

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

O.P No.10 of 2016

Between:-

1. Southern Power Distribution Company of
Telangana Limited, #6-1-50, Corporate Office,
1st Floor, Mint Compound, Hyderabad – 500 063.
2. Northern Power Distribution Company of
Telangana Limited, # 2-5-31/2, Corporate Office,
Vidyut Bhavan, Nakkalagutta, Warangal – 506 001.

.....Petitioners

AND

-NIL-

.....Respondent

SUBMISSIONS

1. I, Mr. P.Krishnaiah, S/o Mr. P.Ramulu, aged about 57 years, Chief General Manager (IPC & RAC)/TSSPDCL, am authorized to file the affidavit on behalf of both TSDISCOMS to submit the following in respect of the PPA entered with NTPC Limited, as directed by the Hon'ble Commission vide letter dated 30.01.2021/02.02.2021.
2. Apropos of according In-principle approval/Consent to the PPA dated 18th January 2016 entered between NTPC Limited & TSDISCOMS, the Hon'ble Commission had identified certain issues to be addressed by both the parties and directed TSDISCOMS to negotiate with NTPC authorities to amend the clauses wherever necessary such that the amended clauses shall meet the views expressed by the Commission. The Hon'ble Commission had also directed the TSDISCOMS to file the draft agreement duly incorporating the amendments as directed in the interim order for according consent/approval by it.
3. Pursuant to the directions given by the Hon'ble Commission in the interim order, TSDISCOMS held discussions with NTPC Limited several times to persuade NTPC Limited to incorporate the issues identified by the Commission in the PPA by way of amendment.



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4. The issues broadly identified by the Hon'ble TSERC are as follows:

- i) Jurisdiction on determination of tariff.
- ii) 100% Capacity allocation to TSDISCOMS from NTPC's TnSTPS-I.
- iii) Connectivity to CTU Network for power evacuation.
- iv) Prudence Check of Capital Cost of the Project.
- v) Delivery Point of NTPC Project to be Specific.
- vi) Allocation of Coal linkage from Odisha Coal Mines.
- vii) Provision for termination of Agreement is one sided.
- viii) Acquisition of the plant after completion of agreement term (Buy-out of the Project).

5. Whereas, NTPC Limited submitted its preliminary objection on jurisdictional aspect of Hon'ble TSERC to tariff determination in respect of the Telangana Super Thermal Power Project Phase-I (TnSTPS-I) (2x800 MW), which being a Central Generating Station, owned by Govt. of India, the tariff determination function is vested in Hon'ble CERC under Section 79(1)(b) of the Electricity Act 2003 and the State Commission would need to adopt the tariff as determined by CERC for the TnSTPS-I Project as per the regulatory functions vested in the State Commission under Section 86(1)(b), in line with other NTPC/Central Generating Stations, which are already having subsisting PPAs with TSDISCOMS.
6. Upon the submissions of TSDISCOMS in the hearing held on 09.11.2020, this Hon'ble Commission has accepted the CERC jurisdiction in respect of tariff determination for NTPC's TnSTPS-I Project.
7. Regarding other issues as enumerated at para-4 ante, the majority of the issues such as Prudence Check of Capital cost of the Project, one sided termination provision, Buy-out of the project, etc., these aspects will be governed as per the CERC tariff Regulations notified from time to time and CERC would undertake the Prudence Check of the NTPC TnSTPS-I Project's Capital cost as per the prevailing Regulations and also as per Ld. APTEL's guidelines/directions. TSDISCOMS would submit that these issues have already been settled, hence to that extent the Hon'ble Commission is prayed to exempt from the said directions.
8. The other issues identified by the Hon'ble Commission are (a) 100% Capacity allocation to TSDISCOMS from the TnSTPS-I Project (b) Connectivity to CTU Network for power evacuation (c) Allocation of Coal linkage from Odisha Coal Mines, which have significant impact on tariff payable by TSDISCOMS.


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9. As directed by the Hon'ble Commission regarding power evacuation, TSDISCOMS had taken steps for power evacuation from STU (TSTRANSCO) Network instead of project connectivity to CTU Network and to that extent consensus have been reached with NTPC and the relevant clauses on power evacuation have been notified in the PPA and being submitted to the Commission. Hence this issue has already been addressed & complied with TSERC direction.

10. Regarding 100% Capacity allocation from NTPC's TnSTPS-I Project to TSDISCOMS, it is submitted that the Ministry of Power, Govt. of India had allocated 85% of the Capacity to TSDISCOMS as per the prevailing guidelines and retained 15% capacity as unallocated power, which is normally allocated to the needy State. Since the TnSTPS-I Project has connectivity with STU Network only, the possibility of allocating the balance 15% unallocated Capacity to other States does not arise since they cannot evacuate the power due to not having connectivity to CTU Network. Further, the CERC Tariff Regulations have already stipulated that in case the Ministry of Power, Govt. of India does not allocate the balance 15% unallocated Capacity to any needy State, the same would be allocated to the existing beneficiaries in proportion of their original allocation. Since Telangana is sole beneficiary State, the balance Capacity (15%) out of this project ought to be allocated to TSDISCOMS only. Therefore, it is ensured that 100% Capacity is allocated to TSDISCOMS only. This issue has also been addressed and hence complied with TSERC direction.
11. The last significant issue identified by Hon'ble TSERC is allocation of Coal linkage from Odisha Coal Mines to NTPC's TnSTPS-I Project, which increases coal transportation cost and consequently higher tariff is payable, hence the Commission directed TSDISCOMS to pursue with Coal India and the Ministry of Coal, Govt. of India, through State Government, for allocation of Coal linkage from Singareni Collieries/Mines instead of Odisha State Mines.
12. Regarding the Coal linkage to the NTPC's TnSTPS-I Project, TSDISCOMS submit the following for kind consideration:
 - (a) The NTPC Limited was allotted Mandakini-B Coal block in Odisha State for Captive mining for supply of Coal to NTPC Telangana Super Thermal Power Project Phase-I by the Ministry of Coal (MOC), Govt. of India.


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- (b) The coal requirement for the NTPC would be 8 MTPA (Million Tons per Annum) based on estimated GCV of coal between 3,200 to 3900 Kcal/Kg.
- (c) The Ministry of Coal, accorded In-principle approval for grant of Tapering linkage from Coal India Limited (CIL) for the NTPC's TnSTPS-I, till the commencement of coal supplies from Mandakini-B Coal Block.
- (d) Accordingly, Coal India Limited allotted Tapering Coal Linkage for the NTPC Telangana STPP Phase-I, from Western Coal fields (WCL).
- (e) As directed by the Hon'ble Commission, the Special Chief Secretary, Energy Department, Govt. of Telangana vide letter dated 21.07.2020 requested the Secretary, Ministry of Coal, Govt. of India to consider shifting of the existing Tapering Linkage of WCL to Singreni Collieries Company Limited (SCCL), due to proximity of SCCL Mines and as a Policy of rationalization of coal linkages for optimization of Transportation cost, in order to supply electricity to Telangana State consumers at affordable prices. Even the Ministry of Power, Govt. of India has also recommended for shifting of Tapering Coal linkage to Telangana (SCCL).
- (f) The Standing Linkage Committee (under the Ministry of Coal) considered the request of Government of Telangana as well as the Ministry of Power and recommended for shifting of existing coal linkage from WCL to SCCL & directed NTPC to submit necessary application for grant/shifting of Tapering linkage.
- (g) Further, TSDISCOMS have been pursuing with Govt. of India (Ministry of Coal) through State Government & Ministry of Power, as directed by this Hon'ble Commission for shifting of regular long-term coal linkage to SCCL, Telangana from Odisha.
- (h) The Hon'ble Commission is prayed to appreciate the steps taken by the Govt. of Telangana, TSPCC/TSDISCOMS in arranging necessary Coal linkage to NTPC's TnSTPS Phase-I (2x800 MW) from Singareni Collieries/Mines.

13. In light of aforesaid compliance measures taken by TSDISCOMS in pursuance of the directions of this Hon'ble Commission, it is prayed to grant consent to the PPA dated 18.01.2016 read with Amended & Restated PPA dated 09.04.2021.



DEPONENT

Chief General Manager/IPC & RAC
TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.

Date:

Place:

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-NIL-

.....Respondent

AFFIDAVIT

I. P. Krishnaiah, S/o, P. Ramulu, aged 57 years, Occupation: Chief
General Manager (IPC&RAC), TSSPDCL, Hyderabad, R/o Hyderabad, do
solemnly affirm and say as follows:

1. I am Chief General Manager (IPC & RAC)/TSSPDCL, I am competent and
duly authorized by the Petitioners 1 & 2 to affirm, swear, execute and file
this preliminary objections.
2. I have read and understood the contents of the accompanying Affidavit
drafted pursuant to my instructions. The statements made in the
accompanying Affidavit now shown to me are true to my knowledge
derived from the official records made available to me and are based on
information and advice received which I believe to be true and correct.



DEPONENT

Chief General Manager/IPC & RAC

TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.

VERIFICATION

The above named Deponent solemnly affirm at Hyderabad on 18th of
April 2020 that the contents of the above Affidavit are true to my knowledge no
part of it is false and nothing material has been concealed there from.



DEPONENT

Chief General Manager/IPC & RAC

TSSPDCL, Corporate Office,
Mint Compound, Hyderabad-500 063.

Solemnly affirmed and signed before me.


SUPERINTENDING ENGINEER /RAC

TSSPDCL, Corporate Office,
6-1-50, Mint Compound,
HYDERABAD-500 063.