



TELANGANA POWER GENERATION CORPORATION LIMITED
(formerly Telangana State Power Generation Corporation Limited)
(A Govt. of Telangana Undertaking)
Vidyut Soudha, Khairatabad, Hyderabad- 500082.

From
The Chief Engineer,
Coal & Commercial,
TGGENCO, Vidyut Soudha,
Khairatabad,
Hyderabad-500082

To
The Commission Secretary,
TGERC,
#Vidyut Niyantaran Bhavan,
GTS Colony, Kalyan Nagar,
Hyderabad-500045.

Lr.No: TGGENCO/CE (Coal & Comm) / SE(C&C)/ D.No: 260 /25, dt: 30.08.2025

Sir,

Sub:- TGGENCO- Submission of replies on Objections/ Suggestions raised on True-up for the FY: 2023-24 - Reg.

Ref: Letter from Sri M Venugopala Rao, Dtd: 21.08.2025

The replies to the Objections/Suggestions raised by Sri M Venugopala Rao, Sr. Journalist & Convener, Center for Power Studies, Hyderabad vide above reference on True up for the FY: 2023-24 are herewith enclosed.

Encl: As above

Yours faithfully

Chief Engineer
(Coal & Commercial)
TGGENCO/VS/HYD

➤ **Copy to**

Sri M. Venugopala Rao, Senior Journalist & Convener, Center for Power Studies, H.No. 1-100/MP/101, Monarch Prestige, Journalist Colony, Serilingampally (Mandal), Hyderabad-500032.

Objections/Suggestions raised on True-up Petition for the FY 2023-24 by Sri. M. Venugopala Rao, Senior Journalist & Convenor, Centre for Power Studies, Hyderabad-500032.

S. No.	Objections/Suggestions	TGGENCO Reply
1	<p>It is gratifying to note that thermal power plants of Telangana Power Generation Corporation Ltd. (TGGENCO) achieved PLF of 79.64%, while it is worked out to 83.12% considering the back down and regeneration deemed PLF. While units of KTPP and KTPS worked efficiently in terms of generation of power, exceeding the normative availability of plant load factor, new project BTPS's performance is a matter of concern. With a generation of 29538.74 MU, TGGENCO's contribution to TG power grid is worked to 27580.73 MU or 32.41%, with no crunch for coal supply from SCCL. GENCO earned a profit before tax of Rs.546.39 crore and a total comprehensive income of Rs.426.92 crore for 2023-24.</p>	<ul style="list-style-type: none"> • The commissioning of all units of BTPS were completed during FY 2021-22. For New thermal generating stations during stabilisation period the performance will be lower. Further due to poor quality of coal, generation is less and thereby availability lower during FY 2023-24. Even then the BTPS has achieved cumulative availability of 74.11%. (as certified by SLDC). Please note renewables integration has bearing on reducing load in Solar hours. • TGGENCO following the Indian Accounting Standards (Ind AS) notified by the ministry of Corporate Affairs (MCA) from 01.04.2016. Financial statements have to be drawn as per the Division II of the Schedule III of the Companies Act 2013. As per Ind As Income Statement shall consists re-measurement Gain or loss on defined benefit plan (based on Actuarial Valuation Report) and tax

Objections/Suggestions raised on True-up Petition for the FY 2023-24 by Sri. M. Venugopala Rao, Senior Journalist & Convenor, Centre for Power Studies, Hyderabad-500032.

		impact thereon. Comprehensive income arrived after adjustment of income tax expense and other comprehensive income.
2	<p>The positive impact of energy conservation measures taken and wide variation in auxiliary consumption of thermal power plants ranging from 4.24% to 11.09% for KTPS V stage and 15.39% for RTS B show that there is scope for efficiency improvement. RTS B is a 54-year old plant whose extended PPA expired on 3.6.2024 and the PPA of 28-year old KTPS V stage will expire on 31.3.2029. The much delayed, new and high-cost project BTPS (4x270 MW) could not achieve the normative PLF of 85% during 2023-24 except for two months, and actual PLF of 74.11% PLF resulted in lesser generation of power. Fixed costs of this projects were disallowed to the extent of Rs.22.88 crore, with a further reduction of F.C. pro rata to actual capitalisation. The project's auxiliary consumption increased from the approved 8.04% to 9.04%, specific coal consumption increased from 0.69 to 0.75 per kg/kwh and coal rate from Rs.3.276 to 3.588 per kwh. Total energy charge rate increased from Rs.3.311 to 3.617 per kwh, and total energy charges increased from the approved Rs.2094.60 crore to Rs.2287.69 crore.</p>	<p>The auxiliary consumption of RTS-B is more as the Unit served more than useful life of thermal power plants. The BTPS plant commissioned during FY 2021-22 and during the stabilisation period unit performance may be lower. The normative auxiliary consumption of BTPS for FY 2023-24 is 8.5% as approved by the Hon'ble Commission at table-2 of Appendix-A of MYT order dated 22.03.2022. The working capital requirement increased due to actual increase in energy charge rate and O&M expenses. The Hon'ble Commission has approved less O&M expenses in respect of BTPS which led to much variation in working capital.</p> <p>With regard to Interest on Working Capital of BTPS, Hon'ble commission provisionally approved 66.11 Crore. Based on the audited annual accounts, TGGENCO computed Interest on working capital as 99.81 Crore.</p>

Objections/Suggestions raised on True-up Petition for the FY 2023-24 by Sri. M. Venugopala Rao, Senior Journalist & Convenor, Centre for Power Studies, Hyderabad-500032.

	<p>Requirement of working capital increased from Rs.272.87 crore to R.990.16 crore. Fixed charges increased from Rs.1419.88 crore to Rs.1780.82 crore. Permissibility of the claimed increases should be subjected to prudence check by the Commission.</p>	<p>Hence, the true-up claim is Rs.33.70 Crore.</p> <p>Further, the major variation in fixed charges of BTPS are on account of:</p> <ul style="list-style-type: none"> i. O&M Expenses Rs.269.91Crs. ii. Depreciation Rs. 71.62Crs. iii. Interest on working capital Rs. 33.70 Crs. <p>Hon'ble commission has provisionally approved the fixed charges for FY 2023-24. Hon'ble Commission is requested to review and determine the BTPS Fixed Charges in accordance with Clause No. 3.13 of Reg. 1 of 2019.</p>
3	<p>That installed capacity of GENCO contains just 1 MW of renewable energy (solar power) shows how it has not been allowed to take up renewable energy projects as a matter of deliberate policy of the state government, with PPAs for procurement of RE confined to private and central generating projects during the last one decade and the new RE policy of the state government emphasising on encouraging RE generation by private power projects. As a part and parcel of the erstwhile APSEB, with an experience of more than seven decades in generation of power, the policy approaches of the</p>	<p>Establishment of 4.6 MW PV Solar plant at Peddapally is in progress. TGGENCO has entered PPAs with TGNPDCL for sale of power generated from the Solar Plant. In principle consent accorded by Hon'ble TGERC on Dt.02.03.2023.</p> <p>Further, It is to submit that TGGENCO proposed the following Solar Power Plants in addition to the 1MW Solar plant at PJHES.</p> <ul style="list-style-type: none"> 1. 210KW Rooftop solar at ERP Shakthi Bhavan,TGGENCO:

Objections/Suggestions raised on True-up Petition for the FY 2023-24 by Sri. M. Venugopala Rao, Senior Journalist & Convenor, Centre for Power Studies, Hyderabad-500032.

	government of Telangana in neglecting the role of TGGENCO for taking up RE projects needs to be re-examined. Whether the present state government would rethink and chart out and implement an appropriate role for TGGENCO for setting up RE units or toe the line of its predecessor is to be seen. The installed hydro power generation capacity of GENCO is stagnating at 2441.76 MW, with no initiatives for taking up new hydro power projects to the extent possible in the state.	<p>2. 15MW of Floating solar plant at Yadadri Thermal Power Station (YTPS) (5x800MW) &28MW ground mounted Solar Plant & 13MW Floating solar plant at KTPP, TGGENCO.</p> <p>3. 107MW Ground mounted Solar at various Hydel & Thermal plants, 20MW Floating Solar plant & 5MW Roof Top Solar plant at BTPS,TGGENCO.</p>
4	TGGENCO has claimed a true up of Rs.1093.52 crore after adjusting some deductions against a total claim of Rs.1531.35 crore for true up for FY 2023-24 under multi-year tariff system. A deduction of Rs.50.35 crore for water charges and Rs.234.69 crore of energy charges is shown. After reducing non-tariff income of Rs.134.96 crore, GENCO has claimed a true up of Rs.968.17 crore under fixed charges. Increase in fixed charges is claimed for all the projects. It is despite the fact that additions of gross fixed assets and capitalization for 2023-24 is shown as Rs.226.77 crore only out of which Rs.186.16 crore is for BTPS and Rs.14.73 crore for KTPS VII, as per audited accounts. GENCO has claimed that both are under original scope of both the projects and that works approved to be completed during the 4 th control period have spilled over to the	<p>TGGENCO has raised the provisional energy bills on TGDISCOMs as approved by Hon'ble TGERC vide Mid-term order dated. 23.03.2023 for FY 2023-24, duly adjusting the fixed charges to the actual availabilities of the station, as certified by TGSLDC.</p> <p>The approved fixed charges for FY 2023-24 are provisional. The major variations in fixed charges are on account of O&M Expenses increased on account of PRC 2022 & BTPS Fixed Charges.</p> <p>The values shown in the table are actual Fixed charges</p>

Objections/Suggestions raised on True-up Petition for the FY 2023-24 by Sri. M. Venugopala Rao, Senior Journalist & Convenor, Centre for Power Studies, Hyderabad-500032.

<p>fifth control period. Similar is the case with LJHES for which Rs.4.23 crore is claimed against Rs.16.14 crore approved in the MYT. Despite lower additions of capital cost and capitalization during 2023-24 and adjustment of true-down amounts, GENCO has claimed the said true-up. GENCO has maintained that it has claimed true up as per audited accounts. The questionable implication of the claim of GENCO is that, since the expenditure incurred by it is incorporated in audited accounts, its true-up claims should be approved. GENCO's claims should be subjected to prudence check by the Commission to decide their permissibility or otherwise as per the applicable normative parameters which are liberal in nature. We request the Hon'ble Commission to examine the following points, among others:</p> <p>a) Compared to approvals given in the earlier MYT orders given by the Commission, expenditure is lesser under various heads - by Rs.50.35 crore for water charges, Rs.33.55 crore in depreciation charges, Rs.17.83 crore in interest and finance charges, Rs.234.69 crore in energy charges, among others. It shows that the estimates made by GENCO and approved in the MYT order have turned out to be inflated. It also shows that, irrespective of such inflated claims, GENCO</p>	<p>claimed for True up for FY 2023 – 24.</p> <p>The True-up bill will be raised on TGDISCOMs only after approval of the Hon'ble TGERC.</p> <p>BTPS R&M expenditure approved by the commission are provisional, whereas True-up claims are as per the audited annual accounts.</p> <ul style="list-style-type: none"> • Unit-IV (Last unit) of BTPS was commissioned on 09.01.2022 (i.e., FY 21-22). Hence, all the four units of the station are operationalized from FY2022-23. • In the absence of base expenditure of a full year for projections, Hon'ble Commission has provisionally approved O&M expenses of Rs.169.55 Cr. in Mid-Term Review Order. However, actual O&M expense incurred is Rs.439.46 Cr. It is justifiable due to below mentioned reasons: • As per clauseNo.35 (1(I)) CERC Regulations 2019, Normative O&M expenses of thermal generation stations of 250MW series is Rs.37.84 Lakhs/ MW were allowed by the commission. If same were considered for BTPS the Normative O&M Expenses would have been Rs.408.672
---	--

Objections/Suggestions raised on True-up Petition for the FY 2023-24 by Sri. M. Venugopala Rao, Senior Journalist & Convenor, Centre for Power Studies, Hyderabad-500032.

collected tariffs as determined by the Commission, without adjusting lesser expenditure in the monthly bills relating to supply of power made to the DISCOMs. At the same time, GENCO has claimed higher amounts under various heads for all projects as given below:

Item	Approved in MYT	Actual Claimed	Increase	In %
	Rs. in Crs			
O&M Expenses	1840.94	2685.83	844.89	46
Employee Expenses	1511.87	2282.72	770.85	51
Admn.&Gen expenses	133.93	165.85	31.92	23.83
Repairs& maintenance	213.72	237.27	23.44	10.96
Return on equity	1884.17	2005.22	121.05	6.42
Addl. Pension liability	1168.08	1396.78	138.70	11.87
Fixed charges	7425.95	8754.16	1328.21	17.88

*While expenditure for repairs and maintenance has come down for some of the projects compared to what was approved by the

Cr. Whereas, BTPS O&M Expenses claimed is of Rs.439.46 Cr. at actuals as per Annual Accounts.

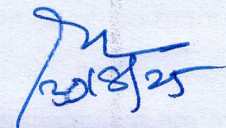
- Further, O&M expenses approved by the commission for the FY 2023–24, with similar capacity TGGENCO Thermal stations viz., KTPS V & VI (1000 MW) – Rs. 391.40 Cr. and KTHPP I & II (1100 MW) –Rs. 358.57 Cr.

Objections/Suggestions raised on True-up Petition for the FY 2023-24 by Sri. M. Venugopala Rao, Senior Journalist & Convenor, Centre for Power Studies, Hyderabad-500032.

	Commission in the MYT, in the case of BTPS it is more by Rs.55.01 crore.	
	b). True up of Rs.1093.52 crore works out to 6.48% over revenue requirement of Rs.16867.62 crore approved in the MYT. Without true-down amounts – water charges, energy charges, non-tariff income and interest and finance charges - claims for true-up would work out to Rs.1531.35 crore. Had capital expenditure incurred and capitalisation achieved as approved for FY 2023-24, the true-up claims would have turned out to be much more.	<p>The major variations in True-up of fixed charges are on account of O&M Expenses increased on account of PRC 2022 & BTPS Fixed Charges.</p> <p>The claims of TGGENCO are in accordance with the TGERC Regulations 1 of 2019.</p>
5	<p>What are the dues TGGENCO has to receive from TGDISCOMs?</p> <p>What are the accumulated dues TGGENCO has to pay to Singareni Collieries Company Limited? Are there defaults on the part of GENCO in paying back instalments of loans with interest to the banks and other financial institutions, and if so, what are the penalties paid and payable?</p>	<p>The filings are for the FY 2023 – 24, hence the particulars of the dues as on 31.03.2024 are furnished below:</p> <p>i. Dues receivable:</p> <p>a) From TGPCC – Rs.11,825.84Crs.</p> <p>b) From PCKL – Rs.115.58Crs.</p> <p>c) Others – Rs. 119.96Crs.</p> <p>d) Total – Rs.12,061.38Crs.</p> <p>Further, TGGENCO has been servicing the debt towards Principal and Interest regularly and there has been no default in repayments to the banks and</p>

Objections/Suggestions raised on True-up Petition for the FY 2023-24 by Sri. M. Venugopala Rao, Senior Journalist & Convenor, Centre for Power Studies, Hyderabad-500032.

		Financial Institutions, against the term loans sanctioned. ii. Dues payable to SCCL – Rs.7678.40 Crore.
6	We request the Hon'ble Commission to allow the claims of TGGENCO to the extent permissible as per applicable norms.	TGGENCO requested Hon'ble Commission to approve the fixed charges as claimed.
7	We request the Hon'ble Commission to provide us an opportunity to make further submissions after receiving responses of GENCO and during public hearing.	Under the purview of Hon'ble Commission.


Chief Engineer
Genl & Commercial
TGGENCO, V.S. Hyderabad-82