TELANGANA ELECTRICITY REGULATORY COMMISSION

5th Floor, Singareni Bhavan, Red Hills, Lakdi-ka-pul, Hyderabad 500 004

ORDER

ON

TRUE UP FOR FY 2022-23
AND
MULTI YEAR TARIFF (MYT)
FOR FY 2024-25 TO FY 2028-29

FOR

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

28.06.2024

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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
kcal	kilo calories
kg	Kilogram
KTPP	Kakatiya Thermal Power Plant
kWh	Kilo Watt hour

MAT	Minimum Alternative Tax
MCLR	Marginal Cost of Funds based Lending Rate
MGR	Merry-Go-Round
MMT	Million Metric Tonne
MoC	Ministry of Coal
MoEF&CC	Ministry of Environment, Forest & Climate Change
MoP	Ministry of Power
MoU	Memorandum of Understanding
MU	Million Units
MW	Mega Watt
MYT	Multi Year Tariff
NAPAF	Normative Annual Plant Availability Factor
NAPLF	Normative Annual Plant Load Factor
NH	National Highway
NHAI	National Highways Authority of India
NIT	Notice Inviting Tender
NO_x	Nitrogen oxides
NTPC	National Thermal Power Corporation Limited
O&M	Operations and Maintenance
O.P.	Original Petition
OEM	Original Equipment Manufacturer
OFC	Optical Fibre Communication
PAF	Plant Availability Factor
PAT	Perform, Achieve and Trade
PFC	Power Finance Corporation
PLF	Plant Load Factor
PPA	Power Purchase Agreement
PSC	Pre-Stressed Concrete
PVC	Price Variation clause
R&M	Repairs & Maintenance
RCC	Reinforced Cement Concrete
RCE	Revised Capital Expenditure
RDO	Revenue Division Officer
REC	Rural Electrification Corporation
RITES	Rail India Technical and Economic Service
RoE	Return on Equity
Rs.	Rupees
RUB	Railway Under Bridge
S&T	Signalling and Telecommunication
SBI	State Bank of India
SCCL	Singareni Collieries Company Limited
SLC	Standing Linkage Committee
SLDC	State Load Despatch Centre
SMET	Sate Mineral Exploration Trust
SPCB	State Pollution Control Board
SO_x	Sulphur Oxides
SPCB	State Pollution Control Board
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
5th Floor, Singareni Bhavan, Red Hills, Lakdi-ka-pul, Hyderabad 500 004

O.P.No.4 of 2024

Dated 28.06.2024

Present

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

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) filed the Petition on 30.01.2024 under Sections 62 and 86(1)(a) & 86(1)(b) of the Electricity Act, 2003 and under the provisions of (Terms and Conditions of Generation Tariff) Regulation No.1 of 2019 for Truing-up of the Aggregate Revenue Requirement for FY 2022-23 and under the provisions of Telangana Electricity Regulatory Commission(Multi Year Tariff) Regulation No. 2 of 2023 for Multi Year Tariff for FY 2024-25 to FY 2028-29 for 2x600 MW Singareni Thermal Power Plant (STPP).

The Commission, in exercise of its powers under the Electricity Act, 2003, Regulation No.1 of 2019; 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

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 annual fixed charges for 2x600 MW STPP upto 31.03.2019 and determined the tariff for STPP during MYT period of FYs 2019-24.

1.1.6 The Commission in its Order dated 23.03.2023 trued-up the Aggregate Revenue Requirement and revenue for FY 2019-20 to FY 2021-22 and revised the Tariff for FY 2022-23 and FY 2023-24.

Statutory Provisions

1.1.7 As per Section 62 of the Electricity Act, 2003 the Commission can determine the tariff for supply of electricity by a generating company to a distribution licensee, further the Commission is empowered to determine tariff for generation and sale of electricity within the State under Section 86(1)(a) & 86(1)(b) of the Act.

1.1.8 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 FYs 2022-23 and Multi Year Tariff of the Control Period FY 2024-25 to FY 2028-29 respectively. 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:

a) Multi Year Tariff petition shall be filed by 30th November of the year preceding the first year of the control period by generating entity, comprising:

i. True-up of preceding year for generation business;

ii. True-up of preceding year for integrated mine;

iii. Proposal of Tariff for each year of the control period for generation business;

Present Petition

1.1.9 SCCL has filed the present petition on 30.01.2024 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 2022 to 31st March 2023. SCCL has also filed the petition for Multi Year Tariff for FY 2024-25 to FY 2028-29 for 2x600 MW Singareni Thermal Power Plant (STPP) in accordance with Regulation No.2 of 2023.

1.1.10 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.

1.1.11 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.

Admission of Petition and Regulatory Process

1.1.12 The petition was examined and found to be generally in order as required under Conduct of Business Regulation, 2015 (Regulation No.2 of 2015). The original petition has been taken on record by assigning the O.P.No.4 of 2024.

Data Gaps and petitioner's Responses

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

Public Notice

1.1.14 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 2022-23 and MYT for FY 2024-25 to FY 2028-29 in two (2) English, two (2) Telugu daily and One (1) Urdu daily newspapers on 14.02.2024 [Annexure-1(A)]. In the Public Notice it was also stated the intention of the Commission to conduct Public Hearing in the Court Hall of TGERC, 5th Floor, Singareni Bhavan, Red Hills, Hyderabad on 08.04.2024 from 11.00 hrs onwards. The filing (along with supporting material) was hosted by the petitioner as well as the Commission on their respective websites.

1.1.15 Initially, the objections/suggestions on the filing were to be filed before the Commission by 05.03.2024. But, considering the request form the stakeholders, the Commission has extended the last date for submitting objections/suggestions on the filings to 14.03.2024. Accordingly, the petitioner has issued the revised Public Notice in the daily newspapers on 14.03.2024 [Annexure-1(B)]. Further due to administrative reasons the Public Hearing originally scheduled on 08.04.2024 was rescheduled to 19.04.2024 [Annexure-1(C)] The same information was posted and scrolled in the homepage of the website of the Commission.

Response to the Public Notice

1.1.16 In response to the Public Notice, two (2) stakeholders have submitted their Objections/Suggestions on the filings of True-up for FY 2022-23 and Multi Year Tariff for the period FY 2024-25 to FY 2028-29. The list of stakeholders who submitted written objections/suggestions on filings is enclosed at Annexure-II.

1.1.17 The Petitioner was directed to furnish reply on the objections/suggestions of stakeholders in writing, marking copy of the same to the Commission, by 20.03.2024. The objections/suggestions of stakeholders and the responses of the Petitioner on the same has been posted both on the websites of the Petitioner and the Commission.

Public Hearing

1.1.18 In the Public notice it was also stated that the Commission intended to conduct Public Hearing in the Court Hall of TGERC, 5th Floor, Singareni Bhavan, Red Hills, Hyderabad on 08.04.2024 from 11.00 hrs onwards. Later on, due to administrative reasons, the Public hearing was scheduled on 08.04.2024 was postponed and the public hearing was rescheduled to 19.04.2024 at 11.00 am in the Court Hall of TGERC. The same information was posted on the website of the Commission.

1.1.19 The Commission has conducted the Public Hearing on 19.04.2024 in attendance of the Petitioner, the Respondents, and the other interested stakeholders. During the Public Hearing, the Petitioner has made a brief submission on its filings and then the Commission heard the Respondents and other stakeholders desiring to be heard. At the end, the Petitioner responded on the issues raised by the objectors and on directions of the Commission filed a written submission regarding the same. The list of persons who have presented their objections/suggestions in Public Hearing held on 19.04.2024 is enclosed at Annexure-III.

Chapter-2
Summary of Filings

Petitioner's Submissions

2.1.1 This petition is filed for approval of truing-up for FY 2022-23 and Multi Year Tariff for FY 2024-25 to FY 2028-29 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 2022-23;

b) Audited details of the break-up of Actual capital cost of STPP up to 31.03.2023.

c) The details of Additional Capitalisation for FY 2022-23 to FY 2023-24.

True-up for FY 2022-23

2.1.3 The summary of the true-up of Aggregate Revenue Requirement for FY 2022-23 as claimed before the Commission is submitted below:

Table 2-1: Summary of ARR as claimed for FY 2022-23

Rs. in crore

Particulars	FY 2022-23		
	MYT/Tariff Order	April-March	True-Up requirement
	Approved	Audited	Claimed
Annual Fixed Charges			
Operation & Maintenance Expenses	220.09	304.61	304.61
Depreciation	400.36	400.54	400.54
Interest and finance charges on loan	224.24	266.65	266.65
Interest on Working Capital	83.51	98.65	98.65
Return on Equity	436.41	481.81	481.81
Annual Fixed Charges	**1364.61**	**1552.26**	**1552.26**
Energy Charges			
Energy Charge Rate (Rs./kWh)	3.347	3.343	3.343
Scheduled Energy-Ex-bus (MUs)	8741.959	8741.959	8741.959
Variable Charges	**2925.93**	**2922.44**	**2922.44**
Other Charges			
Incentive	0.00	16.03	16.03
water charges, Audit fee & Tariff filling fee	0.00	2.30	2.30
Total Gross ARR		4493.03	4493.03
Less: Non-Tariff Income	13.33	9.27	9.27
ARR to be recovered from Tariff		4483.76	4483.76

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

Multi-Year-Tariff for the period FY 2024-25 to FY 2028-29

2.1.4 The AFC claimed by the SCCL for the period FY 2024-25 to FY 2028-29 is shown below:

Table 2-2: AFC and Energy Charge claimed by the Petitioner for the period FY 2024-25 to FY 2028-29

Rs. in crore

Particulars	2024-25 n+1 Projected	2025-26 n+2 Projected	2026-27 n+3 Projected	2027-28 n+4 Projected	2028-29 n+5 Projected
Annual Fixed Charges					
Operation & Maintenance Expenses	356.20	376.17	397.25	419.52	443.05
Depreciation	403.52	404.17	404.17	404.17	404.17
Interest and finance charges on loan	217.44	181.14	144.14	107.15	70.15
Interest on Working Capital	96.66	96.59	96.49	96.37	96.39
Return on Equity	485.68	486.33	486.33	486.33	486.33
Less: Non-Tariff Income	3.90	4.09	4.29	4.51	4.73
Annual Fixed Charges	**1555.60**	**1540.30**	**1524.09**	**1509.04**	**1495.35**
Energy Charges					
Energy Charge Rate (Rs./kWh)	3.876	3.876	3.876	3.876	3.876
Scheduled Energy-Ex-bus (MUs)	8794.656	9055.238	9055.238	9081.297	9055.238
Energy Charges	**3408.81**	**3509.81**	**3509.81**	**3519.91**	**3509.81**
Other Charges					
Incentive	18.66	31.69	31.69	31.84	31.69
Water charges, Audit fee & Tariff filling fee	0.00	0.00	0.00	0.00	0.00
Sub Total (Other Charges)	**18.66**	**31.69**	**31.69**	**31.84**	**31.69**
Grand Total	**4983.07**	**5081.80**	**5065.59**	**5060.79**	**5036.85**

Energy Charges for the period FY 2024-25 to FY 2028-29

2.1.5 The Energy Charge Rates (ECR) projected by SCCL for FY 2024-25 to FY 2028-29 is as shown in the Table below:

Table 2-3: Summary of ECR as claimed by the Petitioner for the period FY 2024-25 to FY 2028-29

Rs. in crore

Particulars	Units	2024-25 n+1 Projected	2025-26 n+2 Projected	2026-27 n+3 Projected	2027-28 n+4 Projected	2028-29 n+5 Projected
Auxiliary Consumption	%	5.75	5.75	5.75	5.75	5.75
Gross Station Heat Rate	kcal/kWh	2300	2300	2300	2300	2300
Secondary Fuel oil consumption	ml/kWh	0.5	0.5	0.5	0.5	0.5
Calorific Value of Secondary Fuel	kcal/ml	10.00	10.00	10.00	10.00	10.00
Landed Price of Secondary Fuel	Rs./ml	0.07	0.07	0.07	0.07	0.07
Gross Calorific Value of Coal	kcal/kg	3719.48	3719.48	3719.48	3719.48	3719.48
Landed Price of Coal	Rs./kg	5867	5867	5867	5867	5867
Specific Coal Consumption	kg/kWh	0.617	0.617	0.617	0.617	0.617

Particulars	Units	2024-25	2025-26	2026-27	2027-28	2028-29
		n+1	n+2	n+3	n+4	n+5
		Projected	Projected	Projected	Projected	Projected
Rate of Energy Charge from Primary Fuel	Rs./kWh	3.841	3.841	3.841	3.841	3.841
Rate of Energy charges from Secondary Fuel	Rs./kWh	0.035	0.035	0.035	0.035	0.035
ECR	**Rs./kWh**	**3.876**	**3.876**	**3.876**	**3.876**	**3.876**

Chapter-3
Issues raised by Stakeholders, responses of Petitioner and Commission's View

Objections/suggestions made on filings

3.1.1 Two (2) stakeholders have filed objections/suggestions on true-up of STPP for FY 2022-23 and on MYT for the period FY 2024-25 to FY 2028-29. The Petitioner has filed replies on the objections/suggestions received from the stakeholders. For the sake of clarity, the objections/suggestions raised by the stakeholders and responses of the Petitioner have been consolidated and summarised issue-wise. The Commission has concluded all the objections/suggestions of the stakeholders made in writing and the responses to them by the Petitioner.

General

Stakeholders' Submissions

3.1.2 The Stakeholders objected to the 3rd prayer of the Petition where the Petitioner has sought orders not to apply the components of normative / operational parameters stipulated in the Regulation No.2 of 2023, which are less beneficial to STPP Project.

3.1.3 At the outset, the stakeholders submitted that the Petitioner's 3rd prayer is in absolute contravention to the Tariff Regulation No. 2 of 2023 as well as the provisions of the PPA (Preamble) as extracted below:

> *"The terms and conditions of the Power Purchase Agreement are as per prevailing TSERC regulations and any changes in TSERC regulations that may occur in future shall be applicable for all operating norms or any other parameters."*

3.1.4 Since the PPA between the parties is sacrosanct and binding upon the parties, while the Tariff Regulations are statutory in character and binding on all the regulated entities including the Petitioner, hence, the 3rd prayer of the Petitioner for selective application of norms /parameters of Tariff Regulation 2 of 2023 to its STPP Project, is legally not sustainable and the Commission is requested to dismiss the same.

3.1.5 Further the Stakeholders have submitted that before taking up the exercise of tariff determination for STPP Project for the Control period FY 2024-29, the Commission is required to undertake the truing-up of expenditure / tariff claimed by the Petitioner, vis-a-vis the Tariff approved by the Commission for the previous Control period FY 2019-24, vide its orders dated 28th August 2020 in O.P.No.5 of 2019 & batch and also the orders dated 23rd March 2023, passed by the Commission in the Mid-Term Review order in the Petition, O.P.No.77 of 2022 filed by the Petitioner, where-under the Commission has approved revised Annual Fixed Charges (AFC) for FY 2022-23 to FY 2023-24, after taking into account the truing up of expenditure of STPP up to FY 2021-22. The Petitioner is obligated to file the True-up Petition for the balance period previous Control period (FY 2022-23 to FY 2023-24) in pursuance of the aforesaid Mid- term Review order, since the closing balances of outstanding Debt and Equity (as approved in the said order) as on 31st March 2024 would become the opening balances on 1st April 2024 for Tariff determination for the next Control period FY 2024-29. However, since the FY 2023-24 is yet to be completed and audited figures for FY 2023-24 would not be available to the Petitioner, as such, the Commission may undertake the exercise of Tariff determination for Multi Year Tariff for the Control Period from FY 2024-29 based on the Actual audited figures of expenditure for FY 2022-23 subject to prudence check while the truing up of expenditure for FY 2023-24 can be taken up subsequently in the Mid-Term Performance Review.

3.1.6 The Commission is also required to take into account, the Capital Investment Plan and Business Plan Petitions filed by the Petitioner for the next Control period (FY2024-29) under O.P.No.25 of 2023 and O.P. No. 26 of 2023 and the order passed by the Commission in these Petitions, as any Additional Capitalization, if approved in the said Petitions, would add to the outstanding Debt and Equity as on 1st April, 2024, viz., the beginning of the Control period FY 2024-29, which parameters will be used in the Tariff computation.

3.1.7 The Commission needs to apply 61(d) of electricity act 2003 for determination of the MYT tariff. This clause provides safe guarding consumers interest and at the same time recovery of electricity cost in a reasonable manner. Thereby only reasonable cost has to be allowed.

Petitioner's Resplies

3.1.8 The Petitioner has submitted that the requirement of stringent future norms would be proper only if the present norms are giving over achievement to generator. But, where the normative figures are unachievable in FY 2019-24, more stringent norms for future period FY 2024- 29 would make the generator to go worse than present situation as it would impact more & more under-recovery for the generating station. Therefore, such more stringent regulation is of no use and in fact contradicts section 61 of Electricity act 2003.

3.1.9 As regards the true up and MYT exercise to be taken by the Commission, the Petitioner has submitted that these are mainly reproduction of some figures and rules. The Commission was requested by the stakeholders in para 6 that the tariff determination to be undertaken for Multiyear tariff FY 2024-29 based on Actual audited figures of expenditure for FY 2022-23 subject to prudence check while truing up of expenditure for FY 2023-24 can be taken up subsequently in the Midterm review. To this extent we agree to the procedure for truing up and determination of multi-year tariff for FY 2024-29.

3.1.10 The stakeholders themselves have raised the point on recovery of cost on which SCCL submits that the recovery does not depend-only on billing as per tariff but also rely on the consequential compliance of payment for admitted bills. The TGDiscoms have canvassed that generator is entitled for interest on the due amount. But the TGDiscoms, Oblivious of the rules passed on 03.06.2022 by the Government of India to the effect that if the TGDiscoms failed to provide payment security mechanism and failed to pay monthly bills for two months the generator is entitled to terminate the PPA and sell power in open access. If the contention of TGDiscoms is to be accepted, no bank/ financial institution in the country should take recovery steps on the ground that they are entitled for interest for the delay occurred in payment on due date.

3.1.11 In the public hearing, the objector raised the point on accumulated dues not paid by TGDiscoms so far and expressed anguish on this aspect.

Commission's View

3.1.12 The Commission while issuing this Order has taken into account the broader objective of the Electricity Act 2003. The Commission has also considered the regulatory integrity while safeguarding the interests of all stakeholders involved.

3.1.13 As regards the relaxation in norms for operational parameters, the Commission is of the view that the MYT Regulation 2 of 2023 were framed after due consultation process and the norms for operational parameters have been specified in Regulation. Hence, the Commission has approved the norms of operational parameters as per the MYT Regulation 2 of 2023 without any deviation.

3.1.14 Regarding approach to be adopted for approving the tariff for next Control Period FY 2024-25 to FY 2028-29, the Commission agrees with the approach suggested by the stakeholder that at this stage tariff for next control period is to be determined based on truing up figures for FY 2022-23 and once the truing up for FY 2023-24 is done, the figures will be revised accordingly.

Return on Equity

Stakeholders' Submissions

3.1.15 The Stakeholders have submitted that the against capital cost of Rs.7745.32 Crore approved by the Commission at the end of FY 2021-22, the Petitioner has projected a closing capital of Rs.7826.39 Crore. It has claimed true-up on Rs.7762.28 Crore against the capital cost of Rs.7745.32 Crore approved by the Commission. For FY 2023-24, against the capital cost of Rs.7745.32 Crore approved by the Commission, SCCL has estimated it to increase to Rs.7805.62 Crore. Based on the projections, the Petitioner has claimed return on equity at higher level and sought true-up accordingly. For FY 2022-23, it has claimed RoE of Rs.481.81 Crore against Rs.436.41 Crore approved by the Commission. Similarly for the FY 2023-24, it has claimed RoE of Rs.483.69 Crore against Rs.436.40 Crore approved by the Commission. For the period FY 2024-25 to FY 2028-29 , for FY 2024-25, the Petitioner has projected RoE of Rs.485.68 Crore and for the next four years Rs.486.3 Crore per year. When rate of return on equity is constant and without increase in equity, the Petitioner has not explained as to how it has claimed higher return on equity. The claims of SCCL are subject to the terms and conditions in the PPA approved by the Commission. As such, claims for increased capital costs and true-up claims should not be allowed. If SCCL incurs additional capital costs, they can be covered in the O&M costs approved by the Commission, unless they are approved by the Commission as per terms of the PPA. Claiming and allowing additions of capital costs during the entire period 25 years of the PPA is an unhealthy practice much to the detriment of larger consumer interest, though SCCL is claiming that it is making these claims as per the latest Regulation No.2 of 2023.

3.1.16 The Stakeholders have submitted that the Petitioner has claimed the Return on Equity (RoE) at the base rate of 15.5% on enhanced Equity (after considering Additional Capitalization of Rs.16.96 Crore (30% as equity @ Rs.5.09 Crore) for FY 2022-23 and Rs. 43.35 Crore (30% as equity @ Rs.13.005 Crore) for FY 2023-24, thereby raising the Base Equity to Rs. 2341.69 (increase in equity @ Rs.18.09 Cr.) as against the approved Base equity of Rs.2323.60 Crore, even without obtaining the approval of the Commission, and calculated simple RoE @ Rs.362.96Cr. as against the approved RoE @ Rs. 360.158 Cr. which is not permissible. Further, the Petitioner grossed up the simple RoE with the regular income tax rate @ 25.17% (rate applicable for the SCCL Company as a whole for Coal and Power business) as against the concessional MAT rate of 17.472% allowed for STPP Power generation business, which has led to higher RoE claim of Rs. 481.81 Crore for FY 2022-23 & Rs. 483.69 Cr. for FY 2023-24 as against the approved RoE of Rs.436.40 Crore. In fact, this Commission disallowed the grossing up of RoE with higher Income Tax rate in the Mid-term Review order dated 23.03.2023 (Table 3.37 of TGERC order), since the Petitioner's claim was not in consonance with the clauses 11.3.4 & 11.3.5 (stipulated exclusion of the income of non-generation business for Income Tax computation) of Regulation No.1 of 2019 and this will also burden the consumers. Despite that, the Petitioner continued the truing up with enhanced Equity besides grossing up of RoE with higher income tax rate, which is not permissible. Further, the Petitioner is seeking the enhanced Equity and higher RoE grossing up based on the Audited figures for the FY 2022-23. In this regard, the Commission in the Mid-term Review order, has already relied on the ratio decided in the Case law in Ld. APTEL's judgment dated 10th August 2010 in Appeal No.37 of 2010 (Meghalaya State Electricity Board vs. Meghalaya State ERC), wherein it was held that the State Commission has to make prudence check of the expenditure and is not bound by the certificates of Auditors. In view of the above the Commission is requested to restrict the claim of RoE to the approved figure of Rs. 436.40 Crore.

3.1.17 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. Being a regulated entity, STPP cannot claim SCCL's tax rate and only MAT rate to be allowed in the computation of RoE as already decided by this Commission in midterm review order.

Petitioner's Replies

3.1.18 The Petitioner has in its reply submitted the following:

a) It is to humbly submit that the Commission has notified Telangana Electricity Regulatory Commission (Multi Year Tariff) Regulation 2 of 2023 for determination of Aggregate Revenue Requirement for generating entities within the state of Telangana and this regulation was made applicable from 01.04.2024

b) Accordingly, the Petitioner has filed MYT for the control period (2024-25 to 2028-29) and true-up for FY 2022-23 as per the above Regulation and as per the terms and conditions of the PPA approved by the Commission.

c) The Petitioner has projected RoE of Rs.485.68 Crores for FY 2024-25 and for the next four years FY 2025-29 Rs.486.3 Crores per year considering additional capital investment of Rs. 20.77 Crores for FY 2024-25.

d) The additional capital investment for FY 2024-25 is towards implementation of flexible operation scheme which is a new regulation notified by Central Electricity Authority (CEA).

e) CEA issued these new regulations on 30.01.2023 for implementation of flexible operation scheme in coal based thermal power plants. As per this, the minimum unit generation should be reduced to 40% (i.e., 240 MW) of maximum continuous rating of unit (i.e., 600 MW) for STPP. These Regulations should be complied within one year from the date of the notification of the regulations

f) CEA further notified on 15.12.2023, the phasing plan of various coal based thermal Generating units. Based on the phasing plan notified by CEA, SCCL Unit-I and Unit-2 should implement flexible operation scheme by January 2025 and March 2025 respectively.

g) The details of the flexible operation scheme were already submitted in the original petition.

h) The Commission in its order dated 29.12.2023 in O.P. No's.25 and 26 of 2023 directed the following regarding CIP of Implementation of flexible operation scheme as per CEA Regulation:

"4.2.22 The Commission is in the process of framing the Multi Year Tariff Regulation for the period commencing from FY 2024-25 onwards. If the need arises, SCCL may seek the approval of the Commission for undertaking the capital works required for complying with CEA Regulations in accordance with the provisions of the Multi Year Tariff Regulation to be issued by the Commission."

3.1.19 Further, in respect of the submission made by the objector that any additional capital cost incurred by the SCCL can be covered in the O&M cost approved by the Commission, it is to state that approved O&M cost of STPP is very less compared to the actual O&M of STPP being incurred.

The Petitioner submitted that STPP was not allowed even the recovery of actual O&M through tariff. It is to further state that O&M of STPP is least among the State generating stations. Therefore, the suggestion made by objector that additional cost incurred can be recovered from O&M is baseless and incorrect.

3.1.20 Further the Petitioner has submitted as follows:

a. The Stakeholders have submitted that claimed equity by the SCCL is more by Rs.18.09 Crore due to consideration of additional capitalization of Rs.16.96 Crore and Rs.43.35 Crore during FY 2022-23 and FY 2023-24 respectively. It was further pointed out that regular income tax 25.17% has been grossed up with the simple RoE.

b. The reason for this objection by the TGDiscoms appears to be relying on midterm review order dated 23.03.2023 passed by Commission, but without considering the fact that the order dated 23.03.2023 is applicable only for trued up period FY 2019-22. This Commission needs to again apply prudence of the expenditures, facts and reasons submitted before them in terms of specified tariff regulation in the present petition.

c. As far as the Tariff Regulations are concerned, no where in the clauses 11.3.4 & 11.3.5 it was stated to exclude income of non- generation business for income tax computation in truing up. The clauses 11.3.4

& 11.3.5 are reproduced below:

"11.3.4. Rate of 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 is the effective tax rate in accordance with Clause 11.3.1 of this Regulation and shall be calculated at 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-rata basis by excluding the income of non-generation and the corresponding tax thereon.

11.3.5. In case of Generating Entity paying Minimum Alternate Tax (MAT), "t" shall be considered as MAT rate including surcharge and cess. "

d. The clause 11.3.4 provides for using effective tax rate for projection purpose which shall be computed at the beginning of every financial year based on estimated profit and tax to be paid by the generating entity on pro-rata basis by excluding the income of non-generation and the corresponding tax thereon. It provides that though there will be reduction of income and tax paid with respect to non-generation business on absolute basis there shall not be any change in tax rates.

e. In fact the use of "pro-rata" confirms that the effective income tax rate shall be unchanged. The illustration submitted may be considered where a company's total income is Rs.1200 cr. and effective tax rate is 25.17% and income of Rs.200 cr. is obtained from non-generation business then the effective tax rate for both the generation and non-generation business shall be)25.17%. However, on absolute basis the tax payable by the generation business would be Rs. 251.7 Crore and by the non-generation business would be Rs. 50.34 Crore.

f. It cannot be denied that the State Commission is not bound by the figures as given in the audited statements, since the audit only reflects the amount that has been incurred, but the issue of prudence check, i.e., whether such expenditure was required or not at the first place lies with the Commission. Not bound simply does not mean that the Commission has to totally disregard the certified amounts. However, the Commission can scrutinize the reasonableness of the expenditure.

3.1.21 It is to submitted that the PPA does not mention about MAT and tax is payable as per Income Tax Act. SCCL has 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. The Petitioner has submitted that the SCCL is an income tax assesse whereas STPP is not a separate assesse and STPP is a part of SCCL. However, the income tax amount is confined to generation station income.

3.1.22 As per the clauses 5.1 to 5.5 of the power purchase agreement (PPA) signed by the parties, incidence of tax liability on SCCL shall be payable by the stakeholders. The aforesaid provision was also upheld by the TGERC in its approval order for PPA. The TGERC Regulation has also not provided any provision for not considering the effective income tax rate ultimately payable by the SCCL. As per legal principle PPA cannot be subsumed on the ground that there is regulation on that aspect. The judgment of Supreme Court in PTC Vs CERC elaborately explained by the Supreme Court in a case between M.P. Power company vs Sky Power South East Solar Ltd dated 16-11-2022 held that principle Regulation overriding the PPA is not general law, and it is confined to trade margin only. As such, PPA clearly mentions SCCL's effective tax rate to be used for computation of ROE and the regulation also specifies using effective tax rate on pro rata basis and therefore any conflict between the PPA and Regulation does not exist in this case.

3.1.23 Further the objection that since STPP is regulated entity it needs to pay MAT rates is incorrect, misleading and lacks merit. No applicable Tariff Regulation states that it sits above the income tax laws and tax needs to be paid as decided in the Tariff Orders. Rather, an entity needs to pay tax as per applicable income tax rate as specified in the Income tax Act and not as per regulation passed under Electricity Act. The Tariff Regulation only has to allow effective tax rate paid by embedding the same in ROE computation during truing up.

3.1.24 The Income Tax paid by SCCL for the FY 2022-23 is based on following applicable rates. Basic Rate = 22%, Surcharge = 10% (on Basic rate) and Cess= 04%. Effective Income Tax Rate actually paid by SCCL which includes STPP in its one of the verticals is 25.168%. It is the TGDiscoms argument that STPP being a generating company may take the benefit of 80IA and pay income tax only on MAT rate. However, the actual payment of income tax cannot be based on such assumptions and presumptions because STPP is not a company separate from SCCL.

Commission's Views

3.1.25 The Commission has taken note of the submissions of the stakeholders and reply of the Petitioner. The Commission has examined the issue in detail in subsequent Chapters of this Order.

Interest on loan

Stakeholders' Submissions

3.1.26 The Petitioner stated that the Commission in the Mid-term Review Order has allowed refinancing of loan in respect of STPP and allowed interest on loan accordingly. Therefore, STPP claims the sharing of gains accrued due to refinancing in the truing up of FY 2022-23 by applying Clause 12 of Regulation No.1 of 2019. Further, the Petitioner stated that the interest and financing charges on loan for MYT period FY 2024-29 have been computed as given in Clause 31 of Regulation 2 of 2023. In this regard, the Stakeholders has submitted that the Petitioner has added the additional loan component of additional Capitalization of (11.87 Cr. for FY 2022-23 i.e., 70% of Rs.16.96 Cr. & Rs.30.34 Cr. for FY 2023-24 i.e. 70% of Rs. 43.35 Cr.) to the outstanding loan balances approved in the MYT order (Table 56: (MYT order dated 28.08.2020)), even without obtaining the approval of this Commission and worked out higher interest sums arbitrarily by applying the rate of interest @ 7.66% to 8.70% (claims as Audited) as against the rate of interest approved @ 7.16% p.a., which claim is not in accordance with the Mid-term Review Order. If there is a change in the interest rate on outstanding loan, then the Net Savings have to be re-worked out. Further, the Petitioner has also claimed one third share of Savings of interest amount shared between the entity and Beneficiaries in the specified ratio.

3.1.27 With regard to loan refinancing taken up by the Petitioner during the previous Control period FY 2019-24, it is submitted that though there was a saving in interest rate (@ 1.36%) after loan refinancing, yet the cost associated with such loan refinancing was significant at Rs. 77.84 Cr., which was entirely passed on to the Respondents upfront. Therefore the Commission in its Mid-term order allowed the one-third share of gains of Net Saving to the STPP/ SCCL as a one time basis during FY 2020-21 and allowed the Respondents to retain the Net savings for subsequent years i.e. FY 2021-22 to FY 2023-24 without any sharing. Disregarding the set procedure, the Petitioner has trued-up the expenditures by claiming the one-third share of gain of loan refinancing even for the balance period of the previous control period, which is not permissible. If the Petitioner is aggrieved by the methodology, then it should have filed appeal against such order, but not filed appeal before Ld. APTEL within the prescribed time period. But now the petitioner claims that it has filed appeal on limited aspects against the Mid-term Review order. As of now, no Stay of the said TSERC order has been granted by Ld. APTEL. As such, the Petitioner claim on adjusting the one-third share of gains of loan refinancing for the period of truing up i.e. FY 2021-22 to FY 2023-24 has to be disallowed. Further, the Petitioner has continued to claim the one-third share of gains of loan refinancing even to next Control period FY 2024- 29, by referring to the Clause 31 of Regulation 2 of 2023. In this regard, the Respondents have extracted the provision of Loan Refinancing (Clause-31) of new Tariff Regulation vis-a-vis the similar provision of Regulation No.1 of 2019 as below, for critical examination by the Commission.

3.1.28 It could be seen from the above provisions that in the new Tariff 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 the Previous Tariff Regulation (No. 1 of 2019). In the Annuity computation methodology, the 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. This exercise has to be done to examine whether the claim of loan refinancing is beneficial to the TGDiscoms even after passing on the costs associated with loan refinancing to them. Apparently, the Petitioner has not carried out such exercise. Also, if further Loan Refinancing is taken up by the Petitioner in the next Control period viz. FY 2024-29, then the Regulation No. 2 of 2023 allows the Petitioner to make such a claim. Without making any such effort, the Petitioner is not entitled to make a claim on sharing of gains of Loan Refinancing. The Petitioner has failed to distinguish the Loan Refinance Provisions in the aforesaid two Tariff Regulations. As such, the Petitioner's claim for unilaterally adjusting the one-third share of gain to it, is legally not permissible.

3.1.29 The Commission is requested to disallow the same and restrict the rate of Interest on Loan @ 7.16% besides disallowing the sharing of one-third share of gain on Loan Refinancing for FY 2021-22 to FY 2023-24 and also for next Control period FY 2024- 29 as the claim is not in accordance with Clause 31 of Regulation 2 of 2023.

3.1.30 The interest on loan actually should reduce over the years as loan is gradually repaid. The Commission has allowed interest rate @7.16% and it should not increase. The Commission has decided not to allow gain sharing after FY 2020-21. Therefore, SCCL should not get benefit of gain sharing for FY 2022-23. SCCL also claimed gain sharing for FY 2024-29. However, as no fresh loan restructuring is contemplated in FY 2024-29, SCCL should not get any benefit of loan refinancing carried out in the previous control period.

Petitioner's Replies

3.1.31 In this respect, it is to humbly submit that variation in market interest rates for long-term loan is uncontrollable factor which is beyond the control of the petitioner. Further. Clause 12.6.3 of Tariff Regulation 1 of 2019 provides that the changes to the terms and conditions of the refinanced loans shall be reflected from the date of refinancing and it is easy to understand that how interest rates change 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.

3.1.32 Accordingly, in terms of the said Regulations, post refinancing, the rate of interest applicable for actual refinanced loan portfolio is required to be allowed in the tariff.

3.1.33 Further, the Stakeholders has stated that the methodology for loan refinancing as allowed by the Commission in its mid-term order is final and should be the basis for truing up of interest and financing charges even for forth coming FY's of 2022-23 & FY 2023-24 in this petition. Non sharing of gain out of loan refinancing in FY 2021-22 which is in deviation with clause 12.6 of Tariff Regulation 2019 has been challenged before Appellate Tribunal for Electricity. However, the approval for refinancing was never been under challenge.

3.1.34 Therefore, once the approval for refinancing of the loan have been allowed by the Commission and as the truing up of FY 2022-23 was not done in the MYT

Order dated 23.03.2023 the Commission may decide sharing ratio of benefit out of this refinancing arrangement for FY 2022-23 considering the actual audited interest rates and other factual aspects which were not available earlier. The clause 12.6.1 of Regulation 01 of 2019 clearly specifies such ratio as 2:1 between beneficiary and generating entity.

3.1.35 Further, the Stakeholders have stated that the Petitioner has not carried out the calculation exercise to find out annuity in net savings and the petitioner can only make claim for refinancing in FY 2024-29 whereas loan refinancing is taken up in FY 2024-29. Whereas loan refinancing was already approved by this Commission in its order dated 23.03.2023 and this aspect was not under any challenge. Further, the clause 31.10 of Regulation 2 of 2023 provides that net savings out of refinancing loan shall be shared between the beneficiaries and generating entity in the ratio of 2:1.

3.1.36 The last proviso of Regulation 31.10 of Regulation 2 of 2023 states that the net savings in interest shall be calculated as an annuity for the term of the loan but the net savings shall be shared between the parties on annual basis. Therefore, it is clear that the calculation of net savings in interest based on annuity method is only required to apply prudence to approve refinancing. In STPP's case refinancing has already been approved in the previous control period. Hence, the annuity method as suggested by the TGDiscoms is not relevant in this fact, the same proviso stipulates that annual net savings shall be shared which STPP has calculated and submitted.

3.1.37 In view of the above, the Commission is requested to decide the sharing ratio of net savings for FY 2022-23 and also to apply the prescribed ratio of 2:1 for gain sharing in the control period FY 2024-29. Accordingly, the submissions made by the stakeholders are devoid of any merit and need not to be relied upon.

Commission's View

3.1.38 The Commission has approved the Interest on Loan for True-up for FY 2022-23 in accordance with the provisions of Regulation No. 1 of 2019 as detailed in chapter 4. Further the Commission has approved the Interest on Loan for the Control Period FY 2024-25 to FY 2028-29 in accordance with the provisions of Regulation No. 2 of 2023 as detailed in chapter 5.

Depreciation

Stakeholders' Submission

3.1.39 The Petitioner has claimed the higher depreciation for FY 2022- 23 (Rs. 400.54 Cr.) & FY 2023-24 (Rs. 401.81 cr.) than approved in the MYT order dated 28.08.2020 (Table - 69), at a constant Value of Rs. 400.36 Cr. Since no additional Capitalization was allowed to STPP in the previous Control Period (FY 2019-24) 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

3.1.40 The Stakeholders without understanding fact that there are certain requirements for compliance of CEA regulation which is in the nature of change in law event, has stated that the depreciation should not increase. Accordingly, this needs to be considered for capitalization, and consequently the effect of depreciation is required to be allowed by the Commission.

Commission's View

3.1.41 The Commission has approved the depreciation for True-up for FY 2022-23 in accordance with the provisions of Regulation No. 1 of 2019 as detailed in subsequent chapter. Further the Commission has approved the Depreciation for the Control Period FY 2024-25 to FY 2028-29 in accordance with the provisions of Regulation No. 2 of 2023 as detailed in chapter 5.

Interest on Working Capital

Stakeholders' Submissions

3.1.42 The Petitioner computed the Working Capital requirement by summing up the individual components, such as Coal Stock requirement for 20 days /30 days for generation corresponding to Target availability (85%) etc., and the Price considered for Cost of Coal is Bridge Linkage Pricing, which will be higher than the Notified Price of Coal, higher by 20 to 30% (Rs. 5741 to Rs 5981 per Ton). By considering high price of Coal being supplied to STPP under Bridge Linkage Policy, the Working Capital gets increased and consequently the Interest claimed on Working Capital would be higher. The Stakeholders have already contested on the high priced coal being used by SCCL for power generation in the STPP Project, by filing a Petition, O.P.No.13 of 2023 before the Commission, which was heard and orders reserved long back (TGERC RoP dated 21st August 2023) in the matter. Therefore, the Commission is requested to consider to regulate the pricing of Coal Supply to Power Sector at notified prices, in terms of Regulatory Powers under Section 86(1)(b) of the Electricity Act, 2003, else it translates into higher Energy Charges and burden the end consumers.

Petitioner's Replies

3.1.43 The Stakeholders have submitted that the Commission has to regulate for pricing of bridge linkage coal supplied to the STPP. The claim of stakeholders is not tenable under the law as Supreme Court India has already held the price notifications of CIL is to be considered as change in law.

3.1.44 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 Naini 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).

3.1.45 Singareni Collieries Company Limited (SCCL) supplies Coal to Singareni Thermal Power Plant (STPP) as per recommendation of standing linkage committee by signing 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).

3.1.46 SCCL is supplying coal to Power sector (Bridge Linkage and Non Bridge Linkage holders) by regulating supplies to Non Power (NRS) Customers. Sales realization from NRS is more by Rs. 1.628/Ton than sales realization from Bridge Linkage & Non Bridge Linkage supplies. Therefore, by foregoing revenues. SCCL is supplying coal to Bridge Linkage and Non Bridge Linkage customers considering the recommendation of Ministry of Power, Ministry of Coal and importance of the Power sector in Telangana and India.

3.1.47 As per the instructions of SLC given in the bridge linkage allotment order of 2016. SCCL has to decide the source of coal supply for meeting the bridge linkage quantity i.e the mines, coal grade and the quantity along with the price there from. Further, in the most recent order of SLC it was clearly stated that the price of such bridge linkage supply has to be solely decided by SCCL/CIL. Therefore the submissions made by the stakeholders are devoid of any merit and deserves to be rejected.

Commission's View

3.1.48 The Commission has taken note of the submissions and has dealt with the issue in subsequent chapters of the Order.

Operation and Maintenance Expense

Stakeholders' Submissions

3.1.49 The Employee Cost has increased significantly (in the range of 73-82%) during FY 2022-23 & FY 2023-24 (Estimated) vis-a-vis FY 2021-22. No justification has been submitted.

3.1.50 Even the R&M Expenses and A&G Expenses have also gone up considerably. No justification has been submitted.

3.1.51 The O&M Expenses for STPP Project were approved by the Commission on Normative basis as per the Regulation No. 1 of 2019. The Truing up procedure has to be based on Point to Point change (means Current month inflation rate over same month of last year as per MOSPI) in the WPI & CPI Inflation factors as published by the Ministry of Commerce & Industry and Ministry of Statistics & Programme Implementation (MoSPI), Govt. of India and the computation shall be as per the formula given for Employee Cost, R&M Expenses and A&G Expenses at Regulation No. 19. The Base values already approved in the MYT order will not change. However, the Petitioner has overlooked the prescribed procedure and claimed higher O&M Expenses, which is not in consonance with the methodology specified in the Regulation No.1 of 2019. As such, the Petitioner's claim of O&M expenses has to be restricted to figures already approved, with the truing up with actual WPI /CPI Inflation factors data only.

3.1.52 Though the Petitioner's claim is based on Audited figures, yet the Commission is not bound by the Auditors Certifications and the Commission has to undertake the Prudence Check of the Expenses claimed in terms of Ld. APTEL's judgment dated 10th August 2010 in Appeal No.37 of 2010.

3.1.53 The Commission is also requested to restrict the O&M claims for the MYT period FY 2024-29 duly taking into consideration the methodology stipulated at clause 45 of the MYT Regulation No.2 of 2023.

3.1.54 The Petitioner has claimed higher O&M expenses which is not in consonance with methodology specified in Regulation 1 of 2019. Petitioner's claim of O&M expenses has to be restricted to the figures already approved with the truing up of WPI & CPI data. The Petitioner has cited a recent judgment dated 18.10.2022 by the apex court in the matter between BSES Rajdhani Power Ltd vs DERC which specifies the process of truing up and application of the prudence on certified audited expenditures by the State Commission. The relevant portion is reproduced below:

> *"52. 'Truing up' has been held by APTEL in SLDC v. GERC 4 to mean the adjustment of actual amounts incurred by the Licensee against the estimated/projected amounts determined under the ARR. Concept of 'truing up' has been dealt with in much detail by the APTEL in its judgment in NDPL v. DERC5 wherein it was held as under: "60. Before parting with the judgment we are constrained to remark that the Commission has not properly understood the concept of truing up. While considering the Tariff Petition of the utility the Commission has to reasonably anticipate the Revenue required by a particular utility and such assessment should be based on practical considerations. ... The truing up exercise is meant (sic) to fill the gap between the actual expenses at the end of the year and anticipated expenses in the beginning of the year. When the utility gives its own statement of anticipated expenditure, the Commission has to accept the same except where the Commission has reasons to differ with the statement of the utility and records reasons there of or where the Commission is able to suggest some method of reducing the anticipated expenditure. This process of restricting the claim of the utility by not allowing the reasonably anticipated expenditure and offering to do the needful in the truing up exercise is not prudence." 53. This view has been consistently followed by the APTEL in its subsequent judgments and we are in complete agreement with the above view of the APTEL"*

3.1.55 As per the above Commission can differ from the statement of anticipated expenditure submitted by utility. The same order in subsequent para provides that once the methodology of tariff determination is finalised, the Commission cannot revise the methodology in the truing up. Since, the O&M expenditure is already decided in midterm review petition the same methodology needs to be followed in truing up. The employee cost under O&M expenditure increased much after FY 2021-22 and no reason for this is submitted by SCCL.

Petitioner's Replies

3.1.56 The Stakeholders have submitted that the Commission is not bound by the auditor certification and the Commission has to undertake prudence check of expenses claimed under O&M expenditure.

3.1.57 A recent judgment dated 10.18.2022 by the apex court in the matter between BSES Rajadani Power Ltd vs DERC clearly specifies the process of truing up and application of the prudence on certified audited expenditures by the State Commission. The relevant portion is reproduced below:

> *"52. Truing up has been held by APTEL in SLDC v. GERC to mean the adjustment of actual amounts incurred by the Licensee against the estimated projected amounts determined under the ARR. Concept of truing up ' has been dealt with in much detail by the APTEL in its judgment in NDPL v. DERC5 wherein it was held as under:*
>
> *"60. Before parting with the judgment we are constrained to remark that the Commission has not properly understood the concept of truing up. While considering the Tariff Petition of the utility the Commission has to reasonably anticipate the Revenue required by a particular utility and such assessment should be based on practical considerations. The truing up exercise is meant (sic) to fill the gap between the actual expenses at the end of the year and anticipated expenses in the beginning of the year. <u>When the utility serves its own statement of anticipated expenditure. the Commission has to accept the same except where the Commission has reasons to differ with the statement of the utility and records reasons there of or where the method of reducing the anticipated Commission is able to subset some expenditure. This process of restricting the claim of the utility by not allowing the reasonably anticipated expenditure and offer to do the needful in the truing up exercise is not prudence."</u>*

3.1.58 This view has been consistently followed by the APTEL in its subsequent judgments and we are in complete agreement with the above view of the APTEL.

3.1.59 The apex court held in the above judgment that "this process of restricting the claim of utility by not allowing the reasonable anticipated expenditure is not prudence".

3.1.60 The above ratio decided by apex court for determination of truing up is also required to be followed by this Commission. Accordingly, submissions made by the Discoms lacks merit and needs to be ignored.

3.1.61 Afore cited order of APTEL in its judgment in NDPL v. DERC provides that the Commission can differ from the statement of expenditure through the exception route without considering the fact that exception, being an exception followed in special situations which also needs to be justified can never be a general rule. Therefore, the explanation given by the Stakeholders in this respect lacks merit. Further the APTEL Order clearly suggests that the prudence does not mean lesser cost.

3.1.62 Further, the Stakeholders have stated that the methodology once decided cannot be changed in truing up order which helps the stand of SCCL taken against the deviated methodology adopted by this Commission in MTR order without following the principles decided in MYT order for 2019-24. As the MTR order is in jeopardy due to submission of petition against the order in APTEL, the Commission can once again rely on the principles decided in MYT order dated 28.08.2020 for truing up of O&M expenditure of FY 2022-23. Further as O&M expenditure as a whole is controllable item, the sharing of difference between actual and revised normative as per the regulation may also be approved.

3.1.63 The Stakeholders raised an issue of sudden increase in employee cost without noticing that the total O&M expenditure as a whole was as per the trend only. The whole O&M activity of STPP is run through contract along with few SCCL employees who only co-ordinate and monitor at overall level. Therefore, management after consulting Industry experts decided to categorize the employee expenditure of O&M contractor under “Employee expenses” for FY 2022-23 which can then provide reasonable basis for analysing STPP’s employee cost by comparing with other state generating stations. Accordingly, this is included in FY 2022-23 under the head of others in Form 2.1 and subsequently accounted under different applicable heads of “Employee expenses” from FY 2023-24.

3.1.64 It is also to bring to the kind notice of the Commission about the existing huge disparity between the O&M norms allowed to STPP and O&M expenditure allowed to different stations of TGGenco as submitted to the Commission.

3.1.65 Considering the above, the Commission is requested to allow O&M cost of STPP at par with the same allowed for other state generating stations.

Commission’s View

3.1.66 The Commission has computed the normative Employee expenses, R&M expenses and A&G expenses as per provisions of Regulation No.1 of 2019 as detailed in the subsequent Chapters of this Order and has carried out the sharing of gains and losses as per the provisions of the Regulations.

Operational Parameters

Stakeholder's Submission

3.1.67 The submission of SCCL not to apply the components of varied figures of normative/operational parameters in the present regulation shows that it wants whatever is favourable to in the said regulation to be permitted and whatever is not to its advantage, as it seems, should not be enforced. This approach is untenable and self- contradictory. The Commercial Operation Date of the subject two units were declared in the year 2016. As such, there is no justification in providing additional benefits to old plants and imposing additional burdens on the consumers by applying the latest Regulation.

3.1.68 The Operational Norms as stipulated in the Tariff Regulation 2 of 2023 is binding on the Parties and the Petitioner has to claim the Energy Bills as per the Norms prescribed.

3.1.69 The Petitioner's prayer for not to apply the stringent operating norms as it could not achieve the normative figures. However, past data of the last 5 years SCCL always achieved better PLF than the normative. Since the data shows that STPP always achieved more than normative they should not object to more stringent norms. So, the norms given in the Regulation for current Control Period should apply.

Petitioner's Replies

3.1.70 The Petitioner has submitted that requirement of stringent future norms would be only if the present norms are giving over achievement to generator. But, where the normative figures are unachievable in FY 2019-20 to FY 2023-24, more stringent norms for future period FY 2024-29 would effect the generator than present fact situation as it would impact more & more under- recovery for the generating station. Therefore, more stringent regulation is of no use and in fact contradicts Section 61 of the Electricity Act, 2003.

3.1.71 The stand of TGDiscoms considering the achievement of PLF of the plant is nothing to do with the stringent norms provided to direct reduction of the expenditure. Higher PLF cannot cause better operating norms achieved during last five years. It only can technically confirm better actual operating norms compared to the normative parameters during part load operation. However, it is submitted that the operating norms are specified for full load operation and higher PLF can no way affirm better operating norms. Hence the arguments of the Stakeholders lack merit.

Commission's View

3.1.72 The Commission has stipulated in its Business Plan, & Capital Investment Plant for FY 2024-25 to FY 2028-29 for Singareni thermal power project (2x600 MW) as shown below:

> *"4.1.3 The Commission shall specify the norms of operation in the final MYT Regulation for the period commencing from FY 2024-25 onwards and therefore, has not delved in to the Business Plan, except the Capital Investment Plan, in the present Petition…."*

3.1.73 The Commission has already specified the Operating norms in the Telangana Electricity Regulatory Commission (Multi Year Tariff) Regulation 2 of 2023 in clause no. 44 and the same have been considered while approving the tariff in this Order.

Energy charge

Stakeholder's Submissions

3.1.74 SCCL has computed energy charges based on the average actual charges for September to November, 2023 and submitted that actual charges would be claimed. Since actual charges are being claimed for variable cost, they cannot be projected for the period FY 2024-25 to FY 2028-29 based on presumptions. Actual charges are known only when they materialize. SCCL itself has submitted that energy charges are subject to adjustment. Therefore, the projection of energy charges of Rs.3.876 per kWh during the period FY 2024-25 to FY 2028-29 should not be allowed. SCCL has claimed that it is working on swapping of coal from Naini coal mines. When it materializes, energy charges should come down considerably with cost of transportation becoming nominal. Similarly, transit and handling loss of coal for non-pit head stations of 0.8% also should come down considerably after swapping. SCCL has not given the actual transit loss so far.

3.1.75 The 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 since the year 2016, which pricing has to be dispensed forthwith, since the Price considered towards the Coal supply under the Bridge Linkage Pricing, is high priced than the SCCL Notified Price of Coal, viz. higher by 20 to 30% (Rs. 5741 to Rs. 5981 per Metric Ton). By considering high price of Coal being supplied to STPP, the Energy charges are claimed higher. The

Stakeholders have already contested on the high priced Coal being used by SCCL for power generation in the STPP Project, by filing a Petition, O.P.No.13 of 2023 before the Commission, which was heard and orders were reserved long back (TGERC RoP dated 21st August 2023) in the matter.

3.1.76 Therefore, the Commission is requested to consider to regulate the pricing of Coal Supply to STPP at Notified Prices, in terms of Regulatory Powers under Section 86(1)(b) of the Electricity Act, 2003 (even the Petitioner has also filed the present Petition under Section 86(1)(b) of the Electricity Act, 2003), else it translates into higher Energy Charges and burden the end consumers. Further, the delay of commissioning of the NAINI Captive Coal Mine to SCCL/STPP Project is entirely attributable to SCCL and the Stakeholders cannot be burdened for long under the Bridge Linkage Coal Pricing, which is a short term linkage but the Petitioner is taking undue advantage of the same and charging coal supply to STPP at additional 20-30% price over and above the Notified Price of corresponding grade of coal. The Commission is requested to restrict the Coal supply pricing to STPP at Notified Prices published by SCCL from time to time, in terms of the Clause 50.4 of Tariff Regulation No. 2 of 2023.

Petitioner's Replies

3.1.77 The Petitioner has submitted that as per the clause no. 46.4 of (Multi Year Tariff) Regulation 2 of 2023 for tariff determination of next control period, three preceding month's latest procurement price of primary fuel and secondary fuel for the generating shall be taken into accounts. Accordingly, SCCL has computed energy charges based on the average actual energy charges for September to November, 2023 and claimed the average for FY 2024-25 to FY 2028-29 as base charge in that period being inconsonance with regulation.

3.1.78 Further, it is to state that currently coal is being supplied to STPP from the nearby mines and if swapping of coal materializes in future the coal may be supplied from the same mines and hence there will not be any impact in transit & handling loss of coal which is around 0.8% at present.

3.1.79 The Stakeholders have raised a question of supplying high priced coal under bridge linkage pricing. In this respect, it is to humbly submit that STPP always comes among the top five State sector generating stations in the Merit order. Further the petitioner submits the following price chart which was discovered under unbiased competitive bids which reflects the most efficient energy prices.

3.1.80 The average price of STPP in FY 2023-24 till date is around Rs 5.39/kWh (Energy Charge @ Rs. 3.81+ fixed charge at normative generation @ Rs.1.58).

3.1.81 Considering the submitted table of competitive supply, it can be stated that the supply of STPP with the present pricing of the coal are completely aligned with the best interest of consumers in the State of Telangana since the same is much lesser than the most efficient, prices discovered through bidding. Based on the above facts, the objections raised by the TGDiscoms has no merit.

Commission's View

3.1.82 The Commission has approved the Energy Charge Rate (ECR) for the Control Period from FY 2024-25 to FY 2028-29 in accordance with the provisions of the Telangana Electricity Regulatory Commission (Multi Year Tariff) Regulation 2 of 2023.

Incentive

Stakeholder's Submissions

3.1.83 Against target availability of 85% PLF, SCCL exceeded it by 89.7% during FY 2022-23 and marginal variation during FY 2023-24. For the period FY 2024-25 to FY 2028-29 SCCL has claimed that it would achieve higher PLF of around 91.40 percent per annum. Based on that, it has projected incentive @ Re.0.50 per kWh for generation and supply of power above the threshold level of PLF ranging from Rs.18.66 Crore to Rs.31.84 Crore per annum during the period FY 2024-25 to FY 2028-29. If only SCCL can generate additional power exceeding the threshold level of PLF and if only the TGDISCOMs agree to take that power, incentive has to be paid. It should not be projected and approved in advance. Moreover, the principle of merit order dispatch also comes into play and higher variable cost may even lead to backing down of its declared capacity.

3.1.84 The Incentive stipulated in the Tariff Regulation 2 of 2023 is binding on the Parties and the Petitioner has to claim the Energy Bills including Incentive as prescribed. But the Petitioner may not be allowed to claim Incentive for power generation beyond the Target PLF, by using high priced Bridge Linkage Coal, as this will burden the stakeholders with higher Energy charges as well as additional payment of Incentive. Both claims will be a loss proposition to TGDiscoms.

Petitioner's Replies

3.1.85 The Petitioner has submitted that STPP generated 8741.959 MUs in FY 2022-23 as per the approved scheduled energy given by SLDC by which an incentive of Rs.16.03 Crores is worked out and claimed in the truing up period @ 50paise/kWh in accordance with clause 21.4 of Regulation 01 of 2019. SCCL is entitled for this as per applicable extant regulation.

3.1.86 Further, it is to submit that the projections made by SCCL are likely capacity to be generated after considering overhauling and forced outages. However, the day ahead schedule will be given as per State Grid Code and beneficiary may opt for the required quantum of generation as per merit order. The incentive claimed by STPP is computed for MYT Period FY 2024-25 to FY 2028-29 based on estimated generation at the rate specified in clause 46.6 of Regulation 2 of 2023. Since it is only a projected value the actual incentive would get varied depending on the schedule that may be given by TGDiscoms from time to time.

3.1.87 Further it is submitted that TGDiscoms are required to follow merit order as per rules while scheduling power and if actual PLF reaches more than normative PLF. The incentive is required to be paid in terms of Clause 46.6 of Regulation 2 of 2023.

Commission's View

3.1.88 The Incentive for higher PLF shall applicable be in accordance with the provisions of the Regulation No.1 of 2019 based on actual PLF and the same cannot be allowed in advance based on projected PLF.

Fixed Charges

Stakeholder's Submissions

3.1.89 The Stakeholders have submitted that the Petitioner has claimed a true-up based on fixed charges of Rs. 4483.76 Crore against Rs.4277.21 Crore approved by the Commission for FY 2022-23 and an Rs.4749.77 Crore against Rs.4492.79 Crore approved by the Commission for the year FY 2023-24. For the period FY 2024-25 to FY 2028-29 , SCCL has projected higher annual fixed charges of Rs.4983.07 Crore for FY 2024-25, Rs.5081.80 Crore for FY 2025-26, Rs.5065.59 Crore for FY 2026-27, Rs.5060.59 Crore for FY 2027-28 and Rs.5036.85 Crore for FY 2028-29. With the payment of depreciation charges, fixed charges should come down. SCCL has submitted that it would submit the cost of proposed FGD and tariff components later. In other words, capital cost and tariffs would be claimed at still higher level later.

Petitioner's Replies

3.1.90 The Petitioner has submitted that the claim of fixed charges by STPP for next control period FY 2024- 25 to FY 2028-29 are given in table below:

Table 3-1: Fixed Charges as claimed for the period of FY 2024-25 to FY 2028- 29 ***Rs. in crore***

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Total Claim (Rs. Cr) of annual fixed charge	1555.60	1540.30	1524.09	1509.04	1495.35
Net Ex bus generation (MU)	8794.656	9055.238	9055.238	9081.297	9055.238
Average fixed charge in Rs./ kWh	1.77	1.70	1.68	1.66	1.65

Commission's View

3.1.91 The Commission has approved the Fixed Charge in accordance with the provisions of the Regulations as detailed in the subsequent chapters.

Integrated Mine (Naini):

Stakeholders' Submissions

3.1.92 The Stakeholders has submitted that since SCCL is working on the swapping of coal from Naini coal mines, Odisha, it is not submitting any proposal for determination of input cost of coal from Naini Mines. The Petitioner is repeatedly submitting before the Commission that it is working on swapping of coal from Naini Coal Mines to Telangana, but even after 7 years of commissioning of STPP project there is no progress in this regard. In fact, the Bridge linkage coal pricing is advantageous to the Petitioner. Unless the price of Bridge linkage coal being supplied to STPP is regulated by the Commission, no swapping of coal supply can be expected from SCCL.

Petitioner's Replies

3.1.93 Since the transfer of forest land by the Odisha Government is not completed yet, the production from Naini mine could not be started. This issue is beyond the control of SCCL. However, SCCL is working for starting of the mine at the earliest and swapping the same as per the directive of the Commission.

Commission's View

3.1.94 The coal allocation is not within the purview of the Commission. In the best interest of the electricity consumers of the State, SCCL shall have to pursue with the concerned authorities for transfer of coal allocation from Naini Coal Block to its own mines in Telangana. The Commission directs to expedite the process to start the production from Naini coal block to reduce the burden on the Consumers.

Additional Capitalization for FY 2024-29

Stakeholders' Submissions

3.1.95 The Petitioner while working out the tariff components has claimed Additional Capitalization of Rs. 20.77 Crore, by citing the directions of the Commission.

3.1.96 The Commission in its Order dated 29th December 2023 in O.P.No.25 of 2023 (Capital Investment Plan for FY 2024-25 to FY 2028-29) & O.P.No.26 of 2023 (Business Plan) in which the Petitioner has proposed Capital Investment during FY 2024-25 for Implementation of Flexible operation scheme as per CEA Regulation for Rs. 20.77 Crore, yet the Commission has not approved the proposal, since the Petitioner was asked to submit the justification for the proposal along with necessary cost details and specifically asked to submit as to why SCCL cannot achieve the compliance of CEA Regulation without incurring the expenditure.

3.1.97 However, the Petitioner has not replied to the specific query raised by the Commission nor submitted justification of its Capital Investment proposal, except stating the Commission's suggestion to seek approval in accordance with the provisions of the Multi-Year Tariff Regulation No.2 of 2023. Further, the Petitioner has not furnished the relevant provision under which it is seeking Additional Capitalization of Rs. 20.77 Crore. As such, the Additional Capitalization proposed in the present MYT Petition, need not be considered. The Commission is requested to take into account the aforesaid submissions in the Tariff determination for STPP Project for the control period for FY 2024-29 in the present Petition.

3.1.98 SCCL is stating that the Commission allowed liberty for capital expenditure required for implementation of flexible operation scheme as per CEA regulation. Whereas the fact is that the proposal regarding this is already rejected by the Commission in its earlier orders, and therefore now the same cannot be considered in the coming MYT. SCCL has not submitted detailed justification of why the same flexibility in operation cannot be achieved without incurring the proposed capital expenditure.

Petitioner's Replies

3.1.99 The Stakeholders have stated that STPP has not submitted the justification for capital expenditure proposal during FY 2024-25 for implementation of flexible operation scheme as per CEA regulation. The stakeholders also stated that the aforesaid proposal was not approved by the Commission.

3.1.100 In this respect, the Petitioner has submitted that the relevant CEA Regulations and other technical details are given with the MYT submission dated 30.01.2024, further, the Commission in the order for Capital investment plan give the liberty to SCCL to undertake capital works for compliance of CEA Regulations. The relevant portions of said order is reproduced below:

> "4.2.22 If the need arises, SCCL mays seek the approval of the Commission for undertaking the capital works required for complying with CEA Regulations in accordance with the provisions of the Multi Year Tariff Regulation to be issued by the Commission."

3.1.101 Further, it is to submit that all relevant justification and information have been submitted with the MYT submission dated 30.01.2024 and the proposed capital work was claimed under Regulation 22(3)(ii) of TS 02 of 2023. Accordingly, the issues raised by the Discoms have no merit.

3.1.102 The additional capital investment of Rs.20.77 Crores is required for modifications in control and instrumentation like low flow operation package for axial fans. These works need to be carried out in compliance to CEA Regulation dated 30.01.2023 and 15.12.2023 which is claimed under change in law.

3.1.103 As per said requirement, load has to be reduced up to 55% and subsequently up to 40% and the rates of load change are stipulated to be much faster than earlier contemplated during design of the unit. The higher stipulated ramp rates are the main reason why existing system could not comply the regulation in its present form. Accordingly, this expenditure needs to be allowed under change in law and the issues raised by the TGDiscoms in this regard have no merit.

Commission's View

3.1.104 The Commission has approved the additional Capitalisation for the MYT Period FY 2024-25 to FY 2028-29 after due diligence and prudence check. The approval of the additional capitalization is detailed in the subsequent chapter.

Chapter-4
Analysis and Conclusion on True-up for FY 2022-23

Regulatory Provisions

4.1.1 The petitioner has submitted the true-up petition for FY 2022-23 on 30.01.2024.

4.1.2 The Commission has carried truing-up exercise in accordance with Regulation No.1 of 2019.

4.1.3 In addition to details submitted in petition, the Commission has also considered the additional submissions made by the petitioner dated 10.04.2024 in support of their claim. The component-wise description of the petitioner's claim and the Commission view thereon is given below:

Additional Capitalisation

Petitioner's Claim

4.1.4 The petitioner has claimed Rs.16.96 crore as additional capitalisation for FY 2022-23. In justification of additional capitalisation, the petitioner submitted that the works are within the original scope and spilled over to current control period and requested the Commission to allow the same under Clause 7.19.1. of Regulation No.1 of 2019.

Commission's View

4.1.5 The Commission in its order 28.08.2020 after prudence check held that no additional capitalisation beyond the original scope of work and after the cut-off date is allowable. The relevant extract is as follows:

5.4.20 Clause 7.19 of Regulation No.1 of 2019 stipulates as under:

7.19 Additional Capitalisation

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 upto 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:

... ...

5.4.21 Regulation No.1 of 2019 defines cut-off date as 31st March of the year ending after two 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 31st March of the year ending after three years of the year of start of such commercial operation. The project has achieved COD on 02.12.2016 and accordingly, the cut-off date is 31.03.2019. The capital investment and the additional *capitalisation claimed by SCCL is beyond the original scope of work and after the cut-off date. The additional capitalisation beyond the original scope of work and after the cut-off date is not allowable in accordance with clause 7.19.1 reproduced above.*

4.1.6 Further, the Commission in its true-up order for FY 2019-20 dated 23.03.2023 reiterated the above stand that no additional capitalisation beyond the original scope of work and after the cut-off date is allowable. The extract of relevant clause is as follows:

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

4.1.7 The additional capitalisation claimed by the petitioner pertains is beyond the cut-off date. The clause 7.19 of Regulation No.1 of 2019 clearly stipulates that the capital expenditure within the original scope of work actually incurred upto the cut-off date may be admitted by the Commission subject to prudence check. As the additional expenditure is incurred after cut-off date as submitted by the Petitioner the Commission has not allowed the additional capitalisation claimed by the petitioner while carrying out the truing-up for FY 2022-23.

Table 4-1: Additional Capitalisation as approved for FY 2022-23

Rs. in crore

Particulars	2022-23	
	Claimed	Approved
Additional Capitalisation	16.96	0.00

Depreciation

Petitioner's Claim

4.1.8 The petitioner has claimed the deprecation as Rs.400.54 Crore against the approved value of Rs.400.34 crore in MYT order dated 28.08.2020. The depreciation approved in MYT order dated 28.08.2020, claimed by SCCL in true-up petition is detailed in Table below:

Table 4-2: Depreciation as claimed for FY 2022-23

Rs. in crore

Particulars	Approved in MYT Order dated 28.08.2020	Claimed in True-up Petition
Depreciation	400.36	400.54

Commission's View

4.1.9 The Commission observed that the variance in deprecation claimed by the Petitioner and approved by the Commission in MYT Order dated 28.08.2020 is on account of the variations in GFA opening base and additional capitalization proposed by the Petitioner for FY 2022-23. The Commission observed that the opening GFA value for FY 2022-23 considered by the Petitioner does not match with the approved True up closing GFA for FY 2021-22. Further, the Commission has disallowed the additional capitalization for FY 2022-23.

4.1.10 The Commission has approved the depreciation in accordance with Clause 10 of the Regulation No. 1 of 2019 considering the approved GFA. The depreciation rate is considered in accordance to Clause 10.6 of the Regulation No. 1 of 2019.

4.1.11 The deprecation approved in MTR Order dated 23.03.2023, claimed by SCCL in True up petition and approved in True up Order is detailed in Table below:

Table 4-3: Depreciation as approved for FY 2022-23

Rs. in crore

Particulars	Approved in MTR Order 23.03.2023	Claimed in True-up Petition	Approved in True-up Order
Opening GFA	7745.32	7745.32	7745.32
Additions during the year	0.00	16.96	0.00
Closing GFA	7745.32	7762.28	7745.32
Rate of Depreciation	5.17%	5.17%	5.17%
Depreciation	**400.36**	**400.54**	**400.36**

Interest and Finance Charges on Loan

Petitioner's Claim

4.1.12 The Petitioner has claimed the interest and finance charges on loan as Rs. 266.65 Crore against the approved value of Rs. 286.06 Crore in MYT Order dated 28.08.2020. The Petitioner further added that the Commission in its Mid Term review Order dated 23.03.2023 allowed the refinancing of loan. The Petitioner has claimed the sharing of gains accrued due to refinancing in the truing up of FY 2022-23 in accordance to Clause 12 of Regulation No. 1 of 2019.

4.1.13 The interest and finance charges on loan approved in MYT Order dated 28.08.2020, claimed by SCCL in True up petition is detailed in Table below:

Table 4-4 Interest and Finance Charges on Loan as claimed for FY 2022-23

Rs. in crore

Particulars	Approved in MYT Order dated 28.08.2020	Claimed in True-up Petition
Interest and finance charges on Loan	286.06	266.65

Commission's View

4.1.14 The Commission has approved the Interest and Finance Charges on loan in accordance with Clause 12 of the Regulation No. 1 of 2019. The outstanding loan balance approved for FY 2021-22 has been considered as the opening loan balance for FY 2022-23. The approved depreciation has been considered as the normative repayment for the year.

4.1.15 In regard to interest rate, the Commission directed the Petitioner to substantiate the interest rate on loan as considered in the Petition. The Petitioner in its reply the 2022-23. The Commission has computed the weighted average rate of interest on loan based on the actual loan portfolio and respective interest rate.

4.1.16 The Commission in its MTR Order dated 23.03.2023 approved the refinancing of loan for FY 2020-21 and FY 2021-22 as shown below:

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

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

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

Rs. in crore

Particulars	***Before swapping 197 days (01.04.2020 to 14.10.2020)***	***After swapping 168 days (15.10.2020 to 31.03.2021)***
Average Net Loan	*3,876.98*	*3,719.10*
Interest on loan	*213.35*	*122.39*

Wt Average Interest on loan for FY 2020-21 (A)	*8.84%*
Interest rate before loan refinancing (B)	*10.20%*
Reduction in interest rate due to loan refinancing (C= B-A)	*1.36%*

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

3.9.16 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……"

4.1.17 It is observed that the Petitioner has also claimed the sharing of the benefits of refinancing of loan during FY 2022-23 in its True-up petition. The Commission in its Order dated 23.03.2023 has approved the sharing of gains on account of refinancing in FY 2020-21 and the Commission has not approved any sharing of gains for FY 2021-22. The Petitioner being aggrieved by the Commission's MTR Order for not allowing the sharing of refinancing during FY 2021-22 challenged the Order before the Hon'ble APTEL, which is still pending. As the issue of sharing of refinancing for FY 2021-22 is sub-judice, the Commission is not allowing the sharing of refinancing for FY 2022-23 at this stage.

4.1.18 The interest and finance charges on loan approved in MTR Order dated 23.03.2023, claimed by SCCL in True up petition and approved in True up Order is as shown in the Table below:

Table 4-5: I&FC on Loan as approved for FY 2022-23

Rs. in crore

Particulars	Approved in MTR Order 23.03.2023	Claimed in True-up Petition	Approved in True-up Order
Opening Loan	-	3330.34	3330.33
Addition		11.87	0.00
Repayment		400.54	400.36
Closing Loan		2941.67	2929.97
Interest rate		7.66%	7.66%
Interest on loan		240.10	239.65
Sharing of		26.55	-

Particulars	Approved in MTR Order 23.03.2023	Claimed in True-up Petition	Approved in True-up Order
Benefits of Refinancing			
I&FC on Loan	**224.24**	**266.65**	**239.65**

Interest on Working Capital (IoWC)

Petitioner's Claim

4.1.19 The Petitioner has claimed the Interest on working capital for FY 2022-23 as Rs. 98.65 Crore in accordance to Clauses 13.1 to 13.4 of Regulation No. 01 of 2019 against the approved value of Rs. 79.65 Crore in MYT Order dated 28.08.2020. The Petitioner has considered the Interest rate as 9.40% for computation of interest on working capital.

4.1.20 The interest on working capital approved in MYT Order dated 28.08.2020, claimed by SCCL in True up petition is detailed in Table below:

Table 4-6: Interest on Working Capital as claimed for FY 2022-23

Rs. in crore

Particulars	Approved in MYT Order dated 28.08.2020	Claimed in True-up Petition
Interest on Working Capital	79.65	98.65

Commission's View

4.1.21 The Commission has computed the working capital requirement for FY 2022-23 in accordance with clause 13 of Regulation No.1 of 2019. The working capital requirement has been computed considering the following:

- Cost of coal towards stock corresponding to 30 days generation corresponding to target availability.
- Cost of coal for 30 days of generation corresponding to target availability.
- Cost of secondary fuel oil for two months of generation corresponding to target availability.
- Maintenance spares @ 20% of the O&M expenses.
- O&M expenses for one month.
- Receivables equivalent to two months of capacity charges and energy charges for sale of electricity calculated on target availability.
- Minus payables for fuel (including secondary fuel oil) to the extent of thirty days of the cost of fuel computed at target availability.

4.1.22 In 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."

4.1.23 The Commission observed that the petitioner has wrongly computed the rate of interest for FY 2022-23. The petitioner has claimed the interest rate as 9.42% instead of Rs.9.30% equal to the weighted average Bank Rate prevailing during the FY 2022-23 including 150 basis points in accordance to clause 13.3 of Regulation No.1 of 2019.

4.1.24 The IoWC approved in MTR order dated 23.03.2023, claimed by SCCL in true-up petition and approved in true-up order is detailed in Table below:

Table 4-7: Interest on Working Capital as approved for FY 2022-23

Rs. in crore

Particulars	Approved in MTR Order 23.03.2023	Claimed in True-up Petition	Approved in True-up Order
Cost of Coal		233.62	229.71
Cost of Coal Generation		233.62	229.71
Cost of secondary fuel oil		1.83	1.83
O&M expenses		25.58	19.11
Maintenance spares		61.38	45.87
Receivables		726.24	699.15
Minus: Payables for fuel		234.54	230.62
Total Working Capital		1047.73	994.75
Rate of Interest		9.42%	9.30%
Interest on Working Capital	**83.51**	**98.65**	**92.50**

Operation & Maintenance (O&M) Expenses

Petitioner's Claim

4.1.25 The Petitioner claimed the O&M expenses as Rs. 304.61 Crore on actuals against the approved value of Rs. 231.61 Crore in MYT Order dated 28.08.2020. The Petitioner in support of its claim has also submitted the auditor certificate.

4.1.26 The O&M expenses approved in MYT Order dated 28.08.2020, claimed by SCCL in True up petition is detailed in Table below:

Table 4-8: Summary of O&M expenditure as claimed for FY 2022-23

Rs. in crore

Particulars	Approved in MYT Order dated 28.08.2020	Claimed in True-up Petition
Employee Expenses	104.70	153.76
R&M Expenses	94.90	94.61
A&G Expenses	34.36	56.24
O&M Expense	**231.61**	**304.61**

Commission's View

4.1.27 The clause 6.7 of Regulation No.1 of 2019 specifies variation in O&M expenses as controllable factors. The relevant extract is as follows:

> *"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."*

4.1.28 The Commission has recomputed the normative Employee expenses, normative R&M expenses and normative A&G expenses as per Regulation No.1 of 2019 based on the actual WPI/CPI for FY 2022-23.

Table 4-9: Normative Employee Cost as approved for FY 2022-23

Rs. in crore

Particulars	EMP_b	CPI Inflation	Provision	EMP_n
	(a)	(b)	(c)	(a*b)+(c)
Employee Cost	101.87	1.05	0.00	107.02

Table 4-10: Normative A&G Expenses as approved for FY 2022-23

Rs. in crore

Particulars	$A\&G_{fo}$	Inflation Factor	Provision	$A\&G_n$
	(a)	(b)	(c)	(a*b)+(c)
A&G Expenses	34.34	1.07	0.00	36.69

Table 4-11: Normative R&M Expenses as approved for FY 2022-23

Rs. in crore

Particulars	K_n (a)	GFA_n (b)	WPI Inflation (c)	$R\&M_n$ (a*b*c)
R&M Expenses	1.04%	7745.32	1.10	87.94

4.1.29 The recomputed normative O&M expenses were compared with the actual expenses as claimed by petitioner and the Commission has approved the least of computed normative expenses and actual expenses claimed.

Table 4-12: Least of O&M expenses Normative (recomputed) and actuals for FY 2022-23

Rs. in crore

Particulars	Recomputed Normative	Claimed (Actuals)	Lower of Normative or Claimed
Employee Expenses	107.02	153.76	107.02
R&M Expenses	87.94	94.61	87.94
A&G Expenses	36.69	56.24	36.69
O&M Expenses	**231.64**	**304.61**	**231.64**

4.1.30 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:

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

4.1.31 The O&M expenses claimed by petitioner and approved by the Commission for FY 2022-23 is as shown below:

Table 4-13: O&M Expenses claimed and approved FY 2022-23

Rs. in crore

Particulars	Approved in MTR 23.03.2023	Claimed				Approved				
	O&M Expenses	Employee Expenses (a)	R&M Expenses (b)	A&G Expenses (c)	O&M Expenses (a+b+c)	Employee Expenses (a)	R&M Expenses (b)	A&G Expenses (c)	O&M Expenses (a+b+c)	O&M Expenses (a+b+c)x99%
FY 2022-23	220.09	153.76	94.61	56.24	304.61	107.02	87.94	36.69	231.64	**229.33**

Return on Equity (ROE)

Petitioner's Claim

4.1.32 The petitioner has claimed the Return on Equity (RoE) for FY 2022-23 as Rs.481.81 crore against the approved value of Rs.436.40 crore in MYT order dated 28.08.2020. The petitioner has considered the effective tax rate as 25.17% for grossing up the base rate of Return of Equity (15.50%).

4.1.33 The RoE approved in MYT order dated 28.08.2020, claimed by SCCL in true-up petition is detailed in Table below:

Table 4-14: Return on Equity including Tax as claimed for FY 2022-23

Rs. in crore

Particulars	Approved in MYT Order dated 28.08.2020	Claimed in True-up Petition
Return on Equity	436.40	481.81

Commission's View

4.1.34 The Commission has approved Return on Equity in accordance with Clause 11 of the Regulation No. 1 of 2019. The gross normative equity as on 31.03.2022 approved in True-up Order dated 23.03.2023 has been considered as the normative opening equity as on 01.04.2022. The base rate of Return on Equity is considered as 15.50% in accordance to Clause 11.2 of Regulation No. 1 of 2019.

4.1.35 In regard to tax paid, the Commission directed the Petitioner to submit the documentary evidence in support of his claim. The Petitioner in its reply submitted that SCCL has opted for payment of Corporate Income Tax at the reduced Tax rate of 25.168% without MAT credit entitlement and exemptions. Therefore, the effective tax paid for FY 2022-23 comes out to 25.168% (Basic Rate: 22%, Surcharge: 10% on Basic rate and Cess: 04% on Basic rate + Surcharge).

4.1.36 The Commission observed that the Petitioner in addition to generation business is also engaged coal business. The audited Accounts of the Petitioner for FY 2022-23 is prepared on consolidated basis as there is no bifurcation of regulated business (thermal business) and other business of the Petitioner. As the audited accounts are prepared on consolidated basis, it would be difficult to ascertain and bifurcate the tax paid among the different business of the Petitioner. The Petitioner has not complied with the earlier directive of maintaining separate book of accounts for power generation activity in MTR Order dated 23.03.2023, the Commission expresses its displeasure and directs the Petitioner to maintain separate book of accounts for power generation activity.

4.1.37 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 stand alone basis for the licensed business so that consumers are fully insulated and protected from the Income Tax payable from other businesses."

4.1.38 Further, the Commission in its MTR Order dated 23.03.2024, has approved the income tax at MAT rate while truing up for FY 2019-20 to FY 2021-22. The relevant extract is as follows:

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

4.1.39 The Petitioner being aggrieved by the Commission's MTR Order for not allowing the effective tax rate and challenged the above said MTR Order before the Hon'ble APTEL, which is still pending. As the issue of effective tax rate is sub-judice, the Commission is considering the tax rate as MAT inline with MTR Order dated 23.03.2023 at this stage.

4.1.40 The Return on Equity including tax approved in MTR Order dated 23.03.2023, claimed by SCCL in True up petition and approved in True up Order is detailed in Table below:

Table 4-15: Return on Equity including Income Tax as approved for FY 2022-23

Rs. in crore

Particulars	**Approved in MTR Order 23.03.2023**	**Claimed in True-up Petition**	**Approved in True-up Order**
Opening Equity		2323.60	2323.60
Addition		5.09	0.00
Closing Equity		2328.68	2323.60
Rate of RoE		15.50%	15.50%
Tax Rate		25.17%	17.47%
Grossed up rate of RoE		20.71%	18.78%
RoE including Income Tax	**436.40**	**481.81**	**436.40**

Non-Tariff Income (NTI)

Petitioner's Claim

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

Table 4-16: Non-Tariff Income as claimed for FY 2022-23

Rs. in crore

Particulars	Approved in MYT Order dated 28.08.2020	Claimed in True-up Petition
Non-Tariff Income (NTI)	17.92	9.27

Commission's View

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

Table 4-17:Non-Tariff Income as approved for FY 2022-23

Rs. in crore

Particulars	Approved in MTR Order 23.03.2023	Claimed in True-up Petition	Approved in True-up Order
Non-Tariff Income (NTI)	13.33	9.27	9.27

Other Charges

Petitioner's Claim

4.1.43 The petitioner has claimed other charges (water charges, Audit fee & Tariff filling fee) on actuals as given in table below:

Table 4-18: Other Charges as claimed for FY 2022-23

Rs. in crore

Particulars	Approved in MYT Order dated 28.08.2020	Claimed in True-up Petition
Other Charges (water charges, audit fee & tariff filling fee)	-	2.30

Commission's View

4.1.44 The Commission directed the Petitioner to submit the details of Water Charges, Tariff filing fee and audit fees as claimed for FY 2022-23. The Petitioner in its reply has submitted the copy of documentary evidences with regard to the Water charges, Tariff filing fee and Audit Fee as claimed.

4.1.45 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.

4.1.46 The Commission after prudence check allows the Water Charges, Audit Fee & Tariff Filing fee on actuals as claimed by the Petitioner as detailed below:

Table 4.15: Other Charges approved for FY 2022-23

Rs. in crore

Particulars	Approved in MTR Order 23.03.2023	Claimed in True-up Petition	Approved in True-up Order
Other Charges (water charges, audit fee & tariff filling fee)	-	2.30	2.30

Incentive

Petitioner's Claim

4.1.47 The Petitioner has claimed incentive as Rs. 16.03 Crore in accordance to Clause 21.4 of Regulation No. 1 of 2019 for supplying power to Beneficiaries more than the normative operations norms (PLF> 85%) as specified by the Commission.

Table 4-19: Incentive as claimed for FY 2022-23

Rs. in crore

Particulars	Unit	Approved in MYT Order dated 28.08.2020	Claimed in True-up Petition
Target PLF	%	85%	85%
Incentive Rate	Rs./kWh	0.50	0.50
Units above Normative PLF	MU	-	320.53
Incentive for additional generation above Normative PLF	Rs.Crore	-	16.03

Commission's View

4.1.48 The Incentive for achieving the normative PLF and additional generation over & above normative PLF are to be recovered directly from beneficiaries in accordance to Regulation No.1 of 2019. The Petitioner is directed to recover the same in accordance with the Regulation No. 1 of 2019.

Energy Charges

Petitioner's Claim

4.1.49 The Petitioner submitted that Energy Charges have been computed based as per clause 21 of Regulation No.1 of 2019.

4.1.50 The Energy Charge Rate (ECR) claimed by SCCL for FY 2022-23 is as shown in the Table below:

Table 4-20: Energy Charge Rate (ECR) as claimed for FY 2022-23

Particulars	**Legend**	**Units**	**Approved in MYT Order dated 28.08.2020**	**Claimed in True up Petition**
Auxiliary Consumption	AUX	%	5.75	6.05
Gross Station Heat Rate	GHR	kcal/kWh	2303.88	2305.47
Secondary Fuel oil consumption	SFC	ml/kWh	0.5	0.19
Calorific Value of Secondary Fuel	CVSF	kcal/ml	9.97	10.01
Landed Price of Secondary Fuel	LPSF	Rs/ml	0.04	0.07
Wt. Avg. Gross Calorific Value of Coal	CVPF	kcal/kg	3866.17	4002.83
Landed Price of Coal	LPPF	Rs/kg	3.68	5.44
Specific Coal Consumption		kg/kWh	0.59	0.58
ECR		**Rs/kWh**	**2.345**	**3.343**

Commission's View

4.1.51 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 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.

4.1.52 Based on the above methodology and details submitted by the Petitioner, the Commission has recomputed the ECR for FY 2022-23 as follows:

Table 4-21: Energy Charge Rate (ECR) approved for FY 2022-23

Particulars	**Legend**	**Units**	**Approved in MYT Order dated 28.08.2020**	**Claimed in True-up Petition**	**Approved in True-up Order**
Auxiliary Consumption	AUX	%	5.75	6.05	5.75
Gross Station Heat Rate	GHR	kcal/kWh	2303.88	2305.47	2303.88
Secondary Fuel oil consumption	SFC	ml/kWh	0.5	0.19	0.19
Calorific Value of Secondary Fuel	CVSF	kcal/ml	9.97	10.01	10.01
Landed Price of Secondary Fuel	LPSF	Rs/ml	0.04	0.07	0.07
Wt. Avg. Gross Calorific Value of Coal	CVPF	kcal/kg	3866.17	4002.83	4002.83
Landed Price of Coal	LPPF	Rs/kg	3.68	5.44	5.44
Specific Coal Consumption		kg/kWh	0.59	0.58	0.58
ECR		**Rs/kWh**	**2.345**	**3.343**	**3.332**

4.1.53 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.

Summary of Annual Fixed Charge admitted and Sharing of Gain/Loss

4.1.54 The summary of AFC claimed by SCCL for FY 2022-23 and approved by the Commission is given in table below:

Table 4-22: Annual Fixed Charge (AFC) approved

Rs. in crore

Particulars	Approved in MTR Order 23.03.2023	Claimed in True up Petition	Approved in True up Order	Variation with MTR Order
Depreciation	400.36	400.54	400.36	0.00
Interest and finance charges on loan	224.24	266.65	239.65	15.41
Interest on Working Capital	83.51	98.65	92.50	8.99
Operation & Maintenance Expenses	220.09	304.61	229.33	9.23
Return on Equity	436.40	481.81	436.40	0.00
Less: Non-Tariff Income	13.33	9.27	9.27	-4.06
Annual Fixed Charges	**1351.27**	**1542.99**	**1388.97**	**37.69**
Other Charges	-	2.30	2.30	2.30
Total AFC including Other Charges	**1351.27**	**1545.30**	**1391.27**	**39.99**

Sharing of Gains/Losses

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

Table 4-23: Summary of approved sharing of gain/loss to the beneficiaries

Rs. in crore

Particulars	Variation of AFC with MTR Order	Sharing of Gain/Losses
Depreciation	0.00	0.00
Interest and finance charges on loan	15.41	15.41
Interest on Working Capital	8.99	3.00
Operation & Maintenance Expenses	9.23	3.08
Return on Equity	0.00	0.00
Less: Non-Tariff Income	-4.06	-4.06
Other Charges (Water charges, Audit fee & Tariff filing fee)	2.30	2.30
Sharing of gains/losses (+/-)	**-**	**27.84**

4.1.56 The Commission directs SCCL to bill to the beneficiary's viz., TGDISCOMs the claim towards total sharing/passing through of gains/losses approved in this order as per the AFC and other charges approved after truing-up for FY 2022-23.

Chapter-5

Analysis and Conclusion on MYT for the period FY 2024-25 to FY 2028-29

Regulatory Provisions

5.1.1 The clause 6 of Regulation No. 2 of 2023 specifies the procedure for filing petition. The extract of relevant clauses of Regulation No.2 of 2023 is as follows:

"6 Procedure for filing Petition

6.1 The petitions under MYT by the generating entity, transmission licensee/STU, SLDC and distribution licensee shall be filed as per the timelines specified in this Regulation and in compliance with the principles for determination of Aggregate Revenue Requirement as specified in this Regulation along with the applicable formats enclosed at Appendix 1 to Appendix 5.

6.2 The petitions to be filed for each control period under this Regulation are as under:

a) Multi Year Tariff petition shall be filed by 30th November of the year preceding the first year of the control period by generating entity, comprising:

i. True-up of preceding year for generation business;

ii. True-up of preceding year for integrated mine;

iii. Proposal of Tariff for each year of the control period for generation business;

iv. Proposal of Input Price of coal supplied from integrated mine for each year of the control period.

Provided that the Multi Year Tariff petitions for the control period commencing from 01.04.2024 shall be filed by generating entity, transmission licensee, distribution licensee and SLDC on or before 31.01.2024.

… …

<u>Illustration</u>: The timelines for filing the Petitions for the control period from FY 2024-25 to FY 2028-29 are as under:

Multi Year Tariff petition for the control period from FY 2024-25 to FY 2028-29: 31.01.2024;

Annual Tariff petition for FY 2025-26:	*30.11.2024;*
Annual Tariff petition for FY 2026-27:	*30.11.2025;*
Annual Tariff petition for FY 2027-28:	*30.11.2026;*
Annual Tariff petition for FY 2028-29:	*30.11.2027;*

5.1.2 The petitioner has filed the MYT petition for the period i.e., from FY 2024-25 to FY 2028-29 on 30.01.2024.

5.1.3 The Commission has scrutinized the petition filed by petitioner for determination of Generation Tariff for the MYT of the period i.e. FY 2024-25 to FY 2028-29, in accordance with Regulation No. 2 of 2023.

5.1.4 The tariff for sale of electricity from a thermal generating station shall comprise of two parts namely, Annual Fixed Charges (AFC) and Energy Charges (for recovery of primary and secondary fuel cost). The extract of relevant clause of Regulation No.2 of 2023 is as follows:

"39 ***<u>Components of Tariff</u>***

39.1 The Tariff for sale of electricity from a thermal power Generating Station shall comprise two parts, namely, Annual Fixed Charge and Energy Charge.

39.2 The Tariff for sale of electricity from a hydel Generating Station shall comprise one part, namely, Capacity Charge.

40 <u>Annual Fixed Charges</u>

40.1 The Annual Fixed Charges shall comprise the following components:

(a) Operation & Maintenance Expenses;

(b) Depreciation;

(c) Interest and finance charges on loan;

(d) Interest on Working Capital;

(e) Return on Equity;

Less:

(f) Non-Tariff Income;

B. <u>Energy Charges</u>

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 upto 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:

$$ECR=\{(GSHR–SFCxCVSF)xLPPF/CVPF+SFCxLPSF_i\}x100/(100-AUX)$$

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;

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

5.1.5 The component-wise description of the petitioner's claim and the Commission's view thereon is given below:

Operation and Maintenance (O&M) Expenses

Petitioner's Claim

5.1.6 The Petitioner submitted that the O&M expenses (Employee expenses, A&G expenses and R&M expenses) are claimed based on actuals of the past Control Period after applying the formula provided in Clause 45 of Regulation No. 2 of 2023. The O&M expenses as claimed by the Petitioner for THE period FY 2024-25 to FY 2028-29 is as follows:

Table 5-1: O&M Expenses as claimed for the period FY 2024-25 to FY 2028-29

Rs. in crore

Particular	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
Employee Expenses	170.09	179.03	188.44	198.35	208.78
A&G Expenses	59.73	63.27	67.02	70.98	75.19
R&M Expenses	126.38	133.86	141.79	150.19	159.08
O&M Expenses	**356.20**	**376.17**	**397.25**	**419.52**	**443.05**

Commission's View

5.1.7 Clause 45 of (Multi Year Tariff) Regulation 2 of 2023 specifies the Operation and Maintenance 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:

$EMP_n = (EMP_{n-1}) \times (CPI\ Inflation);$

$R\&M_n = K \times (GFA_n) \times (WPI\ Inflation)$ *and*

$A\&G_n = (A\&G_{n-1}) \times (WPI\ Inflation)$

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.

………."

5.1.8 In accordance to proviso to clause 43 of (Multi Year Tariff) Regulation 2 of 2023, the Commission has computed the Employee Expenses and A&G Expenses for FY 2024-25 by considering the average of the trued-up expenses after adding/deducting the share of efficiency gains/losses, for the immediately preceding Control Period and duly escalating the same with actual inflation factor of FY 2022-23 and FY 2023-24.

5.1.9 The Employee Expenses of each financial year for the period FY 2024-25 to FY 2028-29 is computed by escalating the above derived value of Employee expenses by average CPI inflation factor of last 5 financial years (FY 2019-20 to FY 2023-24), subject to truing up in accordance to Regulation. The Employee Expenses approved by the Commission for the period FY 2024-25 to FY 2028-29 is as shown below:

Table 5-2: Normative Employee Costs as approved for the period FY 2024-25 to FY 2028-29

Rs. in crore

Particular	EMP_{n-1} (a)	CPI Inflation (b)	EMP_n (a)*(b)
FY 2024-25	114.51	1.058	121.17
FY 2025-26	121.17	1.058	128.22
FY 2026-27	128.22	1.058	135.68
FY 2027-28	135.68	1.058	143.57
FY 2028-29	143.57	1.058	151.92

5.1.10 The A&G Expenses of each financial year for the period FY 2024-25 to FY 2028-29 is computed by escalating the above derived value derived value of A&G expenses by average WPI inflation factor of last 5 financial years (FY 2019-20 to FY 2023-24), subject to truing up in accordance to Regulation.

Table 5-3: Normative A&G Expenses as approved for the period FY 2024-25 to FY 2028-29

Rs. in crore

Particular	$A\&G_{n-1}$ (a)	WPI Inflation (b)	$A\&G_n$ (a)*(b)
FY 2024-25	38.51	1.049	40.41
FY 2025-26	40.41	1.049	42.41
FY 2026-27	42.41	1.049	44.50
FY 2027-28	44.50	1.049	46.70
FY 2028-29	46.70	1.049	49.00

5.1.11 In regard to R&M Expenses, the Commission has computed the k factor based on the approved R&M expenses for previous Control Period. The normative R&M Expenses of each financial year for the period FY 2024-25 to FY 2028-29 is computed by multiplying the opening GFA, with k factor and average WPI inflation factor of last 5 financial years which is being escalated for the each year of the period FY 2024-25 to FY 2028-29, subject to truing up in accordance to Regulation.

Table 5-4: Normative R&M Expenses as approved for the period FY 2024-25 to FY 2028-29

Rs. in crore

Particular	K	GFA_n	WPI Inflation	$R\&M_n$
	(a)	(b)	(c)	(a*b*c)
FY 2024-25	1.08%	7745.32	1.049	87.89
FY 2025-26	1.08%	7745.32	1.101	92.23
FY 2026-27	1.08%	7745.32	1.155	96.78
FY 2027-28	1.08%	7745.32	1.212	101.55
FY 2028-29	1.08%	7745.32	1.272	106.56

5.1.12 The O&M Expenses approved by the Commission for FY 2024-25 to FY 2028-29 is as shown below:

Table 5-5: O&M expenses approved for the period FY 2024-25 to FY 2028-29

Rs. in crore

Particular	2024-25	2025-26	2026-27	2027-28	2028-29
Employee Expenses	121.17	128.22	135.68	143.57	151.92
A&G Expenses	40.41	42.41	44.50	46.70	49.00
R&M Expenses	87.89	92.23	96.78	101.55	106.56
O&M Expenses	**249.48**	**262.85**	**276.95**	**291.82**	**307.48**

Additional Capitalisation

Petitioner's Claim

5.1.13 The petitioner has claimed Rs.20.77 crore as additional capitalisation for FY 2024-25. In justification of additional capitalisation, the petitioner submitted that the

a) Flexible operation of existing coal-fired power plants is very much required to ensure security, reliability of power supply and stability of electricity grids while maximizing generation from Renewable energies sources (RES) & integration of the same into grid.

b) Accordingly, CEA issued new regulations on 30.01.23 for implementation of flexible operation scheme in coal based thermal power plants. As per the new regulations, the minimum unit generation should be reduced to 40% (i.e., 240 MW) of maximum continuous rating of unit (i.e., 600 MW) and minimum ramp rate capability should be 3%

per minute (i.e., 18 MW/min) between 100% to 70% (i.e., between 600 MW-420 MW) of maximum continuous rating, 2% per minute (i.e., 12 MW/min) between 70% to 55% (i.e., between 420 MW to 330 MW) of maximum continuous rating and 1% per minute (i.e., 06 MW/min) between 55% to 40% of maximum continuous rating (330 MW to 240 MW). These regulations should be complied within one year from the date of the notification of the regulations.

c) CEA further notified on 15.12.23, the phasing plan of various coal based thermal Generating units. Based on the phasing plan approved by CEA, SCCL Unit-1 and Unit-2 should implement flexible operation scheme by January 2025 and March 2025 respectively.

Table 5-6: Additional Capitalisation as claimed for the period FY 2024-25 to FY 2028-29

Rs. in crore

Particular	2024-25	2025-26	2026-27	2027-28	2028-29
Additional Capitalisation	20.77	-	-	-	-

Commission's View

5.1.14 The Commission in its order on Business Plan, & Capital Investment Plan for FY 2024-25 to FY 2028-29 dated 29.12.2023 has already given its view on the FGD system and implementation of flexible operation scheme as per CEA Regulation. The extract from the Order is stipulated below:

"FGD system

4.2.11 The Commission in the MYT Order dated 28.08.2020 ruled as under: "5.4.28 As the target date for complying with SO2 emission norm was deferred by the competent authority and such uniform dispensation was given across the country, the Commission deems it a fit case to exercise the power of relaxation of Clause 7.19.1 regarding the criteria for allowing additional capitalisation i.e., within the original scope of work and upto the cut-off date for allowing the capital investment for FGD system beyond the original scope of work and after the cut-off date. Clause 7.19.1(l) provides for capital expenditure for complying with statutory norms for Environment in accordance with the appropriate notifications of MoEF&CC. Therefore, the capital investment for FGD system is allowable under Clause 7.19.1(l) of the Regulation No.1 of 2019. The Commission vide its Order dated 08.02.2020 accorded in-principal approval for undertaking the works for complying with revised emission norms. The Commission hereby confirms the said approval. 5.4.29 As FGD is still under implementation stage across the country, in the absence of any yardstick on market trends to compare the cost estimates of SCCL, the Commission is not *expressing any opinion on the cost estimates at this stage. The Commission understands that SCCL is in the process of awarding the works of procurement and installation of FGD system through competitive process. The Commission expects such competitive procurement to yield the most economical prices aligned to market trends. 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."*

5.1.15 Accordingly the Commission shall carry out the prudence check of the final executed cost in true-up for the relevant year after commissioning of the FGD system.

*" **<u>Implementation of flexible operation scheme as per CEA Regulation</u>***
4.2.22 SCCL submitted that it has to incur the capital investment for complying with the CEA Regulation but it has neither justified as to why it cannot achieve the without incurring the proposed capital investment nor it has submitted the works proposed to be undertaken along with corresponding cost details. Therefore, the Commission does not approve the capital investment for the same in this Order. The Commission is in the process of framing the Multi Year Tariff Regulation for the period commencing from FY 2024-25 onwards. If the need arises, SCCL may seek the approval of the Commission for undertaking the capital works required for complying with CEA Regulations in accordance with the provisions of the Multi Year Tariff Regulation to be issued by the Commission."

5.1.16 Accordingly the Commission grants the in-principle approval as the said works are towards the compliance of CEA Regulations. The Commission shall carry out the prudence check of the final executed cost in true-up for the relevant year after commissioning of the same. The additional capitalisation of SCCL claimed for implementation of flexible operation scheme is deferred and will be taken into consideration at the time of the true up of the relevant year. The Commission directs the Petitioner to implement the flexible operation scheme as per CEA Regulations.

Depreciation

Petitioner's Claim

5.1.17 The Petitioner submitted that the depreciation is claimed in accordance with Regulation 28 of (Multi Year Tariff) Regulation 2 of 2023. The Petitioner has considered the opening GFA for FY 2024-25 as Rs. 7805.62 Crore for determination of depreciation.

5.1.18 The depreciation rates for different assets for each financial year was computed based on the asset capitalization schedule as considered in MYT Petition by adopting the straight-line method of depreciation computation and rates specified in Annexure I of (Multi Year Tariff) Regulation 2 of 2023. The balance depreciable value as on 1st April, 2024 was computed by deducting the cumulative depreciation claimed upto 31st March 2023. The depreciation as claimed by the Petitioner for the period FY 2024-25 to FY 2028-29 is as follows:

Table 5-7: Depreciation as claimed for the period FY 2024-25 to FY 2028-29

Rs. in crore

Particular	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
Depreciation	403.52	404.17	404.17	404.17	404.17

Commission's View

5.1.19 Clause 28 of (Multi Year Tariff) Regulation 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.

…………..."

5.1.20 The Commission observed that the Petitioner has computed the depreciation taking into account the projected additional capitalisation during the year. The Commission further observes that the depreciation rate considered by the Petitioner is in line with (Multi Year Tariff) Regulation 2 of 2023.

5.1.21 The Commission has recomputed the depreciation based on approved GFA and on annually based on straight line method on the basis of the expected useful life specified in the Annexure I to this Regulation.

5.1.22 The depreciation as approved by the Commission for the period FY 2024-25 to FY 2028-29 is as follows:

Table 5-8: Depreciation approved for the period FY 2024-25 to FY 2028-29

Rs. in crore

Particular	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
Opening GFA	7745.32	7745.32	7745.32	7745.32	7745.32
Addition during the year	0.00	0.00	0.00	0.00	0.00
Closing GFA	7745.32	7745.32	7745.32	7745.32	7745.32
Rate of Depreciation	5.17%	5.17%	5.17%	5.17%	5.17%
Depreciation	**400.36**	**400.36**	**400.36**	**400.36**	**400.36**

Interest and Finance Charges (I&FC) on Loan

Petitioner's Claim

5.1.23 The Petitioner submitted that the interest and financing charges on loan for period FY 2024-25 to FY 2028-29 have been computed in accordance to clause 31 of (Multi Year Tariff) Regulation 2 of 2023. The Petitioner further added that loan outstanding as on 1st April, 2024 was computed considering cumulative depreciation up to 31st March, 2024 as notional repayment of loan. In addition to Interest and Finance Charges on Loan, the Petitioner has also claimed the benefit of re-financing resulting in reduction of interest rate from 10.20% to 8.63%.

5.1.24 The total Interest and Finance Charges on Loan claimed by the Petitioner for the period FY 2024-25 to FY 2028-29 is as follows:

Table 5-9: I&FC on Loan as claimed by the petitioner for the period FY 2024-25 to FY 2028-29

Rs. in crore

Particular	2024-25	2025-26	2026-27	2027-28	2028-29
Interest and Finance Charges on Loan	205.04	170.81	135.93	101.04	66.15
Benefit of Re-financing	37.19	30.98	24.66	18.33	12.02
Pass through of benefit of Re-financing	12.40	10.33	8.22	6.11	4.01
Total Interest and Finance Charges on Loan	217.44	181.14	144.14	107.15	70.15

Commission's View

5.1.25 Clause 31 of (Multi Year Tariff) Regulation 2 of 2023 specifies the provisions related to Interest and Finance Charges on Loan. The relevant extract of the Regulation is as follows:

"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 de-capitalisation 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.

31.10 The 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 re-financing 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 re-financing 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.

……………….”

5.1.26 It is observed that the Petitioner has also claimed the sharing of the benefits of refinancing of loan for each year of the period of FY 2024-25 to FY 2028-29. The Commission in its Order dated 23.03.2023 has approved the sharing of gains/losses on account of refinancing in FY 2020-21 and the Commission has not approved any sharing of gains for FY 2021-22. The Petitioner being aggrieved by the Commission's MTR Order for not allowing the sharing of refinancing during FY 2021-22 and challenged the above said MTR Order before the Hon'ble APTEL, which is still pending. As the issue of sharing of refinancing for FY 2021-22 is sub-judice, the Commission is not allowing the sharing of benefits of refinancing for the period FY 2024-25 to FY 2028-29 , subject to outcome to judgement of Hon'ble APTEL.

5.1.27 The Commission has considered the approved true up closing loan as opening loan base for FY 2024-25. The same is subject to truing up based on approved true up closing loan base for FY 2023-24.

5.1.28 The Commission observed that latest actual interest rate available is for first half (April'23 to Sep'23) of FY 2023-24. The Commission has provisionally considered the weighted average of actual interest rate pertaining to various loans for approving the interest and finances on loan for the period FY 2024-25 to FY 2028-29 subject to truing up based on actuals after prudence check.

5.1.29 The interest and finance Charges approved by the Commission for the period FY 2024-25 to FY 2028-29 is as shown in table below:

Table 5-10: I&FC on Loan approved for the period FY 2024-25 to FY 2028-29

Rs. in crore

Particular	2024-25	2025-26	2026-27	2027-28	2028-29
Opening Loan	2529.61	2129.25	1728.89	1328.53	928.17
Addition during the Year	0.00	0.00	0.00	0.00	0.00
Repayment during the Year	400.36	400.36	400.36	400.36	400.36
Closing Loan	2129.25	1728.89	1328.53	928.17	527.81
Interest rate	8.24%	8.24%	8.24%	8.24%	8.24%
Interest on loan	**191.85**	**158.88**	**125.90**	**92.93**	**59.96**

Interest on Working Capital (IoWC)

Petitioner's Claim

5.1.30 The Petitioner submitted that Interest on Working Capital is claimed in accordance to clause 33 of (Multi Year Tariff) Regulation 2 of 2023. The rate of interest on working capital has been computed as 10.04% (1 Year MCLR of SBI plus 150 basis points) as on January 2024.

5.1.31 The Interest on Working Capital claimed by the Petitioner for period FY 2024-25 to FY 2028-29 is as follows below:

Table 5-11: Interest on Working Capital as claimed for the period FY 2024-25 to FY 2028-29

Rs. in crore

Particular	2024-25	2025-26	2026-27	2027-28	2028-29
Interest on Working Capital	96.66	96.59	96.49	96.37	96.39

Commission's View

5.1.32 Clause 33 of (Multi Year Tariff) 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….."

5.1.33 The Commission computed the working capital in accordance of clause 33.1. (a) of (Multi Year Tariff) Regulation 2 of 2023. Further, the rate of interest on working capital is considered on normative basis in accordance to clause 33.6 of (Multi Year Tariff) Regulation 2 of 2023 equal to Base Rate as on the date of Petition filling plus 150 basis points. The Interest on Working Capital approved by the Commission for period FY 2024-25 to FY 2028-29 is as shown below:

Table 5-12: Interest on Working Capital as approved for the period FY 2024-25 to FY 2028-29

Rs. in crore

Particular	2024-25	2025-26	2026-27	2027-28	2028-29
Cost of Coal	172.97	172.97	172.97	172.97	172.97
Cost of Coal Generation	259.45	259.45	259.45	259.45	259.45
Cost of secondary fuel oil	2.46	2.46	2.46	2.46	2.46
O&M expenses	20.79	21.54	22.34	23.18	24.07
Maintenance spares	77.45	77.45	77.45	77.45	77.45
Receivables	560.44	557.98	555.61	552.89	551.16
Minus: Payables for fuel	261.90	261.90	261.90	261.90	261.90
Total Working Capital	**831.65**	**829.95**	**828.37**	**826.49**	**825.64**
Rate of Interest	10.15%	10.15%	10.15%	10.15%	10.15%
Interest on Working Capital	**84.41**	**84.24**	**84.08**	**83.89**	**83.80**

Return on Equity (RoE)

Petitioner's Claim

5.1.34 The Petitioner has considered 30% of the capital cost as opening equity based as specified in the (Multi Year Tariff) Regulation 2 of 2023 for determination of Return of Equity.

5.1.35 In accordance to Regulation 29.2(a) of (Multi Year Tariff) Regulation 2 of 2023, the Petitioner has considered the base rate as 15.5% for computation of Return on Equity for the period FY 2024-25 to FY 2028-29 is as follows:

Table 5-13: Return on Equity as claimed for the period FY 2024-25 to FY 2028-29

Rs. in crore

Particular	2024-25	2025-26	2026-27	2027-28	2028-29
Return on Equity	485.68	486.33	486.33	486.33	486.33

Commission's View

5.1.36 Clause 29 of (Multi Year Tariff) Regulation 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.*
> *……………..."*

5.1.37 The Commission 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 further observes that the Return on Equity considered by the Petitioner is in line with (Multi Year Tariff) Regulation 2 of 2023.

5.1.38 The Commission has recomputed the Return on Equity based on approved GFA and return on Equity as 15.50% in line with clause 29.2.(a) of the (Multi Year Tariff) Regulation 2 of 2023.

5.1.39 The Return on Equity as approved by the Commission for the period FY 2024-25 to FY 2028-29 is as follows:

Table 5-14: Return on Equity as approved for the period FY 2024-25 to FY 2028-29

Rs. in crore

Particular	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
Opening Equity	2323.60	2323.60	2323.60	2323.60	2323.60
Addition during the Year	0.00	0.00	0.00	0.00	0.00
Closing Equity	2323.60	2323.60	2323.60	2323.60	2323.60
Rate of RoE	15.50%	15.50%	15.50%	15.50%	15.50%
Return on Equity	**360.16**	**360.16**	**360.16**	**360.16**	**360.16**

Tax on RoE

Petitioner's Claim

5.1.40 The Petitioner has considered the effective tax rate as 25.17% for grossing up the Base rate of Return on Equity and compute the post-tax RoE for FY 2024-25 to FY 2028-29.

Commission's View

5.1.41 Clause 30 of (Multi Year Tariff) Regulation 2 of 2023 specifies the 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."

5.1.42 The Commission 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 there is no bifurcation of regulated business (thermal business) and other business of the Petitioner. As the audited accounts are prepared on consolidated basis, it would be difficult to ascertain and bifurcate the tax paid among the different business of the Petitioner.

5.1.43 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 stand alone basis for the licensed business so that consumers are fully insulated and protected from the Income Tax payable from other businesses."

5.1.44 Accordingly, the Commission is of the view that the tax of other business/ unregulated business cannot be passed to consumers. On standalone basis the generating plant under the new company is entitled for Tax benefit and only MAT is applicable. Thus, the Commission is not inclined to consider the effective tax rate and allows only MAT rate of 17.47% towards Return of Equity for computation of Tax on Return of Equity for the period FY 2024-25 to FY 2028-29.

5.1.45 The Commission directs the Petitioner to separate the audited accounts of its generation business from other business and furnish the separate audited accounts related to generation business at the time of truing up for examination.

Table 5-15: Tax on RoE approved for the period FY 2024-25 to FY 2028-29

Rs. in crore

Particular	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
Opening Equity	2323.60	2323.60	2323.60	2323.60	2323.60
Addition during the Year	0.00	0.00	0.00	0.00	0.00
Closing Equity	2323.60	2323.60	2323.60	2323.60	2323.60
Rate of RoE	15.50%	15.50%	15.50%	15.50%	15.50%
Tax Rate	17.47%	17.47%	17.47%	17.47%	17.47%
Effective Tax Rate	18.78%	18.78%	18.78%	18.78%	18.78%
Tax on Return on Equity	**76.24**	**76.24**	**76.24**	**76.24**	**76.24**

Non-Tariff Income

Petitioner's Claim

5.1.46 The Petitioner has claimed the Non-Tariff Income for the period FY 2024-25 to FY 2028-29 as shown in table below:

Table 5-16: Non-Tariff Income claimed for the period FY 2024-25 to FY 2028-29

Rs. in crore

Particular	2024-25	2025-26	2026-27	2027-28	2028-29
Non-Tariff Income	3.90	4.09	4.29	4.51	4.73

Commission's View

5.1.47 Clause 43 of (Multi Year Tariff) Regulation 2 of 2023 specifies 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: 44 Operational Norms for Generating …."

5.1.48 The Commission approves the Non-Tariff Income as claimed by the Petitioner subject to prudence check on actuals at the time of truing up. The Non-Tariff Income approved by the Commission for the period FY 2024-25 to FY 2028-29 is as follows:

Table 5-17: Non-Tariff Income approved for the period FY 2024-25 to FY 2028-29

Rs. in crore

Particular	2024-25	2025-26	2026-27	2027-28	2028-29
Non-Tariff Income	3.90	4.09	4.29	4.51	4.73

Incentive

Petitioner's Claim

5.1.49 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 (Multi Year Tariff) Regulation 2 of 2023. The incentive claimed by the Petitioner for the period FY 2024-25 to FY 2028-29 is as shown in table below:

Table 5-18: Incentive claimed by petitioner for period FY 2024-25 to FY 2028-29

Rs. in crore

Particular	2024-25	2025-26	2026-27	2027-28	2028-29
Incentive	18.66	31.69	31.69	31.84	31.69

Commission's View

5.1.50 Clause 46.6 of (Multi Year Tariff) Regulation 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.*
>
> ………………"

5.1.51 The Commission is of the view that incentive shall be bills on actuals as per Clause 46.6 of (Multi Year Tariff) Regulation 2 of 2023. Thus, the Commission has not allowed any incentive based on projected PLF.

Annual Fixed Charges (AFC)

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

Table 5-19: Annual Fixed Charges as approved for the period FY 2024-25 to FY 2028-29

Rs. in crore

Particulars	2024-25		2025-26		2026-27	
	Claimed	Approved	Claimed	Approved	Claimed	Approved
Operation & Maintenance Expenses	356.20	249.48	376.17	262.85	397.25	276.95
Depreciation	403.52	400.36	404.17	400.36	404.17	400.36
Interest and finance charges on loan	217.44	191.85	181.14	158.88	144.14	125.90
Interest on Working Capital	96.66	84.41	96.59	84.24	96.49	84.08
Return on Equity	485.68	436.40	486.33	436.40	486.33	436.40
Less: Non-Tariff Income	3.90	3.90	4.09	4.09	4.29	4.29
Annual Fixed Charges	**1555.60**	**1358.60**	**1540.30**	**1338.63**	**1524.09**	**1319.40**

Particulars	2027-28		2028-29	
	Claimed	Approved	Claimed	Approved
Operation & Maintenance Expenses	419.52	291.82	443.05	307.48
Depreciation	404.17	400.36	404.17	400.36
Interest and finance charges on loan	107.15	92.93	70.15	59.96
Interest on Working Capital	96.37	83.89	96.39	83.80
Return on Equity	486.33	436.40	486.33	436.40
Less: Non-Tariff Income	4.51	4.51	4.73	4.73
Annual Fixed Charges	**1509.04**	**1300.88**	**1495.35**	**1283.26**

Operations Parameters

Petitioner's Claim

5.1.53 The Petitioner in its 3rd prayer has requested the Commission not to apply the components of varied figures of normative/ operational parameters stated in the Regulation No. 02 of 2023 as the same are less beneficial to SCCL. However, the Petitioner has claimed the operational parameters as per Regulation for the period FY 2024-25 to FY 2028-29 as shown in the table below:

Table 5-20: Operational Parameters as claimed for period FY 2024-25 to FY 2028-29

Particular	2024-25	2025-26	2026-27	2027-28	2028-29
Normative PLF	%	85	85	85	85
Normative PAF	%	85	85	85	85
Auxiliary Consumption	%	5.75	5.75	5.75	5.75

Commission's View

5.1.54 Clause 44 of (Multi Year Tariff) Regulation 2 of 2023 specifies the operational parameters. The relevant extract of the Regulation is as follows:

"44 Operational Norms for Generating Stations

44.1 Recovery of capacity charge, energy charge and any incentive by the generating station shall be based on the achievement of operational norms specified in this Regulation.

44.2 The Normative Annual Plant Availability Factor (NAPAF) for Thermal Generating Stations for full recovery of Annual Fixed Charges shall be 85 per cent.

44.3 Normative Annual Plant Load Factor (NAPLF) for incentive for thermal Generating Stations/Units shall be 85 per cent.

44.7 Auxiliary Energy Consumption for all coal-based thermal Generating Stations shall be as given in the Table below:

Particulars	***With Natural Draft cooling tower or without cooling tower***
(i) 62.5 MW	*10.00%*
(ii) 250 MW series	*8.50%*
(iii) 500 MW & above	
Steam driven boiler feed pumps	*5.25%*
Electrically driven boiler feed pumps	*7.75%*

Provided that for thermal Generating Stations with induced draft cooling towers and where tube type coal mill is used, the norms shall be further increased by 0.5% and 0.8%, respectively:

Provided further that additional Auxiliary Energy Consumption as follows may be allowed for plants with Dry Cooling Systems:

Type of Dry Cooling System	***(% of gross generation)***
Direct cooling air cooled condensers with mechanical draft fans	*1.0%*
Indirect cooling system employing jet condensers with pressure recovery turbine and natural draft tower	*0.5%*

Provided also that for thermal Generating Stations with Flue Gas De-sulphuriser (FGD), additional Auxiliary Energy Consumption shall be allowed on case-to-case basis after prudence check.

- *Auxiliary Energy Consumption for hydro generating stations be as under:*

Type of Station	***Auxiliary Energy Consumption***
Surface	
Rotating Excitation	*0.7%*

Type of Station	*Auxiliary Energy Consumption*
Static	*1.0%*
Underground	
Rotating Excitation	*0.9%*
Static	*1.2%*

- *In case of In case of pumped storage hydro generating stations, the quantum of electricity required for pumping water from down-stream reservoir to up-stream reservoir shall be arranged by the beneficiaries duly taking into account the transmission and distribution losses up to the bus bar of the generating station. In return, beneficiaries shall be entitled to equivalent energy of 75% of the energy utilized in pumping the water from the lower elevation reservoir to the higher elevation reservoir from the generating station during peak hours and the generating station shall be under obligation to supply such quantum of electricity during peak hours."*

5.1.55 The Commission has carried out due diligence and prudence check while framing the Regulation. Further, only after stakeholder's consultation the draft Regulations are finalised and notified. Thus, the Commission is not inclined to Petitioner's prayer to relax or vary from the normative norms specified in the Regulation.

5.1.56 The Commission has approved the operational parameters for the Petitioner on normative basis in accordance to clause 44 of (Multi Year Tariff) Regulation, 2 of 2023 as shown in the table below:

Table 5-21: Operational Parameters as approved for the period FY 2024-25 to FY 2028-29

Particular	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
Normative PLF	%	85	85	85	85
Normative PAF	%	85	85	85	85
Auxiliary Consumption	%	5.75	5.75	5.75	5.75

Energy Charges

Petitioner's Claim

5.1.57 The Petitioner has computed the energy charges based on clause 46(B) of (Multi Year Tariff) Regulation 2 of 2023. The Petitioner further added that the estimated energy charge for the first year of the Control Period has been worked out based on coal & oil data for September-2023, October-2023 & November-2023.

Table 5-22: Energy Charge Rate (ECR) as claimed for the period FY 2024-25 to FY 2028-29

Particulars	**Units**	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
Auxiliary Consumption	%	5.75	5.75	5.75	5.75	5.75
Gross Station Heat Rate	kcal/kWh	2300	2300	2300	2300	2300
Secondary Fuel oil consumption	ml/kWh	0.5	0.5	0.5	0.5	0.5
Calorific Value of Secondary Fuel	kcal/ml	10.00	10.00	10.00	10.00	10.00
Landed Price of Secondary Fuel	Rs./ml	0.07	0.07	0.07	0.07	0.07
Gross Calorific Value of Coal	kcal/kg	3719	3719	3719	3719	3719
Landed Price of Coal	Rs./kg	5867	5867	5867	5867	5867
Specific Coal Consumption	kg/kWh	0.617	0.617	0.617	0.617	0.617
Rate of Primary Fuel	Rs./kWh	3.841	3.841	3.841	3.841	3.841
Rate of Secondary Fuel	Rs./kWh	0.035	0.035	0.035	0.035	0.035
Energy Charge Rate (ECR)	**Rs./kWh**	**3.876**	**3.876**	**3.876**	**3.876**	**3.876**

Commission's View

5.1.58 Clause 46(B) of Regulation 2 of 2023 stipulates the methodology for determination of ECR. The relevant extract of the Regulation is stipulated below:

"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.

………………”

5.1.59 The Commission has approved the Norms of Operation of the Petitioner in clause 44 of (Multi Year Tariff) Regulation 2 of 2023 for the period FY 2024-25 to FY 2028-29. The Approved norms of operation in accordance with the (Multi Year Tariff) Regulation 2 of 2023 is detailed as under:

Table 5-23: Norms of operation as approved in MYT Regulation No.2 of 2023

Parameter	**Units**	**Approved in MYT Regulation No.2 of 2023**
Normative Annual Plant Availability Factor	%	85.00
Normative Annual PLF	%	85.00
Auxiliary Consumption	%	5.75
Gross Station Heat Rate	kcal/kWh	2300.00
Secondary Fuel Oil Consumption	ml/kWh	0.50
Transit Loss	%	0.80

5.1.60 In accordance to the provisions of clause 46.4 of Regulation No.2 of 2023, the

Commission has considered the latest available actual fuel price and GCV for the period from Sep’23 to Nov’23 for primary and secondary fuel. Further, in regard to coal allocation from Naini coal mines, the Commission is of the view that the coal allocation is not within the purview of the Commission. In the best interest of the electricity consumers of the State, SCCL shall have to pursue with the concerned authorities for transfer of coal allocation from Naini Coal Block to its own mines in Telangana.

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

Table 5-24: Tentative fuel prices and GCV considered

Particulars	**Units**	**Value**
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	3808.80
Landed Price of Coal	Rs./kg	5.86

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

Table 5-25:Base Energy Charge Rate approved for the period FY 2024-25 to FY 2028-29

Particulars	**Units**	**Base Year i.e., FY 2024-25**
Auxiliary Consumption	%	5.75
Gross Station Heat Rate	kcal/kWh	2300.00
Secondary Fuel oil consumption	ml/kWh	0.50
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	3808.80
Landed Price of Coal	Rs./kg	5.86
Specific Coal Consumption	kg/kWh	0.60
Energy Charge Rate (ECR)	**Rs./kWh**	**3.785**

5.1.63 The variation in fuel prices and GCV shall be billed in accordance with clause 46.5 of Regulation No.2 of 2023.

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

Table 5-26: Indicative MYT Tariff approved for the Period FY 2024-25 to FY 2028-29

Particulars	**2024-25**		**2025-26**		**2026-27**	
	Claimed	**Approved**	**Claimed**	**Approved**	**Claimed**	**Approved**
Net Generation (MU)	8794.66	8421.43	9055.24	8421.43	9055.24	8421.43
AFC (Rs. Crore)	**1555.60**	**1358.60**	**1540.30**	**1338.64**	**1524.09**	1319.40
AFC per unit (Rs./kWh)	1.77	1.61	1.70	1.58	1.68	1.57
Base ECR (Rs./kWh)	3.84	3.78	3.84	3.78	3.84	3.78
Total Tariff (Rs./kWh)	5.61	5.40	5.54	5.37	5.52	5.35

Particulars	2027-28		2028-29	
	Claimed	**Approved**	**Claimed**	**Approved**
Net Generation (MU)	9081.30	8444.50	9055.24	8421.43
AFC (Rs. Crore)	**1509.04**	**1300.88**	**1495.35**	**1283.26**
AFC per unit (Rs./kWh)	1.66	1.54	1.65	1.52
Base ECR (Rs./kWh)	3.84	3.78	3.84	3.78
Total Tariff (Rs./kWh)	5.50	5.33	5.49	5.31

Applicability

5.1.65 The Generation Tariffs determined for each year of the Control Period from FY 2024-25 to FY 2028-29 are applicable from 1st April to 31st March of the respective Financial Year. However, as few months of FY 2024-25 are over, the Commission directs the Petitioner to recover/adjust the difference in revenue recoverable in accordance with the Tariff approved in this Order vis-a-vis the Tariff charged from April 2024 till the issue of this Order in 6 equal monthly instalments.

Commission's Directives

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

This Order is corrected and signed on this the 28th June. 2024.

Sd/-	Sd/-	Sd/-
(BANDARU KRISHNAIAH)	(M. D. MANOHAR RAJU)	(T. SRIRANGA RAO)
MEMBER	MEMBER	CHAIRMAN

//CERTIFIED COPY//

Appendix
Commission's Directives

Earlier Directives

a. **Separate Accounts**
SCCL shall maintain separate books of accounts for Power Generation activity.

b. Efficiency improvement measures

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

New Directives

a. **Revised AFC for FY 2022-23**
The Commission directs the petitioner to recover/adjust the difference in revenue recoverable in accordance with the Tariff approved in this order vis-à-vis the Tariff charged from April 2022.

b. **Sharing of Losses and Gains**
The Commission directs SCCL to bill to the beneficiary's viz., TGDISCOMs the claim towards total sharing/passing through of gains/losses approved in this order as per the AFC and other charges approved after truing-up for FY 2022-23.

c. **Capital Woks**
SCCL must implement flexible operation scheme as per CEA Regulations.

d. **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 to Regulation No.1 of 2019.

e. Coal from Integrated Mine(Naini)

The Commission directs to expedite the process to start the production from Naini coal block to reduce the burden on the Consumers.

Annexure-I (A)

Newspaper clippings appeared in EENADU, VELUGU on 14.02.2024

గౌరవనీయ
తెలంగాణ రాష్ట్ర విద్యుత్ నియంత్రణ మండలి (TSERC)
ఇ.నెం.11-4-660, 5వ అంతస్తు, సింగరేణి భవన్, రెడ్‌హిల్స్, హైదరాబాద్- 500004 సమక్షంలో

ది సింగరేణి కాలరీస్ కంపెనీ లిమిటెడ్
(ప్రభుత్వ కంపెనీ)

బహిరంగ ప్రకటన

1. యావన్మందికి ఇందుమూలముగా తెలియజేయునది ఏమనగా ఐదవ నియంత్రణ వ్యవధి (2024–29) కొరకు బహుళ వార్షిక టారిఫ్ ఆమోదం మరియు 2×600 MW సింగరేణి థర్మల్ పవర్ ప్లాంట్, SCCL నిమిత్తం ఎఫ్‌వై 2022–23 కొరకు ట్రూ అప్ ఆమోదం కొరకు తెలంగాణ రాష్ట్ర విద్యుత్ నియంత్రణ మండలి(TSERC) సమక్షంలో ది సింగరేణి కాలరీస్ కంపెనీ లిమిటెడ్ (SCCL) ఫైలింగ్స్‌ను దాఖలు చేసింది. ఈ ఫైలింగ్స్ ఒ.పి.నెం.04/2024 నందు గౌరవనీయ కమిషన్‌వారి రికార్డులోకి తీసుకోబడినవి.
2. ప్రైవసిటిన ఫైలింగ్స్ మరియు ప్రతిపాదనల కాపీలు ఈడీ (ఐ అండ్ ఎం) కార్యాలయము, పవర్ ప్రాజెక్ట్స్, ది సింగరేణి కాలరీస్ కంపెనీ లిమిటెడ్, SCCL, # 11-4-660, 3వ అంతస్తు, సింగరేణి భవన్, రెడ్ హిల్స్, హైదరాబాద్, తెలంగాణ- 500004నందు లభించును. ఆసక్తిగల వ్యక్తులు కార్యాలయ వేళల్లో సదరు ఫైలింగ్స్‌ను సదరు కార్యాలయమువద్ద ఉచితంగా తనిఖీ చేసుకోవచ్చును/ చదువుకోవచ్చును మరియు నోట్ చేసుకోవచ్చును. ఈ ప్రతిపాదనలు www.scclmines.com నందు కూడా లభిస్తాయి మరియు వీటిని www.tserc.gov.in వద్ద పొందవచ్చును. ఈ ఫైలింగ్స్ యొక్క కాపీని ఫోటోకాపీయింగ్ చార్జీలు చెల్లించి పై కార్యాలయం నుండి 14-2-2024 నుండి పొందవచ్చును.
3. సదరు ఫైలింగ్స్‌పై అభ్యంతరాలు/ సలహాలు ఏవేని ఉంటే, ముద్రితంగా ఆధారాలతో ఈడీ (ఐఅండ్ఎం) కార్యాలయం, పవర్ ప్రాజెక్ట్స్, # 11-4-660, 3వ అంతస్తు, సింగరేణి భవన్, రెడ్ హిల్స్, హైదరాబాద్, తెలంగాణ-500004 (ఇమెయిల్: ed_stpp@scclmines.com) వారికి స్వయంగా లేదా రిజిస్టర్డు పోస్టు ద్వారా 5-3-2024 సా. 5 గం.లోగా చేరేలా పంపవలెను. వీటి ఒక కాపీని ప్రైవసిటిన నియమావళి కమిషన్ సెక్రెటరీ, టీఎస్ఈఆర్‌సీకి కూడా దాఖలు చేయవలెను. అభ్యంతరాలు/ సలహాలు తగువిధంగా సంతకం చేయబడి ఉండవలెను మరియు సదరు అభ్యంతరాలు/ సలహాలను పంపే వ్యక్తుల పూర్తి పేరు మరియు తపాలా చిరునామా కలిగియుండవలెను. ఏదేని సంస్థ లేదా ఏదేని వినియోగదారుల సంఘం తరఫున అభ్యంతరాలు/ సలహాలు దాఖలు చేయబడినట్లయితే, స్పష్టంగా పేర్కొనవలెను. అభ్యంతరదారు స్వయంగా విచారణలో పాల్గొనదలచినచో ఆవిషయాన్ని కూడా స్పష్టంగా పేర్కొనవలెను.
4. సదరు అభ్యంతరాలు/ సలహాలకు ఈ క్రింది వివరాలను జతపరచవలెను:

అభ్యంతర దారుని పేరు మరియు పూర్తి చిరునామా	అభ్యంతరాలు/ సలహాల సంక్షిప్త వివరాలు	ఐదవ నియంత్రణ వ్యవధి (2024–29) కొరకు బహుళ వార్షిక టారిఫ్ ఆమోదం మరియు 2×600 MW సింగరేణి థర్మల్ పవర్ ప్లాంట్, SCCL నిమిత్తం ఎఫ్‌వై 2022–23 కొరకు ట్రూ అప్ ఆమోదం కొరకు SCCL యొక్క ఫైలింగ్స్ పైన అభ్యంతరాలు/సలహాలు	SCCL యొక్క కార్యాలయమువద్ద అందజేసిన అభ్యంతర యొక్క కాపీ మరియు అందజేసిన రుజువును జతపరిచారా (అవును/ లేదు)	అభ్యంతర దారు స్వయంగా విచారణలో పాల్గొన దలచారా (అవును/ లేదు)

5. తెలంగాణ రాష్ట్ర విద్యుత్ నియంత్రణ మండలి 22-3-2024 ఉ. 11.00 గం. నుండి కోర్టు హాలు, టీఎస్ఈఆర్‌సీ, 5వ అంతస్తు, సింగరేణి భవన్, లక్డీకాపూల్, హైదరాబాద్ నందు బహిరంగ విచారణను నిర్వహించవలెనుంది.

ప్రదేశం: హైదరాబాద్
తేది: 14-2-2024

డైరెక్టర్ (ఫైనాన్స్)
SCCL

DIPR R.O.No. 10415-PP/CL/ADVT/1/2023-24, Date: 13-02-2024

Newspaper clippings appeared in THE HANS INDIA, THE HINDU, THE MUNISIF (Urdu) on 14.02.2024

BEFORE THE HON'BLE TELANGANA STATE ELECTRICITY REGULATORY COMMISSION (TSERC)

D.No. 11-4-660, 5th Floor, Singareni Bhavan, Red Hills, Hyderabad 500 004

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 State Electricity Regulatory Commission (TSERC) for **approval of Multi Year Tariff for the fifth control period (2024-29) and approval of true up for FY 2022-23 for 2*600 MW Singareni Thermal Power Plant, SCCL.** These filings have been taken on record by the Hon'ble Commission in **O.P. No. 04 of 2024.**

(2) Copies of filings and proposals referred are available in the office of the Chief (E&M), Power Projects, 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.tserc.gov.in.** A copy of these filings can be obtained from the above office from **14-02-2024** 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 **Chief (E&M), 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 **05-03-2024 by 05:00 PM.** A copy of same must also be filed with the Commission Secretary, TSERC, 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.

4.The objection/suggestion should accompany the following statement as an overleaf.

Name & full address of the Objector	Brief details of objection (s)/ suggestion (s)	Objections / Suggestions against filings made by SCCL for approval of Multi Year Tariff for the fifth control period (2024-29) and approval of true up for FY 2022-23 for 2*600 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)

5. Telangana State Electricity Regulatory Commission intends to conduct a **Public Hearing at** Court Hall, TSERC, 5th Floor, Singareni Bhavan, Lakdi-ka-pul, Hyderabad on **22-03-2024 from 11:00 hrs onwards.**

Place: Hyderabad, Date: 14-02-2024

Sd/- Director
(Finance) SCCL

DIPR No.:937-PP/CL-AGENCY/ADVT/1/2023-24, Dt:13-02-2024

Annexure-I (B)

Newspaper clippings appeared in EENADU, VELUGU on 14.03.2024

గౌరవనీయ తెలంగాణ రాష్ట్ర విద్యుత్ నియంత్రణ మండలి (TSERC)
డి.నెం.11-4-660, 5వ అంతస్తు, సింగరేణి భవన్, రెడ్‌హిల్స్, హైదరాబాద్- 500004 సమక్షంలో

ది సింగరేణి కాలరీస్ కంపెనీ లిమిటెడ్
(ప్రభుత్వ కంపెనీ)

బహిరంగ ప్రకటన

SCCL చే దాఖలు చేయబడిన ఎఫ్ వై 2024-29 కొరకు బహుళ వార్షిక టారిఫ్ ఆర్జీ మరియు 2X600 MW సింగరేణి థర్మల్ పవర్ ప్లాంట్ నిమిత్తం ఎఫ్‌వై 2022-23 యొక్క ట్రూయింగ్ అప్‌కు సంబంధించి యావన్మందికి ఇందుమూలముగా తెలియజేయునది ఏమనగా టిఎస్‌సిసిఎల్ చే చేయబడిన అభ్యర్థనను రిఫరెన్సుగా పైన తెలిపిన ఆర్జీల కొరకు ప్రజాభిప్రాయ ప్రక్రియకై గౌరవనీయ TSERC సవరించిన గడువు తేదీలు ఈ క్రింది విధంగా ఉన్నవి.

కార్యకలాపం వివరం	ప్రస్తుత షెడ్యూలు	సవరించబడిన షెడ్యూలు
అభ్యంతరాలు/ సలహాల స్వీకరణకు చివరి తేది	5-3-2024 (మంగళవారం)	14-3-2024 (గురువారం)
అభ్యంతరదారులకు ప్రతిస్పందనలు తెలియజేయుటకు చివరి తేది	12-3-2024 (మంగళవారం)	20-3-2024 (బుధవారం)
బహిరంగ విచారణ	22-3-2024 (శుక్రవారం) 11.00 గం. నుండి కోర్టు హాలు, TSERC, 5వ అంతస్తు, సింగరేణి భవన్	మార్పు లేదు

ప్రదేశం: హైదరాబాద్, తేది: 14-3-2024

డైరెక్టర్ (ఫైనాన్స్)
SCCL

PR/ADVT/PER/STPP/90
DIPR R.O. No. 11680-PP/CL/ADVT/1/2023-24 Dt. 13-3-2024

Newspaper clippings appeared in THE HANS INDIA, THE HINDU, THE MUNISIF (URDU) on 14.03.2024

BEFORE THE HON'BLE TELANGANA STATE ELECTRICITY REGULATORY COMMISSION (TSERC)
D.No.11-4-660, 5th Floor, Singareni Bhavan, Red Hills, Hyderabad-500 004.

The Singareni Collieries Company Limited
(A Government Company)

PUBLIC NOTICE

Notice is hereby given to all in respect to Multiyear tariff petition for FY 2024-29 and Truing up of FY 2022-23 for 2X600MW Singareni Thermal Power Plant submitted by SCCL that the Hon'ble TSERC due to administrative reasons re-scheduled the public hearing as below:

Description of Event	Existing schedule	Revised schedule
Public Hearing	08.04.2024 (Monday) from 11:00 hrs onwards at Court Hall, TSERC, 5th floor, Singareni Bhavan.	19.04.2024 (Friday) from 11:00 hrs onwards at Court Hall, TSERC, 5th floor, Singareni Bhavan.

Any Further changes will be available online and can be accessed through the websites of **www.tserc.gov.in., www.scclmines.com.**

Place: Hyderabad
Date: 06.04.2024

Sd/-
Director (Finance)
SCCL

PR/2024-25/ADVT/PER/STPP/01
R.O. No. : 1067-PP/CL-AGENCY/ADVT/1/2023-24, Date:06.04.2024

Annexure-I(C)

Newspaper clipping appeared EENADU, VELUGU on 07.04.2024

గౌరవనీయ తెలంగాణ రాష్ట్ర విద్యుత్ నియంత్రణ మండలి (TSERC)

డి.నెం. 11–4–660, 5వ అంతస్తు, సింగరేణి భవన్, రెడ్ హిల్స్, హైదరాబాద్– 500004 సమక్షంలో

ది సింగరేణి కాలరీస్ కంపెనీ లిమిటెడ్ (ప్రభుత్వ కంపెనీ)

బహిరంగ ప్రకటన

SCCLచే దాఖలు చేయబడిన FY 2024-29 కొరకు బహుళ వార్షిక టారిఫ్ అర్జీ మరియు 2x600 MW సింగరేణి థర్మల్ పవర్ ప్లాంట్ నిమిత్తం FY 2022-23 యొక్క ట్రూయింగ్ అప్‌నకు సంబంధించి యావన్మందికి ఇందుమూలముగా తెలియజేయునది ఏమనగా అడ్మినిస్ట్రేటివ్ కారణాల వల్ల గౌరవనీయులైన TSERC, వారు బహిరంగ విచారణ (పబ్లిక్ హియరింగ్)ని ఈ క్రింది విధంగా తిరిగి షెడ్యూల్ చేసినారు.

కార్యకలాపం వివరం	ప్రస్తుత షెడ్యూలు	సవరించిన షెడ్యూలు
బహిరంగ విచారణ	08.04.2024 (సోమవారం) ఉ. 11.00 గంటల నుండి కోర్ట్ హాల్, TSERC 5వ అంతస్తు, సింగరేణి భవన్‌లో	19.04.2024 (శుక్రవారం) ఉ. 11.00 గంటల నుండి కోర్ట్ హాల్, TSERC 5వ అంతస్తు, సింగరేణి భవన్‌లో

* తదుపరి ఏవైనా మార్పులు ఉన్నచో ఆన్‌లైన్‌లో www.tserc.gov.in, www.scclmines.com వెబ్‌సైట్‌ల ద్వారా పొందవచ్చును.

ప్రదేశం: హైదరాబాద్, తేది: 06-04-2024

డైరెక్టర్ ఫైనాన్స్, SCCL

PR/2024-25/ADVT/PER/ STPP/01

DIPR R.O.No. 11917-PP/ CL/Advt/1/2023-24, Dt. 06-4-2024.

Newspaper clipping appeared in THE HANS INDIA, THE HINDU, THE MUNISIF (URDU) on 07.04.2024

BEFORE THE HON'BLE TELANGANA STATE ELECTRICITY REGULATORY COMMISSION (TSERC)

D.No.11-4-660, 5th Floor, Singareni Bhavan, Red Hills, Hyderabad-500 004.

The Singareni Collieries Company Limited

(A Government Company)

PUBLIC NOTICE

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Any Further changes will be available online and can be accessed through the websites of **www.tserc.gov.in., www.scclmines.com.**

Place: Hyderabad

Date: 06.04.2024

Sd/-

Director (Finance)

SCCL

PR/2024-25/ADVT/PER/STPP/01

R.O. No.: 1067-PP/CL-AGENCY/ADVT/1/2023-24, Date:06.04.2024

Annexure-II

List of stakeholders who submitted written Objections/Suggestions

Sl. No.	Name and address of the stakeholders
1	Sri M.Venugopala Rao, Senior Journalist & Convenor, Centre for Power Studies, H.No.1-100/MP/101, Monarch Prestige, Journalists' Colony, Gopanpally, Serlingampally Mandal, Hyderabad 500 032
2	Southern Power Distribution Company of Telangana Limited, Corporate Office, 6-1-50, Mint Compound, Hyderabad 500 063

Annexure-III

List of stakeholders who participated in Public Hearing held on 19.04.2024

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