



**Southern Power Distribution Company of Telangana Limited**  
#6-1-50, Corporate Office, Mint Compound, Hyderabad 500 063  
website [www.tgsouthernpower.org](http://www.tgsouthernpower.org)

From  
Chief Engineer (IPC),  
TGSPDCL, Corporate Office,  
6-1-50, 1<sup>st</sup> Floor, Mint Compound,  
Hyderabad – 500 063.

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)/DE(IPC)/ADE(EV)/F.MYT/D. No. 969 /24, dt: 14.10.2024

Sir,

Sub:- TGSPDCL – IPC – TGGENCO filings for True-up for FY 2022-23 and MYT for control period FY 2024-25 to FY 2028-29 vide OP.No.19 of 2024 and IA No.18 of 2024 before TGERC - Comments of TGDISCOM – Submission - Regarding.

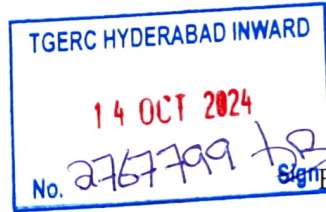
Ref:- Public Notice by TGGENCO, dated: 24 sep 2024.

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The remarks of TGDISCOMs in O.P. No 19 of 2024 and IA No.18 of 2024 filed by TGGENCO towards True-up for FY 2022-23 and MYT for control period FY 2024-25 to FY 2028-29 are herewith submitted for consideration.

Encl: As above

*JDC(78)/DD(CO)  
for and  
1/10/2024*



Yours faithfully,

K.Ramulu  
Chief Engineer (IPC)  
Email Id:- [seipctsspdc@gmail.com](mailto:seipctsspdc@gmail.com)  
Ph:- 91 94908 05871  
**CHIEF ENGINEER**  
**(IPC), TGSPDCL,**  
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**Mint Compound, Hyd-500004.**

Copy submitted to

The CE/Coal & Comml./TGGENCO/Vidyuth Soudha

The ED/Comml/TSPCC/Vidyuth Soudha

Copy to

The Chief Engineer/IPC&RAC/TGNPDCL



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Yours faithfully,

K. Ramulu

Chief Engineer (IPC)

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The CE/Coal & Comml./TGGENCO/Vidyuth Soudha

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**CHIEF ENGINEER**  
**(IPC), TGSPDCL,**  
**Corporate Office, 6-1-50,**  
**Mint Compound, Hyd-500004.**



S.No.	Subject	Comments of TGDISCOMs.
1	Additional Capitalization Annexure -I (T)	<p>1) Hon'ble Commission is requested to not allow the additional Capitalization claimed for KTPS-V at this point of time as the station has served 25 years of life.</p> <p>2) TGGENCO has claimed additional capitalization of Rs.13.12 crores for Srisailam Left Bank, Small Hydrel, Priyadarshini jurala in total for which the commission has not granted any prior approval. The Hon'ble Commission is prayed to allow the additional capitalization after prudent check.</p>
2	Depreciation Annexure- II (T)	<p>1) Additional Capitalization approved for KTPS VII for FY 2022-23 in MTR is 193 crores and depreciation approved accordingly is 253.40 crores. TGGENCO claiming additional capitalization now in true-up is Rs.72.33 crores and corresponding depreciation claimed is Rs.261.87 crores which is Rs.8.47 crores over and above than the amount approved in MTR.</p> <p>2) Additional Capitalization approved for BTPS for FY 2022-23 in MTR is 1079 crores and depreciation approved accordingly is 329.05 crores TGGENCO claiming additional capitalization now in true-up is Rs.312.83 crores and corresponding depreciation claimed is Rs.360.88 crores which is Rs.31.83 crores over and above than the amount approved in MTR</p> <p>3) TGGENCO has claimed depreciation of Rs100.42 crores and Rs.19.24 crores as against Rs.87.97 crores and 11.24 crores approved in MTR for Nagarjuna sagar and Pulichintala Hydrel stations.</p> <p>The Hon'ble Commission is requested to allow the depreciation after prudent check for above stations.</p>
3	Interest on Loan and interest on Loan & Finance charges Annexure-III(T)	<p>TGGENCO has claimed Rs.43.79 crores over and the amount approved towards interest on Loan &amp; Finance charges in MTR for BTPS.</p> <p>Further, the weighted average interest rate on loan submitted by TSGENCO is in the range of 9.95 % to 12.50 %.</p> <p>TGGENCO may be directed to explore the possibility to restructure the loans for reduction of interest rates.</p> <p>The Hon'ble Commission is prayed to approve interest rate after prudent check so that there is no undue burden on DISCOMs.</p>
4	Interest on working capital Annexure-IV (T)	<p>TGGENCO has claimed RS.70.74 crores over and above the amount approved in the MTR towards interest on working capital. It was observed from the forms enclosed by TGGENCO regarding operating parameters the auxiliary consumption, station heat rate and secondary oil consumption are more than the normative values and availability is less than the normative value for BTPS station.</p>



		The Hon'ble Commission is requested to allow the IoWC charges as per the normative operating parameters or actual parameters whichever is less and after prudent check for all the stations.
5	O&M expenses Annexure- V (T)	The major share in the true-up claim of TGGENCO to an extent of Rs.792.06 crores is towards O&M expenses which are attributed to Pay revision-2022. The Hon'ble Commission is prayed to allow the said amount after prudent check.
6	Return on Equity Annexure -VI (T)	TGGENCO has claimed return on equity by grossing up the base rate with corporate tax. The Hon'ble Commission is prayed to allow the return on equity as per section 115 BAA by grossing up the base rate with MAT and allow the same as per the actual paid (Considering the income tax returns filed by TGGENCO)
7	Non-Tariff Income Annexure -IX (T)	Clarification may be provided for decrease in the non-tariff income from FY 22-23. <ul style="list-style-type: none"> <li>• Approved in MTR : Rs.(32.3) crores</li> <li>• Actual : Rs. (191.08) crores.</li> </ul>
8	Energy charges Annexure-VII (T)	TGGENCO has claimed Rs.319.593 crores true-up towards energy charges for BTPS station and Rs11.176 crores for KTPS-VII station. The Hon'ble Commission is prayed to allow the said charges as per the normative operating parameters or actual parameters whichever is less only after prudent check.
9	Station wise thermal incentive Annexure-VIII (T)	TGGENCO has claimed thermal incentive for KTHP-II and KTPS-VI. As per the sheets enclosed by TGGENCO for operating parameters it is observed that the actual auxiliary Consumption of KTHP-II and KTPS-VI are 5.39 % and 4.88 % as against the normative values of 7 % and 7.5 % It is prayed that while arriving the units for claiming incentive the actual auxiliary consumption may be considered and the incentive amount may be allowed accordingly.
10	The plant life of RTS-B has been considered upto 31.03.2025	RTS-B station was under shutdown from 04.06.2024 due to technical issues and generation could not be restored till date. In view of the above, TGDISCOMs have also filed a petition before Hon'ble TGERC on 03.10.2024 praying the Hon'ble Commission to consider the extension of PPA for RTS-B station for a period from 01.04.2024 upto 03.06.2024 only. Hence, it is requested to consider the life of RTS-B station upto 03.06.2024 only in the MYT filed by TGGENCO for 2024-29.

As per the forms relating to operating parameters of thermal stations submitted by TGGENCO in the above filings, there is a huge variation in the GCV of coal billed and GCV of coal received which inturn impacts variable cost claim of TGGENCO and additional burden on TGDISCOMs.

The Commission may consider the following details:

S.No	Station	Nearest coal source	Distance
1	BTPS	M/s SCCL	20 Kms from BTPS
2	KTPS	M/s SCCL	Less than 30 kms from KTPS
3	KTPP-I	M/s SCCL	Less than 20 Kms from KTPP-I
4	KTPP-II	Tadicherla	20 kms from KTPP-II

11 GCV of coal billed and GCV of coal received Transit loss claim of TGGENCO.

TGGENCO claiming a transit loss of 0.8 % (as non -pit head stations) for all the above Pit head stations. It is to submit that Hon'ble APTEL considered DSPM thermal station as pit head station and allowed a transit loss of 0.3 % vide order dated 25.07.2018 in Appeal No. 222 of 2015. The station does not have a dedicated transport mechanism or Merry-go around System for handling the coal. A copy of the same (relevant pages) is enclosed for reference.

Hon'ble Commission is prayed to approve the transit loss of 0.2 % for the above stations accordingly.

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Auxiliary consumption

TGGENCO is proposing an increase in auxiliary consumption of BTPS from 8.5 % to 8.792%.

Hon'ble Commission is prayed to approve auxiliary consumption as per the CEA technical norms.


TGGENCO has not claimed any increase in normative auxiliary consumption pertaining to FGD system of KTPS-VII. The status of installation of FGD may be provided.

13

Determination of input price of coal from Tadicherla-I coal block supplying to KTPP-II

For the control period FY 2024-25 to FY 2028-29, TGGENCO is projecting the **input price of coal in the range of Rs. 6200 to Rs.7500.**

Whereas, in the operating form-11 pertaining to KTPP-II submitted by TGGENCO, **the landed cost of coal for FY 2022-23 was in the range of Rs.4800/- to Rs.5300/-.**

  
CHIEF ENGINEER  
(IPC), TGSPDCL.