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From
Chief Engineer (IPC&RAC),
TGSPDCL, Corporate Office,
6-1-50, 1st Floor, Mint Compound,
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To
✓ The Commission Secretary,
TGERC, Vidyut Niyantaran Bhavan,
Sy.No.145-P,
G.T.S. Colony, Kalyan Nagar,
Hyderabad 500 045

Lr No.CE (IPC&RAC)/DE(IPC)/ADE(EV)/F.MYT/D. No. 1994 /25, dt: 23.08.25

Sir,

Sub:- TGSPDCL - IPC - TGGENCO filings for True-up for FY 2023-24 for its Generating Business for the existing thermal & hydel stations of TGGENCO under MYT tariff framework vide O.P No. 43 of 2025 before TGERC - Comments of TGDISCOMs - Submission - Regarding.

Ref:- Public Notice by TGGENCO, dated: 02.08.2025.

The remarks of TGDISCOMs in respect of O.P. No.43 of 2025, filed by TGGENCO seeking True-up for FY 2023-24 for its Generating Business pertaining to the existing thermal and hydel stations under Multi-Year Tariff (MYT) framework, are hereby submitted for the kind consideration of the Hon'ble Telangana State Electricity Regulatory Commission (TGERC).

Encl: As above

Yours faithfully,

Ch. Chakrapani

Chief Engineer (IPC&RAC)

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Copy submitted to
The CE/Coal & Comml./TGGENCO/Vidyuth Soudha
The ED/Comml/TGPCC/Vidyuth Soudha

Copy to
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Remarks/Comments of TGDISCOMs in the matter of O.P. No. 43 of 2025 filed by TGGENCO before the Hon'ble TGERC, seeking True-up for FY 2023-24 under the MYT Tariff Framework for its Generating Business pertaining to existing Thermal and Hydel Stations

S. No.	Subject	Comments of TGDISCOMs
1	Non-Tariff Income (NTI)	<ul style="list-style-type: none"> • True-up Claim (FY 2023-24): ₹170.95 Crore • Approved in Mid-Term Review (MTR): ₹35.99 Crore • Reported in Annual Accounts: ₹289.21 Crore (classified under "Other Income") <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"> • ₹76.59 Crore from fly ash utilization • ₹172.66 Crore from scrap sales • ₹14.83 Crore from interest income <p>This reported figure substantially exceeds both the true-up claim and the amount approved in the MTR. In light of this discrepancy, the DISCOMs request the Hon'ble Commission to:</p> <ul style="list-style-type: none"> • Consider the full NTI of ₹289.21 Crore as per the audited financials • Deduct the same from the Aggregate Revenue Requirement (ARR) • Undertake station-wise reconciliation to ensure accurate cost allocation and tariff determination. <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>
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>

2	Pay Revision 2022 and Pension Liability Claims	<p>Further, in Clause 4.1.38 of the same Order, the Commission undertook a detailed recomputation of normative employee expenses, repair and maintenance (R&M) expenses, and administrative and general (A&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 states that the financial impact of PRC during the 4th Control Period was not pre-approved and must be claimed based on actuals, either during 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>
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3

Recovery of
Annual Fixed
Charges Based
on Target
Availability

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:

"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 Factor (NAPAF) will be on a pro-rata basis. At zero availability, no Capacity Charges shall be payable."

In light of the above provision, it is respectfully submitted that the recovery of AFC must be strictly aligned with the actual availability achieved by the generating stations. Accordingly, the following stations have recorded availability below the prescribed normative threshold, warranting proportionate disallowance of their AFC claims:

Station Name	Target Availability (%)	Actual Availability (%)	AFC Claim (Rs. Cr.)	AFC as per Actual Availability (Rs. Cr.)	Disallowance (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 above 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.