



The Federation of Telangana Chambers of Commerce and Industry

(Formerly known as FTAPCCI)

Empowering Industry, Commerce & Trade

Registered under the Companies Act, 1956

REGD OFFICE : Federation House, FTCCI Marg , 11-6-841, Red Hills, Hyderabad 500004, Telangana, India. Tel : 91-40-23395515 to 22 (8 lines), Fax : 91-40-23395525
e-Mail : info@ftcci.in ; website : www.ftcci.in

CIN U91110TG1964NPL001030

Ramakanth Inani
President

K. Bhasker Reddy
Senior Vice President

Anil Agarwal
Vice President

FTCCI/2020-21/386

March 12, 2021

To,
Chief Engineer (Coal & Commercial)
TS Genco
Vidyuth Soudha, Khiratabad,
Hyderabad, Telangana 500082,

Dear Sir,

Sub: Tariff Filling of TSGenco on O.P. No. 6 of 2021

Referring to the public notice issued by the Hon'ble Commission in the matter of O.P. No. 6 of 2021, the Federation of Telangana Chambers of Commerce and Industry is hereby submitting initial objections on the tariff fillings of TSGenco for your consideration.

Detailed objections in the subject matter will be submitted before the public hearing scheduled to be held on 17.03.2021.

Thanking you,

Yours sincerely,
(For FTCCI)


T. Sujatha
Dy.CEO



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ADE Com/2
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President

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Senior Vice President

Anil Agarwal
Vice President

Before the Telangana State Electricity Regulatory Commission

#11-4-660, 5th Floor, Singareni Bhavan, Red Hills, Hyd

In the matter of

Tariff Filings of TSGenco for the Control Period 2019-2024

O.P. No. 6 of 2021

In the matter of:

Determination of capital cost for new stations and Generation Tariff for the existing and new stations for the control period (2019-2024) under section 62 of the Electricity Act 2003 for the electricity supplied by TSGenco to Distribution Licensees

Telangana State Power Generation Corporation Limited

Vidyut Soudha, Khairatabad, Hyderabad

- Applicant

And

Southern Power Distribution Company of Telangana Ltd and Two Others
- Respondents

And

The Federation of Telangana Chambers of Commerce and Industry

Red Hills, Hyderabad

- Objector

In the matter of O.P. No. 6 Of 2021 TSERC - Determination of capital cost for new stations and Generation Tariff for the existing and new stations for the control period (2019-2024) under section 62 of the Electricity Act 2003 for the electricity supplied by TSGenco to Distribution Licensees, the Federation of Telangana Chambers of Commerce and Industry is submitting its initial observations/comments for the consideration of Hon'ble Commission

Observations

- 1.1 Out of the 4462 MW Thermal of GENCO 420 MW capacity (KTPS – ABC) is to be treated as vintage plants and we are unable to understand as to why consumers of electricity should be asked to suffer excessive costs of these units at Rs.3.32 per KWH.
- 1.2 While the latest regulation 1 2019 terms & conditions of generation tariff has allowed these plants with a normative annual plant availability factor of 70%, SHR of 3000 Kcal. Per KWH and a generous auxiliary consumption of 10%, we request this Hon'ble Commission to direct TS GENCO to give the availability factors for the last 3 years month-wise along with the SHRs. This data we submit is essential for we consumers to understand and object if necessary this as a source of energy itself. It would not be out of place to mention, that, the variable cost of this station is at Rs.3.32 Ps is higher than the total cost of power purchase at the IEX. As we understand there are plants that have been commissioned between 1966 and 1978, we wonder if the plants as old as 50 years are safe and economical to run?.
- 1.3 We also note RTS-B commissioned in 1971 is also operating at a high variable cost of Rs.3.04, we request this Hon'ble Commission to examine the financial prudence of running these units at all.
- 2) We wish to point out that KTHP stage 1 even though it was commissioned in the year 2010 its variable cost at Rs.3.02 is too high and we request this Hon'ble Commission to examine the financial basis of such a high variable cost. We are staring at the comparison between KTPS V at a variable cost of @ Rs.2.76. In comparison to KTPT 1 at a variable cost of Rs. 3.02 and commissioned around the same time. We request this Hon'ble Commission to direct TS GENCO to explain why there is such a significant difference in the costs.
- 3) **NEW STATIONS**

KTPS stage VII was commissioned on 23-12-2018 we request the actual availability and SHRs during the last 2 years of its operations. It does appear that in comparison to few other plants the variable cost does seem high for an availability factor of 85% and an expected SHR of a little less than 2300 Kcal.

- 4) Two of the he BTPS plants have been commissioned during the year 2020 and other 2 are expected to be commissioned by end March this year. We request this Hon'ble Commission to direct TS GENCO to provide a performance review note of the new plants.
- 5) It will be relevant to mention that less than 50% of the 4462 MW Thermal is part of the 21st Century. In fact, almost 2000 MW thermal capacity is close to 50 years old. Electric Energy supplies are an index of economic growth of the State. Manufacturing SECTOR expansion, specifically in the employment creating energy intensive sectors demand continuous and reliable& viable cost wise ,power supply. We consumers wonder if we are strategically attuned to growth in terms of electrical energy. On one hand Hydro Electric Energy is dependent on the elements and not specifically reliable. The State does not enjoy ample Wind energy resources and in any case Solar energy has not gained enough acceptance from the Distribution Companies for reasons not acceptable altogether .
- 6) We request this Hon'ble Commission to direct TS GENCO to give a summary of all the thermal plants of TS GENCO performance parameters during the last 2 or 3 years in terms of norms of operation as stipulated in Para 17 of Regulation 1 of 2019 – Terms and conditions of generation tariff. A summary of this we believe will be an eye opener for the consumers as well as this Hon'ble Commission so as to take technically and financially prudent decisions for arriving at generation tariff and also deciding on stations that probably needs to be shut down.

We are examining volume 2 of the tariff filing for the control (2019-2024) period but are handicap as the data provided not in excel format and analysis is getting delayed and in fact challenging.

Further we wish to point out that on any tariff proposal for meaningful objections – Company's 2 years Balance Sheet' details are required. However, no information is available on this.

We request this Hon'ble Commission to direct TS GENCO to provide us the data in excel sheets which can be used for calculating and thus make meaningful suggestion or objections. We would like to present additional points and therefore request this Hon'ble Commission to permit us to do so and also allow us to present either in person or on virtual mode as the Hon'ble Commission may deem fit.

Place: Hyderabad

Date: 12-03-2021



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Senior Vice President

Anil Agarwal
Vice President

March 15, 2021

ARR of TS GENCO for FY 2019-2024

ADDITIONAL SUBMISSIONS of FTCCI On O.P. No. 6 of 2021 -TSERC

7. FIXED CHARGES CLAIMS (Table 3 page 13)
 - 7.1 As given in the table the proposed fixed charges are about Rs.5.81 Crore for 1 MW for the period 2019-24. This works out to an average of 1.2 Crore per year. This appears to be excessive and we request this Hon'ble Commission to do the necessary due diligence, For example, RTS-B is projected to have an abnormally high fixed cost of Rs.10.28 in 5 years i.e., roughly a little more than Rs.2.00 Crore per year for a 62.5 MW plant commissioned in 1971, further strengthening our view point that this plant has a high fixed cost with the SHR of 3000 Kcal and the stated availability factor of 75%. Even the energy cost for this plant at the BUS will be in excess of Rs.3/- per Kwh. We are unable to understand why this plant, a 50 years vintage plant, needs to be run. We request this Hon'ble Commission to direct TS GENCO to explain as to why this plant should not be de-commissioned, when there are enough number of alternative and economical options.
 - 7.2 Reference is drawn to the fixed charges of the most recently commissioned Plant VTPS (COD 2020 and January-March 2021). The fixed cost projected for the years 2021 & 2022 onwards is of the order of Rs.2200 Crores per year. This for a new plant appears to be high. We request AP GENCO to explain the need for such a high expense for a new plant with probably the latest technology. Infact, KTPS-VII commissioned during December, 2018 is projected to have an expenditure of Rs.1.42 Crores per MW, a figure lower than BTPS commissioned more recently. We request this Hon'ble Commission to direct TS GENCO to explain this seemingly anomalous expenditure.
 - 7.3 PROPOSED WEIGHTED AVERAGE INTEREST RATE (Ref. Page 41 Annexure-B1)

It is disappointing to see interest rates at 10.68% and above for all the generating plants (TS GENCO). For the new BTPS the interest rates on term loans are as high as 11.72% and even the working capital interest is estimated to be 12.05%. We request this Hon'ble Commission to examine if these costs are inevitable and whether there are any other alternatives to reduce the costs.

8 MEDICAL AND OTHER WELFARE EXPENDITURE (2019-24 ref. Page 43 Annexure B3)

The estimate is Rs.120.97 Crores for 5 years. We request TS GENCO to intimate the number of beneficiary and expenditure in terms of Rupees per MW or preferably Rupees for 1 million units.

9. R&M (FY 2014-19 ref. Annexure A5)

The O&M expenditure of KTPS @ 5.37% and RTS-B @ 7.27% is far too high and the figures in the chart need to be explained (Table marked as VII) is not self explanatory.

10 FIXED CHARGES (Annexure A6 page 34)

We request TS GENCO to confirm if these fixed costs are proposed to be levied at the regulation stated availability percentage and PLF. We presume that the fixed charges would be strictly as per regulation 1 of 2019 terms and conditions of generation tariff.

11 SPARES EXPENDITURE (ANNEXURE IV)

We note that for BTPS 1080 MW plant commissioned very recently, the spares expenditure is of the order of Rs.5.86 lakhs per MW per year. We also note that for much older plants the spares expenditure reported is much lower. We request TS GENCO to re-confirm these estimates.

We request the Hon'ble Commission to allow us to present the objections of The Federation of Telangana Chambers of Commerce and Industry during the virtual hearing.

Place: Hyderabad

Date: 15-03-2021


Objector



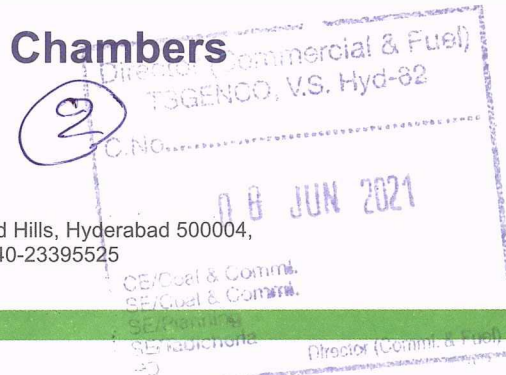
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Senior Vice President

Anil Agarwal
Vice President

FTCCI/Energy/2020-21/555

June 8, 2021

The Chairman and Managing Director,
TS Genco
Vidyuth Soudha, Khairatabad,
Hyderabad

June 8, 2021
Din/c&F



Respected Sir,

Sub: Our Request for Annual reports of TS Genco for FY 2014-15 to FY 2019-20

Ref: Virtual Public Hearing conducted on 31/5/2021 by Hon'ble Commission

During the virtual hearing conducted by Hon'ble Commission on 31-5-2021 in the matter of OP-5 & OP-6/2021 we had submitted that for analyzing True Up petitions for 2014-19 the Audited & approved annual report are essential documents. In fact, even in our written submissions dated 12th March 2021 we had made this submission. We also re-iterated this during the oral submissions and also explained that TSGENCO website does not carry these reports.

TSGENCO Chairman stated that this would be made available to us as desired by us. He was kind enough to state that the same will be uploaded in the website. We will be very thankful if hard copies of these annual reports also are made available to us earliest. FTCCI will defray any charges as per regulation for this service.

Thanking You.



The Federation of Telangana Chambers of Commerce and Industry

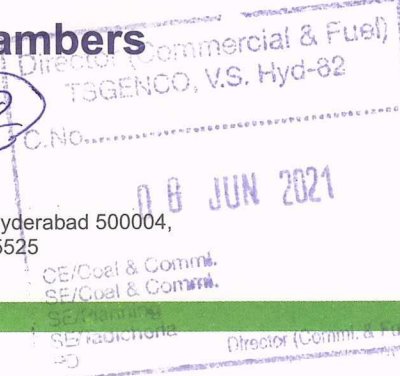
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Vice President

FTCCI/Energy/2020-21/555

June 8, 2021

The Chairman and Managing Director,
TS Genco
Vidyuth Soudha, Khairatabad,
Hyderabad

June 8, 2021
Din/c8F



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Thanking You,

Yours Sincerely,

T. Sujatha

T. Sujatha
Deputy CEO, FTCCI

CC: The Secretary, TSERC, 5th Floor, Singareni Bhavan, Red Hills, Hyd

Director, Finance, TSGENCO, Vidyuth Soudha, Khairatabad, Hyd

Sujatha
2/11/21