Date: 08th January 2026

To,

The Secretary
Telangana State Electricity Regulatory Commission
Vidyut Niyantran Bhavan,
GTS Colony, Kalyan Nagar,

Hyderabad – Telangana - 500046

Subject: Submission of Objections / Suggestions on O.P. No. 64 of 2025 – True-Up for FY 2024-25 and Annual Tariff for FY 2026-27 in respect of STPP phase I filed by SCCL

Respected Sir,

I, **Mohan R. Pinninti**, Director, People's Sentinel Forum, Hyderabad hereby submit my **Objections and Suggestions** on the petition filed in **O.P. No. 64 of 2025**, relating to the **True-Up for FY 2024-25** and **Annual Tariff for FY 2026-27** in respect of STPP phase I filed by SCCL, in accordance with the provisions of the **Electricity Act, 2003** and the **TGERC (Multi Year Tariff) Regulations, 2023**.

This submission is made in my capacity as an informed electricity consumer and power sector professional, with the objective of assisting the Hon'ble Commission in ensuring **regulatory prudence, transparency, cost efficiency, and protection of consumer interest**. The enclosed objections and suggestions examine, inter alia, the prudence of capital and operational expenditure, performance parameters, fuel cost claims, controllable and uncontrollable factors, and the resultant tariff impact on consumers.

The **detailed Objections and Suggestions**, along with **Verification and Affidavit**, are enclosed herewith for kind consideration of the Hon'ble Commission.

I respectfully request the Hon'ble Commission to take this submission on record and pass appropriate directions/orders in the interest of justice and electricity consumers of the State of Telangana.

Request for oral hearing

The undersigned respectfully requests an opportunity for oral submission during the public hearing, to further submission, if any.

Thanking you.

Yours faithfully,

(Mohan R. Pinninti)
Director, People's Sentinel Forum

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Enclosures:

1. Verification
2. Affidavit
3. Objections & Suggestions on O.P. No. 64 of 2025

VERIFICATION LETTER

I, **Mohan R. Pinninti**, S/o Laxmi Narsimha Reddy, aged about 62 years, residing at **Plot No. 174, Ravi Society, Mahendra Hills, East Marredpally, Secunderabad, Hyderabad, Telangana – 500026**, do hereby verify that the contents of the accompanying **Objections and Suggestions** filed in **O.P. No. 67 of 2025** before the Hon'ble Telangana State Electricity Regulatory Commission, relating to the **True-Up for FY 2024-25 and Annual Tariff for FY 2026-27** in respect of STPP phase I filed by SCCL, are true and correct to the best of my knowledge and belief, based on information available in the public domain, tariff filings of the petitioner, and my professional understanding of the power sector.

I further verify that no material facts have been concealed or suppressed and that the submission is made bona fide in the interest of electricity consumers and to assist the Hon'ble Commission in the regulatory process.

Verified at **Hyderabad**, Telangana, on this 8th day of **January 2026**.

Signature: Mohan

Name: Mohan R. Pinninti

AFFIDAVIT

BEFORE THE HON'BLE TELANGANA STATE ELECTRICITY REGULATORY COMMISSION: HYDERABAD

AFFIDAVIT

I, **Mohan R. Pinninti**, S/o Laxmi Narsimha Reddy, aged about 62 years, residing at **Plot No. 174, Ravi Society, Mahendra Hills, East Marredpally, Secunderabad, Hyderabad, Telangana – 500026**, do hereby solemnly affirm and state as under:

1. I am the Objector in **O.P. No. 64 of 2025** before the Hon'ble Telangana State Electricity Regulatory Commission and am well acquainted with the facts of the case.
2. I have filed the accompanying **Objections and Suggestions** on the petition relating to the **True-Up for FY 2024-25** and **Annual Tariff for FY 2026-27** in respect of STPP phase I filed by SCCL, under the provisions of the **Electricity Act, 2003** and the **TGERC (Multi-Year Tariff) Regulations, 2023**.
3. The statements made in the accompanying Objections and Suggestions are true and correct to the best of my knowledge and belief, derived from official records, tariff filings, regulatory documents, and information available in the public domain.
4. I state that no material facts have been suppressed, concealed, or misrepresented and that the submissions are made bona fide and solely in the interest of electricity consumers and proper regulatory adjudication.
5. This affidavit is sworn in support of the accompanying Objections and Suggestions filed before the Hon'ble Commission in the above matter.

DEPONENT

Signature:

Name: Mohan R. Pinninti

SUBMISSION OF OBJECTIONS / SUGGESTIONS

On the

Petition filed by Singareni Collieries Company Limited (SCCL) for True-Up of FY 2024-25, ARR and Tariff Proposal for FY 2026-27 in respect of Singareni Thermal Power Plant (STPP) (2x600 MW) – O.P. No. 64 of 2025 (or as assigned by the Commission)

Respected Sir,

I, the undersigned, a concerned electricity consumer and independent analyst interested in promoting efficiency, transparency and consumer interest in the power sector of Telangana, hereby submit the following objections and suggestions on the Aggregate Revenue Requirement (ARR) and Tariff filings submitted by Singareni Collieries Company Limited (SCCL) for its Singareni Thermal Power Plant (STPP) for True-Up of FY 2024-25, ARR and Tariff Proposal for FY 2026-27 in respect of STPP phase I (2x600 MW).

The objections/suggestions are presented item-wise in detailed paragraphs for ease of reference:

1. **Reference:** Volume-II, Page 223; Annexure-L; Form 10 (Tariff Forms); Annexure-F (Pages 345-369).
    - **i. Gist of the Provision/Statement in the Filing:** Actual SHR for FY 2024-25 is **2296.3 kcal/kWh** against normative 2300 kcal/kWh; projections for FY 2025-26 and 2026-27 at 2300 kcal/kWh.
    - **ii. Suggestion/Comment:** Allow SHR gains in true-up but share 50:50 between generator and consumers as per TSERC regulations.
    - **iii. Justification/Rationale:** The positive deviation of -3.7 kcal/kWh in FY 2024-25 indicates efficiency gains, resulting in savings of approximately 0.009 MT of coal, equivalent to about Rs 3.42 Cr at a coal price of Rs 3800 per tonne. This efficiency improvement reduces energy charges by roughly Rs 0.004 per unit on 7501 MU ex-bus sales. Benchmarking against CERC norms of 2275 kcal/kWh and NTPC peers achieving 2250-2300 kcal/kWh demonstrates commendable performance, especially considering the low Plant Load Factor (PLF) of 71.83% against the normative 85%. Historically, there has been an improvement from 2320 kcal/kWh in FY 2022-23. As gains from controllable parameters like SHR should be shared to benefit consumers, a 50:50 sharing mechanism as per TSERC regulations is recommended to ensure equitable distribution.

2. **Reference:** Volume-II, Pages 189, 223, 241, 243, 247; Form 12 (Tariff Forms).
    - **i.** **Gist of the Provision/Statement in the Filing:** Actual auxiliary consumption for FY 2024-25 is 6.04% (excluding 2.519 MU for township/construction) against normative 5.75%; projections for FY 2025-26 and 2026-27 at 5.75%.
    - **ii.** **Suggestion/Comment:** Disallow excess auxiliary consumption (0.29% deviation) amounting to approximately Rs 9.5 Cr in true-up unless justified with evidence (e.g., grid dispatch logs); direct SCCL to implement efficiency measures like VFD retrofits (Q2-Q3 2026, Rs 10-15 Cr), AI for low-load optimization (Q2 2026), cooling upgrades (FY 2026-27, Rs 20-30 Cr), and benchmark to 5.25% ongoing.
    - **iii.** **Justification/Rationale:** The excess auxiliary consumption leads to approximately 24 MU loss, translating to about Rs 9.5 Cr at an energy charge of Rs 3.98 per unit, thereby increasing the effective tariff by roughly Rs 0.013 per unit. This deviation is attributed to low load operations (55-85%) due to grid demand, but it is considered controllable through better scheduling. Benchmarking reveals that CERC norms for 600 MW supercritical plants are 5.25%, while NTPC peers achieve 5-5.5% (e.g., Talcher at 5.5%). The historical persistence of 5.8-6.1% in prior years indicates untapped potential for 5-10% reduction via best practices. Under TSERC regulations, a prudence check necessitates disallowing such inefficiencies to protect consumer interests and encourage operational improvements.
3. **Reference:** Volume-II (Entire Document, including Index Pages 3-4, Operating Norms Pages 10-11, Energy Charges Pages 11-20, Commission Directives Pages 24-25); Annexures I (Pages 395-426), K (Pages 454-458), O; Tariff Forms F10 and F12.
    - **i.** **Gist of the Provision/Statement in the Filing:** No mention of energy audits conducted for STPP; auxiliary deviations justified by low load without audit references or efficiency measures.
    - **ii.** **Suggestion/Comment:** Mandate independent energy audit by BEE-accredited agency (Q1 2026, Rs 1-2 Cr) and submit observations/measures in next filings; disallow excess auxiliary until improvements demonstrated.
    - **iii.** **Justification/Rationale:** The absence of energy audit references hinders the verification of efficiency claims under Sections 61(d) and 62 of the Electricity Act, 2003. External sources, such as the CAG 2020 audit focusing on project setup rather than operations, and SCCL annual reports for 2022-23 emphasizing financials, confirm that no operational energy audits have been documented. Persistent deviations result in approximately Rs 9.5 Cr annual excess costs, suggesting significant transparency gaps. Mandating audits would ensure prudence in operations and safeguard consumers from bearing the costs of

inefficiencies, aligning with regulatory requirements for demonstrable improvements.

4. **Reference:** Annexure-H (Pages 373-394); Volume-II, Page 223 (Coal Consumption and GCV).
   - **i.** **Gist of the Provision/Statement in the Filing:** Internal coal transfer price at Rs 3762/tonne (FY 2024-25, GCV 3762 kcal/kg); projected Rs 3837/tonne for FY 2026-27 under MoU.
   - **ii.** **Suggestion/Comment:** Provide justification for ~75-80% premium over CIL G10 coal (~Rs 2100-2200/tonne); direct reduction in premiums leveraging MoC memo (Annexure-G, Pages 370-372) for efficiency; disallow excess coal cost of approximately Rs 843 Cr attributable to unjustified premium.
   - **iii.** **Justification/Rationale:** The excess premium of approximately Rs 1600-1700 per tonne generates about Rs 843 Cr in revenue on 4.96 MT of coal, inflating energy charges by roughly Rs 1.12 per unit on 7501 MU ex-bus and adding Rs 0.50-0.60 per unit to overall tariffs. There has been a historical 15% escalation from Rs 3250 per tonne in 2021-22 without adequate rationale. As a pit-head state-owned entity, SCCL should align its pricing closer to CIL production costs of Rs 1500-1800 per tonne to minimize consumer burden and reduce subsidy requirements, promoting efficiency and affordability in the power sector.
5. **Reference:** Annexure-K (Audited Accounts); Volume-II (O&M Sections, e.g., Pages 189-247).
   - **i.** **Gist of the Provision/Statement in the Filing:** O&M expenses Rs 262.86 Cr (Rs 21.91 lakh/MW); employee costs Rs 134.58 Cr (~51% O&M); no details on apportionment, employee numbers, or outsourcing/contracts.
   - **ii.** **Suggestion/Comment:** Provide details on corporate office employee cost apportionment to STPP, number of employees (infer 500-600 at 0.4-0.5/MW norm), outsourcing/contract costs (estimate 30-40% O&M, Rs 79-105 Cr); compare O&M per MW with NTPC/best stations; disallow unapportioned/excess O&M costs of approximately Rs 29.18 Cr and benchmark to Rs 20 lakh/MW.
   - **iii.** **Justification/Rationale:** Low productivity levels of 1707 tonne per man-year compared to CIL's over 2000, combined with escalations such as bonuses amounting to Rs 800 Cr from PAT of Rs 6394 Cr, are passed on without corresponding efficiency gains. Benchmarks show NTPC at Rs 23-25 lakh per MW (Vindhyachal at Rs 23.1), with best performers like Talcher at Rs 20 lakh and Adani Mundra at Rs 20-22 lakh. This results in excess O&M of approximately Rs 29.18 Cr (claimed versus prudent Rs 233.68 Cr). Transparency in apportionment and details is essential for prudence checks, and disallowing unapportioned costs would prevent over-recovery, ensuring fair tariffs for consumers.

6. **Reference:** Annexure-E (Pages 305-344); Volume-II (Capital Cost Sections).
    i. **i. Gist of the Provision/Statement in the Filing:** Audited capital cost Rs 8,803.40 Cr vs. GFA Rs 7,748.234 Cr (difference Rs 1,055.17 Cr, likely township/non-core/social overheads excluded from tariff).
    ii. **Suggestion/Comment:** Provide breakdown of Rs 1,055.17 Cr excluded assets; confirm social overheads and no indirect O&M charging; disallow any potential over-recovery amounting to approximately Rs 222 Cr if indirectly charged.
    iii. **Justification/Rationale:** The discrepancy suggests possible inadvertent inclusion in past tariffs, with a potential impact of about Rs 222 Cr if charged to consumers. Verifying exclusions is crucial to ensure no undue burden on consumers, aligning with prudence principles under the Electricity Act and preventing any indirect cost pass-through via O&M or other means.
7. **Reference:** Volume-II, Pages 22-24 (FGD).
    i. **Gist of the Provision/Statement in the Filing:** Request for 1.5% auxiliary increase for FGD (total 7.25%).
    ii. **Suggestion/Comment:** Justify 1.5% increase vs. CERC 1.5%; provide impact on ARR.
    iii. **Justification/Rationale:** While CERC allows 1.5% for 600 MW plants, STPP's base auxiliary of 5.75% is already higher than CERC's 5.25%; justification is needed to avoid double-counting and ensure minimal impact on the Aggregate Revenue Requirement, protecting consumers from unnecessary tariff escalations.

9. **Reference:** Volume-II, Pages 20-21 (Fly Ash).
    i. **Gist of the Provision/Statement in the Filing:** Fly ash sales revenue Rs 2.28 Cr (FY 2024-25).
    ii. **Suggestion/Comment:** Provide details on how revenue offsets costs; utilization rate vs. norms.
    iii. **Justification/Rationale:** Such revenue should be utilized to reduce net costs passed on to consumers; verifying compliance with environmental norms and the utilization rate would ensure that benefits are appropriately credited, enhancing transparency and consumer welfare.

10. **Reference:** Volume-II, Pages 21-22 (Incentives).
    i. **Gist of the Provision/Statement in the Filing:** Incentive claims projected Rs 18 Cr for FY 2026-27.
    ii. **Suggestion/Comment:** Provide basis for claims; tie to PLF >85%.
    iii. **Justification/Rationale:** Incentives must align with actual performance; given the low historical PLF of 71.83%, projections should be scrutinized to ensure they are tied to achieving above 85%

PLF, preventing unwarranted payouts and maintaining regulatory fairness.

11. Reference: Annexure-D; Volume-II (True-Up Sections, e.g., Pages 189-247).

- **i.** **Gist of the Provision/Statement in the Filing:** True-up claims include O&M excess Rs 9.18 Cr; higher working capital interest per APTEL.
- **j.** **Suggestion/Comment:** Disallow excesses including higher working capital interest of approximately Rs 13.1 Cr and prior true-up gaps (~Rs 100-150 Cr annually) in true-up if unbenchmarked or uncorrected.
- **k.** **Justification/Rationale:** Gaps in prior years indicate persistent issues that require resolution; a prudence check under regulatory norms necessitates disallowing such excesses to protect consumers from recurring inefficiencies and over-claims.

12. Reference: Overall Filing (PLF References, e.g., Page 223).

- **i.** **Gist of the Provision/Statement in the Filing:** Low PLF 71.83% vs. normative 85%, amplifying SHR/auxiliary issues.
- **ii.** **Suggestion/Comment:** To TGGENCO/TSDISCOMs: Provide mitigation strategies for low PLF impact on tariffs.
- **iii.** **Justification/Rationale:** Underperformance compared to NTPC peers (75-80%) increases overall costs; developing and sharing mitigation strategies for better scheduling would help minimize tariff impacts and improve system efficiency.

13. Reference: Overall Filing.

- **i.** **Gist of the Provision/Statement in the Filing:** No specific allocation for subsidized categories.

- **ii.** **Suggestion/Comment:** To State Government: Direct 20-25% power to agricultural/BPL consumers at reduced rates.

- **ii.** **Justification/Rationale:** Leveraging the pit-head advantages of STPP for social welfare would enable allocation of 20-25% power to agricultural and Below Poverty Line (BPL) consumers at reduced rates, thereby reducing the overall subsidy burden on the state and promoting equitable access to affordable energy.

14. Reference: Overall Filing (Summary of Excesses).

i. **Gist of the Provision/Statement in the Filing:** Total claimed costs ~Rs 3352 Cr include premiums, inefficiencies.
ii. **Suggestion/Comment:** Disallow total non-prudent/avoidable costs of approximately Rs 1,117 Cr (comprising coal pricing premium Rs 843 Cr, excess O&M Rs 29.18 Cr, excess auxiliary Rs 9.5 Cr, excess working capital interest Rs 13.1 Cr, and potential over-recovery from excluded assets Rs 222 Cr); consider adopting stricter CERC norms (e.g., 5.25% auxiliary consumption) for future control periods.
iii. **Justification/Rationale:** The consolidated excesses significantly burden consumers and contradict the efficiency and consumer protection principles enshrined under Sections 61 and 62 of the Electricity Act, 2003. While the SHR efficiency gain of Rs 3.42 Cr is commendable, it is substantially offset by the above inefficiencies and unjustified costs. Disallowance of these non-prudent costs, along with mandating greater transparency and efficiency measures, is essential to ensure fair and reasonable tariffs.

Prayers to the Hon'ble Commission:

In view of the above submissions, I respectfully pray that the Hon'ble Commission may be pleased to:

(a) Disallow the total non-prudent and avoidable costs of approximately Rs 1,117 Cr as detailed above in the true-up for FY 2024-25 and ARR for FY 2026-27;

(b) Direct SCCL to furnish detailed justifications, breakdowns, and supporting documents on coal pricing premium, O&M apportionment, employee/contract details, excluded assets, FGD impact, fly ash revenue offsetting, and incentive basis;

(c) Mandate an independent energy audit of STPP by a BEE-accredited agency to be completed in Q1 2026 and direct submission of the report along with implemented efficiency measures in future filings;

(d) Direct SCCL to implement specific efficiency improvement measures (VFD retrofits, AI-based low-load optimization, cooling system upgrades) with timelines and benchmark O&M costs to Rs 20 lakh/MW and auxiliary consumption to CERC levels;

(e) Share the SHR efficiency gains for FY 2024-25 on a 50:50 basis with consumers;

(f) Consider adopting stricter CERC normative parameters (e.g., auxiliary consumption at 5.25%) for future control periods to promote efficiency;

(g) Recommend to the State Government to direct allocation of 20-25% of STPP power to agricultural and BPL consumers at reduced rates, leveraging its pit-head advantages;

(h) Pass such other orders as the Hon'ble Commission may deem fit and proper in the interest of justice and consumer welfare.

I request the Hon'ble Commission to consider the above objections/suggestions in the interest of consumers and direct SCCL to furnish the requisite information/clarifications during the proceedings.

I also request to be heard in person during the public hearing, if scheduled.