



**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 Niyantran Bhavan,  
GTS Colony, Kalyan Nagar,  
Hyderabad-500045.

Lr.No: TGGENCO/CE (Coal & Comml) / SE(C&C)/ D.No. 259 /24, dt: 30.10.2024

Sir,

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

Ref: Letter from the Chief Engineer (IPC&RAC), TGSPDCL, Hyderabad, Dtd: 23.08.2025.

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The replies to the Objections/Suggestions raised by the Chief Engineer (IPC), TGSPDCL, Hyderabad-500004 on True up for FY: 2023-24 Petition is herewith enclosed.

Encl: As above

Yours faithfully

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

➤ **Copy to**

The Chief Engineer (IPC), TGSPDCL, Corporate Office, 6-1-50, Mint Compound, Hyderabad-500063.

**Objections/Suggestions raised on True-up Petition for the FY 2023-24 by TGDISCOMS.**

S. No.	Subject	Comments of TGDISCOMS	TGGENCO Reply
1	Non-tariff Income (NTI)	<ul style="list-style-type: none"> <li>• True- Claim (FY 2023-24): ₹.170.95 Crore</li> <li>• Approved in Mid-Term Review (MTR): ₹.35.99 Crore</li> <li>• Reported in Annual Accounts: ₹.289.21 Crore (classified under "Other Income")</li> </ul> <p>The DISCOMs respectfully submit that the Non-Tariff Income (NTI) considered in the true-up claim by TGGENCO appears to be significantly understated. As per the audited annual accounts for FY 2023-24, the total NTI amounts to ₹289.21 Crore, comprising:</p> <ul style="list-style-type: none"> <li>• ₹76.59 Crore from fly ash utilisation</li> <li>• ₹172.66 Crore from scrap sales</li> <li>• ₹.14.83 Crore from interest income</li> </ul> <p>This reported figure substantially exceeds both the true-up claim and the amount approved in the MTR. In the light of this discrepancy, the DISCOMs request the Hon'ble Commission to:</p> <ul style="list-style-type: none"> <li>• Consider the full NTI of ₹.289.21 Crore as per the audited financials</li> <li>• Deduct the same from the Aggregate Revenue Requirement (ARR)</li> <li>• Undertake station-wise reconciliation to ensure accurate cost allocation and tariff determination.</li> </ul> <p>This adjustment is essential to uphold transparency and ensure that consumers are not burdened with costs that are offset by substantial non-operational revenues.</p>	<p>Non Tariff Income arrived during the year is 170.95 Crs., Rs.170.87Crs., were passed on the TGDISCOMS &amp; Rs.0.08 Crs were passed on the Karnataka ESCOMs. The amounts passed on the TGDISCOMS Consists of:</p> <ul style="list-style-type: none"> <li>i. Regular Non-Tariff income— Rs.27.32 Crs.</li> <li>ii. Sale of Fly Ash — Rs.76.09 Crs. &amp;</li> <li>iii.KTPS Scrap Sale — Rs.66.95 Crs.</li> </ul> <p>From sale of KTPS Scrap proceeds, TGGENCO realised Rs.485.05 Crs., after adjusting the balance depreciable value Rs.351.16 Crs. Thus the net savings are only Rs.133.89 Crs. As the amounts were received in two trenches, transactions were also recorded in two FYs. Accordingly, the credits were passed on to TGDISCOMS in two parts 50% in FY 2022–23 amounting to Rs.66.95 Crs &amp; 50% in FY 2023–24 amounting to Rs.66.95 Crs.</p>

**Objections/Suggestions raised on True-up Petition for the FY 2023-24 by TGDISCOMS.**

2	Pay Revision 2022 and Pension Liability Claims	<p>It is respectfully submitted that the Hon'ble Commission has already addressed the impact of the Pay revision Commission (PRC) for FY 2022-23 in its order dated 28.10.2024. Specifically, in Clause 4.1.33, the Commission acknowledged TGGENCO's submission that the variation in employee costs was primarily due to PRC implementation, which had not been factored into the normative base of FY 2021-22.</p> <p>Further, in Clause 4.1.38 of the same Order, the Commission undertook a detailed precomputation of normative employee expenses, repair and maintenance (R&amp;M) expenses, administrative and general (A&amp;G) expenses. This exercise was conducted in accordance with Regulation No. 1 of 2019, using actual Wholesale Price Index (WPI) and Consumer Price Index (CPI) values for FY 2022-23. The recomputation was based on the submissions made by the petitioner in the filings for True-up of FY 2022-23 and Multi-Year Tariff (MYT) for FY 2024-25 to FY 2028-29,</p> <p>In addition, Para 6.8.11 of the MYT Order dated 22.03.2022 state that the financial impact of PRC during</p>	<p>The True-up claim is in accordance with the Clause No 3.13 of TGERC Regulation 1 of 2019.</p> <p>The True up claim shall be a comparison of the actual operational and financial performance vis-a vis the approved forecast.</p> <p>The Hon'ble Commission shall attribute the variations in operational and financial performance within the control of Petitioner or to the factors beyond the control of petitioner.</p> <p>i. The True-up O&amp;M expenses claimed is majorly on account of pay revision-2022. As per Clause No.19.14, "Any increase in employee cost on account of pay revision etc. will be considered separately by the commission".</p> <p>In accordance with the regulations, actual expenditure amounting to Rs.287.40 Crore., incurred on account of Pay Revision is included in the Employees cost for FY 2023 – 24.</p> <p>Further, hon'ble commission in FY 2022–23 true-up order dt.28.10.2024, para No. 4.1.40 specified that the impact of PRC 2022 claim amounting</p>
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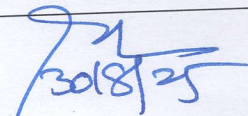
	<p>the Mid-Term Review or at the time of truing-up.</p> <p>In light of the above, the claim of ₹271.69 Crore towards PRC impact must be subjected to a detailed prudence check to ensure that it has not already been subsumed under the actual employee expenses of ₹245.45 Crore, as reported by TGGENCO. Any duplication or overstatement must be disallowed in accordance with regulatory principles.</p> <p>Similarly, the pension liability claim of ₹1306.78 Crore, may be considered only after a rigorous prudence check, as it was not pre-approved and must be evaluated based on actual expenditure and regulatory norms.</p>	<p>Rs.271.69 Crs, will be considered while carrying out the truing up at the end of 4<sup>th</sup> control period".</p> <p>Hon'ble commission is requested to approve the PRC 2022 impact.</p> <p><b>Additional interest on pension bonds:</b></p> <p>As per Clause No.19.8 of TSERC Regulations 1 of 2019, with regard to unfunded past liabilities, the commission will follow the principle of "Pay as you go". Actual expenditure incurred by TGGENCO towards Additional pension liability of Rs. 1306.78 Crore against which Hon'ble commission has allowed Rs.1168.08 Crore. in MTR Dt.23.03.2023, hence a net amount of Rs.138.70 Crore. was claimed separately.</p> <p>Additional Pension Liabilities commitment is available in the audited Annual Accounts for the FY 2023 – 24 of TGGENCO. The additional Commitment is on account of increase in pension payments to the pensioners of TGSPDCL, TGNPDCL, TGTRANSCO and TGGENCO due to pay revision.</p>
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3	Recovery of Annual Fixed Charges based on target Availability	<p>In accordance with Clause 17.2 of the TSERC (Terms and Conditions of generation Tariff) Regulation No.1 of 2019, the recovery of Annual Fixed Charges (AFC) by a generating station is contingent upon achieving the Normative Annual Plant Availability Factor (NAPAF) as specified under the said Regulations. The relevant clause stipulates as follows:</p> <p>“Full capacity Charges shall be recoverable at Normative Annual Plant Availability Factor (NAPAF) specified above of these Regulations. Recovery of Capacity Charges below the level of Normative Annual Plant Availability (NAPAF) will be on a pro-rata basis. At zero availability, no Capacity Charges shall be payable.”</p> <p>In light of the above provision, it is respectively submitted that the recovery of AFC must be strictly aligned with the actual availability achieved by the generating station. Accordingly, the following station have recorded availability below the prescribed normative threshold, warranting</p>	<p>During FY 2023-24, TGGENCO claimed Annual Fixed Charges as approved in MTR order dated 23.03.2023 on pro-rata of Actual Availability below the Normative Plant Availability Factor (NAPAF) in accordance with clause 17.2 of Regulation 1 of 2019.</p> <p>Further, on approval true up for FY 2023-24, the Annual Fixed charges will be claimed by TGGENCO on pro-rata of Actual Annual Availability Factor as certified by TGSLDC against Normative Plant Availability Factor (NAPAF).</p>
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proportionate disallowance of their AFC claims:					
Station Name	Target Availability (%)	Actual Availability (%)	AFC Claims (Rs. Cr.)	AFC as per Actual Availability (Rs. Cr.)	Dis Allowance (Rs. Cr.)
RTS	75	45.04	135.79	81.55	54.24
BTPS	85	74.11	1787.39	1558.39	229.00
It is therefore prayed that the Hon'ble Commission may be pleased to disallow the excess AFC claimed by the stations to the extent of shortfall in actual availability vis-à-vis the normative benchmark, in accordance with the provisions of the applicable Tariff Regulations.					

  
**Chief Engineer**  
**Genl & Commercial**  
**TGDISCO, V.S. Hyderabad-52.**