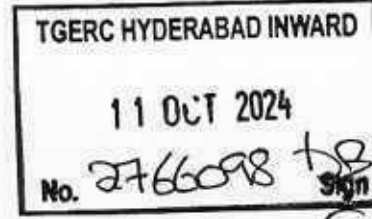




ITC Limited  
PAPERBOARDS & SPECIALTY PAPERS DIVISION  
Divisional Headquarters : ITC Bhadrachalam House  
106, Sardar Patel Road,  
Secunderabad - 500 003, Telangana, India.  
Telephone : 91- 40 - 27846566 -73  
Fax : 91 - 40 27842997, Expts : 27810034  
27849509, 27896048



To,  
The Secretary,  
Telangana State Regulatory Commission,  
Vidyut Niyamtran Bhavan,  
Sy. No.145-P, G.T.S. Colony, Kalyan Nagar,  
Hyderabad – 500 045.

Date: 10/10/2024.

Lr. No.: ARR and Tariff Objection FY 2024-25/01

Dear Sir,

Subject: Objections on ARR & Tariff Proposals for FY 2024-25 filed by TSNPDCL - Reg.

We are herewith attaching the copy of the Company's objections on ARR & Tariff proposals of TGNPDCL for FY 2024-25.

Thanking You,  
For ITC Limited - Paperboards & Specialty Papers Division.

(Lakshmi Kumar V)  
Senior Manager - Energy.

Encl.: Original + 5 copies

**BEFORE THE TELANGANA STATE ELECTRICITY REGULATORY  
COMMISSION  
AT HYDERABAD**

<b>Name and full address of the Objector along with e-mail id and contact number</b>	<b>Brief details of Objection(s)/Suggestions against ARR, FPT &amp; CSS Proposals of TGNPDCL</b>	<b>Whether copy of objections/suggestion &amp; proof of delivery at Licensee's office enclosed(Yes/No)</b>	<b>Whether Objector wants to be heard in person (Yes/No)</b>
ITC Limited – Paperboard & Speciality Papers Division, Bhadrachalam House, 106 S.P.Road, Secunderabad- 500003 Email- Contact-	Objections against grid support charges as per the enclosed objection statement	Yes	Yes, in person or through counsel





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**BEFORE THE TELANGANA STATE ELECTRICITY REGULATORY  
COMMISSION  
AT HYDERABAD**

**O.P. No. 17 of 2024**

**In the Matter of :**

Determination of ARR for Retail Supply Business for 5th Control period (FY 2024-25 to FY 2028-29) and Tariff Proposals for FY 2024-25

**MEMORANDUM OF OBJECTIONS**

filed on behalf of

**ITC Limited  
Paperboards and Specialty Papers Division**

May it please the Hon'ble Commission :-

1. ITC Limited ("ITC") is a company under the Companies Act 2013 with its registered office at Virginia House, 37 J.L. Nehru Road, Kolkata 700071 and its paper and paper board manufacturing unit at Sarapaka Village, Bhadradi Kothagudem District, Telangana.
2. The captive generation of electricity at ITC's aforesaid unit is by co-generation process whereby heat energy used for pulp cooking, humidification and drying is produced along with electricity. The said plant presently has seven T-G Sets of varying capacities aggregating to about 260.187 MVA. Four TG-Sets of 95.5 MVA is kept as a stand-by. The TG-sets and the loads are segregated into two networks internally, with 88 MVA in one network and 76.687 MVA in another network. Under normal operation, the TG-Sets are operated in island mode and the entire load is met exclusively from the TG-sets, no power being consumed from TGNPDCL.

The Consumer Service with TGNPDCL is presently with a CMD of 15MVA at 132 kV. Power is drawn from TGNPDCL within the CMD of 15 MVA partly for start-up purposes of the TG-sets and partly as standby power. The starting currents of motors during start-up is minimised by soft start arrangements. The power drawn during start-ups is always well within the CMD of 15 MVA.



The said plant also receives and consumes power from its wind energy plant in Andhra Pradesh through inter-state open access. Under normal operation, the connection with the grid is only to enable import of the energy under open access. At such times, only one of the networks is connected to the grid.

There are electrical inter-locks in place to ensure that the connected loads trip whenever there is a tripping of the TG-Sets. Therefore, there is no transfer of load to the grid in the event of TG-Set failure or shut down. Mandatory protection arrangements are in place to clear internal faults within the time prescribed in the Grid Code.

In the normal operation of ITC's continuous process plant, there are no equipment which impose intermittent or transient loads. There is no harmonic injection from ITC's plant in excess of permissible limits.

Therefore, there is no circumstance by which it can be considered that any grid support is actually availed by ITC. The connection to the grid is utilised only for start-up power or stand-by within the CMD with TGNPDCL or for import of open access power.


3. TGNPDCL and TGSPDCL have proposed levy of grid support charges ("GSC") for the FY 2024-25 based and relying upon the Order dated 27.03.2024 of this Commission in OP. Nos. 80 & 81 of 2022. It may be noted that ITC has appealed against the said Order dated 27.03.2024 so far as relating to OP No. 80 of 2022 before APTEL, in DFR No. 259 of 2024; and APTEL, vide its Order dated 03.09.2024 (**Annexure- A**) has granted leave to appeal also directing the respondents to file their replies within six weeks. No reply has yet been filed by the respondents. In the said Appeal before APTEL, ITC has challenged both the findings of levy and rate of the GSC in the Commission's Order dated 27.03.2024 on, inter alia, the grounds that the objections of ITC to the ARR proposals for FY 2022-23 and FY 2023-24 were not even tabled before the Grid Co-ordination Committee; that the said Committee gave biased, irrational and erroneous findings in its reports; that this Commission also did not deal with the submissions of ITC; that there was no real study or data for this Commission to conclude on the levy of GSC on all industries with co-located captive power plants; that the manner of computing GSC is arbitrary and unreasonable besides unjustly enriching the Discoms.

4. As also contended in ITC's aforesaid Appeal, without prejudice to ITC contentions against the very levy of GSC, the R&M costs of the TG-Transco and the TG-Discoms are already fully recovered from the retail supply tariffs and the transmission / wheeling tariffs. The amounts sought to be recovered by way of GSC would be over and above their approved ARR's and would lead to unjust enrichment. ITC's aforesaid plant is connected at 132 kV. The distribution system of the distribution licensee has no role to play whatsoever. There is no justification as to why a consumer should pay a charge based on the R&M costs of both the distribution licensees. There is also no reason or rationale for a consumer within the area of operation of one distribution licensee paying charges which are based upon the R&M costs of another distribution licensee. Further, in the computation of GSC, if the "power consumed by the co-located load" purports to include also the power drawn from the grid, it would amount to an additional charge over and above the tariff charges paid to the licensees.
5. In view of pendency of the above Appeal of ITC before APTEL, it is submitted that the proposal for determination of GSC be kept in abeyance until the said Appeal is decided.

***Participation at Public Hearing – Oral Submissions***

The Objector desires to be heard in person or through counsel at the Public Hearing and reserves its right to make additional submissions in both the Discoms.

10<sup>th</sup> October 2024



On behalf of the Objector

DFR No. 259 of 2024

Annexure-A

IN THE APPELLATE TRIBUNAL FOR ELECTRICITY  
AT NEW DELHI

APPELLATE JURISDICTION

APPEAL NO. \_\_\_\_\_ of 2024

Between:

ITC Ltd.

Appellant

And

Telangana State Electricity Regulatory Commission & Anr.

Respondents


APPEAL U/S 111(1) & (2) ELECTRICITY ACT 2003

Against the Order dated 27.03.2024 passed by the Telangana State Electricity  
Regulatory Commission in O.P. 80 of 2022

(For Index Please see inside)

VOLUME - I

Filed by

  
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Advocate

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Mobile: +91 9868113095

Counsel for Appellant

COURT-1

IN THE APPELLATE TRIBUNAL FOR ELECTRICITY  
(Appellate Jurisdiction)

DFR No : 259 of 2024 & IA No. 886 OF 2024 & IA No. 1308 OF 2024

Dated: 3rd September, 2024

Present : Hon'ble Mr. Justice Ramesh Ranganathan, Chairperson  
Hon'ble Ms. Seema Gupta, Technical Member (Electricity)

In the matter of:

ITC Limited

.... Appellant(s)

Versus

Telangana State Electricity Regulatory Commission & Anr.

.... Respondent(s)

Counsel on record for the Appellant(s) : S. Vallinayagam for App. 1

Counsel on record for the Respondent(s) : D. Abhinav Rao for Res. 2

ORDER

IA NO. 886 OF 2024  
(For leave to file Appeal)

The Appellant is a consumer of the electricity supplied by the 2<sup>nd</sup> Respondent. The order under challenge is a tariff order. It is evident that the Appellant is a person aggrieved and is entitled to prefer an appeal against the impugned tariff order. The application is not opposed by Mr. D. Abhinav Rao, Learned Counsel for the 2<sup>nd</sup> Respondent. The IA is allowed and leave is granted to the applicant to file the appeal. The application is, accordingly, disposed of.

IA NO. 1308 OF 2024  
(For condonation of delay of 52 days in filing the Appeal)

Condonation of the delay of 52 days in refiling the appeal is not opposed by learned Counsel for the 2<sup>nd</sup> Respondent. The delay is condoned. The application is, accordingly, disposed of.

DFR NO. 259 OF 2024

Reply shall be filed by the Respondents within six weeks and rejoinder, if any, shall be filed within four weeks' thereafter. After pleadings are complete, and after verification by the Registry, let this Appeal be included in the 'List of Finals', to be taken up from there, in its turn.

Seema Gupta  
Technical Member (Electricity)

Justice Ramesh Ranganathan  
Chairperson

*tpd/sk*





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27849509, 27896048

To,  
The Chief General Manager, IPC & RAC.  
Northern Power Distribution Company of Telangana Limited,  
Corporate Office, # 2-5-31/2, Vidyut Bhavan,  
Nakkalagutta, Hanmakonda,  
Warangal. Telangana State. PIN : 506 001.

Date: 10/10/2024.


Lr. No.: ARR & Tariff Objection FY 2024-25/01

Dear Sir,

Subject: Objections on ARR & Tariff Proposals for FY 2024-25 filed by TSNPDCL - Reg.

We are herewith attaching the copy of the Company's objections, which are being filed in TSERC against the ARR & Tariff proposals for FY 2024-25 filed by TSNPDCL.

Thanking You,  
For ITC Limited - Paperboards & Specialty Papers Division.

  
(Lakshmi Kumar V)  
Senior Manager - Energy.

ITC Limited  
NPDCL. Corp.  
Receivable

11 OCT 2024