

31 DEC 2025

No.

Sign

**TELANGANA POWER GENERATION CORPORATION LIMITED**

(A Govt. of Telangana Undertaking)

Vidyut Soudha, Khairatabad, Hyderabad- 500082.

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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)/ F. Add-Cap/ D.No:411 /25, Dt:30.12.2025

Sir,

Sub:-TGGENCO- Submission of Additional Information on Additional Capital
Cost for Construction of Quarters at KTPS-VII Stage-Reg.

Ref: Lr. No. SECY/TARF/841258/2025/D.No.884/2025, dt.05.12.2025.

With reference to the above, Hon'ble TGERC has sought certain Additional Information on filing of the Additional Capital Cost for Construction of Quarters at KTPS-VII Stage. The Additional Information along with the enclosures are herewith submitted.

Encl: 1.Replies to the Additional Information (Annexure-A) (06 sets)
2. Schedule of Work (Annexure-I) (06 sets)

Yours faithfully

[Signature]
30/12/25

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

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Annexure- A

**TGGENCO replies to the Additional information on Construction of Quarters at KTPS-VII Stage as directed by the Hon'ble TGERC vide letter
Dtd.05.12.2025.**

Sl. No	TGERC Comment	TGGENCO Reply
i	<p>As per the Table 35, para 4.3.19 of the TGERC Order dated 23.03.2022, while determining the capital cost for the KTPS-VII, the Commission has allowed Rs. 831.45 Crore towards "Civil works under TSGENCO scope" as claimed on the basis the "Claimed cost is within the revised cost estimates". In this regard, the petitioner to submit detailed justification for claiming the present capital cost for quarters 5 years beyond the cut-off date.</p>	<p><u>Justification for Claiming Construction of New Quarters at KTPS-VII Stage beyond cut-off date:</u></p> <p>1) KTPS-VII Stage (1x800MW) has been constructed by demolishing the old quarters in the existing D-colony of KTPS complex, Paloncha. Many of the existing quarters in A-colony, B-colony & IM colony of KTPS complex were constructed with AC sheet roofing during 1960-70 for the employees of A, B, C Stations of KTPS old plant which was phased out in March 2020. The above Quarters are in dilapidated condition due to ageing. Further, doors, windows, plastering, flooring, brick masonry in almost all quarters got damaged and several leakages through roof & walls are being observed during rainy season. TGGENCO has been incurring huge expenditure towards repairs/replacement of doors, windows, brick masonry, plastering, flooring, roof treatment for arresting leakage, painting etc., to the above Quarters.</p> <p>2) The total No. of quarters required for the employees working at KTPS-VII Stage and CETD (Center of Excellence for Training & Development) is 1216Nos. But, the total number of various types of quarters which are fit for dwelling and available in A-Colony, B-Colony, C-Colony & IM Colony at KTPS Complex for providing accommodation to employees is 236Nos. only. Hence, the balance number of</p>

quarters required to be constructed are 980 Nos. (i.e.1216 Nos. – 236 Nos.). However, to minimize the budget, it is proposed to construct 724 Quarters of different types against the balance requirement of 980 Quarters at KTPS Complex as detailed below.

Sl. No.	Name of the Post	No. of quarters required to be constructed	No. of quarters proposed to be constructed
1	Chief Engineer (A-type)	2	1
2	SE/Dy.CCA (B-type)	6	6
3	DE/EE/SAO (C-type)	24	24
4	ADE/AEE/AO (D-type)	71	72
5	AE/AEE/AAO/JAO (E-type)	170	171
6	Sub-Engineers / JPA / PA / LDC / UDC / Foreman etc (F-type)	707	450
	Total	980 Nos.	724 Nos.

The total estimated value of the above quarters was worked out to **Rs.495.00 Crores** including all provisions. Hence, it is proposed to construct new quarters at KTPS-VII Stage/ Paloncha by dismantling certain old (existing) quarters.

- 3) TGGENCO has established the 1st super critical unit of 1x800MW at KTPS complex. Since, technology of the super critical unit is new to TGGENCO, priority was given for

	<p>construction of the same for commissioning the unit within the schedule time and also concentrated on the stabilization of the Unit. Further, the construction of new quarters was not taken up due to staying of employees of the existing units and new unit during the construction in old quarters at KTPS complex.</p> <p>4) Further, the employees are reluctant to vacate the quarters since they are staying so many years, resulting delay in finalization of location, for construction of new quarters. The employees were also scare to vacate the quarters due to Covid-19 pandemic, during 2020-22, thereby resulted delay in taking up the subject work.</p> <p>5) Revised administrative approval for (1x800 MW) KTPS-VII Stage is Rs.6405.35 Crore. Technical sanction was accorded for an amount of Rs.856.45 Crore towards non-EPC civil works of new Unit (KTPS-VII Stage) vide WE No.22/KTPS VII Stage/2018-19 of Chief Engineer/Civil/Thermal/Vidyuth Soudha/Hyderabad. Out of which, a provision of Rs.400.00 Crore was allocated for township related works. After re-appropriation towards the ash pond and miscellaneous works, the remaining provision available for township construction is Rs.506.49 Crores.</p> <p>6) Further, the Telangana State Power Employees Union, Telangana Electricity Assistant Engineers Association & other employee associations of TGGENCO are regularly requesting for construction of new quarters at KTPS –VII Stage, Paloncha as the existing quarters built about 50 to 60 years ago and are now in dilapidated and not fit for occupation.</p>
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	<p>7) In view of the above, it is proposed to construct 724 quarters at KTPS –VII Stage, Paloncha at an estimated value of Rs.495.00Crores (including all provisions) as additional capitalization under KTPS – VII Stage (1x800MW).</p> <p>8) TGGENCO Board in its 69th Meeting held on 27.01.2025, accorded administrative approval to take up the subject work, invite open tenders through e-procurement platform and for re-appropriation of required funds from available provisions in the technical sanction for KTPS-VII Stage (1x800 MW). Accordingly, TGOO was issued for the same vide T.G.O.O. No. 153 /CE/C/Thermal/2025, Dt:29.01.2025.</p> <p>9) Subsequently, online tenders were invited and the work was awarded to the 'L1' bidder M/s.KPC Projects Limited, Hyderabad for Rs.400,98,46,495.87 (excluding provisions) on 18.10.2025. The agency has concluded the agreement vide L.S Agt.No.48/2025-26 of Superintending Engineer/ Civil/ KTPS-VII Stage/ Paloncha, Dt.04.11.2025.</p> <p>10) The Agency has submitted the preliminary/ layout drawings for approval and the same are under process. After, approval, the agency shall commence the soil investigation at the proposed location of the quarters in the various residential colonies at KTPS-VII Stage, Paloncha.</p> <p>It is to submit that, TGGENCO has not taken up the construction of Quarters within the cut-off date due to the aforesaid reasons.</p> <p>Further, for new Projects Loan disbursement is linked to the infusion of equity portion of the Project. Internal resources have been utilised for the equity portion of new projects. Hence the above works could not be taken up with in the cut-off date of the Project.</p>
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		<p>Hon'ble TGERC also reduced the base rate of Return on equity by 4% for True-up of FY 2022-23 & Annual Tariff for FY 2024-25 which also dried up the internal resources.</p> <p>Hence Hon'ble Commission is requested to consider the claim of additional capital cost towards construction of quarters at KTPS-VII Stage which is within the Original scope of Project Cost.</p>
ii	<p>As per the Form 3.2 of the Petition, the finances for proposed additional capital cost is met through funding from M/s REC Ltd., In this regard, the petitioner is advised to submit the following</p> <p>a) Loan Agreements</p> <p>b) Rate of Interest details</p> <p>c) If the loan from REC Ltd is already availed for KTPS-VII, details if any.</p>	<p>M/s REC Ltd., sanctioned Additional Term Loan of Rs. 524.65 Crs for the additional works viz., construction of Quarters and other works of KTPS-VII Stage vide Lr. No. REC/RO/HYD/TSGENCO/KTPS-VII/2019-20/64, Dt. 11.06.2019 with ROI of 10.44% and repayment of 12 years along with original loan commencing from 31.07.2019 i.e. 6 months after the COD of KTPS-VII Stage. Due to high rate of Interest And non-extension of loan drawl period by REC, TGGENCO requested for cancellation /closure of the above scheme/loan sanctioned for KTPS-Stage-VII. Accordingly, vide letter No. REC/RO.Hyderabad /TGGENCO/KTPS-VII/2025-26/138, Dt. 26.11.2025, M/s REC Ltd., has cancelled the loan facility w.e.f 24.11.2025. TGGENCO exploring alternate loan proposal to banks/FIs for sanction of the additional term loan for construction of Quarters at KTPS-VII Stage.</p> <p>Hon'ble TGERC is requested to approve the additional capital cost for getting loan and take up the work of Construction of quarters.</p>
iii.	The petitioner is advised to also submit the detailed schedule of works completion.	The detailed schedule of works competition is enclosed as Annexure-I

Annexure-I
Schedule of work

1	Name of work:	:	KTPS-VII Stage (1x800MW) – Soil investigation, Engineering, Design, Construction of A-Type- 1 No. (1 Block), B-Type 6 Nos. (6 Blocks), C-Type- 24 Nos. (1 Block with stilt+ 4 floors), D-Type -72 Nos. (1 Block with Stilt+8 floors), E-Type- 171 Nos. (1 Block of 90 units with Stilt + 10 floors & 1 Block of 81 units with Stilt + 9 floors) & F-Type- 450 Nos. (5 Blocks of 90 units each with stilt +10 floors) Multi Storied Residential quarters including Electrical & Firefighting system works in full shape at Kothagudem Thermal Power Station Complex, Paloncha, Bhadradri-Kothagudem Dist.									
2	Name of the Agency	:	M/s.KPC Projects Limited, Hyderabad									
3	L.S..Agt.No.	:	L.S. Agt.No.48/2025-26 of SE/Civil/Stage-VII/KTPS/ Paloncha, Dt.04.11.2025.									
4	Agreement Amount (Rs.) (excluding provisions)	:	Rs.400,98,46,495.87									
5	Agreement Period	:	30 Months									
6	Status of work:	:	The Agency has been submitted the layout of proposed 'A, B, C, D, E & F' Blocks/ quarters. The agency shall commence the soil investigation in proposed site shortly.									
7	Schedule of work	:	<u>Type of Quarter/ Block</u>	<u>Probable completion period</u>								
			A	9 Months (by Sept-2026)								
			B	9 Months (by Sept-2026)								
			C	15 Months (by March–2027)								
			D	18 Months (by June-2027)								
			E	1 st Block : 15 Months (by March-2027) 2 nd Block : 18 Months (by June-2027)								
			F	1 st Block : 15 Months (by March-2027) 2 nd Block : 18 Months (by June-2027) 3 rd Block: 22 Months (by Oct-2027) 4 th Block: 26 Months (by Feb-2028) 5 th Block: 30 Months (by March-2028)								