

Objections/Suggestions raised on Annual Tariff Petition for the FY 2025-26 by Sri. M. Venugopala Rao, Senior Journalist & Convenor, Centre for Power Studies, Hyderabad-500032.

S. No.	Objections/Suggestions	Reply
1	<p>In the subject petitions, TGGENCO has sought approval of the Hon'ble Commission to its proposals of aggregate revenue requirement for FY 2025-26, as determined in the MYT order for the 5th control period dated 28.10.2024. Since the fixed and variable charges for the projects of TGGENCO were determined for the next financial year in the MYT order less than five months back, it may not be necessary to change them now. However, some aspects need to be re-examined by the Commission.</p>	<p>TGGENCO has claimed the fixed charges for FY: 2025-26 as approved by the Hon'ble TGERC vide Order Dt: 28.10.2024.</p>
2	<p>In the subject petition, TGGENCO has claimed Rs.1489.46 crore towards additional pension bonds. This is a legacy of unbundling of the erstwhile APSEB in the undivided Andhra Pradesh, as a part of reforms, subsequent tripartite agreement for division of assets, liabilities and personnel between generation, transmission and distribution entities, and orders being given by the ERCs every year allowing interest on pension bonds as pass through. After bifurcation of A.P., too, this trend has been continuing in both the Telugu States. It is a standard practice that pension funds have to be maintained from the contributions of the Management and employees and used appropriately to earn interest thereon. Since the erstwhile APSEB used those funds for other purposes, without accounting for the same, as a part and parcel of the first transfer scheme, after revaluation of</p>	<p>Additional interest on Pension and Gratuity bonds issued to Master Trust. It is actual pension and gratuity paid to employees, Pensioners of the erstwhile APSEB for services rendered prior to 01.02.1999, over and above the scheduled repayment as per the terms of the Pension and Gratuity bonds. The additional interest is admissible separately as per the orders of the Hon'ble TGERC and erstwhile APERC orders.</p>

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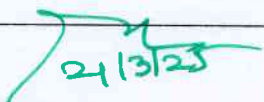
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	<p>assets of all the power utilities of GoAP in the undivided Andhra Pradesh, the first APERC allowed pension liabilities and interest on pension bonds to be collected from consumers and subsequent Commissions also have been following the same pattern. On my submission earlier, APERC wrote a letter to the government to consider taking over of pension liabilities by GoAP to settle the issue once for all, but there has been no response. As a part and parcel of bifurcation of A.P., power utilities of Telangana inherited those arrangements relating to pension funds and TGERC also has been following the approach of APERC to allow the same as pass through to be collected from consumers. It is nothing but penalising the consumers for the failures of the erstwhile APSEB and governments. That the government should take over liability of pension bonds is one of the points in the tripartite agreement. With or without that point, imposing the burdens of pension bonds on the consumers is irrational and unfair. I request the Hon'ble Commission not to allow the claimed amounts of pensions bonds as pass through, but to direct TGGENCO, the DISCOMs and TGTRANSCO, to claim the same from the government.</p>	<p>The additional interest pertaining to pensioners and family pensioners of all APSEB employees and pensioners drawing pension from TGGENCO, TGTRANSCO, TGSPDCL and TGNPDCL and does not pertaining to TGGENCO stations alone.</p> <p>In the present petition for the FY: 2025-26, additional Pension liability of Rs.1489.46 Cr. is claimed as approved by the Hon'ble TGERC in its Order, Dt.28.10.2024.</p>

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3	<p>True-up petitions for 2023-24 for generation business, true-up petition for 2023-24 for integrated coal mine and proposal of revised input price of coal supplied from integrated mine Tadicherla-1 coal block for the next financial year would be filed separately, GENCO has informed. In other words, additional burdens are in store for the consumers. Delay in filing the three petitions would lead to under-estimation of the ARR of GENCO for the FY 2025-26 and the impact of the same cannot be factored in the ARR of TGDISCOMs for the next financial year. Had they been decided and factored in the ARR of DISCOMs for 2025-26, in view of the proposal of the DISCOMs, obviously, at the behest of GoTS, not to hike tariffs to all categories of consumers, the additional burden that would arise on account the said three petitions would not have been imposed on the consumers as a part and parcel of retail tariffs for the next financial year. Filing these three petitions later would lead to claims of true-up by GENCO and the additional claims as approved by the Commission would be included in the true-up claims of DISCOMs later and imposed on the consumers.</p>	<p>True-up petition for FY: 2023-24 will be filed by TGGENCO separately.</p> <p>Integrated Mine (Tadicherla-I) for KTHPP-Stage-II was commissioned on Dt. 28.04.2018.</p> <p>TGERC Regulation 1 of 2019 doesn't specify the determination of Input Price of Coal from Integrated Mine (Captive Mine).</p> <p>The Input Price of Coal has not been determined by the Commission for 4th Control Period (FY: 2019-20 to FY: 2023-24). Considering the same, the True-up of Input Price of Coal from Integrated Mine for FY: 2023-24 is not applicable.</p> <p>Accordingly, the True-up for Input Price of Coal from Integrated Mine for FY: 2023-24 is not Proposed in the Petition.</p> <p>As per the TGERC Regulation 2 of 2023 for 5th Control Period (FY: 2024-25 to FY: 2028-</p>

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		<p>29) TGGENCO has to file the petition for determination of Input Price of Coal from Integrated Mine.</p> <p>The MYT petition for 5th Control Period (FY: 2024-25 to FY: 2028-29) has been filed before the Hon'ble TGERC along with the proposal for determination of Input Price of Coal from Integrated Mine (Tadicherla-I).</p> <p>In this regard, Hon'ble TGERC directed TGGENCO to approach the Commission afresh with appropriate petition along with all other documents for determination of Input Price of Coal from COD of the Mine.</p> <p>TGGENCO is in the Process of filing the petition for determination of Input Price of Coal from the Integrated Mine (Tadicherla-I).</p>
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