



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/2020-21/90

Dt: 25.02.2020

To
The Secretary,
Telangana State Electricity Regulatory Commission,
5th Floor, Singareni Bhavan,
Red hills, Hyderabad - 500004.

Sub: SCCL – Determination of Tariff in respect of Singareni Thermal Power Project, Phase-I
(2X600 MW) – Additional information submitted - Reg.

Ref: 1. Your Lr.No.TSERC/Secy/JD(TE)/F:T-92/D.No.71, Dt: 31-01-2020.
2. Our Lr. No. STPP/COML/2020-21/86, Dt: 12.02.2020.
3. Your email dated 12.02.2020 allowing two weeks extension.

Sir,

The additional information sought by the Hon'ble Commission vide letter cited above in reference 1 was submitted on 10.02.2020. However, five pages of queries related to same letter was made available to us on 11.02.2020. SCCL requested the Hon'ble Commission to grant extension of time by two weeks from 12.02.2020 for submission of complete reply.

The Hon'ble Commission was kind to grant the extension of time for submission by two weeks vide reference 3 cited above.

Now, all the additional information sought by the Hon'ble Commission vide its letter dated 31.01.2020 relating to truing up petition (O.P. No. 4 of 2019) and Multi-year tariff petition (O.P. No. 5 of 2019) is hereby submitted with six copies along with a Digital Versatile Disc (DVD).

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

Thanking you.

Yours sincerely

Director (Finance)

[Signature]
DIRECTOR (FINANCE)

THE SINGARENI COLLIERIES CO.LTD.,
KOTHAGUDEM, 504216

Encl:
i) Additional information dated 26.02.2020 in reply to the letter dated 31.01.2020 with 26 copies.

ii) Soft copy of submission in the DVD.

**Additional information dated 26.02.2020
submitted in reply to Hon'ble TSERC
letter dated 31.01.2020.**

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Reply to letter dated 31.01.2020.

(1) True-up Petition for FY 2016-17 to FY 2018-19 (O.P. No. 4 of 2019)

(2) Multi Year Tariff Petition for FY 2019-20 to FY 2023-24 (O.P. No. 5 of 2019)

Questions	Reply
I. True-up for FY 2016-17 to FY 2019-20 A. General	
1. SCCL has submitted only true-up of Annual Fixed Charges in its Petition. In this regard: a. SCCL to submit the true-up of controllable and uncontrollable parameters in accordance with Regulations 8(2), 8(3), 8(6) and 8(7) of the CERC (Terms and Conditions of Tariff) Regulations, 2014.	A. It is to state that regulation 8(2) of CERC (Terms and Conditions of Tariff) Regulations 2014 provides truing up based on following controllable parameters: i. Station Heat Rate ii. Secondary fuel oil consumption iii. Auxiliary energy consumption iv. Refinancing of loan All of the above parameters are applicable to STPP. The first three factors are related to energy charge rate computation and the last factor is related to loan re-structuring. B. Regulation 8(3) provides truing up based on following uncontrollable parameters: i. Force majeure ii. Change in law iii. Primary fuel cost Among the above factors, only primary fuel cost is relevant to STPP. C. Regulation 8(6) provides the formula to compute gains on account of controllable parameters and specifies the ratio for gain sharing between generating company & beneficiary. D. Regulation 8(7) provides that gains or losses on account of uncontrollable parameters shall be passed to beneficiaries.

E. The ECR_N & ECR_A with respect to STPP was submitted on 10.02.2020 in **Annexure-1**. ECR_N & ECR_A for various operating periods computed based on station heat rate, secondary fuel oil consumption, auxiliary energy consumption & primary fuel cost are summarized below:

(In Rs./kWh)

Energy charge rate	From COD of Unit 1 Upto 31.03.2017	FY 2017-18	FY 2018-19
Normative(ECR_N)	1.636	2.041	2.279
Actual (ECR_A)	1.703	2.044	2.282

It can be seen from the above table that $ECR_A > ECR_N$ for all the periods. This makes the net gain for all periods negative as per the formulae given in regulation 8(6). Accordingly, no separate claim/computation for gain sharing is made in truing up petition.

However, the **Annexure-1** submitted on 10.02.2019 provides the details of ECR_N & ECR_A along with the normative & actual schedule energy. The same is attached as **Annexure-1**.

F. The gain from refinancing of loan and its sharing is considered in page no. 35 of submission dt: 04.12.2019. Copy of the same is attached as **Annexure-A**.

2. SCCL to submit its audited accounts for FY 2016-17, FY 2017-18 and FY 2018-19.

The annual audited accounts for 2016-17, 2017-18 & 2018-19 is now submitted as **Appendix-A** in the attached DVD.

3. SCCL to submit the trial balances for months of March 2017, March 2018 and March 2019 for the accounting heads under which the expenses and income of its thermal power project are being accounted.

The trial balances for March-17, March-18 & March-19 are submitted as Soft copy as **Appendix-B** in the attached DVD.

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4. Vide its submissions dated 04.12.2019, SCCL submitted its claim of final true-up for FY 2016-17 to FY 2018-19. However, the excel formats have not been submitted for the same. SCCL to submit the excel formats.	As desired by the Hon'ble Commission, excel formats & complete PDF of truing up petition dated 04.12.2019 is submitted herewith as Appendix-C in the attached DVD.
5. In para 7 of the Petition, SCCL requested the Commission for sharing of savings on account of refinancing of long-term loan. In this regard: a. SCCL to submit the copy of loan agreement(s) executed pursuant to refinancing of long-term loans.	It is to state that SCCL has already submitted different request letter from SCCL to lender to reduce interest rate & the communication from the Lender's side (Ref page no. 32-41 submission dated 10.07.2018) in original truing up petition. A copy of which is also attached as Annexure-B. However, no separate agreement is executed between SCCL and the lender in pursuant to refinancing of loan.
b. SCCL to submit the computations to substantiate that the refinancing of loans has resulted in net savings in interest in compliance to Regulation 26(7) of the CERC (Terms and Conditions of Tariff) Regulations, 2014.	The gain from refinancing of loan and its sharing is considered during preparation of truing up petition. The relevant computation is submitted in Page no. 35 where saving with respect to prevailing interest rate is computed along with shares of savings by loan restructuring which is required to be retained by STPP. Application of interest on notional loan submitted in page no. 27 was based upon the rates arrived upon in page no. 35. It can be seen from the computation that the applicable interest rate of 11.69% fell to 9.91%, 9.38% & 9.14% in FY 2016-17, 2017-18 & 2018-19 respectively due to loan restructuring.


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B. Compliance to Directives 6. Vide the Order dated 19.06.2017 in O.P. No. 9 of 2016, the Commission had issued certain directives. SCCL to submit the compliance to the Commission's directives.	As desired, the PVC computation of BTG package and BOP package is given as Appendix-D in attached DVD. The LD imposed upon BTG & BOP contractors are 27.73 Crs (Excluding GST) & 97.30 Crs (Excluding GST) respectively. However, BOP contractor registered disagreement to such imposition of LD. The PG test report of the boilers, mills and ESPs for the Unit-I & II related to BTG contract and PG test report for different water systems connected to BOP contract are submitted as Appendix-E in the attached DVD.																				
C. Capital Cost 7. SCCL to submit the cost audit report for its thermal power project.	It is to state that separate cost audit report for STPP was not available. However, cost audit at organizational level of SCCL has been carried out which also encompasses 2X600 MW STPP. Accordingly, yearly cost audit reports from 2016-19 are being submitted as Appendix-F in the attached DVD.																				
8. SCCL to submit the details of package wise spares capitalized in FY 2016-17 (post COD of Unit 2), FY 2017-18 and FY 2018-19.	As desired, the details of package wise spares capitalized in FY 2016-17 (post COD of Unit 2), FY 2017-18 and FY 2018-19 is attached as Annexure-C.																				
9. SCCL to submit the actual means of finance of actual additional capitalization claimed for FY 2016-17, FY 2017-18 and FY 2018-19 in the format given below:  DIRECTOR (FINANCE) THE SINGARENI COLLIERIES CO.LTD., KOTHAGUDEM - 507 101	Means of finance of actual additional capitalization is given in the table below Table: Means of finance <table><tr><th>Particulars</th><th>FY 2016-17</th><th>FY 2017-18</th><th>FY 2018-19</th><th>(Rs. Crore) Total</th></tr><tr><td>Actual additional capitalization</td><td>72.55</td><td>191.18</td><td>757.87</td><td>1,021.60</td></tr><tr><td>Debt</td><td>-</td><td>-</td><td>77.34</td><td>67.95</td></tr><tr><td>Equity</td><td>72.55</td><td>191.18</td><td>680.53</td><td>953.65</td></tr></table>	Particulars	FY 2016-17	FY 2017-18	FY 2018-19	(Rs. Crore) Total	Actual additional capitalization	72.55	191.18	757.87	1,021.60	Debt	-	-	77.34	67.95	Equity	72.55	191.18	680.53	953.65
Particulars	FY 2016-17	FY 2017-18	FY 2018-19	(Rs. Crore) Total																	
Actual additional capitalization	72.55	191.18	757.87	1,021.60																	
Debt	-	-	77.34	67.95																	
Equity	72.55	191.18	680.53	953.65																	

Table 1: Means of finance of actual additional capitalization (Rs. Crore)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19
Actual additional capitalization			
Debt			
Equity			

D. Tariff

10. SCCL has considered the tax rate of 21.34% (MAT Rate) for grossing up of base rate of RoE, for FY 2016-17, FY 2017-18 and FY 2018-19. In this regard:

a. SCCL to confirm if it had paid Minimum Alternate Tax during FY 2016-17, FY 2017-18 and FY 2018-19.

b. If no, SCCL to submit the computations of Effective Tax Rate for FY 2016-17, FY 2017-18 and FY 2018-19 in accordance with Regulation 25(2) of the CERC (Terms and Conditions of Tariff) Regulations, 2014.

Detailed reply in respect of queries is attached as **Annexure-D**.

Detailed reply in respect of queries is attached as **Annexure-D**.


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11. SCCL to submit the Variable Charges as billed to DISCOMs and actuals in the format enclosed at Annexure 1.	As desired, the Annexure-1 was submitted before the Commission on 10.02.2020. However, some minor rectification is made with respect to the reported values of the PLFs. A revised Annexure-1 is submitted and the soft copy of the same is also submitted now in Appendix-G in the attached DVD.
12. SCCL to submit the duly filled in Excel Form 18 (Details/Information to be submitted in respect of fuel for computation of Energy Charges) giving month wise details of each fuel (LDO, HFO, Bridge Linkage, Captive Coal etc.) for FY 2016-17, FY 2017-18 and 2018-19.	As desired, fuel related data in Form-15 (as per CERC tariff regulation, 2014) during 2016-19 are given as Appendix-H in attached DVD.
13. SCCL to submit the break-up of actual prices of each primary and secondary fuel in the format enclosed at Annexure 2.	As desired, the Annexure-2 was submitted before the Commission on 10.02.2020. Further, now Annexure-2 is submitted by including LDO & HFO prices.
14. SCCL to submit the SLDC Certificate for the actual Availability and Plant Load Factor for FY 2016-17, FY 2017-18 and FY 2018-19.	Availability certification for 2017-19 was made available to STPP and the same is submitted herein as Appendix-I . Further, the request to issue availability certification for 2016-17 is pending before the SLDC. The availability for 2016-17 is 86.25% as per the records maintained by STPP. It is also to state that no separate certification for PLF was issued to STPP. Accordingly, as desired by the Hon'ble Commission the PLFs for 2016-19 as computed by STPP based on the official records are submitted as Annexure-E .
II. MYT for FY 2019-20 to FY 2023-24	A. The reasoning for claiming similar operating norm specified for KTPP was submitted in Page no. 16 to 18 of MYT petition. The same is reproduced as Annexure-F .
15. SCCL has sought the norms of operation for the Control period from	B. The norms of KTPP II based on CERC regulations, 2014 are 5.25% Aux and station heat rate as 2305.11 kcal/kg. This can be ascertained from the TSERC order dated 5 th June, 2017. A copy of related page is

FY 2019-20 to FY 2023-24 at par with the norms specified for KTPP State II. SCCL to submit the justification for claiming the norms of operation specified for KTPP Stage II and not in accordance with the provisions of the TSERC Tariff Regulations, 2019 as applicable to its thermal power plant.

attached as **Annexure-G**.

C. The norms of STPP computed based upon CERC regulation, 2014 is 5.75% aux (5.25%+0.5% for induced draft cooling tower) and station heat rate as 2303.88 kcal/kg.

The following table compares the operating norms:

Parameter	Unit	STPP	KTPP	Remark
Aux	%	5.75	5.25	Due to induced draft cooling tower norm Aux for STPP is more by 0.5%
SHR	Kcal/kWh	2315	2304	Very similar value of SHR

D. It is clear from the above table that the design parameters of the units are very close to each other and therefore require similar norms. Further, due to presence of induced draft cooling tower and due to in principle approval for FGD, normative aux for STPP is required to be adjusted by 2% (1.5% for FGD & 0.5% for IDCT).

E. The actual operational parameter can also be compared for a closer look into the situation.

F. Comparison of operational data for 2016-17 between KTPP-II & STPP is produced below:

Comparison of operational data between KTPP-II & STPP in 2016-17

Parameter	Unit	KTPP-II	STPP
Aux	%	6.59%	7.143%
SHR	Kcal/kWh	2293	2360


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G. The values of aux & SHR for 2017-18 & 2018-19 are also given below so that the Hon'ble Commission may further extend the comparison if it desires so.

Parameter	unit	2017-18	2018-19
Aux	%	5.97	5.64
SHR	Kcal/kWh	2314	2315

H. As the operating norms for KTPP in draft regulation stage was matching to STPP, STPP could not request the Hon'ble Commission for change in STPP's operating norm at the draft stage. Hence, the Hon'ble Commission may kindly look into the issue and fix a comparable norm for STPP.

I. Further, the operating norms of STPP as per CERC tariff regulation 2014-19 and CERC tariff regulations 2019-24 are also computed and produced below to show the dynamism in norm setting process which frequently changes norm from one tariff regime to another.

Parameter	Unit	As per CERC norms 2014-19	As per CERC norms 2019-24
Normative Annual Plant Availability Factor (Target Availability)	%	85%	85%
Normative annual Plant Load Factor (for computation of incentive)	%	85%	85%
Gross Station Heat Rate	Kcal/kWh	2303.88	2315
Secondary fuel oil consumption	MI/kWh	0.5	0.5
Auxiliary energy consumption	%	5.75%	6.25%
Transit and Handling losses	%	0.80%	0.80%


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16. In para 9 of the Petition, SCCL submitted the Capital Investment Plan for the Control Period from FY 2019-20 to FY 2023-24. Regulations 7.3 & 7.4 of the TSERC Tariff Regulations, 2019 stipulated as under:

"7.3 The Capital Investment Plan submitted along with Business Plan shall include the details of purpose of investment, broad technical specifications of the proposed investment and supporting details. It shall also include capital structure, capitalization schedule with milestones for completion, financing plan with sources of investment, physical targets, Cost-benefit analysis, prioritization of proposed investments etc.
7.4. The capital investment plan during the Control Period shall be commensurate with the requirement of existing capacity."

It is to state that the CIP submitted contains purpose of investment along with supporting details. It also contains board technical specification where detailed project report/quotation from original equipment manufacturer are available. Further, the capital structure/financing plan was submitted in serial no. 10 in page no. 35 of capital investment plan. CIP also provided year wise capitalization schedules. However, due to long pendency of the CIP petition, all the investments were now being shifted by one year.

Further, as the Hon'ble Commission desired, the prioritization & item wise benefits against proposed costs are now indicated. It is also stated that STPP requires two numbers of wagon tippler for unloading coal from BOXN wagon by which coal will be shortly sourced from Naini coal block of Orissa.

Accordingly, A broad synopsis of CIP proposal is now made with updated information complying the additional requirement mentioned by Hon'ble Commission. The same is submitted now in **Annexure-H**.

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The Capital Investment Plan submitted by SCCL is not in compliance with Regulations 7.3 & 7.4 reproduced above. SCCL to submit the Capital Investment Plan in compliance with Regulations 7.3 and 7.4 of the TSERC Tariff Regulations, 2019.	
17. SCCL to submit the justification for the capital expenditure claimed during the Control Period from FY 2019-20 to FY 2023-24 in accordance with the provisions of the TSERC Tariff Regulations, 2019.	It is to state that the justification is now given against each of the capital expenditure as per provisions of TSERC tariff regulations, 2019 in Annexure-H.
18. Regulation 7.2 of the TSERC Tariff Regulations, 2019 stipulate, amongst others, submission of (i) Compliance status to environmental norms, and (ii) Saving in operating costs. SCCL has not submitted the same in its Business Plan. SCCL to submit the (i) Compliance status to environmental norms, and (ii) Saving in operating costs in compliance to Regulation 7.2 of the TSERC Tariff Regulations, 2019.	Compliance status to environmental norms is submitted now in Annexure-I. Savings in operating costs is submitted in Annexure-J.  DIRECTOR (FINANCE) THE SINGARENI COLLIERIES CO. LTD., KOTHAGUDEM - 507 101

19. SCCL has sought the norms of operation for the Control period from FY 2019-20 to FY 2023-24 at par with the norms specified for KTPP Stage II. Regulation 3.7.1 of the TSERC Tariff Regulations, 2019 stipulate that the performance parameters specified in the Regulations shall form the basis of projection of Aggregate Revenue Requirement for the entire Control Period. SCCL to revise its claim of Aggregate Revenue Requirement for the Control Period from FY 2019-20 to FY 2023-24 in accordance with the performance parameters as applicable to its thermal power plant.

The tariff policy in clause 3.11(f) provides that the operating parameters should be at normative level and not at lower of normative & actual.

It can be stated from the above that if norm of a power plant is set at 80% and the actual operation is done at 75% level, the same shall be taken as 80% and other operating norms such as SHR, Aux which may be more at lower operating levels may not be allowed.

The same clause of tariff policy further provides that in case where operations have been much below than the norms for many previous years, the SERCs may fix relaxed norms suitably and draw a transition path over time for achieving the norms.

Accordingly, as per regulation 3.7.1, trajectories of performance parameters if specified are relevant for stations which were operated much below than the norms for years. For other the projections may be done based on improved performance parameter projected for the control period based on actual past performance. Further, the marginal cost of thermal power plant beyond normative level of operation (85%) is less and comprises of only energy charge.

It may also be noted that by operating the plant at higher PLF, the fixed charge rate also reduces which is a gain to the beneficiary.

So a plant operating above normative level makes the power cheaper to beneficiary.

Accordingly, STPP has projected ARR based on 91% PLF (which is related to its past performance), so that the overall tariff impact on consumer gets minimized.

However, as the actual fuel parameters upto December 2019 is now available, the energy charge projections were updated along with correction of computation in IWC for FGD. The CIP was also shifted by one year in views of approvals pending before the Hon'ble Commission. The final projection of ARR for 2019-24 is now modified suitably and placed as **Annexure-K**.


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20.SCCL submitted the Excel Formats along with its MYT Petition for FY 2019-20 to FY 2023-24. The cells in submitted Excel Formats are showing #VALUE! error. SCCL to submit the corrected Excel Formats.	As desired, the corrected excel formats of MYT petition is provided as Appendix-J in attached DVD.
21.Regulation 3.10.2 of the TSERC Tariff Regulations, 2019 stipulate that the capital investment plan shall show, separately, ongoing projects that will spill over into the Control Period, and new projects that will commence in the Control Period but may be completed within or beyond it, for which relevant technical and commercial details shall be provided. SCCL to submit the Capital Investment Plan for the Control Period from FY 2019-20 to FY 2023-24 in accordance with Regulation 3.10.2 of the TSERC Tariff Regulations, 2019.	The list of spill over items was submitted in page no. 154 of CIP. However, the same is now being updated & submitted as Annexure-L.  DIRECTOR (FINANCE) THE SINGARENI COLLIERIES CO.LTD., KOTHAGUDEM - 507 101
22.SCCL to submit the copy of DPR prepared by NTPC for FGD system.	The DPR was submitted in CIP petition in Page no. 42 to 144. The CIP petition in PDF format is provided as Appendix-k in attached DVD.
23.SCCL submitted the interest on loan for FY 2018-19 as Rs. 501.84 Crore whereas the same has been submitted	➤ Initially the interest on loan for MYT petition was submitted based on the data available till March, 2018. As desired, MYT petition is now being updated with the interest data of 2018-19. ➤ Discrepancy in loan repayment figures in truing up petition was now corrected. Updated MYT petition

as 502.99 Crore in the submissions dated 04.12.2019 in true-up Petition. SCCL to rectify this discrepancy and reconcile the figures.	& truing up petition is submitted in soft copy as Appendix-L in attached DVD. ➤ Interest on loan for FY 2018-19 in revised forms of MYT submission & truing up petition is now same.																		
24.SCCL to submit the computations of O&M expenses for the Control Period from FY 2019-20 to FY 2023-24 in MS Excel with formulae and linkages at appropriate places.	The computation as sought is an integral part of MYT petition, soft copy of which is provided as Appendix-L in attached DVD.																		
25.SCCL to submit the actual expenses incurred towards license fee, fee for determination of tariff and audit fee in FY 2016-17, FY 2017-18 and FY 2018-19 in the format given below:	The actual expenses incurred towards license fee, fee for determination of tariff and audit fee in FY 2016-17, FY 2017-18 and FY 2018-19 are given in the below table: (In Rs.)																		
	<table><tr><th>Particulars</th><th>FY 2016-17</th><th>FY 2017-18</th><th>FY 2018-19</th></tr><tr><td>License fee</td><td>-</td><td>84,14,172</td><td>3,91,66,802</td></tr><tr><td>Fee for determination of tariff</td><td>25,000</td><td>-</td><td>60,000</td></tr><tr><td>Audit fee</td><td>17,00,000</td><td>17,00,000</td><td>17,00,000</td></tr></table>	Particulars	FY 2016-17	FY 2017-18	FY 2018-19	License fee	-	84,14,172	3,91,66,802	Fee for determination of tariff	25,000	-	60,000	Audit fee	17,00,000	17,00,000	17,00,000		
Particulars	FY 2016-17	FY 2017-18	FY 2018-19																
License fee	-	84,14,172	3,91,66,802																
Fee for determination of tariff	25,000	-	60,000																
Audit fee	17,00,000	17,00,000	17,00,000																
<table><tr><th>Particulars</th><th>FY 2016-17 (Rs.Crore)</th><th>FY 2017-18 (Rs.Crore)</th><th>FY 2018-19 (Rs. Crore)</th></tr><tr><td>License fee</td><td></td><td></td><td></td></tr><tr><td>Fee for determination of tariff</td><td></td><td></td><td></td></tr><tr><td>Audit fee</td><td></td><td></td><td></td></tr></table>	Particulars	FY 2016-17 (Rs.Crore)	FY 2017-18 (Rs.Crore)	FY 2018-19 (Rs. Crore)	License fee				Fee for determination of tariff				Audit fee				Note: The audit fee paid for 2016-19 is for total SCCL company.		
Particulars	FY 2016-17 (Rs.Crore)	FY 2017-18 (Rs.Crore)	FY 2018-19 (Rs. Crore)																
License fee																			
Fee for determination of tariff																			
Audit fee																			
26. SCCL to submit the duly filled in Excel Form 18 (Details/Information to be submitted in respect of fuel for computation of Energy Charges) giving month wise details of each fuel (LDO, HFO, Bridge Linkage Coal, Captive Coal	It is to submit that clause 21.10 of TS 01 of 2019 specifically provides to revise energy charges based on as fired GCV and submission of these as fired GCVs are being mandated by the second para of clause 21.7. Hence, during 2019-24 tariff period, SCCL is providing as fired GCVs of fuel in Form-15. It is to note that fuel data is submitted to Discoms in prescribed format of CERC to the extent it is consistent with the relevant																		

etc.) for FY 2019-20 (upto December, 2019).	clauses of TS 01 of 2019. Energy bills are being raised on as fired GCV during tariff period 2019-24 till the issuance of order on 08.02.2020 in Interlocutory Appeal No. 02 of 2020 in O.P. no. 05 of 2019. Accordingly, fuel related data in Form-15 during 2019-20 (upto December, 2019) are given as Appendix-M in attached DVD.
27. In para 19 of the Petition, SCCL has claimed the incentive in accordance with CERC (Terms and Conditions of Tariff) Regulations, 2019. SCCL to submit the justification for claiming the incentive in accordance with CERC (Terms and Conditions of Tariff) Regulations, 2019 while the Tariff has been claimed in accordance with TSERC Tariff Regulations, 2019.	The clause 21.4 of TSERC regulation 1 of 2019 is quoted below: <i>“21.4 PLF Incentive to a Generating Station shall be payable at the rate specified in CERC Regulations, 2014 as applicable during control period. ”</i> Accordingly, SCCL has claimed incentive in accordance with CERC regulation 2019-24 which became the applicable regulation for the tariff period 2019-24.
28. In para 20 of the Petition, SCCL has claimed the additional interest on working capital and O&M expenses towards FGD system and NOx mitigation system. SCCL to submit the justification for claiming the same in accordance with the provisions of the TSERC Tariff Regulations, 2019.  DIRECTOR (FINANCE) THE SINGARENI COLLIERIES CO.LTD., KOTHAGUDEM - 507 101	A. The justification for claiming O&M expense & interest on working capital for FGD & NOx mitigation system was submitted in para 20 (page 20) of MYT. The relevant page is attached as Annexure-M. B. It may please be noted that significant reagent cost will be incurred for FGD system. (Around 1.31 Crore per annum) C. This reagent needs to be purchased and stored beforehand, so to be sufficient for fulfilling at least 30 days requirement of reagent. This will also added to the O&M requirement for running the additional FGD system by 13 Crore per annum and will increase the requirement of maintenance spares considerably. Therefore by the application of similar principle as given in 13.1, there shall be expenditure on interest on working capital for the new FGD (and NOx mitigation) system. Further, additional O&M expense is

	required for FGD & NOx mitigation system. Accordingly, both additional O&M and interest on additional working capital are required to be considered by the Hon'ble Commission.
29. In para 15 of the Petition, SCCL submitted that the cost of coal towards stock has been considered corresponding to 30 days. Regulation 13 of the TSERC Tariff Regulation, 2019 stipulate that the cost of coal towards stock is to be considered as lower of (a) maximum coal stock storage capacity, (b) for generation corresponding to target availability and (c) 15 days for pit head generating station. SCCL to submit the justification for considering cost of coal towards 30 days coal stock in accordance with Regulation 13 of the TSERC Tariff Regulations, 2019.	Hon'ble TSERC vide its order dated 19.06.2017 confirmed 2X600 MW STPP as non pit head station and allowed the transit loss accordingly. Related page is attached as Annexure-N. The regulation 13.1 provides consideration of coal cost in stock for non pit head stations shall be lower of 30 days coal cost for generating at normative availability or maximum coal storage capacity of the station. In case of STPP, the coal storage capacity is more than 30 days. Accordingly, 30 days coal cost is included in computation of working capital.
30. SCCL has claimed the Non-Tariff Income of Rs. 36.79 Crore for each year of the Control Period from FY 2019-20 to FY 2023-24. SCCL to submit the basis of the Non-Tariff Income claimed.	SCCL has claimed the Non-Tariff Income of Rs 36.79 lakhs and not 36.79 Crores in each year for the control period FY2019-24 in MYT Petition. This projected non tariff income comprises of Rental charges, Electricity charges recoverable from Employees and Contractors and Late Delivery Penalties recoverable from suppliers.  DIRECTOR (FINANCE) THE SINGARENI COLLIERIES CO.LTD., KOTHAGUDEM - 507 101

Annexure - 1 : Energy charges.

Annexure 1: Energy Charges

Sr No.	Particulars	Units	FY 2016-17						FY 2017-18		FY 2018-19	
			From COD of Unit 1 upto COD of Unit 2		From COD of Unit 2 upto 31.03.2017		From COD of Unit 1 upto 31.03.2017					
			Normative	Actual	Normative	Actual	Normative	Actual	Normative	Actual	Normative	Actual
1	Operational Parameters											
1.1	Total Capacity	MW	600	600	1200	1200	1200	1200	1200	1200	1200	1200
1.2	Availability	%	85	79.03	85	88.31	85	86.25	85	92.65	85	83.64
1.3	PLF	%	85	69.41	85	82.29	85	79.44	85	91.06	85	81.94
1.4	Scheduled Generation	MU	784.46	640.6	2745.62	2680.27	3530.08	3320.87	8421.43	9021.43	8421.43	8118.26
1.5	Gross Generation	MU	832.32	694.95	2913.12	2846.51	3745.44	3541.46	8935.20	9575.26	8935.20	8698.48
1.6	Auxiliary Consumption	%	5.75	11.24	5.75	6.15	5.75	7.143	5.75	5.97	5.75	5.64
1.7	Auxiliary Consumption	MU	47.86	78.14	167.50	174.93	215.36	252.97	513.77	571.56	513.77	490.27
1.8	Net Generation	MU	784.46	616.81	2745.62	2671.58	3530.08	3288.49	8421.43	9003.70	8421.43	8208.21
1.9	Gross Station Heat Rate	kcal/kWh	2303.88	2339.99	2303.88	2374.98	2303.88	2359.66	2303.88	2313.98	2303.88	2314.73
1.10	Secondary Fuel Oil Heat rate	kcal/kWh	4.90	14.33	5.00	10.88	5.00	12.79	5.00	2.82	4.99	2.38
1.11	Transit Loss	%	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.80	0.80	0.80
2	Fuel Parameters (for each primary and secondary fuel)											
2.1	Calorific Value (As billed)											
2.1.1	Fuel 1(Coal)	kcal/kg	4093.00	4093.00	4259.25	4259.25	4188.00	4188.00	4230.75	4230.75	4167.7	4167.7
2.1.2	Fuel 2(HFO)	kcal/L	9950	9950	9950	9950	9950	9950	9950	9950	9950	9950
2.1.3	Fuel 3(LDO)	kcal/L	10080	10080	10080	10080	10080	10080	10080	10080	10080	10080
2.2	Calorific Value (As received)											
2.2.1	Fuel 1(Coal)	kcal/kg	3919.33	3919.33	4120.50	4120.50	4034.29	4034.29	3751.00	3751.00	3856.08	3856.08
2.2.2	Fuel 2(HFO)	kcal/L	10028.15	10028.15	9992.58	9992.58	10007.82	10007.82	10000.33	10000.33	9970.72	9970.72
2.2.3	Fuel 3(LDO)	kcal/L										
2.3	Calorific Value (As Fired)											
2.3.1	Fuel 1(Coal)	kcal/kg	3812.5	3812.5	4045.23	4045.23	3999.58	3999.58	3695.31	3695.31	3806.55	3806.55
2.3.2	Fuel 2(HFO)	kcal/L	10028.15	10028.15	9992.58	9992.58	10007.82	10007.82	10000.33	10000.33	9970.72	9970.72
2.3.3	Fuel 3(LDO)	kcal/L										
2.4	Actual stacking loss											

Annexure 1: Energy Charges

Sr No.	Particulars	Units	FY 2016-17						FY 2017-18		FY 2018-19	
			From COD of Unit 1 upto COD of Unit 2		From COD of Unit 2 upto 31.03.2017		From COD of Unit 1 upto 31.03.2017					
			Normative	Actual	Normative	Actual	Normative	Actual	Normative	Actual	Normative	Actual
2.4.1	Fuel 1(Coal)	%	-	2.73	-	1.83	-	0.86	-	1.48	-	1.28
2.4.2	Fuel 2(HFO)	%	-	-	-	-	-	-	-	-	-	-
2.4.3	Fuel 3(LDO)	%	-	-	-	-	-	-	-	-	-	-
2.5	Landed Cost of Fuel											
2.5.1	Fuel 1(Coal)	Rs/MT	2905.51	2905.51	2867.29	2867.29	2876.41	2876.41	3296.32	3296.32	3785.53	3785.53
2.5.2	Fuel 2(HFO)	Rs/KL	37552.55	37552.55	37396.15	37396.15	37463.18	37463.18	38134.41	38134.41	43524.10	43524.10
2.5.3	Fuel 3(LDO)	Rs/KL										
3	Fuel Consumption and Heat Contribution (for each fuel separately)											
3.1	Specific Fuel Consumption											
3.1.1	Fuel 1(coal)	kg/kWh	0.59	0.58	0.56	0.58	0.6	0.58	0.61	0.62	0.6	0.60
3.1.2	Fuel 2(HFO)	ml/kWh	0.5	1.78	0.50	1.16	0.50	1.28	0.50	0.29	0.50	0.24
3.1.3	Fuel 3(LDO)	ml/kWh										
3.2	Total Fuel Consumption											
3.2.1	Fuel 1(coal)	MT	481121	400719	1625300.77	1642296	2106422	2043015	5481003.48	5906418.00	5328099.37	5219898.00
3.2.2	Fuel 2(HFO)	KL	416.16	991.404	1456.560	3113.939	1872.720	4105.344	4467.600	2692.235	4467.600	2077.269
3.2.3	Fuel 3(LDO)	KL										
3.3	Heat Content (each fuel separately)											
3.3.3	Fuel 1(coal)	Million kcal	1885673.13	1570552.27	6697051.82	6767078.72	8497906.80	8242105.29	20559244.06	22154973.92	20545595.18	20128361.68
3.3.4	Fuel 2(HFO)	Million kcal	4173.31	9941.95	14554.79	31116.29	18741.85	41085.55	44677.49	26923.25	44545.18	20711.87
3.3.5	Fuel 3(LDO)	Million kcal										
	Total Heat Content	Million kcal	1889846.45	1580494.22	6711606.61	6798195.01	8516648.65	8283190.84	20603921.55	22181897.17	20590140.36	20149073.55
4	Total Fuel Cost											
4.1.1	Fuel 1(coal)	Rs. Crore	139.79	116.43	466.02	470.89	605.89	587.65	1806.72	1946.95	2016.97	1976.01

Annexure 1: Energy Charges

Sr No.	Particulars	Units	FY 2016-17						FY 2017-18		FY 2018-19	
			From COD of Unit 1 upto COD of Unit 2		From COD of Unit 2 upto 31.03.2017		From COD of Unit 1 upto 31.03.2017					
			Normative	Actual	Normative	Actual	Normative	Actual	Normative	Actual	Normative	Actual
4.1.2	Fuel 2(HFO)	Rs. Crore	1.56	3.72	5.45	11.64	7.02	15.38	17.04	10.27	19.44	9.04
4.1.3	Fuel 3(LDO)	Rs. Crore										
	Total Fuel Cost	Rs. Crore	141.35	120.15	471.47	482.54	612.91	603.03	1823.75	1957.21	2036.41	1985.05
5	Other Charges and Adjustments											
5.1.1	Other Charges (pl. Specify	Rs. Crore	-	-	-	-	-	-	-	-	-	-
5.1.2	Other Adjustments (pl. Specify details)	Rs. Crore	-	-	-	-	-	-	-	-	-	-
	Total Other Charges and Adjustments	Rs. Crore	-	-	-	-	-	-	-	-	-	-
6	Total Cost (4+5)	Rs. Crore	141.35	120.15	471.47	482.54	612.91	603.03	1823.75	1957.21	2036.41	1985.05
7	Energy Charges per unit (ex- bus)	Rs/kWh	1.698	1.729	1.618	1.695	1.636	1.703	2.041	2.044	2.279	2.282

Please note: Energy charge rate (ECR) for energy billing during 2016-19 has been computed based upon clause no 30.6.(a) of CERC tariff regulation 2014-19.

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Annexure - 2 : Break-up of Fuel price.

Annexure-2: Break-up of Coal price

Sr No.	Particulars	Units	FY 2016-17		FY 2017-18	FY 2018-19
			From COD of Unit 1 upto COD of Unit 2	From COD of Unit 2 upto 31.03.2017		
			Actual	Actual	Actual	Actual
1	Basic Cost	Rs/MT	2596.61	2599.96	3014.37	3473.19
2	Freight	Rs/MT	135.99	134.58	93.14	105.58
3	Freight Surcharge, if applicable	Rs/MT				
4	Fuel Handling Charges	Rs/MT				
5	Taxes and Duties (pl. Specify details)	Rs/MT	149.66	109.81	162.44	176.47
6	Any other charges	Rs/MT				
7	Total Price excluding Transit Loss	Rs/MT	2882.25	2844.35	3269.95	3755.24
8	Transit Loss	%	0.8	0.8	0.8	0.8
9	Total Price including Transit Loss	Rs/MT	2905.50	2867.29	3296.32	3785.53

Please note: The above mentioned price is the landed price of coal as received in the plant premise.

Annexure-2: Break-up of LDO price

Sr No.	Particulars	Units	FY 2016-17		FY 2017-18	FY 2018-19
			From COD of Unit 1 upto COD of Unit 2	From COD of Unit 2 upto 31.03.2017		
			Actual	Actual	Actual	Actual
1	Basic Cost	Rs/KL	42821.34	44984.97	42380.13	49587.76
2	Freight	Rs/KL	Included in sl no. 1	Included in sl no. 1	2158.36	2387.77
3	Freight Surcharge, if applicable	Rs/KL				
4	Fuel Handling Charges	Rs/KL				
5	Taxes and Duties (pl. Specify details)	Rs/KL				
6	Any other charges	Rs/KL				
7	Total Price excluding Transit Loss	Rs/KL	42821.34	44984.97	44538.49	51975.53
8	Transit Loss	%				
9	Total Price including Transit Loss	Rs/KL	42821.34	44984.97	44538.49	51975.53

Please note: The Freight charges for 2016-17 was included by supplier in the basic price itself.

Annexure-2: Break-up of HFO price

Sr No.	Particulars	Units	FY 2016-17		FY 2017-18	FY 2018-19
			From COD of Unit 1 upto COD of Unit 2	From COD of Unit 2 upto 31.03.2017		
			Actual	Actual	Actual	Actual
1	Basic Cost	Rs/KL	29377.59	33668.69	32537.25	41366.85
2	Freight	Rs/KL	Included in sl no. 1	Included in sl no. 1	350.92	2177.24
3	Freight Surcharge, if applicable	Rs/KL				
4	Fuel Handling Charges	Rs/KL				
5	Taxes and Duties (pl. Specify details)	Rs/KL				
6	Any other charges	Rs/KL				
7	Total Price excluding Transit Loss	Rs/KL	29377.59	33668.69	32888.16	43544.08
8	Transit Loss	%				
9	Total Price including Transit Loss	Rs/KL	29377.59	33668.69	32888.16	43544.08

Please note: The Freight charges for 2016-17 was included by supplier in the basic price itself.

Annexure - A : The gain from refinancing of loan and its sharing.

Appendix-II

Computation of interest rate including the benefit for loan restructuring

Name of the Company: The Singareni Collieries Company Ltd
 Name of the Power Station: Singareni Thermal Power Project

(Amount in Rs Crs)

Sl.	Particular	25/09/2016 to 01/12/2016	02/12/2016 to 31/3/2017	FY 2017-18	FY 2018-19
	1	2	3	4	5
1	Gross Loan - Opening	4,457.65	4,624.11	4,767.12	5,003.97
2	Cumulative repayments of Loans up to previous year	0.00	0.00	96.27	495.98
3	Net Loan - Opening	4,457.65	4,624.11	4,670.85	4,507.99
4	Add: Drawal(s) during the year	166.46	143.01	236.85	194.64
5	Less: Repayment (s) of Loans during the year	0.00	96.27	399.72	420.36
6	Net Loan - Closing	4,624.11	4,670.85	4,507.99	4,282.27
7	Average Net Loan	4,575.44	4,623.37	4,512.50	4,395.13
8	Rate of Interest on Loan	11.69%	9.91%	9.38%	9.14%
9	Interest on Loan	99.66	150.57	423.12	401.67
10	Savings of interest	0	1.79%	2.32%	2.55%
11	1/3rd interest passed on to generating company.	0.00%	0.60%	0.77%	0.85%
12	Total applicable interest rate, (SI 8+ SI 11)	11.69%	10.50%	10.15%	9.99%

afm
 (Petitioner) R. A. M. JRS
 DIRECTOR (FINANCE)
 THE SINGARENI COLLIERIES CO. LTD.

KOTHAGUDEM - 507 101.

Annexure - B : Request letter from SCCL to lender to reduce interest rate & the communication from the Lender's side.

THE SINGARENI COLLIERIES COMPANY LIMITED.
(A Government Company)
Registered Office
Kolhagudem Collieries (P.O) - 507 101, Bhadradi Kolhagudem Dist., Telangana State
CIN : U01027CG18205GCD00571

Ref.No.CRP/FAD/GM/PP/Loan-1/801
To

ED (Project),
M/s. Power Finance Corporation Ltd.,
"Ujjanidhi", 1, Barakhamba Lane,
Connaught Place,
NEW DELHI - 110001.

FAX NO. 011 23456588

Sir,

Sub: Financial Assistance of Rs.3980 crores (Loan No,31B01001)
for selling up 2x600 MW Thermal Power Plant at Jalpur

Please recall the discussions held with M/s Power Finance Corporation at 11.11.2018 at New Delhi in connection with the interest rate reduction for 1st loan drawn for selling up 2x600 MW Thermal Power Plant at Jalpur.

1. M/s PFC has sanctioned a long term loan of Rs. 3980 crores i.e., 70% of DPR amount of Rs.5685 crores to SCCL for selling up 2x600 MW Thermal Power Plant at Jalpur.

- Date of 1st drawal is 23.11.2011.
- Rate of interest charged on loan ..12.25%.
- Date of 1st loan amount of Rs. 3980 crores was completely drawn by 2.2.2016.

The following are the details of Loan amount drawn and interest rates charged till 2nd quarter of 2016 against 1st loan

sl no.	Loan No	Loan amount drawn till 30.9.2016	Applicable rate of interest
1	1st loan of Rs. 3980 crores.	25983114297	12.00%
		3201503109	11.75%
		10615382594	11.40%
	TOTAL	39800000000	

11.75 - 10.55
11.50 - 10.10
11.15 - 9.75
10.70 - 9.50

THE SINGARENI COLLIERIES COMPANY LIMITED.

(A Government Company)

Registered Office

Kothagudem Collieries (P.O.) - 507 101, Bhadradi Kothagudem Dist., Telangana State

CIN : U10102TG1820SCC000571

Phone No:08744-242452.

Fax No:08744-243813.

e-mail: grfina@scclmtns.com.

Website: www.scclmtns.com.

2. An additional loan amount of Rs.1320 crores was sanctioned as the cost of the 2 X 800 MW Power Project (Stage I) has been revised to Rs. 7573 crores (RCE) by M/s PFC & REC consortium.

- Date of 1st drawal from 2nd loan is 31.03.2016.
- Rate of interest charged on loan ..9.63%.

The following are the details of Loan amount drawn and interest rates charged by the Consortium of PFC & REC till 2nd quarter of 2016 against 2nd loan.

sl no.	Loan No	Loan amount drawn till 30.8.2016	Applicable rate of interest
		1212217127	9.63%
		265044153	9.44%
		211934409	9.42%
		28792820	9.40%
	2nd loan of Rs. 1320 cr	1151877813	9.36%
		1180193503	9.26%
		20068603	9.23%
		895600166	9.02%
		242154087	8.93%
	TOTAL	5018783681	

3. All the works relating to 2 X 800 MW Singareni Thermal Power Project are nearing completion. The total expenditure incurred by the end of October is Rs. 7650 crores as against estimated cost of Rs.8500 crores COD of 1 unit of November 2016. Total power generation has been exported to TSDISCOMs as per Power Purchase Agreement.

4. Interest During Construction (IDC) was estimated at Rs.650.76 and the same was provided in the DPR. After placing the contract for BTG package on BHEL and entering the loan agreement with PFC, cost of the project was re-estimated to Rs.7573 crores which includes IDC Rs.884.57 crores. COD of the project is expected by the end of November 2016 and final cost of the project is estimated around Rs.8500 crores. IDC is estimated to Rs.1260 crores out of which Rs.1240 crores has already been paid to PFC & REC.

THE SINGARENI COLLIERIES COMPANY LIMITED.
(A Government Company)

Kolhagudem Collieries (P.O) - 507 101, Bhadrachal Kolhagudem Dist., Telangana State
CIN : U10102TG1920SGC000571

Phone No:08744-242452.
Fax No:08744-243613.
e-mail:off_gymfine@scclnlines.com.
Website: www.scclnlines.com.

5. The Board of Directors of SCCL In the Board meeting held on 04.11.2018 at Hyderabad, advised to take up the issue of reduction of interest rate on First Loan amount of Rs. 3980 crores.

8. Cost on account of IDC has been increased abnormally mainly due to high rate of interest. IDC alone works out to Rs.1.05 crores per MW.

In view of the above, It is requested to reduce the interest rate to 9% on 1st loan of Rs.3980 crores and also inform the procedure for claiming the interest reduction for 1st loan, and other formalities to be fulfilled if any.

Thanking you,

Yours faithfully,
for The Singareni Collieries Co.Ltd.,

DIRECTOR (FINANCE)
[Signature]

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THE SINGARENI COLLIERIES COMPANY LIMITED.
(A Government Company)

Kollegaluram Collieries (P. Co.) - 507 101, Bhadradi Kollegaluram Dist., Telangana State
Registered Office
CIN I U01027G1920SGC000571

Ref: No. CRP/FAD/GM/PP/Loan-1/31BD1001/
To
Dt. 29.12.2016

ED (Projects),
M/s. Power Finance Corporation Ltd.,
"Urfaadli", L. Banthamla Lake,
Gandhinagar, New Delhi - 110001.
FAX NO. 011 23456588

- Subj: Financial assistance of Rs. 3980 crores (Loan No. 31BD1001) for setting up
2x600 MW Thermal Power Plant at Jalpur - reduction in interest rate-19p
Ref. 1 P/C sanction letter no. 0322/ADP/Thermal/Val/31BD1001 dated 4.4.2011
2 Sanction letter no. 0351/NT/SSCC/Thermal/Val/31BD1002/DNo. 42105 dt 20.9.11
3 CRP/FAD/GM/PP/Loan-1802 dt 14.11.2019
4 0341/NT/SSCC/Thermal/Val/31BD1002/ RNo. 43865 dated 2.12.2019
5 AGM/F&A STIPPE mail dated 20.12.2016

Please refer your letter cited (4), regarding reduction of interest rate for the first term loan (Loan No. 31BD1001) amounting to Rs. 3980 crore. The Final Cost estimate for 2x600 MW STPP was already furnished by AGM/F&A, STIPPE vide mail dated 20.12.2016

Regarding funding of the cost overrun, may recall the visit of the undersigned along with GM(F&A) to your office on 11.11.2016 regarding reduction of interest rate for the first term loan (Loan No. 31BD1001) amounting to Rs. 3980 crore. We would like to impress upon you that SSCCL Board during its meeting held on 4.11.2016 directed to take up with M/s PFC for reduction of interest rate for the first term loan of Rs. 3980 crore on par with. Second term loan (Loan No. 31BD1002) of Rs. 1920 crore. Hence, you are requested to consider our request for reduction of interest rate on first term loan of Rs. 3980 crores positively.

Further, it is to submit w.r.t additional requirements of Rs. 1177 crores (Rs. 8750 cr. Rs. 7573 crore), a decision is to be taken by the Board viz whether to fund it internally by SSCCL or go for loan

As such, we will be finalizing the plan for funding of the Cost overrun soon after the receipt of Board's decision. In the mean time we request you once again for reduction of interest rate on Rs. 3980 crore loan

Thanking you,

Yours faithfully,
For The Singareni Collieries Company Limited,

Director (Finance)

OFFICE OF
G.M. (F&A)
No. 5578
DATE 31/12/16

DSM(Projects-Solihem region), PFC, New Delhi

AGM F&A	C
W.No.	1705
Date	31/12

Plum-fax/loan
3.11.12
small
up 31.12

1557
2-1-17



पावर फाइनेंस कॉर्पोरेशन लिमिटेड
POWER FINANCE CORPORATION LTD.
(प्रासार सरकार का उपकरण) (A Govt. of India Undertaking)
(पं. सं. सं. ०००१२००० प्रमाणित) (ISO 9001:2008 Certified)

03/SR/TS/SCCL/Thermal/Vol.I/31B01002/D.No. 43865

2nd December 2016

Shri J. Pavitraran Kumar
Director Finance
The Singareni Collieries Company Limited
Kothagudem, Khammam
Telangana - 507101

Subj: The Singareni Collieries Company Ltd - Financial assistance for setting up 2x600 MW coal based Thermal Power Project near Jaipur Village in Adilabad District of Telangana - Regarding reduction in interest rate.

- Ref:
- PFC Sanction Letter no. 03/22/AP/SCCL/Thermal/Vol.I/31B01001 dated 4th April 2011
 - PFC's Sanction Letter No. 03/SR/TS/SCCL/Thermal/Vol.I/31B01002/D.No.035442 dated 15th January 2016
 - SCCL's Letter no. CRP/FAD/GM/PP/Loan-1/802 dated 14th November, 2016

Dear Sir,

This is with reference to SCCL's request at (iii) above regarding reduction of interest rate for the first term loan (loan no: 31B01001) amounting to Rs 3980 crore sanctioned by PFC.

It is given to understand that there is a further cost overrun in the project. As discussed in our meeting held on 11.11.2016, you are requested to indicate the amount of cost overrun in the project along with the plan for funding the same so as to enable us to take a consolidated view on the interest rate reduction to be offered. The applicable interest rate for the original loan (loan no. 31B01001), the first cost overrun (loan no. 31B01002), as well as that for funding of second cost overrun, if any, will have to be reviewed in entirety.

You are therefore requested to provide us with the details as sought at the earliest to enable us to proceed further in this regard.

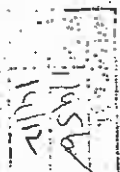
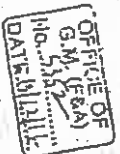
Thanking you,

Yours faithfully,

(P K Singh)
Executive Director (Projects - Southern Region)

AGM	SEA	C
TW.No.	1587	
Date	13/12	

G/O. DIR (FIN)	
M/M	23/6/8
Date	3/12/12



DATE: 01/12/12

Handwritten notes: "I have reviewed the project and found it to be a consolidated view on the interest rate reduction to be offered. The applicable interest rate for the original loan (loan no. 31B01001), the first cost overrun (loan no. 31B01002), as well as that for funding of second cost overrun, if any, will have to be reviewed in entirety."

वकील कार्यालय : "कॉर्पोरेट", 1, बाराकम्पा लानो, कॉन्नाUGHT प्लेस, न्यू देहली-110001 फ़ोन : 23456000 फ़ैक्स : 011-23412545
Regd. Office : "Uphandit", 1, Barakhamba Lane, Connaught Place, New Delhi-110001 Phones : 23456000 Fax : 011-23412545
वेबसाइट : Website : www.pfcindia.com • CIN : L65910DL1806GO1024862

Reply sent from STP

STP 15/12/12

THE SINGARENI COLLIERIES COMPANY LIMITED.
(A Government Company)

Registered Office

Kothagudem Collieries (P.O.) - 507 101, Bhadrachal Kothagudem Dist., Telangana State
CIN : U10102TG1920SGC000571

Ref.No.CRP/FAD/GM/PP/Loan-1/ 31B01001/1115

Dt. 09.03.2017

To
ED (Projects),
M/s. Power Finance Corporation Ltd.,
"Ujjanidh", 1, Barakhamba Lane,
Connaught Place,
NEW DELHI - 110001.

FAX NO. 011 23466588

Sir,

Sub: Financial assistance of Rs. 3980 crores (Loan No. 31B01001) for setting up 2x800

MW Thermal Power Plant at Jaipur - reduction in interest rate-req.

- Ref: 1. PFC sanction letter no. 03/22/AP/Thermal/Vol.I/31B01001 dated 4.4.2011.
2. Sanction Ir. 03/SRTS/SCCL/Thermal/Vol.I/31B01002/DNo.42185, dt.28.8.16.
3. CRP/FAD/GM/PP/Loan-1/802 dt. 14.11.2016
4. 03/SRTS/SCCL/Thermal/Vol.I/31B01002/ DNo.43865 dated 2.12.2016.
5. AGM(F&A) STPP's mail dated 20.12.2016
6. CRP/FAD/GM/PP/Loan-1/877 dt. 29.12.2016.
7. 03/SRTS/SCCL/Thermal/Vol.I/31B01001/D.No. dt.3.2.2017

Please refer our discussions on the subject during personal visit of undersigned
on 2nd March 2017.

In response to our letter under reference 3 and 6, considering our request the rate
of interest for the Loan no.31B01001 was modified as follows

Existing Condition	Modified Condition
50 bps discount to the interest rate applicable for A+ category borrower, with quarterly rest	190 bps discount to the interest rate applicable for A+ category borrower, with quarterly rest (which corresponds to the current rate of 9.5% p.a payable quarterly net of timely repayment; rebate for 3 year reset) w.e.f 15 th January,2017.
	The above interest rate is granted subject to the interest rate not falling below 9.5% p.a payable quarterly,PFC's notified applicable interest rate(net of timely repayment rebate)shall be applicable.

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THE SINGARENI COLLIERIES COMPANY LIMITED.
(A Government Company)
Registered Office
Kothagudem Collieries (P.O.) - 507 101, Bhadrachal Kothagudem Dist., Telangana State
CIN : U10102TG1820SGC000571

In line with our Board recommendation I hereby further, request you reduce the interest rate as follows

216 bps discount to the interest rate applicable for A+ category borrower, with quarterly rest (which corresponds to the current rate of 8.25% p.a payable quarterly net of timely repayment rebate for 3 year reset) w.e.f 15th January, 2017 and without any lower limit restriction.

Thanking You,

Yours faithfully,
For The Singareni Collieries Company Limited,

Director (Finance)

DGM/Projects-Solihem region), PFC, New Delhi

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Item No. 39.3
Sub: ATR on the minutes of 38th meeting of Audit Committee held on 4.11.2016.

- 3.1. The Committee considered the action taken report on the minutes of 38th meeting of Audit Committee held on 4.11.2016 as brought out in the note placed before it.
- 3.2. Regarding stripping ratios, to a query of Adviser (Project), MOC, G M(F&A) clarified that stripping ratios are reviewed for every 5 years.
- 3.3. Director (Finance) & (P&W) informed that pursuant to the suggestions given by the Audit Committee & Board, negotiations were held with Power Finance Corporation for reduction of interest rate of Phase-I loan of Rs.3,980 crore for STP and after prolonged negotiations they agreed to reduce the interest rate by giving 180 bps discount to the interest rate applicable for A+ category borrower (previously 60 bps discount), with quarterly reset (which corresponds to current rate of 9.60% p.a. payable quarterly net of timely repayment rebate for 3 year reset) w.e.f. 15th Jan-2017. Adviser (Project), MOC observed that in the light of recent developments of demonetization etc., the interest rates are coming down and there is ample scope for getting further reduction of interest rate. Director (Finance) stated that negotiations will be further continued to get maximum reduction in interest rate.
- 3.4. GM (F&A) informed that a consultant is being appointed for facilitating smooth implementation and migration to JND-AS and offers will be invited for finalizing the agency.
4. The Committee noted the action taken report on the observations made by Auditors' Report on Standalone Financial Statements for the year 2015-16 as placed before it.

Item No. 39.4
Sub: Action taken report on the observations made by Auditors' Report on Standalone Financial Statements for the year 2015-16.



पावर फाइनेंस कॉर्पोरेशन लिमिटेड
POWER FINANCE CORPORATION LTD.
(भारत सरकार का उपक्रम)
(A Govt. of India Undertaking)
(आईएसओ-9001:2015 प्रमाणित)
(ISO 9001:2015 Certified)

03/SR/TS/SCCL/Thermal/Vol.V/31B01001/D.No. 46527

14th March, 2017

Shri.J. Ravikiran Kumar, IAS
Director (Finance)
The Singareni Collieries Company Limited
Kothagudem, Khammam
Telangana - 507101

Sub: Singareni Collieries Company Limited : Loan No. 31001001 - Regarding reduction of interest rate on term loan

Ref: I. SCCL's letter dated 9th Mar, 2017
II. PFC letter 03/SR/TS/SCCL/Thermal/Vol.V/31B01001 dated 9th Feb, 2017

Dear Sir,

AGM	2
INWG	2-05
Date	11/4

This is with regard to SCCL's letter referenced at (i) above requesting for further reduction in interest rate on the Original Loan (Loan No. 31B01001) as conveyed by PFC vide letter at reference (ii) above.

We are pleased to inform you that the interest rate applicable on the Original Loan (Loan No. 31B01001) of SCCL stands revised as follows:

Existing Condition	Modified Condition
150 bps discount to the interest rate applicable for A+ category borrower, with quarterly rest (which corresponds to current rate of 9.50% p.a. payable quarterly net of timely repayment rebate for 3 year reset) w.e.f. 15 th January, 2017.	215 bps discount to the interest rate applicable for A+ category borrower, with quarterly rest (which corresponds to current rate of 9.25% p.a. payable quarterly net of timely repayment rebate for 3 year reset) w.e.f. 15 th January, 2017.
The above interest rate is granted subject to the interest rate not falling below 9.50% p.a. payable quarterly at any point of time. This is subject to that if PFC's notified interest rate (net of timely repayment rebate) as applicable for borrower falls below 9.50% p.a. payable quarterly, PFC's notified applicable interest rate (net of timely repayment rebate) shall be applicable.	The above interest rate is granted subject to the interest rate not falling below 9.25% p.a. payable quarterly at any point of time. This is subject to that if PFC's notified interest rate (net of timely repayment rebate) as applicable for borrower falls below 9.25% p.a. payable quarterly, PFC's notified applicable interest rate (net of timely repayment rebate) shall be applicable.

Further, with regard to SCCL's request for reduction in interest rate without lower limit restriction, it may kindly be noted that in case of special interest rate, a floor rate (as mentioned above) is applicable as per PFC policy.

Thanking you,
Yours sincerely,

P. Ranga
(P. Ranga Kumar)
Deputy General Manager (Southern Region)

परीक्षित कार्यालय : "कर्मनिधि", 1, वाटरलॉज रोड, कर्नाटक, चेन्नई, तमिल नाडु - 110001 दूरभाष : 23456000 फ़ैक्स : 011-23412545

Regu. Office : Singapore : 1, Aarabhantha Lane, Connaught Place, New Delhi-110001 Phone: 23456000 Fax: 011-23412545
वेबसाइट / Website : www.pfcindia.com • CIN : L65010DL1986GOL024802

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पॉवर फ़ाइनेंस कॉर्पोरेशन लिमिटेड
POWER FINANCE CORPORATION LTD.

03/SR/TS/SCCL/1/Serial/Vol.V/31801001/D.No.
03rd February, 2017

Shri J. Pavitrar Kumar, IAS
Director (Finance)
The Singareni Collieries Company Limited
Kolhagudem, Khammam
Telangana - 507101

Sub: Singareni Collieries Company Limited : Loan No. 31801001 - Regarding reduction of interest rate on term loan

Ref: 1. SCCL's letter dated 14th November, 2016 and 29th December, 2016

Dear Sir,

This is with regard to SCCL's letters, at reference cited above requesting for reduction in interest rate on the Original Loan (Loan No. 31801001)

We are pleased to inform you that the interest rate applicable on the Original Loan (Loan No. 31801001) of SCCL stands revised as follows:

Existing Condition	Modified Condition
50 bps discount to the interest rate applicable for A+ category borrower, with quarterly rest.	170 bps discount to the interest rate applicable for A+ category borrower, with quarterly rest (which corresponds to current rate of 9.50% p.a. payable quarterly net of timely repayment rebate for 3 year reset) w.e.f. 15 th January, 2017.
	The above interest rate is granted subject to the interest rate not falling below 9.50% p.a. payable quarterly at any point of time. This is subject to that if PFC's notified interest rate (net of timely repayment rebate) as applicable for borrower falls below 9.50% p.a. payable quarterly, PFC's notified applicable interest rate (net of timely repayment rebate) shall be applicable.

Thanking you,
Yours sincerely,

(Ankur Hazarika)
Deputy Manager (Southern Region)

Copy to:

- Sh. M. Krishna Mohan, General Manager (F&A), The Singareni Collieries Company Limited, Kolhagudem, Khammam, Telangana - 507101
- Sh. Dinesh Kumar, General Manager (State Sector Generation), Rural Electrification Corporation Ltd, Core-4, Scope Complex, 7, Lodhi Road, New Delhi - 110003
- GM (Recovery), PFC
- GM (Disbursement), PFC
- GM (RO-South), PFC

Annexure - C : The details of package wise spares capitalized in FY 2016-17 (post COD of Unit 2), FY 2017-18 and FY 2018-19.

Package wise Spares capitalised

(In Rs)

Sl.No	Description	2016-17	2017-18	2018-19	Total
1	BTG Mandatory Spares	819,500,748	205,659,076	335,921,818	1,385,020,744
2	BOP Mandatory Spares		90,946,135	94,836,854	185,782,989
	Total	819,500,748	296,605,211	430,758,672	1,570,803,733

* Originally BTG package and BOP package has a provision for mandatory spares as 148.4 & 20 crore respectively in capital cost

* The difference of Estimated initial spares and actual value of initial spare capitalized till 2018-19 will be capitalized in FY2019-20.

**Annexure - D : Detailed reply in respect of
queries.**

a. SCCL to confirm if it had paid Minimum Alternative Tax during FY 2016-17, FY2017-18 and FY2018-19:

The book profits calculated as per section 115JB of income tax act, 1961 for computing the MAT liability for the FY 2016-17, FY 2017-18 and FY 2018-19 are mentioned below.

S.No.	Particulars	(Rs. In Crs)		
		FY2016-17	FY2017-18	FY2018-19
1	STPP- Profit Before Tax	155.55	576.36	539.24
2	Book profit u/s 115JB- STPP (Standalone)	155.55	580.15	700.73
3	MAT payable on above @21.3416% for FY2016-18 & 21.5488% for FY 2018-19	33.20	123.81	151.00
4	Book profit/(loss) u/s 115JB - SCCL (Coal operations)	-380.80	1383.25	2179.41
5	Net Book profit/(loss) of SCCL (Coal & Power) (4+6)	-225.25	1963.40	2880.14
6	MAT liability @21.3416% for FY2016-18 & 21.5488% for FY2018-19	Nil	419.02	620.64
7	Net Taxable income/(Loss) of SCCL (including carry forwarded Loss)	-2441.34	-806.55	1383.80
8	Normal Tax on above @34.608% & 34.944% for FY2018-19	Nil	Nil	483.55

For the FY 2016-17, the MAT payable on STPP standalone book profits worked out to Rs.33.20 Crs at the applicable rate of 21.3416%. However, SCCL has a book loss of Rs.380.80 Crs from Coal operations, computed u/s 115JB of Income Tax act, 1961. The book loss from SCCL coal operations was due to deduction of the amounts of unascertainable provisions withdrawn in arriving at book profits as per section 115JB, as the same were added back for MAT computation in earlier years on which MAT or normal tax, whichever is higher was paid in the corresponding earlier years.

Clubbing of STPP profits with Coal operations loss, has resulted in net book loss at company level for the FY 2016-17 and hence no MAT was paid. Accordingly, it shall be construed that SCCL had MAT liability on STPP profits, which was adjusted against the loss from coal operations and hence MAT shall be deemed to have been paid on STPP profits.

For the FY 2017-18, SCCL has paid MAT of Rs. 424.21 Crs (including interest of 5.17 Crs). However, MAT computed on standalone STPP book profits of Rs.580.15 Crs comes to Rs.123.81 Crs. at applicable MAT rate of 21.3416%.

For the FY 2018-19, SCCL has paid MAT of Rs. 628.28 Crs (including interest of 7.65 Crs). However, MAT computed on standalone STPP book profits of Rs.700.73 Crs comes to Rs.151.01 Crs., at applicable MAT rate of 21.5488%.

b. If no, SCCL to submit the computations of Effective Tax Rate for FY2016-17, FY2017-18 and FY2018-19 in accordance with Regulations 25(2) of the CERC(Terms and Conditions of Tariff) Regulations, 2014.:

Not applicable.

**Annexure - E : The PLFs for 2016-19 as
computed by STPP based on the official
records.**

PLFs for 2016-19							
Sr No.	Particulars	Units	FY 2016-17			FY 2017-18	FY 2018-19
			From COD of Unit 1 upto COD of Unit 2	From COD of Unit 2 upto 31.03.2017	From COD of Unit 1 upto 31.03.2017		
			Actual	Actual	Actual	Actual	Actual
1	Total Capacity	MW	600	1200	1200	1200	1200
2	Scheduled Generation	MU	640.6	2680.27	3320.87	9021.43	8118.26
3	Gross Generation	MU	694.95	2846.51	3541.46	9575.26	8698.48
4	Auxiliary Consumption	%	11.24	6.15	7.143	5.97	5.64
5	Net Generation	MU	616.81	2671.58	3288.49	9003.70	8208.21
6	100% generation	MU	979.2	3456	4435.2	10512	10512
7	PLF	%	69.41	82.29	79.44	91.06	81.94

**Annexure - F : The reasoning for claiming
similar operating norm specified.**

It is stated that the CPI inflation for 2019-24 is estimated as an average of CPI inflation figures of FY 2016-17 & FY 2017-18 considering the base year for CPI computation as 1982.

It is further stated that WPI inflation for 2019-24 is estimated as an average of WPI inflation figures for FY 2016-17 & FY 2017-18 considering the base year for WPI computation as 2011-12. Since the plant has been commissioned in 2016-17, index values during 2016-18 have been utilized for computation of estimated O&M cost. A copy of historical values of CPI & WPI is attached as **Annexure E**.

It is submitted that the provisions for Employee cost (EMP) and for Administrative and General Expenses (A&G) have been considered as 5% of base EMP and A&G expenses on account of unforeseen circumstances. Further, the expense for EMP for the first year of the control period was considered as average of tuned up employee expenses after adding the share of gains in O&M allowed to the generator.

The total O&M expenditure as claimed for 2019-24 is given below:

Sl No.	Item	FY 2019-20 (n = 1)	FY 2020-21 (n = 2)	FY 2021-22 (n = 3)	FY 2022-23 (n = 4)	FY 2023-24 (n = 5)
1	R&Mn	95.29	99.95	104.32	115.69	118.33
2	EMPn	96.32	103.42	111.06	119.29	128.15
3	A&Gn	39.70	41.60	43.58	45.67	47.86
4	O&Mn [(R&Mn +EMPn +A&Gn)*99%]	229.01	242.51	256.37	277.84	291.40

(In Crores)

17. Operating Norms:

The Hon'ble commission vide its tariff order dated 19.06.2017 has allowed the following norms for Singareni thermal power plant (2X600 MW).

Norms of operation approved by the Commission

Particulars	Units	Approved
Target Availability for recovery of full Fixed Charges	%	85.00%
Target PLF for incentive	%	85.00%
Auxiliary Consumption	%	5.75%

Gross Station Heat Rate	Kcal/kwh	2303.88
Secondary Fuel Oil Consumption	MI/kwh	0.50
Transit Loss (non-pithead)	%	0.80%

The recommendations by Central Electricity Authority (CEA) on plant operating norms for the tariff period 2019-24 are given to Central Electricity Regulatory Commission vide its letter dated 10.12.2018. The same is attached as Annexure F. The broad outlines of the recommendations are given below:

- Normative annual plant availability factor (PAF):
First financial year after COD: 68.5%
Pithead stations: 83%
- Normative secondary fuel oil consumption: 0.5 ml/kwh
- Gross station heat rate: 1.05xDesign heat rate(kcal/kwh)
- Auxiliary energy consumption: 6.25% (with IDCT)
- Annual plant load factor for incentive: same which is provided for Normative annual plant availability factor (NAPAF)
- Further CEA has recommended performance parameters for part load operation.
- Transit loss: 1.2% to 1.5%

The State Electricity Regulatory Commissions, while determining the norms for the tariff period 2019-24, are also required to consider these recommendations given by CEA.

It is further submitted before the commission that there are three 600 MW units in the state of Telangana till date. One of these units, namely Kakatiya thermal power plant is run by state generating company and rest of the two units are in STPP, SCCCL.

The details of these units are mentioned below:

Name of the generating station	Installed capacity	PPA date	Valid upto	COD date
KTPP stage-II	1X600 MW	27.01.2016	23.03.2041	24.03.2016
STPP	2X600 MW	18.01.2016	01.12.2041	U#1:25.09.2016 U#2:02.12.2016

It can be seen from the above table that all these units are having similar technical configuration and are being commissioned in same period. Accordingly, it is required to have a uniform set of operating norms for all these units. The Hon'ble commission has notified the following operating norms for KTHP stage-II vide regulation 17.2 of terms and conditions of generation tariff regulation 2019.

Thermal	Unit	KTHP stage-II
Normative Annual Plant Availability Factor (Target Availability)	%	80.00%
Normative Annual Plant load Factor (for computation of incentive)	%	80.00%
Gross Station Heat Rate	Kcal/kWh	2,400
Secondary fuel oil consumption	ml/kWh	2.0
Auxiliary energy consumption	%	7.00%
Transit and Handling Losses	%	0.80%

The same operating norms is also required to be adopted for STPP. Further, considering the installation of FGD, the norms for auxiliary energy consumption is required to be increased by 1.5% from 2021-22. The generation planning of STPP shall be done adhering to future operating norm.

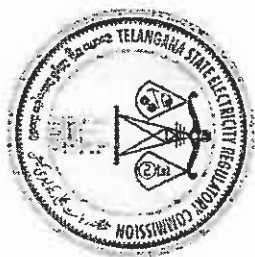
18. Energy Charges

The energy charges have been computed based on regulation 21 of generation tariff regulation 2019-24.

It is stated that the estimated energy charge for the first year of control period has been worked out based on coal & oil data for November-2018, December-2018 & January-2019.

It is submitted that the projected increase in coal & oil price for obtaining same calorific value has been computed based on actual coal & oil data from April-17 to January-19. A copy of the estimation is attached as Annexure G.

**Annexure - G : The TSERC order dated 5th
June, 2017.**



**TELANGANA STATE ELECTRICITY
REGULATORY COMMISSION,
HYDERABAD**

**Aggregate Revenue Requirement (ARR)
and Determination of Generation Tariff
of 3rd Control Period 2014 - 2019
for**

**Telangana State Power Generation
Corporation Limited (TSGENCO)**

5th June, 2017

TELANGANA STATE ELECTRICITY REGULATORY COMMISSION

HYDERABAD

Present

Sri Ismail Ali Khan, Chairman

Sri H. Srinivasulu, Member (Finance)

Dated 05.06.2017

O.P No. 26 of 2016

In the matter of

Determination of tariff of TSGENCO generating stations for the control period from 01.04.2014 to 31.03.2019 under Section 62 of the Electricity Act, 2003 for the electricity supplied by TSGENCO to distribution licensees.

Between

Telangana State Power Generation Corporation Limited,
Vidhut Soudha, Hyderabad - 82 (TSGENCO)

.....Applicant

And

1. Southern Power Distribution Company of Telangana Ltd., Mint Compound, Hyderabad - 500 004.
2. Northern Power Distribution Company of Telangana Ltd., 1-1-503, NIT Main Road, Chaitanyapuri, Kazipet, Warangal-506 004.
3. Eastern Power Distribution Company of Andhra Pradesh Ltd., P&T Colony, Seethammadhara, Visakhapatnam - 530 020.
4. Southern Power Distribution Company of Andhra Pradesh Ltd., Srinivasa kalyana mandapam backside, Tiruchanoor Road, Kesvayana Gunta, Tirupati - 517 501.
5. ESCOMs of Karnataka state

..... Respondents

Petition was filed on 30.11.2016 and public hearing was conducted on 6th February, 2017 in the court hall of TSERC, 5th floor, Singareni Bhavan, Redhills, Hyderabad.

Hon'ble Commission is based on the weighted average cost for the Q1 period of Fuel Cost Adjustment FY 2016-17 (April'16, May'16 and June'16)

Commission's view: The reply of TSGENCO is in order. The approved figures are discussed in Chapter 4 of this order.

• **Performance of KTPS Stage VI and KTPP Stage II:**

Objection:

The present filings do not include information on performance of KTPP Stage II and KTPS Stage VI plants during the year FY 2016-17

Reply from TSGENCO: TSGENCO submitted filings for 3rd control period 2014-19 for determination of generation tariff

Commission's view:

The Commission directed TSGENCO to provide actual Station Heat Rate (hereinafter referred as "SHR") and auxiliary consumption details which are as under.

a. KTPS VI

- Auxiliary consumption is 4.48%, 5.21%, 5.03% for the years FY 14-15, FY 15-16 and FY 16-17 respectively and
- SHR is 2,228 Kcal/kWh, 2,259 Kcal/kWh, 2,288 Kcal/kWh for the years FY 14-15, FY 15-16 and FY 16-17 respectively.

For KTPS Stage VI, actuals are compared with the norms given in the APERC Regulation No. 1 of 2008. The performance of this plant is better than the specified norms.

b. KTPP-II

- Auxiliary consumption is 5.60% and 6.59% for the years FY 15-16 and FY 16-17 respectively and
- SHR is 2,286 Kcal/kWh and 2,293 Kcal/kWh for FY 15-16 and FY 16-17 respectively.

For KTPP Stage II, the actuals are compared with the CERC Regulations 2014 (Auxiliary consumption of 5.25% and SHR of 2,305.11 kCal/kg) and the approved numbers are restricted to lower of actuals or norms.

• **Depreciation:**

Objection:

The Commission is requested to undertake the prudence check of depreciation based on the MoP notification 1994.

Reply from TSGENCO: The depreciation for the existing stations of thermal and hydel was considered as per the APERC order in OP. No. 15/2009, dated 31.05.2015 for the current control period 2014-19 and depreciation considered for new projects is as per the MoP notification dated 29.03.1994.

Auditing and Assurance Standards Board (01.10.2016) of the Institute of Chartered Accountants of India", as amended from time to time.

- Endeavour to finish all the future projects within stipulated timelines to prevent cost overruns.
- Endeavour to achieve efficiency of employee costs on par with NTPC and other central generating stations.
- Negotiate with banks and financial institutions to actively seek refinancing at lower interest rates.
- Furnish information on compliance with norms specified by MoEF on emission norms.
- To approach the Commission for approval with regard to renovation & modernisation expenditure for all the plants.
- Submit and seek approval of completed capital costs for new plants commissioned in control period 2014-19, namely:
 - KTPP Stage II
 - Lower Jurala HES
 - Pulichintala HES
- Penalties released to the contractors after cut-off date shall not form part of capital cost of the plant.
- To file the petition for determination of generation tariff 120 days prior to start of the control period, for future control periods.
- Undertake actuarial valuation for determining the future pension liabilities
- Maintain separate records and books of account for each unit of every power station
- Maintain the following with respect to capitalisation of fixed assets
 - Date of capitalisation/placed into service
 - Accumulated depreciation of each asset
 - Date of decapitalisation wherever applicable
- For KTPP II, based on audited accounts, revenue due to sale of infirm power and related fuel expenses prior to the CoD, shall be submitted.
- Explore alternative modes of transportation to achieve lowest coal transportation costs for KTPP units.
- Revise the pay revision policy to implement pay revisions once in five years in accordance with pay revision policy for central PSUs / State Government of Telangana.

This original petition no. 26 of 2016 is ordered accordingly.

This tariff order is applicable from 5th June, 2017

This order is signed on this day of 5th, June 2017

Sd/-
Sri H. Srinivasulu,
(Member)

Sd/-
Sri Ismail Ali Khan,
(Chairman)

**Annexure - H : A broad synopsis of CIP
proposal.**

Summary of Capital Investment Plan of 2 x 600 MW STPP

(Amounts in Crores)											
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
S no.	Description	Proposed Cost ¹ and Capitalisation Schedule based on Milestones for completion ²					Purpose of the Investment.	Broad technical specification ,supporting details and broad justification	Benefit of the proposal	Priority (Arranged in groups of Moderate,High ,Very High)	Relevant regulation no of TS 01 of 2019.
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total capital expenditure					
1	Flue gas de-sulphurisation system (FGD)	0	0	0	645.32	645.32	MOEF &CC has issued notification bringing out amendments to Schedule - I of Environment (Protection) Rules, 1986 for emission norms applicable to thermal power stations. To comply with the emission limits as per amended notification for SOx mitigation, FGD system installation and for NOx mitigation, In-furnace modifications works are to be taken up immediately.	Page no. 13-17 and 42-144 in CIP petition submitted before the Hon'ble commission	Avoidance of 2x 600 MW Plant closure by MoEF/CPCB	Very high	7.19.1.(l) and 7.19.1.(e)
2	In-furnace modifications for Nox mitigation	0	0	19	19	38		Page no. 18-19 and 145 in CIP petition submitted before the Hon'ble commission	Avoidance of 2 x600 MW Plant closure by MoEF/CPCB	Very high	
3	Operation & Maintenance modules	0					It is utmost important to keep necessary capital spares available for successful execution of generation plan. LP Rotor and Exciter assembly are major constituents of turbine generator assembly used for generation of electricity. The manufacturer requires a high lead time of around one year to supply a new one or at least four months time for refurbishment. Accordingly, it is planned to purchase LP rotor and excited assembly which would cater the need of both the units effectively.	Page no. 19-22 and 146-147 in CIP petition submitted before the Hon'ble commission	Avoidance of forced shut down of any of the units for 6-8 months.	Very High	7.19.1(c) and 7.19.1(k)
3.a	HP module	0	0	56.28	0	56.28					
3.b	IP module	0	0	0	65.12	65.12					
3.c	LP rotor	0	30.49	0	0	30.49					
3.d	Generator stator	0	76.23	0	0	76.23					
3.e	Generator rotor	0	46.38	0	0	46.38					
3.f	Exciter assembly	0	0	26.68	0	26.68					
	Sub Total	0	153.1	82.96	65.12	301.18					
4	Railway works										
4.a	Casting & fixing of boundary pillars along the railway tracks	0	0.1711	0	0	0.1711	To prevent encroachment in acquired land of railway track area.		Avoidance of outside encroachment inside the railway land which could lead to accident.This ensures smooth movement of wagons.	Moderate	7.19.1(k) and 26.4

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Summary of Capital Investment Plan of 2 x 600 MW STPP

(Amounts in Crores)											
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
S no.	Description	Proposed Cost ¹ and Capitalisation Schedule based on Milestones for completion ²					Purpose of the Investment.	Broad technical specification ,supporting details and broad justification	Benefit of the proposal	Priority (Arranged in groups of Moderate,High ,Very High)	Relevant regulation no of TS 01 of 2019.
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total capital expenditure					
4.b	Three numbers 120T in motion weigh bridges and associated civil works	0	0.914	0	0	0.914	These are required for weighing coal, fly ash & oil carried by rail wagons.	Page no. 24 in CIP petition submitted before the Hon'ble commission	1. Railway authorities are insisting for this for proper billing of freight charges. 2. This will facilitate verification of coal weights taken at pre-weigh bin at mines. This is beneficial to avoid any kind of loss due to any issue in weighing system at mines end.	Moderate	7.19.1(k) and 26.4
4.c	Overhead Electrification (OHE) works	0	2	2	41	45	The scope of this work was included in detailed project report (DPR). The delay in awarding the contract is due to land acquisition issues.	Page no. 25 and 148-150 in CIP petition submitted before the Hon'ble commission	1. Avoidance of unsafe railway operation leading to accident. 2. Railway is slowly converting all rail engines from diesel mode to electric mode.	High	7.19.1(e)
4.d	Signalling & Telecommunication (S&T) works including civil works	0	4.5	4.5	38.6	47.6	The scope of this work was included in detailed project report (DPR). The delay in awarding the contract is due to land acquisition issues.	Page no. 25 in CIP petition submitted before the Hon'ble commission		High	7.19.1(e)
4.e	Re-organisation of village roads along the track-line, construction of walk-ways & foot bridges, misc. and unforeseen	0	3.5	1.5	0	5	Some village roads got blocked by construction of plant railway line. So re-organisation of village roads are required for public convenience.	Page no. 25 in CIP petition submitted before the Hon'ble commission	Avoidance of any potential public backlash.	Moderate	7.19.1(k) and 26.4
4.f	Drains along railway track	0	10	6.5	0	16.5	The proposed drains are required to be constructed as per approved design of railway track.	Page no. 25 in CIP petition submitted before the Hon'ble commission	Avoidance of water entering and damaging railway track (based on actual operating condition experienced).	High	7.19.1(k) and 26.4
4.g	Rerailing tools	0	0.85	0	0	0.85	These tools are required for re-railing of derailed railway wagons/engine.	Page no. 25 in CIP petition submitted before the Hon'ble commission	For faster recovery of derailed wagon.	Moderate	7.19.1(k) and 26.4
4.h	Inspection road along track line	0	5	5	0	10	Required to carry out Maintenance activity.	Page no. 25 in CIP petition submitted before the Hon'ble commission	Avoidance of high lead time for maintenance activity.	Moderate	7.19.1(k) and 26.4

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Summary of Capital Investment Plan of 2 x 600 MW STPP

(Amounts in Crores)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
S no.	Description	Proposed Cost ¹ and Capitalisation Schedule based on Milestones for completion ²					Purpose of the Investment.	Broad technical specification ,supporting details and broad justification	Benefit of the proposal	Priority (Arranged in groups of Moderate,High ,Very High)	Relevant regulation no of TS 01 of 2019.
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total capital expenditure					
4.i	Capital spares for railway track: Sleepers and rails	0	0	5	0	5	These spares are required to replace damaged sleepers and rails as a result of unforeseen derailment.	Page no. 26 in CIP petition submitted before the Hon'ble commission	For faster recovery of damaged railways.	Moderate	7.19.1(k) and 26.4
4.j	Installation of 2 Numbers wagon tippler and laying track lines for wagon tippler including consultancy service to NTPC.	0	16	137	0	153	1. There is only one track-hopper at STPP and unless 5 rakes coal is unloaded in a day, running both the units at full load becomes critical. 2. PCOM, SCR during his visit to STPP opined that there should be an alternate arrangement for unloading coal at STPP. he advises to take-up construction of at-least one wagon tippler so that in case of exigencies and to sustain power plant operation coal can also be brought through BOXN rakes from main line. 3. Once coal production from Naini block, Odisha commences, it will be difficult to transport coal through BOBRN rakes as railways prefer to transport coal through BOXN wagons only considering the travel distance (and considering possibility of opening up of BOBRN doors leading to disruption of track-lines on main lines).	Attached as annexure -C	To facilitate unloading of rakes from BOXN wagon from Naini coal mines.	High	7.19.1(h)
	Sub Total	0.00	42.94	161.50	79.60	284.0351					
5	Erection works in main plant					0					
5.a	Watch towers and road along boundary wall	0	1.6	0	0	1.6	CISF is deployed to ensure plant security. The proposed expenditure is as per their recommendation to make proper arrangement for security.	Page no. 27 in CIP petition submitted before the Hon'ble commission	It ansures plant safety and protect theft of plant equipment.	Moderate	7.19.1(k) and 26.4
5.b	Parking shed at CISF time office	0	0.95	0	0	0.95	CISF is deployed to ensure plant security. The proposed expenditure is as per their recommendation to make proper arrangement for security.		In ensues safety to the CISF vehicles.	Moderate	7.19.1(k) and 26.4
5.c	Construction of creche and rest hall	0	0.5	0.5	0	1	The facility is required to be provided as per Factories Act 1948.		Statutory requirement	High	7.19.1.(e)
5.d	Construction of shed for lube oil barrels, RCC pit for hazardous waste	0	0.5	0.5	0	1	The facility is required to be provided as per Factories Act 1948.		Statutory requirement	High	7.19.1.(e)

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Summary of Capital Investment Plan of 2 x 600 MW STPP

(Amounts in Crores)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
S no.	Description	Proposed Cost ¹ and Capitalisation Schedule based on Milestones for completion ²					Purpose of the Investment.	Broad technical specification ,supporting details and broad justification	Benefit of the proposal	Priority (Arranged In groups of Moderate,High ,Very High)	Relevant regulation no of TS 01 of 2019.
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total capital expenditure					
5.e	Ash trucks parking yards at ash weighbridge near main gate	0	0.5	0.5	0	1	This work is required to be taken up to avoid stuck up of trucks at plant gate during entering or exiting plant premise.	Page no. 28 in CIP petition submitted before the Hon'ble commission	Will result in hassle free ,quick ,safe and systematic movement of trucks.	Moderate	7.19.1(k) and 26.4
5.f	CC flooring around HCSD silo area	0	1.15	0	0	1.15	The plant soil is of black cotton type which are clayey in nature. The vehicle movements during monsoon season over this black soil is very difficult due to its sticky nature. Accordingly, CC flooring around HCSD silo area is required to maintain smooth movement of vehicles even in rainy season.			Moderate	7.19.1(k) and 26.4
5.g	Widening of CC platforms and roads around IDCT	0	4	1.86	0	5.86	The plant soil is of black cotton type which are clayey in nature. The vehicle movements during monsoon season over this black soil is very difficult due to its sticky nature. Accordingly, widening of CC platforms and roads around IDCT area is required to maintain smooth movement of vehicles even in rainy season.			Moderate	7.19.1(k) and 26.4
5.h	CC Roads around Stacker Reclaimer	0	3	4	3	10	The plant soil is of black cotton type which are clayey in nature. The vehicle movements during monsoon season over this black soil is very difficult due to its sticky nature. Accordingly, roads around stacker reclaimer is required to maintain smooth movement of vehicles even in rainy season.	Page no. 29 in CIP petition submitted before the Hon'ble commission	Will result in hassle free ,quick ,safe and systematic movement of vehicles and equipments around IDCT and stacker reclaimer.	Moderate	7.19.1(k) and 26.4
5.i	Paving with chequered tiles under pipe & cable rack areas and below coal gantries	0	5	5	5	15	Required to prevent vegetation growth and to ensure ease in equipment access. Also prevents fire hazards.			Moderate	7.19.1(k) and 26.4
5.j	RCC drain along fly ash transport road	0	0	1.62	0	1.62	The RCC drain will prevent stagnation of storm water inside the compound wall of STPP.			Moderate	7.19.1(k) and 26.4

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Summary of Capital Investment Plan of 2 x 600 MW STPP

(Amounts in Crores)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
S no.	Description	Proposed Cost ¹ and Capitalisation Schedule based on Milestones for completion ²					Purpose of the Investment.	Broad technical specification ,supporting details and broad justification	Benefit of the proposal	Priority (Arranged in groups of Moderate,High ,Very High)	Relevant regulation no of TS 01 of 2019.
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total capital expenditure					
5.k	Extension of BOP & BTG drains up to peripheral compound wall	0	0	3	0	3	Kucha drains are existing from the outfall point of BTG & BOP drains up to the drains at outer periphery of compound wall. These kucha drains were conducive for vegetation growth and resultant earth collapse. To prohibit such occurrence, the BTG & BOP drain outfalls need to be connected to the drains at peripheral compound wall.	Page no. 30 in CIP petition submitted before the Hon'ble commission	Will ensure proper drainange which otherwise can impede movement of vehicles and equipment.	Moderate	7.19.1(k) and 26.4
5.l	Chambers and dewatering pumps in main plant area	0	0.6	0.6	0	1.2	To avoid water stagnation inside the main plant area specially during rainy season.			Moderate	7.19.1(k) and 26.4
5.m	Sewage pits (pumps) / pipe line from BTG area to STP	0	0.6	0.4	0	1	Required to connect the sewage system of BTG to sewage treatment plant.		Can help to reduce water consumption by plants.	Moderate	7.19.1(k) and 26.4
5.n	Metal road on reservoir bund	0	0.63	0	0	0.63	This is required for inspection of reservoir bund especially during rainy season.	Page no. 31 in CIP petition submitted before the Hon'ble commission		Moderate	7.19.1(k) and 26.4
5.o	B.T. over inspection road along periphery compound wall from Ash dyke to Rly bridge across Rasulpallivagu(3.60 KM) and B.T. road over reservoir	0	1.5	1.5	0	3	Required for inspection of along peripheral compound wall and reservoir.			Moderate	7.19.1(k) and 26.4
5.p	Making approaches to plantation at various locations	0	1	0.5	0	1.5	The approach road is required for inspecting as well as attending plantation activity spread across entire plant area.		Will result in hassle free ,quick ,safe and systematic movement of persons,vehicles and equipment inside the	Moderate	7.19.1(k) and 26.4
5.q	Bridge over diverted nala near CISF time office	0	2.48	0	0	2.48	The diversion of nala was done to avoid the over flowing of water from nala to enter into main plant area. The construction of bridge over nala was taken up to provide necessary road access.		Will result in quick movement of CISF personnel and vehicles.	Moderate	7.19.1(k) and 26.4
5.r	Work stations , furniture's and portico in Administration building and service building.	0	2.9	1	0	3.9	The managers & staff of the plant who oversee the power generating activity sit in the administrative building & service building. The required expenditure is to construct work stations to achieve full functionality of admin & service building.	Page no. 31 in CIP petition submitted before the Hon'ble commission	These are required to shift stpp employees from temporary offices to permanent office building.	Moderate	7.19.1(k) and 26.4
	Sub total	0.00	26.91	20.98	8.00	55.89					
6	Township civil works					0					

Summary of Capital Investment Plan of 2 x 600 MW STPP

(Amounts in Crores)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
S no.	Description	Proposed Cost ¹ and Capitalisation Schedule based on Milestones for completion ²					Purpose of the Investment.	Broad technical specification ,supporting details and broad justification	Benefit of the proposal	Priority (Arranged in groups of Moderate,High ,Very High)	Relevant regulation no of TS 01 of 2019.
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total capital expenditure					
6.a	Construction of public buildings like shopping complex, sports complex and other necessary infrastructures.	0	2.5	3	3.64	9.14	This is to be constructed to support modest living by persons inside the township.	Page no. 33 in CIP petition submitted before the Hon'ble commission	To facilitate living of plant personnel 24 x 7 inside the plant so to make machine available for operation during 24 x7 and to minimise any machine downtime	Moderate	7.19.1(k) and 26.4
6.b	Township Development works like construction of roads, drains & water supply in township, providing electric overhead lines, providing fencing around parks, providing protected parking for vehicles and creating club infrastructure.	0	3.158	4	2.5	9.658	This is to be constructed to support modest living of persons inside the township.			Moderate	7.19.1(k) and 26.4
6.c	Electrification and furniture for CISF.	0	0.25	0	0	0.25	CISF is deployed to ensure plant security. The proposed expenditure is for arranging moderate living by CISF personnel			Moderate	7.19.1(k) and 26.4
6.d	Extension of armoury building for CISF, CC pavement and rest sheds	0	0.6	0.4	0	1	CISF is deployed to ensure plant security. The proposed expenditure is as per their recommendation to make proper arrangement for security.	Page no. 34 in CIP petition submitted before the	To ensure proper 24 x7 safety service by CISF	Moderate	7.19.1(k) and 26.4
6.e	Parade ground, Stage and roads for CISF	0	0.3	0.2	0	0.5	CISF is deployed to ensure plant security. The proposed expenditure is as per their recommendation to make proper arrangement for security.			Moderate	7.19.1(k) and 26.4

Summary of Capital Investment Plan of 2 x 600 MW STPP

(Amounts in Crores)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
S no.	Description	Proposed Cost ¹ and Capitalisation Schedule based on Milestones for completion ²					Purpose of the investment.	Broad technical specification ,supporting details and broad justification	Benefit of the proposal	Priority (Arranged in groups of Moderate,High ,Very High)	Relevant regulation no of TS 01 of 2019.
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total capital expenditure					
6.f	Modification to open shed at Guest house into AC Hall	0	0	1	0	1	A hall big enough to conduct public gathering with 50 people or more during adverse weather condition is not there in STPP. Therefore the open shed of guest house shall be converted to AC hall. The hall can be used to celebrate days of national importance.	Hon'ble commission	To facilitate living of plant personnel 24 x 7 inside the plant so to make machine available for operation during 24 x7 and to minimise any machine downtime	Moderate	7.19.1(k) and 26.4
6.g	Connection of sanitary system of Township to STP	0	0	0.6	0	0.6	It is required to connect sanitary system of township to sewage treatment plant for effective treatment of township sewage.	Page no. 34-35 in CIP petition submitted before the Hon'ble commission	1. Statutory requirement as per CPCB. 2.Can help to reduce water consumption by plants.	High	7.19.1(e)
6.h	Rain harvesting structures	0	1	1	0	2	As per MoEF guidelines, the rain harvesting structure has to be constructed.	Page no. 35 in CIP petition submitted before the Hon'ble commission	This will provide compliance to statutory guide lines of MoEF.	High	7.19.1.(e)
Sub total		0.00	7.81	10.20	6.14	24.148					
TOTAL		0.00	230.75	294.64	823.18	1348.57					

Note:

- 1 Cost of any proposal is arrived considering the best alternative available.Estimation is made by the expert group of engineers available to STPP. The estimated impact on Annual Fixed Charges (AFC) in 2019-20 due to above investments are negligible whereas impact for 2021-22, 2022-23 & 2023-24 may be around 3, 14 & 18 paise/kWh respectively. The costs in form of tariff impact considering the benefits of the investments as listed above seems to be very moderate and hence, these investments seem to be justified.
- 2 Achievement of Milestones for completion is the basis of proposed capitalisation.Physical targets of a proposal in a particular year can be computed as fraction of total capitalisation proposed.
- 3 Capital Structure and financing Plan with sources of investment may be interpreted interchangeably.All the proposed capitalisation shall be planned with a capital structure 70:30 in Debt and equity respectively.

Annexure - I : Compliance status to environmental norms.

Compliance status to environmental norms of STPP

STPP Unit-1 SOx and NOx data					
S.No	Year	SOx (mg/Nm3)		NOx (mg/Nm3)	
		Max	Min	Max	Min
1	FY 2017-18	2409	809.3	421	148
2	FY 2018-19	2502	1716	304	275
3	FY 2019-20	1800	1201	303	276

STPP Unit-1 Mercury (Hg) and Opacity data					
S.No	Year	Mercury (mg/Nm3)		Opacity (mg/Nm3)	
		Max	Min	Max	Min
1	FY 2017-18	0.0007	0.0002	68.9	45.7
2	FY 2018-19	0.019	0.001	52	37.8
3	FY 2019-20	0.016	0.005	47.8	40.8

STPP Unit-2 SOx and NOx data					
S.No	Year	SOx (mg/Nm3)		NOx (mg/Nm3)	
		Max	Min	Max	Min
1	FY 2017-18	2507	1184	431	114
2	FY 2018-19	2100	1737	427	271
3	FY 2019-20	1997	1625	333	217

STPP Unit-2 Mercury (Hg) and Opacity data					
S.No	Year	Mercury (mg/Nm3)		Opacity (mg/Nm3)	
		Max	Min	Max	Min
1	FY 2017-18	0.0087	0.0004	61.6	45.2
2	FY 2018-19	0.025	0.008	52	33.4
3	FY 2019-20	0.017	0.003	48.6	38.1

Please note:

- 1) To comply with the SOx and NOx norms FGD system and NOx mitigation system were proposed based on which Hon'ble Commission has given in principle approval in IA.
- 2) Mercury and opacity values are within the allowable limits.
- 3) FY 2017-18 the opacity maximum values are more than permitted values due to stabilization of the units.

Annexure - J : Savings in operating costs.

OPERATION AND MAINTENANCE EXPENSES (O&M)

Amount in Cr's

No	Particulars	2016-17	2017-18	2018-19
I	Administrative expenses	20.64	30.16	30.04
a	Power & Fuel	11.78	13.45	8.36
b	Insurance	3.39	8.32	9.93
c	CISF	5.47	8.39	11.75
II	Repairs & Maintenance	4.78	17.49	59.36
a	Stores& Spares	3.55	15.95	14.83
b	Repairs & Maintenance	1.23	1.54	16.79
c	Overhauling cost	-	-	27.74
III	Employee cost	13.61	34.00	27.82
	Contractual Expenses	39.92	108.43	105.07
a	Transportation charges	-	-	-
b	Hiring of HEMM, Weigh Bridges & others	3.95	9.10	6.12
c	STPP-O&M	32.52	83.88	86.43
d	Others	3.45	15.45	12.52
V	Grand Total	78.95	190.08	222.29
V	Approved O&M Cost	82.38	207.60	220.56
VI	Savings in operating cost	3.43	17.52	-1.73

**Annexure - K : The final projection of ARR
for 2019-24.**

Summarised Revenue Requirement

Name of the Petitioner:
Name of the Generating Station:

The Singareni Collieries Company Ltd
Singareni Thermal Power Project

Rs Lakh

Sl.no	Item	Ensuing Year				
		One	Two	Three	Four	Five
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Annual Fixed Charge					
1	Depreciation	43735.31	44302.40	45687.49	48618.51	50747.79
2	Interest on Loan	48439.11	44772.96	42059.08	41240.06	39111.13
3	Return on Equity	50151.24	50835.11	52392.16	55704.98	58144.62
4	Advance against Depreciation	0.00	0.00	0.00	1283.75	0.00
5	Interest on Working Capital (without FGD system)	9692.31	10386.10	11223.07	12321.45	13506.45
6	Interest on Working Capital for FGD	0.00	0.00	39.55	39.55	39.55
7	O & M Expenses (without FGD and Nox mitigation system)	22900.61	24251.06	25637.43	27784.30	29139.85
8	O&M for FGD (2% of FGD cost)	0.00	0.00	1290.64	1290.64	1290.64
9	O&M for NOx (2% of NOx mitigation project cost)	0.00	38.00	76.00	76.00	76.00
	Sub Total (Annual Fixed Charges)	174918.58	174585.64	178405.42	188359.25	192056.03
B	Variable Charges					
1	Coal and oil cost for generation	257531.24	285354.62	317294.30	352719.62	393344.52
2	Reagent cost for FGD system	0.00	0.00	131.40	131.40	131.76
	Sub Total (Variable Charges)	257531.24	285354.62	317425.70	352851.02	393476.28
C	Incentive	5436.50	5412.46	5560.40	5893.33	5359.96
D	Other Charges					
	Tariff filing fees	150.00	0.00	0.00	0.00	0.00
	One time Investment to upgrade existing lighting scheme to LED as per business plan.	500.00	0.00	0.00	0.00	0.00
	Sub Total (Other Charges)	650.00	0.00	0.00	0.00	0.00
E	Total gross annual revenue requirement (A+B+C+D)	438536.32	465352.72	501391.52	547103.60	590892.27
F	Less non tariff income from					
1	Income from rent of land or buildings	0.00	0.00	0.00	0.00	0.00
2	Net Income from sale of de-capitalised assets	0.06	0.06	0.06	0.06	0.06
3	Net Income from sale of scrap	0.00	0.00	0.00	0.00	0.00
4	Income from statutory investments	0.00	0.00	0.00	0.00	0.00
5	Interest on advances to suppliers/contractors	0.00	0.00	0.00	0.00	0.00
6	Rental from staff quarters	1.33	1.33	1.33	1.33	1.33
7	Rental from contractors	35.41	35.41	35.41	35.41	35.41
8	Income from investment of consumer security deposit	0.00	0.00	0.00	0.00	0.00
9	Income from hire charges from contractors and others, etc.	0.00	0.00	0.00	0.00	0.00

10	Income from the sale of ash/ rejected coal	0.00	0.00	0.00	0.00	0.00	0.00
11	Other income	0.00	0.00	0.00	0.00	0.00	0.00
12	Electricity from Employees & Contractors	0.00	0.00	0.00	0.00	0.00	0.00
	Sub Total (NTI)	36.79	36.79	36.79	36.79	36.79	36.79
G	Aggregate revenue requirement to be recovered from tariff (E-F)	438499.53	465315.93	501354.72	547066.81	590855.48	
H	Net Ex bus generation (MU)	8929.65	8903.42	8905.26	8873.45	8787.86	
I	Average cost of electricity in Rs/Kwh (G / H)	4.91	5.23	5.63	6.17	6.72	

Please note :

Applicant

Annexure - L : The list of spill over items.

Head	Description	Approved Cost as per RCE 2	Actual Expenditure upto 31.03.2019	FY2019-20	FY 2020-21	Remarks
DPR-01	Total BTG Package	4,934.50	4,849.48	85.02	0.00	Few PVC Bills are under process and the same will be booked during FY2019-20
DPR-02	BOP Package	1,020.00	1,007.27	12.73	-0.00	
DPR-03.01	Land for plant colony, ash dyke & corridors	50.00	53.06	-	-3.06	
DPR-03.02	Survey, soil investigation	0.30	0.02	-	0.28	
DPR-03.03	Site development, Enabling works incl. temporary offices, security sheds	24.00	23.47	-	0.53	
DPR-03.04	Plant Roads & culverts	20.00	12.69	-	7.31	
DPR-03.05	Plant & colony, boundary walls.	19.00	17.19	-	1.81	
DPR-03.06	Reservoir at plant & Intermediate storage reservoir at Kambojipet village	58.00	54.57	0.02	3.41	
DPR-03.07	Water-supply schemes including pipe-lines from River Godavari near Shetpalli and River Pranahita near Devulawada	378.00	403.57	1.65	-27.22	
DPR-03.08	Gate complex, security office, watch towers, Horticulture & Misc. Works	5.40	1.52	0.31	3.57	
DPR-03.09	Railway line & Plant marshalling yard	380.00	322.57	4.27	53.16	1) Track Linking work is in progress and is expected to be completed by 31.03.2021 2) Bridges construction is under progress and few works were completed, bills are under process 3) Codal Charges has to be to Railways on completion of Railway Line after commissioning of Total Track 4) Project Management Consultant(PMC) charges have not been paid to RITES on completion of above all works
DPR-03.10	Township incl. Staff Quarters, guest house & other amenities	145.00	109.53	0.66	34.81	M/s Sunil Hitech Engineers Limited got admitted in NCLT. The works of the contractor are being taken up by Sub-contractor with the approval of Contractor and Liquidator. Hence the works are under progress and are expected to be completed by FY2020-21 end.
DPR-03.11	Environmental improvement measures	4.00	1.25	-	2.75	
DPR-03.12	Corporate social responsibility (CSR)	22.10	13.84	1.65	6.61	CSR Works are being taken up by the District Collector: Mancherla 30% advance amounts were released to the district collector for various approved works and claims are yet to be received for the balance 70%
DPR-03.13	Weigh Bridges, Fire tender etc.	2.00	1.49	0.00	0.51	
DPR-03.14	Startup power and communication equipment	49.00	49.01	-	-	
DPR-03.15	Construction power	30.00	24.40	-	5.60	
DPR-03.16	Furniture & office automation	6.00	4.78	0.53	0.69	
DPR-03.17	Misc. Expenditure	8.00	7.31	0.12	0.57	
DPR-03.18	Bays for Alternative power evacuation	28.70	30.74	-	-2.04	
DPR-03.19	COAL TRANSPORT ROADS	52.00	43.95	-	8.05	
DPR-07	Establishment Costs	100.00	107.53	0.41	-7.94	
DPR-08	Consultancy & Engineering	120.00	119.44	-	0.56	
DPR-09	Start up Fuel	41.00	40.20	-	0.80	
DPR-14	Interest During Construction	1,266.00	1,264.34	-	1.66	
DPR-15	O&M till COD - Steag Payments	17.00	17.00	-	-	
Grand Total		8,780.00	8,580.22	107.36	92.44	

**Annexure - M : The justification for
claiming O&M expense & interest on
working capital for FGD & NOx mitigation
system.**

The incentive projected during the control period 2019-24 is given below:

Ref.	Unit	Ensuing Year				
		One	Two	Three	Four	Five
		2019-20	2020-21	2021-22	2022-23	2023-24
Incentive for additional generation	Rs Crs	54.36	54.22	54.01	53.34	53.49

20. Additional component of tariff for FGD system & NOx mitigation system

The capital investment plan submitted before this Hon'ble commission estimates the Flue Gas De-sulphurisation (FGD) system shall be put to use during FY 2021-22. The tariff computation based on proposed add cap during 2019-24 includes the capital cost for FGD. However, the O&M expenses, working capital requirements and reagent cost for the FGD system is required to be claimed separately.

The O&M cost for FGD was computed as 2% of FGD capital cost in accordance with the estimation provided in the Detailed Project Report (DPR) prepared by M/s NTPC limited.

The reagent cost of FGD was estimated considering the limestone consumption rates and its cost as given in the DPR. Interest on working capital for FGD was computed based on the same method of interest on working capital computation given in regulation 13.1.

The additional O&M for NOx mitigation system is estimated as 2% of capital cost for NOx mitigation project.

The additional claims for FGD & NOx mitigation system is given below:

(in lakh)

Item	Ensuing Year				
	One	Two	Three	Four	Five
	2019-20	2020-21	2021-22	2022-23	2023-24
Interest on Working Capital for FGD	0.00	0.00	27.10	27.10	27.10
O&M for FGD (2% of FGD cost)	0.00	0.00	1290.64	1290.64	1290.64
O&M for NOx (2% of NOx mitigation project cost)	0.00	38.00	76.00	76.00	76.00

In addition to above, Reagent cost for FGD amounting to 131 Lakh per annum is also projected in ARR as per the inputs of DPR

21. Statutory fees

It is to submit that the expenditures on account of license fee, fee for determination of tariff and audit fee is required to be allowed under aggregate revenue requirement based on actual. SCCL reserves the right to submit the actual expenditures in respect of statutory fees during mid-term review & end of control period review.

22. Terminal liabilities:

The terminal liabilities such as death-cum-retirement gratuity, pension, commute pension, leave encashment, LTC, medical reimbursement including fixed medical allowance in respect of pensioners will be submitted based on actual during mid-term review & end of control period review as per regulation 19.12.

23. Computation of ARR

The summary of ARR claimed before the hon'ble TSERC is submitted below:

(In Lakh)

Serial No	Item	Ensuing Year				
		One	Two	Three	Four	Five
		2019-20	2020-21	2021-22	2022-23	2023-24
A	Annual Fixed Charge					
1	Depreciation	44782.59	45715.39	48280.00	50452.43	50452.43
2	Interest on Loan	50009.18	46723.18	45430.91	43334.31	38188.16
3	Return on Equity	51518.77	52622.38	55529.18	57968.81	57968.81
4	Advance against Depreciation	0.00	0.00	1109.78	0.00	0.00
5	Interest on Working Capital (without FGD system)	8736.67	9132.93	9703.68	10333.52	10789.21
6	Interest on Working Capital for FGD	0.00	0.00	27.10	27.10	27.10
7	O & M Expenses (without FGD and Nox mitigation	22900.61	24251.06	25637.43	27784.30	29139.85

**Annexure - N : Confirmed 2X600 MW STPP
as non pit head station and allowed the
transit loss.**



TELANGANA STATE ELECTRICITY REGULATORY COMMISSION

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

From
The Commission Secretary(Fac)
TSERC, 11-4-660, 5th Floor,
Singareni Bhavan, Red Hills,
Hyderabad -500004

To
The Chairman and Managing Director
SCCL-Power Plant Division, 11-4-660,
3rd Floor, Singareni Bhavan, Red Hills,
Hyderabad -500004

Lt.No.TSERC/Secy/JD(TE)/F.T-~~72~~14 / D.No~~14~~1 \ Dt. 31-01-2020

Sir,

Sub: - SCCL – Determination of Tariff in respect of Singareni Thermal
Power Project, Phase-1 (2x600 MW) – Additional Information
Required – Reg.

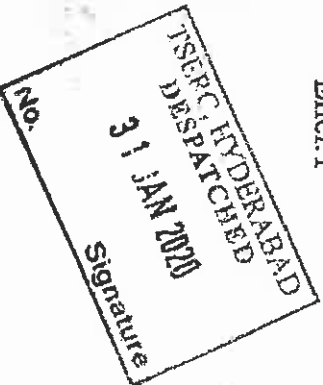
Ref: - (1) True-up Petition for FY 2016-17 to FY 2018-19
(O. P. No. 4 of 2019)
(2) Multi Year Tariff Petition for FY 2019-20 to FY 2023-24
(O. P. No. 5 of 2019)

With reference to the subject mentioned above, I am directed to call for
the information as per Annexure enclosed.

The above information should reach this office on or before

10.02.2020.

Encl:1



Yours faithfully,

[Signature]
Secretary(Fac)

Copy to:
PS to the Chairman
PS to Member /T
PS to Member /F

[Signature]
13/1

47

2/24/2020

Fwd: Request for extension of time to submit additional information in respect of STPP.

Fwd: Request for extension of time to submit additional information in respect of STPP.

✕ DELETE ← REPLY ⇐ REPLY ALL → FORWARD ...



Jisnu Dutta <jisnusccl@gmail.com>

Mon 2/24/2020 10:45 AM

Mark as unread

To: cpm_vishnu;

----- Forwarded message -----

From: **Umakanta Panda Commission Secretary** <secy@tserc.gov.in>

Date: Wed, Feb 12, 2020 at 4:18 PM

Subject: Re: Request for extension of time to submit additional information in respect of STPP.

To: Jisnu Dutta <jisnusccl@gmail.com>

Your request is granted for extension of two weeks

From: "Jisnu Dutta" <jisnusccl@gmail.com>

To: secy@tserc.gov.in, "Umakanta Panda" <ukpanda2009@gmail.com>

Sent: Wednesday, February 12, 2020 12:06:19 PM

Subject: Request for extension of time to submit additional information in respect of STPP.

Sir,

Attached please find the letter requesting extension of time.

Thanking You,

Yours Sincerely,
DGM(R&C),
STPP, SCCL

**List of Appendixes submitted in the
accompanying DVD.**

SL no.	List of Appendixes submitted in accompanying DVD
1	Appendix – A : The annual audited accounts for 2016-17, 2017-18 & 2018-19.
2	Appendix – B : The trial balances for March-17, March-18 & March-19.
3	Appendix – C : Excel formats & complete PDF of truing up petition dated 04.12.2019.
4	Appendix – D : The PVC computation of BTG package and BOP package.
5	Appendix – E : The PG test report of the boilers, mills and ESPs for the Unit-I & II related to BTG contract and PG test report for different water systems connected to BOP contract.
6	Appendix – F : Yearly cost audit reports from 2016-19.
7	Appendix – G : A revised Annexure-1 (Energy charges).
8	Appendix – H : Fuel related data in Form-15 (as per CERC tariff regulation, 2014) during 2016-19.
9	Appendix - I : SLDC Certificates for the actual Availability for 2017-19.
10	Appendix – J : The corrected excel formats of MYT petition.
11	Appendix – K : The CIP petition in PDF format.
12	Appendix – L : Updated MYT petition & truing up petition.
13	Appendix – M : Fuel related data in Form-15 during 2019-20 (upto December, 2019).



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

Ref No. STPP/COML/2020-21/97

Date: 10.03.2020

To
The Secretary,
Telangana State Electricity Regulatory Commission,
Singareni Bhavan,
Hyderabad.

Sir,

Sub: Additional submission to MYT petition FY 2019-20 to FY 2023-24 as directed by the Hon'ble Commission.

As required by the Hon'ble Commission the above subject matter is now being filed as additional submission.

Encl: As above.

Yours Sincerely


Chief Technical Consultant
2X600 MW STPP, SCCL.

Chief Technical Consultant
2X600MW, STPP

Sub: Additional submission requesting issuing clarification in relation to clauses given in TSERC Regulation No. 01 of 2019 for energy charge rate computation.

It is to humbly state that there is some difficulty in interpreting clauses 21.6, 21.7 and 21.10 of TS 01 of 2019 related to applicability of as fired GCV or as received GCV of coal for determination of energy charge rate.

The relevant portion of the clauses are quoted below:

Clause 21.6.

“Energy charge rate (ECR) in Rupees per kWh on ex-power plant basis shall be determined to three decimal places

Weighted Average Gross calorific Value of coal **as received**, in kCal per kg for coal based stations”

Clause 21.7

“The Generating Entity shall provide to the Beneficiaries of the Generating Station the details of parameters of GCV and price of fuel i.e., domestic coal, imported coal, e-auction coal, natural gas, RLNG, liquid fuel etc., as per the forms prescribed at Annexure I of CERC Regulations;

Provided that the details of blending ratio of the imported coal with domestic coal, proportion of e-auction coal and the weighted average GCV of the fuels **as fired** shall also be provided separately, along with the bills of the respective month.....”

Clause 21.10

“21.10. Any variation in fuel prices on account of change in the Gross Calorific Value (GCV) of coal or gas or liquid fuel shall be adjusted on a monthly basis on the basis of average GCV of coal or gas or liquid fuel in stock, **as fired** and weighted average landed cost incurred by the Generating Entity for procurement of coal, oil, or gas or liquid fuel, as the case may be for a station.”

As can be seen from the above, there is lack of clarity in application of either as fired or as received GCV of coal for determination of energy charge rate.

It is to submit that the SERC's are guided by the principles and methodologies of CERC while specifying regulations as per section 61(a) of Electricity Act, 2003.

CERC tariff regulation 2019-24 provides that the energy charge computation shall be done based on GCV of coal as received less 85 Kcal/kg on account of variation during storage at generating station.

The relevant portion is given below:

43 Computation and Payment of Energy Charge for Thermal Generating Stations

(1) The energy charge shall cover the primary

CVPF = (a) Weighted Average Gross calorific value of coal **as received, in kCal per kg for coal based stations less 85 Kcal/Kg** on account of variation during storage at generating

Chief Technical Consul
2X600MW, STPT

Further CEA, in recommendation to CERC during finalisation of 2019-24 tariff regulation provided that

“CEA has suggested that above mentioned margins would vary from plant to plant, season to season and to varying coal characteristics and accordingly a margin of 85-100 kCal/kg for pit head stations and a margin of 105-120 kCal/kg for non-pit head stations may be allowed to the generators as a loss of GCV measured at Wagon top at unloading point till the point of firing in the boiler.”

Further, it is to kindly submit that MYT regulations in Maharashtra Electricity Regulatory Commission (clause 50.7), Gujarat Electricity Regulatory Commission (clause 58.5) and draft regulation in Orissa Electricity Regulatory Commission (clause 26.11) have incorporated energy charge rate computation as given by CERC regulation or recommended by CEA or on the basis of as fired GCV of coal.

You are kindly requested to look into the issue and provide necessary clarifications considering the above.


Chief Technical Consultant
2X600MW, STPP