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ANDHRA PRADESH
POWER GENERATION CORPORATION LIMITED
(Govt. of A.P. Undertaking)

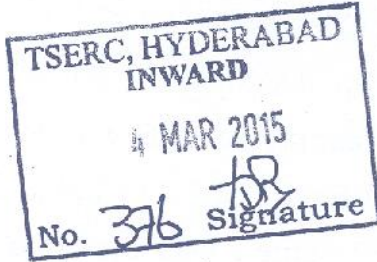
From

The Chief Engineer
Coal & Commercial
APGENCO, Vidyut Soudha
Hyderabad- 500082.

To

The Chief General Manager,
Commercial & RAC,
TSSPDCL, Ground Floor,
Mint Compound,
Hyderabad- 500063.

The Chief General Manager,
IPC & RAC,
H.No.2-5-31/2, Vidyut
Bhavan, Nakkalagutta,
Hanumakonda,
Warangal - 506001



✓ The Secretary,
TSERC, 5th Floor,
Singareni Bhavan, Red Hills,
Hyderabad- 500004.

Lr.No: CE (Coal & Comml)/SE (Comml)/TSDISCOMS ARR filings/D.No. 54/15 dt 02.03.2015

Sir,

Sub: Submission of objections on tariffs proposed by TSDiscoms (i.e TSSPDCL & TSNPDCL) for purchase of power from APGENCO stations- Reg.

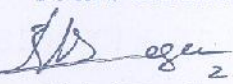
With reference to the Public notice of the TSERC, the following objections are made on the Power purchase cost proposed for APGENCO stations for the FY 2014-15 & FY 2015-16.

1. As per the PPA, clause 3.1.2 (C) “ interest on pension bonds over and above specified in the Annexure (I) of the APERC PPA order dt 24.03.2003 shall be allowed as pass through in tariff of APGENCO on year to year basis. I.e. over and above scheduled interest in pension bonds.

2. As per APERC order dt 24.03.2003 , APERC order on OP No 27/2006 and OP No 4/2007 interest on pension bonds over and above schedule was allowed as a pass through in tariff of APGENCO.
3. APDISCOMs in their tariff filings for the year 2015-16 made provision of Rs327 Crs towards fixed costs for Dr NTPPS O&M and Rs 174 Crs towards fixed costs for RTPP Stage I for 46.11% consumption, including interest on pension bonds over and above schedule amounting to Rs 90.59 Crs and Rs 62.91 Crs respectively.
4. TSSPDCL and TSNPDCL needs to provide Rs382.17 Crs and Rs 203.36 Crs towards fixed cost of Dr NTPPS O&M and RTPP stage I for consumption of 53.89% including interest on pension bonds. As per tariff filings of TSSPDCL and TSNPDCL only Rs 277.56 Crs towards Dr NTPPS O&M and Rs 130.33 Crs towards RTPP stage I was provided. The reason for short provision is due to non inclusion of interest on pension bonds over and above the scheduled interest.
5. The reason for non inclusion of interest on pension bonds over and above schedule even though provision was made in PPA is not known.

It is requested to include interest on pension bonds over and above schedule amounting to Rs 105.88Crs and Rs 73.52 crs provisionally in the fixed cost of Dr NTPPS O&M and RTPP stage I on par with APDISCOMS

Yours faithfully

 2.3.15.

Chief Engineer
Coal & Commercial