



TELANGANA ELECTRICITY REGULATORY COMMISSION
Vidyut Niyamtran Bhavan, G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045

ORDER

ON

**TRUE UP FOR FY 2022-23
AND
MULTI YEAR TARIFF (MYT)
FOR FY 2024-25 TO FY 2028-29**

FOR

**Telangana Power Generation Corporation Limited
(TGGenco)**

28.10.2024

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List of Abbreviations

A&G	Administrative and General
ACT	The Electricity Act, 2003
AAD	Advance Against Depreciation
AFC	Annual Fixed Charges
APTEL	Appellate Tribunal for Electricity
ARR	Aggregate Revenue Requirement
BFP	Boiler Feed Pump
BHEL	Bharat Heavy Electricals Limited
BMCR	Boiler maximum continuous rating
BoP	Balance of Plant
BTG	Boiler, Turbine and Generator
CCDAC	Coal Conservation & Development Advisory Committee
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CFB	Circulating Fluidised Bed
CFL	Compact Fluorescent Lamps
CIL	Coal India Limited
CIP	Capital Investment Plan
CISF	Central Industrial Security Force
CPCB	Central Pollution Control Board
COD	Commercial Operation Date
CPI	Consumer Price Index
CSR	Corporate Social Responsibility
DC	Designated Consumer
DMFT	District Mineral Foundation Trust
DPR	Detailed Project Report
EA 2003	Electricity Act, 2003
EPC	Engineering, Procurement and Construction
EPCA	Environment Pollution Control Authority
ERP	Enterprise Resource Planning
ESP	Electrostatic Precipitator
FGD	Flue Gas Desulphurisation
FSA	Fuel Supply Agreement
FY	Financial Year
GCV	Gross Calorific Value
GFA	Gross Fixed Assets
GoT	Government of Telangana
GSHR	Gross Station Heat Rate
GST	Goods and Services Tax
HPSV	High-Pressure Sodium Vapour Lamps
ICB	International Competitive Bidding
IDC	Interest During Construction
IDCT	Induced Draft Cooling Tower
Ind AS	Indian Accounting Standard
IoWC	Interest on Working Capital
IT	Information Technology
kcal	kilo calories
kg	Kilogram
KTPP	Kakatiya Thermal Power Plant
kWh	Kilo Watt hour

MAT	Minimum Alternative Tax
MCLR	Marginal Cost of Funds based Lending Rate
MGR	Merry-Go-Round
MMT	Million Metric Tonne
MoC	Ministry of Coal
MoEF&CC	Ministry of Environment, Forest & Climate Change
MoP	Ministry of Power
MoU	Memorandum of Understanding
MU	Million Units
MW	Mega Watt
MYT	Multi Year Tariff
NAPAF	Normative Annual Plant Availability Factor
NAPLF	Normative Annual Plant Load Factor
NH	National Highway
NHAI	National Highways Authority of India
NO _x	Nitrogen oxides
NTPC	National Thermal Power Corporation Limited
O&M	Operations and Maintenance
O.P.	Original Petition
OEM	Original Equipment Manufacturer
PAF	Plant Availability Factor
PAT	Perform, Achieve and Trade
PFC	Power Finance Corporation
PLF	Plant Load Factor
PPA	Power Purchase Agreement
PSC	Pre-Stressed Concrete
PVC	Price Variation clause
R&M	Repairs & Maintenance
RCC	Reinforced Cement Concrete
RCE	Revised Capital Expenditure
RDO	Revenue Division Officer
REC	Rural Electrification Corporation
RITES	Rail India Technical and Economic Service
RoE	Return on Equity
Rs.	Rupees
RUB	Railway Under Bridge
SBI	State Bank of India
SLC	Standing Linkage Committee
SLDC	State Load Despatch Centre
SMET	State Mineral Exploration Trust
SPCB	State Pollution Control Board
SO _x	Sulphur Oxides
SPCB	State Pollution Control Board
TNSEB	Tamil Nadu State Electricity Board
TGERC	Telangana Electricity Regulatory Commission
TGGENCO	Telangana Power Generation Corporation Limited
TGMDC	Telangana Mineral Development Corporation
TGNPDCL	Northern Power Distribution Company of Telangana Limited
TGPCC	Telangana Power Coordination Committee
TGTRANSCO	Transmission Corporation of Telangana Limited
UDL	Undischarged Liability
WPI	Wholesale Price Index



TELANGANA ELECTRICITY REGULATORY COMMISSION

'Vidyut Niyamtran Bhavan', G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045

Dated 28.10.2024

Present

Sri T.Sriranga Rao, Chairman
Sri M.D.Manohar Raju, Member (Technical)
Sri Bandaru Krishnaiah, Member (Finance)

O.P.No.19 of 2024 & I.A. No 18 of 2024,
Telangana Power Generation Corporation Limited

Between:

Telangana Power Generation Corporation Limited

...Applicant

AND

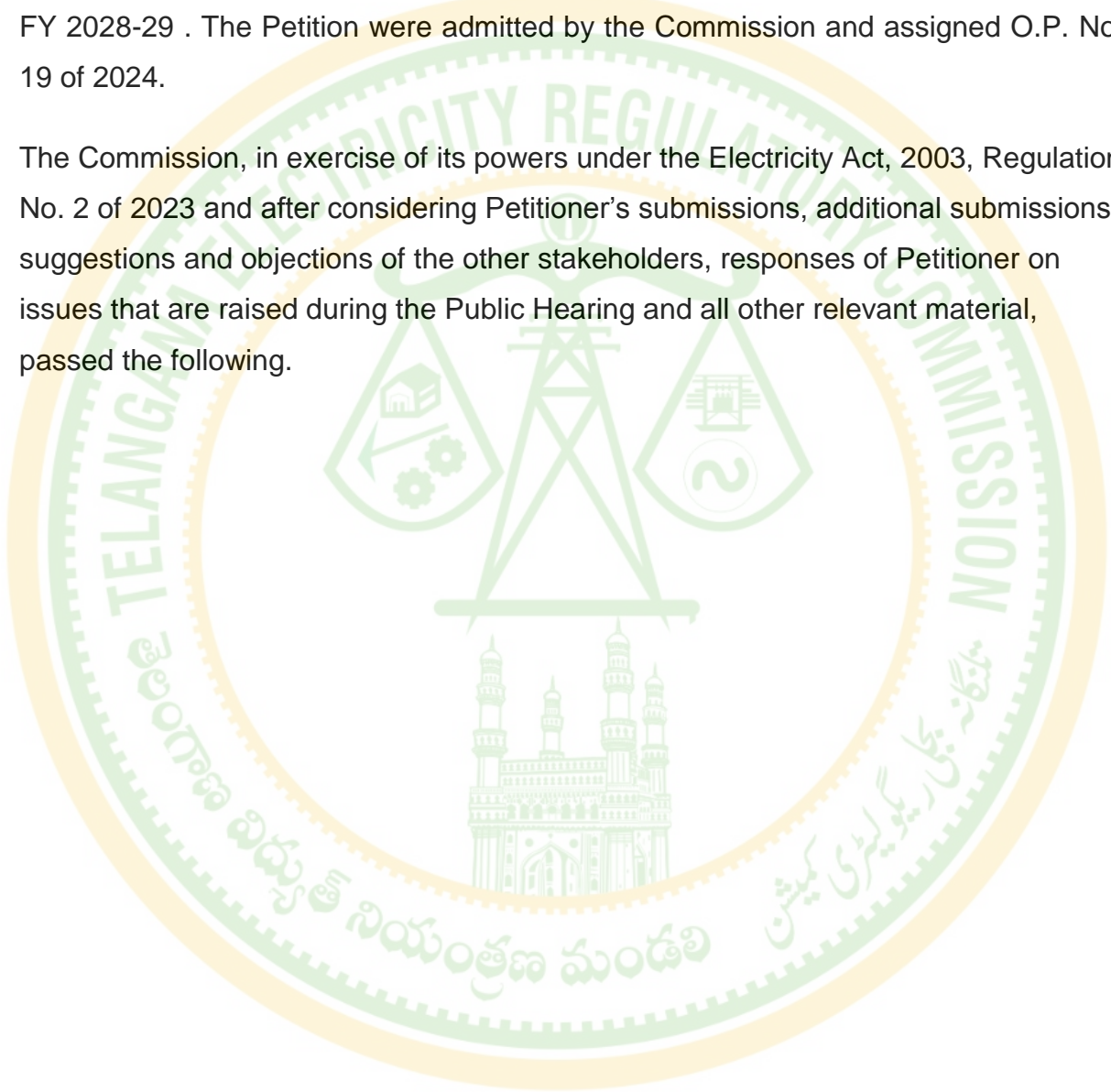
1. Southern Power Distribution Company of Telangana Limited
Corporate Office, 6-1-50, Mint Compound, Hyderabad 500 004.
2. Northern Power Distribution Company of Telangana Limited
H.No.2-5-31/2, Corporate Office, Vidyut Bhavan, Nakkalagutta,
Hanumakonda, Warangal 506 001.
3. ESCOMs of Karnataka State -
BESCOM, Bangalore Electricity Supply Company Limited, KR Circle,
Bangalore 560 001;
MESCOM, Mangalore Electricity Supply Company Limited, Paradigm Plaza,
AB Shetty circle, Mangalore 575 004;
CESC, Chamundeshwari Electricity Supply Company Limited, Hinkal, Mysore
570 017;
HESCOM, Hubli Electricity Supply Company Limited, Hubli 580 025;
GESCOM, Gulbarga Electricity Supply Company Limited, Kalaburagi 585 102;

... Respondents

Telangana Power Generation Corporation Limited (hereinafter referred as

“TGGENCO” or “Applicant” or “Petitioner”) filed a Petition on 21.09.2024 under section 62 of the Electricity Act, 2003 and under the provisions of the “Terms and Conditions of Generation Tariff” Regulation No.1 of 2019 for approval of true-up for FY 2022-23 and under the provisions of Telangana Electricity Regulatory Commission(Multi Year Tariff) Regulation No. 2 of 2023 for Multi Year Tariff for FY 2024-25 to FY 2028-29 along with the input price of coal from integrated mine for the period FY 2024-25 to FY 2028-29 . The Petition were admitted by the Commission and assigned O.P. No. 19 of 2024.

The Commission, in exercise of its powers under the Electricity Act, 2003, Regulation No. 2 of 2023 and after considering Petitioner’s submissions, additional submissions, suggestions and objections of the other stakeholders, responses of Petitioner on issues that are raised during the Public Hearing and all other relevant material, passed the following.



ORDER
Chapter-1
Introduction

1. Background
The Commission

1.1.1 Telangana Electricity Regulatory Commission was constituted by the Government of Telangana (GoT) in terms of the provisions of Schedule XII(C)(3) of the A.P. Reorganisation Act of 2014, read with Section 82(1) of the Electricity Act, 2003 vide G.O.Ms.No.3, (Energy) (Budget) Department, dated 26.07.2014. Of late, the Government of Telangana issued G.O.Ms.No.12, Energy (HR. A1) Department, dated 31.05.2024 for change of nomenclature and amended the expression and abbreviation as 'Telangana Electricity Regulatory Commission (TGERC)'.

1.1.2 This Commission having been established u/s 82(1) of the Act, 2003 is required to exercise the powers and functions vested in it in terms of Section 86(1)(a) and Section 62(1) of the Act, 2003 to determine the tariff for supply of electricity by a generating company to a distribution licensee. 32

2. TGGenco

1.1.3 Consequent upon formation of the state of Telangana and its coming into being with effect from 02.06.2014, the Telangana Power Generation Corporation Limited was established as a company registered under Company Act 2013 on dated 19.05.2014 upon coming into force of the Andhra Pradesh Reorganization Act, 2014.

1.1.4 Pursuant to the Reorganisation Act, the then APGenco was demerged and the assets & liabilities pertaining to the generating stations in Telangana were transferred to TGGenco in terms of the transfer scheme notified in G.O.Ms.No.29 dated 31.05.2014. The provisional valuation of assets and liabilities are based on the accounts as on 31.03.2014, pending finalisation of valuation of assets and liabilities as on 01.06.2014.

1.1.5 In exercise of the powers conferred under schedule XII(c)(3) of AP Reorganization Act, 2014 under Section 92 of A.P. Reorganization Act, 2014, read with Section 82 of the Electricity Act, the Government of Telangana (GoT) has constituted Telangana Electricity Regulatory Commission (TGERC) vide

G.O.Ms. No.3, Energy (Budget), dated 26.07.2014, which came into existence on 03.11.2014.

- 1.1.6 In the wake of the State Government issuing U.O. Note No.4634/Genl, L&C/ 2024, dated 17.05.2024 to replace all references to “TS” with “TG” in the nomenclature of all State PSUs, Agencies, Autonomous Institutions and other government bodies, the TSGENCO has been replaced the abbreviated form of the company from TSGENCO to TGGENCO and also to use the revised logo in all official documents.

Regulation No. 1 of 2014

- 1.1.7 The Commission soon after its formation has notified Regulation viz., ‘Adoption’ Regulation No.1 of 2014 on 10.12.2014 being adoption of previously subsisting regulations, decisions, directions or Order, licenses and practice of directions.
- 1.1.8 In accordance with the above Regulation, all the Regulations framed by the erstwhile Commission before formation of Telangana will continue to apply for the State of Telangana, till further modification.

3. Regulation No. 1 of 2019

- 1.1.9 Accordingly, the Regulation No. 1 of 2019 notified on 01.02.2019 viz., ‘(Terms and conditions for determination of Generation Tariff) Regulation, 2019 and its subsequent amendment thereof, as subsisting as on date of constitution of TGERC and in force, shall mutatis mutandis apply to the State of Telangana. Regulation No.01 of 2019 introduced Multi-Year-Tariff framework and specified the principles and procedures of filings and also defines control period as a multi-year period fixed by the Commission from time to time, usually five (5) years and consequently 4th control period was from the FY 2019-20 to FY 2023-24.

4. Earlier ARR & FPT Filings and Orders of the Commission

- 1.1.10 TGGenco has made the filings for determination of tariff in respect of generating stations for 4th Control period on 03.02. 2021. Whereas, after comprehensive public consultation process on the filings, the Commission has passed Order on 22.03.2022 in O.P. No. 5 & 6 of 2021 & I.A. No. 1 of 2021.

5. Determination of MYT for 4th Control Period and True up for the FY 2019-20, FY 2020-21 & FY 2021-22 for Generation Tariff and Revised Tariff for FY 2022-23 and FY 2023-24 for the existing stations of TGGenco

1.1.11 Based on filing made by TGGenco, the Commission passed Order dated 22.03.2022, determining True-up for 1st, 2nd and 3rd control period and Capital Cost of New Stations, Approval of Business Plan, Capital Investment Plan and MYT for 4th control period for the FY 2019-20 to FY 2023-24 for Generation Business.

1.1.12 Subsequently, the Commission vide its Order dated 23.03.2023 in O.P.Nos.78 of 2022 has determined Mid-Term Review and Truing up of the Generation Tariff for the FY 2019-20 to FY 2022-23 and revised tariff for FY 2022-23 and FY 2023-24 for existing stations of TGGenco. **Regulation No. 02 of 2023**

1.1.13 Meanwhile, this Commission has notified 'Multi Year Tariff' Regulation, 2023 [Regulation No.2 of 2023] on 30.12.2023, which supersedes Regulation No.1 of 2019.

6. Timelines for Filings MYT ARR and Tariffs for 5th control period as per Regulation No.2 of 2023

1.1.14 As per clause 6 of Regulation No. 02 of 2023, TGGenco has to make Multi Year Tariff petition comprising of (i) True-up of preceding year; (ii) Aggregate Revenue Requirement (ARR) for each year of the control period; and (iii) proposal of Generation Tariff for each year of 5th control period (FY 2024-25 to FY 2028-29) by 31.01.2024 for their Generation Business.

7. Correspondence made for Extension of Time for filing MYT petition for 5th control period after notification of Regulation No.2 of 2023

1.1.15 The Commission vide Lr. No. TSERC/Secy/E660799/D.No.112/24, on dated 07.02.2024 has not accepted to the grant of time extension to TGGenco for 3 months of filing of the MYT proposals for 5th Control Period.

8. Extension of Application of Generation Tariff from 01.04.2024 onwards

1.1.16 The Commission in its Order dated 15.03.2024 in I.A.No.10 of 2024 in O.P.Nos.6 of 2021 has extended the application of the fixed and energy charges in kind for further period upon expiry of the control period on 31.03.2024. The relevant last paragraph of the said Order is reproduced below:

12. "Accordingly, the fixed and energy charges as applicable on 31.03.2024 as determined in the Orders dated 22.03.2022 and 23.03.2023 are applicable and can be levied by applicant from 01.04.2024 onwards pending disposal of this application finally. The applicant is directed to file the regular petition for

determination of fresh fixed and energy charges for the ensuing control period (FY 2024-25 to FY 2028-29) immediately.”

Statutory and Regulatory Provisions

1.1.17 As per provision under clause 6.2 of Regulation No.2 of 2023 the timelines stipulated for filing Multi Year Tariff petition for control period commencing from 01.04.2024 is by 31.01.2024.

1.1.18 Clause (4) [clause 4(3)(c) of Principal Regulation No.2 of 2016] of First Amendment to ‘Fee’ Regulation, 2022 (Regulation No.2 of 2022) stipulates that”
“The penal fee that is attracted in case of licensee or generating company not complying with the provisions of other regulations on the specific topics mentioned in the table below shall be required to pay the penal fee as shown in the opposite column on each of the petition separately whenever it is filed.

1. Aggregate Revenue Requirement & Multi Year Tariff petition.	Rs.5,000/- per day for the first 30 days beyond the specified date.
.....	After 30 days, Rs.1,50,000/- plus Rs.10,000/- per day till submission of petition

1.1.19 Provision under clause 29.2 of Multi Year Tariff Regulation No.2 of 2023 stipulates as follows:

“Provided that in case of delay in submission of tariff/true-up filings by the generating entity or licensee or SLDC, as required under this Regulation, rate of RoE shall be reduced by 0.5% per month or part thereof.”

Present Petitions

1.1.20 TGGenco has filed the in present petition with the following prayers:

- a) Accept and take on record the Application for Truing up of the Generation tariff for FY 2022-23 and projected Fixed charges for the period FY 2024-25 to the FY 2028-29 along with input price of coal from integrated mine for the period the FY 2024-25 to FY 2028-29.
- b) allow the Auxiliary Consumption of BTPS as 8.792% against 8.5% as certain modifications were carried out to Boiler and ESPs.

c) Condone any error/ omission and give opportunity to rectify the same.

9. Delay Condonation Applications

1.1.21 TGGenco has also filed the application for delay condonation along with the original petition on 21.09.2024 duly submitting the following reasons for delay in filing petition:

- a) To take the petition for condoning the delay and exemption of penal fee in filing the Multi Year Tariff (MYT) petition of Generation Business of TGGENCO for 5th Control Period (FY 2024-25 to FY 2028-29)
- b) To consider the reasons mentioned under the circumstances submitted.
- c) To pass such Order, as the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.

1.1.22 The Commission observed that despite multiple extensions accorded for filing the MYT Tariff petition (initially extended from 30.11.2023 to 02.01.2024, and later to 31.01.2024 by notifying Regulation No.2 of 2023), and directions issued to comply with the timelines as specified in Regulation No.2 of 2023, TGGenco has failed to file the petition for Generation Tariff in time. Further, the contention of TGGenco that the delay is due to Model Code of Conduct in force during major part of this period is not acceptable as they could file MYT Tariff petition in a sealed cover during enforcement of Model Code of Conduct which they failed to do so. As such, to enforce discipline, the Commission decided to impose penalties as per Fee Regulation No.2 of 2016 read with subsequent amendments thereof and Regulation No.2 of 2023. The Commission has dealt with regard to reduction in rate of RoE in terms of Regulation No.2 of 2023 in Chapter-4. **The Commission directs the petitioner to adhere to the timelines as specified in Regulation No.2 of 2023 in future filing of petitions.**

Admission of Petitions

1.1.23 Upon ensuring the payment of requisite penalty amounts as per Fee Regulation No.2 of 2016 (i.e., Rs.22,10,000 /-) the petition submitted by TGGenco was found to be generally in Order as required under 'Conduct of Business' Regulations, 2015 (Regulation No.2 of 2015). The Commission admitted the

filings and the same were taken on record by assigning the following original petition (O.P.) and Interlocutory Application numbers:

- O.P.No.19 of 2024 & I.A.No.18 of 2024

Data Gaps

1.1.24 Upon scrutiny of the filing, the Commission identified certain data gaps and directed the petitioners to furnish additional information. Subsequently, the Applicants submitted the additional information sought by the Commission for 5th control period. The Commission has considered the original filings and additional information submitted by the petitioners.

Public Notice

1.1.25 The petitioners, as directed by the Commission, published for information of all stakeholders a Public Notice in two (2) English, two (2) Telugu and One (1) Urdu daily newspapers on 24.09.2024 (Annexure 1). The Public Notice was to inform stakeholders and the general public at large that petitioners have filed petition before the Commission in respect of their Generation Business for 5th control period. It was also notified in the Public Notice that, objections/suggestions on the filings may be filed with the petitioners by 11.10.2024 with a copy marked to the Commission Secretary. In the Public Notice it was also indicated the venues of Public Hearings to be held on 21.10.2024 from 10:30 hours onwards in Court Hall of the Commission, 'Vidyut Niyamtran Bhavan', G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045. The filings and the applicants along with the additional information submitted by TGGenco were also posted on the official website of TGGenco as well as on the website of the Commission.

10. Response to Public Notice

1.1.26 In response to the Public Notice, objections/suggestions were received from Fourteen (14) stakeholders. The details of stakeholders who submitted objections/ suggestions is enclosed as **Annexure-II**.

1.1.27 The petitioners were directed to arrange responses to the stakeholders' written objections/suggestions received, by 11.10.2024 by sending the same to the respective objector with a copy to the Commission before the scheduled date of Public Hearing. The replies were also to be posted on the website of the respective TGGenco.

1.1.28 Considering the request from some of the Stakeholders to extend the time for submission of comments on the petition, the Commission allowed the Stakeholder to submit their objections/comments in scheduled public hearing.

11. **State Advisory Committee Meeting**

1.1.29 The State Advisory Committee (SAC) meeting was conducted on 05.10.2024 in the Meeting Hall of Commission's Office at 'Vidyut Nyantran Bhavan', G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045 to elicit views of members on the filings of the petitioners. The views of the members were duly considered while determining the True-up, ARR and Generation Tariffs for 5th control period.

12. **Public Hearing**

1.1.30 The Commission has conducted the Public Hearings on 21.10.2024 at TGERC Court Hall in hybrid mode (physical and virtual) and also made live streaming of the Public hearing proceedings. During the Public Hearings, the TGGenco has made brief presentations on their respective filings and then the Commission heard the objectors desiring to be heard in person. During the hearings, apart from the registered objectors, the persons/organizations who were interested to submit their objections were also heard. At the end, as directed by the Commission, the Petitioners responded on the issues raised by the objectors during the Public Hearings. The List of the Stakeholders attended the Public Hearing who attended the Public Hearing is enclosed at Annexure-3.

Chapter-2 Summary of Filings

13. Petitioner's Submissions

2.1.1 The Applicants filed the petitions for Truing up of the Generation tariff for the FY 2022-23 and projected Fixed charges for the period the FY 2024-25 to FY 2028-29 along with input price of coal from integrated mine for the period the FY 2024-25 to FY 2028-29.

2.1.2 The Summary of each of the submission is detailed below:

14. True-up for the FY 2022-23

2.1.3 The summary of the true-up of Aggregate Revenue Requirement for the FY 2022-23 as claimed before the Commission is submitted below:

Table 2-1: Summary of ARR as claimed for FY 2022-23
(Rs.in crore)

Sl. No.	Description	Approved in MTR	Actual (True-up)	Variance
		(a)	(b)	(c) = (b)-(a)
1.	Thermal Stations	4914.13	5677.89	763.76
2.	Hydel Stations	1311.18	1609.54	298.36
	Thermal & Hydel	6225.31	7287.43	1062.12
3.	Non-Tariff Income	(32.30)	(191.08)	(158.78)
4.	Additional Pension Liability	1108.67	1288.27	179.60
5.	Water Charges	62.05	41.53	(20.52)
6.	Energy Charges	7994.07	7894.83	(99.24)
	Fixed Charges	15357.80	16320.98	963.18

15. Multi-Year-Tariff for the period FY 2024-25 to FY 2028-29

2.1.4 The AFC claimed by the TGGenco for the period the FY 2024-25 to FY 2028-29 is shown below:

Table 2-2: Annual Fixed Charges claimed by the Petitioner for the period FY 2024-25 to FY 2028-29

Rs.in crore

Station Name	2024-25	2025-26	2026-27	2027-28	2028-29	Total
KTPS V	426.38	450.68	476.78	500.72	503.18	2357.74
KTPS VI	479.77	494.47	509.64	525.75	543.00	2552.64
KTPS VII	1362.18	1439.89	1552.58	1596.78	1614.45	7565.87
RTS	129.80	0.00	0.00	0.00	0.00	129.80
KTPP I	416.40	428.89	441.20	455.92	469.11	2211.51
KTPP II	754.42	756.20	760.43	767.55	770.86	3809.47
BTPS	1723.50	1957.83	2093.20	2083.25	2075.09	9932.87
NSHES	355.21	378.58	389.20	401.56	412.32	1936.87

Station Name	2024-25	2025-26	2026-27	2027-28	2028-29	Total
SLBHES	498.57	519.91	520.91	522.36	524.30	2586.05
Small Hydel	60.93	67.14	70.23	73.00	75.94	347.23
Mini Hydel	13.99	17.06	19.44	19.90	20.39	90.78
Pochampad-II	12.51	15.67	17.82	18.14	18.49	82.62
PJHES	116.99	118.94	120.24	121.68	123.27	601.12
LJHES	231.35	234.30	234.97	234.76	234.71	1170.10
PCHES	104.69	109.87	112.64	114.12	115.75	557.07
Total	6686.67	6989.43	7319.28	7435.51	7500.87	35931.76
Non-Tariff Income	-110.76	-113.64	-118.19	-122.91	-127.83	-593.329
Add'l'n Pens. Liability	1367.73	1489.46	1617.06	1785.01	1946.2	8205.46
Water charges	33.47	33.65	33.84	34.04	34.25	169.25
Total	7977.11	8398.90	8852.00	9131.64	9353.49	43713.14

16. **Energy Charges for the period FY 2024-25 to FY 2028-29**

2.1.5 The Energy Charge Rates (ECR) projected by TGGenco for the FY 2024-25 to FY 2028-29 is as shown in the Table below:

Table 2-3: Summary of ECR as claimed by the Petitioner for the period FY 2024-25 to FY 2028-29

Station Name	2024-25	2025-26	2026-27	2027-28	2028-29
KTPS-V	4.194	4.277	4.363	4.450	4.539
KTPS-VI	3.744	3.819	3.895	3.973	4.053
KTPS-VII	3.618	3.690	3.764	3.839	3.916
RTS-B	4.634	-	-	-	-
KTPP-I	3.369	3.436	3.505	3.575	3.646
KTPP-II	3.163	3.227	3.291	3.357	3.424
BTPS	3.338	3.404	3.472	3.542	3.613

Rs./kWh

17. **Input Price for Coal from integrated mine for the period FY 2024-25 to FY 2028-29**

2.1.6 The input price of coal from integrated mine are projected by TGGenco for the FY 2024-25 to FY 2028-29 is as shown in the Table below:

Table 2-4: Summary of input price of coal from integrated mine for the period FY 2024-25 to FY 2028-29

Particulars	Units	2024-25	2025-26	2026-27	2027-28	2028-29
Input Price	Rs./MT	6225.37	6528.08	6846.19	7180.47	7531.74

Chapter-3

Issues raised by Stakeholders, responses of Petitioner and Commission's View

18. Objections/suggestions made on filings

3.1.1 Fourteen (14) Stakeholders have filed objections/suggestions on the petitions for truing up of the Generation tariff for FY 2022-23 and projected fixed charges for the period the FY 2024-25 to FY 2028-29 along with input price of coal from integrated mine for the period the FY 2024-25 to FY 2028-29. The Applicants have filed replies on the objections/ suggestions received from the stakeholders. For the sake of brevity, the objections/suggestions raised by the stakeholders and responses of the Petitioner have been consolidated and summarised issue-wise. The Commission has considered all the objections/suggestions of the stakeholders made in writing as well as during the Public Hearing and the responses to them by the Applicants. In the subsequent Chapters of this Order, the Commission has taken into consideration, the objections/suggestions of the stakeholders and replies of the Petitioner for analysis and conclusion on truing up of the Generation tariff for the FY 2022-23 and projected Fixed charges for the period FY 2024-25 to FY 2028-29 along with input price of coal from integrated mine for the period FY 2024-25 to FY 2028-29. The suggestion/comments pertaining to the issues related to ARR and Tariff has been elaborated in this Chapter. However, in case any suggestions is not specifically elaborated it doesn't mean that the same has been considered.

19. Delay in Filing

Stakeholders' Submissions

3.1.2 The Stakeholders have submitted that as per the MYT Regulation No.2 of 2023, TGGENCO should have filed the subject petitions by 31.1.2024. Going by the date in the subject petition, TGGENCO has submitted the same on 20.9.2024 and the delay is nearly seven months and 19 days. The avoidable delay in filing the subject petition is not justifiable.

3.1.3 The Stakeholders has further submitted that the Commission has conveyed in its reply dated 27.9.2024 that it "is not inclined to extend the last date for submission of objections/comments on the filings of Licensees." It has further

stated that “in addition to submission of objections/comments, the stakeholders can also submit their objections/comments in the scheduled public hearings. The Commission recognizes the contribution of the submissions of knowledgeable and interested stakeholders and the same will be considered.” Since the Commission has not responded to the reasons given by them in support of their requests, and are constrained to come to the conclusion that it is inclined to complete the entire regulatory process in eight petitions. In addition one more petition of TGGENCO in O.P. No.22 of 2024 for extension of PPAs of some projects is also taken up by the Commission, inviting objections and suggestions to be submitted on or before 18.10.2024, including the subject petition, within the unreasonably short period of time and issue its Orders and that it has condoned the delay in filing the subject petition. The stakeholders have made submissions on the petitions to the extent possible in view of the constraints of time given.

- 3.1.4 In addition to non-submission of Audited Statement of Accounts for the FY 2022-23, the Licensee has also failed to provide the Auditor's certification to substantiate the claim of Non-tariff Income, Prior period income which are solely dependent on the Audit Accounts. Accordingly, the TGGenco must be directed to submit the Annual Audited Statement of Accounts as part of the instant petition.
- 3.1.5 The Stakeholders has submitted that Regulation 6 of the TGERC (Multi Year Tariff) Regulation, 2023 specifies that the MYT petition should be submitted by 30th November of the year proceeding the first year of the Control period. This includes the True-up for the preceding year. Therefore, the petition should have filed by TGGENCO by November, 30, 2023. However, the current petition was submitted approximately 10 months late, in September 2024, which the Objector believes is inappropriate.

Petitioner's Replies

- 3.1.6 TGGenco has submitted that the Commission had notified the TGERC MYT Regulation, 2 of 2023 in the month of Dec, 2023 and informed TGGENCO to file MYT as per the New Regulation on or before 31.01.2024, instead of the prevailing Regulation 1 of 2019. As such, the information as required under the new data sheets incorporated was not available with TGGENCO.

Further the model code of conduct from 16th March to 6th June was in force in Telangana (83 days). Due to the reasons furnished there is a delay in filing True-up & MYT petition. However, TGGENCO has submitted the petition along with the delay condonation petition, to the Commission.

3.1.7 TGGenco has submitted that the Annual Accounts for the FY 2022-23 to the Commission. Further the Audited Annual Accounts of TGGENCO are available in TGGENCO website.

Commission's View

3.1.8 As per Regulation No. 2 of 2023, compliance with the stipulated deadlines is essential for maintaining regulatory efficiency and accountability. While the Commission had denied the extension request, it is important to reiterate that the responsibility for timely submissions rests with the petitioner. The Commission expects the petitioner to adhere to regulatory timelines to ensure a smooth and effective operational environment.

20. **True-up for FY 2022-23 as per Regulation 01 of 2019**

21. **Additional Capitalisation
Stakeholders' Submissions**

3.1.9 The Stakeholders have requested not to allow the additional Capitalization claimed for KTPS-V at this point of time as the station has served 25 years of life. 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 Stakeholder requested the Commission to allow the additional capitalization after prudence check.

Petitioner's Replies

3.1.10 TGGenco has submitted that KTPS-V Stage has been commissioned during 1998 and has completed its useful life of 25 years. As per the CEA guidelines the units shall not be decommissioned before 2029. Hence, it is essential to replace some of the equipment for smooth running of the plant. In respect of Srisailam left bank, Small Hydrel, Priyadarshini Jurala the actual additional capitalization incurred for smooth running of the plant has been claimed.

Commission's View

3.1.11 The Commission has noted the submission of the stakeholders and the petitioner. The Commission has approved additional capitalization for the FY

2022-23 after prudence check in accordance with provisions of Regulation and details are elaborated in the Chapter 4.

22. **Depreciation** **Stakeholders' Submissions**

3.1.12 The Stakeholders have submitted that the TGGENCO has sought true up of Rs.963.18 crore for the year 2022-23. It has shown an additional capitalization of Rs.402.05 crore and the depreciation is shown as lesser by Rs.18.93 crore for its power stations against Rs.1416.97 crore approved for the year 2022-23 in the MYT Order. TGGENCO has stated that it has adjusted Rs.226.96 crores from Rs.242.54 crore realized from sale of scrap of KTPS towards unabsorbed depreciation of the project as allowed by the Commission in the mid-term review Order dated 23.3.2023. While additional capitalization is low, depreciation charges came down nominally. Moreover, no new generation station was added during 2022-23. However, TGGENCO has not explained the reasons for such a variation.

3.1.13 The Stakeholders have submitted that Additional Capitalization approved for KTPS VII for the FY 2022-23 in MTR is Rs.193 Crores and depreciation approved accordingly is Rs.253.40 Crores. TGGENCO is claiming additional capitalization in true-up for 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.

3.1.14 Additional Capitalization approved for BTPS for the FY 2022-23 in MTR is Rs.1079 crores and depreciation approved accordingly is Rs.329.05 crores. The additional capitalization claimed 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. The petitioner has claimed depreciation of Rs.100.42 crores and Rs.19.24 crores as against Rs.87.97 crores and Rs.11.24 crores approved in MTR for Nagarjuna Sagar and Pulichintala Hydel stations. The Stakeholder requested the Commission to allow the depreciation after prudence check for above stations.

Petitioner's Replies

3.1.15 TGGenco has submitted that the additional capitalization considered for

computation of depreciation in Mid-term Order dated 23.03.2023 is Rs.1350.40 crore. The additional capitalization claimed for the FY 2022-23 is Rs.402.05 crore. The depreciation has been computed in accordance with clause No. 10 of Regulation No. 1 of 2019. In respect of BTPS the Commission has approved the additions to an extent of Rs.1079.28 crore in MTR. Whereas in computation of depreciation, the Commission has not considered these additions, which resulted in lesser approval of depreciation by Rs.56.99 crore. (Approx.). Hence, the variance appears to be nominal. Further, in respect of KTPS O&M, unabsorbed depreciation was adjusted against the income realised from sale of scrap based on Clause No.4.7.8 of MTR Order Dt.23.03.2023.

3.1.16 TGGenco submitted that the additional capitalization has been computed in accordance with clause No.10 of TGERC Regulation 1 of 2019. The Commission has approved the depreciation for the FY 2022-23 without considering the additional capitalisation.

Commission's View

3.1.17 The Commission has approved the depreciation for the FY 2022-23 in accordance with clause 10 of Regulation No. 01 of 2019 considering the approved capitalisation and the same is dealt in chapter 4.

**23. Interest and Finance Charges on Loan
Stakeholders' Submissions**

3.1.18 The Stakeholders have submitted that against Rs.1001.61 crore approved in the MTR Order, TGGENCO has shown actuals at Rs.1945.66 crore, i.e., an increase by Rs.44.05 crore for interest on loan and finance charges. Similarly interest on working capital is shown as increased by Rs.70.74 crore. TGGENCO has explained that variation in interest and finance charges approved in MTR and true-up is on account of the variation in loan balances. When GENCO has claimed that depreciation has been considered as normative loan repayment, it has not explained as to how it is leading to variation in loan balances and whether depreciation is to be considered as per applicable rates permitted by the Commission or as normative loan repayment.

3.1.19 The Stakeholders have submitted that TGGENCO has claimed Rs.43.79 Crores over and the amount approved towards interest on Loan & Finance charges in MTR for BTPS. Further, the weighted average interest rate on loan submitted

by TGGENCO is in the range of 9.95 % to 12.50 %.TGGENCO may be directed to explore the possibility to restructure the loans for reduction of interest rates.

3.1.20 The Stakeholder requested the Commission to approve interest rate after prudence check so that there is no undue burden on TGDISCOMs.

Petitioner's Replies

3.1.21 TGGenco submitted that Interest & Finance charges claimed are in line with Regulations 1 of 2019. Loan base changes, based on the actual capital additions during the year. The interest and finance charges vary based on the rate of interest allowed by the lenders on the actual loan portfolio and rate of interest provisionally approved by the Commission in MTR. The normative loan will be adjusted to actual capital additions/ deletions and depreciation allowed is considered as normative loan repayment during the year.

3.1.22 With regard to reduction of interest rates the Petitioner has submitted that PFC & REC (FIs) has rated TGGENCO under A+ category. Financial Institutions are charging rate of interest applicable to A+ category only. Additionally, rebates were also allowed by the above FIs to O&M Projects in the range of 110 to 137 bps (Base points) on the applicable interest rates. In computation of Weighted Average interest rates, rebates were also considered. All efforts are taken for reduction in rate of interest.

Commission's View

3.1.23 The Commission has noted the submission of stakeholders and the petitioner. The Commission has considered the supporting documentary evidence submitted by TGGenco in regards to Interest and Finance Charges on Loan. The Commission has approved Interest and Finance Charges on loan in accordance with Clause 12 of the Regulation No.1 of 2019.

24. Interest on Working Capital Stakeholders' Submissions

3.1.24 The Stakeholders have submitted that TGGENCO has shown higher expenditure by Rs.70.74 crore of interest on working capital. While claiming that the interest is considered as 9.44%, GENCO has not explained whether the increase in interest rate is due to variations in its rates or the higher expenditure is due to drawing higher working capital. Moreover, GENCO has shown reduction of energy charges to Rs.7894.827 crore against Rs.7994.067

crore approved in the MYT, i.e., a reduction of Rs.99.24 crore. As per normative parameters determined by the Commission, requirements of working capital are being determined. In such a case, need for working capital and interest thereon must have come down.

3.1.25 The Stakeholders has submitted that 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. The Stakeholder requested the Commission to allow the IoWC charges as per the normative operating parameters or actual parameters whichever is less and after prudence check for all the stations.

Petitioner's Replies

3.1.26 The petitioner has submitted the reasons for change in Interest on Working Capital is that in the Mid-Term review Order Dt.23.03.2023, Commission has considered Rs.3451.65 crore (Rs.293.39 crore/8.5%) as base working capital (Back calculation) for computing the IoWC component. Whereas, while computing the base working capital for True-up i.e, Rs.3857.31 crore (364.13/9.44%) TGGENCO has considered the Coal & Oil Costs incurred towards actual generation, O&M Charges and all the other components based on actuals. Due to the increase in base by Rs.405.66 crore. there is an increase in IoWC by Rs.34.48 crore.

3.1.27 In the Mid-Term review Order dated 23.03.2023, the Commission has allowed IoWC @ 8.5%, as per Clause No. 13.3 of Regulation 1 of 2019. Generating company can claim IoWC @ weighted average bank rate prevailing during the FY 2022-23 plus 150 basis points (SBI MCLR – 7.94% + 150 Basis Points), Generator is eligible to claim IoWC @ 9.44%, which resulted in increase in IoWC by Rs.36.74 crore.

3.1.28 Regarding energy charges, it is to clarify that, the amount of Rs.7,994.07 crore is the normative energy charges for the actual generation inadvertently shown under MTR approved by the Commission. Whereas energy charges claimed Rs.7,894.83 crore are after passing on provisional credits of Rs.99.24 crore to

TGDiscoms. The amounts were factored as additional information for clarity and comparison purpose. Moreover, Energy Charges claimed by the TGGenco is in line with regulations and will be admitted by the licenses after scrutiny of energy charges claimed through monthly energy bills and Fuel Cost Adjustment bills.

3.1.29 The Petitioner has submitted the reasons for change in Interest on working capital of BTPS being new station commissioned during the FY 2020 -21 & the FY 2021 -22, requires some time to streamline the logistics, auxiliaries to stabilize and to maintain continuous availability. However, fixed charges were claimed duly limiting the fixed charges approved by the Commission to the actual availability of the station and Energy charges were claimed as per the normative parameters approved by the Commission.

Commission's View

3.1.30 The Commission has computed Interest on Working Capital based on working capital requirement for the FY 2022-23 in accordance with clause 13 of Regulation No.1 of 2019 as detailed in the Chapter 4.

25. ***Incentive Stakeholders' Submissions***

3.1.31 The Stakeholders have submitted that the TGGENCO has shown incentive for its thermal stations to the tune of Rs.25.70 crore for KTHPP stage II and KTHPS stage VI. Both the stations did not exceed their normative generation or threshold level of PLF. Therefore, the question of incentive for generation and supply of power exceeding the threshold level of PLF does not arise. Moreover, GENCO has claimed that energy charges for 2022-23 for both the stations have come down by Rs.99.806 Crore for KTHPP stage II and by Rs.148.071 Crore for KTHPS VI compared to what is approved in the MYT Order i.e. Rs.1427.174 crore for KTHPP stage II and Rs.1271.83 crore for KTHPS stage VI. TGGENCO has not explained how it has worked out generation eligible for incentive in view of the said position.

3.1.32 The Stakeholders have submitted that TGGENCO has claimed thermal incentive for KTHPP-II and KTHPS-VI. As per the sheets enclosed by TGGENCO for operating parameters it is observed that the actual auxiliary consumption of KTHPP-II and KTHPS-VI are 5.39 % and 4.88 % as against the normative values of 7 % and 7.5 %. The Stakeholder requested the Commission that while

arriving the units for claiming incentive the actual auxiliary consumption may be considered and the incentive amount may be allowed accordingly.

Petitioner's Replies

3.1.33 The petitioner has submitted that in accordance with clause No. 21.4 of Regulation 1 of 2019, PLF Incentive to a Generating Station shall be payable at the rate specified in CERC Regulations, 2014 as applicable during control period. In the FY 2022 – 23, TGGENCO has claimed incentive in respect of KTPS VI & KTPP Stage II. The Generation at target PLF for KTPS VI (500 MW) is 3504.00 MUs against which Normative Generation of 3742.7810 MUs was achieved. As the Normative Generation exceeds the target PLF by 238.7810 MU's, KTPS-VI is eligible for an incentive @ 50 Paise per Kwh, accordingly Rs.11.94 crore were claimed.

Similarly, in respect Generation at target PLF (80%) for KTPP Stage II (600 MW) is 4204.80 MUs against which Normative Generation of 4480.1568 MUs is achieved. As the Normative Generation exceeds the target PLF by 275.3568 MUs, KTPP Stage II is eligible for an incentive @ 50 Paise per Kwh, accordingly Rs.13.76 crore were claimed. Detailed workings as per CERC Regulation, the incentive above Normative PLF has been computed and provided in filings.

Commission's View

3.1.34 The Commission has taken note of the submissions of the stakeholders and petitioner.

26. Operation and Maintenance Expense Stakeholders' Submissions

3.1.35 The Stakeholders have submitted that out of Rs.792.06 crore of O&M expenses claimed under true-up, Rs.696.68 crore is towards employee expenses, i.e., pay revision, etc., alone. However, the petitioner has not given break-up of various components of O&M, including "additional pension liability," leave aside their permissibility. The Stakeholder requested the Commission to examine the claims of GENCO in the light of applicable regulations and take appropriate decision on permissibility of employee expenses claimed for FY 2022-23. Similar yardstick may be applied for increased A&G expenses claimed "on account of wage revision for Security expenses."

3.1.36 The Stakeholders have submitted that TGGENCO has requested the

Commission to approve the actual R&M expenses incurred “as per the unexpected needs arising during the regular overhaul of the stations, considering the fact that not attending the identified issues shall result in loss of availability the unexpected needs are attended.” Since normative provisions have been made in the MYT Order for R&M expenses every year, prudence expenditure is expected to be within those limits. Therefore, such unsubstantiated claims of TGGENCO may be rejected after determining their permissibility or otherwise.

3.1.37 The Stakeholders have submitted that the O&M Expenses claimed by the Petitioner is based on actuals as per the Annual Audited Accounts for the FY 2022-23 and is ~146% of the O&M Expenses approved in the MTR Order. The Petitioner’s submission is therefore in non-compliance of the MYT Regulations 2019 and does not deserve attention.

3.1.38 Notably, the Petitioner has placed excessive reliance on the Impact of Pay revision to account for the deviation in actual O&M expenses. Even otherwise, the claims made by the Petitioner is not in concurrent with the MYT Regulations 2019 which adequately provide for the one-time claims.

Petitioner’s Replies

3.1.39 The Petitioner has submitted that the reasons for the variance in O&M Cost is that firstly there is increase in BTPS O&M Expenses as BTPS is a new station commissioned during the FY 2020 – 21 (3 Units) & the FY 2021 – 22. In the absence of base expenditure for projections, the Commission has provisionally approved Rs.159.96 crore in the MTR. The expenditure incurred for BTPS amounting Rs.392.56 crore is highly justifiable, the reasons are as per clause No. 35(1(l)) CERC Regulations 2019. Normative O&M expenses of thermal generation stations of 250 MW Series is Rs.36.56 Lakhs/MW were allowed by the Commission. If same were considered for BTPS the Normative O&M Expenses shall be Rs.394.85 crore, whereas, for BTPS O&M Expenses claimed were Rs.392.56 crore, which is lower than the CERC Norm. Further, O&M Charges approved by the Commission for the FY 2022–23, with similar capacity of TGGENCO Thermal stations are for KTPS V & VI (1000 MW) it is Rs.377.83 crore and for KTPP I & II (1100 MW) is Rs.343.51 crore Thus, the impact of Variance in O&M Cost of BTPS is Rs.232.60 crore.

3.1.40 The A&G Charges increased due to increase in security guard charges due to implementation of Pay Revision by Government of Telangana and also due to increase in electricity charges towards colony consumption (earlier colony consumption was included in auxiliary consumption). No Pay revision is included in the A&G claims by TGGenco.

3.1.41 In regards to the additional interest on pension bonds the claim is not included in the O&M Charges. However, as per Clause No.19.8 of Regulation 1 of 2019, the Commission will follow the principle of “Pay as you go”. Actual expenditure incurred by TGGENCO towards Additional interest on pension bonds was Rs.1288.27 crore against which the Commission has allowed Rs.1108.67 crore in MTR Dt.23.03.2023, hence a net amount of Rs.179.60 crore was claimed separately.

3.1.42 The Petitioner further submitted that TGGenco has submitted the actual R&M Expenses for the FY 2022-23 for certain stations are lower than the approved R&M expenses and are higher for certain stations and the same is considering the fact that the actual R&M Expenses are incurred as per the unexpected needs arising during the regular overhaul of the stations. Plant wise overhaul details were also submitted to the Commission.

Commission's View

3.1.43 The Commission has carried out the prudence check of the actual O&M expenses claimed for the FY 2022-23. The Commission has approved O&M expenses for the FY 2022-23 which is dealt in Chapter 4.

27. Return on Equity Stakeholders' Submissions

3.1.44 The Stakeholder's submission that the petitioner has claimed a sum of Rs.174.19 crore for true-up under return on equity against Rs.1812.69 crore for the FY 2022-23 approved in the MTR Order. TGGENCO has not explained the equity of TGGENCO in the existing projects increase during the FY under consideration and justification and permissibility for the same. The Stakeholder requested the Commission to reject the claim of TGGENCO for true-up under return on equity.

3.1.45 The Petitioner has considered the Rate of RoE of 20.713% for thermal stations and run-of river stations and 22.049% for hydel stations with pondage

by grossing up the base rate of 15.5% and 16.5% with the applicable Corporate Tax rate of 22% with applicable Surcharge and CESS of 10% and 4% respectively. It is pointed out that the Tax rate claimed by the TGGenco is not in accordance with the MYT Regulations 2019 which provides for consideration of Tax rate based on actuals. In such regard, the Tax rate must be considered in reference to the Audited Accounts for the FY 2022-23.

Petitioner's Replies

3.1.46 The Petitioner has submitted that the true-up charges of ROE are on account of change in tax rate considered in computation of Return on Equity. The base rate of Return on Equity is considered as per Clause 11.2 of Regulation No. 1 of 2019. In the Mid Term Review Order dated 23.03.2023 the Commission has approved ROE with MAT @ 17.872%. Whereas, TGGENCO opted new tax regime i.e, Section 115BAA, according to which base tax rate @ 22% plus applicable surcharge and cess (Effective tax rate is 25.168%).

The equity of TGGENCO has not increased during the FY 2022-23, instead the equity base under true up (i.e., Rs.9478.31 crore) has decreased when compared to MTR approved equity base (i.e., Rs.9,537.58 crore). The claim of true-up in ROE of Rs.174.19 crore is due to the Change in Tax Rate of Rs.186.47 crore. The Change in Equity base is of (-) Rs.12.28 crore. The Net Difference is Rs.174.19 Core.

3.1.47 TGGENCO has followed the old tax regime Normal provisions @ 30% plus applicable surcharge and cess (Effective tax rate is 34.609%) or MAT @15% plus applicable surcharge and cess (Effective MAT rate is 17.19%) whichever is higher. Due to discontinuance of 80IA (exemption of profits earned from the investments made in infrastructure projects) benefits from the FY 2017-18, and setting up of new projects like KTPS VII stage, BTPS and YTPS after FY 2018-19, TGGENCO decided to opt new tax regime i.e, Section 115BAA, according to which tax rate @ 22% plus applicable surcharge and cess (Effective tax rate is 25.168%).

In the old system due to 80IA allowance and excess depreciation as per Income tax, TGGENCO had to pay MAT rate, and credit for the MAT can be availed when tax liability higher as per normal provisions. However, due to commercial

operation of new units KTPS VII and BTPS, and expected commercial operation of YTPS results in excess income tax depreciation due to which TGGENCO cannot claim MAT credit. Hence, TGGENCO opted to new tax regime from FY 2020-21, as per section 115BAA to avoid higher tax payment at 34.609% as per normal provisions of Income Tax Act 1961.

3.1.48 The true up charges of ROE are on account of change in tax rate considered in computation of Return on Equity. The base rate of Return on Equity is considered as per Clause 11.2 of Regulation No. 1 of 2019. In the Mid Term Review Order dated 23.03.2023 the commission has approved RoE with MAT @ 17.872%. Whereas, TGGENCO opted new tax regime i.e, Section 115BAA, according to which base tax rate @ 22% plus applicable surcharge and cess (Effective tax rate is 25.168%). Further, as per clause 11.3.4 of Regulation No. 1 of 2019, 't' "tax has to be paid estimated in line with the provisions of the relevant Finance Act applicable for that Financial year". Considering the benefits of the TGGENCO has opted New Tax Regime U/s 115BAA for the FY 2022 – 23.

Commission's View

3.1.49 The Commission has noted the submission of stakeholders and the petitioner. The Commission has approved the ROE for the FY 2022-23 after prudence check as detailed in chapter 4 of the Order.

28. ***Fixed Charges
Stakeholders' Submissions***

3.1.50 The Stakeholders have submitted that the claims for true-up under various heads shown by TGGENCO should have been or must have been included in the monthly bills during 2022-23. The very fact that GENCO is making the said claim under true-up indicates that either it did not include the variations in its monthly bills for supply of power made or that the DISCOMs did not consider such claims as permissible. The TGDIs should respond to the true-up claims of TGGENCO for 2022-23. The Stakeholder requested the Commission to get responses or counter of the respondents, including ESCOMs the state of Karnataka.

Petitioner's Replies

3.1.51 The petitioner has submitted that the Provisional Fixed Charges were raised on TGDISCOMs and ESCOMs as approved in Mid-term Order dated 23.03.2023. In accordance with clause No. 3.13 TGERC Regulation 1 of 2019, the Generating entity shall file a petition for Review and Truing-up of the Aggregate Revenue Requirement and Revenue. Also the review shall be a comparison of the actual operational and financial performance vis-à-vis the approved forecast. Further the Commission shall pass an Order recording approved gain or loss. In accordance with the Regulation, the True-up proposal has been submitted to the Commission.

Commission's View

3.1.52 The Commission has dealt the true up for the FY 2022-23 and passing of gains/losses in Chapter 4 of this Order.

29. ***Non-Tariff Income
Stakeholders' Submissions***

3.1.53 The Stakeholder has questioned on the claimed true-up for the FY 2022-23, and the accumulated dues, if any to TGGENCO from TGDISCOMs and other respondents. The stakeholder has also sought clarification on whether the surcharge for belated payment by the TGDISCOMs for the FY 2022-23 is included in the claim.

Petitioner's Replies

3.1.54 The Petitioner has submitted that as disclosed in audited annual accounts for the FY 2022-23, Accumulated dues receivable from TGDIscoms as 31.03.2023 are Rs.9,859.01 crore. Further, TGGENCO did not levy, any surcharge for belated payments receivable from TGDISCOMs for the FY 2022-23.

Commission's View

3.1.55 The Commission has approved the Non-Tariff income after prudence check with the Annual Accounts for FY 2022-23 in accordance with the clause 16. (a) of Regulation 01 of 2019.

30. ***Additional Pension Liabilities
Stakeholders' Submissions***

3.1.56 The petitioner has not submitted any reasons for the variations in respect of

the contribution towards pension liabilities. Additionally, there is no documentary evidence to substantiate the claim of Additional Pension liabilities. The Stakeholder requested the Commission to disallow any such expense in the absence of necessitating information on record.

Petitioner's Replies

3.1.57 TGGenco has submitted that as per Clause No.19.8 of Regulations 1 of 2019, the Commission will follow the principle of "Pay as you go". Actual expenditure incurred by TGGENCO towards Additional interest on pension bonds was Rs.1288.27 crore against which commission has allowed Rs.1108.67 crore in MTR Dt.23.03.2023, hence a net amount of Rs.179.60 crore was claimed separately. Additional Pension Liabilities commitment is available in the audited Annual Accounts for the FY 2022-23 of TGGENCO. The same were made available in TGGENCO official website and also submitted to the Commission.

Commission's View

3.1.58 The Commission has considered the Additional pension liabilities as claimed by the petitioner for the FY 2022-23.

31. ***Operational Parameters
Stakeholders' Submissions***

3.1.59 The Stakeholders have submitted that the Regulation 6.9 of the MYT Regulation 1 of 2019 provide for a mechanism for pass through of gains or losses on account of controllable factors. The petitioner has not submitted the proposal for Gain sharing in respect of Variation in performance parameters, such as Availability, Auxiliary Consumption, Secondary fuel oil consumption, Gross Station Heat Rate.

3.1.60 The actual parameters of KTPS V are below the normative i.e., SHR is 2307 kCal/ kWh (against normative of 2500 kCal/ kWh), the actual Secondary Fuel Oil Consumption is 0.523 ml/ kWh (against normative of 2 ml/ kWh). TGGenco failed to pass on the impact of better operational performance to the consumers keeping them devoid of their rightful due.

Petitioner's Replies

3.1.61 In accordance with clauses 3.12 and 3.13 the approved aggregate gain or loss to the Generating entity on account of controllable and uncontrollable factors

shall be issued by the Commission.

Commission's View

3.1.62 The Commission has directed the petitioner to bill the beneficiaries for the pass-through of gains and losses for the FY 2022-23 approved in the Order.

32. **Multi Year Tariff Petition for the Control Period for FY 2024-25 to FY 2028-29**

33. **Fixed Charges**
Stakeholders' Submissions

3.1.63 The Stakeholders have submitted that in addition to energy charges per unit for each thermal plant, TGGENCO has projected a huge sum of Rs.43713.14 crore towards fixed charges for the entire the control period from the FY 2024-25 to 2028-29.

Petitioner's Replies

3.1.64 TGGenco has submitted the projections of Fixed Charges proposed for the Control Period has been computed in accordance with the Regulations 2 of 2023.

Commission's View

3.1.65 The Commission has approved station wise fixed charges after prudence check in line with the Regulation No. 2 of 2023 as detailed in chapter 5.

34. **Capital Investment Plan**
Stakeholders' Submissions

3.1.66 The Stakeholders have submitted that TGGENCO has maintained that, while approving Capital Investment Plan for the Control Period of the FY 2024-25 to FY 2028-29, the Commission has not approved certain claims by either deferring the claim for submission at the time of true up or by stating non-conformation with Regulation No.1 of 2019. For KTPP I and II and KTPS V & VI, the Commission directed to claim additional capitalization towards FGD during the time of true up in the year which the FGD works are carried out. While pointing out that, for the works which are not allowed as the same were out of scope of original works or falling out of cut-off date of the project, TGGENCO has requested the Commission to consider the same as additional capitalization, since such works are either genuinely required for the efficient operation of the project or such works are falling beyond cut-off date of the

project on account of factors which GENCO is claiming are not fully under its control.

3.1.67 After declaration of COD of the project concerned, as approved by the Commission, TGGENCO is not entitled to claim additional capital cost and additional capitalization as it likes. Such an approach goes against the prudence approach of need for completing the project within stipulated time and cost. If such works were genuinely required for efficient operation of the project, they should have been incorporated in the DPR and capital cost proposed originally. GENCO has not even explained what those works were and how and why they were not proposed in the DPR and what were the factors beyond its control. Therefore, it is requested the Commission not to allow such additional capital expenditure and additional capitalization.

3.1.68 The stakeholder further stated that similar submissions are made by the petitioner for “certain works which are genuinely required for the efficient upkeep of the assets” which it has claimed to have observed in the course of time after submission of capital investment plan on dated 1.4.2023. Hence it is requested that the Commission rejects the request of the petitioner for the reasons explained above.

Petitioner’s Replies

3.1.69 The petitioner has submitted that out of the total capitalization proposed Rs.4,277.69 crore, for the Control period, an amount of Rs.3,588 crore are relating to KTPS VII & BTPS. The works are covered under original scope of the project cost. Most of them are provisionally approved by the Commission (Except KTPS VII Stage Quarters) for Rs.524 crore. Those works are under progress and anticipated completion during the period the FY 2024-29.

3.1.70 The remaining amounts are mostly related to KTPS V for Rs.107.24 crore and Hydel stations for Rs.492 crore. These units have already completed their useful life and requires certain essential works for smooth operation of these units.

Commission’s View

3.1.71 The Commission has already approved the Business Plan and Capital Investment Plan for TGGenco for MYT 5th Control Period for the FY 2024-25 to FY 2028-29 in Order dated 29.12.2023. The same has been considered for approval of capital investment for 5th control period.

35. **Depreciation**
Stakeholders' Submissions

3.1.72 The Stakeholders have submitted that the petitioner has proposed continuous hike in depreciation charges during the 5th control period on yearly basis - from Rs.779.74 crore for 2024-25, Rs.866.56 crore in 2025-26, Rs.970.44 Crore in FY 2026-27, Rs.1003.83 crore in the FY 2027-28 and Rs.1005.83 crore in FY 2028-29. Most of the plants of TGGENCO are old ones. As such, depreciation should show a declining trend year on year. The petitioner has included capital expenditure for works which the Commission did not allow in the investment plan for the control period of the FY 2024-25 to FY 2028-29 or yet to examine and consider in the subject petition.

Petitioner's Replies

3.1.73 The petitioner has submitted that in accordance with clause No. 28 of the Regulation No. 2 of 2023, depreciation shall be computed annually based on the straight line method on the basis of the expected useful life. Accordingly, the balance depreciation values are spread over the balance life of the respective station.

3.1.74 There is additional capitalization proposed for stations and accordingly, the depreciation has been increased.

Commission's View

3.1.75 The Commission has approved the depreciation in accordance with the clause 28 of Regulation 02 of 2023. The details has been dealt in chapter 5.

36. **Interest and finance charges on loan**
Stakeholders' Submissions

3.1.76 The Stakeholders have submitted that TGGENCO has claimed that the interest on loan has been calculated on the normative loan balance for the year by applying the weighted average rate of interest. Interest has to be paid on actual balance of loan at applicable rates, not on normative loan balance. Here, too, loan components, if any, spent for works not approved by the Commission should not be considered for calculating interest to be paid on loans.

Petitioner's Replies

3.1.77 TGGenco has submitted that in accordance with clause No. 31.6 of Regulation 2 of 2023, the interest on loan shall be computed on the normative average loan of the year by applying the weighted average rate of interest.

Commission's View

3.1.78 The Commission has approved the interest and finance charges on loan in accordance with Clause 31 of Regulation 2 of 2023 considering the weighted average rate of interest.

**37. Interest on Working Capital
Stakeholders' Submissions**

3.1.79 The Stakeholders have submitted that Interest on working capital (IoWC) has been considered as 10.15% for the control period of the FY 2024-25 to FY 2028-29, based on the rate prevailing as on 15.12.2023 by the petitioner. The weighted average landed price of coal and oil for the last quarter of the FY 2023-24 is considered for the FY 2024-25 with 2%/3% escalation year on year till 2028-29. Escalation for a period of four years should not be considered in advance, as any variation in energy charges can be shown in monthly bills and collected from the DISCOMs as per applicable terms and conditions in the PPAs of the thermal plants concerned.

Petitioner's Replies

3.1.80 TGGenco has submitted that in accordance with clause No. 46.4 of Regulation 2 of 2023 the landed cost of primary fuel and secondary fuel for tariff determination shall be based on actual weighted average cost of primary fuel and secondary fuel of the three (3) preceding months shall be taken into account. Further based on actual price of primary and secondary fuel the Energy Charge Rate will be adjusted in accordance with clause No. 46.5 of Regulation 2 of 2023. Escalation of landed price of coal and secondary fuel is considered based on the increase in coal price by M/s SCCL and oil rates of and M/s IOCL and M/s BPCL.

Commission's View

3.1.81 The Commission has computed the same as per clause 33 of Regulation 2 of 2023.

**38. Operation and Maintenance Expenses
Stakeholders' Submissions**

3.1.82 The Stakeholders have submitted that the petitioner has claimed that most of the employees cost of common services viz., colonies, office buildings, schools, etc., for KTPS O&M and KTPS VII are met in KTPS O&M. The Commission is aware of the suggestion of the stakeholders that the expenses for colonies of employees should be borne by SCCL in view of the substantial profits it has been earning on its thermal power project, the Company agreed and withdrew its claims. The Stakeholder requested the Commission to see that a similar adjustment of such expenses is made in the case of APGENCO's projects also. TGGENCO has maintained that, in respect of BTPS, average of 2 years (FY 2022-23 and FY 2023-24) of employee, R&M and A&G expenses are considered for arriving base year expenses for the control period the FY 2024-25 to FY 2028-29. These expenses should be considered based on what the Commission approves them for the FY 2022-23 in the true-up exercise.

3.1.83 The Stakeholders further submitted that the petitioner has maintained that employee and A&G expenses have been arrived for the control period for the FY 2024-25 to FY 2028-29 based on average of actual expenses for the 4th control period and escalated with CPI and WPI of 5.8% and 4.90%, respectively. However, true-up exercise for the last two years of the 4th control period is yet to be undertaken by the Commission. Without determining permissibility of the expenses for the last two years of the 4th control period, taking average of the expenses for the entire 4th control period would lead to inflated O&M expenses for the 5th control period. The stakeholders have requested the Commission to take a realistic view and determine O&M expenses for the 5th control period appropriately.

Petitioner's Replies

3.1.84 The Petitioner has submitted that O&M expenses were computed based on the Regulations 2 of 2023.

Commission's View

3.1.85 The Commission has approved the O&M Expenses for each station for the FY 2024-25 to FY 2028-29 in accordance with the clause 45 of Regulation 2 of 2023. The methodology in detailed have been dealt in Chapter 5.

39. Return on Equity Stakeholders' Submissions

3.1.86 The Stakeholders have submitted that Return on equity should be determined as per applicable rates after deducting impermissible components of equity being claimed by GENCO. It is repeatedly submitted that GoT is advised to take over pension liabilities of its power utilities once for all, as imposing such liabilities, including interest thereon, over the years on the consumers is unfair for the reasons explained in detail in our earlier submissions. However, there has been no positive response so far. When the petitioner has requested the Commission to allow it to submit actual expenses during true up of respective year, need for allowing additional pension liability as a separate item in the MYT is unwarranted.

Petitioner's Replies

3.1.87 The petitioner has submitted that Return on Equity is computed based on the Regulations 2 of 2023 dated 30.12.2023.

3.1.88 Further the petitioner has submitted that the additional interest on Pension and Gratuity bonds issued to Master Trust cannot be claimed under employee cost, since it is actual pension and gratuity paid to employees, Pensioners of the erstwhile APSEB for services rendered prior to 01.02.1999, over and above the scheduled repayment as per the terms of the Pension and Gratuity bonds. The additional interest is admissible separately as per the Orders of the Commission and erstwhile APERC Orders up to 2028-29 and for pensioners of the erstwhile APSEB up to 2033-34. The additional interest pertaining to pensioners and family pensioners of all APSEB employees and pensioners drawing pension from TGGENCO, TGTRANSCO, TGSPDCL and TGNPDCL and does not pertaining to TGGENCO stations alone.

Commission's View

3.1.89 The Commission has approved the Return on Equity in accordance with the Clause 29 of Regulation No. 2 of 2023 which is dealt in Chapter 5.

**40. Energy Charge Rate
Stakeholders' Submissions**

3.1.90 The Stakeholders have submitted that the petitioner has submitted that the weighted average landed price of coal and secondary oil for the last quarter of

2023-24 is considered for the FY 2024-25 with 2%/3% escalation year on year till the FY 2028-29. It needs to be examined how coal and secondary fuel were procured for the last quarter of 2023-24, from which sources and at what cost, as well as mode of transportation and its costs, and whether similar pattern would be applicable for the control period of the FY 2024-25 to FY 2028-29, before determining energy charges. In any case, GENCO has maintained that actual energy charges shall be claimed as per the actual price of primary fuel and secondary fuel and GCV as per the applicable Regulations.

3.1.91 The Stakeholders have submitted that the TGGENCO has claimed Rs.319.593 crores true-up towards energy charges for BTPS station and Rs.11.176 crores for KTPS-VII station. The Stakeholder requested the Commission to allow the said charges as per the normative operating parameters or actual parameters whichever is less only after prudence check.

Petitioner's Replies

3.1.92 TGGenco has submitted that accordance with clause No. 46.4 of TGERC Regulation 2 of 2023 the landed cost of primary fuel and secondary fuel for tariff determination shall be based on actual weighted average cost of primary fuel and secondary fuel of the three(3) preceding months shall be taken into account. Further based on actual price of primary and secondary fuel the Energy Charge Rate will be adjusted in accordance with clause No. 46.5 of Regulation 2 of 2023.

3.1.93 In accordance with the Regulation 1 of 2019 the Energy Charges has been claimed.

Commission's View

3.1.94 The Commission has computed the Energy Charge Rate in accordance with the clause 46 of Regulation No.2 of 2023.

**41. Operational Parameters
Stakeholders' Submissions**

3.1.95 The Stakeholders have submitted that the petitioner has requested the Commission to allow auxiliary consumption of BTPS as 8.792% against 8.5%,

as certain modifications were carried out to Boiler and ESPs. The modifications for boiler and ESPs were carried out reason is not provided, leading to increase in auxiliary consumption, is not explained by GENCO. Therefore, claimed increase in auxiliary consumption should not be considered.

3.1.96 The Stakeholders have submitted that 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 in turn impacts variable cost claim of TGGENCO and additional burden on TGDISCOMs. 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 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.

Petitioner's Replies

3.1.97 The petitioner has submitted that the reasons for modifications of ESPs and Boiler auxiliaries as per the new MoEF &CC norms are as follows:

1. It is essentially required for modification in ESP and associate system to meet particulate emission level of 30mg/MN3 from 50 mg/NM3.

2. Modifications in Boiler auxiliaries to keep a provision for inclusion of SCR to achieve a NOx level of 100mg/NM3 from existing 260mg/NM3.

Considering the above reasons, the auxiliary consumption of BTPS is increased to 8.79%.

3.1.98 The petitioner has submitted that as per the Ministry of Environment and Forests Gazette Notification dated on 2nd January, 2014, Pit-head Power Plant is any captive or Power Plant having a Captive transportation system (MGR/Conveyor) for the exclusive movement of coal from the loading point at the mine up to the unloading point at the Power Station without using any other mode of transportation.

3.1.99 All the Thermal Power Plants of the TGGENCO are not having captive transportation system (Merry-Go-Round/ Conveyor) and the coal is being transported by Rail/ Road mode from the loading point at mines to the unloading

point at the Power Station. All the Thermal Plants of TGGENCO are linked to SCCL. SCCL is supplying coal to TGGENCO from their cluster of mines (JVRB, Manuguru, Ramagundam, Manchiryal Mandamarry, Bhoopalpally etc.) and the distance is varying from 20 km to 275 km. Hence the Transit loss of 0.80% is being claimed.

Commission's View

3.1.100 The Commission has approved the operational parameters for TGGenco on normative basis as specified in Regulation 2 of 2023.

42. ***Extension of PPA for RTS-B Stakeholders' Submissions***

3.1.101 The Stakeholders have submitted that 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 the Commission on 03.10.2024 praying the Commission to consider the extension of PPA for RTS-B station for a period from 01.04.2024 upto 03.06.2024 only. Hence, the Stakeholder requested the Commission to consider the life of RTS-B station upto 03.06.2024 only in the MYT filed by TGGENCO for 2024-29.

Petitioner's Replies

3.1.102 Under purview of the Commission.

Commission's View

3.1.103 The Commission vide its Order dated 22.10.2024 in O.P. No. 22 of 2024 has extended the validity of RTS-B PPA till 03.06.2024.

Input Price of Coal

Stakeholders' Submissions

3.1.104 The Stakeholders have submitted that for the control period the 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 the FY 2022-23 was in the range of Rs.4800/- to Rs.5300/-.

Petitioner's Replies

3.1.105 The Petitioner has submitted that K TPP Stage – II (600 MW) is linked to Tadicherla – I coal mine and K TPP Stage – I (500 MW) is linked to SCCL as per the long term coal linkage sanctioned by Ministry of Coal, GOI. The landed cost of coal for the FY 2022-23 in the form -11 communicated is the blended cost of coal received from SCCL and Tadicherla – I coal mines, since the coal is being used in blending, as both the units are having coal handling, stocking facilities. The Input price of coal from Tadicherla-I coal block is projected for the period the FY 2024-29 in the range of Rs.6200/- to Rs.7500/- computed as per the TGERC Regulation 2 of 2023.

Commission's View

3.1.106 The Commission directs the Petitioner to approach the Commission with a petition along with all other relevant documents for determination of Input Price of coal from COD of the mine in accordance with the clause 50 of Regulation 02 of 2023.

Chapter-4 Analysis and Conclusion on True-up for FY 2022-23

43. Regulatory Provisions

- 4.1.1 The petitioner has submitted the true-up petition for the FY 2022-23 on 21.09.2024.
- 4.1.2 The Commission has carried true-up exercise in accordance with Regulation No.1 of 2019.
- 4.1.3 In addition to details submitted in petition, the Commission has also considered the additional submissions made by the petitioner dated 08.10.2024 in support of their claim. The component-wise description of the petitioner's claim and the Commission view thereon is given below:

44. Additional Capitalisation

Petitioner's Claim

- 4.1.4 TGGenco has claimed the additional capitalisation for the FY 2022-23 as per the audited annual accounts for the FY 2022-23. The Opening Gross Fixed Assets (GFA) is considered based on the GFA as on 01.04.2019 and the additional capitalization approved at para 4.5.3 of Mid-term Review Order dated 23.03.2023.
- 4.1.5 The details of the additional capitalisation claimed by the TGGenco for the FY 2022-23 is detailed below: -

Table 4-1: Additional Capitalisation as claimed for FY 2022-23

Rs.in crore

Sl. No.	Station	GFA as on 01.04.2022	Claimed in FY 2022-23
1.	KTPS-V	2,269.88	6.06
2.	KTPS-VI	2,473.36	(0.13)
3.	KTPS-VII	5,022.07	72.33
4.	RTS-B	127.04	-
5.	KTPP-I	2,548.83	0.17
6.	KTPP-II	3,767.77	(6.50)
7.	BTPS	6,946.29	312.83
8.	Nagarjuna Complex	1,920.80	(0.00)
9.	Srisaillam LB	3,375.71	12.24
10.	Small Hydel	121.79	0.09
11.	Mini Hydel	31.23	0.00
12.	Pochampad- II	29.74	-
13.	Priyadarshini Jurala	690.68	0.79
14.	Lower Jurala	1,627.47	4.11
15.	Pulichintala	440.68	0.04

Sl. No.	Station	GFA as on 01.04.2022	Claimed in FY 2022-23
Total		31,393.34	402.05

Commission's View

4.1.6 The Commission in its MTR Order dated 23.03.2023 has approved the revised GFA for the FY 2022-23 in accordance with the clause 3.12.6(c) of the Regulation 01 of 2019. The Commission after prudence check observed that the actual additional capitalisation claimed by TGGenco for the FY 2022-23 for some of the stations were part of the already approved in MTR Order dated 23.03.2023.

4.1.7 The clauses 7.7, 7.19 of Regulation No.1 of 2019 stipulates the following:

7.7 In the normal course, the Commission shall not revisit the approved capital investment plan during the Control Period. However, during Mid-Term Review, the Commission shall monitor the Year-wise progress of the actual capital expenditure incurred by the Applicant vis-à-vis the approved capital expenditure.

Provided that the actual capital expenditure incurrent shall be only as per the approved capital investment plan.

7.19 Additional Capitalisation

7.19.1 The capital expenditure actually incurred or projected to be incurred, on the following counts within the original scope of work, after the COD and up to the Cut-Off Date, may be admitted by the Commission subject to Prudence Check. Any additional capitalization after COD needs prior approval of the Commission:

7.19.2 The details of works included in the original scope of work along with estimates of expenditure, liabilities recognized to be payable at a future date and the works deferred for execution shall be submitted along with the petition for determination of final tariff after COD of the Generation Unit/Station.

7.19.3 Any expenditure, which has been claimed under renovation and modernization or repairs and maintenance under O&M expenses shall not be claimed under this clause.

7.19.4 Impact of additional capitalisation on tariff, if any, shall be considered during Mid-term Review or tariff determination for the next Control period as the case may be.

7.19.5 Any expenditure on miscellaneous items/assets like normal tools and tackles, personal computers, furniture, air-conditioners, voltage stabilizers, refrigerators, fans, coolers, TV, washing machines, Heat-convector, carpets, mattresses etc., brought after the Cut-Off Date

shall not be considered for additional capitalisation for determination of tariff. The said items are illustrated and may include any other similar items.

4.1.8 On perusal of the additional information furnished by the Petitioner, the Commission based on prudence check has approved the additional capitalisation for the FY 2022-23 as lower of actual claimed or as approved in MTR Order 23.03.2023.

4.1.9 The additional capitalisation claimed by the Petitioner and approved by the Commission for the FY 2022-23 is shown below:

Table 4-2: Additional Capitalisation as approved for FY 2022-23

Rs.in crore

Sl. No.	Particulars	2022-23	
		Claimed	Approved
1.	KTPS-V	6.06	0.00
2.	KTPS-VI	(0.13)	(0.13)
3.	KTPS-VII	72.33	72.33
4.	RTS-B	-	0.00
5.	KTPP-I	0.17	0.00
6.	KTPP-II	(6.50)	(6.50)
7.	BTPS	312.83	312.83
8.	Nagarjuna Complex	(0.00)	(0.00)
9.	Srisailam LB	12.24	0.00
10.	Small Hydel	0.09	0.10
11.	Mini Hydel	0.00	0.00
12.	Pochampad- II	-	0.00
13.	Priyadarshini Jurala	0.79	0.00
14.	Lower Jurala	4.11	4.11
15.	Pulichintala	0.04	0.04
	Total	402.05	382.79

45. Depreciation

Petitioner's Claim

4.1.10 TGGenco has claimed the depreciation in accordance with the clause 10 of Regulation no. 01 of 2019. The capital cost admitted by the Commission along with admitted additional capitalization is considered as value base for calculation of depreciation.

4.1.11 Depreciation for the stations up to 12 years from COD is calculated annually based on Straight Line Method and at rates specified in CERC (Terms and conditions of Tariff) Regulations, 2019. For the Stations after twelve (12) Years from the effective COD, the remaining depreciable value was spread over the

balance Useful life of the asset. In respect of RTS-B and KTPS-V Stage, the useful life is considered up to 31.03.2025 and 31.03.2029 respectively.

4.1.12 The depreciation claimed by TGGenco for the FY 2022-23 is shown in below table:

Table 4-3: Depreciation as claimed for FY 2022-23

Rs.in crore

Sl. No.	Stations	Approved in MTR Order dated 23.03.2023	Claimed
1.	KTPS-V	73.33	34.59
2.	KTPS-VI	129.12	126.12
3.	KTPS-VII	253.40	261.87
4.	RTS-B	10.11	9.82
5.	KTPP-I	131.41	128.09
6.	KTPP-II	197.65	194.38
7.	BTPS	329.05	360.88
8.	Nagarjuna Complex	87.97	100.42
9.	Srisailam LB	86.43	59.30
10.	Small Hydel	4.04	1.19
11.	Mini Hydel	0.90	0.37
12.	Pochampad- II	0.72	0.58
13.	Priyadarshini Jurala	20.11	19.67
14.	Lower Jurala	81.49	81.51
15.	Pulichintala	11.24	19.24
	Total	1,416.97	1,398.04

Commission's View

4.1.13 A Clause 10.10 of Regulation No.1 of 2019 stipulates that the depreciation shall be determined for assets capitalised at the time of Truing-up along with the Mid-term Review based on documentary evidence of assets capitalised by TGGenco, subject to the prudence check of the Commission, such that the depreciation is allowed proportionately from the date of capitalisation. The relevant clause of the regulation is stipulated below:

“10.10 Depreciation shall be re-computed for assets capitalised at the time of Truing-up along with the Mid-term Review or at the End of the Control Period, based on documentary evidence of assets capitalised by TGGenco, subject to the Prudence Check of the Commission, such that the depreciation is allowed proportionately from the date of capitalisation.”

4.1.14 The Commission observed that variance in depreciation claimed by TGGenco and approved by the Commission in MTR Order dated 23.03.2023 is on account of the variations in GFA opening base and additional capitalization proposed by

TGGenco for the FY 2022-23.

4.1.15 The Commission after prudence check and based on approved GFA has determined the depreciation in accordance with clause 10.10 of Regulation No.1 of 2019 with additional capitalisation and decapitalisation of assets for the FY 2022-23.

4.1.16 The deprecation approved in MTR Order dated 23.03.2023, claimed by TGGenco in True up petition and approved in True up Order is detailed in Table below:

Table 4-4: Depreciation as approved by the Commission for FY 2022-23
Rs.in crore

Sl. No.	Stations	Approved in MTR Order dated 23.03.2023	Claimed	Approved
1.	KTPS-V	73.33	34.59	*73.33
2.	KTPS-VI	129.12	126.12	126.12
3.	KTPS-VII	253.40	261.87	261.87
4.	RTS-B	10.11	9.82	6.74
5.	KTPP-I	131.41	128.09	128.08
6.	KTPP-II	197.65	194.38	194.38
7.	BTPS	329.05	360.88	357.29
8.	Nagarjuna Complex	87.97	100.42	87.97
9.	Srisaillam LB	86.43	59.30	*86.43
10.	Small Hydel	4.04	1.19	*4.04
11.	Mini Hydel	0.90	0.37	*0.90
12.	Pochampad- II	0.72	0.58	*0.72
13.	Priyadarshini Jurala	20.11	19.67	*20.11
14.	Lower Jurala	81.49	81.51	81.15
15.	Pulichintala	11.24	19.24	11.16
	Total	1,416.97	1,398.04	1,440.29

* Petitioner while computing the depreciation some of the stations has wrongly considered the depreciation rate in variance with the depreciation rate mentioned in the Regulation. The Commission has recomputed the depreciation of KTPS-V, on approved GFA and rate in accordance to the Regulation No. 2 of 2023.

46. Interest and Finance Charges on Loan

Petitioner's Claim

4.1.17 TGGenco in its filling has considered the debt-equity ratio as 70:30 of the GFA in accordance with the clause no. 9 of Regulation No. 01 of 2019 and as per para-No. 4.8.3 of the MTR Order dated 23.03.2023.

4.1.18 TGGenco has calculated station-wise opening loan balance by considering the 70% of GFA and subtracting the accumulated depreciation. The depreciation has been considered as normative loan repayment. The station-wise weighted average interest rate of the actual loan portfolio has been

considered by TGGenco as the rate of interest on loan. The interest on loan has been calculated on the normative loan balance for the year by applying the weighted average rate of interest.

4.1.19 The interest and finance charges on loan approved in MTR Order dated 23.02.2023, claimed by TGGenco in True up petition is detailed in Table below:

**Table 4-5 Interest and Finance Charges on Loan as claimed for
FY 2022-23**

Rs.in crore

Sl. No.	Particulars	Approved in MTR Order dated 23.03.2023	Claimed
1.	KTPS-V	8.39	0.00
2.	KTPS-VI	1.34	1.31
3.	KTPS-VII	275.05	264.27
4.	RTS-B	0.00	0.20
5.	KTPP-I	1.09	0.00
6.	KTPP-II	137.16	148.62
7.	BTPS	398.79	442.58
8.	Nagarjuna Complex	19.57	22.30
9.	Srisailam LB	56.28	55.30
10.	Small Hydel	0.39	0.00
11.	Mini Hydel	0.11	0.21
12.	Pochampad- II	0.97	1.02
13.	Priyadarshini Jurala	18.67	19.08
14.	Lower Jurala	61.40	66.07
15.	Pulichintala	22.40	24.68
	Total	1,001.61	1,045.66

Commission's View

4.1.20 In terms of clause 9 of Regulation No.1 of 2019, the debt-equity ratio for the amount capitalised during the year has been considered as 70:30 of the approved cost for calculating interest on loan.

4.1.24 The approved depreciation for each station has been considered as the normative loan repayment for the year.

4.1.22 The station-wise weighted average interest rate of the actual loan portfolio has been considered as the rate of interest on loan. The Commission has approved the Interest and Finance Charges on loan in accordance with Clause 12 of the Regulation No. 1 of 2019. The outstanding loan balance approved for the FY 2021-22 has been considered as the opening loan balance for the FY 2022-23. For KTPP-I and KTPS-V the opening loan balance for the FY 2022-23 has been considered as zero as claimed by the Petitioner.

4.1.23 In regard to interest rate, the Commission directed TGGenco to substantiate the

interest rate on loan as considered in the Petition. TGGenco in its reply has submitted the documentary evidence of the rate of interest. The Commission considering above all has computed the interest and finance charges on loan.

4.1.24 The interest and finance charges on loan approved in MTR Order dated 23.03.2023, claimed by TGGenco in True up petition and approved in True up Order is as shown in the Table below:

Table 4-6: I&FC on Loan as approved for FY 2022-23

Rs.in crore

Sl. No.	Particulars	Approved in MTR Order 23.03.2023	Claimed in True-up Petition	Approved
1.	KTPS-V	8.39	0.00	0.00
2.	KTPS-VI	1.34	1.31	1.49
3.	KTPS-VII	275.05	264.27	258.00
4.	RTS-B	0	0.20	0.00
5.	KTPP-I	1.09	0.00	0.00
6.	KTPP-II	137.16	148.62	130.55
7.	BTPS	398.79	442.58	367.50
8.	Nagarjuna Complex	19.57	22.30	18.36
9.	Srisaillam LB	56.28	55.30	52.06
10.	Small Hydel	0.39	0.00	0.00
11.	Mini Hydel	0.11	0.21	0.13
12.	Pochampad- II	0.97	1.02	0.92
13.	Priyadarshini Jurala	18.67	19.08	17.42
14.	Lower Jurala	61.4	66.07	59.22
15.	Pulichintala	22.4	24.68	21.76
	Total	1,001.61	1,045.66	927.42

47. Interest on Working Capital (IoWC)

Petitioner's Claim

4.1.25 TGGenco has computed the working capital in accordance with clause no. 12 of Regulation No. 01 of 2019. The rate of IoWC considered by TGGenco as 9.44% (considering the weighted average of SBI MCLR for the FY 2022-23 of 7.94% plus 150 basis points).

4.1.26 The interest on working capital approved in MTR Order dated 23.03.2023 and claimed by TGGenco in True up petition is detailed in Table below:

Table 4-7: Interest on Working Capital as claimed for FY 2022-23

Rs.in crore

Sl. No.	Particulars	Approved in MTR Order dated 23.03.2023	Claimed
1.	KTPS-V	30.27	38.67
2.	KTPS-VI	32.01	41.91

Sl. No.	Particulars	Approved in MTR Order dated 23.03.2023	Claimed
3.	KTPS-VII	59.87	64.38
4.	RTS-B	6.48	6.78
5.	KTPP-I	33.26	36.62
6.	KTPP-II	41.75	51.70
7.	BTPS	63.34	86.31
8.	Nagarjuna Complex	7.03	10.65
9.	Srisailam LB	8.41	12.74
10.	Small Hydel	1.56	1.64
11.	Mini Hydel	0.28	0.58
12.	Pochampad- II	0.28	0.25
13.	Priyadarshini Jurala	2.2	3.21
14.	Lower Jurala	4.66	5.89
15.	Pulichintala	1.99	2.79
	Total	293.39	364.13

Commission's View

4.1.27 The Commission has computed the working capital requirement for FY 2022-23 in accordance with clause 13 of Regulation No.1 of 2019. The working capital requirement has been computed considering the following:

- Cost of coal towards stock corresponding to 30 days generation corresponding to target availability.
- Cost of coal for 30 days of generation corresponding to target availability.
- Cost of secondary fuel oil for two months of generation corresponding to target availability.
- Maintenance spares @ 20% of the O&M expenses.
- O&M expenses for one month.
- Receivables equivalent to two months of capacity charges and energy charges for sale of electricity calculated on target availability.
- Minus payables for fuel (including secondary fuel oil) to the extent of thirty days of the cost of fuel computed at target availability.

4.1.28 In regard to rate of IoWC, the relevant clause of Regulation is as follows:

"13.3 Rate of interest on working capital shall be on normative basis and shall be considered as the Bank Rate plus 150 basis points as on filing date or as on 1st April of the financial Year during the MYT period in which the Generating Station or Unit thereof is declared under commercial operation, whichever is later.

Provided that for the purpose of Truing-up for any year, interest on working capital shall be allowed at a rate equal to the weighted average Bank Rate prevailing during the concerned Year plus 150 basis points."

4.1.29 The Commission has observed that TGGenco has claimed higher rate of interest for the FY 2022-23. The Commission has recomputed the rate of interest on working capital for each station as 9.30% equal to the weighted

average Bank Rate prevailing during the FY 2022-23 including 150 basis points in accordance to clause 13.3 of Regulation No.1 of 2019.

4.1.30 The IoWC approved in MTR Order dated 23.03.2023, claimed by TGGenco in true-up petition and approved in true-up Order is detailed in Table below:

Table 4-8: Interest on Working Capital as approved for 2022-23

Rs.in crore

Sl. No.	Particulars	Approved in MTR Order 23.03.2023	Claimed in True-up Petition	Approved in True-up Order
1.	KTPS-V	30.27	38.67	37.11
2.	KTPS-VI	32.01	41.91	33.98
3.	KTPS-VII	59.87	64.38	56.91
4.	RTS-B	6.48	6.78	5.48
5.	KTPP-I	33.26	36.62	29.25
6.	KTPP-II	41.75	51.70	48.89
7.	BTPS	63.34	86.31	64.55
8.	Nagarjuna Complex	7.03	10.65	6.86
9.	Srisaillam LB	8.41	12.74	8.07
10.	Small Hydel	1.56	1.64	1.55
11.	Mini Hydel	0.28	0.58	0.28
12.	Pochampad- II	0.28	0.25	0.24
13.	Priyadarshini Jurala	2.20	3.21	2.13
14.	Lower Jurala	4.66	5.89	4.51
15.	Pulichintala	1.99	2.79	1.95
	Total	293.39	364.13	301.77

48. Operation & Maintenance (O&M) Expenses

Petitioner's Claim

4.1.31 TGGenco has submitted that the O&M expenses comprise of (i) employee cost, (ii) Repair & Maintenance expenses and (iii) Administrative & General expenses. The Trued-up O&M expenses have been arrived based on the audited annual accounts for the FY 2022-23.

4.1.32 The Trued-up O&M expenses as claimed by TGGenco is of Rs.792.06 crore, in which most of the claim is towards employee expenses (Rs.696.68 crore) which was due to pay revision in the FY 2022-23.

4.1.33 In regards to employee expenses it is submitted by the TGGenco that the pay revision commitment for the FY 2022-23, which was not included in the base normative expenses for the FY 2021-22, is the primary reason for the variation between the approved and actual employee costs. Furthermore, it is provided in Clause No. 19.14 of Regulation No. 1 of 2019 that any increase in employee expenses due to pay revision will be considered separately by the Commission.

Additionally, it was mentioned by the Commission in Para No. 6.8.11 of the MYT Order dated 22.03.2022, that any effect of the PRC for the 4th control period has not been approved and shall be claimed based on actuals, either during the Mid-Term Review or during true-up at the end of the 4th control period.

4.1.34 In regards to A&G Expenses it is submitted by TGGenco that the actual A&G Expenses for the FY 2022-23 are higher than the A&G expenses approved in MTR Order. The actual A&G Expenses for the FY 2022-23 include the impact on account of wage revision for Security expenses which are forming part of A&G Expenses. Considering the same, the actual A&G expenses for the FY 2022-23 as claimed.

4.1.35 In regards to R&M Expenses it is submitted that the actual R&M Expenses for the FY 2022-23 for certain stations are lower than the approved R&M expenses and are higher for certain stations and the same is considering the fact that the actual R&M Expenses are incurred as per the unexpected needs arising during the regular overhaul of the stations, considering the fact that not attending the identified issues shall result in loss of availability the unexpected needs are attended. Considering the same, the actual R&M expenses for the FY 2022-23 as claimed.

4.1.36 The O&M expenses claimed by TGGenco in True up petition for the FY 2022-23 is detailed in Table below:

Table 4-9: Summary of O&M expenditure as claimed for FY 2022-23
Rs.in crore

Sl. No.	Particulars	Approved in MTR Order, Dt. 23.03.2023	Employee Cost	R&M	A&G	Total O&M
1.	KTPS-V	188.61	208.43	24.75	12.46	245.64
2.	KTPS-VI	189.22	208.43	24.75	12.46	245.64
3.	KTPS-VII	403.31	419.16	41.63	30.62	491.60
4.	RTS-B	90.47	75.13	8.42	10.69	94.24
5.	KTPP-I	163.04	168.54	32.69	7.10	208.32
6.	KTPP-II	180.47	202.24	39.23	8.52	249.99
7.	BTPS	159.96	346.38	34.07	12.11	392.56
8.	Nagarjuna Complex	100.3	155.62	8.39	9.68	173.70
9.	Srisaillam LB	87.2	148.26	31.98	10.90	191.14
10.	Small Hydel	37.73	36.79	1.14	1.04	38.97
11.	Mini Hydel	6.4	13.38	0.41	0.38	14.18
12.	Pochampad- II	6.29	4.82	0.15	0.14	5.10
13.	Priyadarshini Jurala	28.02	44.86	3.16	1.72	49.74
14.	Lower Jurala	30.11	44.86	3.16	1.72	49.74

Sl. No.	Particulars	Approved in MTR Order, Dt. 23.03.2023	Employee Cost	R&M	A&G	Total O&M
15.	Pulichintala	29.53	37.59	3.59	0.98	42.16
	Total	1,700.66	2,114.49	257.52	120.52	2,492.72

Commission's View

4.1.37 The clause 6.7 of Regulation No.1 of 2019 specifies variation in O&M expenses as controllable factors. The relevant extract is as follows:

6.7 Controllable factors

Variations or expected variations in the performance of TGGenco, which may be attributed by the Commission to controllable factors include, but are not limited to the following:

6.7.1 Variations in capitalisation on account of time or cost overruns or inefficiencies in the implementation of a capital expenditure scheme not attributable to an approved change in its scope, change in statutory levies or Force Majeure Events;

6.7.2 Variation in interest and finance charges, return on equity, and depreciation on account of variation in capitalisation as specified in clause 6.8.1 above;

6.7.3 Variation in performance parameters, such as Availability, Auxiliary Consumption, Secondary fuel oil consumption, Gross Station Heat Rate.

6.7.4 Variation in amount of interest on working capital;

6.7.5 Variation in Operation and Maintenance Expenses;

6.7.6 Variation in coal transit losses.”

4.1.38 The Commission has recomputed the normative Employee expenses, normative R&M expenses and normative A&G expenses as per Regulation No.1 of 2019 based on the actual WPI/CPI for the FY 2022-23.

Table 4-10: Normative O&M expenses computed for FY 2022-23

Rs.in crore

Sl. No.	Particulars	FY 2022-23			
		Normative			
		Emp	A&G	R&M	Total
1.	KTPS-V	141.45	12.22	24.51	178.17
2.	KTPS-VI	141.45	12.22	24.50	178.17
3.	KTPS-VII	362.96	15.29	27.79	406.04
4.	RTS-B	74.38	6.19	8.33	88.90
5.	KTPP-I	128.42	4.48	32.08	164.98
6.	KTPP-II	146.61	5.02	34.75	186.38
7.	BTPS	138.72	11.38	10.55	160.66
8.	Nagarjuna Complex	81.90	7.91	8.31	98.12
9.	Srisailam LB	69.26	7.52	10.26	87.03
10.	Small Hydel	35.00	0.91	1.12	37.04
11.	Mini Hydel	5.94	0.16	0.34	6.43

12.	Pochampad- II	4.77	0.14	0.15	5.05
13.	Priyadarshini Jurala	24.50	1.45	1.80	27.74
14.	Lower Jurala	25.12	1.67	3.12	29.92
15.	Pulichintala	27.64	0.59	0.86	29.09
	Total	1,408.10	87.14	188.47	1,683.72

4.1.39 The recomputed normative O&M expenses were compared with the actual expenses as claimed by petitioner and the Commission has approved the least of computed normative expenses and actual expenses claimed in accordance with the methodology adopted by the Commission while carrying out the True-up for the FY 2019-20 to FY 2021-22 in MTR Order dated 23.03.2023.

4.1.40 The Commission in MYT Order dated 22.03.2022 has not approved any effect due to PRC for 4th control period from the FY 2019-20 to FY 2023-24 and ruled that the same shall be claimed based on the actuals either during the Mid Term Review or during Truing up at the end of 4th control period. TGGENCO has claimed additional O&M expenses for the FY 2022-23 on account of PRC, however complete details of station wise PRC has not been submitted in the filings. Accordingly, as ruled in the MYT Order, the Commission will consider the impact of PRC during the Control Period the FY 2019-20 to FY 2023-24 while carrying out the truing up at the end of 4th Control Period. Therefore, the Commission has not considered the impact of PRC for the FY 2022-23 at this stage and will consider the same as part of truing up at the end of 4th Control Period subject to prudence check of the station wise actual PRC effect in employee cost for the FY2022-23.

4.1.41 The relevant clause of Regulation No.1 of 2019 related to O&M expenses is as follows:

“19.1 The O&M expenses for each year of the control period shall be approved based on the formula shown below:

$$O\&M_n = (R\&M_n + EMP_n + A\&G_n) \times 99\%”$$

4.1.42 The O&M expenses claimed by petitioner and approved by the Commission for the FY 2022-23 is as shown below:

Table 4-11: O&M Expenses claimed and approved FY 2022-23

Rs.in crore

Sl. No	Particulars	Approved in MTR 23.03.2023	Claimed				Approved				
			Employee Expenses (a)	R&M Expenses (b)	A&G Expenses (c)	O&M Expenses (a+b+c)	Employee Expenses (a)	R&M Expenses (b)	A&G Expenses (c)	O&M Expenses (a+b+c)	O&M Expenses (a+b+c)*99 %
1.	KTPS-V	188.61	208.43	24.75	12.46	245.64	142.88	24.75	12.34	179.97	178.17
2.	KTPS-VI	189.22	208.43	24.75	12.46	245.64	142.88	24.75	12.34	179.97	178.17
3.	KTPS-VII	403.31	419.16	41.63	30.62	491.60	366.63	28.07	15.45	410.15	406.04
4.	RTS-B	90.47	75.13	8.42	10.69	94.24	75.13	8.42	6.25	89.80	88.90
5.	KTPP-I	163.04	168.54	32.69	7.10	208.32	129.72	32.41	4.52	166.65	164.98
6.	KTPP-II	180.47	202.24	39.23	8.52	249.99	148.09	35.10	5.07	188.26	186.38
7.	BTPS	159.96	346.38	34.07	12.11	392.56	140.13	10.66	11.50	162.28	160.66
8.	Nagarjuna Complex	100.3	155.62	8.39	9.68	173.70	82.72	8.39	7.99	99.11	98.12
9.	Srisailam LB	87.2	148.26	31.98	10.90	191.14	69.95	10.36	7.59	87.91	87.03
10.	Small Hydel	37.73	36.79	1.14	1.04	38.97	35.35	1.14	0.92	37.41	37.04
11.	Mini Hydel	6.4	13.38	0.41	0.38	14.18	6.00	0.34	0.16	6.50	6.43
12.	Pochampad- II	6.29	4.82	0.15	0.14	5.10	4.82	0.15	0.14	5.10	5.05
13.	Priyadarshini Jurala	28.02	44.86	3.16	1.72	49.74	24.74	1.82	1.46	28.02	27.74
14.	Lower Jurala	30.11	44.86	3.16	1.72	49.74	25.38	3.16	1.69	30.22	29.92
15.	Pulichintala	29.53	37.59	3.59	0.98	42.16	27.92	0.87	0.59	29.38	29.09
	Total	1700.66	2114.49	257.52	120.72	2,492.72	1422.33	190.38	88.08	1700.73	1683.72

49. Return on Equity (ROE)

Petitioner's Claim

4.1.43 TGGenco has computed the return on equity considering the debt-equity ratio as 70:30 as approved by the Commission at Para No. 4.8.3 of MTR Order dated 23.03.2023.

4.1.44 The rate of RoE has been considered by TGGenco as 20.71% for thermal stations and run-of river stations and 22.04% for hydel stations with pondage by grossing up the base rate of 15.5% and 16.5% with the applicable Corporate Tax rate of 22% with applicable Surcharge and CESS of 10% and 4% respectively with the effective Income tax rate as 25.16%.

4.1.45 The major reason for variance submitted by TGGenco is approved RoE and claimed RoE is on account of change in the rate of tax considered for grossing up of the applicable rate of RoE as per Regulation No. 1 of 2019.

4.1.46 TGGenco has submitted that since the FY 2020-21, effective tax rate

is 25.168% in accordance with second proviso of Clause 31(3) of CERC (Terms and Conditions of Tariff) Regulations, 2024 wherein it is stipulated that rate of return on equity has to be grossed up with tax rate including surcharge and cess as specified under Section 115 BAA in case the entity is paying tax under Section 115BAA.

4.1.47 The RoE approved in MTR Order dated 23.03.2023, claimed by TGGenco in true-up petition is detailed in Table below:

Table 4-12: Return on Equity including Tax as claimed for FY 2022-23

Rs.in crore

Sl. No.	Particulars	Approved in MTR Order dated 23.03.2023	Claimed
1.	KTPS-V	127.89	141.24
2.	KTPS-VI	139.36	153.69
3.	KTPS-VII	288.43	314.31
4.	RTS-B	7.16	7.89
5.	KTPP-I	143.61	158.39
6.	KTPP-II	213.57	233.92
7.	BTPS	406.16	441.36
8.	Nagarjuna Complex	115.21	127.06
9.	Srisailam LB	202.47	223.70
10.	Small Hydel	7.56	8.06
11.	Mini Hydel	1.76	1.94
12.	Pochampad- II	1.78	1.97
13.	Priyadarshini Jurala	38.92	42.94
14.	Lower Jurala	92.2	101.26
15.	Pulichintala	26.61	29.15
	Total	1,812.69	1,986.88

Commission's View

4.1.48 The Commission has approved Return on Equity in accordance with Clause 11 of the Regulation No. 1 of 2019 based on station wise approved GFA.

"11.2. RoE shall be computed at the following base rates:

11.2.1. Thermal Generating Stations: 15.50%

11.2.2. Run of the river hydro Generating Station: 15.50%

11.2.3. Storage Type hydro Generating Stations including Pumped Storage Hydro Generating Stations and Run-of-River Generating Station with pondage: 16.50%:

11.2.4. Provided that:

a) the rate of return of a new Project shall be reduced by 1% for such period as may be decided by the Commission, if the Generating Station is found to

be declared under commercial operation without commissioning of any of the Restricted Governor Mode Operation (RGMO)/ Free Governor Mode Operation (FGMO), data telemetry, communication system up to load dispatch centre or protection system:

b) as and when any of the above requirements in clause 11.2.4 are found lacking in a Generating Station based on the report submitted by the SLDC, RoE shall be reduced by 1% for the period for which the deficiency continues:

c) The base rates as specified above or as per Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014, including amendments thereto or any superseding Regulations, whichever is lower shall be used for the computation of RoE”

4.1.49 The gross normative equity as on 31.03.2022 approved in MTR-Order dated 23.03.2023 has been considered as the normative opening equity as on 01.04.2022.

4.1.50 In regard to tax paid, the Commission as a part of additional information has asked TGGenco to submit the documentary evidence in support of his claim. TGGenco in its reply submitted that

“TGGENCO has followed the old tax regime i.e. Normal provisions @ 30% plus applicable surcharge and cess (Effective tax rate is 34.609%) or MAT @15% plus applicable surcharge and cess (Effective MAT rate is 17.19%) whichever is higher. Due to discontinuance of 80IA (exemption of profits earned from the investments made in infrastructure projects) benefits from the FY 2017-18, and setting up of new projects like KTPS VII stage, BTPS and YTPS after FY 2018-19, TGGENCO decided to opt new tax regime i.e., Section 115BAA, according to which tax rate @ 22% plus applicable surcharge and cess (Effective tax rate is 25.168%). In the old system due to 80IA allowance and excess depreciation as per Income tax, TGGENCO had to pay MAT rate, and credit for the MAT can be availed when tax liability higher as per normal provisions. However, due to commercial operation of new units KTPS VII and BTPS, and expected commercial operation of YTPS results in excess income tax depreciation due to which TGGENCO cannot claim MAT credit. Hence, TGGENCO opted to new tax regime as per section 115BAA to avoid higher tax payment at 34.609% as per normal provisions of Income Tax Act 1961.”

4.1.51 The Commission observed that the TGGenco is following the new tax regime as per Section 115BAA of the Income Tax Act, 1961.

4.1.52 The Commission has considered the base rate of ROE as 15.50% for thermal stations and 16.50% for hydel stations with pondage. As per principal Regulation No 01 of 2019, TGGenco is required to file the True up petition for FY 2022-23 by 30.11.2023. The Commission has issued the first amendment to the above said principal Regulation on 01 of 2019 As per Clause 2 of Regulation (Terms and Condition of Generation Tariff) First Amendment Regulation, 2022, for any delay in filing the petition, the rate of Return on Equity (RoE) shall be reduced by 0.5% per month or part thereof.

4.1.53 The Commission observed that there is delay of ~ 8 months till the filing the petition (Petition is filed on 21.09.2024). Therefore, the Commission has reduced the base rate of rate of equity by 4.00% (@0.50% for per month, ~8 months delay), resulting in allowable rate as 11.50% for thermal generating stations and 12.50% for hydro generating stations for the FY 2022-23. The net allowable base rate is further grossed up with effective tax rate of 25.17% to compute the net return on equity.

4.1.54 The Return on Equity including tax approved in MTR Order dated 23.03.2023, claimed by TGGenco in True up petition and approved in True up Order is detailed in Table below:

Table 4-13: Return on Equity including Income Tax as approved for FY 2022-23

Rs.in crore

Sl. No.	Particulars	Approved in MTR Order 23.03.2023	Claimed in True-up Petition	Approved in True-up Order
1.	KTPS-V	127.89	141.24	104.65
2.	KTPS-VI	139.36	153.69	114.03
3.	KTPS-VII	288.43	314.31	233.20
4.	RTS-B	7.16	7.89	5.86
5.	KTPP-I	143.61	158.39	117.51
6.	KTPP-II	213.57	233.92	173.56
7.	BTPS	406.16	441.36	327.46
8.	Nagarjuna Complex	115.21	127.06	96.26
9.	Srisailam LB	202.47	223.70	169.16
10.	Small Hydel	7.56	8.06	6.11
11.	Mini Hydel	1.76	1.94	1.44
12.	Pochampad- II	1.78	1.97	1.49
13.	Priyadarshini Jurala	38.92	42.94	31.84
14.	Lower Jurala	92.2	101.26	75.13
15.	Pulichintala	26.61	29.15	22.08
	Total	1,812.69	1,986.88	1,479.76

50. Non-Tariff Income (NTI)

Petitioner's Claim

4.1.55 TGGenco has submitted that the income from sale of scrap of KTPS-O&M was of Rs.242.52 crores. In the Mid-term Review Order dated 23.03.2023 at Para No. 4.7.8, the Commission has allowed to adjust KTPS-O&M unabsorbed depreciation amount of Rs.226.96 Cores against income realized from sale of scrap. Accordingly, TGGenco has adjusted the unabsorbed depreciation against non-tariff income being realized for the FY 2022-23. The Net Credit of Rs.191.08 crores towards Non-Tariff Income was passed to the beneficiaries in the FY 2022-23.

4.1.56 TGGenco has claimed the Non-Tariff Income (NTI) on actuals as given in table below:

Table 4-14: Non-Tariff Income as claimed for FY 2022-23

Rs.in crore

Sl. No.	Particulars	Claimed in True-up Petition
1.	KTPS-V	23.44
2.	KTPS-VI	19.39
3.	KTPS-VII	78.19
4.	RTS-B	2.62
5.	KTPP-I	25.98
6.	KTPP-II	28.01
7.	BTPS	4.50
8.	Nagarjuna Complex	2.35
9.	Srisailem LB	4.21
10.	Small Hydel	0.34
11.	Mini Hydel	0.12
12.	Pochampad- II	0.04
13.	Priyadarshini Jurala	0.65
14.	Lower Jurala	0.55
15.	Pulichintala	0.69
	Total	191.08

Commission's View

4.1.57 The Commission as part of additional information has asked TGGenco to submit details of Net Credit of Rs.191.08 crore towards Non-Tariff income as claimed in the Petition. Further, TGGenco is required to reconcile the same with the audited accounts.

TGGenco submitted that total sale value realised from sale of scrap at KTPS-O&M is Rs.485.05 crore and net Fixed Assets in Regulatory Accounts as on 31.03.2020 is Rs.351.16 crore. Thus, the net income from sale of scrap at

KTPS-O&M net of regulatory accounts is Rs.133.89 crore, which is divided into two financial year (FY 2022-23 & FY 2023-24) i.e. Rs.66.95 crore for each year. TGGENCO further submitted the reconciliation of Non-Tariff Income for the FY 2022-23.

4.1.58 The Commission after prudence check and based on audited accounts in terms of clause 16(a) of Regulation No.1 of 2019 allows the NTI as claimed by petitioner as shown in table below:

Table 4-15: Non-Tariff Income as approved for FY 2022-23

Rs.in crore

Sl. No.	Particulars	Claimed in True-up Petition	Approved in True-up Order
1.	KTPS-V	23.44	23.44
2.	KTPS-VI	19.39	19.39
3.	KTPS-VII	78.19	78.19
4.	RTS-B	2.62	2.62
5.	KTPP-I	25.98	25.98
6.	KTPP-II	28.01	28.01
7.	BTPS	4.50	4.50
8.	Nagarjuna Complex	2.35	2.35
9.	Srisaillam LB	4.21	4.21
10.	Small Hydel	0.34	0.34
11.	Mini Hydel	0.12	0.12
12.	Pochampad- II	0.04	0.04
13.	Priyadarshini Jurala	0.65	0.65
14.	Lower Jurala	0.55	0.55
15.	Pulichintala	0.69	0.69
	Total	191.08	191.08

51. **Additional Pension Liabilities & Water Charges**

Petitioner's Claim

4.1.59 TGGenco has claimed other charges (Additional pension Liability, water charges) on actuals. The additional pension liabilities and water charges claimed by TGGenco are given in table below:

Table 4-16: Additional Pension Liabilities and Other Charges as claimed for FY 2022-23

Rs.in crore

Particulars	Approved in MTR Order dated 23.03.2023	Claimed
Additional pension Liability	1108.67	1288.27
Water charges	62.05	41.53

Commission's View

4.1.60 The Commission as part of additional information asked TGGenco to submit the details of Water Charges and additional pension liability claimed for the

FY 2022-23. TGGenco in its reply has submitted the audited accounts for the FY 2022-23 which substantiate the claim of the TGGenco is in line with the actual paid for the FY 2022-23. TGGenco has further submitted in its reply that additional interest on Pension and Gratuity bonds issued to Master Trust cannot be claimed under employee cost, since it is actual pension and gratuity paid to employees, Pensioners of the erstwhile APSEB for services rendered prior to 01.02.1999, over and above the scheduled repayment as per the terms of the Pension and Gratuity bonds.

4.1.61 The Commission after prudence check allows the Water Charges and additional pension liabilities on actuals as claimed by TGGenco as detailed below:

Table 4-17: Other Charges approved for FY 2022-23

Rs.in crore

Particulars	Approved in MTR Order 23.03.2023	Claimed in True-up Petition	Approved in True-up Order
Additional pension Liability	1108.67	1288.27	1288.27
water charges	62.05	41.53	41.53

52. **Incentive**

Petitioner's Claim

4.1.62 TGGenco has claimed incentive for the generation beyond the Target Plant Load Factor for Thermal stations and secondary energy charges for generation beyond the design energy for hydel generating stations at the rates specified in the Regulation 1 of 2019 as specified by the Commission.

Table 4-18: Incentive as claimed for FY 2022-23

Rs.in crore

Sl. No.	Particulars	Claimed in True-up Petition
1.	KTPS-V	0.00
2.	KTPS-VI	11.94
3.	KTPS-VII	0.00
4.	RTS-B	0.00
5.	KTPP-I	0.00
6.	KTPP-II	13.77
7.	BTPS	0.00
8.	Nagarjuna Complex	194.41
9.	Srisailam LB	195.92
10.	Small Hydel	5.45
11.	Mini Hydel	0.50
12.	Pochampad- II	2.17
13.	Priyadarshini Jurala	18.26
14.	Lower Jurala	0.00

Sl. No.	Particulars	Claimed in True-up Petition
15.	Pulichintala	18.22
	Total	460.63

Commission's View

4.1.63 The Incentive for achieving the normative PLF and additional generation over & above normative PLF are to be recovered directly from beneficiaries in accordance to Regulation No.1 of 2019. TGGenco is directed to recover the same in accordance with the Regulation No. 1 of 2019.

53. Energy Charges

Petitioner's Claim

4.1.64 TGGenco has submitted that Energy Charges have been computed based as per clause 21 of Regulation No.1 of 2019. TGGenco has proposed to share the changes in energy charges due to variations in performance parameters like availability, auxiliary consumption, secondary fuel oil consumption, Gross Station Heat Rate, coal transit losses between TGGenco and beneficiaries.

4.1.65 TGGenco has further submitted that as per clause 6.7 of the Regulation 1 of 2019, changes in energy charges are due to variations in performance parameters like availability, auxiliary consumption, secondary fuel oil consumption, Gross Station Heat Rate, coal transit losses are arrived by TGGenco and proposed to be shared between GENCO and beneficiaries.

4.1.66 The Stations wise Energy Charge Rate (ECR) claimed by TGGenco for FY 2022-23 are shown in the Table below:

Table 4-19: Energy Charge Rate (ECR) as claimed for FY 2022-23
Rs./kWh

Particulars	Approved in MYT Order dated 22.03.2022	Claimed in True up Petition
KTPS-V	2.688	3.34
KTPS-VI	2.733	3.25
KTPS-VII	2.409	3.10
RTS-B	2.988	4.37
KTPP-I	3.035	3.24
KTPP-II	2.925	3.19
BTPS	2.363	3.68

Commission's View

4.1.67 Clause 21 of the Regulation No. 1 of 2019 stipulates the methodology for determination of ECR. The Auxiliary Consumption, Gross Station Heat Rate,

Secondary Fuel oil consumption, Calorific Value of Secondary Fuel are controllable factors and considered on normative basis. Further, the landed price of secondary fuel, weighted average gross calorific value of coal and landed price of coal are uncontrollable factors and considered on actuals basis.

4.1.68 In regard to Energy Charge Rate (ECR), the Commission is of the view that any variation in fuel prices on account of change in GCV of coal or gas or liquid fuel shall be billed in accordance with the provisions under clause 21.10 and 21.11 of Regulation No.1 of 2019.

54. Summary of Annual Fixed Charge admitted and Sharing of Gain/Loss

4.1.69 The summary of AFC claimed by TGGenco for FY 2022-23 and approved by the Commission is given in table below:

Table 4-20: Annual Fixed Charge (AFC) approved

Rs.in crore

Name of the Station	Depreciation		Interest and Finance Charges on Loan		Interest on Working Capital		O&M Expenses		Return on Equity		Total	
	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved
FY 2022-23												
Thermal												
KTPS-V	34.59	73.33	0.00	0.00	38.67	37.11	245.64	178.17	141.24	104.65	460.13	393.25
KTPS-VI	126.12	126.12	1.31	1.49	41.91	33.98	245.64	178.17	153.69	114.03	568.67	453.80
KTPS-VII	261.87	261.87	264.27	258.00	64.38	56.91	491.60	406.04	314.31	233.20	1396.43	1,216.02
RTS-B	9.82	6.74	0.20	0.00	6.78	5.48	94.24	88.90	7.89	5.86	118.93	106.98
KTPP-I	128.09	128.08	0.00	0.00	36.62	29.25	208.32	164.98	158.39	117.51	531.43	439.82
KTPP-II	194.38	194.38	148.62	130.55	51.69	48.89	249.99	186.38	233.92	173.56	878.62	733.76
BTPS	360.88	357.29	442.58	367.50	86.31	64.55	392.56	160.66	441.36	327.46	1723.69	1,277.46
Hydel												
Nagarjuna Complex	100.42	87.97	22.30	18.36	10.65	6.86	173.70	98.12	127.06	96.26	434.13	307.56
Srisaillam LB	59.30	86.43	55.30	52.06	12.74	8.07	191.14	87.03	223.70	169.16	542.19	402.75
Small Hydel	1.19	4.04	0.00	0.00	1.64	1.55	38.97	37.04	8.06	6.11	49.87	48.74
Mini Hydel	0.37	0.90	0.21	0.13	0.58	0.28	14.18	6.43	1.94	1.44	17.28	9.18
Pochampad-II	0.58	0.72	1.02	0.92	0.25	0.24	5.10	5.05	1.97	1.49	8.93	8.43
Priyadarshini Jurala	19.67	20.11	19.08	17.42	3.21	2.13	49.74	27.74	42.94	31.84	134.64	99.24
Lower Jurala	81.51	81.15	66.07	59.22	5.89	4.51	49.74	29.92	101.26	75.13	304.46	249.93
Pulichintala	19.24	11.16	24.68	21.76	2.79	1.95	42.16	29.09	29.15	22.08	118.02	86.05
Non-tariff income	-	-	-	-	-	-	-	-	-	-	(191.08)	(191.08)
AFC FY 2022-23	-	-	-	-	-	-	-	-	-	-	7096.35	5,641.88
Additional Interest on Pension Bonds	-	-	-	-	-	-	-	-	-	-	1288.27	1288.27
Water Charges	-	-	-	-	-	-	-	-	-	-	41.53	41.53
Total Charges	-	-	-	-	-	-	-	-	-	-	8,426.15	6,971.68

55. Sharing of Gains/Losses

4.1.70 The Commission has approved the sharing of gains/losses in accordance with the relevant clauses of Regulation No.1 of 2019 as detailed in table below:

Table 4-21: Summary of approved sharing of gain/loss to the beneficiaries

Rs.in crore

Sl. No.	Particulars	As per MTR Order 23.03.2023 (A)	As Approved (B)	Variation (C)=(B-A)	Sharing of Gain/Losses	
					Generating Company	Beneficiaries
1.	Depreciation	1,416.97	1,440.29	23.32	15.55	7.77
2.	Interest and finance charges	1,001.61	927.42	-74.19	0.00	-74.19
3.	Interest on Working Capital	293.29	301.77	8.38	5.59	2.79
4.	Operation & Maintenance Expenses	1,700.66	1,683.72	-16.94	-5.65	-11.29
5.	Return on Equity	1,812.69	1,479.76	-332.93	-110.98	-221.95
	Less: Non-Tariff Income	32.30	191.08	158.78	0.00	158.78
6.	Additional Interest on Pension Bonds	1,108.67	1,288.27	179.60	0.00	179.60
7.	Water Charges	62.05	41.53	-20.52	0.00	-20.52
	Sharing of gains/losses (+/-)	7,363.73	6,971.68	-392.06	-95.49	-296.57

4.1.71 The sharing of gains and losses is computed as per clause 6.8 and 6.9 of Regulation No. 1 of 2019.

4.1.72 The Commission directs TGGenco to bill to the beneficiary's viz., TGDISCOMs the claim towards total sharing/passing through of gains/losses approved in this Order as per the AFC and other charges approved after truing-up for FY 2022-23.

Chapter-5

Analysis and Conclusion on MYT for the period from FY 2024-25 to FY 2028-29

56. Regulatory Provisions

5.1.1 The clause 6 of Regulation No. 2 of 2023 specifies the procedure for filing petition. The extract of relevant clauses of Regulation No.2 of 2023 is as follows:

“6 Procedure for filing Petition

6.1 *The petitions under MYT by the generating entity, transmission licensee/STU, SLDC and distribution licensee shall be filed as per the timelines specified in this Regulation and in compliance with the principles for determination of Aggregate Revenue Requirement as specified in this Regulation along with the applicable formats enclosed at Appendix 1 to Appendix 5.*

6.2 *The petitions to be filed for each control period under this Regulation are as under:*

- a) *Multi Year Tariff petition shall be filed by 30th November of the year preceding the first year of the control period by generating entity, comprising:*
- i. True-up of preceding year for generation business;*
 - ii. True-up of preceding year for integrated mine;*
 - iii. Proposal of Tariff for each year of the control period for generation business;*
 - iv. Proposal of Input Price of coal supplied from integrated mine for each year of the control period.*

Provided that the Multi Year Tariff petitions for the control period commencing from 01.04.2024 shall be filed by generating entity, transmission licensee, distribution licensee and SLDC on or before 31.01.2024.

.....
Illustration: *The timelines for filing the Petitions for the control period from FY 2024-25 to FY 2028-29 are as under:*

Multi Year Tariff petition for the control period from FY 2024-25 to FY 2028-29: 31.01.2024;

Annual Tariff petition for FY 2025-26: 30.11.2024;

Annual Tariff petition for FY 2026-27: 30.11.2025;

Annual Tariff petition for FY 2027-28: 30.11.2026;

Annual Tariff petition for FY 2028-29: 30.11.2027;

5.1.2 TGGenco has filed the MYT petition for the period i.e., from the FY 2024-25 to FY 2028-29 on 21.09.2024.

5.1.3 The Commission has scrutinized the petition filed by petitioner for determination of Generation Tariff for the MYT of the period i.e. the FY 2024-25 to FY 2028-

29, in accordance with Regulation No. 2 of 2023.

5.1.4 The tariff for sale of electricity from a thermal generating station shall comprise of two parts namely, Annual Fixed Charges (AFC) and Energy Charges (for recovery of primary and secondary fuel cost). The extract of relevant clause of Regulation No.2 of 2023 is as follows:

“39 Components of Tariff

39.1 *The Tariff for sale of electricity from a thermal power Generating Station shall comprise two parts, namely, Annual Fixed Charge and Energy Charge.*

39.2 *The Tariff for sale of electricity from a hydel Generating Station shall comprise one part, namely, Capacity Charge.*

40 Annual Fixed Charges

40.1 *The Annual Fixed Charges shall comprise the following components:*

- (a) *Operation & Maintenance Expenses;*
- (b) *Depreciation;*
- (c) *Interest and finance charges on loan;*
- (d) *Interest on Working Capital;*
- (e) *Return on Equity;*

Less:

- (f) *Non-Tariff Income;*

B. Energy Charges

46.3 *The Energy Charges shall cover landed cost of primary fuel and secondary fuel oil and shall be worked out on the basis of total energy scheduled to be supplied to the Beneficiary/ies during the calendar month on ex-power plant basis, at the Energy Charge Rate of the month (with fuel price adjustment) as per the following formula:*

Energy Charges (Rs) = (Energy Charge Rate in Rs/kWh) x [Scheduled Energy (ex-bus) for the month in kWh]

46.4 *Energy Charge Rate (ECR) in Rs/kWh shall be computed up to three decimal places and shall be the sum of the cost of normative quantities of primary and secondary fuel for delivering ex-bus one kWh of electricity, and shall be computed as per the following formula:*

$$ECR = \{(GSHR - SFC \times CVSF) \times LPPF / CVPF + SFC \times LPSF\} \times 100 / (100 - AUX)$$

Where,

AUX = Normative Auxiliary Energy Consumption in percentage;

CVPF = Weighted average Gross Calorific Value of coal as received in kcal/kg less 85 kcal/kg on account of variation during storage at generating station; in case of blending of fuel from

different sources, the weighted average Gross Calorific Value of primary fuel shall be arrived in proportion of blending ratio;

CVSF = Calorific value of secondary fuel, in kcal/ml;

GSHR = Normative Gross Station Heat Rate, in kcal/kWh;

LPPF = Weighted average landed price of primary fuel, in Rs./kg, as applicable, during the month; in case of blending of fuel from different sources, the weighted average landed price of primary fuel shall be arrived in proportion of blending ratio;

SFC = Normative Secondary Fuel Oil Consumption, in ml/kWh;

LPSF_i = Weighted average landed price of secondary fuel in Rs./ml during the month.”

5.1.5 The Power Purchase Agreements (PPA) between TGGenco and TGDIscoms for RTS-B and KTPS-V were expired on dated 31st March 2024. The Commission vide its Order dated 22.10.2024 in O.P. No. 22 of 2024 has extended the validity of PPA for RTS-B (62.5 MW) from 01.04.2024 to 03.06.2024 (i.e., for a period of 63 days) and KTPS-V (500 MW) from 01.04.2024 to 31.03.2029 (i.e., for a period of 5 years).

5.1.6 Consequently, the Commission has determined the various components of Annual Fixed Charge and Energy Charge for RTS-B generating Station upto the validity of PPA i.e., till 03.6.2024.

5.1.7 The component-wise description of TGGenco claim and the Commission's view thereon is given below:

57. Additional Capitalisation

Petitioner's Claim

5.1.8 TGGenco has submitted that the Gross Fixed Assets (GFA) for the FY 2024-25 are based on the approved Closing GFA as on 31.03.2023 and estimated additions for the FY 2023-24. TGGenco has further submitted that while the Commission has approved TGGenco's Capital Investment Plan for the Control Period for the FY 2024-25 to FY 2028-28, but the Commission has only partially approved the claimed additional capitalization, deferring some claims and has not approved others. TGGenco submitted for reconsideration of rejected claims and mentioned that works are either genuinely required for the efficient operation of the project or such works are falling beyond cut-off date of the project on account of factors which are not fully under the control of TGGenco and TGGenco has clarified that it will provide necessary documentation for

previously unsubstantiated claims during the true-up process.

5.1.9 TGGenco further submitted that in the course of time after submission of Capital Investment Plan on 01.04.2023, it is observe that certain works are genuinely required for the efficient upkeep of the assets. Considering the importance of such works, TGGenco requested to approve the additional capitalization against such works and allow TGGenco to submit the documentary evidence for such works during the true up. The station wise additional capitalisation claimed by TGGenco for the period from FY 2024-25 to FY 2028-29 are detailed below:

Table 5-1: Additional Capitalisation as claimed for the period FY 2024-25 to FY 2028-29

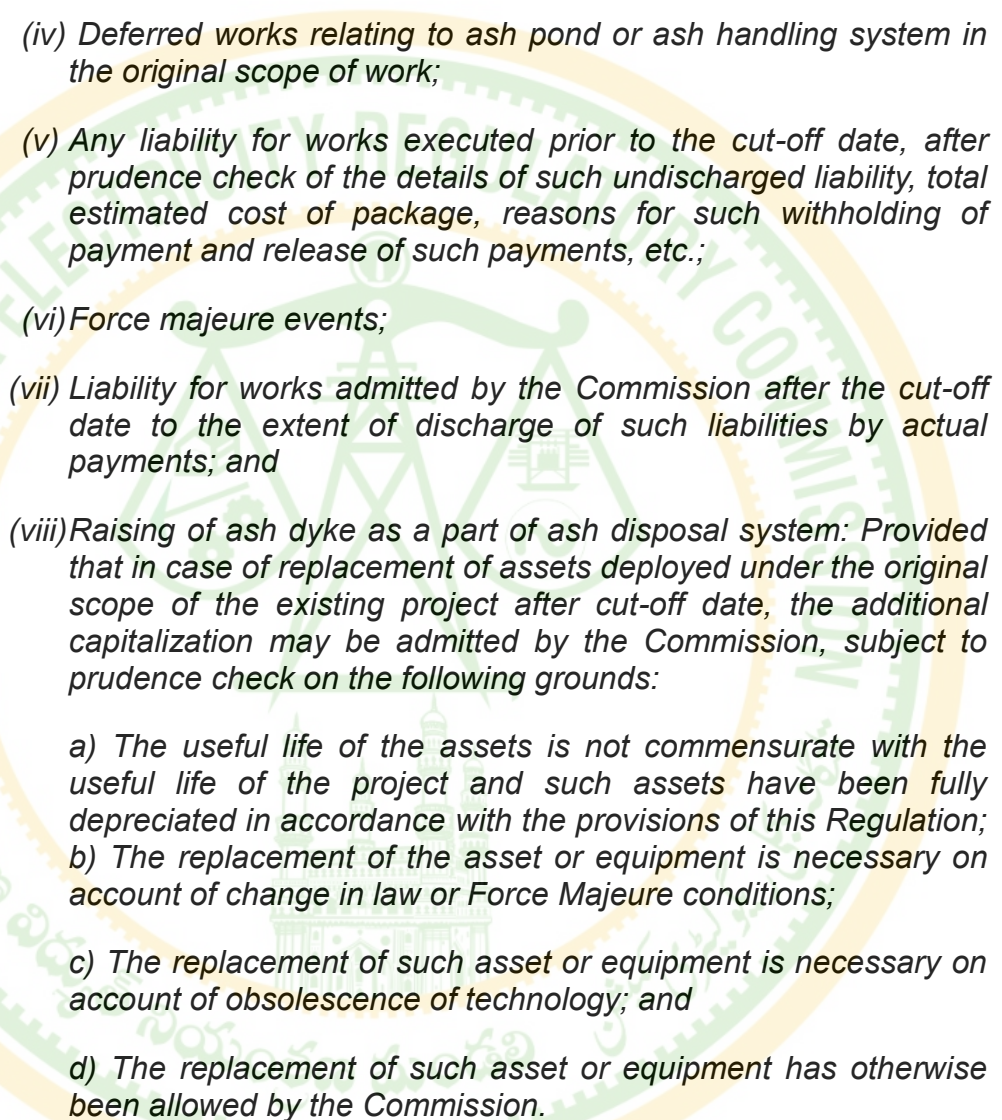
Rs.in crore

Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
1.	KTPS-V	38.24	38.50	30.00	-	0.50
2.	KTPS-VI	2.34	-	-	-	11.57
3.	KTPS-VII	156.67	651.93	223.60	30.04	-
4.	RTS-B	-	-	-	-	-
5.	KTPP-I	11.29	1.91	15.91	-	11.57
6.	KTPP-II	3.35	1.09	30.66	-	-
7.	BTPS	1,325.64	1,200.65	-	-	-
8.	Nagarjuna Complex	95.02	26.55	19.75	0.60	22.68
9.	Srisailam LB	161.20	-	-	-	-
10.	Small Hydel	23.95	3.12	-	-	-
11.	Mini Hydel	11.04	13.26	-	-	-
12.	Pochampad- II	15.04	15.65	-	-	-
13.	Priyadarshini Jurala	7.09	-	-	-	-
14.	Lower Jurala	26.72	10.00	-	-	-
15.	Pulichintala	27.56	13.00	-	-	-
	Total	1,905.15	1,975.66	319.92	30.64	46.33

Commission's View

5.1.10 The Commission has already approved the Capital Investment Plan and additional capitalisation for the control period for the FY 2024-25 to FY 2028-29 in the Order on Business Plan, & Capital Investment Plan for MYT control period for the FY 2024-25 to FY 2028-29 dated 29.12.2023. The Commission as a part of additional information asked the TGGenco to submit the additional capitalisation details in accordance with the Regulation 02 of 2023.

“22.2 The capital expenditure incurred or projected to be incurred in respect of a new Project on the following counts within the original scope of work after the cut-off date may be admitted by the Commission, subject to prudence check:

- 
- (i) Liabilities to meet award of arbitration or for compliance of directions or Order of any statutory authority or Order or decree of any court of law;*
 - (ii) Change in law or compliance of any existing law;*
 - (iii) Deferred works in the original scope of work, up to a maximum period of 2 years after cut-off date, on case-to-case basis;*
 - (iv) Deferred works relating to ash pond or ash handling system in the original scope of work;*
 - (v) Any liability for works executed prior to the cut-off date, after prudence check of the details of such undischarged liability, total estimated cost of package, reasons for such withholding of payment and release of such payments, etc.;*
 - (vi) Force majeure events;*
 - (vii) Liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments; and*
 - (viii) Raising of ash dyke as a part of ash disposal system: Provided that in case of replacement of assets deployed under the original scope of the existing project after cut-off date, the additional capitalization may be admitted by the Commission, subject to prudence check on the following grounds:*
 - a) The useful life of the assets is not commensurate with the useful life of the project and such assets have been fully depreciated in accordance with the provisions of this Regulation;*
 - b) The replacement of the asset or equipment is necessary on account of change in law or Force Majeure conditions;*
 - c) The replacement of such asset or equipment is necessary on account of obsolescence of technology; and*
 - d) The replacement of such asset or equipment has otherwise been allowed by the Commission.*

22.3 The capital expenditure, in respect of existing generating Station or the transmission system, incurred or projected to be incurred on the following counts beyond the original scope, may be admitted by the Commission, subject to prudence check:

- (i) Liabilities to meet award of arbitration or for compliance of the Order or directions of any statutory authority or Order or decree of any court of law;*
- (ii) Change in law or compliance of any existing law;*

(iii) Force majeure events;

(iv) Need for higher security and safety of the plant as advised or directed by appropriate Indian Government Instrumentality or statutory authorities responsible for national or internal security;
(v) Deferred works relating to ash pond or ash handling system in addition to the original scope of work, on case-to-case basis;

(vi) Usage of water from sewage treatment plant in thermal generating station:

Provided that any expenditure, which has been claimed under Renovation and Modernisation or repairs and maintenance under O&M expenses, shall not be claimed under this Regulation”

5.1.11 The Commission has observed that the TGGenco has claimed the Capital Investment for KTPS VII of Rs.939.67 crore. Out of which Civil work is Rs.643.67crore, E&M work is Rs.60.3 crore and FGD Rs.236 crore. The Civil work majorly includes the Design, Soil investigation, Engineering, Construction of various types of Multi storied residential quarters including electrical works in full shape on EPC basis at Kothagudem Thermal Power Station I to IV stages which was part of Original scope of work.

5.1.12 TGGenco has claimed the investment plan for BTPS for new conveying system for diversion of raw coal from the existing crusher house to stock the raw coal near chain conveyors area and construction of Space frame structure raw coal storage shed at BTPS (4X270MW) project of Rs.141.33 crore. Rest other work claimed are part of the original scope of work.

5.1.13 As the TGGENCO has proposed additions amounting to Rs.4,277.69 crore in the next 5 years, majorly amounting to Rs.3,588 crore contributes to BTPS & KTPS-VII and most of the works such as Construction of Quarters at KTPS-VII & BTPS, Construction of railway siding of BTPS, Construction of Coal storage shed at BTPS and FGD which are covered under original scope of project cost.

5.1.14 Further TGGenco has submitted the station wise details of the additional capitalisation in its reply. It is observed that majority of the items claimed by the TGGenco for the generating stations were claimed under capital investment plan filing for the period the FY 2024-25 to FY 2028-29. The Commission has observed that the TGGenco has not submitted that the documentary evidence

for the claimed investment plan and mentioned that it will be submitted during the true up of each year of the control period for the FY 2024-25 to FY 2028-29. It is observed that TGGenco has claimed the original scope of work beyond the cut off-date. As most of the claims of TGGenco are within the Original Scope of work but after cut-off date. Hence in accordance with the clause 22.2 of Regulation 02 of 2023 the Commission has not considered the same.

5.1.15 In the light of limited information made available to the Commission by TGGenco, the Commission at this stage has considered the additional capitalisation as approved by the Commission in Resource Plan Order dated 29.12. 2023. The Commission will carry out the detailed prudence check of the additional capitalisation based on documentary evidence submitted at the time of truing up. The extract of the Resource Plan Order is stipulated below:

“The Commission in consideration to the Regulation 01 of 2019 has approved the additional capitalisation for various generating plants of TGGenco in previous section of this Chapter. The summary of the additional capitalisation approved for the TGGenco in Capital Investment Plan for 5th Control Period comprising of FY 2024-25 to FY 2028-29, is shown in the table below.”

Table 5-2: Additional Capitalisation as claimed for the period FY 2024-25 to FY 2028-29

Rs.in crore

Sl. No.	Name of Station	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
A	Thermal						
1.	KTPS-V	8.00	-	-	-	-	-
2.	KTPS-VI	-	-	-	-	-	-
3.	KTPS-VII	-	-	-	-	-	-
4.	RTS-B	-	-	-	-	-	-
5.	KTPP-I	-	-	-	-	-	-
6.	KTPP-II	-	-	-	-	-	-
7.	BTPS	346.66	-	-	-	-	346.66
8.	YTPS	-	-	-	-	-	-
9.	Total Thermal	346.66	-	-	-	-	346.66
B	Hydro						
1.	Srisaïlam	95.00	-	-	-	-	95.00
2.	Nagarjuna Complex	66.50	-	-	-	-	66.50
3.	Small Hydrel	0.00	-	-	-	-	0.00
4.	Pochampad-II	0.00	-	-	-	-	0.00
5.	Priyadarshini Jurala	0.00	-	-	-	-	0.00
6.	Lower Jurala	10.00	-	-	-	-	10.00
7.	Pulichintala	15.00	-	-	-	-	15.00

8.	Total Hydro	171.50	-	-	-	-	171.50
C	IT Initiative	-	-	-	-	-	-
D	Solar Plant	-	-	-	-	-	-
E	Grand Total	541.16	-	-	-	-	541.16

5.1.16 The Commission has approved the additional capitalisation for the period from the FY 2024-25 to FY 2028-29 as shown below:

Table 5-6 Additional Capitalisation claimed and approved by the Commission for the period FY 2024-25 to FY 2028-29

Rs.in crore

Station	2024-25		2025-26		2026-27		2027-28		2028-29	
	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved
Thermal										
KTPS-V	38.24	8.00	38.50	-	30.00	-	-	-	0.50	-
KTPS-VI	2.34	-	-	-	-	-	-	-	11.57	-
KTPS-VII	156.67	-	651.93	-	223.60	-	30.04	-	-	-
RTS-B	-	-	-	-	-	-	-	-	-	-
KTPP-I	11.29	-	1.91	-	15.91	-	-	-	11.57	-
KTPP-II	3.35	-	1.09	-	30.66	-	-	-	-	-
BTPS	1,325.64	346.66	1,200.65	-	-	-	-	-	-	-
Hydel										
Nagarjuna Complex	95.02	66.50	26.55	-	19.75	-	0.60	-	22.68	-
Srisaillam LB	161.20	95.00	-	-	-	-	-	-	-	-
Small Hydel	23.95	-	3.12	-	-	-	-	-	-	-
Mini Hydel	11.04	-	13.26	-	-	-	-	-	-	-
Pochampad II	15.04	-	15.65	-	-	-	-	-	-	-
Priyadarshini Jurala	7.09	-	-	-	-	-	-	-	-	-
Lower Jurala	26.72	10.00	10.00	-	-	-	-	-	-	-
Pulichintala	27.56	15.00	13.00	-	-	-	-	-	-	-
Total	1,905.15	541.16	1,975.66	-	319.92	-	30.64	-	46.32	-

58. Operation and Maintenance (O&M) Expenses

Petitioner's Claim

5.1.17 TGGenco has submitted that the O&M expenses comprise of (i) Employee Expenses, (ii) Repair & Maintenance expenses and (iii) Administrative & General expenses.

5.1.18 TGGenco has computed the O&M expenses as per Clause No. 45.3 of Regulation No. 2 of 2023, for the first year of Control Period the Employee and A&G expenses which have to be arrived by considering the average of the trued-up expenses for the immediately preceding Control Period, excluding abnormal expenses, if any and duly escalating the same for 3 years with CPI

Inflation for employee costs and WPI Inflation for A&G expenses.

5.1.19 Considering the above, the Employee and A&G Expenses have been arrived by average of actual Expenses for the period from the FY 2019-20 to FY 2023-24 and the average of such expenses is escalated with CPI and WPI of 5.8% and 4.90% respectively.

5.1.20 TGGenco has further submitted that as KTPS O&M was phased out during the FY 2019–20 and most of the employees cost of common services viz., Colonies, office buildings, schools etc., for KTPS O&M & KTPS VII were met in KTPS O&M. Hence, the employees cost of KTPS VII in the the FY 2019–20 were lower in comparison with subsequent 4 years of the control period. Considering the above average of 4 years employees cost of KTPS-VII Stage i.e. the FY 2020 – 24 is considered for arriving base Year Employee expenses. Henceforth R&M expenses and A&G expenses were arrived considering the average of 2 years for arriving base year expenses.

5.1.21 In respect of BTPS, average of 2 years (FY 2022-23 & FY 2023-24) of Employee, R&M and A&G expenses were considered by TGGenco for arriving base year expenses.

5.1.22 The O&M expenses as claimed by TGGenco for the period from the FY 2024-25 to FY 2028-29 is as follows:

Table 5-3: O&M Expenses as claimed for the period from FY 2024-25 to FY 2028-29

Rs.in crore

Station	2024-25			2025-26			2026-27			2027-28			2028-29		
	Emp	A&G	R&M	Emp	A&G	R&M	Emp	A&G	R&M	Emp	A&G	R&M	Emp	A&G	R&M
Thermal															
KTPS-V	220.94	16.27	33.05	233.75	17.07	33.60	247.31	17.90	34.16	261.65	18.78	34.60	276.83	19.70	34.60
KTPS-VI	220.94	16.27	31.90	233.75	17.07	31.93	247.31	17.90	31.93	261.65	18.78	31.93	276.83	19.70	31.93
KTPS-VII	487.70	45.96	35.25	515.99	48.21	36.33	545.91	50.57	40.83	577.58	53.05	42.37	611.08	55.65	42.58
RTS-B	91.27	9.84	8.77	-	-	-	-	-	-	-	-	-	-	-	-
KTPP-I	168.33	10.09	30.73	178.09	10.59	30.86	188.42	11.11	30.89	199.35	11.65	31.08	210.91	12.22	31.08
KTPP-II	202.00	12.11	38.86	213.71	12.70	38.89	226.11	13.33	38.90	239.22	13.98	39.22	253.10	14.67	39.22
BTPS	373.80	14.97	53.26	395.48	15.70	62.74	418.41	16.47	71.33	442.68	17.28	71.33	468.36	18.13	71.33
Hydel															
Nagarjuna Complex	130.66	11.66	11.19	138.23	12.23	11.74	146.25	12.83	11.90	154.73	13.46	12.01	163.71	14.12	12.02
Srisaillam LB	117.11	12.94	17.39	123.90	13.58	18.22	131.09	14.24	18.22	138.69	14.94	18.22	146.73	15.67	18.22
Small Hydel	46.05	1.25	1.67	48.72	1.31	2.00	51.55	1.38	2.04	54.54	1.45	2.04	57.70	1.52	2.04
Mini Hydel	9.51	0.40	0.53	10.06	0.41	0.72	10.64	0.43	0.94	11.26	0.46	0.94	11.91	0.48	0.94
Pochampad II	7.36	0.18	0.23	7.79	0.18	0.34	8.24	0.19	0.46	8.72	0.20	0.46	9.23	0.21	0.46
Priyadarshini Jurala	37.69	2.12	3.92	39.87	2.23	3.96	42.19	2.34	3.96	44.63	2.45	3.96	47.22	2.57	3.96
Lower Jurala	38.21	2.13	3.94	40.42	2.23	4.00	42.77	2.34	4.03	45.25	2.46	4.03	47.87	2.58	4.03
Pulichintala	37.15	1.07	3.47	39.30	1.12	3.69	41.58	1.18	3.79	43.99	1.23	3.79	46.54	1.29	3.79
Total	2,188.69	157.25	274.16	2,219.07	154.64	279.04	2,347.78	162.22	293.39	2,483.95	170.17	295.99	2,628.02	178.50	296.20

Commission's View

5.1.23 Clause 45 of (Multi Year Tariff) Regulation 2 of 2023 specifies the Operation and Maintenance expenses. The relevant extract of the Regulation is as follows:

“45 Operation and Maintenance (O&M) expenses

45.1 The O&M expenses for each generating station shall comprise of:

Employee cost including unfunded past liabilities of pension and gratuity;

Repairs and Maintenance (R&M) expenses; and

Administrative and Generation (A&G) expenses.

45.2 The O&M expenses for existing generating station for each year of the Control Period shall be approved based on the formula shown below:

$$O\&M_n = EMP_n + R\&M_n + A\&G_n$$

Where,

- O&M_n – Operation and Maintenance expense for the nth year;*
- EMP_n – Employee Costs for the nth year;*
- R&M_n – Repair and Maintenance Costs for the nth year;*
- A&G_n – Administrative and General Costs for the nth year;*

45.3 The above components shall be computed in the manner specified below:

$$EMP_n = (EMP_{n-1}) \times (\text{CPI Inflation});$$

$$R\&M_n = K \times (GFA_n) \times (\text{WPI Inflation}) \text{ and}$$

$$A\&G_n = (A\&G_{n-1}) \times (\text{WPI Inflation})$$

Where,

EMP_{n-1} – Employee Costs for the (n-1)th year;

“K” is a constant specified by the Commission in %. Value of K for each year of the control period shall be determined by the Commission in the MYT Order based on generating entity’s filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;

GFA_n - Opening Gross Fixed Asset of the generating station for the nth year;

A&G_{n-1} – Administrative and General Costs for the (n-1)th year;

CPI Inflation – is the point to point change in the Consumer Price Index (CPI) for Industrial Workers (all India) as per Labour Bureau, Government of India; in case CPI Inflation is negative, the escalation/change shall be 0%;

WPI Inflation – is the point to point change in the Wholesale Price Index (WPI) as per the Office of Economic Advisor of Government of India:

Provided that the employee cost and A&G expenses for the first year of the Control Period shall be worked out considering the average of the trued-up expenses after adding/deducting the share of efficiency gains/losses, for the immediately preceding Control Period, excluding abnormal expenses, if any, subject to prudence check by the

Commission and duly escalating the same for 3 years with CPI Inflation for employee costs and WPI Inflation for A&G expenses.

.....”

5.1.24 As per proviso of Clause 45.3 of Regulation No. 02 of 2023, the employee Expenses and A&G Expenses for first year of the Control Period needs to be worked out considering the average of the trued-up expenses after adding/deducting the share of efficiency gains/losses, for the immediately preceding Control Period, excluding abnormal expenses, if any, subject to prudence check by the Commission and duly escalating the same for 3 years with CPI Inflation for employee costs and WPI Inflation for A&G expenses.

5.1.25 **Employee Expenses**

In accordance to proviso of Clause 45.3 of Regulation No. 2 of 2023, the Commission has recomputed the Employee Expenses for the FY 2024-25, by considering the average of trued-up expenses after adding/deducting the share of efficiency gains/losses, for the immediately preceding Control Period till the FY 2022-23 and MYT approved values for the FY2023-24. The average employee expenses have been duly escalated thrice with average CPI inflation factor of last 5 financial years (FY 2019-20 to FY 2023-24) to arrive at Employee expenses for the FY 2024-25. As the employee expenses have been arrived by considering the average of employee expenses of last five years, the Commission has considered the average CPI Inflation factor of last 5 financial years. The average employee cost have been duly escalated thrice with average CPI inflation factor of last 5 financial years (FY 2019-20 to FY 2023-24) i.e., 5.79% to arrive at Employee cost for the FY 2024-25. The Employee costs of each subsequent financial years i.e., FY 2025-26 to FY 2028-29 is computed by escalating the Employee cost for the FY 2024-25 by CPI inflation factor of 5.79%.

A&G Expenses

5.1.26 The Commission has recomputed the A&G Expenses for the FY 2024-25, by considering the average of trued-up A&G expenses after adding/deducting the share of efficiency gains/losses, for the immediately preceding Control Period till the FY 2022-23 and approved values for the FY 2023-24. As the A&G expenses have been arrived by considering the average of A&G expenses of last five years, the Commission has considered the average WPI Inflation factor

of last 5 financial years. The average A&G expenses have been duly escalated thrice with average WPI inflation factor of last 5 financial years (FY 2019-20 to FY 2023-24) i.e., 4.93% to arrive at A&G expenses for the FY 2024-25. The A&G Expenses of each financial year for the FY 2025-26 to FY 2028-29 is computed by escalating the above derived value of A&G expenses by average WPI inflation factor (4.93%).

R&M Expense

5.1.27 In regard to R&M Expenses, the Commission has computed the k factor based on the approved R&M expenses for previous Control Period. The normative R&M Expenses of each financial year for the period the FY 2024-25 to FY 2028-29 is computed by multiplying the opening GFA, with k factor and average WPI inflation factor of last 5 financial years which is being escalated for the each year of the period the FY 2024-25 to FY 2028-29, subject to truing up in accordance to Regulation.

5.1.28 For the generating stations i.e. KTPS-VII and BTPS which were commissioned on 19.02.2018 and 17.09.2019 respectively, there was abnormality in O&M expenses during initial years. Hence, in accordance with the clause 45.3 of Regulation 02 of 2023 the Commission has computed the O&M expense of KTPS-VII and BTPS considering the average of three years of Trued up expenses and then escalating it by the inflation factors. The relevant clause of the regulation is show below:

“45.3 Provided that the employee cost and A&G expenses for the first year of the Control Period shall be worked out considering the average of the trued-up expenses after adding/deducting the share of efficiency gains/losses, for the immediately preceding Control Period, excluding abnormal expenses, if any, subject to prudence check by the Commission and duly escalating the same for 3 years with CPI Inflation for employee costs and WPI Inflation for A&G expenses.”

5.1.29 The O&M Expenses approved by the Commission for the FY 2024-25 to FY 2028-29 is as shown below:

**Table 5-4: O&M expenses approved for the period FY 2024-25 to
FY 2028-29**

Rs.in crore

Station	2024-25		2025-26		2026-27		2027-28		2028-29	
	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved
Thermal										
KTPS-V	270.25	206.99	284.42	218.71	299.37	230.98	315.03	243.94	331.13	257.63
KTPS-VI	269.11	206.97	282.75	218.59	297.14	230.86	312.36	243.82	328.46	257.52
KTPS-VII	568.91	483.04	600.53	510.66	637.31	539.87	673.00	574.29	709.30	603.39
RTS-B	109.87	17.48	-	-	-	-	-	-	-	-
KTPP-I	209.15	180.28	219.54	190.43	230.41	201.15	242.08	212.47	254.21	224.44
KTPP-II	252.96	204.77	265.31	216.29	278.34	228.47	292.42	241.34	306.98	254.93
BTPS	442.02	189.59	473.92	200.86	506.22	212.30	531.29	224.40	557.81	237.19
Hydel										
Nagarjuna Complex	153.51	117.51	162.21	124.54	170.98	131.58	180.20	139.02	189.84	146.88
Srisailem LB	147.45	100.18	155.70	106.14	163.55	112.12	171.85	118.43	180.63	125.10
Small Hydel	48.98	42.19	52.04	44.62	54.97	47.18	58.03	49.89	61.26	52.75
Mini Hydel	10.43	7.27	11.19	7.69	12.02	8.13	12.66	8.60	13.33	9.09
Pochampad II	7.77	6.99	8.32	7.39	8.90	7.81	9.39	8.26	9.90	8.73
Priyadarshini Jurala	43.73	33.54	46.06	35.46	48.49	37.48	51.05	39.62	53.76	41.88
Lower Jurala	44.27	33.68	46.66	35.61	49.13	37.63	51.73	39.77	54.47	42.03
Pulichintala	41.69	38.55	44.11	40.79	46.55	43.14	49.02	45.62	51.63	48.25
TOTAL	2,620.10	1,869.03	2,652.75	1,957.79	2,803.39	2,068.71	2,950.11	2,189.47	3,102.72	2,309.80

59. Depreciation

Petitioner's Claim

5.1.30 TGGenco has submitted that the depreciation is claimed in accordance with clause 28 of Regulation 2 of 2023. The capital cost admitted by the Commission along with admitted additional capitalization till the FY 2021-22 and proposed additional capitalization is considered by TGGenco as value base for calculation of depreciation. The depreciable value of the station was spread over the balance Useful life of the asset.

5.1.31 The depreciation rates for different assets for each financial year was computed by TGGenco. The depreciation as claimed by TGGenco for the period from the FY 2024-25 to FY 2028-29 is as follows:

Table 5-5: Depreciation as claimed for the period FY 2024-25 to FY 2028-29

Rs.in crore

Sl. No.	Particular	2024-25	2025-26	2026-27	2027-28	2028-29
1.	KTPS-V	35.53	44.13	55.68	69.18	69.18
2.	KTPS-VI	22.30	22.50	22.50	22.50	22.50
3.	KTPS-VII	174.38	182.21	216.73	229.30	231.11
4.	RTS-B	9.86	-	-	-	-
5.	KTPP-I	17.50	18.52	18.71	20.50	20.50
6.	KTPP-II	113.02	113.21	113.28	115.25	115.25
7.	BTPS	242.05	296.28	347.74	347.74	347.74
8.	Nagarjuna Complex	56.36	68.58	72.56	76.11	76.25

Sl. No.	Particular	2024-25	2025-26	2026-27	2027-28	2028-29
9.	Srisailam LB	60.26	68.32	68.32	68.32	68.32
10.	Small Hydel	1.14	2.64	2.84	2.84	2.84
11.	Mini Hydel	0.37	0.89	1.56	1.56	1.56
12.	Pochampad-II	0.58	1.13	1.71	1.71	1.71
13.	Priyadarshini Jurala	11.16	11.40	11.40	11.40	11.40
14.	Lower Jurala	26.61	27.38	27.68	27.68	27.68
15.	Pulichintala	8.62	9.37	9.74	9.74	9.74
	Total	779.74	866.56	970.44	1,003.83	1,005.77

Commission's View

5.1.32 Clause 28 of (Multi Year Tariff) Regulation 2 of 2023 specifies provisions related to Depreciation. The relevant extract of the Regulation is as follows:

“28 Depreciation

28.1 The generating entity, licensee, and SLDC shall be permitted to recover depreciation on the value of fixed assets used in their respective regulated businesses, computed in the following manner:

(a) The approved original cost of the fixed assets shall be the value base for calculation of depreciation:

Provided that the depreciation shall be allowed on the entire capitalised amount of the new assets after reducing the approved original cost of the retired or replaced or de-capitalised assets.

(b) Depreciation shall be computed annually based on the straight line method on the basis of the expected useful life specified in the Annexure I to this Regulation.

(c) The salvage value of the asset shall be considered at ten per cent of the allowable capital cost and depreciation shall be allowed upto a maximum of ninety per cent of the allowable capital cost of the asset:

Provided that the generating entity or Licensee or SLDC shall submit certification from the Statutory Auditor for the capping of depreciation at ninety per cent of the allowable capital cost of the asset:

Provided further that the salvage value of Information Technology equipment and computer software shall be considered at zero per cent of the allowable capital cost.

28.2 Land other than the land held under lease and the land for reservoir in case of hydel Generating Station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the assets.

28.3 In case of existing assets, the balance depreciable value as on 01.04.2024 shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31.03.2024 from the gross depreciable value of the assets:

Provided that depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

28.4 The generating entity or Licensee or SLDC shall submit the depreciation computations separately for assets added up to 31.03.2024 and assets added on or after 01.04.2024.

28.5 Depreciation allowed for each year of the Control Period shall be deemed to be equal to the loan repayment, up to the ceiling of seventy five percent

(75%) of asset cost or actual debt component used for funding such asset in case the debt funding is higher than seventy five percent (75%) of the asset cost:

Provided that depreciation allowed for each year of the Control Period beyond seventy five percent (75%) of asset cost or actual debt component used for funding such asset in case the debt funding is higher than seventy five percent (75%) of the asset cost, shall be utilised for reduction of equity during that year.

5.1.33 The Commission observed that the TGGenco has computed the depreciation taking into account the projected additional capitalisation during the year.

5.1.34 The Commission observed that the depreciation rate considered by the Petitioner is in variation from the rate specified in the Regulation. The depreciation rate considered by the Petitioner is on lower side as compared to rate applicable as per Regulation.

5.1.35 The Commission has recomputed the depreciation for the period of the FY 2024-25 to FY 2028-29. The Commission has considered the approved opening Gross Fixed Assets (GFA) for the FY 2022-23 as approved in the MTR Order dated 23.03 2023, asset addition for the FY 2022-23 as approved in this Order while carrying out the truing up of the FY 2022- 23 and asset addition for the FY 2023-24 as approved in MTR Order to derive opening GFA for the first year of the control period the FY 2024-25. For Control Period the FY 2024-25 to FY 2028-29, the Commission has considered the year wise asset addition as approved in this Order. Depreciation is calculated using the straight-line method, based on the expected useful life specified in Annexure I of Regulation 2 of 2023.

5.1.36 The depreciation as approved by the Commission for the period the FY 2024-25 to FY 2028-29 is as follows:

Table 5-6: Depreciation approved for the period FY 2024-25 to FY 2028-29

Rs.in crore

Station	2024-25		2025-26		2026-27		2027-28		2028-29	
	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved
Thermal										
KTPS-V	35.53	1.44	44.13	1.44	55.68	1.44	69.18	1.44	69.18	1.44
KTPS-VI	22.30	45.25	22.50	45.25	22.50	45.25	22.50	45.25	22.50	45.25
KTPS-VII	174.38	186.42	182.21	186.42	216.73	186.42	229.30	186.42	231.11	186.42
RTS-B	9.86	1.18	-	0.00	-	0.00	-	0.00	-	0.00
KTPP-I	17.50	88.68	18.52	88.68	18.71	88.68	20.50	88.68	20.50	88.68
KTPP-II	113.02	127.75	113.21	127.75	113.28	127.75	115.25	127.75	115.25	127.75
BTPS	242.05	274.31	296.28	280.09	347.74	280.09	347.74	280.09	347.74	280.09
Hydel										
Nagarjuna Complex	56.36	87.97	68.58	87.97	72.56	87.97	76.11	87.97	76.25	87.97
Srisaillam LB	60.26	86.43	68.32	86.43	68.32	86.43	68.32	86.43	68.32	86.43

Station	2024-25		2025-26		2026-27		2027-28		2028-29	
	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved
Small Hydel	1.14	4.04	2.64	1.20	2.84	1.14	2.84	2.64	2.84	2.84
Mini Hydel	0.37	0.90	0.89	0.90	1.56	0.90	1.56	0.90	1.56	0.90
Pochampad II	0.58	0.72	1.13	0.58	1.71	0.58	1.71	1.13	1.71	1.71
Priyadarshini Jurala	11.16	20.11	11.40	14.08	11.40	11.16	11.40	11.40	11.40	11.40
Lower Jurala	26.61	51.31	27.38	51.47	27.68	51.47	27.68	51.47	27.68	51.47
Pulichintala	8.62	10.22	9.37	10.22	9.74	10.22	9.74	10.22	9.74	10.22
Total	779.74	986.74	866.56	982.48	970.44	979.50	1,003.83	981.79	1,005.77	982.57

60. Interest and Finance Charges (I&FC) on Loan

Petitioner's Claim

5.1.37 TGGenco has submitted that the Debt-Equity ratio of 70:30 for the existing generating stations in accordance with Clause No. 27 of Regulation No. 2 of 2023.

5.1.38 The station-wise opening loan balance has been computed by TGGenco considering the 70% of GFA and subtracting the accumulated depreciation. The depreciation has been considered as normative loan repayment. The station-wise weighted average interest rate of the actual loan portfolio of respective year has been considered at the rate of interest on loan. For the generating stations for which weighted average interest rate of loan is not available, the latest available rate of interest of loan as approved in MTR Order dated 23.03.2023 is considered.

5.1.39 The interest on loan has been calculated by TGGenco on the normative loan balance for the year by applying the weighted average rate of interest.

5.1.40 The total Interest and Finance Charges on Loan claimed by TGGenco for the period the FY 2024-25 to FY 2028-29 is as follows:

Table 5-7: I&FC on Loan as claimed by TGGenco for the period FY 2024-25 to FY 2028-29

Rs.in crore

Sl. No.	Particular	2024-25	2025-26	2026-27	2027-28	2028-29
1.	KTPS-V	-	-	-	-	-
2.	KTPS-VI	-	-	-	-	-
3.	KTPS-VII	232.68	243.70	254.73	240.89	218.24
4.	RTS-B	-	-	-	-	-
5.	KTPP-I	-	-	-	-	-
6.	KTPP-II	114.55	103.06	92.54	81.88	70.01
7.	BTPS	458.47	522.75	532.95	496.85	461.20
8.	Nagarjuna Complex	7.27	5.24	1.34	-	-
9.	Srisailam LB	49.93	49.13	42.19	35.26	28.33
10.	Small Hydel	0.65	1.28	1.07	0.72	0.36

Sl. No.	Particular	2024-25	2025-26	2026-27	2027-28	2028-29
11.	Mini Hydel	0.60	1.59	2.01	1.82	1.62
12.	Pochampad- II	1.44	2.44	2.85	2.67	2.50
13.	Priyadarshini Jurala	16.26	15.37	14.20	13.04	11.88
14.	Lower Jurala	53.07	51.62	49.17	46.35	43.53
15.	Pulichintala	22.20	22.75	22.22	21.20	20.17
	Total	957.13	1,018.93	1,015.29	940.68	857.83

Commission's View

5.1.41 Clause 31 of Regulation 2 of 2023 specifies the provisions related to Interest and Finance Charges on Loan. The relevant extract of the Regulation is as follows:

"31.1 The loans arrived at in the manner indicated in clause 27 on the assets put to use shall be considered as gross normative loan for calculation of interest on loan:

Provided that in case of retirement or replacement or de-capitalisation of assets, the loan capital approved as mentioned above, shall be reduced to the extent of outstanding loan component of the original cost of such assets based on documentary evidence.

31.2 The normative loan outstanding as on 01.04.2024, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.03.2024, from the gross normative loan.

31.3 The loan repayment during each year of the Control Period shall be deemed to be equal to the depreciation allowed for that year, up to the ceiling of seventy five percent (75%) of asset cost or actual debt component used for funding such asset in case the debt funding is higher than seventy five percent (75%) of the asset cost.

31.4 Notwithstanding any moratorium period availed, the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed.

31.5 The rate of interest shall be the weighted average rate of interest computed on the basis of the actual long-term loan portfolio at the beginning of each year:

Provided that at the time of Truing-up, the weighted average rate of interest computed on the basis of the actual long-term loan portfolio during the concerned year shall be considered as the rate of interest:

Provided further that if there is no actual long-term loan for a particular year but normative long-term loan is still outstanding, the last available weighted average rate of interest for actual long-term loan shall be considered:

Provided also that if the generating entity or the licensee or the SLDC, as the case may be, does not have actual long-term loan even in the past, the weighted average rate of interest of its other Businesses regulated by the Commission shall be considered:

Provided also that if the generating entity or the licensee or the SLDC, as the

case may be, does not have actual long-term loan, and its other Businesses regulated by the Commission also do not have actual long-term loan even in the past, then the weighted average rate of interest of the entity as a whole shall be considered:

Provided also that if the entity as a whole does not have actual long-term loan, then the Base Rate at the beginning of the respective year shall be considered as the rate of interest for the purpose of allowing the interest on the normative loan.

31.6 *The interest on loan shall be computed on the normative average loan of the year by applying the weighted average rate of interest:*

Provided that at the time of Truing-up, the normative average loan of the concerned year shall be considered on the basis of the actual asset capitalisation approved by the Commission for the year.

31.7 *The above interest computation shall exclude interest on loan amount, normative or otherwise, to the extent of capital cost funded by Consumer Contribution, Deposit Works, Grants or Capital Subsidy.*

31.8 *The finance charges incurred for obtaining loans from financial institutions for any Year shall be allowed by the Commission at the time of Truing-up, subject to prudence check:*

Provided that the finance charges such as credit rating charges, collection facilities charges, financing cost of delayed payment surcharge, bank charges and other finance charges of similar nature shall be part of A&G expenses.

31.9 *The excess interest during construction on account of time and/or cost overrun as compared to the approved completion schedule and capital cost or on account of excess drawal of the debt funds disproportionate to the actual requirement based on Scheme completion status, shall be allowed or disallowed partly or fully on a case to case basis, after prudence check by the Commission based on the justification to be submitted by the Generating Company or Transmission Licensee or Distribution Licensee along with documentary evidence, as applicable:*

Provided that where the excess interest during construction is on account of delay attributable to an agency or contractor or supplier engaged by the generating entity or the transmission licensee, any liquidated damages recovered from such agency or contractor or supplier shall be taken into account for computation of capital cost:

Provided further that the extent of liquidated damages to be considered shall depend on the amount of excess interest during construction that has been allowed by the Commission:

Provided also that the Commission may also take into consideration the impact of time overrun on the supply of electricity to the concerned Beneficiary.

31.10 *The generating entity or the licensee or the SLDC, as the case may be, shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event, the costs associated with such re-financing shall be borne by the Beneficiaries and the net savings shall be shared between the Beneficiaries and them in the ratio of 2:1, subject to prudence check by the Commission:*

Provided that refinancing shall not be done if such refinancing including other

costs associated with such refinancing results in net increase in interest:

Provided further that if refinancing is done and it results in net increase on interest, then the rate of interest shall be considered equal to the Base Rate as on the date on which the Petition for determination of Tariff is filed:

Provided also that the re-financing shall not be subject to any conditions that are not in line with standard loan documents:

Provided also that the generating entity or the licensee or the SLDC, as the case may be, shall submit documentary evidence of the costs associated with such re-financing:

Provided also that the net savings in interest shall be computed after factoring all the terms and conditions, and based on the weighted average rate of interest of actual portfolio of loans taken from Banks and Financial Institutions recognised by the Reserve Bank of India, before and after re-financing of loans:

Provided also that the net savings in interest shall be calculated as an annuity for the term of the loan, and the annual net savings shall be shared between the entity and Beneficiaries in the specified ratio.

.....”

5.1.42 The Commission has recomputed the opening loan base for the FY 2024-25 based on the approved trued up closing equity for FY 2022-23 in this Order and addition of equity base for FY 2023-24 as approved by the Commission in MTR Order dated 23.03.2023.

5.1.43 Furthermore, in accordance with Clause 27.1 of Regulation No. 2 of 2023, the Commission has applied the 75:25 debt-to-equity ratio to the approved capitalisation, net of consumer contributions, to calculate the loan addition for each year of the Control Period.

5.1.44 The Commission has provisionally considered the weighted average of actual interest rate pertaining to various loans for approving the interest and finances on loan for the period the FY 2024-25 to FY 2028-29, subject to truing up based on actuals after prudence check.

5.1.45 The interest and finance Charges approved by the Commission for the period the FY 2024-25 to FY 2028-29 is as shown in table below:

Table 5-8: I&FC on Loan approved for the period FY 2024-25 to FY 2028-29

Rs.in crore

Station	2024-25		2025-26		2026-27		2027-28		2028-29	
	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved
Thermal										
KTPS-V	-	0.23	-	0.38	-	0.24	-	0.10	-	0.00
KTPS-VI	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
KTPS-VII	232.68	242.01	243.70	223.03	254.73	203.81	240.89	184.59	218.24	165.37
RTS-B	-	-	-	-	-	-	-	-	-	0.00
KTPP-I	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00

Station	2024-25		2025-26		2026-27		2027-28		2028-29	
	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved
KTPP-II	114.55	96.93	103.06	83.78	92.54	70.62	81.88	57.46	70.01	44.30
BTPS	458.47	387.89	522.75	372.99	532.95	343.91	496.85	314.84	461.20	286.04
Nagarjuna Complex	7.27	0.00	5.24	0.00	1.34	0.00	-	0.10	-	0.00
Srisaillam LB	49.93	24.01	49.13	15.88	42.19	0.00	35.26	0.00	28.33	0.00
Small Hydel	0.65	0.00	1.28	0.00	1.07	0.00	0.72	0.00	0.36	0.00
Mini Hydel	0.60	0.00	1.59	0.00	2.01	0.00	1.82	0.00	1.62	0.00
Pochampad II	1.44	0.65	2.44	0.58	2.85	0.51	2.67	0.44	2.50	0.36
Priyadarshini Jurala	16.26	11.10	15.37	8.69	14.20	6.28	13.04	3.87	11.88	1.46
Lower Jurala	53.07	46.89	51.62	42.03	49.17	36.79	46.35	31.54	43.53	26.29
Pulichintala	22.20	19.21	22.75	18.45	22.22	16.82	21.20	15.19	20.17	13.56
Total	957.13	828.93	1,018.93	765.80	1,015.29	678.96	940.68	608.11	857.83	537.38

61. Interest on Working Capital (IoWC)

Petitioner's Claim

5.1.46 TGGenco has submitted that Interest on Working Capital has been claimed in accordance to clause 33.1 of Regulation No. 2 of 2023. The energy charges were computed by TGGenco as per Clause 46.4 of Regulation No. 2 of 2023, where the weighted average landed price of coal and oil for the past 3 months (Jan-2024 to Mar-2024) were considered for the FY 2024-25 with 2% escalation year on year till FY 2028-29. The rate of IoWC is considered by TGGenco as 10.15% (Considering the SBI MCLR as on 15.12.2023 of 8.65% plus 150 basis points) for the period the FY 2024-25 to FY 2028-29.

5.1.47 The Interest on Working Capital claimed by TGGenco for period from the FY 2024-25 to FY 2028-29 is as follows below:

Table 5-9: Interest on Working Capital as claimed for the period FY 2024-25 to FY 2028-29

		<i>Rs.in crore</i>				
Sl. No.	Particular	2024-25	2025-26	2026-27	2027-28	2028-29
1.	KTPS-V	35.48	36.44	37.46	38.50	39.17
2.	KTPS-VI	34.60	35.39	36.18	37.06	37.86
3.	KTPS-VII	63.87	65.98	69.14	71.04	72.32
4.	RTS-B	5.41	-	-	-	-
5.	KTPP-I	30.99	31.66	32.35	33.14	33.83
6.	KTPP-II	39.54	40.15	40.82	41.59	42.22
7.	BTPS	77.12	82.55	86.66	87.74	88.71
8.	Nagarjuna Complex	7.70	8.16	8.39	8.65	8.86
9.	Srisaillam LB	10.93	11.43	11.51	11.60	11.70
10.	Small Hydel	1.30	1.43	1.50	1.56	1.62
11.	Mini Hydel	0.30	0.35	0.40	0.41	0.42
12.	Pochampad- II	0.25	0.31	0.36	0.37	0.38
13.	Priyadarshini Jurala	2.54	2.59	2.63	2.67	2.71
14.	Lower Jurala	4.93	5.01	5.05	5.07	5.10

Sl. No.	Particular	2024-25	2025-26	2026-27	2027-28	2028-29
15.	Pulichintala	2.11	2.22	2.29	2.33	2.37
	Total	317.06	323.68	334.74	341.72	347.26

Commission's View

5.1.48 Clause 33 of Regulation 2 of 2023 specifies the provisions related to Interest on Working Capital. The relevant extract of the Regulation is as follows:

“Generation

(a) In case of coal-fired thermal generating stations, working capital shall cover:

(i) Cost of coal towards stock, if applicable, for ten (10) days for pit-head Generating Stations and twenty (20) days for non-pithead Generating Stations, for generation corresponding to target availability, or the maximum coal stock storage capacity, whichever is lower;

(ii) Cost of coal for thirty (30) days for generation corresponding to target availability;

(iii) Cost of secondary fuel oil for one (1) month corresponding to target availability;

(iv) Normative Operation and Maintenance expenses for one (1) month;

(v) Maintenance spares at one percent (1%) of the opening Gross Fixed Assets for the Year; and

(vi) Receivables for sale of electricity equivalent to forty-five (45) days of the sum of annual fixed charges and energy charges approved in the Tariff Order, computed at target availability and excluding incentive, if any: minus

(vii) Payables for fuel (including oil and secondary fuel oil) to the extent of thirty (30) days of the cost of fuel computed at target availability, depending on the modalities of payment:

Provided that in case the Fuel Supply Agreement provides for payment of cost of fuel in advance, the payables for fuel shall not be deducted for the purpose of computing the working capital requirement to the extent of actual payment of such advance, as substantiated by documentary evidence: Provided further that for the purpose of Truing-up, the working capital shall be computed based on the scheduled generation or target availability of the generating station, whichever is lower:

Provided also that for the purpose of Truing up, the working capital shall be computed based on the actual average stock of coal and limestone or normative stock of coal and limestone of the generating station, whichever is lower: Provided also that for the purpose of Truing-up for any year, the working capital requirement shall be re-computed on the basis of the values of revised normative Operation & Maintenance expenses and actual Revenue from sale of electricity excluding incentive, if any, and other components of working capital approved by the Commission in the Truing-up before sharing of gains and losses.....”

5.1.49 The Commission has computed the working capital in accordance of clause 33.1. (a) of (Multi Year Tariff) Regulation 2 of 2023. Further, the rate of interest on working capital is considered on normative basis in accordance to clause 33.6 of (Multi Year Tariff) Regulation 2 of 2023 equal to Base Rate as on the date of Petition filling plus 150 basis points.

5.1.50 The cost of fuel is determined based on the three months actual for Jan 2024 to March 2024 for all the years of the Control Period without any escalation. The Interest on Working Capital approved by the Commission for period the FY 2024-25 to FY 2028-29 is as shown below:

Table 5-10: Interest on Working Capital as claimed and approved for the period FY 2024-25 to FY 2028-29

Rs.in crore

Station	2024-25		2025-26		2026-27		2027-28		2028-29	
	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved
Thermal										
KTPS-V	35.48	33.74	36.44	34.46	37.46	34.71	38.50	34.97	39.17	35.25
KTPS-VI	34.60	32.96	35.39	33.70	36.18	33.96	37.06	34.23	37.86	34.52
KTPS-VII	63.87	61.34	65.98	62.76	69.14	63.13	71.04	63.61	72.32	63.98
RTS-B	5.41	0.20	-	-	-	-	-	-	-	-
KTPP-I	30.99	30.45	31.66	31.17	32.35	31.38	33.14	31.60	33.83	31.84
KTPP-II	39.54	37.36	40.15	38.19	40.82	38.27	41.59	38.36	42.22	38.46
BTPS	77.12	70.14	82.55	72.39	86.66	72.26	87.74	72.14	88.71	72.04
Nagarjuna Complex	7.70	6.50	8.16	7.03	8.39	7.18	8.65	7.34	8.86	7.50
Srisailem LB	10.93	8.58	11.43	9.25	11.51	9.17	11.60	9.31	11.70	9.45
Small Hydel	1.30	1.13	1.43	1.16	1.50	1.21	1.56	1.29	1.62	1.35
Mini Hydel	0.30	0.22	0.35	0.23	0.40	0.24	0.41	0.25	0.42	0.26
Pochampad II	0.25	0.21	0.31	0.22	0.36	0.23	0.37	0.24	0.38	0.26
Priyadarshini Jurala	2.54	2.12	2.59	2.15	2.63	2.13	2.67	2.15	2.71	2.16
Lower Jurala	4.93	4.44	5.01	4.68	5.05	4.66	5.07	4.64	5.10	4.62
Pulichintala	2.11	1.86	2.22	1.99	2.29	2.01	2.33	2.05	2.37	2.08
Total	317.06	291.23	323.68	299.38	334.74	300.54	341.72	302.18	347.26	303.78

62. Return on Equity (RoE)

Petitioner's Claim

5.1.51 TGGenco has considered the Debt-Equity ratio in accordance with Clause No. 27 of Regulation No. 2 of 2023 for the existing generating stations for which the tariff is determined is considered as approved by the Commission i.e., 70:30.

5.1.52 The rate of RoE has been considered by TGGenco as 20.713% for thermal stations and run-off river stations and 22.049% for hydel stations with pondage by grossing up the base rate of 15.5% and 16.5% with effective tax rate of 25.17%. TGGenco has followed the new tax regime as per section 115 BAA of the Income Tax Act 1961. Since the FY 2020-21, the effective tax rate is 25.168%.

5.1.53 TGGenco has claimed the Return on Equity for the period FY 2024-25 to FY 2028-29 is as follows:

Table 5-11: Return on Equity as claimed for the period FY 2024-25 to FY 2028-29

Rs.in crore

Sl. No.	Particular	2024-25	2025-26	2026-27	2027-28	2028-29
1.	KTPS-V	85.13	85.70	84.27	78.02	63.70
2.	KTPS-VI	153.76	153.83	153.83	153.83	154.19
3.	KTPS-VII	322.34	347.47	374.67	382.55	383.48
4.	RTS-B	4.67	0.00	0.00	0.00	0.00
5.	KTPP-I	158.75	159.16	159.71	160.21	160.57
6.	KTPP-II	234.34	234.47	235.46	236.41	236.41
7.	BTPS	503.83	582.32	619.63	619.63	619.63
8.	Nagarjuna Complex	130.38	134.40	135.93	136.60	137.37
9.	Srisaillam LB	230.00	235.33	235.33	235.33	235.33
10.	Small Hydel	8.86	9.75	9.86	9.86	9.86
11.	Mini Hydel	2.29	3.04	3.45	3.45	3.45
12.	Pochampad-II	2.46	3.48	4.00	4.00	4.00
13.	Priyadarshini Jurala	43.30	43.52	43.52	43.52	43.52
14.	Lower Jurala	102.48	103.62	103.93	103.93	103.93
15.	Pulichintala	30.07	31.41	31.84	31.84	31.84
	Total	2,012.64	2,127.50	2,195.42	2,199.17	2,187.28

Commission's View

5.1.54 Clause 29 of (Multi Year Tariff) Regulation 2 of 2023 specifies provisions related to Return on Equity. The relevant extract of the Regulation is as follows:

“29 Return on Equity

29.1 Return on Equity shall be computed in rupee terms, on the equity base determined in accordance with clause 27.

29.2 Return on Equity shall be computed at the following base rates:

- (a) Thermal generating stations: 15.50%;
- (b) Run of river hydro generating stations: 15.50%;
- (c) Storage type hydro generating stations including pumped storage hydro generating storage and run of river hydro generating station with pondage: 16.50%

.....

Provided that in case of delay in submission of tariff/true-up filings by the generating entity or licensee or SLDC, as required under this Regulation, rate of RoE shall be reduced by 0.5% per month or part thereof.

29.3 The Return on Equity shall be computed in the following manner:

- (a) Return at the allowable rate as per this clause, applied on the amount of equity capital at the commencement of the Year; plus
- (b) Return at the allowable rate as per this Regulation, applied on 50 per cent of the equity capital portion of the allowable capital cost, for the investments put to use in generation business or transmission business or distribution business or SLDC, for such Year.

.....”

5.1.55 The Commission observed that TGGenco has computed the Return on Equity

taking into account the projected equity addition in additional capitalisation during the year. The Commission further observes that the Return on Equity considered by TGGenco is in line with (Multi Year Tariff) Regulation 2 of 2023.

5.1.56 The Commission has recomputed the opening equity base for the FY 2024-25 based on the approved trued up closing equity for the FY 2022-23 in this Order and addition of equity base for the FY 2023-24 as approved by the Commission in MTR Order dated 23.03.2023.

5.1.57 Furthermore, in accordance with Clause 27.1 of Regulation No. 2 of 2023, the Commission has applied the 75:25 debt-to-equity ratio to the approved capitalisation, net of consumer contributions, to calculate the equity addition for each year of the Control Period.

5.1.58 Rate of RoE: As per timelines specified in Regulation No.2 of 2023, TGGENCO had to file the petition by 31.01.2024. Whereas, TGTransco has filed the petition on 21.09.2024 with a delay of 8 months. As per clause 29.2 of Regulation No.2 of 2023, in case the petitioner delays in filing the petition, there is provision for reduction in rate of Return on Equity by 0.5% per month or part thereof. Hence, the rate of RoE has to be reduced by 4.00% for all the years of 5th control period. Duly considering the advice given by the members during SAC meeting held on 05.10.2024 and since it is a first filing as per MYT Regulation No.2 of 2023, the Commission has taken a lenient view and restricted reduction of rate of RoE only for the first year of 5th control period i.e., FY 2024-25.

5.1.59 Thus, the Commission considered net allowable rate of RoE as 11.50% for thermal generating stations and 12.5% for hydro generating stations for first year of 5th control period and for subsequent four years of 5th control period rate of RoE is considered as 15.5% for thermal generating stations and 16.5% for hydro generating stations. Further, the Commission has considered effective tax rate of 25.12% for grossing up the allowable base rate of Return on Equity.

5.1.60 In regard to KTPS-V, the Petitioner has wrongly considered the opening equity base for the FY 2024-25 as Rs.405.24 crore against the computed value of Rs. 680.96 crore. Thus, the Commission approved value is on higher side when compared to Petitioner value.

5.1.61 The Return on Equity as approved by the Commission for the period FY 2024-25 to FY 2028-29 is as follows:

Table 5-12: Return on Equity as claimed and approved for the period FY 2024-25 to FY 2028-29

Rs.in crore

Station	2024-25		2025-26		2026-27		2027-28		2028-29	
	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved
Thermal										
KTPS-V	85.13	104.80	85.70	141.46	84.27	141.46	78.01	141.46	63.70	141.46
KTPS-VI	153.76	114.02	153.83	153.68	153.83	153.68	153.83	153.68	154.19	153.68
KTPS-VII	322.34	243.82	347.47	328.62	374.67	328.62	382.55	328.62	383.48	328.62
RTS-B	4.67	1.03	-	-	-	-	-	-	-	-
KTPP-I	158.75	117.51	159.16	158.38	159.72	158.38	160.21	158.38	160.57	158.38
KTPP-II	234.34	174.77	234.47	235.56	235.46	235.56	236.41	235.56	236.41	235.56
BTPS	503.83	377.86	582.32	518.27	619.63	518.27	619.63	518.27	619.63	518.27
Hydel										
Nagarjuna Complex	130.38	73.07	134.40	97.82	135.93	97.82	136.60	97.82	137.37	97.82
Srisaillam LB	230.00	128.07	235.33	171.02	235.33	171.02	235.33	171.02	235.33	171.02
Small Hydel	8.86	4.57	9.75	6.03	9.86	6.03	9.86	6.03	9.86	6.03
Mini Hydel	2.29	1.57	3.04	2.07	3.45	2.07	3.45	2.07	3.45	2.07
Pochampad II	2.46	1.12	3.48	1.47	4.00	1.47	4.00	1.47	4.00	1.47
Priyadarshini Jurala	43.30	23.83	43.52	32.12	43.52	32.12	43.52	32.12	43.52	32.12
Lower Jurala	102.48	61.95	103.62	81.97	103.93	81.97	103.93	81.97	103.93	81.97
Pulichintala	30.07	16.99	31.41	22.74	31.84	22.74	31.84	22.74	31.84	22.74
Total	2,012.64	1444.97	2,127.50	1951.22	2,195.42	1951.22	2,199.17	1951.22	2,187.28	1951.22

63. **Non-Tariff Income**

Petitioner's Claim

5.1.62 TGGenco has claimed the Non-Tariff Income for the period the FY 2024-25 to FY 2028-29 in accordance with the clause no. 43 of Regulation No. 02 of 2023 as shown in table below:

Table 5-13: Non-Tariff Income claimed for the period FY 2024-25 to FY 2028-29

Rs.in crore

Sl. No.	Particular	2024-25	2025-26	2026-27	2027-28	2028-29
1.	KTPS-V	15.22	15.83	16.46	17.12	17.80
2.	KTPS-VI	8.53	8.87	9.23	9.59	9.98
3.	KTPS-VII	10.83	11.27	11.72	12.19	12.67
4.	RTS-B	1.49	-	-	-	-
5.	KTPP-I	28.00	29.13	30.29	31.50	32.76
6.	KTPP-II	29.90	31.09	32.33	33.63	34.97
7.	BTPS	11.62	12.09	12.57	13.07	13.60
8.	Nagarjuna Complex	1.00	1.04	1.08	1.12	1.17
9.	Srisaillam LB	2.81	2.92	3.04	3.16	3.29
10.	Small Hydel	0.26	0.27	0.28	0.29	0.30
11.	Mini Hydel	0.09	0.10	0.10	0.11	0.11
12.	Pochampad-II	0.03	0.04	0.04	0.04	0.04

Sl. No.	Particular	2024-25	2025-26	2026-27	2027-28	2028-29
13.	Priyadarshini Jurala	0.29	0.30	0.31	0.33	0.34
14.	Lower Jurala	0.17	0.18	0.19	0.20	0.20
15.	Pulichintala	0.50	0.52	0.54	0.56	0.59
	Total	110.76	113.64	118.19	122.91	127.83

Commission's View

5.1.63 Clause 43 of (Multi Year Tariff) Regulation 2 of 2023 specifies Non-Tariff Income.

The relevant extract of the Regulation is as follows:

"43 Non-Tariff Income

43.1 The amount of Non-Tariff Income of the Generating Company as approved by the Commission shall be deducted while determining its Annual Fixed Charge: Provided that the Generating Company shall submit full details of its forecast of Non-Tariff Income to the Commission in such form as may be stipulated by the Commission. 43.2 The Non-Tariff Income shall include:

- a) Income from rent of land or buildings;*
- b) Net income from sale of de-capitalised assets;*
- c) Income from sale of scrap;*
- d) Income from statutory investments;*
- e) Interest income on advances to suppliers/contractors;*
- f) Income from rental from staff quarters;*
- g) Income from rental from contractors;*
- h) Income from hire charges from contactors and others;*
- i) Income from sale of ash/rejected coal;*
- j) Income from advertisements; k) Income from sale of tender documents;*
- l) Any other Non-Tariff Income: 44 Operational Norms for Generating"*

5.1.64 The Commission approves the Non-Tariff Income as claimed by TGGenco subject to prudence check on actuals at the time of truing up. The Non-Tariff Income approved by the Commission for the period the FY 2024-25 to FY 2028-29 is as follows:

Table 5-14: Non-Tariff Income approved for the period FY 2024-25 to FY 2028-29

Rs.in crore

Sl. No.	Particular	2024-25		2025-26		2026-27		2027-28		2028-29	
		Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved
1.	KTPS-V	15.22	15.22	15.83	15.83	16.46	16.46	17.12	17.12	17.80	17.80
2.	KTPS-VI	8.53	8.53	8.87	8.87	9.23	9.23	9.59	9.59	9.98	9.98
3.	KTPS-VII	10.83	10.83	11.27	11.27	11.72	11.72	12.19	12.19	12.67	12.67
4.	RTS-B	1.49	0.26	-	-	-	-	-	-	-	-
5.	KTPP-I	28.00	28.00	29.13	29.13	30.29	30.29	31.50	31.50	32.76	32.76
6.	KTPP-II	29.90	29.90	31.09	31.09	32.33	32.33	33.63	33.63	34.97	34.97
7.	BTPS	11.62	11.62	12.09	12.09	12.57	12.57	13.07	13.07	13.60	13.60
8.	Nagarjuna Complex	1.00	1.00	1.04	1.04	1.08	1.08	1.12	1.12	1.17	1.17

Sl. No.	Particular	2024-25		2025-26		2026-27		2027-28		2028-29	
		Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved
9.	Srisaillam LB	2.81	2.81	2.92	2.92	3.04	3.04	3.16	3.16	3.29	3.29
10.	Small Hydel	0.26	0.26	0.27	0.27	0.28	0.28	0.29	0.29	0.30	0.30
11.	Mini Hydel	0.09	0.09	0.10	0.10	0.10	0.10	0.11	0.11	0.11	0.11
12.	Pochampad-II	0.03	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
13.	Priyadarshini Jurala	0.29	0.29	0.30	0.30	0.31	0.31	0.33	0.33	0.34	0.34
14.	Lower Jurala	0.17	0.17	0.18	0.18	0.19	0.19	0.20	0.20	0.20	0.20
15.	Pulichintala	0.50	0.50	0.52	0.52	0.54	0.54	0.56	0.56	0.59	0.59
	Total	110.76	109.51	113.64	113.65	118.19	118.18	122.91	122.91	127.83	127.82

64. **Additional Pension Liabilities & Water Charges**

Petitioner's Claim

5.1.65 TGGenco has submitted that it is responsible for a portion of the pension liability of the former Andhra Pradesh State Electricity Board (APSEB) employees. This liability was originally assigned to APGENCO under the AP Electricity Reform Act of 1998 and subsequently transferred to TGGENCO upon the formation of Telangana in 2014. The liability includes annual payments towards the principal amount of bonds issued to a Master Trust, interest on the outstanding liability, and an "additional interest." This "additional interest" covers the difference between the projected pension costs and the actual pension payments made each year.

5.1.66 To fund these pension obligations, APGENCO issued bonds in 2002-03, guaranteed by the then Andhra Pradesh government, to a Master Trust. This Master Trust is responsible for 100% of the pension commitment for employees who retired before February 1, 1999, and 74% for those who retired after. The remaining 26% is funded by separate trusts. The "additional interest" component, designed to address fluctuations in actual pension pay outs, was historically allowed as a pass through item in the tariff determined by the Andhra Pradesh Electricity Regulatory Commission (APERC).

5.1.67 This practice of including the "additional interest" in the tariff was upheld by APERC in a 2003 Order, recognizing that any increase in pension liability should be reflected in APGENCO's tariff. TGGENCO, having inherited this liability and the established practice of its inclusion in the tariff, now seeks similar treatment from the Telangana Electricity Regulatory Commission (TGERC).

5.1.68 However, as per Clause No. 45.1 of TGERC Regulation No. 2 of 2023, the unfunded past liabilities of pension and gratuity have to be included under O&M Expenses of the generating entity. Considering the fact that the actual additional

pension liability is not pertaining to TGGENCO but is a liability transferred to TGGENCO. TGGenco requested the Commission to allow the additional pension liability as a separate item in the tariff of TGGENCO and also allow the Petitioner to submit the actual expenses during true up of respective year.

5.1.69 In regards to Water Charges, the Petitioner has submitted to allow the estimated water charges in the Annual Fixed Charges of the generating stations and allow the Petitioner to submit the actual expenses during true up of respective year.

Table 5-15: Additional Pension Liabilities and Water Charges as claimed for FY 2024-25 to FY 2028-29

Rs.in crore

Particular	Claimed				
	2024-25	2025-26	2026-27	2027-28	2028-29
Additional Pension Liabilities	1367.73	1489.46	1617.06	1785.01	1946.20
Water Charges	33.47	33.65	33.84	34.04	34.25

Commission's View

5.1.70 Clause 45.1 of (Multi Year Tariff) Regulation 2 of 2023 specifies provisions related to additional pension liabilities. The relevant extract of the Regulation is as follows:

45 Operation and Maintenance (O&M) expenses

45.1 The O&M expenses for each generating station shall comprise of:

- *Employee cost including unfunded past liabilities of pension and gratuity;*
- *Repairs and Maintenance (R&M) expenses; and*
- *Administrative and Generation (A&G) expenses*

5.1.71 It is evident from the above clause of Regulation 02 of 2023 that the additional pension liabilities shall be the part of employee expenses and to be claimed under O&M expenses.

5.1.72 As a part of additional information the Commission asked the TGGenco to submit the unfunded past liabilities of pension and gratuity projected for Control Period of the FY 2024-25 to FY 2028-29. TGGenco in its response has submitted that “the Additional interest on Pension and Gratuity Bonds is not a part of employee cost or O&M expenses; hence, it is not in accordance with clause 45.01 of the Regulation 02 of 2023. In the MYT Order for previous control periods i.e, 2024-19 and 2019-24 Hon’ble TSERC has allowed separately, Further, prior to 2014 (Before formation of Telangana) erstwhile Hon’ble APERC

also allowed the additional interest on pension bonds as a separate item independent of Annual Fixed Charges (AFC). Considering the fact that the actual additional pension liability is not pertaining to TGGENCO employees but is a liability transferred to TGGENCO, the Commission allows the same as claimed by TGGENCO subject to true-up at actuals based on prudence check. In regards to water charges as a part of additional information the Commission asked the TGGenco to submit the basis along with the computation for claiming water charges of Rs 33.47 crore for FY 2024-25. TGGenco has submitted in its response that the water charges in respect of Thermal station and Hydel stations were claimed based on the actual usage of water for Thermal Generation and Hydel generation. TGGenco has submitted that during the FY 2022-23 poor rainfalls resulted in less Hydel Generation consequently less water charges claimed for the FY 2024 against the already approved Rs 68.32 crore for the FY 2023-24 in MTR Order dated 23.03.2023. The Commission at this stage has approved the water charges as claimed by the Petitioner subject to true-up at actuals based on prudence check.

5.1.73 The additional pension liabilities and water charges as claimed and approved by the Commission is given in Table below:

Table 5-16: Additional Pension Liabilities and Water Charges approved by the Commission for FY 2024-25 to FY 2028-29

Rs.in crore

Particular	Claimed					Approved				
	2024-25	2025-26	2026-27	2027-28	2028-29	2024-25	2025-26	2026-27	2027-28	2028-29
Additional Pension Liabilities	1367.73	1489.46	1617.06	1785.01	1946.20	1367.73	1489.46	1617.06	1785.01	1946.20
Water Charges	33.47	33.65	33.84	34.04	34.25	33.47	33.65	33.84	34.04	34.25

65. Annual Fixed Charges (AFC)

5.1.74 Based on the above, the Annual Fixed Charges (AFC) claimed by TGGenco and as approved by the Commission is as shown in the Tables below:

Table 5-17: Annual Fixed Charges as claimed and approved for the period FY 2024-25 to FY 2028-29

Rs.in crore

Station	Depreciation		O&M Expenses		Return on Equity		Interest on Loan		IoWC		NTI		Fixed Charges	
	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved
AFC approved for FY 2024-25														
Thermal														
KTPS-V	35.53	1.44	270.25	206.99	85.13	104.80	-	0.23	35.48	33.74	15.22	15.22	411.17	331.98
KTPS-VI	22.30	45.25	269.11	206.97	153.76	114.02	-	0.00	34.60	32.96	8.53	8.53	471.24	390.67
KTPS-VII	174.38	186.42	568.91	483.04	322.34	243.82	232.68	242.01	63.87	61.34	10.83	10.83	1351.35	1205.80
RTS-B	9.86	1.18	109.87	17.48	4.67	1.03	-	-	5.41	0.20	1.49	0.26	128.32	19.84
KTPP-I	17.50	88.68	209.15	180.28	158.75	117.51	-	0.00	30.99	30.45	28.00	28.00	388.39	388.92

Station	Depreciation		O&M Expenses		Return on Equity		Interest on Loan		IoWC		NTI		Fixed Charges	
	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved
KTPP-II	113.02	127.75	252.96	204.77	234.34	174.77	114.55	96.93	39.54	37.36	29.90	29.90	724.51	611.68
BTPS	242.05	274.31	442.02	189.59	503.83	377.86	458.47	387.89	77.12	70.14	11.62	11.62	1711.87	1288.17
Hydel														
Nagarjuna Complex	56.36	87.97	153.51	117.51	130.38	73.07	7.27	0.00	7.70	6.50	1.00	1.00	354.22	284.05
Srisaillam LB	60.26	86.43	147.45	100.18	230.00	128.07	49.93	24.01	10.93	8.58	2.81	2.81	495.76	344.47
Small Hydel	1.14	4.04	48.98	42.20	8.86	4.57	0.65	0.00	1.30	1.13	0.26	0.26	60.67	51.68
Mini Hydel	0.37	0.90	10.43	7.27	2.29	1.57	0.60	0.00	0.30	0.22	0.09	0.09	13.90	9.87
Pochampad II	0.58	0.72	7.77	6.99	2.46	1.12	1.44	0.65	0.25	0.21	0.03	0.03	12.47	9.66
Priyadarshini Jurala	11.16	20.11	43.73	33.54	43.30	23.83	16.26	11.10	2.54	2.12	0.29	0.29	116.70	90.41
Lower Jurala	26.61	51.31	44.27	33.68	102.48	61.95	53.07	46.89	4.93	4.44	0.17	0.17	231.19	198.10
Pulichintala	8.62	10.22	41.69	38.55	30.07	16.99	22.20	19.21	2.11	1.86	0.50	0.50	104.19	86.32
Total	779.74	986.74	2,620.10	1869.03	2,012.64	1444.97	957.13	828.93	317.06	291.23	110.76	109.51	6575.95	5311.39

AFC approved for FY 2025-26

Thermal														
Station	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved
KTPS-V	44.13	1.44	284.42	218.71	85.70	141.46	-	0.38	36.44	34.46	15.83	15.83	435.47	380.62
KTPS-VI	22.50	45.25	282.75	218.59	153.83	153.68	-	0.00	35.39	33.70	8.87	8.87	485.94	442.36
KTPS-VII	182.21	186.42	600.53	510.66	347.47	328.62	243.70	223.03	65.98	62.76	11.27	11.27	1429.06	1300.22
RTS-B	-	0.00	-	-	-	-	-	0.00	-	-	-	-	0.00	0.00
KTPP-I	18.52	88.68	219.54	190.43	159.16	158.38	-	0.00	31.66	31.17	29.13	29.13	400.88	439.53
KTPP-II	113.21	127.75	265.31	216.29	234.47	235.56	103.06	83.78	40.15	38.19	31.09	31.09	726.30	670.48
BTPS	296.28	280.09	473.92	200.86	582.32	518.27	522.75	372.99	82.55	72.39	12.09	12.09	1946.20	1432.50
Hydro														
Nagarjuna Complex	68.58	87.97	162.21	124.54	134.40	97.82	5.24	0.00	8.16	7.03	1.04	1.04	377.59	316.33
Srisaillam LB	68.32	86.43	155.70	106.14	235.33	171.02	49.13	15.88	11.43	9.25	2.92	2.92	517.10	385.80
Small Hydel	2.64	1.20	52.04	44.62	9.75	6.03	1.28	0.00	1.43	1.16	0.27	0.27	66.88	52.74
Mini Hydel	0.89	0.90	11.19	7.69	3.04	2.07	1.59	0.00	0.35	0.23	0.10	0.10	16.97	10.79
Pochampad II	1.13	0.58	8.32	7.39	3.48	1.47	2.44	0.58	0.31	0.22	0.04	0.04	15.65	10.20
Priyadarshini Jurala	11.40	14.08	46.06	35.46	43.52	32.12	15.37	8.69	2.59	2.15	0.30	0.30	118.65	92.20
Lower Jurala	27.38	51.47	46.66	35.61	103.62	81.97	51.62	42.03	5.01	4.68	0.18	0.18	234.12	215.59
Pulichintala	9.37	10.22	44.11	40.79	31.41	22.74	22.75	18.45	2.22	1.99	0.52	0.52	109.36	93.67
Total	866.56	982.48	2,652.75	1,957.79	2,127.50	1951.22	1,018.93	765.80	323.68	299.38	113.64	113.65	6875.78	5843.02

Station	Depreciation		O&M Expenses		Return on Equity		Interest on Loan		IoWC		NTI		Fixed Charges	
	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved
AFC approved for FY 2026-27														
Thermal														
KTPS-V	55.68	1.44	299.37	230.98	84.27	141.46	-	0.24	37.46	34.71	16.46	16.46	460.32	392.37
KTPS-VI	22.50	45.25	297.14	230.86	153.83	153.68	-	0.00	36.18	33.96	9.23	9.23	500.42	454.53
KTPS-VII	216.73	186.42	637.31	539.87	374.67	328.62	254.73	203.81	69.14	63.13	11.72	11.72	1540.86	1310.13
RTS-B	-	0.00	-	-	-	-	-	0.00	-	-	-	-	0.00	0.00
KTPP-I	18.71	88.68	230.41	201.15	159.72	158.38	-	0.00	32.35	31.38	30.29	30.29	410.90	449.30
KTPP-II	113.28	127.75	278.34	228.47	235.46	235.56	92.54	70.62	40.82	38.27	32.33	32.33	728.11	668.34
BTPS	347.74	280.09	506.22	212.30	619.63	518.27	532.95	343.91	86.66	72.26	12.57	12.57	2080.63	1414.26
Hydro														
Nagarjuna Complex	72.56	87.97	170.98	131.58	135.93	97.82	1.34	0.00	8.39	7.18	1.08	1.08	388.12	323.47
Srisaillam LB	68.32	86.43	163.55	112.12	235.33	171.02	42.19	0.00	11.51	9.17	3.04	3.04	517.86	375.70
Small Hydel	2.84	1.14	54.97	47.18	9.86	6.03	1.07	0.00	1.50	1.21	0.28	0.28	69.96	55.29
Mini Hydel	1.56	0.90	12.02	8.13	3.45	2.07	2.01	0.00	0.40	0.24	0.10	0.10	19.34	11.24
Pochampad II	1.71	0.58	8.90	7.81	4.00	1.47	2.85	0.51	0.36	0.23	0.04	0.04	17.78	10.56
Priyadarshini Jurala	11.40	11.16	48.49	37.48	43.52	32.12	14.20	6.28	2.63	2.13	0.31	0.31	119.93	88.85
Lower Jurala	27.68	51.47	49.13	37.63	103.93	81.97	49.17	36.79	5.05	4.66	0.19	0.19	234.77	212.33
Pulichintala	9.74	10.22	46.55	43.14	31.84	22.74	22.22	16.82	2.29	2.01	0.54	0.54	112.10	94.39
Total	970.44	979.50	2,803.39	2,068.71	2,195.42	1951.22	1,015.29	678.96	334.74	300.54	118.19	118.18	7201.10	5860.75

AFC approved for FY 2027-28

Station	Depreciation		O&M Expenses		Return on Equity		Interest on Loan		IoWC		NTI		Fixed Charges	
	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved	As filed	Approved
KTPS-V	69.18	1.44	315.03	243.94	78.01	141.46	-	0.10	38.50	34.97	17.12	17.12	483.60	404.79
KTPS-VI	22.50	45.25	312.36	243.82	153.83	153.68	-	0.00	37.06	34.23	9.59	9.59	516.16	467.40
KTPS-VII	229.30	186.42	673.00	574.29	382.55	328.62	240.89	184.59	71.04	63.61	12.19	12.19	1584.59	1325.35
RTS-B	-	0.00	-	-	-	-	-	0.00	-	-	-	-	0.00	0.00
KTPP-I	20.50	88.68	242.08	212.47	160.21	158.38	-	0.00	33.14	31.60	31.50	31.50	424.43	459.64
KTPP-II	115.25	127.75	292.42	241.34	236.41	235.56	81.88	57.46	41.59	38.36	33.63	33.63	733.92	666.83
BTPS	347.74	280.09	531.29	224.40	619.63	518.27	496.85	314.84	87.74	72.14	13.07	13.07	2070.18	1396.67
Hydro														
Nagarjuna Complex	76.11	87.97	180.20	139.02	136.60	97.82	-	0.10	8.65	7.34	1.12	1.12	400.44	331.03
Srisaillam LB	68.32	86.43	171.85	118.43	235.33	171.02	35.26	0.00	11.60	9.31	3.16	3.16	519.20	382.02
Small Hydel	2.84	2.64	58.03	49.89	9.86	6.03	0.72	0.00	1.56	1.29	0.29	0.29	72.72	59.56

Mini Hydel	1.56	0.90	12.66	8.60	3.45	2.07	1.82	0.00	0.41	0.25	0.11	0.11	19.79	11.71
Pochampad II	1.71	1.13	9.39	8.26	4.00	1.47	2.67	0.44	0.37	0.24	0.04	0.04	18.10	11.50
Priyadarshini Jurala	11.40	11.40	51.05	39.62	43.52	32.12	13.04	3.87	2.67	2.15	0.33	0.33	121.35	88.82
Lower Jurala	27.68	51.47	51.73	39.77	103.93	81.97	46.35	31.54	5.07	4.64	0.20	0.20	234.56	209.18
Pulichintala	9.74	10.22	49.02	45.62	31.84	22.74	21.20	15.19	2.33	2.05	0.56	0.56	113.57	95.26
Total	1,003.83	981.79	2,950.11	2,189.47	2,199.17	1951.22	940.68	608.11	341.72	302.18	122.91	122.91	7312.61	5909.76
AFC approved for FY 2028-29														
KTPS-V	69.18	1.44	331.13	257.63	63.70	141.46	-	0.00	39.17	35.25	17.80	17.80	485.38	417.98
KTPS-VI	22.50	45.25	328.46	257.52	154.19	153.68	-	0.00	37.86	34.52	9.98	9.98	533.03	480.99
KTPS-VII	231.11	186.42	709.30	603.39	383.48	328.62	218.24	165.37	72.32	63.98	12.67	12.67	1601.78	1335.11
RTS-B	-	0.00	-	-	-	-	-	0.00	-	-	-	-	0.00	0.00
KTPP-I	20.50	88.68	254.21	224.44	160.57	158.38	-	0.00	33.83	31.84	32.76	32.76	436.35	470.59
KTPP-II	115.25	127.75	306.98	254.93	236.41	235.56	70.01	44.30	42.22	38.46	34.97	34.97	735.90	666.03
BTPS	347.74	280.09	557.81	237.19	619.63	518.27	461.20	286.04	88.71	72.04	13.60	13.60	2061.49	1380.02
Hydro														
Nagarjuna Complex	76.25	87.97	189.84	146.88	137.37	97.82	-	0.00	8.86	7.50	1.17	1.17	411.15	339.00
Srisaillam LB	68.32	86.43	180.63	125.10	235.33	171.02	28.33	0.00	11.70	9.45	3.29	3.29	521.02	388.70
Small Hydel	2.84	2.84	61.26	52.75	9.86	6.03	0.36	0.00	1.62	1.35	0.30	0.30	75.64	62.68
Mini Hydel	1.56	0.90	13.33	9.09	3.45	2.07	1.62	0.00	0.42	0.26	0.11	0.11	20.27	12.21
PochampadII	1.71	1.71	9.90	8.73	4.00	1.47	2.50	0.36	0.38	0.26	0.04	0.04	18.45	12.50
Priyadarshini Jurala	11.40	11.40	53.76	41.88	43.52	32.12	11.88	1.46	2.71	2.16	0.34	0.34	122.93	88.68
Lower Jurala	27.68	51.47	54.47	42.03	103.93	81.97	43.53	26.29	5.10	4.62	0.20	0.20	234.51	206.17
Pulichintala	9.74	10.22	51.63	48.25	31.84	22.74	20.17	13.56	2.37	2.08	0.59	0.59	115.16	96.26
Total	1,005.77	982.57	3,102.72	2,309.80	2,187.28	1951.22	857.83	537.38	347.26	303.78	127.83	127.82	7373.06	5956.92

66. Operational Parameters

Petitioner's Claim

5.1.75 TGGenco has submitted the station wise operational parameter for the each of the thermal generating stations for the control period of the FY 2024-25 to FY 2028-29. In addition to above, TGGENCO requested the Commission to revise the normative auxiliary consumption for BTPS generating stations from 8.50% to 8.792%.

Commission's View

5.1.76 Clause 44 of (Multi Year Tariff) Regulation 2 of 2023 specifies the operational parameters. The relevant extract of the Regulation is as follows:

"44 Operational Norms for Generating Stations

44.1 Recovery of capacity charge, energy charge and any incentive by the generating station shall be based on the achievement of operational norms specified in this Regulation.

44.2 The Normative Annual Plant Availability Factor (NAPAF) for Thermal Generating Stations for full recovery of Annual Fixed Charges shall be 85 per cent.

44.3 Normative Annual Plant Load Factor (NAPLF) for incentive for thermal Generating Stations/Units shall be 85 per cent.

44.7 Auxiliary Energy Consumption for all coal-based thermal Generating Stations shall be as given in the Table below:

Particulars	With Natural Draft cooling tower or without cooling tower
(i) 62.5 MW	10.00%
(ii) 250 MW series	8.50%
(iii) 500 MW & above	
Steam driven boiler feed pumps	5.25%
Electrically driven boiler feed pumps	7.75%

Provided that for thermal Generating Stations with induced draft cooling towers and where tube type coal mill is used, the norms shall be further increased by 0.5% and 0.8%, respectively:

Provided further that additional Auxiliary Energy Consumption as follows may be allowed for plants with Dry Cooling Systems:

Type of Dry Cooling System	(% of gross generation)
Direct cooling air cooled condensers with mechanical draft fans	1.0%
Indirect cooling system employing jet condensers with pressure recovery turbine and natural draft tower	0.5%

Provided also that for thermal Generating Stations with Flue Gas De-sulphuriser (FGD), additional Auxiliary Energy Consumption shall be allowed on case-to-case basis after prudence check.

- Auxiliary Energy Consumption for hydro generating stations be as under:

Type of Station	Auxiliary Energy Consumption
Surface	
Rotating Excitation	0.7%
Static	1.0%
Underground	
Rotating Excitation	0.9%
Static	1.2%

- In case of pumped storage hydro generating stations, the quantum of electricity required for pumping water from down-stream reservoir to up-stream reservoir shall be arranged by the beneficiaries duly taking into account the transmission and distribution losses up to the bus bar of the generating station. In return, beneficiaries shall be entitled to equivalent energy of 75% of the energy utilized in pumping the water from the lower elevation reservoir to the higher elevation reservoir from the generating station during peak hours and the generating station shall be under obligation to supply such quantum of electricity during peak hours."

5.1.77 TGGENCO for its BTPS generating stations has requested the Commission to approve the auxiliary consumption at 8.792% against the value of 8.50% as per Regulation No. 2 of 2023.

5.1.78 The Commission after due consultation with the stakeholder and public hearing, finalised the Regulation No. 2 of 2023. Further, the norms of auxiliary consumption of thermal generating stations is finalised after due diligence and analysing the comments and suggestions received by the Stakeholders. Thus, the Commission is not inclined to revise the norms of the thermal generating station at this stage.

5.1.79 The Commission has approved the operational parameters for TGGenco on normative basis in accordance to clause 44 of (Multi Year Tariff) Regulation, 2 of 2023 as shown in the table below:

Table 5-18: Operational Parameters as approved for the period FY 2024-25 to FY 2028-29

Particulars	Normative Plant Availability	Auxiliary Consumption	Gross Station Heat Rate	Secondary Fuel oil consumption	Transit Loss
Unit	%	%	kcal/kWh	ml/kWh	%
KTPS-V	85.00%	9.30%	2500.00	0.5	0.80%
KTPS-VI	85.00%	5.25%	2450.00	0.5	0.80%
KTPS-VII	85.00%	5.25%	2151.00	0.5	0.80%
RTS-B	85.00%	10.00%	3000.00	0.5	0.80%
KTPP-I	85.00%	5.25%	2450.00	0.5	0.80%
KTPP-II	85.00%	5.25%	2300.00	0.5	0.80%
BTPS	85.00%	8.50%	2318.00	0.5	0.80%

67. Energy Charges

Petitioner's Claim

5.1.80 TGGenco has submitted that energy charges are computed based on clause 46(B) of (Multi Year Tariff) Regulation 2 of 2023.

5.1.81 The Energy Charges for thermal stations have been computed by TGGenco as per Clause 46.4 of Regulation No. 2 of 2023. The weighted average landed price of coal and secondary oil for the past 3 months (Jan-2024, Feb-2024 and Mar-2024) has been considered for the FY 2024-25 with 2% escalation year on year till the FY 2028-29.

Table 5-19: Energy Charge Rate (ECR) as claimed for the period FY 2024-25 to FY 2028-29

Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
1.	KTPS-V	4.194	4.277	4.363	4.450	4.539
2.	KTPS-VI	3.744	3.819	3.895	3.973	4.053
3.	KTPS-VII	3.618	3.690	3.764	3.839	3.916
4.	RTS-B	4.634	-	-	-	-
5.	KTPP-I	3.369	3.436	3.505	3.575	3.646

Commission's View

5.1.82 Clause 46(B) of Regulation 2 of 2023 stipulates the methodology for determination of ECR. The relevant extract of the Regulation is stipulated below:

"B. Energy Charges

46.3 *The Energy Charges shall cover landed cost of primary fuel and secondary fuel oil and shall be worked out on the basis of total energy scheduled to be supplied to the Beneficiary/ies during the calendar month on ex-power plant basis, at the Energy Charge Rate of the month (with fuel price adjustment) as per the following formula:*

Energy Charges (Rs) = (Energy Charge Rate in Rs/kWh) x [Scheduled Energy (ex-bus) for the month in kWh]

46.4 *Energy Charge Rate (ECR) in Rs/kWh shall be computed up to three decimal places and shall be the sum of the cost of normative quantities of primary and secondary fuel for delivering ex-bus one kWh of electricity, and shall be computed as per the following formula:*

$$ECR = (GSHR - SFC \times CVSF) \times LPPF / CVPF + SFC \times LPSFi \} \times 100 / (100 - AUX)$$

Where,

AUX = Normative Auxiliary Energy Consumption in percentage;

CVPF = Weighted average Gross Calorific Value of coal as received in kcal/kg less 85 kcal/kg on account of variation during storage at generating station; in case of blending

of fuel from different sources, the weighted average Gross Calorific Value of primary fuel shall be arrived in proportion of blending ratio;

CVSF = Calorific value of secondary fuel, in kcal/ml;

GSHR = Normative Gross Station Heat Rate, in kcal/kWh;

LPPF = Weighted average landed price of primary fuel, in Rs./kg, as applicable, during the month; in case of blending of fuel from different sources, the weighted average landed

price of primary fuel shall be arrived in proportion of blending ratio;

SFC = Normative Secondary Fuel Oil Consumption, in ml/kWh;

LPSFi = Weighted average landed price of secondary fuel in Rs./ml during the month:

Provided that the landed cost of primary fuel and secondary fuel for tariff determination shall be based on actual weighted average cost of primary fuel and secondary fuel of the three (3) preceding months, and in the absence of landed costs for the three (3) preceding months, latest procurement price of primary fuel and secondary fuel for the generating Station, preceding the first month for which the Tariff is to be determined for existing stations, and immediately preceding three (3) months in case of new generating stations shall be taken into account:

Provided further that the landed cost of fuel shall mean the total cost of coal delivered to the generating station and shall include the base price of fuel corresponding to the grade/quality/calorific value of fuel inclusive of royalty, taxes and duties as applicable, washery charges as applicable, transportation cost by

rail/road or any other means, charges for third-party sampling, and, for the purpose of computation of energy charges, shall be arrived at after considering normative transit and handling losses as percentage of the quantity of fuel dispatched by the fuel supply company during the month:

Provided also that any refund of taxes and duties along with any amount received on account of penalties from fuel supplier shall have to be adjusted in fuel cost:

Provided also that the Energy Charges, for the purpose of billing/Fuel Surcharge shall be worked out Station-wise/Unit-wise based on weighted average rate based on scheduled generation from each Unit.

.....”

5.1.83 In accordance to the provisions of clause 46.4 of Regulation No.2 of 2023, the Commission has considered the latest available actual fuel price and GCV for the period from January 2024 to March 2024 for primary and secondary fuel for approving the energy charge for each year of the Control Period.

5.1.84 Based on the norms of operation approved by the Commission in this Order and fuel prices and GCV considered, the ECR computed by the Commission is as shown in the Table below:

Table 5-20: Energy Charge Rate claimed and approved by the Commission for the period FY 2024-25 to FY 2028-29

Particulars		Auxiliary Consumption	Gross Station Heat Rate	Secondary Fuel oil consumption	Calorific Value of Secondary Fuel	Landed Price of Secondary Fuel	Wt. Avg. Gross Calorific Value of Coal	Landed Price of Coal	Specific Coal Consumption	Coal Cost/kWh	Secondary Fuel oil Cost/kWh	Energy Charge Rate (ECR) (Rs./kWh)
Plants	Legend	%	kcal/kWh	ml/kWh	kcal/ml	Rs./ml	kcal/kg	Rs./kg	kg/kWh	kg/kWh	Rs./kWh	Rs./kWh
KTPS- V	As filed	9.30	2500.00	0.50	9.82	0.06	3004.73	4.54	0.83	4.16	0.03	4.19
	Approved	9.30	2500.00	0.50	9.82	0.06	3004.73	4.54	0.83	4.16	0.03	4.19
KTPS- VI	As filed	5.25	2450.00	0.50	9.82	0.06	3790.45	5.45	0.65	3.71	0.03	3.74
	Approved	5.25	2450.00	0.50	9.82	0.06	3790.45	5.45	0.65	3.71	0.03	3.74
KTPS- VII	As filed	5.25	2151.00	0.50	9.82	0.07	4020.75	6.36	0.53	3.58	0.03	3.62
	Approved	5.25	2151.00	0.50	9.82	0.07	4020.75	6.36	0.53	3.58	0.03	3.62
RTS-B	As filed	10.00	3000.00	0.50	9.38	0.08	3577.10	4.93	0.84	4.59	0.04	4.63
	Approved	10.00	3000.00	0.50	9.38	0.08	3577.10	4.93	0.84	4.59	0.04	4.63
KTPP-I	As filed	5.25	2450.00	0.50	9.39	0.07	4086.72	5.28	0.60	3.33	0.03	3.37
	Approved	5.25	2450.00	0.50	9.39	0.07	4086.72	5.28	0.60	3.33	0.03	3.37
KTPP-II	As filed	5.25	2300.00	0.50	9.39	0.06	4086.75	5.28	0.56	3.13	0.03	3.16
	Approved	5.25	2300.00	0.50	9.39	0.06	4086.75	5.28	0.56	3.13	0.03	3.16
BTPS	As filed	8.50	2318.40	0.50	9.82	0.07	3523.05	4.60	0.66	3.30	0.04	3.34
	Approved	8.50	2318.40	0.50	9.82	0.07	3523.05	4.60	0.66	3.30	0.04	3.34

5.1.85 The variation in fuel prices and GCV shall be billed in accordance with clause 46.5 of Regulation No.2 of 2023.

Chapter-6 Input cost of Integrated Mine

Petitioner's Claim

6.1.1 TGGenco has submitted that the Tadicherla-I coal block is allocated to TGGENCO by Ministry of coal vide letter dt.24.03.2015 to meet coal requirements of KTPP-II (600 MW) and mining operation commenced from 11.12.2017. The input price of coal for this integrated mine is to be determined as per clause no. 6.2 (a) (iv) of TGERC Regulation 2 of 2023, for the 5th control period (FY 2024-2025 to FY 2028-2029)

6.1.2 As per submission of the TGGenco the Run of Mine cost includes extraction cost, mining charge and fixed reserve price. The Additional charges has included charges for activities relating to Transportation, Coal Sampling and SCCL Survey/Drilling Charges etc. The Statutory charges applicable are Royalty, District Mineral Foundation (DMF), National Mineral Exploration Trust (NMET), GST and MBL Cess.

6.1.3 The claimed input cost of integrated mine by TGGenco is shown in table below:

Table 6-1: Input Price of integrated mine claimed by the Petitioner for the period FY 2024-25 to FY 2028-29

Particulars	Units	2024-25	2025-26	2026-27	2027-28	2028-29
Input Price	Rs./MT	6225.37	6528.08	6846.19	7180.47	7531.74

Commission's View

6.1.4 Clause 50 of Regulation 2 of 2023 stipulates the methodology for determination input price of coal from integrated mine(s). The relevant extract of the Regulation is stipulated below:

"50 Input Price of coal for energy charges

50.1 Where the generating station, has the arrangement for supply of coal from the integrated mine(s) allocated to it for its end use, the energy charge component of tariff of the generating station shall be determined based on the input price of coal, from such integrated mines determined in accordance with the provisions specified in this Part.

50.2 The Commission shall determine the Input Price of coal from the Date of Commercial Operation of the integrated mine.

50.3 The input price for supply of coal from the integrated mine(s) prior to their

date of commercial operation shall be the estimated price available in the investment approval, or the notified price of Coal India Limited for the corresponding grade of coal supplied to the power sector, whichever is lower: Provided that any revenue earned from supply of coal prior to the date of commercial operation of the integrated mine(s) shall be applied in adjusting the capital cost of the said integrated mine(s).

50.4 The generating company/station shall, after the date of commercial operation of the integrated mine(s) till the input price of coal is determined by the Commission under this Regulation, adopt the notified price of Coal India Limited commensurate with the grade of the coal from the integrated mine(s) or the estimated price available in the investment approval, whichever is lower, as the input price of coal for the generating station:

Provided that the difference between the input price of coal determined under this Regulation and the input price of coal so adopted prior to such determination, for the quantity of coal billed, shall be adjusted as under: In case of excess or short recovery of input price, the generating company/station shall refund the excess amount or recover the shortfall amount, as the case may be, with simple rate of interest, equal to the bank rate prevailing as on 1st April of the respective years of the tariff period, in six equal monthly instalments.”

As per Regulation, TGGenco is required to file the details of Capital cost of the integrated mine since inception in accordance with the clause 51 of Regulation 02 of 2023. Further, the TGGenco is required to furnish details such as MDO agreement, Mining Plan, detailed project report, mine closure plan, cost audit report, expenses towards statutory charges and other details etc. The Commission observe that TGGenco has not provided complete information to determine the input price of coal from integrated mine. Further, as per Clause 50.2 of the Regulation, the Commission shall determine the Input Price of coal from the Date of Commercial Operation of the integrated mine.

- 6.1.5 The Input Price of the coal shall be determined from the COD of the mine. **The Commission directs the Petitioner to approach the Commission a fresh with appropriate petition along with all other relevant documents for determination of Input Price of coal from COD of the mine.** In case the petitioner fails to file the petition as directed by the Commission for determination of input price of coal from COD of the mine, the Commission shall not determine the tariff for KTPP-II.

Applicability

The station wise Generation Tariffs determined for each year of the Control Period from the FY 2024-25 to FY 2028-29 are applicable from 1st April to 31st March of the respective Financial Year. However, for FY 2024-25, the tariff determined can be levied from 01.11.2024 and for the previous period i.e., 01.04.2024 to 31.10.2024, the Commission directs TGGenco to recover/adjust the difference in revenue recoverable in accordance with the Tariff approved in this Order for FY 2024-25 vis-a-vis the Tariff

charged in 6 equal monthly instalments without any carrying cost. With regard to RTS-B, the tariff determined is applicable from 01.04.2024 till the validity of the PPA i.e., 03.06.2024.

Commission's Directives

The Commission's earlier Directives and new Directives issued in this Order are enclosed at Appendix.

This Order is corrected and signed on this the 28th October. 2024.

Sd/- (BANDARU KRISHNAIAH) MEMBER	Sd/- (M. D. MANOHAR RAJU) MEMBER	Sd/- (T. SRIRANGA RAO) CHAIRMAN
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Appendix Commission's Directives

Earlier Directives

1. To approach the Commission for approval with regard to Renovation & Modernisation expenditure for all the plants.
2. Maintain separate records and books of account for each unit of every powerstation.
3. Maintain the following with respect to capitalisation of fixed assets
4. Date of capitalisation/placed into service
5. Accumulated depreciation of each asset
6. Date of decapitalisation wherever applicable
7. Scheme-wise Details of Capital Cost for New Stations

New Directives

8. Integrated Mine

The Commission directs TGGENCO to submit the separate petition for the input price of integrated mine in accordance with the clause Part IV of Regulation 02 of 2023.

9. Filing of Petitions under Regulation No. 2 of 2023

The Commission directs the petitioner to adhere to the timelines as specified in Regulation No.2 of 2023 in future filing of petitions.

Annexure-I(B)

Newspaper clippings appeared in DEECAN CHRONICLE, THE HINDU, on 24.09.2024

DECCAN CHRONICLE

BEFORE THE HONOURABLE
TELANGANA ELECTRICITY REGULATORY COMMISSION (TGERC)
 Vidyut Nyantran Bhavan, G.T.S Colony, Kalyan Nagar, Hyderabad - 500 045.

TELANGANA POWER GENERATION CORPORATION LIMITED
 VIDYUT SOUDHA: HYDERABAD-500 082.

PUBLIC NOTICE

1. Notice is hereby given to all that the Telangana Power Generation Corporation Limited (TGGENCO) filed before the Telangana Electricity Regulatory Commission (TGERC) for True-up for FY 2022-23 and Multi Year Tariff under MYT framework for control period FY 2024-25 to FY 2028-29 on 21.09.2024. These filings have been taken on record by the Hon'ble Commission in O.P.No. 19 of 2024 and I.A.No. 18 of 2024 respectively.

2. Copies of the filings and proposals referred are available in the Office of the Chief Engineer/ (Coal & Commercial), Room No. 255, A-Block, TGGENCO, Vidyut Soudha, Khairathabad, Hyderabad. Interested persons may inspect/peruse the said filings and take note thereof during the office hours at the said office free of cost. These proposals are also available on www.tggenco.com and the same may be accessed at www.tgerc.telangana.gov.in. A copy of these filings can be obtained from the above offices from 24.09.2024 onwards on payment of photocopying charges of the filings.

3. Objections/suggestions, if any, on the said filings together with supporting material may be sent to the Chief Engineer(Coal & Commercial), Room No. 255, A-Block, TGGENCO, Vidyut Soudha, Khairathabad, Hyderabad-500 082 in person or through Registered Post so as to reach on or before 11.10.2024 by 5:00 pm. A copy of the same must also be filed with the Commission Secretary, TGERC, at the address mentioned above. The objections/suggestions should be duly signed and should carry full name, postal address of the person(s) sending the objections/suggestions. If the objections/ suggestions are filed on behalf of any organization or any category of consumers, it should be clearly mentioned. If the objector also wants to be heard in person it may also be specifically mentioned. The Objection/Suggestion should accompany the following statement as an overleaf.

Name & full address of the Objector	Brief details of objection(s) suggestion (s)	Objections against filings by TGGENCO for True-up for FY 2022-23 and Multi Year Tariff under MYT framework for the control period FY 2024-25 to FY 2028-29	Whether copy of objection & proof of delivery at TGGENCO's office enclosed (Yes/No)	Whether Objector wants to be heard in person (Yes/No)

Telangana Electricity Regulatory Commission intends to conduct a Public Hearing at Court Hall, TGERC, Vidyut Nyantran Bhavan, G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045 on 21.10.2024 from 10.30 Hrs onwards.

Place: Hyderabad Date: 24.09.2024

Sd-
 Chairman & Managing Director
 TGGENCO

DIPR R.O.No.427-PP/CL-AGENCY/ADVT/1/2024-25

THE HINDU

BEFORE THE HONOURABLE
TELANGANA ELECTRICITY REGULATORY COMMISSION (TGERC)
 Vidyut Nyantran Bhavan, G.T.S Colony, Kalyan Nagar, Hyderabad - 500 045.

TELANGANA POWER GENERATION CORPORATION LIMITED
 VIDYUT SOUDHA: HYDERABAD-500 082.

PUBLIC NOTICE

1. Notice is hereby given to all that the Telangana Power Generation Corporation Limited (TGGENCO) filed before the Telangana Electricity Regulatory Commission (TGERC) for True-up for FY 2022-23 and Multi Year Tariff under MYT framework for control period FY 2024-25 to FY 2028-29 on 21.09.2024. These filings have been taken on record by the Hon'ble Commission in O.P.No. 19 of 2024 and I.A.No. 18 of 2024 respectively.

2. Copies of the filings and proposals referred are available in the Office of the Chief Engineer/ (Coal & Commercial), Room No. 255, A-Block, TGGENCO, Vidyut Soudha, Khairathabad, Hyderabad. Interested persons may inspect/peruse the said filings and take note thereof during the office hours at the said office free of cost. These proposals are also available on www.tggenco.com and the same may be accessed at www.tgerc.telangana.gov.in. A copy of these filings can be obtained from the above offices from 24.09.2024 onwards on payment of photocopying charges of the filings.

3. Objections/suggestions, if any, on the said filings together with supporting material may be sent to the Chief Engineer(Coal & Commercial), Room No. 255, A-Block, TGGENCO, Vidyut Soudha, Khairathabad, Hyderabad-500 082 in person or through Registered Post so as to reach on or before 11.10.2024 by 5:00 pm. A copy of the same must also be filed with the Commission Secretary, TGERC, at the address mentioned above. The objections/suggestions should be duly signed and should carry full name, postal address of the person(s) sending the objections/suggestions. If the objections/ suggestions are filed on behalf of any organization or any category of consumers, it should be clearly mentioned. If the objector also wants to be heard in person it may also be specifically mentioned. The Objection/Suggestion should accompany the following statement as an overleaf.

Name & full address of the Objector	Brief details of objection(s) suggestion (s)	Objections against filings by TGGENCO for True-up for FY 2022-23 and Multi Year Tariff under MYT framework for the control period FY 2024-25 to FY 2028-29	Whether copy of objection & proof of delivery at TGGENCO's office enclosed (Yes/No)	Whether Objector wants to be heard in person (Yes/No)

Telangana Electricity Regulatory Commission intends to conduct a Public Hearing at Court Hall, TGERC, Vidyut Nyantran Bhavan, G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045 on 21.10.2024 from 10.30 Hrs onwards.

Place: Hyderabad Date: 24.09.2024

Sd-
 Chairman & Managing Director
 TGGENCO

DIPR R.O.No.427-PP/CL-AGENCY/ADVT/1/2024-25

Annexure-I(C)

Newspaper clipping appeared in Siasat (URDU) on 24.09.2024

SIASAT

بہ اجلاس معزز
تلنگانہ الیکٹریسیٹی ریگولیشن کمیشن (TGERC)
ویدیو نمبرن ۵۰۰۰۴۵، جی ٹی ایس کالونی، کلیان نگر، حیدرآباد ۵۰۰۰۴۵

تلنگانہ پاور جنریشن کارپوریشن لمیٹڈ
ویدیو نمبر: ۵۰۰۰۸۲، حیدرآباد

اعلان عام

1- تمام سالانہ پاور جنریشن کارپوریشن لمیٹڈ (TGENCO) کو ریویو پرائیمری پائل ہے جس میں 21-09-2024 کو
دال سال 2024-25، دال سال 2028-29 کنٹریل عدت کیلئے MYT فریم ورک کے تحت دال سال 2022-23 اور برسر مال
کیلئے لوڈ پ کیلئے سالانہ ریگولیشن ریگولیشن کمیشن (TGERC) کے اجلاس پر غور کیا گیا ہے۔ ان ریگولیشن کوئی اثر تہ
2- معیار ریگولیشن اور پاور جنریشن کی نئی ریگولیشن پورے ریگولیشن (ریگولیشن) اور پاور جنریشن (TGERC) کے اجلاس پر غور کیا گیا ہے۔
3- دال سال 2024-25، دال سال 2028-29 کنٹریل عدت کیلئے MYT فریم ورک کے تحت دال سال 2022-23 اور برسر مال
کیلئے لوڈ پ کیلئے سالانہ ریگولیشن ریگولیشن کمیشن (TGERC) کے اجلاس پر غور کیا گیا ہے۔ ان ریگولیشن کوئی اثر تہ
4- معیار ریگولیشن اور پاور جنریشن کی نئی ریگولیشن پورے ریگولیشن (ریگولیشن) اور پاور جنریشن (TGERC) کے اجلاس پر غور کیا گیا ہے۔
5- دال سال 2024-25، دال سال 2028-29 کنٹریل عدت کیلئے MYT فریم ورک کے تحت دال سال 2022-23 اور برسر مال
کیلئے لوڈ پ کیلئے سالانہ ریگولیشن ریگولیشن کمیشن (TGERC) کے اجلاس پر غور کیا گیا ہے۔ ان ریگولیشن کوئی اثر تہ
6- معیار ریگولیشن اور پاور جنریشن کی نئی ریگولیشن پورے ریگولیشن (ریگولیشن) اور پاور جنریشن (TGERC) کے اجلاس پر غور کیا گیا ہے۔
7- دال سال 2024-25، دال سال 2028-29 کنٹریل عدت کیلئے MYT فریم ورک کے تحت دال سال 2022-23 اور برسر مال
کیلئے لوڈ پ کیلئے سالانہ ریگولیشن ریگولیشن کمیشن (TGERC) کے اجلاس پر غور کیا گیا ہے۔ ان ریگولیشن کوئی اثر تہ
8- معیار ریگولیشن اور پاور جنریشن کی نئی ریگولیشن پورے ریگولیشن (ریگولیشن) اور پاور جنریشن (TGERC) کے اجلاس پر غور کیا گیا ہے۔
9- دال سال 2024-25، دال سال 2028-29 کنٹریل عدت کیلئے MYT فریم ورک کے تحت دال سال 2022-23 اور برسر مال
کیلئے لوڈ پ کیلئے سالانہ ریگولیشن ریگولیشن کمیشن (TGERC) کے اجلاس پر غور کیا گیا ہے۔ ان ریگولیشن کوئی اثر تہ
10- معیار ریگولیشن اور پاور جنریشن کی نئی ریگولیشن پورے ریگولیشن (ریگولیشن) اور پاور جنریشن (TGERC) کے اجلاس پر غور کیا گیا ہے۔
11- دال سال 2024-25، دال سال 2028-29 کنٹریل عدت کیلئے MYT فریم ورک کے تحت دال سال 2022-23 اور برسر مال
کیلئے لوڈ پ کیلئے سالانہ ریگولیشن ریگولیشن کمیشن (TGERC) کے اجلاس پر غور کیا گیا ہے۔ ان ریگولیشن کوئی اثر تہ
12- معیار ریگولیشن اور پاور جنریشن کی نئی ریگولیشن پورے ریگولیشن (ریگولیشن) اور پاور جنریشن (TGERC) کے اجلاس پر غور کیا گیا ہے۔
13- دال سال 2024-25، دال سال 2028-29 کنٹریل عدت کیلئے MYT فریم ورک کے تحت دال سال 2022-23 اور برسر مال
کیلئے لوڈ پ کیلئے سالانہ ریگولیشن ریگولیشن کمیشن (TGERC) کے اجلاس پر غور کیا گیا ہے۔ ان ریگولیشن کوئی اثر تہ
14- معیار ریگولیشن اور پاور جنریشن کی نئی ریگولیشن پورے ریگولیشن (ریگولیشن) اور پاور جنریشن (TGERC) کے اجلاس پر غور کیا گیا ہے۔
15- دال سال 2024-25، دال سال 2028-29 کنٹریل عدت کیلئے MYT فریم ورک کے تحت دال سال 2022-23 اور برسر مال
کیلئے لوڈ پ کیلئے سالانہ ریگولیشن ریگولیشن کمیشن (TGERC) کے اجلاس پر غور کیا گیا ہے۔ ان ریگولیشن کوئی اثر تہ
16- معیار ریگولیشن اور پاور جنریشن کی نئی ریگولیشن پورے ریگولیشن (ریگولیشن) اور پاور جنریشن (TGERC) کے اجلاس پر غور کیا گیا ہے۔
17- دال سال 2024-25، دال سال 2028-29 کنٹریل عدت کیلئے MYT فریم ورک کے تحت دال سال 2022-23 اور برسر مال
کیلئے لوڈ پ کیلئے سالانہ ریگولیشن ریگولیشن کمیشن (TGERC) کے اجلاس پر غور کیا گیا ہے۔ ان ریگولیشن کوئی اثر تہ
18- معیار ریگولیشن اور پاور جنریشن کی نئی ریگولیشن پورے ریگولیشن (ریگولیشن) اور پاور جنریشن (TGERC) کے اجلاس پر غور کیا گیا ہے۔
19- دال سال 2024-25، دال سال 2028-29 کنٹریل عدت کیلئے MYT فریم ورک کے تحت دال سال 2022-23 اور برسر مال
کیلئے لوڈ پ کیلئے سالانہ ریگولیشن ریگولیشن کمیشن (TGERC) کے اجلاس پر غور کیا گیا ہے۔ ان ریگولیشن کوئی اثر تہ
20- معیار ریگولیشن اور پاور جنریشن کی نئی ریگولیشن پورے ریگولیشن (ریگولیشن) اور پاور جنریشن (TGERC) کے اجلاس پر غور کیا گیا ہے۔

اجلاس	اجلاس	دال سال 2024-25، دال سال	دال سال 2028-29	دال سال 2022-23 اور برسر مال
اجلاس	اجلاس	دال سال 2024-25، دال سال	دال سال 2028-29	دال سال 2022-23 اور برسر مال
اجلاس	اجلاس	دال سال 2024-25، دال سال	دال سال 2028-29	دال سال 2022-23 اور برسر مال
اجلاس	اجلاس	دال سال 2024-25، دال سال	دال سال 2028-29	دال سال 2022-23 اور برسر مال
اجلاس	اجلاس	دال سال 2024-25، دال سال	دال سال 2028-29	دال سال 2022-23 اور برسر مال

تعداد ریگولیشن ریگولیشن کمیشن (TGERC) کے اجلاس پر غور کیا گیا ہے۔ ان ریگولیشن کوئی اثر تہ
G.T.S. کالونی، کلیان نگر، حیدرآباد 500045 میں اجلاس منعقد کرے۔
مقام: حیدرآباد
تاریخ: 24-09-2024
TGERC
DIPR.R.O.NO:427-PP/CL-AGENCY/ADVT/1/2024-25

Annexure-II

List of stakeholders who submitted written Objections/Suggestions

Sl. No.	Name and address of the stakeholders
1.	Sri. R K Agarwal Telangana Spinning & Textile Mills Association (TSTMA) Surya Towers, 1st Floor, Sardar Patel Road, Secunderabad 500 003.
2.	Sri. M. Venugopala Rao, Senior Journalist & Convener, Centre for Power Studies H.No.1-100/MP/101, Monarch Prestige, Journalists, Colony, Serilingampally Mandal , Hyderabad - 500 032
3.	Sri. Suresh Kumar Singhal, The Federation of Telangana Chambers of Commerce and Industry (FTCCI), Federation House, Federation Marg, 11-6-841, Red Hills, Hyderabad 500004.
4.	Salasar Iron and Steel Private Limited Flat No. 101, 1st Floor, Satya Sarovar Complex, Highcourt Road, Hyderabad.
5.	B.R. Jaisimha Devashree Ispat Pvt Limited 8-2-293/82, Plot No. 86, Prashasan Nagar, Road No.72, Jubilee Hills, Hyderabad-500110
6.	Sri Navdurga Billets Private Limited D No. 8/2/602-B, Opp. South India Bank, Banjara Hills, Road No. 10, Hyderabad-500034
7.	South Indian Cement Manufacturers Association (SICMA) Administrative office: 3rd Floor, 36th Square, Plot No, 481, Road No. 36 , Jubilee Hills, Hyderabad. 5000034
8.	Sri. R K Agarwal (ADDITIONAL SUBMISSIONS) Telangana Spinning & Textile Mills Association (TSTMA) Surya Towers, 1st Floor, Sardar Patel Road, Secunderabad 500 003.
9.	Sri. Narendra Baldwa, Telangana and Andhra Plastics Manufacturers Association (TAAPMA), 914, 9th Floor, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad-500001.
10.	Chief Engineer, TGSPDCL, Coporate office, 6-1-50, 1st floor, Mint compound, Hyderabad-500063
11.	Dilip Re-Rolling Pvt Ltd. Reg Office: 21-1-414, Rikabgunj, Hyderabad-500002
12.	Telangana Iron & Steel Manufacturers Association (TISMA) Regd. Office: Flat No. 101, 1st Floor, Satya Sarovar Apt, Ghansi Bazar, Near High Court, Hyderabad-500002.
13.	JEEVIKA INDUTRIES, H.NO: 11-6-27/17, 1st floor Opp. IDPL factory, Main Road, Balanagar, Hyderabad
14.	G.R. Karunakar, Plot No. 56, Lakshmi Megha Township, Ragannaguda, Abdullahpurmet, Ranga Reddy, Hyderabad-501510

Annexure-III

List of stakeholders who participated in Public Hearing held on 21.10.2024

Sl. No.	Name and address of the stakeholders
1.	Sri Ramandeep Singh on behalf of TSTMA and FTCCI
2.	Sri M.Venugopala Rao, Senior Journalist & Convenor, Centre for Power Studies, H.No.1-100/MP/101, Monarch Prestige, Journalists' Colony, Gopanpally, Serlingampally Mandal, Hyderabad 500 032
3.	Sri K.Ramulu, Director (Commercial)/TGSPDCL, Corporate Office 6-1-50, 1 st Floor, Mint Compound, Hyderabad 500 063.
4.	Sri Kalyan
5.	Sri Venkatesh Maddineni
6.	Sri Vinod Kumar Agarwal
7.	Sri Kalyan
8.	Sri Venkatesh Maddineni
9.	Sri Vinod Kumar Agarwal
10.	Sri P.V.G.Reddy
11.	Sri N.Sri Kumar
12.	Representative of M/s Devashree Ispat Private Limited
13.	Sri Anil
14.	Sri Sreeven, Offset Printer
15.	Sri S.Vijay Anand
16.	Sri Shiv Kumar