



**Telangana State Electricity Regulatory Commission**  
5<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Lakdi-ka-pul, Hyderabad 500 004

**ORDER**

**ON**

**MID-TERM REVIEW FOR TRUING UP OF  
THE AGGREGATE REVENUE REQUIREMENT AND  
REVENUE FOR FY 2019-20 TO FY 2021-22  
AND  
REVISED TARIFF FOR FY 2022-23 AND FY 2023-24**

**FOR**

**SINGARENI THERMAL POWER PROJECT  
(2x600 MW) OF  
THE SINGARENI COLLIERIES COMPANY LIMITED**

**23.03.2023**

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## List of Abbreviations

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

MoP	Ministry of Power
MoU	Memorandum of Understanding
MU	Million Units
MW	Mega Watt
MYT	Multi Year Tariff
NAPAF	Normative Annual Plant Availability Factor
NAPLF	Normative Annual Plant Load Factor
NH	National Highway
NHAI	National Highways Authority of India
NIT	Notice Inviting Tender
NOx	Nitrogen oxides
NTPC	National Thermal Power Corporation Limited
O&M	Operations and Maintenance
O.P.	Original Petition
OEM	Original Equipment Manufacturer
OFC	Optical Fibre Communication
PAF	Plant Availability Factor
PAT	Perform, Achieve and Trade
PFC	Power Finance Corporation
PLF	Plant Load Factor
PPA	Power Purchase Agreement
PSC	Pre-Stressed Concrete
PVC	Price Variation clause
R&M	Repairs & Maintenance
RCC	Reinforced Cement Concrete
RCE	Revised Capital Expenditure
RDO	Revenue Division Officer
REC	Rural Electrification Corporation
RITES	Rail India Technical and Economic Service
RoE	Return on Equity
Rs.	Rupees
RUB	Railway Under Bridge
S&T	Signalling and Telecommunication
SBI	State Bank of India
SCCL	Singareni Collieries Company Ltd.
SLC	Standing Linkage Committee
SLDC	State Load Despatch Centre
SMET	Sate Mineral Exploration Trust
SPCB	State Pollution Control Board
SOx	Sulphur Oxides
SPCB	State Pollution Control Board
TNSEB	Tamil Nadu State Electricity Board
TSERC	Telangana State Electricity Regulatory Commission
TSGENCO	Telangana State Power Generation Corporation Ltd.
TSMDC	Telangana State Mineral Development Corporation
TSNPDC	Northern Power Distribution Company of Telangana Ltd.
TSPCC	Telangana State Power Coordination Committee
TSSPDCL	Southern Power Distribution Company of Telangana Ltd.
TSTRANSCO	Transmission Corporation of Telangana Ltd.
UDL	Undischarged Liability
WPI	Wholesale Price Index



# **Telangana State Electricity Regulatory Commission**

5<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Lakdi-ka-pul, Hyderabad 500 004

**O. P. No. 77 of 2022**

## **Present**

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

**Dated 23.03.2023**

## **Between:**

The Singareni Collieries Company Limited,  
Kothagudem Collieries, Bhadradi Kothagudem District 507 101. ... Petitioner

**AND**

- 1) Southern Power Distribution Company of Telangana Limited,  
Corporate Office, # 6-1-50, Mint Compound, Hyderabad 500 063.
- 2) Northern Power Distribution Company of Telangana Limited,  
H.No.2-5-31/2, Corporate Office, Vidyut Bhavan, Nakkalagutta,  
Hanamkonda, Warangal 506 001.

... Respondents

The Singareni Collieries Company Limited (SCCL or petitioner) filed the Petition on 30.11.2022 under Sections 62 and 86(1)(a) & 86(1)(b) of the Electricity Act, 2003 and under the provisions of (Terms and Conditions of Generation Tariff) Regulation No.1 of 2019 for Mid-term review for true-up of the Aggregate Revenue Requirement and Revenue for FY 2019-22 to FY 2021-22 and for revised tariff for FY 2022-23 and FY 2023-24 of generation tariff for 2x600 MW Singareni Thermal Power Plant (STPP).

The Commission, in exercise of its powers under the Electricity Act, 2003, Regulation No.1 of 2019, and after considering Petitioner's submissions, suggestions and objections of the other stakeholders, responses of Petitioner, issues that are raised during the Public Hearing and all other relevant material, passed the following:

## **ORDER**

### **Chapter-1 Introduction**

#### **1.1 BACKGROUND**

- 1.1.1 Telangana State Electricity Regulatory Commission (herein referred to as TSERC or the Commission) was constituted by the Government of Telangana

State (GoTS) in terms of the provisions of Schedule XII(C)(3) of the A.P. Reorganisation Act of 2014, read with Section 82 of the Electricity Act, 2003 (Act) vide G.O.Ms.No.3, Energy (Budget) Department, dated 26.07.2014.

- 1.1.2 The Singareni Collieries Company Limited (SCCL) is a coal mining company incorporated under the Companies Act, 1956. The Company is owned by Government of Telangana (GoTS) with 51.096% shareholding. The other shareholders of the company are Government of India (GoI) and private shareholders in the ratio of 48.902% and 0.002% respectively.
- 1.1.3 SCCL has entered in the business of power generation by setting up a 2x600 MW coal based thermal power plant viz., Singareni Thermal Power Plant (STPP) in Jaipur of Mancherla District, Units I & II of STPP achieved COD on 25.09.2016 and 02.12.2016 respectively.
- 1.1.4 SCCL had entered into a Power Purchase Agreement (PPA) on 18.01.2016 with two distribution companies of Telangana State (TSDISCOMs) for the power generated from STPP which will be sold to them at a tariff decided by the Commission. The PPA shall remain valid for a period of 25 years from the COD of the last Unit (i.e., Unit-II).
- 1.1.5 The Commission, in its Order dated 28.08.2020 trued-up the capital cost and annual fixed charges for 2x600 MW STPP upto 31.03.2019 and determined the tariff for STPP during MYT period of FYs 2019-24. In the said order the Commission also directed SCCL to file Mid-term review petition by 30.11.2022.

## **1.2 STATUTORY PROVISIONS**

- 1.2.1 As per Section 62 of the Electricity Act, 2003 the Commission can determine the tariff for supply of electricity by a generating company to a distribution licensee, further the Commission is empowered to determine tariff for generation and sale of electricity within the State under Section 86(1)(a) & 86(1)(b).
- 1.2.2 The Commission had notified TSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2019 [Regulation No.1 of 2019] which came into force from the date of its publication in Telangana Gazette i.e., on 01.02.2019. As per clauses 3.8.2, 3.12, 27 and other applicable clauses provided in Regulation No.1 of 2019 the SCCL is required to file a petition for

Mid-Term Review for truing-up of generation tariff for STPP for FYs 2019-2022 by 30<sup>th</sup> November of the 4<sup>th</sup> year of the control period i.e., by 30.11.2022., for the sake of convenience the clauses 3.8.2, 3.12 and 27 and other applicable clauses of Regulation No.1 of 2019 are reproduced below:

**3.8.2 Mid-term Review Petition**

- a) *Truing-up for the first and second year and provisional truing-up for third year of the Control Period to be carried out under these Regulations.*
- b) *Revised forecast of Aggregate Revenue Requirement, expected revenue from existing tariff and charges and revenue gap for the fourth and fifth year of the Control Period.  
Provided that a petition may be filed at any time during the Control Period in case of variation in uncontrollable factors that may result in sudden, steep, and sustained increase in tariff.*

... ..

**3.12 Mid-term Review**

**3.12.1** *The Generating Entity shall file a petition for Mid-term Review and truing-up of the Aggregate Revenue Requirement and Revenue for FY 2019-20 and FY 2020-21, and provisional truing-up for FY 2021-22, by November 30, 2021:*

*Provided that the Petition shall include information in such form as may be stipulated by the Commission, together with the Accounting Statements, extracts of Books of Account and such other details, including cost accounting reports or extracts thereof, as it may require to assess the reasons for and extent of any difference in operational and financial performance from the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff.*

**3.12.2** *The scope of the Mid-term Performance Review shall be a comparison of the actual operational and financial performance vis-à-vis the approved forecast for the first three years of the Control Period; and revised forecast of Aggregate Revenue Requirement, expected revenue from existing Tariff, expected revenue gap, for the fourth and fifth year of the Control Period.*

**3.12.3** *Upon completion of the review under clause 3.12.2 herein, the Commission shall attribute any variations or expected variations in performance, for variables specified under clause 6.7 & clause 6.8, to factors within the control of the Petitioner (controllable factors) or to factors beyond its control (uncontrollable factors).*

**3.12.4** *Any variations or expected variations in performance, for variables other than those specified under clause 6.7 of this Regulation, shall not ordinarily be reviewed by the Commission during the Control Period and shall be attributed entirely to controllable factors.*

**3.12.5** *Where the Petitioner believes, for any variable not specified under clause 6.7, that there is a material variation or expected variation in performance for any Year on account of uncontrollable factors, it may apply to the Commission for inclusion of such variable.*

**3.12.6** *Upon completion of the Mid-term Review, the Commission shall pass an order recording:*

- (a) *the approved aggregate gain or loss to the Generating Entity on account of controllable factors for the first two Years of the Control Period and provisional Truing-up for the third year of the Control Period, and the amount of such gains or such losses that may be shared in accordance with clause 6.10 of this Regulation.*
- (b) *The approved aggregate gain or loss to the Generating Entity on account of uncontrollable factors for the first two years of the Control Period and provisional Truing-up for the third year of the Control Period, and the amount of such gains or such losses that were not recovered during the respective years and which may be shared in accordance with clause 6.9 of this Regulation.*
- (c) *The approved modifications to the Aggregate Revenue Requirement and Tariffs for the remainder of the Control Period.*

.....

**6.6 Uncontrollable Factors**

*The “uncontrollable factors” shall comprise the following factors, which were beyond the control of, and could not be mitigated by the Petitioner, as determined by the Commission:*

- 6.6.1 *Force Majeure events;*
- 6.6.2 *Change in law;*
- 6.6.3 *Variation in fuel cost on account of variation in price of primary and/or secondary fuel prices;*
- 6.6.4 *Variation in market interest rates for long-term loan;*
- 6.6.5 *Variation in freight rates;*
- 6.6.6 *Non-Tariff Income;*

**6.7 Controllable Factors**

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

- 6.7.1 *Variations in capitalisation on account of time or cost overruns or inefficiencies in the implementation of a capital expenditure scheme not attributable to an approved change in its scope, change in statutory levies or Force Majeure Events;*
- 6.7.2 *Variation in interest and finance charges, return on equity, and depreciation on account of variation in capitalisation as specified in clause 6.8.1 above;*
- 6.7.3 *Variation in performance parameters, such as Availability, Auxiliary Consumption, Secondary fuel oil consumption, Gross Station Heat Rate;*
- 6.7.4 *Variation in amount of interest on working capital;*
- 6.7.5 *Variation in Operation and Maintenance Expenses;*
- 6.7.6 *Variation in coal transit losses;*

**6.8 Mechanism for pass through of gains or losses on account of uncontrollable factors**

- 6.8.1 *The uncontrollable cost shall be determined based on a petition filed by the concerned Generating Entity;*
- 6.8.2 *The aggregate gain or loss to a Generating Entity on account of variation in cost of fuel from the sources considered in the Tariff Order, including blending ratio of coal procured from different sources, shall be passed through as an adjustment in its energy charges on a monthly basis, as specified in clause 21.6 of this Regulation;*

- 6.8.3 *The consequential impact of decisions of higher Courts or Tribunals or Review Orders passed by the Commission on the Generating Entity'*
- (a) *for the first and second Years of the Control Period shall be addressed in the Mid-term Review Order;*
- (b) *for the third, fourth or fifth Years of Control Period shall be addressed in the End of Control Period Review Order;*
- 6.9 **Mechanism for sharing of gains or losses on account of controllable factors**
- 6.9.1 *The approved aggregate gain to the Generating Entity on account of controllable factors shall be dealt with in the following manner:*
- (a) *Two-third (2/3<sup>rd</sup>) of the amount of such gain shall be passed on as a rebate in tariff over such period as may be stipulated in the Order of the Commission;*
- (b) *The balance amount of such gain shall be retained by the Generating Entity;*
- 6.9.2 *The approved aggregate loss to the Generating Entity on account of controllable factors shall be dealt with in the following manner:*
- (a) *One-third (1/3<sup>rd</sup>) of the amount of such loss may be passed on as an additional charge in tariff over such period as may be stipulated in the Order of the Commission;*
- (b) *The balance amount of such loss shall be absorbed by the Generating Entity;*

27. **Summary of timelines**

<b>Description</b>	<b>Filing of the Document (on or before)</b>	<b>Obtaining additional information and acceptance by the Commission</b>	<b>Approval of the Document</b>
Mid-Term Review	30 <sup>th</sup> November of the fourth Year of the Control Period	Within 45 days of filing of document	Within 120 days of acceptance of the filing

### 1.3 PRESENT PETITION

- 1.3.1 SCCL has filed the present petition on 30.11.2022 in accordance with Sections 62, 86(1)(a) & 86(1)(b) of the Electricity Act, 2003 read with clauses 3.8.2, 3.12, 27 and other applicable clauses provided in TSERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2019 [Regulation No.1 of 2019] for Mid-term review and for truing-up of generation tariff for 2x600 MW Singareni Thermal Power Plant (STPP) for FYs 2019-2022 and for revised tariff from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2024.
- 1.3.2 SCCL has submitted that while filing present Aggregate Revenue Requirement (ARR)/Tariff proposals, the SCCL has endeavoured to comply with the various applicable legal and regulatory directions of the Commission including the directions contained in the Conduct of Business Regulations, 2015 and the

Regulation No.1 of 2019 (Terms and Conditions of Generation Tariff) notified by the Commission.

- 1.3.3 Further submitted that based on the information available, the SCCL has made bonafide efforts to comply with the directions of the Commission and discharge its obligations to the best of its abilities.

#### **1.4 ADMISSION OF PETITIONS AND REGULATORY PROCESS**

- 1.4.1 The Petition was examined and found to be generally in order as required under TSERC (Conduct of Business) Regulations, 2015 (Regulation No.2 of 2015). The original petition has been taken on record by assigning the O.P.No.77 of 2022.

#### **1.5 DATA GAPS AND PETITIONER'S RESPONSES**

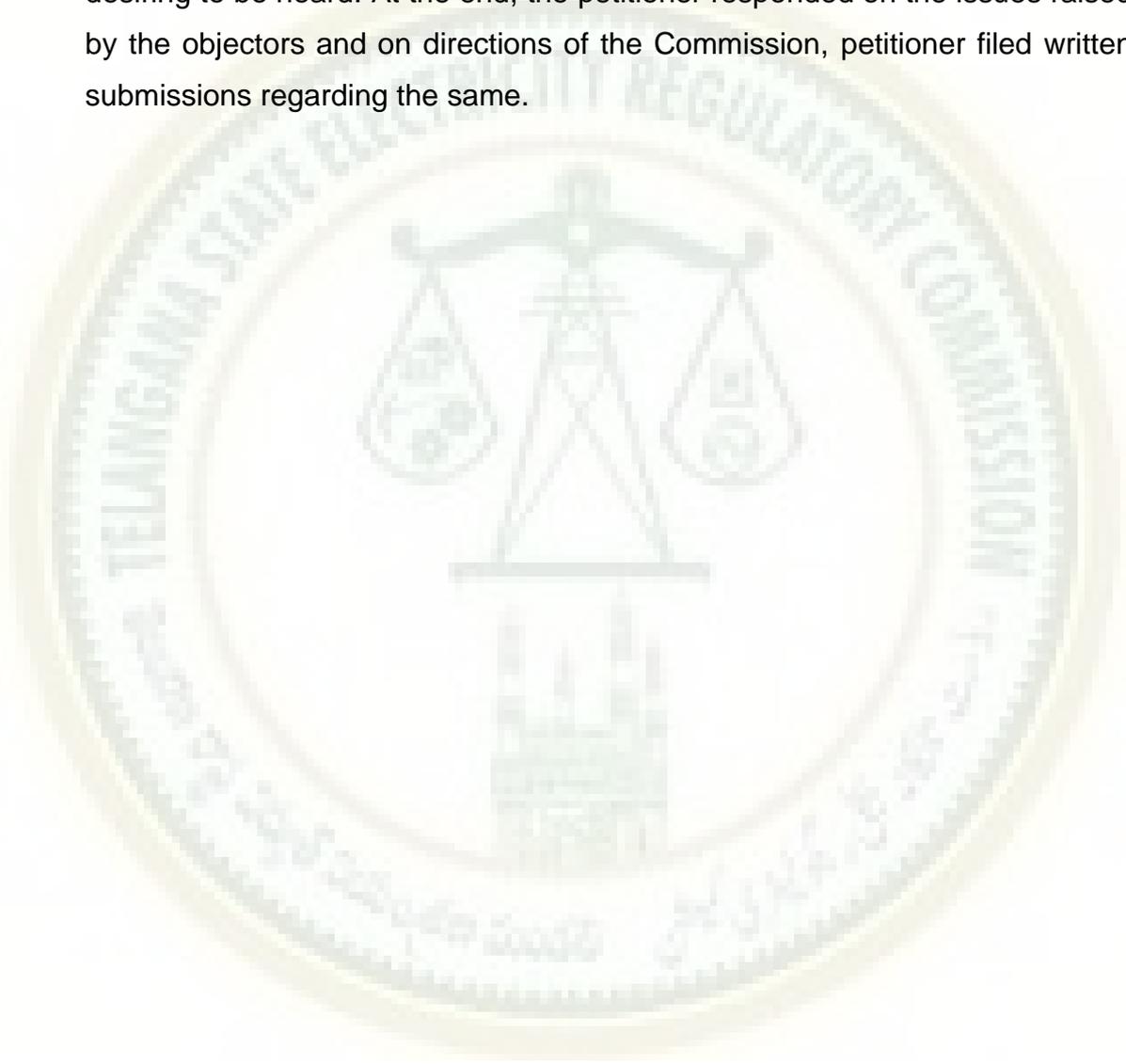
- 1.5.1 During scrutiny, the filings of the Petitioner were found to be deficient in certain aspects and therefore, additional information was sought. The Commission has considered the original filings and additional information submitted by the Petitioner.

#### **1.6 OVERVIEW OF STAKEHOLDERS' CONSULTATION PROCESS**

- 1.6.1 The Petitioner, as directed by the Commission, published for information of all the stakeholders a notice in two (2) Telugu, two (2) English and One (1) Urdu daily newspapers on 15.12.2022.
- 1.6.2 The filings have been made available by the Petitioner along with supporting material to the public at large including all stakeholders. The filings and supporting material were also hosted on the websites of the Petitioner as well as the Commission.
- 1.6.3 It was also notified in the public notice (Annexure-I) that, objections/suggestions on the filings may be filed before the Commission by 12.01.2023.
- 1.6.4 In response to the public notice, objections/suggestions were received from two (2) stakeholders (Annexure-II) by the Commission in writing.
- 1.6.5 The Petitioner was directed to give reply to the stakeholders in writing by 21.01.2023 by sending the same to the respective stakeholder with a copy to

the Commission. The replies were also posted on the website of the Commission.

- 1.6.6 The Public Hearing was conducted on 30.01.2023. The list of persons who attended the Public Hearing on 30.01.2023 is enclosed at Annexure-III.
- 1.6.7 During the Public Hearing, the Petitioner made a brief submission on its filings and then the Commission heard the respondents and other stakeholders desiring to be heard. At the end, the petitioner responded on the issues raised by the objectors and on directions of the Commission, petitioner filed written submissions regarding the same.



## Chapter-2 Summary of Filings

### 2.1 PETITIONER'S SUBMISSIONS

2.1.1 This petition is filed for approval of trueing-up of tariff for 2x600 MW Singareni Thermal Power Plant for FY 2019-20 to FY 2021-22 and for revised tariff from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2024.

2.1.2 The Petitioner has made the following submissions in their original filings and the additional submissions:

- a) Audited statement of actual capital cost and liability upto 31.03.2019;
- b) Audited statement showing year-wise the capital expenditures & the liabilities for STPP during FYs 2019-2022;
- c) Annual Accounts of SCCL for FYs 2019-2022;
- d) The documents for Loan refinancing in FY 2019-22;

### 2.2 MID-TERM REVIEW (MTR) FOR FY 2019-20 TO FY 2021-22

2.2.1 The actual aggregate revenue requirement (ARR) to be recovered from tariff claimed by SCCL for Mid-Term Review MTR for FY 2019-20 to FY 2021-22 is as shown in the Table below:

**Table 2.1: Summary of actual ARR as filed for FY 2019-20 to FY 2021-22**

*Rs.in crore*

Sl. No.	Item Particulars	Actuals as Claimed			Approved in Order dated 28.08.2020			Claimed in MTR		
		2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
<b>A</b>	<b>Annual Fixed Charge (AFC)</b>									
1	Depreciation	405.22	411.27	412.79	400.36	400.36	400.36	4.86	10.91	12.43
2	Interest on Loan	418.69	414.88	374.90	395.83	359.24	322.65	22.86	55.64	52.25
3	Return on Equity	441.92	494.47	496.24	436.40	436.40	436.40	5.52	58.07	59.84
4	Interest on Working Capital	90.18	75.86	78.84	80.40	80.04	79.84	3.26	-2.79	-0.67
5	O&M Expenses	227.65	249.95	281.76	204.18	212.94	222.08	23.47	37.01	59.68
	<b>Sub-Total (AFC)</b>	<b>1583.66</b>	<b>1646.42</b>	<b>1644.54</b>	<b>1517.17</b>	<b>1488.98</b>	<b>1461.33</b>	<b>59.98</b>	<b>158.84</b>	<b>183.54</b>
<b>B</b>	<b>Variable Charges</b>									
1	Coal and Oil cost for generation	2486.91	1784.51	2404.47	2479.10	1794.85	2413.27	2.60	-6.90	-5.87
	<b>Sub-total (Variable Charges)</b>	<b>2486.91</b>	<b>1784.51</b>	<b>2404.47</b>	<b>2479.10</b>	<b>1794.85</b>	<b>2413.27</b>	<b>2.60</b>	<b>-6.90</b>	<b>-5.87</b>
<b>C</b>	<b>Loan Refinancing</b>	<b>0.00</b>	<b>43.05</b>	<b>-68.70</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>43.05</b>	<b>-68.70</b>
<b>D</b>	<b>Other Charges</b>									
1	Incentive	11.34	0.00	19.31	0.00	0.00	0.00	11.34	0.00	19.31
2	Water Charges, Audit fee & Tariff filing fee	3.80	1.82	2.32	0.00	0.00	0.00	3.80	1.82	2.32
	<b>Sub-Total (Other Charges)</b>	<b>15.14</b>	<b>1.82</b>	<b>21.62</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>15.14</b>	<b>1.82</b>	<b>21.62</b>
<b>E</b>	<b>Total Gross ARR (A+B+C+D)</b>	<b>4085.71</b>	<b>3475.79</b>	<b>4001.92</b>	<b>3996.27</b>	<b>3283.83</b>	<b>3874.60</b>	<b>77.72</b>	<b>196.80</b>	<b>130.59</b>
<b>F</b>	<b>Less: Non-Tariff Income (NTI)</b>	<b>2.10</b>	<b>5.73</b>	<b>7.21</b>	<b>17.92</b>	<b>17.92</b>	<b>17.92</b>	<b>-15.82</b>	<b>-12.19</b>	<b>-10.71</b>
<b>G</b>	<b>ARR to be recovered from Tariff (E-F)</b>	<b>4083.63</b>	<b>3470.07</b>	<b>3994.71</b>	<b>3978.35</b>	<b>3265.91</b>	<b>3856.68</b>	<b>93.54</b>	<b>208.99</b>	<b>141.30</b>
<b>H</b>	<b>Net Ex-bus Generation (MU)</b>	<b>8671.23</b>	<b>6895.33</b>	<b>8807.57</b>	<b>8671.23</b>	<b>6895.33</b>	<b>8807.57</b>	<b>8671.23</b>	<b>6895.33</b>	<b>8807.57</b>
<b>I</b>	<b>Average Cost of Electricity in Rs./kWh (G/H)</b>	<b>4.71</b>	<b>5.03</b>	<b>4.54</b>	<b>4.59</b>	<b>4.74</b>	<b>4.38</b>	<b>0.11</b>	<b>0.30</b>	<b>0.16</b>

*Note: Actual availability for FY 2019-20, FY 2020-21 & FY 2021-22 is 95.80%, 88.13% & 93.14% respectively as approved by TSSLDC; Hence, full AFC is claimed in MTR.*

## 2.3 PROJECTED ARR FOR FY 2022-23 TO FY 2023-24

2.3.1 The projected Aggregate Revenue Requirement (ARR) to be recovered from tariff filed by SCCL for the balance period of 4<sup>th</sup> control period i.e., from FY 2022-23 to FY 2023-24 is as shown in the Table below:

**Table 2.2: Summary of projected ARR as filed by SCCL for FY 2022-23 to FY 2023-24**

*Rs.in crore*

Sl. No.	Item Particulars	SCCL Projections		Approved in Order dated 28.08.2020		Variance	
		2022-23	2023-24	2022-23	2023-24	2022-23	2023-24
<b>A</b>	<b>Annual Fixed Charges (AFC)</b>						
1	Depreciation	415.13	416.84	400.36	400.36	14.77	16.48
2	Interest on Loan	335.92	295.87	286.06	249.48	49.86	46.39
3	Return on Equity	499.05	501.11	436.40	436.40	62.65	64.71
4	Interest on Working Capital	91.90	94.57	79.65	79.63	12.25	14.94
5	O&M Expenses	300.80	315.84	231.61	241.55	69.19	74.29
	<b>Sub-Total (AFC)</b>	<b>1642.80</b>	<b>1624.23</b>	<b>1434.08</b>	<b>1407.42</b>	<b>208.72</b>	<b>216.81</b>
<b>B</b>	<b>Variable Charges</b>						
1	Coal and Oil cost for generation	1974.82	1980.23	1974.82	1980.23	0.00	0.00
<b>B</b>	<b>Sub-Total (Variable Charges)</b>	<b>1974.82</b>	<b>1980.23</b>	<b>1974.82</b>	<b>1980.23</b>	<b>0.00</b>	<b>0.00</b>
<b>C</b>	<b>Loan Refinancing</b>	<b>-60.67</b>	<b>-51.55</b>	<b>0.00</b>	<b>0.00</b>	<b>-60.67</b>	<b>-51.55</b>
<b>D</b>	<b>Other Charges</b>						
1	Incentive	0.00	0.00	0.00	0.00	0.00	0.00
2	Water Charges, Audit fee & Tariff filing fee	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Sub-Total (Other Charges)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>E</b>	<b>Total Gross ARR (A+B+C+D)</b>	<b>3556.95</b>	<b>3552.91</b>	<b>3408.90</b>	<b>3387.65</b>	<b>148.05</b>	<b>165.26</b>
<b>F</b>	<b>Less Non-Tariff Income (NTI)</b>	<b>5.01</b>	<b>5.01</b>	<b>17.92</b>	<b>17.92</b>	<b>-12.91</b>	<b>-12.91</b>
<b>G</b>	<b>ARR to be recovered from Tariff (E-F)</b>	<b>3551.94</b>	<b>3547.90</b>	<b>3390.98</b>	<b>3369.73</b>	<b>160.96</b>	<b>178.17</b>
<b>H</b>	<b>Net Ex-bus Generation (MU)</b>	<b>8421.43</b>	<b>8444.50</b>	<b>8421.43</b>	<b>8444.50</b>	<b>8421.43</b>	<b>8444.50</b>
<b>I</b>	<b>Average Cost of Electricity in Rs./kWh (G/H)</b>	<b>4.22</b>	<b>4.20</b>	<b>4.03</b>	<b>3.99</b>	<b>0.19</b>	<b>0.21</b>

Note: 1. Variable Charges in actual billing will be made as per Regulation No.1 of 2019;  
2. Restructuring benefit for FY2022-23 & 2023-24 shall be finalised in end of control period review

## 2.4 SUMMARY OF TARIFFS CLAIMED IN MID-TERM REVIEW

2.4.1 The summary of AFC claimed by SCCL in MTR is given in table below:

**Table 2.3: Summary of AFC claimed in MTR**

*Rs.in crore*

Sl. No.	Item Particulars	AFC claimed in Mid-Term Review					Approved in Order dated 28.08.2020				
		2019-20	2020-21	2021-22	2022-23	2023-24	2019-20	2020-21	2021-22	2022-23	2023-24
	<b>Annual Fixed Charges (AFC)</b>										
1	Depreciation	405.22	411.27	412.79	415.13	416.84	400.36	400.36	400.36	400.36	
2	Interest on Loan	418.69	414.88	374.90	335.92	295.87	395.83	359.24	322.65	286.06	
3	Return on Equity	441.92	494.47	496.24	499.05	501.11	436.40	436.40	436.40	436.40	
4	Interest on Working Capital	90.18	75.86	78.84	91.90	94.57	80.40	80.04	79.84	79.65	
5	O&M Expenses	227.65	249.95	281.76	300.80	315.84	204.18	212.94	222.08	231.61	
6	Less Non-Tariff Income	2.10	5.73	7.21	5.01	5.01	17.92	17.92	17.92	17.92	
	<b>Total</b>	<b>1581.57</b>	<b>1640.69</b>	<b>1637.32</b>	<b>1637.79</b>	<b>1619.22</b>	<b>1499.25</b>	<b>1471.06</b>	<b>1443.41</b>	<b>1416.16</b>	

2.4.2 The summary of variations in AFC claimed by SCCL in MTR is given in table below:

**Table 2.4: Summary of variations in AFC claimed in MTR**

*Rs.in crore*

Sl. No.	Item Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Controllable/Uncontrollable	Regulation clause
1	Depreciation	4.86	10.91	12.43	14.77	16.48	Uncontrollable	7.19.4
2	Interest on Loan	22.86	55.64	52.25	49.86	46.39	Uncontrollable	7.19.4
3	Return on Equity	5.52	58.07	59.84	62.65	64.71	Uncontrollable	7.19.4, 11.3 & 11.4
4	Interest on Working Capital	9.78	-4.18	-1.00	12.25	14.94	Controllable	6.7.4
5	O&M Expenses	23.47	37.01	59.68	69.19	74.29	Uncontrollable	3.12.5 & 26.4

Sl. No.	Item Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Controllable/Uncontrollable	Regulation clause
6	Less Non-Tariff Income	-15.82	-12.19	-10.71	-12.91	-12.91	Uncontrollable	6.6.6
	<b>Total</b>	<b>82.32</b>	<b>169.63</b>	<b>193.91</b>	<b>221.63</b>	<b>229.72</b>		

The item-wise remarks/reasons for variations are as given in table below:

**Table 2.5: Reasons for variations in AFC in MTR**

Item Particulars	Remarks/Reasons for variations in AFC
Depreciation	: Due to increase in Additional capitalization
Interest on Loan	: Due to increase in market interest rates before refinancing and increase in additional capitalization
Return on Equity	: Due to increase in actual applicable tax rates and increase in additional capitalization
Interest on Working Capital	: Due to variation in SBI MCLR
O&M Expenses	: Due to variation in WPI and CPI. Prayed for relaxation of clause 6.7.5 and to include O&M expenses as uncontrollable in accordance with the regulation
Less Non-Tariff Income	: Actual NTI is less compared to approved

- 2.4.3 The variations in Energy charges claimed by SCCL due to actual variation in operating parameters, such as auxiliary consumption, secondary fuel oil consumption, gross station heat rate is given in table below:

**Table 2.6: Summary of variations in Energy charges claimed in MTR**

*Rs.in crore*

Sl. No.	Item Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Controllable/Uncontrollable	Regulation clause
1	ECR Variation	7.80	-10.34	-8.81	0.00	0.00	Controllable	6.7.3

The variations in ECR are due to efficient running of plant.

- 2.4.4 **Impact of refinancing:** The details of impact of refinancing which has resulted in net savings of Interest on Loan is given in table below:

**Table 2.7: Details of impact of refinancing claimed in MTR**

*Rs.in crore*

Sl. No.	Particulars	2019-20	2020-21		2021-22	2022-23	2023-24	Regulation clause
			Before swapping 197 days (01.04.2020 to 14.10.2020)	After swapping 168 days (15.10.2020 to 31.03.2021)				
1	Rate of Interest on Loan	9.52%	10.20%	7.15%	7.16%	7.16%	7.16%	12.6
2	Savings of interest	Not applicable before loan swapping	3.05%		3.03%	3.03%	3.03%	
3	Savings of interest amount		52.19		103.05	91.01	77.33	
4	Loan refinancing benefit proposed to pass on to TSDISCOMs	NA	-34.80		-68.70	-60.67	-51.55	
5	Refinancing charges proposed to be paid by TSDISCOMs	NA	77.84		0.00	0.00	0.00	
6	Total Loan refinancing impact	NA	43.05		-68.70	-6.67	-51.55	

- 2.4.5 The summary of Other Charges claimed in MTR by SCCL is given in table below:

**Table 2.8: Summary of Other Charges claimed in MTR***Rs.in crore*

Sl. No.	Item Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Controllable/Uncontrollable	Regulation clause
1	Incentive	11.34	0.00	19.31	0.00	0.00	Not defined	21.40
2	Water charges, Audit fee & Tariff filing fee	3.80	1.82	2.32	0.00	0.00	Not defined	2.59 & 19.6

The incentive is as per the provisions of Regulations as the actual PLF is greater than Normative Annual Plant Load Factor (NAPLF). The Water charges, Audit fee & Tariff filing fee are actual charges paid over and above O&M charges

- 2.4.6 The summary of total claims including sharing of gains/losses in MTR proposed by SCCL is given in table below:

**Table 2.9: Summary of total claims including sharing of gains/losses in MTR***Rs.in crore*

Sl. No.	Item Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Controllable/Uncontrollable	Regulation clause
1	Depreciation	4.86	10.91	12.43	14.77	16.48	Uncontrollable	7.19.4
2	Interest on Loan	22.86	55.64	52.25	49.86	46.39	Uncontrollable	7.19.4
3	Return on Equity	5.52	58.07	59.84	62.65	64.71	Uncontrollable	7.19.4, 11.3 & 11.4
4	Interest on Working Capital	3.26	-2.79	-0.67	12.25	14.94	Controllable	6.7.4
5	O&M Expenses	23.47	37.01	59.68	69.19	74.29	Uncontrollable	3.12.5 & 26.4
6	ECE benefit sharing	2.60	-6.90	-5.87	0.00	0.00	Controllable	6.7.R
7	Loan restructuring	0.00	43.05	-68.70	-60.67	-51.55	Uncontrollable	12.6
8	Incentive	11.34	0.00	19.31	0.00	0.00	Not defined	21.4
9	Water charges, Audit fee & Tariff filing fee	3.80	1.82	2.32	0.00	0.00	Not defined	2.59 & 19.6
6	Less Non-Tariff Income	-15.82	-12.19	-10.71	-12.91	-12.91	Uncontrollable	6.6.6
	<b>Total Claim</b>	<b>93.54</b>	<b>208.99</b>	<b>141.30</b>	<b>160.96</b>	<b>178.17</b>		
	<b>Net Ex-bus generation(MU)</b>	<b>8671.23</b>	<b>6895.33</b>	<b>8807.57</b>	<b>8421.43</b>	<b>8444.50</b>		
	<b>Average Cost of Electricity in Rs./kWh</b>	<b>0.11</b>	<b>0.30</b>	<b>0.16</b>	<b>0.19</b>	<b>0.21</b>		

- Notes: 1. For uncontrollable factors total gain/loss is passed to beneficiaries;  
2. For controllable factors gain is shared in the ratio of 1:2 between generator and beneficiaries and loss is shared in the ratio of 2:1 between generator and beneficiaries;  
3. For incentive, water charges, audit fee & filing fee total gain/loss is passed to beneficiaries;

## **Chapter-3**

### **Mid-Term Review for Truing up for FY 2019-20 to FY 2021-22**

#### **3.1 OBJECTIONS/SUGGESTIONS ON FILINGS**

3.1.1 The Commission has concluded all the objections/suggestions received from the stakeholders on the Mid-Term Review filings of the petitioner and the rejoinder filed by the petitioner to the submissions by the stakeholder and rejoinder filed by the petitioner to the reply submitted by TSDISCOMs. For the sake of clarity, the objections/suggestions raised by the stakeholders and responses of the petitioner have been consolidated and summarized issue-wise in the subsequent paragraphs.

#### **3.2 BACKGROUND**

3.2.1 SCCL's Board, vide its minutes of meeting held on 19.07.2010 agreed in principle to the DPR of 2x600 MW coal based Thermal Power Project (TPP) at a capital cost of Rs.5527 crore. The Government of undivided Andhra Pradesh, vide its letter dated 03.09.2010 had accorded approval for setting up of 2x600 MW TPP in Jaipur Mandal in Mancherial (erstwhile Adilabad) District by SCCL with a capital cost of Rs.5527 crore (later updated to Rs.5685 crore). SCCL's Board, in its minutes of meeting held on 30.07.2013 had considered the revised cost estimates of Rs.7573.51 crore and recommended for sanction of the Government. GoTS, vide its letter dated 25.04.2015 accorded the approval for the revised cost estimates of Rs.7573.51 crore duly revising the earlier approval for Rs.5685 crore. Units 1&2 achieved COD on 25.09.2016 and 02.12.2016 respectively thereby the project achieved COD on 02.12.2016. SCCL's Board, in its minutes of meeting held on 27.05.2017 accorded approval for the revised cost estimate of Rs.8584 crore for obtaining sanction of GoTS. GoTS, vide its letter dated 23.09.2017 accorded approval for the revised cost estimate of Rs.8584 crore duly revising the earlier approval for Rs.7573.51 crore.

#### **3.3 PREVIOUS ORDERS OF THE COMMISSION**

3.3.1 The Commission in its Order dated 19.06.2017 in O.P.No.9 of 2016 had adopted the CERC (Terms and Conditions of Tariff) Regulation, 2014 for Tariff determination for FY 2016-17 to FY 2018-19. Accordingly, the Commission had

approved the Capital cost and Generation Tariff for 2x600 MW thermal Power Project of the Singareni Coal Collieries Company Limited for FY 2016-17 to FY 2018-19. The Commission had approved capital cost upto COD (02.12.2016) of the project at Rs.6705.71 crore as against the claim of Rs.7,114.82 crore and additional capitalisation upto FY 2018-19 as Rs.7575.25 crore as against the claim of Rs.8780 crore. The Capital cost and additional capitalization (provisional) approved by the Commission in the Tariff Order dated 19.06.2017 in O.P.No.9 of 2016 is as given in the Table below:

**Table 3.1: Approved capital cost in Generation Tariff Order dated 19.06.2017**

Particulars	Capital Cost as on COD	Additional Capitalization (provisional)			Total capital cost upto 31.03.2019
		FY 2016-17	FY 2017-18	FY 2018-19	
		BTG	4366.98	27.72	
BOP	835.71	30.32	0.00	142.72	1008.75
Others	1503.02	66.81	0.00	533.23	2103.06
<b>Total Cost</b>	<b>6705.71</b>	<b>124.85</b>	<b>0.00</b>	<b>744.69</b>	<b>7575.25</b>

Rs. in crore

The capital cost approved is excluding the undischarged liabilities as on COD amounting to Rs.443.81 crore.

As regards the same, the Commission in the Tariff Order held as under:

*“3.4.18 ... .. On account of the above, the Commission, in this Order, has not considered the cost pertaining to discharge of liabilities pending as on COD. The Commission shall consider the same after finalization of the liability, in the approval of generation tariff for the next Control Period after prudence check of the information submitted by the Petitioner. ... ”*

*“3.5.7 ... .. On account of the above, the Commission, in this Order, has not considered the cost pertaining to discharge of pending liabilities as on COD. The Commission shall consider the same after finalization of the liability, in the approval of generation tariff for the next Control Period after prudence check of the information submitted by the Petitioner. ... ”*

*“3.15.2 The Commission observes that the additional capitalisation claimed by SCCL is towards deferred works within the original scope of work. The approach adopted by the Commission in approving the additional capitalisation is as under:*

- (i) The Commission has approved the package wise additional capitalisation based on the claim of SCCL subject to the total cost for the respective package is within the approved cost, provisionally.*
- (ii) The Commission has approved the overheads in the additional capitalisation limiting the same to 5% of the approved additional capitalisation for the respective years.*

- (iii) As discussed in the preceding paragraph, the Commission has not considered the finance charges in the additional capitalisation.”

As such, with the undischarged liabilities the total cost upto 31.03.2019 can be as under:

**Table 3.2: Approved capital cost with undischarged liabilities in Order dated 19.06.2017**

Particulars	<i>Rs. in crore</i>			
	Capital Cost as on COD	Total capital cost upto 31.03.2019 without Undischarged Liabilities	Undischarged Liabilities	Total capital cost upto 31.03.2019 with Undischarged Liabilities
BTG	<b>4366.98</b>	4463.44	414.56	<b>4878.00</b>
BOP	<b>835.71</b>	1008.75	29.25	<b>1038.00</b>
Others	<b>1503.02</b>	2103.06	-	<b>2103.06</b>
<b>Total Cost</b>	<b>6705.71</b>	7575.25	443.81	<b>8019.06</b>

- 3.3.2 Aggrieved by the Commission’s approach in its Order dated 19.06.2017, SCCL has filed an Appeal before the Hon’ble APTEL viz., Appeal No.312 of 2017 on the Commission’s approach on approval of capital cost and the Appeal is still sub-judice. Therefore, the capital cost as on COD of the project of Rs.6705.71 crore is subject to the outcome of the Judgement of Hon’ble APTEL in Appeal No.312 of 2017.
- 3.3.3 In Order dated 08.02.2020 in I.A.No.2 of 2020 in O.P.No.5 of 2019 the Commission had accorded in-principal approval for undertaking the works for complying with revised emission norms and also directed TSDISCOMs to pay the tariff as applicable for FY 2018-19 for the energy supplied by the Petitioner from 01.04.2019 till the disposal of the Original Petition.
- 3.3.4 In Common Order dated 28.08.2020 in O.P.No.4 (true-up for FY 2016-17 to FY 2018-19) and O.P.No.5 of 2019 (MYT for FY 2019-20 to FY 2023-24), O.P.No.8 (Business Plan for FY 2019-20 to FY 2023-24) and O.P.No.9 of 2020 (Capital Investment Plan for FY 2019-20 to FY 2023-24) and I.A.No.2 of 2020 (for interim order) in O.P.No.5 of 2019 approved True-up for FY 2016-17 to FY 2018-19 and Business Plan, Capital Investment Plan & Multi-Year Tariff for FY 2019-20 to FY 2023-24 for Singareni Thermal Power Project (2x600 MW) of the Singareni Collieries Company Limited.

### Additional Capital Cost Approved in Truing Up Order Dated 28.08.2020

3.3.5 Pursuant to the Judgment of Hon'ble APTEL dated 28.09.2018 in DFR No.3035 of 2018 & I.A.No.1127 of 2018 the Commission has undertaken trueing up of additional capitalisation for FY 2016-17 to FY 2018-19. Accordingly, carried out trueing-up exercise along with generation tariff for the next MYT control period i.e., for FY 2019-20 to FY 2023-24. After prudence check of the audited capital expenditure and capitalization as on COD including the discharge of liabilities submitted by SCCL and in line with the principles adopted in the Tariff Order, the Commission in its order dated 28.08.2020 has approved the additional capitalisation upto FY 2018-19 at 1039.60 crore including the undischarged liabilities of Rs.443.81 crore as on COD (Rs.414.56 for BTG and Rs.29.25 crore for BOP) discharged in FY 2016-17 (BTG Rs.(-)1.83 crore, BOP Rs.24.95 crore), in FY 2017-18 (BTG Rs.237.09 crore, BOP Rs.(-)26.82 crore) and in FY 2018-19 (BTG Rs.145.34 crore, BOP Rs.(-)54.14 crore) as given below:

**Table 3.3: Approved capital cost in MYT Tariff Order dated 28.08.2020**

*Rs. in crore*

Particulars	Capital Cost as on COD	Additions in FY 2016-17	Addition in FY 2017-18	Addition in FY 2018-19	Total Capital Cost as on 31.03.2019
BTG	4366.98	-11.23	237.09	222.68	4815.52
BOP	835.71	37.09	73.50	-24.29	922.01
Others	1503.02	23.51	59.05	422.21	2007.79
<b>Total Cost</b>	<b>6705.71</b>	<b>49.37</b>	<b>369.64</b>	<b>620.60</b>	<b>7745.32</b>

3.3.6 The further details are as shown in Table below:

**Table 3.4: Approved capital cost in MYT Tariff Order dated 28.08.2020**

*Rs. in crore*

Sl. No.	Particulars	Total Cost		
		As approved in Tariff Order 2016	Upto CoD	Upto 2018-19
1	Land and Site Development	85.00	61.73	76.55
2	<b>BTG</b>	4878.00	<b>4366.98</b>	<b>4815.52</b>
3	<b>BoP</b>	1038.00	<b>835.71</b>	<b>922.01</b>
4	External Water Supply System			
	1 TMC from River Godavari	406.00	83.48	403.57
	2 TMC from River Pranahita			
5	Raw Water Reservoir	67.00	43.17	54.57
6	Railway Siding	80.00	0.00	80.00
7	Other Works undertaken by SCCL			
	Additional 400 kV Bays	28.69	0.00	28.69
	Plant Roads & Culverts	20.00	11.44	12.69
	Coal transport roads	56.48	42.61	43.95
	Boundary Walls	17.19	16.94	17.19
	Gate complex, Security etc.	5.40	0.23	1.52

Sl. No.	Particulars	Total Cost		
		As approved in Tariff Order 2016	Upto CoD	Upto 2018-19
	Township	80.00	52.18	80.00
	Environmental Impact measures & Mandatory capital expenditure under MoEF clearance	27.10	10.24	15.09
	Weigh Bridge, Fire Tender etc.	2.00	0.42	1.49
	Furniture & office automation	5.00	2.37	4.78
	Miscellaneous expenditure	5.00	3.48	5.00
	<b>Sub-total (7)</b>	<b>246.86</b>	139.91	<b>210.40</b>
8	Overheads	334.58	291.10	299.07
	<b>Total Hard Cost</b>	<b>7135.44</b>	5822.08	<b>6861.69</b>
9	Interest During Construction & financing charges	883.63	883.63	883.63
10	<b>Total Capital Cost</b>	<b>8019.07</b>	<b>6705.71</b>	<b>7745.32</b>

3.3.7 The Commission also directed SCCL to file midterm revenue petition within 30.11.2022. The relevant portion is as below:

*"5.2.7 ... .. In accordance with clause 27 of the Regulation No.1 of 2019, SCCL is required file the Mid-Term Review petition by 30.11.2022. ...."*

3.3.8 Accordingly, SCCL has submitted the Mid-Term review petition on 30.11.2022.

### 3.4 DISCHARGE OF LIABILITY

#### ***Petitioner's Claim***

3.4.1 Now in the present MTR petition the SCCL based on their audited statement showing the break-up of actual capital cost upto 31.03.2020, 31.03.2021 and 31.03.2022, statement of liabilities and annual accounts submitted that the undischarged liabilities of Rs.119.22 crore (BTG Rs.33.96 crore and BOP Rs.85.26 crore) were fully discharged in FY 2019-20 and as such allow in the capital cost stating that as per clause 7.19.1(j) of Regulation No.1 of 2019 that any liability for the works is required to be admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments.

#### ***Stakeholders Objection***

3.4.2 How long SCCL will continue to claim revised capital cost? Even after six (6) years of COD, SCCL claims revision of capital cost.

3.4.3 The Mid-Term Review is basically a performance review but not for allowing additional capitalization after cut-off date because revision of capital cost would be re-determination of tariff and the Regulation No.1 of 2019 does not permit the same. The clause 7.19.1(j) stipulates that "*any liability for works admitted*

*by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments.”*

- 3.4.4 SCCL has reclaimed the undischarged liabilities and are not allowable as per clause 7.19.1(j) of Regulation No.1 of 2019 as the approved cost in MYT order dated 28.08.2020 attained finality.

***Petitioner’s Response***

- 3.4.5 Mid-Term Review is filed in compliance of Order dated 28.08.2020 of MYT order for FYs 2019-2024. All capital claims in this petition are well within the limit of Rs.8780 crore Revised Capital Expenditure approved by Government of Telangana vide letter dated 23.09.2017. All the claims are well within the permitted regulatory process. SCCL is a Government company, it used public money to finance the equity of its investment in the project. Additional/ revised capital expenditures also require huge money which provides long term benefit to the investments already made and the same ensures sustainability of investment. If a return to investments made from public money are not allowed in tariff then the growth of public money will be slow and negative at times, which will reduce the capacity to invest in risky infrastructure project. This ultimately will result in reduced growth of State Development.

- 3.4.6 The Commission has already approved the related works of BTG and BOP and allowed capitalization for BTG & BOP. But deducted the undischarged liability of Rs.33.96 crore and Rs.85.26 crore for BTG and BOP respectively.

- 3.4.7 Therefore, the liability, undischarged now within the already approved limit of capital cost for BTG and BOP is required to be allowed under revised capitalization as per clause 7.19.1(j) of Regulation No.1 of 2019, which is reproduced below:

*“7.19.1(j) Any liability for works admitted by the Commission after the Cut-Off Date to the extent of discharge of such liabilities by actual payments.”*

***Commission’s View***

- 3.4.8 The Commission in its order dated 19.06.2017 in O.P.No.9 of 2016 with regard to undischarged liability of Rs.443.81 crore as on COD has held that the same shall be considered after finalization of the discharge of liability in the approval of generation tariff for the next Control Period after prudence check of the information submitted by the petitioner. Whereas the Commission in its truing

up and MYT (i.e., for next control period) Common Order dated 28.08.2020 has approved the additional capitalisation upto FY 2018-19 at Rs.1039.60 crore including all the liabilities. The capital cost approved for BTG at Rs.4815.52 crore and for BOP at Rs.922.01 crore as on 31.03.2019 are without any further leftover or balance undischarged liabilities and has attained finality. As rightly cited by TSDISCOMs during the public hearing, in this matter, the Commission also relies on the Hon'ble APTEL Judgment dated 10.08.2010 in Appeal No.37 of 2010 in the matter of "*Meghalaya State Electricity Board Vs. Meghalaya State Electricity Regulatory Commission*" where the Hon'ble APTEL held that –

*"... .. The state Commission is bound to apply its mind to make a prudence check whether the expenditure is to be allowed or not. Therefore the State Commission is not bound by the Certificates of the Auditors. ... .."*

3.4.9 Accordingly, the Commission not allowed the claim of the petitioner for revision of capital cost due to discharge of liabilities of Rs.119.22 crore in FY 2019-20.

### **3.5 SPILL OVER WORKS BEYOND 31.03.2019**

#### ***Petitioner's Claim***

3.5.1 The projected capital expenditure for spill over items amounting to Rs.199.78 crore was submitted in MYT 2019-24. However, as the details of year-wise breakup of spill over items were not available, Rs.199.78 crore could not be claimed in the tariff computation for MYT 2019-24.

3.5.2 The Commission has recorded the relevant facts for spill over items in para 5.4.17 of its order dated 28.08.2020 as given below:

*"5.4.17 ... .. SCCL submitted the details of spill over of ongoing works from the previous control period from FY 2016-17 to FY 2018-19 to the current control period from FY 2019-20 to FY 2023-24. However, SCCL has not considered the additional capitalisation pertaining to this spill over items in its tariff computations for the control period from FY 2019-20 to FY 2023-24."*

3.5.3 Accordingly, the Commission had not included any additional capitalization stated that it would consider the impact of additional capitalization during the mid-term review.

3.5.4 The relevant portion of the said order dated 28.08.2020 is reproduced below:

*"5.4.40 In accordance with clause 7.19.4 of the Regulation No.1 of 2019, the Commission shall consider the impact of additional capitalisation on tariff*

during Mid-Term Review or tariff determination for the next control period as the case may be.”

3.5.5 Accordingly, the expenditures towards spill over works is required to be considered for determination of capital cost/tariff during MYT period.

3.5.6 These actual expenditures are claimed as additional capitalisation in respective years as shown below:

**Table 3.5: Additional capital cost claimed by SCCL**

*Rs. in crore*

Actual Expenditure			Projected Expenditure
FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-24
76.51	32.85	24.19	66.22

3.5.7 The further details are as shown in the Table below:

**Table 3.6: Additional capitalisation claimed for FYs 2019-22**

*Rs. in crore*

Sl. No.	Particulars	Additional capitalisation claimed		
		2019-20	2020-21	2021-22
1	Land and Site Development	0.03	0.00	0.00
2	BTG	56.76	13.83	10.05
3	BoP	2.93	0.24	1.02
4	External Water Supply System	0.00	0.00	0.00
	1 TMC from River Godavari	0.00	0.00	0.00
	2 TMC from River Pranahita	0.00	0.00	0.00
5	Raw Water Reservoir	0.03	0.00	0.33
6	Railway Siding	8.02	15.40	0.34
7	Other Works undertaken by SCCL	0.00	0.00	0.00
	Additional 400 kV Bays	0.00	0.00	0.00
	Plant Roads & Culverts	0.38	0.00	0.00
	Coal transport roads	0.00	0.00	3.36
	Boundary Walls	0.00	0.00	0.00
	Gate complex, Security etc.	0.45	0.09	0.18
	Township	2.55	0.64	4.48
	Environmental Impact measures	0.00	0.00	0.00
	Mandatory capital expenditure under MoEF clearance	0.00	0.00	0.00
	Weigh Bridge, Fire Tender etc.	0.00	0.00	0.00
	Furniture & office automation	0.09	0.22	0.06
	Miscellaneous expenditure	2.21	1.76	0.47
	<b>Sub-total (7)</b>	<b>5.68</b>	<b>2.71</b>	<b>8.55</b>
8	Overheads	3.06	0.67	3.90
	<b>Total Hard Cost</b>	<b>76.51</b>	<b>32.85</b>	<b>24.19</b>
9	Interest During Construction & financing charges	0.00	0.00	0.00
10	<b>Total Capital Cost</b>	<b>76.51</b>	<b>32.85</b>	<b>24.19</b>

### **Stakeholders Objection**

3.5.8 The claim of SCCL for spill over works are not tenable because of the Hon'ble APTEL judgement in Appeal No.37 of 2010 which provides that prudence check is the criteria but not audited figures. The ratio of Hon'ble APTEL judgment will

apply in this case also and the State Commission is not bound by the certificates of the Auditors.

### ***Petitioner's Response***

3.5.9 There is no disagreement to the principle of prudence check for allowance in revised capitalisation.

3.5.10 The details of revised capitalisation for spill over items have been submitted in this MTR petition.

3.5.11 The reason for non-allowance of spill over works from the Commission's own observation in the MYT order dated 28.08.2020 is reproduced below:

*"5.4.17 ... .. However, SCCL has not considered the additional capitalisation pertaining to this spill over items in its tariff computations for the control period from FY 2019-20 to FY 2023-24."*

3.5.12 Accordingly, the spill over expenditures which are crystallized now are required to be considered for determination of capital cost/tariff during MYT period.

### ***Commission's View***

3.5.13 As per clause 7.19.1 of Regulation No.1 of 2019, the pre-requisite for allowing any expenditure/claim after cut-off date is that the works must have been approved by the Commission. Further in order dated 28.08.2020 it has been emphasised that the additional capitalisation beyond the original scope of work and after the cut-off date is not allowable. In view the above the Commission is not inclined to approve the additional capitalisation due to spill over works of the petitioner for Rs.199.78 crore.

3.5.14 However, the Commission in its order 08.02.2020 in exercise of its power of relaxation under clause 26.4 read with clause 7.10.1 of Regulation No.1 of 2019 has accorded in-principal approval for additional capital works after cut-off date for executing of works for FGD system and in-furnace modifications for NOx in compliance with revised emission control norms, subject to the prudence check of the expenditure after commissioning of FGD system.

## **3.6 RAILWAY SIDING WORKS**

### ***Petitioner's Claim***

3.6.1 In capital investment plan for FY 2019-24 it is proposed for Overhead Electrification Works (OHE) and Signalling and Telecommunication (S&T)

works for railway siding. The scope of these works were included in the Detailed Project Report (DPR). However, these works were delayed due to land acquisition issues and lack of available funds which cropped up due to non-payment of power bills by TSDISCOMs.

3.6.2 The Commission in its order dated 28.08.2020 did not approve the OHE and S&T works. Accordingly, initially these works were not taken up in line with the MYT order dated 28.08.2020. Subsequent to the proceedings in the MYT FYs 2019-24 as per the emerging statutory requirements these are now required to be completed.

3.6.3 SCCL board also accorded separate approval for these works based on the emergency nature of the work along with liberty provided by the Commission in (para 5.4.38) the said order dated 28.08.2020, where capital expenditure for emergency works not approved in the capital investment can be claimed before the Commission in accordance with clause 7.8 of the Regulation No.1 of 2019 for its approval.

#### ***Stakeholders Objection***

3.6.4 Only Emergency nature of works supported by proper justification is to be allowed. The emergency nature means, factors which would affect the power generation of STPP only qualify for consideration, whereas the STTP has been able to achieve higher PLF each year with the existing infrastructure and therefore the emergency nature claimed by SCCL is not justified. SCCL has adequate funds for executing railway siding works.

3.6.5 The Commission in MYT order dated 28.08.2020 allowed Rs.80 crore towards Railway works and the Coal Controller (CCDAC) has already sanctioned a grant of Rs.196 crore, amount already approved is Rs.164.23 crore, balance amount to be approved is Rs.31.77 crore and the amount released as on filing is Rs.121.20 crore). Further (para 5.4.10) the said order states that “*The railway siding work was commissioned in FY 2018-19 and most of the coal for power generation is received through railway mode. ...*” The Commission has disallowed the capital investment proposed for Railway works in the MYT Order dated 28.08.2020 as extracted below:

“5.4.35 *The Commission has gone through the details of railway works and justification submitted by SCCL for the same. In accordance with clause*

*7.19.1 of the Regulation No.1 of 2019 the capital investment for railway works is not allowable as the same is after cut-off date. The consumers cannot be unduly burdened for the act of Commission on part of the Petitioner. In view of the above, the Commission does not find it prudent to exercise the power of relaxation of clause 7.19.1 for allowing capital investment for railway works.”*

- 3.6.6 The railway siding facility proposed by SCCL is a common infrastructure facility for usage by the petitioner and also other non-power sector consumers viz., ACC (Cement Producers) besides the STPP, for seamless transportation of coal from its mines (under short term/Bridge Linkage to STPP) to its customers, Hence, claiming such expenditure on distribution licensees is not justified.

***Petitioner’s Response***

- 3.6.7 The railway siding expenditure as on 31.03.2022 was Rs.346.33 crore, whereas the Commission in its tariff order dated 19.06.2017 has allowed only Rs.80 crore towards this effect but deferred its final decision on this aspect to be considered as per release of funds from CCDAC.

- 3.6.8 Therefore, it can be seen from the above that SCCL is entitled for Rs.145 crore (Rs.346 crore - Rs.80 crore – Rs.121 crore) towards the said work. Accordingly, it is evident that the petitioner SCCL is short of fund for executing the railway siding works.

- 3.6.9 The main reason for claiming OHE and S&T under emergency works is obsolescence of Diesel Loco and electrification of lines being made mandatory by railway authorities and is also likely to result in reduction of coal transport charges.

- 3.6.10 Further, an amount of Rs.23.82 crore was already paid to South Central Railway for this work. However, the tariff component on these works shall be claimed once this work gets completed. Accordingly, to allow these expenditures.

***Commission’s View***

- 3.6.11 The Commission reiterates its stand as held in its Order dated 28.08.2020 and is reproduced below:

*“... .. the capital investment for railway works is not allowable as the same is after cut-off date. ... .. ”*

### Capital Cost upto FY 2021-22

3.6.12 Based on the above, the capital cost at actuals as claimed by SCCL (SCCL has claimed in workings for spill over works only) and as approved by the Commission upto FY 2021-22 as Rs.7745.32 crore, details are as shown in the Table below:

**Table 3.7: Capital cost at actuals as claimed and approved upto FY 2021-22**

Rs. in crore

Particulars	Approved in MYT Tariff Order	
<b>Capital Cost upto 2018-19</b>	<b>7745.32</b>	
Additional capitalisation	<b>Claimed in MTR</b>	<b>Approved in MTR</b>
FY 2019-20	76.51	0.00
FY 2020-21	32.85	0.00
FY 2021-22	24.19	0.00
<b>Total additional capitalisation (B)</b>	<b>133.55</b>	<b>0.00</b>
<b>Total Capital Cost upto FY 2021-22 (A+B)</b>	<b>7878.87</b>	<b>7745.32</b>

### 3.7 COMPONENTS OF TARIFF

3.7.1 The Components of Tariff as stipulated in Regulation No.1 of 2019 are as follows:

“15. **Components of Tariff**

15.1 *The tariff for sale of electricity from a thermal Power Generating Station shall comprise of two parts, namely,*

15.1.1 *The Annual Fixed Charges and*

15.1.2 *Energy Charges (for recovery of primary and secondary fuel cost)*

15.2 ... ..

15.3 **Annual Fixed Charges:** *The annual fixed charges shall comprise of the following elements:*

15.3.1 *Depreciation;*

15.3.2 *Interest and finance charges on loan;*

15.3.3 *Interest on Working Capital;*

15.3.4 *Operation & Maintenance Expenses;*

15.3.5 *Return on Equity;*

**Minus**

15.3.6 *Non-Tariff Income;*

*Provided that Depreciation, Interest and finance charges on loan, interest on working capital and Return on Equity for Thermal and Hydro Generating Stations shall be allowed in accordance with the provisions specified in these Regulations”*

### 3.8 DEPRECIATION

#### ***Petitioner's Claim***

- 3.8.1 SCCL has claimed the depreciation in accordance with clause 10 of Regulation No.1 of 2019. i.e., the depreciation was computed based on straight-line method after considering the rates of depreciation specified in CERC (Terms and Conditions of Tariff) Regulations, 2014. SCCL has claimed the depreciation at actuals as given in table below:

**Table 3.8: Depreciation actuals as claimed for MTR**

*Rs. in crore*

Item Particulars	Actuals as Claimed			Approved in Order dated 28.08.2020			Variance		
	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
Depreciation	405.22	411.27	412.79	400.36	400.36	400.36	4.86	10.91	12.43

- 3.8.2 SCCL submitted that the variations in Depreciation are due to increase in additional capitalization.

#### ***Stakeholders Objection***

- 3.8.3 Depreciation depends on the GFA of the capital cost admitted by the Commission. The Commission has accorded in-principal approval for executing of works under FGD & NO<sub>x</sub> emission norms compliance, under additional capitalization allowed after cut-off date, subject to the prudence check of the expenditure after commissioning of the FGD system. Till the FGD system works are capitalized, there should not be any changes in the approved capital cost for FYs 2019-24 and the depreciation sums already approved in the MYT order dated 28.08.2020 in O.P.No.5 of 2019 should continue without any change.

#### ***Commission's View***

- 3.8.4 As per clause 10.10. of Regulation No.1 of 2019 depreciation shall be recomputed for assets capitalised at the time of truing-up along with the Mid-term Review (MTR) or at the end of the control period, based on the documentary evidence of assets capitalised by the petitioner, subject to the prudence check of the Commission, such that the depreciation is allowed proportionately from the date of capitalisation.
- 1.1.1 The Commission after prudence check and based on the documents in support of the assets capitalisation has approved the depreciation in accordance with clause 10.10 of the Regulation No.1 of 2019 considering the approved GFA and additional capitalisation. The GFA and depreciation at actuals as claimed

by SCCL and approved by the Commission for FY 2019-20 to FY 2021-22 is as shown in the Table below:

**Table 3.9: Depreciation at actuals as claimed and approved for MTR**  
Rs. in crore

Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Opening GFA	7745.32	7745.32	7941.05	7745.32	7973.89	7745.32
Addition during the year	195.73	0.00	32.85	0.00	24.19	0.00
Closing GFA	7941.05	7745.32	7973.89	7745.32	7998.08	7745.32
Rate of Depreciation	5.17%	5.17%	5.17%	5.17%	5.17%	5.17%
<b>Depreciation</b>	<b>405.22</b>	<b>400.36</b>	<b>411.27</b>	<b>400.36</b>	<b>412.79</b>	<b>400.36</b>

3.8.5 The variation in depreciation at actuals as claimed by SCCL and approved by the Commission is on account of the variations in GFA base.

### 3.9 INTEREST AND FINANCE CHARGES ON LOAN

#### *Petitioner's Claim*

3.9.1 The total loan requirement of the project have been made through loans taken in two (2) different tranches, the Loan-I of Rs.3980 crore was taken from Power Finance Corporation (PFC) and Loan-II for Rs.1320 crore was taken from PFC-REC consortium and was equally contributed by PFC & REC on similar terms & conditions of the Loan-I.

3.9.2 During FYs 2016-19 loan restructuring was claimed based on efforts on rate negotiations which was not allowed by the Commission.

3.9.3 The clause 12.6 of Regulation No.1 of 2019 specifically allows for refinancing of loan if it results in net savings. Accordingly, SCCL undertook loan refinancing on 15.10.2020 during FY 2020-21 by which old lenders (PFC and REC) were being replaced by new lenders (SBI and ICICI). The loan amounts and applicable interest rates before and after the refinancing is indicated in the table given below:

**Table 3.10: Loan amount and applicable interest rates before and after refinancing**

Before Restructuring			Restructuring cost (Rs.in crore)	After Restructuring		
Financial Institute	Loan closing amount (Rs.in crore)	Interest rate %		Financial Institute	Loan closing amount (Rs.in crore)	Interest rate %
PFC-I	2891.50	10.37	77.84	SBI	2891.5	7.29
PFC-II	470.736	9.99		ICICI	981.731	6.72
REC	510.995	9.42				
<b>Total</b>	<b>3873.23</b>	<b>10.20</b>	<b>77.84</b>	<b>Total</b>	<b>3873.23</b>	<b>7.15</b>

3.9.4 This loan restructuring dated 15.10.2020 has resulted in instantaneous reduction of interest to the tune of 3.05% with an associated One (1) time restructuring cost of Rs.77.84 crore incurred as pre-closure charges of older loans, which is beneficial to TSDISCOMs.

3.9.5 SCCL has claimed the Interest and Finance charges on Loan at actuals as given in table below:

**Table 3.11: Interest and Financial charges on Loan at actuals as claimed for MTR**

*Rs. in crore*

Item Particulars	Actuals as Claimed			Approved in Order dated 28.08.2020			Variance		
	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
Interest on Loan	418.69	414.88	374.90	395.83	359.24	322.65	22.86	55.64	52.25

3.9.6 SCCL submitted that the variations in Interest on Loan are due to increase in market interest rates before refinancing and increase in additional capitalization.

**Stakeholders Objection**

3.9.7 The Commission allowed interest rate @ 9.14% in MYT order dated 28.08.2020, SCCL considered the post refinance interest rate @ 7.23%. Therefore, the interest rate reduction will be 1.91% (9.14%-7.23%) but not 3.05% as claimed by the SCCL. Thereby interest amount reduce by Rs.67.43 crore/annum, but significant re-finance cost of Rs.77.84 crore would be passed on to TSDISCOMs. TSDISCOMs will not get accrual of any gain for two (2) years period against the proposed loan re-financing.

3.9.8 The clause 12.6.1 of Regulation No.1 of 2019 stipulates as follows:

*“12.6.1 The Generating Entity shall make every effort to refinance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and the net savings shall be shared between the beneficiaries and the Generating Entity in the ratio of 2:1 respectively, subject to prudence check by the Commission”.*

3.9.9 The clause stipulates the sharing of 1/3<sup>rd</sup> gain to the generator, whenever there is net saving only. However, no gain would accrue to TSDISCOMs for almost two (2) years period, therefore the claim of the petitioner for immediate sharing of 1/3<sup>rd</sup> gain is not plausible.

### Petitioner's Response

3.9.10 Computation of interest rate, benefit of loan restructuring and total Loan refinancing impact proposed to be passed on to TSDISCOMs is as given below:

**Table 3.12: Interest rate including the benefit for loan restructuring as filed**

*Rs. in crore*

Particular	FY 2019-20	FY 2020-21		FY 2021-22
		Before swapping 197 days (01.04.2020 to 14.10.2020)	After swapping 168 days (15.10.2020 to 31.03.2021)	
Days	366	197	168	365
Average Net Loan	4397.30	4158.42	3964.28	3677.00
Rate of Interest on Loan	9.52%	10.20%	10.20%	10.20%
Interest on Loan	418.69	228.84	186.04	374.90
Savings of interest	Not applicable before Loan swapping		3.05%	3.03%
Savings of interest amount			52.19	103.05
2/3 <sup>rd</sup> interest passed on to beneficiaries' company.			2.03%	2.02%
2/3 <sup>rd</sup> Savings of interest amount passed on to beneficiaries' company (A)			34.80	68.70
Refinancing charges (B)	Not applicable before Loan swapping		77.84	0.00
<b>Total Loan refinancing impact proposed to be passed on to Discoms(B-A)</b>			<b>43.05</b>	<b>-68.70</b>

3.9.11 Once this loan restructuring for MYT period of 2019-22 is allowed and restructuring benefit and cost is passed on as per the Regulation, the interest on loan for remaining time period shall be subjected to final true-up at the end of current tariff period.

### Commission's View

3.9.12 The first and fourth proviso under clause 12.5 of the Regulation No.1 of 2019 specifies "in no case the rate of interest on loan shall exceed approved rate of RoE" and "Provided that if such rate of notional loan changes by more than MCLR during the control period and such change subsists for more than 3 continuous quarters in a year, then the same shall be effected on the notional loan and adjusted during true-up at the time of Mid-Term Review and End of Control Period Review" respectively.

3.9.13 The Commission has approved the interest and finance charges on loan in accordance with clause 12 of the Regulation No.1 of 2019. The outstanding loan balance approved for FY 2018-19 has been considered as the opening loan balance for FY 2019-20. The approved depreciation has been considered

as the normative repayment for the year. The weighted average interest rate of the actual loan portfolio has been considered as the rate of interest. The interest on loan has been calculated on the normative average loan balance for the year by applying the weighted average rate of interest. SCCL has claimed refinancing charges of Rs.77.84 crore for FY 2020-21.

- 3.9.14 The Commission on consideration of loan refinancing has arrived at weighted average rate of interest @8.84% for the FY 2020-21 and the details are as given below:

**Table 3.13: Interest rate due to loan refinancing during FY 2020-21**

*Rs. in crore*

Particulars	Before swapping 197 days (01.04.2020 to 14.10.2020)	After swapping 168 days (15.10.2020 to 31.03.2021)
Average Net Loan	3,876.98	3,719.10
Interest on loan	213.35	122.39
Wt Average Interest on loan for FY 2020-21 (A)	8.84%	
Interest rate before loan refinancing (B)	10.20%	
Reduction in interest rate due to loan refinancing (C= B-A)	1.36%	

The Commission has computed the reduction in interest on loan amount by using the reduction in interest rate due to loan refinancing and approved average loan balance.

- 3.9.15 Computation of benefit of loan restructuring approved by the Commission and total loan refinancing impact to be passed on to TSDISCOMs is as given below:

**Table 3.14: Interest rate and finance charges Approved in MTR**

*Rs. in crore*

Particular	FY 2019-20	FY 2020-21		FY 2021-22
		Before swapping 197 days (01.04.2020 to 14.10.2020)	After swapping 168 days (15.10.2020 to 31.03.2021)	
Days	366	197	168	365
Average Net Loan (A)	4331.22	3930.86		3530.50
Rate of Interest on Loan before refinancing (B)	9.52%	10.20%	10.20%	7.16%
Interest on Loan (C)	412.40	400.79		252.87
Interest rate after refinancing (D)		8.84%		
Reduction in interest rate due to loan refinancing (E=B-D)	-	1.36%		-

Particular	FY 2019-20	FY 2020-21	FY 2021-22
Savings of interest amount ( $F=E*A$ )		53.30	
Reduction in interest to be passed on to Beneficiaries ( $G=2/3*F$ )		35.53	
Interest on Loan due to reduction in rate of interest ( $H=C-G$ )		365.26	
<b>Refinancing charges (to be passed on to beneficiaries as per Regulation</b>		77.84	
<b>Net interest on Loan (<math>J=H+I</math>)</b>		443.09	

3.9.16 The Commission has considered the reduced interest on loan from FY 2020-21 to FY 2023-24. Though there is reduction in interest rate due to loan refinancing and after sharing of gains/loss as per clause 12.6 of Regulation No.1 of 2019, the net interest on loan for FY 2020-21 has increased as the refinancing charges are to be passed on to beneficiaries as per Regulation No.1 of 2019. The benefit of reduced rate of interest on loan due to loan refinancing is passed on to beneficiaries from FY 2021-22 to FY 2023-24.

3.9.17 The interest and finance charges along with loan refinancing impact claimed by SCCL and approved is as shown in the Table below:

**Table 3.15: Interest and finance charges claimed and approved for MTR**  
Rs. in crore

Particulars	2019-20		2020-21		2021-22	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Interest on loan	418.69	412.40	414.88	400.79	374.90	252.83
Reduction of interest on loan	-	-	-34.80	-35.53	-68.70	-
Refinancing charges			77.84	77.84		
Net interest on loan	418.69	412.40	457.93	443.09	306.20	252.83

**Table 3.16: Net Impact of Interest and finance charges on account of Refinancing for MTR**

Rs. in crore

Financial Year	Interest on loan		
	Approved in MYT Order	Approved in MTR	Variation
2019-20	395.83	412.40	16.57
2020-21*	359.24	443.09	83.85
2021-22	322.65	252.83	-69.82

\* due to reduction in rate of interest, sharing of gains/losses and refinancing charges

3.9.18 The variation in interest and finance charges claimed by SCCL and approved by the Commission is on account of impact of refinancing and sharing of gains/losses as per Regulation No.1 of 2019.

### 3.10 INTEREST ON WORKING CAPITAL (IoWC)

#### *Petitioner's Claim*

3.10.1 SCCL has claimed IoWC at actuals as given in table below:

**Table 3.17: Interest on Working Capital at actuals as claimed for MTR**

*Rs. in crore*

Item Particulars	Actuals as Claimed			Approved in Order dated 28.08.2020			Variance		
	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
Interest on Working Capital	90.18	75.86	78.84	80.40	80.04	79.84	9.78	-4.18	-1.00

3.10.2 SCCL submitted that the variations in Interest on Working Capital are due to variation in SBI MCLR.

#### *Stakeholders Objection*

3.10.3 The major sub-component of working capital is cost of coal required for One (1) month generation corresponding to 85% target availability, which works out 491.50 MT/month. Since the petitioner itself is supplying coal to STPP under Bridge Linkage and is charging additional 20% price on the Basic Coal Price applicable to power sector. Therefore, the coal cost for One (1) month would be higher by additional 20% price thus the working capital and the interest on such working capital would be still higher. As such, top disallow the additional 20% price on the basic cost of coal being charged under the working capital claimed by the SCCL and limit to that extent the interest on working capital.

#### *Petitioner's Response*

3.10.4 SCCL submits that it is supplied with bridge linkage coal with the price applicable for any bridge linkage customers. As such, SCCL has not made any price discrimination between the bridge linkage customers. STPP is constrained to get the coal through bridge linkage. In fact, it is only as per the directives of Ministry of Coal, is being supplied coal through bridge linkage.

#### *Commission's View*

3.10.5 The Commission has approved IoWC in accordance with clause 13 of the Regulation No.1 of 2019.

3.10.6 The working capital requirement has been computed considering the following:

- Cost of coal towards stock corresponding to 30 days generation corresponding to target availability.
- Cost of coal for 30 days of generation corresponding to target availability.
- Cost of secondary fuel oil for two months of generation corresponding to

target availability.

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

3.10.7 The rate of loWC has been considered at a rate 9.66%, 8.57% and 8.50% equal to the weighted average Bank Rate prevailing during the FY 2019-20, FY 2020-21 and FY 2021-22 including 150 basis points. The loWC at actuals as claimed and approved is as shown in the Table below:

**Table 3.18: loWC claimed and approved for MTR**

*Rs. in crore*

Financial Year	Claimed	Approved
2019-20	90.18	89.25
2020-21	75.86	65.86
2021-22	78.84	75.76

3.10.8 The variation in loWC at actuals as claimed by SCCL and approved by the Commission is on account of variation in working capital.

### 3.11 OPERATION & MAINTENANCE (O&M) EXPENSES

#### *Petitioner's Claim*

3.11.1 The O&M expenditure at actuals as claimed by SCCL in Mid-Term Review for FYs 2019-22 is as given below:

**Table 3.19: Summary of O&M expenditure claimed for MTR**

*Rs.in crore*

Item Particulars	Actuals as Claimed			Approved in Order dated 28.08.2020			Variance		
	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
O&M Expenses	227.65	249.95	281.76	204.18	212.94	222.08	23.47	37.01	59.68

3.11.2 SCCL submitted that the variations in O&M Expenses are due to variation in Wholesale Price Index (WPI) and Consumer Price Index (CPI) and also requested for relaxation of clause 6.7.5 and to include O&M expenses as uncontrollable in accordance with the regulation.

3.11.3 The Regulation No.1 of 2019 defines the Operation & Maintenance (O&M) expenses as follows:

*“2.59 Operation and Maintenance expense or O&M expense in respect of a Generating Entity means the expenditure incurred on O&M ... .. and includes the expenditure on manpower, repairs, spares, consumers, insurance and overheads, but excludes fuel expenses and water charges and shall be as determined in clause 19 of this Regulation.”*

- 3.11.4 SCCL in this petition submitted the actual audited O&M cost for FYs 2019-22 segregated in Employee cost, Repairs & Maintenance (R&M) cost, and Administrative & General (A&G) expenditure.
- 3.11.5 O&M expenses as defined in clause 2.59 of Regulation No.1 of 2019 excludes water charges. Further the fees paid for tariff determination and audit fees are to be claimed separately as per clause 19.6 of Regulation No.1 of 2019. Accordingly, water charges, tariff filing fees and audit fees of STPP is claimed separately in this petition (page 531).
- 3.11.6 Further, clause 3.12 of Regulation No.1 of 2019 provides for Mid-Term Review. The power of review can be explained by the following legal principle held in case of *'Inderchand Jain Vs. Motilal'* (2009) 14 SCC 663 as reproduced below:
- "The power of review can also be exercised by the court in the event discovery of new and important matter or evidence takes place which despite exercise of due diligence was not within the knowledge of the applicant or could not be produced by him at the time when order was made."*
- 3.11.7 The tariff of a generating project is a continuous process. The Commission in Mid-Term review also need to consider new and important facts which were not available at the time of passing the preceding MYT tariff order of SCCL.
- 3.11.8 In terms of clause 3.12.3, the Commission in this Mid-Term review need to consider actual operational and financial performance in respect of cost that impacted the generator due to uncontrollable factors though the same is under controllable component.
- 3.11.9 The Commission has also provided liberty to the petitioner vide clause 3.12.5 to apply before it for inclusion of any such variable as uncontrollable, the variation of which occurred due to uncontrollable factors.
- "3.12.5 Where the Petitioner believes, for any variable not specified under clause 6.7 that there is a material variation or expected variation in performance for any year on account of uncontrollable factors, it may apply to the Commission for inclusion of such variable."*
- 3.11.10 The clause 6.7 as mentioned above is required to be read a clause 6.6 (i.e., the list of uncontrollable factors). This mismatch in clause numbers occurred due to some ministerial error which can also be seen in clause 3.12.3.
- 3.11.11 In fact, as per the Regulation, though the main component is under controllable, but if the cost impact is due to circumstances cropped up, which are beyond

the control of generator, it is intitled for such additional costs as certified by their auditors.

**Table 3.20: O&M expenditure claimed for MTR**

*Rs.in crore*

Sl. No	Item	FY 2019-20 (n = 1)	FY 2020-21 (n = 2)	FY 2021-22 (n = 3)	FY 2022-23 (n = 4)	FY 2023-24 (n = 5)
1	R&Mn	107.20	109.53	122.63	120.13	121.12
2	EMPn	92.80	97.56	103.73	114.45	126.27
3	A&Gn	32.34	33.38	36.60	39.65	42.96
4	O&Mn [( R&Mn +EMPn +A&Gn)*99%]	230.01	238.06	260.33	271.49	287.44
Uncontrollable expenditure	Safety and security expenditure (CISF) being additional expenditure for safety and security incurred over and above CISF expenditure included in the base expenditure	0.67	14.62	19.99	19.99	19.99
	Mills annual overhauling	3.78	7.22	7.83	7.83	7.83
	Capital spares	2.04	2.02	10.87	10.87	10.87
5	Total computed O&M	236.50	261.92	299.03	310.18	326.13
6	Total actual O&M*	227.65	249.95	281.76	300.80	315.84
7	Balance reduction due to efficient O&M measures	-8.85	-11.97	-17.26	-9.38	-10.29

3.11.12 The list of O&M items, whose variation are claimed to be beyond the control of SCCL is as follows:

i) **Expenditure for Safety & Security:** The deployment of CISF in STPP started after the COD of both the units and the total deployment of CISF could be completed only in FY 2021-22. The year-wise numbers of CISF personnel present in STPP at the end of each financial year are given below:

- It is clear from the above that the deployment of CISF in the base year was only partial. As such, only 55% of its full capacity manpower was deployed in the base year of FY 2018-19.
- The expenditure for CISF based on Central Government pay structure is required to be reimbursed by STPP which is booked under the revenue expenditure.
- The deployment of CISF was made based on the recommendation of high-level committees on completion of safety review exercise. As per safety report the STPP falls, under the high security zone which is categorized as “Hypersensitive Zone” by Ministry of Home Affairs.
- The Ministry of Home Affairs also categorized the Mancherial District as one of the “Most Effected LWE Districts.”

**Table 3.21: Relevant clauses of Security Expense**

Security Expenses	CERC Tariff Regulation 2019	TSERC Tariff Regulation No.1 of 2019
Capital Expenditure	clause 26(10)(d)	clause 7.19.1(f)
Revenue Expenditure	Over and above O&M expenses clause 35(1)(6)	clause 3.12.5 provides for including of expenditures as uncontrollable

- Accordingly, the expenditure for CISF may be treated as uncontrollable item in O&M. SCCL is applying for inclusion of CISF expenditure as per the clause 3.12.5 as uncontrollable expenditure.

- The following additional expenditure for CISF during FYs 2019-22 is required to be allowed by the Commission in this Mid-Term Review.

**Table 3.22: Additional expenditure for CISF during MTR**

*Rs.in crore*

Particulars	Financial Year					
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Estimated Safety and Security expenditure (CISF) allowed in Tariff Order dated 28.08.2020.	5.47	8.39	11.75	13.69	14.39	15.30
Additional CISF expenditure for safety and Security incurred over allowed above.	0.00	0.00	0.00	0.67	14.62	20.00
<b>Total</b>	<b>5.47</b>	<b>8.39</b>	<b>11.75</b>	<b>14.36</b>	<b>29.01</b>	<b>35.30</b>

- ii) **Expenditure on Coal Mill Annual Overhaul:** At the time of COD, the initial/mandatory spares were purchased with the supply of main equipment and these capital spares were consumed in the first two and half (2½) years for annual mill overhauling. Therefore, the impact of annual Mill Overhauling in O&M expenditure (which comes under revenue) during FY 2016-17 to FY 2018-19 were almost nil. This expenditure caused O&M to increase drastically after FY 2018-19 when initial spares for coal mill capitalized earlier were totally consumed.

**Table 3.23: Mill overhauling expenditure from COD**

*Rs.in crore*

Particulars	Financial Year					
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Mill Overhauling expenditure.	0.00	0.00	0.17	3.78	7.22	7.83

- iii) **Additional Capital Spare:** Capital spare and initial spare is similar from the Regulatory point of view except the fact that the time of purchase of capital spare can be beyond the COD/Cut-off date. Initial capital spares are capital spares are having similar accounting attributes, i.e., these are high value items having life more than One (1) year and these spares are essentially required to run the plant successfully maintaining normative level of operation.

**Table 3.24: Relevant clauses of Initial Capital Spares**

Initial Capital Spares/ Initial pares	CERC Tariff Regulation 2019	TSERC Tariff Regulation No.1 of 2019
Capital Expenditure	clause 23, 24(1)(c)	clause 7.19.1(c), 7.17
Revenue Expenditure	Over and above O&M expenses clause 35(1)(6)	clause 3.12.5 provides giving liberty to apply before the Commission

The problem of capital spare in STPP become severe due to the following reasons:

- The capital expenditure approved on account of initial spare for STPP was only 2.5% (Rs.168.40 crore) of Plant and Machinery included in approved Gross Fixed Asset (GFA), instead of current 4% (Rs.269.36 crore) of Plant and Machinery cost. This has caused Rs.100.96 crore lesser capitalisation in the head of Initial Spars for STPP.

- The Commission did not allow any of the O&M modules for FYs 2019-2024 in its MYT tariff Order dated 28.08.2020 against a proposed capital investment plant of Rs.301 crore.
- As most of these capital spares during FYs 2016-19 were consumed from the stock of available initial spares which were capital items as per books of accounts, the expenditure for capital spares was not properly captured in O&M expenditure of base years (FYs 2017-2019).
- The year-wise audited statement of capital spares consumed for FYs 2019-22 is placed in the Mid-Term Review petition at page No.475.
- Accordingly, to include capital spare expenditure as uncontrollable expenditure in this Mid-Term Review and allow additional O&M cost.

3.11.13 SCCL in their rejoinder filed on the reply submitted by TSDISCOMs has submitted the following element-wise break-up for O&M Expenses.

**Table 3.25: Element-wise break-up of O&M expenses as claimed by SCCL for MTR**

*Rs. in crore*

Sl. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22
<b>1</b>	<b>Employee Cost</b>	<b>77.12</b>	<b>75.30</b>	<b>88.73</b>
a	Salary including manpower cost of O&M contract	71.45	71.09	82.94
b	Special incentive	0.94	0.26	1.26
c	CMPF with Administration Charges	3.26	3.20	3.23
d	Leave Encashment	1.47	0.76	1.30
<b>2</b>	<b>Repairs &amp; Maintenance Expense</b>	<b>101.90</b>	<b>116.07</b>	<b>126.95</b>
a	Stores & Spares	38.19	36.02	42.33
b	Repairs & Maintenance	13.09	16.91	15.87
c	Overhauling cost	-	9.80	19.66
d	Hiring of HEMM, Weigh Bridges & Others	5.38	4.17	4.21
e	STPP-O&M	45.24	49.17	44.89
<b>3</b>	<b>Administrative &amp; General Expenses</b>	<b>48.63</b>	<b>58.57</b>	<b>66.07</b>
a	Purchased power	9.37	5.79	3.16
b	Insurance	11.67	13.80	13.32
c	CISF	14.36	29.01	35.30
d	Others	13.23	9.97	14.30
	<b>Grand Total</b>	<b>227.65</b>	<b>249.95</b>	<b>281.76</b>

### **Stakeholders Objection**

3.11.14 O&M expenses are controllable factor in terms of Regulation No.1 of 2019.

3.11.15 The Ministry of Home Affairs circular dated 09.08.2019, providing list of Hypersensitive LWE effected CISF units did not include Mancherial district where STPP Project is located.

3.11.16 Expenditures for annual coal mill overhauling is a component of R&M expenditure which fall under O&M expenditure, which was already considered by the Commission in MYT order dated 28.08.2020.

3.11.17 The expenditure for capital spares have been factored in O&M expenditure and capital spares were part of O&M expenditure which comes under controllable factor.

***Petitioner's Response***

3.11.18 The detail data/values of annual coal mill overhauling expenditures were not existing in O&M expenditure from FY 2016-17 to FY 2018-19 on which inflationary projections were applied to arrive at normative value of O&M expenditure vide the Commission Order dated 28.08.2020. Accordingly, the normative O&M allowed by the Commission during FYs 2019-24 inadvertently missed expenditures incurred towards annual coal mill overhauling.

3.11.19 The main reason for claiming expenditure on capital spares are constrained capitalization of initial spares and regulatory burden and non-capturing of capital spare expenditure in base year during determination of O&M expenditure by the Commission.

3.11.20 It is not denied that Regulation No.1 of 2019 considers O&M expenditure as controllable item, but the same Regulation also additionally provides clause 3.12.5 by which petitioner may apply before the Commission for inclusion of any variable as uncontrollable factor with justifiable reason in respect of controllable component.

3.11.21 About the objection on non-presence of Mancherial District's name in Ministry of Home Affairs circulated date 09.08.2019, it is to submit that CISF's posed in the STPP are included in the CISF of 'SCCL Singareni'. The circular categorizes CISF units operating in most effected left wing extremist areas. Therefore, CISF unit at STPP, Mancherial was not separately mentioned in that circular.

### **Commission's View**

3.11.22 The O&M expenses comprises of (i) Employee cost, (ii) R&M expenses and (iii) A&G expenses. The clause 19 of the Regulation No.1 of 2019 stipulates the norms for determination of O&M expenses.

3.11.23 The Commission has gone through the computation of normative O&M expenses and actual expenses for FY 2019-20, FY 2020-21 and FY 2021-22 submitted by SCCL.

3.11.24 The computed normative O&M expenses and actual O&M expenses for MTR as claimed by SCCL is detailed in table given below:

**Table 3.26: O&M expenses as computed and at actuals claimed by the petitioner for MTR**

*Rs. in crore*

Sl. No	Item	FY 2019-20		FY 2020-21		FY 2021-22	
		Computed	Actuals	Computed	Actuals	Computed	Actuals
1	R&M	107.20	101.90	109.53	116.07	122.63	126.95
2	EMP	92.80	77.12	97.56	75.30	103.73	88.73
3	A&G	32.34	48.63	33.38	58.57	36.60	66.07
4	O&M	230.01	227.65	238.06	249.95	260.33	281.76
Uncontrollable expenditure	Safety and security expenditure (CISF) being additional expenditure for safety and security incurred over and above CISF expenditure included in the base expenditure	0.67		14.62		19.99	
	Mills annual overhauling	3.78		7.22		7.83	
	Capital spares	2.04		2.02		10.87	
5	Total computed O&M	236.50		261.92		299.03	
7	Balance reduction due to efficient O&M measures	-8.85		-11.97		-17.26	

### **Additional Expenditure claimed as uncontrollable O&M expenses:**

3.11.25 The petitioner has claimed the additional CISF expenditure for safety & security as uncontrollable expenditure. The Commission has done prudence check based on the petition filed and additional information submitted by SCCL in their rejoinder filed on the reply submitted by TSDISCOMs. The clause 6.7.5 of Regulation No.1 of 2019 classified that the variation in O&M expenses as controllable factor. Hence, the Commission is not inclined to treat this additional expenditure as uncontrollable item. However, it is noticed that the additional CISF expenditure for safety & security is covered and claimed under A&G expenses in their computed O&M expenses.

3.11.26 The petitioner has also claimed additional expenditure towards mills annual overhauling and additional capital spares as uncontrollable items. Since the nature of these expenses falls under R&M expenses, the Commission is not

inclined to treat these additional expenditures as uncontrollable item. However, it is noticed that the additional expenditure towards mills annual overhauling and additional capital spares are covered and claimed under R&M expenses in their computed O&M expenses.

3.11.27 The Commission has computed the normative Employee expenses, normative R&M expenses and normative A&G expenses as per Regulation No.1 of 2019. The computed normative O&M expenses were compared with the actual expenses as claimed by the petitioner and approved the least of computed normative expenses and actual expenses as claimed.

#### **Employee Cost:**

**Table 3.27: Employee cost computed by the Commission for MTR**

*Rs. in crore*

Financial Year	EMPb	CPI Inflation	Provision	EMPn
2019-20	88.00	1.04	0.00	91.91
2020-21	91.91	1.07	0.00	97.92
2021-22	97.92	1.04	0.00	101.87

3.11.28 The computed employee expenses on normative basis were compared with the actual employee expenses claimed by the petitioner and the Commission has approved the least of recomputed expenses and actual expenses claimed. The details are as given below:

**Table 3.28: Employee cost at actuals claimed, computed and approved for MTR**

*Rs. in crore*

Financial Year	Actuals claimed by the petitioner	As computed on normative basis	Approved by the Commission
2019-20	77.12	91.91	77.12
2020-21	75.30	97.92	75.30
2021-22	88.74	101.87	88.74

#### **R&M Expenses:**

3.11.29 The computation of R&M expenses computed by the Commission is as shown in the Table below:

**Table 3.29: R&M expenses computed by the Commission for MTR**

*Rs. in crore*

Financial Year	Kn	GFA n	WPI Inflation	R&M n
2019-20	1.04%	7745.32	1.04	83.67
2020-21	1.04%	7745.32	1.02	81.59
2021-22	1.04%	7745.32	1.01	81.27

3.11.30 The petitioner has claimed Rs.5.82 crore, Rs.9.24 crore and Rs.18.70 crore towards additional expenditure towards Mills annual overhauling & Capital spares as uncontrollable items under R&M expenses. Since these expenses

are controllable, the Commission has not considered these amounts for computation of allowable R&M expenses. The details are given in table below:

3.11.31 The recomputed R&M expenses were compared with the actual R&M expenses claimed by the petitioner and the Commission has approved the least of recomputed expenses and actual expenses claimed. The details are as given below:

**Table 3.30: R&M expenses at actuals claimed, recomputed and approved for MTR**

*Rs. in crore*

Financial Year	Actuals claimed by the petitioner	Recomputed by the Commission	Approved by the Commission
2019-20	101.90	83.67	83.67
2020-21	116.07	81.59	81.59
2021-22	126.95	81.27	81.27

**A&G Expenses:**

3.11.32 The computation of A&G expenses computed by the Commission is as shown in the Table below:

**Table 3.31: A&G expenses computed for MTR**

*Rs. in crore*

Financial Year	A&Gfo	Inflation Factor	Provision	A&Gn
2019-20	31.23	1.04	0.00	32.44
2020-21	32.44	1.04	0.00	33.61
2021-22	33.61	1.02	0.00	34.34

3.11.33 The recomputed A&G expenses were compared with the actual A&G expenses claimed by the petitioner and the Commission has approved the least of recomputed expenses and actual expenses claimed. The details are as given below:

**Table 3.32: A&G expenses at actuals as claimed and approved for MTR**

*Rs. in crore*

Financial Year	Actuals claimed by the petitioner	Recomputed by the Commission	Approved by the Commission
2019-20	48.63	32.44	32.44
2020-21	58.57	33.61	33.61
2021-22	66.07	34.34	34.34

**O&M Expenses:**

3.11.34 The clause 19.1 of the Regulation No.1 of 2019 stipulates as under:

*“The O&M expenses for each year of the Control Period shall be approved based on the formula shown below:*

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

*... ..”*

3.11.35 The O&M expenses claimed and approved for FY 2019-20 to FY 2021-22 is as shown in the Table below:

**Table 3.33: O&M expenses at actuals as claimed and approved for MTR**  
Rs. in crore

Financial Year	Claimed				Approved			
	Employee cost	R&M expenses	A&G expenses	Total	Employee cost	R&M expenses	A&G expenses	O&M expenses approved
2019-20	77.12	101.90	48.63	<b>227.65</b>	77.12	83.67	32.44	<b>191.30</b>
2020-21	75.30	116.07	58.57	<b>249.95</b>	75.30	81.59	33.61	<b>188.59</b>
2021-22	88.74	126.95	66.07	<b>281.76</b>	88.74	81.27	34.34	<b>202.30</b>

### 3.12 RETURN ON EQUITY (RoE)

#### *Petitioner's Claim*

3.12.1 SCCL has claimed RoE at actuals as given in table below:

**Table 3.34: Return on Equity at actuals as claimed for MTR**  
Rs. in crore

Item Particulars	Actuals as Claimed			Approved in Order dated 28.08.2020			Variance		
	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
Return on Equity	441.92	494.47	496.24	436.40	436.40	436.40	5.52	58.07	59.84

3.12.2 The clause 11 of Regulation No.1 of 2019 provides the base rate for computation of Return on Equity as 15.50% for thermal generating station.

3.12.3 As per clause 11.3 of Regulation No.1 of 201, the rate of RoE has been considered as 18.78%, 20.71% for FY 2019-20, FY 2020-21 & FY 2021-22 respectively by grossing up the base rate of 15.50% with the MAT rate of 17.472%, 25.168% for FY 2019-20 and FY 2020-21 & FY 2021-22 respectively. The year-wise details of effective tax rates applicable for STPP are given below:

**Table 3.35: Year-wise effective tax rates applicable for STPP**

Financial Year	Effective Income Tax Rate
2019-20	17.472%
2020-21	25.168%
2021-22	25.168%

3.12.4 SCCL has considered 30% of the capital cast as equity as specified in clause 9 of Regulation No.1 of 2019.

#### **Stakeholders Objection**

3.12.5 For FYs 2020-2022 the generating companies are liable to pay concessional tax rates of MAT under Section 115JB for ten (10) consecutive years and for 11<sup>th</sup> year onwards when normal tax will be paid earlier tax credit if any can be utilized. In view of this, MAT rate for entire control period may be allowed instead of regular income tax claimed by the petitioner. Relied on Hon'ble

APTEL in its judgement in Appeal No.251 of 2006 held that “*Under no circumstance, consumers of the licensee should be made to bear the Income Tax accrued in other businesses of the licensee. Income Tax assessment has to be made on standalone basis for the licensee business so that consumers are fully insulated and protected from Income Tax payable from other businesses*”.

3.12.6 Further, the Central Board of Direct Taxes circular No.29/2019 issued the following clarification –

“5.2 As regards allowability of brought forward MAT credit, it may be noted that as the provisions of Section 115 JB relating to MAT itself shall not be applicable to the domestic company which exercises option under Section 115BAA, it is hereby clarified that the tax credit of MAT paid by the domestic company exercising option under Section 115 BAA of the Act shall not be available consequent to exercising of such option.

5.2.1 Further, as there is no time line within which option under Section 115BA can be exercised, it may be noted that a domestic company having credit of MAT may, if it so desires, exercise the option after utilizing the said credit against the regular tax payable under the taxation regime existing prior to promulgation of the ordinance.

#### **Petitioner’s Response**

3.12.7 SCCL submits that there occurred change of system/method in the corporate taxation vide Ministry of Finance circular No.29/2019 dated 02.10.2019 where at revised tax rate of 25.168% was offered without allowing any exemption under Section 801A, MAT credit utilization etc., as an alternative to present taxation system.

3.12.8 it is to further submit that SCCL was primarily engaged in coal mining business and diversified to power business. As such, major part of its revenue is generated by coal business and SCCL pays income tax as a whole at company level by consolidating the financial results of both coal and power business.

3.12.9 The management of SCCL after due consideration opted taxation @ 25.168% in terms of aforesaid notification migrating from existing taxation system. Accordingly, being a part of SCCL, STPP was also subjected to tax rate @ 25.168% which was appropriately claimed as effective tax rate in respect of FYs 2020-22.

### **Commission's View**

3.12.10 The Commission has approved RoE in accordance with clause 11 of the Regulation No.1 of 2019. The gross normative equity as on 31.03.2019 approved by True-up order dated 28.08.2020 has been considered as the normative equity as on 01.04.2019. The petitioner, availing regular income tax rate instead of concessional MAT rate would lead to higher RoE and burden on the consumers. Hence the Commission has considered concessional MAT rate instead of regular income tax rate as claimed by the petitioner. The rate of RoE has been considered as 18.782% by grossing up the base rate of 15.50% with concessional MAT rate of 17.472%.

3.12.11 The equity base claimed and approved is as shown in the Table below:

**Table 3.36: Equity base at actuals as claimed and approved for MTR**

*Rs. in crore*

Financial Year	Claimed			Approved		
	Opening Equity	Closing Equity	Average Equity	Opening Equity	Closing Equity	Average Equity
2019-20	2323.60	2382.31	2352.96	2323.60	2323.60	2323.60
2020-21	2382.31	2392.17	2387.24	2323.60	2323.60	2323.60
2021-22	2392.17	2399.42	2395.80	2323.60	2323.60	2323.60

3.12.12 The RoE claimed and approved is as shown in the Table below:

**Table 3.37: RoE at actuals as claimed and approved for MTR**

*Rs. in crore*

Financial Year	Claimed	Approved
2019-20	441.92	436.40
2020-21	494.47	436.40
2021-22	496.24	436.40

### **3.13 NON-TARIFF INCOME (NTI)**

#### ***Petitioner's submission***

3.13.1 SCCL has claimed NTI at actuals as given in table below:

**Table 3.38: NTI at actuals as claimed for MTR**

*Rs. in crore*

Item Particulars	Actuals as Claimed			Approved in Order dated 28.08.2020			Variance		
	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
Non-Tariff Income (NTI)	2.10	5.73	7.21	17.92	17.92	17.92	-15.82	-12.19	-10.71

3.13.2 SCCL submitted that the actual NTI is less compared to approved.

### Commission's View

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

**Table 3.39: NTI at actuals as claimed and approved for MTR**

*Rs. in crore*

Financial Year	Claimed	Approved
2019-20	2.10	2.10
2020-21	5.73	5.73
2021-22	7.21	7.21

### 3.14 OTHER CHARGES

#### Incentive

#### **Petitioner's Claim**

- 3.14.1 Plant Load Factor (PLF) based incentive for the generating station shall be payable at the rate specified in CERC Regulations, 2014 as applicable during control period as the clause 21.4 of Regulation No.1 of 2019 stipulates that the CERC Regulations shall apply. CERC tariff Regulations, 2014 allowed the rates of incentive @ Rs.0.50/kWh. SCCL has worked out the quantum of incentive by considering the target PLF and actual generation as detailed in table below:

**Table 3.40: Incentive claimed by SCCL by considering target PLF and actual generation**

Particulars	FY 2019-20	FY 2020-21	FY 2021-22
Target PLF	85%	85%	85%
Incentive Rate for Additional Generation	Rs.0.50/kWh	Rs.0.50/kWh	Rs.0.50/kWh
Incentive for Additional Generation	Rs.11.34 crore	-	Rs.19.31 crore

#### **Stakeholders Objection**

- 3.14.2 The incentive claim is to be limited to energy charges upto the scheduled generation delivered monthly during each year of the control period in terms of Regulation No.1 of 2019, including the pricing of coal without additional premium (under Bridge Linkage).

#### **Petitioner's Response**

- 3.14.3 SCCL is facing difficulty in settlement of deviations between actual generation and scheduled generation especially in view of manual recording of joint meter reading taken over a span of couple of hours and delay in implementation of

Deviation Settlement Mechanism (DSM) Regulation notified by the Commission.

3.14.4 As per DSM provisions of CERC, settlement for hundreds of connected entities is being done since long. Accordingly, in a similar manner, to implement DSM Regulation in Telangana State or to notify interim settlement code till the final rolling out of DSM Regulation through a separate proceeding.

3.14.5 Till the implementation of DSM Regulation or any interim settlement code which may be notified by the Commission, STPP/SCCL has to compute energy charges and incentive based on actual generation in accordance with Section 61(b) of the Electricity At, 2003, which provides generation, transmission, distribution & supply of electricity are to be conducted on commercial principles.

**Commission's View**

3.14.6 The Incentive for higher PLF shall be in accordance with the provisions of the Regulation No.1 of 2019.

**Water Charges, Audit Fee & Tariff filing Fee**

**Petitioner's Claim**

3.14.7 SCCL has claimed the water charges, Audit Fee & Tariff filing Fee as detailed in table below:

**Table 3.41: Water Charges, Tariff filing Fee & Audit Fee at actuals as claimed by SCCL**

*Rs. in crore*

Particulars	FY 2019-20	FY 2020-21	FY 2021-22
Water Charges	2.29	1.80	2.30
Tariff Filing Fee	1.50	0.01	0.01
Audit Fee	0.01	0.01	0.01

**Commission's View**

3.14.8 The clause 2.59 of Regulation No.1 of 2019 stipulates that O&M expenses of a Generating Entity excludes water charges.

3.14.9 The clause 19.6 of Regulation No.1 of 2019 stipulates “Any expenditure on account of license fee, initial or renewal, fee for determination of tariff and audit fee shall be allowed on actual basis, over and above the A&G expenses approved by the Commission.”

3.14.10 After prudence check the Commission allows the Water Charges, Audit Fee & Tariff Filing fee as claimed by the petitioner.

### **Additional Cost on account of Arbitration Order dated 19.07.2022**

#### ***Petitioner's Claim***

3.14.11 MBE company, who has executed the BoP of project work, filed arbitration application and the Arbitral Tribunal Award dated 19.07.2022 directed STPP to pay Rs.242 crore towards many claims. But STPP/SCCL challenged the said award under Section 34 of Arbitration and Conciliation Act, 1996 before Civil Court, which is still pending. As and when any crystallized liability comes through by the order of the Civil Court, STPP will approach the Commission for appropriate order as per Regulation No.1 of 2019.

#### ***Commission's View***

3.14.12 Since the matter is sub-judice, the Commission is not inclined to dwell into it.

### **3.15 ENERGY CHARGES**

#### ***Petitioner's Claim***

3.15.1 The energy charges have been computed based on clause 21 of the Regulation No.1 of 2019.

3.15.2 The ECR claimed by SCCL for FY 2019-20 to FY 2021-22 is as shown in the Table below:

**Table 3.42: ECR claimed by SCCL for MTR**

Particulars	Unit	FY 2019-20	FY 2020-21	FY 2021-22
Auxiliary Consumption	%	6.02%	6.12%	5.83%
Gross Station Heat Rate	kcal/kWh	2312.98	2289.37	2305.00
Secondary Fuel oil consumption	ml/kWh	0.21	0.24	0.13
Calorific Value of Secondary Fuel	kcal/ml	10.00	10.00	9.99
Landed Price of Secondary Fuel	Rs./ml	0.05	0.06	0.07
Wt. Avg. Gross Calorific Value of Coal	kcal/kg	3628.97	3872.13	3981.02
Landed Price of Coal	Rs./kg	4.22	4.10	4.43
Specific Coal Consumption	kg/kWh	0.63	0.59	0.58
<b>ECR</b>	<b>Rs./kWh</b>	<b>2.868</b>	<b>2.588</b>	<b>2.730</b>

3.15.3 The station heat rate, secondary fuel oil consumption, auxiliary energy consumption are related to Energy Charge Rate (ECR) determination and are controllable parameters. The normative ECR and actual ECR for various operating periods are summarized below:

**Table 3.43: Normative and actual ECR claimed for various operating periods**

Particulars	FY 2019-20	FY 2020-21	FY 2021-22
Normative ECR	Rs.2.859/kWh	Rs.2.603/kWh	Rs.2.740/kWh
Actual ECR	Rs.2.868/kWh	Rs.2.588/kWh	Rs.2.731/kWh
Difference	Rs.0.009/kWh	Rs.0.015/kWh	Rs.0.009/kWh
Sent-out Energy	8671.229 MU	6895.329 MU	8807.565 MU
Cost of Fuel (+) Gain / (-) Loss	Rs.2.60 crore	(-) Rs.6.90 crore	(-) Rs.5.87 crore

3.15.4 The gain is shared in ratio of 1:2 between generator and beneficiaries and loss is shared in the ratio of 2:1 between generator and beneficiaries as per clause 6.9 of Regulation No.1 of 2019.

#### **Stakeholders Objection**

3.15.5 Where from SCCL is getting coal for the subject project? Has it started production of coal from NAINI Coal Block in Odisha? What is the latest position relating to the response of the Ministry of Coal on the requests of SCCL and GoTS for allotment of coal to the subject project from the mines of SCCL in Telangana State? Allocation of coal to the subject project from coal mines of SCCL in Telangana State would facilitate reduction in tariffs to the consumers.

3.15.6 TSDISCOMs submitted that the judgement of Hon'ble Supreme Court dated 08.12.2016 in Civil Appeal No.5881-5882 of 2016 held that "*the movement electricity tariff gets affected the consumer interest comes in and public interest get affected.*"

#### **Petitioner's Response**

3.15.7 As per directive of the Commission SCCL has been actively pursuing the issue of coal allocation for STPP from SCCL mines at Telangana State. Presently as per the latest orders of Ministry of Coal, SCCL is supplying coal to STPP through Bridge Linkage as per MoU with the same price charged for any other bridge linkage customers.

3.15.8 The Stage-II forest clearance for NAINI coal mine is expected shortly and various mine development activities are being taken up on war foot basis and it is expected that commencement of production begins in this year of 2023.

3.15.9 A proposal for swapping of coal with TANGEDCO has already been formulated and on acceptance of the proposal by TANGEDCO, the application for swapping arrangement will be submitted to Ministry of Coal, GoI for approval.

However, few impediments still exist in the proposed swapping arrangement as given below:

- a) Limited coal requirement for TANGEDCO till all its targeted power plants come into commercial operation, expected by FY 2024-25.
- b) Non-acceptance of swapping proposal by TANGEDCO.

3.15.10 In the above eventualities, at the earliest, STPP shall be supplied coal by SCCL from NAINI Coal Mine, cost of which will be based on the CERC Regulation for determination of input price applicable for captive coal mines. Further, it is estimated that with the present railway freight charges that ECR will not likely to be affected adversely even if coal is brought from NAINI through railway transportation.

### **Commission's View**

3.15.11 Any variation in fuel prices on account of change in the GCV of coal or gas or liquid fuel shall be billed in accordance with the provisions under clause 21.10 and 21.11 of Regulation No.1 of 2019.

### **3.16 SUMMARY OF AFC ADMITTED AND SHARING OF GAINS/LOSSES IN MID-TERM REVIEW**

3.16.1 The summary of AFC claimed by SCCL in MTR and approved by the Commission is given in table below:

**Table 3.44: AFC claimed and approved for MTR**

*Rs. in crore*

Particulars	FY 2019-20		FY 2020-21		FY 2021-22		FY 2019-20 to FY 2022-23	
	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved
Depreciation	405.22	400.36	411.27	400.36	412.79	400.36	1229.28	1201.08
Interest and Finance charges on Loan *	418.69	412.40	457.93	443.09	306.20	252.83	1182.82	1108.32
Interest on Working Capital	90.18	89.25	75.86	65.86	78.84	75.76	244.88	230.88
O&M expenses	227.65	191.30	249.95	188.59	281.76	202.30	759.36	582.19
Return on Equity	441.92	436.40	494.47	436.40	496.24	436.40	1432.63	1309.19
Less: Non-tariff income	2.10	2.10	5.73	5.73	7.21	7.21	15.04	15.04
<b>Annual Fixed Charges</b>	<b>1581.56</b>	<b>1527.60</b>	<b>1683.75</b>	<b>1528.58</b>	<b>1568.62</b>	<b>1360.44</b>	4833.93	4416.62
Other Charges #	15.14	3.80 #	1.82	1.82	21.62	2.32 #	38.59	7.94 #
Incentive #	11.34	0.00 #	0.00	0.00	19.31	0.00 #	30.65	0.00 #
Water Charges	2.29	2.29	1.80	1.80	2.30	2.30	6.39	6.39
Audit Fee	0.01	0.01	0.01	0.01	0.01	0.01	0.03	0.03
Filing Fee	1.50	1.50	0.01	0.01	0.01	0.01	1.52	1.52
<b>Total Annual Fixed Charges</b>	<b>1596.70</b>	<b>1531.51</b>	<b>1685.57</b>	<b>1530.39</b>	<b>1590.24</b>	<b>1362.75</b>	4872.52	4424.56

\* Interest and Finance charges on Loan includes impact of loan refinancing (table 3.11)

# Incentive for higher PLF shall be in accordance with the provisions of the Regulation No.1 of 2019.

**Table 3.45: Summary of AFC admitted in MTR***Rs. in crore*

Sl. No.	Item Particulars	As approved in order Dated 28.08.2020			Approved in MTR			Variation approved in MTR		
		2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
1	Depreciation	400.36	400.36	400.36	400.36	400.36	400.36	0.00	0.00	0.00
2	Interest and Finance charges on Loan	395.83	359.24	322.65	412.40	443.09	252.83	16.57	83.85	-69.82
3	Interest on Working Capital	80.40	80.04	79.84	89.25	65.86	75.76	8.85	-14.18	-4.08
4	O&M Expenses	204.18	212.94	222.08	191.30	188.59	202.30	-12.88	-24.35	-19.78
5	Return on Equity	436.40	436.40	436.40	436.40	436.40	436.40	0.00	0.00	0.00
6	Less Non-Tariff Income	17.92	17.92	17.92	2.10	5.73	7.21	-15.82	-12.19	-10.71
	<b>Total</b>	<b>1499.25</b>	<b>1471.06</b>	<b>1443.41</b>	<b>1527.60</b>	<b>1528.58</b>	<b>1360.44</b>	<b>28.36</b>	<b>57.52</b>	<b>-82.97</b>

3.16.2 The summary of variations in AFC claimed by SCCL in MTR and approved by the Commission is given in table below:

**Table 3.46: Summary of variations in AFC claimed and approved in MTR***Rs.in crore*

Sl. No.	Item Particulars	As claimed in MTR				Approved in MTR			
		2019-20	2020-21	2021-22	Total	2019-20	2020-21	2021-22	Total
1	Depreciation	4.86	10.91	12.43	<b>28.2</b>	0.00	0.00	0.00	<b>0.00</b>
2	Interest and Finance charges on Loan	22.86	98.69	-85.15	<b>36.40</b>	16.57	83.85	-69.82	<b>30.60</b>
3	Interest on Working Capital	9.78	-4.18	-1.00	<b>4.60</b>	8.85	-14.18	-4.08	<b>-9.40</b>
4	O&M Expenses	23.47	37.01	59.68	<b>120.16</b>	-12.88	-24.35	-19.78	<b>-57.01</b>
5	Return on Equity	5.52	58.08	59.85	<b>123.45</b>	0.00	0.00	0.00	<b>0.00</b>
6	Less Non-Tariff Income	<b>-15.82</b>	<b>-12.19</b>	<b>-10.71</b>	<b>-38.72</b>	-15.82	-12.19	-10.71	<b>-38.72</b>
	<b>Total</b>	<b>82.32</b>	<b>212.69</b>	<b>56.52</b>	<b>351.53</b>	<b>28.36</b>	<b>57.52</b>	<b>-82.97</b>	<b>2.91</b>

3.16.3 **Variations in Energy Charges:** Any variation in fuel prices on account of change in the GCV of coal or gas or liquid fuel shall be billed in accordance with the provisions under clause 21.10 and 21.11 of Regulation No.1 of 2019.

### Sharing of Gains/Losses

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

**Table 3.47: Summary of approved sharing of gains/losses of MTR to the beneficiaries***Rs.in crore*

Sl. No.	Item Particulars	Variations in AFC	Sharing of gains/losses
1	Depreciation	<b>0.00</b>	0.00
2	Interest on Loan*	<b>30.60</b>	30.60
3	Interest on Working Capital	<b>-9.40</b>	-6.27
4	O&M Expenses	<b>-57.01</b>	-38.01
5	Return on Equity	<b>0.00</b>	0.00
6	Less: Non-Tariff Income	<b>-38.72</b>	-38.72
7	Water charges, Audit fee & Tariff filing fee	7.94	7.94
	<b>Sharing of gains/losses (+/-) for FY 2019-20 to FY 2021-22</b>		<b>32.99</b>

\* \*\* Includes refinancing charges of Rs.77.84 crore and reduction of interest due to refinancing

- Note:
- 1) Any variation in fuel prices on account of change in the GCV of coal or gas or liquid fuel shall be billed in accordance with the provisions under clause 21.10 and 21.11 of Regulation No.1 of 2019
  - 2) *Incentive for higher PLF shall be in accordance with the provisions of the Regulation No.1 of 2019.*

3.16.5 The Commission directs SCCL to bill to the beneficiaries' viz., TSDISCOMs the claim towards total sharing/passing through of gains/losses approved in this Order as per the AFC and other charges approved after truing-up in MTR for the period from FY 2019-20 to FY 2021-22.



## Chapter-4 Revised AFC for FY 2022-23 and FY 2023-24

### 4.1 REVISION OF AFC FOR FY 2022-23 TO FY 2023-24

#### **Petitioner's Submission**

- 4.1.1 SCCL has projected the revision of AFC for FY 2022-23 to FY 2023-24 as detailed below:

**Table 4.1: Revised AFC projected for FY 2022-23 to FY 2023-24**

*Rs. in crore*

Particulars	FY 2022-23	FY 2023-24
Depreciation	415.13	416.84
Interest on Loan(including impact of interest cost at reduced rate)	275.25	244.32
Interest on Working Capital	91.90	94.57
O&M expenses	300.80	315.84
Return on Equity	499.05	501.11
Less: Non-tariff income	5.01	5.01
<b>Annual Fixed Charges</b>	<b>1577.12</b>	<b>1567.67</b>

#### **Commission's View**

- 4.1.2 The clause 3.12.6(c) of the Regulation No.1 of 2019 provides for modifications to the Aggregate Revenue Requirement and Tariffs for the remainder of the control period. Based on the True-up exercise done for FY 2019-20 to FY 2021-22 the Commission has revised the AFC for FY 2022-23 to FY 2023-24. The revised AFC approved is detailed in table below:

**Table 4.2: Revised AFC approved for FY 2022-23 to FY 2023-24**

*Rs. in crore*

Particulars	FY 2022-23			FY 2023-24		
	Approved in MYT order	Claimed in MTR	Approved in MTR	Approved in MYT order	Claimed in MTR	Approved in MTR
Depreciation	400.36	415.13	400.36	400.36	416.84	400.36
Interest on Loan (including impact of refinancing at reduced interest rate)	286.06	275.25	224.24	249.48	244.32	195.58
Interest on Working Capital	79.65	91.90	83.51	79.63	94.57	85.63
O&M expenses	231.61	300.80	220.09	241.55	315.84	225.07
Return on Equity	436.40	499.05	436.40	436.40	501.11	436.40
Less: Non-tariff income	17.92	5.01	13.33	17.92	5.01	13.33
<b>Annual Fixed Charges</b>	<b>1416.16</b>	<b>1577.12</b>	<b>1351.27</b>	<b>1389.50</b>	<b>1567.67</b>	<b>1329.70</b>

### 4.2 APPLICABILITY

- 4.2.1 The Commission directs the Petitioner to recover/adjust the difference in revenue recoverable in accordance with the Tariff approved in this Order vis-à-vis the Tariff charged from April 2022. For FY 2023-24, the Generation Tariffs are applicable w.e.f. 01.04.2023.

#### **4.3 COMMISSION'S DIRECTIVES**

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

**This Order is corrected and signed on this the 23<sup>rd</sup> day of March, 2023.**

Sd/-  
(BANDARU KRISHNAIAH)  
MEMBER

(M. D. MANOHAR RAJU)

Sd/-  
MEMBER

Sd/-  
(T.SRIRANGA RAO)  
CHAIRMAN



## **Appendix Commission's Directives**

### **EARLIER DIRECTIVES**

#### **1. Coal Swapping**

SCCL should actively pursue the issue of coal allocation for its generating station with the Ministry of Coal so that the cumbersome task of transportation of coal from NAINI coal block in Odisha and associated losses in quantity and GCV could be mitigated by procuring coal from its own mines which are closer to its generating station.

### **New Directives**

#### **2. Separate Accounts**

SCCL shall maintain separate books of accounts for Power Generation activity.

#### **3. True-up for FY 2019-20 to FY 2021-22**

The Commission directs SCCL to bill to the beneficiaries' viz., TSDISCOMs the claim towards total sharing/passing through of gains/losses approved in this Order as per the AFC and other charges approved after truing-up in MTR for the period from FY 2019-20 to FY 2021-22.

#### **4. Revised AFC for FY 2022-23 & 2023-24**

The Commission directs the Petitioner to recover/adjust the difference in revenue recoverable in accordance with the Tariff approved in this Order vis-à-vis the Tariff charged from April 2022. For FY 2023-24, the Generation Tariffs are applicable w.e.f. 01.04.2023.

#### **5. Efficiency improvement measures**

The Commission directs SCCL to submit the status of the efficiency improvement measures implemented by SCCL and the results of the same in its End-control period Review Petition.

# Annexure-I Public Notice

Newspaper clippings appeared in NAMASTHE TELANGANA and EENADU  
on 15.12.2022

**గౌరవనీయ తెలంగాణ స్టేట్ ఎలక్ట్రిసిటీ రెగ్యులేటరీ కమిషన్**  
డి.నెం.11-4-660, 5వ అంతస్తు, సింగరేణి భవన్, రెడ్ హిల్స్, హైదరాబాద్ - 500004 పసుకంట్  
**ది సింగరేణి కాలరీస్ కంపెనీ లిమిటెడ్**  
(ప్రభుత్వ కంపెనీ)  
**బహిరంగ ప్రకటన**



1. యావస్థుందికి ఇందుమూలముగా తెలియజేయునది ఏమనగా FYs 2019-2022 కొరకు సింగరేణి థర్మల్ పవర్ ప్లాంట్ (ఎస్టిపిపి) - 2 X 600 MW నిమిత్తం మధ్యంతర సమీక్ష మరియు జనరేషన్ టారిఫ్ను పెంచుటకు మరియు FYs 2022-2024 కొరకు సవరించిన టారిఫ్ యొక్క ఆమోదం నిమిత్తం 2019లోని "జనరేషన్ టారిఫ్ నియమ నిబంధనలు" రెగ్యులేషన్ నెం.1లోని నిబంధనల క్రింద మరియు విద్యుత్ చట్టం, 2003లోని సెక్షన్ 82 మరియు 88(1)(ఎ) మరియు (88)(1)(బి) క్రింద ది సింగరేణి కాలరీస్ కంపెనీ లిమిటెడ్ (SCCL), తెలంగాణ స్టేట్ ఎలక్ట్రిసిటీ రెగ్యులేటరీ కమిషన్ (TSERC) సమక్షంలో అర్జీని దాఖలు చేసినది. ఈ ఫైలింగ్ బి.పి. నెం. 77/2022 కేటాయింపుడం ద్వారా గౌరవనీయ కమిషన్చే స్వీకరించబడినవి మరియు రికార్డులోకి తీసుకోబడినవి.

2. పైన తెలిపిన ఫైలింగ్ చీఫ్ (ఇ అండ్ ఎం) కార్యాలయం, పవర్ ప్రాజెక్ట్ ఎస్సీసీఎల్, నెం.11-4-660, 3వ అంతస్తు, సింగరేణి భవన్, రెడ్ హిల్స్, హైదరాబాద్, తెలంగాణ, 500004 నందు లభిస్తాయి. ఆసక్తిగల వ్యక్తులు/ స్టేక్ హోల్డర్లు కార్యాలయ వేళల్లో సదరు ఫైలింగ్ను ఉచితంగా తనిఖీ చేసుకోవచ్చును/ చదువుకోవచ్చును మరియు ఈ రోజు చేసుకోవచ్చును. ఈ ఫైలింగ్ యొక్క హార్డు కాపీని కూడా ఫోటోకాపీయింగ్ ద్వారా చేయించి ఫై కార్యాలయం నుండి పొందవచ్చును. అంతేగాక ఈ ఫైలింగ్ డౌన్లోడ్ చేసుకునే పోర్టల్లో [www.scclmines.com](http://www.scclmines.com) నందు కూడా లభిస్తాయి మరియు వీటిని [www.tserc.gov.in](http://www.tserc.gov.in) నందు చూడవచ్చును.

3. సదరు ఫైలింగ్పై ఆక్షేపణలు/ సలహాలు ఏవేని ఉంటే, మద్దతుగా ఆధారాలతో చీఫ్ (ఇ అండ్ ఎం) కార్యాలయం, పవర్ ప్రాజెక్ట్, నెం. 11-4-660, 3వ అంతస్తు, సింగరేణి భవన్, రెడ్ హిల్స్, హైదరాబాద్, తెలంగాణ, 500004 (ఇమెయిల్: [ed\\_stpp@scclmines.com](mailto:ed_stpp@scclmines.com)) కు స్వయంగా లేదా రిజిస్టర్డ్ పోస్టు ద్వారా **12.01.2023** సా. 5 గం.లోగా చేరేలా పంపవలెను. దీని ఒక కాపీని పైన తెలిపిన చిరునామాపై కమిషన్ సెక్రటరీ, టిఎన్ఐఆర్సికి కూడా దాఖలు చేయవలెను. ఆక్షేపణలు/ సలహాలు తగువిధంగా సంతకం చేయబడి ఉండవలెను మరియు సదరు ఆక్షేపణలు/ సలహాలను పంపే వ్యక్తుల/ స్టేక్ హోల్డర్ల పూర్తి పేరు మరియు తపాలా చిరునామా, ఇమెయిల్ అడ్రెస్ మరియు కాంటాక్ట్ నెంబరు కలిగియుండవలెను. ఏదేని సంస్థ లేదా ఏదేని వినయోగదారుల కేటగిరి తరపున ఆక్షేపణలు/ సలహాలు దాఖలు చేయబడినట్లయితే స్పష్టంగా పేర్కొనవలెను. ఆక్షేపణదారు స్వయంగా విచారణలో పాల్గొనదలచినచో అవిషయాన్ని కూడా స్పష్టంగా పేర్కొనవలెను.

4. సదరు ఆక్షేపణలు/ సలహాలకు ఈ క్రింది వివరాలను జతపరచవలెను:

ఆక్షేపణదారు చీఫ్ మరియు పూర్తి చిరునామాతోపాటు ఇమెయిల్ అడ్రెస్ మరియు కాంటాక్ట్ నెంబరు	ఎస్సీసీఎల్ యొక్క ఫైలింగ్ మీద ఆక్షేపణలు/ సలహాల సంక్షిప్త వివరాలు	ఎస్సీసీఎల్ కార్యాలయం పద్ద అందజేసిన ఆక్షేపణలు/ సలహాల యొక్క కాపీ మరియు రుజువుని జతపరిచారా (అవును/ లేదు)	ఆక్షేపణదారు స్వయంగా విచారణలో పాల్గొనదలచారా (అవును/ లేదు)
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5. ఎస్సీసీఎల్ యొక్క ఫైలింగ్ సారాంశం దిగువ షెడ్యూల్స్లో ఇవ్వబడినది.

6. ఈ విషయంలో తెలంగాణ స్టేట్ ఎలక్ట్రిసిటీ రెగ్యులేటరీ కమిషన్ **30-01-2023** (సోమవారం) ఉ.11.00 గం. నుండి టిఎన్ఐఆర్సి యొక్క కోర్టు హాలు, 5వ అంతస్తు, సింగరేణి భవన్, రెడ్ హిల్స్, హైదరాబాద్ నందు బహిరంగ విచారణను నిర్వహించ దలచినది.

**డైరెక్టర్ (పై నాన్)**  
ది సింగరేణి కాలరీస్ కంపెనీ లిమిటెడ్

**షెడ్యూల్లు**

FYs 2019-2022 కొరకు సింగరేణి థర్మల్ పవర్ ప్లాంట్ (ఎస్టిపిపి) - 2 X 600 MW నిమిత్తం మధ్యంతర సమీక్ష మరియు జనరేషన్ టారిఫ్ను పెంచుటకు మరియు FYs 2022-2024 కొరకు సవరించిన టారిఫ్ యొక్క ఆమోదం నిమిత్తం ఎస్సీసీఎల్ యొక్క ఫైలింగ్

వివరాలు	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
మొత్తం క్లెయిమ్ (రూ. కోట్లలో)	93.54	208.99	141.30	160.96	178.17
నెట్ ఎక్స్ బెన్ జనరేషన్ (MU)	8671.23	6895.33	8807.57	8421.43	8444.50
విద్యుత్ వ్యయంలో పగటు పెరుగుదల (రూ./ Kwh)	0.11	0.30	0.16	0.19	0.21

**గమనిక:**

- పైన సూచించబడిన మొత్తము క్లెయిమ్ అనేది గౌరవనీయ టిఎన్ఐఆర్సిచే ఆమోదించబడిన ఇప్పటి వార్షిక రెవెన్యూ ఆవశ్యకతపై కోరబడిన పెరుగుదలకు అవసరమైయున్నది.
- FY 2022-23 & FY2023-24 కొరకు నెట్ ఎక్స్ బెన్ జనరేషన్ అనేది నిబంధనల ఆధారంగా అంచనా వేయబడినది.

**DIPR RO.No.10113-PP/CL/ADVT/1/2022-23, తేది: 14.12.2022**

Newspaper clippings appeared in DECCAN CHRONICLE and  
THE HINDU on 15.12.2022

<p align="center"><b>BEFORE THE HONOURABLE</b>  <b>TELANGANA STATE ELECTRICITY REGULATORY COMMISSION</b>  D.No.11-4-660, 5th Floor, Singareni Bhavan, Red Hills, Hyderabad 500 004</p>																													
<p align="center"><b>THE SINGARENI COLLIERIES COMPANY LIMITED</b>  (A Government Company)</p>																													
<p align="center"><b>PUBLIC NOTICE</b></p>																													
<p>1. Notice is hereby given to all that the Singareni Collieries Company Limited (SCCL) has filed a petition before the Telangana State Electricity Regulatory Commission (TSERC) u/s 62 and 86(1)(a) &amp; 86(1)(b) of the Electricity Act, 2003 and under the provisions of "Terms and Conditions of Generation Tariff" Regulation No.1 of 2019 for Mid-term review and for truing-up of generation tariff for Singareni Thermal Power Plant (STPP) of 2x600 MW for FYs 2019-2022, and for approval of revised tariff for FYs 2022-2024. These filings have been admitted and taken on record by the Hon'ble Commission by assigning O.P.No.77 of 2022.</p>																													
<p>2. Copies of referred filings are available in the office of Chief (E&amp;M), Power Projects, SCCL, #11-4-660, 3rd floor, Singareni Bhavan, Red Hills, Hyderabad, Telangana, 500004. Interested person(s)/stakeholder(s) may inspect/peruse said filings and take note thereof during office hours at free of charge. Also, hard copy of these filings can be obtained from the above office on payment of photocopying charges. Further, filings are also made available on <a href="http://www.scclmines.com">www.scclmines.com</a> in downloadable format and same may be accessed at <a href="http://www.tserc.gov.in">www.tserc.gov.in</a>.</p>																													
<p>3. Objections/suggestions, if any, on filings, together with supporting material may be sent to the office of Chief (E&amp;M), Power Projects, #11-4-660, 3rd floor, Singareni Bhavan, Red Hills, Hyderabad, Telangana, 500004 (Email: <a href="mailto:ed_stpp@scclmines.com">ed_stpp@scclmines.com</a>) in person or through Registered Post so as to reach on or before 12.01.2023 by 5 pm. A copy of same must also be filed with the Commission Secretary, TSERC at address mentioned above. The objections/suggestions should be duly signed and should carry full name, postal address, e-mail id and contact number of the person(s)/stakeholder(s) sending objections/suggestions. If objections/suggestions are filed on behalf of any organization or any category of consumers, it should be clearly mentioned. If the objector also wants to be heard in person it may also be specifically mentioned:</p>																													
<p>4. The objections/suggestions should accompany the following statement.</p> <table border="1"> <thead> <tr> <th>Name &amp; full address of the Objector along with e-mail id and contact number</th> <th>Brief details of objections/suggestions against filings of SCCL.</th> <th>Whether copy of objections/suggestions &amp; proof of delivery at SCCL's office enclosed (Yes/No)</th> <th>Whether Objector wants to be heard in person (Yes/No)</th> </tr> </thead> <tbody> <tr> <td colspan="4"> <p>5. The gist of filings of SCCL are indicated in Schedule given below.</p> </td> </tr> <tr> <td colspan="4"> <p>6. In this matter the Telangana State Electricity Regulatory Commission intends to conduct a Public Hearing in the Court Hall of TSERC, 5th Floor, Singareni Bhavan, Red Hills, Hyderabad on 30.01.2023 (Monday) from 11:00 hrs onwards.</p> </td> </tr> <tr> <td colspan="2"> <p>Place: Hyderabad</p> </td> <td colspan="2"> <p align="right">Director (Finance)</p> </td> </tr> <tr> <td colspan="2"> <p>Date: 15.12.2022</p> </td> <td colspan="2"> <p align="right">The Singareni Collieries Company Limited</p> </td> </tr> </tbody> </table>						Name & full address of the Objector along with e-mail id and contact number	Brief details of objections/suggestions against filings of SCCL.	Whether copy of objections/suggestions & proof of delivery at SCCL's office enclosed (Yes/No)	Whether Objector wants to be heard in person (Yes/No)	<p>5. The gist of filings of SCCL are indicated in Schedule given below.</p>				<p>6. In this matter the Telangana State Electricity Regulatory Commission intends to conduct a Public Hearing in the Court Hall of TSERC, 5th Floor, Singareni Bhavan, Red Hills, Hyderabad on 30.01.2023 (Monday) from 11:00 hrs onwards.</p>				<p>Place: Hyderabad</p>		<p align="right">Director (Finance)</p>		<p>Date: 15.12.2022</p>		<p align="right">The Singareni Collieries Company Limited</p>					
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<p>Notes: 1. Total claim indicated above is the required increase sought now over Annual revenue requirement approved by Hon'ble TSERC.</p>																													
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<p>DIPR R.O. No. : 1043-PP/CL-AGENCY/ADVT/1/2022-23, Date: 14-12-2022</p>																													

# عزت مآب تلنگانہ اسٹیٹ الکٹریسیٹی ریگولیشن کمیشن کے روبرو ڈی نمبر 4-660-11، پانچویں منزل، سنگارینی بھون، ریڈ ہلز، حیدرآباد۔ 500004

## دی سنگارینی کالریز کمپنی لمیٹیڈ (ایک سرکاری کمپنی)



### اعلان عام

- 1- تمام کو اس بات کی اطلاع دی جاتی ہے کہ سنگارینی کالریز کمپنی لمیٹیڈ (SCL) نے تلنگانہ اسٹیٹ الکٹریسیٹی ریگولیشن کمیشن (TSERC) کے روبرو الکٹریسیٹی ایکٹ 2003ء کی دفعات 62 اور 86(1)(a) اور 86(1)(b) کے تحت درخواست دائر کی ہے اور یہ درخواست یا پینشن 2019ء کے ترمیم شدہ ٹرمز (شرح) کی شرائط و ضوابط نمبر 1 کے تحت بھی دائر کی گئی تاکہ سنگارینی کالریز پاور پلانٹ (STPP) کے مالی سال 2019-2022ء کے لئے 2x600 میگا واٹ برقی کے ٹرید کی اور فروخت کی شرح (جزیشن ٹرمز) میں جو فرق پایا جاتا ہے، اسے ادا کرنے کے وسط مدتی جائزہ لیا جائے۔ ساتھ ہی نظر ثانی شدہ ٹرمز برائے سال 2022-2024ء کی منظوری کیلئے بھی یہ عرضی دائر کی گئی ہے۔ یہ تمام چیزیں قبول کی گئیں اور عزت مآب کمیشن نے اوپن ہنر 77 سال 2022ء تک پیش کرتے ہوئے ریگولیشن پر لیا ہے۔
- 2- عمال دی گئی دستاویزات کی نقول دفتر چیف (ای ایڈ ایم) پاور پرائیکٹس ایس سی ایل 4-660-11، تیسری منزل، سنگارینی بھون، ریڈ ہلز، حیدرآباد، تلنگانہ 500004 پر دستیاب ہیں۔ دیکھی رکھنے والے افراد فراوان اور دیگر اہلکاران دستاویزات کا معائنہ کر سکتے ہیں اور دفتری اوقات کے دوران مفت نوٹ کر سکتے ہیں۔ نیز دفتر نمبر 4 سے پراسس (ٹو ٹو کالنگ) کے چارجس ادا کرتے ہوئے مذکورہ دفتر سے ان دستاویزات کی بارڈ کاپی حاصل کی جاسکتی ہے۔ مزید برآں یہ کہ دستاویزات (ٹائم لگ) کو [www.sccclmines.com](http://www.sccclmines.com) پر بھی ڈاؤن لوڈ کے قابل فارمیٹ میں دستیاب ہیں اور اسے [www.tserc.gov.in](http://www.tserc.gov.in) پر سے بھی حاصل کیا جاسکتا ہے۔
- 3- ان ٹائم لگس یا دستاویزات پر اعتراضات / مشورے ہیں تو پھر معادن مواد کے ساتھ شخصی طور پر یا پھر رجسٹرڈ پوسٹ کے ذریعے یا پھر ای میل ([ed\\_stpp@sccclmines.com](mailto:ed_stpp@sccclmines.com)) پر بھیج سکتے ہیں۔ شخصی طور پر یا رجسٹرڈ پوسٹ کے ذریعے اعتراضات / مشورے دفتر چیف (ای ایڈ ایم) پاور پرائیکٹس 4-660-11، تیسری منزل، سنگارینی بھون، ریڈ ہلز، حیدرآباد، تلنگانہ، 500004 پر داخل کیے جاسکتے ہیں اور یہ اعتراضات / مشورے 12.01.2023 کو شام 5 بجے تک پہنچ جانی چاہئے اور اس کی کاپی کمیشن، سرکاری TSERC کو ذمہ دہ پڑھائی کر سکتے ہیں۔ اعتراضات / مشورے دیکھنے کے لئے ہونے چاہئے اور ان پر دیکھنے کے لئے کاپی ٹیم، ای میل آئی ڈی اور فراوان یا دیگر قانون نمبر کی مدد کیا جاتا ہے۔ اگر اعتراضات / مشورے کسی تنظیم یا صارفین کے کسی ذمہ دار کی جانب سے نہ کیے گئے ہوں تو اس کا واضح طور پر حوالہ دیا جانا ضروری ہے۔ اگر اعتراض کرنے والا چاہتا ہے کہ اس کے خیالات کی سماعت شخصی طور پر کی جائے، اس کا بھی خاص طور پر حوالہ دیا جاسکتا ہے۔
- 4- اعتراضات / مشورے ذیل میں دی گئی تفصیلات کے ساتھ داخل کیے جانی چاہئے۔

آیا اعتراض کنندہ اعتراضات کی شخصی طور پر سماعت کی گئی (ہاں نہیں)	آیا اعتراضات / مشوروں اور ایس سی ایل کے دفتر پر ان کی ڈیلیوری کے ثبوت کی نقل منسلک کی گئی (ہاں نہیں)	ایس سی ایل کی ٹائم لگس کے خلاف اعتراضات / مشوروں کی مختصر تفصیلات	اعتراض کنندہ کا نام اور مکمل پتہ نمبر و ای میل آئی ڈی
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- 5- ذیل میں دیے گئے شیڈول میں SCL کے ٹائم لگس کے خلاف کے اشارے دیئے گئے ہیں۔
- 6- اس معاملہ میں تلنگانہ اسٹیٹ الکٹریسیٹی ریگولیشن کمیشن 30.01.2023 (بروز) کو صبح 11 بجے سے TSERC کورٹ ہال، پانچویں منزل، سنگارینی بھون، ریڈ ہلز، حیدرآباد میں عوامی سماعت منعقد کرنے کا ارادہ رکھتی ہے۔

ڈائریکٹر (ہیٹننس)  
دی سنگارینی کالریز کمپنی لمیٹیڈ  
مقام: حیدرآباد  
تاریخ: 15.12.2022

### شیڈول

2x600 میگا واٹ کے سنگارینی کالریز پاور پلانٹ (STPP) کے وسط مدتی جائزہ اور ترمیم شدہ ٹرمز (شرح) کے اڈجسٹ اور ایس سی ایل کے ٹائم لگس برائے مالی سال 2019-2022ء کی وسط مدتی نظر ثانی اور نظر ثانی شدہ ٹرمز برائے مالی سال 2022-2024ء کی منظوری کیلئے

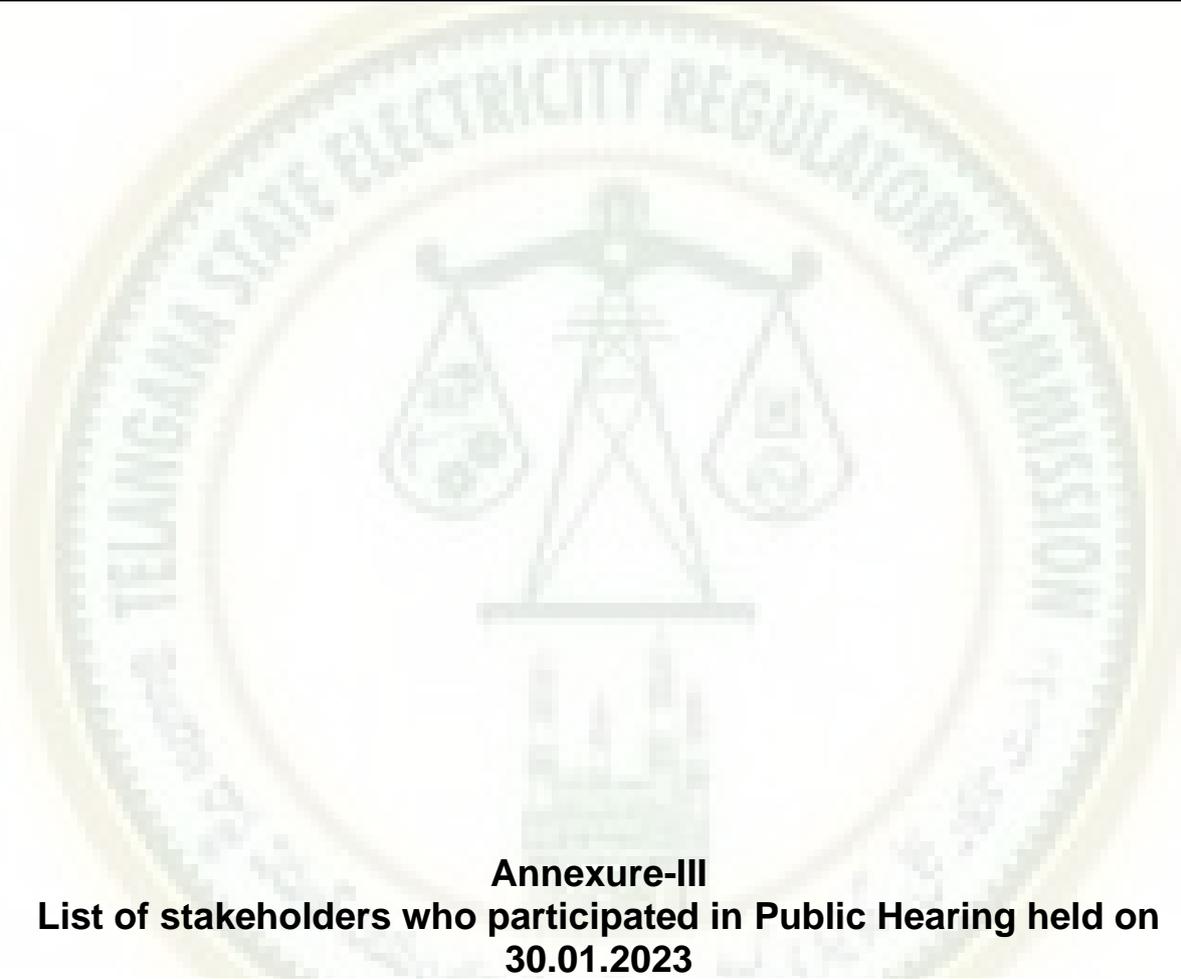
تفصیلات	مالی سال 2019-20	مالی سال 2020-21	مالی سال 2021-22	مالی سال 2022-23	مالی سال 2023-24
جملہ معاوضہ کارگوئی	93.54	208.99	141.30	160.96	178.17
نقد ایکس بس جزیشن (MU)	8671.23	6895.33	8807.57	8421.43	8444.50
الکٹریسیٹی کی قیمت میں اوسط اضافہ (روپے / Kwh)	0.11	0.30	0.16	0.19	0.21

- نوٹ:
- 1- جدول بالا میں جن میں کوئی یا مطلوب معاوضہ کا اشارہ دیا گیا، وہ درکار اضافہ ہے جو اب سرز TSERC کی منظوری شدہ حالات آتی ہے۔
  - 2- نیٹ ایکس بس جزیشن برائے مالی سال 2022-23ء اور مالی سال 2023-24ء کا تخمینہ اصولوں کی بنیاد پر لگایا گیا ہے۔

## Annexure-II

### List of stakeholders who submitted written Objections/Suggestions

Sl. No.	Name and address of the stakeholder
1	Sri M.Venugopala Rao, Senior Journalist & Convenor, Centre for Power Studies, H.No.1-100/MP/101, Monarch Prestige, Journalists' Colony, Gopanpally, Serlingampally Mandal, Hyderabad 500 032
2	Sri M.Thimma Reddy, Convenor, People's Monitoring Group on Electricity Regulation, 139, Kakatiyanagar, Hyderabad 500 008
3	Southern Power Distribution Company of Telangana Ltd., Corporate Office, 6-1-50, Mint Compound, Hyderabad 500 063



## Annexure-III

### List of stakeholders who participated in Public Hearing held on 30.01.2023

Sl. No.	Name and address of the stakeholder
1	Sri M.Venugopala Rao, Senior Journalist & Convenor, Centre for Power Studies, H.No.1-100/MP/101, Monarch Prestige, Journalists' Colony, Gopanpally, Serlingampally Mandal, Hyderabad – 500 032
2	M/s Southern Power Distribution Company of Telangana Ltd., Corporate Office, 6-1-50, Mint Compound, Hyderabad