



Southern Power Distribution Company of Telangana Ltd

(A Govt. of Telangana Undertaking)

(Formerly Central Power Distribution Company of A.P. Ltd.)

Corporate Office : # 6-1-50, Mint Compound, Hyderabad - 500068 (Telangana, India)

CIN No. U40109TG2000SGC034116, website : www.tssouthernpower.com

For perusal
Member/T
Chairman
Secretary

From
Chief General Manager(Comml&RAC),
TSSPDCL, Corporate Office,
6-1-50, mint Compound,
Hyderabad-500063.

To
The Secretary,
TSERC, 5th Floor,
Singareni Bhavan,
Red Hills,Hyderabad.

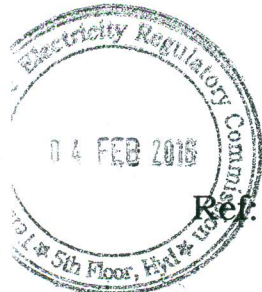
Secretary, P.L.
Putty with
H. S. 2
6/2/16

Lr.No.CGM/(Comml)/SE(IPC)/F.TSTPP Ph-I/D.No. ¹⁷⁸¹ /16,dt: ⁰⁴.02.16

Sir,

Sub: Request for issuing In-principle approval to the Power Purchase Agreement entered by TSDISCOMs on 18.01.2016 with NTPC in respect of Telangana Super Thermal Power Project, Phase-I (2x800 MW) - Request - Reg.

- Ref: 1. Ref. No.09/SRHQ/Comml/2725,dated 02.07.2015.
- 2. Letter No.09/SRHQ/Comml/TS, dated 05.01.2016.



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I would invite kind attention of the Hon'ble TSERC to the provisions of the AP Reorganization Act, 2014, which mandated at 13th Schedule (Infrastructure- Clause-7) that "NTPC shall establish a 4000 MW power facility in the Successor State of Telangana after establishing necessary Coal linkages".

Accordingly, M/s NTPC is developing 4000 MW Telangana Super Thermal Power Project in two phases, Phase-I for 2x800MW at Ramagundam and balance 3x800MW under Phase-II for the State of Telangana.

In pursuance of the provisions of AP Reorganization Act, 2014, to establish 4000 MW Thermal Power Project in Telangana State, the Power Purchase Agreement has been entered by TSDISCOMs on

TSERC, HYDERABAD
INWARD
04 FEB 2016
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18.01.2016 with NTPC in respect of Telangana Super Thermal Power Project, Phase-I (2x800 MW).

NTPC is seeking the clearance of Hon'ble TSERC for taking further steps in the project execution.

The main features of the aforesaid PPA are as follows:

- i) The PPA provides for Tariff to be determined by CERC as the NTPC Telangana Super Thermal Power Project being a Central Generating Station. The operating norms as fixed by CERC would be applicable.
- ii) The duration of PPA is 25 years from COD of the Station.

2. The details pertaining to the Telangana Super Thermal Power Project, Phase-I (2X800MW) are as follows:

i)	Estimated Cost	Rs.9954.20 crores (Non Mega, II Qtr'2014) Including IDC, FC & WCM.
ii)	Power Evacuation System	Connectivity & LTA applied.
iii)	Project Financing	Equity : Domestic component 30% (Approx) Debt: ECB loan 30% (approx), Domestic component 40% (Approx).
iv)	Land for Main Plant	Main plant is to be accommodated within the existing plant boundary (MGR Bulb-250 acres of land). No additional land required for Main Plant.
v)	Water	Permission accorded for Telangana Ph-1-drawal of 60 cusecs water.
vi)	Fuel	Mandakini - B Coal mines in the state of Odisha has been allotted to NTPC for Telangana STPP (4000 MW, Dt:10.09.2015), and in-principle approval for Tapering coal linkage (Phase-I, 2x800 MW) given from Coal India Ltd. Coal India Ltd to indicate the source of coal for 2x800 MW Telangana Phase-I.

vii)	Environment Clearance	After completion of public hearing on 23.05.2015, application for environment clearance had been submitted to MoEF on 24.06.2015. However, MoEF vide letter dated 10.07.2015 has sought the details of firm coal linkage along with status of EC and FC of linked coal block. Communication sent to MoEF regarding allocation of coal block and tapering coal linkage.
viii)	NOC from AAI	Clearance received on 29.03.2011 (Applied on 10.09.2010). Clearance given for Ramagundam (2x660 MW) and is valid till 2018.
ix)	Tendering Main Plant for	NIT for SG package & STG package issued on 16.02.2015. Technical bids opened in April'15. Price bid for SG package opened on 29.06.2015 & for TG package on 01.07.2015.
x)	Commissioning Schedule	COD of the 1 st unit will be 52 months from zero date indicted in the investment approval (yet to be approved). The COD of subsequent unit shall be at an interval of 6 months thereafter.

The clauses in the PPA are reported to have been vetted by the Legal Advisor at Central Government level and is also Legally vetted by Law Attachee/ TSTRANSCO. All the clauses mentioned in the PPA are standard clauses and existing in the PPAs of old NTPC Projects.

As the Telangana Super Thermal Power Project is wholly dedicated to Telangana State, the Hon'ble Commission is requested for issuing In-principle approval under Section 86(1)(b) of the Electricity Act,2003 for the PPA in respect of Telangana Super Thermal Power Project Phase-I(2X800MW), at the earliest.

Yours faithfully,


Chief General Manager
(Comml& RAC)/TSSPDCL