

TGGENCO Reply to the Additional Information on Petition for Truing up the Generation Tariff for the FY 2022-23 and Multi Year Tariff Petition for the period from FY 2024-25 to FY 2028-29 for the existing stations along with Application for determination of input price of coal supplied from integrated mine

General

1. *TGGenco to submit the soft copy of all the Forms provided in Annexure-I (T) to IX (T) of True up for FY 2022-3 and Annexure-me (M) to VI (M) of MYT filings for FY 2024-25 to FY 2028-29 in MS Excel with formulas and linkages.*

TGGENCO Reply: Information has been furnished

2. *TGGenco to submit all the form for thermal generating station as per format provided Appendix 1: Tariff Filing Forms (Generation) in Regulation 02 of 2023*

TGGENCO Reply: Information has been furnished.

True Up 2022-23

3. *TGGenco has not submitted the soft copy of downloadable spreadsheet format showing detailed computations, (linked excel sheet) of the Appendix -1 Tariff Filing Forms (Generation) of Regulation 02 of 2023. TGGenco is required to provide the same.*

TGGENCO Reply: Information has been furnished

4. *TGGencoto submit the SLDC Certificate for actual Availability and Plant Load Factor for FY 2022-23 and FY 2023-24.*

TGGENCO Reply: SLDC certificates enclosed.

5. *TGGenco is required to submit the documentary evidence for actual means of finance for additional capitalisation claimed for FY 2022-23.*

TGGENCO Reply: Documentary evidence for actual means of finance for additional capitalization claimed for FY 2022-23 enclosed.

During FY 2022-23, additional capitalization claimed is Rs. 402.05 Crs. out of which Rs. 312.83 Crs pertains to BTPS & 72.33 Crs pertains to KTPS-VII Stage and 16.89 Crs pertains to other stations.

BTPS & KTPS-VII: The capitalization proposed in BTPS & KTPS-VII is the actual expenditure incurred over the years and the assets were put to use during the FY 2022-23. The following is the means of finance utilized for meeting the capital expenditure of these projects:

Station Name	GFA as on 31.03.2023	Capital expenditure upto 31.03.2023 including CWIP	Loan drawn up to 31.03.2023.	Equity contributed by TS Govt.	Balance met through internal resources (Equity)
	(a)	(b)	©	(d)	(e)=(b)-(c)-(d)
BTPS	7259.12	7812.20	6047.70	325.00	1439.50
KTPS-VII	5094.40	5214.98	4194.59	346.00	674.39

Other Stations: Additional capitalization claimed in other stations amounting to Rs. 16.89 Crs is met through internal resources of the company.

6. *TGGenco to provide the asset wise additional capitalization station wise for FY 2022-23 along with documentary evidence as per Regulation along with reason and purpose. and FY 2023-24. Further, TGGenco is also required to provide the actual figure of add. Cap station wise for FY 2023-24, if available.*

TGGENCO Reply: The station wise and asset wise additional capitalisation details have been furnished in the Form 3, 3.1 and 3.2 of Appendix-1: Tariff Filing Forms (Generation) of Regulation 2 of 2023. Also the forms in MS- excel were up loaded in TGGENCO website and also available in TGERC website. The basis and justification for claiming additional capitalisation is also annexed to the forms.

Consolidated station wise additional capitalisation is tabulated below.

S.No	Station	Actual Additions (Rs in Crs)	
		2022-23	2023-24
1	KTPS-V	6.06	0.17
2	KTPS-VI	(0.13)	-
3	KTPS-VII	72.33	14.73
4	RTS-B	-	0.04
5	KTPP-I	0.17	0.14
6	KTPP-II	(6.50)	8.19
7	BTPS	312.83	186.16
8	Nagarjuna Sagar Complex	-	2.66
9	Srisailem LB	12.24	8.50
10	Small Hydel	0.09	0.04
11	Mini Hydel	0.00	0.05
12	Pochampad- II	-	
13	Priyadarshini Jurala	0.79	1.82
14	Lower Jurala	4.11	4.23
15	Pulichintala	0.04	0.04
I	Total	402.05	226.77

The details of approved additional capital cost in Multi Year Tariff Order dt 22.03.2022 under Capital investment Plan, Mid-term Review Order dt: 23.03.2023 and TGGENCO claimed additional capitalisation details are furnished below.

KTPS-VII

The Hon'ble Commission at Table No. 51 of MYT Order dt. 22.03.2022 approved additional capitalisation for 4th Control Period as detailed below.

Rs. in Crs.

Details	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total
Approved vide CIP dt 22.03.2022	249.43	403.67	276.01	193.78	194.08	1316.97
Approved in MTR dt 23.03.2023	174.27	191.80	53.13			419.20
Now Claimed				72.33	14.73	87.06
Total Approved in MTR and Claimed for 4 th Control Period						506.26
Spill Over works for 5 th Control Period						810.71

BTPS

The Hon'ble Commission at Table 4.6 of MTR Order dt. 23.03.2023 approved Capital Cost of BTPS for Rs. 8817.97Crs (excluding FGD capital Cost)

BTPS Capitalisation details for 4 th Control Period (FY 2019-24)						Rs. in Crs
Details	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total
Approved in MTR	0	4871.17	2075.12	1079.28	792.41	8817.97
Claimed in MTR/ MYT (2024-29)		4871.17	2075.12	312.83	186.16	7445.28
Total Approved Vs Claimed for 4 th Control Period						1372.69

The additional capital cost claimed for the 4th Control period is of Rs. 7445.28Crs. against Rs. 8817.97 Crs approved in Mid-Term Review Petition for 4th Control Period. In this regard it is to submit that some of the works such as Quarters etc. are spill over to the 5th Control period.

KTPS-V Stage:

The Hon'ble Commission at Table No. 51 of MYT Order dt. 22.03.2022 approved additional capitalisation for 4th Control Period as detailed below.

KTPS-V Stage Additional Capitalisation details for 4 th Control Period (FY 2019-24)						Rs. in Crs
Details	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total
Approved vide CIP	7.78	79.42	43.65			130.85
Approved in MTR	3.37	36.14	80.89			120.40
Now Claimed				6.06	0.17	6.23
Total Approved and Claimed for 4 th Control Period						126.63

In this regard, it is to submit that Additional capitalisation approved is of Rs. 130.85 Crs in Capital Investment Plan for 4th Control Period. The expenditure incurred for FY 2019-20 to FY 2021-22 is of Rs. 120.40 Crs.

For FY 2022-23 and for FY 2023-24 an amount of Rs 6.23 Crs..(Rs. 6.06 Crs + 0.17 Crs) is now claimed

KTPP-II: The Hon'ble Commission at Table No. 51 of MYT Order dt. 22.03.2022 approved additional capitalisation as detailed below.

KTPP-II Additional Capitalisation details for 4 th Control Period (FY 2019-24) Rs. In Crs)			
Details	FY 2022-23	FY 2023-24	Total
Approved vide CIP	45.40	29.59	74.99
Now Claimed	(-6.50)	8.19	1.69

In this regard it is to submit that Additional capitalisation approved for FY 2019-20 to FY 2023-25 is of Rs. 716.14Crs in Capital Investment Plan for 4th Control Period. Against the expenditure of Rs. 29.59Crs approved in Capital Investment Plan for FY 2023-24, an expenditure of Rs. 8.19 Crs additional capitalisation is now claimed.

LJHES:

The Hon'ble Commission at Table No. 51 of MYT Order dt. 22.03.2022 approved additional capitalisation as detailed below.

LJHES Additional Capitalisation details for 4 th Control Period (FY 2019-24) Rs. in Crs			
Details	FY 2022-23	FY 2023-24	Total
Approved vide CIP	17.72	16.14	33.86
Now Claimed	4.11	4.23	8.34

In this regard it is to submit that Additional capitalisation approved is of Rs. 116.67 Crs in Capital Investment Plan for 4th Control Period (FY 2019-24). Now for FY 2022-23 and FY 2023-24 the capitalisation expenditure is of Rs. 4.11 Crs and Rs.4.23 Crs against the approved Rs. 33.86 Crs. in CIP.

- TGGenco to submit the detailed calculation of depreciation based on the asset class along with the basis for depreciation rates considered for FY 2022-23 to FY 2023-24 station wise in MS-Excel format TGGenco to submit the details of accumulated depreciation till FY 2022-23 and FY 2023-24.*

TGGENCO Reply: Information has been furnished.

- TGGenco to submit the relevant documentary evidence for calculation of station wise interest on loan for FY 2022-23. TGGenco to submit the Actual loan interest rate for FY 2022-23 duly certified by banks/auditor.*

TGGENCO Reply: Computation sheets of station wise interest rates, interest demand copies received from financial institutions are herewith enclosed for stations KTPP-I &II, KTPS-VII, BTPS, NSTPD , LJHES , PJHES for reference.

- TGGencoto submit the station wise detailed computation of interest on working capital in accordance with the clause 13 of Regulation 01 of 2019.*

TGGENCO Reply: Information has been furnished

10. *TGGenco has claimed provisions for pay revision commitment for each station for FY 2022-23 in its Employee Expenses. TGGenco to submit the basis for claiming such provisions along with detailed calculation computation in MS-Excel and relevant documentary evidence.*

TGGENCO Reply: As far as employee cost is concerned, the actual expenditure incurred during FY 2022-23 is claimed. Further, increased provision for terminal benefits due to implementation of Pay Revision is not claimed in the O&M expenses. Detailed calculation and computation in MS excel have been furnished.

11. *TGGenco has submitted that the actual A&G expense (Page 8 of 2023) was higher than the A&G expenses approved in MTR Order. The actual A&G Expenses for FY 2022-23 include the impact on account of wage revision for security expenses which are forming part of A&G expenses. TGGenco to submit the supporting documents for the same and separately mentioned the value of Normative A&G expenses and increase in A&G expenses because of wage revision for security expenses.*

TGGENCO Reply: Administrative and General Charges are 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 of TGGENCO is included in the A&G claims.

12. *TGGenco has submitted that R&M Expenses for FY 2022-23 (Page 08 of 2023) 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. TGGenco to submit the Plant wise (month wise) overhaul details for FY 2022-23 and FY 2023-24.*

TGGENCO Reply: Overhaul details enclosed.

13. *TGGenco has considered the tax rate of 25.168% (effective Tax Rate) for grossing up of base rate of RoE for FY 2022-23. In this regard:*
- TGGenco is required to provide the detail computation of effective tax rate (25.168%) as claimed in the petition;*
 - TGGenco is also required to provide the actual tax paid during FY 2022-23 supported by the balance sheet.*

TGGENCO Reply: hitherto FY 2020-21, TGGENCO 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.

14. *TGGenco to submit the actual Non-Tariff Income station wise for FY 2022-23 and FY 2023-24. TGGenco has submitted the Net Credit of Rs.191.08 Crore towards Non-Tariff income in page 10 of 23 of the Petition. TGGenco is required to detail the same.*

TGGENCO Reply: Details of non-tariff income for FY 2022-23 & 2023-24 is herewith enclosed along with details of profit realized from sale of scrap at KTPS-O&M with relevant regulatory order copies, used for computation of same.

15. *TGGenco is required to provide station wise the detail of water consumption and its cost along with document evidence of payment of water charges. Further, TGGenco is required to reconcile the same with audited accounts (Page 10 of 23).*

TGGENCO Reply: Water consumption details are enclosed herewith.

16. *TGGenco is required to provide station wise the detail of additional Pension Liabilities paid for FY 2022-23 and also reconcile the same with audit accounts (Page 10 of 23).*

TGGENCO Reply: 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 Hon'ble TGERC and erstwhile APERC orders for the employees on roles of the erstwhile APSEB 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.

17. TGGenco to provide the computation of the actual Energy Charge station wise in the format as per table provided below:

Particulars	Generating Station wise details
<i>Auxiliary Consumption</i>	
<i>Gross Station Heat Rate</i>	
<i>Secondary Fuel oil consumption</i>	
<i>Calorific Value of Secondary Fuel</i>	
<i>Landed Price of Secondary Fuel</i>	
<i>Wt. Avg. Gross Calorific Value of Coal</i>	
<i>Landed Price of Coal</i>	
<i>Specific Coal Consumption</i>	
Energy Charge Rate (ECR) Rs./kWh	

Further, TGGenco is required to detail the Landed Price of Coal such as base price, transportation cost, premium price, if any, penalty, royalty, cess, etc.

TGGENCO Reply: Information has been furnished

18. TGGenco to provide the below details on actual for FY 2022-23 for computation of fuel prices for FY 2022-23.

Fuel Prices and GCV for FY 2022-23

Particulars	Units	Generating Station wise
<i>Quantum of coal received</i>	<i>MT</i>	
<i>GCV of coal as received</i>	<i>kcal/kg</i>	
<i>Landed price of coal</i>	<i>Rs./MT</i>	
<i>Quantum of LDO received</i>	<i>kL</i>	
<i>GCV of LDO as received</i>	<i>kcal/L</i>	
<i>Landed price of LDO</i>	<i>Rs./kL</i>	
<i>Quantum of HFO received</i>	<i>kL</i>	
<i>GCV of HFO as received</i>	<i>kcal/L</i>	
<i>Landed price of HFO</i>	<i>Rs./kL</i>	
<i>Total Secondary Oil</i>	<i>kL</i>	
<i>Wt. Avg. GCV</i>	<i>kcal/L</i>	
<i>Wt. Avg. price</i>	<i>Rs./kL</i>	

Further, TGGenco is required to provide the documentary evidence of GCV and price of the coal.

TGGENCO Reply: Information has been furnished

MYT for FY 2024-25 to FY 2028-29**Additional Capitalisation**

20. TGGenco to submit the details of the station wise additional capitalisation claimed for 5th Control Period as per Form 3, 3.1 and 3.2 of Appendix 1: Tariff Filing Forms (Generation) of Regulation 2 of 2023. Further, TGGenco is required to provide the basis/justification for claiming the additional capitalization as per Regulation.

TGGENCO Reply: The station wise and asset wise additional capitalisation details have been furnished in the Form 3, 3.1 and 3.2 of Appendix-1: Tariff Filing Forms (Generation) of Regulation 2 of 2023. Also the forms in MS- excel were up loaded in TGGENCO website and also available in TGERC website. The basis and justification for claiming additional capitalisation is also annexed to the forms.

The consolidated station wise additional capitalisation is tabulated below.

Rs. in Crs.

S.No	Station	Estimated Additions				
		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 Sagar Complex	95.02	26.55	19.75	0.60	22.68
9	Srisaillam LB	161.20		-		
10	Small Hydrel	23.95	3.12	-		
11	Mini Hydrel	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	Total	1,905.15	1,975.66	319.92	30.64	46.32

KTPS-VII

The additional capital cost claimed for the for 4th Control period is of Rs. 506.26 Crs. against Rs. 1316.97 Crs approved in Capital Investment Plan for 4th Control Period. In this regard it is to submit that some of the works such as Construction of Quarters etc. (Rs. 524 Crs.) which are under original scope of project cost (detailed justification enclosed) were spill over to the 5th Control period. Also the FGD capital cost (Rs. 320 Crs.) and IDC towards FGD (Rs.34.07 Crs) has been deferred in CIP and directed to claim after the works are completed. Accordingly the FGD capital cost been claimed in 5th control period.

The spill over works additional capital cost of Rs. 810.71 Cr. and FGD and IDC of FGD the total additional capital cost approved in 4th control period is of Rs. 1164.78 Crs.

Against the above approved amount now during 5th control period (FY 2024-25 to FY 2028-29) an amount of Rs.1062.24 Crs has been claimed in MYT Petition.

The Additional Capitalisation claimed for 5th Control Period is tabulated below.

KTPS-VII Stage Additional Capitalisation details for 5th Control Period (FY 2024-29) (Rs. in Crs)						
Details	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Claimed	156.67	651.93	223.60	30.04		1062.24

BTPS

The Hon'ble Commission at Table 4.6 of MTR Order dt. 23.03.2023 approved Capital Cost of BTPS for Rs. 8817.97Crs (excluding FGD capital Cost)

The additional capital cost claimed for the 4th Control period is of Rs. 7445.28Crs. against Rs. 8817.97 Crs approved in Mid-Term Review Petition for 4th Control Period. In this regard it is to submit that some of the works such as Quarters etc. are spill over to the 5th Control period.

Also the FGD capital cost (Rs. 686.24 Crs.) and IDC towards FGD (Rs.127.54 Crs) has been deferred in CIP and directed to claim after the works are completed. Accordingly the FGD capital cost been claimed in 5th control period.

Considering the spill over works additional capital cost of Rs. 810.71 and FGD and IDC of FGD the total additional capital cost approved in 4th control period is of Rs. 1164.78 Crs.

Also the Additional Capitalisation claimed for 5th Control Period is tabulated below.

BTPS Additional Capitalisation details for 5th Control Period (FY 2024-29) Rs. in Crs						
Details	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Approved vide CIP	346.66					
Claimed in MYT	1325.64	1200.65				2526.29

BTPS Capital Cost Approved and Claimed:

Details	Amount	Total
Administrative Approval	10515.94	8817.97
Capital Cost Approved in Mid-Term Review order dt. 23.03.2023 at Table. 4.6	8817.97	7445.28
Deferred amount towards FGD and IDC of FDC	813.78	1372.69
Gross Fixed Assets approved up to FY 2022-23	6946.29	
Additions claimed for FY 2022-23	312.83	7259.12
Additions claimed for FY 2023-24	186.16	7445.28
Additions claimed for FY 2024-25	1325.64	8770.92
Additions claimed for FY 2025-26	1200.65	9971.57

In accordance with Para No. 5.3.7 of Capital Investment Plan order, the capital cost towards FGD is also included in additional capitalisation of 5th control period as the commissioning of FGD is expected during 2025. In this regard it is to submit that, the capital cost and the capital cost towards FGD is now proposed for 5th Control period.

It is also proposed to Construct Coal storage shed for stocking coal for utilization of Coal during Monsoon to avoid Oil Consumption. The expenditure of Rs. 141.33 Crs. is proposed during the FY: 2024-25 is within the Original Project Cost (detailed justification enclosed).

Depreciation

21. *TGGenco to submit the detailed calculation of depreciation based on the asset class along with the basis for depreciation rates considered for FY 2024-25 to FY 2028-29.*

TGGENCO Reply: Depreciation is calculated as per Regulation guidelines issued for MYT for FY 2024-29, balance depreciable values are spread over the balance life of the respective station.

Interest and Finance Charges on loan

22. *TGGenco has submitted that 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 and for 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 28.03.2023 is considered. TGGenco to submit the computation in MS-Excel format along with documentary evidence.*

TGGENCO Reply: The prevailing rate of interest is taken for computation of interest charges for 5th Control period from FY 2024-25 to FY 2028-29. Circular copies from financial institutions are enclosed for reference.

Interest on Working Capital (IoWC)

23. TGGenco has submitted in page 15 of 23 that the energy charges calculated as per clause 46.4 of TGERC 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) is considered for FY 2024-25 with 2% escalation year on year till FY 2028-29. TGGenco to submit the computation weighted average landed price of coal and oil considered for the computation. TGGenco to submit the justification for considering the 2% escalation. Further, TGGenco is required to detail the Landed Price of Coal of 3 months (Jan-2024 to Mar-2024) such as base price, transportation cost, premium price, penalty, royalty, cess, if any etc. TGGenco is also required to provide the documentary evidence of price of the coal.

TGGENCO Reply: Copies of Price notification issued by M/s SCCL for various grades of coal and sample invoices for the months of 01/2024 to 03/2024 are herewith enclosed.

Operation and Maintenance Expense (O&M)

24. TGGenco has submitted in page 16 of 23 of the Petition, that the Employee and A&G Expenses have been arrived by considering the average of actual Expenses for the period from FY 2019-20 to FY 2023-24 and the average of such expenses is escalated with CPI and WPI of 5.8% and 4.9% respectively. TGGenco to submit the actual Expenses (Employee, A&G & R&M Expenses separately) for the period from FY 2019-20 to FY 2023-24. TGGenco shall also submit the computation for employee and A&G expense considering the escalation factor for FY 2024-25 and FY 2028-29. Further, TGGenco is required to provide the detail of any abnormality in either component of O&M Expenses.

TGGENCO Reply: TGGENCO has already submitted actual O&M expenditure station wise for the period from FY 2019-20 to FY 2023-24 in the format as per Form 2 of Appendix 1: Tariff Filing Forms (Generation) of Regulation 2 of 2023. the Appendix 1 forms (Generation). Further, it is to submit that the wage revision to the employees is due w.e.f 01.04.2026. However, the impact of wage revision was not factored in the projections of employee/ O&M expenses. The same will be claimed separately based on actuals.

25. TGGenco has submitted that 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 are met in KTPS O&M. TGGenco to submit the actual employee cost for KTPS-VII for FY 2019-20 to FY 2023-24. Further, TGGenco is required to provide the reason/basis for doing so and also under which Regulation, the same is carried out.

TGGENCO Reply: Employee cost of KTPS VII from the FY 2019-20 to FY2023-24 was already submitted. KTPS VII stage is constructed in the premises of the existing KTPS O&M units and same was discontinued after commercial operation of KTPS VII. Hence, all the residual premises of the KTPS O&M unit used by KTPS VII stage. Excess employees of KTPS VII stage were re-deployed to the other units across the TGGENCO. Amount of O&M expenditure incurred during the first year (i.e warrant period) after declaration of COD cannot be compared with the expenditure in the subsequent years.

26. *It is observed that methodology adopted by TGGenco for computation of O&M Expenses is not in accordance to clause 45.3 of Regulation 02 of 2023. TGGenco is required to recompute O&M Expenses strictly as per the provisions of the Regulation. TGGenco to compute the employee cost and A&G expenses for each generating station the first year of the Control Period as per regulation stipulated 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.”

TGGENCO Reply: Information has been furnished.

Return on Equity

27. *It is observed that the Rate of RoE has been considered as 20.713% for thermal station 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%.TGGenco to submit the justification for the rate in accordance with the clause 29.2 of Regulation 02 of 2023.*

TGGENCO Reply: The rate claimed is as per clause 29.2 of Regulation 02 of 2023 read with clause 30. Accordingly, the base ROE for Thermal Stations and Run off river hydel stations considered as 15.5% and storage type hydel stations considered as 16.5%.

Non-Tariff Income

28. *TGGenco to provide the station wise Non-tariff income projection for FY 2024-25 to FY 2028-29 in the format as per Form 8 of Appendix 1: Tariff Filing Forms (Generation) of Regulation 2 of 2023.*

TGGENCO Reply: The estimated Non-tariff income for the control period FY 2024-29 has been furnished in the prescribed proforma.

Additional Pension Liabilities

29. *TGGenco to submit the unfunded past liabilities of pension and gratuity projected for 5th Control Period in accordance with the clause 45.1 of Regulation 02 of 2023.*

TGGENCO Reply: 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 State) erstwhile Hon'ble APERC also allowed the additional interest on pension bonds as a separate item independent of Annual Fixed Charges (AFC).

Water Charges

30. *TGGenco has claimed water charges of Rs 33.47 Crore for FY 2024-25. TGGenco to submit the basis along with computation for claiming water charges. Further, TGGenco is required to provide the reason for variance from already MTR approved figure for FY 2022-23 and FY 2023-24 i.e. Rs. 62.05 Crore and Rs.68.32 Crore respectively.*

TGGENCO Reply: Water charges in respect of Thermal station and Hydel stations are claimed based on the actual usage of water for Thermal Generation and Hydel generation as the case may be. In the MTR filing for FY 2022-23 and FY 2023-24 were made based on the actual of FY 2021-22 where-in heavy rains resulted in more Hydel generation, consequently more water charges for Hydel stations. Whereas during FY 2022-23 poor rainfalls resulted in less Hydel Generation consequently less water charges claimed.

Energy Charge rate

31. *TGGenco to submit the detail computation for Energy Charge Rate station wise as per Form 12: Energy Charge Rate of Appendix 1: Tariff Filing Forms (Generation) of Regulation 2 of 2023.*

TGGENCO Reply: Information has been furnished.

Integrated Mine for the Period FY 2024-25 to FY 2028-29

33. *TGGenco to submit the soft copy of all the Forms provided in page 165 to 179 of volume 03 of 03 of MYT filings for Tadicherla-I Coal Mine for FY 2024-25 to FY 2028-29 in MS Excel along with all the formulas and linkages.*

TGGENCO Reply: Information has been furnished.

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