
Less: Non-tariff income	0.37	0.37	0.37	0.37	0.37
<b>Annual Fixed Charges</b>	<b>1748.82</b>	<b>1745.49</b>	<b>1783.69</b>	<b>1883.22</b>	<b>1920.19</b>

2.4.2 The ECR claimed by SCCL for the Control Period from FY 2019-20 to FY 2023-24 is as shown in the Table below:

**Table 7: ECR claimed by SCCL for FY 2019-20 to FY 2023-24**

Particulars	Unit	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Auxiliary Consumption	%	7.00%	7.00%	7.00%	7.33%	8.50%
Gross Station Heat Rate	kcal/kWh	2400.00	2400.00	2400.00	2400.00	2400.00
Secondary Fuel oil consumption	ml/kWh	2.00	2.00	2.00	2.00	2.00
Calorific Value of Secondary Fuel	kcal/ml	9.99	9.99	9.99	9.99	9.99
Landed Price of Secondary Fuel	Rs./ml	0.05	0.06	0.07	0.08	0.09
Wt. Avg. Gross Calorific Value of Coal	kcal/kg	3866.17	3866.17	3866.17	3866.17	3866.17
Landed Price of Coal	Rs./kg	4.18	4.64	5.15	5.72	6.35
Specific Coal Consumption	kg/kWh	0.62	0.62	0.62	0.62	0.62
<b>ECR</b>	<b>Rs./kWh</b>	<b>2.884</b>	<b>3.205</b>	<b>3.563</b>	<b>3.975</b>	<b>4.476</b>

Contd...

## **CHAPTER 3**

### **ISSUES RAISED BY STAKEHOLDERS, RESPONSES OF PETITIONER AND COMMISSION'S VIEWS**

#### **3.1 OBJECTIONS/SUGGESTIONS/COMMENTS MADE ON FILINGS**

3.1.1 Three (3) stakeholders have filed objections/ suggestions/ comments on the Petitions for approval of true-up for FY 2016-17 to FY 2018-19, Business Plan, Capital Investment Plan and MYT for FY 2019-20 to FY 2023-24. The Petitioner has filed replies on the objections/ suggestions/ comments received from the stakeholders. For the sake of clarity, the objections/suggestions/ comments raised by the stakeholders and responses of the Petitioner have been consolidated and summarised issue-wise. The Commission has concluded all the objections/ suggestions/ comments of the stakeholders made in writing and the responses to them by the Petitioner.

#### **3.2 CAPITAL COST**

##### ***Stakeholders' submissions***

3.2.1 The Commission, in the Tariff Order had approved the capital cost for the project. SCCL has filed an Appeal before the Hon'ble APTEL against the Commission's Tariff Order wherein it had prayed for set aside of the Order. SCCL has claimed the capital cost of Rs.8780.00 Crore as against the approved cost of Rs.7575.26 Crore. SCCL has claimed the disallowed capital cost in its true-up claims making the Tariff Order infructuous. As there is no stay on the Commission's Tariff Order, the true-up has to be based on the Commission's Tariff Order and the final capital cost cannot be higher than the total cost of Rs.7575.26 Crore approved by the Commission.

3.2.2 The developers of the generating stations have to develop their projects as per the terms and conditions of the PPAs executed with the Distribution Licensees and Regulations of the Commission. The power purchase by the DISCOMs is governed by the approved PPAs executed with the generators. After the approval of capital cost of a generating station for a Control Period by the Commission, the revision of the same does not arise. The generation business is not a licensed activity like the distribution business. Unlike the true-up allowed for the DISCOMs on account of uncontrollable factors, any

additional expenditure incurred for reasons other than the terms and conditions of the PPA has to be treated as business risk. It is for this reason that the generators are allowed higher rate of RoE.

- 3.2.3 The capital cost including additional capitalisation has to be allowed in accordance with the provisions of the Regulations. The reasons for delay in project execution do not fall under the ambit of force majeure. The additional capitalisation beyond one year from COD of Unit 2 is not allowable. Notwithstanding the audited accounts, the Commission has to decide on the permissible capital cost based on prudence check of actual capital cost. The additional capitalisation projected for the Control Period from FY 2019-20 to FY 2023-24 imposes avoidable burden on the DISCOMs without any accountability on part of SCCL. The regulatory provisions of allowing capital investment plan and business plan would entail condoning the delay in project execution due to the failures of commission and omission. The Commission may not allow the capital investment plan and business plan for the Control Period from FY 2019-20 to FY 2023-24 by taking deviation from the Regulations and recording the reasons for the same in writing. The Regulations may be amended by deleting the provisions regarding the Business Plan and Capital Investment Plan.
- 3.2.4 The Commission had approved the BTG cost of Rs.4463.44 Crore after deducting the undischarged liabilities from the total cost of Rs.4878 Crore. As against the same, SCCL has claimed the BTG cost of Rs.4849.48 Crore claiming the discharge of liabilities which need to be examined.
- 3.2.5 The Commission has approved the total cost of railway siding as Rs.80 Crore. The Commission noted that the railway siding works have been undertaken on nomination basis and ruled that any shortfall in funds from the Coal Controller shall be dealt with in true-up of additional capitalisation. SCCL has claimed the railway siding cost of Rs.322.57 Crore and stated that the grants to the tune of Rs.162.22 Crore has to be received from Coal Conservation & Development Advisory Committee (CCDAC). The amount of grants has to be deducted from railway siding cost claimed by SCCL.
- 3.2.6 SCCL has claimed the establishment cost of Rs.106.53 Crore whereas the

same has been claimed as Rs.70 Crore in O.P.No.9 of 2016. The revised claim of SCCL need to be examined.

- 3.2.7 SCCL has not deducted the liquidated damages amounting to Rs.27.73 Crore and penalty amounting to Rs.0.94 Crore levied on M/s BHEL. These amounts have to be deducted from the capital cost. The failure of SCCL to recover the liquidated damages cannot be a valid ground for not considering the same in the approval of capital cost.
- 3.2.8 SCCL has claimed the hard cost of Rs.7315.88 Crore as against the approved cost of Rs.6691.63 Crore.
- 3.2.9 SCCL has claimed the Interest During Construction (IDC) of Rs.1266.34 Crore as against Rs.883.63 Crore approved by the Commission. The IDC has to be considered as Rs.883.63 Crore as approved by the Commission.
- 3.2.10 The Commission had ruled that the finance charges cannot be considered as part of capital cost and hence the same principle has to be applied for the Control Period from FY 2019-20 to FY 2023-24.
- 3.2.11 SCCL has claimed Corporate Social Responsibility (CSR) expenditure of Rs.30 Crore for the Control Period from FY 2019-20 to FY 2023-24. This expenditure is not allowable as the CSR expenditure has to be met from the profits. The stakeholder has referred to Hon'ble APTEL's judgment dated 02.06.2016 in Appeal No.174 of 2015 in this regard.
- 3.2.12 SCCL has proposed to set up the FGD at a cost of Rs.645.32 Crore which works out to Rs.0.54 Crore per MW. NTPC has awarded for four power plants with aggregate capacity of 4460 MW for supply and installation of FGD system to GE Power at a cost of Rs.1783 Crore which is equivalent to Rs.0.40 Crore per MW. Sembcorp Energy has also initiated bidding for setting up of FGD system worth Rs.1000 Crore for its power plants with a total capacity of 2640 MW which is equivalent to Rs.0.38 Crore per MW. in view of the same, the FGD cost may be limited to Rs.450 Crore for SCCL.
- 3.2.13 The capital investment for complying with the Ministry of Environment, Forest & Climate Change (MoEF&CC) notification dated 07.12.2015 was not claimed in O.P.No.9 of 2016. The Commission in its Order dated 08.02.2020 accorded

in-principle approval for the works required for complying with the revised emission norms. As the capital expenditure claimed is after the cut-off date and beyond the original scope of work, the Commission's in-principle approval may be revisited. Further, the Hon'ble Supreme Court in its Order dated 05.08.2019 in W.P.(Civil) No.13029/1985 agreed to the principle of consensus reached between Environment Pollution Control Authority (EPCA), Ministry of Power (MoP), Central Electricity Authority (CEA), M/s NTPC Ltd., MoEF&CC to review the NO<sub>x</sub> emission norm from 300 mg/Nm<sup>3</sup> to 450 mg/Nm<sup>3</sup> for coal based TPPs. As the NO<sub>x</sub> emission levels are within the limit of 450 mg/Nm<sup>3</sup>, the Commission may consider this relaxation and the capital investment may be reduced accordingly.

3.2.14 As per the environmental clearance dated 27.12.2010, the project was required to comply with the stipulated specific and general conditions/directions, inter alia, to make specific provision of space for installation of FGD equipment in future. The environmental clearance mandated for allocation of separate funds for implementation of environmental protection measures, and such funds, which shall be part of project cost, shall not be diverted for other purposes apart from reporting the year-wise expenditure to MoEF. Non-inclusion of the capital expenditure towards FGD in the original capital cost estimates amounts to violation of the stipulation in the environmental clearance.

3.2.15 The project was to be equipped with continuous online monitoring equipment for monitoring the pollutant levels of SO<sub>x</sub>, NO<sub>x</sub>, Particulate Matter (PM) and mercury. The status of compliance to the environmental clearance conditions was to be uploaded on the website of MoEF periodically, and to be sent to Regional Office of MoEF, the respective zonal office of Central Pollution Control Board (CPCB), and State Pollution Control Board (SPCB).

3.2.16 MoP, in its letter no. 23/22/2018-R&R dated 30.05.2018 clarified that MoEF&CC's notification requiring compliance to Environment Protection Amendment Rules, 2015 dated 07.12.2015 is of the nature of Change in Law event except for TPPs where such requirement of pollution control system was mandated under the environmental clearance or envisaged otherwise before the notification of amendment rules. In view of the same, since FGD



installation was envisaged in the environmental clearance granted for the project, the claim for approval of capital investment for FGD system is not allowable. In a similar case of M/s Talwandi Sabo Power Limited (TSPL) whose environmental clearance is identical to that of Singareni TPP, the Punjab State Electricity Regulatory Commission (PSERC) in its Order dated 21.12.2018 disallowed TSPL's claim for capital expenditure towards FGD under Change in Law. The Judgment of Hon'ble APTEL dated 21.01.2013 in Appeal No.105 of 2011 may also be referred in this regard wherein the Hon'ble APTEL upheld the disallowance of the generator's claim to install FGD under Change in Law, after examining the Environmental Clearance for the project.

- 3.2.17 As per Article 8 of the PPA, the notice of Change in Law was to be issued to the DISCOMs and both the parties shall meet and endeavour to agree to an amendment to the PPA to pass on the impact of such an event. The DISCOMs have not received any such Change in Law notice claiming the capital expenditure towards FGD based on revised emission norms.
- 3.2.18 The environmental clearance mandated that the sulphur and ash content in coal shall not exceed 0.5% and 34% respectively at any given time and in case of variation in coal quality at any point of time, fresh reference was to be made to MoEF for amendments to the environmental clearance condition. If the sulphur content in coal is less than the prescribed limit, SO<sub>x</sub> emissions would be greatly reduced and the capital investment towards SO<sub>x</sub> mitigation measures would also reduce. The proposed design of FGD indicates that the sulphur content in coal would be as high as 0.69%, which is higher than the stipulation in the environmental clearance. The impact of violation of the stipulation of sulphur content in coal may not be passed on the DISCOMs.
- 3.2.19 The capital investment for the works which beyond the original scope of work and after the cut-off date may not be allowed as per the provisions of the Regulation No.1 of 2019. The proposed capital investment plan may be disallowed as the same lacks merit.

***Petitioner's replies***

- 3.2.20 SCCL has not claimed the disallowed capital cost, which has been challenged

in the Appeal before the Hon'ble APTEL, in its true-up claims. The Commission had adopted the CERC (Terms and Conditions of Tariff) Regulations, 2014 for tariff determination for FY 2016-17 to FY 2018-19. The Commission had approved the capital cost based on the provisional additional capitalisation submitted by SCCL. The audited additional capitalisation till FY 2018-19 has been submitted for true-up in accordance with the Regulations. Further, the undischarged liabilities which had not been considered by the Commission in the Tariff Order have been claimed for true-up on discharge of liabilities. In the Tariff Order, the Commission had ruled that the undischarged liabilities would be considered in tariff determination for the next Control Period i.e., from FY 2019-20 to FY 2023-24.

- 3.2.21 The PPA is generally executed much earlier to COD of the project and the project cost at that time would only be an estimate based on the awarded contracts. The closure of contracts requires adequate time even after cut-off date. The PPA provides for a general clause for determination of final capital cost by the Commission after prudence check. The CERC (Terms and Conditions of Tariff) Regulations, 2014 provide for additional capitalisation before and after cut-off date. The Regulation No.1 of 2019 was issued by the Commission after due regulatory process by taking into consideration the stakeholders' submissions including that of SCCL. The capital investment plan has been submitted in accordance with Clause 7 of the Regulation No.1 of 2019 along with detailed reasoning including priority of the schemes, cost benefit analysis and financing plan and the same may be allowed after prudence check. The generation tariff for the Control Period from FY 2019-20 to FY 2023-24 may be determined in accordance with the provisions of the Regulation No.1 of 2019.
- 3.2.22 The stakeholder's contention that the railway siding works were awarded on nomination basis is incorrect. All the railway siding works, except the project management consultancy, were awarded through competitive bidding. The railway siding works awarded through competitive bidding are as follows:
- i. Earth work formation 0 km to 8.5 km.
  - ii. Earth work formation 8.5 km to 21.175 km.
  - iii. Construction of major bridge on Rasulpalli vagu.

- iv. 9 nos. Road Under Bridges (RUBs)
- v. Supply and stacking of ballast
- vi. Supply and stacking of Pre-Stressed Concrete (PSC) sleepers
- vii. Supply of payment way materials, track lining etc.

3.2.23 The expenditure incurred towards railway siding works upto 31.03.2019 is Rs.322.56 Crore as against the estimated cost of Rs.276 Crore i.e., increase by Rs.57.43 Crore. This increase has been due to the following reasons:

- In compliance to the revised guidelines from Indian Railways, the top width of the embankment was increased from 6.85 m to 7.85 m and the bottom width was increased from 9.25 m to 10.25 m. Rock requiring blasting had increased due to these changes.
- Further, the tracks in the yards are spaced at 12 m (instead of 6 m) and the requirement of earth work quantities have increased due to this change.
- National Highways Authority of India (NHAI) had insisted for construction of RUBs on National Highway (NH) 63 with 2m x 24.20m span whereas the RUBs were originally planned to be constructed with 2m x 18.30m span.
- One additional bridge of 2m x 12.20m span was included during tendering stage for movement of dumpers at SRP-OCP.
- Railways had revised the depth of piles from 12m to 25m for the bridge on Rasulpalli vagu.
- Implementation of Goods and Services Tax (GST) w.e.f. 01.07.2017, revised royalty charges, District Mineral Foundation Trust (DMFT), State Mineral Exploration Trust (SMET), PVC etc.

3.2.24 The grant received from CCDAC is to the tune of Rs.84.19 Crore as against the claim of Rs.162.22 Crore till 31.03.2019. In accordance with Regulation 9.6(d) of the CERC (Terms and Conditions of Tariff) Regulations, 2014, the amount of grant received can only be deducted from capital cost.

3.2.25 Out of the total expenditure of Rs.322.57 Crore incurred upto 31.03.2019, the CCDAC grant is to the extent of Rs.162.22 Crore. Therefore, the cost excluding CCDAC grant works out to Rs.160.35 Crore as against the Rs.80 Crore approved by the Commission. The Commission, in the Tariff Order observed that the expenditure of railway siding shall be considered during true-up. Thus, the additional expenditure of Rs.80.35 Crore has to be considered in true-up for FY 2016-17 to FY 2018-19.

3.2.26 The project management consultancy for tendering and execution of railway siding works has been awarded to M/s RITES Ltd. on nomination basis. The

agreement in this respect was made on similar lines of the Memorandum of Understanding (MoU) entered by M/s Coal India Limited (CIL) and M/s RITES Ltd. for railway siding works. M/s RITES Ltd has charged 0.02% lower fees to SCCL in comparison to that charged to M/s CIL.

- 3.2.27 In O.P.No.9 of 2016, the establishment cost and contingencies had been claimed as Rs.70 Crore and Rs.47.52 Crore respectively. These have been revised to establishment cost and contingencies of Rs.94 Crore and Rs.5 Crore respectively based on the fact that several revenue nature expenditures related to establishments were met from contingency. As against the same, the establishment cost has been claimed as Rs.106.53 Crore.
- 3.2.28 The Commission had not condoned the delay on account of certain reasons like non-availability of sand, state bifurcation movement, delay in construction of water pipeline. In particular, the delay in various contracts was due to the non-availability of sand for construction activities. The construction work had initially suffered due to closure of government leased sand quarries. Subsequently, after opening of Telangana State Mineral Development Corporation (TSMDC), sand was issued through a cumbersome and time-consuming process. Further, delay occurred due shortage of labour on account of grounding of several government projects. The Commission has the powers to reconsider these issues and approve IDC.
- 3.2.29 The Commission had disallowed IDC to the tune of Rs.380.71 Crore and therefore, the liquidated damages, if imposed on the contractors have to be set off against the disallowance in IDC as per the Hon'ble APTEL's judgment in Appeal No.72 of 2010.
- 3.2.30 As per circular no. 35/2014 of Ministry of Corporate Affairs, GoI, financing charges constitute a part of additional capitalisation only if there is delay in commencement of commercial production after the plant is otherwise ready. Accordingly, the financing charges related to additional capitalisation are to be considered as per the relevant accounting standard. The additional capitalisation towards works proposed to be capitalised during the Control Period from FY 2019-20 to FY 2023-24 include corresponding IDC and financing charges as per the accounting standards.

- 3.2.31 SCCL has proposed the capital investment plan amounting to Rs.301.18 Crore towards procurement of O&M module. Most of the items proposed under the O&M module have to be procured for complying with CEA advisory dated 07.02.2020.
- 3.2.32 The Commission, in the Tariff Order, had approved the mandatory capital expenditure under MoEF clearance of Rs.9.45 Crore upto COD of Unit 2 and Rs.12.65 Crore under additional capitalisation, the same being pursuant to the Environmental Clearance issued for the project. This expenditure is mandated to be incurred irrespective of the profits earned. However, based on the experience of CSR activities undertaken in 34 villages around the project, the CSR expenditure was increased to Rs.6 Crore per annum totalling to Rs.30 Crore for the Control Period from FY 2019-20 to FY 2023-24. The Hon'ble APTEL's judgment referred to by the stakeholder is not applicable as regulatory return earned by the utility in that case was more than sufficient to consider CSR expenditure from the profits claimed. Therefore, the claim of CSR expenditure may be approved.
- 3.2.33 SCCL has claimed the capital investment plan amounting to Rs.1195.57 Crore which was subsequently revised to Rs.1348.57 Crore on addition of 2 nos. wagon tipplers. Out of the total investment plan of Rs.1348.57 Crore, the expenditure of Rs.1230.10 Crore is towards the top priority items shown in the Table below:

**Table 8: Top priority items in the proposed capital investment plan for FY 2019-20 to FY 2023-24**

Sl. No.	Particulars	Estimated capital expenditure (Rs. Crore)	Provisions in Regulation No.1 of 2019	Remarks
1	FGD system	645.32		
2	In-furnace modifications for NOx mitigation	38	7.19.1(l) and 7.19.1(e)	In-principle approval given vide Order dtd. 08.02.2020
3	O&M modules	301.18	7.19.1(c) and 7.19.1(k)	Proposed in line with CEA advisory
4	OHE works	45		
5	S&T works including civil works	47.6	7.19.1(e)	Proposed as per the mandate of Ministry of Railways
6	2 Nos. wagon tipplers and laying track lines including	153	7.19.1(h)	Unloading facility for unloading BOXN wagons required which are used by Indian Railways for

Sl. No.	Particulars	Estimated capital expenditure (Rs. Crore)	Provisions in Regulation No.1 of 2019	Remarks
	consultancy service to NTPC			long distance coal transportation
	<b>Total</b>	<b>1230.1</b>		

3.2.34 The FGD cost, excluding GST and IDC, as per the DPR works out to Rs.492 Crore which is equivalent to Rs.0.41 Crore per MW and is comparable to the citations of the stakeholder.

3.2.35 Pursuant to the MoEF&CC notification dated 07.12.2015, the following events unfolded:

- The Central Pollution Control Board (CPCB) had issued directions on 11.12.2017 to TPPs to ensure compliance as per revised plan submitted by MoP.
- In view of technical challenges in implementing new technologies like FGD, revised dates for compliance of new emission standards was prepared by CEA which was forwarded to MoEF&CC on 13.10.2017.

3.2.36 The developers could not decide on the required technology or estimate the expenditure required for compliance to revised emission norms without CEA's advisory. The CEA had issued the technical specification for erection/retro fitting of FGD system in December 2017 and modified the same in October 2018. Therefore, the stakeholder's contention regarding the non-inclusion of the capital expenditure for complying with revised emission norms in O.P.No.9 of 2016 lacks merit. The stakeholders cannot attempt to reopen the concluded issue of in-principle approval accorded by the Commission in its Order dated 08.02.2020. The award of work under open enquiry is in process for installation of FGD and action has also been initiated for installation of low NOx burner in response to the show cause notice of CPCB. Therefore, the stakeholder's contention lacks merit and deserves to be rejected. CPCB is imposing penalty of Rs.18 lakh per month per unit for non-compliance and the same may be required to be borne by the beneficiaries if the capital investment for complying with revised emission norms is not approved.

3.2.37 The design value of NOx emission for the project is 750 mg/Nm<sup>3</sup>. On perusal of the Supreme Court's Order referred by the stakeholder, it is observed that the stated minutes envisage achievement of NOx emission norm of 450 mg/Nm<sup>3</sup> by way of combustion modification. The capital expenditure proposed

by SCCL is for combustion modification only and is supported by the quotation from M/s BHEL. The proposal for increasing the NO<sub>x</sub> emission norm from 300 mg/Nm<sup>3</sup> to 450 mg/Nm<sup>3</sup> was to be presented to MoEF&CC and MoP for final decision and finality has not been achieved on the subject proposal. The NO<sub>x</sub> emission level varies based on operational conditions of the units (load and mill combination). As the design value is 750 mg/Nm<sup>3</sup>, there is good amount of risk involved in achieving the level of 450 mg/Nm<sup>3</sup> due to different load and mill combinations. Accordingly, the investment for NO<sub>x</sub> mitigation is a must to control the NO<sub>x</sub> emission within the stipulated limit.

3.2.38 As per Article 10 of the PPA, the duration of agreement is 25 years and this has to be construed from COD of last unit or beyond 25 years if mutually agreed. The stakeholder has cited the stipulation in the environmental clearance regarding the provision for installation of FGD for future use. The installation of FGD was not mandatory at that time but the subsequent amendments made it mandatory. As the duration of the PPA can be 25 years or beyond 25 years and FGD has to be installed in future, which can also be within 25 years or beyond 25 years. Therefore, the usage of the word 'future' in the environmental clearance is not definitive, vague, uncertain and unclear. It only hints about a legislative change that may happen with absolutely no clue about the time when such change will occur. Therefore, there was the probability that FGD could have been installed in future but ascertaining the timing of such event was not feasible. The interpretation of provision given by the stakeholder as provision of space and establishment that this provision relates to a liability of uncertain timing or amount is refuted.

3.2.39 The environmental clearance stipulates earmarking funds for environmental impact measures and such fund has to be used only for environmental protection measures under implementation. A provision which is an uncertain expenditure cannot be a part of the fund as (i) an uncertain liability cannot be measured with reasonable reliability, (ii) the fund specifically requires item wise break-up, (iii) the fund was to be used to projects under implementation and (iv) the fund never envisaged future implementation of environmental measures. A separate fund to the tune of Rs.442. 30 Crore was allocated for environmental measures in the DPR which included electrostatic precipitators,

greenbelt development, dry ash disposal system, bottom ash disposal system, effluent treatment plant etc. Such fund did not include the expenditure required for complying with the revised emission norms. The cost of FGD could not be ascertained at the time of DPR preparation and hence the funds could not be set aside.

- 3.2.40 The environmental conditions as per the environmental clearance are being aptly fulfilled by the project.
- 3.2.41 MoP's letter dated 30.05.2018 was issued to CERC in exercise of the powers conferred u/s 107 of the Electricity Act, 2003. CERC shall be guided by the Central Government directions issued u/s 107 and such directions can be binding upon them when the matter involves public interest. The said letter has consequence upon SERC and is irrelevant.
- 3.2.42 The stakeholder's reference to the case laws is not relevant to the present case as the tariff in that case was determined based on competitive bidding u/s 63 of the Electricity Act, 2003. The tariffs in such cases were discovered based on bids submitted and a future enhancement of tariff in those cases is not permissible if not covered by Change in Law events in the bidding guidelines. The Distribution Licensees in those cases were not concerned to any additional investments made by the generators. The Petition in one of that case was filed u/s 86(1)(b) which empowers SERC to regulate the power purchase process which is different from tariff determination u/s 86(1)(a). Section 86(1)(b) does not empower SERC to determine/re-determine tariff. When the Statute/Regulation notified by the SERC provides adequate provision for adjudication/determination of issues, there is no burden of law to the regulator to look beyond its own Regulation even for any reference. The Judgments of Hon'ble APTEL in Appeal Nos. 93 of 2017 and 125 of 2017 dated 29.01.2020 and 09.05.2019 respectively relating to Section 62 of the Electricity Act, 2003 are relevant to the present case. The Regulation No.1 of 2019 has provisions related to environmental compliance. Therefore, the contention of the stakeholder is misconceived and not required to be considered by the Commission.
- 3.2.43 The tariff for the electricity supplied from the project shall be determined by



the Commission. Accordingly, SCCL has filed the business plan, capital investment plan and MYT for the Control Period from FY 2019-20 to FY 2023-24 before the Commission and the copies of the same have been emailed to the Respondents. Hence, the contention of no information to the beneficiaries lacks merit. SCCL is not in a position to decide whether the new environmental norms are to be considered as Change in Law event as provided in the PPA or not.

- 3.2.44 The stakeholder has quoted the sulphur content in worst coal as indicated in the DPR prepared for FGD and contended that such data is in violation of stipulation of MoEF. In the earlier pollution control regime, SO<sub>x</sub> control was planned to be achieved at chimney outlet by ensuring sulphur content in input coal to be less than 0.5%. With the SO<sub>2</sub> emission norm of 200 mg/Nm<sup>3</sup> in the Notification dated 07.12.2015, MoEF has shifted the SO<sub>x</sub> control philosophy from input based (indirect control) to output based (direct control) making the sulphur content regulation in the input coal superfluous and non-essential environmental condition. The sulphur content in coal not exceeding 0.5% could become a necessary condition had SCCL not been obligated to control SO<sub>2</sub> emission at chimney outlet within 200 mg/Nm<sup>3</sup> in the Notification dated 07.12.2015. The specifications and detailed design of FGD system will be finalised as per the standard technical specifications of CEA and in line with the similar system adopted by NTPC Limited in its plants with similar configuration. Therefore, the contention of the stakeholder is misconceived.
- 3.2.45 Most of the items proposed to be procured under the head of O&M module are in fulfilment of the CEA advisory dated 07.02.2020. Further, as per the Judgments of Hon'ble APTEL in Appeal Nos. 93 of 2017 and 125 of 2017 dated 29.01.2020 and 09.05.2019 respectively the requirement of O&M modules fall under Change in Law.
- 3.2.46 Clause 7.19 of the Regulation No.1 of 2019 do not limit the additional capitalisation beyond the cut-off date and the contention of the stakeholders is incorrect. Further, most of the items claimed in the capital investment plan are due to effect of change of law, contemplated under Article 8.1 of the PPA and became mandatory by the government authorities. The Judgment of Hon'ble APTEL in Appeal No.93 and 125 of 2017 may be referred to in this regard.

**Commission's View**

- 3.2.47 The Commission in the Tariff Order had approved the final capital cost as on COD of the project and the provisional additional capitalisation upto FY 2018-19. SCCL claimed the audited additional capitalisation in its true-up claim for the Control Period from FY 2016-17 to FY 2018-19. The Commission has approved the additional capitalisation for the Control Period from FY 2016-17 to FY 2018-19 as detailed in Chapter 4.
- 3.2.48 The Commission has approved the Capital Investment Plan for the Control Period from FY 2019-20 to FY 2023-24 in accordance with the provisions of the Regulation No.1 of 2019 as detailed in Chapter 5.

**3.3 ANNUAL FIXED CHARGES (AFC)****Stakeholders' submissions**

- 3.3.1 In light of the pending Appeal before the Hon'ble APTEL, the approval of true-up for FY 2016-17 to FY 2018-19 and MYT for FY 2019-20 to FY 2023-24 based on the capital cost claimed by SCCL does not arise.
- 3.3.2 The total Annual Fixed Charges (AFC) claimed by SCCL for the Control Period from FY 2016-17 to FY 2018-19 is higher than the AFC approved by the Commission by Rs.445.85 Crore. This is on account of higher loan and equity amounts considered by SCCL corresponding to higher capital cost claim. The interest rate considered by SCCL is also higher than that approved by the Commission.
- 3.3.3 SCCL submitted that 1/3<sup>rd</sup> of the savings accrued on account of reduction in interest rates on long-term loans would be retained by it. As the consumers have borne the interest on loans availed by SCCL, the impact of reduction in interest rates has to be allowed as pass through to the consumers to reduce the tariff burden. The sharing as proposed by SCCL is not allowable as the Commission had disallowed the same in tariff determination.
- 3.3.4 The provisions of the Regulations regarding the interest rates are not in line with the current market trends. The interest rates for long-term loans and working capital have to be considered in light of the reducing interest rates and not as claimed by SCCL. SCCL has to be directed to re-negotiate with the lending agencies and to swap the loan amounts, if possible, to avail the

benefit of lower interest rates. The rate of interest may be limited to 9%.

- 3.3.5 SCCL has claimed Advance Against Depreciation (AAD) for meeting the loan repayment obligation stating that the benefit of reduced interest on loan would accrue to the end consumers. On the contrary, AAD leads to front loading of tariff. Depreciation has to be allowed considering the rates specified in the Tariff Regulations and AAD may not be allowed.
- 3.3.6 SCCL has claimed Return on Equity (RoE) considering the base rate of 15.5% and effective tax rate of 21.55%. In view of the reducing interest rates, reduction in the rate of RoE may be considered as the taxes are being allowed as pass through. The rate of RoE of 15.5% was adopted at a time when the interest rate was 12%. As the rate of RoE is pegged at 2% higher than interest rate and the interest rate has reduced below 9%, the rate of RoE may be considered as 12%.
- 3.3.7 As regards income tax rate for the Control Period from FY 2016-17 to FY 2018-19, SCCL submitted as under:
- There had been net book loss for FY 2016-17 at company level and hence no Minimum Alternate Tax (MAT) was paid. However, due to clubbing of businesses of power generation and coal mining, it has to be construed that SCCL had MAT liability on the profits from power generation business, which was adjusted against the loss from coal mining business.
  - The MAT paid for FY 2017-18 was Rs.424.21 Crore. However, MAT computed on standalone book profits of Rs.580.15 Crore from power generation business works out to Rs.123.81 Crore considering the MAT rate of 21.34%.
  - The MAT paid for FY 2018-19 was Rs.628.28 Crore. However, MAT computed on standalone book profits of Rs.700.73 Crore from power generation business works out to Rs.151.01 Crore considering the MAT rate of 21.55%.
- 3.3.8 As the separate auditing for power generation business was not carried out, the book profits from power generation business as claimed by SCCL need to be verified. Further, the profits for power generation business has to be computed considering the true-up claims approved by the Commission. The excess MAT, deemed to have been paid by SCCL, if arises, based on true-up claims approved by the Commission, is to be refunded by SCCL. If there are no profits for power generation business based on the true-up claims approved by the Commission, allowing MAT does not arise. Permissible MAT

may be considered on the basis of actual profits accrued as per the tariff determined by the Commission.

- 3.3.9 In addition to the employee expenses, SCCL has claimed the contractual expenses to the tune of Rs.39.92 Crore, Rs.108.43 Crore, and Rs.105.07 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively without providing any justification. Hence, these expenses have to be disallowed.
- 3.3.10 As per the DPR for Flue Gas Desulphurisation (FGD) system, the by-product gypsum would be produced at the rate of 1000-1100 tons per day which can be used by cement manufacturers. Revenue from sale of gypsum has to be passed on to the DISCOMs as capital investment as well as additional auxiliary consumption have been claimed for FGD system.

***Petitioner's replies***

- 3.3.11 The true-up for the Control period from FY 2016-17 to FY 2018-19 has to be carried out in accordance with Regulation 8 of the CERC (Terms and Conditions of Tariff) Regulations, 2014. The Hon'ble APTEL in its Order dated 28.09.2018 directed the Commission to hear the true-up Petition of SCCL as per the procedure contemplated. Pendency of an Appeal against the Order dated 19.06.2017 cannot be a ground for not undertaking true-up. In a similar case, the Tariff Order of the Uttarakhand Electricity Regulatory Commission (UERC) (in the case of M/s Him Urja Pvt. Ltd.) was modified during the pendency of an Appeal against the same Order before the Hon'ble APTEL and that decision of UERC was not interfered by the Hon'ble APTEL.
- 3.3.12 The AFC for the Control Period from FY 2016-17 to FY 2018-19 has been claimed considering the audited capital cost. The interest rate claimed by SCCL is based on actuals and after considering the sharing of savings in accordance with Regulation 26.7 of the CERC (Terms and Conditions of Tariff) Regulations, 2014.
- 3.3.13 SCCL requested its lenders namely M/s Power Finance Corporation (PFC) and M/s Rural Electrification Corporation (REC) for reduction of interest rates on long-term loans. The interest rates reduced from 11.69% to 9.91%, 9.38% and 9.14% for FY 2016-17, FY 2017-18 and FY 2018-19 respectively. The sharing of savings on account of the same have been considered in

accordance with Regulation 26.7 of the CERC (Terms and Conditions of Tariff) Regulations, 2014. The rates of interest on long-term loan and working capital have been considered as 10.2% and 10.05% respectively for the Control Period from FY 2019-20 to FY 2023-24. The stakeholder's contention that the sharing of savings in interest cost ought to be disallowed as the same had not been allowed in the tariff order is incorrect as the tariff Petition was filed by SCCL in accordance with the Regulation No.1 of 2008 but the Commission had adopted CERC (Terms and Conditions of Tariff) Regulations, 2014 for tariff determination and hence, it was impossible for SCCL to invoke the provisions in the CERC (Terms and Conditions of Tariff) Regulations, 2014 regarding loan restructuring. As such the same is omission and hence ought to be allowed in true-up.

- 3.3.14 The project financing was decided based on the provisions of the Regulation No.1 of 2008 which stipulate that the depreciation shall be based on straight line method over the useful life of the asset and at the rates specified in the MoP notification dated 21.03.1994 and on repayment of the entire loan, the remaining depreciable value shall be spread over the balance useful life of the asset. Accordingly, the loan agreements were executed and the loan payback periods modelled for utilising such depreciation. On adoption of CERC (Terms and Conditions of Tariff) Regulations, 2014 by the Commission for tariff determination, the depreciation has reduced and became insufficient for loan repayment due to which the shortfall in loan repayment has to be met from the internal resources on which no return is allowed. AAD for meeting the loan repayment obligation would benefit the end consumers by way of reduced interest on loan.
- 3.3.15 The CERC (Terms and Conditions of Tariff) Regulations, 2014 and the Regulation No.1 of 2019 specify the base rate of RoE as 15.5%.
- 3.3.16 The stated amounts of Rs.580.15 Crore and Rs.700.73 Crore for FY 2017-18 and FY 2018-19 respectively are the book profits for the purpose of MAT under Section 115JB and include late payment surcharge. The MAT payments can be verified from the audited accounts of SCCL. The billing for the Control Period from FY 2016-17 to FY 2018-19 was done as per the Tariff Order dated 19.06.2017. Therefore, the stakeholder's contention to compute

the profits based on true-up claims approved by the Commission is incorrect.

3.3.17 The difference in book profits under Section 115JB and Profit Before Tax (PBT) for the project in FY 2018-19 is on account of non-payment of dues by the DISCOMs and consequent late payment surcharge billed in accordance with Clause 16 of the Regulation No.1 of 2008. As against the total billed amount of Rs.8285.64 Crore upto 31.03.2019, the DISCOMs paid the amount of Rs.4933.18 Crore and the dues amount to Rs.3352.47 Crore. These dues are without any adjustment for late payment surcharge.

3.3.18 The details of contractual expenses are as under:

**Table 9: Details of contractual expenses submitted by SCCL**

(Rs. Crore)

Financial Year	Hiring of HEMM, weigh bridges & others	O&M expenses	Others	Total
2016-17	3.95	32.52	3.45	39.92
2017-18	9.10	83.88	15.45	108.43
2018-19	6.12	86.43	12.52	105.07

3.3.19 The revenue from sale of gypsum may be considered in the true-up for the Control Period from FY 2019-20 to FY 2023-24 based on the net revenue earned after installation of FGD system.

**Commission's View**

3.3.20 The Commission has carried out the true-up for the Control Period from FY 2016-17 to FY 2018-19 in accordance with the provisions of the CERC (Terms and Conditions of Tariff) Regulations, 2014 as detailed in Chapter 4. The Commission has approved the AFC for the Control Period from FY 2019-20 to FY 2023-24 in accordance with the provisions of the Regulation No.1 of 2019 as detailed in Chapter 6.

**3.4 NORMS OF OPERATION**

**Stakeholders' submissions**

3.4.1 The operational parameters approved by the Commission are generally relaxed norms. Considering operational parameters on higher side as opposed to the lower of actual and norms results in accrual of profits to the generator at the cost of the consumers. Comparison of the approved norms for the project with norms of other generating stations has no relevance as the

fuel procurement, of specific quality and price, has to be undertaken for achieving the approved norms for the project.

- 3.4.2 SCCL has compared its operational norms with the generating station of Telangana State Power Generation Corporation Ltd. (TSGENCO) disregarding the economies of scale achieved by it in setting up of 2x600 MW units, such as sharing of identical BTG spares, sharing of common infrastructure facilities for raw water intake pump house, Boiler Feed Pumps (BFPs), common conveyor system, common ash disposal, common auxiliaries etc. The gains accrued to the project under the controllable parameters such as revenue from sale of fly ash is not passed on to the DISCOMs but the operational norms have been claimed on inferior side. The norms of operation should be allowed in accordance with the specified norms. The additional auxiliary consumption for FGD system may be allowed after commissioning, duly considering CEA guidelines.
- 3.4.3 SCCL has claimed the Plant Load Factor (PLF) of 91.06% and 81.94% for FY 2017-18 and FY 2018-19 respectively. The stakeholder sought the reasons for variations in PLF. SCCL has considered the PLF of 80%, that specified for Kakatiya TPP (KTPP) Stage II, as against the normative PLF of 85% for the Control Period from FY 2019-20 to FY 2023-24. The claim of incentive for higher PLF for the Control Period from FY 2019-20 to FY 2023-24 indicates that the project can achieve the normative PLF of 85%. SCCL has also considered the other operational parameters inferior to the specified norms.
- 3.4.4 SCCL submitted that the project has been considered as non-pit head generating station for the Control Period from FY 2019-20 to FY 2023-24. The project can be considered as non-pit head generating station if the coal is procured from the mine allocated in Odisha. If the coal allocation from SCCL mines is approved, the project has to be considered as pit head generating station. The project cannot be presumed to be a non-pit head generating station for the entire Control Period.

***Petitioner's replies***

- 3.4.5 The all India average PLF of thermal power stations was 60.72% and 61.07% for FY 2017-18 and FY 2018-19 respectively. In this context, the stakeholder's

contention that the approved operational parameters are relaxed norms is diverting. SCCL has made detailed submissions regarding its claim of norms of operation for the Control Period from FY 2019-20 to FY 2023-24 on similar lines of KTPP Stage II.

3.4.6 Section 61(e) of the Act provides that the Appropriate Commission shall adhere to the principle of rewarding efficiency in performance while specifying the terms and conditions of tariff. This implies that the Regulations have to be specified such that the efficient one amongst the generating units of similar configuration gets rewarded and not penalised with stringent operating norms. The Regulations should specify uniform norms for all the generating units of 600 MW size and cannot be project specific. The draft Regulations issued by the Commission specified uniform norms for KTPP Stage II and Singareni TPP and therefore no comments were submitted by SCCL on the norms of operation. However, the final Regulations specified different norms for KTPP Stage II and Singareni TPP. Further, the norms of operation differ from one Control Period to the other as witnessed in the CERC (Terms and Conditions of Tariff) Regulations, 2014 and the CERC (Terms and Conditions of Tariff) Regulations, 2019. The Commission may look into this issue and approve the norms of operation. The additional auxiliary consumption for FGD system has been claimed based on the DPR.

3.4.7 The stakeholder's contention that the norms of operation will vary depending on the economies of scale is misplaced. The common infrastructure facilities had already been considered in the approval of norms of operation. The Commission had approved the normative Station Heat Rate (SHR) in accordance with the provisions of the CERC (Terms and Conditions of Tariff) Regulations, 2014 considering the design parameters such as boiler efficiency and turbine heat rate. Further, Singareni TPP is a greenfield project whereas KTPP Stage II is an extension unit wherein the opportunity to optimise O&M exists due to economies of scale. The revenue from sale of fly ash shall be guided by MoEF's notification no. S.O.2804(E) which states as under:

*"(6) The amount collected from sale of fly ash and fly ash based products by coal and/or lignite based thermal power stations or their subsidiary or sister concern unit, as applicable should be kept in a separate account head and shall be utilized only for development of infrastructure or facilities, promotion*



*and facilitation activities for use of fly ash until 100 percent fly ash utilisation level is achieved; thereafter as long as 100% fly ash utilization levels are maintained, the thermal power station would be free to utilize the amount collected for other development programmes also and in case, there is a reduction in the fly ash utilization levels in the subsequent year(s), the use of financial return fly ash shall get restricted to development of infrastructure or facilities and promotion or facilitation activities fly ash utilization until 100 percent fly ash utilization level is again achieved and maintained.”*

- 3.4.8 The incentive for higher PLF has been claimed with the projection that the PLF could be achieved higher than the normative PLF based on past experience and after factoring in annual overhauling in alternate years and forced outages.
- 3.4.9 Coal was supplied from SCCL mines on best effort basis through Bridge Linkage route. Almost 20-25% of the annual coal requirement was met from various mines which are not linked through Merry-Go-Round (MGR) system. As per the definition of non-pit head generating station under Clause 8(b) of the Environment (Protection) Rules, 1986, the project has to be treated as non-pit head generating station.

#### ***Commission's View***

- 3.4.10 The Commission has approved the norms of operation for the Control Period from FY 2019-20 to FY 2023-23 in accordance with the provisions of the Regulation No.1 of 2019 as detailed in Chapter 5.

### **3.5 ENERGY CHARGES**

#### ***Stakeholders' submissions***

- 3.5.1 SCCL has claimed the energy charge rate of Rs.1.84/kWh as against Rs.1.69/kWh approved by the Commission. This increase is on account of lower GCV of coal and higher coal price claimed by SCCL than that approved by the Commission. SCCL has claimed the GCV of 3895.18 kcal/kg as against 4130 kcal/kg approved by the Commission. SCCL has claimed the coal price of Rs.2.90/kg as against Rs.2.84/kg approved by the Commission. Further, SCCL has claimed the specific coal consumption of 0.59 kg/kWh as against 0.56 kg/kWh approved by the Commission which indicates lower efficiency of the plant. The electricity consumers should not be burdened with higher energy charges as the same are on account of inferior quality coal and

inefficiency in operations.

- 3.5.2 The coal price has been projected to increase from Rs.3494.72/MT in FY 2019-20 to Rs.4580.87/MT in FY 2023-24. If the project is allocated coal from SCCL mines, the coal price would be lower than the Bridge Linkage coal. Projecting the annual increase in coal price for the Control Period from FY 2019-20 to FY 2023-24 is arbitrary and not allowable.
- 3.5.3 Naini coal block was allocated for the project on 13.08.2015 and was expected to commence production in December 2020. SCCL submitted that the production from Naini coal block would be achieved by the year 2023 and the existing Bridge Linkage has been extended till then. Therefore, the delay on account of coal materialisation from allocated Naini coal block would continue to burden in the form of premium coal price. This burden should not be passed on to the DISCOMs.
- 3.5.4 The policy guidelines for grant of Bridge Linkage mandated the coal suppliers to supply 75% of Agreed Requirement of coal wherein Agreed Requirement is calculated at 90% of normative requirement of the project at 85% PLF. This means that the Bridge Linkage allocation would be 57.375% of the requirement of the project at notified price. The balance coal requirement is deemed to have been procured through e-auction at premium price of 20% over and above the notified price applicable for non-power sector. The procurement at premium price can be avoided by expediting the production from Naini coal block.
- 3.5.5 The Commission, in the Tariff Order, directed SCCL to actively pursue the issue of coal allocation with the Ministry of Coal (MoC) so that the cumbersome task of coal transportation from Odisha and associated losses in quantity and GCV could be mitigated by procuring coal from its own mines closer to the project. The current status of the compliance to the Commission's direction has not been submitted. The inaction of Government of India (GoI) in allocation of coal from the coal mines of SCCL, although SCCL had expressed its capability and readiness to supply coal to the project, is imposing avoidable additional burden in the form of higher prices for Bridge Linkage coal and coal transportation costs.

- 3.5.6 SCCL submitted that the energy bills for the Control Period from FY 2019-20 to FY 2023-24 shall be raised considering the actual fuel prices and GCV. As per the provisions of the Regulation No.1 of 2019, the GCV of coal has to be considered on 'as received' basis and not 'as fired' basis claimed by SCCL. Clause 21.6.1 of the Regulation No.1 of 2019 stipulates the GCV of coal to be considered on 'as received' basis. The variation in GCV allowed in Clause 21.10 is because the actual GCV will not be known at the time of billing. By claiming GCV on 'as fired' basis, SCCL is resorting to pick and choose the regulatory provisions. The difference in GCV from 'as billed' to 'as received' is approximately 1000 kcal/kg due to which the energy charges have increased in FY 2018-19. The variations in coal price should be adjusted subject to the terms and conditions of the PPA.
- 3.5.7 SCCL has claimed the incentive for higher PLF for the Control Period from FY 2019-20 to FY 2023-24 as per the provisions of the CERC (Terms and Conditions of Tariff) Regulations, 2019 and not as per Regulation No.1 of 2019. The same may be disallowed.

***Petitioner's replies***

- 3.5.8 The energy charges during the Control Period from FY 2016-17 to FY 2018-19 were billed considering the norms of operation approved by the Commission and the actual fuel prices and GCV in accordance with Regulation 30.6 of the CERC (Terms and Conditions of Tariff) Regulations, 2014. The coal quality variations occur normally in a TPP due to which the boilers are designed to handle such variations. The boilers of the project have been designed to handle the coal having GCV in the range of 3786 kcal/kg to 4529 kcal/kg. The specific coal consumption is derived based on the GCV of coal and it is incorrect to state that the Commission had approved the same as 0.56 kg/kWh as the specific coal consumption varies with the GCV of coal received.
- 3.5.9 Naini coal block is expected to commence production in the later part of the year 2020 and the production level is expected to reach peak rated capacity by the year 2023 considering the technical and managerial issues. The total coal requirement for the project cannot be met from Naini coal block before

the year 2023 and therefore, tapering linkage has been approved for meeting the coal requirement. The progress of development of Naini coal block is being continuously monitored by SCCL's top management and the coal production would be further expedited.

- 3.5.10 SCCL has been exploring the swapping of Naini coal block with a utility in Odisha which has coal allocation in Telangana but it could not materialise. SCCL has also been working on an alternate plan to transport coal from Naini coal block which could lead to reduction in base coal price but increase in transportation cost. The South-Central Railway authorities had advised to undertake the works of two nos. wagon tipplers at the railway siding for seamless supply of coal from Naini coal block to the project. This additional scope was not envisaged in the DPR and hence submitted in the capital investment plan for Commission's approval.
- 3.5.11 The reallocation of Naini coal block with a nearby coal mine of SCCL on permanent basis is not feasible until specific directions are issued by the Government in this regard. The projections of energy charges for the Control Period from FY 2019-20 to FY 2023-24 have been submitted considering the past trends of actual fuel prices and GCV. However, the energy charges shall be billed in accordance with the provisions of the Regulation No.1 of 2019 considering the approved norms of operation and actual fuel prices and GCV.
- 3.5.12 Some ambiguity persists in the Regulation No.1 of 2019 regarding the GCV of coal to be considered for computation of energy charges due to incompatibility between Clauses 21.6, 21.7 and 21.10. The State Electricity Regulatory Commissions (SERCs) are guided by the principles and methodologies of CERC in specifying the Regulations as per Section 61(a) of the Electricity Act, 2003. CERC (Terms and Conditions of Tariff) Regulations, 2014 specify that the energy charge shall be computed based on as received GCV of coal less 85 kcal/kg. CEA had suggested the margin of 85-100 kcal/kg for pit head generating stations and 105-120 kcal/kg for non-pit head generating stations as loss in GCV measured at wagon top at unloading point till the firing point in the boiler. The Tariff Regulations of other SERCs such as Maharashtra ERC, Gujarat ERC and Odisha ERC specify energy charge computation on similar lines of CERC (Terms and Conditions of Tariff) Regulations, 2019 or on the

basis of as fired GCV of coal. As per Clause 21.7 of the Regulation No.1 of 2019, the fuel details have to be provided to the beneficiaries as per Form-15 prescribed by CERC for thermal generating stations. Usage of Form-15 of the CERC (Terms and Conditions of Tariff) Regulations, 2019 is possible only if billing is made on 'as fired' basis. Further, the PPA provides for GCV to be considered on 'as fired' basis and hence the DISCOMs are precluded from denying this aspect.

- 3.5.13 SCCL requested the Commission to allow the energy billing either based on as fired GCV or to allow sufficient margin from as received GCV to compensate for GCV loss due to storage at the generating station.

***Commission's View***

- 3.5.14 The Commission has approved the Energy Charge Rate (ECR) for the Control Period from FY 2019-20 to FY 2023-23 in accordance with the provisions of the Regulation No.1 of 2019 as detailed in Chapter 6.

**3.6 GENERATION TARIFF**

***Stakeholders' submissions***

- 3.6.1 SCCL has claimed the generation tariff of Rs.4.91/kWh, Rs.5.23/kWh, Rs.5.63/kWh, Rs.6.17/kWh and Rs.6.72/kWh for FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24 respectively. The claimed generation tariffs are higher in comparison to the tariff of Rs.3.49/kWh approved for FY 2018-19.

***Petitioner's replies***

- 3.6.2 The approved generation tariff of Rs.3.49/kWh for FY 2018-19 quoted by the stakeholder has no basis. The generation tariff approved by the Commission comprise of AFC and norms of operation for billing of energy charges on monthly basis. The average per unit tariff for FY 2018-19 was Rs.4.08/kWh. The projected generation tariff is comparable to the other generating stations in the State.

***Commission's View***

- 3.6.3 The Commission has taken note of stakeholders' submissions and Petitioner's replies.

### 3.7 BILLING DISPUTES

#### *Stakeholders' submissions*

- 3.7.1 SCCL submitted that the DISCOMs have disallowed the energy bills to the tune of Rs.121.43 Crore for FY 2018-19 without considering additional coal price as per the provisions of the Bridge Linkage MoU and the auditor certified coal cost. As per the MoU, coal supplies upto 75% of the agreed quantity would be charged at 20% over the notified basic price for power sector for all coal grades while for coal supplies beyond 75% of the agreed quantity, the price charged would be 20% over and above the notified basic price for non-power sector. Achieving higher PLF by using premium priced coal is unjustified. Moreover, the premium charged by CIL is 10% over and above the notified price applicable for power sector whereas the premium charged by SCCL is 20% over and above the notified price applicable for non-power sector. The Commission may disallow the impact of this irrational coal pricing.
- 3.7.2 SCCL submitted that it had supplied energy in excess of scheduled energy during FY 2017-18 and requested the Commission to allow the energy bills to the tune of Rs.17.75 Crore, which was disallowed by the DISCOMs. The claim in respect of excess energy injected is not in consonance with the Tariff Regulations and is a violation of Grid Code as the excess energy injected into the grid without complying to the schedules of State Load Despatch Centre (SLDC) would give rise to threat to grid security. Therefore, the same is not permissible. KTPP has not injected unscheduled energy and hence the comparison made by SCCL is not plausible. There had been several instances wherein SCCL has injected more than the schedule in non-compliance of SLDC directions as evident from the correspondences from SLDC. The achievement of PLF of more than 85% during the previous year's confirm that the directions of SLDC had been violated and over injection has been done into the grid. Due to such over injection by SCCL, the other generators had to be backed down with fixed cost obligation. Such violations of SLDC directions by multiple generators endanger grid safety and hence, need to be penalised. As per Article 6.1.2 of the PPA, the energy bills shall be raised as per SLDC schedule.
- 3.7.3 SCCL has claimed the PLF of 91.09% for FY 2017-18 by considering the

unscheduled energy injected into the grid and claimed the incentive of Rs.29.11 Crore for higher PLF. The PLF for FY 2017-18 works out to 90.79% without considering the unscheduled energy injected into the grid. Incentive is not allowable for the unscheduled energy injected. The Commission may disallow the incentive claimed by SCCL.

- 3.7.4 SCCL submitted that the water charges amounting to Rs.3.63 Crore and other local taxes, license fee etc. amounting to Rs.4.79 Crore for the period from 01.12.2016 to 31.08.2018 have not been paid by the DISCOMs and requested the Commission to allow the same. The DISCOMs paid the monthly energy bills including the supplementary bills towards taxes & duties as per the Tariff Regulations. SCCL may be directed to reconcile the sums received by it.

***Petitioner's replies***

- 3.7.5 The stakeholder's contention that achieving higher PLF using premium priced coal is unjustified has no legal basis. The Tariff Regulations neither prohibits achieving higher PLF using Bridge Linkage coal nor puts a bar on paying coal price as per the MoU with the coal supplier.
- 3.7.6 The delay in materialising coal supply from Naini coal block was discussed in the Standing Linkage Committee (SLC) under MoC and the committee, after considering the representation made by SCCL, had recommended extension of Bridge Linkage upto the year 2023 in the form of tapering linkage in synchronisation with the production from Naini coal block. The delay is attributable to uncontrollable factors due to which the extension of Bridge Linkage was granted.
- 3.7.7 The stakeholder has compared the pricing principles for Bridge Linkage coal followed by SCCL and CIL however, it is inappropriate to contend this issue before the Commission as coal pricing is dealt by MoC and not the Commission. The operating areas of SCCL and CIL are not comparable. The annual production target level of CIL is 710 MMT for the year 2020 whereas the target is 67.5 MMT for SCCL which is equivalent to 1/11<sup>th</sup> of CIL's target. The ratio of open cast to underground mines, number of employees per ton of coal production, over burden ratio etc. varies significantly between CIL and

SCCL. Therefore, the cost structure of coal produced by CIL and SCCL are different and comparison between the two is inappropriate.

- 3.7.8 The MoU entered between the coal mining and power generation businesses of SCCL satisfies the condition for arm's length transaction which provides that the parties have to act independently without being influenced by other. The MoU under which the coal is supplied to the project contains the same provisions of coal pricing of the MoU entered into with M/s NTPC Ltd. The copy of MoU entered into with M/s NTPC has been submitted in support to the same. The coal pricing methodology is not advantageous or disadvantageous for the project when compared to other TPPs being supplied coal from SCCL mines. The increase in coal cost as certified by the statutory auditor is admissible for the computation of energy charges as per Regulation 30(6) of the CERC (Terms and Conditions of Tariff) Regulations, 2014. The Commission may allow the additional coal bills raised in accordance with the CERC (Terms and Conditions of Tariff) Regulations, 2014.
- 3.7.9 SCCL has submitted the justification for claiming the bills on actual meter readings as under:
- Scheduling is a day ahead exercise and actual generation cannot exactly match with the schedule on real time basis due to variation in connected load, frequency and coal quantity.
  - The commercial mechanism has been developed in the country to deal with these variations in scheduled generation and actual generation. However, such a mechanism is not prevalent in Telangana State.
  - As per the Article 6 and Article 7 of the PPA, the readings of main meter shall form the basis of billing and the monthly bills were raised by SCCL in accordance with the same.
- 3.7.10 The stakeholder submitted that the excess energy injected into the grid is not in consonance with CERC Regulations and is a violation of Grid Code. When the CERC Regulations on Deviation Settlement Mechanism and related matters recognise such deviations and also provides commercial mechanism to deal with such deviations, it cannot be said that the deviations are in violation of Grid Code. As per CERC's Deviation Settlement Mechanism, the over injection or under injection shall be within the limit of 12% of scheduled injection or 150 MW whichever is lower. During FY 2018-19, the actual generation is 8208.21 MU as against the scheduled generation of 8113.45



MU and the deviation amounts to 94.76 MU i.e., 1.16% which is within the permissible limits. As per the study conducted to understand the implication of such over injection on the payment liability of Telangana State at regional level, the pay outgo for Telangana State in Southern Regional Power Committee (SRPC) would have increased by Rs.31.88 Crore in the absence of over injection by SCCL. As against the same, the claim of Rs.17.75 Crore is reasonable. Therefore, the Commission may allow the energy charges based on actual energy.

- 3.7.11 The monthly billing is done as per the JMRs at the end of the month in accordance with Clause 7.11 of the PPA. The Telangana State Power Coordination Committee (TSPCC) chose to admit the bills based on scheduled generation instead of actual generation which is in deviation from the billing methodology followed for other intra-State generators. The copy of bill raised by TSGENCO has been submitted in support of the same.
- 3.7.12 The generation, although beyond schedule, has been supplied under the agreement with the DISCOMs and such energy was sold to the consumers of the State. Therefore, as per Section 70 of the Indian Contract Act, when such quantum of power not prohibited by law has been supplied not for gratis, the recipient is bound to pay the consideration. This principle has been laid down by the Constitution Bench of Supreme Court of India in a case between State of West Bengal vs B.K. Mondlal reported at 1962 AIR (SC) 779. The same is law of the land and is binding on all including the DISCOMs. The claim of the DISCOMs that the energy injected beyond schedule is not entitled for consideration is contrary to law. Invariably, there would be variation between scheduled generation and actual generation and actual generation is entitled to be considered. Although the SLDC had issued the notice for over injection, considering the marginal deviation of schedule, SLDC did not choose to initiate any proceedings for the over injection as contemplated in Section 33 read with Section 143 of the Electricity Act, 2003. Therefore, the contention of the stakeholder is untenable.
- 3.7.13 The Commission, in the Tariff Order, had approved the target PLF for incentive as 85% and allowed the incentive to be billed in accordance with the CERC (Terms and Conditions of Tariff) Regulations, 2014. The incentive for

higher PLF is allowable in accordance with the PPA as well as the Regulations. The incentive for FY 2017-18 had been claimed considering the actual generation in place of scheduled generation as specified in the CERC (Terms and Conditions of Tariff) Regulations, 2014 as the Telangana State does not have balancing and settlement code for intra-State generators and the energy bills for state generators were allowed on actual energy injected into the grid as per Joint Meter Readings (JMRs). The Commission may allow the incentive claimed for FY 2017-18.

- 3.7.14 The DISCOMs submitted that the claims of taxes and duties were paid however, item wise acceptance of bills as per the PPA has not been confirmed. The taxes, duties and statutory charges are payable by the DISCOMs as per Article 5 of the PPA and the CERC (Terms and Conditions of Tariff) Regulations, 2014 and the Commission's Order dated 19.06.2017 does not restrict the reimbursement of the same by the DISCOMs.

***Commission's View***

- 3.7.15 The Commission has taken note of the stakeholders' submissions and the Petitioner's replies on billing disputes. The Commission's ruling on the billing disputes is detailed in Chapter 4.

**Contd...**

## CHAPTER 4 ANALYSIS AND CONCLUSION ON TRUE-UP FOR FY 2016-17 TO FY 2018-19

### 4.1 REGULATORY PROVISIONS

- 4.1.1 The Commission in the Tariff Order had adopted the CERC (Terms and Conditions of Tariff) Regulations, 2014 for tariff determination for FY 2016-17 to FY 2018-19. This approach of the Commission was challenged by SCCL in its Appeal No.312 of 2017 filed before the Hon'ble APTEL and the Appeal is sub-judice. SCCL filed the true-up for FY 2016-17 to FY 2018-19 considering the provisions of the CERC (Terms and Conditions of Tariff) Regulations, 2014 and also prayed for tariff determination as per Regulation No.1 of 2008. The Commission does not accept SCCL's prayer for consideration of Regulation No.1 of 2008 for FY 2016-17 to FY 2018-19 due to the Appeal pending before the Hon'ble APTEL. The Commission has carried out the true-up for FY 2016-17 to FY 2018-19 in accordance with the CERC (Terms and Conditions of Tariff) Regulations, 2014. The same shall be subject to the outcome of the Appeal No.312 of 2017 pending before the Hon'ble APTEL.
- 4.1.2 As regards true-up, Regulation 8 of the CERC (Terms and Conditions of Tariff) Regulations, 2014 stipulates as under:

**"8. Truing up**

*(1) The Commission shall carry out truing up exercise along with the tariff petition filed for the next tariff period, with respect to the capital expenditure including additional expenditure incurred up to 31.3.2019, as admitted by the Commission after prudence check at the time of truing up:*

*....."*

- 4.1.3 The true-up carried out by the Commission is detailed in the following paragraphs.

### 4.2 BACKGROUND

- 4.2.1 SCCL's Board, vide its minutes of meeting held on 19.07.2010 agreed in principle to the DPR of 2x600 MW coal based TPP at a capital cost of Rs.5527 Crore. The Government of undivided Andhra Pradesh, vide its letter dated 03.09.2010 had accorded the approval for setting up of 2x600 MW TPP in Jaipur Mandal in Mancherial (erstwhile Adilabad) District by SCCL with a capital cost of Rs.5527 Crore (updated to Rs.5685 Crore). SCCL's Board, in

its minutes of meeting held on 30.07.2013 had considered the revised cost estimates of Rs.7573.51 Crore and recommended for sanction of the Government. GoTS, vide its letter dated 25.04.2015 accorded the approval for the revised cost estimates of Rs.7573.51 Crore duly revising the earlier approval for Rs.5685 Crore. Units 1&2 achieved COD on 25.09.2016 and 02.12.2016 respectively thereby the project achieved COD on 02.12.2016. SCCL's Board, in its minutes of meeting held on 27.05.2017 accorded approval for the revised cost estimate of Rs.8584 Crore for obtaining sanction of GoTS. GoTS, vide its letter dated 23.09.2017 accorded approval for the revised cost estimate of Rs.8584 Crore duly revising the earlier approval for Rs.7573.51 Crore.

#### 4.3 CAPITAL COST APPROVED IN ORDER DATED 19.06.2017 IN O.P.No.9 OF 2016

4.3.1 The capital cost approved by the Commission in the Tariff Order is as shown in the Table below:

**Table 10: Capital cost approved in the Tariff Order**

Sl. No.	Particulars	Capital cost as on COD	Additional capitalisation (provisional)			Capital cost upto FY 2018-19
			FY 2016-17	FY 2017-18	FY 2018-19	
1	Land and Site Development	61.73	7.44	0.00	15.83	85.00
2	BTG	4366.98	27.72	0.00	68.74	4463.44
3	BoP	835.71	30.32	0.00	142.72	1008.75
4	External Water Supply System					
	1 TMC from River Godavari	83.48	2.52	0.00	0.00	86.00
	2 TMC from River Pranahita	0.00	0.00	0.00	320.00	320.00
5	Raw Water Reservoir	43.17	5.05	0.00	18.78	67.00
6	Railway Siding	0.00	0.00	0.00	80.00	80.00
7	Other Works undertaken by SCCL					
	Additional 400 kV Bays	0.00	28.69	0.00	0.00	28.69
	Plant Roads & Culverts	11.44	0.27	0.00	8.29	20.00
	Coal transport roads	42.61	1.50	0.00	12.37	56.48
	Boundary Walls	16.94	0.25	0.00	0.00	17.19
	Gate complex, Security etc.	0.23	0.20	0.00	4.97	5.40
	Township	52.18	13.54	0.00	14.28	80.00
	Environmental Impact measures	0.79	0.18	0.00	4.03	5.00
	Mandatory capital expenditure under MoEF clearance	9.45	0.60	0.00	12.05	22.10
	Weigh Bridge, Fire	0.42	0.00	0.00	1.58	2.00

Sl. No.	Particulars	Capital cost as on COD	Additional capitalisation (provisional)			Capital cost upto FY 2018-19
			FY 2016-17	FY 2017-18	FY 2018-19	
	Tender etc.					
	Furniture & office automation	2.37	0.00	0.00	2.63	5.00
	Miscellaneous expenditure	3.48	0.33	0.00	1.19	5.00
	<b>Sub-total (7)</b>	<b>139.91</b>	<b>45.56</b>	<b>0.00</b>	<b>61.39</b>	<b>246.86</b>
8	Overheads	291.10	6.24	0.00	37.23	334.57
	<b>Total Hard Cost</b>	<b>5822.08</b>	<b>124.85</b>	<b>0.00</b>	<b>744.69</b>	<b>6691.62</b>
9	IDC	883.63	0.00	0.00	0.00	883.63
10	<b>Total Capital Cost</b>	<b>6705.71</b>	<b>124.85</b>	<b>0.00</b>	<b>744.69</b>	<b>7575.25</b>

4.3.2 The above approved capital cost is excluding the undischarged liabilities as on COD amounting to Rs.443.81 Crore. As regards the same, the Commission in the Tariff Order ruled as under:

*“3.4.18 ..... On account of the above, the Commission, in this Order, has not considered the cost pertaining to discharge of liabilities pending as on COD. The Commission shall consider the same after finalization of the liability, in the approval of generation tariff for the next Control Period after prudence check of the information submitted by the Petitioner.....”*

*“3.5.7 ..... On account of the above, the Commission, in this Order, has not considered the cost pertaining to discharge of pending liabilities as on COD. The Commission shall consider the same after finalization of the liability, in the approval of generation tariff for the next Control Period after prudence check of the information submitted by the Petitioner.....”*

#### 4.4 CAPITAL COST AS ON COD OF THE PROJECT

4.4.1 The Commission in the Tariff Order had approved the capital cost as on COD of the project at Rs.6705.71 Crore. As against the same, SCCL claimed the capital cost of Rs.7114.82 Crore in its true-up claim. The Commission's approach on approval of capital cost has been challenged by SCCL in its Appeal No.312 of 2017 before the Hon'ble APTEL the Appeal is sub-judice. Therefore, the Commission does not find it prudent to revise the approved capital cost of Rs.6705.71 Crore as on COD of the project. The same shall be subject to the outcome of the Appeal No.312 of 2017 pending before the Hon'ble APTEL.

#### 4.5 ADDITIONAL CAPITALISATION FOR FY 2016-17 TO FY 2018-19

4.5.1 The Commission in the Tariff Order approved the provisional additional capitalisation for FY 2016-17 to FY 2018-19. The relevant extract of the Commission's Order is reproduced below:

"3.15.2 The Commission observes that the additional capitalisation claimed by SCCL is towards deferred works within the original scope of work. The approach adopted by the Commission in approving the additional capitalisation is as under:

(i) The Commission has approved the package wise additional capitalisation based on the claim of SCCL subject to the total cost for the respective package is within the approved cost, provisionally.

(ii) The Commission has approved the overheads in the additional capitalisation limiting the same to 5% of the approved additional capitalisation for the respective years.

(iii) As discussed in the preceding paragraph, the Commission has not considered the finance charges in the additional capitalisation."

4.5.2 The Commission's approach on approval of (provisional) additional capitalisation for FY 2016-17 to FY 2018-19 has been challenged by SCCL in its Appeal No.312 of 2017 before the Hon'ble APTEL and the Appeal is sub-judice. As there is no stay on the Commission's Order, the Commission deems it prudent to approve the additional capitalisation for FY 2016-17 to FY 2018-19 based on the audited figures submitted by SCCL in the instant Petition and in line with the principles adopted in the Tariff Order. The same shall be subject to the outcome of the Appeal No.312 of 2017 pending before the Hon'ble APTEL. Although the Commission had not approved the additional capitalisation for FY 2017-18 in the Tariff Order, as some part of additional capitalisation approved for FY 2018-19 has been actually incurred in FY 2017-18, the Commission deems it fit to approve the additional capitalisation for FY 2017-18 on true-up based on prudence check of SCCL's claims.

4.5.3 SCCL claimed the audited additional capitalisation, including discharge of liabilities as on COD of the project, as shown in the Table below:

**Table 11: Additional capitalisation claimed for FY 2016-17 to FY 2018-19**  
(Rs. Crore)

Sl. No.	Particulars	Additional Capitalisation					
		FY 2016-17		FY 2017-18		FY 2018-19	
		Approved in Tariff Order	Claimed for true-up	Approved in Tariff Order	Claimed for true-up	Approved in Tariff Order	Claimed for true-up
1	Land and Site Development	7.44	1.38	0.00	0.17	15.83	13.27
2	BTG	27.72	-11.23	0.00	237.09	68.74	222.68
3	BoP	30.32	37.09	0.00	73.50	142.72	-24.29
4	External Water Supply System						
	1 TMC from River Godavari	2.52	0.48	0.00	0.22	0.00	0.04
	2 TMC from River Pranahita	0.00	0.00	0.00	0.00	320.00	319.35

Sl. No.	Particulars	Additional Capitalisation					
		FY 2016-17		FY 2017-18		FY 2018-19	
		Approved in Tariff Order	Claimed for true-up	Approved in Tariff Order	Claimed for true-up	Approved in Tariff Order	Claimed for true-up
5	Raw Water Reservoir	5.05	2.90	0.00	5.41	18.78	3.09
6	Railway Siding	0.00	0.00	0.00	0.00	80.00	322.57
7	Other Works undertaken by SCCL						
	Additional 400 kV Bays	28.69	0.00	0.00	28.70	0.00	2.04
	Plant Roads & Culverts	0.27	0.31	0.00	0.59	8.29	0.35
	Coal transport roads	1.50	3.11	0.00	-1.09	12.37	-0.68
	Boundary Walls	0.25	0.25	0.00	0.00	0.00	0.00
	Gate complex, Security etc.	0.20	0.37	0.00	0.85	4.97	0.07
	Township	13.54	11.32	0.00	26.80	14.28	19.23
	Environmental Impact measures	0.18	-0.01	0.00	0.09	4.03	0.38
	Mandatory capital expenditure under MoEF clearance	0.60	0.60	0.00	0.68	12.05	3.11
	Weigh Bridge, Fire Tender etc.	0.00	0.03	0.00	0.00	1.58	1.04
	Furniture & office automation	0.00	-0.19	0.00	0.54	2.63	2.06
	Miscellaneous expenditure	0.33	0.51	0.00	0.51	1.19	2.81
	<b>Sub-total (7)</b>	<b>45.56</b>	<b>16.30</b>	<b>0.00</b>	<b>57.67</b>	<b>61.39</b>	<b>30.41</b>
8	Overheads	6.24	31.59	0.00	5.86	37.23	-0.37
	<b>Total Hard Cost</b>	<b>124.85</b>	<b>78.51</b>	<b>0.00</b>	<b>379.92</b>	<b>744.69</b>	<b>886.75</b>
9	Interest During Construction & financing charges		17.14	0.00	21.55	0.00	-37.69
10	<b>Total Capital Cost</b>	<b>124.85</b>	<b>95.65</b>	<b>0.00</b>	<b>401.47</b>	<b>744.69</b>	<b>849.06</b>

4.5.4 SCCL's claim of additional capitalisation and the Commission's approval is detailed in the following paragraphs.

#### 4.6 LAND AND SITE DEVELOPMENT

##### *Petitioner's submission*

4.6.1 SCCL claimed the additional capitalisation of Rs.1.38 Crore, Rs.0.17 Crore and Rs.13.27 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively towards land and site development.

##### *Commission's View*

4.6.2 The Commission, in the Tariff Order, had approved the total cost of land and site development at Rs.85.00 Crore and the cost upto project COD at 61.73 Crore. As against the approved additional capitalisation of Rs.7.44 Crore and Rs.15.83 Crore for FY 2016-17 and FY 2018-19 respectively, SCCL claimed the additional capitalisation of Rs.1.38 Crore, Rs.0.17 Crore and Rs.13.27 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively. SCCL claimed the land and site development cost of Rs.76.55 Crore upto FY 2018-

19 as against the approved total cost of Rs.85.00 Crore. As the claimed cost is lower than the total cost approved, the Commission approves SCCL's claim of additional capitalisation towards land and site development.

- 4.6.3 The cost of land and site development claimed by SCCL and approved by the Commission upto FY 2018-19 is as shown in the Table below:

**Table 12: Land and site development cost upto FY 2018-19**

(Rs. Crore)

Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Total cost	85.00	-	-
<b>Cost upto project COD (A)</b>	<b>61.73</b>	<b>61.73</b>	<b>61.73</b>
Additional capitalisation			
FY 2016-17	7.44	1.38	1.38
FY 2017-18	0.00	0.17	0.17
FY 2018-19	15.83	13.27	13.27
<b>Total additional capitalisation (B)</b>	<b>23.27</b>	<b>14.82</b>	<b>14.82</b>
<b>Total cost upto FY 2018-19 (A+B)</b>	<b>85.00</b>	<b>76.55</b>	<b>76.55</b>

#### 4.7 BOILER, TURBINE AND GENERATOR (BTG)

##### *Petitioner's submission*

- 4.7.1 SCCL claimed the additional capitalisation of Rs.-11.23 Crore, Rs.237.09 Crore and Rs.222.68 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively towards BTG.

##### *Commission's View*

- 4.7.2 The Commission, in the Tariff Order dated 19.06.2017, had approved the total cost of BTG at Rs.4463.44 Crore and the cost upto project COD at Rs.4366.98 Crore. This approved cost was after deducting the undischarged liabilities to the tune of Rs.414.56 Crore as on project COD. As against the approved additional capitalisation of Rs.27.72 Crore and Rs.68.74 Crore for FY 2016-17 and FY 2018-19 respectively, SCCL claimed the additional capitalisation of Rs.-11.23 Crore, Rs.237.09 Crore and Rs.222.68 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively. The claimed additional capitalisation of inclusive of liabilities as on COD discharged to the tune of Rs.-1.83 Crore, Rs.237.09 Crore and Rs.145.34 Crore in FY 2016-17, FY 2017-18 and FY 2018-19 respectively.



- 4.7.3 The Commission, in the Tariff Order, directed SCCL as under:
- "3.4.16 ..... the Commission directs SCCL to submit the compilation of all the price variation bills along with its Petition for approval of generation tariff for the next Control Period."*
- "3.4.18 ..... the Commission directs SCCL to submit the Performance Guarantee Test Reports after completion of the same along with the amount of Liquidated Damages, if levied any, along with its Tariff Petition for the next Control Period."*
- 4.7.4 SCCL submitted the compilation of price variation bills, the copies of Performance Guarantee Test Reports and acceptance letters of NTPC and SCCL for the same.
- 4.7.5 The Commission in the Tariff Order had approved the price variation of Rs.706 Crore towards BTG package. In the instant Petition, SCCL submitted the price variation of Rs.780.28 Crore towards BTG package. SCCL submitted that the price variation amounting to Rs.706 Crore is exclusive of taxes & duties and the amount of Rs.780.28 Crore is inclusive of taxes and duties. SCCL submitted that the price variation is applicable on supplies and civil works with a maximum limit of 20% and there is no limit on erection and structural works. The Commission has taken note of SCCL's submissions.
- 4.7.6 SCCL submitted that the liquidated damages imposed for BTG contract is Rs.27.73 Crore (excluding taxes and duties) which translates to Rs.32.72 Crore including taxes and duties. The stakeholders submitted that the liquidated damages should be deducted from the capital cost to which SCCL replied that the liquidated damages have to be set off against the disallowance of IDC. The Commission, in its Order dated 19.06.2017 in O.P.No.9 of 2016 had disallowed IDC to the tune of Rs.323.12 Crore corresponding to the delay that was not condoned. As the Commission had disallowed IDC for delay if SCCL levies liquidated damages over and above the amount of IDC disallowed by the Commission, such excess amount shall be deducted from the capital cost.
- 4.7.7 SCCL claimed the BTG cost of Rs.4815.52 Crore upto FY 2018-19 as against the approved total cost of Rs.4878.00 Crore (including undischarged liabilities). As the claimed cost is lower than the total cost approved, the Commission approves SCCL's claim of additional capitalisation towards BTG.

4.7.8 The BTG cost claimed by SCCL and approved by the Commission upto FY 2018-19 is as shown in the Table below:

**Table 13: BTG cost upto FY 2018-19**

(Rs. Crore)

Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Total cost	4878.00	-	-
Less: Undischarged liabilities	414.56	-	-
Cost excluding undischarged liabilities	4463.44	-	-
<b>Cost upto project COD (A)</b>	<b>4366.98</b>	<b>4366.98</b>	<b>4366.98</b>
Additional capitalisation			
FY 2016-17	27.72	-11.23	-11.23
FY 2017-18	0.00	237.09	237.09
FY 2018-19	68.74	222.68	222.68
<b>Total additional capitalisation (B)</b>	<b>96.46</b>	<b>448.54</b>	<b>448.54</b>
<b>Total cost upto FY 2018-19 (A+B)</b>	<b>4463.44</b>	<b>4815.52</b>	<b>4815.52</b>

**4.8 BALANCE OF PLANT (BoP)**

***Petitioner's submission***

4.8.1 SCCL claimed the additional capitalisation of Rs.37.09 Crore, Rs.73.50 Crore and Rs.-24.29 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively towards BoP.

***Commission's View***

4.8.2 The Commission, in the Tariff Order, had approved the total cost of BoP at Rs.1008.75 Crore and the cost upto project COD at Rs.835.71 Crore. This approved cost was after deducting the undischarged liabilities to the tune of Rs.29.25 Crore as on project COD. As against the approved additional capitalisation of Rs.30.32 Crore and Rs.142.72 Crore for FY 2016-17 and FY 2018-19 respectively, SCCL claimed the additional capitalisation of Rs.37.09 Crore, Rs.73.50 Crore and Rs.(-)24.29 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively. The claimed additional capitalisation of inclusive of liabilities as on COD discharged to the tune of Rs.24.95 Crore, Rs.(-)26.82 Crore and Rs.(-)54.14 Crore in FY 2016-17, FY 2017-18 and FY 2018-19 respectively.

4.8.3 The Commission, in the Tariff Order, directed SCCL as under:

*“3.5.5 ..... the Commission directs SCCL to submit the compilation of all the price variation bills along with its Petition for approval of generation tariff for the next Control Period.”*

*“3.5.7 ..... the Commission directs SCCL to submit the Performance Guarantee Test Reports after completion of the same along with the amount of Liquidated Damages, if any levied, along with its Tariff Petition for the next Control Period.”*

- 4.8.4 SCCL submitted the compilation of price variation bills, the copies of Performance Guarantee Test Reports.
- 4.8.5 The Commission in the Tariff Order had approved the price variation of Rs.65 Crore towards BoP package. In the instant Petition, SCCL submitted the price variation of Rs.60.36 Crore. SCCL submitted that the price variation amounting to Rs.65 Crore was an estimated amount and the amount of Rs.60.36 Crore is based on actuals. SCCL submitted that the amount of Rs.2.5 Crore is to be paid post FY 2018-19. The Commission has taken note of SCCL's submissions.
- 4.8.6 SCCL submitted that the liquidated damages imposed for BoP contract is Rs.97.30 Crore (excluding taxes and duties) and Rs.114.81 Crore including taxes and duties. SCCL further submitted that the BoP contractor had registered disagreement to imposition of liquidated damages and the matter is sub-judice before the Arbitration Tribunal. The stakeholders submitted that the liquidated damages should be deducted from the capital cost to which SCCL replied that the liquidated damages have to be set off against the disallowance of IDC. The Commission, in its Order dated 19.06.2017 in O.P.No.9 of 2016 had disallowed IDC to the tune of Rs.323.12 Crore corresponding to the delay that was not condoned. As the Commission had disallowed IDC for delay if SCCL levies liquidated damages over and above the amount of IDC disallowed by the Commission, such excess amount shall be deducted from the capital cost.
- 4.8.7 SCCL claimed the BoP cost of Rs.922.01 Crore upto FY 2018-19 as against the approved total cost of Rs.1038.00 Crore (including undischarged liabilities). As the claimed cost is lower than the total cost approved, the Commission approves SCCL's claim of additional capitalisation towards BoP.
- 4.8.8 The BoP cost claimed by SCCL and approved by the Commission upto FY

2018-19 is as shown in the Table below:

**Table 14: BoP cost upto FY 2018-19**

(Rs. Crore)			
Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Total cost	1038.00	-	-
Less: Undischarged liabilities	29.25	-	-
Cost excluding undischarged liabilities	1008.75	-	-
<b>Cost upto project COD (A)</b>	<b>835.71</b>	<b>835.71</b>	<b>835.71</b>
Additional capitalisation			
FY 2016-17	30.32	37.09	37.09
FY 2017-18	0.00	73.50	73.50
FY 2018-19	142.72	-24.29	-24.29
<b>Total additional capitalisation (B)</b>	<b>173.04</b>	<b>86.30</b>	<b>86.30</b>
<b>Total cost upto FY 2018-19 (A+B)</b>	<b>1008.75</b>	<b>922.01</b>	<b>922.01</b>

#### 4.9 EXTERNAL WATER SUPPLY SYSTEM

##### *Petitioner's submission*

- 4.9.1 SCCL claimed the additional capitalisation of Rs.0.48 Crore, Rs.0.22 Crore and Rs.319.39 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively towards external water supply system.

##### *Commission's View*

- 4.9.2 The Commission, in the Tariff Order, had approved the total cost of external water supply system at Rs.406.00 Crore and the cost upto project COD at 83.48 Crore. As against the approved additional capitalisation of Rs.2.52 Crore and Rs.320.00 Crore for FY 2016-17 and FY 2018-19 respectively, SCCL claimed the additional capitalisation of Rs.0.48 Crore, Rs.0.22 Crore and Rs.319.39 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively. SCCL claimed the external water supply system cost of Rs.403.57 Crore upto FY 2018-19 as against the approved total cost of Rs.406.00 Crore. As the claimed cost is lower than the total cost approved, the Commission approves SCCL's claim of additional capitalisation towards external water supply system.
- 4.9.3 The cost of external water supply system claimed by SCCL and approved by the Commission upto FY 2018-19 is as shown in the Table below:

**Table 15: External water supply system cost upto FY 2018-19***(Rs. Crore)*

Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Total cost	406.00	-	-
<b>Cost upto project COD (A)</b>	<b>83.48</b>	<b>83.48</b>	<b>83.48</b>
Additional capitalisation			
FY 2016-17	2.52	0.48	0.48
FY 2017-18	0.00	0.22	0.22
FY 2018-19	320.00	319.39	319.39
<b>Total additional capitalisation (B)</b>	<b>322.52</b>	<b>320.09</b>	<b>320.09</b>
<b>Total cost upto FY 2018-19 (A+B)</b>	<b>406.00</b>	<b>403.57</b>	<b>403.57</b>

**4.10 RAW WATER RESERVOIR*****Petitioner's submission***

- 4.10.1 SCCL claimed the additional capitalisation of Rs.2.90 Crore, Rs.5.41 Crore and Rs.3.09 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively towards raw water reservoir.

***Commission's View***

- 4.10.2 The Commission, in the Tariff Order, had approved the total cost of raw water reservoir at Rs.67.00 Crore and the cost upto project COD at 43.17 Crore. As against the approved additional capitalisation of Rs.5.05 Crore and Rs.18.78 Crore for FY 2016-17 and FY 2018-19 respectively, SCCL claimed the additional capitalisation of Rs.2.90 Crore, Rs.5.41 Crore and Rs.3.09 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively. SCCL claimed the raw water reservoir cost of Rs.54.57 Crore upto FY 2018-19 as against the approved total cost of Rs.67.00 Crore. As the claimed cost is lower than the total cost approved, the Commission approves SCCL's claim of additional capitalisation towards raw water reservoir.
- 4.10.3 The cost of raw water reservoir claimed by SCCL and approved by the Commission upto FY 2018-19 is as shown in the Table below:

**Table 16: Raw water reservoir cost upto FY 2018-19***(Rs. Crore)*

Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Total cost	67.00	-	-
<b>Cost upto project COD (A)</b>	<b>43.17</b>	<b>43.17</b>	<b>43.17</b>

Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Additional capitalisation			
FY 2016-17	5.05	2.90	2.90
FY 2017-18	0.00	5.41	5.41
FY 2018-19	18.78	3.09	3.09
<b>Total additional capitalisation (B)</b>	<b>23.83</b>	<b>11.40</b>	<b>11.40</b>
<b>Total cost upto FY 2018-19 (A+B)</b>	<b>67.00</b>	<b>54.57</b>	<b>54.57</b>

#### 4.11 RAILWAY SIDING

##### *Petitioner's submission*

- 4.11.1 SCCL claimed the additional capitalisation of Rs.322.57 Crore for FY 2018-19 towards railway siding.

##### *Commission's View*

- 4.11.2 The Commission, in the Tariff Order, had approved the total cost of railway siding as Rs.80.00 Crore and the cost upto project COD at Rs.0.00 Crore. As against the approved additional capitalisation of Rs.80.00 Crore SCCL claimed the additional capitalisation of Rs.322.57 Crore for FY 2018-19. SCCL submitted that the claimed cost towards railway siding is without considering the accounting for the grant claimed/received and the CCDAC grant amounting to Rs.84.19 Crore was received till 31.03.2019 against the claim of Rs.162.22 Crore.
- 4.11.3 As regards railway siding, SCCL's submission and Commission's ruling in the Tariff Order are as under:

*"3.8.3(iii) The total estimated cost of railway siding is Rs.276 Crore. SCCL being a coal company has applied to the Coal Controller, Ministry of Coal for funds to the tune of 70% of the cost of the railway siding. The fund created out of the Stowing Excise Duty of Rs.10/MT is utilized for roads and railway lines, protective works, sand stowing operations etc. being developed in the mining areas for evacuation of coal. Normally, 70% of these works shall be paid to Coal Companies as a grant/assistance. Accordingly, SCCL, in its Petition, has claimed the cost of Railway Siding as Rs.80 Crore which was subsequently revised to Rs.113.32 Crore."*

*"3.8.6 SCCL in its revised submissions dated 03.04.2017 claimed the cost of railway siding as Rs.113.32 Crore in FY 2016-17. Whereas during the Public Hearing, SCCL submitted that part of land required for railway siding is under acquisition and the railway siding works will be completed by March, 2018."*

3.8.7 After perusal of the submission in this regard, the Commission finds it prudent to approve the cost of Railway Siding as Rs.80 Crore in FY 2018-19, as submitted by SCCL during the Public Hearing. The Commission shall take an appropriate view on allowing shortfall, if any, in funds from the Coal Controller on this account from that envisaged in this Order during the truing up of additional capitalisation."

4.11.4 The cost of railway siding has increased from Rs.276.00 Crore to Rs.322.56 Crore. SCCL submitted the reasons for this increase as under:

- In compliance to the revised guidelines from Indian Railways, the top width of the embankment was increased from 6.85 m to 7.85 m and the bottom width was increased from 9.25 m to 10.25 m. Rock requiring blasting had increased due to these changes.
- Further, the tracks in the yards are spaced at 12 m (instead of 6 m) and the requirement of earth work quantities have increased due to this change.
- National Highways Authority of India (NHAI) had insisted for construction of RUBs on National Highway (NH) 63 with 2m x 24.20m span whereas the RUBs were originally planned to be constructed with 2m x 18.30m span.
- One additional bridge of 2m x 12.20m span was included during tendering stage for movement of dumpers at SRP-OCP.
- Railways had revised the depth of piles from 12m to 25m for the bridge on Rasulpalli vagu.
- Implementation of Goods and Services Tax (GST) w.e.f. 01.07.2017, revised royalty charges, District Mineral Foundation Trust (DMFT), State Mineral Exploration Trust (SMET), PVC etc.

4.11.5 SCCL has not submitted any supporting documents to substantiate the increase in railway siding cost from Rs.276.00 Crore to Rs.322.56 Crore. In the absence of supporting documents, the Commission does not find it prudent to approve the revised railway siding cost of Rs.322.56 Crore. As against the cost of Rs.322.57 Crore, the grant portion is Rs.162.22 Crore which works out to 50.29% of the cost whereas SCCL, in its Petition in O.P.No.9 of 2016 submitted that the grants portion would be to the extent of 70% of the cost. SCCL has not submitted any justification for the variation in grants portion. In light of the above, the Commission approves the cost of Rs.80.00 Crore towards railway siding, same as approved in the Tariff Order.

4.11.6 The cost of railway siding claimed by SCCL and approved by the Commission upto FY 2018-19 is as shown in the Table below:

**Table 17: Railway siding cost upto FY 2018-19**

Particulars	(Rs. Crore)		
	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Total cost	80.00	-	-
<b>Cost upto project COD (A)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Additional capitalisation			
FY 2016-17	0.00	0.00	0.00
FY 2017-18	0.00	0.00	0.00
FY 2018-19	80.00	322.57	80.00
<b>Total additional capitalisation (B)</b>	<b>80.00</b>	<b>322.57</b>	<b>80.00</b>
<b>Total cost upto FY 2018-19 (A+B)</b>	<b>80.00</b>	<b>322.57</b>	<b>80.00</b>

**4.12 OTHER WORKS UNDERTAKEN BY SCCL**

***Petitioner's submission***

4.12.1 SCCL claimed the additional capitalisation of Rs.16.30 Crore, Rs.57.67 Crore and Rs.30.41 for FY 2016-17, FY 2017-18 and FY 2018-19 respectively towards other works.

***Commission's View***

4.12.2 The Commission, in the Tariff Order, had approved the total cost of other works at Rs.246.86 Crore and the cost upto project COD at Rs.139.91 Crore. As against the approved additional capitalisation of Rs.45.56 Crore and Rs.61.39 Crore for FY 2016-17 and FY 2018-19 respectively, SCCL claimed the additional capitalisation of Rs.16.30 Crore, Rs.57.67 Crore and Rs.30.41 for FY 2016-17, FY 2017-18 and FY 2018-19 respectively. The item wise details of additional capitalisation claimed towards other works is discussed in the following paragraphs.

**Additional 400 kV Bays**

4.12.3 The Commission, in the Tariff Order, had approved the total cost of additional 400 kV Bays at Rs.28.69 Crore and the cost upto project COD at Rs.0.00 Crore. As against the approved additional capitalisation of Rs.28.69 Crore for FY 2016-17, SCCL claimed the additional capitalisation of Rs.28.70 Crore and Rs.2.04 for FY 2017-18 and FY 2018-19 respectively. SCCL claimed the additional 400 kV Bays cost of Rs.30.74 Crore upto FY 2018-19 as against the approved total cost of Rs.28.69 Crore. SCCL has not submitted any



justification for the increase in this cost. Therefore, the Commission approves the additional 400 kV Bays cost as Rs.28.69 Crore same as approved in the Tariff Order.

- 4.12.4 The cost of additional 400 kV Bays claimed by SCCL and approved by the Commission upto FY 2018-19 is as shown in the Table below:

**Table 18: Additional 400 kV Bays cost upto FY 2018-19**

(Rs. Crore)			
Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Total cost	28.69	-	-
<b>Cost upto project COD (A)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Additional capitalisation			
FY 2016-17	28.69	0.00	0.00
FY 2017-18	0.00	28.70	28.69
FY 2018-19	0.00	2.04	0.00
<b>Total additional capitalisation (B)</b>	<b>28.69</b>	<b>30.74</b>	<b>28.69</b>
<b>Total cost upto FY 2018-19 (A+B)</b>	<b>28.69</b>	<b>30.74</b>	<b>28.69</b>

#### **Plant roads & culverts**

- 4.12.5 The Commission, in the Tariff Order, had approved the total cost of plant roads & culverts at Rs.20.00 Crore and the cost upto project COD at Rs.11.44 Crore. As against the approved additional capitalisation of Rs.0.27 Crore and Rs.8.29 Crore for FY 2016-17 and FY 2018-19 respectively, SCCL claimed the additional capitalisation of Rs.0.31 Crore, Rs.0.59 Crore and Rs.0.35 for FY 2016-17, FY 2017-18 and FY 2018-19 respectively. SCCL claimed the plant roads & culverts cost of Rs.12.69 Crore upto FY 2018-19 as against the approved total cost of Rs.20.00 Crore. As the claimed cost is lower than the total cost approved, the Commission approves SCCL's claim of additional capitalisation towards plant roads & culverts.

- 4.12.6 The cost of plant roads & culverts claimed by SCCL and approved by the Commission upto FY 2018-19 is as shown in the Table below:

**Table 19: Plant roads & culverts cost upto FY 2018-19**

(Rs. Crore)			
Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Total cost	20.00	-	-
<b>Cost upto project COD (A)</b>	<b>11.44</b>	<b>11.44</b>	<b>11.44</b>
Additional capitalisation			

Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
FY 2016-17	0.27	0.31	0.31
FY 2017-18	0.00	0.59	0.59
FY 2018-19	8.29	0.35	0.35
<b>Total additional capitalisation (B)</b>	<b>8.56</b>	<b>1.25</b>	<b>1.25</b>
<b>Total cost upto FY 2018-19 (A+B)</b>	<b>20.00</b>	<b>12.69</b>	<b>12.69</b>

#### Coal transport roads

4.12.7 The Commission, in the Tariff Order, had approved the total cost of coal transport roads at Rs.56.48 Crore and the cost upto project COD at Rs.42.61 Crore. As against the approved additional capitalisation of Rs.1.50 Crore and Rs.12.37 Crore for FY 2016-17 and FY 2018-19 respectively, SCCL claimed the additional capitalisation of Rs.3.11 Crore, Rs.(-)1.09 Crore and Rs.(-)0.68 for FY 2016-17, FY 2017-18 and FY 2018-19 respectively. SCCL claimed the coal transport roads cost of Rs.43.95 Crore upto FY 2018-19 as against the approved total cost of Rs.56.48 Crore. As the claimed cost is lower than the total cost approved, the Commission approves SCCL's claim of additional capitalisation towards coal transport roads.

4.12.8 The cost of coal transport roads claimed by SCCL and approved by the Commission upto FY 2018-19 is as shown in the Table below:

**Table 20: Coal transport roads cost upto FY 2018-19**

(Rs. Crore)

Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Total cost	56.48	-	-
<b>Cost upto project COD (A)</b>	<b>42.61</b>	<b>42.61</b>	<b>42.61</b>
Additional capitalisation			
FY 2016-17	1.50	3.11	3.11
FY 2017-18	0.00	-1.09	-1.09
FY 2018-19	12.37	-0.68	-0.68
<b>Total additional capitalisation (B)</b>	<b>13.87</b>	<b>1.34</b>	<b>1.34</b>
<b>Total cost upto FY 2018-19 (A+B)</b>	<b>56.48</b>	<b>43.95</b>	<b>43.95</b>

#### Boundary walls

4.12.9 The Commission, in the Tariff Order, had approved the total cost of boundary walls at Rs.17.19 Crore and the cost upto project COD at Rs.16.94 Crore. As

against the approved additional capitalisation of Rs.0.25 Crore, SCCL claimed the additional capitalisation of Rs.0.25 Crore for FY 2016-17. SCCL claimed the boundary walls cost of Rs.17.19 Crore upto FY 2018-19 as against the approved total cost of Rs.17.19 Crore. As the claimed cost is equal to the total cost approved, the Commission approves SCCL's claim of additional capitalisation towards boundary walls.

4.12.10 The cost of boundary walls claimed by SCCL and approved by the Commission upto FY 2018-19 is as shown in the Table below:

**Table 21: Boundary walls cost upto FY 2018-19**

Particulars	(Rs. Crore)		
	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Total cost	17.19	-	-
<b>Cost upto project COD (A)</b>	<b>16.94</b>	<b>16.94</b>	<b>16.94</b>
Additional capitalisation			
FY 2016-17	0.25	0.25	0.25
FY 2017-18	0.00	0.00	0.00
FY 2018-19	0.00	0.00	0.00
<b>Total additional capitalisation (B)</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>
<b>Total cost upto FY 2018-19 (A+B)</b>	<b>17.19</b>	<b>17.19</b>	<b>17.19</b>

**Gate complex, security etc.**

4.12.11 The Commission, in the Tariff Order, had approved the total cost of gate complex, security etc. at Rs.5.40 Crore and the cost upto project COD at Rs.0.23 Crore. As against the approved additional capitalisation of Rs.0.20 Crore and Rs.4.97 Crore for FY 2016-17 and FY 2018-19 respectively, SCCL claimed the additional capitalisation of Rs.0.37 Crore, Rs.0.85 Crore and Rs.0.07 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively. SCCL claimed the cost of Rs.1.52 Crore upto FY 2018-19 as against the approved total cost of Rs.5.40 Crore. As the claimed cost is lower than the total cost approved, the Commission approves SCCL's claim of additional capitalisation towards gate complex, security etc.

4.12.12 The cost of gate complex, security etc. claimed by SCCL and approved by the Commission upto FY 2018-19 is as shown in the Table below:

**Table 22: Gate complex, security etc. cost upto FY 2018-19**

(Rs. Crore)

Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Total cost	5.40	-	-
<b>Cost upto project COD (A)</b>	<b>0.23</b>	<b>0.23</b>	<b>0.23</b>
Additional capitalisation			
FY 2016-17	0.20	0.37	0.37
FY 2017-18	0.00	0.85	0.85
FY 2018-19	4.97	0.07	0.07
<b>Total additional capitalisation (B)</b>	<b>5.17</b>	<b>1.29</b>	<b>1.29</b>
<b>Total cost upto FY 2018-19 (A+B)</b>	<b>5.40</b>	<b>1.52</b>	<b>1.52</b>

### Township

4.12.13 The Commission, in the Tariff Order, had approved the total cost of township at Rs.80.00 Crore and the cost upto project COD at Rs.52.18 Crore. As against the approved additional capitalisation of Rs.13.54 Crore and Rs.14.28 Crore for FY 2016-17 and FY 2018-19 respectively, SCCL claimed the additional capitalisation of Rs.11.32 Crore, Rs.26.80 Crore and Rs.19.23 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively. SCCL claimed the township cost of Rs.109.53 Crore upto FY 2018-19 as against the approved total cost of Rs.80.00 Crore. The Commission's approval of township cost has been challenged by SCCL in its Appeal No.312 of 2017 before the Hon'ble APTEL and the Appeal is sub-judice. Therefore, the Commission does not find it prudent to revise the approved township cost of Rs.80.00 Crore. The same shall be subject to the outcome of the Appeal No.312 of 2017 pending before the Hon'ble APTEL.

4.12.14 The cost of township claimed by SCCL and approved by the Commission upto FY 2018-19 is as shown in the Table below:

**Table 23: Township cost upto FY 2018-19**

(Rs. Crore)

Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Total cost	80.00	-	-
<b>Cost upto project COD (A)</b>	<b>52.18</b>	<b>52.18</b>	<b>52.18</b>
Additional capitalisation			
FY 2016-17	13.54	11.32	11.32
FY 2017-18	0.00	26.80	16.50
FY 2018-19	14.28	19.23	0.00
<b>Total additional capitalisation (B)</b>	<b>27.82</b>	<b>57.35</b>	<b>27.82</b>

Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
<b>Total cost upto FY 2018-19 (A+B)</b>	<b>80.00</b>	<b>109.53</b>	<b>80.00</b>

#### Environmental impact measures

4.12.15 The Commission, in the Tariff Order, had approved the total cost of environmental impact measures at Rs.5.00 Crore and the cost upto project COD at Rs.0.79 Crore. As against the approved additional capitalisation of Rs.0.18 Crore and Rs.4.03 Crore for FY 2016-17 and FY 2018-19 respectively, SCCL claimed the additional capitalisation of Rs.(-)0.01 Crore, Rs.0.09 Crore and Rs.0.38 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively. SCCL claimed the environmental impact measures cost of Rs.1.25 Crore upto FY 2018-19 as against the approved total cost of Rs.5.00 Crore. As the claimed cost is lower than the total cost approved, the Commission approves SCCL's claim of additional capitalisation towards environmental impact measures.

4.12.16 The cost of environmental impact measures claimed by SCCL and approved by the Commission upto FY 2018-19 is as shown in the Table below:

**Table 24: Environmental impact measures cost upto FY 2018-19**

(Rs. Crore)

Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Total cost	5.00	-	-
<b>Cost upto project COD (A)</b>	<b>0.79</b>	<b>0.79</b>	<b>0.79</b>
Additional capitalisation			
FY 2016-17	0.18	-0.01	-0.01
FY 2017-18	0.00	0.09	0.09
FY 2018-19	4.03	0.38	0.38
<b>Total additional capitalisation (B)</b>	<b>4.21</b>	<b>0.46</b>	<b>0.46</b>
<b>Total cost upto FY 2018-19 (A+B)</b>	<b>5.00</b>	<b>1.25</b>	<b>1.25</b>

#### Mandatory capital expenditure under MoEF clearance

4.12.17 The Commission, in the Tariff Order, had approved the total cost towards mandatory capital expenditure under MoEF clearance at Rs.22.10 Crore and the cost upto project COD at Rs.9.45 Crore. As against the approved additional capitalisation of Rs.0.60 Crore and Rs.12.05 Crore for FY 2016-17 and FY 2018-19 respectively, SCCL claimed the additional capitalisation of

Rs.0.60 Crore, Rs.0.68 Crore and Rs.3.11 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively. SCCL claimed the mandatory capital expenditure under MoEF clearance cost of Rs.13.84 Crore upto FY 2018-19 as against the approved total cost of Rs.22.10 Crore. As the claimed cost is lower than the total cost approved, the Commission approves SCCL's claim of additional capitalisation towards mandatory capital expenditure under MoEF clearance.

4.12.18 The mandatory capital expenditure under MoEF clearance claimed by SCCL and approved by the Commission upto FY 2018-19 is as shown in the Table below:

**Table 25: Mandatory capital expenditure under MoEF clearance cost upto FY 2018-19**

(Rs. Crore)

Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Total cost	22.10	-	-
<b>Cost upto project COD (A)</b>	<b>9.45</b>	<b>9.45</b>	<b>9.45</b>
Additional capitalisation			
FY 2016-17	0.60	0.60	0.60
FY 2017-18	0.00	0.68	0.68
FY 2018-19	12.05	3.11	3.11
<b>Total additional capitalisation (B)</b>	<b>12.65</b>	<b>4.39</b>	<b>4.39</b>
<b>Total cost upto FY 2018-19 (A+B)</b>	<b>22.10</b>	<b>13.84</b>	<b>13.84</b>

**Weight bridge, fire tender etc.**

4.12.19 The Commission, in the Tariff Order, had approved the total cost of weigh bridge, fire tender etc., at Rs.2.00 Crore and the cost upto project COD at Rs.0.42 Crore. As against the approved additional capitalisation of Rs.1.58 Crore for FY 2018-19, SCCL claimed the additional capitalisation of Rs.0.03 Crore, and Rs.1.04 Crore for FY 2016-17 and FY 2018-19 respectively. SCCL claimed the weigh bridge, fire tender etc. cost of Rs.1.49 Crore upto FY 2018-19 as against the approved total cost of Rs.2.00 Crore. As the claimed cost is lower than the total cost approved, the Commission approves SCCL's claim of additional capitalisation towards weigh bridge, fire tender etc.

4.12.20 The cost of weigh bridge, fire tender etc. claimed by SCCL and approved by the Commission upto FY 2018-19 is as shown in the Table below:

**Table 26: Cost of Weigh Bridge, fire tender etc. upto FY 2018-19**

(Rs. Crore)			
Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Total cost	2.00	-	-
<b>Cost upto project COD (A)</b>	<b>0.42</b>	<b>0.42</b>	<b>0.42</b>
Additional capitalisation			
FY 2016-17	0.00	0.03	0.03
FY 2017-18	0.00	0.00	0.00
FY 2018-19	1.58	1.04	1.04
<b>Total additional capitalisation (B)</b>	<b>1.58</b>	<b>1.07</b>	<b>1.07</b>
<b>Total cost upto FY 2018-19 (A+B)</b>	<b>2.00</b>	<b>1.49</b>	<b>1.49</b>

**Furniture & office automation**

4.12.21 The Commission, in the Tariff Order, had approved the total cost of furniture & office automation at Rs.5.00 Crore and the cost upto project COD at Rs.2.37 Crore. As against the approved additional capitalisation of Rs.2.63 Crore for FY 2018-19, SCCL claimed the additional capitalisation of Rs.(-)0.19 Crore, Rs.0.54 Crore and Rs.2.06 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively. SCCL claimed the furniture & office automation cost of Rs.4.78 Crore upto FY 2018-19 as against the approved total cost of Rs.5.00 Crore. As the claimed cost is lower than the total cost approved, the Commission approves SCCL's claim of additional capitalisation towards furniture & office automation.

4.12.22 The cost of furniture & office automation claimed by SCCL and approved by the Commission upto FY 2018-19 is as shown in the Table below:

**Table 27: Furniture & office automation cost upto FY 2018-19**

(Rs. Crore)			
Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Total cost	5.00	-	-
<b>Cost upto project COD (A)</b>	<b>2.37</b>	<b>2.37</b>	<b>2.37</b>
Additional capitalisation			
FY 2016-17	0.00	-0.19	-0.19
FY 2017-18	0.00	0.54	0.54
FY 2018-19	2.63	2.06	2.06
<b>Total additional capitalisation (B)</b>	<b>2.63</b>	<b>2.41</b>	<b>2.41</b>
<b>Total cost upto FY 2018-19 (A+B)</b>	<b>5.00</b>	<b>4.78</b>	<b>4.78</b>

**Miscellaneous expenditure**

4.12.23 The Commission, in the Tariff Order, had approved the total cost towards miscellaneous expenditure at Rs.5.00 Crore and the cost upto project COD at Rs.3.48 Crore. As against the approved additional capitalisation of Rs.0.33 Crore and Rs.1.19 Crore for FY 2016-17 and FY 2018-19 respectively, SCCL claimed the additional capitalisation of Rs.0.51 Crore, Rs.0.51 Crore and Rs.2.81 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively. SCCL claimed the miscellaneous expenditure of Rs.7.31 Crore upto FY 2018-19 as against the approved total cost of Rs.5.00 Crore. SCCL has not submitted any justification for the increase in this cost. Therefore, the Commission approves the miscellaneous expenditure of Rs.5.00 Crore, same as approved in the Tariff Order.

4.12.24 The miscellaneous expenditure claimed by SCCL and approved by the Commission upto FY 2018-19 is as shown in the Table below:

**Table 28: Miscellaneous expenditure upto FY 2018-19***(Rs. Crore)*

Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Total cost	5.00	-	-
<b>Cost upto project COD (A)</b>	<b>3.48</b>	<b>3.48</b>	<b>3.48</b>
Additional capitalisation			
FY 2016-17	0.33	0.51	0.51
FY 2017-18	0.00	0.51	0.51
FY 2018-19	1.19	2.81	0.50
<b>Total additional capitalisation (B)</b>	<b>1.52</b>	<b>3.83</b>	<b>1.52</b>
<b>Total cost upto FY 2018-19 (A+B)</b>	<b>5.00</b>	<b>7.31</b>	<b>5.00</b>

4.12.25 Based on the above, the cost of other works claimed by SCCL and approved by the Commission upto FY 2018-19 is as shown in the Table below:

**Table 29: Other works cost upto FY 2018-19***(Rs. Crore)*

Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Total cost	246.86	-	-
<b>Cost upto project COD (A)</b>	<b>139.91</b>	<b>139.91</b>	<b>139.91</b>
Additional capitalisation			
FY 2016-17	45.56	16.30	16.30
FY 2017-18	0.00	57.67	47.36
FY 2018-19	61.39	30.41	6.83
<b>Total additional</b>	<b>106.95</b>	<b>104.38</b>	<b>70.49</b>



Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
capitalisation (B)			
Total cost upto FY 2018-19 (A+B)	246.86	244.29	210.40

#### 4.13 OVERHEADS

##### *Petitioner's submission*

- 4.13.1 SCCL claimed the additional capitalisation of Rs.31.59 Crore, Rs.5.86 Crore and Rs.(-)0.37 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively towards overheads.

##### *Commission's View*

- 4.13.2 The Commission, in the Tariff Order, had approved the total cost of overheads at Rs.334.58 Crore and the cost upto project COD at 291.10 Crore. As against the approved additional capitalisation of Rs.6.24 Crore and Rs.37.23 Crore for FY 2016-17 and FY 2018-19 respectively, SCCL claimed the additional capitalisation of Rs.31.59 Crore, Rs.5.86 Crore and Rs.(-)0.37 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively. The Commission in the Tariff Order dated, had approved overhead expenses as 5% of the approved additional capitalisation for the respective year. The Commission's approval of overheads cost has been challenged by SCCL in its Appeal No.312 of 2017 before the Hon'ble APTEL and the Appeal is sub-judice. Therefore, the Commission does not find it prudent to revise the methodology of approval of overheads cost. Therefore, the Commission approves the overheads cost as lower of 5% of the approved additional capitalisation and the actual claimed for the respective year. The same shall be subject to the outcome of the Appeal No.312 of 2017 pending before the Hon'ble APTEL.

- 4.13.3 The cost of overheads claimed by SCCL and approved by the Commission upto FY 2018-19 is as shown in the Table below:

**Table 30: Overheads cost upto FY 2018-19**

(Rs. Crore)

Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Total cost	334.58	-	-

Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
<b>Cost upto project COD (A)</b>	<b>291.10</b>	<b>319.50</b>	<b>291.10</b>
Additional capitalisation			
FY 2016-17	6.24	31.59	2.47
FY 2017-18	0.00	5.86	5.86
FY 2018-19	37.23	-0.37	-0.37
<b>Total additional capitalisation (B)</b>	<b>43.48</b>	<b>37.08</b>	<b>7.96</b>
<b>Total cost upto FY 2018-19 (A+B)</b>	<b>334.58</b>	<b>356.58</b>	<b>299.07</b>

#### 4.14 INTEREST DURING CONSTRUCTION (IDC)

##### *Petitioner's submission*

- 4.14.1 SCCL claimed the additional capitalisation of Rs.17.14 Crore, Rs.21.55 Crore and Rs.(-)37.69 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively towards IDC.

##### *Commission's View*

- 4.14.2 The Commission, in the Tariff Order, had approved the IDC of Rs.883.63 Crore upto project COD. The Commission's approval of IDC has been challenged by SCCL in its Appeal No.312 of 2017 before the Hon'ble APTEL and the Appeal is sub-judice. Therefore, the Commission does not find it prudent to revise the approved IDC of Rs.883.63 Crore. The Commission does not find it prudent to consider the IDC after project COD claimed by SCCL.
- 4.14.3 The IDC claimed by SCCL and approved by the Commission is as shown in the Table below:

**Table 31: IDC upto FY 2018-19**

(Rs. Crore)

Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Total cost	883.63	-	-
<b>Cost upto project COD (A)</b>	<b>883.63</b>	<b>1264.34</b>	<b>883.63</b>
Additional capitalisation			
FY 2016-17	0.00	17.14	0.00
FY 2017-18	0.00	21.55	0.00
FY 2018-19	0.00	-37.69	0.00
<b>Total additional capitalisation (B)</b>	<b>0.00</b>	<b>1.00</b>	<b>0.00</b>
<b>Total cost upto FY 2018-</b>	<b>883.63</b>	<b>1265.34</b>	<b>883.63</b>

Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
19 (A+B)			

**4.15 CAPITAL COST UPTO FY 2018-19**

**Commission's View**

4.15.1 Based on the above, the capital cost claimed by SCCL and approved by the Commission upto FY 2018-19 is as shown in the Table below:

**Table 32: Capital cost upto FY 2018-19**

(Rs. Crore)

Particulars	Approved in Tariff Order	Claimed for true-up	Approved on true-up
<b>Cost upto project COD (A)</b>	<b>6705.71</b>	<b>7114.82</b>	<b>6705.71</b>
Additional capitalisation			
FY 2016-17	124.85	95.62	49.37
FY 2017-18	0.00	401.50	369.64
FY 2018-19	744.69	849.06	620.60
<b>Total additional capitalisation (B)</b>	<b>869.55</b>	<b>1346.18</b>	<b>1039.60</b>
<b>Total cost upto FY 2018-19 (A+B)</b>	<b>7575.26*</b>	<b>8461.00</b>	<b>7745.32**</b>

\* excluding undischarged liabilities as on COD amounting to Rs.443.81 Crore

\*\* including liabilities as on COD discharged in FY 2016-17, FY 2017-18 and FY 2018-19

**4.16 ANNUAL FIXED CHARGES (AFC)**

4.16.1 In accordance with Regulation 21 of the CERC (Terms and Conditions of Tariff) Regulations, 2014, the AFC of thermal generating station consist of recovery of the following:

- a. Return on Equity (RoE);
- b. Interest on loan;
- c. Depreciation;
- d. Interest on Working Capital (IoWC); and
- e. Operation and Maintenance (O&M) expenses.

4.16.2 SCCL vide its submission dated 04.12.2019 submitted the true-up claims of AFC for FY 2016-17 to FY 2018-19. Subsequently, SCCL in replies to data gaps dated 25.02.2020 submitted the revised AFC for FY 2016-17 to FY 2018-19 rectifying the discrepancy in its computations. The Commission has considered the revised submissions dated 25.02.2020.

**4.17 RETURN ON EQUITY (RoE)**

**Petitioner's submission**

4.17.1 SCCL claimed RoE of Rs.180.13 Crore, Rs.438.11 Crore and Rs.475.08 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively.

**Commission's View**

4.17.2 Regulation 19(1) of the CERC (Terms and Conditions of Tariff) Regulations, 2014 stipulates that the equity in excess of 30% of the capital cost shall be treated as normative loan. SCCL submitted the actual means of finance of additional capitalisation for FY 2016-17 to FY 2018-19. Based on the actual means of finance submitted by SCCL, the Debt Equity ratio of capital cost including additional capitalisation upto FY 2018-19 is 57.78:42.22. As the actual equity is in excess of 30%, SCCL has claimed RoE on the equity corresponding to 30% of the claimed additional capitalisation.

4.17.3 The Commission has considered the approved equity base as on COD and 30% of the approved additional capitalisation as equity addition for the respective year. The equity base claimed by SCCL and approved by the Commission is as shown in the Table below:

**Table 33: Equity base for FY 2016-17 to FY 2018-19**

(Rs. Crore)

Financial Year	Approved in Tariff Order		Claimed for true-up		Approved on true-up	
	Opening Equity	Closing Equity	Opening Equity	Closing Equity	Opening Equity	Closing Equity
2016-17						
From COD of Unit 1 till COD of Unit 2	1050.57	1050.57	1114.66	1114.66	1050.57	1050.57
From COD of Unit 2 till 31.03.2017	2011.71	2049.17	2134.45	2163.13	2011.71	2026.53
2017-18	2049.17	2049.17	2163.13	2283.58	2026.53	2137.42
2018-19	2049.17	2272.58	2283.58	2538.30	2137.42	2323.60

4.17.4 Regulation 25 of the CERC (Terms and Conditions of Tariff) Regulations, 2014 stipulate that the base rate of RoE of 15.50% shall be grossed up with the effective tax rate. SCCL has considered the MAT rate of 21.34% for grossing up the base rate of RoE. SCCL submitted the justification for considering MAT rate as below.

*"The book profits calculated as per section 115JB of income tax act, 1961 for computing the MAT liability for the FY 2016-17, FY 2017-18 and FY 2018-19 are mentioned below:*

S. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19
1	STPP- Profit Before Tax	155.55	576.36	539.24
2	Book profit u/s 115JB-STPP (Standalone)	155.55	580.15	700.73
3	MAT payable on above @ 21.3416% for FY 2016-18 & 21.5488% for FY 2018-19	33.20	123.81	151.00
4	Book profit/(loss) u/s 115JB – SCCL (Coal operations)	-380.80	1383.25	2179.41
5	Net Book profit/(loss) of SCCL (Coal & Power) (4+6)	-225.25	1963.40	2880.14
6	MAT liability @21.3416% for FY 2016-18 & 21.5488% for FY 2018-19	Nil	419.02	620.64
7	Net Taxable income/(Loss) of SCCL (including carry forwarded Loss)	-2441.34	-806.55	1383.80
8	Normal Tax on above @ 34.608% & 34.944% for FY 2018-19	Nil	Nil	483.55

For the FY 2016-17, the MAT payable on STPP standalone book profits worked out to Rs.33.20 Crs at the applicable rate of 21.3416%. However, SCCL has a book loss of Rs.380.80 Crs from Coal operations, computed u/s 115JB of Income Tax act, 1961. The book loss from SCCL coal operations was due to deduction of the amounts of unascertainable provisions withdrawn in arriving at book profits as per section 115JB, as the same were added back for MAT computation in earlier years on which MAT or normal tax, whichever is higher was paid in the corresponding earlier years.

Clubbing of STPP profits with Coal operations loss, has resulted in net book loss at company level for the FY 2016-17 and hence no MAT was paid. Accordingly, it shall be construed that SCCL had MAT liability on STPP profits, which was adjusted against the loss from coal operations and hence MAT shall be deemed to have been paid on STPP profits.

For the FY 2017-18, SCCL has paid MAT of Rs.424.21 Crs (including interest of 5.17 Crs). However, MAT computed on standalone STPP book profits of Rs.580.15 Crs comes to Rs.123.81 Crs. at applicable MAT rate of 21.3416%.

For the FY 2018-19, SCCL has paid MAT of Rs.628.28 Crs (including interest of 7.65 Crs). However, MAT computed on standalone STPP book profits of Rs.700.73 Crs comes to Rs.151.01 Crs., at applicable MAT rate of 21.5488%.

- 4.17.5 The Commission has considered the opening equity as on COD as approved in the Tariff Order. The equity portion of additional capitalisation has been considered as equivalent to 30% of the approved additional capitalisation for the respective year. The base rate of RoE of 15.50% has been grossed up with the applicable MAT rate for the respective year.

4.17.6 The RoE claimed by SCCL and approved by the Commission is as shown in the Table below:

**Table 34: RoE for FY 2016-17 to FY 2018-19**

(Rs. Crore)

Financial Year	Approved in Tariff Order	Claimed for true-up	Approved on true-up
2016-17			
From COD of Unit 1 till COD of Unit 2	38.57	40.92	38.57
From COD of Unit 2 till 31.03.2017	131.54	139.21	130.81
2017-18	403.79	438.11	410.25
2018-19	425.80	475.08	440.70
<b>Total</b>	<b>999.70</b>	<b>1093.32</b>	<b>1020.33</b>

4.17.7 The variation in RoE claimed by SCCL and approved by the Commission is on account of the variation in equity base.

#### 4.18 INTEREST ON LOAN

##### *Petitioner's submission*

4.18.1 SCCL claimed the interest on loan of Rs.226.01 Crore, Rs.490.99 Crore and Rs.487.24 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively.

4.18.2 As regards interest rate, submitted as under:

- Project loan from PFC amounting to Rs.3980 Crore was availed at the interest rate of 12.25%.
- Pursuant to the letters dated 14.11.2016, 29.12.2016 and 09.03.2017, requesting reduction in the interest rates, PFC vide its letter dated 14.03.2017 had reduced the interest rate to 9.25%.
- The interest rates claimed for FY 2016-17 to FY 2018-19 have been computed considering the sharing of savings due to loan refinancing in accordance with Regulation 26(7) of the CERC (Terms and Conditions of Tariff) Regulations, 2014.

##### *Commission's View*

4.18.3 The interest rate considered by the Commission in the Tariff Order was challenged by SCCL in its Appeal No.312 of 2017 stating that the savings due to loan refinancing had not been considered. The Appeal is sub-judice.

4.18.4 The Commission directed SCCL to submit the copy of loan agreement executed pursuant to refinancing of long-term loans. In reply SCCL submitted

the correspondences regarding reduction of interest rate. SCCL submitted that no separate agreement was executed with the lender.

- 4.18.5 The Commission also directed SCCL to submit the computations to substantiate that the refinancing of loans has resulted in net savings in interest in compliance to Regulation 26(7) of the CERC (Terms and Conditions of Tariff) Regulations, 2014. In reply, SCCL submitted that the interest rates have reduced from 11.69% to 9.91%, 9.38% and 9.14% in FY 2016-17, FY 2017-18 and FY 2018-19 respectively and the interest rates claimed in true-up is after considering the sharing of savings on account of loan refinancing.
- 4.18.6 From the submissions, it is clear that only the interest rates have been reduced and this cannot be treated as loan refinancing as claimed by SCCL.
- 4.18.7 Regulation 19(1) of the CERC (Terms and Conditions of Tariff) Regulations, 2014 stipulates that the equity in excess of 30% of the capital cost shall be treated as normative loan. SCCL submitted the actual means of finance of additional capitalisation for FY 2016-17 to FY 2018-19. Based on the actual means of finance submitted by SCCL, the Debt Equity ratio of capital cost including additional capitalisation upto FY 2018-19 is 57.78:42.22. As the actual equity is in excess of 30%, the equity portion in excess of 30% of claimed additional capitalisation has been treated as normative loan thereby the total loan has been considered as 70% of the claimed additional capitalisation for the respective years.
- 4.18.8 The Commission has considered the opening loan as on COD as approved in the Tariff Order. The loan portion of additional capitalisation has been considered as equivalent to 70% of the approved additional capitalisation for the respective year. The normative repayment has been considered as equivalent to approved depreciation for the year. The Commission has considered the weighted average interest rate based on actual loan portfolio in accordance with Regulation 26 of the CERC (Terms and Conditions of Tariff) Regulations, 2014. The interest on loan has been computed on the normative average loan for the year by applying the weighted average interest rate.

4.18.9 The loan balances claimed by SCCL and approved by the Commission is as shown in the Table below:

**Table 35: Loan balances for FY 2016-17 to FY 2018-19**

(Rs. Crore)

Financial Year	Approved in Tariff Order		Claimed for true-up		Approved on true-up	
	Opening Loan	Closing Loan	Opening Loan	Closing Loan	Opening Loan	Closing Loan
2016-17						
From COD of Unit 1 till COD of Unit 2	2451.33	2418.19	2600.88	2564.99	2451.33	2417.50
From COD of Unit 2 till 31.03.2017	4660.86	4635.30	4944.48	4889.31	4660.17	4579.99
2017-18	4635.30	4288.69	4889.31	4787.01	4579.99	4479.76
2018-19	4288.69	4444.69	4787.01	4967.61	4479.76	4531.41

4.18.10 The interest rates claimed by SCCL and approved by the Commission is as shown in the Table below:

Financial Year	Approved in Tariff Order	Claimed for true-up	Approved on true-up
2016-17			
From COD of Unit 1 till COD of Unit 2	10.78%	11.69%	11.69%
From COD of Unit 2 till 31.03.2017	10.78%	10.50%	9.91%
2017-18	9.21%	10.15%	9.38%
2018-19	9.21%	9.99%	9.14%

4.18.11 The interest on loan claimed by SCCL and approved by the Commission is as shown in the Table below:

**Table 36: Interest on loan for FY 2016-17 to FY 2018-19**

(Rs. Crore)

Financial Year	Approved in Tariff Order	Claimed for true-up	Approved on true-up
2016-17			
From COD of Unit 1 till COD of Unit 2	48.91	56.26	53.03
From COD of Unit 2 till 31.03.2017	164.78	169.75	150.46
2017-18	410.83	490.99	424.74
2018-19	402.06	487.24	411.76
<b>Total</b>	<b>1026.59</b>	<b>1204.23</b>	<b>1040.00</b>

4.18.12 The variation in interest on loan claimed by SCCL and approved by the Commission is on account of variation in loan balances and interest rates.



**4.19 DEPRECIATION*****Petitioner's submission***

4.19.1 SCCL claimed the depreciation of Rs.158.00 Crore, Rs.383.35 Crore and Rs.413.74 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively.

***Commission's View***

4.19.2 The Commission has approved the depreciation in accordance with Regulation 27 of the CERC (Terms and Conditions of Tariff) Regulations, 2014 considering the approved asset base and the asset class wise depreciation rates.

4.19.3 The depreciation claimed by SCCL and approved by the Commission is as shown in the Table below:

**Table 37: Depreciation for FY 2016-17 to FY 2018-19**

<i>(Rs. Crore)</i>			
<b>Financial Year</b>	<b>Approved in Tariff Order</b>	<b>Claimed for true-up</b>	<b>Approved on true-up</b>
2016-17			
From COD of Unit 1 till COD of Unit 2	33.14	35.89	33.83
From COD of Unit 2 till 31.03.2017	112.96	122.11	114.74
2017-18	346.61	383.35	358.97
2018-19	365.29	413.74	382.78
<b>Total</b>	<b>858.00</b>	<b>955.09</b>	<b>890.31</b>

4.19.4 The variation in depreciation claimed by SCCL and approved by the Commission is on account of variation in GFA base.

**4.20 INTEREST ON WORKING CAPITAL (IoWC)*****Petitioner's submission***

4.20.1 SCCL claimed IoWC of Rs.45.65 Crore, Rs.108.75 Crore and Rs.110.68 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively.

***Commission's View***

4.20.2 The Commission has approved IoWC in accordance with Regulation 28 of the CERC (Terms and Conditions of Tariff) Regulations, 2014 by revising the working capital considering the AFC approved on true-up for FY 2016-17 to

FY 2018-19.

- 4.20.3 The IoWC claimed by SCCL and approved by the Commission is as shown in the Table below:

**Table 38: IoWC for FY 2016-17 to FY 2018-19**

(Rs. Crore)

Financial Year	Approved in Tariff Order	Claimed for true-up	Approved on true-up
2016-17			
From COD of Unit 1 till COD of Unit 2	9.11	10.26	9.60
From COD of Unit 2 till 31.03.2017	32.03	35.39	32.87
2017-18	99.75	108.75	100.47
2018-19	101.21	110.68	102.13
<b>Total</b>	<b>242.10</b>	<b>265.08</b>	<b>245.06</b>

#### 4.21 OPERATION AND MAINTENANCE (O&M) EXPENSES

##### *Petitioner's submission*

- 4.21.1 SCCL claimed O&M expenses of Rs.82.38 Crore, Rs.207.60 Crore and Rs.220.56 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively.

##### *Commission's View*

- 4.21.2 Regulation 29(1) of the CERC (Terms and Conditions of Tariff) Regulations, 2014 specifies the normative O&M expenses of Rs.16.27 lakh/MW, Rs.17.30 lakh/MW and Rs.18.38 lakh/MW for FY 2016-17, FY 2017-18 and FY 2018-19 respectively. The Commission has approved the O&M expenses considered the normative O&M expenses as specified in the CERC (Terms and Conditions of Tariff) Regulations, 2014.
- 4.21.3 The O&M expenses claimed by SCCL and approved by the Commission is as shown in the Table below:

**Table 39: O&M expenses for FY 2016-17 to FY 2018-19**

(Rs. Crore)

Financial Year	Approved in Tariff Order	Claimed for true-up	Approved on true-up
2016-17			
From COD of Unit 1 till COD of Unit 2	18.19	18.19	18.19
From	64.19	64.19	64.19

Financial Year	Approved in Tariff Order	Claimed for true-up	Approved on true-up
COD of Unit 2 till 31.03.2017			
2017-18	207.60	207.60	207.60
2018-19	220.56	220.56	220.56
<b>Total</b>	<b>510.54</b>	<b>510.54</b>	<b>510.54</b>

#### 4.22 ANNUAL FIXED CHARGES (AFC)

##### *Commission's View*

4.22.1 Based on the above, the AFC claimed by SCCL and approved by the Commission is as shown in the Table below:

**Table 40: AFC for FY 2016-17, FY 2017-18 & FY 2018-19**

(Rs. Crore)

Particulars	From COD of Unit 1 till COD of Unit 2			From COD of Unit 2 till 31.03.2017		
	Approved in Tariff Order	Claimed for true-up	Approved on true-up	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Return on Equity	38.57	40.92	38.57	131.54	139.21	130.81
Interest on Loan	48.91	56.26	53.03	164.78	169.75	150.46
Depreciation	33.14	35.89	33.83	112.96	122.11	114.74
Interest on Working Capital	9.11	10.26	9.60	32.03	35.39	32.87
O&M expenses	18.19	18.19	18.19	64.19	64.19	64.19
<b>Annual Fixed Charges</b>	<b>147.91</b>	<b>161.53</b>	<b>153.21</b>	<b>505.50</b>	<b>530.64</b>	<b>493.06</b>

Particulars	FY 2017-18			FY 2018-19		
	Approved in Tariff Order	Claimed for true-up	Approved on true-up	Approved in Tariff Order	Claimed for true-up	Approved on true-up
Return on Equity	403.79	438.11	410.25	425.80	475.08	440.70
Interest on Loan	410.83	490.99	424.74	402.06	487.24	411.76
Depreciation	346.61	383.35	358.97	365.29	413.74	382.78
Interest on Working Capital	99.75	108.75	100.47	101.21	110.68	102.13
O&M expenses	207.60	207.60	207.60	220.56	220.56	220.56
<b>Annual Fixed Charges</b>	<b>1468.58</b>	<b>1628.80</b>	<b>1502.03</b>	<b>1514.92</b>	<b>1707.30</b>	<b>1557.93</b>

4.22.2 The Commission directs SCCL to bill the differential AFC recoverable/refundable for the period from FY 2016-17 to FY 2018-19 as per the AFC approved after true-up approved in this Order.

#### 4.23 OTHER CHARGES

##### *Petitioner's submission*

4.23.1 SCCL claimed other charges of Rs.1.11 Crore, Rs.6.42 Crore and Rs.4.15 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively.

##### *Commission's View*

4.23.2 Regulation 29(2) of the CERC (Terms and Conditions of Tariff) Regulations, 2014 provides for allowance of water charges and capital spares separately.

The other charges claimed by SCCL are towards water charges and capital spares.

4.23.3 Regulation 29(2) of the CERC (Terms and Conditions of Tariff) Regulations, 2014 provides for allowance of water charges subject to prudence check. SCCL has claimed the total water charges of Rs.4.69 Crore for the period from FY 2016-17 to FY 2018-19 and submitted the copies of letters dated 28.03.2019 and 20.05.2019 addressed to the Irrigation Department. SCCL also requested the Commission to allow the water charges of Rs.3.63 Crore for the period from 01.12.2016 to 31.08.2018 in its submissions on billing disputes to which the DISCOMs submitted that all the monthly energy bills including supplementary bills towards taxes & duties as per the Tariff Regulations have been paid and sought the reconciliation of the sums received by SCCL. In light of the above, the Commission has not approved any amount towards water charges in this Order. **The Commission directs SCCL to take up the issue of water charges with the DISCOMs.**

4.23.4 Regulation 29(2) of the CERC (Terms and Conditions of Tariff) Regulations, 2014 provides for allowance of capital spares in true-up subject to submission of appropriate justification for incurring the same and substantiating that the same has not been funded by compensatory allowance or special allowance or claimed as a part of additional capitalisation or consumption of stores and spares and renovation and modernisation. SCCL has claimed the total capital spares of Rs.6.99 Crore for the period from FY 2016-17 to FY 2018-19 and submitted the list of capital spares along with justification for procurement of the same. As per the detailed list, the total value of capital spares procured during the period from FY 2016-17 to FY 2018-19 amounts to Rs.8.34 Crore. SCCL has not substantiated that the claimed capital spares have not been claimed as a part of additional capitalisation. Therefore, the Commission has not approved the capital spares claimed for FY 2016-17 to FY 2018-19.

#### **4.24 BILLING DISPUTES**

4.24.1 SCCL submitted that it has raised power bills during the period from FY 2016-17 to FY 2018-19 as per the Commission's Tariff Order however, some of the bills have not been admitted by the DISCOMs as shown below:

**Table 41: Billing disputes raised by SCCL**

			(Rs. Crore)
Sl. No.	Particulars	Period	Amount
1	Additional coal bills	FY 2018-19	121.43
2	Billing on actual metered energy.	FY 2018-19	17.75
3	Incentive	FY 2017-18	29.11
4	Water charges	01.12.2016 to 31.08.2018	3.63
5	Other charges	FY 2016-17, FY 2017-18 and FY 2018-19	1.16
	<b>Total</b>		<b>173.09</b>

4.24.2 SCCL's submissions on each of the above items and Commission's ruling is detailed in the following paragraphs:

#### ***Petitioner's submission***

##### **Additional coal bills**

4.24.3 SCCL was allotted Naini coal block in Odisha to meet the coal requirements of the project. As production from Naini coal block has not yet started, Bridge Linkage was approved by the Standing Committee of MoC. The coal has been supplied to the project from different nearby mines of SCCL under the Bridge Linkage. The coal bills for supply to the project were raised by SCCL (Mines Division) as per the MoU entered into between SCCL (Mines Division) and TPP. Such MoU was of similar nature entered into by SCCL with other power generating companies. SCCL submitted the copy of MoU entered into between SCCL and NTPC dated 30.06.2018.

4.24.4 As per the MoU, SCCL charges 20% premium to Bridge Linkage customers for supply upto 75% of annual agreed quantity over and above the regular supply price charged to generating companies having linked coal mine. For supply of additional quantum of coal beyond 75% of agreed quantity, the price on which 20% premium is computed gets changed to coal price applicable for non-power sector and as the base price for non-power sector is higher, the coal price for supply beyond 75% of agreed quantity increases significantly.

4.24.5 The agreed coal quantum as per the MoU for the project was 6.00 MMT per annum and the actual quantum received during FY 2018-19 was 5.08 MMT which is more than 75% of the agreed quantum. This resulted in additional

impact of Rs.118.18 Crore in coal bills and resulted in increase in energy charges for FY 2018-19. The bill for the incremental energy charges of Rs.121 Crore was raised on 08.06.2019 along with the auditor certificate. SCCL requested the Commission to allow these additional coal bills raised in accordance with the CERC (Terms and Conditions of Tariff) Regulations, 2014.

#### **Billing on actual metered energy**

4.24.6 The entire electricity generated from the project is being supplied to the DISCOMs for which the monthly billing is done as per the JMRs. The power purchase bills have been admitted based on scheduled generation instead of actual energy injected into the grid. Scheduled generation refers to the quantum of energy scheduled on day ahead basis by SLDC whereas actual energy is the metered energy injected into the grid. The scheduled generation and actual generation cannot be the same at most of the times due to variations in connected load, frequency and varying coal quality which are beyond the generators control. In order to deal with these variations, commercial mechanism known as Unscheduled Interchange (UI) or Deviation Settlement Mechanism (DSM) has been developed. Clause 14.1 of the Regulation No.1 of 2008 provides for notifying the charges for UI but any such notification has not been issued. In the absence of the same, energy bills for state generators in Telangana were allowed on JMRs. SCCL requested the Commission to consider the same methodology of accepting the energy injected into the grid for admittance of energy bills of the project as it is followed in respect of other state generators like KTPP, till intra-State ABT is implemented in Telangana.

#### **Incentive**

4.24.7 The Commission in the Tariff Order had approved the billing of incentive for higher PLF in accordance with the CERC (Terms and Conditions of Tariff) Regulations, 2014. The actual PLF for FY 2017-18 was 91.09% as against the target of 85%. The incentive for higher PLF to the tune of Rs.29.11 Crore for FY 2017-18 was billed considering the actual energy injected as per the JMRs instead of scheduled generation, in the absence of intra-State ABT

mechanism in Telangana. SCCL requested the Commission to allow the incentive bill raised as per CERC (Terms and Conditions of Tariff) Regulations, 2014 following prudent commercial practice prevalent for intra-State generators in the absence of DSM.

**Water charges**

- 4.24.8 The requisite water for power generation is drawn from rivers Godavari and Pranahita through 1 TMC and 2 TMC water supply schemes respectively. Accordingly, the water charges amounting to Rs.3.63 Crore were paid to GoTS for the water drawn for the period from 01.12.2016 to 31.08.2018. SCCL requested the Commission to allow the same in accordance with Regulation 29(2) of the CERC (Terms and Conditions of Tariff) Regulations, 2014.

**Other charges**

- 4.24.9 SCCL submitted that it has raised some bills amounting to Rs.1.16 Crore for the period from FY 2016-17 to FY 2018-19 as per the provisions of the PPA and the same had not been admitted by the DISCOMs.

**Commission's View**

- 4.24.10 The Commission has gone through the submissions of the Petitioner and stakeholders including the DISCOMs regarding the billing disputes. The Commission is not inclined to take up the issues of billing disputes in these proceedings. **The Commission directs SCCL to file a separate Petition on the billing disputes.**

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## CHAPTER 5 ANALYSIS AND CONCLUSION ON BUSINESS PLAN FOR FY 2019-20 TO FY 2023-24

### 5.1 REGULATORY PROVISIONS

5.1.1 Clause 7 of the Regulation No.1 of 2019 stipulates the filing of Business Plan along with Capital Investment Plan for a duration covering at least the entire Control Period from FY 2019-20 to FY 2023-24. The Business Plan shall cover the following:

- i. Generation Planning and forecasts
- ii. Capital Investment Plan
- iii. Future performance targets
- iv. Proposed efficiency improvement measures
- v. Compliance status of environmental norms
- vi. Saving in operating costs
- vii. Financial statements for the Control Period duration
- viii. Any other new measures for generation business

5.1.2 SCCL's submissions and the Commission's analysis on the Business Plan for the Control Period from FY 2019-20 to FY 2023-24 is detailed in the following paragraphs.

5.1.3 In addition to the above constituents of Business Plan, SCCL has submitted the details regarding its manpower, training for its personnel, safety management and CSR. The Commission has taken note of the same and opines that the Commission's view is not required to be given on such additional details submitted by SCCL.

### 5.2 FUTURE PERFORMANCE TARGETS

#### ***Petitioner's submission***

5.2.1 The norms of operation proposed for the Control Period from FY 2019-20 to FY 2023-24 are as under:

**Table 42: Norms of operation proposed by SCCL for Control Period from FY 2019-20 to FY 2023-24**

Parameter	Unit	Proposed
Normative Annual Plant Availability Factor (NAPAF)	%	80%
Normative Annual PLF	%	80%
Auxiliary Consumption	%	7.00%; Additional 1.5% for FGD from



Parameter	Unit	Proposed
		FY 2021-22 onwards
Gross Station Heat Rate	kcal/kWh	2400
Secondary Fuel Oil Consumption	ml/kWh	2.00
Transit Loss	%	0.80%

5.2.2 The recommendations of CEA on operating norms for the period from FY 2019-20 to FY 2023-24 have been furnished to CERC vide letter dated 10.12.2018. The broad outlines of the recommendations are as under:

**Table 43: CEA recommendations on operating norms**

Parameter	Unit	CEA Recommendation
Normative Annual Plant Availability Factor (NAPAF)	%	First Financial Year after COD: 68.5% Pit head stations: 83%
Normative Annual PLF	%	Same as NAPAF
Auxiliary Consumption	%	6.25% (with Induced Draft Cooling Tower)
Gross Station Heat Rate	kcal/kWh	1.05xDesign Heat Rate
Secondary Fuel Oil Consumption	ml/kWh	0.5
Transit Loss	%	1.2% to 1.5%

5.2.3 The CEA recommendations have to be considered by SERCs in determination of operating norms for the period from FY 2019-20 to FY 2023-24.

5.2.4 Currently, there are 3 Units of 600 MW capacity in the State, one Unit at KTPP and two Units at SCCL. All the three Units have similar technical configuration, have achieved COD in FY 2016-17 and supply power under the respective PPAs. All the three Units are required to have uniform operating norms whereas Regulation No.1 of 2019 specifies different norms for KTPP Unit and SCCL Units. The norms of operation have been proposed by adopting the specified norms of KTPP Stage II in Regulation No.1 of 2019. FGD plant is expected to be commissioned in January 2021 and the additional auxiliary consumption of 1.5% for FGD has been proposed from FY 2021-22 onwards.

#### **Commission's View**

5.2.5 The norms of operation of a thermal generating station comprise of NAPAF, NAPLF, auxiliary consumption, Station Heat Rate, Secondary Fuel Oil Consumption and Transit loss.

5.2.6 SCCL has adopted the norms of operation specified for KTPP Stage II in Regulation No.1 of 2019. The Commission has gone through the rationale submitted by SCCL for adoption of norms of operation specified for KTPP Stage II. In reply to a specific query, SCCL submitted that there was no variation in norms of operation for KTPP Stage II and Singareni TPP in the Draft Regulations and therefore the issue had not arisen. SCCL submitted that the norm setting process is dynamic as witnessed in variation in operating norms specified in CERC (Terms and Conditions of Tariff) Regulations, 2014 and CERC (Terms and Conditions of Tariff) Regulations, 2019. SCCL requested the Commission to relook into the issue and approve comparable operating norms for the project. The Commission in exercise of powers conferred under the Act, has issued the Regulation No.1 of 2019 after due procedure. Therefore, the Commission does not find it prudent to adopt the norms of operation specified for KTPP Stage II for Singareni TPP.

5.2.7 SCCL has claimed the additional auxiliary consumption of 1.50% for FGD system with expected commissioning in January 2021, which was subsequently revised to FY 2022-23. The Commission is of the view that it would be premature to approve additional auxiliary consumption for FGD system at this stage. Clause 7.19(l) of the Regulation No.1 of 2019 provides for approaching the Commission for change in operational parameters such as change in normative auxiliary consumption on account of installation of FGD. In accordance with Clause 27 of the Regulation No.1 of 2019, SCCL is required to file the Mid-Term Review Petition by 30.11.2022. **The Commission directs SCCL to submit its proposal of additional auxiliary consumption for FGD in its Mid-Term Review Petition for the consideration of the Commission.**

5.2.8 The norms of operation approved by the Commission for the Control Period from FY 2019-20 to FY 2023-24 is as shown in the Table below:

**Table 44: Norms of operation for Control Period from FY 2019-20 to FY 2023-24**

Parameter	Unit	Norm	Proposed	Approved
Normative Annual Plant Availability Factor	%	85%	80%	85%
Normative Annual PLF	%	85%	80%	85%
Auxiliary Consumption	%	5.75%	7.00%	5.75%

Parameter	Unit	Norm	Proposed	Approved
Gross Station Heat Rate	kcal/kWh	2303.88	2400	2303.88
Secondary Fuel Oil Consumption	ml/kWh	0.50	2.00	0.50
Transit Loss	%	0.80%	0.80%	0.80%

### 5.3 GENERATION PLANNING AND FORECASTS

#### *Petitioner's submission*

5.3.1 The production from Naini coal block is expected to commence in the year 2021 after obtaining all the necessary clearances and establishing the required infrastructure. As per the mining plan, the peak rated capacity is expected to be achieved by the year 2023. The Standing Linkage Committee has extended the Bridge Linkage for the project upto the year 2023 in accordance with the mining plan. Coal under the Bridge Linkage shall be sourced from the existing mines of SCCL in Telangana using rail mode of transportation. A separate application shall be filed for determination of input coal price from Naini coal block after commencement of production and supply to the project, as per the provisions of the CERC (Terms and Conditions of Tariff) Regulations, 2019. SCCL is also considering the possibility of swapping Naini coal block considering the distance from the project.

5.3.2 Based on the performance during the Control Period from FY 2016-17 to FY 2017-18, the estimated PLF for the Control Period from FY 2019-20 to FY 2023-24 is 91.09%. As per the prescription of the Original Equipment Manufacturer, each Unit is required to be overhauled in alternate years, for a period of 45 days. The annual overhaul plan for the Control Period from FY 2019-20 to FY 2023-24 is as under:

**Table 45: Annual overhaul plan submitted by SCCL**

Financial Year	Unit 1	Unit 2
2019-20	01.07.2019 to 14.08.2019	-
2020-21	-	01.05.2020 to 14.06.2020
2021-22	01.05.2021 to 14.06.2021	-
2022-23	-	01.07.2022 to 14.08.2022
2023-24	01.07.2023 to	-

Financial Year	Unit 1	Unit 2
	14.08.2023	

5.3.3 For achieving the estimated PLF of 91.09% with the above annual overhauling plan, the Units are required to be operated at higher PLF of 97.1% to achieve the overall PLF of 91.09%. Considering no constraint in obtaining primary inputs for power generation and the outages as 2%, the PLF of 97% appears to be achievable.

5.3.4 The generation forecast for the Control Period from FY 2019-20 to FY 2023-24 is as under:

**Table 46: Generation forecast submitted by SCCL**

Financial Year	Gross Generation	Auxiliary Consumption	Net Generation
	MU	%	MU
2019-20	9601.78	7.00%	8929.65
2020-21	9575.54	7.00%	8905.26
2021-22	9575.54	7.33%	8873.45
2022-23	9575.54	8.50%	8761.62
2023-24	9601.78	8.50%	8785.63

5.3.5 SCCL submitted the month wise generation forecast for each year of the Control Period from FY 2019-20 to FY 2023-24.

#### **Commission's View**

5.3.6 In reply to a specific query, SCCL submitted that the coal is procured from SRP mines in MGR mode and although coal shortage is a rare phenomenon for the project, sometimes, due to high unloading time of rakes, coal was procured from nearby mines on non-MGR mode.

5.3.7 SCCL has submitted the generation planning and forecast for the Control Period from FY 2019-20 to FY 2023-24 considering the annual overhaul of each Unit in alternate years. SCCL has not considered any shutdown period separately for the works being undertaken for complying with revised emission norms. SCCL submitted that the work of in-furnace modifications for NOx compliance requires shutdown of Units for final attachments with the boiler which shall be planned as per the annual overhaul schedules.

5.3.8 The generation forecast approved by the Commission at NAPLF of 85% and auxiliary consumption of 5.75% is as shown in the Table below:

**Table 47: Generation forecast approved by the Commission**

Financial Year	Gross Generation	Auxiliary Consumption	Net Generation
	MU	%	MU
2019-20	8959.68	5.75%	8444.50
2020-21	8935.20	5.75%	8421.43
2021-22	8935.20	5.75%	8421.43
2022-23	8935.20	5.75%	8421.43
2023-24	8959.68	5.75%	8444.50

5.3.9 This approval of generation forecast does not bar SCCL from generating at PLF higher than 85%.

#### 5.4 CAPITAL INVESTMENT PLAN

##### *Petitioner's submission*

5.4.1 The Capital Investment Plan for the Control Period from FY 2019-20 to FY 2023-24 has been prepared in accordance with Clause 7(b) of the Regulation No.1 of 2019. SCCL submitted that it could not project the capital expenditure for the Control Period from FY 2019-20 to FY 2023-24 as per Ind AS 16 and requested the Commission for submission of the same during Mid-Term Review and End of Control Period review for consideration of the Commission.

5.4.2 The Phase II (1x800 MW) of the project is under active consideration by SCCL's management. SCCL requested the Commission for submission of capital investment for Phase II after receiving all necessary approvals. SCCL in its Petition submitted the Capital Investment Plan for the amount of Rs.1195.57 Crore which has been subsequently revised to Rs.1348.57 Crore.

5.4.3 The summary of Capital Investment Plan and capitalisation plan proposed for the Control Period from FY 2019-20 to FY 2023-24 is as under:

**Table 48: Capital Investment Plan and capitalisation plan submitted by SCCL**

Particulars	Capital Investment	Capitalisation					Total
		FY	FY	FY	FY	FY	
		2019-20	2020-21	2021-22	2022-23	2023-24	
FGD system	645.32	0.00	0.00	0.00	645.32	0.00	645.32
In-furnace modifications for NOx compliance	38.00	0.00	0.00	19.00	19.00	0.00	38.00
O&M modules	301.18	0.00	153.10	82.96	65.12	0.00	301.18
Railway works	284.04	0.00	42.94	161.50	79.60	0.00	284.04
Erection works in main plant	55.89	0.00	26.91	20.98	8.00	0.00	55.89
Township civil works	24.15	0.00	7.81	10.20	6.14	0.00	24.15
<b>Total</b>	<b>1348.57</b>	<b>0.00</b>	<b>230.75</b>	<b>294.64</b>	<b>823.18</b>	<b>0.00</b>	<b>1348.57</b>

(Rs. Crore)

**FGD system**

5.4.4 MoEF&CC, vide its notification dated 07.12.2015 brought out the amendments to Schedule – I of Environment (Protection) Rules, 1986 for emission norms applicable to TPPs. In accordance with the above notification, the following emission norms are applicable for Singareni TPP:

**Table 49: Emission norms applicable for Singareni TPP**

<b>Pollutants</b>	<b>Emission norm</b>
Particulate Matter (PM)	50 mg/Nm <sup>3</sup>
Sulphur Dioxide (SO <sub>2</sub> )	200 mg/Nm <sup>3</sup>
Oxides of Nitrogen	300 mg/Nm <sup>3</sup>
Mercury	0.03 mg/Nm <sup>3</sup>

5.4.5 These emission norms were required to be met within two years from the date of notification which was later revised as per MoPs letter dated 13.10.2017, in view of the technical challenges. As per the revised timeline, the FGD for Units 1&2 was required to be put into operation by December 2019. Singareni TPP sought extension of time from December 2019 to December 2022 for complying with SO<sub>2</sub> emission norm.

5.4.6 SCCL is currently complying with the emission norms of PM and mercury. SCCL has appointed NTPC for preparing the feasibility report and DPR for complying with SO<sub>2</sub> emission norm. SCCL has submitted the copy of DPR prepared by NTPC for FGD system. The total capital investment proposed for FGD system is Rs.645.32 Crore and capitalisation of the same has been claimed for FY 2022-23.

**In-furnace modifications for NOx compliance**

5.4.7 The boilers of Units 1&2 were designed for NOx level of 750 mg/Nm<sup>3</sup> and the measured value of NOx emission has been closer to design value. MoEF&CC, vide its notification dated 07.12.2015 stipulated the emission norm of NOx as 300 mg/NM<sup>3</sup>. The NOx emission norm is proposed to be achieved by in-furnace modifications based on the recommendation of OEM. This is a cost-effective measure compared to other measures such as Selective Non-Catalytic Reduction (SNCR) and Selective Catalytic Reduction (SCR) which require chemical treatment by reagents. The combustion modification is required to be carried out as a part of in-furnace modification with the objective of reduction of NOx generated to the required level during the

combustion in boiler without effecting the designed boiler steam and flue gas parameters at various loads, under various mills combination for the range of coals. The total capital investment proposed for in-furnace modifications is Rs.38.00 Crore and capitalisation of Rs.19.00 Crore has been claimed for FY 2021-22 and FY 2022-23 respectively.

#### **O&M modules**

- 5.4.8 Some of the generating stations which have been supplied BHEL Units of 600 MW have recently experienced major breakdowns. The past experiences show that the OEM requires a high lead time of around one year to supply new equipment in case of failures. This high lead time is attributable to import of input materials and arranging the required machining and assembling activity. Any shutdown due to failure of equipment will impact the cash flows of both SCCL and the DISCOMs by way of under recovery of AFC and procurement from alternate sources respectively. Therefore, the O&M modules viz., HP module, IP module, LP rotor, generator stator, rotor and excited assembly have been proposed to be procured to cater to the needs of both the Units effectively.
- 5.4.9 The total capital investment proposed for O&M modules is Rs.301.18 Crore and capitalisation of Rs.153.10 Crore, Rs.82.96 Crore, and Rs.65.12 Crore has been claimed for FY 2020-21, FY 2021-22 and FY 2022-23 respectively. SCCL requested the Commission to approve the same as the initial spares approved in the Tariff Order are within the specified ceiling limit.

#### **Railway works**

- 5.4.10 The railway siding work was commissioned in FY 2018-19 and most of the coal for power generation is received through railway mode. Currently, the railway locos are running with diesel engines and manually managed signalling system. The railway authorities have advised to arrange for overhead electrification system along with necessary signalling and telecommunication works to ensure safe running of railway wagons. The railway electrification works would be taken up as per the cabinet decision of Gol dated 27.09.2018. The signalling & telecommunication work is proposed to be undertaken for handling rake traffic which is expected to further increase

with addition of 800 MW unit, for ensuring safety and saving in man-hours and expenditure.

- 5.4.11 The associated works related to construction of railway siding such as construction of drainage system along the railway track is proposed to be undertaken as per the original drawing.
- 5.4.12 Further, special tools and capital spares related to railway system to mitigate the incidents of wagons derailment have been proposed to be procured during the Control Period.
- 5.4.13 The total capital investment proposed for railway works is Rs.284.04 Crore and capitalisation of Rs.42.94 Crore, Rs.161.50 Crore, and Rs.79.60 Crore has been claimed for FY 2020-21, FY 2021-22 and FY 2022-23 respectively.

#### **Erection works in main plant**

- 5.4.14 The total capital investment proposed for erection works in main plant is Rs.55.89 Crore and capitalisation of Rs.26.91 Crore, Rs.20.98 Crore, and Rs.8.00 Crore has been claimed for FY 2020-21, FY 2021-22 and FY 2022-23 respectively. SCCL submitted the item wise justification for the proposed capitalisation under this head.

#### **Township civil works**

- 5.4.15 The total capital investment proposed for township civil works is Rs.24.15 Crore and capitalisation of Rs.7.81 Crore, Rs.10.20 Crore, and Rs.6.14 Crore has been claimed for FY 2020-21, FY 2021-22 and FY 2022-23 respectively.

#### **Financing Plan**

- 5.4.16 SCCL proposed the financing of proposed capital investment in the debt equity ratio of 70:30.

#### ***Commission's View***

- 5.4.17 Clause 3.10.2 of the Regulation No.1 of 2019 stipulates that the Capital Investment Plan shall show, separately, ongoing projects that will spill over the Control Period and new projects that will commence in the Control Period but may be completed within or beyond it. SCCL submitted the details of spill over of ongoing works from the previous Control Period from FY 2016-17 to



FY 2018-19 to the current Control Period from FY 2019-20 to FY 2023-24. However, SCCL has not considered the additional capitalisation pertaining to this spill over items in its tariff computations for the Control Period from FY 2019-20 to FY 2023-24.

5.4.18 Clause 7(b) of the Regulation No.1 of 2019 stipulates that the Capital Investment Plan shall include the following details:

- Purpose of investment
- Broad technical specifications of the proposed investment and supporting details.
- Capital structure.
- Capitalisation schedule with milestones for completion.
- Financing plan with sources of investment.
- Physical targets.
- Cost-benefit analysis.
- Prioritisation of proposed investments etc.

5.4.19 SCCL submitted the item wise details of capitalisation schedule, purpose of investment, broad technical specifications of the proposed investment with supporting documents, benefits of the proposed investment, priority and Regulation under which the investment has been claimed. SCCL claimed the additional capitalisation for the Control Period from FY 2019-20 to FY 2023-24 under Clause 7.19.1 and also Clause 26.4, for some of the items, of the Regulation No.1 of 2019.

5.4.20 Clause 7.19 of the Regulation No.1 of 2019 stipulates as under:

**“7.19. Additional Capitalisation**

*7.19.1. The capital expenditure actually incurred or projected to be incurred, on the following counts within the Original Scope Of Work, after the COD and up to the Cut-Off Date, may be admitted by the Commission subject to Prudence Check. Any additional capitalization after COD needs prior approval of the Commission:-*

.....”

5.4.21 Regulation No.1 of 2019 defines cut-off date as 31<sup>st</sup> March of the year ending after two years of the year of start of commercial operation of a project and in case a project is declared to be under commercial operation in the last quarter of a year, it shall mean 31<sup>st</sup> March of the year ending after three years of the year of start of such commercial operation. The project has achieved COD on 02.12.2016 and accordingly, the cut-off date is 31.03.2019. The capital

investment and the additional capitalisation claimed by SCCL is beyond the original scope of work and after the cut-off date. The additional capitalisation beyond the original scope of work and after the cut-off date is not allowable in accordance with Clause 7.19.1 reproduced above.

5.4.22 Clause 26.4 of the Regulation No.1 of 2019 stipulates as under:

**"26.4 Power of relaxation**

*The Commission may in public interest and for reasons to be recorded in writing, relax any of the provision of these Regulations."*

5.4.23 The power of relaxation must be exercised sparingly and for sufficient reasons. The Regulation gives discretion to the Commission to relax the provisions of the Regulations on circumstances of the case and such a case has to be exception to the general rule. There has to be sufficient reason to justify relaxation which has to be exercised only in the exceptional case where exercise of the discretion would be in public interest.

5.4.24 In view of the above, the Commission's approval of the Capital Investment Plan and capitalisation plan for the Control Period from FY 2019-20 to FY 2023-24 is detailed below.

**FGD system**

5.4.25 MoEF&CC vide its notification dated 07.12.2015 has revised the SO<sub>2</sub> emission norm from 600 mg/Nm<sup>3</sup> to 200 mg/Nm<sup>3</sup>. SCCL has claimed the capital investment towards FGD system for complying with the revised emission norm under Clause 7.19.1(e) and 7.19.1(l) of the Regulation No.1 of 2019. The DISCOMs submitted that the proposed capital investment is not allowable stating the following:

- i. The Environmental Clearance of Singareni TPP mandated to make specific provision of space for installation of FGD equipment in future. The Environmental Clearance also mandated for allocation of separate funds for implementation of environmental protection measures as part of project cost and such funds shall not be diverted for other purposes. SCCL has not complied with this condition and the capital investment for FGD has been claimed separately which falls beyond the original scope of work and after the cut-off date.
- ii. MoP vide its letter dated 30.05.2018 clarified that the MoEF&CC notification dated 07.12.2015 is of the nature of Change in Law event except for TPPs where such requirement of pollution control system was mandated under the Environmental Clearance or envisaged otherwise before the notification of amendment rules. FGD installation

- was envisaged in the Environmental Clearance of Singareni TPP and hence the proposed capital investment is not allowable.
- iii. SCCL has not issued any Change in Law notice under the provisions of the PPA.
  - iv. PSERC in its Order dated 21.12.2018 rejected the claim of the generator namely M/s TSPL to install FGD under Change in Law as FGD installation was already envisaged in the Environmental Clearance of that project and same rationale applies to Singareni TPP having identical Environmental Clearance.
- 5.4.26 The reliance placed by the DISCOMs on case laws is misplaced as the matter dealt in those cases was pertaining to tariff based competitive bidding projects unlike Singareni TPP whose tariff is determined in accordance with the Commission's Regulations.
- 5.4.27 In accordance with Clause 7.19.1 of the Regulation No.1 of 2019 the capital investment claimed for FGD system is not allowable as the same is beyond the original scope of work and after cut-off date. SCCL has not claimed relaxation in Clause 7.19.1 in its claim of capital investment for FGD system. However, the Commission deems it appropriate to decide on the issue of whether the power of relaxation can be invoked in the instant case or not. The FGD system for complying with SO<sub>2</sub> emission norm was initially required to be completed by December 2017 which was later extended upto December 2019 and further extension has been sought upto December 2022.
- 5.4.28 As the target date for complying with SO<sub>2</sub> emission norm was deferred by the competent authority and such uniform dispensation was given across the country, the Commission deems it a fit case to exercise the power of relaxation of Clause 7.19.1 regarding the criteria for allowing additional capitalisation i.e., within the original scope of work and upto the cut-off date for allowing the capital investment for FGD system beyond the original scope of work and after the cut-off date. Clause 7.19.1(l) provides for capital expenditure for complying with statutory norms for Environment in accordance with the appropriate notifications of MoEF&CC. Therefore, the capital investment for FGD system is allowable under Clause 7.19.1(l) of the Regulation No.1 of 2019. The Commission vide its Order dated 08.02.2020 accorded in-principal approval for undertaking the works for complying with revised emission norms. The Commission hereby confirms the said approval.

5.4.29 As FGD is still under implementation stage across the country, in the absence of any yardstick on market trends to compare the cost estimates of SCCL, the Commission is not expressing any opinion on the cost estimates at this stage. The Commission understands that SCCL is in the process of awarding the works of procurement and installation of FGD system through competitive process. The Commission expects such competitive procurement to yield the most economical prices aligned to market trends. The Commission shall carry out the prudence check of the cost of FGD system in true-up for the relevant year after commissioning of the same.

**In-furnace modifications for NOx compliance**

5.4.30 MoEF&CC vide its notification dated 07.12.2015 has introduced NOx emission norm of 300 mg/Nm<sup>3</sup>. The Units are designed for NOx emission levels of 750 mg/NM<sup>3</sup>. SCCL has claimed the capital investment for complying with the NOx emission norm under Clause 7.19.1(e) and 7.19.1(l) of the Regulation No.1 of 2019. The DISCOMs submitted that the NOx emission norm has been revised from 300 mg/NM<sup>3</sup> to 450 mg/NM<sup>3</sup> and the capital investment is not required to be allowed under this head as the project is complying with the emission norm of 450 mg/Nm<sup>3</sup>. SCCL submitted that the emission norm of 450 mg/Nm<sup>3</sup> has not yet attained finality. The Commission finds merit in SCCL's submission in this regard. The maximum NOx emission levels submitted by SCCL for FY 2017-18, FY 2018-19 and FY 2019-20 are higher than 300 mg/Nm<sup>3</sup>.

5.4.31 In accordance with Clause 7.19.1 of the Regulation No.1 of 2019 the capital investment claimed for complying with NOx emission norm is not allowable as the same is beyond the original scope of work and after cut-off date. SCCL has not claimed relaxation in Clause 7.19.1 in its claim of capital investment. However, in line with the approval for FGD system, the Commission deems it a fit case to exercise the power of relaxation of Clause 7.19.1 regarding the criteria for allowing additional capitalisation i.e., within the original scope of work and upto the cut-off date for allowing the capital investment for NOx compliance beyond the original scope of work and after the cut-off date. Clause 7.19.1(l) provides for capital expenditure for complying with statutory norms for Environment in accordance with the appropriate notifications of

MoEF&CC. Therefore, the capital investment for NOx compliance is allowable under Clause 7.19.1(l) of the Regulation No.1 of 2019. The Commission vide its Order dated 08.02.2020 accorded in-principal approval for undertaking the works for complying with revised emission norms. The Commission hereby confirms the said approval.

- 5.4.32 The Commission is not expressing any opinion on the cost estimates at this stage. The Commission shall carry out the prudence check of the cost in true-up for the relevant year after commissioning of the same.

### **O&M modules**

- 5.4.33 The Commission has gone through SCCL's submissions regarding the capital investment proposed for O&M modules. SCCL has claimed the capital investment for O&M modules under Clause 7.19.1(c) and 7.19.1(k) of the Regulation No.1 of 2019. In accordance with Clause 7.19.1 of the Regulation No.1 of 2019 the capital investment for O&M modules is not allowable as the same is beyond the original scope of work and after cut-off date. SCCL has not claimed relaxation in Clause 7.19.1 in its claim of capital investment. However, the Commission deems it appropriate to decide on the issue of whether the power of relaxation can be invoked in the instant case or not. It is pertinent to mention that SCCL had appointed NTPC for providing consultancy services and SCCL made the following submissions in O.P.No.9 of 2016 regarding the same:

"3.10.3 .....

(iii) *Regarding the cost of consultancy & Engineering, SCCL submitted the following:*

a. *SCCL is a coal mining company that has ventured into power generation business.*

b. *M/s NTPC Ltd. is the largest power generation company in India with installed capacity of more than 32,000 MW and BHEL is the main equipment supplier for most of its generating stations. NTPC is very much conversant with the equipment supplied by BHEL and other related working modalities.*

c. *The services of NTPC have been utilized for pre & post award works including preparation of tender specifications for BTG and BoP, techno commercial evaluation of bids, pre-award discussions with BHEL, supervision of construction activities, inspection services and review of O&M manuals, testing and commissioning documents.*

....."

- 5.4.34 From the above, the prime criteria for taking consultancy services of NTPC

was its operational experience with BHEL Units. SCCL has already procured mandatory spares of critical auxiliaries under the BTG package. The consumers cannot be unduly burdened for the acts of omission on part of the Petitioner. The Commission does not find any merit in the reliance placed by SCCL on CEA advisory and the same does not amount of Change in Law as submitted by SCCL. In view of the above, the Commission does not find it prudent to exercise the power of relaxation of Clause 7.19.1 for allowing capital investment for O&M modules.

#### **Railway works**

- 5.4.35 The Commission has gone through the details of railway works and justification submitted by SCCL for the same. In accordance with Clause 7.19.1 of the Regulation No.1 of 2019 the capital investment for railway works is not allowable as the same is after cut-off date. The consumers cannot be unduly burdened for the acts of omission on part of the Petitioner. In view of the above, the Commission does not find it prudent to exercise the power of relaxation of Clause 7.19.1 for allowing capital investment for railway works.

#### **Erection works in main plant**

- 5.4.36 The Commission has gone through the details of erection works in main plant and justification submitted by SCCL for the same. In accordance with Clause 7.19.1 of the Regulation No.1 of 2019 the capital investment for erection works in main plant is not allowable as the same is after cut-off date. The consumers cannot be unduly burdened for the acts of omission on part of the Petitioner. In view of the above, the Commission does not find it prudent to exercise the power of relaxation of Clause 7.19.1 for allowing capital investment for erection works in main plant.

#### **Township civil works**

- 5.4.37 The Commission has gone through the details of township civil works and justification submitted by SCCL for the same. In accordance with Clause 7.19.1 of the Regulation No.1 of 2019 the capital investment for township civil works is not allowable as the same is after cut-off date. The consumers cannot be unduly burdened for the acts of omission on part of the Petitioner. In view of the above, the Commission does not find it prudent to exercise the

power of relaxation of Clause 7.19.1 for allowing capital investment for township civil works.

- 5.4.38 In accordance with Clause 7.8 of the Regulation No.1 of 2019, in case the capital expenditure is required for emergency work which has not been approved in the capital investment plan, SCCL shall submit an application (containing all relevant information along with reasons justifying the emergency nature of the proposed work) seeking approval by the Commission. SCCL may take up the work prior to the approval by the Commission provided that the emergency nature of the scheme has been approved by its Board of Directors. SCCL shall submit the pending details required as per Clause 7.1 within 10 days of the submission of the application for emergency work.

### **Financing Plan**

- 5.4.39 The Commission has taken note of SCCL's submission regarding the financing of the capital investment in the debt equity ratio of 70:30.
- 5.4.40 In accordance with Clause 7.19.4 of the Regulation No.1 of 2019, the Commission shall consider the impact of additional capitalisation on tariff during Mid-Term Review or tariff determination for the next Control Period as the case may be.

## **5.5 PROPOSED EFFICIENCY IMPROVEMENT MEASURES**

### ***Petitioner's submission***

- 5.5.1 The norms are specified for the operational norms of Availability, specific oil consumption, station heat rate and auxiliary consumption. The following measures are proposed in efficiency improvement in the operational parameters of the project:

***Table 50: Proposed efficiency improvement measures***

<b>Sl. No.</b>	<b>Operational parameter</b>	<b>Efficiency improvement measures</b>
1	Availability	<ul style="list-style-type: none"> <li>▪ Necessary engineering modifications, Root cause analysis of machine tripping.</li> <li>▪ Carrying out trip analysis.</li> <li>▪ Implementing trip analysis recommendations.</li> </ul>
2	Specific oil consumption	
3	Station Heat Rate	<ul style="list-style-type: none"> <li>▪ Combustion optimisation i.e., monitoring unburnt carbon in bottom ash and fly ash.</li> </ul>

Sl. No.	Operational parameter	Efficiency improvement measures
		<ul style="list-style-type: none"> <li>▪ Maintaining %O<sub>2</sub> and Air Pre-Heater (APH) inlet, monitoring Suspended Particulate Matter (SPM), SO<sub>x</sub>, NO<sub>x</sub>, CO<sub>2</sub> at ID fan outlet.</li> <li>▪ Maintaining process parameters viz., main steam temperature, pressure, HRH temperature, condenser back pressure, RH spray, HPH outlet feed water temperatures etc. to design value.</li> <li>▪ Identification of passing in high energy drains and rectification of the same on opportunity basis.</li> <li>▪ Identification of Boiler Feed Pump (BFP) recirculation valve passing, deaerator overflow valve, deaerator drain valve passing and rectifying the same during opportunity.</li> <li>▪ Monitoring and ensuring zero leakages of air, water and steam.</li> </ul>
4	Auxiliary consumption	<ul style="list-style-type: none"> <li>▪ Monitoring of loading of all HT and LT drives and identifying the reasons of high loading and taking corrective actions on opportunity basis.</li> <li>▪ Increasing the conveyor belt utilisation factor of Coal Handling Plant (CHP) and avoiding idle running of coal conveyors.</li> <li>▪ %O<sub>2</sub> mapping of Flue Gas (FG) duct for identifying any air-in leakages.</li> <li>▪ Monitoring of air (instrument and service), water (DM and raw water) and steam leakages;</li> <li>▪ Optimisation of running hours of drives mainly in BoP area.</li> </ul>

5.5.2 In addition to the above measures, the following measures have been proposed:

- Monthly Unit-wise review on main drivers of operating performances such as boiler efficiency, turbine heat rate, coal mill fineness.
- Identification of reasons/factors based on gaps in performance and corrective actions.
- Energy and Technical Audit by external agency in FY 2019-20 for identification of further improvement possibilities. The external audit is required to be undertaken under the Perform Achieve Trade (PAT) scheme under which Singareni TPP is a Designated Consumer (DC) of PAT-IV cycle having Registration No.TPP0217TS.

#### **Commission's View**

5.5.3 The Commission has taken note of the proposed efficiency improvement measures proposed by SCCL. The Commission directs SCCL to submit the



status of the efficiency improvement measures implemented by SCCL and the results of the same in its Mid-Term Review Petition.

## 5.6 COMPLIANCE STATUS OF ENVIRONMENTAL NORMS

### *Petitioner's submission*

5.6.1 The emission levels of SO<sub>x</sub>, NO<sub>x</sub>, mercury and opacity submitted by SCCL is as under:

**Table 51: Emission level of SO<sub>x</sub> submitted by SCCL**

Financial Year	Design value	Unit 1		Unit 2	
		Maximum	Minimum	Maximum	Minimum
2016-17	Not specified	2409	809.3	2507	1184
2017-18		2502	1716	2100	1737
2018-19		1800	1201	1997	1625

**Table 52: Emission level of NO<sub>x</sub> submitted by SCCL**

Financial Year	Design value	Unit 1		Unit 2	
		Maximum	Minimum	Maximum	Minimum
2016-17	750	421	148	431	114
2017-18		304	275	427	271
2018-19		303	276	333	217

**Table 53: Emission level of mercury submitted by SCCL**

Financial Year	Design value	Unit 1		Unit 2	
		Maximum	Minimum	Maximum	Minimum
2016-17	0.03	0.0007	0.0002	0.0087	0.0004
2017-18		0.019	0.001	0.025	0.008
2018-19		0.016	0.005	0.017	0.003

**Table 54: Emission level of opacity submitted by SCCL**

Financial Year	Design value	Unit 1		Unit 2	
		Maximum	Minimum	Maximum	Minimum
2016-17	50	68.9	45.7	61.6	45.2
2017-18		52	37.8	52	33.4
2018-19		47.8	40.8	48.6	38.1

5.6.2 SCCL submitted that the emission levels of mercury and opacity are within the stipulated emission norms. The capital investment has been proposed for compliance to the emission norms of SO<sub>x</sub> and NO<sub>x</sub>.

5.6.3 The coal based TPPs have to achieve fly ash utilisation target of 100% as per the MoEF's notification dated 03.11.2009. Fly ash for this purpose includes all

kinds of ash generated such as ash in ESP, dry fly ash, bottom ash or pond ash. Further, the MoEF clearance for the project stipulates 100% fly ash utilisation from fourth year of operation. The unutilised ash of one period, if any, is permitted to be utilised in the ensuing years over and above 100% level of utilisation for the current year.

- 5.6.4 The fly ash generated from the project was used in cement plants, brick units, open cast mines of SCCL and manufacturing activity of fly ash-based products. The fly ash was also used for reclamation of low-lying areas by back filling in pit-heads. The bottom ash was utilised in the underground mines of SCCL. The ash utilisation rate was 88%, 91% and 106% for FY 2016-17, FY 2017-18 and FY 2018-19 (till January 2019) respectively. Effective ash management is an ongoing process and would be a key driver for complying with the norm of 100% fly ash utilisation.

***Commission's View***

- 5.6.5 The Commission has taken note of compliance status to environmental norms submitted by SCCL. The Commission has approved the capital investment towards FGD system and in-furnace modifications for complying with SO<sub>2</sub> and NO<sub>x</sub> emission norms.

**5.7 SAVING IN OPERATING COSTS**

***Petitioner's submission***

- 5.7.1 SCCL submitted the saving in operating costs of Rs.3.43 Crore and Rs.17.52 Crore for FY 2016-17 and FY 2017-18 respectively. SCCL submitted the non-tariff income of Rs.4.79 Crore, Rs.11.15 Crore and Rs.15.87 Crore for FY 2016-17, FY 2017-18 and FY 2018-19 respectively.

***Commission's View***

- 5.7.2 In accordance with Clause 7.2 of the Regulation No.1 of 2019, SCCL was required to submit the saving in operating costs for the Control Period from FY 2019-20 to FY 2023-24 whereas SCCL has submitted the saving in operating costs for the Control Period from FY 2016-17 to FY 2018-19.

**5.8 FINANCIAL STATEMENTS**

***Petitioner's submission***

- 5.8.1 The financial statements have been prepared for SCCL as a whole for each year of the Control Period from FY 2019-20 to FY 2023-24. The financial statements include balance sheet, profit and loss account and cash flow statement. The financials of the generating station have not been prepared separately as the same have been considered in the consolidated financials of SCCL. The financial projections have been submitted in compliance of Clause 7 of the Regulation No.1 of 2019 considering the proposed Capital Investment Plan and MYT which may act as guidance/projection to the financials of the generating station.

***Commission's View***

- 5.8.2 The Commission has taken note of SCCL submissions in this regard.

**5.9 OTHER NEW MEASURES FOR GENERATION BUSINESS*****Petitioner's submission***

- 5.9.1 Thermal power plants are required to be equipped with an efficient maintenance process for operations in order to achieve the stipulated operational norms. The critical business processes involved in the maintenance are preventive maintenance, corrective maintenance (to correct a break down condition), opportunity maintenance (maintenance done by exploiting the opportunity of shutdown condition of the plant) and predictive maintenance (condition-based monitoring). The maintenance effort is required to be enhanced by adopting automatic procedures to avoid human errors and resultant losses. The primary activities in any maintenance work are procurement of material and services, work clearance management (permit system), maintenance and refurbishment process.
- 5.9.2 The plant maintenance module is one of the packages under Enterprise Resource Planning (ERP) and is a well-recognised semi-automated maintenance management process used by prominent generating companies such as NTPC. This module is used at various levels in the decision-making process and helps in reducing the downtime and associated cost of machine downtime. This new initiative is expected to provide the deliverables from FY 2020-21 while the fine tuning of the system and adoption of the same by O&M

executives may require another 1-2 years.

- 5.9.3 The existing lighting in the main plant and colony area comprising of sodium vapour lamps and compact fluorescent lamps is proposed to be replaced with LEDs which will result in savings in annual power consumption to the tune of 8.704 MU. The replacement would cost Rs.5 Crore. SCCL requested the Commission to allow one-time investment towards the same.

***Commission's View***

- 5.9.4 The Commission has taken note of SCCL's submission in this regard.

**Contd...**

## **CHAPTER 6 ANALYSIS AND CONCLUSION ON MYT FOR FY 2019-20 TO FY 2023-24**

### **6.1 REGULATORY PROVISIONS**

- 6.1.1 The tariff for sale of electricity from a thermal generating station shall comprise of two parts namely, AFC and Energy Charges (for recovery of primary and secondary fuel cost). SCCL submitted the tariff proposals for FY 2019-20 to FY 2023-23 in its MYT Petition. Subsequently, SCCL in replies to datagaps dated 25.02.2020 submitted the revised tariff proposals for FY 2019-20 to FY 2023-24. The Commission has considered the revised submissions dated 25.02.2020. SCCL's submissions and Commission's analysis on MYT for the Control Period from FY 2019-20 to FY 2023-24 is detailed in the following paragraphs.
- 6.1.2 In accordance with Clause 7.19.4 of the Regulation No.1 of 2019, the Commission shall consider the impact of additional capitalisation on tariff during Mid-Term Review or tariff determination for the next Control Period as the case may be.

### **6.2 ANNUAL FIXED CHARGES (AFC)**

- 6.2.1 The AFC shall comprise the following elements:
- i. Depreciation;
  - ii. Interest and finance charges on loan;
  - iii. Interest on working capital;
  - iv. O&M expenses;
  - v. Return on Equity; Minus
  - vi. Non-Tariff Income;

### **6.3 DEPRECIATION**

#### ***Petitioner's submission***

- 6.3.1 SCCL has claimed the depreciation of Rs.437.35 Crore, Rs.443.02 Crore, Rs.456.87 Crore, Rs.486.19 Crore and Rs.507.48 Crore for FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24 respectively.
- 6.3.2 SCCL requested the Commission to approve AAD of Rs.12.84 Crore for FY 2022-23 to meet the loan repayment obligation as per the loan agreement.

**Commission's View**

6.3.3 The Commission has approved the depreciation in accordance with Clause 10 of the Regulation No.1 of 2019 considering the approved GFA on true-up for FY 2018-19. In accordance with Clause 7.19.4 of the Regulation No.1 of 2019, the additional capitalisation has not been considered for tariff computations and the same shall be considered during Mid-Term Review or tariff determination for the next Control Period, as the case may be.

6.3.4 The depreciation claimed by SCCL and approved by the Commission is as shown in the Table below:

**Table 55: Depreciation for FY 2019-20 to FY 2023-24**

(Rs. Crore)

Financial Year	Claimed	Approved
2019-20	437.35	400.36
2020-21	443.02	400.36
2021-22	456.87	400.36
2022-23	486.19	400.36
2023-24	507.48	400.36
<b>Total</b>	<b>2330.92</b>	<b>2001.80</b>

6.3.5 The variation in depreciation claimed by SCCL and approved by the Commission is on account of the variations in GFA base.

6.3.6 The Commission does not find merit in the SCCL's request to approve AAD to meet the loan repayment obligation as the tariff determination is done on normative basis.

#### 6.4 INTEREST AND FINANCE CHARGES ON LOAN

##### **Petitioner's submission**

6.4.1 SCCL has claimed the interest on loan of Rs.484.39 Crore, Rs.447.73 Crore, Rs.420.59 Crore, Rs.412.40 Crore and Rs.391.11 Crore for FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24 respectively.

6.4.2 The interest rate has been considered as the weighted average rate of interest for actual loan portfolio for FY 2018-19 adjusted for the sharing of savings on account of refinancing.

##### **Commission's View**

6.4.3 The Commission has approved the interest and finance charges on loan in accordance with Clause 12 of the Regulation No.1 of 2019. The outstanding

loan balance approved on true-up for FY 2018-19 has been considered as the opening loan balance for FY 2019-20. The approved depreciation has been considered as the normative repayment for the year. The weighted average interest rate of the actual loan portfolio has been considered as the rate of interest. The interest on loan has been calculated on the normative average loan balance for the year by applying the weighted average rate of interest. SCCL has not claimed any finance charges for the Control Period from FY 2019-20 to FY 2023-24.

- 6.4.4 The loan balances claimed by SCCL and considered by the Commission is as shown in the Table below:

**Table 56: Loan balances for FY 2019-20 to FY 2023-24**

(Rs. Crore)

Financial Year	Claimed		Approved	
	Opening Loan	Closing Loan	Opening Loan	Closing Loan
2019-20	4967.61	4530.26	4531.41	4131.05
2020-21	4530.26	4248.76	4131.05	3730.69
2021-22	4248.76	3998.12	3730.69	3330.33
2022-23	3998.12	4088.17	3330.33	2929.97
2023-24	4088.17	3580.69	2929.97	2529.61

- 6.4.5 From SCCL's submissions regarding the interest rate, it is clear that only the interest rates have been reduced and this cannot be treated as loan refinancing as claimed by SCCL. The Commission has considered the interest rate of 9.14% as against the claim of 10.20%.
- 6.4.6 The interest and finance charges claimed by SCCL and approved by the Commission is as shown in the Table below:

**Table 57: Interest and finance charges on loan for FY 2019-20 to FY 2023-24**

(Rs. Crore)

Financial Year	Claimed	Approved
2019-20	484.39	395.83
2020-21	447.73	359.24
2021-22	420.59	322.65
2022-23	412.40	286.06
2023-24	391.11	249.48
<b>Total</b>	<b>2156.22</b>	<b>1613.26</b>

- 6.4.7 The variation in interest and finance charges claimed by SCCL and approved by the Commission is on account of the variations in loan balances and the interest rates.

## 6.5 INTEREST ON WORKING CAPITAL (IoWC)

### *Petitioner's submission*

- 6.5.1 SCCL has claimed IoWC of Rs.96.92 Crore, Rs.103.86 Crore, Rs.112.23 Crore, Rs.123.21 Crore and Rs.135.06 Crore for FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24 respectively.
- 6.5.2 SCCL has also claimed the IoWC of Rs.0.40 Crore for FY 2021-22, FY 2022-23 and FY 2023-24 towards additional cost of limestone, O&M expenses and maintenance spares for FGD system.

### *Commission's View*

- 6.5.3 The Commission has approved IoWC in accordance with Clause 13 of the Regulation No.1 of 2019. In accordance with Clause 7.19.4 of the Regulation No.1 of 2019, the additional capitalisation has not been considered for tariff computations and the same shall be considered during Mid-Term Review or tariff determination for the next Control Period, as the case may be. Further, the Commission has not considered the IoWC towards the additional cost of limestone, O&M expenses and maintenance spares for FGD system and the same shall be considered at the time of true-up in accordance with the provisions of the Regulations.
- 6.5.4 The working capital requirement has been computed considering the following:
- Cost of coal towards stock corresponding to 30 days generation corresponding to target Availability.
  - Cost of coal for 30 days of generation corresponding to target Availability.
  - Cost of secondary fuel oil for two months of generation corresponding to target Availability.
  - Maintenance spares @ 20% of the O&M expenses.
  - O&M expenses for one month.
  - Receivables equivalent to two months of capacity charges and energy charges for sale of electricity calculated on target Availability.
  - Minus payables for fuel (including secondary fuel oil) to the extent of thirty days of the cost of fuel computed at target Availability.
- 6.5.5 The rate of IoWC has been considered as 10.05% which is equivalent to the Bank Rate plus 150 basis points as on filing date.
- 6.5.6 The IoWC claimed by SCCL and approved by the Commission is as shown in



the Table below:

**Table 58: IoWC for FY 2019-20 to FY 2023-24**

Financial Year	Claimed	Approved
2019-20	96.92	80.40
2020-21	103.86	80.04
2021-22	112.23	79.84
2022-23	123.21	79.65
2023-24	135.06	79.63
<b>Total</b>	<b>571.29</b>	<b>399.56</b>

(Rs. Crore)

6.5.7 The variation in IoWC claimed by SCCL and approved by the Commission is on account of variation in working capital.

## 6.6 O&M EXPENSES

### *Petitioner's submission*

6.6.1 SCCL has claimed O&M expenses of Rs.229.01 Crore, Rs.242.51 Crore, Rs.256.37 Crore, Rs.277.84 Crore and Rs.291.40 Crore for FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24 respectively.

6.6.2 SCCL has also claimed additional O&M expenses of Rs.12.91 Crore and Rs.0.76 Crore for FGD system and NOx mitigation system respectively for FY 2021-22, FY 2022-23 and FY 2023-24.

### *Commission's View*

6.6.3 The Commission has gone through the computation of O&M expenses submitted by SCCL based on the actual expenses for FY 2016-17, FY 2017-18 and FY 2018-19. The Commission observed some computational errors in the same wherein the methodology specified in the Regulations has been applied incorrectly.

6.6.4 The O&M expenses comprises of (i) employee cost, (ii) R&M expenses and (iii) A&G expenses. Clause 19 of the Regulation No.1 of 2019 stipulates the methodology for determination of O&M expenses. The Commission's approval of O&M expenses for the Control Period from FY 2019-20 to FY 2023-24 has been detailed in the following paragraphs. In accordance with Clause 7.19.4 of the Regulation No.1 of 2019, the additional capitalisation has not been considered for tariff computations and the same shall be considered during Mid-Term Review or tariff determination for the next Control Period, as

the case may be.

**Employee cost:**

6.6.5 Clause 19.2 of the Regulation No.1 of 2019 stipulates as under:

**“19.2 Employee Cost (EMPn)**

*Employee cost shall be computed as per the approved norm escalated by CPI, adjusted by provisions for expenses beyond the control of the Generating Entity and one time expected expenses, such as recovery /adjustment of Terminal Benefits, implications of pay commission, arrears and interim relief, governed by the following formula*

**$EMPn = (EMPb \times CPI \text{ Inflation}) + Provision$**

*Where:*

*EMPn: Employee expense for the Year “n”;*

*EMPb: Employee expense as per the preceding Year;*

*For the first year of Control Period, expense shall be the average of the trued-up employee expenses after adding/deducting the share of efficiency gains/losses, for the immediately preceding Control Period, excluding abnormal, if any, subject to Prudence Check by the Commission.*

*CPI Inflation is the point to point change in the Consumer Price Index for Industrial Workers (all India) as per Labour Bureau, Government of India, as reduced by efficiency factor of 1% for immediately preceding Year;*

*CPI index source for one-month lag: Ministry of Statistics – GOI provided that in case CPI Inflation is a negative number, the escalation/ change shall be 0%.*

*Provision refers to provision for expenses beyond control of the Generating Entity and expected one-time expenses as specified above.”*

6.6.6 As per the above, the EMPb for FY 2019-20 shall be the average of the trued-up employee expenses after adding/deducting the share of efficiency gains/losses, for the immediately preceding Control Period i.e., FY 2016-17 to FY 2018-19, excluding abnormal, if any, subject to Prudence Check by the Commission.

6.6.7 The Commission had approved the composite normative O&M expenses for the Control Period from FY 2016-17 to FY 2018-19 without sharing of any gains/losses. Therefore, the Commission has worked out the employee cost out of the total approved O&M expenses for FY 2016-17, FY 2017-18 and FY 2018-19 considering the proportion of actual employee cost to the total O&M expenses for the respective years. As the Units were not in operation for full

year in FY 2016-17, the Commission has excluded the employee cost for FY 2016-17 and considered the average employee cost for FY 2017-18 and FY 2018-19 as EMPb for FY 2019-20.

- 6.6.8 The employee cost for FY 2019-20 and subsequent years of the Control Period has been computed by considering the CPI Inflation of 1.04 based on point-to-point change in CPI for industrial workers as per Labour Bureau, Gol for FY 2018-19 and thereafter reducing by an efficiency factor of 1%.
- 6.6.9 SCCL has claimed the provision equivalent to 5% of employee cost for FY 2019-20 for each year of the Control Period. The provision over and above the normative employee cost has been provided for expenses beyond the control of generating entity and one-time expected expenses such as recovery/adjustment of terminal benefits, implications of pay commission, arrears and interim relief. SCCL has not submitted any justification for its claim of provision in addition to the normative employee cost. Therefore, the Commission has not approved any amount towards provision in addition to the normative employee cost.
- 6.6.10 The computation of employee cost approved by the Commission is as shown in the Table below:

**Table 59: Employee cost computed for FY 2019-20 to FY 2023-24**

(Rs. Crore)

Financial Year	EMPb	CPI Inflation	Provision	EMPn
2019-20	88.00	1.04	0.00	<b>91.91</b>
2020-21	91.91	1.04	0.00	<b>95.99</b>
2021-22	95.99	1.04	0.00	<b>100.25</b>
2022-23	100.25	1.04	0.00	<b>104.70</b>
2023-24	104.70	1.04	0.00	<b>109.34</b>
<b>Total</b>	-	-	-	<b>502.17</b>

- 6.6.11 The employee cost claimed by SCCL and computed by the Commission in accordance with Clause 19.2 of the Regulation No.1 of 2019 is as shown in the Table below:

**Table 60: Employee cost for FY 2019-20 to FY 2023-24**

(Rs. Crore)

Financial Year	Claimed	Computed in accordance with Clause 19.2
2019-20	95.36	91.91
2020-21	102.38	95.99
2021-22	109.95	100.25

Financial Year	Claimed	Computed in accordance with Clause 19.2
2022-23	118.09	104.70
2023-24	126.87	109.34
<b>Total</b>	<b>552.65</b>	<b>502.17</b>

**R&M expenses:**

6.6.12 Clause 19.3 of the Regulation No.1 of 2019 stipulates as under:

**"19.3. Repairs and Maintenance Expense (R&Mn)**

*The expense shall be calculated as percentage (as per the norm defined) of Opening Gross Fixed Assets for the Year governed by following formula:*

$$R\&Mn = Kn \times GFAn \times WPI \text{ Inflation}$$

*Where:*

*R&Mn: Repairs & Maintenance expense for n<sup>th</sup> Year;*

*GFAn: Opening Gross Fixed Assets for n<sup>th</sup> Year;*

*Kn: 'K' is the immediate preceding Control Period average (expressed in %) governing the relationship between R&M and Gross Fixed Assets (GFA);*

*WPI Inflation: point to point change in Wholesale Price Index (WPI) for immediately preceding Year;*

*Provided that in case WPI inflation is a negative number, the escalation/change shall be 0%.*

*Source for WPI – As published by Office of Economic Adviser – GOI"*

6.6.13 The Commission had approved the composite normative O&M expenses for the Control Period from FY 2016-17 to FY 2018-19. Therefore, the Commission has worked out the R&M expenses out of the total approved O&M expenses for FY 2016-17, FY 2017-18 and FY 2018-19 considering the proportion of actual R&M expenses to the total O&M expenses for the respective years.

6.6.14 The 'K' factor has been considered as 1.04% which is the average percentage of R&M expenses upon opening GFA for the Control Period from FY 2016-17 to FY 2018-19. The R&M expenses for each year of the Control Period has been arrived at by multiplying the approved opening GFA for the respective year with the 'K' factor of 1.04% and WPI Inflation.

6.6.15 The computation of R&M expenses computed by the Commission is as shown in the Table below:

**Table 61: R&M expenses computed for FY 2019-20 to FY 2023-24**

(Rs. Crore)

Financial Year	Kn	GFA <sub>n</sub>	WPI Inflation	R&M <sub>n</sub>
2019-20	1.04%	7745.32	1.04	83.67
2020-21	1.04%	7745.32	1.09	87.26
2021-22	1.04%	7745.32	1.13	91.00
2022-23	1.04%	7745.32	1.18	94.90
2023-24	1.04%	7745.32	1.23	98.96
<b>Total</b>	-	-	-	<b>455.79</b>

6.6.16 The R&M expenses claimed by SCCL and computed by the Commission in accordance with Clause 19.3 of the Regulation No.1 of 2019 is as shown in the Table below:

**Table 62: R&M expenses for FY 2019-20 to FY 2023-24**

(Rs. Crore)

Financial Year	Claimed	Computed in accordance with Clause 19.3
2019-20	94.34	83.67
2020-21	98.95	87.26
2021-22	103.28	91.00
2022-23	114.54	94.90
2023-24	117.15	98.96
<b>Total</b>	<b>528.25</b>	<b>455.79</b>

**A&G expenses**

6.6.17 Clause 19.4 of the Regulation No.1 of 2019 stipulates as under:

**"19.4. Administrative & General Expense (A&G<sub>n</sub>)**

*A&G expense shall be computed as per the norm escalated by the inflation factor and adjusted by provisions for confirmed initiative (IT etc. initiatives as proposed by the Generating Entity and validated by the Commission) or other expected one-time expenses, and shall be governed by the following formula:*

$$A\&G_n = A\&G_{fo} * \text{Inflation Factor) Provision}$$

*Where:*

*A&G<sub>n</sub>: A&G expense for the Year "n";*

*A&G<sub>fo</sub>: For the first Year of the Control Period, it shall be the average of the audited A&G expense for the immediately preceding 3 Financial Years if available, and for subsequent Years it shall be the preceding Year escalated by the inflation factor;*

*Inflation Factor: is the sum of the following:*

- > *point to point change in the Wholesale Price Index (WPI) numbers as per Office of Economic Advisor of Government of India for immediately Year reduced by an efficiency factor of 1% multiplied by 0.5.*
- > *point to point change in Consumer Price Index for Industrial Workers (all India) as per Labour Bureau, Government of India in the previous year, as reduced by an efficiency factor of 1% multiplied by 0.5.*

*Provided that in case inflation Factor is a negative number, the escalation/ change shall be 0%.*

*Provision: Cost for initiatives or other one-time expenses as proposed by the Generating Entity and validated by the Commission."*

6.6.18 Clause 19.6 of the Regulation No.1 of 2019 stipulates as under:

*"19.6. Any expenditure on account of license fee, initial or renewal, fee for determination of tariff and audit fee shall be allowed on actual basis, over and above the A&G expenses approved by the Commission."*

6.6.19 As per the above, the A&Gfo for FY 2019-20 shall be the average of the audited A&G expenses for the immediately preceding 3 Financial Years i.e., FY 2016-17 to FY 2018-19. As the Units were not in operation for full year in FY 2016-17, the Commission has excluded the audited A&G expenses for FY 2016-17 and considered the average A&G expenses for FY 2017-18 and FY 2018-19 as A&Gfo for FY 2019-20.

6.6.20 The A&G expenses for FY 2019-20 and subsequent years of the Control Period has been computed by considering the Inflation Factor of 1.04 based on point-to-point change in CPI for industrial workers as per Labour Bureau, Gol and point-to-point change in WPI as Office of Economic Advisor, Gol for FY 2018-19 and applying the efficiency factor of 1% and multiplication factor of 0.5% as per the Regulations.

6.6.21 SCCL has claimed the provision equivalent to 5% of A&G expenses for FY 2019-20 for each year of the Control Period. The provision over and above the normative A&G expenses has been provided for initiatives or other one-time expenses. SCCL has not submitted any justification for its claim of provision in addition to the normative A&G expenses. Therefore, the Commission has not approved any amount towards provision in addition to the normative A&G expenses.

6.6.22 The computation of A&G expenses computed by the Commission is as shown in the Table below:

**Table 63: A&G expenses computed for FY 2019-20 to FY 2023-24**

(Rs. Crore)

Financial Year	A&Gfo	Inflation Factor	Provision	A&Gn
2019-20	29.53	1.04	0.00	30.67
2020-21	30.67	1.04	0.00	31.85
2021-22	31.85	1.04	0.00	33.08

Financial Year	A&Gfo	Inflation Factor	Provision	A&Gn
2022-23	33.08	1.04	0.00	34.36
2023-24	34.36	1.04	0.00	35.68
<b>Total</b>	-	-	-	<b>165.64</b>

6.6.23 The A&G expenses claimed by SCCL and computed by the Commission in accordance with Clause 19.4 of the Regulation No.1 of 2019 is as shown in the Table below:

**Table 64: A&G expenses for FY 2019-20 to FY 2023-24**

(Rs. Crore)

Financial Year	Claimed	Computed in accordance with Clause 19.4
2019-20	39.31	30.67
2020-21	41.18	31.85
2021-22	43.15	33.08
2022-23	45.21	34.36
2023-24	47.38	35.68
<b>Total</b>	<b>216.23</b>	<b>165.64</b>

6.6.24 Clause 19.6 of the Regulation No.1 of 2019 provides for allowing expenses on account of license fee, initial or renewal, fee for determination of tariff and audit fee shall be allowed on actual basis, over and above the A&G expenses approved by the Commission. SCCL has not claimed any amount in this regard.

6.6.25 Clause 19.1 of the Regulation No.1 of 2019 stipulates as under:

*"The O&M expenses for each year of the Control Period shall be approved based on the formula shown below*

$$\text{O\&Mn} = (\text{R\&Mn} + \text{EMPn} + \text{A\&Gn}) \times 99\%$$

....."

6.6.26 Based on the above, the O&M expenses claimed by SCCL and approved by the Commission for FY 2019-20 to FY 2023-24 is as shown in the Table below:

**Table 65: O&M expenses for FY 2019-20 to FY 2023-24**

(Rs. Crore)

Financial Year	Claimed				Approved				
	Employee cost	R&M expenses	A&G expenses	Total	Employee cost	R&M expenses	A&G expenses	Total	O&M expenses approved
					(i)	(ii)	(iii)	(iv)=(i)+(ii)+(iii)	(v)=(iv)x99%
2019-20	95.36	94.34	39.31	229.01	91.91	83.67	30.67	206.24	204.18
2020-21	102.38	98.95	41.18	242.51	95.99	87.26	31.85	215.09	212.94
2021-22	109.95	103.28	43.15	256.37	100.25	91.00	33.08	224.32	222.08
2022-23	118.09	114.54	45.21	277.84	104.70	94.90	34.36	233.95	231.61
2023-24	126.87	117.15	47.38	291.40	109.34	98.96	35.68	243.99	241.55
<b>Total</b>	<b>552.65</b>	<b>528.25</b>	<b>216.23</b>	<b>1297.13</b>	<b>502.17</b>	<b>455.79</b>	<b>165.64</b>	<b>1123.60</b>	<b>1112.36</b>

**6.7 RETURN ON EQUITY (RoE)**

***Petitioner's submission***

6.7.1 SCCL has claimed RoE of Rs.501.51 Crore, Rs.508.35 Crore, Rs.523.92 Crore, Rs.557.05 Crore and Rs.581.45 Crore for FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24 respectively.

6.7.2 The rate of RoE has been considered as 19.76% by grossing up the base rate of 15.50% with the MAT rate of 21.55%.

***Commission's View***

6.7.3 The Commission has approved RoE in accordance with Clause 11 of the Regulation No.1 of 2019. The approved equity on true-up for FY 2018-19 has been considered as the equity for FY 2019-20. The rate of RoE has been considered as 18.78% by grossing up the base rate of 15.50% with the MAT rate of 17.47%.

6.7.4 The equity base claimed by SCCL and approved by the Commission is as shown in the Table below:

**Table 66: Equity base for FY 2019-20 to FY 2023-24**

(Rs. Crore)

Financial Year	Claimed		Approved	
	Opening Equity	Closing Equity	Opening Equity	Closing Equity
2019-20	2538.30	2538.30	2323.60	2323.60
2020-21	2538.30	2607.53	2323.60	2323.60
2021-22	2607.53	2695.91	2323.60	2323.60
2022-23	2695.91	2942.87	2323.60	2323.60
2023-24	2942.87	2942.87	2323.60	2323.60

6.7.5 The RoE claimed by SCCL and approved by the Commission is as shown in the Table below:

**Table 67: RoE for FY 2019-20 to FY 2023-24**

(Rs. Crore)

Financial Year	Claimed	Approved
2019-20	501.51	436.40
2020-21	508.35	436.40
2021-22	523.92	436.40
2022-23	557.05	436.40
2023-24	581.45	436.40
<b>Total</b>	<b>2672.28</b>	<b>2181.98</b>

**6.8 NON-TARIFF INCOME (NTI)**

***Petitioner's submission***



- 6.8.1 SCCL has claimed NTI of Rs.0.37 Crore for each year of the Control Period from FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24.

**Commission's View**

- 6.8.2 Clause 16(a) of the Regulation No.1 of 2019 provides the tentative list of items that constitute NTI. The actual NTI for FY 2016-17, FY 2017-18 and FY 2018-19 is Rs. 4.70 Crore, Rs. 11.15 Crore and Rs. 15.87 Crore respectively. The Commission has provisionally considered average of NTI for the period from FY 2016-17 to FY 2018-19 and escalated the same upto FY 2019-20 by the annual escalation of 30%. The Commission has not considered any further escalation of NTI during the remaining years of Control Period.
- 6.8.3 The NTI claimed by SCCL and approved by the Commission is as shown in the Table below:

**Table 68: NTI for FY 2019-20 to FY 2023-24**

(Rs. Crore)

Financial Year	Claimed	Approved
2019-20	0.37	17.92
2020-21	0.37	17.92
2021-22	0.37	17.92
2022-23	0.37	17.92
2023-24	0.37	17.92
<b>Total</b>	<b>1.84</b>	<b>89.60</b>

**6.9 ANNUAL FIXED CHARGES (AFC)**

**Commission's View**

- 6.9.1 Based on the above, the AFC claimed by SCCL and approved by the Commission is as shown in the Tables below:

**Table 69: AFC for FY 2019-20 to FY 2023-24**

(Rs. Crore)

Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Depreciation	437.35	400.36	443.02	400.36	456.87	400.36
Advance Against Depreciation	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Loan	484.39	395.83	447.73	359.24	420.59	322.65
Interest on Working Capital	96.92	80.40	103.86	80.04	112.23	79.84
Interest on Working Capital for FGD system	0.00	0.00	0.00	0.00	0.40	0.00
O&M expenses	229.01	204.18	242.51	212.94	256.37	222.08
O&M expenses for FGD system	0.00	0.00	0.00	0.00	12.91	0.00
O&M expenses for NOx mitigation system	0.00	0.00	0.38	0.00	0.76	0.00

Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Return on Equity	501.51	436.40	508.35	436.40	523.92	436.40
Less: Non-tariff income	0.37	17.92	0.37	17.92	0.37	17.92
<b>Annual Fixed Charges</b>	<b>1748.82</b>	<b>1499.25</b>	<b>1745.49</b>	<b>1471.06</b>	<b>1783.69</b>	<b>1443.41</b>

Particulars	FY 2022-23		FY 2023-24	
	Claimed	Approved	Claimed	Approved
Depreciation	486.19	400.36	507.48	400.36
Advance Against Depreciation	12.84	0.00	0.00	0.00
Interest on Loan	412.40	286.06	391.11	249.48
Interest on Working Capital	123.21	79.65	135.06	79.63
Interest on Working Capital for FGD system	0.40	0.00	0.40	0.00
O&M expenses	277.84	231.61	291.40	241.55
O&M expenses for FGD system	12.91	0.00	12.91	0.00
O&M expenses for NOx mitigation system	0.76	0.00	0.76	0.00
Return on Equity	557.05	436.40	581.45	436.40
Less: Non-tariff income	0.37	17.92	0.37	17.92
<b>Annual Fixed Charges</b>	<b>1883.22</b>	<b>1416.16</b>	<b>1920.19</b>	<b>1389.49</b>

## 6.10 ENERGY CHARGES

### *Petitioner's submission*

- 6.10.1 The energy charges have been computed based on Clause 21 of the Regulation No.1 of 2019. The energy charges for FY 2019-20 has been computed considering the fuel prices and GCV for the months of November 2018, December 2018 and January 2019. For the subsequent years, the fuel prices have been projected to increase at the rate of 7% and 10% for coal and oil respectively based on the actual increase during the period from April 2017 to January 2019. The energy bills shall be raised based on the actual fuel prices and GCV.
- 6.10.2 On conjoint reading of Clause 21.6, 21.7 and 21.10 of the Regulation No.1 of 2019, difficulty arises regarding the GCV of coal to be considered for determination of Energy Charge Rate (ECR). Clause 21.6 refer to as received GCV of coal whereas the Clause 21.7 and 21.10 refer to as fired GCV of coal.
- 6.10.3 SERCs are guided by the principles of CERC in specifying the Regulations as per Section 61(a) of the Act. The CERC (Terms and Conditions of Tariff) Regulations, 2019 stipulate the energy charge computation based on the GCV of coal as received less 85 kcal/kg. Further, CEA in its recommendations to CERC suggested a margin of 85-100 kcal/kg and 105-120 kcal/kg for pit head and non-pit head generating stations on account of GCV loss from that

measured at the unloading point till the firing point in the boiler. The Tariff Regulations of Maharashtra Electricity Regulatory Commission (MERC), Gujarat Electricity Regulatory Commission (GERC) and CERC provide for ECR computation based on CERC methodology or on the basis of as fired GCV of coal. SCCL requested the Commission to provide necessary clarifications in this regard.

- 6.10.4 The ECR claimed by SCCL for FY 2019-20 to FY 2023-24 is as shown in the Table below:

**Table 70: ECR claimed by SCCL for FY 2019-20 to FY 2023-24**

Particulars	Unit	FY	FY	FY	FY	FY
		2019-20	2020-21	2021-22	2022-23	2023-24
Auxiliary Consumption	%	7.00%	7.00%	7.00%	7.33%	8.50%
Gross Station Heat Rate	kcal/kWh	2400.00	2400.00	2400.00	2400.00	2400.00
Secondary Fuel oil consumption	ml/kWh	2.00	2.00	2.00	2.00	2.00
Calorific Value of Secondary Fuel	kcal/ml	9.99	9.99	9.99	9.99	9.99
Landed Price of Secondary Fuel	Rs./ml	0.05	0.06	0.07	0.08	0.09
Wt. Avg. Gross Calorific Value of Coal	kcal/kg	3866.17	3866.17	3866.17	3866.17	3866.17
Landed Price of Coal	Rs./kg	4.18	4.64	5.15	5.72	6.35
Specific Coal Consumption	kg/kWh	0.62	0.62	0.62	0.62	0.62
<b>ECR</b>	<b>Rs./kWh</b>	<b>2.884</b>	<b>3.205</b>	<b>3.563</b>	<b>3.975</b>	<b>4.476</b>

#### **Commission's View**

- 6.10.5 Clause 21.6 of the Regulation No.1 of 2019 stipulates the methodology for determination of ECR which stipulates the GCV of coal to be considered on as received basis. Clause 21.7 and 21.10 of the Regulation No.1 of 2019 stipulate as under:

*"21.7. Provided that the details of blending ratio of the imported coal with domestic coal, proportion of e-auction coal and the weighted average GCV of the fuels as fired shall also be provided separately, along with the bills of the respective month....."*

*"2.10. Any variation in fuel prices on account of change in the Gross Calorific Value (GCV) of coal or gas or liquid fuel shall be adjusted on a monthly basis on the basis of average GCV of coal or gas or liquid fuel in stock, as fired and weighted average landed cost incurred by the Generating Entity for procurement of coal, oil or gas or liquid fuel, as the case may be for a Station."*

- 6.10.6 SCCL requested the Commission to provide necessary clarification regarding the GCV of coal to be considered for ECR computation in view of the difficulty arisen on conjoint reading of Clause 21.6, 21.7 and 21.10.
- 6.10.7 The Commission has gone through the submissions of SCCL and the stakeholders on this issue. The Commission clarifies that the 'as received'

GCV as specified in Clause 21.6 is to be considered while determining the tariff under MYT provisions. As the benefit of GCV loss from 'pit head' to 'as fired' needs to be passed on to the generator, the same shall be taken care of in Clause 21.7 and Clause 21.10 which provides for adjustment of the variation in GCV considered in tariff determination and 'as fired' GCV. Therefore, the Commission rules that the monthly adjustment in variation in GCV of coal has to be carried out in accordance with Clause 21.10 of the Regulation No.1 of 2019.

- 6.10.8 The Commission, in the approval of Business Plan for the Control Period from FY 2019-20 to FY 2023-24, had approved the following norms of operation in accordance with Regulation No. 1 of 2019:

**Table 71: Norms of operation approved for the Control Period from FY 2019-20 to FY 2023-14**

Parameter	Units	Approved
Normative Annual Plant Availability Factor	%	85%
Normative Annual PLF	%	85%
Auxiliary Consumption	%	5.75%
Gross Station Heat Rate	kcal/kWh	2303.88
Secondary Fuel Oil Consumption	ml/kWh	0.50
Transit Loss	%	0.80%

- 6.10.9 SCCL has claimed the energy charges for the Control Period from FY 2019-20 to FY 2023-24 by considering the year-on-year escalation in fuel prices. SCCL has considered the annual escalation of 11% and 15% for Coal and Secondary Fuel Oil prices.
- 6.10.10 Clause 21.10 of the Regulation No. 1 of 2019 provides for monthly adjustment of variation in fuel prices on account of any variations in GCV and prices of fuels. Therefore, the Commission has computed the base ECR considering tentatively the fuel prices and GCV for the months of January to March 2019. The tentative fuel prices and GCV considered by the Commission for computing the Base ECR is as shown in the Table below:

**Table 72: Tentative fuel prices and GCV considered by the Commission**

Particulars	Units	Value
Calorific Value of Secondary Fuel	kcal/ml	9.97
Landed Price of Secondary Fuel	Rs./ml	0.04
Wt. Avg. Gross Calorific Value of Coal	kcal/kg	3866.17
Landed Price of Coal	Rs./kg	3.68

6.10.11 Based on the above norms of operation and tentative fuel prices and GCV, the Base ECR computed by the Commission is as shown in the Table below:

**Table 73: Base ECR computed by the Commission**

Particulars	Units	Value
Auxiliary Consumption	%	5.75%
Gross Station Heat Rate	kcal/kWh	2303.88
Secondary Fuel oil consumption	ml/kWh	0.50
Calorific Value of Secondary Fuel	kcal/ml	9.97
Landed Price of Secondary Fuel	Rs./ml	0.04
Wt. Avg. Gross Calorific Value of Coal	kcal/kg	3866.17
Landed Price of Coal	Rs./kg	3.68
Specific Coal Consumption	kg/kWh	0.59
<b>ECR</b>	<b>Rs./kWh</b>	<b>2.345</b>

6.10.12 The variation in fuel prices and GCV shall be billed in accordance with the provisions of the Regulation No. 1 of 2019.

6.10.13 The indicative total tariff based on the above is as shown in the Table below:

**Table 74: Indicative total tariff for FY 2019-20 to FY 2023-24**

Particulars	FY 2019-20		FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24	
	Project ed by SCCL	Compute d by the Commission	Project ed by SCCL	Compute d by the Commission	Project ed by SCCL	Compute d by the Commission	Project ed by SCCL	Compute d by the Commission	Project ed by SCCL	Compute d by the Commission
Net Generation (MU)	8929.65	8444.50*	8905.26	8421.43*	8873.45	8421.43*	8761.62	8421.43*	8785.63	8444.50*
AFC (Rs. Crore)	1748.82	1499.25	1745.49	1471.06	1783.69	1443.41	1883.22	1416.16	1920.19	1389.49
AFC per unit (Rs./kWh) (indicative)	1.958	1.775	1.960	1.747	2.010	1.714	2.149	1.682	2.186	1.645
Base ECR (Rs./kWh)	2.884	2.345	3.205	2.345	3.563	2.345	3.975	2.345	4.476	2.345
Total Tariff (Rs./kWh) (indicative)	<b>4.842</b>	<b>4.120</b>	<b>5.165</b>	<b>4.091</b>	<b>5.573</b>	<b>4.059</b>	<b>6.125</b>	<b>4.026</b>	<b>6.662</b>	<b>3.990</b>

\*Corresponding to NAPLF of 85%

\*\*The variations in fuel prices and GCV shall be billed in accordance with the provisions of the Regulation No. 1 of 2019

## 6.11 COMMISSION'S DIRECTIVES

6.11.1 The Commission's earlier Directives and new Directives issued in this Order are enclosed at Appendix B.

## 6.12 I.A.No.2 of 2020 in O.P.No.5 of 2019

6.12.1 The Commission had passed an order dated 08.02.2020 directed the DISCOMs to pay the tariff as applicable for FY 2018-19 for the energy supplied by the Petitioner from 01.04.2019 till the disposal of the Original Petition. As the Commission is now passing the final Order determining the

Tariffs for Control Period from FY 2019-20 to FY 2023-24, no further action in the above said I.A. is required and accordingly the same stands closed.

**6.13 APPLICABILITY**

6.13.1 The Generation Tariffs determined for each year of the Control Period from FY 2019-20 to FY 2023-24 are applicable from 1<sup>st</sup> April to 31<sup>st</sup> March of the respective Financial Year. However, as FY 2019-20 and few months of FY 2020-21 are over, the Commission directs the Petitioner to recover/adjust the difference in revenue recoverable in accordance with the Tariff approved in this Order vis-a-vis the Tariff charged from April 2019 till the issue of this Order in 6 equal monthly instalments. For FY 2020-21, the Generation Tariffs are applicable w.e.f. 01.09.2020.

**This Order is corrected and signed on this the 28<sup>th</sup> day of August, 2020.**

**Sd/-  
(BANDARU KRISHNAIAH)  
MEMBER**

**Sd/-  
(M.D.MANO HAR RAJU)  
MEMBER**

**Sd/-  
(T.SRIRANGA RAO)  
CHAIRMAN**

## APPENDIX A SCHEDULE OF APPROVED TARIFF

1. The AFC approved by the Commission for the Control Period from FY 2019-20 to FY 2023-24 is as shown in the Table below:

Particulars	(Rs. Crore)				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Depreciation	400.36	400.36	400.36	400.36	400.36
Advance Against Depreciation	0.00	0.00	0.00	0.00	0.00
Interest on Loan	395.83	359.24	322.65	286.06	249.48
Interest on Working Capital	80.40	80.04	79.84	79.65	79.63
Interest on Working Capital for FGD system	0.00	0.00	0.00	0.00	0.00
O&M expenses	204.18	212.94	222.08	231.61	241.55
O&M expenses for FGD system	0.00	0.00	0.00	0.00	0.00
O&M expenses for NOx mitigation system	0.00	0.00	0.00	0.00	0.00
Return on Equity	436.40	436.40	436.40	436.40	436.40
Less: Non-tariff income	17.92	17.92	17.92	17.92	17.92
<b>Annual Fixed Charges</b>	<b>1499.25</b>	<b>1471.06</b>	<b>1443.41</b>	<b>1416.16</b>	<b>1389.49</b>

2. The norms of operation approved for the Control Period from FY 2019-20 to FY 2023-24 is as shown in the Table below:

Parameter	Units	Approved
Normative Annual Plant Availability Factor	%	85%
Normative Annual PLF	%	85%
Auxiliary Consumption	%	5.75%
Gross Station Heat Rate	kcal/kWh	2303.88
Secondary Fuel Oil Consumption	ml/kWh	0.50
Transit Loss	%	0.80%

3. The Base ECR computed by the Commission is as shown in the Table below:

Particulars	Units	Value
Auxiliary Consumption	%	5.75%
Gross Station Heat Rate	kcal/kWh	2303.88
Secondary Fuel oil consumption	ml/kWh	0.50
Calorific Value of Secondary Fuel	kcal/ml	9.97
Landed Price of Secondary Fuel	Rs./ml	0.04
Weighted. Average. Gross Calorific Value of Coal	kcal/kg	3866.17
Landed Price of Coal	Rs./kg	3.68
Specific Coal Consumption	kg/kWh	0.59
<b>ECR</b>	<b>Rs./kWh</b>	<b>2.345</b>

4. The computation and payment of Capacity Charges and Energy Charges shall be in accordance with the provisions of the Regulation No.1 of 2019.
5. Incentive for higher PLF shall be in accordance with the provisions of the Regulation No.1 of 2019.

## APPENDIX B COMMISSION'S DIRECTIVES

### EARLIER DIRECTIVES

#### 1. Coal Swapping

SCCL should actively pursue the issue of coal allocation for its generating station with the Ministry of Coal so that the cumbersome task of transportation of coal from Naini coal block in Odisha and associated losses in quantity and GCV could be mitigated by procuring coal from its own mines which are closer to its generating station.

### NEW DIRECTIVES

#### 2. True-up for FY 2016-17 to FY 2018-19

(Para 4.22.2) The Commission directs SCCL to bill the differential AFC recoverable/refundable for the period from FY 2016-17 to FY 2018-19 as per the AFC approved after true-up approved in this Order.

(Para 4.23.3) The Commission directs SCCL to take up the issue of water charges with the DISCOMs.

#### 3. Billing disputes (Para 4.24.10)

The Commission directs SCCL to file a separate Petition on the billing disputes.

#### 4. MYT for FY 2019-20 to FY 2023-24

(Para 5.2.7) The Commission directs SCCL to submit its proposal of additional auxiliary consumption for FGD in its Mid-Term Review Petition for the consideration of the Commission.

(Para 5.5.3) The Commission directs SCCL to submit the status of the efficiency improvement measures implemented by SCCL and the results of the same in its Mid-Term Review Petition.

(Para 6.13.1) The Commission directs the Petitioner to recover/adjust the difference in revenue recoverable in accordance with the Tariff approved in this Order vis-a-vis the Tariff charged from April 2019 till the issue of this Order in 6 equal monthly instalments.



**ANNEXURE 1  
PUBLIC NOTICE**

**TELANGANA STATE ELECTRICITY REGULATORY COMMISSION**



11-4-660, 5th Floor, Singareni Bhavan, Red Hills, Hyderabad.

Ph: (040) 23397625/ 23311125 to 28

Fax No. (040) 23397489 Website [www.tserc.gov.in](http://www.tserc.gov.in)

**PRESS RELEASE**

**G. P. No. 4 of 2019, O. P. No. 5 of 2019, O. P. No. 8 of 2020 & O. P. No. 9 of 2020**

Singareni Collieries Company Limited (SCCL) has filed petitions under sections 62 and 86 (1) (a) of Electricity Act, 2003 (Act, 2003) read with the Telangana State Electricity Regulatory Commission (Terms and Conditions of Generation Tariff) Regulation, 2019 (Regulation No. 1 of 2019) seeking approval for 2 X 600 MW of its Singareni Thermal Power Plant (STTP) in the following petitions.

a) Aggregate revenue requirement and tariff for the period from 01.04.2019 to 31.03.2024. b) Truing up of tariff for the period FY 2016-2019. c) Business plan for the period from 01.04.2019 to 31.03.2024. d) Capital investment plan for the period FY 2016-2019.

Interested persons may offer comments, objections and suggestions in the matter by 12.03.2020.

The Commission will hear the petitioner and other stakeholders including the DISCOMs with regard to the above matter on 18.03.2020 at the Commission's court hall in Hyderabad. Complete details on the above matter are available on [www.tserc.gov.in](http://www.tserc.gov.in) and [www.acclmines.com](http://www.acclmines.com)

Place: Hyderabad

Date: 19.02.2020

PH/2019-20/STPP/SLK/117

Sd/-

COMMISSION SECRETARY (FAC)

# తెలంగాణ స్టేట్ ఎలక్ట్రిసిటీ రిగ్యులేటరీ కమిషన్



11-4-660 5వ అంతస్తు, సింగరేణి భవన్, రెడ్ హిల్స్, హైదరాబాద్.  
ఫోన్: (040) 23397489 / 23311168 నుండి 28 లైన్స్ వరకు. (040) 23397489  
వెబ్సైట్ [www.tserc.gov.in](http://www.tserc.gov.in)

## చిట్టా ప్రకటన

**O. P. No. 4 of 2019, O. P. No. 5 of 2019, O. P. No. 6 of 2020 & O. P. No. 9 of 2020**

సింగరేణి కాలరీస్ కంపెనీ లిమిటెడ్ (SCCL) తమ సింగరేణి థర్మల్ పవర్ ప్లాంట్ (STTP), 2x600 MW యొక్క ఈ ప్రంద తెలిపిన అభ్యర్థనలకు అమోదం కోరుతూ తెలంగాణ స్టేట్ ఎలక్ట్రిసిటీ రెగ్యులేటరీ కమిషన్ (ఇనరేషన్ టారిఫ్ యొక్క నియమ నిబంధనలు) టెండర్ నెం. 2019 (టెండర్ నెం. 1 అప్ 2019)లో పేర్కొనబడిన విద్యుత్ చట్టం 2003 (చట్టం, 2003)లోని సెక్షన్లు 62 మరియు 86 (1) (a) ప్రంద దరఖాస్తును దాఖలు చేసింది.

a) 01.04.2019 నుండి 31.03.2024 వరకు గల కాలానికి పూర్తి రెవెన్యూ అవశ్యకత మరియు టారిఫ్; b) FY 2018-2019 కాలానికి టారిఫ్ గ్రూపుయింగ్ అవ్; c) 01.04.2019 నుండి 31.03.2024 వరకు గల కాలానికి వ్యాపార ప్రకాశిక; d) FY 2019-2024 వరకు గల కాలానికి మూలధన వెట్టెంట్ ఫోటోశెట్.

దీనికి సంబంధించి అభ్యర్థనలు / సూచనలు / అభిప్రాయాలు తెలియజేయవలసిన తేదీ: 12.03.2020 లోపు కమిషన్ దృష్టికి చేసుకొని రావచ్చు.

పై విషయంపై కమిషన్ 18.03.2020 DISCOMs తో సహా కమిషన్ మరియు అతర స్టేక్ హోల్డర్లను హైదరాబాద్ లోని కమిషన్ టార్మల్ విచారిస్తుంది. ఈ విషయానికి సంబంధించి పూర్తి సమాచారం [www.tserc.gov.in](http://www.tserc.gov.in) మరియు [www.socitrisns.com](http://www.socitrisns.com) లో చూడవచ్చు.

ప్రదేశం: హైదరాబాద్  
తేదీ: 19.03.2020

PR/2019-20/STPP/SLK/117

సం/-  
కమిషన్ సెక్రటరీ (FAC)

## تلنگانہ اسٹیٹ الیکٹریسیٹی ریگولٹری کمیشن

11-4-660 'پانچویں منزل' سنگارینس دیون 'ریڈ ہلز' حیدرآباد

فون : 23311125 to 28 / 23397625/2 (040)

ویب سائٹ : 23397499 (040) / www.tserc.gov.in



### پریسی ڈیلیز

O.P. No. 4 of 2019, No. O.P. 5 of 2019, O.P. No. 8 of 2020 & O.P. No. 9 of 2020

سٹارٹی کارپوریشن (ایس سی ایل) نے حسب ذیل پینلٹس میں اس کے سٹارٹی ٹرمز اور پلانٹ (ایس سی ایل) کے 2x600MW کے لئے منظور شدہ حصول کیلئے الیکٹریسیٹی ایکٹ 2003 (ایکٹ 2003) کے پینلٹس اور 86(1)(b) کے مطابق ملاحظہ ہو تلنگانہ اسٹیٹ الیکٹریسیٹی ریگولٹری کمیشن (پریسی ڈیلیز) 2019 (ریگولیشن نمبر 1 of 2019) پینلٹس داخل کی ہیں۔

(a) مدت 01-04-2019 تا 31-03-2024 کے لیے مجموعی ریٹرو سٹریٹس اور ٹریفک (b) مئی سال 2016-2019 کی مدت کے لئے ٹریفک کاڑھک اب c) مدت 01-04-2019 تا 31-03-2024 کے لیے پریسی ڈیلیز پلان (d) مئی سال 2016-2019 کی مدت کے لئے کیمپل انورسٹمنٹ پلان۔

خواہشمند اشخاص 12-03-2020 تک اس معاملہ میں تبصرے، اعتراضات اور تہا جوائن کر سکتے ہیں۔  
کیشن 18-03-2020 کو حیدرآباد میں کمیشن کے کورٹ ہال میں مذکورہ بالا معاملہ سے متعلق پینلٹس اور دیگر سٹیک ہولڈرز بشمول ڈسکامس (DISCOMS) کو سماعت کرنے گا۔ مذکورہ بالا معاملہ میں مکمل تفصیلات : www.tserc.gov.in اور www.sccimines.com پر دستیاب ہیں۔

شروع شدہ دستخط

مقام : حیدرآباد

کمیشن سیکریٹری (ایف ایف سی)

تاریخ : 19-02-2020

(P/2019-20/STPP/SLK/17)

**ANNEXURE 2**  
**LIST OF STAKEHOLDERS WHO SUBMITTED**  
**THE WRITTEN COMMENTS/OBJECTIONS/SUGGESTIONS**

<b>Sl. No.</b>	<b>Name and address of the stakeholder</b>
1	Sri M.Venugopala Rao, Senior Journalist & Convenor, Centre for Power Studies, H.No.1-100/MP/101, Monarch Prestige, Journalists' Colony, Gopanpally, Serlingampally Mandal, Hyderabad – 500 032
2	Sri M.Thimma Reddy, Convenor, People's Monitoring Group on Electricity Regulation, 139, Kakatiyanagar, Hyderabad - 500 008
3	Southern Power Distribution Company of Telangana Ltd., Corporate Office, 6-1-50, Mint Compound, Hyderabad

**ANNEXURE 3**  
**LIST OF STAKEHOLDERS WHO PARTICIPATED IN**  
**VIRTUAL PUBLIC HEARING BY VIDEO CONFERENCE**  
**HELD ON 23.07.2020**

<b>Sl. No.</b>	<b>Name and address of the stakeholder</b>
1	Sri M.Venugopala Rao, Senior Journalist & Convenor, Centre for Power Studies, H.No.1-100/MP/101, Monarch Prestige, Journalists' Colony, Gopanpally, Serlingampally Mandal, Hyderabad – 500 032
2	Southern Power Distribution Company of Telangana Ltd., Corporate Office, 6-1-50, Mint Compound, Hyderabad



**Annexure - C : TGERC MTR order  
dated 23.03.2023**







**Telangana State Electricity Regulatory Commission**  
5<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Lakdi-ka-pul, Hyderabad 500 004

**ORDER**

**ON**

**MID-TERM REVIEW FOR TRUING UP OF  
THE AGGREGATE REVENUE REQUIREMENT AND  
REVENUE FOR FY 2019-20 TO FY 2021-22  
AND  
REVISED TARIFF FOR FY 2022-23 AND FY 2023-24**

**FOR**

**SINGARENI THERMAL POWER PROJECT  
(2x600 MW) OF  
THE SINGARENI COLLIERIES COMPANY LIMITED**

**23.03.2023**

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## List of Abbreviations

A&G	Administrative and General
AAD	Advance Against Depreciation
AFC	Annual Fixed Charges
APTEL	Appellate Tribunal for Electricity
ARR	Aggregate Revenue Requirement
BFP	Boiler Feed Pump
BHEL	Bharat Heavy Electricals Ltd.
BMCR	Boiler maximum continuous rating
BoP	Balance of Plant
BTG	Boiler, Turbine and Generator
CCDAC	Coal Conservation & Development Advisory Committee
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CFB	Circulating Fluidised Bed
CFL	Compact Fluorescent Lamps
CIL	Coal India Limited
CIP	Capital Investment Plan
CISF	Central Industrial Security Force
CPCB	Central Pollution Control Board
COD	Commercial Operation Date
CPI	Consumer Price Index
CSR	Corporate Social Responsibility
DC	Designated Consumer
DMFT	District Mineral Foundation Trust
DPR	Detailed Project Report
EA 2003	Electricity Act, 2003
EPC	Engineering, Procurement and Construction
EPCA	Environment Pollution Control Authority
ERP	Enterprise Resource Planning
ESP	Electrostatic Precipitator
FGD	Flue Gas Desulphurisation
FSA	Fuel Supply Agreement
FY	Financial Year
GCV	Gross Calorific Value
GFA	Gross Fixed Assets
GoTS	Government of Telangana State
GSHR	Gross Station Heat Rate
GST	Goods and Services Tax
HPSV	High-Pressure Sodium Vapour Lamps
ICB	International Competitive Bidding
IDC	Interest During Construction
IDCT	Induced Draft Cooling Tower
Ind AS	Indian Accounting Standard
IoWC	Interest on Working Capital
IT	Information Technology
kcal	kilo calories
kg	Kilogram
KTPP	Kakatiya Thermal Power Plant
kWh	Kilo Watt hour
MAT	Minimum Alternative Tax
MCLR	Marginal Cost of Funds based Lending Rate
MGR	Merry-Go-Round
MMT	Million Metric Tonne
MoC	Ministry of Coal
MoEF&CC	Ministry of Environment, Forest & Climate Change

MoP	Ministry of Power
MoU	Memorandum of Understanding
MU	Million Units
MW	Mega Watt
MYT	Multi Year Tariff
NAPAF	Normative Annual Plant Availability Factor
NAPLF	Normative Annual Plant Load Factor
NH	National Highway
NHAI	National Highways Authority of India
NIT	Notice Inviting Tender
NOx	Nitrogen oxides
NTPC	National Thermal Power Corporation Limited
O&M	Operations and Maintenance
O.P.	Original Petition
OEM	Original Equipment Manufacturer
OFC	Optical Fibre Communication
PAF	Plant Availability Factor
PAT	Perform, Achieve and Trade
PFC	Power Finance Corporation
PLF	Plant Load Factor
PPA	Power Purchase Agreement
PSC	Pre-Stressed Concrete
PVC	Price Variation clause
R&M	Repairs & Maintenance
RCC	Reinforced Cement Concrete
RCE	Revised Capital Expenditure
RDO	Revenue Division Officer
REC	Rural Electrification Corporation
UTES	Rail India Technical and Economic Service
RoE	Return on Equity
Rs.	Rupees
RUB	Railway Under Bridge
S&T	Signalling and Telecommunication
SBI	State Bank of India
SCCL	Singareni Collieries Company Ltd.
SLC	Standing Linkage Committee
SLDC	State Load Despatch Centre
SMET	Sate Mineral Exploration Trust
SPCB	State Pollution Control Board
SOx	Sulphur Oxides
SPCB	State Pollution Control Board
TNSEB	Tamil Nadu State Electricity Board
TSERC	Telangana State Electricity Regulatory Commission
TSGENCO	Telangana State Power Generation Corporation Ltd.
TSMDC	Telangana State Mineral Development Corporation
TSNPDCL	Northern Power Distribution Company of Telangana Ltd.
TSPCC	Telangana State Power Coordination Committee
TSSPDCL	Southern Power Distribution Company of Telangana Ltd.
TSTRANSCO	Transmission Corporation of Telangana Ltd.
UDL	Undischarged Liability
WPI	Wholesale Price Index

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**Telangana State Electricity Regulatory Commission**  
5<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Lakdi-ka-pul, Hyderabad 500 004

**O. P. No. 77 of 2022**

**Present**

Sri. T.Sriranga Rao, Chairman  
Sri. M. D. Manohar Raju, Member (Technical)  
Sri. Bandaru Krishnaiah, Member (Finance)

**Dated 23.03.2023**

**Between:**

The Singareni Collieries Company Limited,  
Kothagudem Collieries, Bhadradi Kothagudem District 507 101. ... Petitioner

**AND**

- 1) Southern Power Distribution Company of Telangana Limited,  
Corporate Office, # 6-1-50, Mint Compound, Hyderabad 500 063.
- 2) Northern Power Distribution Company of Telangana Limited,  
H.No.2-5-31/2, Corporate Office, Vidyut Bhavan, Nakkalagutta,  
Hanamkonda, Warangal 506 001. ... Respondents

The Singareni Collieries Company Limited (SCCL or petitioner) filed the Petition on 30.11.2022 under Sections 62 and 86(1)(a) & 86(1)(b) of the Electricity Act, 2003 and under the provisions of (Terms and Conditions of Generation Tariff) Regulation No.1 of 2019 for Mid-term review for truing-up of the Aggregate Revenue Requirement and Revenue for FY 2019-22 to FY 2021-22 and for revised tariff for FY 2022-23 and FY 2023-24 of generation tariff for 2x600 MW Singareni Thermal Power Plant (STPP).

The Commission, in exercise of its powers under the Electricity Act, 2003, Regulation No.1 of 2019, and after considering Petitioner's submissions, suggestions and objections of the other stakeholders, responses of Petitioner, issues that are raised during the Public Hearing and all other relevant material, passed the following:

**ORDER**

**Chapter-1**  
**Introduction**

**1.1 BACKGROUND**

- 1.1.1 Telangana State Electricity Regulatory Commission (herein referred to as TSERC or the Commission) was constituted by the Government of Telangana

State (GoTS) in terms of the provisions of Schedule XII(C)(3) of the A.P. Reorganisation Act of 2014, read with Section 82 of the Electricity Act, 2003 (Act) vide G.O.Ms.No.3, Energy (Budget) Department, dated 26.07.2014.

- 1.1.2 The Singareni Collieries Company Limited (SCCL) is a coal mining company incorporated under the Companies Act, 1956. The Company is owned by Government of Telangana (GoTS) with 51.096% shareholding. The other shareholders of the company are Government of India (GoI) and private shareholders in the ratio of 48.902% and 0.002% respectively.
- 1.1.3 SCCL has entered in the business of power generation by setting up a 2x600 MW coal based thermal power plant viz., Singareni Thermal Power Plant (STPP) in Jaipur of Mancherial District, Units I & II of STPP achieved COD on 25.09.2016 and 02.12.2016 respectively.
- 1.1.4 SCCL had entered into a Power Purchase Agreement (PPA) on 18.01.2016 with two distribution companies of Telangana State (TSDISCOMs) for the power generated from STPP which will be sold to them at a tariff decided by the Commission. The PPA shall remain valid for a period of 25 years from the COD of the last Unit (i.e., Unit-II).
- 1.1.5 The Commission, in its Order dated 28.08.2020 trued-up the capital cost and annual fixed charges for 2x600 MW STPP upto 31.03.2019 and determined the tariff for STPP during MYT period of FYs 2019-24. In the said order the Commission also directed SCCL to file Mid-term review petition by 30.11.2022.

## **1.2 STATUTORY PROVISIONS**

- 1.2.1 As per Section 62 of the Electricity Act, 2003 the Commission can determine the tariff for supply of electricity by a generating company to a distribution licensee, further the Commission is empowered to determine tariff for generation and sale of electricity within the State under Section 86(1)(a) & 86(1)(b).
- 1.2.2 The Commission had notified TSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2019 [Regulation No.1 of 2019] which came into force from the date of its publication in Telangana Gazette i.e., on 01.02.2019. As per clauses 3.8.2, 3.12, 27 and other applicable clauses provided in Regulation No.1 of 2019 the SCCL is required to file a petition for

Mid-Term Review for truing-up of generation tariff for STPP for FYs 2019-2022 by 30<sup>th</sup> November of the 4<sup>th</sup> year of the control period i.e., by 30.11.2022., for the sake of convenience the clauses 3.8.2, 3.12 and 27 and other applicable clauses of Regulation No.1 of 2019 are reproduced below:

**3.8.2 Mid-term Review Petition**

- a) *Truing-up for the first and second year and provisional truing-up for third year of the Control Period to be carried out under these Regulations.*
- b) *Revised forecast of Aggregate Revenue Requirement, expected revenue from existing tariff and charges and revenue gap for the fourth and fifth year of the Control Period.  
Provided that a petition may be filed at any time during the Control Period in case of variation in uncontrollable factors that may result in sudden, steep, and sustained increase in tariff.*

....

**3.12 Mid-term Review**

**3.12.1** *The Generating Entity shall file a petition for Mid-term Review and truing-up of the Aggregate Revenue Requirement and Revenue for FY 2019-20 and FY 2020-21, and provisional truing-up for FY 2021-22, by November 30, 2021:*

*Provided that the Petition shall include information in such form as may be stipulated by the Commission, together with the Accounting Statements, extracts of Books of Account and such other details, including cost accounting reports or extracts thereof, as it may require to assess the reasons for and extent of any difference in operational and financial performance from the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff.*

**3.12.2** *The scope of the Mid-term Performance Review shall be a comparison of the actual operational and financial performance vis-à-vis the approved forecast for the first three years of the Control Period; and revised forecast of Aggregate Revenue Requirement, expected revenue from existing Tariff, expected revenue gap, for the fourth and fifth year of the Control Period.*

**3.12.3** *Upon completion of the review under clause 3.12.2 herein, the Commission shall attribute any variations or expected variations in performance, for variables specified under clause 6.7 & clause 6.8, to factors within the control of the Petitioner (controllable factors) or to factors beyond its control (uncontrollable factors).*

**3.12.4** *Any variations or expected variations in performance, for variables other than those specified under clause 6.7 of this Regulation, shall not ordinarily be reviewed by the Commission during the Control Period and shall be attributed entirely to controllable factors.*

**3.12.5** *Where the Petitioner believes, for any variable not specified under clause 6.7, that there is a material variation or expected variation in performance for any Year on account of uncontrollable factors, it may apply to the Commission for inclusion of such variable.*

**3.12.6** *Upon completion of the Mid-term Review, the Commission shall pass an order recording:*



- (a) *the approved aggregate gain or loss to the Generating Entity on account of controllable factors for the first two Years of the Control Period and provisional Truing-up for the third year of the Control Period, and the amount of such gains or such losses that may be shared in accordance with clause 6.10 of this Regulation.*
- (b) *The approved aggregate gain or loss to the Generating Entity on account of uncontrollable factors for the first two years of the Control Period and provisional Truing-up for the third year of the Control Period, and the amount of such gains or such losses that were not recovered during the respective years and which may be shared in accordance with clause 6.9 of this Regulation.*
- (c) *The approved modifications to the Aggregate Revenue Requirement and Tariffs for the remainder of the Control Period.*

... ..

**6.6 Uncontrollable Factors**

*The "uncontrollable factors" shall comprise the following factors, which were beyond the control of, and could not be mitigated by the Petitioner, as determined by the Commission:*

- 6.6.1 *Force Majeure events;*
- 6.6.2 *Change in law;*
- 6.6.3 *Variation in fuel cost on account of variation in price of primary and/or secondary fuel prices;*
- 6.6.4 *Variation in market interest rates for long-term loan;*
- 6.6.5 *Variation in freight rates;*
- 6.6.6 *Non-Tariff Income;*

**6.7 Controllable Factors**

*Variations or expected variations in the performance of the Petitioner, which may be attributed by the Commission to controllable factors include, but are not limited to the following:*

- 6.7.1 *Variations in capitalisation on account of time or cost overruns or inefficiencies in the implementation of a capital expenditure scheme not attributable to an approved change in its scope, change in statutory levies or Force Majeure Events;*
- 6.7.2 *Variation in interest and finance charges, return on equity, and depreciation on account of variation in capitalisation as specified in clause 6.8.1 above;*
- 6.7.3 *Variation in performance parameters, such as Availability, Auxiliary Consumption, Secondary fuel oil consumption, Gross Station Heat Rate;*
- 6.7.4 *Variation in amount of interest on working capital;*
- 6.7.5 *Variation in Operation and Maintenance Expenses;*
- 6.7.6 *Variation in coal transit losses;*

**6.8 Mechanism for pass through of gains or losses on account of uncontrollable factors**

- 6.8.1 *The uncontrollable cost shall be determined based on a petition filed by the concerned Generating Entity;*
- 6.8.2 *The aggregate gain or loss to a Generating Entity on account of variation in cost of fuel from the sources considered in the Tariff Order, including blending ratio of coal procured from different sources, shall be passed through as an adjustment in its energy charges on a monthly basis, as specified in clause 21.6 of this Regulation;*

- 6.8.3 *The consequential impact of decisions of higher Courts or Tribunals or Review Orders passed by the Commission on the Generating Entity'*
  - (a) *for the first and second Years of the Control Period shall be addressed in the Mid-term Review Order;*
  - (b) *for the third, fourth or fifth Years of Control Period shall be addressed in the End of Control Period Review Order;*
- 6.9 **Mechanism for sharing of gains or losses on account of controllable factors**
- 6.9.1 *The approved aggregate gain to the Generating Entity on account of controllable factors shall be dealt with in the following manner:*
  - (a) *Two-third (2/3<sup>rd</sup>) of the amount of such gain shall be passed on as a rebate in tariff over such period as may be stipulated in the Order of the Commission;*
  - (b) *The balance amount of such gain shall be retained by the Generating Entity;*
- 6.9.2 *The approved aggregate loss to the Generating Entity on account of controllable factors shall be dealt with in the following manner:*
  - (a) *One-third (1/3<sup>rd</sup>) of the amount of such loss may be passed on as an additional charge in tariff over such period as may be stipulated in the Order of the Commission;*
  - (b) *The balance amount of such loss shall be absorbed by the Generating Entity;*

.....

27. **Summary of timelines**

<b>Description</b>	<b>Filing of the Document (on or before)</b>	<b>Obtaining additional information and acceptance by the Commission</b>	<b>Approval of the Document</b>
Mid-Term Review	30 <sup>th</sup> November of the fourth Year of the Control Period	Within 45 days of filing of document	Within 120 days of acceptance of the filing

**1.3 PRESENT PETITION**

- 1.3.1 SCCL has filed the present petition on 30.11.2022 in accordance with Sections 62, 86(1)(a) & 86(1)(b) of the Electricity Act, 2003 read with clauses 3.8.2, 3.12, 27 and other applicable clauses provided in TSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2019 [Regulation No.1 of 2019] for Mid-term review and for trueing-up of generation tariff for 2x600 MW Singareni Thermal Power Plant (STPP) for FYs 2019-2022 and for revised tariff from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2024.
- 1.3.2 SCCL has submitted that while filing present Aggregate Revenue Requirement (ARR)/Tariff proposals, the SCCL has endeavoured to comply with the various applicable legal and regulatory directions of the Commission including the directions contained in the Conduct of Business Regulations, 2015 and the

Regulation No.1 of 2019 (Terms and Conditions of Generation Tariff) notified by the Commission.

- 1.3.3 Further submitted that based on the information available, the SCCL has made bonafide efforts to comply with the directions of the Commission and discharge its obligations to the best of its abilities.

#### **1.4 ADMISSION OF PETITIONS AND REGULATORY PROCESS**

- 1.4.1 The Petition was examined and found to be generally in order as required under TSERC (Conduct of Business) Regulations, 2015 (Regulation No.2 of 2015). The original petition has been taken on record by assigning the O.P.No.77 of 2022.

#### **1.5 DATA GAPS AND PETITIONER'S RESPONSES**

- 1.5.1 During scrutiny, the filings of the Petitioner were found to be deficient in certain aspects and therefore, additional information was sought. The Commission has considered the original filings and additional information submitted by the Petitioner.

#### **1.6 OVERVIEW OF STAKEHOLDERS' CONSULTATION PROCESS**

- 1.6.1 The Petitioner, as directed by the Commission, published for information of all the stakeholders a notice in two (2) Telugu, two (2) English and One (1) Urdu daily newspapers on 15.12.2022.
- 1.6.2 The filings have been made available by the Petitioner along with supporting material to the public at large including all stakeholders. The filings and supporting material were also hosted on the websites of the Petitioner as well as the Commission.
- 1.6.3 It was also notified in the public notice (Annexure-I) that, objections/suggestions on the filings may be filed before the Commission by 12.01.2023.
- 1.6.4 In response to the public notice, objections/suggestions were received from two (2) stakeholders (Annexure-II) by the Commission in writing.
- 1.6.5 The Petitioner was directed to give reply to the stakeholders in writing by 21.01.2023 by sending the same to the respective stakeholder with a copy to

the Commission. The replies were also posted on the website of the Commission.

- 1.6.6 The Public Hearing was conducted on 30.01.2023. The list of persons who attended the Public Hearing on 30.01.2023 is enclosed at Annexure-III.
- 1.6.7 During the Public Hearing, the Petitioner made a brief submission on its filings and then the Commission heard the respondents and other stakeholders desiring to be heard. At the end, the petitioner responded on the issues raised by the objectors and on directions of the Commission, petitioner filed written submissions regarding the same.

## Chapter-2 Summary of Filings

### 2.1 PETITIONER'S SUBMISSIONS

2.1.1 This petition is filed for approval of truing-up of tariff for 2x600 MW Singareni Thermal Power Plant for FY 2019-20 to FY 2021-22 and for revised tariff from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2024.

2.1.2 The Petitioner has made the following submissions in their original filings and the additional submissions:

- a) Audited statement of actual capital cost and liability upto 31.03.2019;
- b) Audited statement showing year-wise the capital expenditures & the liabilities for STPP during FYs 2019-2022;
- c) Annual Accounts of SCCL for FYs 2019-2022;
- d) The documents for Loan refinancing in FY 2019-22;

### 2.2 MID-TERM REVIEW (MTR) FOR FY 2019-20 TO FY 2021-22

2.2.1 The actual aggregate revenue requirement (ARR) to be recovered from tariff claimed by SCCL for Mid-Term Review MTR for FY 2019-20 to FY 2021-22 is as shown in the Table below:

**Table 2.1: Summary of actual ARR as filed for FY 2019-20 to FY 2021-22**  
Rs.in crore

Sl. No.	Item Particulars	Actuals as Claimed			Approved in Order dated 28.08.2020			Claimed in MTR		
		2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
<b>A</b>	<b>Annual Fixed Charge (AFC)</b>									
1	Depreciation	405.22	411.27	412.79	400.36	400.36	400.36	4.86	10.91	12.43
2	Interest on Loan	418.69	414.88	374.90	395.83	359.24	322.65	22.86	55.64	52.25
3	Return on Equity	441.92	494.47	496.24	436.40	436.40	436.40	5.52	58.07	59.84
4	Interest on Working Capital	90.18	75.86	78.84	80.40	80.04	79.84	3.26	-2.79	-0.67
5	O&M Expenses	227.65	249.95	281.76	204.18	212.94	222.08	23.47	37.01	59.68
	<b>Sub-Total (AFC)</b>	<b>1583.66</b>	<b>1646.42</b>	<b>1644.54</b>	<b>1517.17</b>	<b>1488.98</b>	<b>1461.33</b>	<b>59.98</b>	<b>158.84</b>	<b>183.54</b>
<b>B</b>	<b>Variable Charges</b>									
1	Coal and Oil cost for generation	2486.91	1784.51	2404.47	2479.10	1794.85	2413.27	2.60	-6.90	-5.87
	<b>Sub-total (Variable Charges)</b>	<b>2486.91</b>	<b>1784.51</b>	<b>2404.47</b>	<b>2479.10</b>	<b>1794.85</b>	<b>2413.27</b>	<b>2.60</b>	<b>-6.90</b>	<b>-5.87</b>
<b>C</b>	<b>Loan Refinancing</b>	<b>0.00</b>	<b>43.05</b>	<b>-68.70</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>43.05</b>	<b>-68.70</b>
<b>D</b>	<b>Other Charges</b>									
1	Incentive	11.34	0.00	19.31	0.00	0.00	0.00	11.34	0.00	19.31
2	Water Charges, Audit fee & Tariff filing fee	3.80	1.82	2.32	0.00	0.00	0.00	3.80	1.82	2.32
	<b>Sub-Total (Other Charges)</b>	<b>15.14</b>	<b>1.82</b>	<b>21.62</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>15.14</b>	<b>1.82</b>	<b>21.62</b>
<b>E</b>	<b>Total Gross ARR (A+B+C+D)</b>	<b>4085.71</b>	<b>3475.79</b>	<b>4001.92</b>	<b>3996.27</b>	<b>3283.83</b>	<b>3874.60</b>	<b>77.72</b>	<b>196.80</b>	<b>130.59</b>
<b>F</b>	<b>Less: Non-Tariff Income (NTI)</b>	<b>2.10</b>	<b>5.73</b>	<b>7.21</b>	<b>17.92</b>	<b>17.92</b>	<b>17.92</b>	<b>-15.82</b>	<b>-12.19</b>	<b>-10.71</b>
<b>G</b>	<b>ARR to be recovered from Tariff (E-F)</b>	<b>4083.63</b>	<b>3470.07</b>	<b>3994.71</b>	<b>3978.35</b>	<b>3265.91</b>	<b>3856.68</b>	<b>93.54</b>	<b>208.99</b>	<b>141.30</b>
<b>H</b>	<b>Net Ex-bus Generation (MU)</b>	<b>8671.23</b>	<b>6895.33</b>	<b>8807.57</b>	<b>8671.23</b>	<b>6895.33</b>	<b>8807.57</b>	<b>8671.23</b>	<b>6895.33</b>	<b>8807.57</b>
<b>I</b>	<b>Average Cost of Electricity in Rs./kWh (G/H)</b>	<b>4.71</b>	<b>5.03</b>	<b>4.54</b>	<b>4.59</b>	<b>4.74</b>	<b>4.38</b>	<b>0.11</b>	<b>0.30</b>	<b>0.16</b>

**Note:** Actual availability for FY 2019-20, FY 2020-21 & FY 2021-22 is 95.80%, 88.13% & 93.14% respectively as approved by TSSLD; Hence, full AFC is claimed in MTR.

**2.3 PROJECTED ARR FOR FY 2022-23 TO FY 2023-24**

2.3.1 The projected Aggregate Revenue Requirement (ARR) to be recovered from tariff filed by SCCL for the balance period of 4<sup>th</sup> control period i.e., from FY 2022-23 to FY 2023-24 is as shown in the Table below:

**Table 2.2: Summary of projected ARR as filed by SCCL for FY 2022-23 to FY 2023-24**

*Rs.in crore*

Sl. No.	Item Particulars	SCCL Projections		Approved in Order dated 28.08.2020		Variance	
		2022-23	2023-24	2022-23	2023-24	2022-23	2023-24
<b>A</b>	<b>Annual Fixed Charges (AFC)</b>						
1	Depreciation	415.13	416.84	400.36	400.36	14.77	16.48
2	Interest on Loan	335.92	295.87	286.06	249.48	49.86	46.39
3	Return on Equity	499.05	501.11	436.40	436.40	62.65	64.71
4	Interest on Working Capital	91.90	94.57	79.65	79.63	12.25	14.94
5	O&M Expenses	300.80	315.84	231.61	241.55	69.19	74.29
	<b>Sub-Total (AFC)</b>	<b>1642.80</b>	<b>1624.23</b>	<b>1434.08</b>	<b>1407.42</b>	<b>208.72</b>	<b>216.81</b>
<b>B</b>	<b>Variable Charges</b>						
1	Coal and Oil cost for generation	1974.82	1980.23	1974.82	1980.23	0.00	0.00
<b>B</b>	<b>Sub-Total (Variable Charges)</b>	<b>1974.82</b>	<b>1980.23</b>	<b>1974.82</b>	<b>1980.23</b>	<b>0.00</b>	<b>0.00</b>
<b>C</b>	<b>Loan Refinancing</b>	<b>-60.67</b>	<b>-51.55</b>	<b>0.00</b>	<b>0.00</b>	<b>-60.67</b>	<b>-51.55</b>
<b>D</b>	<b>Other Charges</b>						
1	Incentive	0.00	0.00	0.00	0.00	0.00	0.00
2	Water Charges, Audit fee & Tariff filing fee	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Sub-Total (Other Charges)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>E</b>	<b>Total Gross ARR (A+B+C+D)</b>	<b>3556.95</b>	<b>3552.91</b>	<b>3408.90</b>	<b>3387.65</b>	<b>148.05</b>	<b>165.26</b>
<b>F</b>	<b>Less Non-Tariff Income (NTI)</b>	<b>5.01</b>	<b>5.01</b>	<b>17.92</b>	<b>17.92</b>	<b>-12.91</b>	<b>-12.91</b>
<b>G</b>	<b>ARR to be recovered from Tariff (E-F)</b>	<b>3551.94</b>	<b>3547.90</b>	<b>3390.98</b>	<b>3369.73</b>	<b>160.96</b>	<b>178.17</b>
<b>H</b>	<b>Net Ex-bus Generation (MU)</b>	<b>8421.43</b>	<b>8444.50</b>	<b>8421.43</b>	<b>8444.50</b>	<b>8421.43</b>	<b>8444.50</b>
<b>I</b>	<b>Average Cost of Electricity in Rs./kWh (G/H)</b>	<b>4.22</b>	<b>4.20</b>	<b>4.03</b>	<b>3.99</b>	<b>0.19</b>	<b>0.21</b>

Note: 1. Variable Charges in actual billing will be made as per Regulation No.1 of 2019;  
2. Restructuring benefit for FY2022-23 & 2023-24 shall be finalised in end of control period review

**2.4 SUMMARY OF TARIFFS CLAIMED IN MID-TERM REVIEW**

2.4.1 The summary of AFC claimed by SCCL in MTR is given in table below:

**Table 2.3: Summary of AFC claimed in MTR**

*Rs.in crore*

Sl. No.	Item Particulars	AFC claimed in Mid-Term Review					Approved in Order dated 28.08.2020				
		2019-20	2020-21	2021-22	2022-23	2023-24	2019-20	2020-21	2021-22	2022-23	2023-24
	<b>Annual Fixed Charges (AFC)</b>										
1	Depreciation	405.22	411.27	412.79	415.13	416.84	400.36	400.36	400.36	400.36	400.36
2	Interest on Loan	418.69	414.88	374.90	335.92	295.87	395.83	359.24	322.65	286.06	249.48
3	Return on Equity	441.92	494.47	496.24	499.05	501.11	436.40	436.40	436.40	436.40	436.40
4	Interest on Working Capital	90.18	75.86	78.84	91.90	94.57	80.40	80.04	79.84	79.65	79.63
5	O&M Expenses	227.65	249.95	281.76	300.80	315.84	204.18	212.94	222.08	231.61	241.55
6	Less Non-Tariff Income	2.10	5.73	7.21	5.01	5.01	17.92	17.92	17.92	17.92	17.92
	<b>Total</b>	<b>1581.57</b>	<b>1640.69</b>	<b>1637.32</b>	<b>1637.79</b>	<b>1619.22</b>	<b>1499.25</b>	<b>1471.06</b>	<b>1443.41</b>	<b>1416.16</b>	<b>1389.50</b>

2.4.2 The summary of variations in AFC claimed by SCCL in MTR is given in table below:

**Table 2.4: Summary of variations in AFC claimed in MTR**

*Rs.in crore*

Sl. No.	Item Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Controllable/Uncontrollable	Regulation clause
1	Depreciation	4.86	10.91	12.43	14.77	16.48	Uncontrollable	7.19.4
2	Interest on Loan	22.86	55.64	52.25	49.86	46.39	Uncontrollable	7.19.4
3	Return on Equity	5.52	58.07	59.84	62.65	64.71	Uncontrollable	7.19.4, 11.3 & 11.4
4	Interest on Working Capital	9.78	-4.18	-1.00	12.25	14.94	Controllable	6.7.4
5	O&M Expenses	23.47	37.01	59.68	69.19	74.29	Uncontrollable	3.12.5 & 26.4

Sl. No.	Item Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Controllable/Uncontrollable	Regulation clause
6	Less Non-Tariff Income	-15.82	-12.19	-10.71	-12.91	-12.91	Uncontrollable	6.6.6
	<b>Total</b>	<b>82.32</b>	<b>169.63</b>	<b>193.91</b>	<b>221.63</b>	<b>229.72</b>		

The item-wise remarks/reasons for variations are as given in table below:

**Table 2.5: Reasons for variations in AFC in MTR**

Item Particulars	Remarks/Reasons for variations in AFC
Depreciation	: Due to increase in Additional capitalization
Interest on Loan	: Due to increase in market interest rates before refinancing and increase in additional capitalization
Return on Equity	: Due to increase in actual applicable tax rates and increase in additional capitalization
Interest on Working Capital	: Due to variation in SBI MCLR
O&M Expenses	: Due to variation in WPI and CPI. Prayed for relaxation of clause 6.7.5 and to include O&M expenses as uncontrollable in accordance with the regulation
Less Non-Tariff Income	: Actual NTI is less compared to approved

- 2.4.3 The variations in Energy charges claimed by SCCL due to actual variation in operating parameters, such as auxiliary consumption, secondary fuel oil consumption, gross station heat rate is given in table below:

**Table 2.6: Summary of variations in Energy charges claimed in MTR**

Rs.in crore

Sl. No.	Item Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Controllable/Uncontrollable	Regulation clause
1	ECR Variation	7.80	-10.34	-8.81	0.00	0.00	Controllable	6.7.3

The variations in ECR are due to efficient running of plant.

- 2.4.4 **Impact of refinancing:** The details of impact of refinancing which has resulted in net savings of Interest on Loan is given in table below:

**Table 2.7: Details of impact of refinancing claimed in MTR**

Rs.in crore

Sl. No.	Particulars	2019-20	2020-21		2021-22	2022-23	2023-24	Regulation clause
			Before swapping 197 days (01.04.2020 to 14.10.2020)	After swapping 168 days (15.10.2020 to 31.03.2021)				
1	Rate of Interest on Loan	9.52%	10.20%	7.15%	7.16%	7.16%	7.16%	12.6
2	Savings of interest	Not applicable before		3.05%	3.03%	3.03%	3.03%	
3	Savings of interest amount	loan swapping		52.19	103.05	91.01	77.33	
4	Loan refinancing benefit proposed to pass on to TSDISCOMs	NA	-34.80		-68.70	-60.67	-51.55	
5	Refinancing charges proposed to be paid by TSDISCOMs	NA	77.84		0.00	0.00	0.00	
6	Total Loan refinancing impact	NA	43.05		-68.70	-6.67	-51.55	

- 2.4.5 The summary of Other Charges claimed in MTR by SCCL is given in table below:

**Table 2.8: Summary of Other Charges claimed in MTR**

Rs.in crore

Sl. No.	Item Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Controllable/Uncontrollable	Regulation clause
1	Incentive	11.34	0.00	19.31	0.00	0.00	Not defined	21.40
2	Water charges, Audit fee & Tariff filing fee	3.80	1.82	2.32	0.00	0.00	Not defined	2.59 & 19.6

The incentive is as per the provisions of Regulations as the actual PLF is greater than Normative Annual Plant Load Factor (NAPLF). The Water charges, Audit fee & Tariff filing fee are actual charges paid over and above O&M charges

- 2.4.6 The summary of total claims including sharing of gains/losses in MTR proposed by SCCL is given in table below:

**Table 2.9: Summary of total claims including sharing of gains/losses in MTR**

Rs.in crore

Sl. No.	Item Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Controllable/Uncontrollable	Regulation clause
1	Depreciation	4.86	10.91	12.43	14.77	16.48	Uncontrollable	7.19.4
2	Interest on Loan	22.86	55.64	52.25	49.86	46.39	Uncontrollable	7.19.4
3	Return on Equity	5.52	58.07	59.84	62.65	64.71	Uncontrollable	7.19.4, 11.3 & 11.4
4	Interest on Working Capital	3.26	-2.79	-0.67	12.25	14.94	Controllable	6.7.4
5	O&M Expenses	23.47	37.01	59.68	69.19	74.29	Uncontrollable	3.12.5 & 26.4
6	ECE benefit sharing	2.60	-6.90	-5.87	0.00	0.00	Controllable	6.7.R
7	Loan restructuring	0.00	43.05	-68.70	-60.67	-51.55	Uncontrollable	12.6
8	Incentive	11.34	0.00	19.31	0.00	0.00	Not defined	21.4
9	Water charges, Audit fee & Tariff filing fee	3.80	1.82	2.32	0.00	0.00	Not defined	2.59 & 19.6
6	Less Non-Tariff Income	-15.82	-12.19	-10.71	-12.91	-12.91	Uncontrollable	6.6.6
	<b>Total Claim</b>	<b>93.54</b>	<b>208.99</b>	<b>141.30</b>	<b>160.96</b>	<b>178.17</b>		
	<b>Net Ex-bus generation(MU)</b>	<b>8671.23</b>	<b>6895.33</b>	<b>8807.57</b>	<b>8421.43</b>	<b>8444.50</b>		
	<b>Average Cost of Electricity in Rs./kWh</b>	<b>0.11</b>	<b>0.30</b>	<b>0.16</b>	<b>0.19</b>	<b>0.21</b>		

- Notes: 1. For uncontrollable factors total gain/loss is passed to beneficiaries;  
2. For controllable factors gain is shared in the ratio of 1:2 between generator and beneficiaries and loss is shared in the ratio of 2:1 between generator and beneficiaries;  
3. For incentive, water charges, audit fee & filing fee total gain/loss is passed to beneficiaries;



## **Chapter-3**

### **Mid-Term Review for Truing up for FY 2019-20 to FY 2021-22**

#### **3.1 OBJECTIONS/SUGGESTIONS ON FILINGS**

3.1.1 The Commission has concluded all the objections/suggestions received from the stakeholders on the Mid-Term Review filings of the petitioner and the rejoinder filed by the petitioner to the submissions by the stakeholder and rejoinder filed by the petitioner to the reply submitted by TSDISCOMs. For the sake of clarity, the objections/suggestions raised by the stakeholders and responses of the petitioner have been consolidated and summarized issue-wise in the subsequent paragraphs.

#### **3.2 BACKGROUND**

3.2.1 SCCL's Board, vide its minutes of meeting held on 19.07.2010 agreed in principle to the DPR of 2x600 MW coal based Thermal Power Project (TPP) at a capital cost of Rs.5527 crore. The Government of undivided Andhra Pradesh, vide its letter dated 03.09.2010 had accorded approval for setting up of 2x600 MW TPP in Jaipur Mandal in Mancherial (erstwhile Adilabad) District by SCCL with a capital cost of Rs.5527 crore (later updated to Rs.5685 crore). SCCL's Board, in its minutes of meeting held on 30.07.2013 had considered the revised cost estimates of Rs.7573.51 crore and recommended for sanction of the Government. GoTS, vide its letter dated 25.04.2015 accorded the approval for the revised cost estimates of Rs.7573.51 crore duly revising the earlier approval for Rs.5685 crore. Units 1&2 achieved COD on 25.09.2016 and 02.12.2016 respectively thereby the project achieved COD on 02.12.2016. SCCL's Board, in its minutes of meeting held on 27.05.2017 accorded approval for the revised cost estimate of Rs.8584 crore for obtaining sanction of GoTS. GoTS, vide its letter dated 23.09.2017 accorded approval for the revised cost estimate of Rs.8584 crore duly revising the earlier approval for Rs.7573.51 crore.

#### **3.3 PREVIOUS ORDERS OF THE COMMISSION**

3.3.1 The Commission in its Order dated 19.06.2017 in O.P.No.9 of 2016 had adopted the CERC (Terms and Conditions of Tariff) Regulation, 2014 for Tariff determination for FY 2016-17 to FY 2018-19. Accordingly, the Commission had

approved the Capital cost and Generation Tariff for 2x600 MW thermal Power Project of the Singareni Coal Collieries Company Limited for FY 2016-17 to FY 2018-19. The Commission had approved capital cost upto COD (02.12.2016) of the project at Rs.6705.71 crore as against the claim of Rs.7,114.82 crore and additional capitalisation upto FY 2018-19 as Rs.7575.25 crore as against the claim of Rs.8780 crore. The Capital cost and additional capitalization (provisional) approved by the Commission in the Tariff Order dated 19.06.2017 in O.P.No.9 of 2016 is as given in the Table below:

**Table 3.1: Approved capital cost in Generation Tariff Order dated 19.06.2017**

Particulars	Capital Cost as on COD	Additional Capitalization (provisional)			Total capital cost upto 31.03.2019
		FY 2016-17	FY 2017-18	FY 2018-19	
BTG	4366.98	27.72	0.00	68.74	4463.44
BOP	835.71	30.32	0.00	142.72	1008.75
Others	1503.02	66.81	0.00	533.23	2103.06
<b>Total Cost</b>	<b>6705.71</b>	<b>124.85</b>	<b>0.00</b>	<b>744.69</b>	<b>7575.25</b>

The capital cost approved is excluding the undischarged liabilities as on COD amounting to Rs.443.81 crore.

As regards the same, the Commission in the Tariff Order held as under:

"3.4.18 ... On account of the above, the Commission, in this Order, has not considered the cost pertaining to discharge of liabilities pending as on COD. The Commission shall consider the same after finalization of the liability, in the approval of generation tariff for the next Control Period after prudence check of the information submitted by the Petitioner. ... "

"3.5.7 ... On account of the above, the Commission, in this Order, has not considered the cost pertaining to discharge of pending liabilities as on COD. The Commission shall consider the same after finalization of the liability, in the approval of generation tariff for the next Control Period after prudence check of the information submitted by the Petitioner. ... "

"3.15.2 The Commission observes that the additional capitalisation claimed by SCCL is towards deferred works within the original scope of work. The approach adopted by the Commission in approving the additional capitalisation is as under:

- (i) The Commission has approved the package wise additional capitalisation based on the claim of SCCL subject to the total cost for the respective package is within the approved cost, provisionally.
- (ii) The Commission has approved the overheads in the additional capitalisation limiting the same to 5% of the approved additional capitalisation for the respective years.

- (iii) *As discussed in the preceding paragraph, the Commission has not considered the finance charges in the additional capitalisation."*

As such, with the undischarged liabilities the total cost upto 31.03.2019 can be as under:

**Table 3.2: Approved capital cost with undischarged liabilities in Order dated 19.06.2017**

Particulars	Capital Cost as on COD	Total capital cost upto 31.03.2019 without Undischarged Liabilities	Undischarged Liabilities	Rs. in crore
				Total capital cost upto 31.03.2019 with Undischarged Liabilities
BTG	4366.98	4463.44	414.56	4878.00
BOP	835.71	1008.75	29.25	1038.00
Others	1503.02	2103.06	-	2103.06
<b>Total Cost</b>	<b>6705.71</b>	<b>7575.25</b>	<b>443.81</b>	<b>8019.06</b>

- 3.3.2 Aggrieved by the Commission's approach in its Order dated 19.06.2017, SCCL has filed an Appeal before the Hon'ble APTEL viz., Appeal No.312 of 2017 on the Commission's approach on approval of capital cost and the Appeal is still sub-judice. Therefore, the capital cost as on COD of the project of Rs.6705.71 crore is subject to the outcome of the Judgement of Hon'ble APTEL in Appeal No.312 of 2017.
- 3.3.3 In Order dated 08.02.2020 in I.A.No.2 of 2020 in O.P.No.5 of 2019 the Commission had accorded in-principal approval for undertaking the works for complying with revised emission norms and also directed TSDISCOMs to pay the tariff as applicable for FY 2018-19 for the energy supplied by the Petitioner from 01.04.2019 till the disposal of the Original Petition.
- 3.3.4 In Common Order dated 28.08.2020 in O.P.No.4 (true-up for FY 2016-17 to FY 2018-19) and O.P.No.5 of 2019 (MYT for FY 2019-20 to FY 2023-24), O.P.No.8 (Business Plan for FY 2019-20 to FY 2023-24) and O.P.No.9 of 2020 (Capital Investment Plan for FY 2019-20 to FY 2023-24) and I.A.No.2 of 2020 (for interim order) in O.P.No.5 of 2019 approved True-up for FY 2016-17 to FY 2018-19 and Business Plan, Capital Investment Plan & Multi-Year Tariff for FY 2019-20 to FY 2023-24 for Singareni Thermal Power Project (2x600 MW) of the Singareni Collieries Company Limited.

### Additional Capital Cost Approved in Truing Up Order Dated 28.08.2020

3.3.5 Pursuant to the Judgment of Hon'ble APTEL dated 28.09.2018 in DFR No.3035 of 2018 & I.A.No.1127 of 2018 the Commission has undertaken trueing up of additional capitalisation for FY 2016-17 to FY 2018-19. Accordingly, carried out trueing-up exercise along with generation tariff for the next MYT control period i.e., for FY 2019-20 to FY 2023-24. After prudence check of the audited capital expenditure and capitalization as on COD including the discharge of liabilities submitted by SCCL and in line with the principles adopted in the Tariff Order, the Commission in its order dated 28.08.2020 has approved the additional capitalisation upto FY 2018-19 at 1039.60 crore including the undischarged liabilities of Rs.443.81 crore as on COD (Rs.414.56 for BTG and Rs.29.25 crore for BOP) discharged in FY 2016-17 (BTG Rs.(-)1.83 crore, BOP Rs.24.95 crore), in FY 2017-18 (BTG Rs.237.09 crore, BOP Rs.(-)26.82 crore) and in FY 2018-19 (BTG Rs.145.34 crore, BOP Rs.(-)54.14 crore) as given below:

**Table 3.3: Approved capital cost in MYT Tariff Order dated 28.08.2020**

Rs. in crore

Particulars	Capital Cost as on COD	Additions in FY 2016-17	Addition in FY 2017-18	Addition in FY 2018-19	Total Capital Cost as on 31.03.2019
BTG	4366.98	-11.23	237.09	222.68	4815.52
BOP	835.71	37.09	73.50	-24.29	922.01
Others	1503.02	23.51	59.05	422.21	2007.79
<b>Total Cost</b>	<b>6705.71</b>	<b>49.37</b>	<b>369.64</b>	<b>620.60</b>	<b>7745.32</b>

3.3.6 The further details are as shown in Table below:

**Table 3.4: Approved capital cost in MYT Tariff Order dated 28.08.2020**

Rs. in crore

Sl. No.	Particulars	Total Cost		
		As approved in Tariff Order 2016	Upto CoD	Upto 2018-19
1	Land and Site Development	85.00	61.73	76.55
2	<b>BTG</b>	4878.00	<b>4366.98</b>	<b>4815.52</b>
3	<b>BoP</b>	1038.00	<b>835.71</b>	<b>922.01</b>
4	External Water Supply System			
	1 TMC from River Godavari	406.00	83.48	403.57
	2 TMC from River Pranahita			
5	Raw Water Reservoir	67.00	43.17	54.57
6	Railway Siding	80.00	0.00	80.00
7	Other Works undertaken by SCCL			
	Additional 400 kV Bays	28.69	0.00	28.69
	Plant Roads & Culverts	20.00	11.44	12.69
	Coal transport roads	56.48	42.61	43.95
	Boundary Walls	17.19	16.94	17.19
	Gate complex, Security etc.	5.40	0.23	1.52

Sl. No.	Particulars	Total Cost		
		As approved in Tariff Order 2016	Upto CoD	Upto 2018-19
	Township	80.00	52.18	80.00
	Environmental Impact measures & Mandatory capital expenditure under MoEF clearance	27.10	10.24	15.09
	Weigh Bridge, Fire Tender etc.	2.00	0.42	1.49
	Furniture & office automation	5.00	2.37	4.78
	Miscellaneous expenditure	5.00	3.48	5.00
	<b>Sub-total (7)</b>	<b>246.86</b>	<b>139.91</b>	<b>210.40</b>
8	Overheads	334.58	291.10	299.07
	<b>Total Hard Cost</b>	<b>7135.44</b>	<b>5822.08</b>	<b>6861.69</b>
9	Interest During Construction & financing charges	883.63	883.63	883.63
10	<b>Total Capital Cost</b>	<b>8019.07</b>	<b>6705.71</b>	<b>7745.32</b>

3.3.7 The Commission also directed SCCL to file midterm revenue petition within 30.11.2022. The relevant portion is as below:

*"5.2.7 ... .. In accordance with clause 27 of the Regulation No.1 of 2019, SCCL is required file the Mid-Term Review petition by 30.11.2022. ...."*

3.3.8 Accordingly, SCCL has submitted the Mid-Term review petition on 30.11.2022.

### 3.4 DISCHARGE OF LIABILITY

#### ***Petitioner's Claim***

3.4.1 Now in the present MTR petition the SCCL based on their audited statement showing the break-up of actual capital cost upto 31.03.2020, 31.03.2021 and 31.03.2022, statement of liabilities and annual accounts submitted that the undischarged liabilities of Rs.119.22 crore (BTG Rs.33.96 crore and BOP Rs.85.26 crore) were fully discharged in FY 2019-20 and as such allow in the capital cost stating that as per clause 7.19.1(j) of Regulation No.1 of 2019 that any liability for the works is required to be admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments.

#### ***Stakeholders Objection***

3.4.2 How long SCCL will continue to claim revised capital cost? Even after six (6) years of COD, SCCL claims revision of capital cost.

3.4.3 The Mid-Term Review is basically a performance review but not for allowing additional capitalization after cut-off date because revision of capital cost would be re-determination of tariff and the Regulation No.1 of 2019 does not permit the same. The clause 7.19.1(j) stipulates that *"any liability for works admitted*

*by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments.”*

- 3.4.4 SCCL has reclaimed the undischarged liabilities and are not allowable as per clause 7.19.1(j) of Regulation No.1 of 2019 as the approved cost in MYT order dated 28.08.2020 attained finality.

***Petitioner's Response***

- 3.4.5 Mid-Term Review is filed in compliance of Order dated 28.08.2020 of MYT order for FYs 2019-2024. All capital claims in this petition are well within the limit of Rs.8780 crore Revised Capital Expenditure approved by Government of Telangana vide letter dated 23.09.2017. All the claims are well within the permitted regulatory process. SCCL is a Government company, it used public money to finance the equity of its investment in the project. Additional/revised capital expenditures also require huge money which provides long term benefit to the investments already made and the same ensures sustainability of investment. If a return to investments made from public money are not allowed in tariff then the growth of public money will be slow and negative at times, which will reduce the capacity to invest in risky infrastructure project. This ultimately will result in reduced growth of State Development.
- 3.4.6 The Commission has already approved the related works of BTG and BOP and allowed capitalization for BTG & BOP. But deducted the undischarged liability of Rs.33.96 crore and Rs.85.26 crore for BTG and BOP respectively.
- 3.4.7 Therefore, the liability, undischarged now within the already approved limit of capital cost for BTG and BOP is required to be allowed under revised capitalization as per clause 7.19.1(j) of Regulation No.1 of 2019, which is reproduced below:

*“7.19.1(j) Any liability for works admitted by the Commission after the Cut-Off Date to the extent of discharge of such liabilities by actual payments.”*

***Commission's View***

- 3.4.8 The Commission in its order dated 19.06.2017 in O.P.No.9 of 2016 with regard to undischarged liability of Rs.443.81 crore as on COD has held that the same shall be considered after finalization of the discharge of liability in the approval of generation tariff for the next Control Period after prudence check of the information submitted by the petitioner. Whereas the Commission in its truing

up and MYT (i.e., for next control period) Common Order dated 28.08.2020 has approved the additional capitalisation upto FY 2018-19 at Rs.1039.60 crore including all the liabilities. The capital cost approved for BTG at Rs.4815.52 crore and for BOP at Rs.922.01 crore as on 31.03.2019 are without any further leftover or balance undischarged liabilities and has attained finality. As rightly cited by TSDISCOMs during the public hearing, in this matter, the Commission also relies on the Hon'ble APTEL Judgment dated 10.08.2010 in Appeal No.37 of 2010 in the matter of "*Meghalaya State Electricity Board Vs. Meghalaya State Electricity Regulatory Commission*" where the Hon'ble APTEL held that –

*"... .. The state Commission is bound to apply its mind to make a prudence check whether the expenditure is to be allowed or not. Therefore the State Commission is not bound by the Certificates of the Auditors. .... "*

3.4.9 Accordingly, the Commission not allowed the claim of the petitioner for revision of capital cost due to discharge of liabilities of Rs.119.22 crore in FY 2019-20.

### **3.5 SPILL OVER WORKS BEYOND 31.03.2019**

#### ***Petitioner's Claim***

3.5.1 The projected capital expenditure for spill over items amounting to Rs.199.78 crore was submitted in MYT 2019-24. However, as the details of year-wise breakup of spill over items were not available, Rs.199.78 crore could not be claimed in the tariff computation for MYT 2019-24.

3.5.2 The Commission has recorded the relevant facts for spill over items in para 5.4.17 of its order dated 28.08.2020 as given below:

*"5.4.17 ... .. SCCL submitted the details of spill over of ongoing works from the previous control period from FY 2016-17 to FY 2018-19 to the current control period from FY 2019-20 to FY 2023-24. However, SCCL has not considered the additional capitalisation pertaining to this spill over items in its tariff computations for the control period from FY 2019-20 to FY 2023-24."*

3.5.3 Accordingly, the Commission had not included any additional capitalization stated that it would consider the impact of additional capitalization during the mid-term review.

3.5.4 The relevant portion of the said order dated 28.08.2020 is reproduced below:

*"5.4.40 In accordance with clause 7.19.4 of the Regulation No.1 of 2019, the Commission shall consider the impact of additional capitalisation on tariff*

during Mid-Term Review or tariff determination for the next control period as the case may be.”

3.5.5 Accordingly, the expenditures towards spill over works is required to be considered for determination of capital cost/tariff during MYT period.

3.5.6 These actual expenditures are claimed as additional capitalisation in respective years as shown below:

**Table 3.5: Additional capital cost claimed by SCCL**

Rs. in crore

Actual Expenditure			Projected Expenditure
FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-24
76.51	32.85	24.19	66.22

3.5.7 The further details are as shown in the Table below:

**Table 3.6: Additional capitalisation claimed for FYs 2019-22**

Rs. in crore

Sl. No.	Particulars	Additional capitalisation claimed		
		2019-20	2020-21	2021-22
1	Land and Site Development	0.03	0.00	0.00
2	BTG	56.76	13.83	10.05
3	BoP	2.93	0.24	1.02
4	External Water Supply System	0.00	0.00	0.00
	1 TMC from River Godavari	0.00	0.00	0.00
	2 TMC from River Pranahita	0.00	0.00	0.00
5	Raw Water Reservoir	0.03	0.00	0.33
6	Railway Siding	8.02	15.40	0.34
7	Other Works undertaken by SCCL	0.00	0.00	0.00
	Additional 400 kV Bays	0.00	0.00	0.00
	Plant Roads & Culverts	0.38	0.00	0.00
	Coal transport roads	0.00	0.00	3.36
	Boundary Walls	0.00	0.00	0.00
	Gate complex, Security etc.	0.45	0.09	0.18
	Township	2.55	0.64	4.48
	Environmental Impact measures	0.00	0.00	0.00
	Mandatory capital expenditure under MoEF clearance	0.00	0.00	0.00
	Weigh Bridge, Fire Tender etc.	0.00	0.00	0.00
	Furniture & office automation	0.09	0.22	0.06
	Miscellaneous expenditure	2.21	1.76	0.47
	<b>Sub-total (7)</b>	<b>5.68</b>	<b>2.71</b>	<b>8.55</b>
8	Overheads	3.06	0.67	3.90
	<b>Total Hard Cost</b>	<b>76.51</b>	<b>32.85</b>	<b>24.19</b>
9	Interest During Construction & financing charges	0.00	0.00	0.00
10	<b>Total Capital Cost</b>	<b>76.51</b>	<b>32.85</b>	<b>24.19</b>

**Stakeholders Objection**

3.5.8 The claim of SCCL for spill over works are not tenable because of the Hon’ble APTEL judgement in Appeal No.37 of 2010 which provides that prudence check is the criteria but not audited figures. The ratio of Hon’ble APTEL judgment will



apply in this case also and the State Commission is not bound by the certificates of the Auditors.

#### ***Petitioner's Response***

- 3.5.9 There is no disagreement to the principle of prudence check for allowance in revised capitalisation.
- 3.5.10 The details of revised capitalisation for spill over items have been submitted in this MTR petition.
- 3.5.11 The reason for non-allowance of spill over works from the Commission's own observation in the MYT order dated 28.08.2020 is reproduced below:  
"5.4.17 ... .. However, SCCL has not considered the additional capitalisation pertaining to this spill over items in its tariff computations for the control period from FY 2019-20 to FY 2023-24."
- 3.5.12 Accordingly, the spill over expenditures which are crystallized now are required to be considered for determination of capital cost/tariff during MYT period.

#### ***Commission's View***

- 3.5.13 As per clause 7.19.1 of Regulation No.1 of 2019, the pre-requisite for allowing any expenditure/claim after cut-off date is that the works must have been approved by the Commission. Further in order dated 28.08.2020 it has been emphasised that the additional capitalisation beyond the original scope of work and after the cut-off date is not allowable. In view the above the Commission is not inclined to approve the additional capitalisation due to spill over works of the petitioner for Rs.199.78 crore.
- 3.5.14 However, the Commission in its order 08.02.2020 in exercise of its power of relaxation under clause 26.4 read with clause 7.10.1 of Regulation No.1 of 2019 has accorded in-principal approval for additional capital works after cut-off date for executing of works for FGD system and in-furnace modifications for NOx in compliance with revised emission control norms, subject to the prudence check of the expenditure after commissioning of FGD system.

### **3.6 RAILWAY SIDING WORKS**

#### ***Petitioner's Claim***

- 3.6.1 In capital investment plan for FY 2019-24 it is proposed for Overhead Electrification Works (OHE) and Signalling and Telecommunication (S&T)

works for railway siding. The scope of these works were included in the Detailed Project Report (DPR). However, these works were delayed due to land acquisition issues and lack of available funds which cropped up due to non-payment of power bills by TSDISCOMs.

- 3.6.2 The Commission in its order dated 28.08.2020 did not approve the OHE and S&T works. Accordingly, initially these works were not taken up in line with the MYT order dated 28.08.2020. Subsequent to the proceedings in the MYT FYs 2019-24 as per the emerging statutory requirements these are now required to be completed.
- 3.6.3 SCCL board also accorded separate approval for these works based on the emergency nature of the work along with liberty provided by the Commission in (para 5.4.38) the said order dated 28.08.2020, where capital expenditure for emergency works not approved in the capital investment can be claimed before the Commission in accordance with clause 7.8 of the Regulation No.1 of 2019 for its approval.

#### ***Stakeholders Objection***

- 3.6.4 Only Emergency nature of works supported by proper justification is to be allowed. The emergency nature means, factors which would affect the power generation of STPP only qualify for consideration, whereas the STPP has been able to achieve higher PLF each year with the existing infrastructure and therefore the emergency nature claimed by SCCL is not justified. SCCL has adequate funds for executing railway siding works.
- 3.6.5 The Commission in MYT order dated 28.08.2020 allowed Rs.80 crore towards Railway works and the Coal Controller (CCDAC) has already sanctioned a grant of Rs.196 crore, amount already approved is Rs.164.23 crore, balance amount to be approved is Rs.31.77 crore and the amount released as on filing is Rs.121.20 crore). Further (para 5.4.10) the said order states that "*The railway siding work was commissioned in FY 2018-19 and most of the coal for power generation is received through railway mode. ... ..*" The Commission has disallowed the capital investment proposed for Railway works in the MYT Order dated 28.08.2020 as extracted below:

*"5.4.35 The Commission has gone through the details of railway works and justification submitted by SCCL for the same. In accordance with clause*

*7.19.1 of the Regulation No.1 of 2019 the capital investment for railway works is not allowable as the same is after cut-off date. The consumers cannot be unduly burdened for the act of Commission on part of the Petitioner. In view of the above, the Commission does not find it prudent to exercise the power of relaxation of clause 7.19.1 for allowing capital investment for railway works."*

- 3.6.6 The railway siding facility proposed by SCCL is a common infrastructure facility for usage by the petitioner and also other non-power sector consumers viz., ACC (Cement Producers) besides the STPP, for seamless transportation of coal from its mines (under short term/Bridge Linkage to STPP) to its customers, Hence, claiming such expenditure on distribution licensees is not justified.

***Petitioner's Response***

- 3.6.7 The railway siding expenditure as on 31.03.2022 was Rs.346.33 crore, whereas the Commission in its tariff order dated 19.06.2017 has allowed only Rs.80 crore towards this effect but deferred its final decision on this aspect to be considered as per release of funds from CCDAC.
- 3.6.8 Therefore, it can be seen from the above that SCCL is entitled for Rs.145 crore (Rs.346 crore - Rs.80 crore – Rs.121 crore) towards the said work. Accordingly, it is evident that the petitioner SCCL is short of fund for executing the railway siding works.
- 3.6.9 The main reason for claiming OHE and S&T under emergency works is obsolescence of Diesel Loco and electrification of lines being made mandatory by railway authorities and is also likely to result in reduction of coal transport charges.
- 3.6.10 Further, an amount of Rs.23.82 crore was already paid to South Central Railway for this work. However, the tariff component on these works shall be claimed once this work gets completed. Accordingly, to allow these expenditures.

***Commission's View***

- 3.6.11 The Commission reiterates its stand as held in its Order dated 28.08.2020 and is reproduced below:

*"... .. the capital investment for railway works is not allowable as the same is after cut-off date. ... .."*

### Capital Cost upto FY 2021-22

3.6.12 Based on the above, the capital cost at actuals as claimed by SCCL (SCCL has claimed in workings for spill over works only) and as approved by the Commission upto FY 2021-22 as Rs.7745.32 crore, details are as shown in the Table below:

**Table 3.7: Capital cost at actuals as claimed and approved upto FY 2021-22**

*Rs. in crore*

Particulars	Approved in MYT Tariff Order	
<b>Capital Cost upto 2018-19</b>	<b>7745.32</b>	
Additional capitalisation	<b>Claimed in MTR</b>	<b>Approved in MTR</b>
FY 2019-20	76.51	0.00
FY 2020-21	32.85	0.00
FY 2021-22	24.19	0.00
<b>Total additional capitalisation (B)</b>	<b>133.55</b>	<b>0.00</b>
<b>Total Capital Cost upto FY 2021-22 (A+B)</b>	<b>7878.87</b>	<b>7745.32</b>

### 3.7 COMPONENTS OF TARIFF

3.7.1 The Components of Tariff as stipulated in Regulation No.1 of 2019 are as follows:

“15. **Components of Tariff**

15.1 *The tariff for sale of electricity from a thermal Power Generating Station shall comprise of two parts, namely,*

15.1.1 *The Annual Fixed Charges and*

15.1.2 *Energy Charges (for recovery of primary and secondary fuel cost)*

15.2 ... ..

15.3 **Annual Fixed Charges:** *The annual fixed charges shall comprise of the following elements:*

15.3.1 *Depreciation;*

15.3.2 *Interest and finance charges on loan;*

15.3.3 *Interest on Working Capital;*

15.3.4 *Operation & Maintenance Expenses;*

15.3.5 *Return on Equity;*

**Minus**

15.3.6 *Non-Tariff Income;*

*Provided that Depreciation, Interest and finance charges on loan, interest on working capital and Return on Equity for Thermal and Hydro Generating Stations shall be allowed in accordance with the provisions specified in these Regulations”*

### 3.8 DEPRECIATION

#### **Petitioner's Claim**

- 3.8.1 SCCL has claimed the depreciation in accordance with clause 10 of Regulation No.1 of 2019. i.e., the depreciation was computed based on straight-line method after considering the rates of depreciation specified in CERC (Terms and Conditions of Tariff) Regulations, 2014. SCCL has claimed the depreciation at actuals as given in table below:

**Table 3.8: Depreciation actuals as claimed for MTR**

*Rs. in crore*

Item Particulars	Actuals as Claimed			Approved in Order dated 28.08.2020			Variance		
	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
Depreciation	405.22	411.27	412.79	400.36	400.36	400.36	4.86	10.91	12.43

- 3.8.2 SCCL submitted that the variations in Depreciation are due to increase in additional capitalization.

#### **Stakeholders Objection**

- 3.8.3 Depreciation depends on the GFA of the capital cost admitted by the Commission. The Commission has accorded in-principal approval for executing of works under FGD & NO<sub>x</sub> emission norms compliance, under additional capitalization allowed after cut-off date, subject to the prudence check of the expenditure after commissioning of the FGD system. Till the FGD system works are capitalized, there should not be any changes in the approved capital cost for FYs 2019-24 and the depreciation sums already approved in the MYT order dated 28.08.2020 in O.P.No.5 of 2019 should continue without any change.

#### **Commission's View**

- 3.8.4 As per clause 10.10. of Regulation No.1 of 2019 depreciation shall be recomputed for assets capitalised at the time of truing-up along with the Mid-term Review (MTR) or at the end of the control period, based on the documentary evidence of assets capitalised by the petitioner, subject to the prudence check of the Commission, such that the depreciation is allowed proportionately from the date of capitalisation.

- 1.1.1 The Commission after prudence check and based on the documents in support of the assets capitalisation has approved the depreciation in accordance with clause 10.10 of the Regulation No.1 of 2019 considering the approved GFA and additional capitalisation. The GFA and depreciation at actuals as claimed

by SCCL and approved by the Commission for FY 2019-20 to FY 2021-22 is as shown in the Table below:

**Table 3.9: Depreciation at actuals as claimed and approved for MTR**  
Rs. in crore

Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Opening GFA	7745.32	7745.32	7941.05	7745.32	7973.89	7745.32
Addition during the year	195.73	0.00	32.85	0.00	24.19	0.00
Closing GFA	7941.05	7745.32	7973.89	7745.32	7998.08	7745.32
Rate of Depreciation	5.17%	5.17%	5.17%	5.17%	5.17%	5.17%
<b>Depreciation</b>	<b>405.22</b>	<b>400.36</b>	<b>411.27</b>	<b>400.36</b>	<b>412.79</b>	<b>400.36</b>

3.8.5 The variation in depreciation at actuals as claimed by SCCL and approved by the Commission is on account of the variations in GFA base.

**3.9 INTEREST AND FINANCE CHARGES ON LOAN**

**Petitioner's Claim**

3.9.1 The total loan requirement of the project have been made through loans taken in two (2) different tranches, the Loan-I of Rs.3980 crore was taken from Power Finance Corporation (PFC) and Loan-II for Rs.1320 crore was taken from PFC-REC consortium and was equally contributed by PFC & REC on similar terms & conditions of the Loan-I.

3.9.2 During FYs 2016-19 loan restructuring was claimed based on efforts on rate negotiations which was not allowed by the Commission.

3.9.3 The clause 12.6 of Regulation No.1 of 2019 specifically allows for refinancing of loan if it results in net savings. Accordingly, SCCL undertook loan refinancing on 15.10.2020 during FY 2020-21 by which old lenders (PFC and REC) were being replaced by new lenders (SBI and ICICI). The loan amounts and applicable interest rates before and after the refinancing is indicated in the table given below:

**Table 3.10: Loan amount and applicable interest rates before and after refinancing**

Before Restructuring			Restructuring cost (Rs.in crore)	After Restructuring		
Financial Institute	Loan closing amount (Rs.in crore)	Interest rate %		Financial Institute	Loan closing amount (Rs.in crore)	Interest rate %
PFC-I	2891.50	10.37	77.84	SBI	2891.5	7.29
PFC-II	470.736	9.99		ICICI	981.731	6.72
REC	510.995	9.42				
<b>Total</b>	<b>3873.23</b>	<b>10.20</b>	<b>77.84</b>	<b>Total</b>	<b>3873.23</b>	<b>7.15</b>

3.9.4 This loan restructuring dated 15.10.2020 has resulted in instantaneous reduction of interest to the tune of 3.05% with an associated One (1) time restructuring cost of Rs.77.84 crore incurred as pre-closure charges of older loans, which is beneficial to TSDISCOMs.

3.9.5 SCCL has claimed the Interest and Finance charges on Loan at actuals as given in table below:

**Table 3.11: Interest and Financial charges on Loan at actuals as claimed for MTR**

*Rs. in crore*

Item Particulars	Actuals as Claimed			Approved in Order dated 28.08.2020			Variance		
	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
Interest on Loan	418.69	414.88	374.90	395.83	359.24	322.65	22.86	55.64	52.25

3.9.6 SCCL submitted that the variations in Interest on Loan are due to increase in market interest rates before refinancing and increase in additional capitalization.

**Stakeholders Objection**

3.9.7 The Commission allowed interest rate @ 9.14% in MYT order dated 28.08.2020, SCCL considered the post refinance interest rate @ 7.23%. Therefore, the interest rate reduction will be 1.91% (9.14%-7.23%) but not 3.05% as claimed by the SCCL. Thereby interest amount reduce by Rs.67.43 crore/annum, but significant re-finance cost of Rs.77.84 crore would be passed on to TSDISCOMs. TSDISCOMs will not get accrual of any gain for two (2) years period against the proposed loan re-financing.

3.9.8 The clause 12.6.1 of Regulation No.1 of 2019 stipulates as follows:

*"12.6.1 The Generating Entity shall make every effort to refinance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and the net savings shall be shared between the beneficiaries and the Generating Entity in the ratio of 2:1 respectively, subject to prudence check by the Commission".*

3.9.9 The clause stipulates the sharing of 1/3<sup>rd</sup> gain to the generator, whenever there is net saving only. However, no gain would accrue to TSDISCOMs for almost two (2) years period, therefore the claim of the petitioner for immediate sharing of 1/3<sup>rd</sup> gain is not plausible.

**Petitioner's Response**

3.9.10 Computation of interest rate, benefit of loan restructuring and total Loan refinancing impact proposed to be passed on to TSDISCOMs is as given below:

**Table 3.12: Interest rate including the benefit for loan restructuring as filed**

*Rs. in crore*

Particular	FY 2019-20	FY 2020-21		FY 2021-22
		Before swapping 197 days (01.04.2020 to 14.10.2020)	After swapping 168 days (15.10.2020 to 31.03.2021)	
Days	366	197	168	365
Average Net Loan	4397.30	4158.42	3964.28	3677.00
Rate of Interest on Loan	9.52%	10.20%	10.20%	10.20%
Interest on Loan	418.69	228.84	186.04	374.90
Savings of interest	Not applicable before Loan swapping		3.05%	3.03%
Savings of interest amount			52.19	103.05
2/3 <sup>rd</sup> interest passed on to beneficiaries' company.			2.03%	2.02%
2/3 <sup>rd</sup> Savings of interest amount passed on to beneficiaries' company (A)			34.80	68.70
Refinancing charges (B)	Not applicable before Loan swapping		77.84	0.00
<b>Total Loan refinancing impact proposed to be passed on to Discoms(B-A)</b>			<b>43.05</b>	<b>-68.70</b>

3.9.11 Once this loan restructuring for MYT period of 2019-22 is allowed and restructuring benefit and cost is passed on as per the Regulation, the interest on loan for remaining time period shall be subjected to final true-up at the end of current tariff period.

**Commission's View**

3.9.12 The first and fourth proviso under clause 12.5 of the Regulation No.1 of 2019 specifies "in no case the rate of interest on loan shall exceed approved rate of RoE" and "Provided that if such rate of notional loan changes by more than MCLR during the control period and such change subsists for more than 3 continuous quarters in a year, then the same shall be effected on the notional loan and adjusted during true-up at the time of Mid-Term Review and End of Control Period Review" respectively.

3.9.13 The Commission has approved the interest and finance charges on loan in accordance with clause 12 of the Regulation No.1 of 2019. The outstanding loan balance approved for FY 2018-19 has been considered as the opening loan balance for FY 2019-20. The approved depreciation has been considered



as the normative repayment for the year. The weighted average interest rate of the actual loan portfolio has been considered as the rate of interest. The interest on loan has been calculated on the normative average loan balance for the year by applying the weighted average rate of interest. SCCL has claimed refinancing charges of Rs.77.84 crore for FY 2020-21.

- 3.9.14 The Commission on consideration of loan refinancing has arrived at weighted average rate of interest @8.84% for the FY 2020-21 and the details are as given below:

**Table 3.13: Interest rate due to loan refinancing during FY 2020-21**

*Rs. in crore*

Particulars	Before swapping 197 days (01.04.2020 to 14.10.2020)	After swapping 168 days (15.10.2020 to 31.03.2021)
Average Net Loan	3,876.98	3,719.10
Interest on loan	213.35	122.39
Wt Average Interest on loan for FY 2020-21 (A)	8.84%	
Interest rate before loan refinancing (B)	10.20%	
Reduction in interest rate due to loan refinancing (C= B-A)	1.36%	

The Commission has computed the reduction in interest on loan amount by using the reduction in interest rate due to loan refinancing and approved average loan balance.

- 3.9.15 Computation of benefit of loan restructuring approved by the Commission and total loan refinancing impact to be passed on to TSDISCOMs is as given below:

**Table 3.14: Interest rate and finance charges Approved in MTR**

*Rs. in crore*

Particular	FY 2019-20	FY 2020-21		FY 2021-22
		Before swapping 197 days (01.04.2020 to 14.10.2020)	After swapping 168 days (15.10.2020 to 31.03.2021)	
Days	366	197	168	365
Average Net Loan (A)	4331.22	3930.86		3530.50
Rate of Interest on Loan before refinancing (B)	9.52%	10.20%	10.20%	7.16%
Interest on Loan (C)	412.40	400.79		252.87
Interest rate after refinancing (D)		8.84%		
Reduction in interest rate due to loan refinancing (E=B-D)	-	1.36%		-

Particular	FY 2019-20	FY 2020-21	FY 2021-22
Savings of interest amount $F=E*A$ )		53.30	
Reduction in interest to be passed on to Beneficiaries $(G=2/3*F)$		35.53	
Interest on Loan due to reduction in rate of interest $(H=C-G)$		365.26	
Refinancing charges (to be passed on to beneficiaries as per Regulation		77.84	
<b>Net interest on Loan <math>(J=H+I)</math></b>		<b>443.09</b>	

3.9.16 The Commission has considered the reduced interest on loan from FY 2020-21 to FY 2023-24. Though there is reduction in interest rate due to loan refinancing and after sharing of gains/loss as per clause 12.6 of Regulation No.1 of 2019, the net interest on loan for FY 2020-21 has increased as the refinancing charges are to be passed on to beneficiaries as per Regulation No.1 of 2019. The benefit of reduced rate of interest on loan due to loan refinancing is passed on to beneficiaries from FY 2021-22 to FY 2023-24.

3.9.17 The interest and finance charges along with loan refinancing impact claimed by SCCL and approved is as shown in the Table below:

**Table 3.15: Interest and finance charges claimed and approved for MTR**  
Rs. in crore

Particulars	2019-20		2020-21		2021-22	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Interest on loan	418.69	412.40	414.88	400.79	374.90	252.83
Reduction of interest on loan	-	-	-34.80	-35.53	-68.70	-
Refinancing charges			77.84	77.84		
Net interest on loan	418.69	412.40	457.93	443.09	306.20	252.83

**Table 3.16: Net Impact of Interest and finance charges on account of Refinancing for MTR**  
Rs. in crore

Financial Year	Interest on loan		
	Approved in MYT Order	Approved in MTR	Variation
2019-20	395.83	412.40	16.57
2020-21*	359.24	443.09	83.85
2021-22	322.65	252.83	-69.82

\* due to reduction in rate of interest, sharing of gains/losses and refinancing charges

3.9.18 The variation in interest and finance charges claimed by SCCL and approved by the Commission is on account of impact of refinancing and sharing of gains/losses as per Regulation No.1 of 2019.

### 3.10 INTEREST ON WORKING CAPITAL (IoWC)

#### *Petitioner's Claim*

3.10.1 SCCL has claimed IoWC at actuals as given in table below:

**Table 3.17: Interest on Working Capital at actuals as claimed for MTR**

*Rs. in crore*

Item Particulars	Actuals as Claimed			Approved in Order dated 28.08.2020			Variance		
	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
Interest on Working Capital	90.18	75.86	78.84	80.40	80.04	79.84	9.78	-4.18	-1.00

3.10.2 SCCL submitted that the variations in Interest on Working Capital are due to variation in SBI MCLR.

#### *Stakeholders Objection*

3.10.3 The major sub-component of working capital is cost of coal required for One (1) month generation corresponding to 85% target availability, which works out 491.50 MT/month. Since the petitioner itself is supplying coal to STPP under Bridge Linkage and is charging additional 20% price on the Basic Coal Price applicable to power sector. Therefore, the coal cost for One (1) month would be higher by additional 20% price thus the working capital and the interest on such working capital would be still higher. As such, top disallow the additional 20% price on the basic cost of coal being charged under the working capital claimed by the SCCL and limit to that extent the interest on working capital.

#### *Petitioner's Response*

3.10.4 SCCL submits that it is supplied with bridge linkage coal with the price applicable for any bridge linkage customers. As such, SCCL has not made any price discrimination between the bridge linkage customers. STPP is constrained to get the coal through bridge linkage. In fact, it is only as per the directives of Ministry of Coal, is being supplied coal through bridge linkage.

#### *Commission's View*

3.10.5 The Commission has approved IoWC in accordance with clause 13 of the Regulation No.1 of 2019.

3.10.6 The working capital requirement has been computed considering the following:

- Cost of coal towards stock corresponding to 30 days generation corresponding to target availability.
- Cost of coal for 30 days of generation corresponding to target availability.
- Cost of secondary fuel oil for two months of generation corresponding to

- target availability.
- Maintenance spares @ 20% of the O&M expenses.
- O&M expenses for one month.
- Receivables equivalent to two months of capacity charges and energy charges for sale of electricity calculated on target availability.
- Minus payables for fuel (including secondary fuel oil) to the extent of thirty days of the cost of fuel computed at target availability.

3.10.7 The rate of IoWC has been considered at a rate 9.66%, 8.57% and 8.50% equal to the weighted average Bank Rate prevailing during the FY 2019-20, FY 2020-21 and FY 2021-22 including 150 basis points. The IoWC at actuals as claimed and approved is as shown in the Table below:

**Table 3.18: IoWC claimed and approved for MTR**

<i>Rs. in crore</i>		
Financial Year	Claimed	Approved
2019-20	90.18	89.25
2020-21	75.86	65.86
2021-22	78.84	75.76

3.10.8 The variation in IoWC at actuals as claimed by SCCL and approved by the Commission is on account of variation in working capital.

### 3.11 OPERATION & MAINTENANCE (O&M) EXPENSES

#### *Petitioner's Claim*

3.11.1 The O&M expenditure at actuals as claimed by SCCL in Mid-Term Review for FYs 2019-22 is as given below:

**Table 3.19: Summary of O&M expenditure claimed for MTR**

Item Particulars	<i>Rs. in crore</i>								
	Actuals as Claimed			Approved in Order dated 28.08.2020			Variance		
	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
O&M Expenses	227.65	249.95	281.76	204.18	212.94	222.08	23.47	37.01	59.68

3.11.2 SCCL submitted that the variations in O&M Expenses are due to variation in Wholesale Price Index (WPI) and Consumer Price Index (CPI) and also requested for relaxation of clause 6.7.5 and to include O&M expenses as uncontrollable in accordance with the regulation.

3.11.3 The Regulation No.1 of 2019 defines the Operation & Maintenance (O&M) expenses as follows:

“2.59 Operation and Maintenance expense or O&M expense in respect of a Generating Entity means the expenditure incurred on O&M ... and includes the expenditure on manpower, repairs, spares, consumers, insurance and overheads, but excludes fuel expenses and water charges and shall be as determined in clause 19 of this Regulation.”

3.11.4 SCCL in this petition submitted the actual audited O&M cost for FYs 2019-22 segregated in Employee cost, Repairs & Maintenance (R&M) cost, and Administrative & General (A&G) expenditure.

3.11.5 O&M expenses as defined in clause 2.59 of Regulation No.1 of 2019 excludes water charges. Further the fees paid for tariff determination and audit fees are to be claimed separately as per clause 19.6 of Regulation No.1 of 2019. Accordingly, water charges, tariff filing fees and audit fees of STPP is claimed separately in this petition (page 531).

3.11.6 Further, clause 3.12 of Regulation No.1 of 2019 provides for Mid-Term Review. The power of review can be explained by the following legal principle held in case of 'Inderchand Jain Vs. Motilal' (2009) 14 SCC 663 as reproduced below:

*"The power of review can also be exercised by the court in the event discovery of new and important matter or evidence takes place which despite exercise of due diligence was not within the knowledge of the applicant or could not be produced by him at the time when order was made."*

3.11.7 The tariff of a generating project is a continuous process. The Commission in Mid-Term review also need to consider new and important facts which were not available at the time of passing the preceding MYT tariff order of SCCL.

3.11.8 In terms of clause 3.12.3, the Commission in this Mid-Term review need to consider actual operational and financial performance in respect of cost that impacted the generator due to uncontrollable factors though the same is under controllable component.

3.11.9 The Commission has also provided liberty to the petitioner vide clause 3.12.5 to apply before it for inclusion of any such variable as uncontrollable, the variation of which occurred due to uncontrollable factors.

*"3.12.5 Where the Petitioner believes, for any variable not specified under clause 6.7 that there is a material variation or expected variation in performance for any year on account of uncontrollable factors, it may apply to the Commission for inclusion of such variable."*

3.11.10 The clause 6.7 as mentioned above is required to be read a clause 6.6 (i.e., the list of uncontrollable factors). This mismatch in clause numbers occurred due to some ministerial error which can also be seen in clause 3.12.3.

3.11.11 In fact, as per the Regulation, though the main component is under controllable, but if the cost impact is due to circumstances cropped up, which are beyond

the control of generator, it is intitled for such additional costs as certified by their auditors.

**Table 3.20: O&M expenditure claimed for MTR**

Rs.in crore

Sl. No	Item	FY 2019-20 (n = 1)	FY 2020-21 (n = 2)	FY 2021-22 (n = 3)	FY 2022-23 (n = 4)	FY 2023-24 (n = 5)
1	R&Mn	107.20	109.53	122.63	120.13	121.12
2	EMPn	92.80	97.56	103.73	114.45	126.27
3	A&Gn	32.34	33.38	36.60	39.65	42.96
4	O&Mn [( R&Mn +EMPn +A&Gn)*99%]	230.01	238.06	260.33	271.49	287.44
Uncontrollable expenditure	Safety and security expenditure (CISF) being additional expenditure for safety and security incurred over and above CISF expenditure included in the base expenditure	0.67	14.62	19.99	19.99	19.99
	Mills annual overhauling	3.78	7.22	7.83	7.83	7.83
	Capital spares	2.04	2.02	10.87	10.87	10.87
5	Total computed O&M	236.50	261.92	299.03	310.18	326.13
6	Total actual O&M*	227.65	249.95	281.76	300.80	315.84
7	Balance reduction due to efficient O&M measures	-8.85	-11.97	-17.26	-9.38	-10.29

3.11.12 The list of O&M items, whose variation are claimed to be beyond the control of SCCL is as follows:

i) **Expenditure for Safety & Security:** The deployment of CISF in STPP started after the COD of both the units and the total deployment of CISF could be completed only in FY 2021-22. The year-wise numbers of CISF personnel present in STPP at the end of each financial year are given below:

- It is clear from the above that the deployment of CISF in the base year was only partial. As such, only 55% of its full capacity manpower was deployed in the base year of FY 2018-19.
- The expenditure for CISF based on Central Government pay structure is required to be reimbursed by STPP which is booked under the revenue expenditure.
- The deployment of CISF was made based on the recommendation of high-level committees on completion of safety review exercise. As per safety report the STPP falls, under the high security zone which is categorized as "Hypersensitive Zone" by Ministry of Home Affairs.
- The Ministry of Home Affairs also categorized the Mancherial District as one of the "Most Effected LWE Districts."

**Table 3.21: Relevant clauses of Security Expende**

Security Expenses	CERC Tariff Regulation 2019	TSERC Tariff Regulation No.1 of 2019
Capital Expenditure	clause 26(10)(d)	clause 7.19.1(f)
Revenue Expenditure	Over and above O&M expenses clause 35(1)(6)	clause 3.12.5 provides for including of expenditures as uncontrollable

- Accordingly, the expenditure for CISF may be treated as uncontrollable item in O&M. SCCL is applying for inclusion of CISF expenditure as per the clause 3.12.5 as uncontrollable expenditure.

- The following additional expenditure for CISF during FYs 2019-22 is required to be allowed by the Commission in this Mid-Term Review.

**Table 3.22: Additional expenditure for CISF during MTR**  
Rs.in crore

Particulars	Financial Year					
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Estimated Safety and Security expenditure (CISF) allowed in Tariff Order dated 28.08.2020.	5.47	8.39	11.75	13.69	14.39	15.30
Additional CISF expenditure for safety and Security incurred over allowed above.	0.00	0.00	0.00	0.67	14.62	20.00
<b>Total</b>	<b>5.47</b>	<b>8.39</b>	<b>11.75</b>	<b>14.36</b>	<b>29.01</b>	<b>35.30</b>

- ii) Expenditure on Coal Mill Annual Overhaul: At the time of COD, the initial/mandatory spares were purchased with the supply of main equipment and these capital spares were consumed in the first two and half (2½) years for annual mill overhauling. Therefore, the impact of annual Mill Overhauling in O&M expenditure (which comes under revenue) during FY 2016-17 to FY 2018-19 were almost nil. This expenditure caused O&M to increase drastically after FY 2018-19 when initial spares for coal mill capitalized earlier were totally consumed.

**Table 3.23: Mill overhauling expenditure from COD**  
Rs.in crore

Particulars	Financial Year					
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Mill Overhauling expenditure.	0.00	0.00	0.17	3.78	7.22	7.83

- iii) Additional Capital Spare: Capital spare and initial spare is similar from the Regulatory point of view except the fact that the time of purchase of capital spare can be beyond the COD/Cut-off date. Initial capital spares are capital spares are having similar accounting attributes, i.e., these are high value items having life more than One (1) year and these spares are essentially required to run the plant successfully maintaining normative level of operation.

**Table 3.24: Relevant clauses of Initial Capital Spares**

Initial Capital Spares/ Initial pares	CERC Tariff Regulation 2019	TSERC Tariff Regulation No.1 of 2019
Capital Expenditure	clause 23, 24(1)(c)	clause 7.19.1(c), 7.17
Revenue Expenditure	Over and above O&M expenses clause 35(1)(6)	clause 3.12.5 provides giving liberty to apply before the Commission

The problem of capital spare in STPP become severe due to the following reasons:

- The capital expenditure approved on account of initial spare for STPP was only 2.5% (Rs.168.40 crore) of Plant and Machinery included in approved Gross Fixed Asset (GFA), instead of current 4% (Rs.269.36 crore) of Plant and Machinery cost. This has caused Rs.100.96 crore lesser capitalisation in the head of Initial Spares for STPP.

- The Commission did not allow any of the O&M modules for FYs 2019-2024 in its MYT tariff Order dated 28.08.2020 against a proposed capital investment plant of Rs.301 crore.
- As most of these capital spares during FYs 2016-19 were consumed from the stock of available initial spares which were capital items as per books of accounts, the expenditure for capital spares was not properly captured in O&M expenditure of base years (FYs 2017-2019).
- The year-wise audited statement of capital spares consumed for FYs 2019-22 is placed in the Mid-Term Review petition at page No.475.
- Accordingly, to include capital spare expenditure as uncontrollable expenditure in this Mid-Term Review and allow additional O&M cost.

3.11.13 SCCL in their rejoinder filed on the reply submitted by TSDISCOMs has submitted the following element-wise break-up for O&M Expenses.

**Table 3.25: Element-wise break-up of O&M expenses as claimed by SCCL for MTR**

*Rs. in crore*

Sl. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
<b>1</b>	<b>Employee Cost</b>	<b>77.12</b>	<b>75.30</b>	<b>88.73</b>
a	Salary including manpower cost of O&M contract	71.45	71.09	82.94
b	Special incentive	0.94	0.26	1.26
c	CMPF with Administration Charges	3.26	3.20	3.23
d	Leave Encashment	1.47	0.76	1.30
<b>2</b>	<b>Repairs &amp; Maintenance Expense</b>	<b>101.90</b>	<b>116.07</b>	<b>126.95</b>
a	Stores & Spares	38.19	36.02	42.33
b	Repairs & Maintenance	13.09	16.91	15.87
c	Overhauling cost	-	9.80	19.66
d	Hiring of HEMM, Weigh Bridges & Others	5.38	4.17	4.21
e	STPP-O&M	45.24	49.17	44.89
<b>3</b>	<b>Administrative &amp; General Expenses</b>	<b>48.63</b>	<b>58.57</b>	<b>66.07</b>
a	Purchased power	9.37	5.79	3.16
b	Insurance	11.67	13.80	13.32
c	CISF	14.36	29.01	35.30
d	Others	13.23	9.97	14.30
	<b>Grand Total</b>	<b>227.65</b>	<b>249.95</b>	<b>281.76</b>

#### **Stakeholders Objection**

3.11.14 O&M expenses are controllable factor in terms of Regulation No.1 of 2019.



- 3.11.15 The Ministry of Home Affairs circular dated 09.08.2019, providing list of Hypersensitive LWE effected CISF units did not include Mancherial district where STPP Project is located.
- 3.11.16 Expenditures for annual coal mill overhauling is a component of R&M expenditure which fall under O&M expenditure, which was already considered by the Commission in MYT order dated 28.08.2020.
- 3.11.17 The expenditure for capital spares have been factored in O&M expenditure and capital spares were part of O&M expenditure which comes under controllable factor.

***Petitioner's Response***

- 3.11.18 The detail data/values of annual coal mill overhauling expenditures were not existing in O&M expenditure from FY 2016-17 to FY 2018-19 on which inflationary projections were applied to arrive at normative value of O&M expenditure vide the Commission Order dated 28.08.2020. Accordingly, the normative O&M allowed by the Commission during FYs 2019-24 inadvertently missed expenditures incurred towards annual coal mill overhauling.
- 3.11.19 The main reason for claiming expenditure on capital spares are constrained capitalization of initial spares and regulatory burden and non-capturing of capital spare expenditure in base year during determination of O&M expenditure by the Commission.
- 3.11.20 It is not denied that Regulation No.1 of 2019 considers O&M expenditure as controllable item, but the same Regulation also additionally provides clause 3.12.5 by which petitioner may apply before the Commission for inclusion of any variable as uncontrollable factor with justifiable reason in respect of controllable component.
- 3.11.21 About the objection on non-presence of Mancherial District's name in Ministry of Home Affairs circulated date 09.08.2019,.it is to submit that CISF's posed in the STPP are included in the CISF of 'SCCL Singareni'. The circular categorizes CISF units operating in most effected left wing extremist areas. Therefore, CISF unit at STPP, Mancherial was not separately mentioned in that circular.

### Commission's View

- 3.11.22 The O&M expenses comprises of (i) Employee cost, (ii) R&M expenses and (iii) A&G expenses. The clause 19 of the Regulation No.1 of 2019 stipulates the norms for determination of O&M expenses.
- 3.11.23 The Commission has gone through the computation of normative O&M expenses and actual expenses for FY 2019-20, FY 2020-21 and FY 2021-22 submitted by SCCL.
- 3.11.24 The computed normative O&M expenses and actual O&M expenses for MTR as claimed by SCCL is detailed in table given below:

**Table 3.26: O&M expenses as computed and at actuals claimed by the petitioner for MTR**

Rs. in crore

Sl. No	Item	FY 2019-20		FY 2020-21		FY 2021-22	
		Computed	Actuals	Computed	Actuals	Computed	Actuals
1	R&M	107.20	101.90	109.53	116.07	122.63	126.95
2	EMP	92.80	77.12	97.56	75.30	103.73	88.73
3	A&G	32.34	48.63	33.38	58.57	36.60	66.07
4	O&M	230.01	227.65	238.06	249.95	260.33	281.76
Uncontrollable expenditure	Safety and security expenditure (CISF) being additional expenditure for safety and security incurred over and above CISF expenditure included in the base expenditure	0.67		14.62		19.99	
	Mills annual overhauling	3.78		7.22		7.83	
	Capital spares	2.04		2.02		10.87	
	Total computed O&M	236.50		261.92		299.03	
7	Balance reduction due to efficient O&M measures	-8.85		-11.97		-17.26	

### Additional Expenditure claimed as uncontrollable O&M expenses:

- 3.11.25 The petitioner has claimed the additional CISF expenditure for safety & security as uncontrollable expenditure. The Commission has done prudence check based on the petition filed and additional information submitted by SCCL in their rejoinder filed on the reply submitted by TSDISCOMs. The clause 6.7.5 of Regulation No.1 of 2019 classified that the variation in O&M expenses as controllable factor. Hence, the Commission is not inclined to treat this additional expenditure as uncontrollable item. However, it is noticed that the additional CISF expenditure for safety & security is covered and claimed under A&G expenses in their computed O&M expenses.
- 3.11.26 The petitioner has also claimed additional expenditure towards mills annual overhauling and additional capital spares as uncontrollable items. Since the nature of these expenses falls under R&M expenses, the Commission is not

inclined to treat these additional expenditures as uncontrollable item. However, it is noticed that the additional expenditure towards mills annual overhauling and additional capital spares are covered and claimed under R&M expenses in their computed O&M expenses.

3.11.27 The Commission has computed the normative Employee expenses, normative R&M expenses and normative A&G expenses as per Regulation No.1 of 2019. The computed normative O&M expenses were compared with the actual expenses as claimed by the petitioner and approved the least of computed normative expenses and actual expenses as claimed.

**Employee Cost:**

**Table 3.27: Employee cost computed by the Commission for MTR**

*Rs. in crore*

Financial Year	EMPb	CPI Inflation	Provision	EMPn
2019-20	88.00	1.04	0.00	91.91
2020-21	91.91	1.07	0.00	97.92
2021-22	97.92	1.04	0.00	101.87

3.11.28 The computed employee expenses on normative basis were compared with the actual employee expenses claimed by the petitioner and the Commission has approved the least of recomputed expenses and actual expenses claimed. The details are as given below:

**Table 3.28: Employee cost at actuals claimed, computed and approved for MTR**

*Rs. in crore*

Financial Year	Actuals claimed by the petitioner	As computed on normative basis	Approved by the Commission
2019-20	77.12	91.91	77.12
2020-21	75.30	97.92	75.30
2021-22	88.74	101.87	88.74

**R&M Expenses:**

3.11.29 The computation of R&M expenses computed by the Commission is as shown in the Table below:

**Table 3.29: R&M expenses computed by the Commission for MTR**

*Rs. in crore*

Financial Year	Kn	GFA n	WPI Inflation	R&M n
2019-20	1.04%	7745.32	1.04	83.67
2020-21	1.04%	7745.32	1.02	81.59
2021-22	1.04%	7745.32	1.01	81.27

3.11.30 The petitioner has claimed Rs.5.82 crore, Rs.9.24 crore and Rs.18.70 crore towards additional expenditure towards Mills annual overhauling & Capital spares as uncontrollable items under R&M expenses. Since these expenses

are controllable, the Commission has not considered these amounts for computation of allowable R&M expenses. The details are given in table below:

3.11.31 The recomputed R&M expenses were compared with the actual R&M expenses claimed by the petitioner and the Commission has approved the least of recomputed expenses and actual expenses claimed. The details are as given below:

**Table 3.30: R&M expenses at actuals claimed, recomputed and approved for MTR**

Rs. in crore

Financial Year	Actuals claimed by the petitioner	Recomputed by the Commission	Approved by the Commission
2019-20	101.90	83.67	83.67
2020-21	116.07	81.59	81.59
2021-22	126.95	81.27	81.27

**A&G Expenses:**

3.11.32 The computation of A&G expenses computed by the Commission is as shown in the Table below:

**Table 3.31: A&G expenses computed for MTR**

Rs. in crore

Financial Year	A&Gfo	Inflation Factor	Provision	A&Gn
2019-20	31.23	1.04	0.00	32.44
2020-21	32.44	1.04	0.00	33.61
2021-22	33.61	1.02	0.00	34.34

3.11.33 The recomputed A&G expenses were compared with the actual A&G expenses claimed by the petitioner and the Commission has approved the least of recomputed expenses and actual expenses claimed. The details are as given below:

**Table 3.32: A&G expenses at actuals as claimed and approved for MTR**

Rs. in crore

Financial Year	Actuals claimed by the petitioner	Recomputed by the Commission	Approved by the Commission
2019-20	48.63	32.44	32.44
2020-21	58.57	33.61	33.61
2021-22	66.07	34.34	34.34

**O&M Expenses:**

3.11.34 The clause 19.1 of the Regulation No.1 of 2019 stipulates as under:

*“The O&M expenses for each year of the Control Period shall be approved based on the formula shown below:*

$$O\&M_n = (R\&M_n + EMP_n + A\&G_n) \times 99\%$$

... ..”

3.11.35 The O&M expenses claimed and approved for FY 2019-20 to FY 2021-22 is as shown in the Table below:

**Table 3.33: O&M expenses at actuals as claimed and approved for MTR**  
Rs. in crore

Financial Year	Claimed				Approved			
	Employee cost	R&M expenses	A&G expenses	Total	Employee cost	R&M expenses	A&G expenses	O&M expenses approved
2019-20	77.12	101.90	48.63	227.65	77.12	83.67	32.44	191.30
2020-21	75.30	116.07	58.57	249.95	75.30	81.59	33.61	188.59
2021-22	88.74	126.95	66.07	281.76	88.74	81.27	34.34	202.30

### 3.12 RETURN ON EQUITY (RoE)

#### *Petitioner's Claim*

3.12.1 SCCL has claimed RoE at actuals as given in table below:

**Table 3.34: Return on Equity at actuals as claimed for MTR**  
Rs. in crore

Item Particulars	Actuals as Claimed			Approved in Order dated 28.08.2020			Variance		
	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
Return on Equity	441.92	494.47	496.24	436.40	436.40	436.40	5.52	58.07	59.84

3.12.2 The clause 11 of Regulation No.1 of 2019 provides the base rate for computation of Return on Equity as 15.50% for thermal generating station.

3.12.3 As per clause 11.3 of Regulation No.1 of 201, the rate of RoE has been considered as 18.78%, 20.71% for FY 2019-20, FY 2020-21 & FY 2021-22 respectively by grossing up the base rate of 15.50% with the MAT rate of 17.472%, 25.168% for FY 2019-20 and FY 2020-21 & FY 2021-22 respectively. The year-wise details of effective tax rates applicable for STPP are given below:

**Table 3.35: Year-wise effective tax rates applicable for STPP**

Financial Year	Effective Income Tax Rate
2019-20	17.472%
2020-21	25.168%
2021-22	25.168%

3.12.4 SCCL has considered 30% of the capital cast as equity as specified in clause 9 of Regulation No.1 of 2019.

#### **Stakeholders Objection**

3.12.5 For FYs 2020-2022 the generating companies are liable to pay concessional tax rates of MAT under Section 115JB for ten (10) consecutive years and for 11<sup>th</sup> year onwards when normal tax will be paid earlier tax credit if any can be utilized. In view of this, MAT rate for entire control period may be allowed instead of regular income tax claimed by the petitioner. Relied on Hon'ble

APTEL in its judgement in Appeal No.251 of 2006 held that "Under no circumstance, consumers of the licensee should be made to bear the Income Tax accrued in other businesses of the licensee. Income Tax assessment has to be made on standalone basis for the licensee's business so that consumers are fully insulated and protected from Income Tax payable from other businesses".

3.12.6 Further, the Central Board of Direct Taxes circular No.29/2019 issued the following clarification –

*“5.2 As regards allowability of brought forward MAT credit, it may be noted that as the provisions of Section 115 JB relating to MAT itself shall not be applicable to the domestic company which exercises option under Section 115BAA, it is hereby clarified that the tax credit of MAT paid by the domestic company exercising option under Section 115 BAA of the Act shall not be available consequent to exercising of such option.*

*5.2.1 Further, as there is no time line within which option under Section 115BA can be exercised, it may be noted that a domestic company having credit of MAT may, if it so desires, exercise the option after utilizing the said credit against the regular tax payable under the taxation regime existing prior to promulgation of the ordinance.*

**Petitioner's Response**

3.12.7 SCCL submits that there occurred change of system/method in the corporate taxation vide Ministry of Finance circular No.29/2019 dated 02.10.2019 where at revised tax rate of 25.168% was offered without allowing any exemption under Section 801A, MAT credit utilization etc., as an alternative to present taxation system.

3.12.8 it is to further submit that SCCL was primarily engaged in coal mining business and diversified to power business. As such, major part of its revenue is generated by coal business and SCCL pays income tax as a whole at company level by consolidating the financial results of both coal and power business.

3.12.9 The management of SCCL after due consideration opted taxation @ 25.168% in terms of aforesaid notification migrating from existing taxation system. Accordingly, being a part of SCCL, STPP was also subjected to tax rate @ 25.168% which was appropriately claimed as effective tax rate in respect of FYs 2020-22.

### Commission's View

3.12.10 The Commission has approved RoE in accordance with clause 11 of the Regulation No.1 of 2019. The gross normative equity as on 31.03.2019 approved by True-up order dated 28.08.2020 has been considered as the normative equity as on 01.04.2019. The petitioner, availing regular income tax rate instead of concessional MAT rate would lead to higher RoE and burden on the consumers. Hence the Commission has considered concessional MAT rate instead of regular income tax rate as claimed by the petitioner. The rate of RoE has been considered as 18.782% by grossing up the base rate of 15.50% with concessional MAT rate of 17.472%.

3.12.11 The equity base claimed and approved is as shown in the Table below:

**Table 3.36: Equity base at actuals as claimed and approved for MTR**

Rs. in crore

Financial Year	Claimed			Approved		
	Opening Equity	Closing Equity	Average Equity	Opening Equity	Closing Equity	Average Equity
2019-20	2323.60	2382.31	2352.96	2323.60	2323.60	2323.60
2020-21	2382.31	2392.17	2387.24	2323.60	2323.60	2323.60
2021-22	2392.17	2399.42	2395.80	2323.60	2323.60	2323.60

3.12.12 The RoE claimed and approved is as shown in the Table below:

**Table 3.37: RoE at actuals as claimed and approved for MTR**

Rs. in crore

Financial Year	Claimed	Approved
2019-20	441.92	436.40
2020-21	494.47	436.40
2021-22	496.24	436.40

### 3.13 NON-TARIFF INCOME (NTI)

#### Petitioner's submission

3.13.1 SCCL has claimed NTI at actuals as given in table below:

**Table 3.38: NTI at actuals as claimed for MTR**

Rs. in crore

Item Particulars	Actuals as Claimed			Approved in Order dated 28.08.2020			Variance		
	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
Non-Tariff Income (NTI)	2.10	5.73	7.21	17.92	17.92	17.92	-15.82	-12.19	-10.71

3.13.2 SCCL submitted that the actual NTI is less compared to approved.

### Commission's View

- 3.13.3 The Commission after prudence check and based on audited accounts in terms of clause 16(a) of Regulation No.1 of 2019 allows the NTI as claimed by the petitioner as shown in table below:

**Table 3.39: NTI at actuals as claimed and approved for MTR**

Rs. in crore

Financial Year	Claimed	Approved
2019-20	2.10	2.10
2020-21	5.73	5.73
2021-22	7.21	7.21

### 3.14 OTHER CHARGES

#### Incentive

#### **Petitioner's Claim**

- 3.14.1 Plant Load Factor (PLF) based incentive for the generating station shall be payable at the rate specified in CERC Regulations, 2014 as applicable during control period as the clause 21.4 of Regulation No.1 of 2019 stipulates that the CERC Regulations shall apply. CERC tariff Regulations, 2014 allowed the rates of incentive @ Rs.0.50/kWh. SCCL has worked out the quantum of incentive by considering the target PLF and actual generation as detailed in table below:

**Table 3.40: Incentive claimed by SCCL by considering target PLF and actual generation**

Particulars	FY 2019-20	FY 2020-21	FY 2021-22
Target PLF	85%	85%	85%
Incentive Rate for Additional Generation	Rs.0.50/kWh	Rs.0.50/kWh	Rs.0.50/kWh
Incentive for Additional Generation	Rs.11.34 crore	-	Rs.19.31 crore

#### **Stakeholders Objection**

- 3.14.2 The incentive claim is to be limited to energy charges upto the scheduled generation delivered monthly during each year of the control period in terms of Regulation No.1 of 2019, including the pricing of coal without additional premium (under Bridge Linkage).

#### **Petitioner's Response**

- 3.14.3 SCCL is facing difficulty in settlement of deviations between actual generation and scheduled generation especially in view of manual recording of joint meter reading taken over a span of couple of hours and delay in implementation of



Deviation Settlement Mechanism (DSM) Regulation notified by the Commission.

3.14.4 As per DSM provisions of CERC, settlement for hundreds of connected entities is being done since long. Accordingly, in a similar manner, to implement DSM Regulation in Telangana State or to notify interim settlement code till the final rolling out of DSM Regulation through a separate proceeding.

3.14.5 Till the implementation of DSM Regulation or any interim settlement code which may be notified by the Commission, STPP/SCCL has to compute energy charges and incentive based on actual generation in accordance with Section 61(b) of the Electricity At, 2003, which provides generation, transmission, distribution & supply of electricity are to be conducted on commercial principles.

**Commission’s View**

3.14.6 The Incentive for higher PLF shall be in accordance with the provisions of the Regulation No.1 of 2019.

**Water Charges, Audit Fee & Tariff filing Fee**

***Petitioner’s Claim***

3.14.7 SCCL has claimed the water charges, Audit Fee & Tariff filing Fee as detailed in table below:

**Table 3.41: Water Charges, Tariff filing Fee & Audit Fee at actuals as claimed by SCCL**

Particulars	Rs. in crore		
	FY 2019-20	FY 2020-21	FY 2021-22
Water Charges	2.29	1.80	2.30
Tariff Filing Fee	1.50	0.01	0.01
Audit Fee	0.01	0.01	0.01

**Commission’s View**

3.14.8 The clause 2.59 of Regulation No.1 of 2019 stipulates that O&M expenses of a Generating Entity excludes water charges.

3.14.9 The clause 19.6 of Regulation No.1 of 2019 stipulates “Any expenditure on account of license fee, initial or renewal, fee for determination of tariff and audit fee shall be allowed on actual basis, over and above the A&G expenses approved by the Commission.”

3.14.10 After prudence check the Commission allows the Water Charges, Audit Fee & Tariff Filing fee as claimed by the petitioner.

**Additional Cost on account of Arbitration Order dated 19.07.2022**

***Petitioner's Claim***

3.14.11 MBE company, who has executed the BoP of project work, filed arbitration application and the Arbitral Tribunal Award dated 19.07.2022 directed STPP to pay Rs.242 crore towards many claims. But STPP/SCCL challenged the said award under Section 34 of Arbitration and Conciliation Act, 1996 before Civil Court, which is still pending. As and when any crystallized liability comes through by the order of the Civil Court, STPP will approach the Commission for appropriate order as per Regulation No.1 of 2019.

***Commission's View***

3.14.12 Since the matter is sub-judice, the Commission is not inclined to dwell into it.

**3.15 ENERGY CHARGES**

***Petitioner's Claim***

3.15.1 The energy charges have been computed based on clause 21 of the Regulation No.1 of 2019.

3.15.2 The ECR claimed by SCCL for FY 2019-20 to FY 2021-22 is as shown in the Table below:

**Table 3.42: ECR claimed by SCCL for MTR**

Particulars	Unit	FY 2019-20	FY 2020-21	FY 2021-22
Auxiliary Consumption	%	6.02%	6.12%	5.83%
Gross Station Heat Rate	kcal/kWh	2312.98	2289.37	2305.00
Secondary Fuel oil consumption	ml/kWh	0.21	0.24	0.13
Calorific Value of Secondary Fuel	kcal/ml	10.00	10.00	9.99
Landed Price of Secondary Fuel	Rs./ml	0.05	0.06	0.07
Wt. Avg. Gross Calorific Value of Coal	kcal/kg	3628.97	3872.13	3981.02
Landed Price of Coal	Rs./kg	4.22	4.10	4.43
Specific Coal Consumption	kg/kWh	0.63	0.59	0.58
<b>ECR</b>	<b>Rs./kWh</b>	<b>2.868</b>	<b>2.588</b>	<b>2.730</b>

3.15.3 The station heat rate, secondary fuel oil consumption, auxiliary energy consumption are related to Energy Charge Rate (ECR) determination and are controllable parameters. The normative ECR and actual ECR for various operating periods are summarized below:

**Table 3.43: Normative and actual ECR claimed for various operating periods**

Particulars	FY 2019-20	FY 2020-21	FY 2021-22
Normative ECR	Rs.2.859/kWh	Rs.2.603/kWh	Rs.2.740/kWh
Actual ECR	Rs.2.868/kWh	Rs.2.588/kWh	Rs.2.731/kWh
Difference	Rs.0.009/kWh	Rs.0.015/kWh	Rs.0.009/kWh
Sent-out Energy	8671.229 MU	6895.329 MU	8807.565 MU
Cost of Fuel (+) Gain / (-) Loss	Rs.2.60 crore	(-) Rs.6.90 crore	(-) Rs.5.87 crore

- 3.15.4 The gain is shared in ratio of 1:2 between generator and beneficiaries and loss is shared in the ratio of 2:1 between generator and beneficiaries as per clause 6.9 of Regulation No.1 of 2019.

**Stakeholders Objection**

- 3.15.5 Where from SCCL is getting coal for the subject project? Has it started production of coal from NAINI Coal Block in Odisha? What is the latest position relating to the response of the Ministry of Coal on the requests of SCCL and GoTS for allotment of coal to the subject project from the mines of SCCL in Telangana State? Allocation of coal to the subject project from coal mines of SCCL in Telangana State would facilitate reduction in tariffs to the consumers.
- 3.15.6 TSDISCOMs submitted that the judgement of Hon'ble Supreme Court dated 08.12.2016 in Civil Appeal No.5881-5882 of 2016 held that "*the movement electricity tariff gets affected the consumer interest comes in and public interest get affected.*"

**Petitioner's Response**

- 3.15.7 As per directive of the Commission SCCL has been actively pursuing the issue of coal allocation for STPP from SCCL mines at Telangana State. Presently as per the latest orders of Ministry of Coal, SCCL is supplying coal to STPP through Bridge Linkage as per MoU with the same price charged for any other bridge linkage customers.
- 3.15.8 The Stage-II forest clearance for NAINI coal mine is expected shortly and various mine development activities are being taken up on war foot basis and it is expected that commencement of production begins in this year of 2023.
- 3.15.9 A proposal for swapping of coal with TANGEDCO has already been formulated and on acceptance of the proposal by TANGEDCO, the application for swapping arrangement will be submitted to Ministry of Coal, GoI for approval.

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However, few impediments still exist in the proposed swapping arrangement as given below:

- a) Limited coal requirement for TANGEDCO till all its targeted power plants come into commercial operation, expected by FY 2024-25.
- b) Non-acceptance of swapping proposal by TANGEDCO.

3.15.10 In the above eventualities, at the earliest, STPP shall be supplied coal by SCCL from NAINI Coal Mine, cost of which will be based on the CERC Regulation for determination of input price applicable for captive coal mines. Further, it is estimated that with the present railway freight charges that ECR will not likely to be affected adversely even if coal is brought from NAINI through railway transportation.

**Commission's View**

3.15.11 Any variation in fuel prices on account of change in the GCV of coal or gas or liquid fuel shall be billed in accordance with the provisions under clause 21.10 and 21.11 of Regulation No.1 of 2019.

**3.16 SUMMARY OF AFC ADMITTED AND SHARING OF GAINS/LOSSES IN MID-TERM REVIEW**

3.16.1 The summary of AFC claimed by SCCL in MTR and approved by the Commission is given in table below:

**Table 3.44: AFC claimed and approved for MTR**

*Rs. in crore*

Particulars	FY 2019-20		FY 2020-21		FY 2021-22		FY 2019-20 to FY 2022-23	
	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved
Depreciation	405.22	400.36	411.27	400.36	412.79	400.36	1229.28	1201.08
Interest and Finance charges on Loan *	418.69	412.40	457.93	443.09	306.20	252.83	1182.82	1108.32
Interest on Working Capital	90.18	89.25	75.86	65.86	78.84	75.76	244.88	230.88
O&M expenses	227.65	191.30	249.95	188.59	281.76	202.30	759.36	582.19
Return on Equity	441.92	436.40	494.47	436.40	496.24	436.40	1432.63	1309.19
Less: Non-tariff income	2.10	2.10	5.73	5.73	7.21	7.21	15.04	15.04
<b>Annual Fixed Charges</b>	<b>1581.56</b>	<b>1527.60</b>	<b>1683.75</b>	<b>1528.58</b>	<b>1568.62</b>	<b>1360.44</b>	<b>4833.93</b>	<b>4416.62</b>
Other Charges #	15.14	3.80 #	1.82	1.82	21.62	2.32 #	38.59	7.94 #
Incentive #	11.34	0.00 #	0.00	0.00	19.31	0.00 #	30.65	0.00 #
Water Charges	2.29	2.29	1.80	1.80	2.30	2.30	6.39	6.39
Audit Fee	0.01	0.01	0.01	0.01	0.01	0.01	0.03	0.03
Filing Fee	1.50	1.50	0.01	0.01	0.01	0.01	1.52	1.52
<b>Total Annual Fixed Charges</b>	<b>1596.70</b>	<b>1531.51</b>	<b>1685.57</b>	<b>1530.39</b>	<b>1590.24</b>	<b>1362.75</b>	<b>4872.52</b>	<b>4424.56</b>

\*' Interest and Finance charges on Loan includes impact of loan refinancing (table 3.11)

#' Incentive for higher PLF shall be in accordance with the provisions of the Regulation No.1 of 2019.

**Table 3.45: Summary of AFC admitted in MTR**

*Rs. in crore*

Sl. No.	Item Particulars	As approved in order Dated 28.08.2020			Approved in MTR			Variation approved in MTR		
		2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
1	Depreciation	400.36	400.36	400.36	400.36	400.36	400.36	0.00	0.00	0.00
2	Interest and Finance charges on Loan	395.83	359.24	322.65	412.40	443.09	252.83	16.57	83.85	-69.82
3	Interest on Working Capital	80.40	80.04	79.84	89.25	65.86	75.76	8.85	-14.18	-4.08
4	O&M Expenses	204.18	212.94	222.08	191.30	188.59	202.30	-12.88	-24.35	-19.78
5	Return on Equity	436.40	436.40	436.40	436.40	436.40	436.40	0.00	0.00	0.00
6	Less Non-Tariff Income	17.92	17.92	17.92	2.10	5.73	7.21	-15.82	-12.19	-10.71
	<b>Total</b>	<b>1499.25</b>	<b>1471.06</b>	<b>1443.41</b>	<b>1527.60</b>	<b>1528.58</b>	<b>1360.44</b>	<b>28.36</b>	<b>57.52</b>	<b>-82.97</b>

3.16.2 The summary of variations in AFC claimed by SCCL in MTR and approved by the Commission is given in table below:

**Table 3.46: Summary of variations in AFC claimed and approved in MTR**

*Rs.in crore*

Sl. No.	Item Particulars	As claimed in MTR				Approved in MTR			
		2019-20	2020-21	2021-22	Total	2019-20	2020-21	2021-22	Total
1	Depreciation	4.86	10.91	12.43	28.2	0.00	0.00	0.00	0.00
2	Interest and Finance charges on Loan	22.86	98.69	-85.15	36.40	16.57	83.85	-69.82	30.60
3	Interest on Working Capital	9.78	-4.18	-1.00	4.60	8.85	-14.18	-4.08	-9.40
4	O&M Expenses	23.47	37.01	59.68	120.16	-12.88	-24.35	-19.78	-57.01
5	Return on Equity	5.52	58.08	59.85	123.45	0.00	0.00	0.00	0.00
6	Less Non-Tariff Income	-15.82	-12.19	-10.71	-38.72	-15.82	-12.19	-10.71	-38.72
	<b>Total</b>	<b>82.32</b>	<b>212.69</b>	<b>56.52</b>	<b>351.53</b>	<b>28.36</b>	<b>57.52</b>	<b>-82.97</b>	<b>2.91</b>

3.16.3 **Variations in Energy Charges:** Any variation in fuel prices on account of change in the GCV of coal or gas or liquid fuel shall be billed in accordance with the provisions under clause 21.10 and 21.11 of Regulation No.1 of 2019.

**Sharing of Gains/Losses**

3.16.4 The Commission has approved the sharing of gains/losses in accordance with the relevant clauses of the Regulation No.1 of 2019 and detailed in table below:

**Table 3.47: Summary of approved sharing of gains/losses of MTR to the beneficiaries**

*Rs.in crore*

Sl. No.	Item Particulars	Variations in AFC	Sharing of gains/losses
1	Depreciation	0.00	0.00
2	Interest on Loan*	30.60	30.60
3	Interest on Working Capital	-9.40	-6.27
4	O&M Expenses	-57.01	-38.01
5	Return on Equity	0.00	0.00
6	Less: Non-Tariff Income	-38.72	-38.72
7	Water charges, Audit fee & Tariff filing fee	7.94	7.94
	<b>Sharing of gains/losses (+/-) for FY 2019-20 to FY 2021-22</b>		<b>32.99</b>

\* Includes refinancing charges of Rs.77.84 crore and reduction of interest due to refinancing

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- Note:
- 1) Any variation in fuel prices on account of change in the GCV of coal or gas or liquid fuel shall be billed in accordance with the provisions under clause 21.10 and 21.11 of Regulation No.1 of 2019
  - 2) *Incentive for higher PLF shall be in accordance with the provisions of the Regulation No.1 of 2019.*

3.16.5 The Commission directs SCCL to bill to the beneficiaries' viz., TSDISCOMs the claim towards total sharing/passing through of gains/losses approved in this Order as per the AFC and other charges approved after truing-up in MTR for the period from FY 2019-20 to FY 2021-22.

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## Chapter-4 Revised AFC for FY 2022-23 and FY 2023-24

### 4.1 REVISION OF AFC FOR FY 2022-23 TO FY 2023-24

#### *Petitioner's Submission*

- 4.1.1 SCCL has projected the revision of AFC for FY 2022-23 to FY 2023-24 as detailed below:

**Table 4.1: Revised AFC projected for FY 2022-23 to FY 2023-24**

*Rs. in crore*

Particulars	FY 2022-23	FY 2023-24
Depreciation	415.13	416.84
Interest on Loan(including impact of interest cost at reduced rate)	275.25	244.32
Interest on Working Capital	91.90	94.57
O&M expenses	300.80	315.84
Return on Equity	499.05	501.11
Less: Non-tariff income	5.01	5.01
<b>Annual Fixed Charges</b>	<b>1577.12</b>	<b>1567.67</b>

#### *Commission's View*

- 4.1.2 The clause 3.12.6(c) of the Regulation No.1 of 2019 provides for modifications to the Aggregate Revenue Requirement and Tariffs for the remainder of the control period. Based on the True-up exercise done for FY 2019-20 to FY 2021-22 the Commission has revised the AFC for FY 2022-23 to FY 2023-24. The revised AFC approved is detailed in table below:

**Table 4.2: Revised AFC approved for FY 2022-23 to FY 2023-24**

*Rs. in crore*

Particulars	FY 2022-23			FY 2023-24		
	Approved in MYT order	Claimed in MTR	Approved in MTR	Approved in MYT order	Claimed in MTR	Approved in MTR
Depreciation	400.36	415.13	400.36	400.36	416.84	400.36
Interest on Loan (including impact of refinancing at reduced interest rate)	286.06	275.25	224.24	249.48	244.32	195.58
Interest on Working Capital	79.65	91.90	83.51	79.63	94.57	85.63
O&M expenses	231.61	300.80	220.09	241.55	315.84	225.07
Return on Equity	436.40	499.05	436.40	436.40	501.11	436.40
Less: Non-tariff income	17.92	5.01	13.33	17.92	5.01	13.33
<b>Annual Fixed Charges</b>	<b>1416.16</b>	<b>1577.12</b>	<b>1351.27</b>	<b>1389.50</b>	<b>1567.67</b>	<b>1329.70</b>

### 4.2 APPLICABILITY

- 4.2.1 The Commission directs the Petitioner to recover/adjust the difference in revenue recoverable in accordance with the Tariff approved in this Order vis-à-vis the Tariff charged from April 2022. For FY 2023-24, the Generation Tariffs are applicable w.e.f. 01.04.2023.

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**4.3 COMMISSION'S DIRECTIVES**

4.3.1 The Commission's earlier Directives and new Directives issued in this Order are enclosed at Appendix.

**This Order is corrected and signed on this the 23<sup>rd</sup> day of March, 2023.**

Sd/-	Sd/-	Sd/-
(BANDARU KRISHNAIAH)	(M. D. MANOHAR RAJU)	(T.SRIRANGA RAO)
MEMBER	MEMBER	CHAIRMAN

**//CERTIFID COPY//**



## **Appendix Commission's Directives**

### **EARLIER DIRECTIVES**

#### **1. Coal Swapping**

SCCL should actively pursue the issue of coal allocation for its generating station with the Ministry of Coal so that the cumbersome task of transportation of coal from NAINI coal block in Odisha and associated losses in quantity and GCV could be mitigated by procuring coal from its own mines which are closer to its generating station.

### **New Directives**

#### **2. Separate Accounts**

SCCL shall maintain separate books of accounts for Power Generation activity.

#### **3. True-up for FY 2019-20 to FY 2021-22**

The Commission directs SCCL to bill to the beneficiaries' viz., TSDISCOMs the claim towards total sharing/passing through of gains/losses approved in this Order as per the AFC and other charges approved after trueing-up in MTR for the period from FY 2019-20 to FY 2021-22.

#### **4. Revised AFC for FY 2022-23 & 2023-24**

The Commission directs the Petitioner to recover/adjust the difference in revenue recoverable in accordance with the Tariff approved in this Order vis-à-vis the Tariff charged from April 2022. For FY 2023-24, the Generation Tariffs are applicable w.e.f. 01.04.2023.

#### **5. Efficiency improvement measures**

The Commission directs SCCL to submit the status of the efficiency improvement measures implemented by SCCL and the results of the same in its End-control period Review Petition.

**Annexure-I  
Public Notice**

Newspaper clippings appeared in NAMASTHE TELANGANA and EENADU on 15.12.2022

**గౌరవనీయ తెలంగాణ స్టేట్ ఎలక్ట్రిసిటీ రెగ్యులేటరీ కమిషన్**  
డి.ఎం.11-4-860, 5వ అంతస్తు, సింగరేణి భవన్, రెడ్ హిల్స్, హైదరాబాద్- 500004 సమక్షంలో  
**ది సింగరేణి కాలరీస్ కంపెనీ లిమిటెడ్**  
(ప్రభుత్వ కంపెనీ)  
**బహిరంగ ప్రకటన**

1. యావన్యూండిడ్ ఇంచుమూలముగా తెలియజేయునది ఏమనగా FYs 2019-2022 కారకు సింగరేణి డర్బల్ పవర్ ప్లాంట్ (ఎస్టిపిపి) - 2 X 800 MW నిమిత్తం మధ్యంతర సమీక్ష మరియు జనరేషన్ టారిఫ్ ను పెంచుటకు మరియు FYs 2022-2024 కారకు సవరించిన టారిఫ్ యొక్క ఆమోదం నిమిత్తం 2019లోని "జనరేషన్ టారిఫ్ నియమ నిబంధనలు" రెగ్యులేషన్ నెం.1లోని నిబంధనల క్రింద మరియు విద్యుత్ చట్టం, 2003లోని సెక్షన్ 82 మరియు 86(1)(ఎ) మరియు 86(1)(బి) క్రింద ది సింగరేణి కాలరీస్ కంపెనీ లిమిటెడ్ (SCCL), తెలంగాణ స్టేట్ ఎలక్ట్రిసిటీ రెగ్యులేటరీ కమిషన్ (TSERC) సమక్షంలో అర్జీని దాఖలు చేసినది. ఈ పైలింగ్ ఓ.పి. నెం. 77/2022 కేటాయింపుచేతం ద్వారా గౌరవనీయ కమిషన్ కేసుకరించబడినది మరియు రికార్డులోకి తీసుకోబడినది.

2. పైన తెలిపిన పైలింగ్ దీప్ (ఐ అండ్ ఎం) కార్యాలయం, పవర్ ప్రాజెక్ట్ ఎస్సిసిఎల్, నెం.11-4-860, 5వ అంతస్తు, సింగరేణి భవన్, రెడ్ హిల్స్, హైదరాబాద్, తెలంగాణ, 500004 నందు లభిస్తాయి. ఆసక్తిగల వ్యక్తులు/ స్టేట్ హోల్డింగ్ కార్యాలయ వేళ్లలో సదరు పైలింగ్ ను ఉచితంగా తనిఖీ చేసుకోవచ్చును/ చదువుకోవచ్చును మరియు ప్లాట్ చేసుకోవచ్చును. ఈ పైలింగ్ యొక్క హార్డు కాపీని కూడా పోస్టాఫీసు ద్వారా పోస్టాఫీసు ద్వారా పై కార్యాలయం నుండి పొందవచ్చును. అంతేకాక ఈ పైలింగ్ డాస్ లోడ్ చేసుకునే పార్ట్ నెట్లో [www.scclmiles.com](http://www.scclmiles.com) నందు కూడా లభిస్తాయి మరియు వీటిని [www.tserc.gov.in](http://www.tserc.gov.in) నందు చూడవచ్చును.

3. సదరు పైలింగ్ పై ఆక్షేపణలు/ సలహాలు ఏదేని ఉంటే, మధ్యంగా ఆధారాలతో దీప్ (ఐ అండ్ ఎం) కార్యాలయం, పవర్ ప్రాజెక్ట్, నెం. 11-4-860, 5వ అంతస్తు, సింగరేణి భవన్, రెడ్ హిల్స్, హైదరాబాద్, తెలంగాణ, 500004 (ఇమెయిల్: [ed\\_stpp@scclmiles.com](mailto:ed_stpp@scclmiles.com)) కు స్వయంగా లేదా రిజిస్టర్డ్ పోస్టు ద్వారా 12.01.2023 సా. 5 గం.లోగా చేరేలా పంపవలెను. దీని ఒక కాపీని పైన తెలిపిన చిరునామాపై కమిషన్ సెక్రటరీ, టిఎస్ఎలెసిసి కు కూడా దాఖలు చేయవలెను. ఆక్షేపణలు/ సలహాలు తగువిధంగా సంతకం చేయబడి ఉండవలెను మరియు సదరు ఆక్షేపణలు/ సలహాలను పంపే వ్యక్తుల/ స్టేట్ హోల్డింగ్ హార్డు కాపీ మరియు తపాలా చిరునామా, ఇమెయిల్ ఐడి మరియు కాంటాక్ట్ నెంబరు కలిగియుండవలెను. ఏదేని సంస్థ లేదా ఏదేని వినయోగదారుల తేలిగిరి తరఫున ఆక్షేపణలు/ సలహాలు దాఖలు చేయబడినట్లయితే, స్పష్టంగా పేర్కొనవలెను. ఆక్షేపణదారు స్వయంగా విచారణలో పాల్గొనదలచినచో అవిషయాన్ని కూడా స్పష్టంగా పేర్కొనవలెను.

4. సదరు ఆక్షేపణలు/ సలహాలకు ఈ క్రింది వివరాలను జతపరచవలెను:

<b>ఆక్షేపణదారుని పేరు మరియు పూర్తి చిరునామాతోపాటు ఇమెయిల్ ఐడి మరియు కాంటాక్ట్ నెంబరు</b>	<b>ఎస్సిసిఎల్ యొక్క పైలింగ్ మీద ఆక్షేపణలు/ సలహాల సంక్షిప్త వివరాలు</b>	<b>ఎస్సిసిఎల్ కార్యాలయం వద్ద అందజేసిన ఆక్షేపణలు/ సలహాల యొక్క కాపీ మరియు రుజువుని జతపరిచారా (అవును/ లేదు)</b>	<b>ఆక్షేపణదారు స్వయంగా విచారణలో పాల్గొనదలచారా (అవును/ లేదు)</b>
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5. ఎస్సిసిఎల్ యొక్క పైలింగ్ సారాంశం దిగువ షెడ్యూలులో ఇవ్వబడినది.

6. ఈ విషయంలో తెలంగాణ స్టేట్ ఎలక్ట్రిసిటీ రెగ్యులేటరీ కమిషన్ 30-01-2023 (సోమవారం) ఉ.11.00 గం. నుండి టిఎస్ఎలెసిసి యొక్క కోర్టు హాలు, 5వ అంతస్తు, సింగరేణి భవన్, రెడ్ హిల్స్, హైదరాబాద్ నందు బహిరంగ విచారణను నిర్వహించ దలచినది.

**డైరెక్టర్ (పైనాఫ్)**  
ది సింగరేణి కాలరీస్ కంపెనీ లిమిటెడ్

**షెడ్యూలు**

FYs 2019-2022 కారకు సింగరేణి డర్బల్ పవర్ ప్లాంట్ (ఎస్టిపిపి) - 2 X 800 MW నిమిత్తం మధ్యంతర సమీక్ష మరియు జనరేషన్ టారిఫ్ ను పెంచుటకు మరియు FYs 2022-2024 కారకు సవరించిన టారిఫ్ యొక్క ఆమోదం నిమిత్తం ఎస్సిసిఎల్ యొక్క పైలింగ్

వివరాలు	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
మొత్తం క్లెయిమ్ (రూ. కోట్లలో)	93.54	208.99	141.30	160.96	178.17
నెట్ ఎక్స్ ఐస్ జనరేషన్ (MU)	8671.23	6895.33	8807.57	8421.43	8444.50
విద్యుత్ వ్యయంలో సగటు పెరుగుదల (రూ./ Kwh)	0.11	0.30	0.16	0.19	0.21

**గమనిక:**

- పైన సూచించబడిన మొత్తము క్లెయిమ్ అనేది గౌరవనీయ టిఎస్ఎలెసిసిచే ఆమోదించబడిన ఇప్పుటి వార్షిక రెవెన్యూ అవశ్యకతపై కోరబడిన పెరుగుదలకు అవసరమైయున్నది.
- FY 2022-23 & FY2023-24 కారకు నెట్ ఎక్స్ ఐస్ జనరేషన్ అనేది నిబంధనల ఆధారంగా అంచనా వేయబడినది.

**DIPR RO.No.10113-PP/CL/ADVT/1/2022-23, తేది: 14.12.2022**

Newspaper clippings appeared in DECCAN CHRONICLE and THE HINDU on 15.12.2022

**BEFORE THE HONOURABLE  
 TELANGANA STATE ELECTRICITY REGULATORY COMMISSION  
 D.No.11-4-660, 5th Floor, Singareni Bhavan, Red Hills, Hyderabad 500 004**

**THE SINGARENI COLLIERIES COMPANY LIMITED  
 (A Government Company)**



**PUBLIC NOTICE**

1. Notice is hereby given to all that the Singareni Collieries Company Limited (SCCL) has filed a petition before the Telangana State Electricity Regulatory Commission (TSERC) u/s 62 and 86(1)(a) & 86(1)(b) of the Electricity Act, 2003 and under the provisions of "Terms and Conditions of Generation Tariff" Regulation No.1 of 2019 for Mid-term review and for true-up of generation tariff for Singareni Thermal Power Plant (STPP) of 2x600 MW for FYs 2019-2022, and for approval of revised tariff for FYs 2022-2024. These filings have been admitted and taken on record by the Hon'ble Commission by assigning O.P.No.77 of 2022.

2. Copies of referred filings are available in the office of Chief (E&M), Power Projects, SCCL, #11-4-660, 3rd floor, Singareni Bhavan, Red Hills, Hyderabad, Telangana, 500004. Interested person(s)/stakeholder(s) may inspect/peruse said filings and take note thereof during office hours at free of charge. Also, hard copy of these filings can be obtained from the above office on payment of photocopying charges. Further, filings are also made available on [www.scclmines.com](http://www.scclmines.com) in downloadable format and same may be accessed at [www.tserc.gov.in](http://www.tserc.gov.in).

3. Objections/suggestions, if any, on filings, together with supporting material may be sent to the office of Chief (E&M), Power Projects, #11-4-660, 3rd floor, Singareni Bhavan, Red Hills, Hyderabad, Telangana, 500004 (Email: [ed\\_stpp@scclmines.com](mailto:ed_stpp@scclmines.com)) in person or through Registered Post so as to reach on or before 12.01.2023 by 5 pm. A copy of same must also be filed with the Commission Secretary, TSERC at address mentioned above. The objections/suggestions should be duly signed and should carry full name, postal address, e-mail id and contact number of the person(s)/stakeholder(s) sending objections/suggestions. If objections/suggestions are filed on behalf of any organization or any category of consumers, it should be clearly mentioned. If the objector also wants to be heard in person it may also be specifically mentioned.

4. The objections/suggestions should accompany the following statement.

Name & full address of the Objector along with e-mail id and contact number	Brief details of objections/suggestions against filings of SCCL.	Whether copy of objections/suggestions & proof of delivery at SCCL's office enclosed (Yes/No)	Whether Objector wants to be heard in person (Yes/No)
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5. The gist of filings of SCCL are indicated in Schedule given below.  
 6. In this matter the Telangana State Electricity Regulatory Commission intends to conduct a Public Hearing in the Court Hall of TSERC, 5th Floor, Singareni Bhavan, Red Hills, Hyderabad on 30.01.2023 (Monday) from 11:00 hrs onwards.

Place: Hyderabad  
 Date: 15.12.2022

Director (Finance)  
 The Singareni Collieries Company Limited

**SCHEDULE**

Filings of SCCL for Mid-term review and for true-up of generation tariff for Singareni Thermal Power Plant (STPP) of 2x600 MW for FYs 2019-2022, and for approval of revised tariff for FYs 2022-2024

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total Claim (Rs.Crores)	93.54	208.99	141.30	160.96	178.17
Net Ex bus generation (MU)	8671.23	6895.33	8807.57	8421.43	8444.50
Average increase in cost of electricity (Rs/Kwh)	0.11	0.30	0.16	0.19	0.21

Notes: 1. Total claim indicated above is the required increase sought now over Annual revenue requirement approved by Hon'ble TSERC.  
 2. Net Ex bus generation for FY2022-23 & FY2023-24 is estimated based on norms.

DIPR R.O. No : 1043-PP/CL-AGENCY/ADVT/1/2022-23, Date: 14-12-2022

Newspaper clipping appeared in SIASAT on 15.12.2022

# عزت مآب تلنگانہ اسٹیٹ الیکٹریسٹی ریگولیشن کمیشن کے روبرو

ڈی نمبر 4-660-11، پانچویں منزل، سنگارینی بھون، ریٹھ ملز، حیدرآباد-500004

## دی سنگارینی کارپوریشن کمیٹی لمیٹیڈ (ایک سرکاری کمپنی)



### اعلان عام

1- تمام کو اس بات کی اطلاع دی جاتی ہے کہ سنگارینی کارپوریشن لمیٹیڈ (SCCL) نے تلنگانہ اسٹیٹ الیکٹریسٹی ریگولیشن کمیٹی (TSERC) کے نوینڈ الیکٹریسٹی ایکٹ 2003 کی دفعات 62 اور 86(1)(a) اور 86(1)(b) کے تحت درخواست دائر کی ہے اور یہ درخواست 15 دسمبر 2019ء کے ترمیم شدہ نوٹس (شرح) کی شرائط اور ضوابط نمبر 1 کے تحت بھی دائر کی گئی تاکہ سنگارینی کارپوریشن پاور پلانٹ (STPP) کے مالی سال 2019-2022ء کے لئے 2x600 میگا واٹ برقی کے لئے برقی اور تھرپائی شدہ نمبر 1 کی شرح (ترمیم شدہ نوٹس) میں جو فرق پایا جاتا ہے اسے الاٹ کرنے کے واسطے جواز دہا جائے۔ اس درخواست کی تاریخ 15 دسمبر 2019ء اور 2022-2024ء کی حکومتی کیلئے بھی یہ عرضی دائر کی گئی ہے۔ یہ تمام چیزیں قبول کی گئیں اور وزارت آف پاور نے اپنی نمبر 77 سال 2022ء کی منظوری کی ہے۔

2- مطالبہ کی گئی دستاویزات کی نقل و کپی (ای ایچ ایم) پاور پلانٹ (ای ایچ ایم) ایس سی سی ایل 11-4-660-11، تیسری منزل سنگارینی بھون، ریٹھ ملز، حیدرآباد، تلنگانہ 500004 پر دستاویزات کی نقل و کپی رکھنے والے دفتر دائرہ کار اور دیگر اداران دستاویزات کا معائنہ ملاحظہ کر سکتے ہیں اور دستری اوقات کے دوران منت لوت کر سکتے ہیں۔ اگر دستری سے مزید دستری (ٹو ٹو کلائنگ) کے چارجس ادا کرتے ہوئے مذکورہ دفتر سے ان دستاویزات کی کاپی حاصل کی جا سکتی ہے۔ مزید برآں یہ دستاویزات (ٹو ٹو کلائنگ) کے چارجس ادا کر کے [www.sccmines.com](http://www.sccmines.com) پر بھی ڈاؤن لوڈ کے قابل قرار دے دیئے گئے ہیں اور اسے [www.tserc.gov.in](http://www.tserc.gov.in) پر سے بھی حاصل کیا جا سکتا ہے۔

3- ان ٹو ٹو کلائنگ دستاویزات پر اعتراضات درمیان میں تو پھر مواد کے ساتھ شخصی طور پر یا پھر رجسٹرڈ پوسٹ کے ذریعہ یا پھر ای میل ([ed\\_stpp@sccmines.com](mailto:ed_stpp@sccmines.com)) پر بھیج سکتے ہیں۔ شخصی طور پر یا رجسٹرڈ پوسٹ کے ذریعہ اعتراضات درمیان میں دفتر چیف (ای ایچ ایم) پاور پلانٹ ایس سی سی ایل 11-4-660-11، تیسری منزل سنگارینی بھون، ریٹھ ملز، حیدرآباد، تلنگانہ 500004 پر داخل کیے جائیں گے اور یہ اعتراضات درمیان میں 12.01.2023 کو شام 5 بجے تک بھیجی جانی چاہئے اور اس کی نقل کمیٹی کے ذریعہ TSERC کو ذمہ دہ پر داخل کریں۔ اعتراضات درمیان میں اگر اعتراضات درمیان میں کسی تنظیم یا ادارے کے کسی افسر یا شخص کی طرف سے اعتراضات کی نقل اور فرم دائر اور دیگر کارٹوننگ کی شرح کی وضاحت کی جانا چاہئے۔ اگر اعتراضات درمیان میں کسی تنظیم یا ادارے کے کسی افسر یا شخص کی جانب سے اعتراضات کی نقل اور فرم دائر اور دیگر کارٹوننگ کی شرح کی وضاحت کی جانا چاہئے اور اگر اعتراضات کرنے والا جانتا ہے کہ ان کے خیالات کی سماعت شخصی طور پر کی جائے، اس کا بھی خاص طور پر اعلان کیا جا سکتا ہے۔

4- اعتراضات درمیان میں دی گئی تفصیلات کے ساتھ داخل کیے جاتے ہیں۔

اعتراض کنندہ کا نام اور مکمل پتہ معذوقہ نمبر و ای میل آئی ڈی	ایس سی سی ایل کی پبلسٹکس کے خلاف اعتراضات، مشوروں کی مختصر تفصیلات	آیا اعتراضات درمیان میں اور ایس سی ایل کے دفتر پر ان کی ڈیپلوری کے ثبوت کی نقل خشک کی گئی (ہاں نہیں)	آیا اعتراضات کی شخصی طور پر سماعت کی گئی (ہاں نہیں)
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5- ذیل میں دیے گئے شیڈول میں SCL کے پبلسٹکس کے خلاف کے مشورے دیئے گئے ہیں۔

6- اس معاملہ میں تلنگانہ اسٹیٹ الیکٹریسٹی ریگولیشن کمیٹی (TSERC) کو 11 بجے سے 30.01.2023 (بدھ) کو 11 بجے سے TSERC کورٹ ہل، پانچویں منزل سنگارینی بھون، ریٹھ ملز، حیدرآباد میں عوامی سماعت منعقد کرنے کا ارادہ رکھی ہے۔

ڈائریکٹر (ٹیکنیشن)  
دی سنگارینی کارپوریشن کمیٹی لمیٹیڈ  
تاریخ: 15.12.2022

### شیڈول

2x600 میگا واٹ کے سنگارینی کارپوریشن پاور پلانٹ (STPP) کے واسطے جواز دہا اور ترمیم شدہ نوٹس کے تحت ایس سی سی ایل کے مالی سال 2019-2022ء کی واسطے جواز دہا اور تھرپائی شدہ نمبر 1 کے مالی سال 2022-2024ء کی حکومتی کیلئے

تفصیلات	مالی سال 2019-20	مالی سال 2020-21	مالی سال 2021-22	مالی سال 2022-23	مالی سال 2023-24
میلر معاوضہ کارٹوننگ	93.54	208.99	141.30	160.96	178.17
تقدیم ایس بیس جزیشن (MU)	8671.23	6895.33	8807.57	8421.43	8444.50
الیکٹریسٹی کی قیمت میں اوسط اضافہ (روپے Kw/hr)	0.11	0.30	0.16	0.19	0.21

نوٹ: 1- جدول بالا میں جن رقموں یا مطالبہ معاوضہ کا اشارہ دیا گیا، وہ درحقیقت اضافہ ہے۔ جب کہ TSERC کی حکومتی شرحہ سالانہ آئی ہے۔  
2- بیس ایس بیس جزیشن کے مالی سال 2022-23 اور مالی سال 2023-24 کے مابین اضافہ کی بنیاد پر لگا گیا ہے۔

(DIPPR.O.No.: 1043-PP/CL-AGENCY/ADV/1/2022-23, Date: 14-12-2022)

### Annexure-II

#### List of stakeholders who submitted written Objections/Suggestions

Sl. No.	Name and address of the stakeholder
1	Sri M.Venugopala Rao, Senior Journalist & Convenor, Centre for Power Studies, H.No.1-100/MP/101, Monarch Prestige, Journalists' Colony, Gopanpally, Serlingampally Mandal, Hyderabad 500 032
2	Sri M.Thimma Reddy, Convenor, People's Monitoring Group on Electricity Regulation, 139, Kakatiyanagar, Hyderabad 500 008
3	Southern Power Distribution Company of Telangana Ltd., Corporate Office, 6-1-50, Mint Compound, Hyderabad 500 063

### Annexure-III

#### List of stakeholders who participated in Public Hearing held on 30.01.2023

Sl. No.	Name and address of the stakeholder
1	Sri M.Venugopala Rao, Senior Journalist & Convenor, Centre for Power Studies, H.No.1-100/MP/101, Monarch Prestige, Journalists' Colony, Gopanpally, Serlingampally Mandal, Hyderabad – 500 032
2	M/s Southern Power Distribution Company of Telangana Ltd., Corporate Office, 6-1-50, Mint Compound, Hyderabad



**Annexure - D : TGERC True up for FY  
2022-23 & MYT for FY 2024-25 to FY  
2028-29 order dated 28.06.2024**







**TELANGANA ELECTRICITY REGULATORY COMMISSION**  
5<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Lakdi-ka-pul, Hyderabad 500 004

**ORDER**

**ON**

**TRUE UP FOR FY 2022-23  
AND  
MULTI YEAR TARIFF (MYT)  
FOR FY 2024-25 TO FY 2028-29**

**FOR**

**SINGARENI THERMAL POWER PROJECT  
(2x600 MW) OF  
THE SINGARENI COLLIERIES COMPANY LIMITED**

**28.06.2024**

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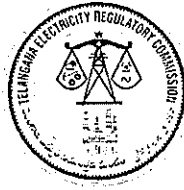
A&G	Administrative and General
ACT	The Electricity Act, 2003
AAD	Advance Against Depreciation
AFC	Annual Fixed Charges
APTEL	Appellate Tribunal for Electricity
ARR	Aggregate Revenue Requirement
BFP	Boiler Feed Pump
BHEL	Bharat Heavy Electricals Limited
BMCR	Boiler maximum continuous rating
BoP	Balance of Plant
BTG	Boiler, Turbine and Generator
CCDAC	Coal Conservation & Development Advisory Committee
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CFB	Circulating Fluidised Bed
CFL	Compact Fluorescent Lamps
CIL	Coal India Limited
CIP	Capital Investment Plan
CISF	Central Industrial Security Force
CPCB	Central Pollution Control Board
COD	Commercial Operation Date
CPI	Consumer Price Index
CSR	Corporate Social Responsibility
DC	Designated Consumer
DMFT	District Mineral Foundation Trust
DPR	Detailed Project Report
EA 2003	Electricity Act, 2003
EPC	Engineering, Procurement and Construction
EPCA	Environment Pollution Control Authority
ERP	Enterprise Resource Planning
ESP	Electrostatic Precipitator
FGD	Flue Gas Desulphurisation
FSA	Fuel Supply Agreement
FY	Financial Year
GCV	Gross Calorific Value
GFA	Gross Fixed Assets
GoT	Government of Telangana
GSHR	Gross Station Heat Rate
GST	Goods and Services Tax
HPSV	High-Pressure Sodium Vapour Lamps
ICB	International Competitive Bidding
IDC	Interest During Construction
IDCT	Induced Draft Cooling Tower
Ind AS	Indian Accounting Standard
IoWC	Interest on Working Capital
IT	Information Technology
kcal	kilo calories
kg	Kilogram
KTPP	Kakatiya Thermal Power Plant
kWh	Kilo Watt hour

MAT	Minimum Alternative Tax
MCLR	Marginal Cost of Funds based Lending Rate
MGR	Merry-Go-Round
MMT	Million Metric Tonne
MoC	Ministry of Coal
MoEF&CC	Ministry of Environment, Forest & Climate Change
MoP	Ministry of Power
MoU	Memorandum of Understanding
MU	Million Units
MW	Mega Watt
MYT	Multi Year Tariff
NAPAF	Normative Annual Plant Availability Factor
NAPLF	Normative Annual Plant Load Factor
NH	National Highway
NHAI	National Highways Authority of India
NIT	Notice Inviting Tender
NO <sub>x</sub>	Nitrogen oxides
NTPC	National Thermal Power Corporation Limited
O&M	Operations and Maintenance
O.P.	Original Petition
OEM	Original Equipment Manufacturer
OFC	Optical Fibre Communication
PAF	Plant Availability Factor
PAT	Perform, Achieve and Trade
PFC	Power Finance Corporation
PLF	Plant Load Factor
PPA	Power Purchase Agreement
PSC	Pre-Stressed Concrete
PVC	Price Variation clause
R&M	Repairs & Maintenance
RCC	Reinforced Cement Concrete
RCE	Revised Capital Expenditure
RDO	Revenue Division Officer
REC	Rural Electrification Corporation
RITES	Rail India Technical and Economic Service
RoE	Return on Equity
Rs.	Rupees
RUB	Railway Under Bridge
S&T	Signalling and Telecommunication
SBI	State Bank of India
SCCL	Singareni Collieries Company Limited
SLC	Standing Linkage Committee
SLDC	State Load Despatch Centre
SMET	State Mineral Exploration Trust
SPCB	State Pollution Control Board
SO <sub>x</sub>	Sulphur Oxides
SPCB	State Pollution Control Board
TNSEB	Tamil Nadu State Electricity Board
TGERC	Telangana Electricity Regulatory Commission
TGGENCO	Telangana Power Generation Corporation Limited
TGMDC	Telangana Mineral Development Corporation
TGNPDCL	Northern Power Distribution Company of Telangana Limited
TGPCC	Telangana Power Coordination Committee

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TGSPDCL	Southern Power Distribution Company of Telangana Limited
TGTRANSCO	Transmission Corporation of Telangana Limited
UDL	Undischarged Liability
WPI	Wholesale Price Index





## TELANGANA ELECTRICITY REGULATORY COMMISSION

5<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Lakdi-ka-pul, Hyderabad 500 004

**O.P.No.4 of 2024**

**Dated 28.06.2024**

**Present**

Sri. T. Sriranga Rao, Chairman  
Sri. M. D. Manohar Raju, Member (Technical)  
Sri. Bandaru Krishnaiah, Member (Finance)

Between:

The Singareni Collieries Company Limited,  
Kothagudem Collieries, Bhadradi Kothagudem District 507 101. ... Petitioner.

AND

1. Southern Power Distribution Company of Telangana Limited,  
Corporate Office, # 6-1-50, Mint Compound, Hyderabad 500 063;
2. Northern Power Distribution Company of Telangana Limited,  
H.No.2-5-31/2, Corporate Office, Vidyut Bhavan, Nakkalagutta,  
Hanamkonda, Warangal 506 001. ... Respondents.

Singareni Collieries Company Limited (SCCL or petitioner) filed the Petition on 30.01.2024 under Sections 62 and 86(1)(a) & 86(1)(b) of the Electricity Act, 2003 and under the provisions of (Terms and Conditions of Generation Tariff) Regulation No.1 of 2019 for Truing-up of the Aggregate Revenue Requirement for FY 2022-23 and under the provisions of Telangana Electricity Regulatory Commission(Multi Year Tariff) Regulation No. 2 of 2023 for Multi Year Tariff for FY 2024-25 to FY 2028-29 for 2x600 MW Singareni Thermal Power Plant (STPP).

The Commission, in exercise of its powers under the Electricity Act, 2003, Regulation No.1 of 2019; Regulation No. 2 of 2023 and after considering Petitioner's submissions, suggestions and objections of the other stakeholders, responses of Petitioner, issues that are raised during the Public Hearing and all other relevant material, passed the following:

## ORDER

### Chapter-1 Introduction

#### Background

- 1.1.1 Telangana Electricity Regulatory Commission (herein referred to as TGERC or the Commission) was constituted by the Government of Telangana (GoT) in terms of the provisions of Schedule XII(C)(3) of the A.P. Reorganisation Act of 2014, read with Section 82 of the Electricity Act, 2003 (Act) vide G.O.Ms.No.3, Energy (Budget) Department, dated 26.07.2014.
- 1.1.2 The Singareni Collieries Company Limited (SCCL) is a coal mining company incorporated under the Companies Act, 1956. The Company is owned by Government of Telangana (GoT) with 51.096% shareholding. The other shareholders of the company are Government of India (GoI) and private shareholders in the ratio of 48.902% and 0.002% respectively.
- 1.1.3 SCCL has entered in the business of power generation by setting up a 2x600 MW coal based thermal power plant viz., Singareni Thermal Power Plant (STPP) in Jaipur of Mancherial District, Units I & II of STPP achieved COD on 25.09.2016 and 02.12.2016 respectively.
- 1.1.4 SCCL had entered into a Power Purchase Agreement (PPA) on 18.01.2016 with two distribution companies of Telangana (TGDiscoms) for the power generated from STPP which will be sold to them at a tariff decided by the Commission. The PPA shall remain valid for a period of 25 years from the COD of the last Unit (i.e., Unit-II).
- 1.1.5 The Commission, in its Order dated 28.08.2020 trued-up the capital cost and annual fixed charges for 2x600 MW STPP upto 31.03.2019 and determined the tariff for STPP during MYT period of FYs 2019-24.
- 1.1.6 The Commission in its Order dated 23.03.2023 trued-up the Aggregate Revenue Requirement and revenue for FY 2019-20 to FY 2021-22 and revised the Tariff for FY 2022-23 and FY 2023-24.

#### Statutory Provisions

- 1.1.7 As per Section 62 of the Electricity Act, 2003 the Commission can determine the tariff for supply of electricity by a generating company to a distribution licensee, further the Commission is empowered to determine tariff for

generation and sale of electricity within the State under Section 86(1)(a) & 86(1)(b) of the Act.

- 1.1.8 The Commission had notified (Terms and Conditions for Determination of Generation Tariff) Regulations, 2019 [Regulation No.1 of 2019] which came into force from the date of its publication in Telangana Gazette i.e., on 01.02.2019. As per clause 3.13.1 and other applicable clauses provided in Regulation No.1 of 2019 and clause 6.2 and other applicable clauses as provided in Telangana Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2023 [Regulation 2 of 2023] the SCCL is required to file a petition for truing-up of generation tariff for STPP for FYs 2022-23 and Multi Year Tariff of the Control Period FY 2024-25 to FY 2028-29 respectively. For the sake of convenience the applicable clauses of Regulation No.1 of 2019 and Regulation 2 of 2023 are reproduced below:

**Regulation No.1 of 2019**

**3.13 End of the control period Review**

- 3.13.1 *The Generating Entity shall file a petition for End of the control period Review and truing-up of the Aggregate Revenue Requirement and revenue for FY 2021-22 and FY 2022-23, and provisional truing-up for the FY 2023-24, by November 30, 2023.*

*Provided that the Petition shall include information in such form as may be stipulated by the Commission, together with the Accounting Statements, extracts of Books of Account and such other details, including cost accounting reports or extracts thereof, as it may require to assess the reasons for and extent of any difference in operational and financial performance from the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff.*

- 3.13.2 *The scope of the End of control period Review shall be a comparison of the actual operational and financial performance vis-à-vis the approved forecast for the third, fourth and fifth Year(s) of the control period;*
- 3.13.3 *Upon completion of the review under clause 3.13.2 of this Regulation, the Commission shall attribute any variations or expected variations in performance, for variables specified under clause 6.7 & clause 6.8 of this Regulation, to factors within the control of the petitioner (controllable factors) or to factors beyond its control (uncontrollable factors).*
- 3.13.4 *Any variations or expected variations in performance, for variables other than those specified under clause 6.7 of this Regulation, shall not ordinarily be reviewed by the Commission during the control period and shall be attributed entirely to controllable factors:*
- 3.13.5 *Where the petitioner believes, for any variable not specified under clause 6.7, that there is a material variation or expected variation in performance for any Year on account uncontrollable factors, it may apply to the Commission for inclusion of such variable.*

... ..  
**Regulation No.2 of 2023**

6.2 *The petitions to be filed for each control period under this Regulation are as under:*

- a) *Multi Year Tariff petition shall be filed by 30<sup>th</sup> November of the year preceding the first year of the control period by generating entity, comprising:*
  - i. *True-up of preceding year for generation business;*
  - ii. *True-up of preceding year for integrated mine;*
  - iii. *Proposal of Tariff for each year of the control period for generation business;*

**Present Petition**

- 1.1.9 SCCL has filed the present petition on 30.01.2024 in accordance with Sections 62, 86(1)(a) & 86(1)(b) of the Electricity Act, 2003 read with clause 3.13.1, and other applicable clauses provided in Regulation No.1 of 2019 for trueing-up of generation tariff from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023. SCCL has also filed the petition for Multi Year Tariff for FY 2024-25 to FY 2028-29 for 2x600 MW Singareni Thermal Power Plant (STPP) in accordance with Regulation No.2 of 2023.
- 1.1.10 SCCL has submitted that while filing present Aggregate Revenue Requirement (ARR)/Tariff proposals, the SCCL has endeavoured to comply with the various applicable legal and regulatory directions of the Commission including the directions contained in the 'Conduct of Business' Regulations, 2015 (Regulation No.2 of 2015), Regulation No.1 of 2019 and Regulation No.2 of 2023 notified by the Commission.
- 1.1.11 SCCL further submitted that based on the information available it has made bonafide efforts to comply with the directions of the Commission and discharge its obligations to the best of its abilities.

**Admission of Petition and Regulatory Process**

- 1.1.12 The petition was examined and found to be generally in order as required under Conduct of Business Regulation, 2015 (Regulation No.2 of 2015). The original petition has been taken on record by assigning the O.P.No.4 of 2024.

**Data Gaps and petitioner's Responses**

- 1.1.13 During scrutiny, the filings of the petitioner were found to be deficient in certain aspects and therefore, additional information was sought. The Commission has considered the original filings and additional information submitted by the

petitioner.

### **Public Notice**

1.1.14 The petitioner, in conformity of the Commission's directions, issued Public Notice for inviting objections/suggestions of the stakeholders on the filing of the true-up for FY 2022-23 and MYT for FY 2024-25 to FY 2028-29 in two (2) English, two (2) Telugu daily and One (1) Urdu daily newspapers on 14.02.2024 [Annexure-1(A)]. In the Public Notice it was also stated the intention of the Commission to conduct Public Hearing in the Court Hall of TGERC, 5<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Hyderabad on 08.04.2024 from 11.00 hrs onwards. The filing (along with supporting material) was hosted by the petitioner as well as the Commission on their respective websites.

1.1.15 Initially, the objections/suggestions on the filing were to be filed before the Commission by 05.03.2024. But, considering the request from the stakeholders, the Commission has extended the last date for submitting objections/suggestions on the filings to 14.03.2024. Accordingly, the petitioner has issued the revised Public Notice in the daily newspapers on 14.03.2024 [Annexure-1(B)]. Further due to administrative reasons the Public Hearing originally scheduled on 08.04.2024 was rescheduled to 19.04.2024 [Annexure-1(C)] The same information was posted and scrolled in the homepage of the website of the Commission.

### **Response to the Public Notice**

1.1.16 In response to the Public Notice, two (2) stakeholders have submitted their Objections/Suggestions on the filings of True-up for FY 2022-23 and Multi Year Tariff for the period FY 2024-25 to FY 2028-29. The list of stakeholders who submitted written objections/suggestions on filings is enclosed at Annexure-II.

1.1.17 The Petitioner was directed to furnish reply on the objections/suggestions of stakeholders in writing, marking copy of the same to the Commission, by 20.03.2024. The objections/suggestions of stakeholders and the responses of the Petitioner on the same has been posted both on the websites of the Petitioner and the Commission.

### **Public Hearing**

- 1.1.18 In the Public notice it was also stated that the Commission intended to conduct Public Hearing in the Court Hall of TGERC, 5<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Hyderabad on 08.04.2024 from 11.00 hrs onwards. Later on, due to administrative reasons, the Public hearing was scheduled on 08.04.2024 was postponed and the public hearing was rescheduled to 19.04.2024 at 11.00 am in the Court Hall of TGERC. The same information was posted on the website of the Commission.
- 1.1.19 The Commission has conducted the Public Hearing on 19.04.2024 in attendance of the Petitioner, the Respondents, and the other interested stakeholders. During the Public Hearing, the Petitioner has made a brief submission on its filings and then the Commission heard the Respondents and other stakeholders desiring to be heard. At the end, the Petitioner responded on the issues raised by the objectors and on directions of the Commission filed a written submission regarding the same. The list of persons who have presented their objections/suggestions in Public Hearing held on 19.04.2024 is enclosed at Annexure-III.

## Chapter-2 Summary of Filings

### Petitioner's Submissions

- 2.1.1 This petition is filed for approval of true-up for FY 2022-23 and Multi Year Tariff for FY 2024-25 to FY 2028-29 for 2x600 MW Singareni Thermal Power Plant.
- 2.1.2 The Petitioner has made the following submissions in their original filings and the additional submissions:
- a) Annual Accounts of SCCL for FY 2022-23;
  - b) Audited details of the break-up of Actual capital cost of STPP up to 31.03.2023.
  - c) The details of Additional Capitalisation for FY 2022-23 to FY 2023-24.

### True-up for FY 2022-23

- 2.1.3 The summary of the true-up of Aggregate Revenue Requirement for FY 2022-23 as claimed before the Commission is submitted below:

**Table 2-1: Summary of ARR as claimed for FY 2022-23**

*Rs. in crore*

Particulars	FY 2022-23		
	MYT/Tariff Order	April-March	True-Up requirement
	Approved	Audited	Claimed
Annual Fixed Charges			
Operation & Maintenance Expenses	220.09	304.61	304.61
Depreciation	400.36	400.54	400.54
Interest and finance charges on loan	224.24	266.65	266.65
Interest on Working Capital	83.51	98.65	98.65
Return on Equity	436.41	481.81	481.81
<b>Annual Fixed Charges</b>	<b>1364.61</b>	<b>1552.26</b>	<b>1552.26</b>
Energy Charges			
Energy Charge Rate (Rs./kWh)	3.347	3.343	3.343
Scheduled Energy-Ex-bus (MUs)	8741.959	8741.959	8741.959
<b>Variable Charges</b>	<b>2925.93</b>	<b>2922.44</b>	<b>2922.44</b>
Other Charges			
Incentive	0.00	16.03	16.03
water charges, Audit fee & Tariff filling fee	0.00	2.30	2.30
<b>Total Gross ARR</b>		<b>4493.03</b>	<b>4493.03</b>
Less: Non-Tariff Income	13.33	9.27	9.27
<b>ARR to be recovered from Tariff</b>		<b>4483.76</b>	<b>4483.76</b>

*\*It is observed that the values shown under MYT/Tariff Order are MTR Order revised approved values for FY 2022-23.*

**Multi-Year-Tariff for the period FY 2024-25 to FY 2028-29**

2.1.4 The AFC claimed by the SCCL for the period FY 2024-25 to FY 2028-29 is shown below:

**Table 2-2: AFC and Energy Charge claimed by the Petitioner for the period FY 2024-25 to FY 2028-29**

*Rs. in crore*

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
	n+1	n+2	n+3	n+4	n+5
	Projected	Projected	Projected	Projected	Projected
<b>Annual Fixed Charges</b>					
Operation & Maintenance Expenses	356.20	376.17	397.25	419.52	443.05
Depreciation	403.52	404.17	404.17	404.17	404.17
Interest and finance charges on loan	217.44	181.14	144.14	107.15	70.15
Interest on Working Capital	96.66	96.59	96.49	96.37	96.39
Return on Equity	485.68	486.33	486.33	486.33	486.33
Less: Non-Tariff Income	3.90	4.09	4.29	4.51	4.73
<b>Annual Fixed Charges</b>	<b>1555.60</b>	<b>1540.30</b>	<b>1524.09</b>	<b>1509.04</b>	<b>1495.35</b>
<b>Energy Charges</b>					
Energy Charge Rate (Rs./kWh)	3.876	3.876	3.876	3.876	3.876
Scheduled Energy-Ex-bus (MUs)	8794.656	9055.238	9055.238	9081.297	9055.238
<b>Energy Charges</b>	<b>3408.81</b>	<b>3509.81</b>	<b>3509.81</b>	<b>3519.91</b>	<b>3509.81</b>
<b>Other Charges</b>					
Incentive	18.66	31.69	31.69	31.84	31.69
Water charges, Audit fee & Tariff filling fee	0.00	0.00	0.00	0.00	0.00
<b>Sub Total (Other Charges)</b>	<b>18.66</b>	<b>31.69</b>	<b>31.69</b>	<b>31.84</b>	<b>31.69</b>
<b>Grand Total</b>	<b>4983.07</b>	<b>5081.80</b>	<b>5065.59</b>	<b>5060.79</b>	<b>5036.85</b>

**Energy Charges for the period FY 2024-25 to FY 2028-29**

2.1.5 The Energy Charge Rates (ECR) projected by SCCL for FY 2024-25 to FY 2028-29 is as shown in the Table below:

**Table 2-3: Summary of ECR as claimed by the Petitioner for the period FY 2024-25 to FY 2028-29**

*Rs. in crore*

Particulars	Units	2024-25	2025-26	2026-27	2027-28	2028-29
		n+1	n+2	n+3	n+4	n+5
		Projected	Projected	Projected	Projected	Projected
Auxiliary Consumption	%	5.75	5.75	5.75	5.75	5.75
Gross Station Heat Rate	kcal/kWh	2300	2300	2300	2300	2300
Secondary Fuel oil consumption	ml/kWh	0.5	0.5	0.5	0.5	0.5
Calorific Value of Secondary Fuel	kcal/ml	10.00	10.00	10.00	10.00	10.00
Landed Price of Secondary Fuel	Rs./ml	0.07	0.07	0.07	0.07	0.07
Gross Calorific Value of Coal	kcal/kg	3719.48	3719.48	3719.48	3719.48	3719.48
Landed Price of Coal	Rs./kg	5867	5867	5867	5867	5867
Specific Coal Consumption	kg/kWh	0.617	0.617	0.617	0.617	0.617



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Particulars	Units	2024-25	2025-26	2026-27	2027-28	2028-29
		n+1	n+2	n+3	n+4	n+5
		Projected	Projected	Projected	Projected	Projected
Rate of Energy Charge from Primary Fuel	Rs./kWh	3.841	3.841	3.841	3.841	3.841
Rate of Energy charges from Secondary Fuel	Rs./kWh	0.035	0.035	0.035	0.035	0.035
<b>ECR</b>	<b>Rs./kWh</b>	<b>3.876</b>	<b>3.876</b>	<b>3.876</b>	<b>3.876</b>	<b>3.876</b>

### **Chapter-3**

## **Issues raised by Stakeholders, responses of Petitioner and Commission's View**

### **Objections/suggestions made on filings**

- 3.1.1 Two (2) stakeholders have filed objections/suggestions on true-up of STPP for FY 2022-23 and on MYT for the period FY 2024-25 to FY 2028-29. The Petitioner has filed replies on the objections/suggestions received from the stakeholders. For the sake of clarity, the objections/suggestions raised by the stakeholders and responses of the Petitioner have been consolidated and summarised issue-wise. The Commission has concluded all the objections/suggestions of the stakeholders made in writing and the responses to them by the Petitioner.

### **General**

#### **Stakeholders' Submissions**

- 3.1.2 The Stakeholders objected to the 3<sup>rd</sup> prayer of the Petition where the Petitioner has sought orders not to apply the components of normative / operational parameters stipulated in the Regulation No.2 of 2023, which are less beneficial to STPP Project.
- 3.1.3 At the outset, the stakeholders submitted that the Petitioner's 3<sup>rd</sup> prayer is in absolute contravention to the Tariff Regulation No. 2 of 2023 as well as the provisions of the PPA (Preamble) as extracted below:
- "The terms and conditions of the Power Purchase Agreement are as per prevailing TSERC regulations and any changes in TSERC regulations that may occur in future shall be applicable for all operating norms or any other parameters."*
- 3.1.4 Since the PPA between the parties is sacrosanct and binding upon the parties, while the Tariff Regulations are statutory in character and binding on all the regulated entities including the Petitioner, hence, the 3<sup>rd</sup> prayer of the Petitioner for selective application of norms /parameters of Tariff Regulation 2 of 2023 to its STPP Project, is legally not sustainable and the Commission is requested to dismiss the same.
- 3.1.5 Further the Stakeholders have submitted that before taking up the exercise of tariff determination for STPP Project for the Control period FY 2024-29, the Commission is required to undertake the trueing-up of expenditure / tariff claimed

by the Petitioner, vis-a-vis the Tariff approved by the Commission for the previous Control period FY 2019-24, vide its orders dated 28<sup>th</sup> August 2020 in O.P.No.5 of 2019 & batch and also the orders dated 23<sup>rd</sup> March 2023, passed by the Commission in the Mid-Term Review order in the Petition, O.P.No.77 of 2022 filed by the Petitioner, where-under the Commission has approved revised Annual Fixed Charges (AFC) for FY 2022-23 to FY 2023-24, after taking into account the truing up of expenditure of STPP up to FY 2021-22. The Petitioner is obligated to file the True-up Petition for the balance period previous Control period (FY 2022-23 to FY 2023-24) in pursuance of the aforesaid Mid-term Review order, since the closing balances of outstanding Debt and Equity (as approved in the said order) as on 31<sup>st</sup> March 2024 would become the opening balances on 1<sup>st</sup> April 2024 for Tariff determination for the next Control period FY 2024-29. However, since the FY 2023-24 is yet to be completed and audited figures for FY 2023-24 would not be available to the Petitioner, as such, the Commission may undertake the exercise of Tariff determination for Multi Year Tariff for the Control Period from FY 2024-29 based on the Actual audited figures of expenditure for FY 2022-23 subject to prudence check while the truing up of expenditure for FY 2023-24 can be taken up subsequently in the Mid-Term Performance Review.

- 3.1.6 The Commission is also required to take into account, the Capital Investment Plan and Business Plan Petitions filed by the Petitioner for the next Control period (FY2024-29) under O.P.No.25 of 2023 and O.P. No. 26 of 2023 and the order passed by the Commission in these Petitions, as any Additional Capitalization, if approved in the said Petitions, would add to the outstanding Debt and Equity as on 1<sup>st</sup> April, 2024, viz., the beginning of the Control period FY 2024-29, which parameters will be used in the Tariff computation.
- 3.1.7 The Commission needs to apply 61(d) of electricity act 2003 for determination of the MYT tariff. This clause provides safe guarding consumers interest and at the same time recovery of electricity cost in a reasonable manner. Thereby only reasonable cost has to be allowed.

***Petitioner's Resplies***

- 3.1.8 The Petitioner has submitted that the requirement of stringent future norms would be proper only if the present norms are giving over achievement to

generator. But, where the normative figures are unachievable in FY 2019-24, more stringent norms for future period FY 2024- 29 would make the generator to go worse than present situation as it would impact more & more under-recovery for the generating station. Therefore, such more stringent regulation is of no use and in fact contradicts section 61 of Electricity act 2003.

- 3.1.9 As regards the true up and MYT exercise to be taken by the Commission, the Petitioner has submitted that these are mainly reproduction of some figures and rules. The Commission was requested by the stakeholders in para 6 that the tariff determination to be undertaken for Multiyear tariff FY 2024-29 based on Actual audited figures of expenditure for FY 2022-23 subject to prudence check while truing up of expenditure for FY 2023-24 can be taken up subsequently in the Midterm review. To this extent we agree to the procedure for truing up and determination of multi-year tariff for FY 2024-29.
- 3.1.10 The stakeholders themselves have raised the point on recovery of cost on which SCCL submits that the recovery does not depend-only on billing as per tariff but also rely on the consequential compliance of payment for admitted bills. The TGDIsoms have canvassed that generator is entitled for interest on the due amount. But the TGDIsoms, Oblivious of the rules passed on 03.06.2022 by the Government of India to the effect that if the TGDIsoms failed to provide payment security mechanism and failed to pay monthly bills for two months the generator is entitled to terminate the PPA and sell power in open access. If the contention of TGDIsoms is to be accepted, no bank/ financial institution in the country should take recovery steps on the ground that they are entitled for interest for the delay occurred in payment on due date.
- 3.1.11 In the public hearing, the objector raised the point on accumulated dues not paid by TGDIsoms so far and expressed anguish on this aspect.

***Commission's View***

- 3.1.12 The Commission while issuing this Order has taken into account the broader objective of the Electricity Act 2003. The Commission has also considered the regulatory integrity while safeguarding the interests of all stakeholders involved.
- 3.1.13 As regards the relaxation in norms for operational parameters, the Commission is of the view that the MYT Regulation 2 of 2023 were framed after due consultation process and the norms for operational parameters have been

specified in Regulation. Hence, the Commission has approved the norms of operational parameters as per the MYT Regulation 2 of 2023 without any deviation.

- 3.1.14 Regarding approach to be adopted for approving the tariff for next Control Period FY 2024-25 to FY 2028-29, the Commission agrees with the approach suggested by the stakeholder that at this stage tariff for next control period is to be determined based on truing up figures for FY 2022-23 and once the truing up for FY 2023-24 is done, the figures will be revised accordingly.

**Return on Equity**

***Stakeholders' Submissions***

- 3.1.15 The Stakeholders have submitted that the against capital cost of Rs.7745.32 Crore approved by the Commission at the end of FY 2021-22, the Petitioner has projected a closing capital of Rs.7826.39 Crore. It has claimed true-up on Rs.7762.28 Crore against the capital cost of Rs.7745.32 Crore approved by the Commission. For FY 2023-24, against the capital cost of Rs.7745.32 Crore approved by the Commission, SCCL has estimated it to increase to Rs.7805.62 Crore. Based on the projections, the Petitioner has claimed return on equity at higher level and sought true-up accordingly. For FY 2022-23, it has claimed RoE of Rs.481.81 Crore against Rs.436.41 Crore approved by the Commission. Similarly for the FY 2023-24, it has claimed RoE of Rs.483.69 Crore against Rs.436.40 Crore approved by the Commission. For the period FY 2024-25 to FY 2028-29 , for FY 2024-25, the Petitioner has projected RoE of Rs.485.68 Crore and for the next four years Rs.486.3 Crore per year. When rate of return on equity is constant and without increase in equity, the Petitioner has not explained as to how it has claimed higher return on equity. The claims of SCCL are subject to the terms and conditions in the PPA approved by the Commission. As such, claims for increased capital costs and true-up claims should not be allowed. If SCCL incurs additional capital costs, they can be covered in the O&M costs approved by the Commission, unless they are approved by the Commission as per terms of the PPA. Claiming and allowing additions of capital costs during the entire period 25 years of the PPA is an unhealthy practice much to the detriment of larger consumer interest, though SCCL is claiming that it is making these claims as per the latest Regulation No.2 of 2023.

- 3.1.16 The Stakeholders have submitted that the Petitioner has claimed the Return on Equity (RoE) at the base rate of 15.5% on enhanced Equity (after considering Additional Capitalization of Rs.16.96 Crore (30% as equity @ Rs.5.09 Crore) for FY 2022-23 and Rs. 43.35 Crore (30% as equity @ Rs.13.005 Crore) for FY 2023-24, thereby raising the Base Equity to Rs. 2341.69 (increase in equity @ Rs.18.09 Cr.) as against the approved Base equity of Rs.2323.60 Crore, even without obtaining the approval of the Commission, and calculated simple RoE @ Rs.362.96Cr. as against the approved RoE @ Rs. 360.158 Cr. which is not permissible. Further, the Petitioner grossed up the simple RoE with the regular income tax rate @ 25.17% (rate applicable for the SCCL Company as a whole for Coal and Power business) as against the concessional MAT rate of 17.472% allowed for STPP Power generation business, which has led to higher RoE claim of Rs. 481.81 Crore for FY 2022-23 & Rs. 483.69 Cr. for FY 2023-24 as against the approved RoE of Rs.436.40 Crore. In fact, this Commission disallowed the grossing up of RoE with higher Income Tax rate in the Mid-term Review order dated 23.03.2023 (Table 3.37 of TGERC order), since the Petitioner's claim was not in consonance with the clauses 11.3.4 & 11.3.5 (stipulated exclusion of the income of non-generation business for Income Tax computation) of Regulation No.1 of 2019 and this will also burden the consumers. Despite that, the Petitioner continued the truing up with enhanced Equity besides grossing up of RoE with higher income tax rate, which is not permissible. Further, the Petitioner is seeking the enhanced Equity and higher RoE grossing up based on the Audited figures for the FY 2022-23. In this regard, the Commission in the Mid-term Review order, has already relied on the ratio decided in the Case law in Ld. APTEL's judgment dated 10<sup>th</sup> August 2010 in Appeal No.37 of 2010 (Meghalaya State Electricity Board vs. Meghalaya State ERC), wherein it was held that the State Commission has to make prudence check of the expenditure and is not bound by the certificates of Auditors. In view of the above the Commission is requested to restrict the claim of RoE to the approved figure of Rs. 436.40 Crore.
- 3.1.17 Applicable Regulation provides that income tax has to be considered for the generating station on standalone basis and STPP cannot claim SCCL's tax rate. Being a regulated entity, STPP cannot claim SCCL's tax rate and only MAT rate to be allowed in the computation of RoE as already decided by this Commission

in midterm review order.

**Petitioner's Replies**

3.1.18 The Petitioner has in its reply submitted the following:

- a) It is to humbly submit that the Commission has notified Telangana Electricity Regulatory Commission (Multi Year Tariff) Regulation 2 of 2023 for determination of Aggregate Revenue Requirement for generating entities within the state of Telangana and this regulation was made applicable from 01.04.2024
- b) Accordingly, the Petitioner has filed MYT for the control period (2024-25 to 2028-29) and true-up for FY 2022-23 as per the above Regulation and as per the terms and conditions of the PPA approved by the Commission.
- c) The Petitioner has projected RoE of Rs.485.68 Crores for FY 2024-25 and for the next four years FY 2025-29 Rs.486.3 Crores per year considering additional capital investment of Rs. 20.77 Crores for FY 2024-25.
- d) The additional capital investment for FY 2024-25 is towards implementation of flexible operation scheme which is a new regulation notified by Central Electricity Authority (CEA).
- e) CEA issued these new regulations on 30.01.2023 for implementation of flexible operation scheme in coal based thermal power plants. As per this, the minimum unit generation should be reduced to 40% (i.e., 240 MW) of maximum continuous rating of unit (i.e., 600 MW) for STPP. These Regulations should be complied within one year from the date of the notification of the regulations
- f) CEA further notified on 15.12.2023, the phasing plan of various coal based thermal Generating units. Based on the phasing plan notified by CEA, SCCL Unit-I and Unit-2 should implement flexible operation scheme by January 2025 and March 2025 respectively.
- g) The details of the flexible operation scheme were already submitted in the original petition.

- h) The Commission in its order dated 29.12.2023 in O.P. No's.25 and 26 of 2023 directed the following regarding CIP of Implementation of flexible operation scheme as per CEA Regulation:

*"4.2.22 The Commission is in the process of framing the Multi Year Tariff Regulation for the period commencing from FY 2024-25 onwards. If the need arises, SCCL may seek the approval of the Commission for undertaking the capital works required for complying with CEA Regulations in accordance with the provisions of the Multi Year Tariff Regulation to be issued by the Commission."*

- 3.1.19 Further, in respect of the submission made by the objector that any additional capital cost incurred by the SCCL can be covered in the O&M cost approved by the Commission, it is to state that approved O&M cost of STPP is very less compared to the actual O&M of STPP being incurred.

The Petitioner submitted that STPP was not allowed even the recovery of actual O&M through tariff. It is to further state that O&M of STPP is least among the State generating stations. Therefore, the suggestion made by objector that additional cost incurred can be recovered from O&M is baseless and incorrect.

- 3.1.20 Further the Petitioner has submitted as follows:

- a. The Stakeholders have submitted that claimed equity by the SCCL is more by Rs.18.09 Crore due to consideration of additional capitalization of Rs.16.96 Crore and Rs.43.35 Crore during FY 2022-23 and FY 2023-24 respectively. It was further pointed out that regular income tax 25.17% has been grossed up with the simple RoE.
- b. The reason for this objection by the TGDIscoms appears to be relying on midterm review order dated 23.03.2023 passed by Commission, but without considering the fact that the order dated 23.03.2023 is applicable only for trued up period FY 2019-22. This Commission needs to again apply prudence of the expenditures, facts and reasons submitted before them in terms of specified tariff regulation in the present petition.
- c. As far as the Tariff Regulations are concerned, no where in the clauses 11.3.4 & 11.3.5 it was stated to exclude income of non- generation business for income tax computation in truing up. The clauses 11.3.4



& 11.3.5 are reproduced below:

*"11.3.4. Rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below Rate of pre-tax return on equity = Base rate / (1-t) Where t is the effective tax rate in accordance with Clause 11.3.1 of this Regulation and shall be calculated at the beginning of every Financial Year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial Year to the generating entity on pro-rata basis by excluding the income of non-generation and the corresponding tax thereon.*

*11.3.5. In case of Generating Entity paying Minimum Alternate Tax (MAT), "t" shall be considered as MAT rate including surcharge and cess. "*

- d. The clause 11.3.4 provides for using effective tax rate for projection purpose which shall be computed at the beginning of every financial year based on estimated profit and tax to be paid by the generating entity on pro-rata basis by excluding the income of non-generation and the corresponding tax thereon. It provides that though there will be reduction of income and tax paid with respect to non-generation business on absolute basis there shall not be any change in tax rates.
- e. In fact the use of "pro-rata" confirms that the effective income tax rate shall be unchanged. The illustration submitted may be considered where a company's total income is Rs.1200 cr. and effective tax rate is 25.17% and income of Rs.200 cr. is obtained from non-generation business then the effective tax rate for both the generation and non-generation business shall be 25.17%. However, on absolute basis the tax payable by the generation business would be Rs. 251.7 Crore and by the non-generation business would be Rs. 50.34 Crore.
- f. It cannot be denied that the State Commission is not bound by the figures as given in the audited statements, since the audit only reflects the amount that has been incurred, but the issue of prudence check, i.e., whether such expenditure was required or not at the first place lies with the Commission. Not bound simply does not mean that the Commission has to totally disregard the certified amounts. However, the Commission can scrutinize the reasonableness of the expenditure.

- 3.1.21 It is submitted that the PPA does not mention about MAT and tax is payable as per Income Tax Act. SCCL has opted for payment of Corporate Income Tax at the reduced Tax rate of 25.168% without MAT credit entitlement and exemptions as per the Taxation (Amendment) Ordinance 2019. The Petitioner has submitted that the SCCL is an income tax assessee whereas STPP is not a separate assessee and STPP is a part of SCCL. However, the income tax amount is confined to generation station income.
- 3.1.22 As per the clauses 5.1 to 5.5 of the power purchase agreement (PPA) signed by the parties, incidence of tax liability on SCCL shall be payable by the stakeholders. The aforesaid provision was also upheld by the TGERC in its approval order for PPA. The TGERC Regulation has also not provided any provision for not considering the effective income tax rate ultimately payable by the SCCL. As per legal principle PPA cannot be subsumed on the ground that there is regulation on that aspect. The judgment of Supreme Court in PTC Vs CERC elaborately explained by the Supreme Court in a case between M.P. Power company vs Sky Power South East Solar Ltd dated 16-11-2022 held that principle Regulation overriding the PPA is not general law, and it is confined to trade margin only. As such, PPA clearly mentions SCCL's effective tax rate to be used for computation of ROE and the regulation also specifies using effective tax rate on pro rata basis and therefore any conflict between the PPA and Regulation does not exist in this case.
- 3.1.23 Further the objection that since STPP is regulated entity it needs to pay MAT rates is incorrect, misleading and lacks merit. No applicable Tariff Regulation states that it sits above the income tax laws and tax needs to be paid as decided in the Tariff Orders. Rather, an entity needs to pay tax as per applicable income tax rate as specified in the Income tax Act and not as per regulation passed under Electricity Act. The Tariff Regulation only has to allow effective tax rate paid by embedding the same in ROE computation during trueing up.
- 3.1.24 The Income Tax paid by SCCL for the FY 2022-23 is based on following applicable rates. Basic Rate = 22%, Surcharge = 10% (on Basic rate) and Cess= 04%. Effective Income Tax Rate actually paid by SCCL which includes STPP in its one of the verticals is 25.168%. It is the TGDIscoms argument that STPP being a generating company may take the benefit of 80IA and pay income tax only on MAT rate. However, the actual payment of income tax cannot be

based on such assumptions and presumptions because STPP is not a company separate from SCCL.

**Commission's Views**

- 3.1.25 The Commission has taken note of the submissions of the stakeholders and reply of the Petitioner. The Commission has examined the issue in detail in subsequent Chapters of this Order.

**Interest on loan**

**Stakeholders' Submissions**

- 3.1.26 The Petitioner stated that the Commission in the Mid-term Review Order has allowed refinancing of loan in respect of STPP and allowed interest on loan accordingly. Therefore, STPP claims the sharing of gains accrued due to refinancing in the truing up of FY 2022-23 by applying Clause 12 of Regulation No.1 of 2019. Further, the Petitioner stated that the interest and financing charges on loan for MYT period FY 2024-29 have been computed as given in Clause 31 of Regulation 2 of 2023. In this regard, the Stakeholders has submitted that the Petitioner has added the additional loan component of additional Capitalization of (11.87 Cr. for FY 2022-23 i.e., 70% of Rs.16.96 Cr. & Rs.30.34 Cr. for FY 2023-24 i.e. 70% of Rs. 43.35 Cr.) to the outstanding loan balances approved in the MYT order (Table 56: (MYT order dated 28.08.2020)), even without obtaining the approval of this Commission and worked out higher interest sums arbitrarily by applying the rate of interest @ 7.66% to 8.70% (claims as Audited) as against the rate of interest approved @ 7.16% p.a., which claim is not in accordance with the Mid-term Review Order. If there is a change in the interest rate on outstanding loan, then the Net Savings have to be re-worked out. Further, the Petitioner has also claimed one third share of Savings of interest amount shared between the entity and Beneficiaries in the specified ratio.
- 3.1.27 With regard to loan refinancing taken up by the Petitioner during the previous Control period FY 2019-24, it is submitted that though there was a saving in interest rate (@ 1.36%) after loan refinancing, yet the cost associated with such loan refinancing was significant at Rs. 77.84 Cr., which was entirely passed on to the Respondents upfront. Therefore the Commission in its Mid-term order allowed the one-third share of gains of Net Saving to the STPP/ SCCL as a one

time basis during FY 2020-21 and allowed the Respondents to retain the Net savings for subsequent years i.e. FY 2021-22 to FY 2023-24 without any sharing. Disregarding the set procedure, the Petitioner has trued-up the expenditures by claiming the one-third share of gain of loan refinancing even for the balance period of the previous control period, which is not permissible. If the Petitioner is aggrieved by the methodology, then it should have filed appeal against such order, but not filed appeal before Ld. APTEL within the prescribed time period. But now the petitioner claims that it has filed appeal on limited aspects against the Mid-term Review order. As of now, no Stay of the said TSERC order has been granted by Ld. APTEL. As such, the Petitioner claim on adjusting the one-third share of gains of loan refinancing for the period of truing up i.e. FY 2021-22 to FY 2023-24 has to be disallowed. Further, the Petitioner has continued to claim the one-third share of gains of loan refinancing even to next Control period FY 2024- 29, by referring to the Clause 31 of Regulation 2 of 2023. In this regard, the Respondents have extracted the provision of Loan Refinancing (Clause-31) of new Tariff Regulation vis-a-vis the similar provision of Regulation No.1 of 2019 as below, for critical examination by the Commission.

- 3.1.28 It could be seen from the above provisions that in the new Tariff Regulation, it is specifically prescribed that the net savings in interest shall be calculated as an Annuity for the term of the Loan, whereas such methodology was not prescribed in the Previous Tariff Regulation (No. 1 of 2019). In the Annuity computation methodology, the Present Values of interest cost saving before and after loan refinancing have to be worked out by considering the discount rate at the interest rate of Post refinancing. This exercise has to be done to examine whether the claim of loan refinancing is beneficial to the TGDIscoms even after passing on the costs associated with loan refinancing to them. Apparently, the Petitioner has not carried out such exercise. Also, if further Loan Refinancing is taken up by the Petitioner in the next Control period viz. FY 2024-29, then the Regulation No. 2 of 2023 allows the Petitioner to make such a claim. Without making any such effort, the Petitioner is not entitled to make a claim on sharing of gains of Loan Refinancing. The Petitioner has failed to distinguish the Loan Refinance Provisions in the aforesaid two Tariff Regulations. As such, the Petitioner's claim for unilaterally adjusting the one-third share of gain to it, is

legally not permissible.

- 3.1.29 The Commission is requested to disallow the same and restrict the rate of Interest on Loan @ 7.16% besides disallowing the sharing of one-third share of gain on Loan Refinancing for FY 2021-22 to FY 2023-24 and also for next Control period FY 2024- 29 as the claim is not in accordance with Clause 31 of Regulation 2 of 2023.
- 3.1.30 The interest on loan actually should reduce over the years as loan is gradually repaid. The Commission has allowed interest rate @7.16% and it should not increase. The Commission has decided not to allow gain sharing after FY 2020-21. Therefore, SCCL should not get benefit of gain sharing for FY 2022-23. SCCL also claimed gain sharing for FY 2024-29. However, as no fresh loan restructuring is contemplated in FY 2024-29, SCCL should not get any benefit of loan refinancing carried out in the previous control period.

***Petitioner's Replies***

- 3.1.31 In this respect, it is to humbly submit that variation in market interest rates for long-term loan is uncontrollable factor which is beyond the control of the petitioner. Further. Clause 12.6.3 of Tariff Regulation 1 of 2019 provides that the changes to the terms and conditions of the refinanced loans shall be reflected from the date of refinancing and it is easy to understand that how interest rates change falls within these terms and conditions. Further, clause 12.5 of the same Regulation provides that the Rate of Interest on loan shall be based on weighted average rate of actual loan portfolio.
- 3.1.32 Accordingly, in terms of the said Regulations, post refinancing, the rate of interest applicable for actual refinanced loan portfolio is required to be allowed in the tariff.
- 3.1.33 Further, the Stakeholders has stated that the methodology for loan refinancing as allowed by the Commission in its mid-term order is final and should be the basis for truing up of interest and financing charges even for forth coming FY's of 2022-23 & FY 2023-24 in this petition. Non sharing of gain out of loan refinancing in FY 2021-22 which is in deviation with clause 12.6 of Tariff Regulation 2019 has been challenged before Appellate Tribunal for Electricity. However, the approval for refinancing was never been under challenge.
- 3.1.34 Therefore, once the approval for refinancing of the loan have been allowed by the Commission and as the truing up of FY 2022-23 was not done in the MYT

Order dated 23.03.2023 the Commission may decide sharing ratio of benefit out of this refinancing arrangement for FY 2022-23 considering the actual audited interest rates and other factual aspects which were not available earlier. The clause 12.6.1 of Regulation 01 of 2019 clearly specifies such ratio as 2:1 between beneficiary and generating entity.

- 3.1.35 Further, the Stakeholders have stated that the Petitioner has not carried out the calculation exercise to find out annuity in net savings and the petitioner can only make claim for refinancing in FY 2024-29 whereas loan refinancing is taken up in FY 2024-29. Whereas loan refinancing was already approved by this Commission in its order dated 23.03.2023 and this aspect was not under any challenge. Further, the clause 31.10 of Regulation 2 of 2023 provides that net savings out of refinancing loan shall be shared between the beneficiaries and generating entity in the ratio of 2:1.
- 3.1.36 The last proviso of Regulation 31.10 of Regulation 2 of 2023 states that the net savings in interest shall be calculated as an annuity for the term of the loan but the net savings shall be shared between the parties on annual basis. Therefore, it is clear that the calculation of net savings in interest based on annuity method is only required to apply prudence to approve refinancing. In STPP's case refinancing has already been approved in the previous control period. Hence, the annuity method as suggested by the TGDIscoms is not relevant in this fact, the same proviso stipulates that annual net savings shall be shared which STPP has calculated and submitted.
- 3.1.37 In view of the above, the Commission is requested to decide the sharing ratio of net savings for FY 2022-23 and also to apply the prescribed ratio of 2:1 for gain sharing in the control period FY 2024-29. Accordingly, the submissions made by the stakeholders are devoid of any merit and need not to be relied upon.

***Commission's View***

- 3.1.38 The Commission has approved the Interest on Loan for True-up for FY 2022-23 in accordance with the provisions of Regulation No. 1 of 2019 as detailed in chapter 4. Further the Commission has approved the Interest on Loan for the Control Period FY 2024-25 to FY 2028-29 in accordance with the provisions of Regulation No. 2 of 2023 as detailed in chapter 5.

## **Depreciation**

### **Stakeholders' Submission**

- 3.1.39 The Petitioner has claimed the higher depreciation for FY 2022- 23 (Rs. 400.54 Cr.) & FY 2023-24 (Rs. 401.81 cr.) than approved in the MYT order dated 28.08.2020 (Table - 69), at a constant Value of Rs. 400.36 Cr. Since no additional Capitalization was allowed to STPP in the previous Control Period (FY 2019-24) there would be no change in the GFA (Gross Fixed Asset) of STPP Project, the Commission is requested to restrict the recovery of Depreciation by the Petitioner to the already approved figure of Rs. 400.36 Crore.

### ***Petitioner's Replies***

- 3.1.40 The Stakeholders without understanding fact that there are certain requirements for compliance of CEA regulation which is in the nature of change in law event, has stated that the depreciation should not increase. Accordingly, this needs to be considered for capitalization, and consequently the effect of depreciation is required to be allowed by the Commission.

### ***Commission's View***

- 3.1.41 The Commission has approved the depreciation for True-up for FY 2022-23 in accordance with the provisions of Regulation No. 1 of 2019 as detailed in subsequent chapter. Further the Commission has approved the Depreciation for the Control Period FY 2024-25 to FY 2028-29 in accordance with the provisions of Regulation No. 2 of 2023 as detailed in chapter 5.

## **Interest on Working Capital**

### ***Stakeholders' Submissions***

- 3.1.42 The Petitioner computed the Working Capital requirement by summing up the individual components, such as Coal Stock requirement for 20 days /30 days for generation corresponding to Target availability (85%) etc., and the Price considered for Cost of Coal is Bridge Linkage Pricing, which will be higher than the Notified Price of Coal, higher by 20 to 30% (Rs. 5741 to Rs 5981 per Ton). By considering high price of Coal being supplied to STPP under Bridge Linkage Policy, the Working Capital gets increased and consequently the Interest claimed on Working Capital would be higher. The Stakeholders have already contested on the high priced coal being used by SCCL for power generation in the STPP Project, by filing a Petition, O.P.No.13 of 2023 before the Commission,

which was heard and orders reserved long back (TGERC RoP dated 21<sup>st</sup> August 2023) in the matter. Therefore, the Commission is requested to consider to regulate the pricing of Coal Supply to Power Sector at notified prices, in terms of Regulatory Powers under Section 86(1)(b) of the Electricity Act, 2003, else it translates into higher Energy Charges and burden the end consumers.

***Petitioner's Replies***

- 3.1.43 The Stakeholders have submitted that the Commission has to regulate for pricing of bridge linkage coal supplied to the STPP. The claim of stakeholders is not tenable under the law as Supreme Court India has already held the price notifications of CIL is to be considered as change in law.
- 3.1.44 The Ministry of Coal, Govt, of India has allocated captive Coal Block/Mine (NAINI) to STPP/SCCL in the year 2016. The coal produced from the Naini Block in Odisha State would be utilized at STPP (being the Specified End Use Plant). However, to facilitate the immediate requirement of Coal to STPP project, a Short- term Linkage was granted under the Policy of Bridge Linkage, till the commencement of Coal Supply to STPP gets from its Captive Coal Block (Naini).
- 3.1.45 Singareni Collieries Company Limited (SCCL) supplies Coal to Singareni Thermal Power Plant (STPP) as per recommendation of standing linkage committee by signing MOU. The extension of bridge linkage will be decided by standing linkage committee (SLC), MoC, Govt, of India after deliberation in the meeting duly considering the recommendations received from Ministry of Power (MoP).
- 3.1.46 SCCL is supplying coal to Power sector (Bridge Linkage and Non Bridge Linkage holders) by regulating supplies to Non Power (NRS) Customers. Sales realization from NRS is more by Rs. 1.628/Ton than sales realization from Bridge Linkage & Non Bridge Linkage supplies. Therefore, by foregoing revenues. SCCL is supplying coal to Bridge Linkage and Non Bridge Linkage customers considering the recommendation of Ministry of Power, Ministry of Coal and importance of the Power sector in Telangana and India.
- 3.1.47 As per the instructions of SLC given in the bridge linkage allotment order of 2016. SCCL has to decide the source of coal supply for meeting the bridge linkage quantity i.e the mines, coal grade and the quantity along with the price there from. Further, in the most recent order of SLC it was clearly stated that



the price of such bridge linkage supply has to be solely decided by SCCL/CIL. Therefore the submissions made by the stakeholders are devoid of any merit and deserves to be rejected.

**Commission's View**

3.1.48 The Commission has taken note of the submissions and has dealt with the issue in subsequent chapters of the Order.

**Operation and Maintenance Expense**

**Stakeholders' Submissions**

- 3.1.49 The Employee Cost has increased significantly (in the range of 73-82%) during FY 2022-23 & FY 2023-24 (Estimated) vis-a-vis FY 2021-22. No justification has been submitted.
- 3.1.50 Even the R&M Expenses and A&G Expenses have also gone up considerably. No justification has been submitted.
- 3.1.51 The O&M Expenses for STPP Project were approved by the Commission on Normative basis as per the Regulation No. 1 of 2019. The Truing up procedure has to be based on Point to Point change (means Current month inflation rate over same month of last year as per MOSPI) in the WPI & CPI Inflation factors as published by the Ministry of Commerce & Industry and Ministry of Statistics & Programme Implementation (MoSPI), Govt. of India and the computation shall be as per the formula given for Employee Cost, R&M Expenses and A&G Expenses at Regulation No. 19. The Base values already approved in the MYT order will not change. However, the Petitioner has overlooked the prescribed procedure and claimed higher O&M Expenses, which is not in consonance with the methodology specified in the Regulation No.1 of 2019. As such, the Petitioner's claim of O&M expenses has to be restricted to figures already approved, with the truing up with actual WPI /CPI Inflation factors data only.
- 3.1.52 Though the Petitioner's claim is based on Audited figures, yet the Commission is not bound by the Auditors Certifications and the Commission has to undertake the Prudence Check of the Expenses claimed in terms of Ld. APTEL's judgment dated 10th August 2010 in Appeal No.37 of 2010.
- 3.1.53 The Commission is also requested to restrict the O&M claims for the MYT period FY 2024-29 duly taking into consideration the methodology stipulated at clause 45 of the MYT Regulation No.2 of 2023.

3.1.54 The Petitioner has claimed higher O&M expenses which is not in consonance with methodology specified in Regulation 1 of 2019. Petitioner's claim of O&M expenses has to be restricted to the figures already approved with the truing up of WPI & CPI data. The Petitioner has cited a recent judgment dated 18.10.2022 by the apex court in the matter between BSES Rajdhani Power Ltd vs DERC which specifies the process of truing up and application of the prudence on certified audited expenditures by the State Commission. The relevant portion is reproduced below:

*"52. 'Truing up' has been held by APTEL in SLDC v. GERC 4 to mean the adjustment of actual amounts incurred by the Licensee against the estimated/projected amounts determined under the ARR. Concept of 'truing up' has been dealt with in much detail by the APTEL in its judgment in NDPL v. DERC5 wherein it was held as under: "60. Before parting with the judgment we are constrained to remark that the Commission has not properly understood the concept of truing up. While considering the Tariff Petition of the utility the Commission has to reasonably anticipate the Revenue required by a particular utility and such assessment should be based on practical considerations. ... The truing up exercise is meant (sic) to fill the gap between the actual expenses at the end of the year and anticipated expenses in the beginning of the year. When the utility gives its own statement of anticipated expenditure, the Commission has to accept the same except where the Commission has reasons to differ with the statement of the utility and records reasons there of or where the Commission is able to suggest some method of reducing the anticipated expenditure. This process of restricting the claim of the utility by not allowing the reasonably anticipated expenditure and offering to do the needful in the truing up exercise is not prudence." 53. This view has been consistently followed by the APTEL in its subsequent judgments and we are in complete agreement with the above view of the APTEL"*

3.1.55 As per the above Commission can differ from the statement of anticipated expenditure submitted by utility. The same order in subsequent para provides that once the methodology of tariff determination is finalised, the Commission cannot revise the methodology in the truing up. Since, the O&M expenditure is already decided in midterm review petition the same methodology needs to be followed in truing up. The employee cost under O&M expenditure increased much after FY 2021-22 and no reason for this is submitted by SCCL.

**Petitioner's Replies**

3.1.56 The Stakeholders have submitted that the Commission is not bound by the auditor certification and the Commission has to undertake prudence check of expenses claimed under O&M expenditure.

3.1.57 A recent judgment dated 10.18.2022 by the apex court in the matter between BSES Rajadani Power Ltd vs DERC clearly specifies the process of truing up and application of the prudence on certified audited expenditures by the State Commission. The relevant portion is reproduced below:

*"52. Truing up has been held by APTEL in SLDC v. GERC to mean the adjustment of actual amounts incurred by the Licensee against the estimated projected amounts determined under the ARR. Concept of truing up ' has been dealt with in much detail by the APTEL in its judgment in NDPL v. DERC5 wherein it was held as under:*

*"60. Before parting with the judgment we are constrained to remark that the Commission has not properly understood the concept of truing up. While considering the Tariff Petition of the utility the Commission has to reasonably anticipate the Revenue required by a particular utility and such assessment should be based on practical considerations. The truing up exercise is meant (sic) to fill the gap between the actual expenses at the end of the year and anticipated expenses in the beginning of the year. When the utility serves its own statement of anticipated expenditure, the Commission has to accept the same except where the Commission has reasons to differ with the statement of the utility and records reasons there of or where the method of reducing the anticipated Commission is able to subset some expenditure. This process of restricting the claim of the utility by not allowing the reasonably anticipated expenditure and offer to do the needful in the truing up exercise is not prudence."*

3.1.58 This view has been consistently followed by the APTEL in its subsequent judgments and we are in complete agreement with the above view of the APTEL.

3.1.59 The apex court held in the above judgment that "this process of restricting the claim of utility by not allowing the reasonable anticipated expenditure is not prudence".

3.1.60 The above ratio decided by apex court for determination of truing up is also required to be followed by this Commission. Accordingly, submissions made by the Discoms lacks merit and needs to be ignored.

3.1.61 Afore cited order of APTEL in its judgment in NDPL v. DERC provides that the Commission can differ from the statement of expenditure through the exception route without considering the fact that exception, being an exception followed in special situations which also needs to be justified can never be a general rule. Therefore, the explanation given by the Stakeholders in this respect lacks merit. Further the APTEL Order clearly suggests that the prudence does not mean

lesser cost.

- 3.1.62 Further, the Stakeholders have stated that the methodology once decided cannot be changed in truing up order which helps the stand of SCCL taken against the deviated methodology adopted by this Commission in MTR order without following the principles decided in MYT order for 2019-24. As the MTR order is in jeopardy due to submission of petition against the order in APTEL, the Commission can once again rely on the principles decided in MYT order dated 28.08.2020 for truing up of O&M expenditure of FY 2022-23. Further as O&M expenditure as a whole is controllable item, the sharing of difference between actual and revised normative as per the regulation may also be approved.
- 3.1.63 The Stakeholders raised an issue of sudden increase in employee cost without noticing that the total O&M expenditure as a whole was as per the trend only. The whole O&M activity of STPP is run through contract along with few SCCL employees who only co-ordinate and monitor at overall level. Therefore, management after consulting Industry experts decided to categorize the employee expenditure of O&M contractor under "Employee expenses" for FY 2022-23 which can then provide reasonable basis for analysing STPP's employee cost by comparing with other state generating stations. Accordingly, this is included in FY 2022-23 under the head of others in Form 2.1 and subsequently accounted under different applicable heads of "Employee expenses" from FY 2023-24.
- 3.1.64 It is also to bring to the kind notice of the Commission about the existing huge disparity between the O&M norms allowed to STPP and O&M expenditure allowed to different stations of TGGenco as submitted to the Commission.
- 3.1.65 Considering the above, the Commission is requested to allow O&M cost of STPP at par with the same allowed for other state generating stations.

***Commission's View***

- 3.1.66 The Commission has computed the normative Employee expenses, R&M expenses and A&G expenses as per provisions of Regulation No.1 of 2019 as detailed in the subsequent Chapters of this Order and has carried out the sharing of gains and losses as per the provisions of the Regulations.

**Operational Parameters**

**Stakeholder's Submission**

- 3.1.67 The submission of SCCL not to apply the components of varied figures of normative/operational parameters in the present regulation shows that it wants whatever is favourable to in the said regulation to be permitted and whatever is not to its advantage, as it seems, should not be enforced. This approach is untenable and self- contradictory. The Commercial Operation Date of the subject two units were declared in the year 2016. As such, there is no justification in providing additional benefits to old plants and imposing additional burdens on the consumers by applying the latest Regulation.
- 3.1.68 The Operational Norms as stipulated in the Tariff Regulation 2 of 2023 is binding on the Parties and the Petitioner has to claim the Energy Bills as per the Norms prescribed.
- 3.1.69 The Petitioner's prayer for not to apply the stringent operating norms as it could not achieve the normative figures. However, past data of the last 5 years SCCL always achieved better PLF than the normative. Since the data shows that STPP always achieved more than normative they should not object to more stringent norms. So, the norms given in the Regulation for current Control Period should apply.

**Petitioner's Replies**

- 3.1.70 The Petitioner has submitted that requirement of stringent future norms would be only if the present norms are giving over achievement to generator. But, where the normative figures are unachievable in FY 2019-20 to FY 2023-24, more stringent norms for future period FY 2024-29 would effect the generator than present fact situation as it would impact more & more under- recovery for the generating station. Therefore, more stringent regulation is of no use and in fact contradicts Section 61 of the Electricity Act, 2003.
- 3.1.71 The stand of TGDIsoms considering the achievement of PLF of the plant is nothing to do with the stringent norms provided to direct reduction of the expenditure. Higher PLF cannot cause better operating norms achieved during last five years. It only can technically confirm better actual operating norms compared to the normative parameters during part load operation. However, it is submitted that the operating norms are specified for full load operation and higher PLF can no way affirm better operating norms. Hence the arguments of the Stakeholders lack merit.

**Commission's View**

3.1.72 The Commission has stipulated in its Business Plan, & Capital Investment Plan for FY 2024-25 to FY 2028-29 for Singareni thermal power project (2x600 MW) as shown below:

*"4.1.3 The Commission shall specify the norms of operation in the final MYT Regulation for the period commencing from FY 2024-25 onwards and therefore, has not delved in to the Business Plan, except the Capital Investment Plan, in the present Petition...."*

3.1.73 The Commission has already specified the Operating norms in the Telangana Electricity Regulatory Commission (Multi Year Tariff) Regulation 2 of 2023 in clause no. 44 and the same have been considered while approving the tariff in this Order.

**Energy charge**

**Stakeholder's Submissions**

3.1.74 SCCL has computed energy charges based on the average actual charges for September to November, 2023 and submitted that actual charges would be claimed. Since actual charges are being claimed for variable cost, they cannot be projected for the period FY 2024-25 to FY 2028-29 based on presumptions. Actual charges are known only when they materialize. SCCL itself has submitted that energy charges are subject to adjustment. Therefore, the projection of energy charges of Rs.3.876 per kWh during the period FY 2024-25 to FY 2028-29 should not be allowed. SCCL has claimed that it is working on swapping of coal from Naini coal mines. When it materializes, energy charges should come down considerably with cost of transportation becoming nominal. Similarly, transit and handling loss of coal for non-pit head stations of 0.8% also should come down considerably after swapping. SCCL has not given the actual transit loss so far.

3.1.75 The Petitioner has been claiming the Energy charges in respect of the power supplied from STPP Project, based on the Coal pricing under the Bridge Linkage Policy since the year 2016, which pricing has to be dispensed forthwith, since the Price considered towards the Coal supply under the Bridge Linkage Pricing, is high priced than the SCCL Notified Price of Coal, viz. higher by 20 to 30% (Rs. 5741 to Rs. 5981 per Metric Ton). By considering high price of Coal being supplied to STPP, the Energy charges are claimed higher. The

Stakeholders have already contested on the high priced Coal being used by SCCL for power generation in the STPP Project, by filing a Petition, O.P.No.13 of 2023 before the Commission, which was heard and orders were reserved long back (TGERC RoP dated 21<sup>st</sup> August 2023) in the matter.

3.1.76 Therefore, the Commission is requested to consider to regulate the pricing of Coal Supply to STPP at Notified Prices, in terms of Regulatory Powers under Section 86(1)(b) of the Electricity Act, 2003 (even the Petitioner has also filed the present Petition under Section 86(1)(b) of the Electricity Act, 2003), else it translates into higher Energy Charges and burden the end consumers. Further, the delay of commissioning of the NAINI Captive Coal Mine to SCCL/STPP Project is entirely attributable to SCCL and the Stakeholders cannot be burdened for long under the Bridge Linkage Coal Pricing, which is a short term linkage but the Petitioner is taking undue advantage of the same and charging coal supply to STPP at additional 20-30% price over and above the Notified Price of corresponding grade of coal. The Commission is requested to restrict the Coal supply pricing to STPP at Notified Prices published by SCCL from time to time, in terms of the Clause 50.4 of Tariff Regulation No. 2 of 2023.

**Petitioner's Replies**

3.1.77 The Petitioner has submitted that as per the clause no. 46.4 of (Multi Year Tariff) Regulation 2 of 2023 for tariff determination of next control period, three preceding month's latest procurement price of primary fuel and secondary fuel for the generating shall be taken into accounts. Accordingly, SCCL has computed energy charges based on the average actual energy charges for September to November, 2023 and claimed the average for FY 2024-25 to FY 2028-29 as base charge in that period being inconsonance with regulation.

3.1.78 Further, it is to state that currently coal is being supplied to STPP from the nearby mines and if swapping of coal materializes in future the coal may be supplied from the same mines and hence there will not be any impact in transit & handling loss of coal which is around 0.8% at present.

3.1.79 The Stakeholders have raised a question of supplying high priced coal under bridge linkage pricing. In this respect, it is to humbly submit that STPP always comes among the top five State sector generating stations in the Merit order. Further the petitioner submits the following price chart which was discovered under unbiased competitive bids which reflects the most efficient energy prices.

- 3.1.80 The average price of STPP in FY 2023-24 till date is around Rs 5.39/kWh (Energy Charge @ Rs. 3.81+ fixed charge at normative generation @ Rs.1.58).
- 3.1.81 Considering the submitted table of competitive supply, it can be stated that the supply of STPP with the present pricing of the coal are completely aligned with the best interest of consumers in the State of Telangana since the same is much lesser than the most efficient, prices discovered through bidding. Based on the above facts, the objections raised by the TGDIsComs has no merit.

***Commission's View***

- 3.1.82 The Commission has approved the Energy Charge Rate (ECR) for the Control Period from FY 2024-25 to FY 2028-29 in accordance with the provisions of the Telangana Electricity Regulatory Commission (Multi Year Tariff) Regulation 2 of 2023.

***Incentive***

***Stakeholder's Submissions***

- 3.1.83 Against target availability of 85% PLF, SCCL exceeded it by 89.7% during FY 2022-23 and marginal variation during FY 2023-24. For the period FY 2024-25 to FY 2028-29 SCCL has claimed that it would achieve higher PLF of around 91.40 percent per annum. Based on that, it has projected incentive @ Re.0.50 per kWh for generation and supply of power above the threshold level of PLF ranging from Rs.18.66 Crore to Rs.31.84 Crore per annum during the period FY 2024-25 to FY 2028-29. If only SCCL can generate additional power exceeding the threshold level of PLF and if only the TGDIsCOMs agree to take that power, incentive has to be paid. It should not be projected and approved in advance. Moreover, the principle of merit order dispatch also comes into play and higher variable cost may even lead to backing down of its declared capacity.
- 3.1.84 The Incentive stipulated in the Tariff Regulation 2 of 2023 is binding on the Parties and the Petitioner has to claim the Energy Bills including Incentive as prescribed. But the Petitioner may not be allowed to claim Incentive for power generation beyond the Target PLF, by using high priced Bridge Linkage Coal, as this will burden the stakeholders with higher Energy charges as well as additional payment of Incentive. Both claims will be a loss proposition to TGDIsComs.

***Petitioner's Replies***



- 3.1.85 The Petitioner has submitted that STPP generated 8741.959 MUs in FY 2022-23 as per the approved scheduled energy given by SLDC by which an incentive of Rs.16.03 Crores is worked out and claimed in the truing up period @ 50paise/kWh in accordance with clause 21.4 of Regulation 01 of 2019. SCCL is entitled for this as per applicable extant regulation.
- 3.1.86 Further, it is to submit that the projections made by SCCL are likely capacity to be generated after considering overhauling and forced outages. However, the day ahead schedule will be given as per State Grid Code and beneficiary may opt for the required quantum of generation as per merit order. The incentive claimed by STPP is computed for MYT Period FY 2024-25 to FY 2028-29 based on estimated generation at the rate specified in clause 46.6 of Regulation 2 of 2023. Since it is only a projected value the actual incentive would get varied depending on the schedule that may be given by TGDIs from time to time.
- 3.1.87 Further it is submitted that TGDIs are required to follow merit order as per rules while scheduling power and if actual PLF reaches more than normative PLF. The incentive is required to be paid in terms of Clause 46.6 of Regulation 2 of 2023.

#### ***Commission's View***

- 3.1.88 The Incentive for higher PLF shall applicable be in accordance with the provisions of the Regulation No.1 of 2019 based on actual PLF and the same cannot be allowed in advance based on projected PLF.

#### **Fixed Charges**

##### ***Stakeholder's Submissions***

- 3.1.89 The Stakeholders have submitted that the Petitioner has claimed a true-up based on fixed charges of Rs. 4483.76 Crore against Rs.4277.21 Crore approved by the Commission for FY 2022-23 and an Rs.4749.77 Crore against Rs.4492.79 Crore approved by the Commission for the year FY 2023-24. For the period FY 2024-25 to FY 2028-29 , SCCL has projected higher annual fixed charges of Rs.4983.07 Crore for FY 2024-25, Rs.5081.80 Crore for FY 2025-26, Rs.5065.59 Crore for FY 2026-27, Rs.5060.59 Crore for FY 2027-28 and Rs.5036.85 Crore for FY 2028-29. With the payment of depreciation charges, fixed charges should come down. SCCL has submitted that it would submit the cost of proposed FGD and tariff components later. In other words,

capital cost and tariffs would be claimed at still higher level later.

**Petitioner’s Replies**

3.1.90 The Petitioner has submitted that the claim of fixed charges by STPP for next control period FY 2024- 25 to FY 2028-29 are given in table below:

**Table 3-1: Fixed Charges as claimed for the period of FY 2024-25 to FY 2028- 29**  
*Rs. in crore*

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Total Claim (Rs. Cr) of annual fixed charge	1555.60	1540.30	1524.09	1509.04	1495.35
Net Ex bus generation (MU)	8794.656	9055.238	9055.238	9081.297	9055.238
Average fixed charge in Rs./ kWh	1.77	1.70	1.68	1.66	1.65

**Commission’s View**

3.1.91 The Commission has approved the Fixed Charge in accordance with the provisions of the Regulations as detailed in the subsequent chapters.

**Integrated Mine (Naini):**

**Stakeholders’ Submissions**

3.1.92 The Stakeholders has submitted that since SCCL is working on the swapping of coal from Naini coal mines, Odisha, it is not submitting any proposal for determination of input cost of coal from Naini Mines. The Petitioner is repeatedly submitting before the Commission that it is working on swapping of coal from Naini Coal Mines to Telangana, but even after 7 years of commissioning of STPP project there is no progress in this regard. In fact, the Bridge linkage coal pricing is advantageous to the Petitioner. Unless the price of Bridge linkage coal being supplied to STPP is regulated by the Commission, no swapping of coal supply can be expected from SCCL.

**Petitioner’s Replies**

3.1.93 Since the transfer of forest land by the Odisha Government is not completed yet, the production from Naini mine could not be started. This issue is beyond the control of SCCL. However, SCCL is working for starting of the mine at the earliest and swapping the same as per the directive of the Commission.

**Commission’s View**

3.1.94 The coal allocation is not within the purview of the Commission. In the best interest of the electricity consumers of the State, SCCL shall have to pursue

with the concerned authorities for transfer of coal allocation from Naini Coal Block to its own mines in Telangana. The Commission directs to expedite the process to start the production from Naini coal block to reduce the burden on the Consumers.

### **Additional Capitalization for FY 2024-29**

#### ***Stakeholders' Submissions***

- 3.1.95 The Petitioner while working out the tariff components has claimed Additional Capitalization of Rs. 20.77 Crore, by citing the directions of the Commission.
- 3.1.96 The Commission in its Order dated 29th December 2023 in O.P.No.25 of 2023 (Capital Investment Plan for FY 2024-25 to FY 2028-29) & O.P.No.26 of 2023 (Business Plan) in which the Petitioner has proposed Capital Investment during FY 2024-25 for Implementation of Flexible operation scheme as per CEA Regulation for Rs. 20.77 Crore, yet the Commission has not approved the proposal, since the Petitioner was asked to submit the justification for the proposal along with necessary cost details and specifically asked to submit as to why SCCL cannot achieve the compliance of CEA Regulation without incurring the expenditure.
- 3.1.97 However, the Petitioner has not replied to the specific query raised by the Commission nor submitted justification of its Capital Investment proposal, except stating the Commission's suggestion to seek approval in accordance with the provisions of the Multi-Year Tariff Regulation No.2 of 2023. Further, the Petitioner has not furnished the relevant provision under which it is seeking Additional Capitalization of Rs. 20.77 Crore. As such, the Additional Capitalization proposed in the present MYT Petition, need not be considered. The Commission is requested to take into account the aforesaid submissions in the Tariff determination for STPP Project for the control period for FY 2024-29 in the present Petition.
- 3.1.98 SCCL is stating that the Commission allowed liberty for capital expenditure required for implementation of flexible operation scheme as per CEA regulation. Whereas the fact is that the proposal regarding this is already rejected by the Commission in its earlier orders, and therefore now the same cannot be considered in the coming MYT. SCCL has not submitted detailed justification of why the same flexibility in operation cannot be achieved without incurring the

proposed capital expenditure.

***Petitioner's Replies***

3.1.99 The Stakeholders have stated that STPP has not submitted the justification for capital expenditure proposal during FY 2024-25 for implementation of flexible operation scheme as per CEA regulation. The stakeholders also stated that the aforesaid proposal was not approved by the Commission.

3.1.100 In this respect, the Petitioner has submitted that the relevant CEA Regulations and other technical details are given with the MYT submission dated 30.01.2024, further, the Commission in the order for Capital investment plan give the liberty to SCCL to undertake capital works for compliance of CEA Regulations. The relevant portions of said order is reproduced below:

"4.2.22 If the need arises, SCCL may seek the approval of the Commission for undertaking the capital works required for complying with CEA Regulations in accordance with the provisions of the Multi Year Tariff Regulation to be issued by the Commission."

3.1.101 Further, it is to submit that all relevant justification and information have been submitted with the MYT submission dated 30.01.2024 and the proposed capital work was claimed under Regulation 22(3)(ii) of TS 02 of 2023. Accordingly, the issues raised by the Discoms have no merit.

3.1.102 The additional capital investment of Rs.20.77 Crores is required for modifications in control and instrumentation like low flow operation package for axial fans. These works need to be carried out in compliance to CEA Regulation dated 30.01.2023 and 15.12.2023 which is claimed under change in law.

3.1.103 As per said requirement, load has to be reduced up to 55% and subsequently up to 40% and the rates of load change are stipulated to be much faster than earlier contemplated during design of the unit. The higher stipulated ramp rates are the main reason why existing system could not comply the regulation in its present form. Accordingly, this expenditure needs to be allowed under change in law and the issues raised by the TGDIs in this regard have no merit.

***Commission's View***

3.1.104 The Commission has approved the additional Capitalisation for the MYT Period FY 2024-25 to FY 2028-29 after due diligence and prudence check. The approval of the additional capitalization is detailed in the subsequent chapter.

## **Chapter-4**

### **Analysis and Conclusion on True-up for FY 2022-23**

#### **Regulatory Provisions**

- 4.1.1 The petitioner has submitted the true-up petition for FY 2022-23 on 30.01.2024.
- 4.1.2 The Commission has carried true-up exercise in accordance with Regulation No.1 of 2019.
- 4.1.3 In addition to details submitted in petition, the Commission has also considered the additional submissions made by the petitioner dated 10.04.2024 in support of their claim. The component-wise description of the petitioner's claim and the Commission view thereon is given below:

#### **Additional Capitalisation**

##### ***Petitioner's Claim***

- 4.1.4 The petitioner has claimed Rs.16.96 crore as additional capitalisation for FY 2022-23. In justification of additional capitalisation, the petitioner submitted that the works are within the original scope and spilled over to current control period and requested the Commission to allow the same under Clause 7.19.1. of Regulation No.1 of 2019.

##### ***Commission's View***

- 4.1.5 The Commission in its order 28.08.2020 after prudence check held that no additional capitalisation beyond the original scope of work and after the cut-off date is allowable. The relevant extract is as follows:

5.4.20 *Clause 7.19 of Regulation No.1 of 2019 stipulates as under:*

*7.19 Additional Capitalisation*

*7.19.1 The capital expenditure actually incurred or projected to be incurred, on the following counts within the Original Scope of Work, after the COD and upto the Cut-Off Date, may be admitted by the Commission subject to Prudence Check. Any additional capitalization after COD needs prior approval of the Commission:*

... ..

- 5.4.21 *Regulation No.1 of 2019 defines cut-off date as 31<sup>st</sup> March of the year ending after two years of the year of start of commercial operation of a project and in case a project is declared to be under commercial operation in the last quarter of a year, it shall mean 31<sup>st</sup> March of the year ending after three years of the year of start of such commercial operation. The project has achieved COD on 02.12.2016 and accordingly, the cut-off date is 31.03.2019. The capital investment and the additional*

*capitalisation claimed by SCCL is beyond the original scope of work and after the cut-off date. The additional capitalisation beyond the original scope of work and after the cut-off date is not allowable in accordance with clause 7.19.1 reproduced above.*

- 4.1.6 Further, the Commission in its true-up order for FY 2019-20 dated 23.03.2023 reiterated the above stand that no additional capitalisation beyond the original scope of work and after the cut-off date is allowable. The extract of relevant clause is as follows:

*"3.5.13 As per clause 7.19.1 of Regulation No.1 of 2019, the pre-requisite for allowing any expenditure/claim after cut-off date is that the works must have been approved by the Commission. Further in order dated 28.08.2020 it has been emphasised that the additional capitalisation beyond the original scope of work and after the cut-off date is not allowable. In view the above the Commission is not inclined to approve the additional capitalisation due to spill over works of the petitioner for Rs.199.78 crore."*

- 4.1.7 The additional capitalisation claimed by the petitioner pertains is beyond the cut-off date. The clause 7.19 of Regulation No.1 of 2019 clearly stipulates that the capital expenditure within the original scope of work actually incurred upto the cut-off date may be admitted by the Commission subject to prudence check. As the additional expenditure is incurred after cut-off date as submitted by the Petitioner the Commission has not allowed the additional capitalisation claimed by the petitioner while carrying out the truing-up for FY 2022-23.

**Table 4-1: Additional Capitalisation as approved for FY 2022-23**

*Rs. in crore*

Particulars	2022-23	
	Claimed	Approved
Additional Capitalisation	16.96	0.00

### **Depreciation**

#### ***Petitioner's Claim***

- 4.1.8 The petitioner has claimed the deprecation as Rs.400.54 Crore against the approved value of Rs.400.34 crore in MYT order dated 28.08.2020. The depreciation approved in MYT order dated 28.08.2020, claimed by SCCL in true-up petition is detailed in Table below:

**Table 4-2: Depreciation as claimed for FY 2022-23**

Particulars	Rs. in crore	
	Approved in MYT Order dated 28.08.2020	Claimed in True-up Petition
Depreciation	400.36	400.54

**Commission's View**

- 4.1.9 The Commission observed that the variance in depreciation claimed by the Petitioner and approved by the Commission in MYT Order dated 28.08.2020 is on account of the variations in GFA opening base and additional capitalization proposed by the Petitioner for FY 2022-23. The Commission observed that the opening GFA value for FY 2022-23 considered by the Petitioner does not match with the approved True up closing GFA for FY 2021-22. Further, the Commission has disallowed the additional capitalization for FY 2022-23.
- 4.1.10 The Commission has approved the depreciation in accordance with Clause 10 of the Regulation No. 1 of 2019 considering the approved GFA. The depreciation rate is considered in accordance to Clause 10.6 of the Regulation No. 1 of 2019.
- 4.1.11 The depreciation approved in MTR Order dated 23.03.2023, claimed by SCCL in True up petition and approved in True up Order is detailed in Table below:

**Table 4-3: Depreciation as approved for FY 2022-23**

Particulars	Rs. in crore		
	Approved in MTR Order 23.03.2023	Claimed in True-up Petition	Approved in True-up Order
Opening GFA	7745.32	7745.32	7745.32
Additions during the year	0.00	16.96	0.00
Closing GFA	7745.32	7762.28	7745.32
Rate of Depreciation	5.17%	5.17%	5.17%
<b>Depreciation</b>	<b>400.36</b>	<b>400.54</b>	<b>400.36</b>

**Interest and Finance Charges on Loan****Petitioner's Claim**

- 4.1.12 The Petitioner has claimed the interest and finance charges on loan as Rs. 266.65 Crore against the approved value of Rs. 286.06 Crore in MYT Order dated 28.08.2020. The Petitioner further added that the Commission in its Mid Term review Order dated 23.03.2023 allowed the refinancing of loan. The Petitioner has claimed the sharing of gains accrued due to refinancing in the

truing up of FY 2022-23 in accordance to Clause 12 of Regulation No. 1 of 2019.

4.1.13 The interest and finance charges on loan approved in MYT Order dated 28.08.2020, claimed by SCCL in True up petition is detailed in Table below:

**Table 4-4 Interest and Finance Charges on Loan as claimed for FY 2022-23**

<i>Rs. in crore</i>		
<b>Particulars</b>	<b>Approved in MYT Order dated 28.08.2020</b>	<b>Claimed in True-up Petition</b>
Interest and finance charges on Loan	286.06	266.65

**Commission's View**

4.1.14 The Commission has approved the Interest and Finance Charges on loan in accordance with Clause 12 of the Regulation No. 1 of 2019. The outstanding loan balance approved for FY 2021-22 has been considered as the opening loan balance for FY 2022-23. The approved depreciation has been considered as the normative repayment for the year.

4.1.15 In regard to interest rate, the Commission directed the Petitioner to substantiate the interest rate on loan as considered in the Petition. The Petitioner in its reply the 2022-23. The Commission has computed the weighted average rate of interest on loan based on the actual loan portfolio and respective interest rate.

4.1.16 The Commission in its MTR Order dated 23.03.2023 approved the refinancing of loan for FY 2020-21 and FY 2021-22 as shown below:

*“3.9.12 The first and fourth proviso under clause 12.5 of the Regulation No.1 of 2019 specifies “in no case the rate of interest on loan shall exceed approved rate of RoE” and “Provided that if such rate of notional loan changes by more than MCLR during the control period and such change subsists for more than 3 continuous quarters in a year, then the same shall be effected on the notional loan and adjusted during true-up at the time of Mid-Term Review and End of Control Period Review” respectively.....*

*3.9.14 The Commission on consideration of loan refinancing has arrived at weighted average rate of interest @8.84% for the FY 2020-21 and the details are as given below:*

*Table 3.13: Interest rate due to loan refinancing during FY 2020-21*

*Rs. in crore*

<b>Particulars</b>	<b>Before swapping 197 days (01.04.2020 to 14.10.2020)</b>	<b>After swapping 168 days (15.10.2020 to 31.03.2021)</b>
Average Net Loan	3,876.98	3,719.10
Interest on loan	213.35	122.39



Wt Average Interest on loan for FY 2020-21 (A)	8.84%
Interest rate before loan refinancing (B)	10.20%
Reduction in interest rate due to loan refinancing (C= B-A)	1.36%

The Commission has computed the reduction in interest on loan amount by using the reduction in interest rate due to loan refinancing and approved average loan balance.

3.9.16 The Commission has considered the reduced interest on loan from FY 2020-21 to FY 2023-24. Though there is reduction in interest rate due to loan refinancing and after sharing of gains/loss as per clause 12.6 of Regulation No.1 of 2019, the net interest on loan for FY 2020-21 has increased as the refinancing charges are to be passed on to beneficiaries as per Regulation No.1 of 2019. The benefit of reduced rate of interest on loan due to loan refinancing is passed on to beneficiaries from FY 2021-22 to FY 2023-24.....”

4.1.17 It is observed that the Petitioner has also claimed the sharing of the benefits of refinancing of loan during FY 2022-23 in its True-up petition. The Commission in its Order dated 23.03.2023 has approved the sharing of gains on account of refinancing in FY 2020-21 and the Commission has not approved any sharing of gains for FY 2021-22. The Petitioner being aggrieved by the Commission’s MTR Order for not allowing the sharing of refinancing during FY 2021-22 challenged the Order before the Hon’ble APTEL, which is still pending. As the issue of sharing of refinancing for FY 2021-22 is sub-judice, the Commission is not allowing the sharing of refinancing for FY 2022-23 at this stage.

4.1.18 The interest and finance charges on loan approved in MTR Order dated 23.03.2023, claimed by SCCL in True up petition and approved in True up Order is as shown in the Table below:

**Table 4-5: I&FC on Loan as approved for FY 2022-23**

Rs. in crore

Particulars	Approved in MTR Order 23.03.2023	Claimed in True-up Petition	Approved in True-up Order
Opening Loan	-	3330.34	3330.33
Addition		11.87	0.00
Repayment		400.54	400.36
Closing Loan		2941.67	2929.97
Interest rate		7.66%	7.66%
Interest on loan		240.10	239.65
Sharing of		26.55	-

Particulars	Approved in MTR Order 23.03.2023	Claimed in True-up Petition	Approved in True-up Order
Benefits of Refinancing			
I&FC on Loan	224.24	266.65	239.65

### Interest on Working Capital (IoWC)

#### **Petitioner's Claim**

- 4.1.19 The Petitioner has claimed the Interest on working capital for FY 2022-23 as Rs. 98.65 Crore in accordance to Clauses 13.1 to 13.4 of Regulation No. 01 of 2019 against the approved value of Rs. 79.65 Crore in MYT Order dated 28.08.2020. The Petitioner has considered the Interest rate as 9.40% for computation of interest on working capital.
- 4.1.20 The interest on working capital approved in MYT Order dated 28.08.2020, claimed by SCCL in True up petition is detailed in Table below:

**Table 4-6: Interest on Working Capital as claimed for FY 2022-23**

*Rs. in crore*

Particulars	Approved in MYT Order dated 28.08.2020	Claimed in True-up Petition
Interest on Working Capital	79.65	98.65

#### **Commission's View**

- 4.1.21 The Commission has computed the working capital requirement for FY 2022-23 in accordance with clause 13 of Regulation No.1 of 2019. The working capital requirement has been computed considering the following:
- Cost of coal towards stock corresponding to 30 days generation corresponding to target availability.
  - Cost of coal for 30 days of generation corresponding to target availability.
  - Cost of secondary fuel oil for two months of generation corresponding to target availability.
  - Maintenance spares @ 20% of the O&M expenses.
  - O&M expenses for one month.
  - Receivables equivalent to two months of capacity charges and energy charges for sale of electricity calculated on target availability.
  - Minus payables for fuel (including secondary fuel oil) to the extent of thirty days of the cost of fuel computed at target availability.

- 4.1.22 In regard to rate of IoWC, the relevant clause of Regulation is as follows:

"13.3 Rate of interest on working capital shall be on normative basis and shall be considered as the Bank Rate plus 150 basis points as on filing date or as on 1<sup>st</sup> April of the financial Year during the MYT period in which the Generating Station or Unit thereof is declared under commercial operation, whichever is later.

*Provided that for the purpose of Truing-up for any year, interest on working capital shall be allowed at a rate equal to the weighted average Bank Rate prevailing during the concerned Year plus 150 basis points.”*

- 4.1.23 The Commission observed that the petitioner has wrongly computed the rate of interest for FY 2022-23. The petitioner has claimed the interest rate as 9.42% instead of Rs.9.30% equal to the weighted average Bank Rate prevailing during the FY 2022-23 including 150 basis points in accordance to clause 13.3 of Regulation No.1 of 2019.
- 4.1.24 The IoWC approved in MTR order dated 23.03.2023, claimed by SCCL in true-up petition and approved in true-up order is detailed in Table below:

**Table 4-7: Interest on Working Capital as approved for FY 2022-23**

*Rs. in crore*

Particulars	Approved in MTR Order 23.03.2023	Claimed in True-up Petition	Approved in True-up Order
Cost of Coal		233.62	229.71
Cost of Coal Generation		233.62	229.71
Cost of secondary fuel oil		1.83	1.83
O&M expenses		25.58	19.11
Maintenance spares		61.38	45.87
Receivables		726.24	699.15
Minus: Payables for fuel		234.54	230.62
Total Working Capital		1047.73	994.75
Rate of Interest		9.42%	9.30%
<b>Interest on Working Capital</b>	<b>83.51</b>	<b>98.65</b>	<b>92.50</b>

#### **Operation & Maintenance (O&M) Expenses**

##### ***Petitioner's Claim***

- 4.1.25 The Petitioner claimed the O&M expenses as Rs. 304.61 Crore on actuals against the approved value of Rs. 231.61 Crore in MYT Order dated 28.08.2020. The Petitioner in support of its claim has also submitted the auditor certificate.
- 4.1.26 The O&M expenses approved in MYT Order dated 28.08.2020, claimed by SCCL in True up petition is detailed in Table below:

**Table 4-8: Summary of O&M expenditure as claimed for FY 2022-23**

Rs. in crore

Particulars	Approved in MYT Order dated 28.08.2020	Claimed in True-up Petition
Employee Expenses	104.70	153.76
R&M Expenses	94.90	94.61
A&G Expenses	34.36	56.24
<b>O&amp;M Expense</b>	<b>231.61</b>	<b>304.61</b>

**Commission's View**

4.1.27 The clause 6.7 of Regulation No.1 of 2019 specifies variation in O&M expenses as controllable factors. The relevant extract is as follows:

**6.7 Controllable factors**

*Variations or expected variations in the performance of the petitioner, which may be attributed by the Commission to controllable factors include, but are not limited to the following:*

6.7.1 *Variations in capitalisation on account of time or cost overruns or inefficiencies in the implementation of a capital expenditure scheme not attributable to an approved change in its scope, change in statutory levies or Force Majeure Events;*

6.7.2 *Variation in interest and finance charges, return on equity, and depreciation on account of variation in capitalisation as specified in clause 6.8.1 above;*

6.7.3 *Variation in performance parameters, such as Availability, Auxiliary Consumption, Secondary fuel oil consumption, Gross Station Heat Rate.*

6.7.4 *Variation in amount of interest on working capital;*

6.7.5 *Variation in Operation and Maintenance Expenses;*

6.7.6 *Variation in coal transit losses."*

4.1.28 The Commission has recomputed the normative Employee expenses, normative R&M expenses and normative A&G expenses as per Regulation No.1 of 2019 based on the actual WPI/CPI for FY 2022-23.

**Table 4-9: Normative Employee Cost as approved for FY 2022-23**

Rs. in crore

Particulars	EMP <sub>b</sub>	CPI Inflation	Provision	EMP <sub>n</sub>
	(a)	(b)	(c)	(a*b)+(c)
Employee Cost	101.87	1.05	0.00	107.02

**Table 4-10: Normative A&G Expenses as approved for FY 2022-23**

Rs. in crore

Particulars	A&G <sub>fo</sub>	Inflation Factor	Provision	A&G <sub>n</sub>
	(a)	(b)	(c)	(a*b)+(c)
A&G Expenses	34.34	1.07	0.00	36.69

**Table 4-11: Normative R&M Expenses as approved for FY 2022-23**

Rs. in crore

Particulars	K <sub>n</sub>	GFA <sub>n</sub>	WPI Inflation	R&M <sub>n</sub>
	(a)	(b)	(c)	(a*b*c)
R&M Expenses	1.04%	7745.32	1.10	87.94

4.1.29 The recomputed normative O&M expenses were compared with the actual expenses as claimed by petitioner and the Commission has approved the least of computed normative expenses and actual expenses claimed.

**Table 4-12: Least of O&M expenses Normative (recomputed) and actuals for FY 2022-23**

Rs. in crore

Particulars	Recomputed Normative	Claimed (Actuals)	Lower of Normative or Claimed
Employee Expenses	107.02	153.76	107.02
R&M Expenses	87.94	94.61	87.94
A&G Expenses	36.69	56.24	36.69
<b>O&amp;M Expenses</b>	<b>231.64</b>	<b>304.61</b>	<b>231.64</b>

4.1.30 The relevant clause of Regulation No.1 of 2019 related to O&M expenses is as follows:

"19.1 The O&M expenses for each year of the control period shall be approved based on the formula shown below:

$$O\&M_n = (R\&M_n + EMP_n + A\&G_n) \times 99\%$$

4.1.31 The O&M expenses claimed by petitioner and approved by the Commission for FY 2022-23 is as shown below:

**Table 4-13: O&M Expenses claimed and approved FY 2022-23**

Rs. in crore

Particulars	Approved in MTR 23.03.2023	Claimed				Approved				
	O&M Expenses	Employee Expenses (a)	R&M Expenses (b)	A&G Expenses (c)	O&M Expenses (a+b+c)	Employee Expenses (a)	R&M Expenses (b)	A&G Expenses (c)	O&M Expenses (a+b+c)	O&M Expenses (a+b+c)x99%
FY 2022-23	220.09	153.76	94.61	56.24	304.61	107.02	87.94	36.69	231.64	229.33

**Return on Equity (ROE)**

**Petitioner's Claim**

4.1.32 The petitioner has claimed the Return on Equity (RoE) for FY 2022-23 as Rs.481.81 crore against the approved value of Rs.436.40 crore in MYT order dated 28.08.2020. The petitioner has considered the effective tax rate as 25.17% for grossing up the base rate of Return of Equity (15.50%).

4.1.33 The RoE approved in MYT order dated 28.08.2020, claimed by SCCL in true-

up petition is detailed in Table below:

**Table 4-14: Return on Equity including Tax as claimed for FY 2022-23**

*Rs. in crore*

Particulars	Approved in MYT Order dated 28.08.2020	Claimed in True-up Petition
Return on Equity	436.40	481.81

**Commission's View**

- 4.1.34 The Commission has approved Return on Equity in accordance with Clause 11 of the Regulation No. 1 of 2019. The gross normative equity as on 31.03.2022 approved in True-up Order dated 23.03.2023 has been considered as the normative opening equity as on 01.04.2022. The base rate of Return on Equity is considered as 15.50% in accordance to Clause 11.2 of Regulation No. 1 of 2019.
- 4.1.35 In regard to tax paid, the Commission directed the Petitioner to submit the documentary evidence in support of his claim. The Petitioner in its reply submitted that SCCL has opted for payment of Corporate Income Tax at the reduced Tax rate of 25.168% without MAT credit entitlement and exemptions. Therefore, the effective tax paid for FY 2022-23 comes out to 25.168% (Basic Rate: 22%, Surcharge: 10% on Basic rate and Cess: 04% on Basic rate + Surcharge).
- 4.1.36 The Commission observed that the Petitioner in addition to generation business is also engaged coal business. The audited Accounts of the Petitioner for FY 2022-23 is prepared on consolidated basis as there is no bifurcation of regulated business (thermal business) and other business of the Petitioner. As the audited accounts are prepared on consolidated basis, it would be difficult to ascertain and bifurcate the tax paid among the different business of the Petitioner. The Petitioner has not complied with the earlier directive of maintaining separate book of accounts for power generation activity in MTR Order dated 23.03.2023, the Commission expresses its displeasure and directs the Petitioner to maintain separate book of accounts for power generation activity.
- 4.1.37 The Hon'ble APTEL in its judgement dated 4<sup>th</sup> April, 2007 in appeal no. 251 of 2006 has ruled as under:

*"The consumers in the licensee's area must be kept in a water tight compartment from the risks of other business of the licensee and the Income Tax payable thereon. Under no circumstance, consumers of the licensee should be made to bear the Income Tax accrued in other businesses of the licensee.*

*Income Tax assessment has to be made on stand alone basis for the licensed business so that consumers are fully insulated and protected from the Income Tax payable from other businesses.”*

4.1.38 Further, the Commission in its MTR Order dated 23.03.2024, has approved the income tax at MAT rate while trueing up for FY 2019-20 to FY 2021-22. The relevant extract is as follows:

*“3.12.10 The Commission has approved RoE in accordance with clause 11 of the Regulation No.1 of 2019. The gross normative equity as on 31.03.2019 approved by True-up order dated 28.08.2020 has been considered as the normative equity as on 01.04.2019. The petitioner, availing regular income tax rate instead of concessional MAT rate would lead to higher RoE and burden on the consumers. Hence the Commission has considered concessional MAT rate instead of regular income tax rate as claimed by the petitioner. The rate of RoE has been considered as 18.782% by grossing up the base rate of 15.50% with concessional MAT rate of 17.472%.”*

4.1.39 The Petitioner being aggrieved by the Commission’s MTR Order for not allowing the effective tax rate and challenged the above said MTR Order before the Hon’ble APTEL, which is still pending. As the issue of effective tax rate is sub-judice, the Commission is considering the tax rate as MAT inline with MTR Order dated 23.03.2023 at this stage.

4.1.40 The Return on Equity including tax approved in MTR Order dated 23.03.2023, claimed by SCCL in True up petition and approved in True up Order is detailed in Table below:

**Table 4-15: Return on Equity including Income Tax as approved for FY 2022-23**

*Rs. in crore*

Particulars	Approved in MTR Order 23.03.2023	Claimed in True-up Petition	Approved in True-up Order
Opening Equity		2323.60	2323.60
Addition		5.09	0.00
Closing Equity		2328.68	2323.60
Rate of RoE		15.50%	15.50%
Tax Rate		25.17%	17.47%
Grossed up rate of RoE		20.71%	18.78%
<b>RoE including Income Tax</b>	<b>436.40</b>	<b>481.81</b>	<b>436.40</b>

**Non-Tariff Income (NTI)**

**Petitioner’s Claim**

4.1.41 The petitioner has claimed the Non-Tariff Income (NTI) on actuals as given in table below:

**Table 4-16: Non-Tariff Income as claimed for FY 2022-23***Rs. in crore*

Particulars	Approved in MYT Order dated 28.08.2020	Claimed in True-up Petition
Non-Tariff Income (NTI)	17.92	9.27

**Commission's View**

- 4.1.42 The Commission after prudence check and based on audited accounts in terms of clause 16(a) of Regulation No.1 of 2019 allows the NTI as claimed by petitioner as shown in table below:

**Table 4-17: Non-Tariff Income as approved for FY 2022-23***Rs. in crore*

Particulars	Approved in MTR Order 23.03.2023	Claimed in True-up Petition	Approved in True-up Order
Non-Tariff Income (NTI)	13.33	9.27	9.27

**Other Charges****Petitioner's Claim**

- 4.1.43 The petitioner has claimed other charges (water charges, Audit fee & Tariff filling fee) on actuals as given in table below:

**Table 4-18: Other Charges as claimed for FY 2022-23***Rs. in crore*

Particulars	Approved in MYT Order dated 28.08.2020	Claimed in True-up Petition
Other Charges (water charges, audit fee & tariff filling fee)	-	2.30

**Commission's View**

- 4.1.44 The Commission directed the Petitioner to submit the details of Water Charges, Tariff filing fee and audit fees as claimed for FY 2022-23. The Petitioner in its reply has submitted the copy of documentary evidences with regard to the Water charges, Tariff filing fee and Audit Fee as claimed.
- 4.1.45 The clause 19.6 of Regulation No.1 of 2019 stipulates that any expenditure on account of license fee, initial or renewal, fee for determination of tariff and audit fee shall be allowed on actual basis, over and above the A&G expenses approved by the Commission.
- 4.1.46 The Commission after prudence check allows the Water Charges, Audit Fee & Tariff Filing fee on actuals as claimed by the Petitioner as detailed below:



**Table 4.15: Other Charges approved for FY 2022-23**

*Rs. in crore*

Particulars	Approved in MTR Order 23.03.2023	Claimed in True-up Petition	Approved in True-up Order
Other Charges (water charges, audit fee & tariff filling fee)	-	2.30	2.30

**Incentive**

**Petitioner's Claim**

4.1.47 The Petitioner has claimed incentive as Rs. 16.03 Crore in accordance to Clause 21.4 of Regulation No. 1 of 2019 for supplying power to Beneficiaries more than the normative operations norms (PLF > 85%) as specified by the Commission.

**Table 4-19: Incentive as claimed for FY 2022-23**

*Rs. in crore*

Particulars	Unit	Approved in MYT Order dated 28.08.2020	Claimed in True-up Petition
Target PLF	%	85%	85%
Incentive Rate	Rs./kWh	0.50	0.50
Units above Normative PLF	MU	-	320.53
Incentive for additional generation above Normative PLF	Rs.Crore	-	16.03

**Commission's View**

4.1.48 The Incentive for achieving the normative PLF and additional generation over & above normative PLF are to be recovered directly from beneficiaries in accordance to Regulation No.1 of 2019. The Petitioner is directed to recover the same in accordance with the Regulation No. 1 of 2019.

**Energy Charges**

**Petitioner's Claim**

4.1.49 The Petitioner submitted that Energy Charges have been computed based as per clause 21 of Regulation No.1 of 2019.

4.1.50 The Energy Charge Rate (ECR) claimed by SCCL for FY 2022-23 is as shown in the Table below:

**Table 4-20: Energy Charge Rate (ECR) as claimed for FY 2022-23**

Particulars	Legend	Units	Approved in MYT Order dated 28.08.2020	Claimed in True up Petition
Auxiliary Consumption	AUX	%	5.75	6.05
Gross Station Heat Rate	GHR	kcal/kWh	2303.88	2305.47
Secondary Fuel oil consumption	SFC	ml/kWh	0.5	0.19
Calorific Value of Secondary Fuel	CVSF	kcal/ml	9.97	10.01
Landed Price of Secondary Fuel	LPSF	Rs/ml	0.04	0.07
Wt. Avg. Gross Calorific Value of Coal	CVPF	kcal/kg	3866.17	4002.83
Landed Price of Coal	LPPF	Rs/kg	3.68	5.44
Specific Coal Consumption		kg/kWh	0.59	0.58
<b>ECR</b>		<b>Rs/kWh</b>	<b>2.345</b>	<b>3.343</b>

**Commission's View**

- 4.1.51 Clause 21 of the Regulation No. 1 of 2019 stipulates the methodology for determination of ECR. The Auxiliary Consumption, Gross Station Heat Rate, Secondary Fuel oil consumption, Calorific Value of Secondary Fuel are controllable factors and considered on normative basis. Further, the landed price of secondary fuel, weighted average gross calorific value of coal and landed price of coal are uncontrollable factors and considered on actuals basis.
- 4.1.52 Based on the above methodology and details submitted by the Petitioner, the Commission has recomputed the ECR for FY 2022-23 as follows:

**Table 4-21: Energy Charge Rate (ECR) approved for FY 2022-23**

Particulars	Legend	Units	Approved in MYT Order dated 28.08.2020	Claimed in True-up Petition	Approved in True-up Order
Auxiliary Consumption	AUX	%	5.75	6.05	5.75
Gross Station Heat Rate	GHR	kcal/kWh	2303.88	2305.47	2303.88
Secondary Fuel oil consumption	SFC	ml/kWh	0.5	0.19	0.19
Calorific Value of Secondary Fuel	CVSF	kcal/ml	9.97	10.01	10.01
Landed Price of Secondary Fuel	LPSF	Rs/ml	0.04	0.07	0.07
Wt. Avg. Gross Calorific Value of Coal	CVPF	kcal/kg	3866.17	4002.83	4002.83
Landed Price of Coal	LPPF	Rs/kg	3.68	5.44	5.44
Specific Coal Consumption		kg/kWh	0.59	0.58	0.58
<b>ECR</b>		<b>Rs/kWh</b>	<b>2.345</b>	<b>3.343</b>	<b>3.332</b>

- 4.1.53 Any variation in fuel prices on account of change in the GCV of coal or gas or

liquid fuel shall be billed in accordance with the provisions under Clauses 21.10 and 21.11 of Regulation No.1 of 2019.

#### Summary of Annual Fixed Charge admitted and Sharing of Gain/Loss

4.1.54 The summary of AFC claimed by SCCL for FY 2022-23 and approved by the Commission is given in table below:

**Table 4-22: Annual Fixed Charge (AFC) approved**

*Rs. in crore*

Particulars	Approved in MTR Order 23.03.2023	Claimed in True up Petition	Approved in True up Order	Variation with MTR Order
Depreciation	400.36	400.54	400.36	0.00
Interest and finance charges on loan	224.24	266.65	239.65	15.41
Interest on Working Capital	83.51	98.65	92.50	8.99
Operation & Maintenance Expenses	220.09	304.61	229.33	9.23
Return on Equity	436.40	481.81	436.40	0.00
Less: Non-Tariff Income	13.33	9.27	9.27	-4.06
<b>Annual Fixed Charges</b>	<b>1351.27</b>	<b>1542.99</b>	<b>1388.97</b>	<b>37.69</b>
Other Charges	-	2.30	2.30	2.30
<b>Total AFC including Other Charges</b>	<b>1351.27</b>	<b>1545.30</b>	<b>1391.27</b>	<b>39.99</b>

#### Sharing of Gains/Losses

4.1.55 The Commission has approved the sharing of gains/losses in accordance with the relevant clauses of Regulation No.1 of 2019 as detailed in table below:

**Table 4-23: Summary of approved sharing of gain/loss to the beneficiaries**

*Rs. in crore*

Particulars	Variation of AFC with MTR Order	Sharing of Gain/Losses
Depreciation	0.00	0.00
Interest and finance charges on loan	15.41	15.41
Interest on Working Capital	8.99	3.00
Operation & Maintenance Expenses	9.23	3.08
Return on Equity	0.00	0.00
Less: Non-Tariff Income	-4.06	-4.06
Other Charges (Water charges, Audit fee & Tariff filing fee)	2.30	2.30
<b>Sharing of gains/losses (+/-)</b>	<b>-</b>	<b>27.84</b>

4.1.56 The Commission directs SCCL to bill to the beneficiary's viz., TGDISCOMs the claim towards total sharing/passing through of gains/losses approved in

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this order as per the AFC and other charges approved after truing-up for  
FY 2022-23.

### Chapter-5

## Analysis and Conclusion on MYT for the period FY 2024-25 to FY 2028-29

### Regulatory Provisions

5.1.1 The clause 6 of Regulation No. 2 of 2023 specifies the procedure for filing petition. The extract of relevant clauses of Regulation No.2 of 2023 is as follows:

**"6 Procedure for filing Petition**

6.1 *The petitions under MYT by the generating entity, transmission licensee/STU, SLDC and distribution licensee shall be filed as per the timelines specified in this Regulation and in compliance with the principles for determination of Aggregate Revenue Requirement as specified in this Regulation along with the applicable formats enclosed at Appendix 1 to Appendix 5.*

6.2 *The petitions to be filed for each control period under this Regulation are as under:*

a) *Multi Year Tariff petition shall be filed by 30th November of the year preceding the first year of the control period by generating entity, comprising:*

- i. *True-up of preceding year for generation business;*
- ii. *True-up of preceding year for integrated mine;*
- iii. *Proposal of Tariff for each year of the control period for generation business;*
- iv. *Proposal of Input Price of coal supplied from integrated mine for each year of the control period.*

*Provided that the Multi Year Tariff petitions for the control period commencing from 01.04.2024 shall be filed by generating entity, transmission licensee, distribution licensee and SLDC on or before 31.01.2024.*

... ..

**Illustration:** *The timelines for filing the Petitions for the control period from FY 2024-25 to FY 2028-29 are as under:*

<i>Multi Year Tariff petition for the control period from FY 2024-25 to FY 2028-29:</i>	<i>31.01.2024;</i>
<i>Annual Tariff petition for FY 2025-26:</i>	<i>30.11.2024;</i>
<i>Annual Tariff petition for FY 2026-27:</i>	<i>30.11.2025;</i>
<i>Annual Tariff petition for FY 2027-28:</i>	<i>30.11.2026;</i>
<i>Annual Tariff petition for FY 2028-29:</i>	<i>30.11.2027;</i>

5.1.2 The petitioner has filed the MYT petition for the period i.e., from FY 2024-25 to FY 2028-29 on 30.01.2024.

5.1.3 The Commission has scrutinized the petition filed by petitioner for determination



of Generation Tariff for the MYT of the period i.e. FY 2024-25 to FY 2028-29, in accordance with Regulation No. 2 of 2023.

5.1.4 The tariff for sale of electricity from a thermal generating station shall comprise of two parts namely, Annual Fixed Charges (AFC) and Energy Charges (for recovery of primary and secondary fuel cost). The extract of relevant clause of Regulation No.2 of 2023 is as follows:

**“39 Components of Tariff**

39.1 *The Tariff for sale of electricity from a thermal power Generating Station shall comprise two parts, namely, Annual Fixed Charge and Energy Charge.*

39.2 *The Tariff for sale of electricity from a hydel Generating Station shall comprise one part, namely, Capacity Charge.*

**40 Annual Fixed Charges**

40.1 *The Annual Fixed Charges shall comprise the following components:*

- (a) *Operation & Maintenance Expenses;*
- (b) *Depreciation;*
- (c) *Interest and finance charges on loan;*
- (d) *Interest on Working Capital;*
- (e) *Return on Equity;*

*Less:*

(f) *Non-Tariff Income;*

**B. Energy Charges**

46.3 *The Energy Charges shall cover landed cost of primary fuel and secondary fuel oil and shall be worked out on the basis of total energy scheduled to be supplied to the Beneficiary/ies during the calendar month on ex-power plant basis, at the Energy Charge Rate of the month (with fuel price adjustment) as per the following formula:*

*Energy Charges (Rs) = (Energy Charge Rate in Rs/kWh) x [Scheduled Energy (ex-bus) for the month in kWh]*

46.4 *Energy Charge Rate (ECR) in Rs/kWh shall be computed upto three decimal places and shall be the sum of the cost of normative quantities of primary and secondary fuel for delivering ex-bus one kWh of electricity, and shall be computed as per the following formula:*

*ECR = ((GSHR - SFC x CVSF) x LPPF / CVPF + SFC x LPSF) x 100 / (100 - AUX)*

*Where,*

*AUX = Normative Auxiliary Energy Consumption in percentage;*

*CVPF = Weighted average Gross Calorific Value of coal as received in kcal/kg less 85 kcal/kg on account of variation during*

storage at generating station; in case of blending of fuel from different sources, the weighted average Gross Calorific Value of primary fuel shall be arrived in proportion of blending ratio;

CVSF = Calorific value of secondary fuel, in kcal/ml;

GSHR = Normative Gross Station Heat Rate, in kcal/kWh;

LPPF = Weighted average landed price of primary fuel, in Rs./kg, as applicable, during the month; in case of blending of fuel from different sources, the weighted average landed price of primary fuel shall be arrived in proportion of blending ratio;

SFC = Normative Secondary Fuel Oil Consumption, in ml/kWh;

LPSF<sub>i</sub> = Weighted average landed price of secondary fuel in Rs./ml during the month:"

5.1.5 The component-wise description of the petitioner's claim and the Commission's view thereon is given below:

**Operation and Maintenance (O&M) Expenses**

**Petitioner's Claim**

5.1.6 The Petitioner submitted that the O&M expenses (Employee expenses, A&G expenses and R&M expenses) are claimed based on actuals of the past Control Period after applying the formula provided in Clause 45 of Regulation No. 2 of 2023. The O&M expenses as claimed by the Petitioner for THE period FY 2024-25 to FY 2028-29 is as follows:

**Table 5-1: O&M Expenses as claimed for the period FY 2024-25 to FY 2028-29**

Particular	Rs. in crore				
	2024-25	2025-26	2026-27	2027-28	2028-29
Employee Expenses	170.09	179.03	188.44	198.35	208.78
A&G Expenses	59.73	63.27	67.02	70.98	75.19
R&M Expenses	126.38	133.86	141.79	150.19	159.08
O&M Expenses	<b>356.20</b>	<b>376.17</b>	<b>397.25</b>	<b>419.52</b>	<b>443.05</b>

**Commission's View**

5.1.7 Clause 45 of (Multi Year Tariff) Regulation 2 of 2023 specifies the Operation and Maintenance expenses. The relevant extract of the Regulation is as follows:

**"45 Operation and Maintenance (O&M) expenses**

45.1 The O&M expenses for each generating station shall comprise of:

Employee cost including unfunded past liabilities of pension and gratuity;

Repairs and Maintenance (R&M) expenses; and

Administrative and Generation (A&G) expenses.

45.2 The O&M expenses for existing generating station for each year of the

Control Period shall be approved based on the formula shown below:

$$O\&M_n = EMP_n + R\&M_n + A\&G_n$$

Where,

- O&M<sub>n</sub> – Operation and Maintenance expense for the n<sup>th</sup> year;
- EMP<sub>n</sub> – Employee Costs for the n<sup>th</sup> year;
- R&M<sub>n</sub> – Repair and Maintenance Costs for the n<sup>th</sup> year;
- A&G<sub>n</sub> – Administrative and General Costs for the n<sup>th</sup> year;

45.3 The above components shall be computed in the manner specified below:

$$EMP_n = (EMP_{n-1}) \times (CPI \text{ Inflation});$$

$$R\&M_n = K \times (GFA_n) \times (WPI \text{ Inflation}) \text{ and}$$

$$A\&G_n = (A\&G_{n-1}) \times (WPI \text{ Inflation})$$

Where,

EMP<sub>n-1</sub> – Employee Costs for the (n-1)<sup>th</sup> year;

“K” is a constant specified by the Commission in %. Value of K for each year of the control period shall be determined by the Commission in the MYT order based on generating entity’s filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;

GFA<sub>n</sub> - Opening Gross Fixed Asset of the generating station for the n<sup>th</sup> year;

A&G<sub>n-1</sub> – Administrative and General Costs for the (n-1)<sup>th</sup> year;

CPI Inflation – is the point to point change in the Consumer Price Index (CPI) for Industrial Workers (all India) as per Labour Bureau, Government of India; in case CPI Inflation is negative, the escalation/change shall be 0%;

WPI Inflation – is the point to point change in the Wholesale Price Index (WPI) as per the Office of Economic Advisor of Government of India:

Provided that the employee cost and A&G expenses for the first year of the Control Period shall be worked out considering the average of the trued-up expenses after adding/deducting the share of efficiency gains/losses, for the immediately preceding Control Period, excluding abnormal expenses, if any, subject to prudence check by the Commission and duly escalating the same for 3 years with CPI Inflation for employee costs and WPI Inflation for A&G expenses.

.....”

5.1.8 In accordance to proviso to clause 43 of (Multi Year Tariff) Regulation 2 of 2023, the Commission has computed the Employee Expenses and A&G Expenses for FY 2024-25 by considering the average of the trued-up expenses after



adding/deducting the share of efficiency gains/losses, for the immediately preceding Control Period and duly escalating the same with actual inflation factor of FY 2022-23 and FY 2023-24.

5.1.9 The Employee Expenses of each financial year for the period FY 2024-25 to FY 2028-29 is computed by escalating the above derived value of Employee expenses by average CPI inflation factor of last 5 financial years (FY 2019-20 to FY 2023-24), subject to truing up in accordance to Regulation. The Employee Expenses approved by the Commission for the period FY 2024-25 to FY 2028-29 is as shown below:

**Table 5-2: Normative Employee Costs as approved for the period FY 2024-25 to FY 2028-29**

*Rs. in crore*

Particular	EMP <sub>n-1</sub>	CPI Inflation	EMP <sub>n</sub>
	(a)	(b)	(a)*(b)
FY 2024-25	114.51	1.058	121.17
FY 2025-26	121.17	1.058	128.22
FY 2026-27	128.22	1.058	135.68
FY 2027-28	135.68	1.058	143.57
FY 2028-29	143.57	1.058	151.92

5.1.10 The A&G Expenses of each financial year for the period FY 2024-25 to FY 2028-29 is computed by escalating the above derived value derived value of A&G expenses by average WPI inflation factor of last 5 financial years (FY 2019-20 to FY 2023-24), subject to truing up in accordance to Regulation.

**Table 5-3: Normative A&G Expenses as approved for the period FY 2024-25 to FY 2028-29**

*Rs. in crore*

Particular	A&G <sub>n-1</sub>	WPI Inflation	A&G <sub>n</sub>
	(a)	(b)	(a)*(b)
FY 2024-25	38.51	1.049	40.41
FY 2025-26	40.41	1.049	42.41
FY 2026-27	42.41	1.049	44.50
FY 2027-28	44.50	1.049	46.70
FY 2028-29	46.70	1.049	49.00

5.1.11 In regard to R&M Expenses, the Commission has computed the k factor based on the approved R&M expenses for previous Control Period. The normative R&M Expenses of each financial year for the period FY 2024-25 to FY 2028-29 is computed by multiplying the opening GFA, with k factor and average WPI inflation factor of last 5 financial years which is being escalated for the each

year of the period FY 2024-25 to FY 2028-29, subject to truing up in accordance to Regulation.

**Table 5-4: Normative R&M Expenses as approved for the period FY 2024-25 to FY 2028-29**

*Rs. in crore*

Particular	K	GFA <sub>n</sub>	WPI Inflation	R&M <sub>n</sub>
	(a)	(b)	(c)	(a*b*c)
FY 2024-25	1.08%	7745.32	1.049	87.89
FY 2025-26	1.08%	7745.32	1.101	92.23
FY 2026-27	1.08%	7745.32	1.155	96.78
FY 2027-28	1.08%	7745.32	1.212	101.55
FY 2028-29	1.08%	7745.32	1.272	106.56

5.1.12 The O&M Expenses approved by the Commission for FY 2024-25 to FY 2028-29 is as shown below:

**Table 5-5: O&M expenses approved for the period FY 2024-25 to FY 2028-29**

*Rs. in crore*

Particular	2024-25	2025-26	2026-27	2027-28	2028-29
Employee Expenses	121.17	128.22	135.68	143.57	151.92
A&G Expenses	40.41	42.41	44.50	46.70	49.00
R&M Expenses	87.89	92.23	96.78	101.55	106.56
<b>O&amp;M Expenses</b>	<b>249.48</b>	<b>262.85</b>	<b>276.95</b>	<b>291.82</b>	<b>307.48</b>

**Additional Capitalisation**

**Petitioner's Claim**

5.1.13 The petitioner has claimed Rs.20.77 crore as additional capitalisation for FY 2024-25. In justification of additional capitalisation, the petitioner submitted that the

- a) Flexible operation of existing coal-fired power plants is very much required to ensure security, reliability of power supply and stability of electricity grids while maximizing generation from Renewable energies sources (RES) & integration of the same into grid.
- b) Accordingly, CEA issued new regulations on 30.01.23 for implementation of flexible operation scheme in coal based thermal power plants. As per the new regulations, the minimum unit generation should be reduced to 40% (i.e., 240 MW) of maximum continuous rating of unit (i.e., 600 MW) and minimum ramp rate capability should be 3%

per minute (i.e., 18 MW/min) between 100% to 70% (i.e., between 600 MW-420 MW) of maximum continuous rating, 2% per minute (i.e., 12 MW/min) between 70% to 55% (i.e., between 420 MW to 330 MW) of maximum continuous rating and 1% per minute (i.e., 06 MW/min) between 55% to 40% of maximum continuous rating (330 MW to 240 MW). These regulations should be complied within one year from the date of the notification of the regulations.

- c) CEA further notified on 15.12.23, the phasing plan of various coal based thermal Generating units. Based on the phasing plan approved by CEA, SCCL Unit-1 and Unit-2 should implement flexible operation scheme by January 2025 and March 2025 respectively.

**Table 5-6: Additional Capitalisation as claimed for the period FY 2024-25 to FY 2028-29**

Particular	Rs. in crore				
	2024-25	2025-26	2026-27	2027-28	2028-29
Additional Capitalisation	20.77	-	-	-	-

**Commission's View**

- 5.1.14 The Commission in its order on Business Plan, & Capital Investment Plan for FY 2024-25 to FY 2028-29 dated 29.12.2023 has already given its view on the FGD system and implementation of flexible operation scheme as per CEA Regulation. The extract from the Order is stipulated below:

**"FGD system**

4.2.11 The Commission in the MYT Order dated 28.08.2020 ruled as under: "5.4.28 As the target date for complying with SO2 emission norm was deferred by the competent authority and such uniform dispensation was given across the country, the Commission deems it a fit case to exercise the power of relaxation of Clause 7.19.1 regarding the criteria for allowing additional capitalisation i.e., within the original scope of work and upto the cut-off date for allowing the capital investment for FGD system beyond the original scope of work and after the cut-off date. Clause 7.19.1(l) provides for capital expenditure for complying with statutory norms for Environment in accordance with the appropriate notifications of MoEF&CC. Therefore, the capital investment for FGD system is allowable under Clause 7.19.1(l) of the Regulation No.1 of 2019. The Commission vide its Order dated 08.02.2020 accorded in-principal approval for undertaking the works for complying with revised emission norms. The Commission hereby confirms the said approval. 5.4.29 As FGD is still under implementation stage across the country, in the absence of any yardstick on market trends to compare the cost estimates of SCCL, the Commission is not

*expressing any opinion on the cost estimates at this stage. The Commission understands that SCCL is in the process of awarding the works of procurement and installation of FGD system through competitive process. The Commission expects such competitive procurement to yield the most economical prices aligned to market trends. The Commission shall carry out the prudence check of the cost of FGD system in true-up for the relevant year after commissioning of the same."*

5.1.15 Accordingly the Commission shall carry out the prudence check of the final executed cost in true-up for the relevant year after commissioning of the FGD system.

***" Implementation of flexible operation scheme as per CEA Regulation 4.2.22*** SCCL submitted that it has to incur the capital investment for complying with the CEA Regulation but it has neither justified as to why it cannot achieve the without incurring the proposed capital investment nor it has submitted the works proposed to be undertaken along with corresponding cost details. Therefore, the Commission does not approve the capital investment for the same in this Order. The Commission is in the process of framing the Multi Year Tariff Regulation for the period commencing from FY 2024-25 onwards. If the need arises, SCCL may seek the approval of the Commission for undertaking the capital works required for complying with CEA Regulations in accordance with the provisions of the Multi Year Tariff Regulation to be issued by the Commission."

5.1.16 Accordingly the Commission grants the in-principle approval as the said works are towards the compliance of CEA Regulations. The Commission shall carry out the prudence check of the final executed cost in true-up for the relevant year after commissioning of the same. The additional capitalisation of SCCL claimed for implementation of flexible operation scheme is deferred and will be taken into consideration at the time of the true up of the relevant year. The Commission directs the Petitioner to implement the flexible operation scheme as per CEA Regulations.

**Depreciation**

***Petitioner's Claim***

5.1.17 The Petitioner submitted that the depreciation is claimed in accordance with Regulation 28 of (Multi Year Tariff) Regulation 2 of 2023. The Petitioner has considered the opening GFA for FY 2024-25 as Rs. 7805.62 Crore for determination of depreciation.

5.1.18 The depreciation rates for different assets for each financial year was computed based on the asset capitalization schedule as considered in MYT Petition by

adopting the straight-line method of depreciation computation and rates specified in Annexure I of (Multi Year Tariff) Regulation 2 of 2023. The balance depreciable value as on 1<sup>st</sup> April, 2024 was computed by deducting the cumulative depreciation claimed upto 31<sup>st</sup> March 2023. The depreciation as claimed by the Petitioner for the period FY 2024-25 to FY 2028-29 is as follows:

**Table 5-7: Depreciation as claimed for the period FY 2024-25 to FY 2028-29**

	<i>Rs. in crore</i>				
<b>Particular</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>
Depreciation	403.52	404.17	404.17	404.17	404.17

**Commission's View**

5.1.19 Clause 28 of (Multi Year Tariff) Regulation 2 of 2023 specifies provisions related to Depreciation. The relevant extract of the Regulation is as follows:

**"28 Depreciation**

*28.1 The generating entity, licensee, and SLDC shall be permitted to recover depreciation on the value of fixed assets used in their respective regulated businesses, computed in the following manner:*

*(a) The approved original cost of the fixed assets shall be the value base for calculation of depreciation:*

*Provided that the depreciation shall be allowed on the entire capitalised amount of the new assets after reducing the approved original cost of the retired or replaced or de-capitalised assets.*

*(b) Depreciation shall be computed annually based on the straight line method on the basis of the expected useful life specified in the Annexure I to this Regulation.*

*(c) The salvage value of the asset shall be considered at ten per cent of the allowable capital cost and depreciation shall be allowed upto a maximum of ninety per cent of the allowable capital cost of the asset:*

*Provided that the generating entity or Licensee or SLDC shall submit certification from the Statutory Auditor for the capping of depreciation at ninety per cent of the allowable capital cost of the asset:*

*Provided further that the salvage value of Information Technology equipment and computer software shall be considered at zero per cent of the allowable capital cost.*

*28.2 Land other than the land held under lease and the land for reservoir in case of hydel Generating Station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the assets.*

*28.3 In case of existing assets, the balance depreciable value as on 01.04.2024 shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31.03.2024 from the gross depreciable value of the assets:*

*Provided that depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.*

*28.4 The generating entity or Licensee or SLDC shall submit the depreciation computations separately for assets added up to 31.03.2024 and assets added on or after 01.04.2024.*

*28.5 Depreciation allowed for each year of the Control Period shall be deemed*

to be equal to the loan repayment, up to the ceiling of seventy five percent (75%) of asset cost or actual debt component used for funding such asset in case the debt funding is higher than seventy five percent (75%) of the asset cost:

Provided that depreciation allowed for each year of the Control Period beyond seventy five percent (75%) of asset cost or actual debt component used for funding such asset in case the debt funding is higher than seventy five percent (75%) of the asset cost, shall be utilised for reduction of equity during that year.

- 5.1.20 The Commission observed that the Petitioner has computed the depreciation taking into account the projected additional capitalisation during the year. The Commission further observes that the depreciation rate considered by the Petitioner is in line with (Multi Year Tariff) Regulation 2 of 2023.
- 5.1.21 The Commission has recomputed the depreciation based on approved GFA and on annually based on straight line method on the basis of the expected useful life specified in the Annexure I to this Regulation.
- 5.1.22 The depreciation as approved by the Commission for the period FY 2024-25 to FY 2028-29 is as follows:

**Table 5-8: Depreciation approved for the period FY 2024-25 to FY 2028-29**  
Rs. in crore

Particular	2024-25	2025-26	2026-27	2027-28	2028-29
Opening GFA	7745.32	7745.32	7745.32	7745.32	7745.32
Addition during the year	0.00	0.00	0.00	0.00	0.00
Closing GFA	7745.32	7745.32	7745.32	7745.32	7745.32
Rate of Depreciation	5.17%	5.17%	5.17%	5.17%	5.17%
<b>Depreciation</b>	<b>400.36</b>	<b>400.36</b>	<b>400.36</b>	<b>400.36</b>	<b>400.36</b>

### Interest and Finance Charges (I&FC) on Loan

#### **Petitioner's Claim**

- 5.1.23 The Petitioner submitted that the interest and financing charges on loan for period FY 2024-25 to FY 2028-29 have been computed in accordance to clause 31 of (Multi Year Tariff) Regulation 2 of 2023. The Petitioner further added that loan outstanding as on 1<sup>st</sup> April, 2024 was computed considering cumulative depreciation up to 31<sup>st</sup> March, 2024 as notional repayment of loan. In addition to Interest and Finance Charges on Loan, the Petitioner has also claimed the benefit of re-financing resulting in reduction of interest rate from 10.20% to 8.63%.
- 5.1.24 The total Interest and Finance Charges on Loan claimed by the Petitioner for

the period FY 2024-25 to FY 2028-29 is as follows:

**Table 5-9: I&FC on Loan as claimed by the petitioner for the period FY 2024-25 to FY 2028-29**

Particular	Rs. in crore				
	2024-25	2025-26	2026-27	2027-28	2028-29
Interest and Finance Charges on Loan	205.04	170.81	135.93	101.04	66.15
Benefit of Re-financing	37.19	30.98	24.66	18.33	12.02
Pass through of benefit of Re-financing	12.40	10.33	8.22	6.11	4.01
Total Interest and Finance Charges on Loan	217.44	181.14	144.14	107.15	70.15

**Commission's View**

5.1.25 Clause 31 of (Multi Year Tariff) Regulation 2 of 2023 specifies the provisions related to Interest and Finance Charges on Loan. The relevant extract of the Regulation is as follows:

*31.1 The loans arrived at in the manner indicated in clause 27 on the assets put to use shall be considered as gross normative loan for calculation of interest on loan:*

*Provided that in case of retirement or replacement or de-capitalisation of assets, the loan capital approved as mentioned above, shall be reduced to the extent of outstanding loan component of the original cost of such assets based on documentary evidence.*

*31.2 The normative loan outstanding as on 01.04.2024, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.03.2024, from the gross normative loan.*

*31.3 The loan repayment during each year of the Control Period shall be deemed to be equal to the depreciation allowed for that year, up to the ceiling of seventy five percent (75%) of asset cost or actual debt component used for funding such asset in case the debt funding is higher than seventy five percent (75%) of the asset cost.*

*31.4 Notwithstanding any moratorium period availed, the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed.*

*31.5 The rate of interest shall be the weighted average rate of interest computed on the basis of the actual long-term loan portfolio at the beginning of each year:*

*Provided that at the time of Truing-up, the weighted average rate of interest computed on the basis of the actual long-term loan portfolio during the concerned year shall be considered as the rate of interest:*

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

*Provided also that if the generating entity or the licensee or the SLDC, as the*

case may be, does not have actual long-term loan even in the past, the weighted average rate of interest of its other Businesses regulated by the Commission shall be considered:

*Provided also that if the generating entity or the licensee or the SLDC, as the case may be, does not have actual long-term loan, and its other Businesses regulated by the Commission also do not have actual long-term loan even in the past, then the weighted average rate of interest of the entity as a whole shall be considered:*

*Provided also that if the entity as a whole does not have actual long-term loan, then the Base Rate at the beginning of the respective year shall be considered as the rate of interest for the purpose of allowing the interest on the normative loan.*

31.6 The interest on loan shall be computed on the normative average loan of the year by applying the weighted average rate of interest:

*Provided that at the time of Truing-up, the normative average loan of the concerned year shall be considered on the basis of the actual asset capitalisation approved by the Commission for the year.*

31.7 The above interest computation shall exclude interest on loan amount, normative or otherwise, to the extent of capital cost funded by Consumer Contribution, Deposit Works, Grants or Capital Subsidy.

31.8 The finance charges incurred for obtaining loans from financial institutions for any Year shall be allowed by the Commission at the time of Truing-up, subject to prudence check:

*Provided that the finance charges such as credit rating charges, collection facilities charges, financing cost of delayed payment surcharge, bank charges and other finance charges of similar nature shall be part of A&G expenses.*

31.9 The excess interest during construction on account of time and/or cost overrun as compared to the approved completion schedule and capital cost or on account of excess drawal of the debt funds disproportionate to the actual requirement based on Scheme completion status, shall be allowed or disallowed partly or fully on a case to case basis, after prudence check by the Commission based on the justification to be submitted by the Generating Company or Transmission Licensee or Distribution Licensee along with documentary evidence, as applicable:

*Provided that where the excess interest during construction is on account of delay attributable to an agency or contractor or supplier engaged by the generating entity or the transmission licensee, any liquidated damages recovered from such agency or contractor or supplier shall be taken into account for computation of capital cost:*

*Provided further that the extent of liquidated damages to be considered shall depend on the amount of excess interest during construction that has been allowed by the Commission:*

*Provided also that the Commission may also take into consideration the impact of time overrun on the supply of electricity to the concerned Beneficiary.*

31.10 The generating entity or the licensee or the SLDC, as the case may be, shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event, the costs associated with such re-financing shall



*be borne by the Beneficiaries and the net savings shall be shared between the Beneficiaries and them in the ratio of 2:1, subject to prudence check by the Commission:*

*Provided that refinancing shall not be done if such refinancing including other costs associated with such refinancing results in net increase in interest:*

*Provided further that if refinancing is done and it results in net increase on interest, then the rate of interest shall be considered equal to the Base Rate as on the date on which the Petition for determination of Tariff is filed:*

*Provided also that the re-financing shall not be subject to any conditions that are not in line with standard loan documents:*

*Provided also that the generating entity or the licensee or the SLDC, as the case may be, shall submit documentary evidence of the costs associated with such re-financing:*

*Provided also that the net savings in interest shall be computed after factoring all the terms and conditions, and based on the weighted average rate of interest of actual portfolio of loans taken from Banks and Financial Institutions recognised by the Reserve Bank of India, before and after re-financing of loans:*

*Provided also that the net savings in interest shall be calculated as an annuity for the term of the loan, and the annual net savings shall be shared between the entity and Beneficiaries in the specified ratio.*

.....”

5.1.26 It is observed that the Petitioner has also claimed the sharing of the benefits of refinancing of loan for each year of the period of FY 2024-25 to FY 2028-29. The Commission in its Order dated 23.03.2023 has approved the sharing of gains/losses on account of refinancing in FY 2020-21 and the Commission has not approved any sharing of gains for FY 2021-22. The Petitioner being aggrieved by the Commission's MTR Order for not allowing the sharing of refinancing during FY 2021-22 and challenged the above said MTR Order before the Hon'ble APTEL, which is still pending. As the issue of sharing of refinancing for FY 2021-22 is sub-judice, the Commission is not allowing the sharing of benefits of refinancing for the period FY 2024-25 to FY 2028-29 , subject to outcome to judgement of Hon'ble APTEL.

5.1.27 The Commission has considered the approved true up closing loan as opening loan base for FY 2024-25. The same is subject to truing up based on approved true up closing loan base for FY 2023-24.

5.1.28 The Commission observed that latest actual interest rate available is for first half (April'23 to Sep'23) of FY 2023-24. The Commission has provisionally considered the weighted average of actual interest rate pertaining to various loans for approving the interest and finances on loan for the period FY 2024-25

to FY 2028-29 subject to truing up based on actuals after prudence check.

- 5.1.29 The interest and finance Charges approved by the Commission for the period FY 2024-25 to FY 2028-29 is as shown in table below:

**Table 5-10: I&FC on Loan approved for the period FY 2024-25 to FY 2028-29**

<i>Rs. in crore</i>					
Particular	2024-25	2025-26	2026-27	2027-28	2028-29
Opening Loan	2529.61	2129.25	1728.89	1328.53	928.17
Addition during the Year	0.00	0.00	0.00	0.00	0.00
Repayment during the Year	400.36	400.36	400.36	400.36	400.36
Closing Loan	2129.25	1728.89	1328.53	928.17	527.81
Interest rate	8.24%	8.24%	8.24%	8.24%	8.24%
<b>Interest on loan</b>	<b>191.85</b>	<b>158.88</b>	<b>125.90</b>	<b>92.93</b>	<b>59.96</b>

#### **Interest on Working Capital (IoWC)**

##### ***Petitioner's Claim***

- 5.1.30 The Petitioner submitted that Interest on Working Capital is claimed in accordance to clause 33 of (Multi Year Tariff) Regulation 2 of 2023. The rate of interest on working capital has been computed as 10.04% (1 Year MCLR of SBI plus 150 basis points) as on January 2024.
- 5.1.31 The Interest on Working Capital claimed by the Petitioner for period FY 2024-25 to FY 2028-29 is as follows below:

**Table 5-11: Interest on Working Capital as claimed for the period FY 2024-25 to FY 2028-29**

<i>Rs. in crore</i>					
Particular	2024-25	2025-26	2026-27	2027-28	2028-29
Interest on Working Capital	96.66	96.59	96.49	96.37	96.39

##### ***Commission's View***

- 5.1.32 Clause 33 of (Multi Year Tariff) Regulation 2 of 2023 specifies the provisions related to Interest on Working Capital. The relevant extract of the Regulation is as follows:

*"Generation*

*(a) In case of coal-fired thermal generating stations, working capital shall cover:*

*(i) Cost of coal towards stock, if applicable, for ten (10) days for pit-head Generating Stations and twenty (20) days for non-pithead Generating Stations, for generation corresponding to target availability, or the maximum coal stock storage capacity, whichever is lower;*

*(ii) Cost of coal for thirty (30) days for generation corresponding to target availability;*

*(iii) Cost of secondary fuel oil for one (1) month corresponding to target availability;*

(iv) Normative Operation and Maintenance expenses for one (1) month;

(v) Maintenance spares at one percent (1%) of the opening Gross Fixed Assets for the Year; and

(vi) Receivables for sale of electricity equivalent to forty-five (45) days of the sum of annual fixed charges and energy charges approved in the Tariff Order, computed at target availability and excluding incentive, if any: minus

(vii) Payables for fuel (including oil and secondary fuel oil) to the extent of thirty (30) days of the cost of fuel computed at target availability, depending on the modalities of payment:

*Provided that in case the Fuel Supply Agreement provides for payment of cost of fuel in advance, the payables for fuel shall not be deducted for the purpose of computing the working capital requirement to the extent of actual payment of such advance, as substantiated by documentary evidence: Provided further that for the purpose of Truing-up, the working capital shall be computed based on the scheduled generation or target availability of the generating station, whichever is lower:*

*Provided also that for the purpose of Truing up, the working capital shall be computed based on the actual average stock of coal and limestone or normative stock of coal and limestone of the generating station, whichever is lower: Provided also that for the purpose of Truing-up for any year, the working capital requirement shall be re-computed on the basis of the values of revised normative Operation & Maintenance expenses and actual Revenue from sale of electricity excluding incentive, if any, and other components of working capital approved by the Commission in the Truing-up before sharing of gains and losses....."*

5.1.33 The Commission computed the working capital in accordance of clause 33.1. (a) of (Multi Year Tariff) Regulation 2 of 2023. Further, the rate of interest on working capital is considered on normative basis in accordance to clause 33.6 of (Multi Year Tariff) Regulation 2 of 2023 equal to Base Rate as on the date of Petition filling plus 150 basis points. The Interest on Working Capital approved by the Commission for period FY 2024-25 to FY 2028-29 is as shown below:

**Table 5-12: Interest on Working Capital as approved for the period FY 2024-25 to FY 2028-29**

Particular	Rs. in crore				
	2024-25	2025-26	2026-27	2027-28	2028-29
Cost of Coal	172.97	172.97	172.97	172.97	172.97
Cost of Coal Generation	259.45	259.45	259.45	259.45	259.45
Cost of secondary fuel oil	2.46	2.46	2.46	2.46	2.46
O&M expenses	20.79	21.54	22.34	23.18	24.07
Maintenance spares	77.45	77.45	77.45	77.45	77.45
Receivables	560.44	557.98	555.61	552.89	551.16
Minus: Payables for fuel	261.90	261.90	261.90	261.90	261.90
<b>Total Working Capital</b>	<b>831.65</b>	<b>829.95</b>	<b>828.37</b>	<b>826.49</b>	<b>825.64</b>
Rate of Interest	10.15%	10.15%	10.15%	10.15%	10.15%
<b>Interest on Working Capital</b>	<b>84.41</b>	<b>84.24</b>	<b>84.08</b>	<b>83.89</b>	<b>83.80</b>

#### **Return on Equity (RoE)**

**Petitioner's Claim**

- 5.1.34 The Petitioner has considered 30% of the capital cost as opening equity based as specified in the (Multi Year Tariff) Regulation 2 of 2023 for determination of Return of Equity.
- 5.1.35 In accordance to Regulation 29.2(a) of (Multi Year Tariff) Regulation 2 of 2023, the Petitioner has considered the base rate as 15.5% for computation of Return on Equity for the period FY 2024-25 to FY 2028-29 is as follows:

**Table 5-13: Return on Equity as claimed for the period FY 2024-25 to FY 2028-29**

	<i>Rs. in crore</i>				
<b>Particular</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>
Return on Equity	485.68	486.33	486.33	486.33	486.33

**Commission's View**

- 5.1.36 Clause 29 of (Multi Year Tariff) Regulation 2 of 2023 specifies provisions related to Return on Equity. The relevant extract of the Regulation is as follows:

**"29 Return on Equity**

29.1 Return on Equity shall be computed in rupee terms, on the equity base determined in accordance with clause 27.

29.2 Return on Equity shall be computed at the following base rates:

(a) Thermal generating stations: 15.50%;

.....

29.3 The Return on Equity shall be computed in the following manner:

(a) Return at the allowable rate as per this clause, applied on the amount of equity capital at the commencement of the Year; plus

(b) Return at the allowable rate as per this Regulation, applied on 50 per cent of the equity capital portion of the allowable capital cost, for the investments put to use in generation business or transmission business or distribution business or SLDC, for such Year.

....."

- 5.1.37 The Commission observed that the Petitioner has computed the Return on Equity taking into account the projected equity addition in additional capitalisation during the year. The Commission further observes that the Return on Equity considered by the Petitioner is in line with (Multi Year Tariff) Regulation 2 of 2023.
- 5.1.38 The Commission has recomputed the Return on Equity based on approved GFA and return on Equity as 15.50% in line with clause 29.2.(a) of the (Multi Year Tariff) Regulation 2 of 2023.
- 5.1.39 The Return on Equity as approved by the Commission for the period FY 2024-25 to FY 2028-29 is as follows:

**Table 5-14: Return on Equity as approved for the period FY 2024-25 to FY 2028-29**

Rs. in crore					
Particular	2024-25	2025-26	2026-27	2027-28	2028-29
Opening Equity	2323.60	2323.60	2323.60	2323.60	2323.60
Addition during the Year	0.00	0.00	0.00	0.00	0.00
Closing Equity	2323.60	2323.60	2323.60	2323.60	2323.60
Rate of RoE	15.50%	15.50%	15.50%	15.50%	15.50%
Return on Equity	<b>360.16</b>	<b>360.16</b>	<b>360.16</b>	<b>360.16</b>	<b>360.16</b>

### Tax on RoE

#### **Petitioner's Claim**

- 5.1.40 The Petitioner has considered the effective tax rate as 25.17% for grossing up the Base rate of Return on Equity and compute the post-tax RoE for FY 2024-25 to FY 2028-29.

#### **Commission's View**

- 5.1.41 Clause 30 of (Multi Year Tariff) Regulation 2 of 2023 specifies the Tax on Return on Equity. The relevant extract of the Regulation is as follows:

*"30.1 The Base rate of Return on Equity allowed by the Commission under clause 29.2 shall be grossed up with the effective Income Tax rate of the respective entity for the respective financial year:*

*Provided that the effective Income Tax rate shall be considered on the basis of actual Income Tax paid in respect of the financial year in line with the provisions of the relevant Finance Acts by the concerned generating entity or licensee, as the case may be:*

*Provided further that the actual Income Tax on the amount of income from Delayed Payment Charges or Interest on Delayed Payment or Income from Other Business or income from any source that has not been considered for computing the Aggregate Revenue Requirement or income from efficiency gains and incentive approved by the Commission shall be excluded for the calculation of effective Income Tax rate:*

*Provided also that in case of generating entity or licensee paying Minimum Alternate Tax (MAT), the effective Income Tax rate shall be considered as MAT rate including surcharge and cess:*

*Provided also that if no Income Tax has been paid by the Company as a whole, then the effective Income Tax rate shall be considered as "Nil".*

*30.2 Rate of pre-tax Return on Equity shall be rounded off to three decimal places and shall be computed as per the formula given below:*

*Rate of pre-tax return on equity = Base Rate / (1-t);*

*Where "Base Rate" is the rate of Base Return on Equity in accordance*

with clause 29.2;

"t" is the effective Income Tax rate in accordance with clause 30.1."

5.1.42 The Commission observed that the Petitioner in addition to generation business is also engaged in coal business. The audited Accounts of the Petitioner is prepared on consolidated basis there is no bifurcation of regulated business (thermal business) and other business of the Petitioner. As the audited accounts are prepared on consolidated basis, it would be difficult to ascertain and bifurcate the tax paid among the different business of the Petitioner.

5.1.43 The Hon'ble APTEL in its judgement dated 4th April, 2007 in appeal no. 251 of 2006 has ruled as under:

*"The consumers in the licensee's area must be kept in a water tight compartment from the risks of other business of the licensee and the Income Tax payable thereon. Under no circumstance, consumers of the licensee should be made to bear the Income Tax accrued in other businesses of the licensee. Income Tax assessment has to be made on stand alone basis for the licensed business so that consumers are fully insulated and protected from the Income Tax payable from other businesses."*

5.1.44 Accordingly, the Commission is of the view that the tax of other business/ unregulated business cannot be passed to consumers. On standalone basis the generating plant under the new company is entitled for Tax benefit and only MAT is applicable. Thus, the Commission is not inclined to consider the effective tax rate and allows only MAT rate of 17.47% towards Return of Equity for computation of Tax on Return of Equity for the period FY 2024-25 to FY 2028-29.

5.1.45 The Commission directs the Petitioner to separate the audited accounts of its generation business from other business and furnish the separate audited accounts related to generation business at the time of truing up for examination.

**Table 5-15: Tax on RoE approved for the period FY 2024-25 to FY 2028-29**  
Rs. in crore

Particular	2024-25	2025-26	2026-27	2027-28	2028-29
Opening Equity	2323.60	2323.60	2323.60	2323.60	2323.60
Addition during the Year	0.00	0.00	0.00	0.00	0.00
Closing Equity	2323.60	2323.60	2323.60	2323.60	2323.60
Rate of RoE	15.50%	15.50%	15.50%	15.50%	15.50%
Tax Rate	17.47%	17.47%	17.47%	17.47%	17.47%
Effective Tax Rate	18.78%	18.78%	18.78%	18.78%	18.78%
Tax on Return on Equity	<b>76.24</b>	<b>76.24</b>	<b>76.24</b>	<b>76.24</b>	<b>76.24</b>

## Non-Tariff Income

### *Petitioner's Claim*

5.1.46 The Petitioner has claimed the Non-Tariff Income for the period FY 2024-25 to FY 2028-29 as shown in table below:

**Table 5-16: Non-Tariff Income claimed for the period FY 2024-25 to FY 2028-29**

Particular	Rs. in crore				
	2024-25	2025-26	2026-27	2027-28	2028-29
Non-Tariff Income	3.90	4.09	4.29	4.51	4.73

### *Commission's View*

5.1.47 Clause 43 of (Multi Year Tariff) Regulation 2 of 2023 specifies Non-Tariff Income. The relevant extract of the Regulation is as follows:

*"43 Non-Tariff Income*

*43.1 The amount of Non-Tariff Income of the Generating Company as approved by the Commission shall be deducted while determining its Annual Fixed Charge: Provided that the Generating Company shall submit full details of its forecast of Non-Tariff Income to the Commission in such form as may be stipulated by the Commission. 43.2 The Non-Tariff Income shall include:*

- a) Income from rent of land or buildings;*
- b) Net income from sale of de-capitalised assets;*
- c) Income from sale of scrap;*
- d) Income from statutory investments;*
- e) Interest income on advances to suppliers/contractors;*
- f) Income from rental from staff quarters;*
- g) Income from rental from contractors;*
- h) Income from hire charges from contractors and others;*
- i) Income from sale of ash/rejected coal;*
- j) Income from advertisements; k) Income from sale of tender documents;*
- l) Any other Non-Tariff Income: 44 Operational Norms for Generating ...."*

5.1.48 The Commission approves the Non-Tariff Income as claimed by the Petitioner subject to prudence check on actuals at the time of truing up. The Non-Tariff Income approved by the Commission for the period FY 2024-25 to FY 2028-29 is as follows:

**Table 5-17: Non-Tariff Income approved for the period FY 2024-25 to FY 2028-29**

Particular	Rs. in crore				
	2024-25	2025-26	2026-27	2027-28	2028-29
Non-Tariff Income	3.90	4.09	4.29	4.51	4.73

**Incentive**

**Petitioner's Claim**

5.1.49 The Petitioner has estimated the incentive based on the projected generation over the normative PLF and at the rate as specified in Clause 46.6 of (Multi Year Tariff) Regulation 2 of 2023. The incentive claimed by the Petitioner for the period FY 2024-25 to FY 2028-29 is as shown in table below:

**Table 5-18: Incentive claimed by petitioner for period FY 2024-25 to FY 2028-29**

Particular	Rs. in crore				
	2024-25	2025-26	2026-27	2027-28	2028-29
Incentive	18.66	31.69	31.69	31.84	31.69

**Commission's View**

5.1.50 Clause 46.6 of (Multi Year Tariff) Regulation 2 of 2023 specifies provisions related to incentive. The relevant extract of the Regulation is as follows:

**“46 Computation and Payment of Capacity Charges and Energy Charges for Thermal Generating Stations**

**C. Incentive**

46.6 Incentive shall be payable at a flat rate of 50.0 paise/kWh for actual energy generation in excess of ex-bus energy corresponding to Normative Annual Plant Load Factor.

.....”

5.1.51 The Commission is of the view that incentive shall be bills on actuals as per Clause 46.6 of (Multi Year Tariff) Regulation 2 of 2023. Thus, the Commission has not allowed any incentive based on projected PLF.

**Annual Fixed Charges (AFC)**

5.1.52 Based on the above, the Annual Fixed Charges (AFC) claimed by the Petitioner and as approved by the Commission is as shown in the Tables below:



**Table 5-19: Annual Fixed Charges as approved for the period FY 2024-25 to FY 2028-29**

Rs. in crore

Particulars	2024-25		2025-26		2026-27	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Operation & Maintenance Expenses	356.20	249.48	376.17	262.85	397.25	276.95
Depreciation	403.52	400.36	404.17	400.36	404.17	400.36
Interest and finance charges on loan	217.44	191.85	181.14	158.88	144.14	125.90
Interest on Working Capital	96.66	84.41	96.59	84.24	96.49	84.08
Return on Equity	485.68	436.40	486.33	436.40	486.33	436.40
Less: Non-Tariff Income	3.90	3.90	4.09	4.09	4.29	4.29
<b>Annual Fixed Charges</b>	<b>1555.60</b>	<b>1358.60</b>	<b>1540.30</b>	<b>1338.63</b>	<b>1524.09</b>	<b>1319.40</b>

Particulars	2027-28		2028-29	
	Claimed	Approved	Claimed	Approved
Operation & Maintenance Expenses	419.52	291.82	443.05	307.48
Depreciation	404.17	400.36	404.17	400.36
Interest and finance charges on loan	107.15	92.93	70.15	59.96
Interest on Working Capital	96.37	83.89	96.39	83.80
Return on Equity	486.33	436.40	486.33	436.40
Less: Non-Tariff Income	4.51	4.51	4.73	4.73
<b>Annual Fixed Charges</b>	<b>1509.04</b>	<b>1300.88</b>	<b>1495.35</b>	<b>1283.26</b>

**Operations Parameters**

**Petitioner's Claim**

5.1.53 The Petitioner in its 3<sup>rd</sup> prayer has requested the Commission not to apply the components of varied figures of normative/ operational parameters stated in the Regulation No. 02 of 2023 as the same are less beneficial to SCCL. However, the Petitioner has claimed the operational parameters as per Regulation for the period FY 2024-25 to FY 2028-29 as shown in the table below:

**Table 5-20: Operational Parameters as claimed for period FY 2024-25 to FY 2028-29**

Particular	2024-25	2025-26	2026-27	2027-28	2028-29
Normative PLF	%	85	85	85	85
Normative PAF	%	85	85	85	85
Auxiliary Consumption	%	5.75	5.75	5.75	5.75

**Commission's View**

5.1.54 Clause 44 of (Multi Year Tariff) Regulation 2 of 2023 specifies the operational

parameters. The relevant extract of the Regulation is as follows:

**“44 Operational Norms for Generating Stations**

44.1 Recovery of capacity charge, energy charge and any incentive by the generating station shall be based on the achievement of operational norms specified in this Regulation.

44.2 The Normative Annual Plant Availability Factor (NAPAF) for Thermal Generating Stations for full recovery of Annual Fixed Charges shall be 85 per cent.

44.3 Normative Annual Plant Load Factor (NAPLF) for incentive for thermal Generating Stations/Units shall be 85 per cent.

44.7 Auxiliary Energy Consumption for all coal-based thermal Generating Stations shall be as given in the Table below:

Particulars	With Natural Draft cooling tower or without cooling tower
(i) 62.5 MW	10.00%
(ii) 250 MW series	8.50%
(iii) 500 MW & above	
Steam driven boiler feed pumps	5.25%
Electrically driven boiler feed pumps	7.75%

Provided that for thermal Generating Stations with induced draft cooling towers and where tube type coal mill is used, the norms shall be further increased by 0.5% and 0.8%, respectively:

Provided further that additional Auxiliary Energy Consumption as follows may be allowed for plants with Dry Cooling Systems:

Type of Dry Cooling System	(% of gross generation)
Direct cooling air cooled condensers with mechanical draft fans	1.0%
Indirect cooling system employing jet condensers with pressure recovery turbine and natural draft tower	0.5%

Provided also that for thermal Generating Stations with Flue Gas Desulphuriser (FGD), additional Auxiliary Energy Consumption shall be allowed on case-to-case basis after prudence check.

- Auxiliary Energy Consumption for hydro generating stations be as under:

Type of Station	Auxiliary Energy Consumption
Surface	
Rotating Excitation	0.7%

Type of Station	Auxiliary Energy Consumption
Static	1.0%
<b>Underground</b>	
Rotating Excitation	0.9%
Static	1.2%

- *In case of pumped storage hydro generating stations, the quantum of electricity required for pumping water from down-stream reservoir to up-stream reservoir shall be arranged by the beneficiaries duly taking into account the transmission and distribution losses up to the bus bar of the generating station. In return, beneficiaries shall be entitled to equivalent energy of 75% of the energy utilized in pumping the water from the lower elevation reservoir to the higher elevation reservoir from the generating station during peak hours and the generating station shall be under obligation to supply such quantum of electricity during peak hours."*

5.1.55 The Commission has carried out due diligence and prudence check while framing the Regulation. Further, only after stakeholder's consultation the draft Regulations are finalised and notified. Thus, the Commission is not inclined to Petitioner's prayer to relax or vary from the normative norms specified in the Regulation.

5.1.56 The Commission has approved the operational parameters for the Petitioner on normative basis in accordance to clause 44 of (Multi Year Tariff) Regulation, 2 of 2023 as shown in the table below:

**Table 5-21: Operational Parameters as approved for the period FY 2024-25 to FY 2028-29**

Particular	2024-25	2025-26	2026-27	2027-28	2028-29
Normative PLF	%	85	85	85	85
Normative PAF	%	85	85	85	85
Auxiliary Consumption	%	5.75	5.75	5.75	5.75

**Energy Charges**

**Petitioner's Claim**

5.1.57 The Petitioner has computed the energy charges based on clause 46(B) of (Multi Year Tariff) Regulation 2 of 2023. The Petitioner further added that the estimated energy charge for the first year of the Control Period has been worked out based on coal & oil data for September-2023, October-2023 & November-2023.

**Table 5-22: Energy Charge Rate (ECR) as claimed for the period FY 2024-25 to FY 2028-29**

Particulars	Units	2024-25	2025-26	2026-27	2027-28	2028-29
Auxiliary Consumption	%	5.75	5.75	5.75	5.75	5.75
Gross Station Heat Rate	kcal/kWh	2300	2300	2300	2300	2300
Secondary Fuel oil consumption	ml/kWh	0.5	0.5	0.5	0.5	0.5
Calorific Value of Secondary Fuel	kcal/ml	10.00	10.00	10.00	10.00	10.00
Landed Price of Secondary Fuel	Rs./ml	0.07	0.07	0.07	0.07	0.07
Gross Calorific Value of Coal	kcal/kg	3719	3719	3719	3719	3719
Landed Price of Coal	Rs./kg	5867	5867	5867	5867	5867
Specific Coal Consumption	kg/kWh	0.617	0.617	0.617	0.617	0.617
Rate of Primary Fuel	Rs./kWh	3.841	3.841	3.841	3.841	3.841
Rate of Secondary Fuel	Rs./kWh	0.035	0.035	0.035	0.035	0.035
<b>Energy Charge Rate (ECR)</b>	<b>Rs./kWh</b>	<b>3.876</b>	<b>3.876</b>	<b>3.876</b>	<b>3.876</b>	<b>3.876</b>

**Commission’s View**

5.1.58 Clause 46(B) of Regulation 2 of 2023 stipulates the methodology for determination of ECR. The relevant extract of the Regulation is stipulated below:

*“B. Energy Charges*

*46.3 The Energy Charges shall cover landed cost of primary fuel and secondary fuel oil and shall be worked out on the basis of total energy scheduled to be supplied to the Beneficiary/ies during the calendar month on ex-power plant basis, at the Energy Charge Rate of the month (with fuel price adjustment) as per the following formula:*

*Energy Charges (Rs) = (Energy Charge Rate in Rs/kWh) x [Scheduled Energy (ex-bus) for the month in kWh]*

*46.4 Energy Charge Rate (ECR) in Rs/kWh shall be computed up to three decimal places and shall be the sum of the cost of normative quantities of primary and secondary fuel for delivering ex-bus one kWh of electricity, and shall be computed as per the following formula:*

*ECR = (GSHR – SFC X CVSF) X LPPF / CVPF+SFC X LPSFi} X 100 / (100-AUX)*

*Where,*

*AUX = Normative Auxiliary Energy Consumption in percentage;*

*CVPF = Weighted average Gross Calorific Value of coal as received in kcal/kg less 85 kcal/kg on account of variation during storage at generating station; in case of blending*

*of fuel from different sources, the weighted average Gross Calorific Value of primary fuel shall be arrived in proportion of blending ratio;*

*CVSF = Calorific value of secondary fuel, in kcal/ml;*

*GSHR = Normative Gross Station Heat Rate, in kcal/kWh;*

LPPF = Weighted average landed price of primary fuel, in Rs./kg, as applicable, during the month; in case of blending of fuel from different sources, the weighted average landed

price of primary fuel shall be arrived in proportion of blending ratio;

SFC = Normative Secondary Fuel Oil Consumption, in ml/kWh;

LPSFi = Weighted average landed price of secondary fuel in Rs./ml during the month:

Provided that the landed cost of primary fuel and secondary fuel for tariff determination shall be based on actual weighted average cost of primary fuel and secondary fuel of the three (3) preceding months, and in the absence of landed costs for the three (3) preceding months, latest procurement price of primary fuel and secondary fuel for the generating Station, preceding the first month for which the Tariff is to be determined for existing stations, and immediately preceding three (3) months in case of new generating stations shall be taken into account:

Provided further that the landed cost of fuel shall mean the total cost of coal delivered to the generating station and shall include the base price of fuel corresponding to the grade/quality/calorific value of fuel inclusive of royalty, taxes and duties as applicable, washery charges as applicable,

transportation cost by rail/road or any other means, charges for third-party sampling, and, for the purpose of computation of energy charges, shall be arrived at after considering normative transit and handling losses as percentage of the quantity of fuel dispatched by the fuel supply company during the month:

Provided also that any refund of taxes and duties along with any amount received on account of penalties from fuel supplier shall have to be adjusted in fuel cost:

Provided also that the Energy Charges, for the purpose of billing/Fuel Surcharge shall be worked out Station-wise/Unit-wise based on weighted average rate based on scheduled generation from each Unit.

.....”

5.1.59 The Commission has approved the Norms of Operation of the Petitioner in clause 44 of (Multi Year Tariff) Regulation 2 of 2023 for the period FY 2024-25 to FY 2028-29. The Approved norms of operation in accordance with the (Multi Year Tariff) Regulation 2 of 2023 is detailed as under:

**Table 5-23: Norms of operation as approved in MYT Regulation No.2 of 2023**

Parameter	Units	Approved in MYT Regulation No.2 of 2023
Normative Annual Plant Availability Factor	%	85.00
Normative Annual PLF	%	85.00
Auxiliary Consumption	%	5.75
Gross Station Heat Rate	kcal/kWh	2300.00
Secondary Fuel Oil Consumption	ml/kWh	0.50
Transit Loss	%	0.80

5.1.60 In accordance to the provisions of clause 46.4 of Regulation No.2 of 2023, the

Commission has considered the latest available actual fuel price and GCV for the period from Sep'23 to Nov'23 for primary and secondary fuel. Further, in regard to coal allocation from Naini coal mines, the Commission is of the view that the coal allocation is not within the purview of the Commission. In the best interest of the electricity consumers of the State, SCCL shall have to pursue with the concerned authorities for transfer of coal allocation from Naini Coal Block to its own mines in Telangana.

5.1.61 Accordingly, the tentative fuel prices and GCV considered by the Commission for computing the Base ECR is as shown in the Table below:

**Table 5-24: Tentative fuel prices and GCV considered**

Particulars	Units	Value
Calorific Value of Secondary Fuel	kcal/ml	10.00
Landed Price of Secondary Fuel	Rs./ml	0.07
Wt. Avg. Gross Calorific Value of Coal	kcal/kg	3808.80
Landed Price of Coal	Rs./kg	5.86

5.1.62 Based on the above norms of operation and tentative fuel prices and GCV, the base ECR computed by the Commission is as shown in the Table below:

**Table 5-25: Base Energy Charge Rate approved for the period FY 2024-25 to FY 2028-29**

Particulars	Units	Base Year i.e., FY 2024-25
Auxiliary Consumption	%	5.75
Gross Station Heat Rate	kcal/kWh	2300.00
Secondary Fuel oil consumption	ml/kWh	0.50
Calorific Value of Secondary Fuel	kcal/ml	10.00
Landed Price of Secondary Fuel	Rs./ml	0.07
Wt. Avg. Gross Calorific Value of Coal	kcal/kg	3808.80
Landed Price of Coal	Rs./kg	5.86
Specific Coal Consumption	kg/kWh	0.60
<b>Energy Charge Rate (ECR)</b>	<b>Rs./kWh</b>	<b>3.785</b>

5.1.63 The variation in fuel prices and GCV shall be billed in accordance with clause 46.5 of Regulation No.2 of 2023.

5.1.64 The indicative MYT tariff based on the above is as shown in the Table below:

**Table 5-26: Indicative MYT Tariff approved for the Period FY 2024-25 to FY 2028-29**

Particulars	2024-25		2025-26		2026-27	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Net Generation (MU)	8794.66	8421.43	9055.24	8421.43	9055.24	8421.43
AFC (Rs. Crore)	<b>1555.60</b>	<b>1358.60</b>	<b>1540.30</b>	<b>1338.64</b>	<b>1524.09</b>	<b>1319.40</b>
AFC per unit (Rs./kWh)	1.77	1.61	1.70	1.58	1.68	1.57
Base ECR (Rs./kWh)	3.84	3.78	3.84	3.78	3.84	3.78
Total Tariff (Rs./kWh)	5.61	5.40	5.54	5.37	5.52	5.35

Particulars	2027-28		2028-29	
	Claimed	Approved	Claimed	Approved
Net Generation (MU)	9081.30	8444.50	9055.24	8421.43
AFC (Rs. Crore)	<b>1509.04</b>	<b>1300.88</b>	<b>1495.35</b>	<b>1283.26</b>
AFC per unit (Rs./kWh)	1.66	1.54	1.65	1.52
Base ECR (Rs./kWh)	3.84	3.78	3.84	3.78
Total Tariff (Rs./kWh)	5.50	5.33	5.49	5.31

### Applicability

5.1.65 The Generation Tariffs determined for each year of the Control Period from FY 2024-25 to FY 2028-29 are applicable from 1<sup>st</sup> April to 31<sup>st</sup> March of the respective Financial Year. However, as few months of FY 2024-25 are over, the Commission directs the Petitioner to recover/adjust the difference in revenue recoverable in accordance with the Tariff approved in this Order vis-a-vis the Tariff charged from April 2024 till the issue of this Order in 6 equal monthly instalments.

### Commission's Directives

5.1.66 The Commission's earlier Directives and new Directives issued in this order are enclosed at Appendix.

**This Order is corrected and signed on this the 28<sup>th</sup> June. 2024.**

<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>
(BANDARU KRISHNAIAH)	(M. D. MANOHAR RAJU)	(T. SRIRANGA RAO)
MEMBER	MEMBER	CHAIRMAN

**//CERTIFIED COPY//**

## **Appendix Commission's Directives**

### **Earlier Directives**

**a. Separate Accounts**

SCCL shall maintain separate books of accounts for Power Generation activity.

**b. Efficiency improvement measures**

The Commission directs SCCL to submit the status of the efficiency improvement measures implemented by SCCL and the results of the same in its End-control period review petition.

### **New Directives**

**a. Revised AFC for FY 2022-23**

The Commission directs the petitioner to recover/adjust the difference in revenue recoverable in accordance with the Tariff approved in this order vis-à-vis the Tariff charged from April 2022.

**b. Sharing of Losses and Gains**

The Commission directs SCCL to bill to the beneficiary's viz., TGDISCOMs the claim towards total sharing/passing through of gains/losses approved in this order as per the AFC and other charges approved after truing-up for FY 2022-23.

**c. Capital Woks**

SCCL must implement flexible operation scheme as per CEA Regulations.

**d. Incentives**

The Incentive for achieving the normative PLF and additional generation over and above normative PLF are to be recovered directly from Beneficiaries in accordance to Regulation No.1 of 2019.

**e. Coal from Integrated Mine(Naini)**

The Commission directs to expedite the process to start the production from Naini coal block to reduce the burden on the Consumers.





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Newspaper clippings appeared in THE HANS INDIA, THE HINDU, THE MUNISIF (Urdu) on 14.02.2024

**BEFORE THE HON'BLE TELANGANA STATE ELECTRICITY REGULATORY COMMISSION (TSERC)**  
 D.No. 11-4-660, 5th Floor, Singareni Bhavan, Red Hills, Hyderabad 500 004

**THE SINGARENI COLLIERIES COMPANY LIMITED**  
 (A Government Company)

**PUBLIC NOTICE**

(1) Notice is hereby given to all that the Singareni Collieries Company Limited (SCCL) filed before the Telangana State Electricity Regulatory Commission (TSERC) for approval of Multi Year Tariff for the fifth control period (2024-29) and approval of true up for FY 2022-23 for 2\*600 MW Singareni Thermal Power Plant, SCCL. These filings have been taken on record by the Hon'ble Commission in O.P. No. 04 of 2024.

(2) Copies of filings and proposals referred are available in the office of the Chief (E&M), Power Projects, Singareni Collieries Company Limited, SCCL, #11-4-660, 3rd floor, Singareni Bhavan, Red Hills, Hyderabad, Telangana, 500004. Interested persons may inspect/peruse the said filings and take note thereof during office hours at the said office free of cost. These proposals are also available on [www.sccclmines.com](http://www.sccclmines.com) and the same may be accessed at [www.tserc.gov.in](http://www.tserc.gov.in). A copy of these filings can be obtained from the above office from 14-02-2024 onwards on payment of photocopying charges of the filings.

(3) Objections/suggestions, if any, on the said filings, together with supporting material may be sent to the office of Chief (E&M), Power Projects, #11-4-660, 3rd Floor, Singareni Bhavan, Red Hills, Hyderabad, Telangana-500004 (Email: [ed\\_stpp@sccclmines.com](mailto:ed_stpp@sccclmines.com)) in person or through Registered Post so as to reach on or before 05-03-2024 by 05:00 PM. A copy of same must also be filed with the Commission Secretary, TSERC, at the address mentioned above. The objections / Suggestions should be duly signed and should carry full name and postal address of the person(s) sending the objections / Suggestions. If the objections/suggestions are filed on behalf of any organization or any category of consumers, it should be clearly mentioned. If the objector also wants to be heard in person it may also be specifically mentioned.

4. The objection/suggestion should accompany the following statement as an overleaf.

Name & full address of the Objector	Brief details of objection (s)/ suggestion (s)	Objections / Suggestions against filings made by SCCL for approval of Multi Year Tariff for the fifth control period (2024-29) and approval of true up for FY 2022-23 for 2*600 MW Singareni Thermal Power Plant SCCL.	Whether copy of objection & proof of delivery at SCCL's office enclosed (Yes/No)	Whether Objector wants to be heard in person (Yes/ No)
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5. Telangana State Electricity Regulatory Commission intends to conduct a Public Hearing at Court Hall, TSERC, 5th Floor, Singareni Bhavan, Lakdi-ka-pul, Hyderabad on 22-03-2024 from 11:00 hrs onwards.

Place: Hyderabad, Date: 14-02-2024  
 DMPR No.:937-PP/CL-AGENCY/ADVT/1/2023-24, Dt:13-02-2024

**Sd/- Director**  
(Finance) SCCL



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**Annexure-I(C)**

Newspaper clipping appeared EENADU, VELUGU on 07.04.2024

**గౌరవనీయ తెలంగాణ రాష్ట్ర విద్యుత్ నియంత్రణ మండలి (TSERC)**  
 డి.నెం. 11-4-680, 5వ అంతస్తు, సింగరేణి భవన్, రేడ్ హిల్స్, హైదరాబాద్- 500004 హైదరాబాద్

**ది సింగరేణి కాలరీస్ కంపెనీ లిమిటెడ్ (ప్రభుత్వ కంపెనీ)**  
**బహిరంగ ప్రకటన**

SCCLకి రాజులు రేణులవనీ FY 2024-29 కొరత బహుళ వార్షిక భారత ఒప్ప మరయు 2x600 MW సింగరేణి తర్ఫుల్ పవర్ ప్లాంట్ నిమిత్తం FY 2022-23 ముఖ్య ప్రణాళికి అనుగుణ్య నియమించి యాచిస్తుం దిటి అనుమతాబముగా తెలియజేయవలసి ఏమిటా తర్ఫున్మిటిటి కారణం మ్మ గౌరవనీయమైతి TSERC, వారు బహిరంగ విచారణ (పబ్లిక్ హియరెన్సింగ్) ఈ ప్రకటి ఏమిటా 600 మెట్టల్ రేణుతు.

కార్యకలాపం ఏవరం	ప్రస్తుత సెమ్యూలు	సవరించిన సెమ్యూలు
బహిరంగ విచారణ	08.04.2024 (సోమవారం) ను 11.00 గంటల నుండి తర్ఫు వాట్, TSERC 5వ అంతస్తు, సింగరేణి భవన్లో	19.04.2024 (వృక్షవారం) ను 11.00 గంటల నుండి తర్ఫు వాట్, TSERC 5వ అంతస్తు, సింగరేణి భవన్లో

\* తదుపరి ఏమిటా మార్పులు తర్ఫుల్ అవ్వలిలో [www.tserc.gov.in](http://www.tserc.gov.in), [www.sccmines.com](http://www.sccmines.com) వెబ్ సైటుల ద్వారా తెలియజేయవలసి.

ప్రదేశం: హైదరాబాద్, తేది: 06-04-2024 **డైరెక్టర్ ఫైనాన్స్, SCCL**

PR/2024-25/ADVT/PER/STPP/01  
 DIPR R.O.No. 11917-PP/CL/Advt/1/2023-24, Dt. 06-4-2024

Newspaper clipping appeared in THE HANS INDIA, THE HINDU, THE MUNISIF (URDU) on 07.04.2024

**BEFORE THE HON'BLE TELANGANA STATE ELECTRICITY REGULATORY COMMISSION (TSERC)**  
 D.No.11-4-680, 5th Floor, Singareni Bhavan, Red Hills, Hyderabad-500 004.

**The Singareni Collieries Company Limited**

**PUBLIC NOTICE**

Notice is hereby given to all in respect to Multi-year tariff petition for FY 2024-29 and Truing up of FY 2022-23 for 2X600MW Singareni Thermal Power Plant submitted by SCCL that the Hon'ble TSERC due to administrative reasons re-scheduled the public hearing as below:

Description of Event	Existing schedule	Revised schedule
Public Hearing	08.04.2024 (Monday) from 11:00 hrs onwards at Court Hall, TSERC, 5th floor, Singareni Bhavan.	19.04.2024 (Friday) from 11:00 hrs onwards at Court Hall, TSERC, 5th floor, Singareni Bhavan.

Any Further changes will be available online and can be accessed through the websites of [www.tserc.gov.in](http://www.tserc.gov.in), [www.sccmines.com](http://www.sccmines.com).

Place: Hyderabad  
 Date: 06.04.2024  
**PR/2024-25/ADVT/PER/STPP/01**  
 R.O. No. : 1067-PP/CL-AGENCY/ADVT/1/2023-24, Date:06.04.2024

**Sd/-  
 Director (Finance)  
 SCCL**

**Annexure-II****List of stakeholders who submitted written Objections/Suggestions**

<b>Sl. No.</b>	<b>Name and address of the stakeholders</b>
1	Sri M.Venugopala Rao, Senior Journalist & Convenor, Centre for Power Studies, H.No.1-100/MP/101, Monarch Prestige, Journalists' Colony, Gopanpally, Serlingampally Mandal, Hyderabad 500 032
2	Southern Power Distribution Company of Telangana Limited, Corporate Office, 6-1-50, Mint Compound, Hyderabad 500 063

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### Annexure-III

List of stakeholders who participated in Public Hearing held on 19.04.2024

Sl. No.	Name and address of the stakeholders
1	Sri M.Venugopala Rao, Senior Journalist & Convenor, Centre for Power Studies, H.No.1-100/MP/101, Monarch Prestige, Journalists' Colony, Gopanpally, Serlingampally Mandal, Hyderabad – 500 032
2	M/s Southern Power Distribution Company of Telangana Ltd., Corporate Office, 6-1-50, Mint Compound, Hyderabad
3	P. Shiva Rao, Advocate, SCCL

**Annexure - E: The detailed capital cost for  
FY 2023-24 certified copies**



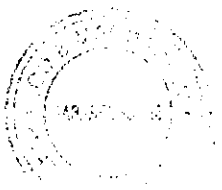


**The Singareni Collieries Company Ltd**  
**( A Government Company)**  
**2x600 MW Singareni Thermal Power Project**  
**Jaipur ( V & M) Pin 504216 Mancherial Dist Telangana State**

**Statement showing break-up of Actual capital cost of STPP upto 31.03.2024**

(Rs. Crore)

DPR Head	Revised Cost Estimate -2	Actual as on 31.03.2023	Actual as on 31.03.2024
<b>1. BTG Package</b>			
<b>BTG Total</b>	<b>4934.50</b>	<b>4,930.11</b>	<b>4,968.42</b>
<b>2. BOP Package</b>			
<b>BOP Total</b>	<b>1020.00</b>	<b>1,013.25</b>	<b>1,013.71</b>
<b>3. SCCL Scope works</b>			
Land	50.00	53.11	56.02
Survey & Soil Investigation	0.30	0.14	0.14
Site Dev Enabling Temp Sheds	24.00	24.95	26.18
Roads & Culverts	20.00	14.09	16.17
Coal transport roads	52.00	50.87	51.02
Boundary walls	19.00	17.19	17.19
Reservoir	58.00	55.06	56.10
Water supply-1 TMC	85.00	84.22	84.22
Water supply-2 TMC(incl elec)	293.00	319.35	319.35
Gate complex Security etc	5.40	3.08	3.08
Rly Siding*	380.00	348.67	349.86
Township & GH	145.00	121.40	122.50
Environment	4.00	1.37	1.37
Mandatory capital expenditure under MoEF clearance	22.10	18.47	18.52
Weigh bridges fire tender etc	2.00	2.28	2.28
Start up power & commcn eqpt	49.00	49.01	49.01
Construction power	30.00	24.40	24.40
Furniture & office automation	6.00	5.53	6.29
<b>Misc Expenditure:</b>	<b>8.00</b>	<b>7.31</b>	<b>7.31</b>
Eshtablishing store yard		0.35	0.35
Procurement open well submersible pupms		0.34	0.34



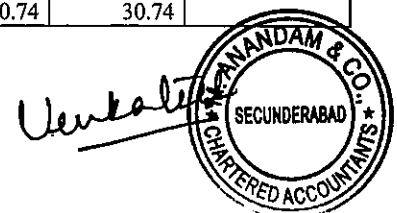




**The Singareni Collieries Company Ltd**  
( A Government Company)  
**2x600 MW Singareni Thermal Power Project**  
**Jaipur ( V & M) Pin 504216 Mancherial Dist Telangana State**  
**Statement showing additional capitalisation during FY 2023-24**

(Rs. Crore)

DPR Head	Revised Cost Estimate -2	Actual as on 31.03.2023	Actual as on 31.03.2024	Add cap during FY 2023-24
<b>1. BTG Package</b>				
<b>BTG Total</b>	4934.50	4,930.11	4,968.42	38.31
<b>2. BOP Package</b>				
<b>BoP Total</b>	1020.00	1,013.25	1,013.71	0.46
<b>3. SCCL Scope works</b>				
Land	50.00	53.11	56.02	2.91
Survey & Soil Investigation	0.30	0.14	0.14	-
Site Dev Enabling Temp Sheds	24.00	24.95	26.18	1.23
Roads & Culverts	20.00	14.09	16.17	2.08
Coal transport roads	52.00	50.87	51.02	0.15
Boundary walls	19.00	17.19	17.19	-
Reservoir	58.00	55.06	56.10	1.04
Water supply-1 TMC	85.00	84.22	84.22	-
Water supply-2 TMC(incl elec)	293.00	319.35	319.35	-
Gate complex Security etc	5.40	3.08	3.08	0.00
Rly Siding	380.00	348.67	349.86	1.19
Township & GH	145.00	121.40	122.50	1.11
Environment	4.00	1.37	1.37	-
Mandatory capital expenditure under MoEF clearance	22.10	18.47	18.52	0.04
Weigh bridges fire tender etc	2.00	2.28	2.28	-
Start up power & commcn eqpt	49.00	49.01	49.01	-
Construction power	30.00	24.40	24.40	-
Furniture & office automation	6.00	5.53	6.29	0.76
<b>Misc Expenditure:</b>	8.00	7.31	7.31	-
Esstablishing store yard		0.35	0.35	-
Procurement open well submersible pupms		0.34	0.34	-
Utensils & Kitchen items for CISF		0.03	0.03	-
Hand held metal analyzer		0.17	0.17	-
Filtration machines for various lube oils		1.47	1.47	-
Procurement of light fittings cables towers and street lighting		1.57	1.57	-
Construction of open shed (PTH)		0.31	0.31	-
EOT crane in STPP		0.33	0.33	-
Godrej racking system for STPP stores		2.75	2.75	-
BAY CCT & CVTs	28.70	30.74	30.74	





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(Rs. Crore)

DPR Head	Revised Cost Estimate -2	Actual as on 31.03.2023	Actual as on 31.03.2024	Add cap during FY 2023-24
SCCL ScopeTotal	1,281.50	1,231.23	1,241.75	10.52
<b>4. OTHERS</b>				
Contingencies	5.00	8.14	8.14	-
Establishment costs	94.00	105.13	105.13	-
Consultancy & Engg	120.00	120.33	120.33	-
Start up fuel	41.00	40.20	40.20	-
Operator Training	-	-	-	-
Development exp	-	-	-	-
Margin Money	-	-	-	-
Financing Expenses	1.00	1.00	1.00	-
Interest during construction	1,266.00	1,264.34	1,264.34	-
O&M-Expenditure upto COD	17.00	17.00	17.00	-
<b>Others Total</b>	<b>1544.00</b>	<b>1,556.14</b>	<b>1,556.14</b>	<b>-</b>
<b>Grand Total</b>	<b>8780.00</b>	<b>8,730.73</b>	<b>8,780.03</b>	<b>49.29</b>

*Venkatesh*  



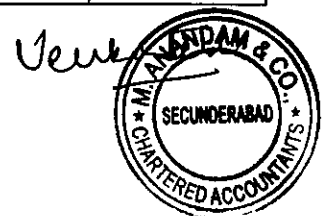



## Statement of liability

Name of the Company:  
Name of the Power Station:The Singareni Collieries Company Limited  
Singareni Thermal Power Plant

(Rs. Crore)

Sl. No.	Breakdown	Actual capital cost as on 31.03.2024	Amount Disbursed upto 31.03.2024	Liability as on 31.03.2024
1	BTG package			
1.1	BTG Supply			
1.2	BTG Erection			
1.3	BTG Freight			
1.4	BTG Civil			
1.5	Subtotal			
1.6	PVC			
1.7	Increase in taxes and duties			
1.8	BTG Grand Total	4,968.42	4,968.42	-
2	BOP package			
2.1	BOP Mechanical & Electrical (supply)			
2.2	BOP Civil			
2.3	BOP Erection			
2.4	BOP Freight			
2.5	Subtotal			
2.6	Estimated PVC			
2.7	BOP Total	1,013.71	1,013.71	-
3	Other works undertaken by SCCL			
3.1	Land	56.02	56.02	-
3.2	Survey & soil investigation	0.14	0.14	-
3.3	Site Dev, Enabling, temp Sheds etc.	26.18	26.18	-
3.4	Roads & Culverts	16.17	16.17	-
3.5	Coal Transport Roads out of BOP savings	51.02	51.02	-
3.6	Boundary Walls	17.19	17.19	-
3.7	Reservoir	56.10	56.10	-
3.8	Water supply-1 TMC	84.22	84.22	-
3.9	Water supply-2 TMC	319.35	319.35	-
3.10	Gate Complex, Security, etc.	3.08	3.08	-
3.11	Railway Siding	349.86	349.86	-
3.12	Township & Guest House & other amenities	122.50	122.50	-
3.13	Environment	1.37	1.37	-
3.14	CSR	18.52	18.52	-
3.15	Weigh Bridges, Fire Tender	2.28	2.28	-
3.16	Start up Power & common Equipment	49.01	49.01	-
3.17	Construction Power	24.40	24.40	-
3.18	Furniture & office automation	6.29	6.29	-





## Statement of liability

Name of the Company:

The Singareni Collieries Company Limited

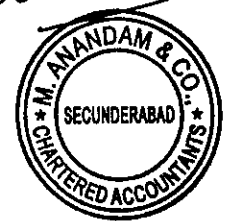
Name of the Power Station:

Singareni Thermal Power Plant

(Rs. Crore)

Sl. No.	Breakdown	Actual capital cost as on 31.03.2024	Amount Disbursed upto 31.03.2024	Liability as on 31.03.2024
3.19	Misc. Expenditure	7.31	7.31	-
3.20	BAY,CT and CVT	30.74	30.74	-
<b>3.21</b>	<b>Other works undertaken by SCCL Total</b>	<b>1,241.75</b>	<b>1,241.75</b>	<b>-</b>
<b>4</b>	<b>Others</b>			
4.1	Contingencies	8.14	8.14	-
4.2	Establishment Costs	105.13	105.13	-
4.3	Consultancy & Engineering	120.33	120.33	-
4.4	Start up Fuel	40.20	40.20	-
4.5	Operator Training			
4.6	Development Expenses			
4.7	Margin Money			
4.8	Financing Expenses	1.00	1.00	-
4.9	IDC	1,264.34	1,264.34	-
4.10	O&M-STEAG	17.00	17.00	-
<b>4.11</b>	<b>Others Total</b>	<b>1,556.14</b>	<b>1,556.14</b>	<b>-</b>
<b>5</b>	<b>Capital Cost including IDC &amp; FC</b>	<b>8,780.03</b>	<b>8,780.03</b>	<b>-</b>

Venkatesh





<b>OPERATION AND MAINTENANCE EXPENSE (O&amp;M)</b>
--

(Rs. Crore)

Sl.No	Particulars	FY 2023-24
<b>I</b>	<b>Administrative &amp; General Costs</b>	<b>57.45</b>
a	Purchased Power	3.03
b	Insurance	13.40
c	CISF	29.60
d	Others	11.42
<b>II</b>	<b>Repairs &amp; Maintenance Costs*</b>	<b>120.46</b>
a	Stores & Spares	57.65
b	Maintenance Expenditure	56.66
d	Hiring of HEMM, Weigh Bridges & others	6.16
<b>III</b>	<b>Employee costs</b>	<b>171.86</b>
a	Salary including manpower cost of O&M	160.82
b	Special incentive	5.58
c	CMPF with Administration Charges	4.07
d	Leave Encashment	1.40
<b>IV</b>	<b>Grand Total</b>	<b>349.78</b>

**Note:** The above O&M expense is including water charges, audit fee and tariff filing fee which may be claimed separately as per applicable regulation.

\*Capital overhaul expenditure incurred during FY 2023-24 is amortized over a period of 6 years beginning from FY 2023-24 as per OEM Schedule and proportionate amount of the same was included in R&M head

*Verka Tish*





**Annexure to the Certificate issued in connection with submission of Tariff petition required pursuant to the Telangana State Electricity Regulatory Commission (TGERC) Regulations**

1. This Certificate is issued in accordance with the terms of our engagement letter dated 19.10.2024.

**Management's responsibility**

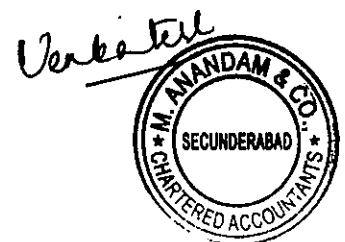
2. The preparation of the Statement is the responsibility of the Management of The Singareni Collieries Company Limited (hereinafter the "Company") including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
3. The management is also responsible for ensuring that the Company complies with the requirements of the Companies Act, 2013 and TGERC Regulations and provides all relevant information to TGERC.
4. The accuracy and completeness of the accompanying Statement is the responsibility of the Company's management.

**Auditor's Responsibility**

5. Pursuant to the requirements of the TGERC Regulations, our responsibility to provide a reasonable assurance whether the amounts in the Statement of Actual Capital cost and Operation & Maintenance expense for the year ended 31.03.2024 have been accurately extracted from the audited financial statements.
6. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for special purposes (Revised 2016) issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements' issued by the ICAI.
8. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

**Opinion**

9. Based on the procedures performed by us, in our opinion, the amounts and particulars as appearing in the Statement, are in agreement with the books of accounts of The Singareni Collieries Company Limited.



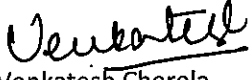




**Restriction on use**

10. This Certificate has been issued at the request of the Company, solely in connection with the purpose mentioned above, and is not to be used or referred to for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For M. Anandam & Co.,  
Chartered Accountants  
(FRN: 000125S)

  
Venkatesh Cherela  
Partner  
M. No. 240062



UDIN: 24240062 BK FUYS 6020

Place: Secunderabad  
Date: 28-10-2024



**Annexure - F : SLDC certificates for FY  
2023-24**





O/o. Chief of O&M STPP  
I.W.No. 1399  
Date 20/05/2023

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O/o. GM(E&M) STPP  
I.W.No. 4522  
Date 20/5/23

**TRANSMISSION CORPORATION OF TELANAGANA LIMITED**

Website: www.tstransco.in CIN: U40102TG2014SGC094248

From  
The Chief Engineer  
SLDC, Vidyut Soudha,  
Hyderabad.

To  
The General Manager  
2X600 MW Singareni Thermal Power  
Project, Jaipur (V&M),  
Mancherla Dist.-504216.

Lr. No. CE-SLDC/SE-SLDC/DE-MO&PP-II /F.Singareni , D.No. 14 /23 dt.05.05.2023.

Sir,

Sub: - SLDC- Backing down Quantity data of 2X600MW Singareni Unit I&II for the month of April -2023 -Communicated-Reg.

\*\*\*\*\*

The backing down details of 2X600MW Singareni Unit I&II generator for the month of April -2023 is herewith enclosed as Annexure-I.

Encl: Annexure-I

Yours faithfully,

  
Chief Engineer /SLDC

Copy submitted to:

The Director (Grid Operation)/TSTRANSCO - For favor of information

Copy communicated to:

1) The Executive Director /Commercial,  
TSPCC, Vidyut Soudha, Hyderabad.

2) The Director (E & M)  
M/s Singareni Collieries Co.Ltd,  
Red Hills, Singareni Bhavan,  
P.O Box-18, Lakdi ka pool, Hyderabad. - 500004

3) Financial Advisor & Chief controller of Accounts /TSPCC/VS/Hyd.

Chief (ORM)  
20/5/23

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ANNEXURE-I

BACKDOWN AND SCHEDULE ENERGY OF STPP FOR THE MONTH OF APRIL-2023			
DATE (DD-MM-YYYY)	FINAL AVAILABILITY (MU)	SCHEDULE (MU)	BACK DOWN (MU)
01-04-2023	27.144	26.460	0.684
02-04-2023	27.144	26.296	0.848
03-04-2023	14.328	14.328	0.000
04-04-2023	19.269	19.261	0.008
05-04-2023	27.144	27.045	0.099
06-04-2023	27.144	27.062	0.082
07-04-2023	27.144	27.062	0.082
08-04-2023	27.144	27.079	0.066
09-04-2023	27.144	26.944	0.200
10-04-2023	27.144	27.062	0.082
11-04-2023	27.144	27.144	0.000
12-04-2023	27.144	27.144	0.000
13-04-2023	27.144	27.080	0.064
14-04-2023	27.144	27.023	0.121
15-04-2023	16.430	15.983	0.448
16-04-2023	20.156	20.085	0.072
17-04-2023	27.144	27.112	0.032
18-04-2023	27.144	27.144	0.000
19-04-2023	27.144	27.095	0.049
20-04-2023	27.144	27.144	0.000
21-04-2023	27.144	25.953	1.191
22-04-2023	27.144	25.205	1.940
23-04-2023	27.144	24.815	2.330
24-04-2023	27.144	26.014	1.131
25-04-2023	27.144	25.932	1.212
26-04-2023	27.144	24.721	2.423
27-04-2023	27.144	26.460	0.684
28-04-2023	27.144	26.426	0.718
29-04-2023	27.144	24.912	2.232
30-04-2023	27.144	24.032	3.112
<b>TOTAL (MU)</b>	<b>775.927</b>	<b>756.019</b>	<b>19.908</b>

NOTE:

- 1) STPP-U1 H/T due to BTL at 01:35Hrs on 03.04.2023 and Syn at 12:52Hrs.on 04.04.2023
- 2) STPP-U1 H/T due to BTL at 05:21Hrs on 15.04.2023 and Syn at 10:29Hrs.on 16.04.2023

CE/SLDC/TSTRANSCO



O/o. Chief of O&M STPP  
I.W.No. 695  
Date 29/06/23

O/o. GM(E&M) STPP  
I.W.No. 5599  
Date 29.6.23

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**TRANSMISSION CORPORATION OF TELANGANA LIMITED**  
Website:www.tstransco.in CIN: U40102TG2014SGC094248

**From**  
The Chief Engineer  
SLDC, Vidyut Soudha,  
Hyderabad.

**To**  
The General Manager  
2X600 MW Singareni Thermal Power  
Project, Jaipur (V&M),  
Mancherla Dist.-504216.

**Lr. No. CE-SLDC/SE-SLDC/DE-MO&PP-II /F.Singareni , D.No. 30/23 dt. 09.06.2023.**

Sir,

Sub: - SLDC- Backing down Quantity data of 2X600MW Singareni Unit I&II for the month of MAY-2023 -Communicated-Reg.

\*\*\*\*\*

The backing down details of 2X600MW Singareni Unit I&II generator for the month of MAY-2023 is herewith enclosed as Annexure-I.

**Encl: Annexure-I**

Yours faithfully,

**Chief Engineer /SLDC**

Copy submitted to:

The Director (Grid Operation)/TSTRANSCO - For favor of information

Copy communicated to:

1) The Executive Director /Commercial,  
TSPCC, Vidyut Soudha, Hyderabad.

2) The Director (E & M)  
M/s Singareni Collieries Co.Ltd,  
Red Hills, Singareni Bhavan,  
P.O Box-18, Lakdi ka pool, Hyderabad.

3) Financial Advisor & Chief controller of Accounts /TSPCC/VS/Hyd.


Chief (O&M)  
S. Brahmam  
24/6/23

373

ANNEXURE-I

BACKDOWN AND SCHEDULE ENERGY OF STPP FOR THE MONTH OF MAY-2023

DATE (DD-MM-YYYY)	FINAL AVAILABILITY (MU)	SCHEDULE (MU)	BACK DOWN (MU)
01-05-2023	27.144	23.686	3.458
02-05-2023	27.144	23.658	3.486
03-05-2023	27.144	24.679	2.465
04-05-2023	23.666	22.342	1.324
05-05-2023	13.572	13.572	0.000
06-05-2023	17.919	17.919	0.000
07-05-2023	27.144	25.449	1.695
08-05-2023	27.144	25.617	1.527
09-05-2023	27.144	26.767	0.377
10-05-2023	27.144	26.060	1.084
11-05-2023	27.144	26.054	1.090
12-05-2023	27.144	25.774	1.370
13-05-2023	27.144	26.054	1.090
14-05-2023	27.144	25.448	1.696
15-05-2023	27.144	25.166	1.978
16-05-2023	27.144	26.377	0.767
17-05-2023	27.144	26.821	0.323
18-05-2023	27.144	26.740	0.404
19-05-2023	27.144	27.080	0.064
20-05-2023	27.144	26.256	0.888
21-05-2023	27.144	26.072	1.073
22-05-2023	27.144	25.489	1.655
23-05-2023	27.144	27.029	0.115
24-05-2023	27.144	25.892	1.252
25-05-2023	27.144	25.893	1.251
26-05-2023	27.144	24.631	2.514
27-05-2023	27.144	25.933	1.211
28-05-2023	27.144	26.011	1.133
29-05-2023	27.144	26.682	0.462
30-05-2023	27.144	27.144	0.000
31-05-2023	27.144	27.144	0.000
<b>TOTAL (MU)</b>	<b>815.189</b>	<b>779.438</b>	<b>35.751</b>

  
CE/SLOC





O/o. GM(E&M) STPP  
I.W.No. 6546  
Date 18/7/23

O/o. Chief of O&M STPP  
I.W.No. 1009  
Date 18/7/23

324

**TRANSMISSION CORPORATION OF TELANAGANA LIMITED**  
Website: www.tstransco.in CIN: U40102TG2014SGC094248

From  
The Chief Engineer  
SLDC, Vidyut Soudha,  
Hyderabad.

To  
The General Manager  
2X600 MW Singareni Thermal Power  
Project, Jaipur (V&M),  
Mancherial Dist.-504216.

Lr. No. CE-SLDC/SE-SLDC/DE-MO&PP-II /F.Singareni , D.No.42/23 dt.10.07.2023.

Sir,

Sub: - SLDC- Backing down Quantity data of 2X600MW Singareni Unit I&II for the month of June-2023 -Communicated-Reg.

\*\*\*\*\*

The backing down details of 2X600MW Singareni Unit I&II generator for the month of June-2023 is herewith enclosed as Annexure-I.

Encl: Annexure-I

Yours faithfully,

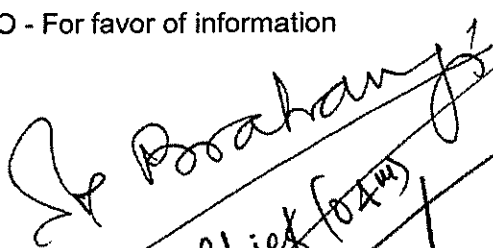
  
Chief Engineer /SLDC

Copy submitted to:

The Director (Grid Operation)/TSTRANSCO - For favor of information

Copy communicated to:

- 1) The Executive Director /Commercial, TSPCC, Vidyut Soudha, Hyderabad.
- 2) The Director (E & M)  
M/s Singareni Collieries Co.Ltd,  
Red Hills, Singareni Bhavan,  
P.O Box-18, Lakdi ka pool, Hyderabad.
- 3) Financial Advisor & Chief controller of Accounts /TSPCC/VS/Hyd.

  
Chief (O&M)  
18/7/23  
19/7/23

398

ANNEXURE-I

BACKDOWN AND SCHEDULE ENERGY OF STPP FOR THE MONTH OF JUNE-2023			
DATE (DD-MM-YYYY)	FINAL AVAILABILITY (MU)	SCHEDULE (MU)	BACK DOWN (MU)
01-06-2023	18.655	18.655	0.000
02-06-2023	13.572	12.684	0.888
03-06-2023	13.572	13.441	0.131
04-06-2023	13.572	11.553	2.019
05-06-2023	13.572	12.724	0.848
06-06-2023	13.572	13.168	0.404
07-06-2023	13.572	13.030	0.542
08-06-2023	13.572	12.845	0.727
09-06-2023	13.572	13.234	0.338
10-06-2023	13.572	12.603	0.969
11-06-2023	13.572	12.391	1.181
12-06-2023	13.572	12.643	0.929
13-06-2023	13.572	12.886	0.686
14-06-2023	13.572	12.563	1.009
15-06-2023	13.572	12.805	0.767
16-06-2023	13.572	13.572	0.000
17-06-2023	13.572	13.109	0.463
18-06-2023	13.572	11.917	1.655
19-06-2023	13.572	11.548	2.024
20-06-2023	13.572	12.678	0.894
21-06-2023	13.572	12.871	0.701
22-06-2023	13.572	12.561	1.011
23-06-2023	13.572	12.603	0.969
24-06-2023	13.572	12.006	1.566
25-06-2023	13.572	11.634	1.938
26-06-2023	13.572	11.074	2.498
27-06-2023	13.572	12.078	1.494
28-06-2023	13.572	11.351	2.221
29-06-2023	13.572	10.988	2.584
30-06-2023	13.572	11.482	2.090
<b>TOTAL (MU)</b>	<b>412.243</b>	<b>378.696</b>	<b>33.547</b>

NOTE:

1) STPP-U1 H/T for Capital overhauling works at 11:45Hrs on 01.06.2023 and Syn at 03:21Hrs.on 07.07.2023

  
CE/SLDC/TSTRANSCO

8/13



O/o. Chief of O&M STPP  
I.W.No. 2240  
Date 23/8/2023

276  
O/o. GM(E&M) STPP  
I.W.No. 7579  
Date 21/8/23

**TRANSMISSION CORPORATION OF TELANAGANA LIMITED**  
Website: www.tstransco.in CIN: U40102TG2014SGC094248

From  
The Chief Engineer  
SLDC, Vidyut Soudha,  
Hyderabad.

✓ To  
The General Manager  
2X600 MW Singareni Thermal Power  
Project, Jaipur (V&M),  
Mancherla Dist.-504216.

**Lr. No. CE-SLDC/SE-SLDC/DE-MO&PP-II /F.Singareni , D.No. 55/123 dt. 10.08.2023.**

Sir,

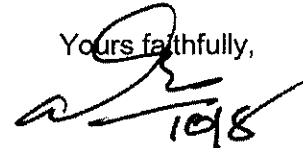
Sub: - SLDC- Backing down Quantity data of 2X600MW Singareni Unit I&II for the month of July-2023 -Communicated-Reg.

\*\*\*\*\*

The backing down details of 2X600MW Singareni Unit I&II generator for the month of July-2023 is herewith enclosed as Annexure-I.

**Encl: Annexure-I**

Yours faithfully,

  
Chief Engineer /SLDC

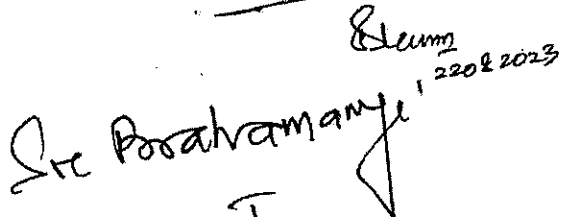
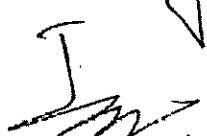
Copy submitted to:

The Director (Grid Operation)/TSTRANSCO - For favor of information

Copy communicated to:

- 1) The Executive Director /Commercial,  
TSPCC, Vidyut Soudha, Hyderabad.
- 2) The Director (E & M)  
M/s Singareni Collieries Co.Ltd,  
Red Hills, Singareni Bhavan,  
P.O Box-18, Lakdi ka pool, Hyderabad.

cc to: Chief (E&M), STPP  
AGM (E&M), STPP


  
Sr. Prabhakar  
22082023  
  
23/8/23

- 3) Financial Advisor & Chief controller of Accounts /TSPCC/VS/Hyd.

377

ANNEXURE-I

BACKDOWN AND SCHEDULE ENERGY OF STPP FOR THE MONTH OF JULY-2023			
DATE (DD-MM-YYYY)	FINAL AVAILABILITY (MU)	SCHEDULE (MU)	BACK DOWN (MU)
01-07-2023	13.572	12.522	1.050
02-07-2023	13.572	11.917	1.655
03-07-2023	13.572	13.572	0.000
04-07-2023	13.572	13.572	0.000
05-07-2023	13.572	12.790	0.782
06-07-2023	13.572	12.960	0.612
07-07-2023	20.428	20.300	0.128
08-07-2023	26.928	25.268	1.660
09-07-2023	27.144	25.264	1.881
10-07-2023	27.144	27.112	0.032
11-07-2023	27.144	27.144	0.000
12-07-2023	27.144	27.144	0.000
13-07-2023	27.144	27.144	0.000
14-07-2023	27.144	27.030	0.114
15-07-2023	27.144	26.743	0.401
16-07-2023	27.144	25.958	1.187
17-07-2023	27.144	27.080	0.064
18-07-2023	27.144	23.894	3.250
19-07-2023	25.566	24.759	0.808
20-07-2023	25.504	24.044	1.461
21-07-2023	21.894	21.602	0.291
22-07-2023	21.074	20.982	0.092
23-07-2023	27.144	23.850	3.294
24-07-2023	27.144	25.504	1.640
25-07-2023	27.144	26.524	0.620
26-07-2023	26.117	23.806	2.311
27-07-2023	25.986	20.821	5.165
28-07-2023	21.052	17.623	3.429
29-07-2023	25.931	22.391	3.540
30-07-2023	25.225	22.131	3.094
31-07-2023	22.851	21.896	0.955
<b>TOTAL (MU)</b>	<b>722.860</b>	<b>683.345</b>	<b>39.515</b>

  
CE/SLDC  
12/7/23



**TRANSMISSION CORPORATION OF TELANGANA LIMITED**

Website: www.tstransco.in CIN: U40102TG2014SGC094248

O/o. Chief of O&M STPP  
I.W.No. 2453  
Date 12/9/23

378  
O/o. GM(E&M) STPP  
I.W.No. 8398  
Date 15/9/23

From  
The Chief Engineer  
SLDC, Vidyut Soudha,  
Hyderabad.

To  
The General Manager  
2X600 MW Singareni Thermal Power  
Project, Jaipur (V&M),  
Mancherial Dist.-504216.

Lr. No. CE-SLDC/SE-SLDC/DE-MO&PP-II /F.Singareni , D.No. 64 /23 dt.11.09.2023.

Sir,

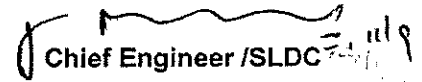
Sub: - SLDC- Backing down Quantity data of 2X600MW Singareni Unit I&II for the  
month of August-2023 -Communicated-Reg.

\*\*\*\*\*

The backing down details of 2X600MW Singareni Unit I&II generator for the  
month of August-2023 is herewith enclosed as Annexure-I.

Encl: Annexure-I

Yours faithfully,

  
Chief Engineer /SLDC

Copy submitted to:

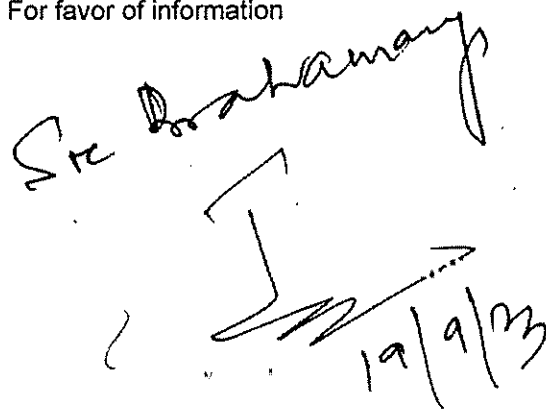
The Director (Grid Operation)/TSTRANSCO - For favor of information

Copy communicated to:

- 1) The Executive Director /Commercial,  
TSPCC, Vidyut Soudha, Hyderabad.
- 2) The Director (E & M)  
M/s Singareni Collieries Co.Ltd,  
Red Hills, Singareni Bhavan,  
P.O Box-18, Lakdi ka pool, Hyderabad.
- 3) Financial Advisor & Chief controller of Accounts /TSPCC/VS/Hyd.

Chief (OBM)  
ACM (FBA)

Sumy  
15092023

  
19/9/23

329

ANNEXURE-I

BACKDOWN AND SCHEDULE ENERGY OF STPP FOR THE MONTH OF AUGUST-2023 (EX-BUS)			
DATE (DD-MM-YYYY)	FINAL AVAILABILITY (MU)	SCHEDULE (MU)	BACK DOWN (MU)
01-08-2023	25.782	22.536	3.246
02-08-2023	25.854	24.485	1.369
03-08-2023	27.144	23.591	3.553
04-08-2023	27.144	26.918	0.226
05-08-2023	27.144	26.962	0.182
06-08-2023	27.144	24.722	2.423
07-08-2023	27.144	25.448	1.696
08-08-2023	26.382	25.947	0.435
09-08-2023	26.447	26.303	0.144
10-08-2023	26.884	26.884	0.000
11-08-2023	25.925	25.925	0.000
12-08-2023	26.067	24.949	1.118
13-08-2023	27.144	26.730	0.414
14-08-2023	27.144	27.144	0.000
15-08-2023	27.144	27.144	0.000
16-08-2023	27.144	27.144	0.000
17-08-2023	27.144	27.144	0.000
18-08-2023	27.144	27.042	0.102
19-08-2023	27.144	26.817	0.327
20-08-2023	27.144	27.144	0.000
21-08-2023	27.144	27.144	0.000
22-08-2023	27.144	27.144	0.000
23-08-2023	27.144	26.750	0.394
24-08-2023	27.144	27.119	0.025
25-08-2023	26.661	26.500	0.162
26-08-2023	27.144	26.723	0.421
27-08-2023	27.144	26.969	0.175
28-08-2023	27.144	26.987	0.157
29-08-2023	27.144	27.144	0.000
30-08-2023	27.144	27.144	0.000
31-08-2023	27.144	27.144	0.000
<b>TOTAL (MU)</b>	<b>834.315</b>	<b>817.745</b>	<b>16.570</b>

JCE/SLDC/ TSTRANSCO

380



O/o. Chief of O&M STPP  
I.W.No. 2718  
Date 16/10/23

No. 9906  
16/10/23

**TRANSMISSION CORPORATION OF TELANAGANA LIMITED**  
Website:www.tstransco.in CIN: U40102TG2014SGC094248

From  
The Chief Engineer  
SLDC, Vidyut Soudha,  
Hyderabad.

To  
The General Manager  
2X600 MW Singareni Thermal Power  
Project, Jaipur (V&M),  
Mancherial Dist.-504216.

Lr. No. CE-SLDC/SE-SLDC/DE-MO&PP-II /F.Singareni, D.No. 74 /23 dt. 16.10.2023.

Sir,

Sub: - SLDC- Backing down Quantity data of 2X600MW Singareni Unit I&II for the month of **September-2023** -Communicated-Reg.

\*\*\*\*\*

The backing down details of 2X600MW Singareni Unit I&II generator for the month of **September -2023** is herewith enclosed as Annexure-I.

Encl: Annexure-I

*Sr. Brahamanji*  
*JW*  
*19/10/23*

Yours faithfully,  
*[Signature]*  
11/10  
Chief Engineer /SLDC

Copy submitted to:

1) The Director (Grid Operation)/TSTRANSCO - For favor of information

Copy communicated to:

- 1) The Executive Director /Commercial, TSPCC, Vidyut Soudha, Hyderabad.
- 2) The Director (E & M)  
M/s Singareni Collieries Co.Ltd,  
Red Hills, Singareni Bhavan,  
P.O Box-18, Lakdi ka pool, Hyderabad.
- 3) Financial Advisor & Chief controller of Accounts /TSPCC/VS/Hyd.

→ Chief (EBM)  
AGM (EXA)  
So to GM  
*[Signature]*  
16/10/23

**ANNEXURE-I**

<b>STPP (2X600 MW) BACKDOWN AND SCHEDULE ENERGY AT EX-BUS FOR THE MONTH OF SEPTEMBER-2023</b>			
<b>DATE (DD-MM-YYYY)</b>	<b>FINAL AVAILABILITY (MU)</b>	<b>SCHEDULE (MU)</b>	<b>BACK DOWN (MU)</b>
01-09-2023	27.144	27.144	0.000
02-09-2023	27.144	27.144	0.000
03-09-2023	27.144	25.889	1.255
04-09-2023	27.144	26.004	1.140
05-09-2023	27.144	27.144	0.000
06-09-2023	27.144	27.063	0.081
07-09-2023	26.778	25.367	1.411
08-09-2023	26.125	23.739	2.386
09-09-2023	26.225	24.261	1.964
10-09-2023	26.715	23.971	2.744
11-09-2023	27.144	24.802	2.342
12-09-2023	26.017	25.746	0.271
13-09-2023	26.678	26.576	0.101
14-09-2023	27.144	27.043	0.101
15-09-2023	22.954	22.954	0.000
16-09-2023	13.572	13.289	0.283
17-09-2023	24.907	23.252	1.655
18-09-2023	27.144	27.144	0.000
19-09-2023	27.144	26.980	0.164
20-09-2023	27.144	27.083	0.061
21-09-2023	27.144	26.695	0.449
22-09-2023	27.144	25.582	1.562
23-09-2023	27.144	26.912	0.232
24-09-2023	27.144	25.529	1.615
25-09-2023	24.650	22.058	2.592
26-09-2023	13.572	13.490	0.082
27-09-2023	24.660	24.660	0.000
28-09-2023	27.144	26.918	0.226
29-09-2023	27.144	26.899	0.245
30-09-2023	27.144	26.645	0.499
<b>TOTAL (MU)</b>	<b>771.444</b>	<b>747.984</b>	<b>23.460</b>





**TRANSMISSION CORPORATION OF TELANAGANA LIMITED**  
Website: www.tstransco.in CIN: U40102TG2014SGC094248

382

O/o. GM(E&M) STPP  
I.W.No. 10134  
Date 16/11/23

From  
The Chief Engineer  
SLDC, Vidyut Soudha,  
Hyderabad.

To  
✓ The General Manager  
2X600 MW Singareni Thermal Power  
Project, Jaipur (V&M),  
Mancherla Dist.-504216.

O/o. Chief of O&M STPP  
I.W.No. 10134  
Date 16/11/23

Lr. No. CE-SLDC/SE-SLDC/DE-MO&PP-II /F:Singareni, D.No. 84/23 dt.09.11.2023.

Sir,

Sub: - SLDC- Backing down Quantity data of 2X600MW Singareni Unit I&II for the month of **October-2023** -Communicated-Reg.

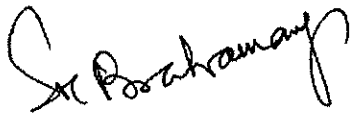
\*\*\*\*\*

The backing down details of 2X600MW Singareni Unit I&II generator for the month of **October-2023** is herewith enclosed as Annexure-I.

Encl: Annexure-I

Yours faithfully,

  
Chief Engineer /SLDC




Copy submitted to:

The Director (Grid Operation)/TSTRANSCO - For favor of information

Copy communicated to:

- 1) The Executive Director /Commercial, TSPCC, Vidyut Soudha, Hyderabad.
- 2) The Director (E & M)  
M/s Singareni Collieries Co.Ltd,  
Red Hills, Singareni Bhavan,  
P.O Box-18, Lakdi ka pool, Hyderabad.
- 3) Financial Advisor & Chief controller of Accounts /TSPCC/VS/Hyd.

Chief(O&M)

  
16/11/2023

  
16/11/23

**ANNEXURE-I**

<b>STPP (2X600 MW) BACKDOWN AND SCHEDULE ENERGY AT EX-BUS FOR THE MONTH OF OCTOBER-2023</b>			
<b>DATE (DD-MM-YYYY)</b>	<b>FINAL AVAILABILITY (MU)</b>	<b>SCHEDULE (MU)</b>	<b>BACK DOWN (MU)</b>
01-10-2023	27.144	24.498	2.646
02-10-2023	27.144	27.134	0.010
03-10-2023	27.144	25.523	1.621
04-10-2023	27.144	27.063	0.081
05-10-2023	27.144	26.980	0.164
06-10-2023	27.144	27.144	0.000
07-10-2023	27.144	27.144	0.000
08-10-2023	27.144	27.144	0.000
09-10-2023	27.144	27.144	0.000
10-10-2023	27.144	27.144	0.000
11-10-2023	26.599	26.599	0.000
12-10-2023	27.144	27.144	0.000
13-10-2023	27.144	27.144	0.000
14-10-2023	27.144	27.144	0.000
15-10-2023	27.144	27.144	0.000
16-10-2023	27.144	27.080	0.064
17-10-2023	27.144	26.890	0.254
18-10-2023	27.144	27.144	0.000
19-10-2023	27.144	27.144	0.000
20-10-2023	27.144	27.144	0.000
21-10-2023	27.144	27.144	0.000
22-10-2023	27.144	26.075	1.070
23-10-2023	27.144	25.448	1.696
24-10-2023	27.144	25.791	1.353
25-10-2023	27.144	24.906	2.238
26-10-2023	27.144	27.033	0.111
27-10-2023	27.144	26.798	0.346
28-10-2023	27.144	27.131	0.013
29-10-2023	27.144	25.271	1.873
30-10-2023	27.144	26.683	0.461
31-10-2023	27.144	27.035	0.109
<b>TOTAL (MU)</b>	<b>840.919</b>	<b>826.811</b>	<b>14.108</b>

384



O/c. Chief of O&M STPP  
I.W.No. 3247  
Date 20/12/2023

O/o. GM(ERM) STPP  
I.W.No. 11159  
Date 19/12/23

**TRANSMISSION CORPORATION OF TELANAGANA LIMITED**  
Website:www.tstransco.in CIN: U40102TG2014SGC094248

From  
The Chief Engineer  
SLDC, Vidyut Soudha,  
Hyderabad.

To  
The General Manager  
2X600 MW Singareni Thermal Power  
Project ,Jaipur (V&M),  
Mancherla Dist.-504216.

Lr. No. CE-SLDC/SE-SLDC/DE-MO&PP-II /F.Singareni , D.No. 92/23 dt.12.12.2023.

Sir,

Sub: - SLDC- Backing down Quantity data of 2X600MW Singareni Unit I&II for the month of **November-2023** -Communicated-Reg.

\*\*\*\*\*

The backing down details of 2X600MW Singareni Unit I&II generator for the month of **November-2023** is herewith enclosed as Annexure-I.

Encl: Annexure-I

Yours faithfully,

Chief Engineer /SLDC (V/S)

Draft Approved

→ Chief GEMs  
CE (ERM), Electrical  
SO to GM

Sum Copy submitted to:  
19/12/2023  
The Director (Grid Operation)/TSTRANSCO - For favor of information

Copy communicated to:

- 1) The Executive Director /Commercial, TSPCC, Vidyut Soudha, Hyderabad.
- 2) The Director (E & M)  
M/s Singareni Collieries Co.Ltd,  
Red Hills, Singareni Bhavan,  
P.O Box-18, Lakdi ka pool, Hyderabad.
- 3) Financial Advisor & Chief controller of Accounts /TSPCC/VS/Hvd.

**ANNEXURE-I**

<b>STPP (2X600 MW) BACKDOWN AND SCHEDULE ENERGY AT EX-BUS FOR THE MONTH OF NOVEMBER-2023</b>			
<b>DATE (DD-MM-YYYY)</b>	<b>FINAL AVAILABILITY (MU)</b>	<b>SCHEDULE (MU)</b>	<b>BACK DOWN (MU)</b>
01-11-2023	27.144	27.144	0.000
02-11-2023	27.144	27.136	0.008
03-11-2023	27.144	27.144	0.000
04-11-2023	27.144	27.085	0.059
05-11-2023	27.144	26.662	0.482
06-11-2023	27.144	26.287	0.857
07-11-2023	27.144	26.861	0.283
08-11-2023	27.144	27.023	0.121
09-11-2023	27.144	26.870	0.274
10-11-2023	27.144	26.498	0.646
11-11-2023	27.144	25.616	1.528
12-11-2023	27.144	24.585	2.560
13-11-2023	22.460	20.059	2.401
14-11-2023	13.572	12.216	1.356
15-11-2023	21.056	19.343	1.712
16-11-2023	18.838	17.505	1.332
17-11-2023	7.680	7.680	0.000
18-11-2023	10.426	10.426	0.000
19-11-2023	20.489	20.489	0.000
20-11-2023	21.515	21.354	0.160
21-11-2023	14.815	13.925	0.889
22-11-2023	13.572	13.572	0.000
23-11-2023	13.572	13.572	0.000
24-11-2023	13.572	13.572	0.000
25-11-2023	13.572	13.572	0.000
26-11-2023	13.572	13.572	0.000
27-11-2023	13.572	13.572	0.000
28-11-2023	13.572	13.572	0.000
29-11-2023	13.572	13.572	0.000
30-11-2023	12.784	12.784	0.000
<b>TOTAL (MU)</b>	<b>597.937</b>	<b>583.269</b>	<b>14.668</b>



O/o. Chief of O&M STPP	
I.W.No.	184
Date.	24/1/24

386

O/o. GM(E&M) STPP	
I.W.No.	509
Date.	23/1/24

**TRANSMISSION CORPORATION OF TELANAGANA LIMITED**

Website:www.tstransco.in CIN: U40102TG2014SGC094248

From  
The Chief Engineer  
SLDC, Vidyut Soudha,  
Hyderabad.

To  
The General Manager  
2X600 MW Singareni Thermal Power  
Project, Jaipur (V&M),  
Mancherla Dist.-504216.

Lr. No. CE-SLDC/SE-SLDC/DE-MO&PP-II /F.Singareni , D.No.120/24 dt.11.01.2024.

Sir,

Sub: - SLDC- Backing down and scheduled energy of Singareni Unit I&II for the month of  
**December-2023** -Communicated-Reg.

\*\*\*\*\*

The detailed backing down and scheduled energy at ex-bus of 2X600MW Singareni  
Unit I&II generator for the month of **December-2023** is herewith enclosed as Annexure-I.

Encl: Annexure-I

Your's faithfully,

Chief Engineer /SLDC

Copy submitted to:

The Director (Grid Operation)/TSTRANSCO - For favor of information

Copy communicated to:

- 1) The Executive Director /Commercial,  
TSPCC, Vidyut Soudha, Hyderabad.
- 2) The Director (E & M)  
M/s Singareni Collieries Co.Ltd,  
Red Hills, Singareni Bhavan,  
P.O Box-18, Lakdi ka pool, Hyderabad.
- 3) Financial Advisor & Chief controller of Accounts /TSPCC/VS/Hyd.

Chief (E&M), STPP / AGM (E&M)  
So to ED

23012024

24m (Estt)  
27/01/24

## ANNEXURE-I

**STPP (2X600 MW) BACKDOWN AND SCHEDULE ENERGY AT EX-BUS FOR THE  
MONTH OF DECEMBER-2023**

DATE (DD-MM-YYYY)	DECLARED CAPACITY (MU)	SCHEDULE (MU)	BACK DOWN (MU)
01-12-2023	1.070	1.070	0.000
02-12-2023	0.000	0.000	0.000
03-12-2023	0.000	0.000	0.000
04-12-2023	0.000	0.000	0.000
05-12-2023	6.227	6.227	0.000
06-12-2023	13.572	13.572	0.000
07-12-2023	13.572	13.572	0.000
08-12-2023	13.572	13.572	0.000
09-12-2023	13.572	13.572	0.000
10-12-2023	13.572	13.572	0.000
11-12-2023	13.572	13.572	0.000
12-12-2023	13.572	13.572	0.000
13-12-2023	13.572	13.572	0.000
14-12-2023	13.572	13.572	0.000
15-12-2023	13.572	13.572	0.000
16-12-2023	13.572	13.572	0.000
17-12-2023	13.631	13.631	0.000
18-12-2023	25.887	25.887	0.000
19-12-2023	27.144	27.144	0.000
20-12-2023	27.144	27.144	0.000
21-12-2023	27.144	27.144	0.000
22-12-2023	27.144	27.144	0.000
23-12-2023	27.144	27.144	0.000
24-12-2023	27.144	27.144	0.000
25-12-2023	27.144	27.144	0.000
26-12-2023	27.144	27.144	0.000
27-12-2023	27.144	27.144	0.000
28-12-2023	27.144	27.144	0.000
29-12-2023	27.144	27.144	0.000
30-12-2023	27.144	27.144	0.000
31-12-2023	27.144	27.144	0.000
<b>TOTAL (MU)</b>	<b>548.979</b>	<b>548.979</b>	<b>0.000</b>

TGTRANSCO

**Co. Chief of O&M STPP**  
I.W.No. 1627  
Date 21/6/24.

388  
3726  
26/6/24

**TRANSMISSION CORPORATION OF TELANGANA LIMITED**  
**VIDYUT SOUDHA: HYDERABAD - 82.**

**From**  
The Chief Engineer/TGSLDC  
TGTRANSCO, Vidyut Soudha,  
Hyderabad.

**To**  
The General Manager  
2X600 MW Singareni Thermal Power  
Project, Jaipur (V&M),  
Mancherla Dist.-504216.

**Lr. No. CE-SLDC/SE-SLDC/DE-MO&PP-II /F.Singareni, D.No. 57/24 dt.18.06.2024.**

Sir,  
Sub: - TGTRANSCO- SLDC- Withdrawal of Backing down instructions issued by SLDC for the period from 06.01.2024 to 20.01.2024 and consider as compliance- Reg.

Ref: STPP/O&M/2024/36/495, Dt.25.05.2024


\*\*\*\*\*

With reference cited, your request for exemption of backing down during the period from 06.01.2024 to 20.01.2024, under technical grounds is considered.

The revised schedules (ex-bus) and backing down details for the month of Jan-2024 communicated vide this office letter no.159/24, Dt.06.03.2024 is withdrawn. The latest schedules and backing down details considering with your request is enclosed as Annexure-I.

Encl: Annexure-I

→ Chief of (O&M)  
AGM (F&AS)  
So to HOP  
20/6/24

Yours faithfully,  
  
Chief Engineer (FAC) /SLDC

Copy submitted to:

- The Joint Managing Director (Fin., Comml. & HRD)
  - The Director (Grid Operation) /TGTRANSCO
- } For favour of information

Copy communicated to:

1. Executive Director/Commercial/TGPCC
2. The Director (E & M), M/s Singareni Collieries Co.Ltd, Red Hills, Singareni Bhavan, P.O Box-18, Lakdi ka pool, Hyderabad.

In Brahaman  
Jrnl

**ANNEXURE-I**

**STPP (2X600 MW) BACKDOWN AND SCHEDULE ENERGY AT EX-BUS FOR THE MONTH OF JANUARY-2024**

DATE (DD-MM-YYYY)	DECLARED CAPACITY (MU)	SCHEDULE (MU)	BACK DOWN (MU)
01-01-2024	27.144	27.144	0.000
02-01-2024	27.144	27.144	0.000
03-01-2024	27.144	27.144	0.000
04-01-2024	27.144	27.144	0.000
05-01-2024	27.144	27.144	0.000
06-01-2024	27.144	27.144	0.000
07-01-2024	27.144	27.144	0.000
08-01-2024	27.144	27.144	0.000
09-01-2024	13.848	13.848	0.000
10-01-2024	14.912	14.912	0.000
11-01-2024	27.125	27.125	0.000
12-01-2024	27.144	27.144	0.000
13-01-2024	27.144	27.144	0.000
14-01-2024	27.144	27.144	0.000
15-01-2024	27.144	27.144	0.000
16-01-2024	27.144	27.144	0.000
17-01-2024	27.144	27.144	0.000
18-01-2024	27.144	27.144	0.000
19-01-2024	27.144	27.096	0.048
20-01-2024	27.144	26.135	1.009
21-01-2024	27.144	24.852	2.292
22-01-2024	27.144	25.350	1.794
23-01-2024	27.144	25.165	1.979
24-01-2024	27.144	25.524	1.620
25-01-2024	27.144	24.951	2.183
26-01-2024	27.144	24.485	2.659
27-01-2024	27.144	24.641	2.503
28-01-2024	27.144	23.475	3.669
29-01-2024	27.144	25.125	2.019
30-01-2024	27.144	25.349	1.795
31-01-2024	27.144	24.799	2.346
<b>TOTAL (MU)</b>	<b>815.917</b>	<b>790.001</b>	<b>25.916</b>

Chief Engineer (FAC) /SLDC





O/o. Chief of O&M STPP  
I.W.No. 711  
Date 22/3/24

290  
O/o. GM(E&M) STPP  
I.W.No. 1809  
Date 22/3/24

**TRANSMISSION CORPORATION OF TELANAGANA LIMITED**  
Website:www.tstransco.in CIN: U40102TG2014SGC094248

From  
The Chief Engineer  
SLDC, Vidyut Soudha,  
Hyderabad.

To  
The General Manager  
2X600 MW Singareni Thermal Power  
Project, Jaipur (V&M),  
Mancherial Dist.-504216.

Lr. No. CE-SLDC/SE-SLDC/DE-MO&PP-II /F.Singareni, D.No:157/24 dt.06.03.2024.

Sir,

Sub: - SLDC- Backing down and scheduled energy of Singareni Unit I&II for the month of  
**February -2024 -Communicated-Reg.**

\*\*\*\*\*

The detailed backing down and scheduled energy at ex-bus of 2X600MW Singareni  
Unit I&II generator for the month of **February-2024** is herewith enclosed as Annexure-I.

**Encl: Annexure-I**

Yours faithfully,

*[Signature]*  
Chief Engineer /SLDC (5/6)

Copy submitted to:

The Director (Grid Operation)/TSTRANSCO - For favor of information

Copy communicated to:

- 1) The Executive Director /Commercial,  
TSPCC, Vidyut Soudha, Hyderabad.
- 2) The Director (E & M)  
M/s Singareni Collieries Co.Ltd,  
Red Hills, Singareni Bhavan,  
P.O Box-18, Lakdi ka pool, Hyderabad.
- 3) Financial Advisor & Chief controller of Accounts /TSPCC/VS/Hyd.

*[Signature]*  
26/3

→ Chief (O&M)  
AEM (F&M)  
So to be  
For info  
22032024

**ANNEXURE-I**

<b>STPP (2X600 MW) BACKDOWN AND SCHEDULE ENERGY AT EX-BUS FOR THE MONTH OF FEBRUARY-2024</b>			
<b>DATE (DD-MM-YYYY)</b>	<b>DECLARED CAPACITY (MU)</b>	<b>SCHEDULE (MU)</b>	<b>BACK DOWN (MU)</b>
01-02-2024	27.144	22.541	4.603
02-02-2024	27.144	23.705	3.439
03-02-2024	27.144	24.784	2.360
04-02-2024	27.144	22.237	4.908
05-02-2024	27.144	22.807	4.337
06-02-2024	27.144	23.591	3.553
07-02-2024	27.144	23.349	3.795
08-02-2024	27.144	23.783	3.361
09-02-2024	27.144	24.188	2.956
10-02-2024	27.144	23.690	3.454
11-02-2024	27.144	22.308	<b>4.836*</b>
12-02-2024	27.144	23.268	3.876
13-02-2024	27.144	23.349	3.795
14-02-2024	27.144	23.809	3.336
15-02-2024	27.144	22.023	5.122
16-02-2024	27.144	22.696	4.448
17-02-2024	27.144	24.784	2.360
18-02-2024	27.144	21.510	5.634
19-02-2024	27.144	21.974	5.170
20-02-2024	27.144	24.025	3.119
21-02-2024	27.144	24.043	3.101
22-02-2024	27.144	25.206	1.938
23-02-2024	27.144	26.498	0.646
24-02-2024	27.144	25.852	1.292
25-02-2024	27.144	23.351	3.793
26-02-2024	27.144	22.091	5.053
27-02-2024	27.144	20.689	6.455
28-02-2024	27.144	22.273	4.872
29-02-2024	27.144	22.057	5.087
<b>TOTAL (MU)</b>	<b>787.176</b>	<b>676.479</b>	<b>110.697</b>

**\*STPP- U2 reduced the load upto 55% of MCR on 11th February,2024 from 1300-1500HRS, as part of Flexible operation of thermal generating station,CEA Regulations,2023.**



O/o. Chief of O&M STPP  
I.W.No. 1012  
Date 18/04/2024

O/o. GM (E&M) STPP  
I.W.No. 2401  
Date 17/4/24

392

**TRANSMISSION CORPORATION OF TELANAGANA LIMITED**  
Website: www.tstransco.in CIN: U40102TG2014SGC094248

From  
The Chief Engineer  
SLDC, Vidyut Soudha,  
Hyderabad.

To  
The General Manager  
2X600 MW Singareni Thermal Power  
Project, Jaipur (V&M),  
Mancherial Dist.-504216.

Lr. No. CE-SLDC/SE-SLDC/DE-MO&PP-II /F.Singareni , D.No. 01 /24 dt.10.04.2024.

Sir,

Sub: - SLDC- Backing down and scheduled energy of Singareni Unit I&II for the month of  
**March -2024 -Communicated-Reg.**

\*\*\*\*\*

The detailed backing down and scheduled energy at ex-bus of 2X600MW Singareni  
Unit I&II generator for the month of March -2024 is herewith enclosed as Annexure-I.

**Encl: Annexure-I**

Yours faithfully,

*[Signature]*  
2024  
Chief Engineer /SLDC

Copy submitted to:

The Director (Grid Operation)/TSTRANSCO - For favor of information

Copy communicated to:

- 1) The Executive Director /Commercial,  
TSPCC, Vidyut Soudha, Hyderabad.
- 2) The Director (E & M)  
M/s Singareni Collieries Co.Ltd,  
Red Hills, Singareni Bhavan,  
P.O Dox-10, Lakdi ka pool, Hyderabad.
- 3) Financial Advisor & Chief controller of Accounts /TSPCC/VS/Hyd.

*to Boaham*

*Irab chief (O&M) / Acem (E&M)*  
18/4  
so to ED

*[Signature]*  
17.04.2024  
EXECUTIVE DIRECTOR  
2X600MW, STPP

**ANNEXURE-I**

<b>STPP (2X600 MW) BACKDOWN AND SCHEDULE ENERGY AT EX-BUS FOR THE MONTH OF MARCH-2024</b>			
<b>DATE (DD-MM-YYYY)</b>	<b>DECLARED CAPACITY (MU)</b>	<b>SCHEDULE (MU)</b>	<b>BACK DOWN (MU)</b>
01-03-2024	27.144	22.057	5.087
02-03-2024	27.144	19.905	7.239
03-03-2024	27.144	20.280	6.864
04-03-2024	27.144	21.653	5.491
05-03-2024	27.144	21.330	5.814
06-03-2024	27.144	23.914	3.230
07-03-2024	27.144	23.783	3.361
08-03-2024	27.144	25.996	1.148
09-03-2024	27.144	24.479	2.665
10-03-2024	27.144	22.979	4.166
11-03-2024	27.144	23.933	3.211
12-03-2024	27.144	25.691	1.454
13-03-2024	27.144	26.337	0.807
14-03-2024	27.144	25.925	1.219
15-03-2024*	27.144	27.016	0.128
16-03-2024	27.144	26.748	0.397
17-03-2024	27.144	24.735	2.409
18-03-2024	27.144	26.175	0.969
19-03-2024	27.144	23.164	3.980
20-03-2024	27.144	20.359	6.785
21-03-2024	27.144	21.895	5.249
22-03-2024	27.144	24.081	3.063
23-03-2024	27.144	24.803	2.341
24-03-2024	27.144	22.463	4.681
25-03-2024	27.144	20.119	7.025
26-03-2024	27.144	19.847	7.298
27-03-2024	27.144	22.972	4.172
28-03-2024	27.144	25.125	2.019
29-03-2024	27.144	26.302	0.842
30-03-2024	27.144	24.592	2.553
31-03-2024	27.144	23.764	3.380
<b>TOTAL (MU)</b>	<b>841.464</b>	<b>732.419</b>	<b>109.045</b>

\*STPP-U1 is exempted from backing down for a period of 4 days i.e. from 15.03.2024 (00:00Hrs) to 18.03.2024 (24:00Hrs), Due to turbine shaft vibrations as requested by STPP

**Annexure - G : Details of Water Charges,  
Tariff filing fee and audit fees**



395

**CIVIL, STPP**

**GOVERNMENT OF TELANGANA  
IRRIGATION & CAD DEPARTMENT**

I.W.No. : 166/  
Date : 30.05.2024

From  
Sri.B.Vishnu Prasad, B.E.,  
Executive Engineer, I&CADD,  
Irrigation Division No.2,  
Chennur, Mancherial (Dist).

To,  
The Chief Technical Consultant,  
2 x 600 MW STPP, Jaipur,  
Mancherial (Dist.).

2860  
Date 28/05/24

Lr.No.EE/IRR/DIV2/CHNR/DB/STPP/WRC/Devulawda PH/2024-25/ 30 /M      DATE: 21.05.2024.

Sir

Sub:- I&CAD Dept. – Industrial Water Supply – STPP Jaipur – Water drawl from the Sundilla (foreshore) at Shetpally pump house for power generation at 2x600 MW power plant – Request for payment of water royalty charges and including arrears from FY 2017-18 to 2022-23 and for the FY 2023-24 - Reg.

- Ref:-
1. G.O Ms.No.34 Irrigation & CAD (Reforms) Dept, Dt:03.08.2019.
  2. I&CAD (Reforms) Dept. GO Ms. No. 115, Dt: 27-06-2015.
  3. District Collector, Mancherial Proc. No.C2/5322/2021 Dt:03-10-2021.
  4. EE/Irrigation Division No.2/Mahadevpur Lr.No.104/H Dt:14-09-2022.
  5. EE/Irrigation Division No.1/MahadevpurLr.No.DB/42/M Dt:16-02-2023.
  6. T.O Lr.No.EE/IRR/CHNR/DB/322/M Dt:14.02.2024.
  7. Chief Technical Consultant, 2 x 600 MW STPP, Jaipur Lr. No. STPP/ CVL/ 293/ 94 Dt: 31.01.2024 for Apr' 2023 to Dec' 2023.
  8. Chief Technical Consultant, 2 x 600 MW STPP, Jaipur Lr. No. STPP/ CVL/ 293/ 342 Dt: 10.04.2024 for Jan' 2024 to March 2024.
  9. DEE, ISD No.3, Jaipur Lr.No.DEE/ISD3/JAIPUR/25, Dt:18.05.2024.

AGM (Civil), STPP

*[Handwritten Signature]*  
29.5.24

**GENERAL MANAGER (E&M)**  
STPP, JAIPUR

@@@@@

Vide ref 7<sup>th</sup> & 8<sup>th</sup> cited the Chief Technical Consultant, 2 x 600 MW STPP, Jaipur communicated the water drawn quantities for the year Apr' 2023 to Mar' 2024 at the Shetpally Pump House. Accordingly, Deputy Executive Engineer, Irrigation Sub Division No.3, Jaipur vide reference 9<sup>th</sup> has calculated and submitted the water royalty charges now for the year 2023-24 as per G.O. vide ref 2<sup>nd</sup>

Earlier, vide ref 6<sup>th</sup> cited this office has requested to remit the water royalty charges arrears from FY 2017-18 to 2022-23 but the amount was not remitted by the STPP, Jaipur. Now, the royalty charges for the water drawn from the River Godavari at Shetpally for the Financial year Apr 2023 - March 2024 under consumptive use are as follows.

DB  
Pl. Spn  
Sund  
3/6/24

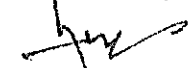
S.No.	Month-Year	Quantity of water drawn in Cu.M from River Godavari at Shetpally 1TMC Pump House	Rate as per GO Ms No. 115, Dt: 27-06-2015 (Enhancement of rate @ 10% in every alternative year) for consumptive use of water per Cum (paise)/ Difference rate as per GO.	Amount in Rs.	Remarks
1	April 2017 - March 2018	26800122	(84.7-77.0)=7.70	20,63,609.0	Arrears Amount.
2	April 2018 - March 2019	17763225	(84.7-77.0)=7.70	13,67,769.0	Arrears Amount.

396

S.No.	Month-Year	Quantity of water drawn in Cu.M from River Godavari at Shetpally 1TMC Pump House	Rate as per GO Ms No. 115, Dt: 27-06-2015 (Enhancement of rate @ 10% in every alternative year) for consumptive use of water per Cum (paise)/ Difference rate as per GO.	Amount in Rs.	Remarks
3	April 2019 – March 2020	13457109	171.60-92.40=79.20	3,95,95,002.0	Arrears including HTCC & O&M Charges.
4	April 2020 – March 2021	15682597	171.60	6,26,59,331.0	Including HTCC & O&M Charges
5	April 2021 – March 2022	14961517	185.90	6,19,17,776.0	Including HTCC & O&M Charges
6	April 2022 – March 2023	20341572	185.90	8,41,82,966.0	Including HTCC & O&M Charges
7	April 2023 - March 2024	19901252	200.20	8,52,06,597.0	Including HTCC & O&M Charges
<b>Total in Rs.</b>				<b>33,69,93,050.00</b>	

Therefore, I request the Chief Technical Consultant, 2 x 600 MW Singareni Thermal Power Project, Jaipur to remit the above charges including arrears through a Demand Draft in favour of Assistant Pay and Accounts Officer, Mancherla at the earliest.

Yours faithfully

  
Executive Engineer, I&CADD,  
Irrigation Division No. 2,  
Chennur.

  
2/15



397

**CALCULATION SHEET FOR WATER DRAWL CHARGES AS PER ACTUAL CONSUMPTION AT SHETPALLY PUMP HOUSE AS PER GO Ms No. 115 Dt. 27-06-2015.**

**FOR THE PERIOD FROM APR'2023 TO MARCH'2024**

S.No.	Month /Year	Quantity of water drawn in Cu.M from River Godavari at Shetpally 1TMC Pump House	Rate as per GO Ms No. 115, Dt: 27-06-2015 (Enhancement of rate @ 10% in every alternative year) for consumptive use of water per Cum (paise)	Amount of Water Royalty Charges to be collected now including arrears in Rs.	HTCC & O&M Charges in Rs.		Total Amount to be Collected now in Rs.	Remarks
					Laxmi PH & Barrage	Saraswati PH & Barrage		
1	April	2064841.0	200.20	41,33,812.0	29,79,301.0	17,77,440.0	88,90,553.0	HTCC & O&M Charges as per GO Ms No. 115 Dt: 27-06-2015 for the year 2023-24. The rate is Rs. 200.20 per Cum. The total amount to be collected is Rs. 88,90,553.00.
2	May	2193213.0	200.20	43,90,812.0	31,64,526.0	18,34,836.0	93,90,174.0	do
3	June	1291477.0	200.20	25,85,537.0	18,63,436.0	10,80,446.0	55,29,419.0	do
4	July	1423028.0	200.20	28,48,902.0	20,53,247.0	11,90,501.0	60,92,650.0	do
5	August	1672252.0	200.20	33,48,850.0	24,13,567.0	13,99,419.0	71,61,836.0	do
6	September	849198.0	200.20	17,00,094.0	12,25,284.0	7,10,437.0	36,35,815.0	do
7	October	2149372.0	200.20	43,03,043.0	31,01,269.0	17,98,158.0	92,02,470.0	do
8	November	1440807.0	200.20	28,84,196.0	20,78,900.0	12,05,375.0	61,68,771.0	do
9	December	1570060.0	200.20	31,43,260.0	22,65,396.0	13,13,508.0	67,22,164.0	do
10	January	1794873.0	200.20	35,93,336.0	25,89,772.0	15,01,586.0	76,84,694.0	do
11	February	1635096.0	200.20	32,73,462.0	23,59,234.0	13,67,917.0	70,00,613.0	do
12	March	1816535.0	200.20	36,36,703.0	26,21,027.0	15,19,708.0	77,77,438.0	do
		<b>1,99,01,252.0</b>	Total in Rs.	<b>3,98,42,307.0</b>	<b>2,87,14,959.0</b>	<b>1,66,49,331.0</b>	<b>8,52,06,597.0</b>	

*Vind*  
 AE/AEE, I&CADD.,  
 Irrigation Sub-Divn.No.3,  
 Jaipur, Mancharial dist.

*RO*  
 Dy. Executive Engineer, I&CADD.,  
 Irrigation Sub-Divn.No.3,  
 Jaipur, Mancharial dist.

*h*  
 Executive Engineer, I&CADD.,  
 Irrigation Divn. No. 3,  
 Chennai, Mancharial dist.

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398

**CALCULATION SHEET FOR WATER DRAWL CHARGES AS PER ACTUAL CONSUMPTION AT SHETPALLY PUMP HOUSE AS PER GO Ms No. 115 Dt. 27-06-2015.**  
**FOR THE PERIOD FROM Apr'2017 TO Mar'2023**

S.No.	Month /Year		Quantity of water drawn in Cu.M from River Godavari at Shetpally ITMC Pump House	Rate at which Royalty Charges are collected in Paise	Amount collected in Rs.	Ref. to Demand No/ce	Ref. to BG details.	Rate as per GO Ms No. 115, Dt: 27-06-2015 (Enhancement of rate @ 10% in every alternative year) for consumptive use of water per Cum (paise)	Difference of Rates	Amount of Water Royalty Charges to be collected now including arrears in Rs.	HTCC & O&M Charges in Rs.		Total Amount to be Collected now in Rs.	Remarks
	From	To									Laxmi PH & Barrage	Saraswati PH & Barrage		
1	Apr-2017	Nov-2017	17454278.0	77.00	1,34,39,794.0	EE/IBD/MNCL Lr. No. DB/03/2017-18/691/1/M Dt: 30-12-2017.	DD No. 449767, Dt:08-01-2017	84.70	7.70	13,43,979.0	-	-	13,43,979.0	
2	Dec-2017	Mar-2018	9345844.0	77.00	71,96,300.0	EE/IBD/MNCL Lr. No. DB/03/2018-19/60/1/M Dt: 01-05-2018.	DD No. 643137, Dt:05-06-2018	84.70	7.70	7,19,630.0	-	-	7,19,630.0	
3	Apr-2018	Aug-2018	9764293.0	77.00	75,18,506.0	EE/IBD/MNCL Lr. No. DB/03/2018-19/377/M Dt: 25-09-2018.	DD No. 643382, Dt:02-11-2018	84.70	7.70	7,51,851.0	-	-	7,51,851.0	
4	Sep-2018	Mar-2019	7998932.0	77.00	61,59,178.0	EE/IBD/MNCL Lr. No. DB/03/2018-19/377/M Dt: 23-04-2019.	DD No. 643471, Dt:16-05-2019	84.70	7.70	6,15,918.0	-	-	6,15,918.0	
5	Apr-2019	02-04-2019	565883.0	92.40	5,22,876.0	EE/IBD/MNCL Lr. No. DB/03/2020-21/171/M Dt: 28-08-2020.	DD No. 950221, Dt:07-09-2021	92.40	0.00	-	-	-	-	
6	03-08-2019	Mar-2020	12891226.0	92.40	1,19,11,493.0	EE/IBD/MNCL Lr. No. DB/03/2020-21/171/M Dt: 28-08-2020.	DD No. 950221, Dt:07-09-2021	171.60	79.20	1,02,09,851.0	1,86,00,389.0	1,07,84,762.0	3,95,95,002.0	HTCC & O&M Charges @ Rs. 40857199.0 per TMC for Laxmi PH & Barrage and Rs. 2369558.0 per TMC for Saraswati PH & Barrage.
7	Apr-2020	Mar-2021	15682597.0	0.00	-			171.60	171.60	2,69,11,336.0	2,26,27,980.0	1,31,20,015.0	6,26,59,331.0	-do-
8	Apr-2021	Mar-2022	14961517.0	0.00	-			185.90	185.90	2,78,13,460.0	2,15,87,554.0	1,25,16,762.0	6,19,17,776.0	-do-
9	Apr-2022	Mar-2023	20341572.0	0.00	-			185.90	185.90	3,78,14,982.0	2,93,50,284.0	1,70,17,700.0	6,41,82,956.0	-do-
			<b>109006142.0</b>	<b>Total in Rs.</b>	<b>4,67,49,147.0</b>			<b>Total in Rs.</b>		<b>10,61,81,007.0</b>	-	-	<b>25,17,86,453.0</b>	

*[Signature]*  
 AE/AEE, I&CADD,  
 Irrigation Sub-Divn.No.3,  
 Jaipur, Mancharial dist.

*[Signature]*  
 Dy. Executive Engineer, I&CADD,  
 Irrigation Sub-Divn.No.3,  
 Jaipur, Mancharial dist.

*[Signature]*  
 Executive Engineer, I&CADD.,  
 Irrigation Division No.2,  
 Chennai, Mancharial dist.

*[Handwritten initials]*  
 2/15

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**CIVIL, STPP**

399

**GOVERNMENT OF TELANGANA  
IRRIGATION & CAD DEPARTMENT**

No. : 1660  
Date : 30.05.2024

From  
Sri.B.Vishnu Prasad, B.E.,  
Executive Engineer, I&CADD,  
Irrigation Division No.2,  
Chennur, Mancherial (Dist).

To,  
The Chief Technical Consultant,  
2 x 600 MW STPP, Jaipur,  
Mancherial (Dist.).

O/o ED, STPP.  
No. 2889  
Date 28/05/24

Lr.No.EE/IRR/DIV2/CHNR/DB/STPP/WRC/Devulawda PH/2024-25/ 31 /M DATE 21.05.2024.

Sir

Sub:- I&CAD Dept. – Industrial Water Supply – STPP Jaipur – Water drawl from the River Pranahitha at Devulawada Pump House for power generation at 2x600 MW power plant – Request for payment of water royalty charges and including arrears for the financial years from Oct 2022 to March 2024 – Reg

- Ref:-
1. I&CAD (PW – MAJ. IRR. VIII) Dept. GO Rt. No. 474, Dt: 19-07-2010.
  2. I&CAD (Reforms) Dept. GO Ms. No. 115, Dt: 27-06-2015.
  3. SE/IC/Nirmal Agreement Dt:04-04-2019.
  4. T.O Lr.No.EE/IRR/CHNR/DB/321/M Dt:14.02.2024.
  5. Chief Technical Consultant, 2 x 600 MW STPP, Jaipur Lr. No. STPP/ CVL/ 293/ 94 Dt: 31.01.2024 for Apr' 2023 to Dec' 2023.
  6. Chief Technical Consultant, 2 x 600 MW STPP, Jaipur Lr. No. STPP/ CVL/ 293/ 342 Dt: 10.04.2024 for Jan' 2024 to March 2024.
  7. DEE, ISD No.3, Jaipur Lr.No.DEE/ISD3/JAIPUR/25, Dt:18.05.2024.

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ACM(CCND), STPP  
JMP  
29.5.24  
GENERAL MANAGER (E&M)  
STPP, JAIPUR

Vide ref 5<sup>th</sup> & 6<sup>th</sup> cited the Chief Technical Consultant, 2 x 600 MW STPP, Jaipur communicated the water drawn quantities for the year October 2022- March 23 at the Devulawada Pump House. Accordingly, Deputy Executive Engineer, Irrigation Sub Division No.3, Jaipur vide reference 7<sup>th</sup> has calculated and submitted the water royalty charges now for the year 2023-24 as per G.O. vide ref 2<sup>nd</sup>

Earlier, vide ref 4<sup>th</sup> cited this office has requested to remit the water royalty charges for the period Oct' 2022 to Mar' 2023 but the amount was not remitted by the STPP, Jaipur. Now, the royalty charges for the water drawn from the River Pranahitha at Devulawada for the financial year Apr 2023 - March 2024 under consumptive use are as follows.

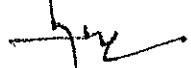
S.No.	Month-Year	Quantity of water drawn in Cu.M from River Pranahitha at Devulawada 2TMC Pump House	Rate as per GO Ms No. 115, Dt: 27-06-2015 (Enhancement of rate @ 10% in every alternative year) for consumptive use of water per Cum (paise)	Amount to be paid in Rs.
1	Oct' 2022 to Mar' 2023	884196	100.10	8,85,080.00
2	Apr' 2023 to Mar' 2024	1706494	107.80	18,39,601.00
<b>Total amount to be paid</b>				<b>27,24,681.00</b>

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Therefore, I request the Chief Technical Consultant, 2 x 600 MW Singareni Thermal Power Project, Jaipur to remit the above charges including arrears through a Demand Draft in favour of Assistant Pay and Accounts Officer, Mancherial at the earliest.

Yours faithfully

  
Executive Engineer, I&CADD,  
Irrigation Division No. 2,  
Chennur.

  
2/15

CALCULATION SHEET FOR WATER DRAWL CHARGES AS PER ACTUAL CONSUMPTION AT DEVULAWADA PUMP HOUSE(2 TMC) AS PER GO Ms No. 115 Dt. 27-06-2015.

FOR THE PERIOD FROM APR'2023 TO MARCH'2024

S.No.	Month /Year	Quantity of water drawn in Cu.M from River Pranahitha at Devulawada 2TMC Pump House	Rate as per GO Ms No. 115, Dt: 27-06-2015 (Enhancement of rate @ 10% in every alternative year) for consumptive use of water per Cum (paise)	Amount of Water Royalty Charges to be collected now including arrears in Rs.	Total Amount to be Collected now in Rs.	Remarks
1	April	2,39,320.0	107.80	2,57,987.0	2,57,987.0	
2	May	2,07,408.0	107.80	2,23,586.0	2,23,586.0	
3	June	1,67,570.0	107.80	1,80,640.0	1,80,640.0	
4	July	1,82,350.0	107.80	1,96,573.0	1,96,573.0	
5	August	3,08,976.0	107.80	3,33,076.0	3,33,076.0	
6	September	1,77,999.0	107.80	1,91,883.0	1,91,883.0	
7	October	-	107.80	-	-	
8	November	20,263.0	107.80	21,844.0	21,844.0	
9	December	-	107.80	-	-	
10	January	1,78,777.0	107.80	1,92,722.0	1,92,722.0	
11	February	87,048.0	107.80	93,838.0	93,838.0	
12	March	1,36,783.0	107.80	1,47,452.0	1,47,452.0	
		<b>1706494.0</b>	Total in Rs.	<b>18,39,601.0</b>	<b>18,39,601.0</b>	

*Vinod*  
AE/AEE,

*Rao*  
Dy. Executive Engineer, I&CADD.  
Irrigation Sub-Divn.No.3,  
Jaipur, Mancherial dist.

*h*  
Executive Engineer, I&CADD.  
Irrigation Divn.No.2,  
Chennur, Mancherial dist

*2/15*







THE SINGARENI COLLIERIES COMPANY LIMITED  
( A GOVERNMENT COMPANY )

402

PAYMENT VOUCHER

Paid to  
Secretary, TSERC, Hyderabad  
HYDERABAD 500034

Payment Towards  
PAYMENT OF MYT filing fee to 2024  
TSERC-STPP

Document No.	22092675
Document Dt.	29.01.2024
Party Code	2000026081
Bank GL A/C No.	1131802
Cheque No	
Cheque Dt.	

GL Account	Profit Centre	Pur. Order No. & Date	Invoice No. & date	Ref Doc No. & Date	Debit (Rs.)	Credit (Rs.)
4436341					2,000.00	0.00
1160808	9100			21040708 29.01.2024	15,000,000.00	0.00
TOTALS					15,002,000.00	0.00
Net Amount					15,002,000.00	

Rs/- ONE CRORE FIFTY LAKH TWO THOUSAND Rupees only  
4436341-Bank Charges, 1160808-Sundry Liability,

Prepared By : AF\_STP\_SOBL

RECIPIENT

INTERNAL AUDIT AAO/AO

*[Signature]*  
29/01/24  
Sr AO/DY.FM

*[Signature]*  
A.G.M. (F&A)  
Sr AO/DY. GM  
STPP, Jalpur



403

भारतीय स्टेट बैंक  
State Bank of India  
KEY: YEBJOW Sr. No: 100740  
DE No. 20124  
T. No. 08736-252837

माग्ड्राफ्ट  
DEMAND DRAFT

Key: YEBJOW  
Sr. No: 100740

21/04/2010  
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मागे जानेपर SECRETARY TELANGANA STATE ELECTRICITY REGULATORY COMMISSION  
ON-DEMAND-PAY

या उन्के आदेश पर  
OR-ORDER

One Crore Fifty Lakh Only

रुपये RUPEES

अदा करें ₹ 15000000.00

IOI 000542725886  
Name of Applicant

Key: YEBJOW Sr. No: 100740  
THE SINGARENI COLLIERIES COMPA

AMOUNT BELOW 15000001(0/8)

मूल्य प्राप्त / VALUE RECEIVED

भारतीय स्टेट बैंक

STATE BANK OF INDIA

अदाकर्ता शाखा / DRAWEE BRANCH: HYDERABAD MAIN BRANCH  
फने इ को . /CODE No: 00847

*Gnelha*  
प्राधिकृत हस्ताक्षरकर्ता  
BRANCH SIGNATORY

*Puro*  
शाखा प्रबंधक  
BRANCH MANAGER

कम्प्यूटर द्वारा मुद्रित होने पर ही वैध  
VALID ONLY IF COMPUTER PRINTED

केवल 3 महीने के लिए वैध  
VALID FOR 3 MONTHS ONLY

₹ 1,50,000/- एवं अधिक के लिखत दो अधिकारियों द्वारा हस्ताक्षरित होने पर ही वैध है।  
INSTRUMENTS FOR ₹ 1,50,000/- & ABOVE ARE NOT VALID UNLESS SIGNED BY TWO OFFICERS

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404



THE SINGARENI COLLIERIES COMPANY LIMITED  
( A GOVERNMENT COMPANY )

PAYMENT VOUCHER

Paid to  
Secretary, TSERC, Hyderabad  
HYDERABAD 500034

Document No.	22041985
Document Dt.	17.08.2023
Party Code	2000026081
Bank GL A/C No.	1131802
Cheque No	
Cheque Dt.	

Payment Towards  
Filing fee of BP and CIP

GL Account	Profit Centre	Pur. Order No. & Date	Invoice No. & date	Ref Doc No. & Date	Debit (Rs.)	Credit (Rs.)
4436341					125.00	0.00
1160808	9100			21015187 17.08.2023	25,000.00	0.00
TOTALS					25,125.00	0.00
Net Amount					25,125.00	

Rs/- TWENTY FIVE THOUSAND ONE HUNDRED TWENTY FIVE Rupees only  
4436341-Bank Charges, 1160808-Sundry Liability,

Prepared By :

MAF\_STP\_SOBL

RECIPIENT

INTERNAL AUDIT. AAO/AO

Sr AO/DY.FM

FM/DY.GM

1

405



THE SINGARENI COLLIERIES COMPANY LIMITED  
( A GOVERNMENT COMPANY )

PAYMENT VOUCHER

Paid to  
Secretary, TSERC, Hyderabad  
HYDERABAD 500034

Payment Towards  
Filing fee of BP and CIP

Document No.	22041981
Document Dt.	17.08.2023
Party Code	2000026081
Bank GL A/C No.	1131802
Cheque No	
Cheque Dt.	

GL Account	Profit Centre	Pur. Order No. & Date	Invoice No. & date	Ref Doc No. & Date	Debit (Rs.)	Credit (Rs.)
4436341					125.00	0.00
1160808	9100			21015188 17.08.2023	25,000.00	0.00
TOTALS					25,125.00	0.00
Net Amount					25,125.00	

Rs/- TWENTY FIVE THOUSAND ONE HUNDRED TWENTY FIVE Rupees only  
4436341-Bank Charges, 1160808-Sundry Liability,

Prepared By :  AF\_STP\_SOBL

RECIPIENT

INTERNAL AUDIT AAO/AO

Sr AO/DY.FM

FM/DY.GM





406



THE SINGARENI COLLIERIES COMPANY LIMITED  
( A GOVERNMENT COMPANY )

PAYMENT VOUCHER

Paid to  
Secretary, TSERC, Hyderabad  
HYDERABAD 500034

Document No.	22020256
Document Dt.	07.06.2023
Party Code	2000026081
Bank GL A/C No.	1131802
Cheque No	
Cheque Dt.	

Payment Towards  
IA application fee seeking clarification

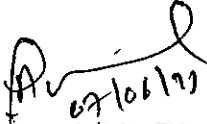
GL Account	Profit Centre	Pur. Order No. & Date	Invoice No. & date	Ref Doc No. & Date	Debit (Rs.)	Credit (Rs.)
4436341					125.00	0.00
1160808	9100			21004041 07.06.2023	25,000.00	0.00
TOTALS					25,125.00	0.00
Net Amount					25,125.00	

Rs/- TWENTY FIVE THOUSAND ONE HUNDRED TWENTY FIVE Rupees only  
4436341-Bank Charges,1160808-Sundry Liability,

Prepared By :  AF\_STP\_SOBL

RECIPIENT

INTERNAL AUDIT AAO/AO

  
Sr AO/DY.FM

FM/DY.GM



407

जारी करने वाली शाखा: भारतीय स्टेट बैंक  
Issuing Branch: STATE BANK OF INDIA  
कोड क्रं./CODE No: 21197  
Tel No: 08736-957318

मांगड्राफ्ट  
DEMAND DRAFT

Key: YUKGUP  
Sr. No: 170804

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मांगे जानेपर SECRETARY TELANGANA STATE ELECTRICITY REGULATORY COMMISSION  
ON DEMAND PAY

या उनके आदेश पर  
OR ORDER

Twenty Five Thousand Only

रुपये RUPEES

अदा करें ₹ 25000.00

TO/000498551481  
Name of Applicant

Key: YUKGUP Sr. No: 170804 AMOUNT BELOW 25001(0/5)  
THE SINGARENI COLLIERIES COMPA

मूल्य प्राप्त / VALUE RECEIVED

भारतीय स्टेट बैंक

STATE BANK OF INDIA

अदाकर्ता शाखा / DRAWEE BRANCH: HYDERABAD MAIN BRANCH  
कोड क्रं. / CODE No: 00847

प्राधिकृत हस्ताक्षरकर्ता  
AUTHORISED SIGNATORY

*[Signature]*  
शाखा प्रबंधक  
BRANCH MANAGER

कम्प्यूटर द्वारा मुद्रित होने पर ही वैध  
VALID ONLY IF COMPUTER PRINTED

केवल 3 महीने के लिए वैध  
VALID FOR 3 MONTHS ONLY

₹ 1,50,000/- एवं अधिक के लिखत दो अधिकारियों द्वारा हस्ताक्षरित होने पर ही वैध है।  
INSTRUMENTS FOR ₹ 1,50,000/- & ABOVE ARE NOT VALID UNLESS SIGNED BY TWO OFFICERS

⑈ 551481⑈ 000002000⑈ 000498⑈ 16

*Received*  
*[Signature]*  
18/8/2023



408

जारी करने वाली शाखा  
Issuing Branch: State Bank of India  
कोड क्र. / CODE No: 21789  
Tel No: 08736-957318

मांगड़ाफ्ट  
DEMAND DRAFT

Key: VUHHEQ  
Sr. No: 382946

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D D M M Y Y Y Y

मांगे जानेपर SECRETARY TELANGANA STATE ELECTRICITY REGULATORY COMMISSION  
ON DEMAND PAY

या उनके आदेश पर  
OR ORDER

Twenty Five Thousand Only

रुपये RUPEES

अदा करें ₹ 25000.00

101000498551480  
Name of Applicant

Key: VUHHEQ Sr. No: 382946  
THE SINGARENI COLLIERIES COMPA  
AMOUNT BELOW 25001(0/5)

मूल्य प्राप्त / VALUE RECEIVED

भारतीय स्टेट बैंक  
STATE BANK OF INDIA  
अदाकर्ता शाखा / DRAWEE BRANCH: HYDERABAD MAIN BRANCH  
कोड क्र. / CODE No: 00847

प्राधिकृत हस्ताक्षरकर्ता  
AUTHORISED SIGNATORY

*Raj*  
शाखा प्रबंधक  
BRANCH MANAGER

कम्प्यूटर द्वारा मुद्रित होने पर ही वैध  
VALID ONLY IF COMPUTER PRINTED

केवल 3 महीने के लिए वैध  
VALID FOR 3 MONTHS ONLY

₹ 1,50,000/- एवं अधिक के लिखत दो अधिकारियों द्वारा हस्ताक्षरित होने पर ही वैध है।  
INSTRUMENTS FOR ₹ 1,50,000/- & ABOVE ARE NOT VALID UNLESS SIGNED BY TWO OFFICERS

⑈ 551480⑈ 000002000⑈ 000498⑈ 16

*Received*  
*Deposited*  
*12/8/2023*

MANIPAL TECHNOLOGIES LIMITED, KARWATKAL/CTS, 2000

11

409

जारी करने वाली शासकीय स्टेट बैंक  
Issuing Bank: STATE BANK OF INDIA  
कोड क्र./CODE No: 21797  
Tel No. 08736-957318

मांगड्राफ्ट  
DEMAND DRAFT

Key: SUHGAP  
Sr. No: 692165

0 7 0 6 2 0 2 3  
D D M M Y Y Y YC

मांगे जानेपर SECRETARY TELANGANA STATE ELEC TRICITY REGULATORY COMMISSION

ON DEMAND PAY

या उनके आदेश पर  
OR ORDER

Twenty Five Thousand Only

रुपये RUPEES

अदा करें ₹ 25000.00

IOI 000498551470  
Name of Applicant

Key: SUHGAP Sr. No: 692165 AMOUNT BELOW 25001(0/5)  
THE SINGARENI COLLIERIES COMPA

मूल्य प्राप्त / VALUE RECEIVED

भारतीय स्टेट बैंक

STATE BANK OF INDIA

अदाकर्ता शाखा / DRAWEE BRANCH: HYDERABAD MAIN BRANCH  
कोड क्र./CODE No: 00847

प्राधिकृत हस्ताक्षरकर्ता  
AUTHORISED SIGNATORY

*Devi*  
शाखा प्रबंधक  
BRANCH MANAGER

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INSTRUMENTS FOR ₹ 1,50,000/- & ABOVE ARE NOT VALID UNLESS SIGNED BY TWO OFFICERS

⑈ 551470⑈ 000002000⑈ 000498⑈ 16

MANIPAL TECHNOLOGIES LIMITED, KARAVANKA, CT-32/10





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THE SINGARENI COLLIERIES COMPANY LIMITED  
( A GOVERNMENT COMPANY )

PAYMENT VOUCHER

Paid to  
M. Anandam & co.,  
Chartered Accountants  
7 'A' Surya towers, Sardar patel road  
Secunderabad 500003

Document No.	22092358
Document Dt.	27.01.2024
Party Code	2000006598
Bank GL A/C No.	1131804
Cheque No	
Cheque Dt.	

Payment Towards  
certification fee-capex for FY 22-23 &  
upto Sep-23

GL Account	Profit Centre	Pur. Order No. & Date	Invoice No. & date	Ref Doc No. & Date	Debit (Rs.)	Credit (Rs.)
1160808	9100			21040289 27.01.2024	108,000.00	0.00
TOTALS					108,000.00	0.00
Net Amount					108,000.00	

Rs/- ONE LAKH EIGHT THOUSAND Rupees only  
1160808-Sundry Liability,

Prepared By : *Handwritten Signature*  
AF\_STP\_SOBL

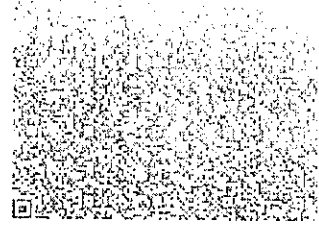
*Handwritten Signature*  
27.01/24  
Sr AO/DY.FM

RECIPIENT

INTERNAL AUDIT AAO/AO

FM/DY.GM

10



GSTIN: 36AACFM8791J1ZQ  
 Invoice No: 1081  
 Date: 19-Jan-24

**M. Anandam & Co.,**  
 7A, Surya Towers,  
 S.P. Road, Secunderabad  
 GSTIN/UIN: 36AACFM8791J1ZQ  
 State Name : Telangana, Code : 36

Invoice No: 1081  
 Reference No. & Date:  
 Dated: 19-Jan-24  
 Other References:

**Client Name & Address**  
**The Singareni Collieries Company Limited**  
 Registered Office, Po Kothagudem Collieries  
 Kothagudem  
 GSTIN/UIN : 36AAACT8873F1Z1  
 State Name : Telangana, Code : 36

SI No	Particulars	HSN/SAC	GST Rate	Amount
1	Certification Fees	998214	18 %	1,00,000.00
	CGST			9,000.00
	SGST			9,000.00
	<b>Total</b>			<b>₹ 1,18,000.00</b>

Amount Chargeable (in words)  
**Indian Rupees One Lakh Eighteen Thousand Only**

HSN/SAC	Taxable Value	CGST		SGST/UTGST		Total Tax Amount
		Rate	Amount	Rate	Amount	
998214	1,00,000.00	9%	9,000.00	9%	9,000.00	18,000.00
<b>Total</b>	<b>1,00,000.00</b>		<b>9,000.00</b>		<b>9,000.00</b>	<b>18,000.00</b>

Tax Amount (in words) : **Indian Rupees Eighteen Thousand Only**

**Invoice raised towards.:**  
 Issue of certificate on capital cost and Operation and Maintenance(O & M)  
 expense for the FY 2022-23 and period upto 30.09.2023

**Company's Bank Details**  
 Bank Name : Canara Bank  
 A/c No. : 30181010000187  
 Branch & IFS Code : Secunderabad Patny Circle & CNRB0013018

Company's PAN : AACFM8791J

for M. Anandam & Co.,  
  
 Authorised Signatory

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○

**Annexure - H : A copy of tariff  
computation forms**



**Tariff Filing Forms (Generation)  
The Singareni Collieries Company Ltd  
Singareni Thermal Power Project**





**The Singareni Collieries Company Ltd  
Singareni Thermal Power Project  
Tariff Filing Formats - Generation  
Checklist**

S. No.	Form	Title	Tick
1	Form 1	Summary Sheet	✓
2	Form 2	Operation and Maintenance Expenses	✓
3	Form 2.1	Employee Expenses	✓
4	Form 2.2	Administration & General Expenses	✓
5	Form 2.3	Repair & Maintenance Expenses	✓
6	Form 3	Summary of Capital Expenditure and Capitalisation	✓
7	Form 3.1	Statement of Additional Capitalisation after COD	✓
8	Form 3.2	Financing of Additional Capitalisation	✓
9	Form 4	Fixed Assets & Depreciation	✓
10	Form 5	Interest and finance charges on loan	✓
11	Form 6	Interest on working capital	✓
12	Form 7	Return on Equity	✓
13	Form 8	Non-Tariff Income	✓
14	Form 9	Planned & Forced Outages	✓
15	Form 10	Operational parameters	✓
16	Form 11	Fuel Details for computation of Energy Charge Rate	✓
17	Form 12	Energy Charge Rate	✓
18	Form 13	Sales	✓
19	Form 14	Revenue from Sale of Electricity	✓
20	Form 15	Revenue Reconciliation	✓
21	Form 16	Summary of true-up	✓
		<b>Capital Cost Approval*</b>	
22	Form 17	Plant Characteristics (Thermal)	
23	Form 18	Plant Characteristics (Hydel)	
24	Form 19.1	Project Schedule	
25	Form 19.2	Abstract of Capital Cost	
26	Form 19.3	Breakup of Capital Cost	
27	Form 19.4	Breakup of Construction/Supply/Services/Packages	
28	Form 19.5	Financial Package	
29	Form 19.6	Details of Loans	
30	Form 19.7	Phasing of Expenditure, Debt and Equity upto COD	
31	Form 19.8	Interest During Construction and Finance Charges upto COD	

**Note:** \* Applicable only for new Generating Station/Unit for which Provisional/Final tariff approval is being sought



The Singareni Collieries Company Ltd  
Singareni Thermal Power Project  
Form 1: Summary Sheet

S. No.	Particulars	Units	Reference	Year (n-1) 2023-24			Year (n) 2024-25			Year (n+1) 2025-26			Remarks
				MYT/Tariff Order	April-March	True-Up requirement	MYT/Tariff Order	April-March	Revised proposal	MYT/Tariff Order	April-March	Revised proposal	
A	Annual Fixed Charges												
1	Operation & Maintenance Expenses	Rs. Crore	Form 2	225.07	314.28	314.28	249.47	331.75	262.86	350.19			
2	Depreciation	Rs. Crore	Form 4	400.36	401.03	401.03	400.36	402.81	400.36	403.85			
3	Interest and finance charges on loan	Rs. Crore	Form 5	195.58	247.71	247.71	191.85	219.14	158.88	184.16			
4	Interest on Working Capital	Rs. Crore	Form 6	85.63	116.28	116.28	84.41	89.81	84.24	89.81			
5	Return on Equity	Rs. Crore	Form 7	436.40	482.82	482.82	436.40	485.13	436.40	486.55			
6	Less: Non-Tariff Income	Rs. Crore	Form 8	13.33	5.16	5.16	3.90	5.26	4.09	5.37			
7	Annual Fixed Charges	Rs. Crore		1329.70	1556.96	1556.96	1358.60	1523.36	1338.64	1509.19			
B	Energy Charges												
1	Energy Charge Rate	Rs./kWh	Form 12	3.803	3.817	3.817	3.785	3.785	3.785	3.785			
2	Scheduled Energy (ex-bus)	MU		8308.458	8308.458	8308.458	8421.426	7854.640	8421.426	8882.874			
3	Energy Charges	Rs. Crore		3159.66	3171.34	3171.34	3187.51	2972.98	3187.51	3362.17			
C	Other Charges												
1	Incentive	Rs. Crore	Form 16.2	0.00	0.00	0.00	0.00	0.00	0.00	23.07			
2	water charges, Audit fee & Tariff filling fee	Rs. Crore	Form 16.1	0.00	35.50	35.50	0.00	9.46	0.00	10.41			
3	Sub Total (Other Charges)	Rs. Crore		0.00	35.50	35.50	0.00	9.46	0.00	33.48			
D	Grand Total	Rs. Crore		4489.36	4763.79	4763.79	4546.11	4505.80	4526.15	4904.84			

Note: O&M expenditure is claimed based on actual audited expenditure for FY 2023-24. Other components of the annual fixed charges are claimed based on the approved capital cost by Hon'ble TGERC with actual certified additional capitalisation for the year.

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The Singareni Collieries Company Ltd  
Singareni Thermal Power Project  
Form 2: Operation and Maintenance Expenses

A. For Existing Generating Stations

S. No.	Particulars	Reference	Year (n-1) 2023-24				Year (n) 2024-25		Year (n+1) 2025-26	
			MYT/Tariff Order	April-March	True-Up requirement	MYT/Tariff Order	April-March	MYT/Tariff Order	April-March	
			Approved	Audited	Claimed	Approved	Revised proposal	Approved	Revised proposal	
1	Employee Expenses	Form 2.1	171.86	171.86	171.86	121.17	180.90	128.22	190.40	
2	A&G Expenses	Form 2.2	225.07	51.93	51.93	40.41	55.00	42.41	58.26	
3	R & M Expenses	Form 2.3		90.49	90.49	87.89	95.85	92.23	101.52	
4	<b>Total O&amp;M Expenses</b>		<b>225.07</b>	<b>314.28</b>	<b>314.28</b>	<b>249.47</b>	<b>331.75</b>	<b>262.86</b>	<b>350.19</b>	



The Singareni Collieries Company Ltd  
Singareni Thermal Power Project  
Form 2.1: Employee Expenses

S.No.	Particulars	Year (n-1) 2023-24			Year (n) 2024-25		Year (n+1) 2025-26	
		MYT/Tariff Order	April-March	True-Up requirement	MYT/Tariff Order	Approved	MYT/Tariff Order	Approved
		Approved	Audited	Claimed	Approved	Revised proposal	Approved	Revised proposal
1	Basic Salary		42.68	42.68		44.92	47.28	
2	Dearness Allowance (DA)		18.53	18.53		19.50	20.53	
3	House Rent Allowance		0.28	0.28		0.29	0.31	
4	Conveyance Allowance		0.02	0.02		0.02	0.02	
5	Leave Travel Allowance		0.09	0.09		0.09	0.10	
6	Earned Leave Encashment		4.13	4.13		4.35	4.58	
7	Other Allowances		0.32	0.32		0.33	0.35	
8	Medical Reimbursement		1.10	1.10		1.16	1.22	
9	Overtime Payment		0.00	0.00		0.00	0.00	
10	Bonus/Ex-Gratia Payments		31.32	31.32		32.97	34.70	
11	Interim Relief / Wage Revision		0.00	0.00		0.00	0.00	
12	Staff welfare expenses		3.28	3.28		3.46	3.64	
13	VRS Expenses/Retrenchment Compensation		0.00	0.00	121.17	0.00	0.00	
14	Commission to Directors		0.00	0.00		0.00	0.00	
15	Training Expenses		0.11	0.11		0.11	0.12	
16	Payment under Workmen's Compensation Act		1.39	1.39		1.46	1.54	
17	Net Employee Costs		103.24	103.24		108.66	114.37	
18	Terminal Benefits		16.17	16.17		17.02	17.91	
18.1	Provident Fund Contribution		9.90	9.90		10.42	10.97	
18.2	Provision for PF Fund		0.00	0.00		0.00	0.00	
18.3	Pension Payments		2.57	2.57		2.71	2.85	
18.4	Gratuity Payment		3.69	3.69		3.89	4.09	
19	Unfunded past liabilities of pension and gratuity		0.00	0.00		0.00	0.00	
20	Others		52.46	52.46		55.22	58.12	
21	Gross Employee Expenses		171.86	171.86	121.17	180.90	190.40	
22	Less: Expenses Capitalised		0.00	0.00	0.00	0.00	0.00	
23	Net Employee Expenses		171.86	171.86	121.17	180.90	190.40	

Note: NCWA pay revision is implemented in FY 2023-24. Hon'ble TGERC is requested to consider the impact of pay revision (Rs.3.5crores) as Uncontrollable and allow the same.





The Singareni Collieries Company Ltd  
Singareni Thermal Power Project  
Form 2.2: Administration & General Expenses

S. No.	Particulars	Year (n-1) 2023-24			Year (n) 2024-25		Year (n+1) 2025-26	
		MYT/Tariff Order	April-March	True-Up requirement	MYT/Tariff Order	April-March	MYT/Tariff Order	April-March
		Approved	Audited	Claimed	Approved	Revised proposal	Approved	Revised proposal
1	Rent Rates & Taxes		0.10	0.10		0.11	0.11	
2	Insurance		13.40	13.40		14.20	15.04	
3	Telephone & Postage, etc.		0.05	0.05		0.05	0.05	
4	Legal charges & Audit fee		0.12	0.12		0.13	0.14	
5	Professional, Consultancy, Technical fee		0.62	0.62		0.65	0.69	
6	Conveyance & Travel		0.02	0.02		0.02	0.02	
7	Electricity charges		3.03	3.03		3.21	3.40	
8	Water charges*		0.00	0.00		0.00	0.00	
9	Security arrangements		31.79	31.79		33.67	35.67	
10	Fees & subscription		0.02	0.02		0.02	0.02	
11	Books & periodicals		0.00	0.00		0.00	0.00	
12	Computer Stationery		0.01	0.01		0.01	0.01	
13	Printing & Stationery		0.01	0.01		0.01	0.02	
14	Advertisements		0.01	0.01		0.01	0.01	
15	Purchase Related Advertisement Expenses		0.00	0.00	40.41	0.00	0.00	
16	Contribution/Donations		0.00	0.00		0.00	0.00	
17	License Fee and other related fee		0.41	0.41		0.44	0.47	
18	Vehicle Running Expenses Truck / Delivery Van		0.00	0.00		0.00	0.00	
19	Vehicle Hiring Expenses Truck / Delivery Van		0.00	0.00		0.00	0.00	
20	Cost of services procured		0.00	0.00		0.00	0.00	
21	Outsourcing of metering and billing system		0.00	0.00		0.00	0.00	
22	Freight On Capital Equipments		0.00	0.00		0.00	0.00	
23	V-sat, Internet and related charges		0.00	0.00		0.00	0.00	
24	Training		0.11	0.11		0.12	0.12	
25	Bank Charges		0.01	0.01		0.01	0.01	
26	Miscellaneous Expenses		0.11	0.11		0.11	0.12	
27	Office Expenses		2.10	2.10		2.23	2.36	
28	Others		51.93	51.93	40.41	55.00	58.26	
29	Gross A & G Expenses		0.00	0.00	0.00	0.00	0.00	
30	Less: Expenses Capitalised		0.00	0.00	0.00	0.00	0.00	
31	Net A & G Expenses		51.93	51.93	40.41	55.00	58.26	

Note: \*Water charges are claimed separately in form 16.1 as per the applicable Hon'ble TGERC regulations and accordingly not shown here.



The Singareni Collieries Company Ltd  
Singareni Thermal Power Project  
Form 2.3: Repair & Maintenance Expenses

S. No.	Particulars	Year (n-1) 2023-24			Year (n) 2024-25		Year (n+1) 2025-26	
		MYT/Tariff Order	April-March	True-Up requirement	MYT/Tariff Order	April-March	MYT/Tariff Order	April-March
		Approved	Audited	Claimed	Approved	Revised proposal	Approved	Revised proposal
1	Plant & Machinery		67.63	67.63		71.64		75.88
2	Buildings		1.18	1.18		1.25		1.32
3	Civil Works		15.52	15.52		16.44		17.42
4	Hydraulic Works		0.00	0.00		0.00		0.00
5	Lines & Cable Networks		0.00	0.00	87.89	0.00	92.23	0.00
6	Vehicles		6.16	6.16		6.52		6.91
7	Furniture & Fixtures		0.00	0.00		0.00		0.00
8	Office Equipment		0.00	0.00		0.00		0.00
9	<b>Gross R&amp;M Expenses</b>		<b>90.49</b>	<b>90.49</b>	<b>87.89</b>	<b>95.85</b>	<b>92.23</b>	<b>101.52</b>
10	Gross Fixed Assets at beginning of year		7745.32	7745.32	7745.32	7794.61	7745.32	7819.62
11	R&M Expenses as % of GFA at beginning of year		1.04	1.04	1.08	1.34	1.08	1.34
12	WPI inflation <sup>^</sup>		1.30	1.30	1.049	1.059	1.101	1.118
13	Formula based computation		<b>104.40</b>	<b>104.40</b>	<b>87.89</b>	<b>110.59</b>	<b>92.23</b>	<b>117.14</b>

**Note:** Capital overhauling expenditure incurred during FY 2023-24 is amortized for period of 6 years beginning from FY 2023-24 as per OEM schedule and the proportionate amount of the same is included in plant & machinery in R&M.

<sup>^</sup> As per table 5-4 in Page 58 (for revised tariff) & table 4-11 page 45 (for truing up) of TGERC order dated 28.06.2024.



**The Singareni Collieries Company Ltd**  
**Singareni Thermal Power Project**  
**Form 3: Summary of Capital Expenditure and Capitalisation**

S. No.	Particulars	Year (n-1) 2023-24			Year (n) 2024-25		Year (n+1) 2025-26	
		MYT/Tariff Order	April-March	True-Up requirement	MYT/Tariff Order	April-March	MYT/Tariff Order	April-March
1	Opening Capital	7745.32	7745.32	7745.32	7745.32	7794.61	7745.32	7819.62
2	Capital Expenditure during the year	0	49.29	49.29	0.00	25.00	0	20.77
3	Capitalisation during the year	0	49.29	49.29	0.00	25.00	0	20.77
4	Closing Capital	7745.32	7794.61	7794.61	7745.32	7819.62	7745.32	7840.39

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The Singareni Collieries Company Ltd  
Singareni Thermal Power Project  
Form 3.1: Statement of Additional Capitalisation after COD

S. No.	FY	Name of the package (BTG, BOP, Civil Works etc.)	Name of the work	Total estimated cost (Rs. Crore)	Capital expenditure during the year (Rs. Crore)	Capitalisation during the year (Rs. Crore)	Asset group under which the capitalisation has been accounted (Land, Buildings, etc.)	Scope of work	Relevant Clause of the TSERC MYT Regulation, 2023 under which the capitalisation has been claimed	Justification
	Year (n-1)									
1		BTG	Generator exciter assembly (with PMG) and Repair of Unit-2 Generator rotor	38.31	38.31	38.31	BTG	Generator exciter assembly (with PMG) and Repair of Unit-2 Generator rotor. M/s BHEL the OEM of the generator exciter has responded that minimum 12 months is required for new exciter and minimum 3 months are required for refurbishment of the damaged exciter. In view of this, STPP purchased one generator exciter for exigencies as both the units are of same capacity and as the lead time for purchase of generator exciter is very high i.e. around 1 year.	7.19.1.(b) TS 01 of 2019	
2		BOP	Admin building works	0.46	0.46	0.46	BOP	Widening of portico Ramp of Admin Building		
3		Land	Enhanced Compensation for land	2.91	2.91	2.91	Land	Enhanced Compensation paid for land as per Court directives.		
4		Coal Transport road	retaining wall around coal stock yard	0.15	0.15	0.15	Coal Transport road	retaining wall around coal stock yard		
5		Reservoir	Procured various pipes	1.04	1.04	1.04	Reservoir	Procured various pipes		
6		Gate Complex, Security, etc.	Equipment for security	0.002	0.002	0.002	Gate Complex, Security, etc.	Equipment for security		
7		Railway Siding	Laying of 33kV/11kV/3.3kV OHT Lines	1.19	1.19	1.19	Railway Siding	Laying of 33kV/11kV/3.3kV OHT Lines	7.19.1.(b), 7.19.1.(f) TS 01 of 2019	The amounts are within the original scope and spilled over to current control period. In view of this, Hon'ble Commission may be pleased to allow the same under regulation 7.19.1. (b) of Tariff regulation 01 of 2019.
8		Township & Guest House & other amenities	Construction of Quarters and other amenities	1.11	1.11	1.11	Township & Guest House & other amenities	Construction of Quarters and other amenities		
9		Mandatory capital expenditure under MoEF clearance	CSR works in near by villages	0.04	0.04	0.04	Mandatory capital expenditure under MoEF clearance	CSR works in near by villages		
10		Roads & Culverts	Widening of existing CC road at outside & Resurfacing & providing BT layer over pa	2.08	2.08	2.08	Roads & Culverts	Widening of existing CC road at outside & Resurfacing & providing BT layer over pa	7.19.1.(b) TS 01 of 2019	
11		Site Dev Enabling Temp Sheds	4 closed sub store shed for o&m stores & Const. of one store shed Size: 15MX75M	1.23	1.23	1.23	Site Dev Enabling Temp Sheds	4 closed sub store shed for o&m stores & Const. of one store shed Size: 15MX75M		
12		Furniture & office automation	Furniture for Admin and service buildings	0.76	0.76	0.76	Furniture & office automation	Furniture for Admin and service buildings		
	Total			49.29	49.29	49.29				
	Year (n)									
1		BTG	4C X 4sqmm Cu cable armoured, Self propelled articulated man lifter, above 30M & Ash Fusion Analyser	0.47	0.47	0.47	BTG	4C X 4sqmm Cu cable armoured, Self propelled articulated man lifter, above 30M & Ash Fusion Analyser		
		BOP	XRF Analyser mineral	1.50	1.50	1.50	BOP	XRF Analyser mineral		
2		Coal Transport road	CC Platform and RCC drains around Track hopper & CC approaches to Stackler reclaimers	7.63	7.63	7.63	Coal Transport road	CC Platform and RCC drains around Track hopper & CC approaches to Stackler reclaimers		
3		Reservoir	50 mm GI Pipes for water supply in township & 150 mm dia GI pipe for township water	0.27	0.27	0.27	Reservoir	50 mm GI Pipes for water supply in township & 150 mm dia GI pipe for township water		
4		Railway Siding	Reorganization of OHT lines Improvements at RUBs on Railway siding	2.25	2.25	2.25	Railway Siding	Reorganization of OHT lines Improvements at RUBs on Railway siding	22.3 of TGERC (Multi Year Tariff) Regulation, 2023.	The amounts are within the original scope and spilled over to current control period.

5	Township & Guest House & other amenities	Children park improvement works like fountains/wat, 3nos Bus shelters in township	2.05	2.05	2.05	Township & Guest House & other amenities	Children park improvement works like fountains/wat, 3nos Bus shelters in township
6	Roads & Culverts	Second road from NH-63 to plant entry, Bridge on diverted nala	7.99	7.99	7.99	Roads & Culverts	Second road from NH-63 to plant entry, Bridge on diverted nala
7	Site Dev EnablingTemp Sheds	Drains along NH at STPP entrance,Civil maintenance shed in	1.85	1.85	1.85	Site Dev EnablingTemp Sheds	Drains along NH at STPP entrance,Civil maintenance shed in
8	Furniture & office automation	Furniture for Admin and service buildings	0.99	0.99	0.99	Furniture & office automation	Furniture for Admin and service buildings
<b>Total</b>			<b>25.00</b>	<b>25.00</b>	<b>25.00</b>		

\* Above FY 2024-25 proposal is as per the approved budgeted annual plan for STPP by SCCL.

1	FY 2025-26	Implementation of flexible operation scheme as per CEA	20.77	20.77	20.77	Plant & machinery	<p>1) Supply of Advance Process control (APC) serve: suitable panels with server (Workstation) to be installed in the control room.</p> <p>2) The network interlinking cable between existing DCS and APC</p> <p>3) Low flow operation package for Axial fans</p> <p>4) BFP low flow operation package</p> <p>5) Enriching of coal burners for minimum 3 nos of elevation</p> <p>6) Health monitoring system for Boiler (BOSMON)</p> <p>7) Turbine Stress monitoring system (TSCMON)</p>	<p>22.3 (ii) : Change in law or compliance of any existing law of TGERC (Multi Year Tariff) Regulation, 2023.</p> <p>Hon'ble Commission has granted the in-principle approval for the said works vide clause 5.1.16 in its order dated 28.06.2024.</p>
<b>Total</b>			<b>20.77</b>	<b>20.77</b>	<b>20.77</b>			

\* Total estimated cost to be supported by documentary evidences like work orders, investment approvals etc.



The Singareni Collieries Company Ltd  
Singareni Thermal Power Project  
Form 3.2: Financing of Additional Capitalisation

(Rs. Crores)

S. No.	Particulars	Year (n-1) 2023-24			Year (n) 2024-25		Year (n+1) 2025-26	
		MYT/Tariff Order Approved	April-March Audited	True-Up requirement Claimed	MYT/Tariff Order Approved	April-March Revised proposal	MYT/Tariff Order Approved	April-March Revised proposal
1	Additional capitalisation	0.00	49.29	49.29	0.00	25.00	0.00	20.77
2	<b>Financing Details</b>							
	Loan 1	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Loan 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total Loan</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Equity	0.00	49.29	49.29	0.00	25.00	0.00	20.77
4	Internal Resources	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Others (Please Specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	<b>Total (2+3+4+5)</b>	<b>0.00</b>	<b>49.29</b>	<b>49.29</b>	<b>0.00</b>	<b>25.00</b>	<b>0.00</b>	<b>20.77</b>



The Singareni Collieries Company Ltd  
Singareni Thermal Power Project  
Form 4: Fixed Assets & Depreciation

S.No.	Asset Group	Rate of Depreciation	Gross fixed Assets			Provisions for depreciation			Net fixed Assets			
			At the beginning of the year	Additions during the year	Adjust. & deductions	At the end of the year	Cumulative upto the beginning of the year	Additions during the year	Adjust. during the year	Cumulative at the end of the year	At the beginning of the year	At the end of the year
1	BIG package	5.28%	4930.11	38.31	0.00	4968.42	1541.51	261.32	0.00	1802.83	3388.61	3165.60
2	BOP package	5.28%	1013.24	0.46	0.00	1013.70	308.38	53.51	0.00	361.89	704.85	651.81
3	Land	0.00%	53.11	2.91	0.00	56.02	0.00	0.00	0.00	0.00	53.11	56.02
4	Survey & soil investigation	5.28%	0.14	0.00	0.00	0.14	0.01	0.01	0.00	0.02	0.13	0.12
5	Site Dev. Enabling, temp	5.28%	24.95	1.23	0.00	26.18	7.41	1.35	0.00	8.76	17.54	17.42
6	Roads & Culverts	3.34%	14.09	2.08	0.00	16.16	2.55	0.51	0.00	3.05	11.54	13.11
7	Coal Transport Roads out of BOP savings	3.34%	50.87	0.15	0.00	51.02	9.09	1.70	0.00	10.79	41.79	40.23
8	Boundary Walls	3.34%	17.19	0.00	0.00	17.19	3.44	0.57	0.00	4.02	13.75	13.18
9	Reservoir	3.34%	55.06	1.04	0.00	56.10	10.43	1.86	0.00	12.29	44.63	43.81
10	Water supply-1 TMC	5.28%	84.22	0.00	0.00	84.22	26.65	4.45	0.00	31.09	57.57	53.13
11	Water supply-2 TMC	5.28%	319.35	0.00	0.00	319.35	94.39	16.86	0.00	111.25	224.96	208.10
12	Gate Complex, Security, etc.	3.34%	3.08	0.002	0.00	3.08	0.33	0.10	0.00	0.44	2.74	2.64
13	Railway Siding	5.28%	348.67	1.19	0.00	349.86	89.10	18.44	0.00	107.54	259.57	242.32
14	Township & Guest House	3.34%	121.39	1.11	0.00	122.50	19.78	4.07	0.00	23.85	101.61	98.65
15	Environment	3.34%	1.37	0.00	0.00	1.37	0.22	0.05	0.00	0.27	1.15	1.11
16	CSR	3.34%	18.48	0.04	0.00	18.52	2.95	0.62	0.00	3.57	15.52	14.95
17	Weigh Bridges, Fire Tender	5.28%	2.27	0.00	0.00	2.27	0.38	0.12	0.00	0.50	1.89	1.77
18	Start up Power & common Equipment	5.28%	49.01	0.00	0.00	49.01	15.26	2.59	0.00	17.85	33.75	31.16
19	Construction Power	5.28%	24.40	0.00	0.00	24.40	7.74	1.29	0.00	9.03	16.66	15.37
20	Furniture & office automation	6.33%	5.53	0.76	0.00	6.29	1.58	0.37	0.00	1.96	3.95	4.33
21	Misc. Expenditure	5.28%	7.31	0.00	0.00	7.31	1.97	0.39	0.00	2.35	5.35	4.96
22	BAY,CT and CVT	5.28%	30.74	0.00	0.00	30.74	7.25	1.62	0.00	8.87	23.49	21.87
23	Other common	Yearly wt	1556.14	0.00	0.00	1556.14	480.40	80.09	0.00	560.49	1075.74	995.65
24	Total		8730.73	49.29	0.00	8780.03	2630.83	451.89	0.00	3082.72	6099.90	5697.31
25	Average					8755.38		5.16%				

(Rs. Crore)

Year 'n-1' (FY 2023-24)

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The Singareni Collieries Company Ltd  
Singareni Thermal Power Project  
Form 4: Fixed Assets & Depreciation

(Rs. Crore)

S.No.	Asset Group	Rate of Depreciation	Gross fixed Assets			Provisions for depreciation			Net fixed Assets			
			At the beginning of the year	Additions during the year	Adjust. & deductions	At the end of the year	Cumulative upto the beginning of the year	Additions during the year	Adjust. during the year	Cumulative at the end of the year	At the beginning of the year	At the end of the year
1	BTG package	5.28%	4968.42	0.47	0.00	4968.89	1802.83	262.35	0.00	2065.17	3165.60	2903.72
2	BOP package	5.28%	1013.70	1.50	0.00	1015.20	361.89	53.56	0.00	415.46	651.81	599.74
3	Land	0.00%	56.02	0.00	0.00	56.02	0.00	0.00	0.00	0.00	56.02	56.02
4	Survey & soil investigation	5.28%	0.14	0.00	0.00	0.14	0.02	0.01	0.00	0.03	0.12	0.11
5	Site Dev, Enabling, temp Sheds etc.	5.28%	26.18	1.85	0.00	28.03	8.76	1.43	0.00	10.19	17.42	17.84
6	Roads & Culverts	3.34%	16.16	7.99	0.00	24.15	3.05	0.67	0.00	3.72	13.11	20.43
7	Coal Transport Roads out of BOP savings	3.34%	51.02	7.63	0.00	58.65	10.79	1.83	0.00	12.62	40.23	46.03
8	Boundary Walls	3.34%	17.19	0.00	0.00	17.19	4.02	0.57	0.00	4.59	13.18	12.60
9	Reservoir	3.34%	56.10	0.27	0.00	56.37	12.29	1.88	0.00	14.17	43.81	42.20
10	Water supply-1 TMC	5.28%	84.22	0.00	0.00	84.22	31.09	4.45	0.00	35.54	53.13	48.68
11	Water supply-2 TMC	5.28%	319.35	0.00	0.00	319.35	111.25	16.86	0.00	128.11	208.10	191.24
12	Gate Complex, Security, etc.	3.34%	3.08	0.00	0.00	3.08	0.44	0.10	0.00	0.54	2.64	2.54
13	Railway Siding	5.28%	349.86	2.25	0.00	352.11	107.54	18.53	0.00	126.07	242.32	226.04
14	Township & Guest House & other amenities	3.34%	122.50	2.05	0.00	124.55	23.85	4.13	0.00	27.98	98.65	96.58
15	Environment	3.34%	1.37	0.00	0.00	1.37	0.27	0.05	0.00	0.31	1.11	1.06
16	CSR	3.34%	18.52	0.00	0.00	18.52	3.57	0.62	0.00	4.19	14.95	14.33
17	Weigh Bridges, Fire Tender	5.28%	2.27	0.00	0.00	2.27	0.50	0.12	0.00	0.62	1.77	1.65
18	Start up Power & common Equipment	5.28%	49.01	0.00	0.00	49.01	17.85	2.59	0.00	20.44	31.16	28.57
19	Construction Power	5.28%	24.40	0.00	0.00	24.40	9.03	1.29	0.00	10.32	15.37	14.08
20	Furniture & office automation	6.33%	6.29	0.99	0.00	7.28	1.96	0.43	0.00	2.39	4.33	4.90
21	Misc. Expenditure	5.28%	7.31	0.00	0.00	7.31	2.35	0.39	0.00	2.74	4.96	4.58
22	BAY, CT and CVT	5.28%	30.74	0.00	0.00	30.74	8.87	1.62	0.00	10.50	21.87	20.24
23	Other common expenditure to be apportioned to above heads.	Yearly wt average of above rates.	1556.14	0.00	0.00	1556.14	560.49	80.17	0.00	640.67	985.65	915.48
24	Total		8780.03	25.00	0.00	8805.03	3082.72	453.65	0.00	3536.37	5697.31	5268.66
25	Average							5.16%				

The Singareni Collieries Company Ltd  
Singareni Thermal Power Project  
Form 4: Fixed Assets & Depreciation

S.No.	Asset Group	Rate of Depreciation	Gross fixed Assets				Provisions for depreciation				Net fixed Assets	
			At the beginning of the year	Additions during the year	Adjust. & deductions	At the end of the year	Cumulative upto the beginning of the year	Additions during the year	Adjust. during the year	Cumulative at the end of the year	At the beginning of the year	At the end of the year
1	BTG package	5.28%	4968.89	20.77	0.00	4989.66	2065.17	262.91	0.00	2328.08	2903.72	2661.59
2	BOP package	5.28%	1015.20	0.00	0.00	1015.20	415.46	53.60	0.00	469.06	599.74	546.14
3	Land	0.00%	56.02	0.00	0.00	56.02	0.00	0.00	0.00	0.00	56.02	56.02
4	Survey & soil investigation	5.28%	0.14	0.00	0.00	0.14	0.03	0.01	0.00	0.04	0.11	0.10
5	Site Dev, Enabling, temp Sheds etc.	5.28%	28.03	0.00	0.00	28.03	10.19	1.48	0.00	11.67	17.84	16.36
6	Roads & Culverts	3.34%	24.15	0.00	0.00	24.15	3.72	0.81	0.00	4.53	20.43	19.62
7	Coal Transport Roads out of BOP savings	3.34%	58.65	0.00	0.00	58.65	12.62	1.96	0.00	14.58	46.03	44.07
8	Boundary Walls	3.34%	17.19	0.00	0.00	17.19	4.59	0.57	0.00	5.16	12.60	12.03
9	Reservoir	3.34%	56.37	0.00	0.00	56.37	14.17	1.88	0.00	16.05	42.20	40.32
10	Water supply-1 TMC	5.28%	84.22	0.00	0.00	84.22	35.54	4.45	0.00	39.99	48.68	44.23
11	Water supply-2 TMC	5.28%	319.35	0.00	0.00	319.35	128.11	16.86	0.00	144.98	191.24	174.37
12	Gate Complex, Security, etc.	3.34%	3.08	0.00	0.00	3.08	0.54	0.10	0.00	0.64	2.54	2.44
13	Railway Siding	5.28%	352.11	0.00	0.00	352.11	126.07	18.59	0.00	144.66	226.04	207.45
14	Township & Guest House & other amenities	3.34%	124.55	0.00	0.00	124.55	27.98	4.16	0.00	32.14	96.58	92.42
15	Environment	3.34%	1.37	0.00	0.00	1.37	0.31	0.05	0.00	0.36	1.06	1.01
16	CSR	3.34%	18.52	0.00	0.00	18.52	4.19	0.62	0.00	4.81	14.33	13.71
17	Weigh Bridges, Fire Tender	5.28%	2.27	0.00	0.00	2.27	0.62	0.12	0.00	0.74	1.65	1.53
18	Start up Power & common Equipment	5.28%	49.01	0.00	0.00	49.01	20.44	2.59	0.00	23.03	28.57	25.98
19	Construction Power	5.28%	24.40	0.00	0.00	24.40	10.32	1.29	0.00	11.61	14.08	12.79
20	Furniture & office automation	6.33%	7.28	0.00	0.00	7.28	2.39	0.46	0.00	2.85	4.90	4.44
21	Misc. Expenditure	5.28%	7.31	0.00	0.00	7.31	2.74	0.39	0.00	3.12	4.58	4.19
22	BAY,CT and CVT	5.28%	30.74	0.00	0.00	30.74	10.50	1.62	0.00	12.12	20.24	18.62
23	Other common expenditure to be apportioned to above heads.	Yearly wt average of above rates.	1556.14	0.00	0.00	1556.14	640.67	80.17	0.00	720.83	915.48	835.31
24	Total		8805.03	20.77	0.00	8825.80	3536.37	454.68	0.00	3991.05	5268.66	4834.75
25	Average					8816.41		5.16%				



The Singareni Collieries Company Ltd  
 Singareni Thermal Power Project  
 Form 4.1: Fixed Assets & Depreciation

(Amount in  
Rs Crs)

Financial Year	FY 2023-24	FY 2024-25	FY 2025-26
1	6	6	6
Days in Period	366	365	365
CAPITAL COST OPENING	7745.32	7794.61	7819.62
CAPITAL COST CLOSING	7794.61	7819.62	7840.39
AVERAGE CAPITAL COST	7769.97	7807.11	7830.00
RATE OF DEPRECIATION	5.16%	5.16%	5.16%
Land	53.06	56.02	56.02
90% DEPRECIABLE VALUE EXCLUDING LAND & LAND RIGHTS	6945.22	6975.98	6996.58
DEPRECIATION RESERVE (OPENING)	2491.74	2892.77	3295.57
BALANCE DEPRECIABLE VALUE	5278.23	4914.35	4534.43
DEPRECIATION TO BE RECOVERED	401.03	402.81	403.85
CUMULATIVE DEPRECIATION	2892.77	3295.57	3699.43





**The Singareni Collieries Company Ltd**  
**Singareni Thermal Power Project**  
**Form 5: Interest and finance charges on loan**

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**Normative Loan**

Particulars	Year (n-1) 2023-24			Year (n) 2024-25		Year (n+1) 2025-26	
	MYT/Tariff Order	April-March	True-Up requirement	MYT/Tariff Order	April-March	MYT/Tariff Order	April-March
	Approved	Audited	Claimed	Approved	Revised proposal	Approved	Revised proposal
Opening Balance of Gross Normative Loan	5421.72	5421.72	5421.72	5421.72	5456.23	5421.72	5473.73
Cumulative Repayment till the previous year	2491.74	2491.74	2491.74	2892.10	2892.77	3292.46	3295.57
Opening Balance of Net Normative Loan	2929.99	2929.99	2929.99	2529.63	2563.46	2129.27	2178.16
Less: Reduction of Normative Loan due to retirement or replacement of assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Addition of Normative Loan due to capitalisation during the year	0.00	34.51	34.51	0.00	17.50	0.00	14.54
Repayment of Normative loan during the year	400.36	401.03	401.03	400.36	401.03	400.36	403.85
Closing Balance of Net Normative Loan	2529.63	2563.46	2563.46	2129.27	2179.94	1728.91	1788.84
Closing Balance of Gross Normative Loan	5421.72	5456.23	5456.23	5421.72	5473.73	5421.72	5488.27
Average Balance of Net Normative Loan	2729.81	2746.72	2746.72	2329.45	2371.70	1929.09	1983.50
Weighted average Rate of Interest on actual Loans (%)	7.16%	8.43%	8.43%	8.24%	8.76%	8.24%	8.83%
Interest	195.58	231.54	231.54	191.85	207.80	158.88	175.12
Finance charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub-Total Interest &amp; Finance charges</b>	<b>195.58</b>	<b>231.54</b>	<b>231.54</b>	<b>191.85</b>	<b>207.80</b>	<b>158.88</b>	<b>175.12</b>
Weighted average Rate of Interest on actual Loans before refinancing (%)	0.00%	10.20%	10.20%	0.00%	10.20%	0.00%	10.20%
Savings of interest	0.00%	1.77%	1.77%	0.00%	1.43%	0.00%	1.37%
Savings of interest amount	0.00	48.52	48.52	0.00	34.02	0.00	27.12
1/3rd interest passed on to generators	0.00	16.17	16.17	0.00	11.34	0.00	9.04
<b>Total Interest</b>	<b>195.58</b>	<b>247.71</b>	<b>247.71</b>	<b>191.85</b>	<b>219.14</b>	<b>158.88</b>	<b>184.16</b>

**Normative Loan**



The Singareni Collieries Company Ltd  
Singareni Thermal Power Project  
Form 6: Interest on working capital

S. No.	Particulars	Year (n-1) 2023-24			Year (n) 2024-25		Year (n+1) 2025-26	
		MYT/Tariff Order	April-March	True-Up requirement	MYT/Tariff Order	April-March	MYT/Tariff Order	April-March
		Approved	Audited	Claimed	Approved	Revised proposal	Approved	Revised proposal
1	Cost of coal, towards stock	-	267.83	267.83	172.97	173.00	172.97	173.00
2	Cost of coal for generation	-	267.83	267.83	259.45	259.50	259.45	259.50
3	Cost of secondary fuel oil	-	1.55	1.55	2.46	2.49	2.46	2.49
4	O&M expenses	-	26.19	26.19	20.79	27.65	21.54	29.18
5	Maintenance spares	-	62.86	62.86	77.45	77.95	77.45	78.20
6	Receivables	-	796.70	796.70	560.44	580.79	557.98	579.05
	Less:	-						
7	Payables for Fuels	-	268.61	268.61	261.90	261.99	261.90	261.99
8	Total Working Capital requirement	-	1154.35	1154.35	831.65	859.38	829.95	859.42
9	Interest rate	-	10.07	10.07	10.15	10.45	10.15	10.45
10	Interest on working capital	85.63	116.28	116.28	84.41	89.81	84.24	89.81



**The Singareni Collieries Company Ltd**  
**Singareni Thermal Power Project**  
**Form 7: Return on Equity**

S. No.	Particulars	Year (n-1) 2023-24			Year (n) 2024-25		Year (n+1) 2025-26	
		MYT/Tariff Order	April-March	True-Up requirement	MYT/Tariff Order	April-March	MYT/Tariff Order	April-March
		Approved	Audited	Claimed	Approved	Revised proposal	Approved	Revised proposal
1	Regulatory Equity at the beginning of the year	2323.60	2323.60	2323.60	2323.60	2323.60	2345.88	
2	Capitalisation during the year	0	49.29	49.29	0.00	0.00	20.77	
3	Equity portion of capitalisation during the year	0	14.79	14.79	0.00	0.00	6.23	
4	Reduction in Equity Capital on account of retirement / replacement of assets	0	0	0	0	0	0	
5	Regulatory Equity at the end of the year	2323.60	2338.38	2338.38	2323.60	2323.60	2352.12	
	<b>Rate of Return on Equity</b>							
6	Base rate of Return on Equity	15.500%	15.500%	15.500%	15.500%	15.500%	15.500%	
7	Effective Income Tax rate	17.470%	25.168%	25.168%	17.470%	17.470%	25.168%	
8	<b>Rate of Return on Equity</b>	18.781%	20.713%	20.713%	18.781%	18.781%	20.713%	
	<b>Return on Equity Computation</b>							
9	Return on Regulatory Equity at the beginning of the year	436.40	481.29	481.29	436.40	436.40	485.90	
10	Return on Regulatory Equity addition during the year	0.00	1.53	1.53	0.00	0.00	0.65	
11	<b>Total Return on Equity</b>	<b>436.40</b>	<b>482.82</b>	<b>482.82</b>	<b>436.40</b>	<b>436.40</b>	<b>486.55</b>	

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The Singareni Collieries Company Ltd  
Singareni Thermal Power Project  
Form 8: Non-Tariff Income

S. No.	Particulars	Year (n-1) 2023-24				Year (n) 2024-25		Year (n+1) 2025-26	
		MYT/Tariff Order	April-March	True-Up requirement	MYT/Tariff Order	April-March	MYT/Tariff Order	April-March	
		Approved	Audited	Claimed	Approved	Revised proposal	Approved	Revised proposal	
1	Income from rent of land or buildings		0.00	0.00		0.00		0.00	
2	Net income from sale of de-capitalised assets		0.003	0.003		0.00		0.00	
3	Income from sale of scrap		1.878	1.878		1.92		1.95	
4	Income from statutory investments			0.000		0.00		0.00	
5	Interest income on advances to suppliers/contractors		0.000	0.000		0.00		0.00	
6	Income from rental from staff quarters		0.130	0.130		0.13		0.14	
7	Income from rental from contractors		1.398	1.398		1.43		1.45	
8	Income from hire charges from contractors and others	13.33	0.000	0.000		0.00	4.09	0.00	
9	Income from sale of ash/rejected coal		0.456	0.456		0.46		0.47	
10	Income from advertisements		0.000	0.000		0.00		0.00	
11	Income from sale of tender documents		0.000	0.000		0.00		0.00	
12	Income from guest house and misc receipts		0.135	0.135		0.14		0.14	
13	Income from penalties recovered from contractors/suppliers		0.667	0.667		0.68		0.69	
14	Income from insurance receipts		0.000	0.000		0.00		0.00	
15	Income from Forfeiture of deposits & credits taken into company account		0.490	0.490		0.50		0.51	
	<b>Total</b>	<b>13.33</b>	<b>5.16</b>	<b>5.16</b>	<b>3.90</b>	<b>5.26</b>	<b>4.09</b>	<b>5.37</b>	





The Singareni Collieries Company Ltd  
Singareni Thermal Power Project  
Form 9: Planned & Forced Outages

S.No.	Particulars	Year (n-1) 2023-24	Year (n) 2024-25	Year (n+1) 2025-26
		MYT/Tariff Order Actual	MYT/Tariff Order projected	MYT/Tariff Order projected
<b>1</b>	<b>Unit 1 / Station 1</b>			
<b>A.</b>	<b>Planned Outages</b>			
	No of days of outage	35.65	0	35
	Period of Outage	855.60 hrs	0.00	840 hrs
	Reasons for Outage	Captive Overhaul from 01.06.23, 11:45 hrs to 07.07.2023, 03:21 hrs	NA	Annual Overhauling
<b>B.</b>	<b>Forced Outages</b>			
	No of days of outage	33.67	6.21	6.60
	Period of Outage	807.97 hrs	149.07 hrs	158.4 hrs
	Reasons for Outage	5 no of outages due to Boiler tube leakages (164.65 hrs) and one outage due to HP Turbine Casing U seal leakage (643.32 hrs)	1 no of trip (2 hrs 33 min) and 1 no of Outage due to BTL (70 hrs 12 min) till 23.10.24 and 2% forced outage (76.32 hrs) is considered for the remaining period (24.10.24 to 31.03.25)	2% forced outage is considered
<b>2</b>	<b>Unit 2 / Station 2</b>			
<b>A.</b>	<b>Planned Outages</b>			
	No of days of outage	0	48.51	0
	Period of Outage	0	1164.18 hrs	0
	Reasons for Outage	NA	Captive Overhaul from 15.06.24, 20:26 hrs to 04.09.2024, 10:15 hrs	N/A
<b>B.</b>	<b>Forced Outages</b>			
	No of days of outage	9.95	3.42	7.30
	Period of Outage	238.88 hrs	82.05 hrs	175.2 hrs
	Reasons for Outage	3 no of outages due to Boiler tube leakages (191.98 hrs) and 1 one outage due to Feed water Regulators station isolating valve (FDV-11) equalising valve body leakage (46.9 hrs)	2 no of trips (5 hrs 44 min) till 23.10.24 and 2% forced outage (76.32 hrs) is considered for the remaining period (24.10.24 to 31.03.25)	2% forced outage is considered

**Note:**  
Details of outages should be submitted for each Unit of each station separately



The Singareni Collieries Company Ltd  
Singareni Thermal Power Project  
Form 10: Operational parameters

S. No.	Particulars	Units	Year (n-1) 2023-24			Year (n) 2024-25			Year (n+1) 2025-26		
			MYT/Tariff Order	April-March	True-Up requirement	MYT/Tariff Order	April-March	Revised proposal	MYT/Tariff Order	April-March	Revised proposal
1	Installed Capacity	MW	1200	1200	1200	1200	1200	1200	1200	1200	
	COD		02.12.2016	02.12.2016	02.12.2016	02.12.2016	02.12.2016	02.12.2016	02.12.2016	02.12.2016	
	Type of Thermal Generating Station (Pithead/Non-Pithead)		Non-Pithead	Non-Pithead	Non-Pithead	Non-Pithead	Non-Pithead	Non-Pithead	Non-Pithead	Non-Pithead	
2	Availability										
2.1	Target Availability for full recovery of AFC	%	85	85	85	85	85	85	85	85	
2.2	Actual/Projected Availability	%	88.22	88.22	88.22	85.00	85.00	85.00	85.00	93.30	
3	Plant Load Factor (PLF)										
3.1	Target PLF for Incentive	%	85	85	85	85	85	85	85	85	
3.2	Actual/Projected PLF	%	83.63	83.63	83.63	85.00	87.00	85.00	85.00	91.40	
4	Gross Generation										
4.1	Scheduled Generation	MU	8319.430	8319.430	8319.430	8421.426	7854.640	8421.426	8421.426	8882.874	
4.2	Actual/Projected Gross Generation	MU	8851.034	8851.034	8851.034	8935.200	8333.836	8935.200	8935.200	9424.800	
5	Auxiliary Consumption										
5.1	Normative Auxiliary Energy Consumption	%	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	
5.2	Actual/Projected Auxiliary Energy Consumption	%	6.13	6.13	6.13	5.75	5.75	5.75	5.75	5.75	
5.3	Actual/Projected Auxiliary Energy Consumption	MU	542.576	542.576	542.576	513.774	479.196	513.774	513.774	541.926	
5.4	Net Generation	MU	8308.458	8308.458	8308.458	8421.426	7854.640	8421.426	8421.426	8882.874	
6	Gross Station Heat Rate										
6.1	Normative Gross Station Heat Rate	kcal/kWh	2303.88	2303.88	2303.88	2300	2300	2300	2300	2300	
6.2	Actual/Projected Gross Station Heat Rate	kcal/kWh	2314.73	2314.73	2314.73	2300	2300	2300	2300	2300	
7	Secondary Fuel Oil Consumption										
7.1	Normative Secondary Fuel Oil Consumption	ml/kWh	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	
7.2	Actual/Projected Secondary Fuel Oil Consumption	ml/kWh	0.15	0.15	0.15	0.50	0.50	0.50	0.50	0.50	
8	Transit Loss										
8.1	Normative Transit Loss	%	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	
8.2	Actual/Projected Transit Loss	%	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	



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The Singareni Collieries Company Ltd  
Singareni Thermal Power Project  
Form 11: Fuel Details for computation of Energy Charge Rate

S. No.	Particulars	Units	Year 'n-1' FY 2023-24			
			Apr-23	May-23	Jun-23	Jul-23
<b>A</b>	<b>Opening Quantity</b>					
1	Opening quantity of coal	MT	1,26,432.70	90,149.62	1,20,017.87	1,90,012.69
2	Value of stock	Rs.	69,47,31,247	49,65,08,666	68,45,10,457	1,10,93,40,827
<b>B</b>	<b>Procurement</b>					
3	Quantity of coal supplied by the coal company	MT	4,63,886.92	5,33,987.25	3,14,347.82	3,41,801.88
4	Adjustment in coal quantity supplied by the coal company	MT	-	-	-	-
5	Coal supplied by coal company (3+4)	MT	4,63,886.92	5,33,987.25	3,14,347.82	3,41,801.88
6	Normative transit and handling loss	MT	3,711.10	4,271.90	2,514.78	2,734.42
7	Net coal supplied	MT	4,60,175.82	5,29,715.35	3,11,833.04	3,39,067.46
<b>C</b>	<b>Price</b>					
8	Amount charged by coal company	Rs.	2,45,52,27,400	2,97,12,27,554	1,80,06,22,916	1,94,89,37,982
9	Adjustment in amount charged by the coal company	Rs.	-	-	-	-
10	Handling, sampling and such other similar charges	Rs.	-	-	-	-
11	Total amount charged (8+9+10)	Rs.	2,45,52,27,400	2,97,12,27,554	1,80,06,22,916	1,94,89,37,982
<b>D</b>	<b>Transportation</b>					
12	Transportation charges		8,08,50,490	6,76,04,437	3,61,18,459	6,27,03,218
	By rail	Rs.	8,08,50,490	6,76,04,437	3,61,18,459	6,27,03,218
	By road	Rs.	-	-	-	-
	By ship	Rs.	-	-	-	-
13	Adjustment in amount charged by the coal transporter	Rs.	-	-	-	-
14	Demurrage charges, if any	Rs.	-	-	-	4,36,532
15	Cost of diesel in transporting coal through MGR system, if applicable	Rs.	-	-	-	-
16	Total Transportation charges (12+13+14+15)	Rs.	8,08,50,490	6,76,04,437	3,61,18,459	6,22,66,666
17	Total amount charged for coal supplied including transportation (11+16)	Rs.	2,53,60,77,890	3,03,88,31,991	1,83,67,41,375	2,01,12,04,668
<b>E</b>	<b>Total Cost</b>					
18	Landed cost of coal (2+17)/(1+7)	Rs./MT	5,507.61	5,703.40	5,838.25	5,898.06
19	Blending Ratio (Domestic/Imported)		100:0	100:0	100:0	100:0
20	Weighted average cost of coal for preceding three months	Rs./MT	5,666.37	5,602.83	5,568.37	5,668.84
<b>F</b>	<b>Quality</b>					
21	GCV of Domestic Coal of the opening coal stock as per bill of Coal Company	kcal/kg	4,314.61	4,241.96	4,477.85	4,423.80
22	GCV of Domestic Coal supplied as per bill of Coal Company	kcal/kg	4,222	4,518	4,403	4,264
23	GCV of imported Coal of the opening stock as per bill Coal Company	kcal/kg	-	-	-	-
24	GCV of imported Coal supplied as per bill Coal Company	kcal/kg	-	-	-	-
25	Weighted average GCV of coal as Billed	kcal/kg	4,241.96	4,477.85	4,423.80	4,321.39
26	GCV of Domestic Coal of the opening stock as received at Station	kcal/kg	3,916.18	3,794.45	3,848.76	3,910.31
27	GCV of Domestic Coal supplied as received at Station	kcal/kg	3,761	3,858	3,934	3,770
28	GCV of Imported Coal of opening stock as received at Station	kcal/kg	-	-	-	-
29	GCV of Imported Coal of opening stock as received at Station	kcal/kg	-	-	-	-
30	Weighted average GCV of coal as Received	kcal/kg	3794.45	3848.76	3910.31	3820.39
31	Weighted average GCV of Coal as Fired for the month		3732	3833	3910	3723
32	Coal Consumption for the month	MT	4,96,459	4,99,847	2,41,838	4,73,014

- Note:**
- Similar details to be furnished for secondary fuel oil for coal based thermal plants with appropriate units.
  - As billed and as received GCV, quantity of coal, and price should be submitted as certified by statutory auditor.
  - Details to be provided for each source separately. In case of more than one source, add additional column.
  - Break up of the amount charged by the Coal Company is to be provided separately.

The Singareni Collieries Company Ltd  
Singareni Thermal Power Project  
Form 11: Fuel Details for computation of Energy Charge Rate

S. No.	Particulars	Units	Year 'n-1' FY 2023-24			
			Aug-23	Sep-23	Oct-23	Nov-23
<b>A</b>	<b>Opening Quantity</b>					
1	Opening quantity of coal	MT	56,066.57	82,404.75	70,484.32	87,324.05
2	Value of stock	Rs.	33,06,83,888	47,31,08,787	40,88,94,583	39,17,03,056
<b>B</b>	<b>Procurement</b>					
3	Quantity of coal supplied by the coal company	MT	5,80,363.18	4,87,894.57	5,34,148.73	4,57,793.20
4	Adjustment in coal quantity supplied by the coal company	MT	-	-	-	-
5	Coal supplied by coal company (3+4)	MT	5,80,363.18	4,87,894.57	5,34,148.73	4,57,793.20
6	Normative transit and handling loss	MT	4,642.91	3,903.18	4,273.19	3,682.35
7	Net coal supplied	MT	5,75,720.27	4,83,991.41	5,29,875.54	4,54,130.85
<b>C</b>	<b>Price</b>					
8	Amount charged by coal company	Rs.	3,18,91,17,249	2,71,91,61,356	2,98,70,90,891	2,66,03,36,349
9	Adjustment in amount charged by the coal company	Rs.	-	-	-	-
10	Handling, sampling and such other similar charges	Rs.	-	-	-	-
11	Total amount charged (8+9+10)	Rs.	3,18,91,17,249	2,71,91,61,356	2,98,70,90,891	2,66,03,36,349
<b>D</b>	<b>Transportation</b>					
12	Transportation charges		10,74,64,378	9,35,42,759	9,70,22,112	6,69,17,000
	By rail	Rs.	10,74,64,378	9,35,42,759	9,70,22,112	6,69,17,000
	By road	Rs.	-	-	-	-
	By ship	Rs.	-	-	-	-
13	Adjustment in amount charged by the coal transporter	Rs.	-	-	-	-
14	Demurrage charges, if any	Rs.	-	27,878	9,293	-
15	Cost of diesel in transporting coal through MGR system, if applicable	Rs.	-	-	-	-
16	Total Transportation charges (12+13+14+15)	Rs.	10,74,64,378	9,35,14,881	9,70,12,819	6,69,17,000
17	Total amount charged for coal supplied including transportation (11+16)	Rs.	3,29,65,81,627	2,81,28,76,237	3,08,41,03,710	2,72,72,53,349
<b>E</b>	<b>Total Cost</b>					
18	Landed cost of coal (2+17)/(1+7)	Rs./MT	5,741.28	5,801.21	5,818.17	5,981.26
19	Blending Ratio (Domestic/Imported)		100:0	100:0	100:0	100:0
20	Weighted average cost of coal for preceding three months	Rs./MT	5,805.39	5,819.65	5,808.96	5,785.82
<b>F</b>	<b>Quality</b>					
21	GCV of Domestic Coal of the opening coal stock as per bill of Coal Company	kcal/kg	4,321.39	4,173.41	4,144.01	4,150.18
22	GCV of Domestic Coal supplied as per bill of Coal Company	kcal/kg	4,159	4,139	4,151	4,338
23	GCV of Imported Coal of the opening stock as per bill Coal Company	kcal/kg	-	-	-	-
24	GCV of Imported Coal supplied as per bill Coal Company	kcal/kg	-	-	-	-
25	Weighted average GCV of coal as Billed	kcal/kg	4,173.41	4,144.01	4,150.18	4,312.01
26	GCV of Domestic Coal of the opening stock as received at Station	kcal/kg	3,820.39	3,750.78	3,731.31	3,808.71
27	GCV of Domestic Coal supplied as received at Station	kcal/kg	3,744	3,728	3,819	3,883
28	GCV of Imported Coal of opening stock as received at Station	kcal/kg	-	-	-	-
29	GCV of Imported Coal of opening stock as received at Station	kcal/kg	-	-	-	-
30	Weighted average GCV of coal as Received	kcal/kg	3,750.78	3,731.31	3,808.71	3,873.41
31	Weighted average GCV of Coal as Fired for the month		3,714	3,708	3,766	3,832
32	Coal Consumption for the month	MT	5,49,382	4,95,912	5,33,036	3,70,342

Note:

- Similar details to be furnished for secondary fuel oil for coal based thermal plants with appropriate units.
- As billed and as received GCV, quantity of coal, and price should be submitted as certified by statutory auditor.
- Details to be provided for each source separately. In case of more than one source, add additional column.
- Break up of the amount charged by the Coal Company is to be provided separately.

**The Singareni Collieries Company Ltd**  
**Singareni Thermal Power Project**  
**Form 11: Fuel Details for computation of Energy Charge Rate**

S. No.	Particulars	Units	Year 'n-1' FY 2023-24			
			Dec-23	Jan-24	Feb-24	Mar-24
<b>A</b>	<b>Opening Quantity</b>					
1	Opening quantity of coal	MT	1,51,113.25	1,57,793.28	1,73,348.60	1,39,012.36
2	Value of stock	Rs.	90,38,47,360	98,32,94,934	1,08,28,11,634	89,38,69,989
<b>B</b>	<b>Procurement</b>					
3	Quantity of coal supplied by the coal company	MT	3,53,385.03	5,09,109.32	3,67,825.76	4,84,731.05
4	Adjustment in coal quantity supplied by the coal company	MT	-	-	-	-
5	Coal supplied by coal company (3+4)	MT	3,53,385.03	5,09,109.32	3,67,825.76	4,84,731.05
6	Normative transit and handling loss	MT	2,627.08	4,072.87	2,942.61	3,877.85
7	Net coal supplied	MT	3,50,557.95	5,05,036.45	3,64,883.15	4,80,853.20
<b>C</b>	<b>Price</b>					
8	Amount charged by coal company	Rs.	2,16,25,91,673	3,07,85,02,756	2,30,59,25,147	2,76,34,15,400
9	Adjustment in amount charged by the coal company	Rs.	-	-	-	-
10	Handling, sampling and such other similar charges	Rs.	-	-	-	-
11	Total amount charged (8+9+10)	Rs.	2,16,25,91,673	3,07,85,02,756	2,30,59,25,147	2,76,34,15,400
<b>D</b>	<b>Transportation</b>					
12	Transportation charges		5,97,53,451	7,85,65,611	7,21,91,333	13,67,05,563
	By rail	Rs.	5,97,53,451	7,85,65,611	7,21,91,333	13,67,05,563
	By road	Rs.	-	-	-	-
	By ship	Rs.	-	-	-	-
13	Adjustment in amount charged by the coal transporter	Rs.	-	-	-	-
14	Demurrage charges, if any	Rs.	8,978	37,171	18,586	64,893
15	Cost of diesel in transporting coal through MGR system, if applicable	Rs.	-	-	-	-
16	Total Transportation charges (12+13+14+15)	Rs.	5,97,44,473	7,85,28,440	7,21,72,747	13,66,40,670
17	Total amount charged for coal supplied including transportation (11+16)	Rs.	2,22,23,36,146	3,15,70,31,196	2,37,80,97,894	2,90,00,56,070
<b>E</b>	<b>Total Cost</b>					
18	Landed cost of coal (2+17)/(1+7)	Rs./MT	6,231.54	6,246.44	6,430.15	6,120.56
19	Blending Ratio (Domestic/Imported)		100:0	100:0	100:0	100:0
20	Weighted average cost of coal for preceding three months	Rs./MT	5,862.86	5,998.29	6,159.99	6,300.12
<b>F</b>	<b>Quality</b>					
21	GCV of Domestic Coal of the opening coal stock as per bill of Coal Company	kcal/kg	4,312.01	4,274.97	4,274.23	4,475.42
22	GCV of Domestic Coal supplied as per bill of Coal Company	kcal/kg	4,259	4,274	4,571	4,204
23	GCV of Imported Coal of the opening stock as per bill Coal Company	kcal/kg	-	-	-	-
24	GCV of Imported Coal supplied as per bill Coal Company	kcal/kg	-	-	-	-
25	Weighted average GCV of coal as Billed	kcal/kg	4,274.97	4,274.23	4,475.42	4,264.87
26	GCV of Domestic Coal of the opening stock as received at Station	kcal/kg	3,873.41	3,915.05	3,965.30	4,093.23
27	GCV of Domestic Coal supplied as received at Station	kcal/kg	3,933	3,981	4,154	4,034
28	GCV of Imported Coal of opening stock as received at Station	kcal/kg	-	-	-	-
29	GCV of Imported Coal of opening stock as received at Station	kcal/kg	-	-	-	-
30	Weighted average GCV of coal as Received	kcal/kg	3,915.05	3,965.30	4,093.23	4,047.28
31	Weighted average GCV of Coal as Fired for the month		3,911	3,941	4,106	4,000
32	Coal Consumption for the month	MT	3,43,878	4,89,481	3,99,219	4,46,501

**Note:**

- 1 Similar details to be furnished for secondary fuel oil for coal based thermal plants with appropriate units.
- 2 As billed and as received GCV, quantity of coal, and price should be submitted as certified by statutory auditor.
- 3 Details to be provided for each source separately. In case of more than one source, add additional column.
- 4 Break up of the amount charged by the Coal Company is to be provided separately.





The Singareni Collieries Company Ltd  
Singareni Thermal Power Project  
Form 11.1 : Fuel Details for computation of Energy Charge Rate

Month	Unit	Apr-23		May-23	
		Domestic	Domestic	Domestic	Domestic
		LDO	HFO	LDO	HFO
<b>OPENING QUANTITY</b>					
Opening Stock of Oil	(KL)	431,342	857,133	396,536	767,525
Value of Opening Stock	(Rs.)	3,50,63,264	4,74,92,047	3,22,33,926	4,25,27,045
<b>QUANTITY</b>					
Quantity of Oil supplied by Oil Company	(KL)	0	0	58	178
Adjustment (+/-) in quantity supplied made by Oil Company	(KL)	0	0	0	0
Oil supplied by Oil Company (3+4)	(KL)	0	0	58	178
Normative Transit & Handling Losses	(KL)	0	0	0	0
Net Oil supplied (5-6)	(KL)	0	0	58	178
<b>PRICE</b>					
Amount charged by the Oil Company	(Rs.)	0	0	3891498	9570572
Adjustment (+/-) in amount charged made by Oil Company	(Rs.)	0	0	0	0
Handling, Sampling and such other similar charges	(Rs.)	0	0	0	0
Total amount Charged (8+9+10)	(Rs.)	0	0	3891498	9570572
<b>TRANSPORTATION</b>					
Transportation charges by rail/ship/road transport	(Rs.)	0	0	115710	355110
By Rail		0	0	0	0
By Road		0	0	115710	355110
By Ship		0	0	0	0
Adjustment (+/-) in amount charged made by Railways/Transport Company	(Rs.)	0	0	0	0
Demurrage Charges, if any	(Rs.)	0	0	0	0
Cost of diesel in transporting Coal through MGR system, if applicable					
Total Transportation Charges (12+13-14+15)	(Rs.)	0	0	115710	355110
Total amount Charged for Oil supplied including Transportation (11+16)	(Rs.)	0	0	4007208	9925682
<b>TOTAL COST</b>					
Landed cost of Oil (2+17)/(1+7)	Rs./KL	81288.78	55408.0	79732.16	55474.7
Bfending Ratio (Domestic/Imported)					
Weighted average cost of Oil for preceding three months	Rs./KL				
<b>QUALITY</b>					
GCV of Oil of the opening stock as per Oil Company	(kCal/L)	10080	9950	10080	9950
GCV of Dom. Oil of the opening Oil stock as per bill					
GCV of Imp. Oil of the opening stock as per bill Oil Co.					
GCV of Imp. Oil supplied as per bill Oil Co.					
Weighted average GCV of Oil as Billed	(kCal/L)	10080	9950	10080	9950
GCV of Dom. Oil of the opening stock as received at station					
GCV of Dom. Oil supplied as received at station					
GCV of Imp. Oil of the opening stock as received at station					
GCV of Imp. Oil supplied as received at station					
Weighted average GCV of Oil as fired for the month	(kCal/L)	10080	9950	10080	9950
Oil consumption	KL	34,806	89,608	27,672	39,005

Details of information to be submitted in respect of fuel consumed for Energy Charges

Particulars	Unit	LDO	HFO	LDO	HFO
Landed cost of Oil at sl.no 18	Rs./KL	81288.78	55408.03	79732.16	55474.71
Consumption quantity for the month	KL	34,806	89,608	27,672	39,005
Weighted Average Rate*	Rs./KL	62648.41		65541.93	
Weighted Average GCV of Oil*	(kCal/L)	9986.37		10003.95	

\* In case of no Oil consumption in a month, previous month's price and GCV data is used.

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**The Singareni Collieries Company Ltd**  
**Singareni Thermal Power Project**  
**Form 11.1 : Fuel Details for computation of Energy Charge Rate**

Month	Unit	Jun-23		Jul-23	
		Domestic	Domestic	Domestic	Domestic
		LDO	HFO	LDO	HFO
<b>OPENING QUANTITY</b>					
Opening Stock of Oil	(KL)	426.864	906.520	451.692	906.520
Value of Opening Stock	(Rs.)	3,40,34,787	5,02,88,936	3,57,91,892	5,02,88,936
<b>QUANTITY</b>					
Quantity of Oil supplied by Oil Company	(KL)	24.88	0	124.975	0
Adjustment (+/-) in quantity supplied made by Oil Company	(KL)	0	0	0	0
Oil supplied by Oil Company (3+4)	(KL)	24.88	0	124.975	0
Normative Transit & Handling Losses	(KL)	0	0	0	0
Net Oil supplied (5-6)	(KL)	24.88	0	124.975	0
<b>PRICE</b>					
Amount charged by the Oil Company	(Rs.)	1711590	0	8765925	0
Adjustment (+/-) in amount charged made by Oil Company	(Rs.)	0	0	0	0
Handling, Sampling and such other similar charges	(Rs.)	0	0	0	0
Total amount Charged (8+9+10)	(Rs.)	1711590	0	8765925	0
<b>TRANSPORTATION</b>					
Transportation charges by rail/ship/road transport	(Rs.)	49636	0	237110	0
By Rail		0	0	0	0
By Road		49636	0	237110	0
By Ship		0	0	0	0
Adjustment (+/-) in amount charged made by Railways/Transport Company	(Rs.)	0	0	0	0
Demurrage Charges, if any	(Rs.)	0	0	0	0
Cost of diesel in transporting Coal through MGR system, if applicable					
Total Transportation Charges (12+13-14+15)	(Rs.)	49636	0	237110	0
Total amount Charged for Oil supplied including Transportation (11+16)	(Rs.)	1761226	0	9003035	0
<b>TOTAL COST</b>					
Landed cost of Oil (2+17)/(1+7)	Rs./KL	79239.60	55474.7	77679.02	55474.7
Blending Ratio (Domestic/Imported)					
Weighted average cost of Oil for preceding three months	Rs./KL				
<b>QUALITY</b>					
GCV of Oil of the opening stock as per Oil Company	(kCal/L)	10080	9950	10080	9950
GCV of Dom. Oil of the opening Oil stock as per bill					
GCV of Imp. Oil of the opening stock as per bill Oil Co.					
GCV of Imp. Oil supplied as per bill Oil Co.					
Weighted average GCV of Oil as Billed	(kCal/L)	10080	9950	10080	9950
GCV of Dom. Oil of the opening stock as received at station					
GCV of Dom. Oil supplied as received at station					
GCV of Imp. Oil of the opening stock as received at station					
GCV of Imp. Oil supplied as received at station					
Weighted average GCV of Oil as fired for the month	(kCal/L)	10080	9950	10080	9950
Oil consumption	KL	0.052	0.00	307.287	151.469

**Details of information to be submitted in respect of fuel consumed for Energy Charges**

Particulars	Unit	LDO	HFO	LDO	HFO
Landed cost of Oil at sl.no 18	Rs./KL	79239.60	55474.71	77679.02	55474.71
Consumption quantity for the month	KL	0.052	0	307.287	151.469
Weighted Average Rate*	Rs./KL	79239.60		70347.75	
Weighted Average GCV of Oil*	(kCal/L)	10080.00		10037.08	

\* In case of no Oil consumption in a month, previous month's price and GCV data is used.

The Singareni Collieries Company Ltd  
Singareni Thermal Power Project  
Form 11.1 : Fuel Details for computation of Energy Charge Rate

Month	Unit	Aug-23		Sep-23	
		Domestic	Domestic	Domestic	Domestic
		LDO	HFO	LDO	HFO
<b>OPENING QUANTITY</b>					
Opening Stock of Oil	(KL)	269.380	755.051	494.380	755.051
Value of Opening Stock	(Rs.)	2,09,25,174	4,18,86,237	3,90,11,859	4,18,86,237
<b>QUANTITY</b>					
Quantity of Oil supplied by Oil Company	(KL)	225.000	0	25.000	174.960
Adjustment (+/-) in quantity supplied made by Oil Company	(KL)	0	0	0	0
Oil supplied by Oil Company (3+4)	(KL)	225.000	0	25.000	174.960
Normative Transit & Handling Losses	(KL)	0	0	0	0
Net Oil supplied (5-6)	(KL)	225.000	0	25.000	174.960
<b>PRICE</b>					
Amount charged by the Oil Company	(Rs.)	17662240	0	2162055	11355675
Adjustment (+/-) in amount charged made by Oil Company	(Rs.)	0	0	0	0
Handling, Sampling and such other similar charges	(Rs.)	0	0	0	0
Total amount Charged (8+9+10)	(Rs.)	17662240	0	2162055	11355675
<b>TRANSPORTATION</b>					
Transportation charges by rail/ship/road transport	(Rs.)	424445	0	37660	263559
By Rail		0	0	0	0
By Road		424445	0	37660	263559
By Ship		0	0	0	0
Adjustment (+/-) in amount charged made by Railways/Transport Company	(Rs.)	0	0	0	0
Demurrage Charges, if any	(Rs.)	0	0	0	0
Cost of diesel in transporting Coal through MGR system, if applicable					
Total Transportation Charges (12+13-14+15)	(Rs.)	424445	0	37660	263559
Total amount Charged for Oil supplied including Transportation (11+16)	(Rs.)	18066685	0	2199715	11619233
<b>TOTAL COST</b>					
Landed cost of Oil (2+17)/(1+7)	Rs./KL	78910.67	55474.7	79347.63	57532.1
Blending Ratio (Domestic/Imported)					
Weighted average cost of Oil for preceding three months	Rs./KL				
<b>QUALITY</b>					
GCV of Oil of the opening stock as per Oil Company	(kCal/L)	10080	9950	10080	9950
GCV of Dom. Oil of the opening Oil stock as per bill					
GCV of Imp. Oil of the opening stock as per bill Oil Co.					
GCV of Imp. Oil supplied as per bill Oil Co.					
Weighted average GCV of Oil as Billed	(kCal/L)	10080	9950	10080	9950
GCV of Dom. Oil of the opening stock as received at station					
GCV of Dom. Oil supplied as received at station					
GCV of Imp. Oil of the opening stock as received at station					
GCV of Imp. Oil supplied as received at station					
Weighted average GCV of Oil as fired for the month	(kCal/L)	10080	9950	10080	9950
Oil consumption	KL	-	-	44.092	90.188

Details of information to be submitted in respect of fuel consumed for Energy Charges

Particulars	Unit	LDO	HFO	LDO	HFO
Landed cost of Oil at sl.no 18	Rs./KL	78910.67	55474.71	79347.63	57532.08
Consumption quantity for the month	KL	-	-	44.092	90.188
Weighted Average Rate*	Rs./KL	70347.75		64695.41	
Weighted Average GCV of Oil*	(kCal/L)	10037.08		9992.69	

\* In case of no Oil consumption in a month, previous month's price and GCV data is used.

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**The Singareni Collieries Company Ltd**  
**Singareni Thermal Power Project**  
**Form 11.1 : Fuel Details for computation of Energy Charge Rate**

Month	Unit	Oct-23		Nov-23	
		Domestic	Domestic	Domestic	Domestic
		LDO	HFO	LDO	HFO
<b>OPENING QUANTITY</b>					
Opening Stock of Oil	(KL)	475,288	839,823	499,644	842,368
Value of Opening Stock	(Rs.)	3,77,12,978	4,83,16,766	4,02,59,397	4,85,71,862
<b>QUANTITY</b>					
Quantity of Oil supplied by Oil Company	(KL)	50,000	25,000	0,00	0,00
Adjustment (+/-) in quantity supplied made by Oil Company	(KL)	0	0	0,00	0,00
Oil supplied by Oil Company (3+4)	(KL)	50,000	25,000	0,00	0,00
Normative Transit & Handling Losses	(KL)	0	0	0,00	0,00
Net Oil supplied (5-6)	(KL)	50,000	25,000	0,00	0,00
<b>PRICE</b>					
Amount charged by the Oil Company	(Rs.)	4537395	1512215	0	0
Adjustment (+/-) in amount charged made by Oil Company	(Rs.)	0	0	0	0
Handling, Sampling and such other similar charges	(Rs.)	0	0	0	0
Total amount Charged (8+9+10)	(Rs.)	4537395	1512215	0	0
<b>TRANSPORTATION</b>					
Transportation charges by rail/ship/road transport	(Rs.)	75320	37660	0	0
By Rail		0	0	0	0
By Road		75320	37660	0	0
By Ship		0	0	0	0
Adjustment (+/-) in amount charged made by Railways/Transport Company	(Rs.)	0	0	0	0
Demurrage Charges, if any	(Rs.)	0	0	0	0
Cost of diesel in transporting Coal through MGR system, if applicable					
Total Transportation Charges (12+13-14+15)	(Rs.)	75320	37660	0	0
Total amount Charged for Oil supplied including Transportation (11+16)	(Rs.)	4612715	1549875	0	0
<b>TOTAL COST</b>					
Landed cost of Oil (2+17)/(1+7)	Rs./KL	80576.16	57661.1	80576.16	57661.1
Blending Ratio (Domestic/Imported)					
Weighted average cost of Oil for preceding three months	Rs./KL				
<b>QUALITY</b>					
GCV of Oil of the opening stock as per Oil Company	(kCal/L)	10080	9950	10080	9950
GCV of Dom. Oil of the opening Oil stock as per bill					
GCV of Imp. Oil of the opening stock as per bill Oil Co.					
GCV of Imp. Oil supplied as per bill Oil Co.					
Weighted average GCV of Oil as Billed	(kCal/L)	10080	9950	10080	9950
GCV of Dom. Oil of the opening stock as received at station					
GCV of Dom. Oil supplied as received at station					
GCV of Imp. Oil of the opening stock as received at station					
GCV of Imp. Oil supplied as received at station					
Weighted average GCV of Oil as fired for the month	(kCal/L)	10080	9950	10080	9950
Oil consumption	KL	25,644	22,455	31,536	112,011

**Details of information to be submitted in respect of fuel consumed for Energy Charges**

Particulars	Unit	LDO	HFO	LDO	HFO
Landed cost of Oil at sl.no 18	Rs./KL	80576.16	57661.10	80576.16	57661.10
Consumption quantity for the month	KL	25,644	22,455	31,536	112,011
Weighted Average Rate*	Rs./KL	69978.27		62695.33	
Weighted Average GCV of Oil*	(kCal/L)	10019.31		9978.56	

\* In case of no Oil consumption in a month, previous month's price and GCV data is used.

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**The Singareni Collieries Company Ltd**  
**Singareni Thermal Power Project**  
**Form 11.1 : Fuel Details for computation of Energy Charge Rate**

Month	Unit	Dec-23		Jan-24	
		Domestic	Domestic	Domestic	Domestic
		LDO	HFO	LDO	HFO
<b>OPENING QUANTITY</b>					
Opening Stock of Oil	(KL)	468,108	730,357	434,072	838,549
Value of Opening Stock	(Rs.)	3,77,18,347	4,21,13,185	3,49,22,367	4,83,42,208
<b>QUANTITY</b>					
Quantity of Oil supplied by Oil Company	(KL)	100.00	200.00	200.00	0.00
Adjustment (+/-) in quantity supplied made by Oil Company	(KL)	0.00	0.00	0.00	0.00
Oil supplied by Oil Company (3+4)	(KL)	100.00	200.00	200.00	0.00
Normative Transit & Handling Losses	(KL)	0.00	0.00	0.00	0.00
Net Oil supplied (5-6)	(KL)	100.00	200.00	200.00	0.00
<b>PRICE</b>					
Amount charged by the Oil Company	(Rs.)	7836970	11220460	15009010	0
Adjustment (+/-) in amount charged made by Oil Company	(Rs.)	0	0	0	0
Handling, Sampling and such other similar charges	(Rs.)	0	0	0	0
Total amount Charged (8+9+10)	(Rs.)	7836970	11220460	15009010	0
<b>TRANSPORTATION</b>					
Transportation charges by rail/ship/road transport	(Rs.)	150639	301279	301279	0
By Rail		0	0	0	0
By Road		0	0	0	0
By Ship		0	0	0	0
Adjustment (+/-) in amount charged made by Railways/Transport Company	(Rs.)	0	0	0	0
Demurrage Charges, if any	(Rs.)	0	0	0	0
Cost of diesel in transporting Coal through MGR system, if applicable					
Total Transportation Charges (12+13-14+15)	(Rs.)	150639	301279	301279	0
Total amount Charged for Oil supplied including Transportation (11+16)	(Rs.)	7987609	11521739	15310289	0
<b>TOTAL COST</b>					
Landed cost of Oil (2+17)/(1+7)	Rs./KL	80452.94	57649.8	79222.32	57649.8
Blending Ratio (Domestic/Imported)					
Weighted average cost of Oil for preceding three months	Rs./KL				
<b>QUALITY</b>					
GCV of Oil of the opening stock as per Oil Company	(kCal/L)	10080	9950	10080	9950
GCV of Dom. Oil of the opening Oil stock as per bill					
GCV of Imp. Oil of the opening stock as per bill Oil Co.					
GCV of Imp. Oil supplied as per bill Oil Co.					
Weighted average GCV of Oil as Billed	(kCal/L)	10080	9950	10080	9950
GCV of Dom. Oil of the opening stock as received at station					
GCV of Dom. Oil supplied as received at station					
GCV of Imp. Oil of the opening stock as received at station					
GCV of Imp. Oil supplied as received at station					
Weighted average GCV of Oil as fired for the month	(kCal/L)	10080	9950	10080	9950
Oil consumption	KL	134.036	91.808	26.002	61.352

**Details of information to be submitted in respect of fuel consumed for Energy Charges**

Particulars	Unit	LDO	HFO	LDO	HFO
Landed cost of Oil at sl.no 18	Rs./KL	80452.94	57649.83	79222.32	57649.83
Consumption quantity for the month	KL	134.036	91.808	26.002	61.352
Weighted Average Rate*	Rs./KL	71183.23		64071.15	
Weighted Average GCV of Oil*	(kCal/L)	10027.15		9988.70	

\* In case of no Oil consumption in a month, previous month's price and GCV data is used.

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**The Singareni Collieries Company Ltd**  
**Singareni Thermal Power Project**  
**Form 11.1 : Fuel Details for computation of Energy Charge Rate**

Month	Unit	Feb-24		Mar-24	
		Domestic	Domestic	Domestic	Domestic
		LDO	HFO	LDO	HFO
<b>OPENING QUANTITY</b>					
Opening Stock of Oil	(KL)	608.070	777.197	608.070	777.197
Value of Opening Stock	(Rs.)	4,81,72,717	4,48,05,276	4,81,72,717	4,48,05,276
<b>QUANTITY</b>					
Quantity of Oil supplied by Oil Company	(KL)	0.00	0.00	100.00	200.00
Adjustment (+/-) in quantity supplied made by Oil Company	(KL)	0.00	0.00	0.00	0.00
Oil supplied by Oil Company (3+4)	(KL)	0.00	0.00	100.00	200.00
Normative Transit & Handling Losses	(KL)	0.00	0.00	0.00	0.00
Net Oil supplied (5-6)	(KL)	0.00	0.00	100.00	200.00
<b>PRICE</b>					
Amount charged by the Oil Company	(Rs.)	0	0	7639320	11214720
Adjustment (+/-) in amount charged made by Oil Company	(Rs.)	0	0	0	0
Handling, Sampling and such other similar charges	(Rs.)	0	0	0	0
Total amount Charged (8+9+10)	(Rs.)	0	0	7639320	11214720
<b>TRANSPORTATION</b>					
Transportation charges by rail/ship/road transport	(Rs.)	0	0	0	0
By Rail		0	0	0	0
By Road		0	0	0	0
By Ship		0	0	0	0
Adjustment (+/-) in amount charged made by Railways/Transport Company	(Rs.)	0	0	150639	301279
Demurrage Charges, if any	(Rs.)	0	0	0	0
Cost of diesel in transporting Coal through MGR system, if applicable					
Total Transportation Charges (12+13-14+15)	(Rs.)	0	0	150639	301279
Total amount Charged for Oil supplied including Transportation (11+16)	(Rs.)	0	0	7789959	11515899
<b>TOTAL COST</b>					
Landed cost of Oil (2+17)/(1+7)	Rs./KL	79222.32	57649.8	79035.51	57635.5
Blending Ratio (Domestic/Imported)					
Weighted average cost of Oil for preceding three months	Rs./KL				
<b>QUALITY</b>					
GCV of Oil of the opening stock as per Oil Company	(kCal/L)	10080	9950	10080	9950
GCV of Dom. Oil of the opening Oil stock as per bill					
GCV of Imp. Oil of the opening stock as per bill Oil Co.					
GCV of Imp. Oil supplied as per bill Oil Co.					
Weighted average GCV of Oil as Billed	(kCal/L)	10080	9950	10080	9950
GCV of Dom. Oil of the opening stock as received at station					
GCV of Dom. Oil supplied as received at station					
GCV of Imp. Oil of the opening stock as received at station					
GCV of Imp. Oil supplied as received at station					
Weighted average GCV of Oil as fired for the month	(kCal/L)	10080	9950	10080	9950
Oil consumption	KL	0	0	15.930	17.728

**Details of information to be submitted in respect of fuel consumed for Energy Charges**

Particulars	Unit	LDO	HFO	LDO	HFO
Landed cost of Oil at sl.no 18	Rs./KL	79222.32	57649.83	79035.51	57635.54
Consumption quantity for the month	KL	0	0	15.930	17.728
Weighted Average Rate*	Rs./KL	64071.15		67763.94	
Weighted Average GCV of Oil*	(kCal/L)	9988.70		10011.53	

\* In case of no Oil consumption in a month, previous month's price and GCV data is used.

**The Singareni Collieries Company Ltd**  
**Singareni Thermal Power Project**  
**Form 12: Energy Charge Rate**

Particulars	Legend	Units	Year (n-1) 2023-24			Year 'n'		Year 'n+1'	
			MYT/Tariff Order	April-March	True-Up requirement	MYT/Tariff Order	April-March	MYT/Tariff Order	April-March
			Approved	Audited	Claimed	Approved	Revised proposal	Approved	Revised proposal
Auxiliary Consumption	AUX	%	5.75	6.13	6.13	5.75	5.75	5.75	
Gross Station Heat Rate	GSHR	kcal/kWh	2303.88	2314.73	2314.73	2300.00	2300.00	2300.00	
Secondary Fuel oil consumption	SFC	ml/kWh	0.50	0.15	0.15	0.50	0.50	0.50	
Calorific Value of Secondary Fuel	CVSF	kcal/ml	10.01	10.01	10.01	10.00	10.00	10.00	
Landed Price of Secondary Fuel	LPSF	Rs./ml	0.07	0.07	0.07	0.07	0.07	0.07	
Gross Calorific Value of Coal	CVPF	kcal/kg	3836.04	3836.04	3836.04	3808.80	3808.80	3808.80	
Landed Price of Coal	LPPF	Rs./kg	5.93	5.93	5.93	5.86	5.86	5.86	
Specific Coal Consumption		kg/kWh	0.599	0.603	0.60	0.603	0.60	0.60	
Rate of Energy Charge from Primary Fuel		Rs./kWh	3.768	3.806	3.806	3.749	3.749	3.749	
Rate of Energy Charge from Secondary Fuel		Rs./kWh	0.036	0.011	0.011	0.036	0.036	0.036	
<b>ECR</b>		<b>Rs./kWh</b>	<b>3.803</b>	<b>3.817</b>	<b>3.817</b>	<b>3.785</b>	<b>3.785</b>	<b>3.785</b>	

**Note:** Energy charge rate claimed for FY 2024-25 & FY 2025-26 are as per the Hon'ble TGERC MYT order dated 28.06.2024 and the actuals will be claimed as per the applicable Hon'ble TGERC regulations in the subsequent annual tariff petitions.

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The Singareni Collieries Company Ltd  
Singareni Thermal Power Project  
Form 13: Sales

Year (n-1) FY 2023-24  
Audited

Beneficiary	Actuals												Total
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
TGSPDCL	533.007	548.714	267.021	480.336	574.899	525.408	581.956	410.256	387.262	559.028	477.160	516.569	5861.617
TGNPDCL	222.496	229.052	111.464	200.509	239.983	219.324	242.928	171.255	161.666	233.358	199.183	215.634	2446.841
Total	755.503	777.766	378.485	680.845	814.882	744.732	824.884	581.511	548.918	792.386	676.343	732.203	8308.458

Year (n) FY 2024-25  
Projected

Beneficiary	Actuals												Total
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
TGSPDCL	485.105	498.895	369.548	263.298	247.546	448.815	536.103	534.862	552.691	552.691	499.205	552.691	5541.449
TGNPDCL	202.500	208.256	154.262	109.909	103.334	187.351	223.788	223.270	230.712	230.712	208.385	230.712	2313.192
Total	687.605	707.151	523.81	373.207	350.88	636.166	759.89063	758.13192	783.40298	783.40298	707.58979	783.40298	7854.640

Year (n+1) FY 2025-26  
Projected

Beneficiary	Actuals												Total
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
TGSPDCL	551.523	558.034	360.022	423.026	558.034	540.033	558.034	540.033	558.034	558.034	504.030	558.034	6266.868
TGNPDCL	230.225	232.942	150.285	176.585	232.942	225.428	232.942	225.428	232.942	232.942	210.400	232.942	2616.006
Total	781.747	790.976	510.307	599.611	790.976	765.461	790.976	765.461	790.976	790.976	714.430	790.976	8882.874

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**The Singareni Collieries Company Ltd**  
**Singareni Thermal Power Project**  
**Form 14: Revenue from Sale of Electricity**

Previous Year (n-1) FY 2023-24  
 Audited

(Rs. Crore)

Beneficiary	Components of tariff				Relevant sales & load/demand data for revenue calculation			Full year revenue (Rs. Crore)				
	Fixed / Capacity Charges (Rs. Crore / year)	Energy Charges (Rs./kWh)	Any Other Charges (Water charges Rs.Crores)	Fuel surcharge per unit, if any (Rs./kWh)	Sales in MU	Share of Capacity (MW/%)	Item 3 (specify)	Revenue from Fixed / Capacity Charges	Revenue from Energy Charges	Revenue from Any Other Charge (Incentive)	Revenue from Fuel Surcharge	Total
TGSPDCL	938.10	3.803	23.97	-	5861.617	70.55%	-	938.10	2229.14	23.97	-	3191.21
TGNPDCL	391.60	3.803	10.00	-	2446.841	29.45%	-	391.60	930.52	10.00	-	1332.12
<b>Total</b>	<b>1329.70</b>	<b>3.803</b>	<b>33.97</b>		<b>8308.458</b>				<b>3159.66</b>			<b>4523.33</b>

Note: Approved gain of truing up of Rs.27.84 crores relating to FY 2022-23 is not included in the revenue from sale of electricity.



The Singareni Collieries Company Ltd  
Singareni Thermal Power Project  
Form 15: Revenue Reconciliation

Previous Year (n-1) FY 2023-24  
Audited

S. No.	Particulars	Units	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
1	Normative Availability (%)	%	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00
2	Availability during the month (%)	%	95.29	96.88	50.62	85.91	99.15	94.73	99.94	73.43	65.24	96.96	100.00	100.00	88.22
3	Cumulative Availability (%)	%	95.29	96.09	81.10	82.32	85.73	87.21	89.05	87.13	84.66	85.91	87.13	88.22	88.22
4	Target PLF for Incentive	%	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00
5	Actual PLF during the month (%)	%	92.82	92.45	46.42	80.88	96.85	91.44	98.04	71.42	65.23	94.18	85.93	87.03	83.63
6	Cumulative PLF (%)	%	92.82	92.63	77.40	78.28	82.04	83.58	85.68	83.92	81.82	83.07	83.32	83.63	83.63
7	Gross Generation (MU)	MU	803.817	831.219	408.133	726.620	866.694	794.940	877.802	621.790	584.586	839.686	718.194	777.553	8851.034
8	Auxiliary Consumption (MU)	MU	48.314	53.453	29.648	45.775	51.812	50.208	52.918	40.279	35.668	47.300	41.851	45.350	542.576
9	Net Generation (MU)	MU	755.503	777.766	378.485	680.845	814.882	744.732	824.884	581.511	548.918	792.386	676.343	732.203	8308.458
10	Generation above target PLF (MU)	MU	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Variable Charges Per Unit	Rs./kWh	3.633	3.664	3.684	3.901	3.808	3.850	3.805	3.840	3.924	3.900	3.854	3.768	3.803
12	Approved Fixed Charges	Rs. Crore	110.81	110.81	110.81	110.81	110.81	110.81	110.81	110.81	110.81	110.81	110.81	110.81	1329.70
13	Fuel Surcharge	Rs./kWh	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Fixed Charges During Month	Rs. Crore	110.81	110.81	95.58	112.09	124.76	110.81	110.81	110.81	106.86	114.76	110.81	110.81	1329.70
15	Energy Charges Amount	Rs. Crore	274.47	284.97	139.43	265.60	310.31	286.72	313.87	223.30	215.40	309.03	260.66	275.89	3159.66
16	Amount of Fuel Surcharge Adjustment	Rs. Crore	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Incentive Amount	Rs. Crore	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Revenue from sale of electricity	Rs. Crore	385.28	395.78	235.01	377.68	435.07	397.53	424.68	334.11	322.26	423.79	371.47	386.70	4489.36
19	Other recoveries/adjustments	Rs. Crore	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33.97	33.97
20	Total Revenue	Rs. Crore	385.28	395.78	235.01	377.68	435.07	397.53	424.68	334.11	322.26	423.79	371.47	420.67	4523.33
21	Total Revenue as per Audited Accounts	Rs. Crore	385.28	395.78	235.01	377.68	435.07	397.53	424.68	334.11	322.26	423.79	371.47	420.67	4523.33

Note: Approved gain of truing up of Rs.27.84 crores relating to FY 2022-23 is not included in the revenue from sale of electricity.



**The Singareni Collieries Company Ltd**  
**Singareni Thermal Power Project**  
**Form 16: Summary of true-up**

Previous Year (n-1) FY 2023-24

S. No.	Particulars	MYT/Tariff Order	Normative claimed in true-up	Actual	Deviation	Reasons for Deviation	Controllable	Uncontrollable	Net Entitlement after sharing of gains/(losses)
<b>A</b>	<b>Expenses side summary</b>								
	Operation & Maintenance Expenses	225.07	314.28	314.28	89.21	Increased due to variation in WPI,CPI	89.21	0	29.74
	Depreciation	400.36	401.03	401.03	0.67	Increase in Add cap	0	0.67	0.67
	Interest and finance charges on loan	195.58	247.71	247.71	52.13	Increase in market interest rates, loan refinancing benefit and increase in add cap	0	52.13	52.13
	Interest on Working Capital	85.63	116.28	116.28	30.65	Changed due to variation in SBI MCLR	30.65	0	10.22
	Return on Equity	436.40	482.82	482.82	46.42	Actual tax rate paid is considered	0	46.42	46.42
	Less: Non-Tariff Income	13.33	5.16	5.16	-8.17	Actual NTI is less than approved	0	-8.17	-8.17
	<b>Annual Fixed Charges</b>	<b>1329.70</b>	<b>1556.96</b>	<b>1556.96</b>	<b>227.25</b>		<b>119.86</b>	<b>107.40</b>	<b>147.35</b>
	Energy Charges	3159.66	3171.34	3171.34	11.68	Due to higher auxiliary consumption and station heat rate	11.68	0	3.89
	Other charges	0.00	35.50	35.50	35.50	Actual water charges and audit fees	0	35.50	35.50
	<b>Aggregate Revenue Requirement</b>	<b>4489.36</b>	<b>4763.79</b>	<b>4763.79</b>	<b>274.43</b>		<b>131.54</b>	<b>142.89</b>	<b>186.74</b>
	AFC Reduction for non-achievement of NAPAF	0	0	0	0.00		0	0	0
	<b>Net Revenue Requirement</b>	<b>4489.36</b>	<b>4763.79</b>	<b>4763.79</b>	<b>274.43</b>		<b>131.54</b>	<b>142.89</b>	<b>186.74</b>
<b>B</b>	<b>Revenue side summary</b>								
	Revenue from sale of power		4523.33	4523.33					
	Revenue from sale of power excluding water charges billed		4489.36	4489.36					
	Revenue gain/loss due to lower/higher auxiliary consumption		Included in Energy charges calculations						
	<b>Revenue for true-up</b>		<b>4763.79</b>	<b>4763.79</b>					
<b>C</b>	<b>Revenue Gap/(Surplus)</b>		<b>274.43</b>	<b>274.43</b>					

Note: NCWA pay revision is implemented in FY 2023-24. Hon'ble TGERC is requested to consider the impact of pay revision (Rs 3.5scores) as Uncontrollable and allow the same.





**Form 16.1 : Water charges, Tariff filling fee and Audit fee**

Name of the Petitioner: The Singareni Collieries Company Ltd  
 Name of the Generating Station: Singareni Thermal Power Project

S.No	Particulars	Unit	n-1	n	n+1
			2023-24	2024-25	2025-26
			Actual	Projected	Projected
1	Water charges	Rs. Crores	33.97	9.46	10.41
2	Tariff Filling fee	Rs. Crores	1.51	0.00	0.00
3	Audit fees	Rs. Crores	0.02	0.00	0.00
4	<b>Total</b>	<b>Rs. Crores</b>	<b>35.50</b>	<b>9.46</b>	<b>10.41</b>

Note: Average water charges for control period FY 2019-20 to FY 2023-24 is Rs.8.6 Crores. Accordingly, for FY 2024-25 & FY 2025-26 projection are made with 10% increase as per irrigation department, TG government.



**Form 16.2: Incentive**

Name of the Petitioner:

The Singareni Collieries Company Ltd

Name of the Generating Station:

Singareni Thermal Power Project

Sl.	Particulars	Unit	n-1		n		n+1	
			2023-24	2024-25	2024-25	2025-26	2025-26	2025-26
			Actual	Projected	Projected	Projected	Projected	Projected
1.	Target PLF	%	85%	85%	85%	85%	85%	85%
2.	Units to be sent out at target PLF	MU	8444.498	8421.426	8421.426	8421.426	8421.426	8421.426
3.	Sent Out Units	MU	8308.458	7854.640	7854.640	8882.874	8882.874	8882.874
4.	Additional Generation	MU	0.000	0.000	0.000	461.4	461.4	461.4
5.	Incentive Rate for additional generation	Rs/Kwh	0.5	0.5	0.5	0.5	0.5	0.5
6.	Incentive for additional generation	Rs Crs	0.00	0.00	0.00	23.07	23.07	23.07



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**Annexure - I : Copy of the authorization  
letter**





**The Singareni Collieries Company Limited**  
(A Government Company)  
2 x 600 MW Singareni Thermal Power Project  
Jaipur (V&M), Pin: 504 216, Adilabad District, TS

**NOTE**

Ref No. STPP/FAD/Tariff/2457A

DT: 27.01.2016.

Sub: Payment of fee to TSERC along with application for determination of Tariff for STPP- Reg.

\*\*\*

1. COD of Unit I is scheduled in the month of March 2016 and unit II in April 2016. Power Purchase Agreement was entered with Telangana State Discoms on 18.01.2016.
2. Capital cost of the project and Tariff application are required to be filed with TSERC for determination of Tariff. Preparation of capital cost and Tariff application has been assigned to M/s KPMG on consultancy basis. All the inputs required for preparation of application were furnished to KPMG. It is expected to complete the job and file the application with TSERC by the end of this month.
3. As per Telangana State Electricity Regulatory commission, Hyderabad (Conduct of Business) Regulations, 2015, Chapter II, point Sl. No. 11 (5), the proceedings initiated before the commission is to be signed by the Managing Director or a Director of the company. Any other person signing the petition should have authorization from the Board of Directors by a specific or general resolution. FLAG-A
4. Further as per regulation no. 11 of 2013 of APERC (TSERC has adopted the same regulations as per TSERC regulation no.1 of 2014) a fee of Rs 15,000/- per MW for conventional generation with a maximum of Rs 100 Lakhs is to be paid to TSERC along with the application. Fee at the rate Rs 15000/- per MW works out to Rs 180 lakhs. Hence payment of fee along with application is Rs 100 Lakhs. FLAG-B

Contd...

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N-2

5. Funds for the above are proposed to be utilized from the head "Contingency".  
Details of head RCE "Contingency" are given here under. Rs Crores.

Funds under head "Contingency"	Funds so far allocated	Funds for present proposal	Cumulative including proposal	funds present	Balance funds
165.88	146.86	1.0	147.86		8.32

6. Board in its meeting held on 16.10.2015 authorized C&MD to provide funds up to Rs 8250 Crores. So far funds provision has been made to Rs 7,547.91 crores.

7. Submitted for
- i) Approval for payment of Rs 100 lakhs to TSERC towards fee along with tariff application;
  - ii) Nominating the officer to sign on the Tariff application.

h/ [Signature] 27/11/20  
Dy GM (F&A), STPP

ED: STPP

GM (F&A)

Director (E&M)

Director (P&P)

Director (Operations)

Director (Finance)

C&MD

Signed on Scanned Copy  
As per para (3) of No. 1, the signing authority for RCE will be Director (Finance) [Signature] 28/11/16

[Signatures]  
28/11



**Annexure - J : Copy of Banker's Cheque  
for Rs. 25,000/-**

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भारतीय स्टेट बैंक  
State Bank of India  
आवेदन संख्या / CODE No: 21797  
फोन नंबर / No 08738-957316

मांगझापट  
DEMAND DRAFT

Key: WIDBOV  
Sr. No: 184253

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सांगे जासेपर SECRETARY, TELANGANA ELECTRICITY REGULATORY COMMISSION

या उनके आदेश पर  
FOR ORDER

ON DEMAND PAY  
Twenty Five Thousand Only

रुपये RUPEES

अदा करें ₹ 25000 00

Key: WIDBOV Sr No: 184253 AMOUNT BELOW 25001(0/5)  
Name of Applicant THE SINGARENI COLLIERIES COMPA.

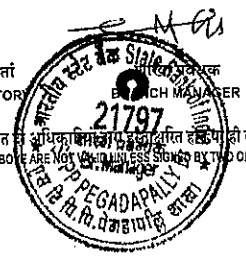
मूल्य प्राप्त / VALUE RECEIVED

कम्प्यूटर द्वारा मुद्रित होने पर ही वैध  
VALID ONLY IF COMPUTER PRINTED

केवल 3 महीने के लिए वैध  
VALID FOR 3 MONTHS ONLY

भारतीय स्टेट बैंक  
STATE BANK OF INDIA  
अदाकर्ता शाखा / DRAWEE BRANCH HYDERABAD MAIN  
कोड नं. / CODE No: 06847

प्राधिकृत हस्ताक्षरकर्ता  
AUTHORIZED SIGNATORY



₹ 1,50,000/- एवं अधिक के लिखत में अधिक लिखतों पर प्रयुक्त नहीं होना ही वैध है।  
INSTRUMENTS FOR ₹ 1,50,000/- & ABOVE ARE NOT VALID UNLESS SIGNED BY T.D OFFICERS

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AMPHI TECHNOLOGIES LIMITED, KARNATAKA 075329

