

The Secretary
Telangana State Electricity Regulatory Commission
11-4-660, 5th floor
Singareni Bhavan, Red Hills
Hyderabad - 500 004

January 9, 2023

Respected Sir,

Sub : Submissions on the review petition and true-up of generation for Singareni Thermal Power Station (2x600 MW) of Singareni Collieries Company Limited for FYs 2019-22 and for approval of revised tariffs for FYs 2022-24 in O.P.No.77 of 2022

With reference to the public notice dated 15.12.2022, inviting objections and suggestions on the subject proposals, am submitting the following points for the consideration of the Hon'ble Commission:

1. For supply of power from its STPP at Jaipur, Mancherial district, SCCL entered into a power purchase agreement with TS DISCOMs on 18.6.2016 for a period of 25 years from the commercial operation date of its second unit which was declared on 2.12.2016. In its order dated 20.8.2020, the Hon'ble Commission approved a capital cost of Rs.7545.32 crore against Rs.8780 crore claimed by SCCL. With its revised capital cost, SCCL has claimed true-up for the 4th control period for the generation of power achieved and proposed and to be achieved with revised/proposed increase in tariff per unit, as given below:

Year	2019-20	2020-21	2021-22	2022-23	2023-24	
True-up	93.54	208.99	141.30	160.96	178.17	Rs.crore
Generation	8671.23	6895.33	8807.57	8421.43	8444.50	MU
Hike per unit	0.11	0.30	0.16	0.19	0.21	Rs.
Approved by ERC on 20 th August, 2020	4.120	4.091	4.059	4.026	3.990	Rs.per kwh
Revised claim	4.33	4.391	4.209	4.216	4.20	-do-

The total true-up claimed for the 4th control period by SCCL is Rs.782.18 crore against the tariff determined by the Commission. It includes claim for interest for the first three years. The true-up claims of SCCL are based on the claimed increase in capital cost of the project under various heads - discharge liability for BTG & BOP, spill over works, railway sliding work, return on equity, income tax rate, loan restructuring, interest on working capital, O&M expenses, safety and security, coal mills overhauling expenditure from COD,

additional consumption of capital spares, PLF incentive, additional auxiliary energy consumption for FGD system, etc.

2. The claimed capital cost of the project has been increased by SCCL as given below:

As per DPR of 2010	Rs.5685.27 crore
As per DPR of 2013	Rs.7573.90 crore
As filed in the petition of SCCL	Rs.8250.03 crore
Revised submissions dt.24.8.2016	Rs.8285.46 crore
Revised submission dt 3.4.2017	Rs.8540.22 crore
Capital cost approved as per COD Dated 19.6.2017	Rs.6705.71 crore
Capital cost approved up to 2018-19 as per TSERC's order dt. 20.8.2020	Rs.7745.32 crore

What are the revised and latest capital costs of the project claimed by SCCL in the subject petition based on which true-up for the present FY and past two FYS for tariffs approved by the Commission and revision of tariffs for the next two financial years it has claimed in the subject petition? Even after declaration of COD of the second unit of its project on 2.12.2016, how long SCCL will continue to claim revised and re-revised capital costs and true-up claims based thereon? How long the Hon'ble Commission will entertain and determine such claims of SCCL? Making claims for revision of capital costs of the project and true-up claims based thereon even after six years from the date of declaration of COD of its second unit makes a mockery of prudent norms for completing the project as per the original schedule and the regulatory process.

3. Where from SCCL is getting coal for the subject project? Is it still getting bridge linkage coal for a premium? Has it started production of coal from Naini coal block in Odisha? Responding to submissions of objectors and the DISCOMs, the Hon'ble Commission, in its order dated 19.6.2017, directed that "Currently, SCCL has been allotted Bridge Linkage for its thermal generating station by the Ministry of Coal for a period of 3 years from its own mines. SCCL should actively pursue the issue of coal allocation for its generating station with the Ministry of Coal so that the cumbersome task of transportation of coal from Odisha and associated losses in quantity and GCV could be mitigated by procuring coal from its own mines which are closer to its generating station" (page 13). What is the latest position relating to the response of the Ministry of Coal, GoI, on the requests of SCCL and GoTS for allotment of coal to the subject project from the mines of SCCL in Telangana? Needless to say, allocation of coal to the subject project from coal mines of SCCL in Telangana would facilitate the subject project to work as a pithead one, leading to avoidance of transportation costs and resultant reduction in tariffs to the consumers.

4. **The public notice, inviting suggestions and objections from interested public on the proposals of SCCL in the subject petition, should have been issued after seeking responses of the TS DISCOMs to the subject petition and posting the same in the web site of the Commission. It would have helped the interested public to understand the intricacies of the issues involved. It is not possible to study and analyse 1776 pages filed by SCCL in the subject petition within the short period given for filing suggestions and objections. Moreover, during the same period, public notices are issued, inviting suggestions and objections from interested public on petition of TS GENCO on issues relating to Bhadradi Thermal Power Station, with voluminous documents, ARR and tariff proposals of TS DISCOMs for the FY 2023-24 and true-up claims for their retail supply business and their petition for determination of additional surcharge for the first half of 2023-24. What has prompted the Hon'ble Commission to take up so many petitions during the same period for its consideration, even while postponing public hearing on true-up claims of TS DISCOMS for their distribution business for the period from 2006-07 to 2020-21 for more than two months on "administrative reasons" to 18.1.2023, is not known. Overlapping of so many petitions during the same period makes it impossible for anybody to study them in detail and prepare detailed responses. In addition, we have had to file our submissions on the ARR and tariff proposals of AP DISCOMs for the FY 2023-24 during the same period.**
5. **We request the Hon'ble Commission to provide us an opportunity to make further submissions during public hearings on the subject issue, after receiving responses to our submissions at least one week before the public hearing scheduled on 30.1.2023.**

Thanking you,

Yours sincerely,

M. Venugopala Rao
Senior Journalist & Convener, Centre for Power Studies
H.No.1-100/MP/101, Monarch Prestige, Journalists' Colony,
Serilingampally Mandal , Hyderabad - 500 032

Copy to :
Chief (E&M), Power Projects, SCCL, 11-4-660, 3rd floor, Singareni Bhavan, Red Hills,
Hyderabad – 500 004