



**Telangana State Electricity Regulatory Commission**  
5<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Lakdi-ka-Pul, Hyderabad 500004

**ORDER**

**on**

**Tariff determination  
for  
2.2 MW Hydel Power Plant**

**of**

**M/s Gayatri Power Private Limited**

**02.01.2021**

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## LIST OF ABBREVIATIONS

CERC	Central Electricity Regulatory Commission
COD	Commercial Operation Date
CPI	Consumer Price Index
CUF	Capacity Utilisation Factor
DPR	Detailed Project Report
FY	Financial Year
GPPL	M/s Gayatri Power Private Limited
IDC	Interest During Construction
IEX	Indian Energy Exchange
IoWC	Interest on Working Capital
kWh	kilo Watt hour
MNRE	Ministry of New and Renewable Energy
MU	Million Units
MW	Mega Watt
NEDCAP	Non-Conventional Energy Development Corporation of Andhra Pradesh Limited
NREDCAP	New & Renewable Energy Development Corporation of Andhra Pradesh Limited
O&M	Operation and Maintenance
OP	Original Petition
PPA	Power Purchase Agreement
RoE	Return on Equity
TSREDCO	Telangana State Renewable Energy Development Corporation Limited
TSSPDCL	Southern Power Distribution Company of Telangana Limited
UI	Unscheduled Interchange
WPI	Wholesale Price Index

**TELANGANA STATE ELECTRICITY REGULATORY COMMISSION  
HYDERABAD**

**O.P.No.57 of 2018 &  
I.A.No.32 of 2018**

**Present**

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

**Dated: 02.01.2021**

Between:

Gayatri Power Private Limited

... Petitioner

And

Southern Power Distribution Company of Telangana Limited

... Respondent

M/s Gayatri Power Private Limited (GPPL) filed a Petition along with I.A., under Sections 62, 86(1)(b), and 86(1)(e) of the Electricity Act, 2003 and under the provisions of the Telangana State Electricity Regulatory Commission (Conduct of Business) Regulations, 2015 (Regulation No.2 of 2015) for determination of tariff for its 2.2 MW hydel power plant located at Vemuluruvagu near Raghavapuram (V), Palakeedu (M), Suryapet District.

The Commission, in exercise of its powers under the Electricity Act, 2003, and after considering Petitioner's submissions, suggestions and objections of Respondent as well as the other stakeholders, responses of Petitioner, issues that are raised during the Hearings and the Public Hearing and all other relevant material, passed the following Common Order.

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## COMMON ORDER

### CHAPTER 1 INTRODUCTION

#### 1.1 Background

- 1.1.1 GPPL, a company incorporated under the provisions of Companies Act, 1956, has entered into an agreement for development of 2.2 MW hydel power plant with Non-Conventional Energy Development Corporation of Andhra Pradesh Limited (NEDCAP) dated 24.07.2010. GPPL has established a hydel power plant with installed capacity of 2.2 MW at Vemuluruvagu near Raghavapuram (V), Palakeedu (M), Suryapet District. Vemuluruvagu is a sub stream to Nagarjuna Sagar Left Canal and the water flow in the canal depends upon release of water to the Left Canal from Nagarjuna Sagar Dam, meant for irrigation needs to the ayacut of Palakeedu Mandal and re-cycled water released from the fields.
- 1.1.2 GPPL entered into a draft Power Purchase Agreement (PPA) dated 31.10.2016 with the Southern Power Distribution Company of Telangana Limited (TSSPDCL) for sale of power generated from its 2.2 MW hydel power plant. TSSPDCL submitted the same for approval by the Commission vide its letter dated 02.11.2016. In the meanwhile, the draft PPA was revised on 15.09.2017. TSSPDCL submitted the same for approval by the Commission vide its letter dated 15.09.2017. The Commission vide letter dated 28.11.2017, had accorded consent to the revised draft PPA dated 15.09.2017, u/s 86(1)(b) of the Electricity Act, 2003 read with section 21(4) of the Telangana Electricity Reform Act, 1998 and directed TSSPDCL to enter into fair agreement with GPPL and forward the same to the Commission for record.
- 1.1.3 The Commission vide letter dated 17.10.2017, had directed GPPL to file a petition u/s 62 of the Electricity Act, 2003, for project specific tariff determination for its 2.2 MW hydel power plant. Pursuant to Commission's directions, GPPL filed a Petition (O.P.(SR) No.75 of 2018 & I.A.(SR) No.76 of 2018) before the Commission on 29.03.2018, which was returned vide letter dated 09.05.2018 with directions to comply with certain objections. GPPL re-submitted the Petition on 29.09.2018 along with compliance status to the

objections raised in the letter dated 09.05.2018. The Petition was returned vide letter dated 02.06.2018 due to non-compliance of certain objections raised in the letter dated 09.05.2018. GPPL re-submitted the Petition on 08.06.2018 along with updated compliance status to the objections raised in the letter dated 09.05.2018. The Petition was returned vide letter dated 20.06.2018 due to non-submission of executed PPA with TSSPDCL. GPPL re-submitted the Petition on 28.06.2018, stating as under:

*“With regard to objection No.1 raised in the above letter it is reiterated herein that only draft PPA has been entered into between the parties to the petition and unless and until tariff is determined in the present petition PPA cannot be concluded. Moreover, the Respondents have issued a letter to the Petitioner confirming that the PPA will be concluded only after the tariff is determined by the Hon’ble Commission. Thereafter, respondents will give a copy of the PPA to the petitioner. The said letter issued by the 2<sup>nd</sup> respondent is already submitted to you along with letter dt. 28.5.2018. Petitioner is not in possession of any draft PPA with it. The draft PPA is with the respondents only. Therefore, if the Hon’ble Commission opines that the draft PPA is necessary for adjudication of the present petition, the Hon’ble Commission may direct the Respondents for the production of draft PPA at the time of hearing. It is further submitted that O.P.No.2 of 2017 was filed before this Hon’ble Commission for determination of tariff without filing the draft PPA and the same has been entertained by the Hon’ble Commission and the same is reserved for orders. Therefore, the petitioner cannot file the PPA as required by the receiving officer and accordingly objection has been answered accordingly. If the receiving officer is not satisfied by the explanation given by the petitioner, the objection so raised along with the explanation letters submitted in this regard may be placed before the Hon’ble Commission for appropriate orders on objection no.1 raised in the reference letter.”*

## **1.2 Admission of Petitions and Regulatory Process**

1.2.1 The Petitions, after being admitted and numbered as O.P.No.57 of 2018 and I.A.No.32 of 2018, was heard on 29.09.2018, 26.08.2020 and 18.09.2020. The Commission after hearing the parties, decided to undertake the project specific tariff determination through public hearing mode. Accordingly, the Petitioner, as directed by the Commission, published for information of all stakeholders a notice in two (2) English newspapers, two (2) Telugu newspapers and one (1) Urdu newspaper on 08.11.2020.

1.2.2 Overview of Stakeholders’ Consultation Process:

- (a) The filings have been made available by the Petitioner along with supporting material to the public at large including all stakeholders. The filings and supporting material were also hosted on the website of the

Commission.

- (b) It was also notified in the public notice (Annexure-1) that, objections/ suggestions/ comments on the filings may be filed before 26.11.2020. In response to the public notice, objections/ suggestions/ comments were received from 3 (three) stakeholders (Annexure-2) in writing.
- (c) The Petitioner was directed to give the reply to the stakeholders in writing by 28.11.2020 by sending the same to the respective stakeholder with a copy to the Commission. The replies were also posted on the website of the Commission.
- (d) The virtual Public Hearing, which was originally scheduled to be held on 01.12.2020, was postponed to 18.12.2020. The Commission has conducted the virtual Public Hearing on 18.12.2020. The list of stakeholders who attended the virtual Public Hearing is enclosed at Annexure-3. During the Public Hearing, the Petitioner made a brief submission on its filings and then the Commission heard the Respondent and other stakeholders desiring to be heard. At the end, the Petitioner responded on the issues raised by the objectors and on directions of the Commission, filed a written submission regarding the same.

### **1.3 Datagaps and Petitioner's responses**

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



## CHAPTER 2 SUMMARY OF FILINGS

### 2.1 Petitioner's submissions

2.1.1 The summary of Petitioner's submissions in their original filings and the additional submissions is as under:

**Table 1: Summary of Petitioner's submissions**

Particulars	Unit	Petition	Addnl Submission
Installed capacity	MW	2.20	2.20
Commercial Operation Date (COD)	Date	22.10.2014	22.10.2014
Capacity Utilisation Factor (CUF)	%	30 or to be determined	20
Auxiliary consumption	%	1	1
Capital cost	Rs. Crore	13.47	13.20
Salvage value	%	10	10
Tariff period	No. of years	25	35
Debt	%	0	70
Equity	%	100	30
O&M expenses per MW for 1 <sup>st</sup> year	Rs. Crore	Based on actuals/ As per CERC Regulations, 2014	Based on actuals
Annual escalation for O&M expenses	%	As per CERC Regulations, 2014	As per CERC Regulations, 2014
Depreciation rate	%	As per CERC Regulations, 2014	As per CERC Regulations, 2014
Interest on long-term loan	%	-	-
Working capital		As per CERC Regulations, 2014	As per CERC Regulations, 2014
Interest on working capital	%	As per CERC Regulations, 2014	As per CERC Regulations, 2014
Rate of Return on Equity	%	As per CERC Regulations, 2014	As per CERC Regulations, 2014
Income Tax	-	Pass through	Pass through
Discount factor	%	-	12
Levelised tariff	Rs./kWh	5.00	4.97

2.1.2 The Petitioner requested the Commission to allow pass through of:

- (a) Royalty for usage of water, if levied by the State Government.
- (b) Electricity Duty on sale of electricity.
- (c) Other taxes, if any.

2.1.3 The Petitioner requested the Commission to consider the incentives applicable, to its project, from time to time.

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## **CHAPTER 3**

### **ISSUES RAISED BY STAKEHOLDERS, RESPONSES OF PETITIONER AND COMMISSION'S VIEWS**

#### **3.1 Objections/Suggestions/Comments made on filings**

3.1.1 Three (3) stakeholders have filed objections/ suggestions/ comments on the Petition filed for determination of tariff for 2.2 MW hydel power plant. The Petitioner has filed replies on the objections/ suggestions/ comments received from the stakeholders. For the sake of clarity, the objections/ suggestions/ comments raised by the stakeholders and responses of the Petitioner have been consolidated and summarised issue-wise. The Commission has concluded all the objections/ suggestions/ comments of the stakeholders made in writing as well as during the Public Hearing and the responses to them by the Petitioner.

#### **3.2 Power Purchase Agreement (PPA)**

##### ***Stakeholders' submissions***

3.2.1 Selection of developer by TSSPDCL after establishing the need for procurement and by competitive bidding process will ensure competitiveness of tariff and protection of larger consumer interest.

3.2.2 The determination of tariff has to succeed the approval of PPA executed between TSSPDCL and GPPL.

3.2.3 As per GPPL's agreement with NEDCAP, the plant is meant for captive consumption or third-party sale, and in case of non-approval of the same by TSERC, GPPL may enter into PPA with TSSPDCL. As GPPL is selling the power in the exchange, PPA is not required for the same.

3.2.4 Although the plant had achieved COD on 22.10.2014, GPPL had entered into draft PPA with TSSPDCL in October, 2016. In normal course, the PPA had to be executed before COD whereas the draft PPA in this case was signed 2 years after COD.

##### ***Petitioner's replies***

3.2.5 Prior to the formation of Telangana State, on the suggestion of the then Andhra Pradesh Electricity Regulatory Commission (APERC), GPPL had

approached the erstwhile Andhra Pradesh Central Power Distribution Company Limited (APCPDCL) (now TSSPDCL) for signing the draft PPA. Although the plant had achieved COD in the year 2014, as the then APCPDCL could not be impressed upon for execution of PPA, GPPL had to sell the power through in Indian Energy Exchange (IEX) for protection of the investment made for the project. The plant being located in the vicinity of Suryapet town, it would be beneficial to sell the power to TSSPDCL rather than in IEX with additional costs. GPPL has been putting efforts for supplying power to TSSPDCL from October 2016 onwards.

3.2.6 The draft PPA was entered into between GPPL and TSSPDCL on 31.10.2016 as per the Commission's directions. Subsequently, pursuant to the Commission's directions, the revised draft PPA was entered into between GPPL and TSSPDCL. TSSPDCL vide its letter dated 08.11.2017 corresponded to GPPL stating that the Commission had accorded in-principle consent for the revised draft PPA without tariff determination and also mentioned that the PPA would be executed only after tariff determination by the Commission and requested GPPL to approach the Commission for the same in order for the PPA to be executed. As per the draft PPA to which the Commission had accorded in-principle consent, the tariff shall be determined by the Commission and therefore, the present Petition has been filed.

3.2.7 However, in its counter affidavit, TSSPDCL submitted that it had earlier entered into a draft PPA only and requested the Commission dismiss the Petition in light of its submission.

### ***Commission's View***

3.2.8 The Commission has discussed the issue of PPA in detail in Chapter 4.

## **3.3 Tariff**

### ***Stakeholders' submissions***

3.3.1 The tariff claimed by GPPL is higher than the tariff of Rs.2.50/kWh discovered in competitive bidding for solar power. The uncertainty in availability of water and the additional charges in the form of royalty and other taxes would further increase the tariff.

3.3.2 The following parameters may be considered in tariff determination:

- (a) CUF may be considered as 30%.
- (b) The normative Debt Equity ratio may be considered as 70:30.
- (c) As GPPL has claimed the pre-tax rate of RoE as per the Central Electricity Regulatory Commission (CERC) (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulation, 2012 (hereinafter referred to as “CERC RE Tariff Regulations, 2012”), the reimbursement of income tax separately does not arise.

#### ***Petitioner’s replies***

3.3.3 The tariff has been claimed based on norms specified in the CERC RE Tariff Regulations, 2012. Although the in-principle consent was accorded in the year 2017, the issue of tariff determination is pending till now. Therefore, the prevailing tariffs are not comparable.

3.3.4 During the initial years, GPPL had to pay penalties for generating beyond the contracted quantum. Therefore, although there was potential for generating more energy, the generation was subdued solely due to the absence of agreements for the entire plant capacity. The plant is capable of generating more than the actual generation during the previous years.

3.3.5 CUF of 30% is not feasible considering the location of the project and water availability.

3.3.6 The debt equity ratio has been considered as 70:30.

#### ***Commission’s View***

3.3.7 The Commission has determined tariff considering the prudent parameters as detailed in Chapter 4.

### **3.4 Others**

#### ***Stakeholders’ submissions***

3.4.1 TSSPDCL has to be the Respondent to the Petition so that the stakeholders can support or object to the stand of TSSPDCL in the interest of consumers. If TSSPDCL does not file its submissions, this Petition may be closed.

3.4.2 As per the submissions of GPPL, it had filed another Petition numbered as

OP No. 2 of 2017 for determination of tariff in the absence of PPA and the same has been reserved for Order. However, the Order in the said OP is yet to be issued.

- 3.4.3 As submitted by GPPL, it cannot survive at the prevailing tariffs under open access. It appears that GPPL is attempting to benefit from the power shortages in 2014 by not selling to TSSPDCL at that time and salvage itself now by passing on the burden of high-cost power to TSSPDCL in power surplus scenario.

***Petitioner's replies***

- 3.4.4 TSSPDCL has filed its counter affidavit in this Petition.
- 3.4.5 For sale of power under the day ahead market, the generation has to be predicted in advance which involves uncertainty. Any generation over and above the contracted quantum does not yield any revenue but in fact attracts huge penalties in the form of Unscheduled Interchange (UI) charges which will further erode the revenues. It is for this reason that the actual generation during the previous years was on lower side. In the event of fuller capacity utilisation, adequate revenue will be generated for financial sustainability in the long-run, which is only possible with sale of power to TSSPDCL.

***Commission's View***

- 3.4.6 TSSPDCL has filed its counter affidavit as well as comments in this Petition which have been uploaded on the Commission's website.
- 3.4.7 OP No. 2 of 2017 was not filed by GPPL and the stakeholder's apprehension in this regard is misplaced. The Commission had issued the Order in OP No. 2 of 2017 on 07.01.2019.
- 3.4.8 Non-execution of PPA before COD does not preclude a generator from sale of power to distribution licensee by executing PPA post COD. The Commission has determined tariff for the PPA term considering the prudent parameters as detailed in Chapter 4.

## **CHAPTER 4**

### **ANALYSIS AND CONCLUSION ON TARIFF DETERMINATION**

#### **4.1 Maintainability**

4.1.1 TSSPDCL, during the virtual Public Hearing, requested the Commission to dismiss the Petition. It would be noteworthy to state the factual matrix before deciding on this request of TSSPDCL. The genesis of the present Petition lies in the revised draft PPA submitted by TSSPDCL and the consent accorded by the Commission to the same. The Commission, in this Petition, heard GPPL and TSSPDCL at length before proceeding with the tariff determination. At no point of time during those hearings had TSSPDCL requested the Commission to dismiss the Petition. In fact, it had stated that if the Commission decides to proceed with the tariff determination, it would submit detailed objections on the tariff parameters but it cannot be enforced to enter into final PPA with GPPL. Based on these submissions, the Commission decided to proceed with tariff determination which was recorded in Record of Proceedings dated 18.09.2020.

4.1.2 Subsequently, TSSPDCL submitted its objections, albeit after the due date, but no questions have been raised on the maintainability of the Petition. However, during the virtual Public hearing, TSSPDCL on one hand made submissions on the tariff parameters, and on the other hand requested the Commission to dismiss the Petition. Such a conduct of TSSPDCL with complete disregard to its own earlier submissions is unacceptable and unwarranted. The question of maintainability cannot be raised at the time of Public Hearing which is the penultimate end of the proceedings while taking a different stand during the earlier Hearings. Therefore, the Commission does not find any merit in the same.

#### **4.2 Power Purchase Agreement**

4.2.1 The Commission vide letter dated 28.11.2017, had accorded consent to the revised draft PPA u/s 86(1)(b) of the Electricity Act, 2003 read with Section 21(4) of the Telangana Electricity Reform Act, 1998 and directed TSSPDCL to enter into fair agreement with GPPL and forward the same to the Commission for record. However, GPPL and TSSPDCL have not entered into final PPA. In this regard, TSSPDCL submitted that final PPA was not entered into with

GPPL as it was complying with Renewable Power Purchase Obligation (RPPO) target stipulated by the Commission. Whereas, GPPL submitted that the RPPO target does not restrict the Respondent from procuring renewable energy sources beyond the target and the Electricity Act, 2003 mandates the promotion of renewable energy sources. As both the parties have not contested the issue of PPA in this Petition, the Commission does not require to deliberate on the same and hence, the Commission decides to proceed with the tariff determination. The Commission makes it amply clear that the tariff determination in this Petition shall be construed neither as acceptance nor rejection of the submissions of GPPL and TSSPDCL regarding the execution of final PPA.

### **4.3 Installed capacity and unit configuration**

4.3.1 GPPL submitted that the project was initially proposed to be developed with unit configuration of 2x1.1 MW but subsequently, in the designing phase, the unit configuration was revised to 1x1.5 MW + 1x0.7 MW taking into consideration the technology know-how and water flow availability in order to maximise the power generation during probable lean water flow availability. GPPL submitted the copy of statutory approval accorded by the Chief Electrical Inspector of Government of Telangana dated 23.06.2014 in support of the installed capacity and unit configuration of the project. The Commission has taken note of GPPL's submissions regarding installed capacity and unit configuration.

### **4.4 Commercial Operation Date (COD)**

4.4.1 As per the agreement entered into with NEDCAP, the project was to be commissioned by 23.07.2012. Whereas, GPPL submitted the COD of the project as 22.10.2014. GPPL submitted the approval of New & Renewable Energy Development Corporation of Andhra Pradesh Limited (NREDCAP) (formerly NEDCAP) dated 23.06.2014 wherein the extension of time for commissioning of the project was granted upto 31.12.2014.

4.4.2 In reply to a query regarding COD, GPPL submitted the commissioning certificate. However, the date mentioned in the commissioning certificate is 18.09.2014. The Telangana State Renewable Energy Development



Corporation Limited (TSREDCO) in its letter dated 03.03.2015 communicated to Ministry of New and Renewable Energy (MNRE) mentioned that the project had achieved COD on 18.09.2014.

4.4.3 In view of discrepancies in submissions made regarding COD, the Commission deems it fit to reckon the COD as 18.09.2014 based on the commissioning certificate and the letter of TSREDCO.

#### **4.5 Tariff period**

4.5.1 Although the project had achieved COD in the year 2014, the power supply to TSSPDCL has not commenced in the absence of final PPA executed between the parties. As per the revised draft PPA approved by the Commission, the effective date i.e., the date from which the PPA shall come into effect, is the date of its execution by both the parties. Further, the PPA shall be valid from the effective date until the expiry date, which shall mean the date of occurring 25 years from the COD of the project.

4.5.2 GPPL submitted the tariff period as 25 years in the Petition whereas, the tariff computations have been submitted for useful life of 35 years from COD.

4.5.3 The project has completed 6 years of operation and during this period, TSSPDCL had not purchased power generated from this project. Whereas, as per the revised draft PPA approved by the Commission, irrespective of the effective date, PPA would expire on 17.09.2039, unless extended/renewed. Therefore, the Commission does not find it prudent to determine tariff for the period which has lapsed and also when TSSPDCL had not purchased power from the project. As there is no certainty regarding the effective date, the Commission deems it fit to consider the tariff period from FY 2020-21 (in case the final PPA is signed before 31.03.2021 and the effective date falls in FY 2020-21) and FY 2039-40 (since the expiry date is 17.09.2039).

#### **4.6 Capital cost**

4.6.1 Hydel power plants are classified as large and small hydel projects based on the capacity. The hydel power plants of 25 MW or below capacity are classified as small hydro, which have further been classified into micro (100 kW or below), mini (101 kW-2 MW) and small hydro (2-25 MW). The hydel power plant of GPPL is of 2.2 MW capacity and hence qualifies to be

classified under small hydro.

4.6.2 GPPL has claimed the capital cost of Rs.13.47 Crore in its Petition. The Gross Fixed Assets (GFA) as on 31.03.2019 as per the audited accounts is Rs.13.59 Crore. Whereas, the tariff computations have been submitted considering the capital cost of Rs.13.20 Crore. In this regard, GPPL submitted that the capital cost Rs.13.20 Crore has been considered based on the normative capital cost of Rs.6 Crore/MW specified in the CERC RE Tariff Regulations, 2012, which were applicable for the year 2014. GPPL requested the Commission to consider the capital cost of Rs.13.20 Crore for tariff determination.

4.6.3 In reply to a query regarding capital cost, GPPL submitted the following:

- (a) Copies of work orders placed for the project.
- (b) Work order wise details of executed cost.
- (c) Head wise break-up details of civil works executed by GPPL.
- (d) Auditor certificate for capital cost of Rs.12.347 Crore (which excludes the cost of Rs.1.123 Crore incurred towards land and other civil works).

4.6.4 As per the Detailed Project Report (DPR), the capital cost (excluding Interest During Construction (IDC)) of the project was Rs.12.30 Crore. As against the same, GPPL claimed the executed works cost of Rs.13.47 Crore (does not include IDC as the project has been financed by 100% equity). Regarding this variation in capital cost, GPPL submitted as under:

- (a) The increase in capital cost is attributable to variation in cost of excavation of the project area land due to price variation during the 4 years intervening period from DPR approval in the year 2010 to COD.
- (b) In the process of land digging, excavation and levelling, the underground substrata were found to be full of hard rock primarily granite stone whereby altogether, a different type of machinery and lot of explosives had to be used for land excavation and levelling. The excavation cost has been apportioned under different heads of civil works.

4.6.5 The comparison of capital cost (excluding IDC) as per the DPR and the executed works cost claimed by GPPL is as shown in the Table below:

**Table 2: Capital cost as per the DPR and executed cost***(Rs. Crore)*

Sl. No.	Particulars	DPR cost	Executed cost
1	Land	0.18	0.11
2	Civil works with gates	6.80	6.52
3	Electrical & Mechanical (E&M)	4.62	6.85
4	Others	0.69	0.00
	<b>Total</b>	<b>12.30</b>	<b>13.47</b>

4.6.6 As can be seen from the above table, the increase in capital cost is in E&M works and not civil works. Therefore, the Commission does not find merit in the reasons submitted by GPPL for increase in capital cost.

4.6.7 In the DPR, the capital subsidy for the project has been shown as Rs.2.40 Crore whereas, GPPL has not considered any capital subsidy. In this regard, GPPL submitted that, in the absence of final PPA, MNRE precluded GPPL from availing any kind of capital subsidy for setting up of small hydel power plant. GPPL submitted the copy of letter dated 31.10.2013 received from MNRE wherein it was stated that GPPL's request for release of capital subsidy will be considered only on submission of all requisite documents including final PPA. The Commission has taken note of GPPL's submissions in this regard.

4.6.8 For tariff purposes, GPPL has claimed the capital cost of Rs.13.20 Crore considering the normative capital cost of Rs.6.00 Crore/MW specified in the CERC RE Tariff Regulations, 2012. In terms of Section 61(a) of the Electricity Act, 2003, the principles and methodologies specified by CERC shall be guiding and are not mandatory. The Commission does not find it prudent to consider the normative capital cost of Rs.6.00 Crore/MW completely ignoring the DPR cost estimates and the executed cost.

4.6.9 GPPL has not submitted any justification for the variation in executed cost of E&M works from the DPR cost estimates. Therefore, the Commission has approved the capital cost by considering the lower of DPR cost and executed cost under each head as shown in the Table below:

**Table 3: Capital cost as per DPR, executed cost and approved cost***(Rs. Crore)*

Sl. No.	Particulars	DPR cost	Executed cost	Approved
1	Land	0.18	0.11	0.11
2	Civil works with gates	6.80	6.52	6.52

Sl. No.	Particulars	DPR cost	Executed cost	Approved
3	Electrical & Mechanical	4.62	6.85	4.62
4	Others	0.69	0.00	0.00
	<b>Total</b>	<b>12.30</b>	<b>13.47</b>	<b>11.24</b>

4.6.10 Based on the audited accounts, the asset class wise GFA approved by the Commission is as shown in the Table below:

**Table 4: Asset class wise GFA approved by the Commission**

(Rs. Crore)

Particulars	FY 2014-15	FY 2015-16
Land	0.11	0.11
Plant & Machinery	4.62	4.62
Computer	0.00	0.00
Air conditioner	0.00	0.00
Circuit breaker	0.00	0.00
Civil works & canals	0.00	6.52
<b>Total</b>	<b>4.73</b>	<b>11.24</b>

#### 4.7 Norms for tariff determination

4.7.1 The tariff claim of GPPL is based on the actual financial and technical parameters of its hydel power plant and also on provisions of CERC RE Tariff Regulations, 2012 for some parameters.

4.7.2 The Commission had not specified the principles and methodologies for determination of tariff for small hydel power plants commissioned in the year 2014. In terms of Section 61(a) of the Electricity Act, 2003, the principles and methodologies specified by CERC shall be guiding and are not mandatory to be adopted by the Commission. Therefore, the Commission has determined the tariff considering the prudent norms, as detailed below.

#### 4.8 Means of finance

4.8.1 GPPL submitted that the capital cost of Rs.13.47 Crore has been financed by 100% Equity. As per the DPR, the project was to be financed by Debt and Equity in the ratio of 70:30. In justification for the change in means of finance, GPPL submitted that, in the absence of final PPA, debt funding could not be availed from banks or financial institutions and hence, the capital cost was financed by 100% equity. GPPL submitted that its promoters are in the laterite mining and trading business since the last 2 decades and they had sufficient income from which the project was funded.

4.8.2 The share capital as per the audited accounts is Rs.7.00 Crore which

amounts to 52% of the claimed capital cost of Rs.13.47 Crore. GPPL submitted that the balance amount of capital cost was funded in the form of unsecured short-term borrowings, as depicted in the audited annual accounts for FY 2014-15. The Commission does not find merit in GPPL's treatment of unsecured short-term borrowings as equity capital.

- 4.8.3 GPPL has considered the normative Debt Equity ratio of 70:30 for tariff purposes in accordance with the provisions of CERC RE Tariff Regulations, 2012. The Commission accepts the normative Debt Equity ratio of 70:30 as the actual Equity is more than 30% of the capital cost. The capital cost and means of finance claimed by GPPL and approved by the Commission are as shown in the Table below:

**Table 5: Capital cost and means of finance**

Particulars	Unit	Claimed	Approved
Capital cost	Rs. Crore	13.20	11.24
Debt	%	70%	70%
Debt	Rs. Crore	9.24	7.87
Equity	%	30%	30%
Equity	Rs. Crore	3.96	3.37

#### 4.9 Design Energy

- 4.9.1 GPPL has claimed the CUF of 20% and corresponding gross generation of 3.85 MU. The CUF and gross generation for the period from FY 2014-15 to FY 2020-21 (upto August 2020) submitted by GPPL is as under:

**Table 6: CUF and gross generation submitted by GPPL**

FY	CUF (%)	Gross Generation (MU)
2014-15	21.04%	2.00
2015-16	4.15%	0.80
2016-17	4.67%	0.90
2017-18	4.67%	0.90
2018-19	6.23%	1.20
2019-20 (provisional)	10.95%	2.11
2020-21 (upto August 2020)	6.81%	0.55

- 4.9.2 The Design Energy as per the DPR is 7.956 MU. In justification for the lower generation during the previous years, GPPL submitted that in the absence of final PPA, the plant capacity utilisation was restrained only to committed level for trading on day ahead market. GPPL also submitted that the CUF of 30% may not be possible considering the location of the project and water availability. The Commission finds the submissions of GPPL contradictory

wherein on one hand it states that the lower generation was solely because of absence of final PPA and on the other hand it also states that higher generation is not possible considering the location of the project and water availability.

- 4.9.3 In view of the same, the Commission does not find it prudent to accept the gross generation of 3.85 MU corresponding to CUF of 20% as claimed by GPPL. The Commission approves the Design Energy of 7.956 MU as per the DPR as the project design is based on the DPR that has been approved by the competent authority. The month wise Design Energy approved by the Commission is as under:

**Table 7: Month wise Design Energy approved by the Commission**

Month	Design Energy (in MU)
Apr	0.000
May	0.000
Jun	0.000
Jul	0.000
Aug	1.077
Sep	1.558
Oct	1.617
Nov	1.224
Dec	0.994
Jan	0.900
Feb	0.586
Mar	0.000
<b>Total</b>	<b>7.956</b>

#### 4.10 Auxiliary consumption

- 4.10.1 GPPL has claimed the normative auxiliary consumption of 1% in accordance with the provisions of the CERC RE Tariff Regulations, 2012.

- 4.10.2 The auxiliary consumption for the period from FY 2014-15 to FY 2020-21 (upto August 2020) is as shown in the Table below:

**Table 8: Auxiliary consumption submitted by GPPL**

FY	Auxiliary Consumption (%)
2014-15	0.62%
2015-16	7.75%
2016-17	4.18%
2017-18	2.79%
2018-19	1.99%
2019-20 (provisional)	1.95%
2020-21 (upto August 2020)	2.00%

- 4.10.3 The auxiliary consumption as per the revised draft PPA approved by the

Commission is 1%. The Commission accepts the normative auxiliary consumption of 1% as claimed by GPPL.

#### **4.11 Tariff components**

4.11.1 The tariff for a small hydel power plant comprises of the following components:

- (a) Return on Equity;
- (b) Interest on loan;
- (c) Depreciation;
- (d) Operation and Maintenance expenses;
- (e) Interest on working capital;
- (f) Income tax; and
- (g) Other expenses

#### **4.12 Return on Equity (RoE) and Income tax**

4.12.1 GPPL has claimed the RoE considering the normative equity and the rates of RoE of 20% and 24% for first 10 years and from 11<sup>th</sup> year onwards respectively. The rates of RoE claimed are in accordance with the provisions of the CERC RE Tariff Regulations, 2012.

4.12.2 The rates of RoE specified in the CERC RE Tariff Regulations, 2012 are pre-tax RoE i.e., the base rate of 16% has been grossed-up with MAT Rate and Corporate Tax Rate for first 10 years and from 11<sup>th</sup> year onwards respectively. GPPL, in addition to claiming the grossed-up rates of RoE, has requested for pass through of income tax. The Commission does not find merit in the claim of GPPL to allow RoE on pre-tax basis and in addition to allow the income tax on actual basis. In view of the above, the Commission finds it prudent to allow the RoE on post-tax basis with pass through of income tax on actual basis.

4.12.3 In terms of Section 61(a) of the Electricity Act, 2003, the principles and methodologies specified by CERC shall be guiding and are not mandatory to be adopted by the Commission. The Commission does not find it prudent to consider base rate of RoE of 16% as claimed by GPPL considering the present market scenario of reducing tariffs of non-conventional energy sources. On perusal of the rates of RoE specified by CERC and other State

Electricity Regulatory Commissions (SERCs), the Commission deems it fit to consider the rate of RoE of 14% on post-tax basis.

4.12.4 The Equity and RoE approved by the Commission is as shown in the Table below:

**Table 9: Equity and RoE approved by the Commission**

(Rs. Crore)

<b>FY</b>	<b>Equity</b>	<b>Rate of RoE</b>	<b>RoE</b>
2020-21	3.37	14.00%	0.47
2021-22	3.37	14.00%	0.47
2022-23	3.37	14.00%	0.47
2023-24	3.37	14.00%	0.47
2024-25	3.37	14.00%	0.47
2025-26	3.37	14.00%	0.47
2026-27	3.37	14.00%	0.47
2027-28	3.37	14.00%	0.47
2028-29	3.37	14.00%	0.47
2029-30	3.37	14.00%	0.47
2030-31	3.37	14.00%	0.47
2031-32	3.37	14.00%	0.47
2032-33	3.37	14.00%	0.47
2033-34	3.37	14.00%	0.47
2034-35	3.37	14.00%	0.47
2035-36	3.37	14.00%	0.47
2036-37	3.37	14.00%	0.47
2037-38	3.37	14.00%	0.47
2038-39	3.37	14.00%	0.47
2039-40	3.37	14.00%	0.47

### 4.13 Interest on loan

4.13.1 GPPL has not claimed any interest on loan. In justification for the same, GPPL submitted that claiming of interest on loan would enhance the prevailing losses and has no benefit either to the company or the investor. GPPL also submitted that it does not prefer to make any claim for interest on normative loan on account of adequate promoters' contribution. In view of the same, the Commission has not approved any interest on loan.

### 4.14 Depreciation

4.14.1 GPPL has claimed depreciation considering the rates of 5.83% for the first 12 years and uniform spread of balance depreciation over the remaining useful life. GPPL has claimed the depreciation in accordance with the provisions of the CERC RE Tariff Regulations, 2012.



4.14.2 The depreciation rate of 5.83% is derived based on the methodology of equating the depreciation to the loan repayment during the tenure of 12 years. The Commission does not find it prudent to consider the depreciation rates claimed by GPPL because; (a) the tariff is determined only for the tariff period and not the useful life of the project and (b) interest on normative loan is not allowed.

4.14.3 Therefore, the Commission has computed the depreciation considering the following:

- (a) Depreciation is not allowed on GFA under the class of Land.
- (b) The depreciable value of GFA under the classes of Plant & Machinery and Civil Works & Canals has been considered as 90%.
- (c) The depreciable value of GFA under the classes of Plant & Machinery and Civil Works & Canals has been uniformly spread over the useful life upto 35 years from COD.
- (d) The depreciation for the tariff period has been considered out of the depreciation computed for the useful life of 35 years.

4.14.4 The depreciation approved by the Commission is as shown in the Table below:

**Table 10: Depreciation approved by the Commission**

(Rs. Crore)

<b>FY</b>	<b>Depreciation</b>
2020-21	0.29
2021-22	0.29
2022-23	0.29
2023-24	0.29
2024-25	0.29
2025-26	0.29
2026-27	0.29
2027-28	0.29
2028-29	0.29
2029-30	0.29
2030-31	0.29
2031-32	0.29
2032-33	0.29
2033-34	0.29
2034-35	0.29
2035-36	0.29
2036-37	0.29
2037-38	0.29

<b>FY</b>	<b>Depreciation</b>
2038-39	0.29
2039-40	0.29

#### 4.15 Operation and Maintenance (O&M) expenses

4.15.1 GPPL has considered the O&M expenses of Rs.0.14 Crore/MW for FY 2014-15 with annual escalation of 5.72% in the tariff computations. GPPL submitted that although the CERC RE Tariff Regulations, 2012 specify the normative O&M expenses of Rs.0.20 Crore/MW for project size of below 5 MW (for FY 2012-13), it has considered the O&M expenses of Rs.0.14 Crore/MW that is applicable for project size of 5 MW to 25 MW as its O&M expenses had been on lower side in comparison to norms specified by CERC. GPPL requested the Commission to consider the normative O&M expenses of Rs.0.14 Crore/MW for FY 2014-15.

4.15.2 The O&M expenses for FY 2014-15 to FY 2020-21 (upto August 2020) submitted by GPPL is as under:

**Table 11: O&M expenses submitted by GPPL**

(Rs. Crore)

<b>FY</b>	<b>O&amp;M expenses</b>	<b>UI charges and other penalties included in O&amp;M expenses</b>	<b>O&amp;M expenses excluding UI charges and other penalties</b>
2014-15	0.54	0.14	0.40
2015-16	0.25	0.16	0.08
2016-17	0.36	0.12	0.25
2017-18	0.92	0.08	0.84
2018-19	0.53	0.05	0.49
2019-20 (provisional)	0.40	0.12	0.28
2020-21 (upto August 2020)	0.42	0.01	0.41

4.15.3 Considering the normative O&M expenses of Rs.0.14 Crore/MW for FY 2014-15 and the annual escalation rate of 5.72% claimed by GPPL, the normative O&M expenses for FY 2020-21 works out to Rs.0.20 Crore/MW. The Commission finds that the O&M expenses computed considering the average of O&M expenses for the preceding 5 years i.e., from FY 2015-16 to FY 2019-20 and the annual escalation rates, based on monthly CPI and WPI indices from April 2017 upto March 2020, the normative O&M expenses for FY 2020-21 works out to Rs.0.21 Crore/MW. In light of the above, the Commission has

considered the normative O&M expenses of Rs.0.20 Crore/MW for FY 2020-21, as claimed by GPPL.

4.15.4 The Commission has considered the annual escalation of 4.04% which has been computed by considering the CPI and WPI indices for the period from FY 2014-15 to FY 2019-20 to factor in the inflation for the preceding 5 years and by considering the weightage of CPI and WPI in the ratio of 70:30.

**Table 12: O&M expenses approved by the Commission**

FY	O&M expenses	
	Rs. Crore/MW	Rs. Crore
2020-21	0.20	0.43
2021-22	0.20	0.45
2022-23	0.21	0.47
2023-24	0.22	0.48
2024-25	0.23	0.50
2025-26	0.24	0.52
2026-27	0.25	0.55
2027-28	0.26	0.57
2028-29	0.27	0.59
2029-30	0.28	0.61
2030-31	0.29	0.64
2031-32	0.30	0.66
2032-33	0.31	0.69
2033-34	0.33	0.72
2034-35	0.34	0.75
2035-36	0.35	0.78
2036-37	0.37	0.81
2037-38	0.38	0.84
2038-39	0.40	0.88
2039-40	0.41	0.91

#### 4.16 Interest on Working Capital (IoWC)

4.16.1 GPPL has claimed the working capital components of (i) O&M expenses for 1 month, (ii) Maintenance spares @ 15% of O&M expenses, and (iii) 2 months receivables. The interest on working capital has been claimed considering the interest rate of 13.20%. The normative interest on working capital has been claimed in accordance with the provisions of the CERC RE Tariff Regulations, 2012.

4.16.2 GPPL submitted that it has not executed any agreements for working capital loans as the payments were being received after 2 days of power supply.

4.16.3 As per the revised draft PPA approved by the Commission, the billing for the

electricity delivered shall be done on monthly basis with window period of 30 days for payment by TSSPDCL. It is a settled principle that the interest on working capital has to be allowed on normative basis even if no external funding has been availed for meeting the working capital requirement. The Commission finds merit in the GPPL claim of working capital components and hence, approves the same. As regards rate of interest on working capital, the Commission does not find it prudent to allow the rate of 13.20% in light of the reducing interest rates. The current State Bank of India (SBI) 1 year Marginal Cost Lending Rate (MCLR) is 7%. Considering a margin of 300 basis points i.e., 3% over and above the SBI 1 year MCLR of 7%, the Commission approves the rate of interest on working capital as 10%.

**Table 13: IoWC approved by the Commission**

(Rs. Crore)

FY	O&M expenses	Maintenance spares	Receivables	Working capital	Rate of interest	IoWC
	1 month	15% of O&M expenses	2 months			
2020-21	0.04	0.06	0.20	<b>0.30</b>	10.00%	<b>0.03</b>
2021-22	0.04	0.07	0.21	<b>0.31</b>	10.00%	<b>0.03</b>
2022-23	0.04	0.07	0.21	<b>0.32</b>	10.00%	<b>0.03</b>
2023-24	0.04	0.07	0.21	<b>0.33</b>	10.00%	<b>0.03</b>
2024-25	0.04	0.08	0.22	<b>0.33</b>	10.00%	<b>0.03</b>
2025-26	0.04	0.08	0.22	<b>0.34</b>	10.00%	<b>0.03</b>
2026-27	0.05	0.08	0.22	<b>0.35</b>	10.00%	<b>0.04</b>
2027-28	0.05	0.09	0.23	<b>0.36</b>	10.00%	<b>0.04</b>
2028-29	0.05	0.09	0.23	<b>0.37</b>	10.00%	<b>0.04</b>
2029-30	0.05	0.09	0.24	<b>0.38</b>	10.00%	<b>0.04</b>
2030-31	0.05	0.10	0.24	<b>0.39</b>	10.00%	<b>0.04</b>
2031-32	0.06	0.10	0.24	<b>0.40</b>	10.00%	<b>0.04</b>
2032-33	0.06	0.10	0.25	<b>0.41</b>	10.00%	<b>0.04</b>
2033-34	0.06	0.11	0.25	<b>0.42</b>	10.00%	<b>0.04</b>
2034-35	0.06	0.11	0.26	<b>0.43</b>	10.00%	<b>0.04</b>
2035-36	0.06	0.12	0.26	<b>0.45</b>	10.00%	<b>0.04</b>
2036-37	0.07	0.12	0.27	<b>0.46</b>	10.00%	<b>0.05</b>
2037-38	0.07	0.13	0.28	<b>0.47</b>	10.00%	<b>0.05</b>
2038-39	0.07	0.13	0.28	<b>0.49</b>	10.00%	<b>0.05</b>
2039-40	0.08	0.14	0.28	<b>0.50</b>	10.00%	<b>0.05</b>

#### 4.17 Tariff

4.17.1 Based on the above, the total tariff approved by the Commission is as shown in the Table below:

**Table 14: Tariff approved by the Commission**

FY	RoE	Depreciation	O&M expenses	IoWC	Total	Design Energy	Auxiliary consumption	Net generation	Per unit tariff
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	MU	%	MU	Rs./kWh
2020-21	0.47	0.29	0.43	0.03	<b>1.22</b>	7.956	1%	7.876	<b>1.55</b>
2021-22	0.47	0.29	0.45	0.03	<b>1.24</b>	7.956	1%	7.876	<b>1.58</b>
2022-23	0.47	0.29	0.47	0.03	<b>1.26</b>	7.956	1%	7.876	<b>1.60</b>

FY	RoE	Depreciation	O&M expenses	IoWC	Total	Design Energy	Auxiliary consumption	Net generation	Per unit tariff
	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	Rs. Crore	MU	%	MU	Rs./kWh
2023-24	0.47	0.29	0.48	0.03	<b>1.28</b>	7.956	1%	7.876	<b>1.63</b>
2024-25	0.47	0.29	0.50	0.03	<b>1.30</b>	7.956	1%	7.876	<b>1.65</b>
2025-26	0.47	0.29	0.52	0.03	<b>1.32</b>	7.956	1%	7.876	<b>1.68</b>
2026-27	0.47	0.29	0.55	0.04	<b>1.34</b>	7.956	1%	7.876	<b>1.71</b>
2027-28	0.47	0.29	0.57	0.04	<b>1.37</b>	7.956	1%	7.876	<b>1.74</b>
2028-29	0.47	0.29	0.59	0.04	<b>1.39</b>	7.956	1%	7.876	<b>1.77</b>
2029-30	0.47	0.29	0.61	0.04	<b>1.42</b>	7.956	1%	7.876	<b>1.80</b>
2030-31	0.47	0.29	0.64	0.04	<b>1.44</b>	7.956	1%	7.876	<b>1.83</b>
2031-32	0.47	0.29	0.66	0.04	<b>1.47</b>	7.956	1%	7.876	<b>1.86</b>
2032-33	0.47	0.29	0.69	0.04	<b>1.50</b>	7.956	1%	7.876	<b>1.90</b>
2033-34	0.47	0.29	0.72	0.04	<b>1.53</b>	7.956	1%	7.876	<b>1.94</b>
2034-35	0.47	0.29	0.75	0.04	<b>1.56</b>	7.956	1%	7.876	<b>1.98</b>
2035-36	0.47	0.29	0.78	0.04	<b>1.59</b>	7.956	1%	7.876	<b>2.02</b>
2036-37	0.47	0.29	0.81	0.05	<b>1.62</b>	7.956	1%	7.876	<b>2.06</b>
2037-38	0.47	0.29	0.84	0.05	<b>1.65</b>	7.956	1%	7.876	<b>2.10</b>
2038-39	0.47	0.29	0.88	0.05	<b>1.69</b>	7.956	1%	7.876	<b>2.14</b>
2039-40	0.47	0.29	0.91	0.05	<b>1.73</b>	7.956	1%	7.876	<b>2.19</b>

4.17.2 The income tax paid by GPPL on the income derived from the power project shall be reimbursed by TSSPDCL on submission of challans of Tax paid to Income Tax Department.

#### 4.18 Other expenses

4.18.1 GPPL requested the Commission to allow the royalty for water usage, if levied by the State Government, as pass through. The Commission allows recovery of royalty for water usage, if levied by State Government, from TSSPDCL on production of documentary evidences.

4.18.2 GPPL requested the Commission to allow pass through of Electricity Duty on sale of electricity, as pass through. In accordance with the Telangana Electricity Duty Act, 1939, the Electricity Duty shall not be levied on GPPL for sale of electricity to TSSPDCL and hence, pass through of Electricity Duty does not arise.

4.18.3 GPPL requested the Commission to allow any taxes, as pass through. GPPL submitted that any taxes paid is a recognised expenditure payable to tax authorities. GPPL submitted that incidence of tax on approved equity is a legitimate expense and has to be allowed as pass through. The Commission has already given its ruling on income tax in the preceding paragraph and does not require to repeat the same again.

#### **4.19 Incentives**

4.19.1 The Commission directs GPPL to pass through any incentives that may be availed during the tariff period to TSSPDCL along with production of documentary evidences for the same.

#### **4.20 Applicability**

4.20.1 The year wise per unit Tariff determined in this Order shall be applicable, for the delivered energy upto the net generation approved in this Order, for the Tariff Period from the effective date as per the final PPA to the Expiry Date as per the final PPA. The Commission makes it amply clear that -

- (a) the tariff determination in this Petition shall be construed neither as acceptance nor rejection of the submissions of GPPL and TSSPDCL regarding the execution of final PPA.
- (b) the tariff applicable for the first year shall be the tariff approved in this Order for the Financial Year in which the effective date as per the final PPA falls.
- (c) either of the parties are not entitled to seek re-determination of tariff.
- (d) irrespective of the effective date, final PPA would expire on 17.09.2039, unless extended/renewed.
- (e) The income tax paid by GPPL on the income derived from the power project shall be reimbursed by TSSPDCL on submission of challans of Tax paid to Income Tax Department.
- (f) GPPL to pass through any incentives that may be availed during the tariff period to TSSPDCL along with production of documentary evidences for the same.

#### **4.21 I.A.No.32 of 2018 in O.P.No.57 of 2018**

4.21.1 The petitioner has sought interim orders by filing an application for interim tariff of Rs.4.50/kWh. As the Commission has considered the original petition itself and as decided the tariff applicability to the project, nothing survives in this application and accordingly, the same stands closed.

**This Order is corrected and signed on this the 2<sup>nd</sup> day of January, 2021.**

**Sd/-  
(BANDARU KRISHNAIAH)  
MEMBER**

**Sd/-  
(M.D.MANO HAR RAJU)  
MEMBER**

**Sd/-  
(T.SRIRANGA RAO)  
CHAIRMAN**

## APPENDIX A SCHEDULE OF APPROVED TARIFF

1. The schedule of approved tariff is as under:

FY	Design Energy	Auxiliary consumption	Net generation	Per unit tariff
	MU	%	MU	Rs./kWh
2020-21	7.956	1%	7.876	1.55
2021-22	7.956	1%	7.876	1.58
2022-23	7.956	1%	7.876	1.60
2023-24	7.956	1%	7.876	1.63
2024-25	7.956	1%	7.876	1.65
2025-26	7.956	1%	7.876	1.68
2026-27	7.956	1%	7.876	1.71
2027-28	7.956	1%	7.876	1.74
2028-29	7.956	1%	7.876	1.77
2029-30	7.956	1%	7.876	1.80
2030-31	7.956	1%	7.876	1.83
2031-32	7.956	1%	7.876	1.86
2032-33	7.956	1%	7.876	1.90
2033-34	7.956	1%	7.876	1.94
2034-35	7.956	1%	7.876	1.98
2035-36	7.956	1%	7.876	2.02
2036-37	7.956	1%	7.876	2.06
2037-38	7.956	1%	7.876	2.10
2038-39	7.956	1%	7.876	2.14
2039-40	7.956	1%	7.876	2.19

2. The year wise per unit Tariff determined in this Order shall be applicable, for the delivered energy upto the net generation approved in this Order, for the Tariff Period from FY 2020-21 (from actual effective date of final PPA) to FY 2039-40 (till expiry date of final PPA). The Commission makes it amply clear that -
- (a) the tariff determination in this Petition shall be construed neither as acceptance nor rejection of the submissions of GPPL and TSSPDCL regarding the execution of final PPA.
  - (b) the tariff applicable for the first year shall be the tariff approved in this Order for the Financial Year in which the effective date as per the final PPA falls.
  - (c) either of the parties are not entitled to seek re-determination of tariff.
  - (d) irrespective of the effective date, final PPA would expire on 17.09.2039, unless extended/renewed.
  - (e) the income tax paid by GPPL on the income derived from the power project shall be reimbursed by TSSPDCL on submission of challans of Tax paid to Income Tax Department.
  - (f) GPPL to pass through any incentives that may be availed during the tariff period to TSSPDCL along with production of documentary evidences for the same.

## ANNEXURE 1 PUBLIC NOTICE

**BEFORE THE HONOURABLE  
TELANGANA STATE ELECTRICITY  
REGULATORY COMMISSION**  
5th Floor, Singareni Bhavan, Red Hills, Lakdi-ka-pul, Hyderabad 500004

**GAYATRI POWER PRIVATE LIMITED  
PUBLIC NOTICE**

Inviting objections/ suggestions/ comments on Petition filed by Gayatri Power Private Limited for determination of tariff for its 2.2 MW hydel power plant (under OP No. 57 of 2018)

- Gayatri Power Private Limited filed a Petition under sections 62, 86(1)(b), 86(1)(e) of the Electricity Act, 2003 read with Regulation No. 2 of 2015 for determination of tariff for its 2.2 MW hydel power plant at Vemuluruvagu, near Raghavapuram (V), Plakeedu (M), Suryapet Dt.
- A copy of the said Petition along with additional submissions can be obtained from the office of Gayatri Power Private Limited at **Admin Office: 3-6-521, Flat No. 402 Gharondamaya, Opp. KFC, Himayatnagar Hyderabad-500 029**, free of cost, on written request. The said Petition along with additional submissions filed by Gayatri Power Private Limited are also hosted on the Commission's website [www.tserc.gov.in](http://www.tserc.gov.in).
- The Commission desires that all the stakeholders, interested persons and others in the matter and public at large may offer their objections/ suggestions/ comments on the above said proposals. The objections/ suggestions/ comments shall be filed in the form prescribed in Regulation No. 2 of 2015 being Conduct of Business Regulation available on the website of the Commission at [www.tserc.gov.in](http://www.tserc.gov.in). The objections/ suggestions/ comments shall be filed in 6 copies.
- The objections/ suggestions/ comments should be filed either in writing addressed to the **Secretary TSERC** at the above address or sent by email to [secy@tserc.gov.in](mailto:secy@tserc.gov.in). However, in the event of e-mailing the objections, the same shall be sent in 3 copies as post copy confirmation. The objections/ suggestions/ comments should be filed before the Commission on or before 5.00 PM on 26.11.2020 with a copy served to **Managing Director, Gayatri Power Private Limited Admin Office: 3-6-521, Flat No. 402 Gharondamaya, Opp. KFC, Himayatnagar Hyderabad-500 029**.
- Gayatri Power Private Limited should reply to each of the objections/ suggestions/ comments within three days of receipt of the same, but not later than 28.11.2020 for all the objections/ suggestions/ comments received till 26.11.2020. Any information furnished to the stakeholders shall also be invariably marked to Secretary TSERC.
- The Public Hearing in OP No. 57 of 2018 will be held through video conference on 01.12.2020. The stakeholders desiring to be heard in person shall furnish the required details for attending the Public Hearing through video conference (Refer to Proceedings No. TSERC/Secy/No. PD-1/2020 Dated:09.09.2020 hosted on the Commission's website [www.tserc.gov.in](http://www.tserc.gov.in) for further details).

Hyderabad  
06-11-2020

Sd/- Managing Director  
Gayatri Power Private Limited

**BEFORE THE HONOURABLE  
TELANGANA STATE ELECTRICITY REGULATORY COMMISSION**  
5th Floor, Singareni Bhavan, Red Hills,  
Lakdi-ka-pul, Hyderabad 500004

**M/s. GAYATRI POWER PRIVATE LIMITED  
PUBLIC NOTICE**

**Petition filed by Gayatri Power  
Private Limited for determination  
of tariff for its 2.2 MW hydel  
power Plant (under OP No.57 of  
2018) change in date of virtual  
Public Hearing**

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Take notice that the virtual public  
Hearing in O.P.No.57 of 2018,  
Scheduled on 01.12.2020, is  
postponed to 18.12.2020.

**Hyderabad  
25-11-2020**

sd/-  
Managing Director  
**M/s.GAYATRI POWER PRIVATE LIMITED**



**ANNEXURE 2**  
**LIST OF STAKEHOLDERS WHO SUBMITTED**  
**THE WRITTEN COMMENTS/OBJECTIONS/SUGGESTIONS**

<b>Sl. No.</b>	<b>Name and address of the stakeholder</b>
1	Sri M. Venugopala Rao, Senior Journalist & Convener, Centre for Power Studies, H.No.1-100/MP/101, Monarch Prestige, Journalists' Colony, Gopanpally, Serilingampally Mandal, Hyderabad - 500 032
2	Sri M. Thimma Reddy, Convenor, People's Monitoring Group on Electricity Regulation, Plot No.39, Radha Krishna Nagar, Hyderguda village, Attapur, Hyderabad – 500 048
3	Southern Power Distribution Company of Telangana Limited, #6-1-50, Corporate Office, Mint Compound, Hyderabad – 500 063

**ANNEXURE 3**  
**LIST OF STAKEHOLDERS WHO PARTICIPATED IN**  
**VIRTUAL PUBLIC HEARING HELD ON 18.12.2020**

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