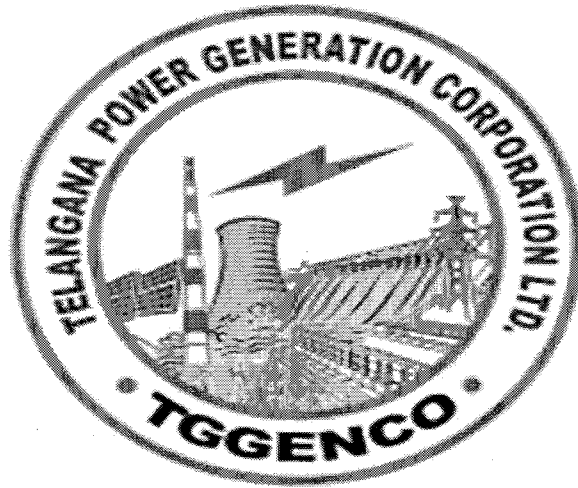


Filing of Annual Tariff Petition for FY: 2026-27

**TELANGANA POWER GENERATION CORPORATION LIMITED**

**(A Govt. of Telangana Undertaking)**



**Annual Tariff Petition for FY 2026-27**

**(True-up for FY 2024-25 and Proposal of Revised Tariff for FY: 2026-27)**

**Volume- 1 of 5**

**November, 2025**

**TELANGANA POWER GENERATION CORPORATION LIMITED**

**(A Govt. of Telangana Undertaking)**

**True-up for FY 2024-25 and  
Annual Tariff Petition for FY 2026-27**

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**Volume 1 of 5**

(Form-I)

BEFORE THE HONOURABLE

TELANGANA ELECTRICITY REGULATORY COMMISSION

Vidyut Niyantran Bhavan, G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045

**In the matter of:**

**Filing of Annual Tariff Petition for FY 2026-27 for the Existing Thermal & Hydel Stations of TGGENCO for the Generation Business containing True-up of FY 2024-25 and proposal of Revised Tariff of FY 2026-27 under MYT Tariff framework under section 62/64 and 86 (1) (a) of the Electricity Act, 2003 read with Telangana Electricity Regulatory Commission (Multi Year Tariff) Regulation No. 2 of 2023.**

**And in the matter of:**

**Telangana Power Generation Corporation Limited,**

Vidyut Soudha, Hyderabad – 500082.

... Applicant/Petitioner

**AND**

- 1. Southern Power Distribution Company of Telangana Ltd. (TGSPDCL),  
#6-1-50, Corporate office, Mint Compound, Hyderabad – 500 063.**
- 2. Northern Power Distribution Company of Telangana Ltd. (TGNPDCL),  
H.No.2-5-31/2, Corporate Office, Vidyut Bhavan, Nakkalagutta, Hanmakonda,  
Warangal – 506001.**
- 3. ESCOMs of Karnataka state  
Bangalore Electricity Supply Company Limited (BESCOM),  
KR Circle, Bangalore - 560001;  
Mangalore Electricity Supply Company Limited (MESCOM),  
Paradigm Plaza, AB Shetty circle, Mangalore - 575004;  
Chamundeshwari Electricity Supply Corporation Limited (CESC),  
Hinkal, Mysore - 570017;  
Hubli Electricity Supply Company Limited (HESCOM),  
Navanagar, Hubli - 580025;  
Gulbarga Electricity Supply Company Limited (GESCOM),  
Kalaburagi -585102.**

..... Respondents

**Filing of Annual Tariff Petition for FY 2026-27 for the Existing Thermal & Hydel Stations of TGGENCO for the Generation Business containing True-**

**up of FY 2024-25 and proposal of Revised Tariff of FY 2026-27 under MYT Tariff framework under section 62/64 and 86 (1) (a) of the Electricity Act, 2003 read with Telangana Electricity Regulatory Commission (Multi Year Tariff) Regulation No. 2 of 2023.**

1. Telangana Power Generation Corporation Limited (hereinafter referred to as "TGGENCO" or as the "Applicant") was established as a company registered under the Companies Act, 2013, on 19<sup>th</sup> May 2014 upon coming into force of the Andhra Pradesh Reorganization Act, 2014 with effect from 2<sup>nd</sup> June 2014.
2. Hon'ble Commission vide notification dated 30.12.2023 has issued TGERC Regulation No. 2 of 2023 viz., Telangana Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2023 (hereinafter referred to as "TGERC Regulation No. 2 of 2023").
3. As per Clause No. 6.2 (d) of TGERC Regulation No. 2 of 2023, after first year of the Control period and onwards, the Annual Petitions by generating entity shall comprise of:
  - i. True-up of preceding year for generation business (FY 2024-25);
  - ii. True-up of preceding year for integrated mine (FY 2024-25);
  - iii. Proposal of Revised Tariff for ensuing year of the Control Period for generation business (FY 2026-27);
  - iv. Proposal of Revised input Price of coal supplied from integrated mine for the ensuing year of the Control period (FY 2026-27).
4. In this regard, it is to submit that the TGGENCO has submitted the True-up for FY 2022-23 and Multi Year Tariff Petition for FY 2024-25 to FY 2028-29 containing the proposal of Input Price of coal supplied from integrated mine i.e., Tadicherla-I Coal Mine for 5<sup>th</sup> Control Period (FY 2024-25 to FY 2028-29) for the coal supplied to KTHPP-II.
5. In this connection, the Hon'ble Commission at Para No. 6.1.5 of MYT Order dated 28.10.2024 directed TGGENCO 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.

6. Further, at para No. 3.1.21 of order on Revised ARR for FY 2025-26 for TGGENCO, Hon'ble TGERC specified that determination of input price of coal supplied from integrated mine and other connected aspects will be decided in due course when the application for determination of input price of coal is taken-up.
7. In this regard it is to submit that, TGGENCO is in the process of filing separate petition for determination of Input price of coal from Integrated Mine i.e., Tadicherla-1 coal mine. So the True-up of FY 2024-25 and Revised Annual Tariff of FY 2026-27 for integrated mine is not proposed in this petition.
8. At Para No.5.7.3 of Capital Investment Plan and Business Plan Order, Dt. 29.12.2023, Hon'ble TGERC directed TGGENCO to file a separate petition for determination of Capital cost and Provisional Tariff In respect of YTPS (5x800MW).
9. Accordingly, in respect of YTPS (5X800MW) the petition for determination of capital cost and provisional tariff of Unit-1 & 2 has been submitted to the Hon'ble Commission. The tariff of YTPS for FY 2024-25 was not determined. So the True-up of FY 2024-25 and revised tariff of FY 2026-27 for YTPS is not proposed in this petition.
10. The entire energy availability (100%) of Thermal and Hydel stations has been allocated to the TGDISCOMs except Priyadarshini Jurala HES (6X39MW).
11. In respect of Priyadarshini Jurala HES (6X39MW), as per the PPA the fixed charges and the energy generated being shared in the ratio of 50:50 between TGDISCOMs and ESCOMs of Karnataka state.
12. The Power Purchase Agreements (PPA) between TGGENCO and TGDISCOMs for RTS-B and KTPS-V were expired on dated 31<sup>st</sup> March 2024. The amended PPA for extension of validity of PPA was entered on dated. 28.03.2024. The Hon'ble 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 and KTPS-V (500 MW) from 01.04.2024 to 31.03.2029 (i.e., for a period of 5 years).

13. The status of Power Purchase Agreements entered is enclosed as Annexure-I.
14. 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 clauses 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:*

$$\text{Energy Charges (Rs)} = (\text{Energy Charge Rate in Rs/kWh}) \times [\text{Scheduled Energy (ex-bus) for the month in kWh}]$$

- 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:*

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

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<sub>i</sub> =Weighted average landed price of secondary fuel in Rs./ml during the month.”*

**15. True up of Generation business for FY 2024-25:**

The True-up for FY 2024-25 is prepared in accordance with the TGERC (Multi Year Tariff) Regulation No.2 of 2023.

**15.1 Capital Cost:**

15.1.1 The opening Gross Fixed Assets (GFA) as on 1.04.2022 is considered as approved by Hon'ble Commission at table No. 5.2 of Mid-term Review (MTR) Order dated 23.03.2023. The opening GFA of FY 2024-25 is considered by addition of approved additional capitalization of FY 2022-23 at table No. 4-2 of True-up and MYT Order dated. 28.10.2024 and audited annual accounts of FY 2023-24. Further, the additional capitalization for FY 2024-25 is claimed as per the annual accounts of FY 2024-25.

The GFA and additional capitalization for FY 2023-24 to FY 2024-25 is tabulated below.

**Table 15-1: Gross Fixed Assets and additions**

(Rs. in Crore)

| S.No. | Station                     | GFA as on 1.04.2023 | Additions for FY 2023-24 (Annual Accounts) | GFA as on 1.04.2024 | Additions for FY 2024-25 (Annual Accounts) |
|-------|-----------------------------|---------------------|--|---------------------|--|
| 1     | KTPS-V                      | 2,269.87            | 0.17                                       | 2,270.04            | 11.55                                      |
| 2     | KTPS-VI                     | 2,473.23            | -  | 2,473.23            | 2.80                                       |
| 3     | KTPS-VII                    | 5,094.40            | 14.73                                      | 5,109.13            | 3.44                                       |
| 4     | RTS-B                       | 127.04              | 0.04                                       | 127.08              |  |
| 5     | KTPP-I                      | 2,548.83            | 0.14                                       | 2,548.97            | 0.26                                       |
| 6     | KTPP-II                     | 3,761.27            | 8.19                                       | 3,769.46            | 3.61                                       |
| 7     | BTPS                        | 7,259.12            | 186.16                                     | 7,445.28            | 95.06                                      |
| 8     | Nagarjuna Sagar Complex     | 1,920.80            | 2.66                                       | 1,923.46            | 2.37                                       |
| 9     | Srisailem LB                | 3,375.71            | 8.50                                       | 3,384.21            | 16.22                                      |
| 10    | Small Hydel                 | 121.89              | 0.05                                       | 121.94              | 0.04                                       |
| 11    | Mini Hydel (Peddapally HES) | 31.23               | 0.04                                       | 31.27               |  |
| 12    | Pochampad- II               | 29.74               | -  | 29.74               |  |
| 13    | Priyadarshini Jurala        | 690.68              | 1.82                                       | 692.50              | 0.03                                       |
| 14    | Lower Jurala                | 1,631.58            | 4.23                                       | 1,635.81            | 8.43                                       |
| 15    | Pulichintala                | 440.72              | 0.04                                       | 440.76              |  |
|       | <b>Total</b>                | <b>31,776.11</b>    | <b>226.77</b>                              | <b>32,002.88</b>    | <b>143.81</b>                              |

15.1.2 The additions of FY 2024-25 are claimed as per the Annual accounts.

Against the claimed additions of Rs.143.81Crs, the additional capitalization claimed for KTPS-V Stage, BTPS and SLBHES is of Rs.11.55Crs, 95.06 Crs and Rs.16.22 Crs respectively.

15.1.3 The details of approved additional capital cost for FY 2024-25 at Table: 5-6 in True-up for FY 2022-23 and Multi Year Tariff (MYT) Order dated. 28.10.2024 and TGGENCO claimed additional capitalisation details are as below.

**KTPS-V:**

The Hon'ble Commission at Table No. 5-16 of Business Plan and Capital Investment Plan for MYT 5<sup>th</sup> Control Period for FY 2024-25 to FY 2028-29 Order dt. 29.12.2023 approved the additional capitalisation Rs. 8 Crs. The additional capitalisation claimed as per Audited Annual Accounts is of Rs. 11.55 Crs.



**BTPS:**

The Hon'ble Commission at Table No. 5-16 of Business Plan and Capital Investment Plan for MYT 5<sup>th</sup> Control Period for FY 2024-25 to FY 2028-29 Order dt.29.12.2023 approved the additional capitalisation for the works which are under original project scope is of Rs. 346.66 Crs. The additional capitalisation claimed as per Annual Accounts is of Rs. 95.06 Crs.

**SLBHES**

The Hon'ble Commission at Table No. 5-23 of Business Plan and Capital Investment Plan for MYT 5<sup>th</sup> Control Period for FY 2024-25 to FY 2028-29 Order dt. 29.12.2023 approved the additional capitalisation of Rs. 95 Crs. The additional capitalisation claimed as per Audited Annual Accounts is of Rs. 16.22 Crs.

**NSHES**

The Hon'ble Commission at Table No. 5-25 & 5-26 of Business Plan and Capital Investment Plan for MYT 5<sup>th</sup> Control Period for FY 2024-25 to FY 2028-29 Order dt. 29.12.2023 approved the additional capitalisation of Rs. 66.5 Crs. The additional capitalisation claimed as per Annual Accounts is of Rs. 2.37Crs.

**LJHES:**

The Hon'ble Commission at Table No. 5-34 of Business Plan and Capital Investment Plan for MYT 5<sup>th</sup> Control Period for FY 2024-25 to FY 2028-29 Order dt. 29.12.2023 approved the additional capitalisation of Rs. 10 Crs. The additional capitalisation claimed as per Annual Accounts is of Rs. 8.43 Crs.

**15.2. Operation & Maintenance Expenses (O&M)**

- i. The O&M expenses comprises of (i) Employee cost, (ii) Repair & Maintenance expenses and (iii) Administrative & General expenses.
- ii. True-up of O&M expenses have been arrived based on the annual accounts of FY 2024-25.
- iii. The O&M expenses approved in the MYT Order dated 28.10.2024 and actual expenses for FY 2024-25 is tabulated below.

**Table 15-2: O&M Expenses**

(Rs. in Crore)

| Sl.No. | Station                        | Approved       | Actual         | Variation<br>(Actual-<br>Approved) |
|--------|--------------------------------|----------------|----------------|------------------------------------|
| 1      | KTPS-V                         | 206.99         | 285.65         | 78.66                              |
| 2      | KTPS-VI                        | 206.97         | 285.65         | 78.68                              |
| 3      | KTPS-VII                       | 483.04         | 536.74         | 53.70                              |
| 4      | RTS-B                          | 17.48          | 23.78          | 6.30                               |
| 5      | KTPP-I                         | 180.28         | 234.28         | 54.00                              |
| 6      | KTPP-II                        | 204.77         | 281.14         | 76.37                              |
| 7      | BTPS                           | 189.59         | 451.38         | 261.79                             |
| 8      | Nagarjuna Sagar Complex<br>HES | 117.51         | 187.91         | 70.40                              |
| 9      | Srisailem LBHES                | 100.18         | 189.13         | 88.95                              |
| 10     | Small Hydel                    | 42.19          | 56.30          | 14.11                              |
| 11     | Mini Hydel (Peddapally HES)    | 7.27           | 8.89           | 1.62                               |
| 12     | Pochampad- II HES              | 6.99           | 8.73           | 1.74                               |
| 13     | Priyadarshini Jurala HES       | 33.54          | 53.61          | 20.07                              |
| 14     | Lower Jurala HES               | 33.68          | 54.10          | 20.42                              |
| 15     | Pulichintala HES               | 38.55          | 43.58          | 5.03                               |
|        | <b>Total</b>                   | <b>1869.03</b> | <b>2700.87</b> | <b>831.84</b>                      |

iv. The reasons for variation of the actual O&M expenses and the approved O&M Expenses are as below:

a. **Employee Expenses:** PRC was implemented to the TGGENCO Employees during FY 2022-23. The impact of PRC-2022 was not factored in approved O&M Charges for FY 2024-25 to FY 2028-29. The Hon'ble Commission at Para no 4.1.40 of True-up and MYT Order dated 28.10.2024 specified that the impact of PRC-2022 has not been considered due to complete details of station wise PRC not submitted in the filings and will be considered the impact of PRC-2022 as part of truing up at the end of 4<sup>th</sup> control period subject to prudence check of the station wise actual PRC effect in employee cost.

Further, in respect of BTPS the commission has considered the actual employees expenses of FY 2020 – 21 & FY 2021 – 22, during the period the station was not fully operational to its full capacity.

Further, in respect of BTPS, Unit-IV (Last Unit) of BTPS was commissioned on 09.01.2022 (i.e., FY: 2021-22). Hence all the four Units of the station are operationalized from FY: 2022-23.

In the initial years, the expenditure was low as the unit was under warranty period. Subsequently, Hon'ble TGERC allowed O&M expenses based on initial years actual expenditure. Hence the allowed O&M expenditure was very less. In True-up of FY: 2024-25, actual expenditure as per audited accounts is claimed.

- b. A&G Expenses:** The variation in actual A&G Expenses and approved in MYT Order, Dt.28.10.2024 for FY 2024-25 is due to the 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). The security expenses shall be allowed separately in accordance with CERC Regulations.

The details of Actual Employee expenses, Administrative & General Expenses and Repair & Maintenance Expenses as per Annual Accounts of FY 2024-25 is tabulated below.

**Table: 15-3: Employee, A&G & R&M expenses**

(Rs. In Crore)

| S.No. | Station                     | Employee Expenses | Administrative & General Expenses | Repair & Maintenance Expenses |
|-------|-----------------------------|-------------------|-----------------------------------|-------------------------------|
| 1     | KTPS-V                      | 239.06            | 13.33                             | 33.26                         |
| 2     | KTPS-VI                     | 239.06            | 13.33                             | 33.26                         |
| 3     | KTPS-VII                    | 482.08            | 21.78                             | 32.88                         |
| 4     | RTS-B                       | 22.60             | 0.76                              | 0.42                          |
| 5     | KTPP-I                      | 189.16            | 6.87                              | 38.25                         |
| 6     | KTPP-II                     | 227.00            | 8.24                              | 45.90                         |
| 7     | BTPS                        | 354.74            | 19.70                             | 76.94                         |
| 8     | Nagarjuna Sagar Complex     | 168.02            | 10.19                             | 9.70                          |
| 9     | Srisaillam LB               | 153.99            | 10.59                             | 24.55                         |
| 10    | Small Hydel                 | 52.52             | 1.48                              | 2.30                          |
| 11    | Mini Hydel (Peddapally HES) | 8.37              | 0.23                              | 0.29                          |
| 12    | Pochampad- II               | 8.23              | 0.22                              | 0.28                          |
| 13    | Priyadarshini Jurala        | 47.36             | 1.97                              | 4.28                          |
| 14    | Lower Jurala                | 47.82             | 1.99                              | 4.29                          |
| 15    | Pulichintala                | 38.34             | 1.35                              | 3.89                          |
|       | <b>Total</b>                | <b>2,278.35</b>   | <b>112.03</b>                     | <b>310.49</b>                 |

**15.3. Depreciation:**

- i. Depreciation computed annually based on straight line method on the basis of the expected useful life of asset as per the clause No. 28 of TGERC Regulation No. 2 of 2023.
- ii. The salvage value of the asset considered at ten per cent of the allowable capital cost and depreciation considered up to a maximum of ninety per cent of the allowable capital cost of the asset.
- iii. The capital cost admitted by the Commission along with additional capitalization claimed is considered as value base for calculation of depreciation.
- iv. In respect of RTS-B and KTPS-V Stage, the useful life is considered up to 03.06.2024 and 31.03.2029 respectively as per the consent issued by Hon'ble Commission vide order dated 22.10.2024.
- v. The Depreciation approved at Table No. 5.6 of MYT Order dated 28.10.2024 and Depreciation Actual for FY 2024-25 is tabulated below.

**Table 15-4: Variation in Depreciation****(Rs. in Crore)**

| S.No. | Station                        | Approved      | Actual        | Variation<br>(Actual-<br>Approved) |
|-------|--------------------------------|---------------|---------------|------------------------------------|
| 1     | KTPS-V                         | 1.44          | 29.19         | 27.75                              |
| 2     | KTPS-VI                        | 45.25         | 22.51         | -22.74                             |
| 3     | KTPS-VII                       | 186.42        | 174.74        | -11.68                             |
| 4     | RTS-B                          | 1.18          | 3.32          | 2.14                               |
| 5     | KTPP-I                         | 88.68         | 17.50         | -71.18                             |
| 6     | KTPP-II                        | 127.75        | 113.12        | -14.63                             |
| 7     | BTPS                           | 274.31        | 247.18        | -27.13                             |
| 8     | Nagarjuna Sagar<br>Complex HES | 87.97         | 58.92         | -29.05                             |
| 9     | Srisailem LB HES               | 86.43         | 58.72         | -27.71                             |
| 10    | Small Hydel                    | 4.04          | 1.04          | -3.00                              |
| 11    | Mini Hydel (Peddapally<br>HES) | 0.90          | 0.34          | -0.56                              |
| 12    | Pochampad- II HES              | 0.72          | 0.58          | -0.14                              |
| 13    | Priyadarshini Jurala<br>HES    | 20.11         | 11.14         | -8.97                              |
| 14    | Lower Jurala HES               | 51.31         | 27.02         | -24.29                             |
| 15    | Pulichintala HES               | 10.22         | 9.14          | -1.08                              |
|       | <b>Total</b>                   | <b>986.73</b> | <b>774.46</b> | <b>-212.27</b>                     |

**15.4. Interest and Finance Charges on loan**

- i. The Debt-Equity ratio of 70:30 is considered for the Gross Fixed Assets as on 01.04.2024 of respective station and Debt-Equity ratio of 75:25 is considered for the additions after 01.04.2024 in accordance with clause 27 of Regulation 2 of 2023.
- ii. The station-wise opening loan balance has been computed by considering the 70% of opening GFA of FY 2024-25 and subtracting the accumulated depreciation. The depreciation has been considered as normative loan repayment.
- iii. The station-wise weighted average interest rate of the actual loan portfolio has been considered as the rate of interest on loan as per the clause No.31 of Regulation 2 of 2023. Further where there is no actual loan for a particular year but normative loan is still outstanding the last available weighted average rate of interest has been considered.
- iv. The interest on loan has been calculated on the normative loan balance for the year by applying the weighted average rate of interest.
- v. The interest and finance charges approved by the Hon'ble Commission in MYT Order dt.28.10.2024 and claimed for true-up for FY 2024-25 is tabulated below.

**Table 15-5: Variation in Interest and Finance Charges on Loan (I&FC on Loan)**

(Rs. in Crores)

| S.No. | Station                     | Approved in MTR | Actual | Variation (Actual-Approved) |
|-------|-----------------------------|-----------------|--------|-----------------------------|
| 1     | KTPS-V                      | 0.23            | 0.00   | -0.23                       |
| 2     | KTPS-VI                     | 0.00            | 0.00   | 0.00                        |
| 3     | KTPS-VII                    | 242.01          | 220.61 | -21.40                      |
| 4     | RTS-B                       | -               | 0.00   |                             |
| 5     | KTPP-I                      | 0.00            | 0.00   | 0.00                        |
| 6     | KTPP-II                     | 96.93           | 114.23 | 17.30                       |
| 7     | BTPS                        | 387.89          | 398.58 | 10.69                       |
| 8     | Nagarjuna Sagar Complex HES | 0.00            | 5.68   | 5.68                        |
| 9     | Srisaillam LB HES           | 24.01           | 41.45  | 17.44                       |
| 10    | Small Hydel                 | 0.00            | 0.00   | 0.00                        |

|    |                             |               |               |              |
|----|-----------------------------|---------------|---------------|--------------|
| 11 | Mini Hydel (Peddapally HES) | 0.00          | 0.06          | 0.06         |
| 12 | Pochampad- II HES           | 0.65          | 0.89          | 0.24         |
| 13 | Priyadarshini Jurala HES    | 11.10         | 15.59         | 4.49         |
| 14 | Lower Jurala HES            | 46.89         | 52.07         | 5.18         |
| 15 | Pulichintala HES            | 19.21         | 23.04         | 3.83         |
|    | <b>Total</b>                | <b>828.92</b> | <b>872.20</b> | <b>43.28</b> |

- vi. The variation in interest and finance charges approved in MYT Order dated 28.10.2024 and True-up for FY 2024-25 is due to the variation in Gross Fixed Assets (GFA) considered in MYT order and claimed.

#### **15.5. Interest on Working Capital (IoWC)**

The Interest on Working Capital is computed in accordance with clause No. 33 of TGERC Regulation 2 of 2023 considering the following.

##### **Coal-fired thermal generating stations**

- i. Cost of coal towards stock, for 20 days of Non-pit head generating stations corresponding to target availability or the maximum coal 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 month corresponding to target availability.
- iv. Operation & Maintenance expenses for one month.
- v. Maintenance spares at one percent (1%) of the opening Gross Fixed Assets for year;
- vi. Receivable for sale of electricity equivalent to forty-five (45) days of the sum of annual fixed charges and energy charges computed at target availability: minus
- vii. Payables for fuel (including oil and secondary fuel oil) to the extent of thirty (30) days of the fuel computed at target availability.

##### **Hydro Power Generating Stations**

- viii. Operation & Maintenance expenses for one month.

- ix. Maintenance spares at one percent (1%) of the opening Gross Fixed Assets for year;
- x. Receivable for sale of electricity equivalent to forty-five (45) days of the annual fixed charges.
- xi. The interest on working capital is considered as 10.41% considering weighted average Base Rate prevailing during the FY 2024-25 @ 8.91% plus 150 basis points.

The interest on working capital approved by the Hon'ble Commission in MYT Order dated 28.10.2024 and true-up of FY 2024-25 is tabulated below.

**Table 15-6: Variation in Interest on Working Capital (IoWC)** (Rs. In Crore)

| S.No. | Station                        | Approved      | Actual        | Variation<br>(Actual-<br>Approved) |
|-------|--------------------------------|---------------|---------------|------------------------------------|
| 1     | KTPS-V                         | 33.74         | 36.45         | 2.71                               |
| 2     | KTPS-VI                        | 32.96         | 36.29         | 3.33                               |
| 3     | KTPS-VII                       | 61.34         | 62.76         | 1.42                               |
| 4     | RTS-B                          | 0.20          | 1.23          | 1.03                               |
| 5     | KTPP-I                         | 30.45         | 34.41         | 3.96                               |
| 6     | KTPP-II                        | 37.36         | 45.72         | 8.36                               |
| 7     | BTPS                           | 70.14         | 86.53         | 16.39                              |
| 8     | Nagarjuna Sagar Complex<br>HES | 6.50          | 8.60          | 2.10                               |
| 9     | Srisaillam LB HES              | 8.58          | 11.81         | 3.23                               |
| 10    | Small Hydel                    | 1.13          | 1.47          | 0.34                               |
| 11    | Mini Hydel (Peddapally<br>HES) | 0.22          | 0.26          | 0.04                               |
| 12    | Pochampad- II HES              | 0.21          | 0.27          | 0.06                               |
| 13    | Priyadarshini Jurala HES       | 2.12          | 2.80          | 0.68                               |
| 14    | Lower Jurala HES               | 4.44          | 5.25          | 0.81                               |
| 15    | Pulichintala HES               | 1.86          | 2.21          | 0.35                               |
|       | <b>Total</b>                   | <b>291.25</b> | <b>336.06</b> | <b>44.81</b>                       |

- xii. The reason for variation in Interest on working capital is due to the variation in interest rate i.e., considering weighted average bank rate prevailing during FY 2024-25 plus 150 basis points (SBI MCLR – 8.91% + 150 basis points) @10.41% as per clause No. 33.6 of TGERC Regulation 2 of 2023. Further the Hon'ble

Commission has not considered the PRC -2022 effect in computation of O&M expenses.

**15.6. Return on Equity (RoE)**

- i. In accordance with clause 27 of TGERC Regulation 2 of 2023, if any fixed asset is capitalized on account of capital expenditure project prior to 01.04.2024, the debt-equity ratio allowed by the Commission for determination of tariff for the period ending 31.03.2024 shall be considered. Accordingly, the Debt-Equity ratio of 70:30 is considered for the opening GFA of FY 2024-25 for the existing stations of TGGENCO.
- ii. The debt-equity ratio of 75:25 is considered for additional capitalization of FY 2024-25.
- iii. TGGENCO is following new tax regime as per section 115 BAA of the Income Tax Act 1961. Since FY 2020-21 Effective tax rate is 25.168%. The Hon'ble Commission at Para No. 4.1.53 of True-up order dated. 28.10.2024 has allowed effective tax rate of 25.17% to compute net return on equity.
- iv. The rate of RoE as approved at Para No. 4.1.53 of True-up and MYT order dated 28.10.2024 has been considered @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.
- v. In this regard it is to submit that, TGGENCO has filed the True-up for FY 2022 and MYT for 5<sup>th</sup> Control Period (FY 2024-25 to FY 2028-29) along with delay condonation petition and penal fees of Rs. 22.1 Lakhs for delay in filing of Petition.
- vi. Hon'ble Commission has admitted the delay condonation petition vide I.A.No. 18 of 2024.



- vii. But the Hon'ble Commission has reduced the base rate of return on equity by 4% for FY 2024-25. Further Hon'ble Commission also reduced the base rate of equity by 4% for True-up of FY 2022-23.
- viii. In this regard, Hon'ble Commission is requested to condone the delay and not to reduce the base rate of return of equity for the FY 2024-25 and FY 2022-23.
- ix. The RoE approved in MYT Order dated 28.10.2024 and True-up claimed for FY 2024-25 is tabulated below.

**Table 15-7 Variation in Return on Equity (RoE)** (Rs. in Crore)

| S.No | Station                        | Approved       | Actual         | Variation<br>(Actual-<br>Approved) |
|------|--------------------------------|----------------|----------------|------------------------------------|
| 1    | KTPS-V                         | 104.80         | 141.36         | 36.56                              |
| 2    | KTPS-VI                        | 114.02         | 153.76         | 39.74                              |
| 3    | KTPS-VII                       | 243.82         | 317.57         | 73.75                              |
| 4    | RTS-B                          | 1.03           | 1.39           | 0.36                               |
| 5    | KTPP-I                         | 117.51         | 158.40         | 40.89                              |
| 6    | KTPP-II                        | 174.77         | 234.32         | 59.55                              |
| 7    | BTPS                           | 377.86         | 465.10         | 87.24                              |
| 8    | Nagarjuna Sagar<br>Complex HES | 73.07          | 127.30         | 54.23                              |
| 9    | Srisaillam LB HES              | 128.07         | 224.31         | 96.24                              |
| 10   | Small Hydel                    | 4.57           | 8.07           | 3.50                               |
| 11   | Mini Hydel (Peddapally<br>HES) | 1.57           | 1.94           | 0.37                               |
| 12   | Pochampad- II HES              | 1.12           | 1.97           | 0.85                               |
| 13   | Priyadarshini Jurala<br>HES    | 23.83          | 43.03          | 19.20                              |
| 14   | Lower Jurala HES               | 61.95          | 101.87         | 39.92                              |
| 15   | Pulichintala HES               | 16.99          | 29.16          | 12.17                              |
|      | <b>Total</b>                   | <b>1444.98</b> | <b>2009.55</b> | <b>564.57</b>                      |

- x. The major reason for variation in the approved RoE and True-up claimed is on account of change in the rate of tax considered for grossing up of the applicable rate of RoE.
- xi. The Hon'ble TGERC at para No. 4.1.53 specified that Return on equity for FY: 2024-25 has allowed net allowable base rate of 11.50% for thermal Generating stations and 12.50% for Hydro Generating stations

by reducing the base rate of equity by 4.0% @ 0.5% for per month (~Approx 8 months delay).

xii. In this regard, it is to submit that, the Hon'ble Commission at para 5.1.58 specified that Regulation 2 of 2023 supersedes Regulation No 1 of 2019 and accordingly TGGENCO has to make Multi Year Tariff Petition by 31.01.2024 for the Generation Business.

xiii. In this regard the clause No. 1.5 of TGERC Regulation 2 of 2023 is reproduced below.

"1.5 This Regulation shall come into force from the date of its publication in Official Gazette:

Provided that for all purposes, including review matters pertaining to the period till 31.03.2024, the issues relating to determination of Aggregate Revenue Requirement and tariff shall be governed by the provisions of the Regulations and Guidelines in force during the relevant period."

xiv. TGGENCO has filed the Interlocutory Application (I.A) for condonation of delay in filing the petition specifying the reasons for delay in filing the MYT tariff petition before the due date. The Hon'ble Commission has admitted the petition and issued I.A.No. 18 of 2024. But Hon'ble Commission has reduced the base rate of return on equity of 4% (0.5% per month). In this regard Hon'ble Commission is requested to review the reduction in base rate of return on equity @ 4% and consider the request of TGGENCO and approve the base rate of return as filed by TGGENCO.

#### **15.7 Non-tariff Income**

The Non-tariff Income as per the annual accounts is considered. The details of Approved and actual Non-tariff Income of FY 2024-25 is tabulated below.

**Table: 15-8: Non Tariff Income**

(Rs. in Crs.)

| S.No | Station                        | Approved      | Actual       | Variation<br>(Actual-<br>Approved) |
|------|--------------------------------|---------------|--------------|------------------------------------|
| 1    | KTPS-V                         | 15.22         | 8.35         | -6.87                              |
| 2    | KTPS-VI                        | 8.53          | 8.35         | -0.18                              |
| 3    | KTPS-VII                       | 10.83         | 12.92        | 2.09                               |
| 4    | RTS-B                          | 0.26          | 1.80         | 1.54                               |
| 5    | KTPP-I                         | 28.00         | 9.90         | -18.10                             |
| 6    | KTPP-II                        | 29.90         | 11.89        | -18.01                             |
| 7    | BTPS                           | 11.62         | 15.16        | 3.54                               |
| 8    | Nagarjuna Sagar<br>Complex HES | 1.00          | 1.60         | 0.60                               |
| 9    | Srisaillam LB HES              | 2.81          | 7.38         | 4.57                               |
| 10   | Small Hydel                    | 0.26          | 0.14         | -0.12                              |
| 11   | Mini Hydel<br>(Peddapally HES) | 0.09          | 0.02         | -0.07                              |
| 12   | Pochampad- II HES              | 0.03          | 0.02         | -0.01                              |
| 13   | Priyadarshini Jurala<br>HES    | 0.29          | 0.31         | 0.02                               |
| 14   | Lower Jurala HES               | 0.17          | 0.31         | 0.14                               |
| 15   | Pulichintala HES               | 0.50          | 0.24         | -0.26                              |
|      | <b>Total</b>                   | <b>109.51</b> | <b>78.39</b> | <b>-31.12</b>                      |

15.8 The True-up Fixed charges against approved of FY 2024-25 is tabulated below.

**Table:15-9**

(Rs. in Crore)

| S.No | Station                        | Approved | Actual  | Variation<br>(Actual-<br>Approved) |
|------|--------------------------------|----------|---------|------------------------------------|
| 1    | KTPS-V                         | 331.98   | 484.30  | 152.32                             |
| 2    | KTPS-VI                        | 390.67   | 489.86  | 99.19                              |
| 3    | KTPS-VII                       | 1205.80  | 1299.50 | 93.70                              |
| 4    | RTS-B                          | 19.63    | 27.92   | 8.29                               |
| 5    | KTPP-I                         | 388.92   | 434.69  | 45.77                              |
| 6    | KTPP-II                        | 611.68   | 776.64  | 164.96                             |
| 7    | BTPS                           | 1288.17  | 1633.61 | 345.44                             |
| 8    | Nagarjuna Sagar<br>Complex HES | 284.05   | 386.81  | 102.76                             |
| 9    | Srisaillam LB HES              | 344.46   | 518.04  | 173.58                             |

|    |                             |                |                |                |
|----|-----------------------------|----------------|----------------|----------------|
| 10 | Small Hydel                 | 51.68          | 66.74          | 15.06          |
| 11 | Mini Hydel (Peddapally HES) | 9.87           | 11.47          | 1.60           |
| 12 | Pochampad- II HES           | 9.66           | 12.42          | 2.76           |
| 13 | Priyadarshini Jurala HES    | 90.41          | 125.86         | 35.45          |
| 14 | Lower Jurala HES            | 198.10         | 240.00         | 41.90          |
| 15 | Pulichintala HES            | 86.32          | 106.89         | 20.57          |
|    | <b>Total</b>                | <b>5311.40</b> | <b>6614.75</b> | <b>1303.35</b> |

### **15.9 Additional Pension Liability & Water Charges**

- i. Hon'ble TGERC at table No 5-16 approved additional Pension Liabilities and Water Charges for FY 2024-25 to FY 2028-29. In this regard, Hon'ble Commission specified as below.

“The Additional Interest on pension and gratuity bonds is not a part of employee cost or O&M expenses. In the MYT Order for previous control periods i.e., 2014-19 and 2019-24, Hon'ble TGERC 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 only pertaining to TGGENCO employees but also pertains to TGTRANSCO, TGSPDCL and TGNPDCL and the liability transferred to TGGENCO during bifurcation of state. The Commission allows the same as claimed by TGGENCO subject to True-up at actuals based on prudence check”.

Accordingly, TGGENCO claimed True-up of additional pension liabilities of FY 2024-25 as per the Annual Accounts of FY 2024-25. Hon'ble Commission is requested to consider and approve the actual additional Pension liability of FY 2024-25 Rs. 1669.60 Cr.

Further, the water charges in respect of thermal and hydel stations were claimed based on the actual usage of water for thermal generation and Hydel generation.

- ii The water charges at actual as per annual accounts claimed for FY 2024-25 is of Rs. 35.38 Cr.

**15.10 Summary of Annual Fixed Charges (Claimed Vs Approved) for FY 2024-25**

The summary of Annual Fixed Charges Approved and True-up claimed for FY: 2024-25 is tabulated below.

**Table: 15-10**

(Rs. in Crore)

| S.No | Station                      | Approved       | Actual         | Variation<br>(Actual-Approved) |
|------|------------------------------|----------------|----------------|--------------------------------|
| 1    | Fixed Charges                | 5311.40        | 6614.75        | 1303.35                        |
| 2    | Additional Pension Liability | 1367.73        | 1,669.60       | 301.87                         |
| 3    | Water Charges                | 33.47          | 35.38          | 1.91                           |
|      | <b>Total</b>                 | <b>6712.60</b> | <b>8319.73</b> | <b>1607.13</b>                 |

The True-up Charges claimed by TGGENCO for FY 2024-25 is amounting to Rs.1607.13 Crore.

**15.11. Operating parameters:**

The following operating parameters have been approved in MYT Order dated. 28.10.2024.

**Table: 15-11**

| Particulars | Normative Plant Availability | Auxiliary Energy Consumption | Gross Station Heat Rate | Secondary Fuel oil consumption | Transit Loss |
|-------------|------------------------------|------------------------------|-------------------------|--------------------------------|--------------|
| Unit        | %                            | %                            | kcal/kWh                | ml/kWh                         | %            |
| KTPS-V      | 85                           | 9.30                         | 2500                    | 0.5                            | 0.80         |
| KTPS-VI     | 85                           | 5.25                         | 2450                    | 0.5                            | 0.80         |
| KTPS-VII    | 85                           | 5.25                         | 2151                    | 0.5                            | 0.80         |
| RTS-B       | 85                           | 10.00                        | 3000                    | 0.5                            | 0.80         |
| KTPP-I      | 85                           | 5.25                         | 2450                    | 0.5                            | 0.80         |
| KTPP-II     | 85                           | 5.25                         | 2300                    | 0.5                            | 0.80         |
| BTPS        | 85                           | 8.50                         | 2318.40                 | 0.5                            | 0.80         |

- i. CEA flexible operation regulation stipulates thermal generating units to operate as low as 55% of full load operation based on grid demand. Hon'ble Commission is requested to allow actual Auxiliary Consumption to compensate for low load operation of units for trueing up of FY 2024-25.
- ii. In this regard it is to submit that, CERC has issued Regulation dated 4<sup>th</sup> February, 2025 for compensation for degradation of parameters due to part load operation/reserve shut down of thermal generating stations.

- iii. Hon'ble Commission is requested to consider and allow actual Auxiliary energy consumption, Station Heat Rate and secondary fuel oil consumption.

### 15.12 Energy Charge Rate

The Energy Charge Rate have been computed in accordance with Clause No. 46(B) of TGERC Regulation No. 2 of 2023. The actual values of Coal rate, oil rate, GCV and Normative operating parameters viz., Auxiliary consumption, Gross Station Heat Rate and Secondary Fuel Consumption are considered for computation of Normative Energy charge rate. The Actual Energy charge Rate computed considering the actual operating parameters, coal rate, Oil Rate and GCV as per TGERC Regulation No. 2 of 2023.

The Energy Charge rate of FY 2024-25 is tabulated below.

**Table: 15-12**

| Description | Unit    | Energy Charge Rate (Rs./kWh) |         |          |        |         |       |
|-------------|---------|------------------------------|---------|----------|--------|---------|-------|
|             |         | KTPS-V                       | KTPS-VI | KTPS-VII | KTPP-I | KTPP-II | BTPS  |
| ECR         | Rs./kWh | 4.070                        | 3.818   | 3.456    | 3.700  | 3.750   | 3.958 |

### 16. Proposal of Revised Tariff for the FY 2026-27:

**16.1.** The Multiyear Tariff Petition for FY: 2024-25 to FY: 2028-29 was submitted to the Hon'ble Commission on 21.09.2024. The Order on True-up for FY: 2022-23 and Multi Year Tariff (MYT) for FY: 2024-25 to FY: 2028-29 was issued by TGERC on Dt.28.10.2024.

**16.2.** As per the Clause No.6.2 (d) (iii) of TGERC Regulation 2 of 2023, TGGENCO has to file Revised Tariff for ensuing year of Control Period i.e., for FY: 2026-27 for Generation Business.

**16.3** Accordingly, the revised Tariff for FY: 2026-27 for the existing Thermal and Hydel stations has been prepared in accordance with the TGERC regulation 2 of 2023.

**16.4** The Revised Tariff proposal for FY 2026-27 has been prepared in line with TGERC Regulation No. 2 of 2023.

### 16.5 Capital Cost:

- i. Opening Gross Fixed Assets (GFA) for FY 2024-25 is considered based on the Closing GFA as on 31.03.2024 as considered in true up sections above.
- ii. At BTPS it is 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 Cr. is proposed during the FY: 2026-27 is within the Original Project Cost. The petition for approval of additional capital cost has been submitted to the Hon'ble Commission.
- iii. At KTPS V&VI Stages, capital cost of Rs. 50.65 Crore towards raising of Ash pond bund is proposed and petition for approval of capital cost has been submitted to the Hon'ble Commission. At BTPS, some of the Non- EPC civil works which are under Original project scope are proposed to be carried out. The capital cost of Rs. 766.69 crore is proposed during FY 2025-26 and FY 2026-27.
- iv. The capital cost of FGD in respect of KTPS-VII Stage and BTPS are not considered in determination of tariff for FY 2026-27. The Hon'ble Commission has given In- principle approval in MYT order dated 22.03.2022 for the installation of FGD system and deferred the admittance of capital cost till the truing up of the relevant year, post commissioning of the same. The same was specified at para No. 5.2.5 and 5.3.7 in Business Plan and Capital Investment Plan for MYT 5<sup>th</sup> Control period (FY 2024-25 to FY 2028-29).
- v. The GFA and additional Capital Cost proposed for the period from FY 2025-26 to FY 2026-27 is tabulated below.

**Table: 16-1 GFA and Additions**

(Rs. in Crore)

| S.No. | Station  | GFA As<br>01.04.2025 | Additions<br>in FY 2025-<br>26<br>(Estimated) | GFA As<br>01.04.2026 | Additions<br>for FY<br>2026-27<br>(Projected) |
|-------|----------|----------------------|---|----------------------|---|
| 1     | KTPS-V   | 2,281.59             |   | 2,281.59             | 27.08   |
| 2     | KTPS-VI  | 2,476.03             | 0.18  | 2,476.21             | 27.08   |
| 3     | KTPS-VII | 5,112.57             |   | 5,112.57             | 4.97  |
| 4     | KTPP-I   | 2,549.23             | 8.32  | 2,557.55             | -   |
| 5     | KTPP-II  | 3,773.07             | 5.20  | 3,778.27             | 93.00   |
| 6     | BTPS     | 7,540.34             | 39.22   | 7,579.56             | 889.13  |

|    |                             |                  |              |                  |                 |
|----|-----------------------------|------------------|--------------|------------------|-----------------|
| 7  | Nagarjuna Sagar Complex     | 1,925.83         |              | 1,925.83         |                 |
| 8  | Srisaillam LB               | 3,400.67         |              | 3,400.67         |                 |
| 9  | Small Hydel                 | 121.94           |              | 121.94           |                 |
| 10 | Mini Hydel (Peddapally HES) | 31.27            |              | 31.27            |                 |
| 11 | Pochampad- II               | 29.78            |              | 29.78            |                 |
| 12 | Priyadarshini Jurala        | 692.53           |              | 692.53           |                 |
| 13 | Lower Jurala                | 1,644.24         |              | 1,644.24         | 12.60           |
| 14 | Pulichintala                | 440.76           |              | 440.76           |                 |
|    | <b>Total</b>                | <b>32,019.85</b> | <b>52.92</b> | <b>32,072.77</b> | <b>1,053.86</b> |

16.6 In accordance with Clause No. 40.1 of TGERC Regulation No. 2 of 2023, the Annual Fixed Charges comprise the following elements:

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

**Minus**

- f. Non-Tariff Income;

**16.7. Operation & Maintenance Expenses (O&M)**

- i. The O&M expenses comprises of (i) Employee cost, (ii) Repair & Maintenance expenses and (iii) Administrative & General expenses.
- ii. The Revised O&M expenses have been arrived based on the projected expenses of FY 2026-27.
- iii. The O&M expenses approved in the MYT Order dated 28.10.2024 and Revised expenses proposed for FY 2026-27 is tabulated below.

**Table 16-2: O&M Expenses** (Rs. in Crore)

| S.No. | Station  | Approved | Revised Proposal | Variation (Revised-Approved) |
|-------|----------|----------|------------------|------------------------------|
| 1     | KTPS-V   | 230.98   | 312.97           | 81.99                        |
| 2     | KTPS-VI  | 230.86   | 312.97           | 82.11                        |
| 3     | KTPS-VII | 539.87   | 588.67           | 48.80                        |
| 4     | KTPP-I   | 201.15   | 257.50           | 56.35                        |
| 5     | KTPP-II  | 228.47   | 308.99           | 80.52                        |
| 6     | BTPS     | 212.30   | 496.80           | 284.50                       |



|    |                             |                |                |               |
|----|-----------------------------|----------------|----------------|---------------|
| 7  | Nagarjuna Sagar Complex HES | 131.58         | 207.74         | 76.16         |
| 8  | Srisaillam LBHES            | 112.12         | 210.31         | 98.19         |
| 9  | Small Hydel                 | 47.18          | 64.18          | 17.00         |
| 10 | Mini Hydel (Peddapally HES) | 8.13           | 9.67           | 1.54          |
| 11 | Pochampad- II HES           | 7.81           | 9.51           | 1.70          |
| 12 | Priyadarshini Jurala HES    | 37.48          | 65.63          | 28.15         |
| 13 | Lower Jurala HES            | 37.63          | 66.16          | 28.53         |
| 14 | Pulichintala HES            | 43.14          | 48.04          | 4.90          |
|    | <b>Total</b>                | <b>2068.70</b> | <b>2959.14</b> | <b>890.44</b> |

iv. The reasons for variation of the actual O&M expenses and the approved O&M Expenses are as below:

**a. Employee Expenses:** PRC was implemented to the TGGENCO Employees during FY 2022-23. The impact of PRC-2022 was not factored in approved O&M Charges for FY 2024-25 to FY 2028-29. The Hon'ble Commission at Para no 4.1.40 of True-up and MYT Order dated 28.10.2024 specified that the impact of PRC-2022 has not been considered due to complete details of station wise PRC not submitted in the filings and will be considered the impact of PRC-2022 as part of truing up at the end of 4<sup>th</sup> control period subject to prudence check of the station wise actual PRC effect in employee cost for FY 2022-23.

Further, in respect of BTPS the commission has considered the actual employees expenses of FY 2020 – 21 & FY 2021 – 22, during the period the station was not fully operational to its full capacity.

**b. A&G Expenses:** The variation in projected A&G Expenses and approved in MYT Order for FY 2026-27 is due to the 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).

The details of Projected Employee expenses, Administrative & General Expenses and Repair & Maintenance Expenses for FY 2026-27 is tabulated below.

**Table: 16-3: Employee, A&G & R&M expenses**

(Rs. In Crore)

| S.No. | Station                 | Employee Expenses | Administrative & General Expenses | Repair & Maintenance Expenses |
|-------|-------------------------|-------------------|-----------------------------------|-------------------------------|
| 1     | KTPS-V                  | 260.47            | 15.09                             | 37.41                         |
| 2     | KTPS-VI                 | 260.47            | 15.09                             | 37.41                         |
| 3     | KTPS-VII                | 524.46            | 27.21                             | 37.00                         |
| 4     | KTPP-I                  | 206.50            | 7.98                              | 43.02                         |
| 5     | KTPP-II                 | 247.81            | 9.57                              | 51.61                         |
| 6     | BTPS                    | 387.81            | 22.47                             | 86.52                         |
| 7     | Nagarjuna Sagar Complex | 185.06            | 11.72                             | 10.96                         |
| 8     | Srisailem LB            | 169.98            | 12.68                             | 27.65                         |
| 9     | Small Hydel             | 57.03             | 1.68                              | 5.47                          |
| 10    | Hydel (Peddapally HES)  | 9.09              | 0.26                              | 0.32                          |
| 11    | Pochampad- II           | 8.93              | 0.26                              | 0.32                          |
| 12    | Priyadarshini Jurala    | 52.12             | 2.28                              | 11.23                         |
| 13    | Lower Jurala            | 52.63             | 2.29                              | 11.24                         |
| 14    | Pulichintala            | 41.93             | 1.54                              | 4.57                          |
|       | <b>Total</b>            | <b>2,464.29</b>   | <b>130.12</b>                     | <b>364.73</b>                 |

**16.8 Depreciation**

- i. Depreciation computed annually based on straight line method on the basis of the expected useful life of asset as per the clause No. 28 of TGERC Regulation 2 of 2023.
- ii. The salvage value of the asset considered at ten per cent of the allowable capital cost and depreciation considered up to a maximum of ninety per cent of the allowable capital cost of the asset.
- iii. The capital cost admitted by the Commission along with additional capitalization claimed is considered as value base for calculation of depreciation.
- iv. In respect of KTPS-V Stage, the useful life is considered 31.03.2029 as per the consent issued by Hon'ble Commission vide order dated 22.10.2024.
- v. The Depreciation approved at Table No. 5.6 of MYT Order dated 28.10.2024 and Depreciation projected FY 2026-27 is tabulated below.

**Table 16-4: Variation in Depreciation**

(Rs. in Crore)

| S.No. | Station                     | Approved      | Revised Proposal | Variation (Revised-Approved) |
|-------|-----------------------------|---------------|------------------|------------------------------|
| 1     | KTPS-V                      | 1.44          | 34.56            | 33.12                        |
| 2     | KTPS-VI                     | 45.25         | 23.86            | -21.39                       |
| 3     | KTPS-VII                    | 186.42        | 174.95           | -11.47                       |
| 4     | KTPP-I                      | 88.68         | 18.31            | -70.37                       |
| 5     | KTPP-II                     | 127.75        | 116.31           | -11.44                       |
| 6     | BTPS                        | 280.09        | 267.03           | -13.06                       |
| 7     | Nagarjuna Sagar Complex HES | 87.97         | 59.07            | -28.90                       |
| 8     | Srisaillam LB HES           | 86.43         | 59.13            | -27.30                       |
| 9     | Small Hydel                 | 1.14          | 1.04             | -0.10                        |
| 10    | Mini Hydel (Peddapally HES) | 0.90          | 0.34             | -0.56                        |
| 11    | Pochampad- II HES           | 0.58          | 0.58             | 0.00                         |
| 12    | Priyadarshini Jurala HES    | 11.16         | 11.14            | -0.02                        |
| 13    | Lower Jurala HES            | 51.47         | 27.33            | -24.14                       |
| 14    | Pulichintala HES            | 10.22         | 9.14             | -1.08                        |
|       | <b>Total</b>                | <b>979.50</b> | <b>802.79</b>    | <b>-176.71</b>               |

**16.9 Interest and Finance Charges on loan**

- i. The Debt-Equity ratio of 70:30 is considered for the Gross Fixed Assets as on 01.04.2024 of respective station and Debt-Equity ratio of 75:25 is considered for the additions after 01.04.2024 in accordance with clause 27 of Regulation 2 of 2023.
- ii. The station-wise opening loan balance has been computed by considering the 70% of opening GFA of FY 2024-25 and subtracting the accumulated depreciation. The depreciation has been considered as normative loan repayment.
- iii. The station-wise weighted average interest rate of the actual loan portfolio has been considered as the rate of interest on loan as per the clause No.31 of Regulation 2 of 2023. Further where there is no actual loan for a particular year but normative loan is still outstanding the last available weighted average rate of interest has been considered.

- iv. The interest on loan has been calculated on the normative loan balance for the year by applying the weighted average rate of interest.
- v. The interest and finance charges approved by the Hon'ble Commission in MYT Order dt.28.10.2024 and Revised Proposal for FY 2026-27 is tabulated below.

**Table 16-5: Variation in Interest and Finance Charges on Loan (I&FC on Loan)**

(Rs. in Crores)

| S.No. | Station                     | Approved in MYT | Revised Proposal | Variation (Revised-Approved) |
|-------|-----------------------------|-----------------|------------------|------------------------------|
| 1     | KTPS-V                      | 0.24            | 0.00             | -0.24                        |
| 2     | KTPS-VI                     | 0.00            | 0.00             | 0.00                         |
| 3     | KTPS-VII                    | 203.81          | 188.83           | -14.98                       |
| 4     | KTPP-I                      | 0.00            | 0.00             | 0.00                         |
| 5     | KTPP-II                     | 70.62           | 95.21            | 24.59                        |
| 6     | BTPS                        | 343.91          | 395.72           | 51.81                        |
| 7     | Nagarjuna Sagar Complex HES | 0.00            | 0.00             | 0.00                         |
| 8     | Srisaillam LB HES           | 0.00            | 30.08            | 30.08                        |
| 9     | Small Hydel                 | 0.00            | 0.00             | 0.00                         |
| 10    | Mini Hydel (Peddapally HES) | 0.00            | 0.00             | 0.00                         |
| 11    | Pochampad- II HES           | 0.51            | 0.78             | 0.27                         |
| 12    | Priyadarshini Jurala HES    | 6.28            | 13.37            | 7.09                         |
| 13    | Lower Jurala HES            | 36.79           | 48.64            | 11.85                        |
| 14    | Pulichintala HES            | 16.82           | 21.11            | 4.29                         |
|       | <b>Total</b>                | <b>678.98</b>   | <b>793.74</b>    | <b>114.76</b>                |

- vi. The variation in interest and finance charges approved in MYT Order dated 28.10.2024 and Revised Proposal for FY 2026-27 is due to the variation in Gross Fixed Assets (GFA) considered in MYT order and proposed.

**16.10 Interest on Working Capital (IoWC)**

The Interest on Working Capital is computed in accordance with clause No. 33 of TGERC Regulation 2 of 2023 considering the following.

**Coal-fired thermal generating stations**

- i. Cost of coal towards stock, for 20 days of Non-pit head generating stations corresponding to target availability,
- ii. Cost of coal for thirty (30) days for generation corresponding to target availability.
- iii. Cost of secondary fuel oil for one month corresponding to target availability.
- iv. Operation & Maintenance expenses for one month.
- v. Maintenance spares at one percent (1%) of the opening Gross Fixed Assets for year;
- vi. Receivable for sale of electricity equivalent to forty-five (45) days of the sum of annual fixed charges and energy charges computed at target availability: minus
- vii. Payables for fuel (including oil and secondary fuel oil) to the extent of thirty (30) days of the of fuel computed at target availability.

**Hydro Power Generating Stations**

- viii. Operation & Maintenance expenses for one month.
- ix. Maintenance spares at one percent (1%) of the opening Gross Fixed Assets for year;
- x. Receivable for sale of electricity equivalent to forty-five (45) days of the annual fixed charges.
- xi. The interest on working capital is considered as 10.25% considering weighted average Base Rate prevailing during date of filing @ 8.75% plus 150 basis points.

The interest on working capital approved by the Hon'ble Commission in MYT Order dated 28.10.2024 and Revised Proposed for FY 2026-27 is tabulated below.

**Table 16-6: Variation in Interest on Working Capital (IoWC)** (Rs. In Crore)

| S.No. | Station                     | Approved      | Revised Proposed | Variation (Revised-Approved) |
|-------|-----------------------------|---------------|------------------|------------------------------|
| 1     | KTPS-V                      | 34.71         | 34.49            | -0.22                        |
| 2     | KTPS-VI                     | 33.96         | 36.50            | 2.54                         |
| 3     | KTPS-VII                    | 63.13         | 62.19            | -0.94                        |
| 4     | KTPP-I                      | 31.38         | 29.28            | -2.10                        |
| 5     | KTPP-II                     | 38.27         | 37.46            | -0.81                        |
| 6     | BTPS                        | 72.26         | 82.97            | 10.71                        |
| 7     | Nagarjuna Sagar Complex HES | 7.18          | 8.82             | 1.64                         |
| 8     | Srisailem LB HES            | 9.17          | 11.96            | 2.79                         |
| 9     | Small Hydel                 | 1.21          | 1.61             | 0.40                         |
| 10    | Mini Hydel (Peddapally HES) | 0.24          | 0.27             | 0.03                         |
| 11    | Pochampad- II HES           | 0.23          | 0.28             | 0.05                         |
| 12    | Priyadarshini Jurala HES    | 2.13          | 2.97             | 0.84                         |
| 13    | Lower Jurala HES            | 4.66          | 5.40             | 0.74                         |
| 14    | Pulichintala HES            | 2.01          | 2.24             | 0.23                         |
|       | <b>Total</b>                | <b>300.54</b> | <b>316.44</b>    | <b>15.90</b>                 |

- xii. The reason for variation in Interest on working capital is due to the variation in interest rate i.e., considering weighted average bank rate considered for FY 2026-27 plus 150 basis points (SBI MCLR – 8.75% + 150 basis points) @10.25%. Further the Hon'ble Commission has not considered the PRC -2022 effect in computation of O&M expenses.

#### **16.11 Return on Equity (RoE)**

- i. In accordance with clause 27 of TGERC Regulation 2 of 2023, if any fixed asset is capitalized on account of capital expenditure project prior to 01.04.2024, the debt-equity ratio allowed by the Commission for determination of tariff for the period ending 31.03.2024 shall be considered. Accordingly, the Debt-Equity ratio of 70:30 is considered for the opening GFA of FY 2024-25 for the existing stations of TGGENCO.
- ii. The debt-equity ratio of 75:25 is considered for additional capitalization up to FY 2026-27.

- iii. TGGENCO is following new tax regime as per section 115 BAA of the Income Tax Act 1961. Since FY 2020-21 Effective tax rate is 25.168%. The Hon'ble Commission at Para No. 4.1.53 of True-up order dated. 28.10.2024 has allowed effective tax rate of 25.17% to compute net return on equity.
- iv. The rate of RoE as approved at Para No. 4.1.53 of True-up and MYT order dated 28.10.2024 has been considered @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.
- v. The RoE approved in MYT Order dated 28.10.2024 and Revised Proposed for FY 2026-27 is tabulated below.

**Table 16-7 Variation in Return on Equity (ROE)** (Rs. in Crore)

| S.No | Station                     | Approved       | Revised Proposal | Variation (Revised-Approved) |
|------|-----------------------------|----------------|------------------|------------------------------|
| 1    | KTPS-V                      | 141.46         | 142.36           | 0.90                         |
| 2    | KTPS-VI                     | 153.68         | 154.54           | 0.86                         |
| 3    | KTPS-VII                    | 328.62         | 317.78           | -10.84                       |
| 4    | KTPP-I                      | 158.38         | 158.84           | 0.46                         |
| 5    | KTPP-II                     | 235.56         | 237.10           | 1.54                         |
| 6    | BTPS                        | 518.27         | 492.62           | -25.65                       |
| 7    | Nagarjuna Sagar Complex HES | 97.82          | 127.36           | 29.54                        |
| 8    | Srisailem LB HES            | 171.02         | 224.75           | 53.73                        |
| 9    | Small Hydel                 | 6.03           | 8.07             | 2.04                         |
| 10   | Mini Hydel (Peddapally HES) | 2.07           | 1.94             | -0.13                        |
| 11   | Pochampad- II HES           | 1.47           | 1.97             | 0.50                         |
| 12   | Priyadarshini Jurala HES    | 32.12          | 43.03            | 10.91                        |
| 13   | Lower Jurala HES            | 81.97          | 102.41           | 20.44                        |
| 14   | Pulichintala HES            | 22.74          | 29.16            | 6.42                         |
|      | <b>Total</b>                | <b>1951.21</b> | <b>2041.93</b>   | <b>90.72</b>                 |

- vi. The major reason for variation in the approved RoE and Revised proposal is on account of additional capital cost proposed up to FY 2026-27.

#### 16.12 Non-tariff Income

The Non-tariff Income projected for FY 2026-27 based on actual Non-Tariff Income of FY 2024-25.

**Table: 16-8**

(Rs. in Crore)

| S.No | Station                     | Approved      | Revised Proposal | Variation (Revised-Approved) |
|------|-----------------------------|---------------|------------------|------------------------------|
| 1    | KTPS-V                      | 16.46         | 9.44             | -7.02                        |
| 2    | KTPS-VI                     | 9.23          | 9.44             | 0.21                         |
| 3    | KTPS-VII                    | 11.72         | 14.25            | 2.53                         |
| 4    | KTPP-I                      | 30.29         | 10.73            | -19.56                       |
| 5    | KTPP-II                     | 32.33         | 12.87            | -19.46                       |
| 6    | BTPS                        | 12.57         | 16.43            | 3.86                         |
| 7    | Nagarjuna Sagar Complex HES | 1.08          | 1.76             | 0.68                         |
| 8    | Srisaillam LB HES           | 3.04          | 8.01             | 4.97                         |
| 9    | Small Hydel                 | 0.28          | 0.56             | 0.28                         |
| 10   | Mini Hydel (Peddapally HES) | 0.10          | 0.10             | 0.00                         |
| 11   | Pochampad- II HES           | 0.04          | 0.10             | 0.06                         |
| 12   | Priyadarshini Jurala HES    | 0.31          | 1.38             | 1.07                         |
| 13   | Lower Jurala HES            | 0.19          | 0.35             | 0.16                         |
| 14   | Pulichintala HES            | 0.54          | 0.27             | -0.27                        |
|      | <b>Total</b>                | <b>118.18</b> | <b>85.69</b>     | <b>-32.49</b>                |

- 16.13** The Revised Fixed charges proposed for FY 2026-27 against approved in MYT order dated 28.10.2024 is tabulated below.

**Table:16-9**

Rs. in Crore

| S.No | Station  | Approved | Revised Proposed | Variation (Revised-Approved) |
|------|----------|----------|------------------|------------------------------|
| 1    | KTPS-V   | 392.37   | 514.94           | 122.57                       |
| 2    | KTPS-VI  | 454.52   | 518.43           | 63.91                        |
| 3    | KTPS-VII | 1310.13  | 1318.17          | 8.04                         |
| 4    | KTPP-I   | 449.30   | 453.20           | 3.90                         |
| 5    | KTPP-II  | 668.34   | 782.20           | 113.86                       |



|    |                             |                |                |               |
|----|-----------------------------|----------------|----------------|---------------|
| 6  | BTPS                        | 1414.26        | 1718.71        | 304.45        |
| 7  | Nagarjuna Sagar Complex HES | 323.47         | 401.23         | 77.76         |
| 8  | Srisaillam LB HES           | 375.70         | 528.22         | 152.52        |
| 9  | Small Hydel                 | 55.29          | 74.34          | 19.05         |
| 10 | Mini Hydel (Peddapally HES) | 11.24          | 12.12          | 0.88          |
| 11 | Pochampad- II HES           | 10.56          | 13.02          | 2.46          |
| 12 | Priyadarshini Jurala HES    | 88.85          | 134.76         | 45.91         |
| 13 | Lower Jurala HES            | 212.33         | 249.59         | 37.26         |
| 14 | Pulichintala HES            | 94.39          | 109.42         | 15.03         |
|    | <b>Total</b>                | <b>5860.75</b> | <b>6828.35</b> | <b>967.60</b> |

#### 16.14 Additional Pension Liabilities & Water Charges

- Hon'ble TGERC at table No 5-16 approved additional Pension Liabilities and Water Charges for FY 2024-25 to FY 2028-29. The additional Pension liability projected for FY 2026-27 is of Rs.1902.23 Cr for TGTRANSCO, TGSPDCL and TGNPDCL.
- Further, the water charges in respect of thermal and hydel stations were projected for FY 2026-27 based on the actuals of FY 2024-25 and usage of water for thermal generation and Hydel generation. The water charges projected for FY2026-27 is of Rs. 53.48 Cr.

#### 16.15 Summary of Annual Fixed Charges for FY 2026-27

The summary of Annual Fixed Charges Approved and Revised for FY: 2026-27 is tabulated below.

**Table: 16-10**

(Rs. in Crore)

| S.No | Station                      | Approved       | Revised Proposal | Variation (Revised-Approved) |
|------|------------------------------|----------------|------------------|------------------------------|
| 1    | Fixed Charges                | 5860.75        | 6828.35          | 967.60                       |
| 2    | Additional Pension Liability | 1617.06        | 1902.23          | 285.17                       |
| 3    | Water Charges                | 33.84          | 53.48            | 19.64                        |
|      | <b>Total</b>                 | <b>7511.65</b> | <b>8784.06</b>   | <b>1272.41</b>               |

#### 16.16 Energy Charge Rate

The Energy Charge Rate for FY 2026-27 computed considering the reduced coal prices by M/s SCCL by Rs. 741/- per MT w.e.f 07.09.2025 for

all Grades of coal and revision of GST from 5% to 18% on coal prices and freight charges w.e.f 22.09.2025 and net reduction in landed cost of coal is around Rs.600/- per MT. The Normative operating Parameters viz., Auxiliary consumption, Gross Station Heat Rate and Secondary Fuel Consumption are considered and weighted average coal price reduced by Rs.600/- per MT and oil price and GCV of 3 months is considered. The Coal price and Secondary fuel oil price escalated @2% for FY 2026-27. The Energy Charge Rate (ECR) for FY 2026-27 is tabulated below.

Table: 16-11

(Rs/kWh)

| Station         | KTPS-V | KTPS-VI | KTPS-VII | KTPP-I | KTPP-II | BTPS  |
|-----------------|--------|---------|----------|--------|---------|-------|
| ECR<br>(Rs/kWh) | 3.737  | 3.853   | 3.434    | 2.921  | 2.737   | 3.677 |

17 Summary of True-up charges claimed for FY 2024-25 and Revised Proposal of FY 2026-27 is tabulated below.

Table 17-1:

(Rs. in Crore)

| S.No | Component                            | FY 2024-25 (True-up claim)            |                                     |                            | Revised Proposed for FY 2026-27 |
|------|--------------------------------------|---------------------------------------|-------------------------------------|----------------------------|---------------------------------|
|      |                                      | Approved Fixed Charges for FY 2024-25 | Actual Fixed Charges for FY 2024-25 | True-up Claimed by TGGENCO |                                 |
| 1    | Operation & Maintenance Expenses     | 1869.03                               | 2700.87                             | 831.84                     | 2959.14                         |
| 2    | Depreciation                         | 986.73                                | 774.46                              | -212.27                    | 802.79                          |
| 3    | Interest and Finance charges on loan | 828.92                                | 872.20                              | 43.28                      | 793.74                          |
| 4    | Interest on working Capital          | 291.25                                | 336.06                              | 44.81                      | 316.44                          |
| 5    | Return on Equity                     | 1444.98                               | 2009.55                             | 564.57                     | 2041.93                         |
| 6    | Less: Non-tariff Income              | 109.51                                | 78.39                               | -31.12                     | 85.69                           |
|      | Fixed Charges                        | 5311.40                               | 6614.75                             | 1303.35                    | 6828.35                         |
| 7    | Additional Pension Liability         | 1367.73                               | 1669.60                             | 301.87                     | 1902.23                         |
| 8    | Water Charges                        | 33.47                                 | 35.38                               | 1.91                       | 53.48                           |
|      | Total Fixed Charges                  | 6712.60                               | 8319.73                             | 1607.13                    | 8784.06                         |

## **18. Compensation on degradation of Operating Parameters**

- i. The thermal generating stations operating parameters are degraded due to operating at part load/reserve shut down as per the instructions of TGS LDC.
- ii. Central Electricity Regulatory Commission notified the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 (referred to as "Grid Code") on 28.10.2010 and came into force from 3.2.2010. The Grid Code was subsequently amended through first, second and third amendments which came into force from 2.4.2012, 17.2.2014 and 1.11.2015. The Commission further amended the Grid code vide Central Electricity Regulatory Commission (Indian Electricity Grid Code) ( Fourth Amendment) Regulations, 2016, which was notified on 6.4.2016 also provides compensation for degradation of operating parameters due to part load operations and multiple start/stop of units.
- iii. In this regard it is to submit that, Hon'ble CERC vide Order dated 5<sup>th</sup> may 2017 approved the detailed procedure for taking unit(s) under Reserve Shut Down and Mechanism for Degradation of Heat Rate, Aux Compensation and Secondary Fuel Oil Consumption due to Part Load Operation and Multiple Start/Stop of Units.
- iv. The Hon'ble TGERC is requested to compensate the degraded operating parameters of Auxiliary Energy consumption, Gross station heat Rate and Secondary Fuel Oil consumption due to part load/ Reserve Shut Down.

- 19.**
- a) All taxes, duties, cess, fees payable to Government on the generation and/or supply of electricity and/or auxiliary consumption shall be extra and payable at actual.
  - b) Revolving Letter of Credit to be opened by the beneficiary for an amount of one month's receivable, and there upon the applicable rebate be allowed.
  - c) Surcharge: 1.25% per month as surcharge for belated payment may be allowed as per PPA.
  - d) As per late payment surcharge rules of Grid-India/CERC, the surcharge for belated payment may be allowed.
  - e) Billing and payment charges:

Billing and payment of charges shall be done on monthly basis.

- 20. Incentive:** In accordance to the clause 46.6 of Regulation, Incentive shall be payable at a flat rate of 50.0 paise/kWh for actual Energy Generation in excess of Ex-bus Energy corresponding to Normative Annual Plant Load Factor.

**21. Carrying Cost:**

In accordance with clause no. 34 of TGERC Regulation 2 of 2023, the Hon'ble Commission shall allow carrying Cost or Holding Cost, as the case may be, on the admissible amounts, with simple interest, at the weighted average base Rate prevailing during the concerned year, plus 150 basis points. The Hon'ble Commission is requested to approve the carrying cost.

**22. Renewable Generation Obligation:**

- i. Ministry of Power vide Resolution No. 27<sup>th</sup> February, 2023 on Renewable Generation Obligation as per Revised Tariff Policy, 2016 specifies that coal/ lignite based thermal generating station with Commercial Operation Date (COD) of the project between 1<sup>st</sup> April 2023 and 31<sup>st</sup> March 2025 shall be required to comply with RGO of 40% by 1<sup>st</sup> April 2025, and any other coal/lignite based thermal generating station with Commercial Operation Date (COD) of the project after 1<sup>st</sup> April 2025 shall be required to comply with RGO of 40% by the COD.
- ii. In view of the above to comply with the Renewable Generation Obligation Hon'ble Commission may please be permitted to claim any additional capital expenditure to be incurred for meeting the Renewable Generation obligation as per the Ministry of Power resolution dated. 27<sup>th</sup> February 2023 on Renewable Generation Obligation as per Revised Tariff Policy, 2016 and subsequent clarification issued by Ministry of Power Govt. of India on 7<sup>th</sup> August 2025.

**23. Flexible Operation of Generation Station:**

- i. Central Electricity Authority (CEA) notification dated 25<sup>th</sup> January, 2023 specifies that the coal based thermal generating units shall have flexible operation capability with minimum power level of forty percent.

- ii. In accordance with CERC (IEGC) Regulations, 2023 dated 11.07.2023, the thermal generating stations whose tariffs are determined under section 62 of the Act, shall be compensated for part load operations that is, for generation below the normative level of operation.
- iii. In view of the above Hon'ble Commission may please be permitted to claim expenditure involved for conducting modelling studies for flexible operation of thermal generating stations.

#### **24. Payment Mechanism**

- (a) Revolving Letter of Credit to be opened by the beneficiary for an amount of one month's receivable, and thereupon the applicable rebate be allowed.
- (b) **Surcharge:**  
Surcharge: 1.25% per month as surcharge for belated payment may be allowed as per PPA.
- (c) As per late payment surcharge rules of Grid-India/CERC, the surcharge for belated payment may be allowed.
- (d) **Billing and payment of charges:**  
Billing and payment of charges shall be done on Monthly basis.

#### **25. Reservation:**

- i. Nothing in this application be construed as any admission or to prejudice any disputes, issues, dissensions or contentions of the TGGENCO and/or the State of Andhra Pradesh, whether raised hitherto or hereafter, on any matter arising out of the provisions of the A.P. Reorganization Act, 2014, or otherwise, including but not limited to issues relating to the supply of power from the TGGENCO generating stations to the Distribution Companies or the validity of the PPAs.
- ii. Nothing in this application be construed to limit or affect the provisional nature of any valuation of any asset or liability by or under any transfer scheme or otherwise, and provision may be made to give full consequential effect for any variation or upon any finalization of the same hereafter.

**26. Declaration:**

This subject matter of this petition has not been raised by the petitioner in any other competent forum, and that no other competent forum is currently seized of the matter or has passed any orders in relation thereto.

**27. Main Prayer**

For the above reasons and for such other and/or further reasons and grounds as may be urged at the time of hearing, the Applicant prays that the Hon'ble Commission may be pleased to:

- a) Accept and take on record the Application for Annual Tariff Petition for FY 2026-27 for the existing thermal & hydel stations of TGGENCO for the Generation Business containing True-up of FY 2024-25 and proposal of Revised Tariff of FY 2026-27 under MYT tariff framework under section 62/64 and 86 (1)(a) of the Electricity Act, 2003 read with Telangana Electricity Regulatory Commission (Multi Year Tariff) Regulation No. 2 of 2023;
- b) To consider the impact of PRC-2022 in 5<sup>th</sup> Control Period (FY: 2024-25 to FY: 2028-29);
- c) To review the Reduction in base rate of Return on Equity at 4% for FY: 2024-25 and for True-up of FY 2022-23 by condoning the delay in submission of the petitions;
- d) Hon'ble Commission may please be permitted to claim any additional capital expenditure to be incurred for meeting the Renewable Generation obligation as per the Ministry of Power resolution dated. 27th February 2023 on Renewable Generation Obligation as per Revised Tariff Policy, 2016;
- e) Hon'ble Commission may please be permitted to claim expenditure involved by conducting modeling studies for flexible operation of units as per CERC (IEGC) Regulations 2023 dated. 11<sup>th</sup> July, 2023;
- f) Allow the recovery of filing fees as & when paid to the Hon'ble Commission and the publication expenses from the beneficiaries;

- g) Hon'ble Commission may please be allowed to file separate petition for True-up of FY 2024-25 and Revised tariff of FY 2026-27 for YTPS;
- h) Hon'ble Commission may please be allowed to file separate petition for determination of Input price of coal from Integrated Mine i.e., Tadicherla-I coal mine.
- i) Pay Revision-2026 impact may be allowed extra at actual;
- j) Water Charges, Security Expenses, Ash Transportation Expenses, Energy Conservation charges, Cyber Security Expenses, Fire Protection Services may be allowed extra at actuals as per clause 36(6) of CERC' 2024 Regulation;
- k) Condone any error/ Omission and to give opportunity to rectify the same;
- l) To grant suitable opportunity to TGGENCO within reasonable time frame to file additional material information, if any;
- m) To pass such order, as the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.

**TELANGANA POWER GENERATION CORPORATION LIMITED**  
(APPLICANT)

Through

Place: Hyderabad

Dated: 28- 11 - 2025

  
**Signature of the applicant**  
Chief Engineer  
Coal & Commercial  
TGGENCO, V.S. Hyderabad-82.





(Form-II)

BEFORE THE HONOURABLE

TELANGANA ELECTRICITY REGULATORY COMMISSION

At Its Office at Vidyut Niyantran Bhavan, G.T.S. Colony,  
Kalyan Nagar, Hyderabad -500 045

Filing No. \_\_\_\_/2025

Case No. \_\_\_\_/2025

**In the matter of:**

Filing of Annual Tariff Petition for FY 2026-27 for the Existing Thermal & Hydel Stations of TGGENCO for the Generation Business containing True-up of FY 2024-25 and proposal of Revised Tariff of FY 2026-27 under MYT Tariff framework under section 62/64 and 86 (1) (a) of the Electricity Act, 2003 read with Telangana Electricity Regulatory Commission (Multi Year Tariff) Regulation No. 2 of 2023.

**And in the matter of:**

Telangana Power Generation Corporation Limited,

Vidyut Soudha, Hyderabad – 500082.

... Applicant/Petitioner

**AND**

1. **Southern Power Distribution Company of Telangana Ltd. (TGSPDCL),**  
Corporate office, 6-1-50, Mint Compound, Hyderabad – 500 004.
2. **Northern Power Distribution Company of Telangana Ltd. (TGNPDCL),**  
H.No.2-5-31/2, Corporate Office, Vidyut Bhavan, Nakkalagutta,  
Hanmakonda, Warangal – 506001
3. **ESCOMs of Karnataka state**

**Bangalore Electricity Supply Company Limited (BESCOM),**

KR Circle, Bangalore - 560001;

**Mangalore Electricity Supply Company Limited (MESCOM),**

Paradigm Plaza, AB Shetty circle, Mangalore - 575004;

**Chamundeshwari Electricity Supply Corporation Limited (CESC),**

Hinkal, Mysore - 570017;

**Hubli Electricity Supply Company Limited (HESCOM),**

Navanagar, Hubli - 580025;

**Gulbarga Electricity Supply Company Limited (GESCOM),**

Kalaburagi -585102.

..... Respondents.

**AFFIDAVIT VERIFYING THE APPLICATION**

**Filing of Annual Tariff Petition for FY 2026-27 for the Existing Thermal & Hydel Stations of TGGENCO for the Generation Business containing True-up of FY 2024-25 and proposal of Revised Tariff of FY 2026-27 under MYT Tariff framework under section 62/64 and 86 (1) (a) of the Electricity Act, 2003 read with Telangana Electricity Regulatory Commission (Multi Year Tariff) Regulation No. 2 of 2023.**

I, Chalicheemala Jeeva Kumar, son of Sri C. Venugopal Naidu, aged about 60 years working at Telangana Power Generation Corporation Ltd., do solemnly affirm and say as follows:

- a) I am working as the Chief Engineer, Coal & Commercial at Telangana Power Generation Corporation Ltd., being a company in the business of generating electricity in state of Telangana. I am competent and duly authorized by Telangana Power Generation Corporation Ltd., to affirm, swear, execute and file this affidavit in the present proceedings.
- b) I have read and understood the contents of the accompanying Annual Tariff Petition for FY 2026-27 for the existing thermal & hydel stations of TGGENCO for the Generation Business containing True-up of FY 2024-25 and proposal of Revised Tariff of FY 2026-27 of TGGENCO filed by Petitioner before Hon'ble Commission for approval of the statements made in the paragraphs of this Application filed herewith are true to the best of my knowledge derived from the official records made available to me and are based on information and advice received which I believe to be true and correct.

**VERIFICATION:**

I, the above-named Deponent solemnly affirm at Hyderabad on this 28<sup>th</sup> Day of November, 2025 that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed there from.

Solemnly affirmed and signed before me at Hyderabad

On this 28 November, 2025

  
G.P.R. HRUDAYA  
Company Secretary

TGGENCO, Vidyut Soudha,  
HYDERABAD - 500 082

  
Deponent  
Chief Engineer  
Coal & Commercial  
TGGENCO, V.S. Hyderabad-82.

  
Deponent  
Chief Engineer  
Coal & Commercial  
TGGENCO, V.S. Hyderabad-82.

**Annexure-I**

**Status of the TGGENCO Stations Power Purchase Agreements**

| S.No                    | Name of the Generating station                            | Installed capacity (MW)                         | PPA Date   | Valid Up to | Commissioning/ COD of units |
|-------------------------|---|---|------------|-------------|-----------------------------|
| <b>Thermal Stations</b> |   |   |            |             |                             |
| 1                       | KTPS Stage -V   | 500(2X250)                                      | 28.03.2024 | 31.03.2029  | 31.03.1997 to 28.02.1998    |
| 2                       | KTPS Stage- VI  | 1X500   | 22.12.2009 | 22.10.2036  | 23.10.2011                  |
| 3                       | KTPS- Stage VII   | 1x800MW   | 19.03.2018 | 25.12.2043  | 26.12.2018                  |
| 4                       | RTS -B  | 1X62.5  | 28.03.2024 | 03.06.2024  | 17.10.1971                  |
| 5                       | KTPP Stage – I  | 1X500   | 22.12.2009 | 13.09.2035  | 14.09.2010                  |
| 6                       | KTPP Stage II   | 1X600   | 27.01.2016 | 23.03.2041  | 24.03.2016                  |
| 7                       | BTPS  | 4x270MW   | 17.09.2019 | 08.01.2047  | 05.06.2020 to 09.01.2022    |
| <b>Hydel Stations</b>   |   |   |            |             |                             |
| 8                       | Nagarjuna Sagar HES (Main power house & Left canal)       | 875.6(1X110+ 7X100.8 + 2X30)                    | 17.09.2019 | 31.03.2029  | 07.03.1978 to 27.09.1992    |
| 9                       | SLBHES  | 900(6X150)                                      | 17.09.2019 | 31.03.2029  | 26.01.2001 to 04.09.2003    |
| 10                      | Small Hydel (Singur, Pochampad, Nizam Sagar & Palair HES) | 54 (2X7.5+ 3X9 + 2X5 + 1X2)                     | 17.09.2019 | 31.03.2029  | 07.03.1978 to 31.03.2000    |
| 11                      | Mini hydel (Peddapally HES)                               | 9.16 (6X0.22 + 3X0.23+ 2X0.325+ 10X0.5+ 2X0.75) | 17.09.2019 | 31.03.2029  | 31.03.1986 to 29.01.2004    |
| 12                      | Pochampad -II   | 9   | 22.12.2009 | 11.10.2045  | 12.10.2010                  |
| 13                      | Priyadarshini Jurala HES                                  | 234 (6X39)                                      | 19.05.2014 | 03.08.2046  | 31.08.2008 to 04.08.2011    |
| 14                      | Lower Jurala HES  | 240 (6X40)                                      | 30.12.2010 | 30.09.2051  | 19.10.2015 to 01.10.2016    |
| 15                      | Pulichintala HES  | 120 (4x30)                                      | 30.12.2010 | 07.09.2053  | 29.09.2016 To 08.09.2018    |