

Annexure-1

TGGENCO replies to the Data Gaps / Additional Information on Determination of Capital Cost and Provisional Tariff in respect of Unit-1 & Unit-2 of Yadadri Thermal Power Station as directed by the Hon'ble TGERC vide letter Dtd.29.12.2025.

Sl.No	TGERC Comment	TGGENCO Reply
1.	Allocation Statement: In accordance with clause 38.3 of TGERC Multi Year Tariff Regulations' 2023, TGGENCO is required to adopt a reasonable and transparent basis for allocation of capital cost relating to common facilities and joint/common expenditures across all units of Yadadri Thermal Power Station. Accordingly, TGGENCO shall submit an Allocation Statement detailing the basis and methodology adopted for such allocation of capital cost, duly certified by the statutory auditors.	1. The original Detailed Project Report (DPR) for the 5×800 MW Yadadri Thermal Power Station was prepared on 01.06.2015, with an initial estimated project cost of ₹25,099.42 crore. A Letter of Intent (LOI) was initially issued to M/s BHEL on 01.06.2015. However, the works could not be commenced at that time, as Environmental Clearance from MoEF & CC, Government of India, was awaited. After obtaining the necessary approvals from MoEF & CC and TGPCB, a revised LOI was issued to M/s BHEL on 17.10.2017, with the zero date fixed as 17.10.2017 duly incorporating: a) New environmental norms, b) Implementation of GST, and c) A revised commissioning schedule, with Stage-I targeted for October 2020 and Stage-II for October 2021. 2. The breaking of Administrative Approval, the project cost is as follows. a) EPC works: Supply, Erection & Commissioning,

		Civil Works and Contingency. b) Non-EPC works: Balance of Plant (BOP) works, Land, Civil works, Contingency, Establishment cost, Consultancy, Start-up fuel, CSR activities and Interest During Construction (IDC) including Financial Charges (FC). EPC works: 3. Three separate Purchase Orders—covering Supply, Erection & Commissioning, and Civil Works—were issued to M/s BHEL for EPC works for the establishment of the 5×800 MW Yadadri Thermal Power Station, for a total value of ₹20,444.54 Crore. The details are enclosed as Annexure-I(a) For making progressive payment to M/s. BHEL billing break ups (BBUs) were issued as Stage-I (Unit-1 & Unit-2) and Stage-II (Unit-3, Unit-4 & Unit-5) billing break-ups (BBUs) I. Supply and Erection & Commissioning (E&C) contracts. • The common systems such as FGD, Cables, Valves, Ventilation systems, etc. pertaining to Stage-I were included in Unit-1 presuming unit-1 will be commissioned first as Stage-I common
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		facilities are essential required for unit#1 and those pertaining to Stage-II were included in Unit-3. • Plant common systems for all units of YTPS, such as Auxiliary Boiler, Effluent Treatment Plant (ETP), Sewage Treatment Plant (STP), Fire Fighting System, etc., were included in Unit-1. II. BHEL Civil Works: • Two BBUs were issued for Stage-I and Stage-II. • The common system & civil works pertaining to Stage-I were included in Unit-1, • Those pertaining to Stage-II were included in Unit-3, and • The civil works common to the entire plant were included in the Unit-1 BBU. III. It was originally assumed that Unit-1 COD would be achieved earlier. However, Unit-2 achieved COD on 25.01.2025. Hence, while filing the tariff petition, the expenditure towards Stage-I common systems and plant common systems were considered and included under Unit-2 as the same are essentially required for operation of Unit-2. IV. Accordingly, the expenditure incurred on BHEL civil works for the entire YTPS, such as Main Plant, Coal
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		Handling Plant (CHP), Ash Handling Plant (AHP), and Balance of Plant (BOP) civil works, executed up to 25.01.2025 for Stage-I (Unit-1&2) was accounted for under Unit-2 expenditure while filing the tariff petition for Unit-2. 4. NON-EPC works: - Works such as land acquisition, Civil Non-EPC works (including Railway Marshalling Yard, Township, Boundary Wall, construction of buildings, etc.), establishment cost, consultancy services, CSR expenditure, and Interest during Construction (IDC) are as part of Non EPC works. a) While filing the tariff petition for Unit-2, the expenditure incurred up to 25.01.2025 towards land, civil works, consultancy services, and CSR activities was considered and booked under Unit-2. b) Interest During Construction (IDC) and establishment costs were apportioned proportionately among the units. c) Start-up oil consumption was accounted for based on actual consumption. 5. The Auditor Certificate is enclosed as Annexure-I(b).
2	Tariff Forms It is observed that Form-14 and Form-15 were not submitted along	The tariff Filing Forms Form 14 and Form 15 are the Previous FY i.e., 2024-25 details. The Tariff Form 14 & Form 15 of Unit-2 have

	with the capital cost petition for Unit-1 of YTPS. The same may be furnished along with the duly filled checklist for tariff forms.	been submitted. During FY 2025-26, the unit-1 of YTPS COD not completed and bills were not raised.
3	Clarification on Cost Claimed in Form-19.2: It is observed that the expenditure incurred for Unit-2, as shown in Form-19.2 filed along with the Unit-2 petition, is ₹9892.18 crore as on 25.01.2025. However, in the Form-19.2 filed along with the Unit-1 petition, the expenditure incurred for the same Unit-2 is shown as ₹9,478.18 crore as on 31.07.2025. Clarification may be furnished explaining the discrepancy.	Clarification on reasons for discrepancy in the expenditure of Unit-2: The variation in the expenditure figures of Unit-2 is on account of re-allocation of certain common and non-unit-specific cost components at the time of filing the Unit-1 petition. The major components that were initially included in Unit-2 and subsequently deleted from Unit-2 and apportioned to Unit-1 while filing the Unit-1 petition are indicated below. Further, some common cost components are proposed to be apportioned proportionately to Units-3, 4 and 5. Accordingly, the expenditure of Unit-2 reflected in the Unit-1 petition was reduced and difference between the two filings. The re-allocation has been carried out to ensure unit-wise segregation of common costs and consistency across all unit-wise tariff petitions. The detailed statement is enclosed as Annexure-II(a)&II(b).