



**THE SINGARENI COLLIERIES COMPANY LIMITED**  
**(A Government Company)**  
**2 X 600 MW SINGARENI THERMAL POWER PROJECT**  
**Jaipur (V&M)-504216, Mancherial (Dist), T.S.**

Ref no: STPP/COML/2022-23/256

Dt:18.01.2023

To,  
The Secretary,  
T.S. Electricity Regulatory Commission,  
5<sup>th</sup> Floor, Singareni Bhavan, Red Hills,  
Lakdi ka pool, Hyderabad – 500 008.

Sir,

Sub: SCCL – Rejoinder to the submissions by **M. Venugopala Rao** regarding O.P.No 77 of 2022 in respect of Singareni Thermal Power Project, Phase-I (2X600 MW)– Reg.

Ref: M. Venugopala Rao email dated 09.01.2023 regarding submissions in O.P.No 77 of 2022 relating to 2x600MW STPP of SCCL.

The rejoinder to the submissions made by the objector related to 2X600MW STPP vide reference email relating to midterm review petition O.P.No. 77 of 2022 is hereby submitted with six copies each.

The Hon'ble commission is kindly requested to accept the same.

Thanking you.

Yours sincerely

  
Chief Technical Consultant  
STPP,SCCL

**SANJAY KUMAR SUR**  
**CHIEF TECHNICAL CONSULTANT**  
**SINGARENI THERMAL POWER PLANT**  
**PEGADAPALLY (V), JAIPUR (M),**  
**DIST: MANCHERIAL-504 216 T.S.**

Encl: Rejoinder to the email dated 09.01.2023 with 6 copies.

CC:

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

**Rejoinder filed by petitioner to the submissions filed by M. Venugopala Rao in O.P. No. 77 of 2022**

**1) Re: SI No. 1.**

These are matters of facts. Hence no comments to offer.

**2) Re: SI No. 2.**

- a) At the outset, it is submitted that this Mid-term review is filed in compliance of orders dated 28.08.2020 of M.Y.T orders for 2019-2020. It is to submit that all capital claims in this petition are well within the limit of Revised Capital Expenditure (RCE)-2. In this connection, a copy of RCE-2 is attached with this reply.
- b) SCCL has utmost respect for the process of law and it had submitted all the claims and required data well within the permitted regulatory process provided, to enable the Hon'ble Commission for its consideration.
- c) Further, it is stated that SCCL is a government company. As such, it used public money to finance the equity of its investment in the project. Additional Capital expenditures also require huge money which provides long term benefit to the investments already made and thus the same ensures sustainability of investment.
- d) If a return to investments made from public money are not allowed in tariff then the growth of public money will be slow and negative at times, which will reduce the capacity to invest in risky infrastructure project. This ultimately will result in reduced growth of the state development.

**3) Re: SI No. 3.**

- a) The learned objector has raised the issue of Hon'ble Commission's directive for STPP's captive mine Naini in the tariff order dated 19.06.2017. It is submitted that as per the directive of Ministry of coal, SCCL has been actively pursuing the issue of coal allocation for STPP from SCCL mines at Telangana. Presently as per the latest orders of Ministry of coal SCCL is supplying coal to STPP on MoU (Bridge linkage) with the same price charged for any other bridge linkage customers.
- b) It is to kindly state that the modified Stage-II forest clearance for Naini coal mine is expected shortly, and various mine development activities are being taken up on war foot basis and it is expected that commencement of production begins in this year of 2023.
- c) It is further to state that a proposal for swapping of coal with TANGEDCO has already been formulated and on acceptance of the proposal by TANGEDCO, the application for swapping arrangement will be submitted to MoC, GoI for approval.

SANJAY KUMAR SUR  
CHIEF TECHNICAL CONSULTANT  
SINGARENI THERMAL POWER PLANT  
PEGADAPALLY (V), JAIPUR (M)  
DIST: MANCHERIAL-504 216 TS.


- d) However, it is also to point out that few impediments still exist in the proposed swapping arrangement as given below:
  - i. Limited coal requirement for TANGEDCO till all its targeted power plants come into commercial operation, expected by 2024-25.
  - ii. Non-acceptance of swapping proposal by TANGEDCO.
  
- e) In the above eventualities, at the earliest, STPP shall be supplied coal by SCCL from Naini coal mine, cost of which will be based on the CERC regulation for determination of input price applicable for captive coal mines. It is estimated with the present railway freight charges that the energy charge will not likely to be affected adversely even if coal is brought from Naini through railway transportation. The reason is obvious that CERC regulation is comparatively stringent for determination of Naini's coal price.

**4) Re: SI No. 4**

No comments to offer.

**5) Re: SI No. 5**

No comments to offer.

  
**SANJAY KUMAR SUR**  
 CHIEF TECHNICAL CONSULTANT  
 SINGARENI THERMAL POWER PLANT  
 PEGADAPALLY (V), JAIPUR (M),  
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GOVERNMENT OF TELANGANA  
ENERGY (POWER.A2) DEPARTMENT

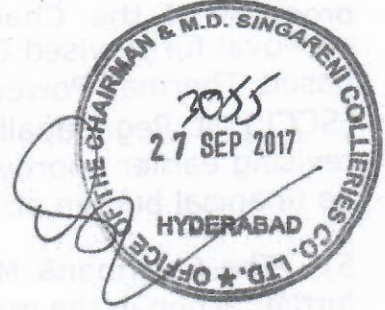
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Letter No. 10/PR.A2/2015

Dated:23.09.2017

From

The Special Chief Secretary to Government,  
Energy Department,  
Telangana Secretariat,  
Hyderabad.



To

The Chairman & Managing Director,  
M/s. Singareni Collieries Company Limited,  
Hyderabad.

Sir,

Sub: Energy Department - SCCL - Revised Cost Estimate (RCE) of 2 of 2x600 MW Singareni Thermal Power Project (STPP) at Pegadapalli village, Jaipur Mandal, Manchiryal District at a cost of Rs.8584 crores - Approval - Reg.

Ref:1.Govt. Letter No.5815/Power.I(2)/2010-1, Energy Department, Dated:03.09.2010.

2.Govt. Letter No.10/Pr.1/2015, Energy (Pr.1) Department, Dated:25.04.2015.

3.From the CMD, SCCL, Lr.No.CMD/PS/H/210, Dated:24.07.2017.

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Government of erstwhile Andhra Pradesh has accorded approval for setting up a 2X600 MW coal based Thermal Power Plant by the Singareni Collieries Company Limited (SCCL) at Pegadapalli village, Jaipur Mandal in Adilabad District at a capital investment of Rs.5685 crores vide reference 1<sup>st</sup> cited.

2. In the reference 2<sup>nd</sup> cited, Government of Telangana have accorded approval for Revised Cost Estimate of Rs.7573.51 crores of the 2x600 MW coal based Thermal Power Plant of the SCCL at pegadapalli village, Jaipur Mandal in Adilabad District duly revising earlier approval for Rs.5685 crores subject to condition that no financial burden on State exchequer and SCCL has to enter into PPAs with DISCOMs and seek consent of TSERC.

3. The Chairman & Managing Director, SCCL in the reference 3<sup>rd</sup> cited while explaining the reasons for increase of capital cost has submitted the Revised Cost Estimate of 2x600 MW coal based Thermal Power plant of SCCL at a cost of Rs.8584 crores and stated that the Revised Cost Estimate of Rs.8584 crores of the Project was considered by the Board of SCCL in its meeting held on 27.05.2017 and recommended for sanction of Government since the DPR of the Project was approved by Government as per the tripartite agreement entered between Govt. of India, State Govt. and SCCL. Further, the increased capital cost will be funded in the debt equity ratio of 70:30, and proposes the entire equity shall be met through internal resources and debt shall be sourced through financial institutions and requested to accord approval of the Government of Telangana for the same.

O/o. Dir. (E&M)  
In Ward No. 1  
Date 23/09/17

Date: 23.09.2013

Letter No. 10/P/AS/2013

4. Government of Telangana, after careful examination of the above proposal of the Chairman & Managing Director, SCCL, hereby accords approval for Revised Cost Estimate of Rs.8584 crores of the 2x600 MW coal based Thermal Power Plant of the Singareni Collieries Company Limited (SCCL) at Pegadapalli village, Jaipur Mandal in Manchiryala District duly revising earlier approval for Rs.7573.51 crores subject to the conditions that no financial burden on the State exchequer.

5) The Chairman & Managing Director, SCCL is requested to take necessary further action in the matter.

Yours faithfully

For Special Chief Secretary to Government

**Copy to:-**

- The PS to Prl. Secy to CM.
- The PS to energy Minister.
- The PS to Chief Secretary,

Government of Telangana has accorded approval for setting up a 2x600 MW coal based Thermal Power Plant by the Singareni Collieries Company Limited (SCCL) at Pegadapalli village, Jaipur Mandal in Manchiryala District at a capital investment of Rs.8584 crores vide reference 1<sup>st</sup> cited.

2. In the reference 2<sup>nd</sup> cited, Government of Telangana has accorded approval for Revised Cost Estimate of Rs.7573.51 crores of the 2x600 MW coal based Thermal Power Plant of the SCCL at Pegadapalli village, Jaipur Mandal in Manchiryala District duly revising earlier approval for Rs.6885 crores subject to condition that no financial burden on State exchequer and SCCL has to enter into PPA with DISCOM, and seek consent of TSERC.

3. The Chairman & Managing Director, SCCL in the reference 3<sup>rd</sup> cited while explaining the reasons for increase of capital cost has submitted the Revised Cost Estimate of 2x600 MW coal based Thermal Power Plant of SCCL at a cost of Rs.8584 crores and noted that the Revised Cost Estimate of Rs.8584 crores of the project was considered by the Board of SCCL in its meeting held on 23.09.2013 and recommended for sanction of Government since the DPR of the project was approved by Government as per the tripartite agreement entered between Govt. of India, State Govt. and SCCL. Further, the increased capital cost will be funded in the debt equity ratio of 70:30, and proposed the entire equity shall be met through internal resources and debt shall be sourced through financial institutions and requested to accord approval of the Government of Telangana for the same.

2013-11-23 11:00 AM  
 11/23/13 11:00 AM  
 11/23/13 11:00 AM

CONTINUATION NOTE NO. STPP/FAD/2016-17/RCE2/343/12, Dt 08.04.2016  
Dt 19.05.2017

N-16

Sub: Preparation of RCE2 for 2x600MW STPP - Request for approval - Reg.

- 39. Kindly peruse pre-pages.
- 40. The present proposal is for approval of Revised Cost Estimates i.e., (RCE-2) for 2x600MW STPP. The revised cost estimates has been arrived at Rs 8584.00 Crores as per Para-33 of Page-N14.
- 41. The allocations for 2x600MW STPP is being done as approved by competent authorities from time to time and allocations made so far is Rs 8890.24 Crores as per SAP (List enclosed).
- 42. Revised Cost Estimates-2 has been prepared at a cost of Rs 8584.00 Crores. Coal Conservation and Development Advisory Committee (CCDAC) assistance of Rs 196.00 Crores is reimbursable for laying of Railway line from SRP OC to STPP. Hence, the total allocations would be Rs 8780.00 Crores including the reimbursable amount. The expenditure incurred as on date is Rs 7968.31 Crores. ✓
- 43. Hence, excess allocations already made Rs 110.24 Crores is to be withdrawn on approval of RCE-2.
- 44. In case of new items/works which are not envisaged in RCE-2 will be allocated only on re-appropriation.

Submitted for approval please

sd/-  
GM (I&PM)

G.M (CP&P) *[Signature]*

G.M (F&A) *[Signature]*  
19/5

DIRECTOR (E&M) *[Signature]*

DIRECTOR (O) *[Signature]*

DIRECTOR (P&P) *[Signature]*

DIRECTOR (F) *[Signature]*

C. & M/D *[Signature]*

