TELANGANA ELECTRICITY REGULATORY COMMISSION

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

ORDER

ON

THE FILINGS MADE BY

SINGARENI COLLERIES COMPANY LIMITED (SCCL)

IN THE MATTER OF

REVISED ARR AND TARIFF PROPOSAL FOR FY 2025-26

AND TRUE-UP FOR FY 2023-24

FOR 2X600 MW SINGARENI THERMAL POWER PLANT

ON

29.04.2025

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List of Abbreviations

A&G	Administrative and General
ACT	The Electricity Act, 2003
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 Limited
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

GoT	Government of Telangana
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
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
RUB	Railway Under Bridge
S&T	Signalling and Telecommunication
SBI	State Bank of India
SCCL	Singareni Collieries Company Limited
SLC	Standing Linkage Committee
SLDC	State Load Despatch Centre
SMET	State Mineral Exploration Trust
SPCB	State Pollution Control Board
SOx	Sulphur Oxides
TNSEB	Tamil Nadu State Electricity Board
TGERC	Telangana Electricity Regulatory Commission
TGGENCO	Telangana Power Generation Corporation Limited
TGMDC	Telangana Mineral Development Corporation
TGNPDCL	Northern Power Distribution Company of Telangana Limited
TGPCC	Telangana Power Coordination Committee
TGSPDCL	Southern Power Distribution Company of Telangana Limited
TGTRANSCO	Transmission Corporation of Telangana Limited
UDL	Undischarged Liability
WPI	Wholesale Price Index

TELANGANA ELECTRICITY REGULATORY COMMISSION

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

O.P. No. 30 of 2024

Dated 29.04.2025

Present

Dr.Justice Devaraju Nagarjun ,Chairman

Between:

The Singareni Collieries Company Limited,
Kothagudem Collieries, Bhadradri 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.

Singareni Collieries Company Limited (SCCL or petitioner) has filed the present petition on 28.11.2024 in accordance with Sections 62, 86(1)(a) & 86(1)(b) of the Electricity Act, 2003 read with clause 3.13.1, and other applicable clauses provided in Regulation No.1 of 2019 for truing-up of generation tariff from 1st April 2023 to 31st March 2024. SCCL has also filed the revised tariff petition for FY 2025-26 for 2x600 MW Singareni Thermal Power Plant (STPP) in accordance with Regulation No.2 of 2023.

The Commission, in exercise of its powers under the Electricity Act, 2003, Regulation No.1 of 2019; Regulation No. 2 of 2023 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 Electricity Regulatory Commission (herein referred to as TGERC or the Commission) was constituted by the Government of Telangana (GoT) 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 (GoT) 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 Mancherial 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 (TGDiscoms) 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 fixed charges of the STPP plant up to 31.03.2019 and determined tariff during the MYT period 2019-2024.

1.1.6 The Commission in its Order dated 23.03.2023 has carried out mid-term review of the control period 2019-2024.

1.1.7 The Commission, in its Order dated 28.06.2024 has carried out True up for FY 2022-23 and Multiyear tariff for FY 2024-25 to FY 2028-29.

1.2 Statutory and Regulatory Provisions

1.2.1 As per Section 62 of the Electricity Act, 2003 the Commission determines 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) of the Act.

1.2.2 The Commission had notified (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 clause 3.13.1 and other applicable clauses provided in Regulation No.1 of 2019 and clause 6.2 and other applicable clauses as provided in Telangana Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2023 [Regulation 2 of 2023] the SCCL is required to file a petition for truing-up of generation tariff for STPP for FY 2023-24 ARR for and proposal for revised tariff & charges for FY 2025-26. For the sake of convenience, the applicable clauses of Regulation No.1 of 2019 and Regulation 2 of 2023 are reproduced below:

Regulation No.1 of 2019

"3.13 End of the control period Review

3.13.1 The Generating Entity shall file a petition for End of the control period Review and truing-up of the Aggregate Revenue Requirement and revenue for FY 2021-22 and FY 2022-23, and provisional truing-up for the FY 2023-24, by November 30, 2023. 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.

3.13.2 The scope of the End of control period Review shall be a comparison of the actual operational and financial performance vis-à-vis the approved forecast for the third, fourth and fifth Year(s) of the control period;

3.13.3 Upon completion of the review under clause 3.13.2 of this Regulation, the Commission shall attribute any variations or expected variations in *performance, for variables specified under clause 6.7 & clause 6.8 of this Regulation, to factors within the control of the petitioner (controllable factors) or to factors beyond its control (uncontrollable factors).*

3.13.4 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:

3.13.5 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 uncontrollable factors, it may apply to the Commission for inclusion of such variable"

Regulation No.2 of 2023

6.2 The petitions to be filed for each Control Period under this Regulation are as under:

d) After first year of the Control Period and onwards, the annual petitions by generating entity shall comprise of:

i. True-up of preceding year for Generation Business;

ii. True-up of preceding year for Integrated Mine;

iii. Proposal of revised tariff for ensuing year of control period for Generation Business;

iv. Proposal of Revised input price of coal supplied from Integrated mine for the ensuing year of the Control Period.

1.3 Present Petition

1.3.1 SCCL has filed the present petition on 28.11.2024 in accordance with Sections 62, 86(1)(a) & 86(1)(b) of the Electricity Act, 2003 read with clause 3.13.1, and other applicable clauses provided in Regulation No.1 of 2019 for truing-up of generation tariff from 1st April 2023 to 31st March 2024. SCCL has also filed the revised tariff petition for FY 2025-26 for 2x600 MW Singareni Thermal Power Plant (STPP) in accordance with Regulation No.2 of 2023.

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 (Regulation

No.2 of 2015), Regulation No.1 of 2019 and Regulation No.2 of 2023 notified by the Commission.

1.3.3 SCCL further submitted that based on the information available it 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 Petition and Regulatory Process

1.4.1 The petition was scrutinized thoroughly and found to be generally in order as required under Conduct of Business Regulation, 2015 (Regulation No.2 of 2015). Thereby, the original petition was taken on record by assigning the O.P.No.30 of 2024.

1.5 Data Gaps and petitioner's Responses

1.5.1 After taking the petition on record, the Commission has sought for some additional information which the petitioner has submitted. The Commission has considered the original filings and additional information submitted by the petitioner.

1.6 Public Notice

1.6.1 The petitioner, in conformity of the Commission's directions, issued Public Notice for inviting objections/suggestions of the stakeholders on the filing of the True-up for FY 2023-24 and Revised Tariff Proposal for FY 2025-26 in two (2) English, two (2) Telugu daily and One (1) Urdu daily newspapers on 14.12.2024 [Annexure-1]. In the Public Notice it was also stated the intention of the Commission to conduct Public Hearing in the Court Hall of TGERC, Vidyut Niyantran Bhavan, GTS Colony ,Kalyan Nagar, Hyderabad, on 21.01.2025 from 11.00 hrs onwards. The filings (along with supporting material) were hosted by the Petitioner as well as the Commission on their respective websites.

Response to the Public Notice

1.6.2 In response to the Public Notice, two (2) stakeholder's have submitted Objections/Suggestions on the filings of True-up for FY 2023-24 and Revised Tariff Proposal for FY 2025-26. The details of stakeholders who have submitted written objections/suggestions on filings is enclosed at Annexure-II.

1.6.3 The Petitioner was directed to furnish reply on the objections/suggestions of stakeholders in writing, marking copy of the same to the Commission, by 11.01.2025.

The objections/suggestions of stakeholders and the responses of the Petitioner on the same have been posted on both the websites of the Petitioner and the Commission.

1.7 Public Hearing

1.7.1 The Commission has conducted the Public Hearing on 21.01.2025 in attendance of the Petitioner, the Respondents, and the other interested stakeholders. During the Public Hearing, the Petitioner has made brief submissions on its filings and then the Commission heard the Respondents and other stakeholders. The Petitioner responded on the issues raised by the objectors and on directions of the Commission filed a written submission regarding the same. The list of persons who have presented their objections/suggestions in Public Hearing held on 21.01.2025 is enclosed at Annexure-III.

Chapter 2
Summary of Filings

2.1 Petitioner's Submissions

2.1.1 The petition is filed for approval of Truing-up for FY 2023-24 and Revised Tariff Proposal for FY 2025-26 for 2x600 MW Singareni Thermal Power Plant.

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

a) Annual Accounts of SCCL for FY 2023-24;

b) Audited details of the break-up of Actual capital cost of STPP up to 31.03.2024.

c) The details of Additional Capitalisation for FY 2024-25 and FY 2025-26.

True-up for FY 2023-24

2.1.3 The summary of the true-up of Aggregate Revenue Requirement for FY 2023-24 as claimed by the petitioner is shown in table below:

Table 2.1Summary of ARR as claimed for FY 2023-24

(Rs. in Crore)

Particulars	**MYT/Tariff Order**	**True-Up requirement**
	Approved	**Claimed**
Annual Fixed Charges		
Operation & Maintenance Expenses	225.07	314.28
Depreciation	400.36	401.03
Interest and finance charges on loan	195.58	247.71
Interest on Working Capital	85.63	116.28
Return on Equity	436.40	482.82
Annual Fixed Charges	**1343.03**	**1562.11**
Energy Charges		
Energy Charge Rate (Rs./kWh)	3.803	3.817
Scheduled Energy-Ex-bus (MUs)	8308.458	8308.458
Energy Charges	**3159.66**	**3171.34**
Other Charges		
Incentive	**0.00**	**0.00**
water charges, Audit fee & Tariff filing fee	0.00	35.50
Other Charges	**0.00**	**35.50**
Total Gross ARR	4502.69	4768.95
Less: Non-Tariff Income	13.33	5.16
ARR to be recovered from Tariff	**4489.36**	**4763.79**

**** It is observed that the values shown under MYT/Tariff Order are MTR Order revised approved values for FY 2022-23.***

2.2 Revised Tariff Proposal for FY 2025-26

2.2.1 The AFC claimed by the SCCL for FY 2025-26 is shown in table below:

Table 2.2: AFC and Energy Charge claimed by the Petitioner for FY 2025-26

(Rs. in Crore)

Particulars	FY 2025-26		
	MYT/Tariff Order	**April-March**	**April-March**
	Approved	**Revised Proposal-1**	**Revised Proposal-2**
Annual Fixed Charges			
Operation & Maintenance Expenses	262.86	350.19	365.81
Depreciation	400.36	403.85	445.36
Interest and finance charges on loan	158.88	184.16	178.63
Interest on Working Capital	84.24	89.81	90.62
Return on Equity	436.40	486.55	486.55
Annual Fixed Charges	**1342.73**	**1514.56**	**1566.97**
Energy Charges			
Energy Charge Rate (Rs./kWh)	3.785	3.785	3.785
Scheduled Energy-Ex-bus (MUs)	8421.426	8882.874	8882.874
Variable Charges	0.00	0.00	0.00
Energy Charges	**3187.51**	**3362.17**	**3362.17**
Other Charges			
Incentive	0.00	23.07	23.07
water charges, Audit fee & Tariff filing fee	0.00	10.41	10.41
Sub Total (Other Charges)	**0.00**	**33.48**	**33.48**
Total Gross ARR	4530.24	4910.21	4962.62
Less: Non-Tariff Income	4.09	5.37	5.37
ARR to be recovered from Tariff	**4526.15**	**4904.84**	**4957.25**

2.3 Energy Charges for FY 2025-26

2.2.1 The Energy Charge Rates (ECR) projected by SCCL for FY 2025-26 are as shown in table below:

Table 2.3: Summary of ECR as claimed by the Petitioner for FY 2025-26

Particulars	Units	MYT/Tariff Order	April-March
		Approved	Revised Proposal
Auxiliary Consumption	%	5.75	5.75
Gross Station Heat Rate	kcal/kWh	2300.00	2300.00
Secondary Fuel oil consumption	ml/kWh	0.50	0.50
Calorific Value of Secondary Fuel	kcal/ml	10.00	10.00
Landed Price of Secondary Fuel	Rs./ml	0.07	0.07
Gross Calorific Value of Coal	kcal/kg	3808.80	3808.80
Landed Price of Coal	Rs./kg	5.86	5.86
Specific Coal Consumption	kg/kWh	0.603	0.60
Rate of Energy Charge from Primary Fuel	Rs./kWh	3.749	3.749
Rate of Energy charges from Secondary Fuel	Rs./kWh	0.036	0.036
ECR	**Rs./kWh**	**3.785**	**3.785**

Chapter 3

Issues raised by Stakeholders, responses of Petitioner and Commission's Analysis and Findings

True up for FY 2023-24

Objections/suggestions made on filings

TGSPDCL on behalf of TGSPDCL & TGNPDCL has filed objections/ suggestions on True-up for FY2023-24 and on Revised tariff petition for FY2025-26. The Petitioner has filed replies on the objections/suggestions received from the stakeholder in writing and during public hearing. For the sake of clarity, the objections/suggestions raised by the stakeholder and responses of the Petitioner have been consolidated and summarised issue-wise and concluded all the objections/suggestions made in writing and the responses to them by the Petitioner.

3.1. Additional Capitalisation for FY 2023-24

Petitioner's Claim

a) The petitioner has claimed Rs.49.29 crore as additional capitalisation for FY 2023-24. In justification of additional capitalisation, the petitioner has submitted that the claim towards additional capitalisation for FY 2023-24 contains major items like Generator exciter assembly (with PMG) and repair of unit-2 Generator rotor amounting to Rs 38.31 Crore. It is claimed that from the past experiences when any of this equipment fails for whatever the reason and order was placed for replacement, the Original Equipment Manufacturer (OEM) require a high lead time of around one year to supply a new one or at least four months' time for refurbishment as the input material for these modules are to imported from other countries.

b) This resulted in the units to be shut down in the range of four months to one year which impacted the cash flow of both SCCL and TG Discoms. SCCL will lose due to non-recovery of full fixed charges while TGDiscoms also will be incurring loss from the arrangement of alternative power supply from the market. Therefore, a win-win situation will be achieved if the petitioner is allowed to make the required capital expenditure.

c) The Commission has approved initial spares of STPP in its earlier order below 2.5% of the GFA upto cut-off date, and still Rs.100 crore is required to reach the limit of 4% ceiling for spares as per Regulation as calculated by SCCL and it is requested to allow for the proposed exciter assembly and other capital expenditure as these expenditures are within specified ceiling limits.

d) Further, as per the directives of Civil Courts additional amount of Rs. 2.91 crore was paid for enhanced compensation for already acquired land which is within the original scope and spilled over to the current control period and occurred due to a change in law.

Stakeholders' Submissions

a) The stakeholders have submitted that out of additional capitalization claim of Rs.49.29 Cr for FY 2023-24, the major claim is of Rs. 38.31 Cr towards Generator exciter assembly (with PMG) and repair of Unit-2 Generator Rotor, which was claimed by SCCL and was disallowed by the Commission vide order dated 23.03.2023 in Mid Term Review petition in OP No. 77 of 2022 & vide order dated 17.11.2023 in R.P (SR) No. 79 of 2023 in OP No. 77 of 2022, since, the claim was beyond the Original Scope of Works. Hence, the claim is not tenable again in the present petition.

Petitioner's Replies

The petitioner has submitted the following

a) The projected PLF during the FY 2024-29 is around 91%. The Generator exciter assembly is necessary for the successful execution of the generation plan. In case of failures for whatever reason orders placed the OEM results in a high lead time of around one year to supply a new one or at least four months for refurbishment. Hence, it needs special attention.

b) As per PPA, STPP is expected to meet the availability norms set by the regulator and full fixed charges can be claimed only after achieving the normative availability. If such equipment is not provided, SCCL will loose due to non-recovery of full fixed charges while TGDiscoms will also be incurring loss from arrangement of alternative power supply from the market.

c) It is submitted that the short-term power markets are highly volatile and unpredictable. Therefore, the shutdown of units in the range of four months to one year will impact the cash flow of both SCCL and TGDISCOMs. Therefore, a win-win situation may be achieved if STPP is allowed to make required capital expenditures.

d) As stated by the stakeholders, SCCL did not claim the generator exciter assembly and repair of unit-2 Generating rotor amounting to Rs 38.31 crore as additional capitalisation in mid-term review petition. STPP has purchased one generator exciter to meet the exigencies as both the units are of the same capacity.

e) As per clause 17.9.5 of TGERC Tariff Regulation 2019 additional capitalisation on several items are prohibited after cut-off Date. The Regulation contains a comprehensive list of such items. The additional capitalisation claims of STPP do not fall into this prohibited category and these items are required for successful running of the plant at normative availability. Accordingly, the Commission by the application of general prudence can consider these items for capitalisation.

f) Further, as per the directives of Civil Courts additional amount of Rs. 2.91 crores was paid for enhanced compensation for already acquired land which is within the original scope and spilled over to the current control period and occurred due to a change in law.

Therefore, the petitioner submitted that objections made by the stakeholders have no merit for consideration

Commission's Analysis and Findings

a) The petitioner has claimed an amount of Rs. 49.29 Crores for FY 2023-24 as additional capitalisation. The Commission has examined the additional capitalisation claimed by the Petitioner, which was incurred for activities such as Procurement of Generator Exciter Assembly and Repair of Generator Rotor, Widening of portico Ramp of Building, Enhanced Compensation paid for land as per Court directives, Retaining Wall around coal stock yard, Procurement of various pipes, Equipment for security, Laying of 33kV/11kV/3.3kV OHT Lines for Railway Siding, Construction of Quarters and other amenities in Township, CSR works in nearby villages, Furniture for Admin and service buildings, other civil works etc.

b) This was strongly opposed by the DISCOMs / Objectors on the ground that the

Petitioner has made an attempt to claim said amounts in O. P. No. 77 of 2022 in mid-term review petition including Rs. 38.31 crores as Spill Over works, however, the Commission by Order dated 17.11.2023 has rejected the said request. Therefore this Commission shall not entertain additional expenditure.

In order to appreciate the submissions of both sides the relevant Regulations (Regulation No.1 of 2019) are considered as referred hereunder.

"Clause 7.19.1 - The capital expenditure actually incurred or projected to be incurred, on the following counts within the Original Scope Of Work, after the COD and up to the Cut-Off date, may be admitted by the Commission subject to Prudence Check. Any additional capitalization after COD needs prior approval of the Commission

a) Un-discharged liabilities recognized to be payable at a future date;

b) Works deferred for execution;

c) Procurement of initial capital spares within the Original Scope of Work in accordance with clause 7:12 of these Regulations;

d) Liabilities to meet award of arbitration or for compliance of the order or decree of a court of law

e) Change in law or compliance of any existing law;

f) Any expenses to be incurred on account of need for higher security and safety of the Station/Unit as advised or directed by appropriate Government Agencies of statutory authorities responsible for national security/internal security;

g) Deferred works relating to .ash pond or ash handling system and coal handling in the Original Scope of Work

h) Any •capital expenditure found justified after ·Prudence Check necessitated on account of modifications required or done in fuel receiving system arising due to non-materialization of coal supply corresponding to full coal linkage in respect of Thermal Generating· Station as result of circumstances not Within the control of the Generating Station.

i) Any liability for works executed prior to the Cut-Off date; after Prudence Check of the details of such un-discharged liability, total estimated cost of package, reasons for such withholding of payment and release of such payments, etc.

Provided that in case of such liabilities, the details and relevant Board of Director approvals shall be submitted along with the Petition for determination of final Tariff after the COD of the Generating Unit/Station.

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:

k) Any additional capital expenditure which has become necessary for efficient operation.

Provided that the claim shall be substantiated with the technical justification duly supported by documentary evidence like test results carried out by an independent agency in case of deterioration of assets, damage caused by natural calamities, Obsolescence of technology up-gradation of capacity for the Technical reason such as increase in fault *level.*

l) *An additional capital expenditure for complying with statutory norms for Environment in accordance with the appropriate notifications of Ministry of Environment, Forest and Climate Change.*
Provided that, the Generating Company shall approach to the Commission for change in operational parameters such as change in normative Auxiliary Consumption on account of technology changes in the Generating Plant for e.g. installation of Flue Gas Desulfurization (FGD).

m) *In case of hydro Generating Stations, any expenditure, which has become necessary on account of damage caused by natural calamities (but not due to flooding of power house attributable to the negligence of the Generating Entity) and due to geological reasons after adjusting the proceeds from any insurance scheme, and expenditure incurred due to any additional work which has become necessary for successful and efficient plant operation."*

c) On considering the above Regulations it is clear that the additional capitalization beyond the scope of work can be permitted only with prior approval from the Commission. Further, as per Clause 2.23 of Regulation No. 01 of 2019 read as under:

"Cut-off Date" means the 31st March of the Year ending after two (2) Years of the Year of start of commercial operation of a Project and, in case a Project is declared to be under commercial operation in the last quarter of a Year, it shall mean the 31st March of the Year ending after three years of the Year of start of such commercial operation."

d) Therefore basing on the above clause, if the additional expenditure incurred is beyond the cut-off date such additional expenditure also cannot be permitted. Out of Rs. 49.29 crore of additional expenditure claimed, except Rs. 2.91 crore towards enhanced land compensation as per the directions of the civil court, rest of the expenditure incurred beyond the cut-off date cannot be considered as it was spent without obtaining prior approval of the Commission. In addition to that as rightly submitted by TGDiscoms in respect to the claim of petition for Rs 38.31 crores towards spill over expenses was rejected by the Commission by order dated 17.11.2023 in OP No.77 of 2022.Accordinlgy, the additional capitalisation claimed and approved for FY 2023-24 is as mentioned in the table below:

Table 3.1 : Additional Capitalisation claimed and approved for FY 2023-24

(Rs. in Crore)

Particulars	Approved in MTR Order dt 23.03.2023	Claimed	Approved
Additional Capitalisation	0.00	49.29	2.91

3.2. Operations and Maintenance Expenses

Petitioner's Claim

a) The Petitioner claimed the O&M expenses as Rs. 314.28 Crores as against the approved value of Rs. 225.07 Crore in MYT which was subsequently revised in MTR Order dated 23.03.2023. The Petitioner in support of its claim has also submitted the Auditor Certificate.

b) The Petitioner has submitted that the O&M expenses for the FY 2023-24 were approved relying on the STPP's actual expenses of control period FY 2016-19 after application of CPI&WPI. During FY 2016-19, the deployment of manpower was partial, repair & maintenance costs were very less which resulted in approval of less O&M expenses for FY 2023-24. The new plant when subjected to cyclical stress and extreme thermal conditions for longer period will gradually experience more wear and tear. Some machine parts also became useless in STPP. The rate of failure of equipment increased with increase in plant age. Capital spares were purchased and put in service in place of failed equipment. The additional O&M expenditures incurred for coal mill overhauling was absent during the initial years. The initial /mandatory spares purchased for coal mill and spares were consumed in first two and half years for annual mill overhauling. Hence the impact of O&M due to annual mill overhaul during 2016-17 to 2018-19 was almost nil. The O&M expenditure drastically increased from 2018-19 onwards after stored initial spares for coal mill were exhausted.

c) It is further submitted that the deployment of CISF in the base year was only partial. Only 55% of its full capacity manpower was available and deployed for FY 2018-19. CISF personnel receive salary and other facilities as decided by the Central Government from time to time and is to be reimbursed by STPP which is booked under A&G expenditure. As per safety report, the STPP falls under the high security zone which is categorised as Hyper Sensitive Zone by Ministry of Home Affairs. Accordingly, the required CISF manpower of various ranks have been recommended by the authority for posting in STPP. All the above reasons resulted in increase in O&M expenses from approved values.

d) The Petitioner has also requested to consider the cumulative WPI figures of the past control period i.e around 29.6% and to add with the K figure of the last control period which was 1.04 and to consider the K value for the purpose of computing

R&M expenditure as 1.34 in place of 1.08.

e) Though the Discoms have raised objection in respect of many heads it has not chosen to raise any objection on O&M expenses

f) The O&M expenses approved in MTR Order dated 23.03.2023, claimed by SCCL in True up petition is detailed in Table below:

Table 3.2 : Summary of O&M expenditure claimed for FY 2023-24

(Rs. in Crore)

Particulars	Approved in MTR Order dt 23.03.2023	Claimed
Employee Expenses	225.07	171.86
A&G Expenses		51.93
R & M Expenses		90.49
O&M Expenses	225.07	314.28

Commission's Analysis and Findings

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

b) 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 is approved as below:

Employee Cost:

Table 3.3 : *Employee cost computed by the Commission for FY 2023-24*

(Rs. in Crore)

Particulars	EMPb	CPI Inflation	Provision	EMPn
	(a)	**(b)**	**(c)**	**(a*b)+(c)**
Employee Cost	107.02	1.042		**111.51**

Table 3.4*: Employee cost claimed, computed and approved for FY 2023-24*

(Rs. in Crore)

Financial Year	Approved in MTR Order dt 23.03.2023	Claimed	Recomputed by the Commission	Approved
FY 2023-24	110.24	171.86	111.51	111.51

A&G Expenses:

Table 3.5 : *A&G expenses computed for FY 2023-24*

(Rs. in Crore)

Particulars	A&G	Inflation Factor	Provision	A&Gn
	(a)	**(b)**	**(c)**	**(a*b)+(c)**
A&G Expenses	36.69	1.01		37.14

Table 3.6 : *A&G expenses at actuals claimed and approved for FY 2023-24*

(Rs. in Crore)

Financial Year	Approved in MTR Order dt 23.03.2023	Claimed	Recomputed by the Commission	Approved
FY 2023-24	35.84	51.93	37.14	37.14

R&M Expenses:

Table 3.7 : *R&M expenses computed by the Commission for FY 2023-24*

(Rs. in Crore)

Particulars	Kn	GFAn	WPI Inflation	R&Mn
	(a)	**(b)**	**(c)**	**(a*b*c)**
R&M Expenses	1.14%	7745.32	1.00	87.94

Table 3.8:*R&M expenses claimed, recomputed and approved for FY 2023-24*

(Rs. in Crore)

Financial Year	Approved in MTR Order dt 23.03.2023	Claimed	Recomputed by the Commission	Approved
FY 2023-24	81.27	90.49	87.94	87.94

O&M Expenses:

c) The relevant clause of Regulation No.1 of 2019 related to O&M expenses is as follows:

"19.1 The O&M expenses for each year of the control period shall be approved based on the formula shown below:

O&Mn = (R&Mn + EMPn + A&Gn) x 99%"

d) Basing on the above Regulation, the O&M expenses claimed by petitioner and approved by the Commission for FY 2023-24 is as shown below:

Table 3.9*: O&M Expenses claimed and approved FY 2023-24*

(Rs. in Crore)

Particulars	MTR Order	Claimed	Approved

	dt 23.03.2023		
Employee Expenses		171.86	111.51
A&G Expenses		51.93	37.14
R & M Expenses		90.49	87.94
O&M Expenses	225.07	314.28	234.22*

*As per Regulation 1 of 2019 O&M Expenses =99% of sum of Employee Expenses, A&G Expenses and R&M Expenses

3.3. Depreciation

Petitioner's Claim

The petitioner has claimed the deprecation of Rs.401.03 Crore against the approved value of Rs.400.36 crore in MTR order dated 23.03.2023. The same is detailed in Table below:

Table 3.10*: Depreciation as claimed for FY 2023-24*

(Rs. in Crore)

Particulars	Approved in MTR Order dated 23.03.2023	Claimed
Depreciation	400.36	401.03

Stakeholders' Submissions

a) The Petitioner has submitted higher depreciation sums of Rs. 401.03 cr., for FY 2023-24 against approval of the Commission at a constant Value of Rs. 400.36 Cr in the Mid-term review order dated 23.03.2023.

b) Since no additional Capitalization was allowed to the petitioner in the Midterm review and there would be no change in the GFA (Gross Fixed Asset) of STPP Project, the Commission is requested to restrict the recovery of Depreciation by the Petitioner to the already approved figure of Rs. 400.36 Crore.

Petitioner's Replies

a) The Petitioner has submitted that the respondents, without considering the fact that there are certain capitalizations done as per Court directives and for compliance of CEA regulation which is in the nature of change in law events, has stated that the depreciation should not increase. Accordingly, this fact needs to be considered for capitalization, consequently the effect of depreciation is required to be allowed by the Commission.

Commission's Analysis and Findings

a) The Commission has taken note that the petitioner has taken the closing GFA approved for True up of FY2022-23 as opening GFA value for FY 2023-24.

Further, the Commission has allowed an additional capitalization of Rs. 2.91 crore for FY 2023-24 against a claim of Rs.49.29 crore.

b) The depreciation can be permitted in accordance with Clause 10 of the Regulation No. 1 of 2019 considering the approved GFA and additional capitalization of Rs.2.91 crore. The depreciation rate of 5.16% is considered in accordance to Clause 10.6 of the Regulation No. 1 of 2019 and after prudent check of the actual depreciation rates filed by the Petitioner. After prudence check, the deprecation claimed and approved for FY 2023-24 is detailed in Table below:

Table 3.11: Depreciation claimed and approved for FY 2023-24

(Rs. in Crore)

Particulars	**Approved in MTR Order dt 23.03.2023**	**Claimed**	**Approved**
Opening GFA	7,745.32	7,745.32	7,745.32
Addition during the year	0.00	49.29	2.91
Closing GFA	7,745.32	7,794.61	7,748.23
Rate of Depreciation	5.17%	5.16%	5.16%
Depreciation	400.36	401.03	399.83

3.4. Interest and Finance Charges

Petitioner's Claim

a) The Petitioner has claimed the interest and finance charges on loan as Rs. 247.71 Crore against the approved value of Rs. 195.58 Crore in MTR order dated 23.03.2023. The Petitioner further added that the Commission in its Mid Term review Order dated 23.03.2023 allowed the refinancing of loan and has claimed the sharing of gains of Rs 16.17 Crore accrued due to refinancing of loans in the FY2020-21.

b) The petitioner has submitted that the weighted average rate of interest on actual loans of both SBI and ICICI combined for FY 2023-24 is 8.43%. Rate of interest of SBI loan is calculated as one-year MCLR plus spread of 0.25 and the same will be reset every year on 15th October. The rate of interest of SBI loan has increased from 8.80% to 9.20% w.e.f 15.10.2024, accordingly, the same is considered while calculating estimated interest for 2024-25 and 2025-26.

c) The Petitioner has undertaken loan refinancing during FY 2020-21. Regulations specifically allows for refinancing of loans as long it results in net savings. This loan restructuring dated 15.10.2020 has resulted in instantaneous reduction of interest to the tune of 3.05% (10.20% to 7.15%). Regulation No 1 of 2019 provides for the generating entity making every effort to refinance the loan as long as it results in net savings on interest and in that event refinancing charge shall be borne by beneficiary, whereas, the net savings shall be shared to the beneficiary. Petitioner has requested to allow the sharing of savings in interest as claimed.

d) The interest and finance charges on loan approved in MTR Order dated 23.03.2023, claimed by the Petitioner for FY 2023-24 is detailed in Table below:

Table 3.12: Interest and Finance Charges on Loan as claimed for FY 2023-24

(Rs. in Crore)

Particulars	Approved in MTR Order dt 23.03.2023	Claimed
Interest and finance charges on Loan	195.58	247.71

Stakeholders' Submissions

a) The stakeholders have stated that the petitioner has added the additional loan component of Rs.34.51 Cr for FY 2023-24 for the additional capitalisation of Rs.49.29 Cr and additional loan component of Rs.17.50 Cr for FY 2024-25 to the outstanding loan balances approved in the mid Term Review order dated 23.03.2023even without obtaining approval of the Commission and worked out higher interest sums arbitrarily by applying the rate of interest @8.43% to 8.83% as against the rate of interest approved @7.16% p.a for FY 2023-24 and @8.24% p.a for FY 2025-26, which is not in accordance with the Mid Term Review order dated 23.03.2023/MYT order dated 28.06.2024. If there is a change in interest rate on outstanding loan, then the net savings have to be reworked. The petitioner has also claimed 1/3rd share of savings of interest amount accrued due to loan refinancing while truing up for FY 2023-24 and also for the FY 2024-25 & 2025-26 by simply citing the relevant clause 31 of Regulation No 2 of 2023.

b) The Commission in its MTR order had allowed 1/3rd share of gains of net savings to STPP/SCCL as a one time basis during FY 2020-21 and allowed the beneficiaries to retain the net savings for subsequent years without sharing. Disregarding the set procedure, the Petitioner has trued-up the expenditures by claiming 1/3rd share of gain of loan refinancing even for the balance period of the previous control period which is not permissible.

c) Further, the Petitioner has continued to claim 1/3rd share of gains of loan refinancing even for FY 2024-25 and 2025-26 by referring clause 31 of Regulation No 2 of 2023. In the said Regulation, it is specifically prescribed that the net savings in interest shall be calculated as an Annuity for the term of the Loan whereas such methodology was not prescribed in Regulation No. 1 of 2019. In Annuity computation methodology, present values of interest cost saving before and after loan refinancing have to be worked out by considering the discount rate at the interest rate of Post refinancing. The Petitioner has not carried out such exercise. If further loan refinancing is taken up by the Petitioner in FY 2024-25 & 2025-26, then Regulation No 2 of 2023 allows such claim. Petitioner's claim for unilaterally adjusting 1/3rd share of gain to it is legally not permissible. Hence, it is requested to restrict the Interest Rate @7.16% as approved in the MTR and disallow the sharing of 1/3rd share of gain on loan refinancing for FY 2023-24 and also to restrict the rate of interest on loan @8.24% for FY 2024-25 and FY 2025-26 to as approved in MTR/MYT order and disallow the sharing of 1/3rd share of gain on loan refinancing for FY 2024-25 and FY 2025-26.

Petitioner's Replies

a) The Petitioner has stated that clause 12.6.3 of Regulation No 1 of 2019 provides that changes to terms and conditions of the refinanced loans shall be reflected from the date of refinancing and it is easy to understand that how further changes in interest rates falls within these terms and conditions. Further clause 12.5 of the same Regulation provides that the rate of interest on loan shall be based on weighted average rate of actual loan portfolio.

b) Accordingly, in terms of the said regulation, post financing and rate of interest applicable for actual refinanced loan portfolio is required to be allowed in the tariff. Further the stakeholders have stated that the methodology for loan refinancing as allowed by the Commission in MTR order is final and should be the basis for truing up of interest and financing charges even for forth coming FY 2023-24. It is submitted that non sharing of gain out of loan refinancing in FY 2021-22 which is a deviation to clause 12.6 of Regulation No 1 of 2019 has been challenged before Hon'ble APTEL and the approval for refinancing was never under challenge.

c) The last proviso 31.10 of Regulation No 2 of 2023 states that the net savings in interest shall be calculated as an annuity for the term of loan but the net savings shall be shared between the parties on annual basis. Calculation of net savings in interest based on annuity method is only required to apply prudence to approve refinancing. Refinancing has already been approved in the previous control period. Hence annuity method as suggested by the stakeholder is not relevant in this matter. The same proviso stipulates the annual savings shall be shared, which the petitioner has calculated and submitted.

d) Once the approval for refinancing of the loan has been allowed by the Commission and as the truing up of FY 2023-24 was not done in the mid-term review order dated 23.03.2023, the Commission may decide sharing ratio of benefit out of the said refinancing arranged which attained finality as no party challenged , it is appropriate to pass orders on refinancing arrangement for FY 2023-24.

e) Hence, it is requested to decide the sharing ratio of net savings for FY 2023-24 and also to apply the prescribed ratio of 2:1 for the sharing of gains in the control period 2024 - 29.

Commission's Analysis and Findings

a) The Commission has approved the Interest and Finance Charges on loan in accordance with Clause 12 of the Regulation No. 1 of 2019. The closing loan balance approved for FY 2022-23 after true up in 5th MYT order dated 28.06.2024 has been considered as the opening loan balance for FY 2023-24. The approved depreciation of Rs.399.83 crore has been considered as the normative repayment for the year.

b) The Commission has computed the weighted average rate of interest on loan based on the actual loan portfolio and respective interest rates. The Commission in its MTR Order dated 23.03.2023 approved the refinancing of loan for FY 2020-21 and FY 2021-22 and passed on the benefits and relevant paras are extracted below:

> *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*

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.

3.9.16 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……"

c) It is observed that the Petitioner has also claimed the sharing of benefits of refinancing of loan during FY 2023-24. The Commission in its Order dated 23.03.2023 has approved the sharing of gains on account of refinancing in FY 2020-21. Since entire gain on account of loan refinancing has already been permitted to be shared by the petitioner in FY 2020-21 on one time basis, nothing was left for sharing the gains for FY 2021-22. The Petitioner has challenged the MTR order dated 23.03.2023 before the Hon'ble APTEL being aggrieved for not sharing the gains on account of refinancing for FY 2021-22 and is still pending.

d) The Commission after passing on the benefits due to loan refinancing in the FY 2020-21 as a one time basis and approved the revised rate of interest of 7.16% for the FY 2022-23 and FY 2023-24.

e) On prudent check of actual loan statements submitted by the Petitioner, Commission allowed the rate of interest of 8.43% for FY 2023-24. Since the Commission has already passed on the benefits due to loan refinancing as a one-time basis and that the rate of interest has also increased from approved rate of interest of 7.16% in the MTR, since there is no gain available on account of refinancing from the date of passing of MTR order the Commission is not inclined to accept the claim of the Petitioner.

f) Accordingly, the interest and finance charges on loan claimed by Petitioner and approved is shown in the table below:

Table 3.14*: I&FC on Loan claimed and approved for FY 2023-24*

(Rs. in Crore)

Particulars	Approved in MTR Order dt 23.03.2023	Claimed	Approved
Opening Loan		2,929.99	2,929.96
Addition		34.51	2.04
Repayment		401.03	399.83
Closing Loan		2,563.46	2,532.17
Interest rate		8.43%	8.43%
Interest on loan		231.54	230.15
Sharing of Benefits of Refinancing		16.17	0.00
Interest & Finance Charges on loan	**195.58**	**247.71**	**230.15**

3.5. Interest on Working Capital

Petitioner's Claim

a) The Petitioner has claimed Interest on working capital for FY 2023-24 as Rs. 116.28 Crore in accordance to Clauses 13.1 to 13.4 of Regulation No. 1 of 2019 against the approved value of Rs. 85.63 Crore in MTR Order dated 23.03.2023. The Petitioner has considered the Interest rate as 10.07% for computation of interest on working capital.

b) The interest on working capital approved in MTR Order dated 23.03.2023, claimed is detailed in Table below:

Table3.15*: Interest on Working Capital claimed for FY 2023-24*

(Rs. in Crore)

Particulars	Approved in MTR Order dt 23.03.2023	Claimed
Interest on Working Capital	**85.63**	**116.28***

**IoWC claimed@*10.07% interest rate

Stakeholders' Submissions

a) The stakeholders have submitted that the petitioner has considered cost of coal of Bridge Linkage pricing which will be higher than the notified price of coal, by 20 to 30% (Rs.5860 to 5930 per Ton). By considering high price of coal being supplied to STPP under Bridge Linkage policy, the Working Capital would be higher which is not in consonance with the Commission's order dated 01.04.2024 in O.P.No.13 of 2023, wherein the Commission has disallowed the levy of additional premium by SCCL on the basic price of coal for the corresponding coal grade. Hence, it is requested to restrict the Working Capital claim considering the notified basic price of coal, else it translates into higher fixed charges and ultimately a burden on the end consumers.

Petitioner's Replies

a) The Ministry of Coal (MoC), Govt. of India has allocated captive Coal Block/Mine (NAINI) to STPP/SCCL in the year 2016. The coal produced from the Nain Block in Odisha State would be utilized at STPP (being the Specified End Use Plant). To facilitate the immediate requirement of Coal to STPP project, a Short-term Linkage was granted under the Policy of Bridge Linkage, till the commencement of Coal Supply to STPP gets from its Captive Coal Block (Naini).The extension of bridge linkage will be decided by Standing Linkage Committee (SLC), MOC, Govt. of India after deliberation in the meeting duly considering the recommendations received from Ministry of Power (MoP).

b) SCCL is supplying coal to Power sector (Bridge linkage and Non Bridge linkage holders) by regulating supplies to Non Power customers. Sales realisation from non-regulated sector is more by Rs.1628/T than sales realisation from Bridge Linkage and Non Bridge Linkage supplies to power. Therefore, by foregoing the revenues, SCCL is supplying coal to Bridge Linkage and Non Bridge Linkage customers based on the request of Ministry of Coal considering the importance of power sector across the country. In the recent order of Standard Linkage Committee it was clearly stated that the price of such bridge linkage supply has to be solely decided by SCCL/CIL.

c) The Commission in STPP's True up for FY 2022-23 and MYT for FY 2024-25 to FY 2028-29 order dated 28.06.2024 has allowed the coal cost including the premium superseding its earlier order dt. 01.04.2024. Accordingly, the Commission is requested to allow the coal cost as claimed.

d) The Petitioner has also stated that SCCL is exploring swapping of coal from Naini mines since long, TANGEDCO has shown interest in swapping of coal from SCCL to Naini coal mine and accordingly letters were addressed to TGPCC/TGDiscoms to give consent for entering into swapping arrangement. Once coal production starts from Naini coal mine and consent is received from

TGPCC/TGDiscoms the same will be taken up with Ministry of Coal,GoI.

Commission's Analysis and Findings

a) The Commission has computed the working capital requirement for FY 2023-24 in accordance with clause 13 of Regulation No.1 of 2019, 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.

b) The Petitioner claimed cost of coal of bridge linkage pricing which was admittedly higher than notified price of coal. This aspect has been contested by various stakeholders stating that on account of claim of cost of coal as bridge linkage pricing would certainly make the consumers feel hardship. SCCL was originally formed for doing coal business. Subsequently it also entered into power generation business. The fuel for the power being produced is the coal thereby the objections of the stakeholders is that the SCCL which has been doing the coal business has been supplying the coal to its vertical STPP on premium price by loading the cost on the consumers. It is submitted by the stakeholders that on account of non-mining of Naini coal mine allotted to SCCL in the year 2016 for supply of coal, the STPP had to buy the coal necessarily from SCCL. It is also submitted that deliberately serious efforts are not put by the STPP to mine the Naini coal block which would have resulted in availability for the coal at cheaper price.

c) On the contrary the submissions of SCCL would go to show that this Commission while considering the true up for FY 2022-23 and MYT for the period FY 2024-25 to FY 2028-29 has considered the premium price of coal contrary to its own order dated 01.04.2024 in O. P. No. 13 of 2023. Aggrieved by this order of true up and MYT passed on 28.06.2024 the DISCOMs have preferred an appeal before Hon'ble APTEL in Appeal No. 19 of 2024 and same is also pending for consideration before Hon'ble APTEL.

d) This Commission has gone through the orders carefully and closely. While detailed reasoning was given in the orders dated 01.04.2024 in O. P. No. 13 of 2023 in paragraphs 26 to 31, typically no reasons were given in True up and MYT order dated 28.06.2024 as to why this Commission has accepted the premium price of coal and as to why the Commission is differing with the earlier order dated 01.04.2024 in O. P. No. 13 of 2023 and considering premium price of coal. Therefore, on considering both the orders passed by the previous Commission (this Commission has taken charge on 30.10.2024) is of the view that the detailed reasoned order passed in O. P. No. 13 of 2023 dated 01.04.2024 is to be preferred than order passed on 28.06.2024 in True up for FY 2022-23 and MYT for FY 2024-25 to FY 2028-29.

e) Even otherwise both the orders in O. P. No. 13 of 2023 dated 01.04.2024 and Order dated 28.06.2024 in True up for the year FY 2024-25 to FY 2028-29 are before the Hon'ble APTEL for consideration. Therefore the issue as to whether SCCL can claim the premium rate for coal being supplied to STPP, without mining the coal in the Naini coal mine allotted to it and whether the STPP can get the coal from SCCL for notified prices will be decided by the Hon'ble APTEL. Until then, as already observed above, this Commission in so far as this petition is concerned, is of the view that the SCCL cannot claim Bridge Linkage Premium price for supply of coal to the STPP. Therefore, the Commission disallows the claim of the SCCL in claiming Bridge Linkage Premium price of coal while truing up for FY 2023-24.

f) With regard to rate of IoWC, the relevant clause of Regulation is as follows:

> *"13.3 Rate of interest on working capital shall be on normative basis and shall be considered as the Bank Rate plus 150 basis points as on filing date or as on 1st April of the financial Year during the MYT period in which the Generating Station or Unit thereof is declared under*

commercial operation, whichever is later.

Provided that for the purpose of Truing-up for any year, interest on working capital shall be allowed at a rate equal to the weighted average Bank Rate prevailing during the concerned Year plus 150 basis points."

g) The petitioner has claimed the interest rate as 10.07% considering actual SBI MCLR rate during FY 2023-24. The Commission on a prudent check has considered the rate of interest of 10.08% in accordance with clause 13.3 of Regulation No.1 of 2019 as against of 10.07% claimed by the petitioner by correcting the numerical error in computation of weighted average rate of interest.

h) Accordingly, the IoWC claimed and approved is detailed in Table below:

Table 3.16*: Interest on Working Capital claimed and approved for FY 2023-24*

(Rs. in Crore)

Particulars	Approved in MTR Order dt 23.03.2023	Claimed	Approved
Cost of coal, towards stock		267.83	226.11
Cost of coal for generation		267.83	226.11
Cost of secondary fuel oil		1.55	1.50
O&M expenses		26.19	19.52
Maintenance spares		62.86	46.84
Receivables		796.70	685.08
Minus: Payables for Fuels		268.61	226.86
Total Working Capital requirement		**1,154.35**	**978.30**
Interest rate (%)		10.07	10.08
Interest on working capital	**85.63**	**116.28**	**98.58**

3.6. Return on Equity

Petitioner's Claim

a) The petitioner has claimed the Return on Equity (RoE) for FY 2023-24 as Rs.482.82 crore against the approved value of Rs.436.40 crore in MTR order dated 23.03.2023. The petitioner has considered the effective tax rate as 25.17% for grossing up the base rate of Return of Equity (15.50%). The details are as given below:

Table 3.17*: Return on Equity including Tax as claimed for FY 2023-24*

(Rs. in Crore)

Particulars	MTR Order dt 23.03.2023	Claimed
Return on Equity	**436.40**	**482.82**

Stakeholders' Submissions

a) Stakeholders have submitted that the petitioner has claimed RoE at the base rate of 15.5% on enhanced equity after considering additional capitalisation of Rs.49.29 crores, without obtaining approval of the Commission. The petitioner has grossed up simple RoE with regular income tax rate @25.168% (rate applicable for SCCL company as a whole for coal and power business) as against the concessional MAT rate of 17.472% allowed by the Commission. The Commission has disallowed grossing up of RoE with higher Income Tax rate in the Mid Term Review Order dated 23.03.2023 and also Multi Year Tariff order dated 28.06.2024, since the claim was not in consonance with the Regulation No.1 of 2019. The petitioner is asking enhanced equity and RoE grossing up based on audited figures for FY 2023-24.

b) It further submitted that in APTEL judgement in Appeal No. 37 of 2010 it was held that the State Commission has to make prudent check of the expenditure and is not bound by Certificates of Auditor and requested the Commission to restrict the claim of RoE to the approved figures of Rs.436.40 crores, and that applicable Regulation provides that income tax has to be considered for the generating station on standalone basis and STPP cannot claim SCCL's tax rate and being a regulated entity, only MAT rate to be allowed in computation of RoE.

Petitioner's Replies

a) The petitioner has submitted that the objections made by the stakeholders by relying on Mid Term Review Order dated 23.03.2023 without considering the fact that the said order is applicable only for trued up period of FY 2019-22. The Commission needs to again consider prudent check of the expenditure, facts and reasons submitted before them in terms of specified tariff regulation in the present petition. STPP opted for payment of Corporate Income Tax at the reduced Tax rate of 25.168% without MAT credit entitlement and exemptions as per the Taxation (Amendment) Ordinance 2019..

b) The petitioner has also submitted that, since STPP is a regulated entity and needs to pay MAT rates is incorrect, misleading and lacks merit. STPP is not a separate legal entity and no applicable tariff regulation states that prevails over it the income tax laws. SCCL is an income tax assessee whereas STPP is not a separate assessee. STPP is an integral part of SCCL. Infact an entity needs to pay tax as per applicable income tax rate of the country and tariff regulations only have to allow effective tax rate paid by embedding the same in RoE computation during truing up. Stakeholder's argument is that STPP being a generating Company may take benefit of 801A and pay income tax only on MAT rate. However actual payment of income tax cannot be based on such assumptions and presumptions because STPP is not a Company separate from SCCL. As the tax is being paid on actual basis and the PPA also stipulates that such tax is to be reimbursed, the stakeholders ought not have objected for the same.

c) It is submitted that the objection was also that the State Commission is not bound by the Certificates of Auditors. It cannot be denied that the State Commission is not bound by the figures as given in audited statements, since the audit only reflects the amount that has been incurred, but the issue of prudent check i.e., whether such expenditure was required or not lies with the Commission. But regarding correctness of amount incurred towards permissible component, the Commission needs to rely on the figures found in the Auditor's certificate. Not bound does not mean the Commission has to totally disregard the certified amounts.

d) It is submitted that existing domestic companies have to pay income tax either by opting Section 115 BA (25%) or Section 115BAA(22%) of Income Tax Act. The domestic Company who has opted for special taxation regime under section 115BAA is exempted from provision of MAT. The Companies are expected to pay applicable corporate tax rates under normal circumstances. The provision of MAT is attracted only when tax payable by a domestic Company computed as per normal provisions of the act is less than 15% of the book profit. This may happen when events like making large provisions, transfer amounts to reserve funds etc., takes place. If MAT rate is not triggered, then 115BAA is more attractive than 115BA. Hence tax liability is lesser under 115BAA.

e) In the presence of MAT rates, good domestic Companies generally pay corporate tax rates and MAT rates are triggered when Companies try to reduce tax liability by resorting to accounting manoeuvre. Further the Commission in order dated 28.10.2014 for truing up of FY 2022-23 has allowed the actual tax rate @25.17% in place of MAT by changing its earlier stand in Mid Term Review Order dated 23.03.2023 where MAT rate @17.472% was allowed. Hence the Commission is requested to allow income tax rate based on the same principle to STPP also.

Commission's Analysis and Findings

a) The Commission has considered the approved capitalization of Rs.2.91 crore only against the claim of Rs.49.29 crore for computation of RoE.

b) In respect of computation of return on equity, the objection raised by Objectors/licensees is that the petitioner/generator concerned grossed up the RoE with regular income tax at the rate of 25.168 % which is applicable for SCCL Company as a whole for Coal and Generation business as against the concessional MAT rate of 17.472% allowed by this Commission for STPP for generation business. Thereby the RoE has gone up abnormally.

c) The generator on the other hand has submitted that SCCL has opted for corporate income tax at a reduced rate of 25.168 % without MAT credit entitlements and exemptions as per the taxation (amendment ordinance – 2019). It is also submitted that SCCL is an income tax assessee whereas STPP which is doing generating business is not a separate tax assessee, thereby STPP is integral part of SCCL. It is further submitted that the income tax actually paid by SCCL includes STPP, as STPP is one of its verticals. The Income Tax paid is at the rate of 25.168 %. It is also further submitted that basing on Clause 11.3 of Regulation No. 1 of 2019 the petitioner has paid the income tax and thereby entitled to claim the same and that the petitioner has opted for MAT rate without any basis.

d) The relevant part of the Regulation No. 1 of 2019 in so far as payment of Income tax are extracted here under:

"11.3.4. Rate of return on equity shall be rounded off to 3 decimal places and shall be computed as per the formula given below:

Rate of pre-tax return on equity = Base rate/(1-t)

Where "t" is the effective tax rate in accordance to Clause 11.3.1 of this regulation and shall be calculated in the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant finance act applicable for that financial year to the generating entity on pro-rate basis by excluding the income of non-generation and the corresponding tax thereof.

11.3.5 In case of generating entity paying the minimum alternate tax (MAT) , t shall be considered as MAT rate including surcharge and cess."

e) On critically examining the above provisions, it is clear that the petitioner is expected to pay effective tax rate in case if generating entity is not opting for Minimum Alternate Tax (MAT). However there is a rider, that the above provision is applicable only in respect of a Company which is exclusively confined for the business of generation of electricity, but here even according to Petitioner the STPP is an integral part of SCCL and that SCCL alone is a legal entity and paying the income tax. Further, STPP is not a legal entity by itself and not paying the income tax. Therefore the income tax paid by the SCCL includes both Coal business and Generation business. In principle when the issue of True-up comes for consideration, this Commission is expected to award true, reliable and acceptable expenses of the generating Company. Merely because STPP has submitted audit accounts it does not mean that the same has to be accepted unless it is clearly evident from the record that the generating Company is doing exclusive generation business. The regulations of this Commission are not clear as to how Income tax is to be awarded in case if a generating Company also does other business. The Regulations are also not clear that in case a generating Company is also doing other business and the income tax being paid is for both the businesses whether MAT rate of income tax can be awarded to the generating Company.

f) The present Commission has gone through the MTR order passed by previous Commission where in the previous Commission has concluded that generating Company is entitled for MAT rate at 17.472% instead of actual income tax paid on the ground that in case if the actual income tax paid is allowed the interest of the consumers will get affected. Further it is to be kept in mind that the Commission is under an obligation to strike a balance between the interest of the consumer and Generator. While due diligence is required to be done by the Commission in disallowing unwanted, unnecessary expenditure sought by the generator, at the same time while considering the interest of the consumer all the genuine expenses of the generator that can be allowed as per the Regulation shall be permitted. The tariff order has to be decided basing on the Regulations but not on emotions. Considering the fact that the generating Company STPP is not a separate legal entity and has not paid income tax and on paper there is no data to demonstrate that the businesses of STPP and SCCL are separate.

g) Further, keeping in view that restricting the tax to MAT was challenged by the petitioner before the Hon'ble APTEL in Appeal No. 149 of 2024, this Commission is of the opinion that even for this True up of FY 2023-24 also the applicable income tax for calculating true up/down is only MAT rate at the rate for 17.472%. However, the generator is at liberty to claim actual income tax paid in case the Hon'ble APTEL allows the appeal of the generator and directs the DISCOCMs to pay actual income tax paid by the generator.

h) Accordingly, the Return on Equity including tax approved in MTR Order dated 23.03.2023, claimed and approved is detailed in Table below:

Table 3.18*: Return on Equity including Income Tax claimed and approved for FY 2023-24*

(Rs. in Crore)

Particulars	Approved in MTR Order dt 23.03.2023	Claimed	Approved
Opening Equity	2,323.60	2,323.60	2,323.60
Addition during the year	0.00	14.79	0.87
Closing Equity	2,323.60	2,338.38	2,324.47
Rate of RoE	15.50%	15.50%	15.50%
Tax Rate	17.47%	25.17%	17.47%
Effective Tax Rate	18.78%	20.71%	18.78%
RoE including Income Tax	**436.40**	**482.82**	**436.45**

3.7. Non-Tariff Income

Petitioner's Claim

a) The petitioner has claimed the Non-Tariff Income (NTI) on actuals as given in table below:

Table3.19: Non-Tariff Income claimed for FY 2023-24

(Rs.in Crore)

Particulars	Approved in MTR Order dt 23.03.2023	Claimed
Non-Tariff Income (NTI)	13.33	5.16

Stakeholders' Submissions

a) The stakeholders have submitted that the claim of non-tariff income in the True-up for FY 2023-24 is Rs. 5.16 Cr against the approval of Rs. 13.33 Cr vide Midterm review order dated 23.03.2023. This claim is much less than the approval due to which the annual fixed charges claim increased. Hence, the stakeholders requested the Commission to do a prudent check of the same.

Petitioner's Replies

a) The Petitioner has submitted that, the non- tariff income claimed is on actual basis for truing up period of FY 2023-24 and the same is un-controllable factor, accordingly, requested to allow the same.

Commission's Analysis and Findings

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

Table 3.20*: Non-Tariff Income claimed and approved for FY 2023-24*

(Rs. in Crore)

Particulars	Approved in MTR Order dated 23.03.2023	Claimed	Approved
Non-Tariff Income (NTI)	13.33	5.16	5.16

3.8. Other Charges

Petitioner's Claim

a) The Petitioner has claimed other charges (water charges, Audit fee &Tariff filing fee) on actuals of FY 2023-24 as given in table below:

Table 3.21: Other Charges claimed for FY 2023-24

(Rs. in Crore)

Particulars	Approved in MTR Order dated 23.03.2023	Claimed
Other Charges	-	35.50

Stakeholders' Submissions

a) The stakeholders have submitted that the claim for FY 2023-24 has increased abnormally to Rs.33.97 Cr (includes arrears for FY 2017-18 to FY 2022-23) from Rs. 2.24 Cr in FY 2022-23. Hence, the abnormal increase in water charges claim is not tenable and the Commission is requested to restrict the claim in line with previous approved values.

Petitioner's Replies

a) The petitioner has submitted that Irrigation Department of Telangana Government has sent demand notice treating the water source from river Godavari as reservoir after Sundilla, Annaram and Medigadda barrages have been commissioned under Kaleshwaram project. As such higher royalty charges, O&M charges, HT current consumption charges of downstream barrages are also apportioned to STPP. Arrears amounting to Rs.25.27 Crores was demanded for the period 08/2019 to 03/2023. The demand of higher charges is in accordance with GO Ms No. 34 issued for allocation of 1TMC water to STPP from foreshore of Sundilla barrage under Kaleshwaram project. Water charges are statutory in nature and has to be paid to the Telangana irrigation department as per the State Government orders. The Commission is requested to allow the claim of water charges for FY 2024-25 & FY 2025-26 in line with order dt.28.10.2024 in the matter of TGGENCO MYT.

b) It is further submitted that the expenditures on account of license fee, tariff filing fee and audit fee is required to be allowed under aggregate revenue requirement based on actuals. The same is as per clause 19.6 of Regulation 1 of 2019.Accordingly, the Commission is requested to allow other charges as claimed.

Commission's Analysis and Findings

a) The Commission directed the Petitioner to submit the details of Water Charges, Tariff filing fee and audit fees as claimed for FY 2023-24. The Petitioner in its reply has submitted documentary evidence with regard to the Water charges raised by the Irrigation & CAD Department of Telangana and claimed water charges of Rs. 33.97 Crore for FY 2023-24.

b) The Commission has observed that Water Charges of Rs. 25.27 Crore out of Rs. 33.97 Crore are for period prior to the FY 2023-24. In this regard, the Commission sought clarification from the Petitioner that the water charges of Rs. 25.27 Crore for the period prior to the FY 2023-24 is neither claimed in earlier truing up petitions nor approved in the True up orders of the Commission.

c) Further, the Commission observed that Water Charges of Rs. 33.97 Crore amount is yet to be paid to Irrigation & CAD Department of Telangana. Since, the actual payment is not done by the Petitioner to Irrigation Department of Telangana, the Commission disallows the claim of water charges for an amount of Rs.33.97 crores for FY 2023-24.

d) The clause 19.6 of Regulation No.1 of 2019 stipulates that 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. Therefore, the Commission after prudent check allows the other charges such as Audit Fee of Rs. 0.02 Crore & Tariff Filing fee of Rs. 1.51 Crore. The other charges claimed and approved is detailed in table below:

Table 3.22: Other Charges claimed and approved for FY 2023-24

(Rs. in Crore)

Sr. No.	Particulars	MTR Order dated 23.03.2023	Claimed	Approved
1	Water charges	-	33.97	0.00
2	Tariff Filling fee	-	1.51	1.51
3	Audit fees	-	0.02	0.02
4	**Other Charges**	**-**	**35.50**	**1.53**

3.9. Energy Charges

Petitioner's Claim

a) The Petitioner submitted that Energy Charges have been computed as per clause 21 of Regulation No.1 of 2019. The Energy Charge Rate (ECR) claimed by Petitioner for FY 2023-24 is as shown in the Table below:

Table 3.23: Energy Charge Rate (ECR) claimed for FY 2023-24

(Rs. Crore)

Particulars	Legend	Units	Claimed
Auxiliary Consumption	AUX	%	6.13
Gross Station Heat Rate	GSHR	kcal/kWh	2314.73
Secondary Fuel oil consumption	SFC	ml/kWh	0.15
Calorific Value of Secondary Fuel	CVSF	kcal/ml	10.01
Landed Price of Secondary Fuel	LPSF	Rs./ml	0.07
Gross Calorific Value of Coal	CVPF	kcal/kg	3836.04
Landed Price of Coal	LPPF	Rs./kg	5.93
Specific Coal Consumption		kg/kWh	0.60
Rate of Energy Charge from Primary Fuel		**Rs./kWh**	3.806
Rate of Energy Charge from Secondary Fuel		**Rs./kWh**	0.011
ECR		**Rs./kWh**	**3.817**

Stakeholders' Submissions

a) The stakeholders have submitted that petitioner has been claiming the Energy charges in respect of the power supplied from STPP Project, based on the Coal pricing under the Bridge Linkage Policy wherein an additional premium of 20% to 30% has been charged over and above the SCCL Notified Price of Coal, (Rs. 5.86 to 5.93 per Kg), By considering high price of Coal, the Energy charges claimed are higher which is not tenable, since the Commission vide order dated 01.04.2024 in OP No. 13 of 2023 disallowed the levy of additional premium by SCCL on the notified basic price of coal for the corresponding coal grade. The stakeholders requested to restrict the pricing of Coal to STPP at Notified Prices published by SCCL from time to time in terms of Commission's order dated 01.04.2024 in OP No. 13 of 2023 and in terms of the clause 50.4 of Regulation No. 2 of 2023, else it translates into higher Energy Charges and burden the end consumers.

Petitioner's Replies

a) The Petitioner has submitted that

i. The average unit price of STPP for FY 2023-24 is around Rs. 5.39/- (Energy charge of Rs.3.81/- and Fixed charge of Rs.1.58/-) which is less compared to other state generating stations. The present pricing of coal is completely aligned with the best interest of consumers in the state of Telangana , since the same is lesser than most efficient prices discovered through bidding. STPP comes among top five state sector generating stations in the merit order.

ii. Further, the Commission in True-up of FY 2022-23 and MYT of FY 2024-25 to FY 2028-29 order dated 28.06.2024 has allowed the coal cost including the premium by superseding its earlier order dated 01.04.2024. Therefore the Commission is requested to allow the coal cost as pass through and as claimed for calculation of energy charges.

Commission's Analysis and Findings

a) The Commission has already considered the issue of premium price being claimed by the SCCL for supply of coal to STPP by giving reasons for disallowing the claim of the SCCL for premium price for supply of coal. Accordingly, while calculating energy charges, the landed price of coal has to be calculated appropriately.

b) Clause 21 of the Regulation No. 1 of 2019 stipulates the methodology for determination of ECR. The Auxiliary Consumption, Gross Station Heat Rate, Secondary Fuel oil consumption, Calorific Value of Secondary Fuel are controllable factors and are considered on normative basis. Further, the landed price of secondary fuel, weighted average gross calorific value of coal and landed price of coal are uncontrollable factors and considered on actuals basis. Based on the above methodology and details submitted by the Petitioner, the Commission has recomputed and approved the ECR for FY 2023-24 as follows:

Table 3.24: Energy Charge Rate (ECR) approved for FY 2023-24

Particulars	**Units**	**Claimed**	**Approved**
Auxiliary Consumption (AUX)	%	6.13	5.75
Gross Station Heat Rate (GHR)	kcal/kWh	2314.73	2303.88
Secondary Fuel oil consumption (SFC)	ml/kWh	0.15	0.15
Calorific Value of Secondary Fuel (CVSF)	kcal/ml	10.01	10.01
Landed Price of Secondary Fuel (LPSF)	Rs./ml	0.07	0.07
Wt. Avg. Gross Calorific Value of Coal (CVPF)	kcal/kg	3836.04	3836.04
Landed Price of Coal (LPPF)	Rs./kg	5.93	5.05
Specific Coal Consumption	kg/kWh	0.60	0.60
Coal Cost/kWh	**Rs./kWh**	**3.806**	**3.213**
Secondary Fuel oil Cost/kWh	**Rs./kWh**	**0.011**	**0.011**
Energy Charge Rate (ECR) (Rs./kWh)	**Rs./kWh**	**3.817**	**3.224**

c) 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 Clauses 21.10 and 21.11 of Regulation No.1 of 2019.

3.10. Summary of Annual Fixed Charge approved and Sharing of Gain/Loss

a) The summary of AFC claimed and approved for FY 2023-24 is given in table below:

Table 3.25: Annual Fixed Charge (AFC) claimed and approved for FY 2023-24

(Rs. in Crore)

Particulars	**MTR Order dated 23.03.2023**	**Claimed**	**Approved**	**Variance with MTR Order**
Operation & Maintenance Expenses	225.07	314.28	234.22	9.15
Depreciation	400.36	401.03	399.83	(0.53)

Particulars	MTR Order dated 23.03.2023	Claimed	Approved	Variance with MTR Order
Interest and finance charges on loan	195.58	247.71	230.15	34.58
Interest on Working Capital	85.63	116.28	98.58	12.95
Return on Equity	436.40	482.82	436.45	0.06
Less: Non-Tariff Income	13.33	5.16	5.16	(8.17)
Annual Fixed Charges	**1,329.70**	**1,556.96**	**1,394.08**	**64.38**
Incentive	-	-	-	-
Water charges, Audit fee & Tariff filings fee	-	35.50	1.53	1.53
Total	**1,329.70**	**1,592.45**	**1,395.61**	**65.90**

3.11. Sharing of Gains/Losses

a) The Commission has approved the sharing of gains/losses in accordance with the relevant clauses of Regulation No.1 of 2019. The relevant clauses are extracted hereunder:

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 the 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 (2/3rd) 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 (1/3rd) 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.

b) The summary of approved sharing of loss is as detailed in table below:

Table 3.26: Summary of approved sharing of loss to the beneficiaries

(Rs. Crore)

Particulars	Variance in AFC	Sharing of Gains/Loss
Operation & Maintenance Expenses	9.15	3.05
Depreciation	(0.53)	(0.53)
Interest and finance charges on loan	34.58	34.58
Interest on Working Capital	12.95	4.32
Return on Equity	0.06	0.06
Less: Non-Tariff Income	(8.17)	(8.17)
Other charges	1.53	1.53

Particulars	Variance in AFC	Sharing of Gains/Loss
Sharing of Gains/Losses	**65.90**	**51.18**

c) The Commission directs the Petitioner to bill the beneficiaries' viz., TGDISCOMs the claim towards total sharing/passing through of losses approved in this order as per the AFC and other charges for FY 2023-24.

Revised ARR and Tariff for FY 2025-26

3.12. Petition for revised tariff for FY 2025-26

Stakeholders' Submissions

a) The Stakeholders have submitted that since FY 2024-25 is yet to be completed and the audited figures for FY 2024-25 would not be available to the Petitioner. As such, the exercise of Tariff determination for FY 2025-26, basing on the actual audited figures of expenditure for FY 2023-24 at the time of truing up of expenditure for FY 2024-25 may be taken up subsequently in the next year Annual Tariff Petition / Mid-Term Performance Review.

Petitioner's Replies

a) The Petitioner has submitted that the True up petition for FY 2023-24 and revised tariff proposal for FY 2025-26 is submitted as required in terms of Regulation No. 1 of 2019 and Regulation No. 2 of 2023. They further, submitted that both the proposals in the present filing are submitted in compliance with the timelines provided in clause 6 of Regulation No. 2 of 2023.

Commission's Analysis and Findings

a) TGSPDCL on behalf of both the DISCOMs has submitted that the tariff determination for the FY 2025-26 may be taken up subsequently in the next year annual tariff petition since audit figures of FY 2024-25 are not available with the Commission. This submission of DISCOMs cannot be considered since the petitioner has submitted proposals for revised tariff for FY 2025-26 basing on the Regulation No. 02 of 2023. It is true that the audit accounts for the year FY 2024-25 are not available, thereby the only basis on which the revised tariff for the FY 2025-26 can be determined is audit accounts of FY 2023-24. However as per the Regulation No. 02 of 2023 the Petitioner is expected to file True-up in respect of revised tariff for the year FY 2025-26 basing on the audit accounts of FY 2025-26.

3.13. Additional Capitalisation

Petitioner's Claim

a) The Petitioner has claimed Rs.20.77 crore as additional capitalisation for FY 2025-26 in accordance with clause 22.3 (ii): Change in law or compliance of any existing law of Regulation No. 2 of 2023.

b) The Petitioner in the Format 3.1 submitted that the Commission has granted the in-principle approval for implementation of flexible operation scheme as per CEA Regulations vide para 5.1.16 in its order dated 28.06.2024 and further submitted for implementation of the following:

1) Supply of Advance Process Control (APC) server, suitable panels with server (Workstation) to be installed in the control room.
2) The network interlinking cable between existing DCS and APC
3) Low flow operation package for Axial fans
4) BFP low flow operation package
5) Enriching of coal burners for minimum 3 no's of elevation
6) Health monitoring system for Boiler (BOSMON)
7) Turbine Stress monitoring system (TSCMON)+

c) The Petitioner has requested the Commission to allow Rs.20.77 crore towards implementation of flexible operation scheme as per CEA Regulations.

Table 3.27: Additional Capitalisation claimed for FY 2025-26

(Rs. in Crore)

Particulars	Approved in MYT Order dt 28.06.2024	Claimed
Additional Capitalisation	0.00	20.77

Stakeholder's Submissions

a) The stakeholders have submitted that the petitioner has claimed Additional Capitalization of Rs. 20.77 Cr for FY 2025-26 towards implementation of the flexible operation Scheme notified by CEA, however the Commission vide order dated 28.06.2024 in MYT petition in OP No. 4 of 2024, has deferred the said claim while observing that the same will be taken into consideration at the time of the True-up of the relevant year and granted in-principal approval for the works towards the compliance of CEA Regulations. Hence, this claim is not acceptable in the present petition.

Commission's Analysis and Findings

a) The Petitioner has also claimed an amount of Rs. 20.77 crore for FY 2025-26 towards implementation of flexible operation scheme notified by the CEA. The stake holder however has raised objections on the ground that this Commission has deferred the same in O. P. No. 4 of 2024 dated 28.06.2024.

b) On considering the rival contentions and on perusal of the orders in MYT petition in O. P. No 4 of 2024 dated 28.06.2024, this Commission has agreed in- principle for the proposal of the petitioner for implementation of the flexible operation scheme and directed the Petitioner to implement the scheme initially and to approach the Commission for the expenditure incurred by way of True-up. However, the Petitioner has again claimed this amount with the expenditure in the FY 2025-26. Therefore, the request of the Petitioner cannot be considered and the Petitioner is permitted to implement the scheme by incurring the expenditure and come back to the Commission at appropriate time with True-up petition.

3.14. Operations and Maintenance Expenses

Petitioner's Claim

a) The Petitioner has submitted that the O&M expenses (Employee expenses, A&G expenses and R&M expenses) are claimed based on actuals of the control period after applying the formula provided in Clause 45 of Regulation No. 2 of 2023. The O&M expenses claimed by the Petitioner for FY2025-26 is as follows:

Table 3.28: O&M Expenses claimed for FY2025-26

(Rs. in Crore)

Particulars	Approved in MYT Order dt 28.06.2024	Claimed
Employee Expenses	128.22	190.40
A&G Expenses	42.41	58.26
R & M Expenses	92.23	117.14
O&M Expenses	**262.85**	**365.81**

Stakeholder's *Submissions*

a) Employee Expenses have increased significantly (in the range of 48%-49%) during FY 2024-25 & FY 2025-26 vis-à-vis previous approved cost. R&M expenses and A&G expenses have also gone up considerably.

b) The Petitioner's claim of O & M expenses has to be restricted to those already approved and trued up with actual WPI/CPI inflation factors.

c) The O & M expenses for FY 2025-26 are to be restricted taking into consideration the methodology stipulated at clause 45 of Regulation No. 2 of 2023.

d) The Petitioner has claimed K factor as 1.34% for computation of R&M expenses by revising the GFA claim to Rs.7794.61 Cr (including additional capitalisation) for FY 2025-26 against the approved K factor of 1.08% for approved GFA of Rs.7745.43 Cr vide orders dated 23.03.2023 & 28.06.2024.

e) K factor is a constant factor which is fixed depending on the GFA approved. WPI inflation is only the varying component and average of last 5 years is taken. Whereas the Commission has considered K factor as 1.08% instead of 1.04% though there is no change in GFA approved for the control period FY 2019-20 to FY 2023-24 vis-à-vis GFA for FY 2024-25 to FY 2028-29. The same is challenged by TGDiscoms before Hon'ble APTEL vide DFR No.498 of 2024 and the matter is subjudice. Hence it is requested to restrict K factor in the computation of R&M expenses to 1.04% as approved in previous order dated 23.03.2023 as their revised GFA is not tenable after cut-off date as per orders dated 23.03.2023 and 28.06.2024.

Petitioner's Replies

a) The Petitioner has replied that the O&M expenses for the FY 2023-24 were approved relying on the actual expenses of control period FY 2016-19 after application of CPI&WPI. During FY 2016-19, the deployment of manpower was partial, repair & maintenance costs were very less which resulted in less O&M expenses for FY 2023-24. The new plant when subjected to cyclical stress and extreme thermal conditions for longer period will gradually experience more wear and tear. Some machine parts are also becoming useless. Such sequence of events took place in STPP. The rate of failure of equipment increased with increase in plant age. Capital spares were purchased and put in service in place of failed equipment. The additional O&M expenditures incurred for coal mill overhauling was absent during the initial years. The initial /mandatory spares purchased for coal mill and spares were consumed in first two and half years for annual mill overhauling. Hence the impact of O&M due to annual mill overhaul during 2016-17 to 2018-19 was almost nil. The O&M expenditure drastically increased beyond 2018-19 after initial spares provided for coal mill were exhausted.

b) It is further submitted that the deployment of CISF in the base year was only partial. Only 55% of its full manpower capacity was available and deployed for FY 2018-19. CISF personnel receive salary and other facilities as decided by the Central Government from time to time and is to be reimbursed by STPP, which is booked under A&G expenditure. As per safety report, the STPP falls under the high security zone and is categorised as Hyper Sensitive Zone by Ministry of Home Affairs. Accordingly, the required CISF manpower of various ranks have been recommended by the authority for posting in STPP. All the above reasons resulted in increase in O&M expenses from approved values. Accordingly, the Petitioner requested to allow the actual O&M expenses for the FY 2023-24 as claimed.

c) The Petitioner has also requested to consider the cumulative WPI figures of the past control period i.e around 29.6% to add with the K figure of the last control period which was 1.04 and to consider the K value for the purpose of computing R&M expenditure as 1.34 in place of 1.08.

Commission's Analysis and Findings

a) Clause 45 of Regulation 2 of 2023 specifies the components of O & M expenses and procedure for computation of each component of O & M expenses. The relevant extract of the Regulation is as follows:

> ***"45 Operation and Maintenance (O&M) expenses***
>
> *45.1 The O&M expenses for each generating station shall comprise of:*
>
> > *Employee cost including unfunded past liabilities of pension and gratuity;*
> >
> > *Repairs and Maintenance (R&M) expenses; and*

Administrative and Generation (A&G) expenses.

45.2 The O&M expenses for existing generating station for each year of the Control Period shall be approved based on the formula shown below:

$O\&M_n = EMP_n + R\&M_n + A\&G_n$

Where,

$O\&M_n$ – Operation and Maintenance expense for the n^{th} year;

- *EMP_n – Employee Costs for the n^{th} year;*
- *$R\&M_n$ – Repair and Maintenance Costs for the n^{th} year;*
- *$A\&G_n$ – Administrative and General Costs for the n^{th} year;*

45.3 The above components shall be computed in the manner specified below:

$EMP_n = (EMP_{n-1}) \times (\text{CPI Inflation})$;
$R\&M_n = K \times (GFA_n) \times (\text{WPI Inflation})$ and
$A\&G_n = (A\&G_{n-1}) \times (\text{WPI Inflation})$
Where,

EMP_{n-1} – Employee Costs for the $(n-1)^{th}$ year;

"K" is a constant specified by the Commission in %. Value of K for each year of the control period shall be determined by the Commission in the MYT order based on generating entity's filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;

GFA_n - Opening Gross Fixed Asset of the generating station for the n^{th} year;

$A\&G_{n-1}$ – Administrative and General Costs for the $(n-1)^{th}$ year;

CPI Inflation – is the point to point change in the Consumer Price Index (CPI) for Industrial Workers (all India) as per Labour Bureau, Government of India; in case CPI Inflation is negative, the escalation/change shall be 0%;

WPI Inflation – is the point to point change in the Wholesale Price Index (WPI) as per the Office of Economic Advisor of Government of India:

Provided that the employee cost and A&G expenses for the first year of the Control Period shall be worked out considering the average of the trued-up expenses after adding/deducting the share of efficiency gains/losses, for the immediately preceding Control Period, excluding abnormal expenses, if any, subject to prudence check by the Commission and duly escalating the same for 3 years with CPI Inflation for employee costs and WPI Inflation for A&G expenses.………."

b) In accordance with clause 45 of Regulation No 2 of 2023, the Commission has computed the employee expenses for FY 2025-26 by considering the trued-up expenses of FY 2023-24 and escalated twice with CPI inflation factor approved in MYT Order dated 23.10.2023. The details are shown in table below:

Table 3.29: Normative Employee Costs computed for FY 2025-26

(Rs. in Crore)

Particulars	Employee Cost for FY 2023-24	CPI Inflation	Employee Cost
	(a)	(b)	(a*b*b)
FY 2025-26	111.51	1.058	124.86

c) The Commission has computed the A&G Expenses for FY 2025-26 by considering the trued-up expenses of FY 2023-24 and escalated twice with WPI inflation factor approved in MYT Order dated 23.10.2023. The details are shown in table below:

Table 3.30: Normative A&G Expenses computed for FY 2025-26

(Rs. in Crore)

Particulars	A&G Expenses for FY 2023-24	WPI Inflation	A&G
	(a)	(b)	(a*b*b)
FY 2025-26	37.14	1.049	40.89

d) With regard to R&M Expenses, the Commission has considered the K factor same as approved in MYT Order dated 28.06.2024. The normative R&M Expenses of FY 2025-26 is computed by multiplying the opening GFA, with K factor and WPI inflation as approved in MYT Order dated 28.06.2024.

Table 3.31: Normative R&M Expenses computed for FY 2025-26

(Rs. in Crore)

Particulars	K	Opening GFA	WPI Inflation	R & M Expenses
	(a)	(b)	(c)	(a*b*c)
R&M Expenses	1.08%	7748.23	1.049	87.93

e) Based on the employee expenses, A& G Expenses and R & M Expenses computed on normative basis as above, the O&M Expenses approved by the Commission for FY 2025-26 is as shown below:

Table 3.32: O&M expenses approved for FY 2025-26

(Rs. in Crore)

Particulars	MYT Order dt 28.06.2024	Claimed	Approved
Employee Expenses	128.22	190.40	124.86
A&G Expenses	42.41	58.26	40.89
R & M Expenses	92.23	117.14	87.93
O&M Expenses	262.86	365.81	253.67

3.15. Depreciation

Petitioner's Claim

a) The Petitioner submitted that the depreciation is claimed in accordance with Clause 28 of Regulation No 2 of 2023.

b) The opening capital cost for the purpose of depreciation was considered as Rs. 7794.61 Crore. The depreciation rates for different assets for each financial year were computed based on the asset capitalization schedule as considered in this tariff petition adopting the straight-line method of depreciation and rates specified in Annexure-I of Regulation No 2 of 2023.

c) It is stated further that the balance depreciable value as on 1st April, 2024 was computed by deducting the cumulative depreciation claimed up to 31st March, 2024. The Petitioner has considered the opening GFA for FY 2024-25 as Rs. 7805.62 Crore for determination of depreciation.

d) The depreciation as claimed by the Petitioner for FY2025-26 is as follows:

Table 3.33: Depreciation claimed for FY 2025-26

(Rs. in Crore)

Particulars	Approved in MYT Order dt 28.06.2024	Claimed
Opening GFA	7,745.32	7,819.62
Addition during the year	0.00	20.77
Closing GFA	7,745.32	7,840.39
Rate of Depreciation	5.17%	5.69%
Depreciation	400.36	445.36

Stakeholder's Submissions

a) The Petitioner has claimed higher depreciation sums of Rs. 402.81 cr. for FY 2024-25 and Rs.403.85 Cr for FY 2025-26 against approval of the Commission at a constant Value of Rs. 400.36 Cr vide the Mid-term review order dated 23.03.2023/ MYT order dated 28.06.2024.Since no additional Capitalization was allowed in the Mid-term review /MYT order and there would be no change in the GFA (Gross Fixed Asset) of STPP Project, the Commission is requested to restrict the recovery of Depreciation by the Petitioner to the already approved figure of Rs. 400.36 Crore.

Petitioner's Replies

a) The Petitioner has submitted that the Respondents, without considering the fact that there was capitalization as per Court directives and for compliance of CEA Regulation which is in the nature of change in law events, has stated that the depreciation should not increase. Accordingly, this fact needs to be considered for capitalization, consequently the effect of depreciation is required to be allowed by the Commission.

Commission's Analysis and Findings

a) Clause 28 of Regulation No 2 of 2023 specifies provisions related to Depreciation. The relevant extract of the Regulation is as follows:

> ***"28 Depreciation***
>
> *28.1 The generating entity, licensee, and SLDC shall be permitted to recover depreciation on the value of fixed assets used in their respective regulated businesses, computed in the following manner:*
>
> *(a) The approved original cost of the fixed assets shall be the value base for calculation of depreciation:*
>
> *Provided that the depreciation shall be allowed on the entire capitalised amount of the new assets after reducing the approved original cost of the retired or replaced or de-capitalised assets.*
>
> *(b) Depreciation shall be computed annually based on the straight line method on the basis of the expected useful life specified in the Annexure I to this Regulation.*
>
> *(c) The salvage value of the asset shall be considered at ten per cent of the allowable capital cost and depreciation shall be allowed upto a maximum of ninety per cent of the allowable capital cost of the asset:*
>
> *Provided that the generating entity or Licensee or SLDC shall submit certification from the Statutory Auditor for the capping of depreciation at ninety per cent of the allowable capital cost of the asset:*
>
> *Provided further that the salvage value of Information Technology equipment and computer software shall be considered at zero per cent of the allowable capital cost.*
>
> *28.2 Land other than the land held under lease and the land for reservoir in case of hydel Generating Station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the assets.*
>
> *28.3 In case of existing assets, the balance depreciable value as on 01.04.2024 shall be worked out by deducting the cumulative depreciation*

as admitted by the Commission up to 31.03.2024 from the gross depreciable value of the assets:

Provided that depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

28.4 The generating entity or Licensee or SLDC shall submit the depreciation computations separately for assets added up to 31.03.2024 and assets added on or after 01.04.2024.

28.5 Depreciation allowed for each year of the Control Period shall be deemed to be equal to the loan repayment, up to the ceiling of seventy five percent (75%) of asset cost or actual debt component used for funding such asset in case the debt funding is higher than seventy five percent (75%) of the asset cost:

Provided that depreciation allowed for each year of the Control Period beyond seventy five percent (75%) of asset cost or actual debt component used for funding such asset in case the debt funding is higher than seventy five percent (75%) of the asset cost, shall be utilised for reduction of equity during that year. ……………..”

b) The Commission observed that the Petitioner has computed the depreciation considering the projected additional capitalisation during the year, and that the depreciation rate considered by the Petitioner is not in line with Regulation No 2 of 2023. In additional information the Petitioner has submitted revised claim of depreciation computation in accordance with Annexure-I of Regulation No 2 of 2023.

c) Since the additional capitalization is approved to the extent of Rs.2.91 crore only the Commission has computed the depreciation based on approved GFA, additional capitalization and depreciation rate as approved in MYT order dated 28.06.2024.

d) The depreciation claimed and approved by the Commission for FY 2025-26 is as follows:

Table 3.34: Depreciation claimed and approved for FY 2025-26

(Rs. in Crore)

Particulars	**Approved in MYT Order dt 28.06.2024**	**Claimed**	**Approved**
Opening GFA	7,745.32	7,819.62	7,748.23
Addition during the year	0.00	20.77	0.00
Closing GFA	7,745.32	7,840.39	7,748.23
Rate of Depreciation	5.17%	5.69%	5.17%
Depreciation	400.36	445.36	400.51

3.16. Interest and Finance Charges (I&FC) on Loan

Petitioner's Claim

a) The Petitioner submitted that the interest and finance charges on loan for FY 2025-26 have been computed in accordance with clause 31 of Regulation No 2 of 2023. The interest and finance charges on loan claimed by the Petitioner for FY 2025-26 is as follows:

Table 3.35: I&FC on Loan claimed by the petitioner for FY 2025-26

(Rs. in Crore)

Particulars	**Approved in MYT Order dt 28.06.2024**	**Claimed**
Opening Loan	2,129.25	2,139.33
Addition during the Year	0.00	14.54
Repayment during the Year	400.36	445.36
Closing Loan	1,728.89	1708.51
Interest rate	8.24%	8.83%
Interest on loan	158.88	169.86
Savings in interest passed to Generators	0.00	8.77
Total - Interest on loan	**158.88**	**178.63**

Stakeholder's Submissions

a) The stakeholders have stated that the Petitioner has added an additional loan component of Rs.34.51 Cr for FY 2023-24 for the additional capitalisation of Rs.49.29 Cr and additional loan component of Rs.17.50 Cr for FY 2024-25 to the outstanding loan balances, approved in the mid Term Review order dated 23.03.2023/MYT order dated 28.06.2024, without obtaining approval of the Commission and worked out higher interest sums arbitrarily by applying the rate of interest @8.43% to 8.83% as against the rate of interest approved @7.16% p.a for FY 2023-24 and @8.24% p.a for FY 2025-26, This is not in accordance with the Mid Term Review order dated 23.03.2023/MYT order dated 28.06.2024. It is submitted if there is a change in interest rate on outstanding loan, then the net savings have is to be reworked, and that the Petitioner has also claimed 1/3rd share of savings of interest amount accrued due to loan refinancing while truing up for FY 2023-24 and also for the FY 2024-25 & 2025-26 by simply citing the relevant clause 31 of Regulation No 2 of 2023.

b) Further it is submitted that the Petitioner has continued to claim 1/3rd share of gains of loan refinancing even for FY 2024-25 and 2025-26 by referring clause 31 of Regulation No 2 of 2023. In the said Regulation, it is specifically prescribed that the net savings in interest shall be calculated as an Annuity for the term of the Loan whereas such methodology was not prescribed in Regulation No. 1 of 2019. In Annuity computation methodology, present values of interest cost saving before and after loan refinancing have to be worked out by considering the discount rate at the interest rate of post refinancing. The Petitioner has not carried out such exercise. Further if the loan refinancing is taken up by the Petitioner in FY 2024-25 & 2025-26, then Regulation 2 of 2023 allows such claim. Petitioner's claim for unilaterally adjusting 1/3rd share of gain to it is legally not permissible. Hence, it is requested to restrict the Interest Rate @7.16% as approved in the MTR/MYT Order and disallow the sharing of 1/3rd share of gain on loan refinancing for FY 2023-24. The rate of interest on loan is to be restricted to @8.24% for FY 2024-25 and FY 2025-26 as approved in MTR/MYT order and disallow the sharing of 1/3rd share of gain on loan refinancing for FY 2024-25 and FY 2025-26.

Petitioner's Replies

a) The last proviso to Clause 31.10 of Regulation No 2 of 2023 states that the net savings in interest shall be calculated as an annuity for the term of loan but the net savings shall be shared between the parties on annual basis. Calculation of net savings in interest based on annuity method is only required to apply prudence to approve refinancing. Refinancing has already been approved in the previous control period. Hence annuity method as suggested by the stakeholder is not relevant in this matter. The same proviso stipulates the annual savings shall be shared, which the petitioner has calculated and submitted.
b) Hence, it is requested to decide the sharing ratio of net savings for FY 2023-24 and also to apply the prescribed ratio of 2:1 for the sharing of gains in the control period 2024 - 29.

Commission's Analysis and Findings

a) Clause 31 of Regulation No 2 of 2023 specifies the provisions related to Interest and Finance Charges on Loan extracted as under :

31 Interest and finance charges on loan

31.1 The loans arrived at in the manner indicated in clause 27 on the assets put to use shall be considered as gross normative loan for calculation of interest on loan:

Provided that in case of retirement or replacement or decapitalisation of assets, the loan capital approved as mentioned above, shall be reduced to the extent of outstanding loan component of the original cost of such assets based on documentary evidence.

31.2 The normative loan outstanding as on 01.04.2024, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.03.2024, from the gross normative loan.

31.3 The loan repayment during each year of the Control Period shall be deemed to be equal to the depreciation allowed for that year, up to the ceiling of seventy five percent (75%) of asset cost or actual debt component used for funding such asset in case the debt funding is higher than seventy five percent (75%) of the asset cost.

31.4 Notwithstanding any moratorium period availed, the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed.

31.5 The rate of interest shall be the weighted average rate of interest computed on the basis of the actual long-term loan portfolio at the beginning of each year:

Provided that at the time of Truing-up, the weighted average rate of interest computed on the basis of the actual long-term loan portfolio during the concerned year shall be considered as the rate of interest:

Provided further that if there is no actual long-term loan for a particular year but normative long-term loan is still outstanding, the last available weighted average rate of interest for actual long-term loan shall be considered:

Provided also that if the generating entity or the licensee or the SLDC, as the case may be, does not have actual long-term loan even in the past, the weighted average rate of interest of its other Businesses regulated by the Commission shall be considered:

Provided also that if the generating entity or the licensee or the SLDC, as the case may be, does not have actual long-term loan, and its other Businesses regulated by the Commission also do not have actual long-term loan even in the past, then the weighted average rate of interest of the entity as a whole shall be considered:

Provided also that if the entity as a whole does not have actual long-term loan, then the Base Rate at the beginning of the respective year shall be considered as the rate of interest for the purpose of allowing the interest on the normative loan.

31.6 The interest on loan shall be computed on the normative average loan of the year by applying the weighted average rate of interest:

Provided that at the time of Truing-up, the normative average loan of the concerned year shall be considered on the basis of the actual asset capitalisation approved by the Commission for the year.

31.7 The above interest computation shall exclude interest on loan amount, normative or otherwise, to the extent of capital cost funded by Consumer Contribution, Deposit Works, Grants or Capital Subsidy

31.8 The finance charges incurred for obtaining loans from financial institutions for any Year shall be allowed by the Commission at the time of Truing-up, subject to prudence check:

Provided that the finance charges such as credit rating charges, collection facilities charges, financing cost of delayed payment surcharge, bank charges and other finance charges of similar nature shall be part of A&G expenses.

31.9 The excess interest during construction on account of time and/or cost overrun as compared to the approved completion schedule and capital cost or on account of excess drawal of the debt funds disproportionate to the actual requirement based on Scheme completion status, shall be allowed or disallowed partly or fully on a case to case basis, after prudence check by the Commission based on the justification to be submitted by the Generating Company or Transmission Licensee or Distribution Licensee along with documentary evidence, as applicable:

Provided that where the excess interest during construction is on account of delay attributable to an agency or contractor or supplier engaged by the generating entity or the transmission licensee, any liquidated damages recovered from such agency or contractor or supplier shall be taken into account for computation of capital cost:

Provided further that the extent of liquidated damages to be considered shall depend on the amount of excess interest during construction that has been allowed by the Commission:

Provided also that the Commission may also take into consideration the impact of time overrun on the supply of electricity to the concerned Beneficiary.

31.10The generating entity or the licensee or the SLDC, as the case may be, shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event, the costs associated with such refinancing shall be borne by the Beneficiaries and the net savings shall be shared between the Beneficiaries and them in the ratio of 2:1, subject to prudence check by the Commission:

Provided that refinancing shall not be done if such refinancing including other costs associated with such refinancing results in net increase in interest:

Provided further that if refinancing is done and it results in net increase on interest, then the rate of interest shall be considered equal to the Base Rate as on the date on which the Petition for determination of Tariff is filed:

Provided also that the re-financing shall not be subject to any conditions that are not in line with standard loan documents:

Provided also that the generating entity or the licensee or the SLDC, as the case may be, shall submit documentary evidence of the costs associated with such re-financing:

Provided also that the net savings in interest shall be computed after factoring all the terms and conditions, and based on the weighted average rate of interest of actual portfolio of loans taken from Banks and Financial Institutions recognised by the Reserve Bank of India, before and after refinancing of loans:

Provided also that the net savings in interest shall be calculated as an annuity for the term of the loan, and the annual net savings shall be shared between the entity and Beneficiaries in the specified ratio.

31.11Interest shall be allowed only on the amount held in cash as security deposit from Transmission System Users, Distribution System Users and Retail consumers at the Bank Rate as on 1st April of the Year for which the interest is payable:

Provided that at the time of Truing-up, the interest on the amount of security deposit for the year shall be considered on the basis of the actual interest paid by the Licensee during the year, subject to prudence check by the Commission.

b) It is observed that the Petitioner has also claimed the sharing of benefits of refinancing of loan for FY 2025-26.

c) The Commission has already passed on the benefits due to loan refinancing in the FY 2020-21 on a one time basis and approved the revised rate of interest of 7.16% for the FY 2022-23 and FY 2023-24. The submission of the Petitioner in respect of passing on the benefits of loan refinancing can be considered only for MYT period 2019-24, as the rate of interest for control period was 10.20%. Subsequently due to loan refinancing, the interest rate was reduced which has rightly been passed on as per Regulation. However the Commission has allowed rate of interest of 8.24% for MYT period FY 2024-25 to FY 2028-29 in MYT order dated 28.06.2024.

d) Thereby, in this control period unless the rate of interest is further reduced by refinancing the Petitioner cannot seek the benefit.

e) The Commission has considered the approved True up closing loan of FY 2023-24 as opening loan base for FY 2024-25 and closing loan of FY 2024-25 as opening loan base for FY 2025-26. The Commission considered interest rate of 8.24%, which is the same as approved in the MYT Order 28.06.2024.

f) The interest and finance Charges claimed and approved for FY 2025-26 is as shown in table below:

Table3.36: I&FC on Loan claimed and approved for FY 2025-26

(Rs. in Crore)

Particulars	Approved in MYT Order dt 28.06.2024	Claimed	Approved
Opening Loan	2,129.25	2,139.33	2,131.66
Addition during the Year	0.00	14.54	0.00
Repayment during the Year	400.36	445.36	400.51

Closing Loan	1,728.89	1708.51	1,731.15
Interest rate	8.24%	8.83%	8.24%
Interest on loan	158.88	169.86	159.07
Savings in interest passed to Generators	0.00	8.77	0.00
Total - Interest on loan	**158.88**	**178.63**	**159.07**

3.17. Interest on Working Capital (IoWC)

Petitioner's Claim

a) The Petitioner submitted that the Interest on working capital has been worked out in accordance with Clause 33 of Regulation No 2 of 2023 for FY 2025-26.

b) The coal & oil components of working capital have been computed based on 20 days coal stock for non-pit head stations corresponding to target availability or maximum storage capacity whichever is lower and cost of coal for 30 days of generation corresponding to target availability and 1 month's cost of secondary fuel for target availability.

c) The maintenance spares @1% of GFA expenses, 1 month's normative O&M expenses and forty five days receivables have been added with the above to arrive at gross working capital. Net working capital has been worked out by subtracting 1 month's payable for coal & oil computed at target availability from gross working capital.

d) The rate of interest on working capital for revised tariff of FY 2025-26 has been computed as 10.45% which is 150 basis points more than the 1-year MCLR of SBI prevailing as on October 2024.

e) The Interest on working capital claimed for the FY 2025-26 is given below:

Table 3.37: Interest on Working Capital claimed for 2025-26

(Rs. in Crore)

Particulars	Approved in MYT Order dt 28.06.2024	Claimed
Cost of coal, towards stock	172.97	173.00
Cost of coal for generation	259.45	259.50
Cost of secondary fuel oil	2.46	2.49
O&M expenses	21.54	30.48
Maintenance spares	77.45	78.20
Receivables	557.98	585.51
Less:		
Payables for Fuels	261.90	261.99
Total Working Capital requirement	829.95	867.18

Interest rate	10.15	10.45
Interest on working capital	**84.24**	**90.62**

Stakeholders' Submissions

a) The stakeholders have submitted that the petitioner has considered cost of coal of Bridge Linkage pricing which will be high priced than the notified price of coal, higher by 20 to 30% (Rs.5860 to 5930 per Ton). By considering high price of coal being supplied to STPP under Bridge Linkage policy, the Working Capital would be higher which is not in consonance with the Commission's order dated 01.04.2024 in O.P.No.13 of 2023 where in the Commission has disallowed the levy of additional premium by SCCL on the basic price of coal for the corresponding coal grade. Hence requested to restrict the Working Capital claim considering the notified basic price of coal, else it translates into higher fixed charges and ultimately a burden on the end consumers.

Petitioner's Replies

a) The Ministry of Coal, Govt. of India has allocated captive Coal Block/Mine (NAINI) to STPP/SCCL in the year 2016. The coal produced from the Nain Block in Odisha State would be utilized at STPP (being the Specified End Use Plant). However, to facilitate the immediate requirement of Coal to STPP project, a Short-term Linkage was granted under the Policy of Bridge Linkage, till the commencement of Coal Supply to STPP gets from its Captive Coal Block (Naini).

b) SCCL supplies Coal to STPP as per recommendation of standing linkage committee under MOU. The extension of bridge linkage will be decided by standing linkage committee (SLC), MOC, Govt. of India after deliberation in the meeting duly considering the recommendations received from Ministry of Power (MoP).

c) SCCL is supplying coal to Power sector (Bridge linkage and Non Bridge linkage holders) by regulating supplies to Non Power customers. Sales realisation from non-regulated sector is more by Rs.1628/T than sales realisation from Bridge Linkage and Non Bridge Linkage supplies to power. Therefore, by foregoing the revenues, SCCL is supplying coal to Bridge Linkage and Non Bridge Linkage customers based on the request of Ministry of Coal considering the importance of power sector across the country.

d) In the recent order of Standard Linkage Committee it was clearly stated that the price of such bridge linkage supply has to be solely decided by SCCL/CIL.

e) The Commission in STPP's True up of FY 2022-23 and MYT of FY 2024-25 to FY 2028-29 order dated 28.06.2024 has allowed the coal cost including the premium superseding its earlier order dt. 01.04.2024. Accordingly, the Commission is requested to allow the coal cost as claimed.

f) The Petitioner has also stated that SCCL is exploring swapping of coal from Naini mines since long, TANGEDCO has shown interest in swapping of coal from SCCL to Naini coal mine, accordingly letters were addressed to TGPCC/TGDiscoms to give consent for entering into swapping arrangement. Once coal production starts from Naini coal mine and consent is received from TGPCC/TGDiscoms the same will be taken up with Ministry of Coal,GoI.

Commission's Analysis and Findings

a) Clause 33 of Regulation 2 of 2023 specifies the provisions related to Interest on Working Capital. The relevant extract of the Regulation is as follows:

"Generation

(a) In case of coal-fired thermal generating stations, working capital shall cover:

(i) Cost of coal towards stock, if applicable, for ten (10) days for pit-head Generating Stations and twenty (20) days for non-pithead Generating Stations, for generation corresponding to target availability, or the maximum coal stock storage capacity, whichever is lower;

(ii) Cost of coal for thirty (30) days for generation corresponding to target availability;

(iii) Cost of secondary fuel oil for one (1) month corresponding to target availability;

(iv) Normative Operation and Maintenance expenses for one (1) month;

(v) Maintenance spares at one percent (1%) of the opening Gross Fixed Assets for the Year; and

(vi) Receivables for sale of electricity equivalent to forty-five (45) days of the sum of annual fixed charges and energy charges approved in the Tariff Order, computed at target availability and excluding incentive, if any: minus

(vii) Payables for fuel (including oil and secondary fuel oil) to the extent of thirty (30) days of the cost of fuel computed at target availability, depending on the modalities of payment:

Provided that in case the Fuel Supply Agreement provides for payment of cost of fuel in advance, the payables for fuel shall not be deducted for the purpose of computing the working capital requirement to the extent of actual payment of such advance, as substantiated by *documentary evidence: Provided further that for the purpose of Truing-up the working capital shall be computed based on the scheduled generation or target availability of the generating station, whichever is lower:*

Provided also that for the purpose of Truing up, the working capital shall be computed based on the actual average stock of coal and limestone or normative stock of coal and limestone of the generating station, whichever is lower: Provided also that for the purpose of Truing-up for any year, the working capital requirement shall be re-computed on the basis of the values of revised normative Operation & Maintenance expenses and actual Revenue from sale of electricity excluding incentive, if any, and other components of working capital approved by the Commission in the Truing-up before sharing of gains and losses..”

b) The Petitioner claimed cost of coal of bridge linkage pricing which was admittedly higher than notified price of coal. This aspect has been contested by various stakeholders stating that on account of claim of cost of coal as bridge linkage pricing would certainly make the consumers feel hardship. SCCL was originally formed for doing coal business. Subsequently it also entered into power generation business. The fuel for the power being produced is the coal thereby the objections of the stakeholders is that the SCCL which has been doing the coal business has been supplying the coal to its vertical STPP on premium price by loading the cost on the consumers. It is submitted by the stakeholders that on account of non-mining of Naini coal mine allotted to SCCL in the year 2016 for supply of coal, the STPP had to buy the coal necessarily from SCCL. It is also submitted that deliberately serious efforts are not put by the STPP to mine the Naini coal block which would have resulted in availability for the coal at cheaper price.

c) On the contrary the submissions of SCCL would go to show that this Commission while considering the true up for FY 2022-23 and MYT for the period FY 2024-25 to FY 2028-29 has considered the premium price of coal contrary to its own order dated 01.04.2024 in O. P. No. 13 of 2023. Aggrieved by this order of true up and MYT passed on 28.06.2024 the DISCOMs have preferred an appeal before Hon’ble APTEL in Appeal No. 19 of 2024 and same is also pending for consideration before Hon’ble APTEL.

d) This Commission has gone through the orders carefully and closely. While detailed reasoning was given in the orders dated 01.04.2024 in O. P. No. 13 of 2023 in paragraphs 26 to 31, typically no reasons were given in True up and MYT order dated 28.06.2024 as to why this Commission has accepted the premium price of coal and as to why the Commission is differing with the earlier order dated 01.04.2024 in O. P. No. 13 of 2023 and considering premium price of coal. Therefore, on considering both the orders passed by the previous Commission (this Commission has taken charge on 30.10.2024) is of the view that the detailed reasoned order passed in O. P. No. 13 of 2023 dated 01.04.2024 is to be preferred than order passed on 28.06.2024 in True up for FY 2022-23 and MYT for FY 2024-25 to FY 2028-29.

e) Even otherwise both the orders in O. P. No. 13 of 2023 dated 01.04.2024 and Order dated 28.06.2024 in True up for the year FY 2024-25 to FY 2028-29 are before the Hon'ble APTEL for consideration. Therefore the issue as to whether SCCL can claim the premium rate for coal being supplied to STPP, without mining the coal in the Naini coal mine allotted to it and whether the STPP can get the coal from SCCL for notified prices will be decided by the Hon'ble APTEL. Until then, as already observed above, this Commission in so far as this petition is concerned, is of the view that the SCCL cannot claim Bridge Linkage Premium price for supply of coal to the STPP. Therefore, the Commission disallows the claim of the SCCL in claiming Bridge Linkage Premium price of coal while truing up for FY 2023-24.

f) The Commission computed the working capital in accordance with clause 33.1. (a) of Regulation No 2 of 2023. Further, the rate of interest on working capital is considered on normative basis in accordance with clause 33.6 of Regulation No 2 of 2023 which is Base Rate as on the date of Petition filing plus 150 basis points. Accordingly, the Interest on Working Capital claimed and approved for FY 2025-26 is as shown below:

Table3.38: Interest on Working Capital claimed and approved for FY 2025-26

(Rs. in Crore)

Particulars	**Approved in MYT Order dt 28.06.2024**	**Claimed**	**Approved**
Cost of coal, towards stock	172.97	173.00	158.06
Cost of coal for generation	259.45	259.50	240.38
Cost of secondary fuel oil	2.46	2.49	2.61
O&M expenses	21.54	30.48	21.14
Maintenance spares	77.45	78.20	77.48
Receivables	557.98	585.51	523.02

Less:			
Payables for Fuels	261.90	261.99	241.68
Total Working Capital requirement	829.95	867.18	781.00
Interest rate	10.15	10.45	10.50
Interest on working capital	**84.24**	**90.62**	**82.01**

3.18. Return on Equity (RoE)

Petitioner's Claim

a) The Petitioner considered 30% of the capital cost as equity as per Regulation No 2 of 2023. The relevant portion is reproduced below:

> *"27.1…Provided that in case of generating entity, Licensee, and SLDC, if any fixed asset is capitalised on account of capital expenditure project prior to 01.04.2024, debt-equity ratio allowed by the Commission for determination of tariff for the period ending 31.03.2024 shall be considered"*

Clause 29.2(a) of Regulation No 2 of 2023 provides that the base rate for computation of return on equity shall be 15.5%, Further, the base rate of RoE is required to be grossed up with the effective tax rate as per clause 30.1 of Regulation No 2 of 2023.

b) Accordingly, the return on equity is computed by applying base rate of return as 15.5% and effective tax rate of 25.168%. The return on equity claimed for FY 2025-26 is given below:

Table 3.39: Return on Equity claimed for FY 2025-26

(Rs. in Crore)

Particulars	Approved in MYT Order dt 28.06.2024	Claimed
Return on Equity	360.16	486.55

Stakeholders' Submissions

There are no objections from stakeholders

Commission's Analysis and Findings

a) Clause 29 of Regulation No 2 of 2023 specifies provisions related to Return on Equity. The relevant extract of the Regulation is as follows:

> ***"29 Return on Equity***
>
> *29.1 Return on Equity shall be computed in rupee terms, on the equity base determined in accordance with clause 27.*
>
> *29.2 Return on Equity shall be computed at the following base rates: (a)*

Thermal generating stations: 15.50%;

....

29.3 The Return on Equity shall be computed in the following manner:

(a) Return at the allowable rate as per this clause, applied on the amount of equity capital at the commencement of the Year; plus

(b) Return at the allowable rate as per this Regulation, applied on 50 per cent of the equity capital portion of the allowable capital cost, for the investments put to use in generation business or transmission business or distribution business or SLDC, for such Year.

……………..”

b) The Commission has observed that the Petitioner has computed the Return on Equity taking into account the projected equity addition in additional capitalisation during the year. The Commission has recomputed the Return on Equity based on approved GFA and rate of Return on Equity as 15.50% in line with clause 29.2.(a) of the Regulation No 2 of 2023.

c) The Return on Equity claimed and approved for FY 2025-26 is as follows:

Table3.40: Return on Equity claimed and approved for the period FY 2025-26

(Rs. in Crore)

Particulars	**Approved in MYT Order dt 28.06.2024**	**Claimed**	**Approved**
Opening Equity	2,323.60	2,345.88	2,324.47
Addition during the year	0.00	6.23	0.00
Closing Equity	2,323.60	2,352.12	2,324.47
Rate of RoE	15.50%	15.50%	15.50%
Return on Equity	360.16	364.10	360.29

3.19. Tax on RoE

Petitioner’s Claim

a) The Petitioner has considered the effective tax rate as 25.17% for grossing up the Base rate of Return on Equity and computed the post-tax RoE for FY 2025-26.

Stakeholders’ Submissions

There are no objections from stakeholders

Commission’s Analysis and Findings

a) Clause 30 of Regulation No 2 of 2023 specifies the provisions of Tax on Return on Equity. The relevant extract of the Regulation is as follows:

"30.1 The Base rate of Return on Equity allowed by the Commission under clause 29.2 shall be grossed up with the effective Income Tax rate of the respective entity for the respective financial year:

Provided that the effective Income Tax rate shall be considered on the basis of actual Income Tax paid in respect of the financial year in line with the provisions of the relevant Finance Acts by the concerned generating entity or licensee, as the case may be:

Provided further that the actual Income Tax on the amount of income from Delayed Payment Charges or Interest on Delayed Payment or Income from Other Business or income from any source that has not been considered for computing the Aggregate Revenue Requirement or income from efficiency gains and incentive approved by the Commission shall be excluded for the calculation of effective Income Tax rate:

Provided also that in case of generating entity or licensee paying Minimum Alternate Tax (MAT), the effective Income Tax rate shall be considered as MAT rate including surcharge and cess:

Provided also that if no Income Tax has been paid by the Company as a whole, then the effective Income Tax rate shall be considered as "Nil".

30.2 Rate of pre-tax Return on Equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

Rate of pre-tax return on equity = Base Rate / (1-t);

Where "Base Rate" is the rate of Base Return on Equity in accordance with clause 29.2;

"t" is the effective Income Tax rate in accordance with clause 30.1."

b) The Commission has observed that the Petitioner in addition to generation business is also engaged in coal business. The audited Accounts of the Petitioner is prepared on consolidated basis as there is no bifurcation of Generation business and other business, thereby it would be difficult to ascertain and bifurcate the tax paid among the different business of the Petitioner. Though the audited accounts are prepared on consolidated basis, based on the data available it will be difficult to segregate the profit & loss and income tax of STPP. There is no data as to how much tax is levied and paid exclusively for generation business. In fact the tax paid is on consolidated basis for both coal and generation business.

c) The Hon'ble APTEL in its judgement dated 4th April, 2007 in Appeal no. 251 of 2006 has ruled as under:

> *"The consumers in the licensee's area must be kept in a water tight compartment from the risks of other business of the licensee and the Income Tax payable thereon. 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 licensed business so that consumers are fully insulated and protected from the Income Tax payable from other businesses."*

d) The Petitioner/generator has grossed up the RoE with regular income tax at the rate of 25.168 % which is applicable for SCCL company as a whole for Coal and Generation business as against the concessional MAT rate of 17.472% allowed by this Commission for STPP for generation business.

e) On the other hand it has submitted that SCCL has opted for corporate income tax at a reduced rate of 25.168 % without MAT credit entitlements and exemptions as per the taxation (amendment ordinance – 2019). SCCL is an income tax assessee whereas STPP which is doing generating business is not a separate tax assessee, and STPP is integral part of SCCL. The income tax actually paid by SCCL includes STPP, which is one of its verticals.

f) In earlier order, the Commission has stated that the tax of other business/unregulated business cannot be passed to consumers. Thus, the Commission is not inclined to consider the effective tax rate and allows only MAT rate of 17.472% towards Return of Equity for computation of Tax on Return of Equity for the FY 2025-26.

g) The tax on RoE claimed and approved for FY 2025-26 is as shown in table below:

Table 3.41: Tax on RoE claimed and approved for FY 2025-26

(Rs. in Crore)

Particulars	Approved in MYT Order dt 28.06.2024	Claimed	Approved
Opening Equity	2,323.60	2,345.88	2,324.47
Addition during the year	0.00	6.23	0.00
Closing Equity	2,323.60	2,352.12	2,324.47
Rate of RoE	15.50%	15.50%	15.50%
Return on Equity	**360.16**	**364.10**	**360.29**

Tax Rate	17.47%	25.17%	17.47%
Effective Tax Rate	18.78%	20.71%	18.78%
Tax on Return on Equity	**76.24**	**122.45**	**76.24**
RoE grossed up with effective income tax rate	**436.40**	**486.55**	**436.54**

3.20. Non-Tariff Income

Petitioner's Claim

a) The Petitioner has claimed Non-Tariff Income for the period FY 2025-26 as shown in table below:

Table 3.42: Non-Tariff Income claimed for FY 2025-26

(Rs. in Crore)

Particulars	Approved in MYT Order dt 28.06.2024	Claimed
Non-Tariff Income	4.09	5.37

Stakeholders' Submissions

There are no objections from stakeholders.

Commission's Analysis and Findings

a) Clause 43 of Regulation 2 of 2023 specifies treatment of Non-Tariff Income. The relevant extract of the Regulation is as follows:

"*43 Non-Tariff Income*
43.1 The amount of Non-Tariff Income of the Generating Company as approved by the Commission shall be deducted while determining its Annual Fixed Charge: Provided that the Generating Company shall submit full details of its forecast of Non-Tariff Income to the Commission in such form as may be stipulated by the Commission.

43.2 The Non-Tariff Income shall include:
a) Income from rent of land or buildings;
b) Net income from sale of de-capitalised assets;
c) Income from sale of scrap;
d) Income from statutory investments;
e) Interest income on advances to suppliers/contractors;
f) Income from rental from staff quarters;
g) Income from rental from contractors;
h) Income from hire charges from contactors and others;
i) Income from sale of ash/rejected coal;
j) Income from advertisements;
k) Income from sale of tender documents;
l) Any other Non-Tariff Income

b) After prudent check, considering the above referred Regulation, the Commission approves the Non-Tariff Income as claimed by the Petitioner. The Non-Tariff Income approved by the Commission for the period FY 2025-26 is as follows:

Table3.43: Non-Tariff Income claimed and approved for FY 2025-26

(Rs. in Crore)

Particulars	**Approved in MYT Order dt 28.06.2024**	**Claimed**	**Approved**
Non-Tariff Income	4.09	5.37	5.37

3.21. Incentive

Petitioner's Claim

a) The Petitioner has estimated the incentive based on the projected generation over the normative PLF and at the rate as specified in Clause 46.6 of Regulation No 2 of 2023. The incentive claimed by the Petitioner for the period FY 2025-26 is as shown in table below:

Table 3.44: Incentive claimed by petitioner for FY 2025-26

(Rs. in Crore)

Particulars	**2025-26**
Incentive	***23.07***

Stakeholders' Submissions

a) The stakeholders have submitted that the Incentive stipulated in the Regulation 2 of 2023 is binding on the parties and the petitioner has to claim the Energy Bills including Incentives as prescribed. But the Petitioner may not be allowed to claim an Incentive for power generation beyond the Target PLF, by using high-priced Bridge Linkage Coal, as this will burden the beneficiaries with higher Energy Charges and is against the Commission's order dated 01.04.2024 in OP No. 13 of 2023 as well as additional payment of Incentive. Both claims will be a loss proposition to TGDISCOMs.

Petitioner's Replies

a) The Petitioner has submitted that if actual PLF reaches more than normative PLF, the incentive is required to be paid in terms of clause 46.6 of Regulation No 2 of 2023.

Commission's Analysis and Findings

a) Clause 46.6 of Regulation No 2 of 2023 specifies provisions related to incentive. The relevant extract of the Regulation is as follows:

> *"**46 Computation and Payment of Capacity Charges and Energy Charges for Thermal Generating Stations***
>
> *…………*
>
> ***C. Incentive***
>
> *46.6 Incentive shall be payable at a flat rate of 50.0 paise/kWh for actual energy generation in excess of ex-bus energy corresponding to Normative Annual Plant Load Factor.*
>
> *………………"*

b) The Commission is of the view that incentive can only be billed on actuals as per Clause 46.6 of Regulation No 2 of 2023.

3.22. Operating Norms

Stakeholders' Submissions

a) The stakeholders have submitted that the Operational Norms as stipulated in the Regulation No 2 of 2023 are binding on the parties and the Petitioner has to claim the Energy Bills as per the Norms prescribed.

Petitioner's Replies

a) The petitioner has submitted that the norms for truing up period of FY 2023-24 was already approved by the Commission in order dated 28.8.2020 in para 5.2.8. The operating norms for FY 2025-26 is considered as approved by the Commission vide its order dated 28.06.2024, accordingly, requested to allow the same.

Commission's Analysis and Findings

a) Operating Norms are approved in accordance with the provisions of Regulation No. 2 of 2023. This aspect was also considered by the Commission while considering in MYT and passed a reasoned order while observing that in case the Petitioner/generator has got any objection/issue or questions in respect of following operating norms as determined by the Commission in Regulation No. 2 of 2023 then it is expected to agitate by filing a separate petition for amendment or otherwise of the Regulation. Without challenging Regulation on operating norms either by the generator or the stakeholder cannot question the operating norms thereby it is again restated that all the stakeholders follow norms as per Regulation.

3.23. Tariff for Flue Gas Desulphurisation (FGD) System

Petitioner's Claim

a) The Commission has deferred the claim of capitalization for the FGD system and state that it would carry out prudence check of the cost of FGD system in the true up of relevant year after commissioning of the same. The relevant portion of the order dated 29.12.2023 on CIP and Business plan for FY 2024-29 is extracted hereunder:

> *"4.2.12 SCCL submitted that it has awarded the works of FGD system through competitive bidding process. The works being still in progress, the Commission is not expressing any opinion on the proposed completion cost at this stage. The Commission shall carry out the prudence check of the cost of FGD system in true up for the relevant year after commissioning of the same".*

Accordingly, the cost of this system together with its effect on the tariff components and additional auxiliary energy shall be submitted after commissioning of the system in truing up petition of the relevant year. Thus the Petitioner reserves the right to submit the same at a subsequent period. The Petitioner further submitted in replies. The cost of FGD system together with its effect on the tariff components and additional auxiliary energy shall be submitted after commissioning of the system in truing up petition of relevant year. Thus, the Petitioner reserves its right to submit the same at a subsequent period.

Stakeholders' Submissions

a) The Petitioners have submitted that the Commission vide order dated 29.12.2023 in OP Nos. 25 of 2023 & 26 of 2023 directed that the prudence check of the execution cost shall be carried out in True-up for the relevant year after commissioning of the same.

Petitioner's Replies

a) The cost of FGD system together with its effect on the tariff components and additional auxiliary energy shall be submitted after commissioning of the system in truing up petition of relevant year. Thus, the Petitioner reserves its right to submit the same at a subsequent year.

Commission's Analysis and Findings

a) The Commission in its MYT order dated 28.06.2024 and Business Plan, & Capital Investment Plan for FY 2024-25 to FY 2028-29 order dated 29.12.2023 has already given its view on the FGD system and implementation of flexible operation scheme as per CEA Regulation. Accordingly, the cost for FGD system shall be considered after commissioning of the FGD system and prudent check of the final executed cost in true-up for the relevant year.

3.24. Integrated Mine (Naini)

Petitioner's Claim

a) Since petitioner is working on swapping of coal from Naini coal mines Odisha, no proposal of input cost of coal from Naini mines is submitted before the Commission. The Petitioner reserves the liberty to submit the same as when is found that it is needed in disposal of this petition.

Stakeholders' Submissions

a) The stakeholders have submitted that the Petitioner has not submitted any details for determination of input cost of coal from Naini coal block to compare it with SCCL coal for swapping of coal blocks. Further, the delay of commissioning of the Naini Captive Coal Mine to SCCL/STPP Project is entirely attributable to SCCL and the beneficiaries cannot be burdened for long under the Bridge Linkage Coal Pricing, which is a Short term linkage and whereas the Petitioner is taking undue advantage of the same and charging coal price with additional 20%-30% premium over and above the Notified Price of corresponding grade of coal. Unless the price of bridge linkage coal being supplied to STPP is regulated in terms of the Commission's order dated 01.04.2024 in OP No. 13 of 2023 in the interest of end consumers, no swapping of coal can be expected from SCCL.

Petitioner's Replies

a) The petitioner has submitted that

I. The delay in transfer of forest land by Odisha Government has delayed the start of coal production from Naini coal mine. Accordingly, the delay of coal production is not attributable to the Petitioner.

II. Further, the Petitioner has been exploring swapping of coal from Naini mines since long, TANGEDCO had shown interest in swapping of coal from SCCL to Naini coal mine. Accordingly, letters were addressed to TGPCC/ TGDISCOMs to give consent for entering into swapping arrangement. Once coal production starts from Naini coal mine & consent is received from TGPCC/TGDISCOMs the same will be taken up with Ministry of Coal, GoI.

Commission's Analysis and Findings

a) The Commission directs the Petitioner to expedite the process of commercially commissioning of the integrated mine at Naini so that as claimed by the stakeholder/Discom, the coal cost, may likely to come down and benefit the consumers.

3.25. Annual Fixed Charges (AFC)

a) Based on the above, the Annual Fixed Charges (AFC) claimed by the Petitioner and approved by the Commission is as shown in the Tables below:

Table3.45: Annual Fixed Charges claimed and approved for FY 2025-26

(Rs. in Crore)

Particulars	Approved in MYT Order	Claimed	Revised Claim	Approved
Annual Fixed Charges				
Operation & Maintenance Expenses	262.85	350.19	365.81	253.67
Depreciation	400.36	403.85	445.36	400.51
Interest and finance charges on loan	158.88	184.16	178.63	159.07
Interest on Working Capital	84.24	89.81	90.62	82.01
Return on Equity	436.40	486.55	486.55	436.54
Less: Non-Tariff Income	4.09	5.37	5.37	5.37
Annual Fixed Charges	**1,338.63**	**1,509.19**	**1561.60**	**1,326.43**

3.26. Energy Charges

Petitioner's Claim

a) The Petitioner has considered the Energy Charges for FY 2025-26 as approved by the Commission in MYT order dated 28.06.2024. Further, it is stated that adjustment of ECR on account of variation in price or heat value of fuel shall be done as specified in clause 46.5 of Regulation No 2 of 2023.

Table3.46: Energy Charge Rate (ECR) claimed for FY 2025-26

(Rs. in Crore)

Particulars	Legend	Units	MYT/Tariff Order Approved	Revised claim
Auxiliary Consumption	AUX	%	5.75	5.75
Gross Station Heat Rate	GSHR	kcal/kWh	2300.00	2300.00
Secondary Fuel oil consumption	SFC	ml/kWh	0.50	0.50
Calorific Value of Secondary Fuel	CVSF	kcal/ml	10.00	10.00
Landed Price of Secondary Fuel	LPSF	Rs./ml	0.07	0.07
Gross Calorific Value of Coal	CVPF	kcal/kg	3808.80	3808.80
Landed Price of Coal	LPPF	Rs./kg	5.86	5.86
Specific Coal Consumption		kg/kWh	0.60	0.60
Rate of Energy Charge from Primary Fuel		Rs./kWh	3.749	3.749
Rate of Energy Charge from Secondary Fuel		Rs./kWh	0.036	0.036
ECR		**Rs./kWh**	**3.785**	**3.785**

Commission's Analysis and Findings

a) Clause 46(B) of Regulation No 2 of 2023 stipulates the methodology for determination of ECR. The relevant extract of the Regulation is as follows:

"B. Energy Charges

46.3 The Energy Charges shall cover landed cost of primary fuel and secondary fuel oil and shall be worked out on the basis of total energy scheduled to be supplied to the Beneficiary/ies during the calendar month on ex-power plant basis, at the Energy Charge Rate of the month (with fuel price adjustment) as per the following formula:

Energy Charges (Rs) = (Energy Charge Rate in Rs/kWh) x [Scheduled Energy (ex-bus) for the month in kWh]

46.4 Energy Charge Rate (ECR) in Rs/kWh shall be computed up to three decimal places and shall be the sum of the cost of normative quantities of primary and secondary fuel for delivering ex-bus one kWh of electricity, and shall be computed as per the following formula:

ECR = (GSHR – SFC X CVSF) X LPPF / CVPF+SFC X LPSFi} X 100 /(100-

AUX)

Where,

AUX = Normative Auxiliary Energy Consumption in percentage;

CVPF = Weighted average Gross Calorific Value of coal as received in kcal/kg less 85 kcal/kg on account of variation during storage at generating station; in case of blending of fuel from different sources, the weighted average Gross Calorific Value of primary fuel shall be arrived in proportion of blending ratio;

CVSF = Calorific value of secondary fuel, in kcal/ml;

GSHR = Normative Gross Station Heat Rate, in kcal/kWh;

LPPF = Weighted average landed price of primary fuel, in Rs./kg, as applicable, during the month; in case of blending of fuel from different sources, the weighted average landed price of primary fuel shall be arrived in proportion of blending ratio;

SFC = Normative Secondary Fuel Oil Consumption, in ml/kWh;

LPSFi = Weighted average landed price of secondary fuel in Rs./ml during the month:

Provided that the landed cost of primary fuel and secondary fuel for tariff determination shall be based on actual weighted average cost of primary fuel and secondary fuel of the three (3) preceding months, and in the absence of landed costs for the three (3) preceding months, latest procurement price of primary fuel and secondary fuel for the generating Station, preceding the first month for which the Tariff is to be determined for existing stations, and immediately preceding three (3) months in case of new generating stations shall be taken into account:

Provided further that the landed cost of fuel shall mean the total cost of coal delivered to the generating station and shall include the base price of fuel corresponding to the grade/quality/calorific value of fuel inclusive of royalty, taxes and duties as applicable, washery charges as applicable, transportation cost by rail/road or any other means, charges for third-party sampling, and, for the purpose of computation of energy charges, shall be arrived at after considering normative transit and handling losses as percentage of the quantity of fuel dispatched by the fuel supply company during the month:

Provided also that any refund of taxes and duties along with any amount received on account of penalties from fuel supplier shall have to be adjusted in fuel cost:

Provided also that the Energy Charges, for the purpose of billing/Fuel Surcharge shall be worked out Station-wise/Unit-wise based on weighted average rate based on scheduled generation from each Unit.

………………”

b) The approved norms of operation in accordance with the Regulation No. 2 of 2023 are as follows.

Table 3.47: Norms for Energy Charge rate for FY 2025-26

Parameter	**Units**	**Approved in MYT Regulation No.2 of 2023**
Normative Annual Plant Availability Factor	%	85
Normative Annual PLF	%	85
Auxiliary Consumption	%	5.75
Gross Station Heat Rate	kcal/kWh	2300.00
Secondary Fuel Oil Consumption	ml/kWh	0.50
Transit Loss	%	0.80

c) In accordance with the provisions of Clause 46.4 of Regulation No.2 of 2023, the Commission has considered basic notified price of coal and GCV for primary and secondary fuel.

d) Accordingly, the fuel prices and GCV considered by the Commission for computing the Base ECR is as shown in the Table below:

Table 3.48: Tentative Fuel Price and GCV considered

Particulars	Units	**FY 2025-26**
Calorific Value of Secondary Fuel	kcal/ml	10.00
Landed Price of Secondary Fuel	Rs./ml	0.07
Wt. Avg. Gross Calorific Value of Coal	kcal/kg	3600.00
Landed Price of Coal	Rs./kg	5.06

e) Based on the above norms of operation, fuel prices and GCV, the base ECR computed by the Commission is as shown in the Table below:

Table 3.49: Base Energy Charge Rate claimed and approved for FY 2025-26

(Rs. in Crore)

Particulars	**Units**	**Approved in MYT Order**	**Claimed**	**Approved**
Auxiliary Consumption (AUX)	%	5.75	5.75	5.75
Gross Station Heat Rate (GHR)	kcal/kWh	2300	2300	2300
Secondary Fuel oil consumption (SFC)	ml/kWh	0.50	0.50	0.50
Calorific Value of Secondary Fuel (CVSF)	kcal/ml	10.00	10.00	10.00
Landed Price of Secondary Fuel (LPSF)	Rs./ml	0.07	0.07	0.07

Particulars	Units	Approved in MYT Order	Claimed	Approved
Wt. Avg. Gross Calorific Value of Coal (CVPF)	kcal/kg	3808.80	3808.80	3600.00
Landed Price of Coal (LPPF)	Rs./kg	5.86	5.86	5.06
Specific Coal Consumption	kg/kWh	0.60	0.60	0.64
Coal Cost/kWh	Rs./kWh	3.749	3.749	3.43
Secondary Fuel oil Cost/kWh	Rs./kWh	0.036	0.036	0.04
Energy Charge Rate (ECR) (Rs./kWh)	**Rs./kWh**	**3.785**	**3.785**	**3.462**

f) The variation in fuel prices and GCV shall be billed in accordance with Clause 46.5 of Regulation No.2 of 2023.

g) The indicative MYT tariff based on the above is as shown in the Table below:

Table 3.50: Indicative Tariff approved for FY 2025-26

Particulars	Approved in MYT Order FY 25 to FY 29	Claim	Revised Claim	Approved
Net Generation (MU)	8,421.43	8,882.87	8,882.87	8,421.43
AFC (Rs. Crore)	1,338.64	1,509.19	1,561.60	1,326.43
AFC per unit (Rs./kWh)	1.58	1.699	1.758	1.575
Base ECR (Rs./kWh)	3.78	3.785	3.785	3.462
Total Tariff (Rs./kWh)	5.37	5.484	5.543	5.037

3.27. Applicability

a) The tariff for 2 x 600 MW Singareni Thermal Power Plant as determined for FY 2024 - 2025 as part of 5th control period FY 2024 - FY 2025 to FY 2028 – FY 2029 Will cease to be effective after 31.03.2025. Even prior to passing of the orders the ECI as per the proceedings dated 06.02.2025 has issued model code of conduct on account of biennial elections to Telangana Legislative Council from Hyderabad local authorities constituency.

b) In view of the model code of conduct and to avoid vacuum this Commission has felt it necessary to extend the subsisting Tariff to be levied and collected by the SCCL from the TGDISCOMs in the state of Telangana, from 01.04.2025 until the orders are passed after receiving permission of The ECI or cessation of Model Code of Conduct whichever is earlier.

c) Accordingly, the Commission in exercise of powers conferred under section 94

(2) of the Act, 2003 read with section 28 of the Telangana Electricity Reform Act, 1998, has passed an interim order dated 28.03.2025 extending the tariff for 2 x 600 MW Singareni Thermal Power Plant as determined by order dated 28.06.2024 in O. P. No. 4 of 2024 to be applicable from 01.04.2025 till a fresh order is passed by the Commission.

d) The Generation Tariff determined for FY 2025-26 is applicable from 01.05.2025 to 31.03.2026.

3.28. Commission's Directives

a) The Commission's Directives issued in this order are enclosed at Appendix.

This Order is corrected and signed on this the 29th day of April, 2025.

Sd/-
Dr. Justice Devaraju Nagarjun
Chairman

//CERTIFIED COPY//

Appendix

Commission's Directives

a. Separate Accounts

The SCCL directed to maintain separate books of accounts for Power Generation activity and submit audited accounts in respect of payment of income tax for generation business and coal business.

b. Efficiency improvement measures

The SCCL is directed to submit the status of the efficiency improvement measures implemented by SCCL and the results of the same in the next tariff filings.

c. Sharing of Losses and Gains

The SCCL is directed to submit the bill to the beneficiary's viz., TGDISCOMs the claim towards total sharing/passing through of losses approved in this order as per the AFC and other charges for FY 2023-24.

d. Capital Woks

The SCCL is directed to implement flexible operation scheme as per CEA Regulations.

e. Incentives

The Incentive for achieving the normative PLF and additional generation over and above normative PLF are to be recovered directly from Beneficiaries in accordance with Clause 46.6 of Regulation No.2 of 2023.

f. Coal from Integrated Mine (Naini)

The SCCL is directed to expedite the commercial production of coal from Naini coal block to reduce the burden on the Consumers.

Annexure-I

Public Notice

Newspaper clippings appeared in Hans India, Prabhata Velugu, Munsif Daily, EENADU, The Hindu News Papers

The Hans India- 8X16 -14.12.2024.

BEFORE THE HONOURABLE
TELANGANA ELECTRICITY REGULATORY COMMISSION (TGERC)
Vidyut Niyantran Bhavan, G.T.S Colony, Kalyan Nagar, Hyderabad 500045

THE SINGARENI COLLIERIES COMPANY LIMITED
(A Government Company)

PUBLIC NOTICE

1. Notice is hereby given to all that the Singareni Collieries Company Limited (SCCL) filed before the Telangana Electricity Regulatory Commission (TGERC) for approval of **Annual Tariff Petition for FY 2025-26 containing Revised Tariff Proposal for FY 2025-26 and True Up of FY 2023-24 for 2x600 MW Singareni Thermal Power Plant, SCCL.** These filings have been taken on record by the Hon'ble Commission **in O.P. No. 30 of 2024.**

2. Copies of the filings and proposals referred are available in the Office of the Singareni Collieries Company Limited, SCCL, #11-4-660, 3rd floor, Singareni Bhavan, Red Hills, Hyderabad, Telangana, 500004. Interested persons may inspect/peruse the said filings and take note thereof during office hours at the said office free of cost. These proposals are also available on www.scclmines.com and the same may be accessed at www.tgerc.telangana. gov.in. A copy of these filings can be obtained from the above office from 14.12.2024 onwards on payment of photocopying charges of the filings.

3.Objections/suggestions, if any, on the said filings together with supporting material may be sent to the office of **Director (Finance), Power Projects, #11-4-660, 3rd floor, Singareni Bhavan, Red Hills, Hyderabad, Telangana, 500004 (Email: ed_stpp@scclmines.com)** in person or through Registered Post so as to reach on or **before 04.01.2025 by 5 PM.** A copy of same must also be filed with the Commission Secretary, TGERC, at the address mentioned above. The objections/ suggestions should be duly signed and should carry full name and postal address of the person(s) sending the objections/suggestions. If the 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. The objection/suggestion should accompany the following statement as an overleaf-

Name & full address of the objection	Brief details of Objection(s)/ Suggestion(s)	Objections / Suggestions against filings made by SCCL for approval of Annual Tariff Petition for FY 2025-26 containing Revised Tariff Proposal for FY 2025-26 and True Up of FY 2023-24 for 2x600 MW Singareni Thermal Power Plant, SCCL	Whether copy of objection & proof of delivery at SCCL's office enclosed (Yes/No)	Whether Objector wants to be heard in person (Yes/No)

4.Telangana Electricity Regulatory Commission intends to conduct a Public Hearing at Court Hall, TGERC, 1st floor, B Block, Vidyut Niyantran Bhavan, GTS Colony, Kalyan Nagar, Hyderabad 500 045, on **21.01.2025 from 11:00 hrs onwards.**

Sd/-
Director (Finance),
SCCL

Place: Hyderabad.
Date: 14.12.2024.

DIPR R.O. No. : 793-PP/CL-AGENCY/ADVT/1/2024-25

The Hans India- 8X16 -14.12.2024.

PRABHATA VELUGU - 8X14 - 14.12.2024

గౌరవనీయ తెలంగాణ విద్యుత్ నియంత్రణ మండలి
(TGERC)

విద్యుత్ నియంత్రణ్ భవన్, GTS కాలనీ, కళ్యాణ్ నగర్, హైదరాబాద్-500 045

ది సింగరేణి కాలరీస్ కంపెనీ లిమిటెడ్
(ప్రభుత్వ కంపెనీ)

బహిరంగ ప్రకటన

1. యావన్మందికి ఇందుమూలముగా తెలియజేయునది ఏమనగా FY 2025-26 టారిఫ్ ప్రతిపాదన సవరణ కలిగిన FY 2025-26 వార్షిక టారిఫ్ అభ్యర్థన ఆమోదం నిమిత్తం మరియు 2x600 సింగరేణి థర్మల్ పవర్ ప్లాంట్, SCCL యొక్క FY 2023-24 ట్రూ అప్ ఆమోదం కొరకు తెలంగాణ రాష్ట్ర విద్యుత్ నియంత్రణ మండలి(TGERC) సమక్షంలో ది సింగరేణి కాలరీస్ కంపెనీ లిమిటెడ్ (SCCL) ఫైలింగ్స్‌ను దాఖలు చేసింది. ఈ ఫైలింగ్స్ ఓ.పి. నెం.30 ఆఫ్ 2024 నందు గౌరవనీయ కమిషన్‌చే రికార్డులోకి తీసుకోబడినవి.

2. పైన తెలిపిన ఫైలింగ్స్ మరియు ప్రతిపాదనల కాపీలు ది సింగరేణి కాలరీస్ కంపెనీ లిమిటెడ్ కార్యాలయం, SCCL, # 11-4660, 3వ అంతస్తు, సింగరేణి భవన్, రెడ్ హిల్స్, హైదరాబాద్, తెలంగాణ-500004 నందు లభించును. ఆసక్తిగల వ్యక్తులు కార్యాలయ వేళల్లో సదరు ఫైలింగ్స్‌ను సదరు కార్యాలయం వద్ద ఉచితంగా తనిఖీ చేసుకోవచ్చును/ చదువుకోవచ్చును మరియు నోట్ చేసుకోవచ్చును. ఈ ప్రతిపాదనలు **www.scclmines.com** నందు లభిస్తాయి మరియు వీటిని **www.tgerc.telangana.gov.in** నందు కూడా పొందవచ్చును. ఈ ఫైలింగ్స్ యొక్క కాపీని ఫోటో కాపీయింగ్ చార్జీలను నగదుగా చెల్లించి పై కార్యాలయం నుండి **14-12-2024** నుండి పొందవచ్చును.

3. సదరు ఫైలింగ్స్‌పై అక్షేపణలు/ సలహాలు ఏవైనా ఉంటే, మద్దతుగా ఆధారాలతో డైరెక్టర్ (ఫైనాన్స్) కార్యాలయం, పవర్ ప్రాజెక్ట్స్, #11-4-660, 3వ అంతస్తు, సింగరేణి భవన్, రెడ్ హిల్స్, హైదరాబాద్, తెలంగాణ-500004 (ఈమెయిల్: **ed stpp@scclmines.com**) వారికి స్వయంగా లేదా రిజిస్టర్ పోస్టు ద్వారా 04-01-2025 సా. 5 గం. లోగా చేరేలా పంపవలెను. దీని ఒక కాపీని పైన తెలిపిన చిరునామా వద్ద కమిషన్ సెక్రటరీ, టిజిఇఆర్‌సికి కూడా దాఖలు చేయవలెను. అక్షేపణలు/ సలహాలు తగు విధంగా సంతకం చేయబడి ఉండవలెను మరియు సదరు అక్షేపణలు/సలహాలను పంపే వ్యక్తుల పూర్తి పేరు మరియు తపాలా చిరునామా కలిగియుండలెను. అభ్యంతరాలు/సూచనలు ఏవైనా సంస్థ లేదా వినియోగదారుల కేటగిరి తరఫున చేయబడినట్లైతే స్పష్టంగా పేర్కొనవలెను. అక్షేపణదారు స్వయంగా విచారణలో పాల్గొనదలచినచో ఆ విషయాన్ని కూడా స్పష్టంగా పేర్కొనవలెను.

అక్షేపణదారుని పేరు మరియు పూర్తి చిరునామా	అక్షేపణలు/ సలహాల సంక్షిప్త వివరాలు	FY 2025-26 టారిఫ్ ప్రతి పాదన సవరణ కలిగిన FY 2025-26 వార్షిక టారిఫ్ అభ్యర్థన ఆమోదం నిమిత్తం మరియు 2X600 సింగరేణి థర్మల్ పవర్ ప్లాంట్, SCCL యొక్క FY 2023-24 ట్రూ అప్ ఆమోదం కొరకు SCCL యొక్క ఫైలింగ్స్ పై అక్షేపణలు/సలహాలు	SCCL యొక్క కార్యాలయం వద్ద అందజేసిన అక్షేపణ యొక్క కాపీ మరియు అందజేసిన రుజువుని జతపరిచారా (అవును/కాదు)	అక్షేపణదారు స్వయంగా విచారణలో పాల్గొనదలచారా (అవును/ కాదు)

4. తెలంగాణ రాష్ట్ర విద్యుత్ నియంత్రణ మండలి **21-01-2025** ఉ.॥ **11-00** గం నుండి కోర్టు హాలు, టిజిఇఆర్‌సి, 1వ అంతస్తు, B బ్లాక్, విద్యుత్ నియంత్రణ్ భవన్, GTS కాలనీ, కళ్యాణ్ నగర్, హైదరాబాద్-500045.

ప్రదేశం: హైదరాబాద్
తేది: **14-12-2024**

డైరెక్టర్ (ఫైనాన్స్),
SCCL

DIPR R.O.No. 7924-PP/CL/ADVT/1/2024-25, Dt: 13-12-2024

PRABHATA VELUGU - 8X14 - 14.12.2024

Annexure-II

List of stakeholders who submitted written Objections/Suggestions

Sl. No.	Name and address of the stakeholders
1	M/s Southern Power Distribution Company of Telangana Ltd., Corporate Office, 6-1-50, Mint Compound, Hyderabad
2	M/s Northern Power Distribution Company of Telangana Ltd., H.No: 2-5-31/2, Corporate Office,Vidyut Bhavan, Nakkalagutta, Hanamkonda,Warangal

Annexure-III

List of stakeholders who participated in Public Hearing held on 21.01.2025

Sl. No.	Name and address of the stakeholders
1	M/s Southern Power Distribution Company of Telangana Ltd., Corporate Office, 6-1-50, Mint Compound, Hyderabad
2	M/s Northern Power Distribution Company of Telangana Ltd., H.No: 2-5-31/2, Corporate Office,Vidyut Bhavan, Nakkalagutta, Hanamkonda,Warangal