

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

From
Chief General Manager (IPC)
TSSPDCL, Corporate Office,
6-1-50, Mint Compound,
Hyderabad.

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

Lr.No.CGM(IPC)/DE(IPC)/F.Singareni/D.No. 1172 /23,Dt: 20-10-2023

Sir,

Sub: TSSPDCL – IPC –TSDISCOMs preliminary objections in Petitions O.P.No.25 of 2023 (Capital Investment Plan (CIP) for the period FY 2024-25 to FY 2028-29) and O.P.No. 26 of 2023 (Business plan for the period FY 2024-25 to FY 2028-29) in respect of Singareni Thermal Power Project, Phase-I (2X600 MW)-Submitted-Reg.

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The preliminary objections in Petitions, O.P.No.25 of 2023 (Capital Investment Plan (CIP) for the period FY 2024-25 to FY 2028-29) and O.P.No. 26 of 2023 (Business plan for the period FY 2024-25 to FY 2028-29) in respect of Singareni Thermal Power Project, Phase-I (2X600 MW) on behalf of TSDISCOMs is herewith submitted in six sets for consideration please.

Encl: preliminary objections in 6 Sets

Yours faithfully,



Chilukamani Chakrapani
Chief General Manager (IPC)
Email_Id: seipctsspdcl@gmail.com
Ph: +91 94906 03671

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

Between:

M/s. Singareni Collieries company Limited (SCCL)

..... Petitioner

AND

1. Southern Power Distribution Company of Telangana Limited
2. Northern Power Distribution Company of Telangana Limited

..... Respondents

**PRELIMINARY OBJECTIONS OF THE RESPONDENTS IN O.P. No.25 OF 2023 &
O.P. No.26 OF 2023**

I, Chilukamari Chakrapani, CGM/IPC/TSSPDCL, S/o. Narsaiah, aged 55 years, resident of Hyderabad, do hereby solemnly affirm and state as under-

1. It is submitted that the Petitioner, SCCL has filed the following applications/Petitions before this Hon'ble Commission seeking approval of -

- i. Capital Investment Plan (O.P. No. 25 of 2023)
- ii. Business Plan (O.P. No. 26 of 2023)

..... in respect of their 2x600 MW Singareni Thermal Power Plant (STPP) for the control period 01.04.2024 to 31.03.2029, under Clause 7 of the TSERC (Terms & Conditions of Generation Tariff) Regulation No. 1 of 2019 (1 of 2019) , read with Section 62 of the Electricity Act, 2003.

2. The prayer in each of the Petitions is as follows:

- i. **Capital Investment Plan (O.P. No. 25 of 2023)**

“

SCCL prays the Hon'ble Commission :

- a. Consider the Capital Investment Plan of STPP during 2024-29 for approval as per Regulation 7 (b) of Terms and Condition of Generation Tariff Regulation 2019.
- b. Provide liberty to SCCL to submit CIP in respect of upcoming 800 MW unit as addendum to present Petition after its PPA gets signed and zero date gets declared by competent authority.


CHIEF GENERAL MANAGER
(IPC), TSSPDCL,
Corporate Office, G-1-50,
Mint Compound, Hyd-500 063

- c. Grant leave to submit the actual capitalization identified during Mid-term review and End of control period review for consideration of the Commission.
- d. Condone any inadvertent omissions/errors/short comings and permit SCCL to add/change/modify/alter this filing and make further submissions as may be required at a future date.

.....”

ii. Business Plan (O.P. No. 26 of 2023)

“

SCCL prays the Hon’ble Commission :

- a. Consider the Business Plan of STPP during 2024-29 for approval as per Regulation 7 (a) of Terms and Condition of Generation Tariff Regulation 2019.
- b. Provide liberty to SCCL to submit Business Plan in respect of upcoming 800 MW unit as addendum to present Petition after its PPA gets signed and zero date gets declared by competent authority.
- c. Grant leave to submit the actual capitalization identified during Mid-term review and End of control period review for consideration of the Commission.
- d. Condone any inadvertent omissions/errors/short comings and permit SCCL to add/change/modify/alter this filing and make further submissions as may be required at a future date.

.....”

3. The Petitioner in its Capital Investment Plan (O.P. No. 25 of 2023), now proposed an expenditure amounting to Rs. 1090 Crs, which are as follows.

SUMMARY OF CAPITAL INVESTMENT PLAN FOR FY 2024-29 (BASED ON PUT TO USE)							
(Rs. in Crs)							
Sl. No.	Description	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total
1	Flue gas de-sulphurisation system (FGD)	696.00	40.00	0	0	0	736.00

(Signature)
 CHIEF GENERAL MANAGER
 (IPC), TSSPDCL,
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2	In-Furnace modifications for Nox mitigation	0.00	20.00	20.00	0	0	40.00
3	Operation & Maintenance modules	32.00	36.00	0	0	0	68.00
4	Railway Works	160.00	80.00	0	0	0	240.00
5	Township Civil Works	1.00	1.50	1.50	1.00	1.00	6.00
Total		889.00	177.50	21.50	1.00	1.00	1090

4. As could be seen from the above, in the Capital Investment Plan proposed under the Petition filed (O.P.No. 25 of 2023), the Petitioner has claimed the additional Capital cost of **Rs.1090 Crores** in respect of its existing (2x600 MW) STPP for the Control Period FY 2024-25 to FY 2028-29.
5. The significant component claimed in the Capital Investment Plan is towards Implementation of revised FGD (Flue Gas Desulphurization) System installation for Rs. 736 Crs and In-furnace modifications for NO_x mitigation for Rs.40 Crs, aggregating to Rs.776 Crore while the balance sum has been claimed at Rs.314 Crore, towards Procurement of O&M Modules, Railway Electrification works, Township Civil works, etc.
6. The Petitioner in its prayer has also sought liberty to submit the Capital Investment Plan (CIP), in respect of its upcoming 800 MW Unit (1x800 MW) as addendum which capacity is not yet signed by TSDISCOMs under a long term PPA. Since the provision at Regulation 7.4 of the TSERC Generation Tariff Regulations, 2019 allows the Capital Investment Plan in respect of the existing capacity (2x600 MW), this prayer may be disallowed.
7. The Respondents would submit their objections on the Capital Investment Plan Petition (O.P. No. 25 of 2023) as below -
- i. The Petitioner in the Capital Investment Petition (O.P. No. 25 of 2023) has now claimed the entire Excess Capital expenditure, which claim was disallowed earlier (**Except FGD and in-furnace modification for Nox Mitigation**), by this Commission vide orders dt.28.08.2020 in O.P. No.9 of 2020 (Capital Investment Plan for the Control period 2019-24), where-under the commission held that the claims are not allowable as the same are after the cut-off date.

- ii. Further, the Petitioner has ignored that the Hon'ble Commission vide order dt. 23.03.2023 in the Mid Term Review Petition (MTR), O.P.No.77 of 2022 has also disallowed the similar nature of claims of SCCL for revision of Capital cost such as Spill-over of works amounting to Rs.199.78 Crs, Emergency works in respect of Railway Siding, by holding that the claims were not allowable as per TSERC Regulation No. 1 of 2019 as these were claimed after the Cut-off date (31.03.2019) and certain claims were not part of Original Scope of Works.
- iii. **The other works proposed under the present Capital Investment Plan (Except FGD and in-furnace modification for Nox Mitigation),** have already been disallowed by this Hon'ble Commission vide orders dt.28.08.2020 in O.P.No. 9 of 2020 (Capital Investment Plan for the Control period 2019-24) and also vide order dt. 23.03.2023 in O.P.No.77 of 2022 in the Mid-term Review Petition on review of TSERC Multi-Year Tariff Order dated 28.08.2020 (MYT Order).
- iv. The Hon'ble Commission, while granting in-principle approval for undertaking FGD Works, held that it would carry out the Prudence Check of the cost of FGD system in true-up for the relevant year after commissioning of the same. As such, the Capital Investment proposed for FGD & In-Furnace modification of No_x Mitigation (Rs.776.00 Crore) shall be subject to this prudence check by Hon'ble Commission.
- v. Regarding the other Capital Investment claims proposed by the Petitioner such as Railway Works, O&M Modules, township civil works etc., the same are not allowable in terms of the Hon'ble Commission's tariff Orders issued from time to time. Further, the Petitioner failed to submit the cost-benefit analysis in respect of the other works proposed under the Capital Investment Plan, as required under the TSERC Tariff Regulations 2019. Therefore the Hon'ble Commission is prayed to disallow the same.
8. The Respondents would submit their objections on the Business Plan Petition (OP No. 26 of 2023) as below -
- i. The petitioner in the Business Plan Petition while projecting the Generation Planning, Capital Investment Plan and financial Statements such as balance Sheet and profit and loss statement for the period FY 2024-25 to 2028-29, prayed to enhance the normative

auxiliary consumption to 6.25% by taking into consideration the historical actual values in the range of 5.83% to 6.12% during 2019-24 and by referring the CERC norms.

- ii. In addition to the above, the petitioner has also sought additional auxiliary energy consumption of 1% towards FGD Plant, expected to be commissioned by August 2024.
 - iii. In this context, the Respondents submit that the Hon'ble Commission vide orders dt. 19.06.2017 in OP No. 9 of 2016 and vide order dt. 28.08.2020 in OP No. 5 of 2019 has approved the auxiliary consumption of 5.75 % only and as per the applicable TSERC regulation 1 of 2019 also, the auxiliary consumption allowable to the petitioner is 5.75 % only.
 - iv. As could be seen from the above, the claim to enhance the auxiliary energy consumption to 6.25%, by deviating from the norms fixed by the Hon'ble Commission @ 5.75% is totally unjustified and therefore the Hon'ble Commission may disallow the same.
 - v. With regard to the petitioner claim for additional auxiliary by 1% for FGD installation, the Hon'ble commission may consider the same duly taking into consideration the prevailing regulations and other State ERC orders applicable after commissioning of the same by the Petitioner.
9. The Hon'ble Commission is prayed to take into consideration the above submissions while determining the MYT (Multi-Year Tariff) for next control period viz., FY 2024-29.


DEPONENT
CHIEF GENERAL MANAGER
(IPC), TSSPDCL,
Corporate Office, 6-1-50,
Mint Compound, Hyd-500 063



SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED
(A Govt. of Telangana Undertaking)
(Formerly Central Power Distribution Company of Andhra Pradesh Ltd)
Corporate office: 6-1-50, Mint Compound, Hyderabad 500063, Telangana State, India
CIN U40109TG2000SGC034116, Website: www.tssouthernpower.com

EXTRACT OF THE MINUTES OF THE 165TH MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY HELD ON MONDAY, THE 6TH DAY OF SEPTEMBER, 2021 COMMENCED AT 05:00 P.M AT CORPORATE OFFICE, 6-1-50, MINT COMPOUND, HYDERABAD- 500063, TELANGANA STATE

16. CONSIDERATION AND RATIFICATION OF THE AUTHORIZATION OF SRI NAGESWARA SARMA, OSD/COMMERCIAL/TSPCC FOR APPEARING AND CONDUCTING ON BEHALF OF TSSPDCL IN RESPECT OF THE COMMON ISSUES RELATED TO TS DISCOMS BEFORE HON'BLE TSERC.

The Board after detailed discussions passed the following resolution:

"RESOLVED THAT Sri Nageswara Sarma, OSD/Commercial/TSPCC as the authorised person for appearing and conducting on behalf of TSSPDCL in respect of the common issues related to TS Discoms before Hon'ble TSERC be and is hereby ratified."

// CERTIFIED TRUE COPY //
FOR SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LTD

V. Anil Kumar.
V. ANIL KUMAR
SECRETARY
Corporate Office & Registered Office
6-1-50, Mint Compound,
HYDERABAD-500 063. T.S.



Northern Power Distribution Company of Telangana Limited

(A Govt. of Telangana undertaking)

Corporate Identity Number : U40109TG2000SGC034119

Registered Office & Corporate Office, Vidyuth Bhavan

H.No. 2-5-31/2, Nakkalagutta, Hanamkonda, Dist: Warangal Urban-506 001, Telangana, India.

Ph : 0870-2461501, Fax : 0870-2461519, website : www.tsnpdcl.in

**CERTIFIED COPY OF THE RESOLUTION APPROVED BY BOARD OF
DIRECTORS OF NORTHERN POWER DISTRIBUTION COMPANY OF
TELANGANA LIMITED ON 20, JULY,2023.**

Sub: TSNPDCL- Authorization to Sri.D.Nageshwara Sarma, OSD/
Commercial TSPCC for appearing and conducting on behalf of
TSNPDCL in respect of the common issues related to TSDISCOMs
before the Hon'ble TSERC authorization req-Reg.

RESOLVED THAT the Board hereby authorize Sri.D.Nageshwara Sarma,
OSD/Commercial/TSPCC as the authorized person for appearing and conducting
on behalf of TSNPDCL in respect of the common issues related to TSDISCOMs
before the Hon'ble TSERC.

//Certified Copy//

For Northern Power Distribution Company of Telangana Limited


Company Secretary (Gr-II)
TSNPDCL, Warangal.

To
The Chief General Manager (IPC & RAC)/TSNPDCL, Warangal.
Sri.D.Nageshwara Sarma, OSD/Commercial/TSPCC.

U.O.Note.No.CS(GR-II)/TSNPDCL/F.NO.233/D.NO.419/23.Dt: 21.07.2023