



TAMIL NADU ELECTRICITY REGULATORY COMMISSION

Approval of True Up of TANGEDCO
for FY 2022-23

Order dated 13th August 2024 on M.P. No. 12 of 2024



TAMIL NADU ELECTRICITY REGULATORY COMMISSION

(Constituted under Section 82(1) of Electricity Act, 2003)

(Central Act 36 of 2003)

PRESENT:

Thiru. M. Chandrasekar – Chairman

Thiru. K. Venkatesan – Member

Thiru. B. Mohan – Member (Legal)

Order dated 13th August 2024 on M.P. No. 12 of 2024

In the matter of: Approval of True Up of TANGEDCO for FY 2022-23

In exercise of the powers conferred by Section 62 and Clause (a) of sub-section (1) of Section 86 of the Electricity Act 2003 (Central Act 36 of 2003) and all other powers hereunto enabling in that behalf and after considering suggestions and objections received from the public, as per sub-section (3) of Section 64 of the said Act, the Tamil Nadu Electricity Regulatory Commission hereby passes this Order for Approval of True-Up for FY 2022-23 for TANGEDCO.

Sd/-
(B. Mohan)
Member (Legal)

Sd/-
(K. Venkatesan)
Member

Sd/-
(M. Chandrasekar)
Chairman

(By Order of the Commission)



(Dr. C. Veeramani)
Secretary

LIST OF ABBREVIATIONS

A&G	Administration and General
ABC	Aerial Bunched Cables
ABR	Average Billing Rate
APR	Annual Performance Review
APTEL	Appellate Tribunal for Electricity
ARR	Aggregate Revenue Requirement
CAGR	Compounded Annual Growth Rate
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CFL	Compact Fluorescent Lamps
CGS	Central Generating Station
COS	Cost of Supply
CPP	Captive Power Plant
CSD	Consumer Security Deposit
CWIP	Capital Work in Progress
DA	Dearness Allowance
EA	Electricity Act
ED	Electricity Duty
FRP	Financial Restructuring Plan
FY	Financial Year
GFA	Gross Fixed Assets
G.O.	Government Order
GPF	General Provident Fund
GoTN	Government of Tamil Nadu
HT	High Tension
HVDS	High Voltage Distribution System
Ind AS	Indian Accounting Standards
kWh	kilo-Watt hour

LT	Low Tension
LTOA	Long Term Open Access
MTOA	Medium Term Open Access
MU	Million Units
MW	Mega-Watt
MYT	Multi-Year Tariff
NTI	Non-Tariff Income
O&M	Operation & Maintenance
PF	Power Factor
PLF	Plant Load Factor
R&M	Repair & Maintenance
RoE	Return on Equity
SLDC	State Load Despatch Centre
STOA	Short Term Open Access
T&D	Transmission & Distribution
TANGEDCO	Tamil Nadu Generation and Distribution Corporation Ltd.
TANTRANSCO	Tamil Nadu Transmission Corporation Ltd.
TNEB	Tamil Nadu Electricity Board
TNERC	Tamil Nadu Electricity Regulatory Commission
ToD	Time of Day
TP	Tariff Policy

Table of Contents

<u>1</u>	<u>INTRODUCTION</u>	<u>9</u>
1.1	Preamble	9
1.2	The Electricity Act, 2003, Tariff Policy and Regulations	10
1.3	Tariff Filing	12
1.4	Petition Filing	13
1.5	Procedure Adopted	13
1.6	IND AS CONVERSION	14
1.7	Applicability of Order	14
1.8	Layout of the Order	14
1.9	Approach of the Order	14
<u>2</u>	<u>FINAL TRUE-UP FOR FY 2022-23</u>	<u>16</u>
2.1	Background	16
2.2	Energy Sales	16
2.3	Energy Availability	18
2.4	Energy Balance and Distribution Losses	20
2.5	Fixed Expenses	22
2.6	Operation & Maintenance Expenses	22
2.7	Capital Expenditure and Capitalization	24
2.8	Depreciation	25
2.9	Interest on Loan and Other Financing Charges	29
2.10	Return on Equity	31
2.11	Interest on Working Capital (IoWC)	34
2.12	Operating Charges and Extra-Ordinary Items	37
2.13	Other Income and Non-Tariff Income	38
2.14	Summary of Fixed Charges	40
2.15	Variable cost for own generating stations	43
2.16	Plant Load Factor (PLF)	45
2.17	Auxiliary Consumption	46
2.18	Station Heat Rate (SHR)	48
2.19	Specific Oil Consumption (SOC)	49
2.20	Fuel Related Parameters	49

2.21	Price of Primary Fuel	50
2.22	Computation of Energy Charges	51
2.23	Power Purchase from other sources for FY 2022-23	51
2.24	Summary of ARR for FY 2022-23	55
2.25	Revenue from sale of power	56
2.26	Revenue Gap/(Surplus) for FY 2022-23	57
2.27	Treatment of Revenue Gap	57
3	<u>SUMMARY OF DIRECTIVES</u>	60
4	<u>ANNEXURES</u>	62
4.1	ANNEXURE I – G.O.(MS). NO. 38: TAKE OVER OF 100% FINANCIAL LOSSES OF TANGEDCO	62
4.2	ANNEXURE II - STAKEHOLDERS’ COMMENTS, TANGEDCO’S REPLY AND COMMISSION’S VIEW	64

List of Tables

Table 2-1: Total Sales for FY 2022-23 as approved by the Commission (MU)..... 17

Table 2-2: Energy availability from own stations for FY 2022-23 as submitted by TANGEDCO (MU)18

Table 2-3: Energy Availability from own generating stations approved by the Commission after true-up for FY 2022-23 (MU)..... 19

Table 2-4: Energy availability from Other Sources as submitted by TANGEDCO (MU) 20

Table 2-5: Energy availability from Other sources approved by the Commission after true-up for FY 2022-23 (MU) 20

Table 2-6: Total Energy availability for TANGEDCO approved by the Commission after true up for FY 2022-23 (MU) 20

Table 2-7: Energy Balance as submitted by TANGEDCO (MU)..... 20

Table 2-8: Energy Balance approved by the Commission after true-up for FY 2022-23 (MU)..... 21

Table 2-9: Power Purchase Quantum allowed by the Commission after true-up for FY 2022-23 (MU)21

Table 2-10: O&M Expenses as submitted by TANGEDCO for FY 2022-23 (Rs. Crore) 23

Table 2-11: O&M expenses approved by the Commission after True-Up for the..... 24

Table 2-12: CAPEX and Capitalization submitted by TANGEDCO (Rs. Crore) 25

Table 2-13: CAPEX and Capitalization approved by the Commission after true-up for FY 2022-23 (Rs. Crore)..... 25

Table 2-14: Depreciation as submitted by TANGEDCO (Rs. Crore) 26

Table 2-15: Depreciation approved by the Commission after true-up for FY 2022-23 (Rs. Crore)..... 28

Table 2-16: Interest and Finance charges as submitted by TANGEDCO (Rs. Crore)..... 29

Table 2-17: Loan and Interest Expenses approved by the Commission for FY 2022-23 (Rs. Crore) .. 30

Table 2-18: Loan and Interest Expenses approved by the Commission after True-up for FY 2022-23 (Rs. Crore)..... 31

Table 2-19: Return on Equity as claimed by TANGEDCO (Rs. Crore)..... 32

Table 2-20: Interest on Working Capital as submitted by TANGEDCO (Rs. Crore)..... 34

Table 2-21: Interest on Working Capital approved by the Commission after true-up for FY 2022-23 (Rs. Crore)..... 36

Table 2-22: Operating Charges and Extra-ordinary Items as submitted by TANGEDCO (Rs. Crore) 37

Table 2-23: Other Income as submitted by TANGEDCO (Rs. Crore) 38

Table 2-24: Non-Tariff income as submitted by TANGEDCO (Rs. Crore)..... 38

Table 2-25: Other Income approved by the Commission after true-up for FY 2022-23 (Rs. Crore) ... 39

Table 2-26: Non-Tariff Income approved by the Commission after true-up for FY 2022-23 (Rs. Crore) 40

Table 2-27: Fixed Cost summary submitted by TANGEDCO (Rs. Crore) 40

Table 2-28: Fixed Cost summary approved by Commission for Distribution function after true-up for FY 2022-23 (Rs. Crore) 41

Table 2-29: PAF considered by the Commission for FY 2022-23 42

Table 2-30: Fixed Charges approved by the Commission for Generation function after true-up for FY 2022-23 (Rs. Crore)..... 43

Table 2-31: PLF as submitted by TANGEDCO for FY 2022-23 45

Table 2-32: PLF approved by the Commission after true-up for FY 2022-23 46

Table 2-33: Auxiliary Consumption as submitted by TANGEDCO 47

Table 2-34: Auxiliary Consumption approved by the Commission after true-up for FY 2022-23..... 47

Table 2-35: SHR as submitted by TANGEDCO (kcal/kWh) 48

Table 2-36: SHR approved by the Commission after true-up for FY 2022-23 (kcal/kWh)	48
Table 2-37: SOC as submitted by TANGEDCO (ml/kWh).....	49
Table 2-38: SOC as approved by the Commission after true-up for FY 2022-23 (mL/kWh)	49
Table 2-39: GCV approved by the Commission after true-up for FY 2022-23	50
Table 2-40: Price of primary fuel as approved by the Commission.....	50
Table 2-41: Variable Cost of Generation approved by the Commission after true-up for FY 2022-23 (Rs. Crore).....	51
Table 2-42: Energy Charge approved by the Commission after true-up for FY 2022-23 (Rs./kWh)...	51
Table 2-43: Power purchase expenses submitted by TANGEDCO for FY 2022-23.....	52
Table 2-44: Summary of Power Purchase Expenses approved by the Commission after true-up for FY 2022-23	54
Table 2-45: Summary of ARR approved by the Commission after true-up for FY 2022-23 (Rs. Crore)	55
Table 2-46: Revenue from Sales approved by the Commission after true-up for FY 2022-23	56
Table 2-47: Revenue Gap/(Surplus) approved by the Commission after true-up for FY 2022-23 (Rs. Crore)	57
Table 2-48: Cash Loss Funding provided by the Government of Tamil Nadu (Rs. Crore).....	57

1 INTRODUCTION

1.1 PREAMBLE

- 1.1.1 Consequent to the enactment of the Electricity Regulatory Commissions Act, 1998 (Central Act 14 of 1998), the Government of Tamil Nadu (GoTN) constituted the Tamil Nadu Electricity Regulatory Commission (TNERC or Commission) vide G.O.Ms. No.58, Energy (A1) Department, dated March 17, 1999.
- 1.1.2 The Commission issued its first Tariff Order under Section 29 of the Electricity Regulatory Commissions Act, 1998, on 15-03-2003 based on the Petition filed by the erstwhile Tamil Nadu Electricity Board (TNEB) on September 25, 2002.
- 1.1.3 The Electricity Regulatory Commissions Act, 1998 was repealed and the Electricity Act, 2003 (Central Act 36 of 2003) (hereinafter referred as “the EA, 2003” or “the Act”) was enacted with effect from June 10, 2003.
- 1.1.4 The Commission notified the Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2005 (herein after called Tariff Regulations) on August 3, 2005, under Section 61 read with Section 181 of the Act.
- 1.1.5 The Commission issued its first Order (Order No. 2 of 2006) on Transmission Charges, Wheeling Charges, Cross Subsidy Surcharge (CSS) and Additional Surcharge on May 15, 2006, based on the Petition filed by the erstwhile TNEB on September 26, 2005, under Section 42 of the Act.
- 1.1.6 The Commission notified the TNERC (Terms and Conditions for Determination of Tariff for Intra-State Transmission/Distribution of Electricity under MYT Framework) Regulations, 2009 (herein after called MYT Regulations) on February 11, 2009.
- 1.1.7 Subsequently, TNEB filed an Application for determination of Aggregate Revenue Requirement (ARR) with Tariff for all functions on January 18, 2010, which was admitted by the Commission after initial scrutiny on February 9, 2010. The Commission issued its second Retail Tariff Order on July 31, 2010 (Order No. 3 of 2010).
- 1.1.8 The erstwhile TNEB was formed as a statutory body by GoTN on July 1, 1957, under the Electricity (Supply) Act, 1948. TNEB was primarily responsible for generation, transmission, distribution and supply of electricity in the State of Tamil Nadu.
- 1.1.9 GoTN, vide G.O (Ms.) No. 114 Energy Department, dated October 8, 2008 accorded in principle approval for the re-organisation of TNEB by establishment of a holding company, namely TNEB Ltd. and two subsidiary companies, namely

Tamil Nadu Transmission Corporation Ltd. (TANTRANSCO) and Tamil Nadu Generation and Distribution Corporation Ltd. (hereinafter referred as TANGEDCO or the Petitioner) with the stipulation that the aforementioned Companies shall be fully owned by the Government.

1.2 THE ELECTRICITY ACT, 2003, TARIFF POLICY AND REGULATIONS

1.2.1 Section 61 of the Electricity Act, 2003 (herein after referred as the EA, 2003 or the Act) stipulates the guiding principles for determination of Tariff by the Commission and mandates that the Tariff should ‘progressively reflect cost of supply of electricity’, ‘reduce cross-subsidy’, ‘safeguard consumer interest’ and ‘recover the cost of electricity in a reasonable manner’.

“Section-62 (1):

1. The Appropriate Commission shall determine the tariff in accordance with provisions of this Act for

a. supply of electricity by a generating company to a distribution licensee: ...;

b. transmission of electricity;

c. wheeling of electricity;

d. retail sale of electricity.

...”

1.2.2 TNERC notified its Tariff Regulations, which specifies the factors that will guide the Commission in determination of Tariff, the relevant extract of which is reproduced below:

“4. Tariff setting principles

The Commission, while determining the tariff, shall be guided by the following factors:-

(i) The guidelines outlined in Section 61 of the Act ...

“The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following, namely:-

(a) the principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and transmission licensees;

(b) the generation, transmission, distribution and supply of electricity are conducted on commercial principles;

(c) the factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments;

(d) safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner;

...

(ii) Rationalisation of tariff

... ..”

1.2.3 TNERC notified its MYT Regulations, which specifies the factors that will guide the Commission in determination of True-up, the relevant extract of which is reproduced below:

“3(vii). True up of variations in revenue and cost

The variations on account of controllable factors like sales and power purchase shall be reviewed at the end of each year of the Control Period based on audited accounts of the licensee and prudence checks by the Commission.”

1.2.4 The Tariff Policy notified by Govt. of India on January 28, 2016, specifies the following objectives:

“The objectives of this tariff policy are to:

(a) Ensure availability of electricity to consumers at reasonable and competitive rates;

(b) Ensure financial viability of the sector and attract investments;

(c) Promote transparency, consistency and predictability in regulatory approaches across jurisdictions and minimize perceptions of regulatory risks;

(d) Promote competition, efficiency in operations and improvement in quality of supply;

(e) Promote generation of electricity from Renewable sources;

(f) Promote Hydroelectric Power generation including Pumped Storage Projects (PSP) to provide adequate peaking reserves,

reliable grid operation and integration of variable renewable energy sources;

(g) Evolve a dynamic and robust electricity infrastructure for better consumer services;

(h) Facilitate supply of adequate and uninterrupted power to all categories of consumers;

(i) Ensure creation of adequate capacity including reserves in generation, transmission and distribution in advance, for reliability of supply of electricity to consumers.”

1.3 TARIFF FILING

1.3.1 TANGEDCO was incorporated on December 1, 2009 and started functioning as such with effect from November 1, 2010.

1.3.2 Subsequent to the filing of Tariff Petitions by TANGEDCO for determination of retail supply tariff for FY 2012-13, the Commission scrutinized and reviewed the same. After a thorough review, **the third Order** (Order. No. 1 of 2012) of the Commission on Retail Supply Tariff, Wheeling Charges and other related charges was passed on March 30, 2012.

1.3.3 TANGEDCO filed the Tariff Petition for determination of tariff for Generation and Distribution for FY 2013-14, which was scrutinized and reviewed by the Commission. Based on this Petition and after considering views of the State Advisory Committee and the public, the Commission passed the **fourth Order** on June 20, 2013.

1.3.4 TANGEDCO did not file the ARR and Tariff Petition for FY 2014-15 before the Commission. In the absence of Tariff Petition, the Commission initiated a suo-motu proceeding for determination of tariff in accordance with Section 64 of EA 2003. After thorough review of the available information, the Commission passed the **fifth Order** on December 11, 2014.

1.3.5 In 2017, TANGEDCO has filed the Petition for final truing up of FY 2011-12 to FY 2015-16, determination of Multi Year ARR for FY 2016-17 to FY 2018-19 and determination of Retail Tariff for FY 2017-18. The Petition was scrutinized and reviewed, and the Commission passed the **sixth Order** on August 11, 2017.

1.3.6 In 2022, based on the filings of TANGEDCO, Commission approved True-Up for the period from FY 2016-17 to FY 2020-21 and Annual Performance Review for FY 2021-22; Approval of Aggregate Revenue Requirement for the period from FY 2022-23 to FY 2026-27 and Determination of Tariff for Generation and Distribution

for FY 2022-23 to FY 2026-27 and passed the **seventh Order** on September 9, 2022.

- 1.3.7 In 2024, since the Order in 2022 contained only Annual Performance Review for FY 2021-22, and as the accounts for FY 2021-22 were subsequently finalized, TANGEDCO filed a Petition before the Commission for final True-Up of FY 2021-22. The Commission approved the True-up for FY 2021-22 and passed the **eighth Order** on March 28, 2024.
- 1.3.8 The current tariff proceedings commence from the filing of Petition by TANGEDCO for Approval of True Up for FY 2022-23 for the generation and distribution businesses.
- 1.3.9 Based on the Petition and after considering views of the public, the Commission hereby passes the **ninth Order**.

1.4 PETITION FILING

- 1.4.1 On March 15, 2024, TANGEDCO filed its Petition for True-Up for FY 2022-23 and the same was admitted as MP No. 12 of 2024. In the Petition, TANGEDCO has mentioned that the True-Up for FY 2022-23 is submitted based on audited accounts for FY 2022-23, which has been directly prepared based on the Ind AS principles.
- 1.4.2 The Commission has reviewed the data available thoroughly, and has also reviewed the comments received from the public, regarding the Petition filed by TANGEDCO. After undertaking due process, the Commission hereby passes this order on True-Up of ARR for FY 2022-23 for TANGEDCO.

1.5 PROCEDURE ADOPTED

- 1.5.1 In the Commission's Daily Order dated May 14, 2024, the Commission directed TANGEDCO to host the Petition for seeking comments from the Stakeholders with a time limit of 21 days. The Commission further directed TANGEDCO to file the comments received from the Stakeholders along with the replies by way of an affidavit.
- 1.5.2 TANGEDCO has published the copy of the Petition on its website on May 15, 2024, inviting comments from Stakeholders.
- 1.5.3 The Commission has provided sufficient time to Stakeholders for submission of written comments and suggestions on the Petition filed by TANGEDCO.
- 1.5.4 In Commission's Daily Order dated July 2, 2024, the Commission observed that the final Order would be passed after taking into consideration all objections / submissions made by the stakeholders and the replies filed by TANGEDCO thereto.
- 1.5.5 The summary of objections / suggestions / views along with TANGEDCO's Replies and the Commission's ruling on each issue, are included in **Annexure-II**.

1.6 IND AS CONVERSION

- 1.6.1 It may be noted that when the Transfer Scheme for TANGEDCO and TANTRANSCO was finalized in 2015, the Commission in its subsequent Orders had decided to ignore the revaluation of assets, as the process of revaluation pertains only to book entry and has no material significance in the regulatory process. Using the logic, the Commission has previously considered only book values, after removing the impact of revaluation, while undertaking True-Up.
- 1.6.2 Presently, a similar question arises with the impact of various revaluation and adjustments undertaken by TANGEDCO in its accounts, for the conversion from IGAAP to Ind AS. While the Commission is fully mindful of the need for standardization, book level revaluation on assets, which were already being financed by consumers of the State cannot be used to load additional burden on the consumers.
- 1.6.3 It may also be noted that a substantial number of adverse opinions from the independent auditors are present in the audited accounts of TANGEDCO for FY 2022-23. Therefore, the Commission has considered the re-stated Ind AS values only in a partial manner. Further explanation on deviating from Ind AS values is provided in detail in the relevant sections of Chapter 2.

1.7 APPLICABILITY OF ORDER

- 1.7.1 This Order will come into effect on and from the date of issue.

1.8 LAYOUT OF THE ORDER

- 1.8.1 This Order is organized into following Chapters:
- a. **Chapter 1** provides introduction, process and the approach of the Order;
 - b. **Chapter 2** provide details / analysis of the True-Up of ARR of TANGEDCO for FY 2022-23;
 - c. **Chapter 3** provide a list of directives issued by the Commission to TANGEDCO.
- 1.8.2 The Order contains a few Annexures also, which form part of the Order.

1.9 APPROACH OF THE ORDER

- 1.9.1 The Commission has referred to the Audited Accounts of TANGEDCO for truing up the expenses and revenue for FY 2022-23 in accordance with the Tariff Regulations and MYT Regulations. Based on the prudence check of the expenses

and revenue reported in the Audited Accounts of TANGEDCO, the Commission has arrived at the allowable ARR and revenue recovered by the Utility.

- 1.9.2 The Commission has considered the re-stated Ind AS values only in a partial manner. Further explanation on deviating from Ind AS values is provided in detail in the relevant sections of Chapter 2.

2 FINAL TRUE-UP FOR FY 2022-23

2.1 BACKGROUND

2.1.1 TANGEDCO, in its Petition, has sought final truing up of expenditure and revenue for FY 2022-23 based on the actual expenditure and revenue as per the Audited Accounts. In this Chapter, the Commission has analysed all the elements of revenue and expenses for FY 2022-23, and has undertaken the truing up of expenses and revenue after due prudence check.

2.1.2 A comparison of the figures approved by the Commission in previous Tariff Order dated September 9, 2022, actual expenditure incurred as per accounts of TANGEDCO, and expenditure approved by the Commission in this Order are shown in the Tables under relevant sections discussed herein.

2.2 ENERGY SALES

2.2.1 TANGEDCO has submitted the category-wise sales for FY 2022-23 in the Petition as per the Audited Accounts. TANGEDCO has clarified that sales are excluding the wheeling units.

Commission's Views

2.2.2 The Commission has approved the actual sales for FY 2022-23 as submitted by TANGEDCO for all the consumer categories.

2.2.3 **Agriculture Category (LT IV)-** In Suo-Motu Order dated December 11, 2014, the Commission had stated the following:

Agricultural category (LT IV): In its reply to data gaps identified by the Commission, TANGEDCO submitted the revised details of Agricultural consumption for FY 2012-13. The Commission observed that there was a significant downward revision in the number of agricultural service connections submitted in comparison to data in Form F-2 (Sales) of the petition. The revised agricultural load in HP at the end of the year had only increased marginally. However TANGEDCO increased its estimate of agricultural consumption by 1,382 MUs, i.e. from 9,707 MUs to 11,089 MUs.

The Commission re-estimated the agricultural consumption based on the average capacity of pumpset in the middle of the year as calculated below. The data on actual additional connections given as well as corresponding increase in load as submitted by TANGEDCO in its reply to data gaps has been considered. It has been assumed by the Commission that 50% of the connections and corresponding capacity would get added in the first half of the year. The average consumption in kWh/ HP has been capped at the level as it stood for FY 2016-17 based on the 5% sample study data submitted last year at 923 units. Based on the above assumptions the agricultural

consumption for the year FY 2012-13 has been estimated as 10,206 MUs by the Commission.

Based on the average consumption per HP/ Annum as per the 5% sample data for FY 2012-13, TANGEDCO has estimated the annual consumption as 11,089 MUs. The Commission has calculated the average hours of daily supply to agricultural consumers based on this data. It was noticed that the average hours of daily supply for FY 2012-13 worked out to be higher than that of FY 2016-17. The Commission opines that this situation is improbable given the facts that the year 2012-13 saw higher shortage of power as compared to the previous year as well as that 2012-13 was a drought year. Given that additional connection to the tune of 15,539 were given in the State during the year, it is evident that the 5% sample data for FY 2012-13 cannot be considered for estimating annual consumption. Hence the Commission did not take into consideration the 5% sample study data submitted for FY 2012-13.”

2.2.4 The Commission has observed that the sales claimed for the Agriculture category for FY 2022-23 are lower than the benchmark consumption of 923 kWh/HP/annum approved by the Commission in the above-mentioned Order. Hence, the Commission has approved the sales for Agriculture category as claimed by TANGEDCO for FY 2022-23.

2.2.5 The total sales for FY 2022-23 as submitted by TANGEDCO and as approved by the Commission is shown in the Table below:

Table 2-1: Total Sales for FY 2022-23 as approved by the Commission (MU)

Consumer Category	Tariff Category	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
High Tension				
Industries, Factories, IT Services	I	11,796	15,997.70	15,997.70
Govt. Educational Institutions, Govt. Hospitals, Railway Traction, Lift Irrigation, etc.	IIA	2,630	3,045.12	3,045.12
Private Educational Institutions	IIB	301	358.77	358.77
Miscellaneous Categories	III	2,307	2,035.19	2,035.19
Construction Activities and Other Temporary Purposes	IV	37	46.08	46.08
Public EV Charging Stations	V	-	0.0001	0.0001
Sub Total HT (A)		17,071	21,482.86	21,482.86
Low Tension				
Domestic, Multi-tenements, Old age homes, Hand Loom etc.	IA	32,158	30,602.00	30,602.00
Huts	IB	434	449.88	449.88
Bulk Supply with single point Metering	IC	10	8.97	8.97
Common Facilities in Multi-tenements	ID		277.58	277.58
Public Lighting and Public Water Supply provided by Govt./Local bodies	IIA	2,422	2,506.76	2,506.76
Government and aided Educational Institutions	IIB (1)	155	202.11	202.11

Consumer Category	Tariff Category	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
in Hostels, Govt. Hospitals, others				
Private Educational Institutions	IIB (2)	194	263.54	263.54
Actual place of public worship	II C	130	145.82	145.82
Cottage and Micro Industries	IIIA (1)	331	313.86	313.86
Powerlooms	IIIA (2)	960	974.86	974.86
Industries, IT Services	IIIB	8,077	8,124.27	8,124.27
Agriculture and Allied Services	IV	16,780	13,926.00	13,926.00
Miscellaneous/General Purpose	V	7,173	8,323.13	8,323.13
Construction activities and Temporary Purposes	VI	272	315.00	315.00
Sub Total LT (B)		69,095	66,433.80	66,433.78
Total HT and LT {A+B} (C)		86,166	87,916.66	87,916.64

2.3 ENERGY AVAILABILITY

2.3.1 TANGEDCO meets its energy requirements from its own generating stations, purchases from Central Generating Stations, IPPs, and other sources.

2.3.2 Based on the information available from the audited accounts, the Commission in this Section has analysed the performance of TANGEDCO's own generating stations. The source-wise availability of energy has been discussed first for TANGEDCO's own generating stations and then for other sources, which includes Central Generating Stations, IPPs, Renewable sources, etc.

A. Own Generation

2.3.3 Based on the Plant Load Factor (PLF) and Auxiliary Consumption discussed subsequently in this Order, the net generation from own stations for FY 2022-23 as submitted by TANGEDCO is shown in the Table below:

Table 2-2: Energy availability from own stations for FY 2022-23 as submitted by TANGEDCO (MU)

Sl. No.	Station	Approved	Actuals
1	Tuticorin TPS	4,629	5,192
2	Mettur TPS I	4,713	4,921
3	North Chennai TPS I	3,282	2,828
4	NCTPS II	5,866	5,003
5	MTPS II	2,933	2,770
Total Thermal		21,423	20,714
6	Tirumakottai GTPS	266	135
7	Kuttalam GTPS	374	511
8	Basin Bridge GTPS	6	1
9	Valuthur GTPS	1,078	987
Total Gas		1,725	1,634
10	Erode HEP	1,108	1,727
11	Kadamparai HEP	864	857
12	Kundah HEP	2,224	2,373

Sl. No.	Station	Approved	Actuals
13	Tirunelveli HEP	1,136	1,196
Total Hydro		5,332	6,153
Wind		4	3
Total TANGEDCO		28,484	28,504

Commission's Views

2.3.4 Energy availability from generating stations is dependent on operational parameters, viz., PLF and Auxiliary consumption. For the purpose of truing up, to estimate energy availability from own generating stations, the Commission has approved TANGEDCO's submission after considering normative technical parameters, as shown in the Table below. The Commission has also considered 3 MU of availability from wind power plant after comparing against the technical performance parameters submitted by TANGEDCO:

Table 2-3: Energy Availability from own generating stations approved by the Commission after true-up for FY 2022-23 (MU)

Sl No.	Generating Station	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
I	Coal Based Thermal Station			
1	TTPS	4,629	5,192.12	5,192.12
2	MTPS	4,713	4,921.22	4,921.22
3	NCTPS	3,282	2,828.20	2,828.20
4	NCTPS Stage II	5,866	5,003.42	5,003.42
5	MTPS II	2933	2,770.27	2,770.27
	Total Coal Based Thermal	21,423	20,715.23	20,715.23
II	Gas based Thermal Stations			
1	TGTPS	266	135.12	135.12
2	KGTPS	374	510.51	510.51
3	BBGTPS	6	1.46	1.46
4	VGTPS-1	1,078	986.94	986.93
5	VGTPS-2			
	Total Gas	1,725	1,634.02	1,634.01
III	Hydro Stations			
1	Erode HEP	1,108	1,726.84	1,726.84
2	Kadamparai HEP	864	856.63	856.63
3	Kundah HEP	2,224	2,372.54	2,372.54
4	Tirunelveli HEP	1,136	1,195.51	1,195.51
	Total Hydro	5,332	6,151.52	6,151.52
IV	Wind mills	4	3.00	3.00
V	Grand Total	28,484	28,503.77	28,503.76

B. Power Purchase from Other Sources

2.3.5 TANGEDCO submitted the power purchase from outside/other sources for FY 2022-23 after excluding wheeling units, as shown in the following Table:

Table 2-4: Energy availability from Other Sources as submitted by TANGEDCO (MU)

Power Sources	Approved	Actuals
Central Generating Stations	40,389.31	40,781.87
Independent Power Producers	1,957.29	2,148.77
Renewables	10,674.39	11,077.79
Others	20,867.00	20,814.58
Total	73,887.99	74,823.00

Commission's Views

- 2.3.6 The Commission has verified the details of power purchase from other sources from the audited accounts of the respective year. For the purpose of truing up, the Commission has approved total energy availability from other sources as submitted by TANGEDCO, as shown in the Table below:

Table 2-5: Energy availability from Other sources approved by the Commission after true-up for FY 2022-23 (MU)

Power Sources	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
Central Generating Stations	40,389.31	40,781.87	40,781.87
Independent Power Producers	1,957.29	2,148.77	2,148.77
Renewables	10,674.39	11,077.79	11,077.79
Others	20,867.00	20,814.58	20,814.58
Total	73,887.99	74,823.00	74,823.00

C. Summary of total energy availability

- 2.3.7 Based on the approval given above, the summary of total energy available to TANGEDCO for FY 2022-23 is shown in the Table below:

Table 2-6: Total Energy availability for TANGEDCO approved by the Commission after true up for FY 2022-23 (MU)

Description	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
Own Generation	28,194	28,232*	28,232*
Central Generating Stations	40,389	40,782	40,782
Renewables	10,674	11,078	11,078
Independent Power Producers	1,957	2,149	2,149
Others	20,867	20,815	20,815
Total Availability	102,082	103,055	103,055

* Considering the 272 MU utilised by Kadamparai HEP in Pumped Mode

2.4 ENERGY BALANCE AND DISTRIBUTION LOSSES

- 2.4.1 TANGEDCO submitted the Energy Balance statement for FY 2022-23 excluding wheeling units, as shown in the following Table:

Table 2-7: Energy Balance as submitted by TANGEDCO (MU)

Particulars	Approved	Actual
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Particulars	Approved	Actual
Total Energy Required	102,082	1,03,054.78
PGCIL Losses	1,721	2,080.31
Total Energy Available at State Boundary	100,361	1,00,974.47
Intra State Transmission losses		3,806.74
Intra State Transmission losses (%)	3.90%	3.77%
HT Sales 110 kV & 230 kV Sales	2,253	4,943
Energy Available at Distribution Network	94,285	92,224.73
Total LT Sales	69,095	66,434.80
Total HT Sales	17,071	21,482.86
Total Sales	86,166	87,916.66
Sales at Distribution Network	83,913	82,973.66
Distribution Losses	10,371	9,251.08
Distribution Losses (%)	11.00%	10.03%

Commission's Views

- 2.4.2 For FY 2022-23, the transmission and distribution losses have been separately approved by the Commission in previous Tariff Order dated September 9, 2022. The same is now taken for calculation of Energy Balance.
- 2.4.3 Considering the above, and submission of TANGEDCO, the following Energy Balance has been approved for FY 2022-23:

Table 2-8: Energy Balance approved by the Commission after true-up for FY 2022-23 (MU)

Description	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
LT Sales	69,095	66,433.80	66,433.78
HT Sales (up to 33 kV)	14,818	16,539.86	16,539.86
Sales below 33 kV	83,913	82,973.66	82,973.64
Distribution Loss (%)	11.00%	10.03%	10.03%
Distribution Loss	10,371	9,251.07	9,251.09
Energy Input at Distribution Periphery	94,285	92,224.73	92,224.73
Sales above 33 kV	2,253	4,943.00	4,943.00
Transmission Loss (%)	3.81%	3.77%	3.77%
Energy Required at State Periphery	100,361	100,974.47	100,974.47
PGCIL Losses	1,721	2080.31	2080.31
Total Power Required	102,082	103,054.78	103,054.78

- 2.4.4 Based on the power purchase and availability approved above, the Power Purchase quantum allowed by the Commission after true-up for FY 2022-23, is shown in the Table below:

Table 2-9: Power Purchase Quantum allowed by the Commission after true-up for FY 2022-23 (MU)

Description	Legend	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
Total Power Purchase Requirement	A	102,082	103,055	103,055
Energy Purchased from own sources	B1	28,194	28,232	28,232
Energy Purchased from CGS	B2	40,389	40,782	40,782

Description	Legend	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
Energy Purchase from renewable sources	B3	10,674	11,078	11,078
Energy purchase from IPP	B4	1,957	2,149	2,149
Energy purchase from Trader/Exchange	B5	20,867	20,815	20,815
Total Power Purchase/availability	B*	102,082	103,055	103,055
Excess Purchase/availability	C= B-A	0	0	0

* $B = B1 + B2 + B3 + B4 + B5$

2.5 FIXED EXPENSES

2.5.1 TANGEDCO submitted that it has considered the Fixed Cost for its Generating Stations and Distribution function on the basis of the Tariff Regulations and Audited Accounts for FY 2022-23.

2.5.2 The Fixed Costs are categorized under the following heads:

- i. Operation and Maintenance Expenses
- ii. Depreciation
- iii. Interest and Finance Charges
- iv. Return on Equity
- v. Interest on Working Capital
- vi. Other Debits
- vii. Operating Charges and Extra Ordinary Items
- viii. Prior Period Items
- ix. Non-Tariff Income and Other Income

2.6 OPERATION & MAINTENANCE EXPENSES

2.6.1 The Operation & Maintenance (O&M) expenses include actual expenses incurred by TANGEDCO towards Employee Expenses, Administrative and General (A&G) Expenses and Repair and Maintenance (R&M) Expenses.

2.6.2 TANGEDCO submitted that the Employee Expenses includes salaries, overtime, DA, medical expenses, headquarter expense and other terminal benefits. The increase in Employee Expenses is mainly on account of wage revisions, inflation, etc., which are beyond the control of TANGEDCO and the same has also been considered by the Commission as pass through in its previous Orders.

2.6.3 TANGEDCO submitted that the net Employee Expenses incurred by TANGEDCO for both of its business (i.e., Generation and Distribution business) as per Audited Accounts is Rs. 12,633.00 Crore, which includes employee benefit expenses and remeasurement of defined benefit plan for FY 2022-23.

2.6.4 TANGEDCO submitted that A&G expenses include rent/rate and taxes, insurance, legal/technical/consultancy charges and audit fees, and other miscellaneous

expenses of similar nature. The net A&G expenses incurred for FY 2022-23 as per Audited Accounts stands at Rs. 867.34 Crore, which include a provision for hydro balancing funds of Rs. 469.04 Crore, which is accounted in Power Purchase as per the Petition. TANGEDCO further submitted that it has claimed A&G expenses after netting off the capitalised expenses, fabrication charges and expenses towards its windfarms.

2.6.5 TANGEDCO submitted that R&M expenses are the expenses incurred towards repairs and maintenance in order to maintain the asset quality given the ageing of equipment. The assets of TANGEDCO are old and require regular maintenance in order to ensure smooth and reliable operation. However, TANGEDCO has tried its best to minimize the R&M expenses. TANGEDCO further submitted that the actual R&M expenses as per Audited Account after netting off expenses capitalised and its wind farms, have been worked out as Rs. 975.58 Crore for FY 2022-23.

2.6.6 The plant-wise actual O&M expenses as submitted by TANGEDCO are shown in the Table below:

Table 2-10: O&M Expenses as submitted by TANGEDCO for FY 2022-23 (Rs. Crore)

Power Station	Approved	Actual
Tuticorin TPS	404.57	585.29
Mettur TPS I	328.60	386.77
North Chennai TPS I	293.32	725.73
Mettur TPS II	280.81	283.30
NCTPS II	170.72	375.33
Tirumakottai GTPS	17.02	79.83
Kuttalam GTPS	27.47	50.84
Basin Bridge GTPS	14.31	97.89
Valuthur GTPS	30.24	85.03
Erode HEP	101.86	211.85
Kadamparai HEP	53.94	102.81
Kundah HEP	91.97	176.63
Tirunelveli HEP	83.51	144.48
Total Generation	1,898.34	3,305.76
Distribution	9,979.22	10,701.14
Total TANGEDCO	11,877.56	14,006.90

Commission's Views

A. Employee Expenses

2.6.7 In order to maintain consistency in the methodology of approval of O&M Expenses across TANGEDCO, TANTRANSCO and SLDC and to consider the impact of payment of wage revision arrears, the Commission has approved the Salary (including wage revision arrears), DA, Contribution to Pension & Gratuity and Terminal Benefits based on the actuals for FY 2022-23, which may further be considered as norm for the remaining Control Period, and has approved the other

components of Employee Expenses as per the Tariff Regulations and limiting the same to the actuals for FY 2022-23.

B. Repair and Maintenance (R&M) Expenses

2.6.8 For approving R&M expenses, the Commission has adopted the same approach as specified in the Tariff Regulations, by considering annual escalation of 5.72%, over the R&M expenses arrived based on truing up the normative values approved by the Commission for the previous Control Period and limiting it to the actuals for FY 2022-23.

C. Administrative and General (A&G) Expenses

2.6.9 For approving A&G expenses, the Commission has adopted the same approach as specified in the Tariff Regulations, by considering annual escalation of 5.72%, over the A&G expenses arrived based on truing up the normative values approved by the Commission for the previous Control Period and limiting it to the actuals for FY 2022-23.

2.6.10 The O&M expenses approved by the Commission after true-up for FY 2022-23 is shown in the Table below:

Table 2-11: O&M expenses approved by the Commission after True-Up for the FY 2022-23 (Rs. Crore)

Description	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
Tuticorin TPS	404.57	585.29	536.88
Mettur TPS I	328.60	386.77	364.00
North Chennai TPS I	293.32	386.73*	281.24
Mettur TPS II	280.81	283.30	262.87
NCTPS II	170.72	375.33	349.62
Tirumakottai GTPS	17.02	79.83	22.49
Kuttalam GTPS	27.47	50.84	35.93
Basin Bridge GTPS	14.31	97.89	93.39
Valuthur GTPS	30.24	85.03	73.60
Erode HEP	101.86	211.85	195.40
Kadamparai HEP	53.94	102.81	90.17
Kundah HEP	91.97	176.63	164.71
Tirunelveli HEP	83.51	144.48	136.67
Total Generation	1,898.34	2,966.78	2,606.97
Distribution	9,979.22	10,701.14	10,265.76
Total TANGEDCO	11,877.56	13,667.92	12,872.73

* Revised O&M Expenses for NCTPS considered as per the submission made by TANGEDCO

2.7 CAPITAL EXPENDITURE AND CAPITALIZATION

2.7.1 TANGEDCO submitted that the expenditure incurred in each power station is on account of regular works like replacement of worn-out machinery, damaged equipment, transformers, boilers, generators, stators, auxiliary equipment, etc.,

which are necessary works to be carried out for effective and efficient working of the power station.

- 2.7.2 TANGEDCO submitted that the expenditure incurred for the Distribution function during the respective years is on account of regular works carried out, which were necessary for efficient working of the distribution system. The works carried out for the distribution function are mainly on account of addition of LT and HT lines, distribution transformers, and services rendered during the respective year.
- 2.7.3 TANGEDCO further submitted that the additional capitalization during the respective years is in line with Regulation 19 of the Tariff Regulations, which have been incurred for efficient and successful operation of the Generating Stations and Distribution Network.

Table 2-12: CAPEX and Capitalization submitted by TANGEDCO (Rs. Crore)

Particulars	Approved		Actuals	
	Capital Expenditure	Net Capitalization	Capital Expenditure	Net Capitalization
Total Generation	1,447.19	926.86	671.24	284.85
Total Distribution	4,384.80	4,596.64	2,227.27	1,040.15
Total TANGEDCO	5,831.99	5,523.50	2,898.51	1,325.00

Commission's Views

- 2.7.4 Considering that the CAPEX and capitalization refers to actual expenditure incurred, the Commission approves the same as below:

Table 2-13: CAPEX and Capitalization approved by the Commission after true-up for FY 2022-23 (Rs. Crore)

Particulars	Approved earlier in ARR		TANGEDCO Filing		Approved after True-up	
	CAPEX	Capitalization	CAPEX	Capitalization	CAPEX	Capitalization
Total Generation	1,447.19	926.86	671.24	284.85	671.24	284.85
Total Distribution	4,384.80	4,596.64	2,227.27	1,040.15	2,227.27	1,040.15
Total TANGEDCO	5,831.99	5,523.50	2,898.51	1,325.00	2,898.51	1,325.00

2.8 DEPRECIATION

- 2.8.1 TANGEDCO submitted that for computing depreciation, the opening GFA for each of the generating stations and for distribution business for FY 2022-23 is considered same as the closing GFA for FY 2021-22.
- 2.8.2 TANGEDCO submitted that asset additions during the year have been considered as per audited figures during the respective period. The closing GFA for FY 2022-23 has been arrived by adding the asset capitalised and by deducting the asset de-capitalised, if any, during the respective year.

- 2.8.3 TANGEDCO submitted that the actual depreciation for generating and distribution function of TANGEDCO as per Note 31 of Audited Accounts is Rs. 3,728.69 Crore for FY 2022-23. TANGEDCO further submitted that it has arrived at the aforesaid depreciation figures based on as GFA per Ind AS and the asset-wise depreciation rates as approved by the Commission. The depreciation has been computed on the opening GFA of respective year in line with Regulation 24 of the Tariff Regulations.
- 2.8.4 The actual depreciation for FY 2022-23 for each generating station and the Distribution business, as submitted by TANGEDCO, is shown in the Table below:

Table 2-14: Depreciation as submitted by TANGEDCO (Rs. Crore)

Power Station	Approved	Actual
Tuticorin TPS	162.84	151.70
Mettur TPS I	89.17	115.24
North Chennai TPS I	160.59	80.60
Mettur TPS II	400.44	167.51
NCTPS II	282.05	214.18
Tirumakottai GTPS	30.65	14.54
Kuttalam GTPS	34.82	14.32
Basin Bridge GTPS	34.51	13.12
Valuthur GTPS	40.61	55.12
Erode HEP	187.07	156.35
Kadamparai HEP	28.29	89.05
Kundah HEP	66.85	85.02
Tirunelveli HEP	47.59	34.36
Total Generation	1,565.46	1,191.11
Distribution	1,585.65	2,537.58
Total TANGEDCO	3,151.11	3,728.69

Commission's Views

- 2.8.5 The Commission is constrained from merely going by the restated asset values as provided in Ind AS accounts of TANGEDCO due to a variety of reasons.
- 2.8.6 To start with, mere book adjustment of values cannot be used to create additional liabilities for the consumers, whose money was used to create those assets. This has been the practice of the Commission in the past also, where asset revaluation during Transfer Scheme of 2015 was also not considered.
- 2.8.7 In addition, it may be noted that even the Independent Auditors of TANGEDCO have provided Adverse Opinion on substantial aspects related to asset accounting and revaluation. Excerpts from the observations are provided below:

Adverse Opinion of Independent Auditors as recorded in Annual Report

“In our opinion and to best of our information and according to the explanations given to us, because of the of the matters discussed in the Basis of Adverse Opinion section of our report, the aforesaid standalone financial

*statements do not give the information required by the Companies Act, 2013 ("the Act") in the manner so required and **do not give a true and fair view in conformity with the Indian Accounting specified under section 133 of the Act (Ind AS)**, of the state of affairs of the Company as at March 31, 2022 and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.*

...

Basis for Adverse Opinion:

Property, Plant and Equipment (PPE)

1. In respect of the fair valuation exercise of PPE, carried out as on the date of transition to Ind AS i.e., 1st April 2019 and having an impact on the opening balance of PPE as on 1st April 2021, we observed the following:

a) In general, with regard to quantity, date of capitalisation and the useful life of PPE as certified by the management, the maintenance of sufficient supporting documents to corroborate the details as stated above requires strengthening.

*b) Further, in the absence of sufficient supporting document we are **unable to confirm whether physical, technical, and economic obsolescence have been factored in the valuation of PPE.***

*c) In respect of most of the lands, title deeds are not registered in the name of the Company. In addition, **sufficient supporting documents for rate adopted for valuing lands have not been made available.** Further, documents provided for land area measurement do not correspond with the measurement considered for the purpose of valuation. In the absence of adequate information, we are unable to quantify the impact of the above on the valuation of land.*

*d) In respect of building and other civil works, **sufficient supporting documents to confirm the built-up area were not made available.***

....

*2. In respect of additions to the value of Plant and Machinery and other assets during the Financial Year 2021-22, **cost adopted for the value of materials issued upto 31st March 2021, ie., prior to the date of implementation of ERP is at standard cost and not at actual cost** which is not in accordance with Ind AS 16 - Property, Plant and Equipment. Further in respect of some account rendering units, **the value of additions to the plant and machinery is the work order sanctioned amount which is only an estimated value** which is not in accordance with Ind AS 16 - Property, Plant and Equipment.*

3. *In respect of additions to PPE during the Financial year 2021-22 and having an impact on the opening balance of PPE as on 1st April 2022 and additions to PPE during the Financial Year 2022-23, we observed the following:*

...

*b) We are unable to **comment on whether physical verification of PPE has been conducted** during the year since no reports were made available to us for our verification.*

*c) The **Company has not conducted any impairment assessment of its PPE** including Uppur Project, Co-generation facilities located at sugar mills and other PPEs.*

d) Balance of PPEs as at the yearend appears as credit balance in the books of various account rendering units which is neither explained nor corrected.

...

*4. **The balance as per Property Plant and Equipment (PPE) Register maintained in SAP has not been reconciled with the balance as per books of account.** In the absence of such reconciliation, we are unable to comment on the completeness and accuracy of the PPE balance.*

*5. Several work orders have been capitalised during the year ended 31st March 2023 and forming part of PPE Whereas such completed work orders have been considered as part of PPE at the time of transition to Ind AS. Consequently, the PPE balance in respect of these work orders, to the extent already capitalized may be overstated. **The consequential impact on the PPE and Statement of profit and Loss is unascertainable due to non-availability of proper information and explanation.***

... ”

(emphasis added)

2.8.8 The above is only select excerpts from the observations of the Auditors. The Auditors continue to go on with detailing further observations relating to asset costs, depreciation etc.

2.8.9 Hence, the Commission directed TANGEDCO to submit the Depreciation considering the value of assets before revaluation. The Commission has considered the submission of TANGEDCO and has reduced the value of contribution capitalised from consumers for service line and other assets to arrive at the revised Depreciation as approved in the table below:

Table 2-15: Depreciation approved by the Commission after true-up for FY 2022-23 (Rs. Crore)

Description	Approved earlier in ARR	TANGEDCO Filing	TANGEDCO submission - Depreciation Before Revaluation	Approved after True-up
Tuticorin TPS	162.84	151.70	151.11	151.11
Mettur TPS I	89.17	115.24	38.63	38.63
North Chennai TPS I	160.59	80.60	85.86	85.86
Mettur TPS II	400.44	167.51	243.16	243.16
NCTPS II	282.05	214.18	459.54	459.54
Tirumakottai GTPS	30.65	14.54	20.27	20.27
Kuttalam GTPS	34.82	14.32	27.48	27.48
Basin Bridge GTPS	34.51	13.12	11.68	11.68
Valuthur GTPS	40.61	55.12	46.04	46.04
Erode HEP	187.07	156.35	112.55	112.55
Kadamparai HEP	28.29	89.05	18.90	18.90
Kundah HEP	66.85	85.02	46.76	46.76
Tirunelveli HEP	47.59	34.36	42.66	42.66
Total Generation	1,565.46	1,191.11	1,304.65	1,304.64
Distribution	1,585.65	2,537.58	1,615.45	1,556.81
Total TANGEDCO	3,151.11	3,728.69	2,920.11	2,861.45

2.9 INTEREST ON LOAN AND OTHER FINANCING CHARGES

- 2.9.1 TANGEDCO submitted that it has a basket of loans, which are very difficult to identify separately for each of the capital works under distribution and generation segment. No separate loans can be identified for separate projects of distribution function/power plants except in few cases.
- 2.9.2 TANGEDCO submitted that it has taken closing loan balance of FY 2021-22 to be opening balance of FY 2022-23 for each generating station and for Distribution business.
- 2.9.3 TANGEDCO submitted that Other Finance Charges, which comprise interest on consumers' security deposit and other charges such as cost of raising finance, bank charges, etc., are included in other Interest and Finance Charges for FY 2022-23 as separately shown in the Table below.

Table 2-16: Interest and Finance charges as submitted by TANGEDCO (Rs. Crore)

Power Station	Approved	Actual
Tuticorin TPS	655.16	888.10
Mettur TPS I	390.93	530.32
North Chennai TPS I	690.29	957.81
Mettur TPS II	375.12	478.73
NCTPS II	419.51	745.67
Tirumakottai GTPS	155.14	216.52
Kuttalam GTPS	131.93	187.20
Basin Bridge GTPS	281.58	389.54

Power Station	Approved	Actual
Valuthur GTPS	218.96	297.18
Erode HEP	329.88	448.90
Kadamparai HEP	134.50	189.46
Kundah HEP	314.85	443.36
Tirunelveli HEP	204.07	281.63
Total Generation (A)	4,301.90	6054.41
Distribution- Interest and Finance Charges (B)	4,607.93	4550.10
Total Loan Interest (A+B)	8,909.83	10,604.51
Interest on security deposit	545.00	774.17
Other Finance Charges	1,223.77	1034.91
Interest and Finance Charges	10,678.60	12,413.59

Commission's Views

A. Interest on Loan

- 2.9.4 The Commission has adopted a new methodology for estimation of interest cost in its APR for FY 2021-22 in its previous Tariff Order dated September 9, 2022. As per this methodology, loans are considered to be linked to GFA and GFA addition, from FY 2020-21. As the Commission does not approve any Return on Equity to TANGEDCO due to historical issues related to non-segregation of capital and revenue borrowing and potential diversion of equity to fund revenue expenditure, GFA and GFA additions are assumed to be funded entirely with loans, for the purpose of estimation of interest expenses. The closing GFA approved by the Commission in the true-up for FY 2021-22 is considered as the opening GFA for FY 2022-23.
- 2.9.5 Further, the loan addition is considered equal to the addition in assets during the year excluding the assets capitalised out of the contribution received from consumers for service line and other assets.
- 2.9.6 The interest expenses determined as per the methodology are provided below.

Table 2-17: Loan and Interest Expenses approved by the Commission for FY 2022-23 (Rs. Crore)

Description	Approved after True-up
Opening Loan	91,702
Loan Addition	600
Loan Repayment	2,861
Closing Loan	89,441
Average Loan	90,572
Interest Rate	9.98%
Interest on Loan	9,041
Other Finance Charges	1,065
Interest on Consumer Security Deposit	774
Total Interest Charges	10,880

2.9.7 As there is no proper station-wise loan portfolio, the above determined interest is allocated among the stations in the ratio of interest estimated by TANGEDCO. The interest on consumer security deposit and Other Finance Charges are considered as submitted by the Petitioner.

Table 2-18: Loan and Interest Expenses approved by the Commission after True-up for FY 2022-23 (Rs. Crore)

Power Station	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
Tuticorin TPS	655.16	888.10	763.05
Mettur TPS I	390.93	530.32	455.60
North Chennai TPS I	690.29	957.81	822.42
Mettur TPS II	375.12	478.73	410.10
NCTPS II	419.51	745.67	639.47
Tirumakottai GTPS	155.14	216.52	185.15
Kuttalam GTPS	131.93	187.20	160.18
Basin Bridge GTPS	281.58	389.54	332.42
Valuthur GTPS	218.96	297.18	254.38
Erode HEP	329.88	448.90	388.06
Kadamparai HEP	134.50	189.46	162.57
Kundah HEP	314.85	443.36	377.99
Tirunelveli HEP	204.07	281.63	240.20
Total Generation (A)	4,301.90	6,054.41	5,191.61
Distribution- Interest and Finance Charges (B)	4,607.93	4,550.10	3,879.21
Total Loan Interest (A+B)	8,909.83	10,604.51	9,070.82
Interest on security deposit	545.00	774.17	774.17
Other Finance Charges	1,223.77	1,034.91	1,034.91
TANGEDCO	10,678.60	12,413.59	10,879.90

2.10 RETURN ON EQUITY

2.10.1 TANGEDCO submitted that the total additional equity is bifurcated into generation and distribution function based on the opening balance of Gross Block allotted to generation and distribution function of TANGEDCO. Equity for generation function is further sub-allocated plant-wise based on opening gross block for each plant. The additions and deductions during the year are considered as per actuals for FY 2022-23. The rate of return on equity has been considered at 14% as specified in the Tariff Regulations and has been applied on the average equity balance of each power station and distribution function.

2.10.2 TANGEDCO submitted that a Utility is entitled to Return on Equity (RoE) as the RoE earned is invested every year to carry out future capacity additions. The relevant extracts of the Tariff Regulations are reproduced below:

“21. Debt-Equity Ratio

For the purpose of determination of tariff, debt-equity ratio as on the date of commercial operation of Generating Station and transmission projects, sub-station, distribution lines or capacity expanded after the notification of these Regulations shall be 70:30. Where equity employed is more than 30% the amount of equity shall be limited to 30% and the balance amount shall be considered as loans, advanced at the weighted average rate of interest and for weighted average tenor of the long term debt component of the investment Provided that in case of a Generating Company or other licensees, where actual equity employed is less than 30%, the actual debt and equity shall be considered for determination of return on equity in tariff computation.”

- 2.10.3 TANGEDCO submitted that RoE earned is invested every year to carry out future capacity additions and is essential for sustainable operations. The RoE claimed by TANGEDCO is as shown in below table:

Table 2-19: Return on Equity as claimed by TANGEDCO (Rs. Crore)

Power Station	Approved	Actual
Tuticorin TPS	-	51.31
Mettur TPS I	-	32.37
North Chennai TPS I	-	64.94
Mettur TPS II	-	62.35
NCTPS II	-	124.58
Tirumakottai GTPS	-	12.41
Kuttalam GTPS	-	13.12
Basin Bridge GTPS	-	40.75
Valuthur GTPS	-	26.48
Erode HEP	-	56.64
Kadamparai HEP	-	13.05
Kundah HEP	-	33.95
Tirunelveli HEP	-	18.73
Total Generation	-	550.69
Distribution	-	757.97
Total TANGEDCO	-	1,308.66

Commission's Views

- 2.10.4 In the Suo-Motu Order dated December 11, 2014, the Commission has stated the following reason for disallowing RoE to TANGEDCO:

“3.106 In last year order Commission has not considered the equity requirement while approving the funding requirement of capital expenditure. This stand was taken because Commission is of the view that TANGEDCO is mixing the revenue account with capital account and the equity approved may be again diverted to revenue account. This can also be observed from TANGEDCO audited accounts wherein the actual borrowings for FY 11 and FY 12 are significantly higher than capital expenditure. TNERC Tariff Regulations also allow the Commission for approving the equity below the norms of 30%”

requirement. The relevant extracts of the regulation are reproduced below:

“21. Debt-Equity Ratio

For the purpose of determination of tariff, debt-equity ratio as on the date of commercial operation of Generating Station and transmission projects, sub-station, distribution lines or capacity expanded after the notification of these Regulations shall be 70:30. Where equity employed is more than 30% the amount of equity shall be limited to 30% and the balance amount shall be considered as loans, advanced at the weighted average rate of interest and for weighted average tenor of the long term debt component of the investment”

“Provided that in case of a Generating Company or other licensees, where actual equity employed is less than 30%, the actual debt and equity shall be considered for determination of return on equity in tariff computation.”

3.107 Based on the above submissions, Commission has not allowed any return on equity due to the following reasons:

- i. Commission has approved interest on total outstanding loans as on November 2010*
- ii. Based on available sources of funding, equity has been diverted towards revenue account from FY 2003 and hence the addition in equity base as per audited accounts is on account of funding the revenue expenditure and not for creation of capital assets.*
- iii. Loans approved for funding the capital expenditure for generating stations and distribution business during the control period are without considering the equity*

3.108 The Commission continues to take the same stand and is not allowing any return on equity for the current tariff order also.”

2.10.5 The Suo-Motu Order of the Commission was challenged by the Tamil Nadu Electricity Consumers Association (TECA) before the Hon’ble APTEL in Appeal No. 62 and 63 of 2015. The Hon’ble APTEL in its Judgment dated March 2, 2016, upheld the Suo-Motu Order in its entirety.

*“15. The present Appeals, being Appeal Nos. 62 of 2015 and 63 of 2015, are hereby dismissed and **the impugned suo-motu tariff orders, being SMT Order Nos. 8 of 2014 and 9 of 2014, each dated 11.12.2014, passed by the Tamil Nadu Electricity Regulatory Commission, are hereby upheld. There shall be no order as to costs.**”*

2.10.6 As the Suo-Motu Order of the Commission has not been further appealed before any higher authority, it has attained finality. Hence, the Commission has adopted the same approach while approving RoE as adopted in the earlier Orders. However, TANGEDCO has filed an Appeal before the Hon'ble APTEL on this issue in the Tariff Order dated September 9, 2022. Since the funding of capital expenditure has been considered entirely through loans and hence, no RoE has been approved in the truing up for FY 2022-23, subject to the outcome of the Appeal.

2.11 INTEREST ON WORKING CAPITAL (IOWC)

2.11.1 TANGEDCO submitted that the interest on working capital (IoWC) for FY 2022-23 is claimed on normative basis as specified in Regulation 26 of the Tariff Regulations. Maintenance spares for all types of generating stations and transmission systems are considered at 1% of the historic cost after escalating 6% p.a. However, such escalation is not specified in the Tariff Regulations for distribution system. Therefore, TANGEDCO requested to maintain uniform approach across generation, transmission and distribution and allow 6% p.a. escalation on maintenance spares.

2.11.2 TANGEDCO submitted that as per Regulation 27 of the Tariff Regulations, rate of interest for working capital shall be equivalent to the short-term primary lending rate of State Bank of India as on 1st April of the relevant year. Accordingly, the rate of interest for FY 2022-23 has been arrived at 12.30 %.

2.11.3 The IoWC claimed by TANGEDCO is shown in the Table below:

Table 2-20: Interest on Working Capital as submitted by TANGEDCO (Rs. Crore)

Power Station	Approved	Actual
Tuticorin TPS	108.35	138.66
Mettur TPS I	70.89	121.62
North Chennai TPS	79.14	99.08
Mettur TPS II	130.38	88.64
NCTPS II	85.58	131.68
Tirumakottai GTPS	6.47	12.94
Kuttalam GTPS	11.87	16.01
Basin Bridge GTPS	9.47	15.80
Valuthur GTPS	13.31	29.04
Erode HEP	18.24	24.27
Kadamparai HEP	5.67	11.39
Kundah HEP	12.29	19.01
Tirunelveli HEP	8.89	13.62
Total Generation	560.37	721.75
Distribution	5.70	314.80
Total TANGEDCO	566.06	1,036.54

Commission's Views

2.11.4 The Commission has approved the IoWC separately for generation and distribution function of TANGEDCO in accordance with Regulation 26 of the Tariff Regulations, as reproduced below, and after deducting the amount of consumer security deposit from the working capital requirement, in line with the approach adopted in the suo-motu Order:

“26. Working Capital

(1)...

(2) Till such a formula is evolved, the norms for Working Capital shall be as below:

(a) For Coal based / Lignite fired Generating Stations

- i. Cost of coal or lignite for one and half month for pit head generating stations and two months for non-pit head generating stations corresponding to the target availability;*
- ii. Cost of secondary fuel oil for two months corresponding to the target availability;*
- iii. Operation and Maintenance expenses for one month; iv. Maintenance spares @ 1% of the historical cost escalated @ 6% per annum from the date of commercial operation; and*
- v. Receivables equivalent to two months of fixed and variable charges for sale of electricity calculated on target availability.*

(b) For Gas Turbine / combined cycle Generating Stations

- i. Fuel cost for one month corresponding to the target availability duly taking into account the mode of operation of the Generating Station on gas fuel and liquid fuel;*
- ii. Liquid fuel stock for half month;*
- iii. Operation and Maintenance expenses for one month; iv. Maintenance spares @ 1% of the historical cost escalated @ 6% per annum from the date of commercial operation; and*
- v. Receivables equivalent to two months of fixed and variable charges for sale of electricity calculated on target availability.*

(c) For Hydro Power Generating Stations

The working Capital shall cover:

- i. Operation and Maintenance expenses for one month;*

- ii. *Maintenance spares @ 1% of the historical cost escalated @ 6% per annum from the date of commercial operation; and*
- iii. *Receivables equivalent to two months of fixed charges for sale of electricity, calculated on normative capacity index.*

...

(d) For Distribution System

- i. *Operation and Maintenance expenses for one month*
- ii. *Maintenance spares for two months based on annual requirement considered at 1% of the gross fixed cost at the beginning of the year.*
- iii. *Receivable equivalent to sixty days consumption charges.”*

2.11.5 Further, as it is difficult to estimate the historical cost of assets for the generation function, the Commission has approved maintenance spares at 1% of opening GFA for respective years. The assets have been segregated between generation and distribution function based on the GFA details submitted by TANGEDCO. The interest rate for approving IoWC has been considered as specified in the Tariff Regulations, i.e., Prime Lending Rate of State Bank of India as on April 1st of the respective year. The Interest Rate has been taken as 12.30% in line with the provision of the Tariff Regulations.

2.11.6 The normative IoWC for Distribution function works out to be negative and has hence, been considered as zero.

2.11.7 IoWC approved by the Commission after true up for FY 2022-23 is shown in the Table below:

Table 2-21: Interest on Working Capital approved by the Commission after true-up for FY 2022-23 (Rs. Crore)

Power Station	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
Tuticorin TPS	108.35	138.66	131.71
Mettur TPS I	70.89	121.62	115.39
North Chennai TPS	79.14	88.44	71.26
Mettur TPS II	130.38	88.64	101.15
NCTPS II	85.58	131.68	117.51
Tirumakottai GTPS	6.47	12.94	9.19
Kuttalam GTPS	11.87	16.01	15.54
Basin Bridge GTPS	9.47	15.80	11.49
Valuthur GTPS	13.13	29.04	27.13
Erode HEP	18.24	24.27	20.97
Kadamparai HEP	5.67	11.39	7.20
Kundah HEP	12.29	19.01	15.56
Tirunelveli HEP	8.89	13.62	11.29
Total Generation	560.37	711.12	655.38
Distribution	5.70	307.80*	0.00
Total TANGEDCO	566.06	1,018.92	655.38

** Considering the revised O&M Expenses claimed for NCTPS*

2.12 OPERATING CHARGES AND EXTRA-ORDINARY ITEMS

- 2.12.1 TANGEDCO submitted that in order to run a generating station effectively and efficiently, certain costs are incurred, which are not covered under any of the fixed cost components specified in the Tariff Regulations. These costs are minimal but necessary in order to run a plant at its optimum level and hence, TANGEDCO is entitled to recover such cost through its ARR. These costs include other fuel related costs, cost of water and lubricants and consumables for thermal and gas generating stations. For hydro generating stations, these costs are relating to station supplies and cost of water for hydel power.
- 2.12.2 TANGEDCO submitted that it has categorized such costs under the head Operating Charges. TANGEDCO also submitted that the normative O&M expenses derived by the Commission in accordance with Regulation 25 of the Tariff Regulations do not include the operating charges and extra-ordinary items. The Operating Charges and extra-ordinary items as submitted by TANGEDCO are shown in the Table below:

Table 2-22: Operating Charges and Extra-ordinary Items as submitted by TANGEDCO (Rs. Crore)

S. No.	Power Station	Approved	Actual
1	Tuticorin TPS	-	24.28
2	Mettur TPS I	-	4.52
3	North Chennai TPS I	-	13.68
4	Mettur TPS II	-	9.68
5	NCTPS II	-	38.20
6	Tirumakottai GTPS	-	-
7	Kuttalam GTPS	-	0.05
8	Basin Bridge GTPS	-	-
9	Valuthur GTPS	-	-
10	Erode HEP	-	3.55
11	Kadamparai HEP	-	5.77
12	Kundah HEP	-	6.44
13	Tirunelveli HEP	-	-
14	Total Generation	-	106.17
15	Distribution	-	-
16	Total TANGEDCO	-	106.17

Commission's Views

- 2.12.3 It is clarified that the Operating Charges and Extra-Ordinary Items claimed by TANGEDCO separately, are actually a part of the normative O&M expenses, and have been considered there, as discussed earlier in this Chapter. Hence, the Operating Charges and Extra-Ordinary Items have not been allowed separately.

2.13 OTHER INCOME AND NON-TARIFF INCOME

- 2.13.1 TANGEDCO submitted that Regulation 40 of the Tariff Regulations specifies Other Income as income other than income from sale of electricity. Further, Regulation 41(2) specifies that the capacity charge for Generating Company shall be arrived at after deducting Other Income from the total annual expenses. In case of Distribution function, the treatment of Other Income and Non-Tariff Income is specified under Regulation 80 of the Tariff Regulations. The said Regulation specifies that the ARR for Distribution Licensee shall be arrived at after deducting Other Income including Non-Tariff related charges, income from surcharge and additional surcharge from open access, etc., from total expenses.
- 2.13.2 TANGEDCO submitted that Other Income mainly comprises interest on staff loans and advances, income from investments, income from trading, rebate on power purchase bills, interest on staff welfare, and gain on sale of fixed asset. Other Income for FY 2022-23 as submitted by TANGEDCO is shown in the Table below:

Table 2-23: Other Income as submitted by TANGEDCO (Rs. Crore)

Power Station	Approved	Actual
Tuticorin TPS		46.27
Mettur TPS I		81.68
North Chennai TPS I		98.74
Mettur TPS II		38.07
NCTPS II		25.64
Tirumakottai GTPS		0.01
Kuttalam GTPS		0.19
Basin Bridge GTPS	1912.92	0.02
Valuthur GTPS		0.45
Erode HEP		0.28
Kadamparai HEP		4.26
Kundah HEP		1.03
Tirunelveli HEP		0.53
Total Generation		297.17
Distribution		1,244.97
Total TANGEDCO	1,912.92	1,542.14

- 2.13.3 TANGEDCO submitted that Non-Tariff Income pertains only to distribution business. Further, the Non-Tariff related charges as stated above has been specified under Regulation 68 (2) as rent for meter provided by the licensee and other charges as per the provision of Tamil Nadu Electricity Supply Code and Tamil Nadu Electricity Distribution Code and includes meter rent/service line rental, recoveries for theft of power/malpractices, wheeling charges recoveries and other miscellaneous charges recovered from consumers. Non-Tariff Income as submitted by TANGEDCO is shown in the Table below:

Table 2-24: Non-Tariff income as submitted by TANGEDCO (Rs. Crore)

Description	Approved	Actual
Meter Rent / Service line Rentals	2,113.61	40.46

Description	Approved	Actual
Recoveries of Theft of Power / Malpractices		83.42
Open Access Wheeling charges		462.62
Network Charges HT		45.82
Network Charges LT		27.30
Miscellaneous Charges collected from Consumers		515.44
Cross Subsidy Surcharge		462.72
Belated Payment Surcharge		97.13
Capacity Compensation Charges		5.06
Reconnection Charges		165.38
Additional Surcharge from Open Access Consumers		17.35
Harmonic Charges		8.15
Other Operational Income		2,221.72
Total TANGEDCO (Distribution)	2,113.61	4,152.57

Commission's Views

- 2.13.4 The Commission has approved the Other Income and Non-Tariff Income after comparing with audited accounts and after prudence check. The Commission has reviewed the Non-Tariff income claimed by TANGEDCO and compared the same against audited accounts.
- 2.13.5 Other Income in the Audited Accounts match with the values as per the claim of TANGEDCO.
- 2.13.6 As per TANGEDCO's filing, revenue from sale of power inclusive of subsidy is Rs. 60,505.37 Crore, whereas as per audited accounts, revenue from sale of power is Rs. 80,857.77 Crore. The difference between these two includes Rs. 1,775.83 Crore towards Subsidy Arrears, Rs. 12,688.46 Crore towards Other Revenue Grants from GoTN, and Rs. 1,584.92 Crore towards contribution received from consumers for service line and other assets, which has historically not been considered as part of revenue. Hence, considering the above, the Other Income and Non-Tariff Income are approved as shown in the Tables below:

Table 2-25: Other Income approved by the Commission after true-up for FY 2022-23 (Rs. Crore)

Power Station	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
Tuticorin TPS		46.27	46.27
Mettur TPS I		81.68	81.68
North Chennai TPS I		98.74	98.74
Mettur TPS II		38.07	38.07
NCTPS II		25.64	25.64
Tirumakottai GTPS		0.01	0.01
Kuttalam GTPS		0.19	0.19
Basin Bridge GTPS		0.02	0.02
Valuthur GTPS		0.45	0.45
Erode HEP		0.28	0.28
Kadamparai HEP		4.26	4.26

Power Station	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
Kundah HEP		1.03	1.03
Tirunelveli HEP		0.53	0.53
Total Generation		297.17	297.17
Distribution		1,244.97	1,244.97
Total TANGEDCO	1,912.92	1,542.14	1,542.14

Table 2-26: Non-Tariff Income approved by the Commission after true-up for FY 2022-23 (Rs. Crore)

Power Station	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
Meter Rent / Service line Rentals		40.46	40.46
Recoveries of Theft of Power / Malpractices		83.42	83.42
Open Access Wheeling charges		462.62	462.62
Network Charges HT	2,113.61	45.82	45.82
Network Charges LT		27.30	27.30
Miscellaneous Charges collected from Consumers		515.44	515.44
Cross Subsidy Surcharge		462.72	462.72
Belated Payment Surcharge		97.13	97.13
Capacity Compensation Charges		5.06	5.06
Reconnection Charges		165.38	165.38
Additional Surcharge from Open Access Consumers		17.35	17.35
Harmonic Charges		8.15	8.15
Other Operational Income		2,221.72	2,372.34
Total TANGEDCO (Distribution)	2,113.61	4,152.57	4,303.19

2.14 SUMMARY OF FIXED CHARGES

2.14.1 The summary of fixed cost for FY 2022-23 as submitted by TANGEDCO is shown in the Table below:

Table 2-27: Fixed Cost summary submitted by TANGEDCO (Rs. Crore)

Description	Approved earlier in ARR	TANGEDCO Filing
Tuticorin TPS	1,293.93	1,793.07
Mettur TPS I	841.90	1,109.15
North Chennai TPS I	1,219.14	1,493.46*
Mettur TPS II	895.63	1,052.14
NCTPS II	1,224.72	1,603.99
Tirumakottai GTPS	209.12	336.23
Kuttalam GTPS	205.94	281.35
Basin Bridge GTPS	339.84	557.08
Valuthur GTPS	302.64	492.40
Erode HEP	637.15	901.28

Description	Approved earlier in ARR	TANGEDCO Filing
Kadamparai HEP	220.83	407.26
Kundah HEP	485.02	763.38
Tirunelveli HEP	343.02	492.29
Total Generation	8,218.88	11,283.08
Distribution	14,027.93	15,266.13*
Total TANGEDCO	22,246.80	26,549.24

* Considering the revised O&M Expenses submitted by TANGEDCO for NCTPS I

Commission's Views

A. Distribution Function

2.14.2 Based on the expenses and income approved after truing up as elaborated in the above Sections, the summary of approved Fixed Cost for TANGEDCO's Distribution function is shown in the Table below.

Table 2-28: Fixed Cost summary approved by Commission for Distribution function after true-up for FY 2022-23 (Rs. Crore)

Description	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
O&M Expenses	9,979.22	10,701.14	10,265.76
Depreciation	1,585.65	2,537.58	1,556.81
Interest & Finance Charges	6,376.70	6,359.18	5,688.29
Interest on Working Capital	5.70	307.80	0.00
Return on Equity	0.00	757.97	0.00
Gross Aggregate Revenue Requirement	17,947.27	20,663.67	17,510.86
Less: Other Income	1,805.73	1,244.97	1,244.97
Less: Non-Tariff Income	2,113.61	4,152.57	4,303.19
Net Aggregate Revenue Requirement	14,027.93	15,266.13	11,962.70

B. Generation Function (Capacity Charges)

2.14.3 As per Regulation 36 of the Tariff Regulations, fixed components of generation function comprise:

“36. Components of Tariff

- 1) *The tariff for sale of power by the Generating Companies shall be of two part namely the Fixed Charges (recovery of annual capacity charges) and variable (energy) charges.*
- 2) *The Fixed (annual capacity) charges shall consist of the following elements:*
 - (a) *Interest on Loan Capital*
 - (b) *Depreciation*
 - (c) *Return on Equity;*
 - (d) *Operation and Maintenance expenses; and (e) Interest on Working Capital:*
- 3) *The energy (variable) charges shall cover fuel cost.”*

2.14.4 The recovery of capacity charges are governed by Regulation 42 of the Tariff Regulations, which specifies as under:

“42. Recovery of Capacity Charges

1. *Full capacity charges (Fixed Charges) shall be recoverable at target availability specified in clause (1) of Regulation 37.*
2. *Recovery of capacity charges below the level of target availability will be on pro rata basis. At zero availability, no capacity charges shall be payable....”*

2.14.5 The above capacity charges as determined by the Commission are to be recovered when TANGEDCO is able to meet the target in terms of norms set by the Commission. The norms specified for recovery of fixed charges as specified in the Tariff Regulations are reproduced below:

“37. Norms of Operation

The norms of operation for the Thermal Generating Stations shall be as under:

- (i) *Target availability for recovery of full capacity (fixed) charges*
 - (a) *All Thermal Generating stations in Tamil Nadu except Ennore Thermal Power Generating Station 80%*
 - (b) *Ennore Thermal Power Generating Station (Till Renovation and Modernization works in all units are completed) 50%*

*In respect of Generating Stations of As per PPA
Independent Power Producers*

- (c) *New Thermal Stations 80%”*

2.14.6 The Commission has considered the station-wise availability for FY 2022-23 as submitted by TANGEDCO including the revision in the PAF proposed by TANGEDCO, as certified by SLDC for its Coal based Thermal Generations, as shown in the Table below:

Table 2-29: PAF considered by the Commission for FY 2022-23

Power Station	Normative	Actuals	SLDC Certified	Approved
Tuticorin TPS	80.00%	85.88%	87.43%	87.43%
Mettur TPS I	80.00%	88.57%	90.17%	90.17%
North Chennai TPS I	80.00%	58.64%	75.84%	75.84%
NCTPS II	80.00%	62.41%	74.63%	74.63%
Mettur TPS II	80.00%	72.92%	84.38%	84.38%
Tirumakottai GTPS	80.00%	82.95%		82.95%
Kuttalam GTPS	80.00%	85.21%		85.21%
Basin Bridge GTPS	80.00%	93.79%		93.79%
Valuthur GTPS	80.00%	83.69%		83.69%

Erode HEP		80.81%		80.81%
Kadamparai HEP		73.23%		73.23%
Kundah HEP		89.15%		89.15%
Tirunelveli HEP		87.66%		87.66%

2.14.7 The Tariff Regulations specify that the recovery of Fixed Charges is dependent on achieving the normative PAF, and in case of lower than normative PAF, the recovery of Fixed Charges shall be allowed on a pro-rata basis. Therefore, based on component-wise approval given in the above Section and actual PAF, fixed cost/capacity charges for generating stations approved for FY 2022-23 is shown in the Tables below.

Table 2-30: Fixed Charges approved by the Commission for Generation function after true-up for FY 2022-23 (Rs. Crore)

Description	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
Tuticorin TPS	1,293.93	1,793.07	1,536.49
Mettur TPS I	841.90	1,109.15	891.95
North Chennai TPS I	1,219.14	1,493.46*	1,162.04
Mettur TPS II	895.63	1,052.14	979.21
NCTPS II	1,224.72	1,603.99	1,540.50
Tirumakottai GTPS	209.12	336.23	237.09
Kuttalam GTPS	205.94	281.35	238.94
Basin Bridge GTPS	339.84	557.08	448.96
Valuthur GTPS	302.64	492.40	400.70
Erode HEP	637.15	901.28	716.70
Kadamparai HEP	220.83	407.26	274.58
Kundah HEP	485.02	763.38	603.99
Tirunelveli HEP	343.02	492.29	430.29
Total Generation	8,218.88	11,283.08	9,461.44

* Note: Revised ARR claimed by TANGEDCO for NCTPS I is considered

2.15 VARIABLE COST FOR OWN GENERATING STATIONS

Operational Performance Parameters

- 2.15.1 TANGEDCO submitted the comparison of actual operational performance parameters of generation function like PAF, Plant Load Factor (PLF), Station Heat Rate (SHR), Auxiliary Consumption (AC), Specific Oil Consumption (SOC), etc., achieved during FY 2022-23, in order to derive variable cost of own generation, vis-à-vis operational performance parameters approved by the Commission in the Tariff Order dated September 9, 2022.
- 2.15.2 TANGEDCO submitted that the actual operating parameters achieved during FY 2022-23 are dependent of the condition of the machine during the respective years, which is a function of the following factors:

- i. Operation and Maintenance carried out in the plant since commissioning;
- ii. Degradation due to ageing;
- iii. Water chemistry;
- iv. Conditions of the auxiliaries;
- v. Overloading and partial loading of machines;
- vi. Number of Start/Stops;
- vii. Temperature and pressure stress the Machines have been subjected to;
- viii. Automation of C&I; and
- ix. Condenser Vacuum.

2.15.3 TANGEDCO submitted the following justification for the deviations between the actual operating parameters and the operating parameters approved by the Commission:

a) Ageing

2.15.4 Frequent tube failures occur due to erosion in the old machines, which may be caused by poor quality of coal and other constraints. Heat transfer gets affected due to various reasons, and the SHR increases. AC and SOC increase due to low load/partial load operation because of some technical constraints. Due to many other reasons like vibrations, eccentricity and high bearing temperature, the auxiliary of respective plants fails and causes deterioration in performance parameters. The older machines are affected by such reasons and hence, their performance is poorer as compared to the normative values.

b) Design Constraints

2.15.5 The operational performance parameters for generating stations specified in the Tariff Regulations are based on the norms specified in CERC Tariff Regulations, which in turn is based on design specifications of NTPC Power Plants. Most of the NTPC power plants have 500 MW Units, which enable NTPC to achieve the target performance parameters specified in the Regulations.

2.15.6 On the other hand, most of the existing plants of TANGEDCO have 110 MW to 210 MW Units. As the Units are older and smaller in size, it is very difficult to achieve the target performance parameters specified in the Tariff Regulations.

c) Operational Constraints

2.15.7 There has been a significant amount of backing down in the recent past years. Due to this, the generating stations of TANGEDCO were unable to achieve the Target PLF as specified in the Tariff Regulations.

2.15.8 The actual PLF of all thermal generating station of TANGEDCO were below the Target PLF, which is mainly on account of backing down instructions received from SLDC/System. However, based on deemed PLF (arrived after considered backing

down of Units), most of the generating stations were available at a level above the normative. Further, the backing down instructions from SLDC/System are beyond the control of TANGEDCO and hence, TANGEDCO requested to consider the actual PLF achieved by TANGEDCO plants over the respective period.

- 2.15.9 With the increase in frequency of backing down, number of start and stop operations also increases proportionately, which not only results in abnormally higher consumption of fuel but also affects the operational efficiency of plants.
- 2.15.10 Further, even under the backed down mode, there are certain auxiliaries, which are required to run at part load as well as full load, which leads to higher auxiliary consumption for the reduced generation or nil generation for which no variable cost is being recovered from the beneficiaries.
- 2.15.11 The efficiency of boiler as well as turbine deteriorates with the decrease in loading of the plant, thus, resulting in higher SHR leading to overall inefficiency.
- 2.15.12 Backing down not only affects the operation life of plants, but also increases the repair and maintenance expenses.
- 2.15.13 Apart from above, many of TANGEDCO plants utilise domestic coal, which has high ash content and low GCV.

2.16 PLANT LOAD FACTOR (PLF)

- 2.16.1 The following Table shows the Plant Load Factor (PLF) as approved by the Commission vis-à-vis the actual PLF achieved by TANGEDCO generating stations during FY 2022-23:

Table 2-31: PLF as submitted by TANGEDCO for FY 2022-23

S. No.	Power Station	Approved	Actuals
Thermal Power Generating Stations			
1	Tuticorin TPS	55.00%	62.16%
2	Mettur TPS I	70.00%	73.33%
3	North Chennai TPS I	65.00%	56.79%
4	NCTPS II	60.00%	51.75%
5	Mettur TPS II	60.00%	57.09%
Gas Power Generating Stations			
6	Tirumakottai GTPS	30.00%	17.98%
7	Kuttalam GTPS	45.00%	62.08%
8	Basin Bridge GTPS	0.60%	0.37%
9	Valuthur GTPS	70.00%	64.40%
Hydro Power Generating Stations			
10	Erode HEP	25.46%	39.31%
11	Kadamparai HEP	16.46%	16.11%
12	Kundah HEP	30.56%	32.59%
13	Tirunelveli HEP	35.00%	36.49%

Commission's Views

- 2.16.2 The Commission has analysed the submissions made by TANGEDCO. It is observed that the actual PLF is slightly different based on the actual gross Generation. Hence, the Commission has approved the actual PLF based on the gross Generation submitted by TANGEDCO, as shown in the Table below:

Table 2-32: PLF approved by the Commission after true-up for FY 2022-23

S. No.	Power Station	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
Thermal Power Generating Stations				
1	Tuticorin TPS	55.00%	62.16%	62.16%
2	Mettur TPS I	70.00%	73.33%	73.33%
3	North Chennai TPS I	65.00%	56.79%	56.79%
4	NCTPS II	60.00%	51.75%	51.75%
5	Mettur TPS II	60.00%	57.09%	57.09%
Gas Power Generating Stations				
6	Tirumakottai GTPS	30.00%	17.98%	17.98%
7	Kuttalam GTPS	45.00%	62.08%	62.08%
8	Basin Bridge GTPS	0.60%	0.37%	0.37%
9	Valuthur GTPS	70.00%	64.40%	71.31%
Hydro Power Generating Stations				
10	Erode HEP	25.46%	39.31%	33.75%
11	Kadamparai HEP	16.46%	16.11%	16.11%
12	Kundah HEP	30.56%	32.59%	31.50%
13	Tirunelveli HEP	35.00%	36.49%	35.98%

2.17 AUXILIARY CONSUMPTION

- 2.17.1 TANGEDCO submitted the approved auxiliary consumption and actual achieved by its generating stations in FY 2022-23 as shown in the Table below.
- 2.17.2 TANGEDCO submitted that during FY 2022-23, due to frequent backing downs/reserve shutdown and low load operations, the actual auxiliary consumption is higher than the approved norms.
- 2.17.3 TANGEDCO submitted that with respect to Gas Power Stations, the actual auxiliary consumption of all Stations are higher than the approved norms mainly on account of part load operation of stations due to inadequate supply of gas during the respective period. As already mentioned, even though the plants are backed down or operated at part load, there are certain auxiliaries that are required to be run at part load or full load in order to bring the Units back as per system demand. This results in increased auxiliary consumption for lower generation. Further, with regard to Basin Bridge, the Units are run as synchronous condenser to supply reactive power

to the Grid for better Voltage profile and system stability. Therefore, its auxiliary consumption varies as per system demand.

Table 2-33: Auxiliary Consumption as submitted by TANGEDCO

S. No.	Power Station	Approved	Actuals
Thermal Generating Stations			
1	Tuticorin TPS	8.50%	9.20%
2	Mettur TPS I	8.50%	8.79%
3	North Chennai TPS I	8.50%	9.77%
4	NCTPS II	7.00%	8.03%
5	Mettur II	7.00%	7.68%
Gas Power Generating Stations			
6	Tirumakottai GTPS	6.00%	20.48%
7	Kuttalam GTPS	6.00%	7.06%
8	Basin Bridge GTPS	0.99%	0.79%
9	Valuthur GTPS	6.00%	6.55%
Hydro Power Generating Stations			
10	Erode HEP	0.50%	0.40%
11	Kadamparai HEP	0.50%	0.43%
12	Kundah HEP	0.50%	0.32%
13	Tirunelveli HEP	0.50%	0.36%

Commission's Views

2.17.4 The Commission has considered the normative Auxiliary Consumption after adjusting for PLF based relaxation provided in the Tariff Regulations for Coal/Lignite based Thermal Generation considering the Availability of such stations. For other Generating Stations, the Commission has considered the lower of the normative/actual Auxiliary Consumption for FY 2022-23.

Table 2-34: Auxiliary Consumption approved by the Commission after true-up for FY 2022-23

S. No.	Power Station	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
Thermal Power Generating Stations				
1	Tuticorin TPS	8.50%	9.20%	8.59%
2	Mettur TPS I	8.50%	8.79%	8.56%
3	North Chennai TPS I	8.50%	9.77%	8.56%
4	NCTPS II	7.00%	8.03%	7.02%
5	Mettur TPS II	7.00%	7.68%	7.07%
Gas Power Generating Stations				
6	Tirumakottai GTPS	6.00%	20.48%	6.00%
7	Kuttalam GTPS	6.00%	7.06%	6.00%
8	Basin Bridge GTPS	0.99%	0.79%	0.79%
9	Valuthur GTPS	6.00%	6.55%	6.00%
Hydro Power Generating Stations				
10	Erode HEP	0.50%	0.40%	0.40%
11	Kadamparai HEP	0.50%	0.43%	0.43%
12	Kundah HEP	0.50%	0.32%	0.32%
13	Tirunelveli HEP	0.50%	0.36%	0.36%

2.18 STATION HEAT RATE (SHR)

- 2.18.1 TANGEDCO requested the Commission to approve actual SHR for its generating stations considering various justifications, especially relating to loading. The station-wise SHR as submitted by TANGEDCO is shown in the Table below.
- 2.18.2 TANGEDCO submitted the major factors contributing to higher SHRs are frequent part load operations and variation in quality of fuel.

Table 2-35: SHR as submitted by TANGEDCO (kcal/kWh)

S. No.	Power Station	Approved	Actuals
Thermal Power Generating Stations			
1	Tuticorin TPS	2,600	2,601
2	Mettur TPS I	2,600	2,491
3	North Chennai TPS I	2,489	2,829
4	NCTPS II	2,597	2,571
5	MTPS II	2,597	2,419
Gas Power Generating Stations			
6	Tirumakottai GTPS	1,850	3,775
7	Kuttalam GTPS	1,850	2,072
8	Basin Bridge GTPS	4,399	3,287
9	Valuthur GTPS	1,850	1,891

Commission's Views

- 2.18.3 Regulation 37(iii) of the Tariff Regulations specify the norms for SHR. Commission has considered SHR as per norms, after adjusting for SHR relaxation in line with PLF, as allowed under the Tariff Regulations.
- 2.18.4 In addition, for gas power plants, considering vintage and backing down, the Commission has approved relaxed values. The Commission has considered SHR as the minimum of the actual/ relaxed SHR allowed for similar vintage power plants by CERC in its Tariff Regulations.

Table 2-36: SHR approved by the Commission after true-up for FY 2022-23 (kcal/kWh)

S. No.	Power Station	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
Thermal Power Generating Stations				
1	Tuticorin TPS	2,600	2,601	2,600
2	Mettur TPS I	2,600	2,491	2,491
3	North Chennai TPS I	2,489	2,829	2,483
4	NCTPS II	2,597	2,571	2,499
5	Mettur TPS II	2,597	2,419	2,419
Gas Power Generating Stations				
6	Tirumakottai GTPS	1,850	3,775	2,600
7	Kuttalam GTPS	1,850	2,072	2,072
8	Basin Bridge GTPS	4,399	3,287	3,287
9	Valuthur GTPS	1,850	1,891	2,094

2.19 SPECIFIC OIL CONSUMPTION (SOC)

- 2.19.1 TANGEDCO submitted that the SOC has been calculated in terms of the percentage of total calorific requirement of the power generating Unit, which has relation with the size of the generating Unit. For the lower size Units, the SOC remains higher as compared to larger size power generating Units, because certain amount of SOC remains fixed irrespective of the size of the generating Unit.
- 2.19.2 TANGEDCO further submitted that the actual SOC is higher than the limits approved by the Commission in previous Tariff Order for FY 2022-23 for all TANGEDCO Generating Stations except for MTPS II. Due to part load operation and frequent start stop operations, the SOC for MTPS I and NCTPS II is slightly higher than the approved. The higher SOC for TTPS is due to ageing and degradation of Unit and small size Units. NCTPS I has very high SOC as majority of the oil was utilized for maintaining flame stability due to frequent fourth mill outages and for meeting grid demand during summer months.
- 2.19.3 The station-wise SOC as submitted by TANGEDCO is shown in the Table below:

Table 2-37: SOC as submitted by TANGEDCO (ml/kWh)

S. No.	Power Station	Approved	Actuals
1	Tuticorin TPS	1.67	2.53
2	Mettur TPS I	0.69	1.03
3	North Chennai TPS I	1.79	6.28
4	NCTPS II	1.10	1.69
5	MTPS II	0.88	0.72

Commission's Views

- 2.19.4 Regulation 37(iv) of the Tariff Regulations specifies the normative SOC for TANGEDCO's generating plants. In previous orders, the Commission had considered revised SOC norms based on the performance of the generating Stations. The Commission has approved SOC for FY 2022-23 in accordance with the norms considered in the previous Tariff Order, as shown in the Table below:

Table 2-38: SOC as approved by the Commission after true-up for FY 2022-23 (mL/kWh)

S. No.	Power Station	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
1	Tuticorin TPS	1.67	2.53	1.67
2	Mettur TPS I	0.69	1.03	0.69
3	North Chennai TPS I	1.79	6.28	1.79
4	NCTPS II	1.10	1.69	1.10
5	MTPS II	0.88	0.72	0.88

2.20 FUEL RELATED PARAMETERS

- 2.20.1 TANGEDCO submitted the details of actual Gross Calorific Value (GCV) of coal vis-à-vis the values approved by the Commission in the last Tariff Order.

Commission's Views

- 2.20.2 The Commission has considered the actual GCV of coal and gas as submitted by TANGEDCO, as shown in the Table below:

Table 2-39: GCV approved by the Commission after true-up for FY 2022-23

S. No.	Power Station	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
Thermal Power Generating Stations (kcal/kg)				
1	Tuticorin TPS	3,123.69	2,816.19	2,816.19
2	Mettur TPS I	3,162.28	3,029.06	3,029.06
3	North Chennai TPS I	3,252.52	3,081.22	3,081.22
4	NCTPS II	3,227.94	3,058.27	3,058.27
5	Mettur II	3,202.78	3,065.16	3,065.16
Gas Power Generating Stations (kcal/SCM)				
6	Tirumakottai GTPS	10,538.36	10,515.00	10,515.00
7	Kuttalam GTPS	10,416.58	10,432.00	10,432.00
8	Basin Bridge GTPS	10,572.00	10,572.00	10,572.00
9	Valuthur GTPS	9,718.96	9,705.67	9,705.67

2.21 PRICE OF PRIMARY FUEL

- 2.21.1 TANGEDCO submitted the actual primary fuel prices for FY 2022-23.

Commission's Views

- 2.21.2 The Commission has considered the actual primary fuel prices for FY 2022-23 as submitted by TANGEDCO, as shown in the table below:

Table 2-40: Price of primary fuel as approved by the Commission

S. No.	Power Station	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
Thermal Power Generating Stations (Rs. /MT)				
1	Tuticorin TPS	4,300	4,118.03	4,118.03
2	Mettur TPS I	5,500	4,986.00	4,986.00
3	North Chennai TPS I	4,200	3,964.61	3,964.61
4	NCTPS II	4,500	4,596.76	4,596.76
5	MTPS II	5,600	6,294.57	6,294.57
Gas Power Generating Stations (Rs. /SCM)				
6	Tirumakottai GTPS	8.97	26.46	26.46
7	Kuttalam GTPS	9.55	28.17	28.17
8	Basin Bridge GTPS*	54.29	17.21	17.21
9	Valuthur GTPS	8.69	24.39	24.39

* In Rs. Crore for Basin Bridge

2.22 COMPUTATION OF ENERGY CHARGES

2.22.1 TANGEDCO submitted that based on the actual operating parameters and fuel related parameters recorded during FY 2022-23, it has arrived at plant-wise variable cost of generation.

Commission's Views

2.22.2 The Commission has approved the plant-wise variable cost on the basis of operational parameters and fuel related parameters approved, as elaborated in the Sections above. The approved Variable Cost of Generation and Energy Charges for Thermal and Gas stations after true-up for FY 2022-23 is shown in the Table below.

Table 2-41: Variable Cost of Generation approved by the Commission after true-up for FY 2022-23 (Rs. Crore)

S. No.	Power Station	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
Thermal Power Generating Stations				
1	Tuticorin TPS	1,835	2,250.72	2,224.20
2	Mettur TPS I	2,358	2,237.73	2,229.45
3	North Chennai TPS I	1,180	1,234.80	1,028.04
4	NCTPS II	2,309	2,150.96	2,075.13
5	Mettur TPS II	1,462	1,498.56	1,500.36
Gas Power Generating Stations				
6	Tirumakottai GTPS	45	161.41	111.17
7	Kuttalam GTPS	68	307.33	307.33
8	Basin Bridge GTPS	54	17.21	17.21
9	Valuthur GTPS	190	555.60	555.59
	Total	9501	10,414.31	10,048.48

Table 2-42: Energy Charge approved by the Commission after true-up for FY 2022-23 (Rs./kWh)

S. No.	Power Station	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
Thermal Generating Stations				
1	Tuticorin TPS	3.96	4.33	4.26
2	Mettur TPS I	5.00	4.55	4.52
3	North Chennai TPS I	3.59	4.37	3.59
4	NCTPS II	3.94	4.30	4.10
5	Mettur TPS II	4.99	5.41	5.38
Gas Power Generating Stations				
6	Tirumakottai GTPS	1.68	11.95	6.96
7	Kuttalam GTPS	1.80	6.02	5.95
8	Basin Bridge GTPS	87.80	118.05	118.05
9	Valuthur GTPS	1.76	5.63	5.60

2.23 POWER PURCHASE FROM OTHER SOURCES FOR FY 2022-23

2.23.1 TANGEDCO submitted the power purchase quantum and expenses from outside/other sources for FY 2022-23, after excluding wheeling units and wheeling cost as per the table below:

Table 2-43: Power purchase expenses submitted by TANGEDCO for FY 2022-23

Power Sources	Approved		Actuals	
	Units	PP Cost	Units	PP Cost
	(MU)	(Rs Crore)	(MU)	(Rs Crore)
Central Generating Stations				
New Neyveli TS	3,527.72	1,503.47	4,490.64	1,870.50
NLC TS I			-	(394.59)
Neyveli TS-II Stage I	3,725.59	1,221.58	2,951.53	676.76
NLC TPS-II Second Expansion			-	-
Neyveli TS-I Expansion	1,626.69	556.96	1,437.36	508.73
Neyveli Expansion Unit II	1,000.06	490.38	885.18	425.67
NTPL JV with NLC	1,851.88	967.20	2,047.32	1,345.56
NTPC SR (Ramagundan I & II)	3,393.13	1,261.26	2,756.23	1,366.01
NTPC SR -III (Ramagundam III)	856.06	325.57	679.02	327.74
Simhadri Stage II -Unit III	1,230.81	605.89	1,103.13	827.69
Simhadri Stage II -Unit IV			-	-
NTPC_TNEB JV Vallur Unit 1	5,294.74	3,197.62	6,437.62	4,118.89
NTPC_TNEB JV Vallur Unit 2			-	-
Talcher	3,531.34	925.18	3,644.71	1,086.56
Madras APS	796.33	210.84	1,084.42	193.10
Kaiga APS	1,898.66	694.78	1,724.92	693.20
Kudankulam	8,114.87	3,489.05	7,568.96	3,566.97
Kudankulam II			-	-
PFBR Kalpakkam			-	-
NTPC ER (FARAKKA STPS)	115.32	55.03	181.10	99.58
Kudgi Unit I	914.74	761.66	1,322.78	1,202.21
Kudgi Unit II			-	-
Talcher I			-	-
NTPC Kayamkulam			-	-
NTPC Bongaigaon	960.00	552.00	705.75	484.22
NTPC/Barh-1	502.46	168.60	497.98	308.62
NTPC/Barh-2	593.33	233.88	643.04	366.46
NTPC/KBUN	455.58	171.78	620.17	358.97
NLC Talabira			-	-
Total CGS (i)	40,389.31	17,392.73	40,781.87	19,432.84
IPPs				
SEPC	643.29	546.79	960.83	996.70
Samalpatti			-	-
Madurai Power Corpn.			-	-
Pillaiperumalnallur			67.50	48.31
TAQA (STCMS)	1,314.00	713.94	1,120.44	601.01
LANCO Power (Aban Co.)			-	253.20
PIONEER Power co. (Penna)			-	5.62
Total IPPs (ii)	1,957.29	1,260.73	2,148.77	1,904.84
Renewables				
Windmill	3,332.15	1,040.40	4,386.00	857.98
Co-generation	347.07	183.60	422.37	264.68
Cogeneration new			-	-

Power Sources	Approved		Actuals	
	Units	PP Cost	Units	PP Cost
	(MU)	(Rs Crore)	(MU)	(Rs Crore)
Biomass	2.10	1.51	2.42	1.56
Captive generation	15.18	3.09	-	-
Solar	6,977.89	3,124.55	6,267.00	3,156.59
Co-Gen in Co-op Sugar Mills			-	-
Total Renewables (iii)	10,674.39	4,353.15	11,077.79	4,280.81
Short Term and Others				
UI Power			(558.91)	209.40
Traders-MTOA	910.55	388.13	1,363.54	490.12
Traders-LTOA	11,837.20	5,666.34	13,923.49	11,048.99
Traders -STOA	910.55	325.74	1,935.92	1,841.80
CPP/Traders			0.34	0.40
Power Exchanges	7,208.70	4,598.90	4,061.35	3,863.37
Swap			88.86	299.69
Total Short Term and Others (iv)	20,867.00	10,979.11	20,814.58	17,753.77
STOA charges	-	74.85	-	111.17
Add: Hydro Balancing fund				469.04
Total	73,887.99	34,060.57	74,823.00	43,952.47
Transmission Charges TANTRANSCO/ PGCIL/ POSOCO		7,901	-	7,507.74
Total Power Purchase Cost	73,887.99	41,961.57	74,823.00	51460.21

Commission's Views

- 2.23.2 The Commission observes that there has been a disproportional increase in the power purchase cost as compared to the values approved in the previous Tariff Order.
- 2.23.3 In response to the Commission's queries on the increase in the power purchase cost, TANGEDCO has submitted the following reasons for the increase:
- Increase in Fixed and Variable Cost of LTOA purchase due to increase availability;
 - Increase in schedule provided by LTOA generators;
 - Increase in energy charges as pass through from Generators;
 - Inclusion of Change in Law impact due to GST Regime;
 - Late Payment Surcharge allowed as per the MoP Liquidation Scheme;
 - Payment of expenses previously withheld due to ongoing legal cases;
 - Revision of Fixed Charges of Central Generating Stations; and
 - Increase in cost of imported coal due to Exchange Rate increase.
- 2.23.4 Considering the justification provided by TANGEDCO for the increase in power purchase expenses, the Commission has considered the actual power purchase as submitted by TANGEDCO.

- 2.23.5 The Commission has considered the Hydro Utilization fund as submitted by TANGEDCO for FY 2022-23 as per the Tariff Regulations. However, the same shall be considered while truing-up for FY 2023-24, for adjusting any additional generation from hydel sources.
- 2.23.6 TANTRANSOCO Charges and PGCIL charges have been considered separately in the overall ARR, and approved as submitted by TANGEDCO.
- 2.23.7 The summary of Power Purchase approved by the Commission after truing up for the FY 2022-23 is shown in the Table below:

Table 2-44: Summary of Power Purchase Expenses approved by the Commission after true-up for FY 2022-23

Source of Power Purchase	Units (MU)	VC (Rs/kWh)	Total Variable Cost (Rs. Crore)	Total Fixed Cost (Rs. Crore)	Total Cost (Rs. Crore)	Net Prior Period Expenses (Rs. Crore)	Total Cost net of Prior Period (Rs. Crore)	Rate (Rs/kWh)
Central Generating Stations								
New Neyveli TS	4,490.64	2.20	989.26	824.71	1,813.97	56.52	1,870.50	4.17
NLC TS I					-	-394.59	-394.59	
Neyveli TS-II Stage I	2,951.53	2.74	807.55	229.45	1,037.00	-360.24	676.76	2.29
NLC TPS-II Second Expansion		-			-		-	
Neyveli TS-I Expansion	1,437.36	2.44	350.96	145.00	495.96	12.77	508.73	3.54
Neyveli Expansion Unit II	885.18	2.61	231.40	210.38	441.78	-16.11	425.67	4.81
NTPL JV with NLC	2,047.32	4.15	848.75	461.77	1,310.53	35.04	1,345.56	6.57
NTPC SR (Ramagundan I & II)	2,756.23	4.04	1,112.56	255.03	1,367.59	-1.58	1,366.01	4.96
NTPC SR -III (Ramagundam III)	679.02	3.71	251.90	73.26	325.16	2.59	327.74	4.83
Simhadri Stage II -Unit III								
Simhadri Stage II -Unit IV	1,103.13	4.34	478.79	260.86	739.65	88.05	827.69	7.50
NTPC_TNEB JV Vallur Unit 1	6,437.62	3.61	2,325.88	1,327.07	3,652.95	465.94	4,118.89	6.40
NTPC_TNEB JV Vallur Unit 2		-			-		-	
Talcher	3,644.71	1.91	694.93	291.87	986.80	99.77	1,086.56	2.98
Madras APS	1,084.42	2.62	283.62	0.12	283.74	-90.64	193.10	1.78
Kaiga APS	1,724.92	3.50	604.16	-	604.16	89.04	693.20	4.02
Kudankulam	7,568.96	4.30	3,256.69	-	3,256.69	310.28	3,566.97	4.71
Kudankulam II		-			-		-	
PFBR Kalpakkam		-			-		-	
NTPC ER (FARAKKA STPS)	181.10	3.19	57.75	29.57	87.31	12.26	99.58	5.50
Kudgi Unit I								
Kudgi Unit II	1,322.78	5.63	744.76	429.02	1,173.78	28.43	1,202.21	9.09
Talcher I		-			-		-	
NTPC Kayamkulam		-			-		-	
NTPC Bongaigaon	705.75	3.81	269.03	215.20	484.22	-	484.22	6.86
NTPC/Barh-1	497.98	3.17	157.75	150.85	308.60	0.02	308.62	6.20
NTPC/Barh-2	643.04	3.43	220.57	145.91	366.48	-0.01	366.46	5.70
NTPC/KBUN	620.17	2.80	173.80	185.14	358.93	0.04	358.97	5.79
NLC Talabira							-	

Source of Power Purchase	Units (MU)	VC (Rs/kWh)	Total Variable Cost (Rs. Crore)	Total Fixed Cost (Rs. Crore)	Total Cost (Rs. Crore)	Net Prior Period Expenses (Rs. Crore)	Total Cost net of Prior Period (Rs. Crore)	Rate (Rs/kWh)
Total CGS	40,781.87	0.34	13,860.09	5,235.20	19,095.29	337.55	19,432.84	4.77
IPPs								
SEPC	960.83	5.61	539.28	444.40	983.68	13.01	996.70	10.37
Samalpatti					-		-	
Madurai Power Corpn.					-		-	
Pillaiperumalnallur	67.50	6.40	43.20	5.11	48.31	-	48.31	7.16
TAQA (STCMS)	1,120.44	3.32	372.27	216.38	588.65	12.37	601.01	5.36
LANCO Power (Aban Co.)	-		-	-	-	253.20	253.20	
PIONEER Power co. (Penna)	-		-	-	-	5.62	5.62	
Total IPPs	2,148.77	4.44	954.75	665.89	1,620.64	284.20	1,904.84	8.86
Renewables								
Windmill	4,386.00	2.95	857.58	-	857.58	-	857.58	1.96
Co-generation	422.37	3.27	138.11	84.96	223.07	41.61	264.68	6.27
Cogeneration new								
Biomass	2.42	5.18	1.25	0.30	1.56	-	1.56	6.43
Captive generation								
Solar	6,267.00	4.76	3,156.59	-	3,156.59	-	3,156.59	5.04
Co-Gen in Co-op Sugar Mills								
Total Renewables	11,077.79		4,153.54	85.26	4,238.80	41.61	4,280.41	3.86
UI Power	-558.91	-	167.80	-	167.80	41.60	209.40	3.75
Traders-MTOA	1,363.54	1.88	256.97	230.59	487.56	2.55	490.12	3.59
Traders-LTOA	13,923.49	3.12	4,345.57	4,298.28	8,643.86	2,405.14	11,048.99	7.94
Traders -STOA	1,935.92	7.55	1,801.37	40.43	1,841.80	-	1,841.80	9.51
CPP/Traders	0.34	2.11	0.07	0.00	0.07	0.33	0.40	11.93
Power Exchanges	4,061.35	9.51	3,863.37	-	3,863.37	-	3,863.37	9.51
TANTRANSCO charges	-	-	-	3,167.34	3,167.34		3,167.34	
Swap	88.86	-	299.69		299.69	-	299.69	33.73
ABT PGCIL	-	-	-	4,080.50	4,080.50	259.91	4,340.41	
PGCIL Reactive								
Hydro Utilization fund				469.04	469.04	-	469.04	
STOA Charges		-		111.17	111.17		111.17	
Total	74,823.00		29,703.23	18,383.69	48,086.92	3,372.89	51,459.82	6.88

2.24 SUMMARY OF ARR FOR FY 2022-23

2.24.1 Based on the component-wise approval as elaborated in the above Sections, the summary of Aggregate Revenue Requirement for TANGEDCO as whole for FY 2022-23 as approved in earlier Order, as submitted by TANGEDCO, and as approved after final true up is shown in the Table below:

Table 2-45: Summary of ARR approved by the Commission after true-up for FY 2022-23 (Rs. Crore)

Particulars	Approved	TANGEDCO	Approved
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	earlier in ARR	Filing	after True-up
Power Purchase Cost	34,061	43,952	43,952
TANTRANSCO, PGCIL & SLDC charges	7,901	7,508	7,508
Generation cost (Own Generation Plants)	17,720	21,697	19,384
Return on Equity	0	758	0
Interest on Loan Capital	4,608	6,359	5,688
Depreciation	1,586	2,538	1,557
Interest on Working Capital	6	308	0
Operation and Maintenance Expenses	9,979	10,701	10,266
Other Debits	0	0	0
Prior Period Credits / Charges	0	0	0
Extra Ordinary Items	0	0	0
Total Revenue Requirement	75,860	93,821	88,354

2.25 REVENUE FROM SALE OF POWER

2.25.1 TANGEDCO submitted category-wise sales in MU (excluding wheeling units) and revenue earned by TANGEDCO (excluding wheeling revenue and subsidy from State Government) as per Audited Accounts of FY 2022-23.

Commission's view

2.25.2 The Commission has considered the revenue from sales as given in the Audited Accounts for FY 2022-23. However, as revenue in the Audited Accounts consist of revenue from wheeling units also, the same has been deducted from the total revenue, whereas TANGEDCO has reduced the wheeling revenue from the category-wise revenue.

2.25.3 The revenue from sales approved for FY 2022-23 is shown in the Table below:

Table 2-46: Revenue from Sales approved by the Commission after true-up for FY 2022-23

Consumer Category	Tariff Category	Sales (MU)	Revenue * (Rs. Crore)
High Tension Supply			
Industries, Factories, IT Services	I	15,997.70	15,830.92
Govt. Educational Institutions, Govt. Hospitals, Railway Traction, Lift Irrigation, etc.	IIA	3,045.12	2,608.54
Private Educational Institutions	IIB	358.77	331.99
Miscellaneous Categories	III	2,035.19	2,417.81
Construction Activities and Other Temporary Purposes	IV	46.08	71.91
Public EV Charging Stations	V	0.00	0.08
Sub Total HT (A)		21,482.86	21,261.25
Low Tension Supply			
Domestic, Multi-tenements, Old age homes, Hand Loom etc.	IA	30,602.00	13,042.78
Huts	IB	449.88	270.37
Bulk Supply with single point Metering	IC	8.97	6.71
Common Facilities in Multi-tenements	ID	277.58	276.25
Public Lighting and Public Water Supply provided by Govt./Local bodies	IIA	2,506.76	2,118.96
Government and aided Educational Institutions in Hostels, Govt. Hospitals, others	IIB (1)	202.11	187.08
Private Educational Institutions	IIB (2)	263.54	281.95

Consumer Category	Tariff Category	Sales (MU)	Revenue * (Rs. Crore)
Actual place of public worship	II C	145.82	116.73
Cottage and Micro Industries	IIIA (1)	313.86	200.38
Powerlooms	IIIA (2)	974.86	702.21
Industries, IT Services	IIIB	8,124.27	6,698.42
Agriculture and Allied Services	IV	13,926.00	5,902.87
Miscellaneous/General Purpose	V	8,323.13	8,556.13
Construction activities and Temporary Purposes	VI	315.00	883.28
Sub Total LT (B)		66,433.78	39,244.12
Total HT and LT {A+B} (C)		87,916.64	60,505.37

* Revenue is including Govt. Tariff subsidy, but excluding Wheeling/Network charges and grants

2.26 REVENUE GAP/(SURPLUS) FOR FY 2022-23

2.26.1 Based on the approved Aggregate Revenue Requirement and Revenue from sales, and after considering subsidy received from GoTN for FY 2022-23, the Revenue Gap/ (Surplus) approved by the Commission is shown in the Table below.

Table 2-47: Revenue Gap/(Surplus) approved by the Commission after true-up for FY 2022-23 (Rs. Crore)

Particulars	Approved earlier in ARR	TANGEDCO Filing	Approved after True-up
Total Revenue Requirement	75,860	93,821	88,354
Less: (i) Revenue at Existing tariff	59436	60,505	60,505
(ii) Subsidy Arrears		1,776	1,776
(iii) Non-tariff revenue	2,114	4,153	4,303
(iv) Other income	1,806	1,245	1,245
(v) Other Govt Funding		12,688	12,688
Gap to be taken over by GoTN	12,505	13,454	7,837

2.26.2 The treatment of this deficit is explained in the following Sections.

2.27 TREATMENT OF REVENUE GAP

2.27.1 The GoTN vide G.O. (Ms) No. 38 dt. August 18, 2021, has agreed to take over 100% losses of TANGEDCO from FY 2021-22 onwards under GSDP norms of Gol (Annexure I). As per the norms and also under UDAY scheme, losses have been taken over by GoTN in a year-wise manner.

Table 2-48: Cash Loss Funding provided by the Government of Tamil Nadu (Rs. Crore)

FY	Book Loss	Loss Taken During FY	Amount (% of Loss)
2016-17	4,349	2017-18	217 (5%)
2017-18	7,761	2018-19	776 (10%)
2018-19	12,623	2019-20	3156 (25%)
2019-20	11,965	2020-21	5982 [#] (50%)
2020-21	13,407	2021-22	6703 [#] (50%)

FY	Book Loss	Loss Taken During FY	Amount (% of Loss)
2021-22	11,955	2022-23	11955 (100%)
2022-23	10,868	2023-24	17117 (75% of gross loss)

- Actual receipt during FY 2020-21 is Rs. 5217 Crore and FY 2021-22 is Rs.7108 Crore

2.27.2 Even though there is a revenue deficit in FY 2022-23, the same is not being added to the Regulatory Asset as Govt. of Tamil Nadu, vide GO (Ms.) No. 38 dated August 18, 2021 has agreed to take over 100% financial losses of TANGEDCO from FY 2021-22 onwards.

2.27.3 As per Electricity (Amendment) Rules, 2024 dated January 10, 2024, there are limits on carrying forward with old regulatory revenue gaps, as reproduced below:

“23. Gap between approved Annual Revenue Requirement and estimated annual revenue from approved tariff.– The tariff shall be cost reflective and there shall not be any gap between approved Annual Revenue Requirement and estimated annual revenue from approved tariff except under natural calamity conditions:

Provided that such gap, created if any, shall not be more than three percent of the approved Annual Revenue Requirement:

Provided further that such gap along with the carrying costs at the base rate of Late Payment Surcharge as specified in the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, as amended from time to time shall be liquidated in maximum three numbers of equal yearly instalments from the next financial year:

Provided also that any gap between approved Annual Revenue Requirement and estimated annual revenue from approved tariff existing on the date of notification of these rules, along with the carrying costs at the base rate of Late Payment Surcharge as specified in the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, as amended from time to time shall be liquidated in maximum seven numbers of equal yearly instalments starting from the next financial year.”

2.27.4 As per the above Rules, the past accumulated Revenue Gaps shall have to be liquidated in maximum of seven years, through equal instalments.

2.27.5 Therefore, the Revenue Gap for FY 2022-23 as determined in this Order is not considered as part of any new Regulatory Asset.

2.27.6 The Commission has already directed TANGEDCO in its Order dated May 28, 2024 on M.P. No. 10 of 2023 shall seek approval of GoTN to get the cumulative Revenue Gap till FY 2021-22 of Rs. 83,000 Crore to be liquidated through available Government resources, funds, including any schemes. Hence, the Commission directs TANGEDCO to recover the same along with carrying cost in Consultation

with GoTN and recover the approved Gap of Rs. 7,837 Crore against the loss funding receivable from GoTN for FY 2023-24.

3 SUMMARY OF DIRECTIVES

- 3.1.1.1 The periodical GST and E Tax commitment shall be paid in time without giving scope for interest payment.
- 3.1.1.2 The cost of power purchase, which contributes as a major share of revenue expenditure, shall be controlled by shifting non-solar peak hour loads to solar hours. In the direction of power purchase optimization, TANGEDCO shall further make prudent analysis with SLDC and take all possible measures to balance load pattern among solar and non-solar hours. In events of excess generation with lower demand, power shall be sold in open market following merit order principle to augment revenue and offset the power purchase cost to the extent possible, in the process. Short term power purchase shall be limited to the extent possible at a reasonable cost.
- 3.1.1.3 In order to shift the peak hour loads of non-solar hours to solar hours and flatten the load curve, all consumers particularly the agricultural consumers shall be sensitized by State-wide Demand Response programme to shift their usage of electricity from non-solar hours to solar hours, as already directed by the Commission.
- 3.1.1.4 Capacitors shall be installed in all agricultural services that would contribute to substantial load relief to the grid and in turn reduce the commitment of power purchase, reduce line losses and also improve the voltage profile.
- 3.1.1.5 As a further measure, distributed generation shall be accelerated by leveraging the potential of solar power by following the simplified procedure and directions already issued by the Commission pursuant to the revised guidelines issued by the Government.
- 3.1.1.6 The progress of ongoing 500 MW Kundah pumped storage plant and necessary initial measures for the 12 Nos. pumped storage plants as approved in G.O No.106 dated 13.12.23 shall be speeded up.
- 3.1.1.7 The number of sample service connections earmarked for assessing agricultural consumption shall be increased to 15% circle-wise, for better accuracy of State-wide assessment and ensure uniformity in all related accounts such as subsidy claim, sale of energy, loss assessment, etc., It shall be ensured that the sample service connections are chosen judiciously covering the water potential areas, meters are maintained in healthy condition in all sample services, and assessment is carried out regularly in all the services, making the quarterly accounting mechanism well in place for accurate assessment. Availability of meters status shall be submitted to the Commission on regular intervals.

- 3.1.1.8 Asset Register with classification of various categories of assets shall be maintained with allied geo-tagging as mandated in the Commission's DSOP Regulation as amended.
- 3.1.1.9 The adverse opinion of the independent auditors as recorded in the Annual Report shall be attended to. All shortcomings and lack of sufficient documents pointed out in the Report shall be set right in a time-bound manner.
- 3.1.1.10 TANGEDCO shall carry out necessary study to better quantify the cost to support the increase in RE Generation in the State Grid.
- 3.1.1.11 TANGEDCO shall submit the PAF based on Availability Certificate as issued by SLDC from the next true-up filing for maintenance of consistency.
- 3.1.1.12 TANGEDCO shall carry out Resource Adequacy Plan meticulously and implement the same.
- 3.1.1.13 TANGEDCO shall submit quarterly return on number of consumers availing OA under captive and third party purchase and details of various charges collected towards the same.
- 3.1.1.14 TANGEDCO shall take prior permission from the Commission to buy power from HPDAM.

4 ANNEXURES

4.1 ANNEXURE I – G.O.(MS). NO. 38: TAKE OVER OF 100% FINANCIAL LOSSES OF TANGEDCO



ABSTRACT

Energy Department - Release of Tranche II under Liquidity Infusion Scheme - Taking over of 100% of financial losses of TANGEDCO of the current year by the Government in the next year from FY 2021-22 onwards, Timely payment of electricity bills by Government Departments, Companies, Bodies, Urban Local Bodies and Panchyat Raj Institutions and Installation of prepaid / smart prepaid meters in State Government Departments, Companies Bodies, Urban Local Bodies and PRIs, etc. - Orders issued.

ENERGY (C2) DEPARTMENT

G.O.(Ms).No.38

Dated : 18.08.2021

திருவள்ளூர் ஆண்டு 2052

பிலவ வருடம், ஆணி-2

Read :-

From the Chairman cum Managing Director, Tamil Nadu Generation and Distribution Corporation Limited, Letter No.29873/DFC/Res/A34/A341/2020, dated 17.05.2021.

ORDER :

In the letter read above, the Chairman cum Managing Director, Tamil Nadu Generation and Distribution Corporation Limited has requested the Government to issue Orders for taking over of 100% of financial losses of Tamil Nadu Generation and Distribution Corporation Limited of the current year by the Government during the next year, from FY 2021-22 onwards, for release of Tranche-II funds under "Liquidity Infusion Scheme" and for timely payment of electricity bills by Government departments, Government Companies, Bodies, Urban Local Bodies and Panchayat Raj Institutions, etc., and directing Tamil Nadu Generation and Distribution Corporation Limited to arrange for fixing of prepaid / smart prepaid meters in State Government Departments, Government Companies, Bodies and Urban Local Bodies Panchayat Raj Institutions etc., by FY 2023-2024 as directed by the Ministry of Power, Government of India for considering the claim submitted by TANGEDCO for Tranche-II funds under "Liquidity Infusion Scheme" to REC & PFC.

2. The Government have examined the above proposal of Chairman-cum-Managing Director, Tamil Nadu Generation and Distribution Corporation Limited as directed by the Ministry of Power, Government of India for considering the claim submitted by Tamil Nadu Generation and Distribution Corporation Limited for Tranche-II release of funds under "Liquidity Infusion Scheme" to REC & PFC and decided to accept the same and accordingly issue the following orders:-

- Government of Tamil Nadu undertakes to take over 100% of financial losses of Tamil Nadu Generation and Distribution Corporation Limited of the current year during the next year from FY 2021-22 onwards.
- Government of Tamil Nadu undertakes to ensure timely payment of electricity bills by Government departments, Government Companies, Bodies, Urban Local Bodies and Panchayat Raj Institutions, etc.,
- Government directs Tamil Nadu Generation and Distribution Corporation Limited to arrange for fixing of prepaid / smart pre-paid meters in State Government Departments, Government Companies, Bodies, Urban Local Bodies and Panchayat Raj Institutions etc., by FY 2023-2024.

4. This order issues with the concurrence of the Finance Department vide its U.O. No.2610/FS(P)/PWD-II/21, dated 18.8.2021.

(BY ORDER OF THE GOVERNOR)

**DHARMENDRA PRATAP YADAV
PRINCIPAL SECRETARY TO GOVERNMENT**

To

The Chairman and Managing Director, Tamil Nadu Generation and Distribution Corporation Limited, Chennai - 2.

M/s.REC Limited, New Delhi.

M/s.Power Finance Corporation Limited, New Delhi.

The Director (Finance), Tamil Nadu Generation and Distribution Corporation Limited, Chennai-2.

The Chief Financial Controller (General), Tamil Nadu Generation and Distribution Corporation Limited, Chennai-2.

The Chief Electrical Inspector to Government, Guindy, Chennai- 32.

The Principal Accountant General, Chennai-18.

The Accountant General, Chennai-18. (By Name).

Copy to:

The Chief Minister's Office, Chennai-9.

The Senior P.A. to Minister (Finance and HRM), Chennai-9.

The Senior P.A. to Minister (E,P&E), Chennai-9.

The Finance (L&A Cell / PW-II / BPE) Department, Chennai-9.

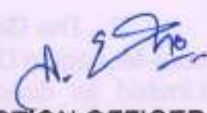
The Municipal Administration & Water Supply Department, Chennai-9.

The Rural Development & Panchayat Raj Department, Chennai-9.

Energy (OP) Department, Chennai-9.

SF/SCs.

// Forwarded / By Order //


SECTION OFFICER

4.2 ANNEXURE II - STAKEHOLDERS' COMMENTS, TANGEDCO'S REPLY AND COMMISSION'S VIEW

1. Bharathiya Electricity Engineers Association

Comments	Reply of TANGEDCO
Nearly double the approved amount of Rs. 5666.34 Crore, i.e., Rs. 11,048.99 Crore was spent for the purchase of just 10% additional energy above the approved energy (bought 13,923.49 MU – Approved 11,837 MU) from LTOA Category.	<p>The imported coal based generators under LTOA PPAs are supplying to TANGEDCO under pass through basis under Section 11 of EA 2003 at Energy Charge rates notified by MoP, as per MoP Directions from May 2022 onwards.</p> <p>As per MoP's letter dated 28.04.2022, blending of Imported Coal @ 10% is allowed by TANGEDCO for the domestic coal based generators for FY 2022-2023 under LTOA PPA. The period of power procurement under LTOA contracts is RTC (Round-the-clock).</p> <p>The quantity of power procured (Availability Factor and Plant Load Factor) has increased during FY 2022-23.</p>
Six times of the approved amount of Rs. 325.74 Crore, i.e., Rs.1841.80 Crore was spent for the purchase of twice the energy approved from STOA category (Bought 1,935.92 MU – Approved 910.55 MU)	The power purchase under STOA category has been made through Ministry of Power, MSTC DEEP portal only. All the power purchases are as per CERC tender norms and the period of purchases is RTC (Round-the-Clock).
<p>Views of the Commission:</p> <p>The comments of the stakeholder and the reply made by the Licensee have been scrutinized and dealt with appropriately in the relevant chapter.</p> <p>The Commission has performed prudence check while approving the power purchase.</p>	

2. Thiru. S. Gandhi

Comments	Reply of TANGEDCO
<p>The Audited Accounts has indicated unprecedented losses of Rs. 26,500 Crore even after hefty retail tariff hike of 54%, contributing Rs. 14,770 Crore as additional revenue in seven month period.</p>	<p>The retail tariff was increased as per the Tariff Order No.7 of 2022 with effect from 10.09.2022. The overall average increase is 30% only and new tariff is applicable only for 203 days and additional revenue is Rs. 9450 Crore only. The loss has been increased due to increase in power purchase cost (which includes late payment surcharge, charge in law and prior period items), cost of fuel and interest liability for the outstanding loans accrued due to non-revision of tariff for past 8 years.</p>
<p>Increased power purchase from LTOA in spite of being costly power: SEPC Power purchased at Rs. 10.37/unit. Purchase power from PPN, whose PPA had already expired. Increased purchase from private players due to non commissioning of 800 MW NCTPS station.</p>	<p>The agreed costs of power purchase under LTOA, Rs. 4.91/kWh is the levelised tariff for the tender evaluation purpose only and not for making payment. Quoted tariff is escalated with escalation rates notified by CERC every six months. During FY 2022-23, power was procured at the weighted average rate of Rs. 4.8723/kWh under LTOA. The tariff is paid for the available quantum and scheduled quantum as per PPA.</p> <p>A precarious power demand situation has compounded pressure all over India due to domestic coal crisis, non-operationalization of Imported Coal Based (ICB) plants, etc., during the month of April 2022. In spite of bidding at the maximum rate of Rs.12/unit for the Exchange purchase, only 10% of the quantum is cleared, which in turn forces TANGEDCO to go for load shedding during peak hours, which affects the day-to-day living of public. As a last resort, purchase of power from all Intra-State Generators is inevitable to bridge the demand supply gap, since all the Generators are located within Tamil Nadu and there is no corridor constraints in receiving the power.</p> <p>M/s PPN has achieved COD on 26.04.2001 and the term of PPA entered into is for 30 years from COD, i.e., upto 25.04.2031 and has not expired. In the end of April 2022, in</p>

Comments	Reply of TANGEDCO
	<p>order to avoid load shedding and to maintain uninterrupted power supply in view of summer peak demand, ongoing Assembly Session, upcoming School examinations as approved by Board of TANGEDCO, M/s.PPN Generator of 330.5 MW, was utilised in the grid at a rate of Rs.7.20/- per unit, which was less than the then prevailing market rate @ Rs.12/- per unit.</p> <p>Fixed Capacity Charges to M/s. SEPC are being paid as per the provisions of PPA, while Variable Fuel charges are being paid as per the benchmark rate fixed by the Committee constituted by Ministry of Power only. Moreover, SEPC is listed in MoD list and is duly approved by the Commission. The fixed charges are paid to the generator based on declared availability, i.e., inclusive of the actual energy generated and deemed generation. Hence, the tariff/unit should not be arrived at by dividing the total amount by units generated alone.</p>
<p>TANGEDCO has reported that it could not segregate loan amounts between capital investment and revenue expenditure.</p> <p>There are five major on-going thermal projects for a capacity addition of 5,700 MW and one pumped storage Hydro project of 500 MW. These projects are delayed attracting heavy interest on capital investment, without bringing the assets to useful purpose. These loans are burdened upon age old thermal station, now in operation. This results in the own generation cost being inflated. The loan burden of Rs. 62,000 crore, upon these own generating station as arrived @9.76% interest rate, is</p>	<p>The interest on loan capital submitted for approval in respect of own generation is exclusive of Generation project loan of the ongoing projects. The loan for existing own generating stations are arrived based on Gross Fixed Assets ratio to the total loan availed (excluding project loan) for Capital and Revenue expenses in respect of each station and distribution function. The interest expenses incurred for projects are capitalised as interest during construction and not claimed in the true up of ARR.</p> <p>The loans are availed for schemes, Capital works from REC, PFC and nationalised banks for both generation and distribution function. These loans are maintained separately. However, the combined utility loans availed for ARR gap and revenue expenses could not be segregated and overall interest expenses is apportioned based on gross fixed asset ratio.</p>

Comments	Reply of TANGEDCO
unrealistic.	
<p>The report fails to state the quantum of wheeled energy to substantiate wheeling charges collected. Audited report says that 15,532 MU was wheeled during the year. Wheeling charges was also raised substantially in the retail tariff. Wheeling charges collected do not reflect the application of real tariff.</p> <p>The Audit report states 6637 MU as third party wheeling. The ARR Petition does not state the quantum of third party wheeling. According to Audit report, the cross subsidy surcharge collection was very low. Secondly, the auditors are unaware of cross subsidy surcharge (CSS) as their report does not talk about these charges. The non-tariff income arrived at by the auditors do not include these surcharges. Non-tariff income of audited report and ARR is not tallying.</p>	<p>A quantum of 15382 MU has been accounted under open access wheeling for FY 2022-23 through various sources of generators and an amount of Rs. 462.72 crore has been levied towards wheeling charges and the same had been collected. The concession of 50% of wheeling charges are allowed for wind and solar, 60% for biomass and bagasee based plants as per the Commission's Order.</p> <p>A quantum of 1326.91 MU under 3rd Party and a quantum of 1386.19 MU under IEX and in total of 2713.10 MU has been wheeled and adjusted during FY 2022-23. However, in the annual report for FY 2022-23, third party wheeling is shown as 6637 MU, which is inclusive of 3923.9 MU of captive wheeling adjustment from Thermal, Solar and Bagasse. As such, the CSS has been levied and collected from the respective consumers/month.</p> <p>Open access is being permitted to the eligible consumers by the Nodal Agencies as per the provisions of Electricity Act/Open Access Regulations in force.</p>
<p>Rs. 1,500 Crore is lost annually by permitting open access to ineligible consumers. Most of them are pseudo captive users, who do not pay the CSS.</p> <p>The DSM Regulations are not implemented in adjustment of bills in accordance to the 15-minute time block of wheeled energy. Now the adjustment is made only in four blocks in a month instead of 2,880 blocks. There is a</p>	<p>Commercial operation of DSM Regulations has been implemented from 01.04.2024 for all the conventional and RE Generators.</p> <p>TANGEDCO submitted comments on the concept paper on the detailed procedure for management of RE curtailment for Wind and Solar Generation vide Lr.No.CFC/Reg.Cell/FC/RC/EE/AEE/ F.TNERC / D.No.331 /24, Dated:17.05.2024 as follows:</p> <p>i) Tamil Nadu is a RE rich state and due to the 'must-run'</p>

Comments	Reply of TANGEDCO
<p>serious loss of revenue.</p> <p>To comply with the 'must-run status' of RE Generation, own generating stations are run on low capacity with severe wear and tear of important assets. During 2017, CEA had identified loss of Rs.1.57 per unit of RE power to integrate into the Grid. So far, TANGEDCO has not worked out the actual losses on today's costs and claim back these losses. TANGEDCO is pitiably fighting to save from "Deemed Generation" claim from these RE generators.</p> <p>Majority of distribution circles, who hold banked energy from wind generators, do not have account of redeemed banked energy month-wise. Banking of wind energy brings losses to TANGEDCO according to the G.O. No. 37 dated 17/4/2018.</p> <p>Unchecked permission to captive users and permitting ineligible open access consumers, increase loss of revenue and CSS. The verification started during 2020, is tardy and incomplete. There is lot of mishandling of this issue at the TANGEDCO end.</p>	<p>status of RE generating plants, the own stations are backed down to accommodate the wind and solar power. The cost impact to TANGEDCO towards balancing charges for CGS fuel, own stations fuel, DSM cost, tariff impact over conventional power, stand by charge etc was studied by CEA. As per CEA study report a sum of Rs.1.57 per unit is assessed as cost impact to TANGEDCO for accommodating wind and solar power. The same is not compensated to TANGEDCO.</p> <p>ii) TNERC has now notified certain amendments in the Tariff Regulations, vide its notification dated 26.05.2021, in Regulation 37, under clause(vii), as follows:</p> <p><i>“(vii) (a) where any of the generating station is directed by the state load despatch centre to operate below target plant availability factor but at or above technical minimum, such generating station may be compensated depending on the average unit loading duly taking into account the forced outages, planned outages, plf, generation at generator terminal, energy sent out ex-bus, number of start-stop, secondary fuel oil consumption and auxiliary energy consumption, in due consideration of actual and normative operating parameters of station heat rate and auxiliary energy consumption on monthly basis duly supported by relevant data verified by SLDC.”</i></p> <p>Hence, the above compensation mechanism in the event of backing down of TANGEDCO own generating stations to accommodate the wind and solar power may be incorporated in the concept paper on detailed procedure for RE curtailment for Wind and Solar Generation.</p> <p>The banking facility is extended to the wind energy generators</p>

Comments	Reply of TANGEDCO
	<p>as per the Orders of TNERC.</p> <p>Action is being taken on the captive generators for the non-fulfillment of CGP status by filing Petitions before TNERC as per Hon'ble Supreme Court of India Order dated 9th October 2023 passed in the Civil Appeal No. 8527-8529 of 2009.</p>
<p>Views of the Commission:</p> <p>The comments of the stakeholder and the reply made by the Licensee have been scrutinized and dealt with appropriately in the relevant Chapter.</p> <p>The Commission is of the view that the major reason for the increase in the ARR is due to increase in the Power Purchase Cost due to factors beyond the control of TANGEDCO. The Commission has done prudence check while approving the power purchase cost.</p> <p>TANGEDCO shall carry out necessary classification of CSS category-wise to tally the corresponding quantum of adjusted units without giving room for remarks on variation.</p> <p>The issue of open access is sub-judice.</p> <p>TANGEDCO shall carry out the necessary study to better quantify the cost to support the increase in RE Generation in the State Grid.</p>	

3. Thiru. A. Jeevanatham

Comments	Reply of TANGEDCO
<p>The actual transmission Loss for FY 2022-23 is submitted as 3.77% and no documentary evidence for the same is available in public domain.</p> <p>For PGCIL Losses of 2,080.31 MU as provided in the energy balance, whether this data is calculated or actual figure is not discussed. Details of quantum of power from inter-State system is not given.</p> <p>The furnished total line loss workout is based on Billing data and Audited Annual statement of revenue and not based on the actual energy transactions at peripheries, which only give clear picture of energy balance.</p>	<p>The authority declaring the Transmission loss is Chief Engineer/System Operation/Chennai.</p> <p>The Transmission loss is arrived for every quarter of the financial year based on the field report (import and export as received from substation end) and the resource statement received from the Grid Operation wing.</p> <p>The percentage of transmission loss is mentioned in Annexure-A, statement of technical data under the heading AT&C Loss table of Annual Report, which is published on website.</p>
<p>Details of RE purchase with cost and own generation segregated by Solar and Non-solar is not furnished. RPO percentage could be derived from the data of Actual RE energy utilised vs Total Grid Consumption. The given RPO compliance shows excess of target, then it may be eligible for credit of REC, which can be monetised. Credit details of RECs may be discussed.</p> <p>The RPO compliance is monitored by SLDC, hence, they should provide RPO Compliance. SLDC does not publish Annual RPO compliance data in public domain.</p>	<p>RPO percentage has been arrived based on the data of actual RE energy utilized vs total grid consumption only.</p> <p>On taking account of the units generated by both sale to Board category and wheeling category, for the WEG commissioned after 31.03.2024 and excess Wind power, the RPO is calculated as 2.94%.</p> <p>For other RPO, the units generated by both sale to Board category and wheeling category for Solar, Hydro, Bio-mass, Bagasse, WEG commissioned before 31.03.2024, are considered and the RPO is calculated as 23.20%.</p> <p>TANGEDCO is issuing Green Energy Certificate for the HT Consumers as per the Tariff Order No.07, dated: 09.09.2022, @ 10% extra tariff for the indenting consumers based on the Renewable Energy power available in TANGEDCO.</p>

Comments	Reply of TANGEDCO
<p>Justification for cost incurred under the following heads as no power purchase was approved by the Commission for FY 2022-23:</p> <ul style="list-style-type: none"> • Aban (Lanco Power) • Penna (Pioneer Power Company) • UI Power Purchase • Swap Power • Hydro Balancing Fund <p>Reason for increase in quantum and power purchase cost from own generation as well as from LTOA and STOA.</p>	<p>The said amounts include interest on delayed payments for LANCO, which was paid as per TNERC Order dt.22.03.2022 and the final bill of LANCO as the PPA expired. In respect of M/s. Pioneer the said amounts includes interest on delayed payments for Pioneer, which was paid as per PPA and the final bill of Pioneer as the PPA expired.</p> <ul style="list-style-type: none"> • UI Power is Unscheduled Interchange happening in each time block to balance the grid and cannot be projected for ARR purpose. • The amount of Rs. 209.4 Crore is included in the power purchase as Cost of power Purchase in the Audited Financial Statement in the group of transmission charges. • UI has been included in the energy balance in audited accounts in statement of technical Particulars.(Annexure) <p>Swap arrangement is the innovative method of procuring power, wherein the surplus power in the other States is supplied to TANGEDCO in the required period and will be returned by TANGEDCO when surplus power is available, thereby surplus power could be contracted through it.</p> <p>Swapping of power is the most efficient method as it avoids purchase of power at high cost during peak summer periods. The swap power arrangement is energy to energy transaction between two Utilities without monetary consideration.</p> <p>Hydro balancing fund is being created as per Regulation 76 of the Tariff Regulations. The hydro balancing fund created during FY 2016-17 is Rs.1260.90 Crore and adjusted during FY 2017-18. Hence, the balance is NIL. Thereafter, the hydro</p>

Comments	Reply of TANGEDCO
	<p>balancing fund is created in FY 2022-23 only.</p> <p>The cost of own generation is inclusive of fixed cost and variable cost.</p> <p>In the revised audited financial statement of FY 2022-23, page 187 Table 28, cost of generation stated as Rs. 10,622.18 Crore is related to variable fuel cost only. In the Petition, fixed cost and variable cost details are shown in Table 23. The variable cost is Rs. 10,414.31 Crore and fixed cost is Rs. 11,283.08 Crore (as per additional affidavit).</p> <p>Details of power purchase made from traders (STOA, LTOA, MTOA) are enclosed in annexure.</p> <p>The reason for increase in overall cost for the same quantum is as follows:</p> <ol style="list-style-type: none"> 1) Availability Increased 2) Schedule Increased 3) Energy Charge paid under pass through at benchmark rate notified by MoP Under Section 11 <p>Further a sum of Rs. 3372.89 Crore related to prior period expenses (CGS – Rs. 337.55 Crore, IPP – Rs. 284.20 Crore, Traders – Rs. 2449.29 Crore and Others – Rs. 301.85 Crore) are booked in the current year as per Ind AS.</p>
<p>Commission approved Capital Expenditure for the current year both for Generation and Distribution of Rs 5,831.99 Crore. In Table 13 of the Petition, Actual Total Capital Expenditure for FY 2022-23, is furnished as Rs 2,898.51 Crore only. However, in the audited statement, additions of Funds for Capital works during the year shows Rs</p>	<p>The capital expenditure shown in the balance sheet is inclusive of ongoing projects. However, in the Petition, the capital expenditure shown is related to generation and distribution function only incurred during the year only. The details of capital expenditure and capitalization are being submitted to the Commission as per the directives.</p>

Comments	Reply of TANGEDCO
<p>10,916.04 Crore. Wide variation between Approved and Actual expenditure may be clarified. Source of excess funds for this unapproved expenditure may be furnished.</p>	
<p>Audited Financial statement for FY 2022-23 says Capital works under progress both for Generation and Distribution as on 31.03.2023 is Rs 53,763.27 Crore. It is not clear whether TANGEDCO maintains separate Accounts for each of the ongoing New Projects as directed by the Commission. Also, some of the projects are started more than 10 years before, the IDC for the Capital cost may arise to be payable and paid. However, in this True up, there is no submission on that and also in the Financial statement, there is no segregation of that capital loan and interest paid. TANGEDCO to clarify if any other separate Financial Account statement is available for New Generation Projects else complete project accounts is mingled with TANGEDCO Audited financial statement for FY 2022-23.</p>	<p>There are separate circles for Generation Projects and all the Capital materials and works related to the Projects are being accounted separately. The interest incurred on projects duly availing exclusive loan from Financial Institutions are capitalized as Interest During Construction stage (IDC). All the Revenue expenditure incurred in the project circle such as Employees cost, Administrative expenses, etc., are also allocated to capital expenditure on year-on-year basis. Only on completion of project and its commissioning, exclusive Petition would be filed by the Company.</p> <p>In the Annual Financial Statements, the books of Accounts of all account rendering units such as Distribution circles, Generation Circles, Project circles, other units, etc., are considered. While compiling the ARR for True-up petition, the details of Generation and Distribution were taken and incorporated.</p>
<p>TANGEDCO's ongoing New Projects status so far is not published in the public domain. At least in this true up petition the status of ongoing generation projects and also proposed new projects as on 31.03.2023 may be furnished. It is the mandatory requirement for the Licensee to furnish status of the projects in the True up petition, for the projects approval accorded by the Commission in the MYT Order CIP.</p>	<p>No Reply</p>

Comments	Reply of TANGEDCO
<p>Generation Cost (Own Generation Plan) mentioned in AFS is Rs 10,622.18 Crore, whereas in Table 29 of the Petition, it shows Rs. 21,697 Crore, wide variation may be explained.</p> <p>O&M expenses for the generation wing is included in the Generation costs. The O&M Expenses are quoted as Rs 10,701 Crore. No such entry is available in Audited financial statement (AFS) of FY 2022-23, breakup for the above is not furnished in True up Petition. Similarly, Interest on Loan Capital of Rs 6,359 Crore is not mentioned in AFS.</p>	<p>The cost of own generation is inclusive of fixed cost and variable cost. In the revised audited financial statement 2022-23 page 187 Table 28, cost of generation stated as Rs 10,622.18 Crore is related to variable cost only. In the Petition, fixed cost and variable fuel cost details are shown in Table 23. The variable cost is Rs.10,414.31 Crore and fixed cost is Rs.11,283.08 Crore (as per additional affidavit).</p> <p>The split up for Rs.10,701 Crore (O&M expenses) is available in the Distribution Form 18D of the true up Petition (page 298). O&M expenses includes employee cost, R&M expenses, and A&G expenses shown in Note 29 and 32 in the Audited Financial Statement for FY 2022-23.</p> <p>Interest on loan capital is separately shown for each generating station and distribution function in true up Petition (Generation - Rs. 6054.41 crore, Distribution - Rs. 4550.10 crore, Total - Rs. 10604.51 crore).</p> <p>In Audited Financial Statement for FY 2022-23, the Interest on loan capital is shown in Note-30.</p>
<p>Approved ARR matches ARR requirement with revenue, but actual filed Petition differs by Rs 17,961 Crore more than approved ARR. Remarkably, energy sold quantum almost matches with the predicted requirement in approved ARR for FY 2022-23, even then actual expenditure has increased. Hence, average cost of Supply has worked out to Rs 9.86 /Unit.</p> <p>In LT Domestic IA category, in spite of increase in number of service connection, sales have increased by 345 MU only.</p>	<p>In Table 28, approved Revenue at new tariff considers full year's tariff recovery at new tariff. However, the tariff was increased from 10.09.2022 only. The same remarks is furnished under the Table. Further in distribution Form, 2 separate sheets are enclosed (1.4.22 to 9.9.22 and 10.9.22 to 31.3.23).</p> <p>Agriculture consumption is arrived by multiplying the connected load in HP by computed consumption/HP. The computed consumption per HP per month is arrived based on the services assessed (i.e) based on the reading entries (consumption) of metered agriculture services and its connected load in HP. Hence, the consumption of</p>

Comments	Reply of TANGEDCO														
<p>Whereas, revenue deviation from approved value of Rs 5,101.45 Crore, is 16.67 % less than ARR.</p> <p>In FY 2022-23, even though the Agricultural consumers have increased by 48,325 Nos, Units sold reduced by 1504 MU. (9.7 %). Comparing with FY 2021-22, instead of proportional increase, it got decreased.</p>	<p>metered agriculture services depends upon the seasonal factors, i.e., the amount of rainfall that occurred during the financial year. The rainfall for the year 2021-22 is 714.3 MM. Because of the good rain, the water table was raised and the usage of agriculture motor pump sets would have been more for agriculture and its related activities. In the year 2022-23, the rainfall was 445 MM. Because of this, the usage of agriculture motor pump sets for agriculture and its allied activities would have been considerably reduced.</p>														
<p>TANGEDCO has booked interest charges for each of the Generating power stations without disclosing station-wise loan data in Generation ARR, but the loan data has been provided for Distribution function. Hence, from the paid interest, booked for each power station, debt of the station has been worked out, utilising average interest rate furnished 9.76%. Pending Debt for each station still maintains multiple times of project cost spent decades ago, this is simply not possible.</p> <p>There is a large variation between the liabilities approved by the Commission and the actual liabilities as per the Audited Finance Statement.</p>	<p>The loans are allotted to each station on GFA basis. Station-wise opening loan, additions and repayments are maintained separately for arriving at the interest expenses on GFA basis. The project loans are not considered for Generation and distribution function.</p> <p>The deviation arrived from total current liability and non-current liability is not correct. Current liability included outstanding dues under power purchase bills, supply bills, total company dues, etc. The loan outstanding alone as per Note-32 is taken for arriving Interest on Loan capital excluding ongoing projects. The workings for Loan interest as per Balance Sheet is as follows:</p> <table border="1" data-bbox="772 1438 1442 1787"> <tbody> <tr> <td>Interest claimed as per true up Petition</td> <td>10,605</td> </tr> <tr> <td>Add: Other interest of generating stations ***</td> <td>30</td> </tr> <tr> <td>Add: Other borrowing costs *</td> <td>798.71</td> </tr> <tr> <td>Add: Interest paid on contribution to provident and other funds</td> <td>272</td> </tr> <tr> <td>Add: Interest on Operation*</td> <td>1,228</td> </tr> <tr> <td>Add: Interest on working capital considered in balance sheet **</td> <td>576.71</td> </tr> <tr> <td>Finance costs as per audited balance sheet</td> <td>13,451</td> </tr> </tbody> </table> <p>*already included in other interest in true up petition</p> <p>**Interest on working capital pertaining to generation and distribution function alone is shown separately in the petition</p> <p>***includes other interest like interest on GPF/CPF etc pertaining to generating stations</p>	Interest claimed as per true up Petition	10,605	Add: Other interest of generating stations ***	30	Add: Other borrowing costs *	798.71	Add: Interest paid on contribution to provident and other funds	272	Add: Interest on Operation*	1,228	Add: Interest on working capital considered in balance sheet **	576.71	Finance costs as per audited balance sheet	13,451
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Finance costs as per audited balance sheet	13,451														

Comments	Reply of TANGEDCO												
	<p>Loan as per Audited Accounts (Note Nos. 16,17,18,19) is Rs.1,57,767 crore.</p> <p>Loan considered in the true up petition:</p> <table data-bbox="815 412 1401 577"> <tr> <td>Generation Loan</td> <td>:</td> <td>68,277</td> </tr> <tr> <td>Distribution Loan</td> <td>:</td> <td>54,149</td> </tr> <tr> <td>Project Loan</td> <td>:</td> <td>35,341</td> </tr> <tr> <td>Total Loan</td> <td>:</td> <td>1,57,767</td> </tr> </table>	Generation Loan	:	68,277	Distribution Loan	:	54,149	Project Loan	:	35,341	Total Loan	:	1,57,767
Generation Loan	:	68,277											
Distribution Loan	:	54,149											
Project Loan	:	35,341											
Total Loan	:	1,57,767											
<p>In provisional Balance sheet as on 01.04.2023 of newly incorporated three companies by bifurcating TANGEDCO into three separate companies vide THE TAMIL NADU ELECTRICITY RESTRUCTURING AND TRANSFER SCHEME, 2024 dated 06.03.2024, total of trifurcated entities' provisional Balance Sheet except Non-current Liabilities and current Liabilities are matching with Audited Financial statement of 2022-23. Non-current Liabilities provided for TN POWER CORPORATION widely varies with the True up Petition filed. Since company formation in 2010, TANGEDCO till date is not furnishing separate Loan data of the Generation Function in the Petition, as such the Government Order segregates Loan Data company-wise by utilizing the same Audited Financial Statement of FY 2022-23.</p> <p>In the above Government Order, it is specifically mentioned that the provisional Balance sheet will be finalised within one year after Truing up of individual accounts. After this submitted True up for FY 2022-23 petition got approved by the Commission, TANGEDCO to clarify if it has been taken into account for finalising individual Balance</p>	<p>Wide variation of non-current liability for TNPGL with the True up Petition filed is mainly due to non-claiming of borrowings related to capacity addition projects, which is under capital Work in progress and the interest will be capitalized as IDC with the capital WIP and is not claimed through ARR and True up Petition.</p> <p>For the purpose of restructuring, the GoTN has notified provisional assets and liabilities balances as on 01.04.2023 based on the annual report of FY 2022-23. With respect to the borrowings, the project specific loans (Thermal projects) are fully parked in the TNPGL. Similarly, the borrowings availed exclusively for Distribution activities are parked in the TNPDL. The exclusive loans availed for Hydro generation projects, which is under progress are parked with TNGECL in the provisional Transfer Scheme notification. The comparison of provisional balances for three entities as on 01.04.2023 with the TANGEDCO's combined annual accounts of FY 2022-23 and true up Petition for the combined entity (TANGEDCO) is not proper.</p> <p>The account balances for Assets and Liabilities in the final notification to be issued by the GoTN will be incorporated in the year of notification into the annual accounts of respective three resulting companies (TNPDL, TNPGL and TNGECL). Therefore, the</p>												

Comments	Reply of TANGEDCO
Sheet.	true up Petition for FY 2022-23 filed for the combined entity (TANGEDCO) does not have any relation with the provisional transfer scheme balances as on 01.04.2023 and its subsequent notification with final assets and liabilities balances to be notified by GoTN in the future.
<p>Necessity for TANGEDCO going in for huge capacity of 14,500 MW of PSHP under PPP mode, in the condition as on date TANGEDCO does not have any major renewable power generation capacity on its own. Now the trend in new renewables projects is installation of Hybrid Solar PV or wind utility scale Power project with built-in Storage facilities.</p> <p>Apart from above, Compliance report for other directives of the Commission may be furnished in this true-up Petition.</p>	<p>While commissioning Pumped Storage Hydro projects, it is expected that surplus power available during non-peak hours will be stored by pumping the water from lower reservoir and the power generated by flowing the water from upper to lower reservoirs, will be used during peak hours when the power is not available in the market and also cost is very high. Further, TANGEDCO has to meet RPO for which storage system can be used. Moreover, the demand can be shifted from peak to off peak hours. The pumped storages can be planned independently since RE power at cheap rates can be purchased anywhere in the country. So far battery storage based projects are not yet processed.</p>
<p>The ARR provided may be modified to give a clear true picture of cost of Storage of Power. Karnataka and Maharashtra State Distribution Companies issues order for acquiring 1000 MW of Storage Power for 25 Years through competitive tender mode. These conditions necessitate keeping accurate data for Cost of storage power for our own stations.</p>	<p>Kadamparai pumped storage hydro power station details:</p> <p>1. Pump- Generation cycle efficiency</p> <p>Avg. water discharge / hour during generation =3.5 Mcft</p> <p>Avg. water pumped / hour during pumping = 3.0 Mcft</p> <p>Pump-Generation Cycle efficiency = $3/3.5 = 85.7\%$</p> <p>2. Pumping Energy utilized + Transformer loss</p> <p>Energy consumed for pumping / hour= 1,10,000.00 units</p> <p>Generation Transformer Loss (Core loss + Copper loss) / hour = 172.21 units</p>

Comments	Reply of TANGEDCO
	<p>Total = 1,10,172.21 units</p> <p>3. Hours running in pump mode and Generation mode during 2023-24:</p> <p>Pump running hours per month average (2023-24) = 111.75 Hrs</p> <p>Generator running hours per month average (2023-24) = 109.67 Hrs</p> <p>However, in the true up Petition, expenditure incurred in respect of Erode Hydro generation circle includes Kadamparai pumped mode station fixed cost as per audited accounts has been submitted for approval.</p>
<p>12 Nos. PSHP mentioned in the Govt order 2023 are earlier proposed to be carried out under State sector, now converted into PPP projects and another 3 PSHPs are allocated for NTPC Central Sector. The status of the above 4 Nos PSHP projects earlier pursued by TANGEDCO under State Sector are not discussed anywhere in Tamilnadu Govt order, TANGEDCO and also TNERC.</p> <p>Ministry of Power issued order for new Hydro Power Obligation (HPO) and Guidelines to promote development of Pumped Storage Projects in Order dated 10th April 2023 and allocated various projects nation-wide to Central Sector undertakings and also suggested projects may be carried out in following modes .</p> <p>i) State Sector</p> <p>ii) Allotment through Competitive bidding (PPP) commitment by State through PPA</p>	<p>Reasons for choosing Pumped Storage Hydro Projects in PPP mode:</p> <p>(i) In PPP mode of Pumped Storage Projects, the tariff can be negotiated.</p> <p>(ii) Utilization of water can be controlled by the participation of Public Sector.</p> <p>(iii) Public resource management can be done efficiently by the participation of Public Sector.</p> <p>(iv) The participation of Public Sector can emphasise more social welfare.</p> <p>The true up of expenditure for FY 2022-23 for the existing plants generating cost and distribution expenses are submitted for approval. The expenditure to be incurred for on going projects will be filed separately in the capital investment plan before the Commission.</p>

Comments	Reply of TANGEDCO
<p>iii) Allotment through TBCB (Tariff Based Competitive Bidding) fully private participation</p> <p>iv) Self-identified off stream PSHP by private developers.</p> <p>In this condition, TANGEDCO converted earlier PSHP projects pursued and proposed under State sector now converted into PPP mode all of a sudden without furnishing any reason for the change</p>	
<p>As per the Loan Profile Table available in the AFS for FY 2022-23, Rs 10,902.17 Crore Loan is added during 2022-23. In true up petition for FY 2021-22 it was stated that GoTN will take over total book loss from FY 2021-22 onwards and hence, losses need not be included in regulatory assets. As such there is no necessity of adding this additional loan. While Provisions are made for Capital works separately, the above table does not provide information for addition of loan. Apart from that, in the True up Petition, Capital works progress is not enclosed.</p>	<p>No Reply</p>
<p>In the Audited Financial Statement for FY 2022-23, in page No 222 ANNEXURE E - Dues from GoTN, Local Bodies & PSU's as on 31.03.2023, it is quoted that total of Rs 2881 Crore Electricity consumption charges are pending from 568194 Nos of Govt, Local bodies and PSU service connections.</p> <p>In Tamilnadu Govt GO (MS) No 38 dated 18.08.2021, Govt directed TANGEDCO to</p>	<p>No Reply</p>

Comments	Reply of TANGEDCO
<p>arrange for fixing of prepaid Smart Pre-Paid meters in State Govt Departments, Govt Companies, bodies, urban local bodies and Panchayat Raj Institutions, etc., by FY 2023-24.</p> <p>In directives issued by the Commission in Tariff Order in Case No. 7 of 2022 dt.09.09.2022 to TANGEDCO, guidelines were issued for implementation of smart meter on priority.</p>	
<p>Views of the Commission:</p> <p>The comments of the stakeholder and the reply made by the Licensee have been scrutinized and dealt with appropriately in the relevant chapter.</p> <p>The remarks not related to this Petition in particular have not been considered by the Commission in this order.</p> <p>The Commission is of the view that the major reason for the increase in the ARR is due to increase in the Power Purchase Cost due to factors beyond the control of TANGEDCO. The Commission has done prudence check while approving the power purchase cost.</p>	

4. M/s. MSEA, Cuddalore

Comments	Reply of TANGEDCO
<p>The Petition has been filed along with Condonation of delayed filing for a period of 106 days. The reason cited for delay is due to revision of accounts for FY 2020-21 and 2021-22 due to AG certification of accounts. This delay of 106 days is not attributable to the stakeholders. As a natural principle, condonation is usually allowed on Cost. In this case it is suggested that as there is a delay of 106 days, the revision of MYT tariff for 2024-25 should begin after 106 days after scheduled date, i.e. 106 days after 01.07.2024.</p>	<p>The MYT tariff has been notified for 5 years (FY 2022-23 to FY 2026-27) on 09.09.2022 w.e.f. 10.09.2022. The Commission has directed to file the true up Petition in timely manner. Based on the direction only, the true up petition is filed without any changes in the tariff determined in T.O.No.7 of 2022 for approving of ARR. The delay in filing the true up Petition is due to finalization of accounts for FY 2022-23 due to migration to Ind AS for the period from FY 2020-21. Hence, the delay in filing the true up Petition has no link with the implementation of inflation based new tariff as per T.O.No.7 of 2022.</p>
<p>From Para 3.1 to 3.12, various operational constraints, design constraints, backing down affecting PAF and PLF, higher oil consumption especially in North Chennai TPS I, have been cited, for passing on the burden to consumers. TANGEDCO does not seem to have addressed the issues, but is mainly rely on passing on the burden to consumers. For any industry or MSME enterprises, the rates for their manufactured components are fixed by their customers and no variation is allowed. It is the responsibility to absorb the cost and adopt suitable technology to reduces costs.</p>	<p>During FY 2022-23, Generation at NCTPS-I got affected mainly due to Milling system problem. All necessary measures were taken to rectify the Milling system issues and after rectification of Milling system, Generation at NCTPS-I got improved from Dec'22 onwards. The PLF of station has improved during FY 2023-24 to 65.35 % from 56.79% (for FY 2022-23). The cost of Generation was also reduced during FY 2023-24 to Rs. 6.16 per kWh from Rs. 6.50 per kWh (for FY 2022-23).</p> <p>Due to the issues in Milling system, HFO (Heavy Furnace Oil) had to be utilized for stable operation of Units during FY 2022-23. However, in FY 2023-24, the oil consumption has been considerably reduced and is well within the TNERC Norms. Thus, TANGEDCO is taking every step to minimize its expenditure.</p>
<p>In Para 3.13, Capitalization has reduced significantly. Substantial investment was approved by TNERC for Cuddalore district</p>	<p>Regarding capital investment in Cuddalore district, the following are stated:</p> <ol style="list-style-type: none">1. TANGEDCO has executed conversion of HT and LT

Comments	Reply of TANGEDCO
<p>like sub-stations, UG cabling, etc. Unfortunately, RTI reply reveals that no work has been carried out at any proposed substation and no work has been done in UG cabling also under phase 1. This indicates the non-application of allotted fund collected through fixed costs from industries. Under the above circumstances, levying of fixed charge for LT 3B and HT industries is not justifiable as they have not been effectively used for capital expenditure and fixed charges need to be reduced.</p>	<p>overhead power lines into HT and LT underground cables in cyclone prone coastal towns of Cuddalore and Velankanni in Nagapattinam district with revised administrative sanction of Rs.406.83 crore by GoTN funded by World Bank under total turnkey contracts in three packages under Coastal Disaster Risk Reduction Project (CDRRP) (2 packages in Cuddalore town awarded to M/s. L&T Ltd. and one package in Velankanni town awarded to M/s. Polycab India Ltd.)</p> <p>2. GoTN has released funds for Rs.390.619 crore so far to TANGEDCO to complete the above contract works under this project.</p> <p>3. The details of works carried out under two packages in Cuddalore town at the cost of Rs.335 Crore are furnished below:</p> <p>Cuddalore Package-1:</p> <p>The overhead 22 kV Alpettai, Suthukulam and Pentesia feeders have been converted into 22KV Alpettai-1 & 4, Suthukulam-6 & 7 and Pentesia-1 & 2 UG cabling feeders at the cost of Rs.144 crore involving the following main works (the supply, erection and its allied works, dismantling works):</p> <ul style="list-style-type: none"> • All 306 RMUs and 80.9 kms HT cable in all six HT UG cable feeders are put into service. • All 270 Nos. DTs are charged thro RMU and HT cable. • 155.173 kms of LT UG cables,369.289 kms of LT service connections cables & 78.10 kms of street light cables are charged and put into service. • All 208 nos. LT feeder pillars and 2,176 nos. LT service pillars are commissioned and put into service. • All 11,877 Nos. service connections are charged

Comments	Reply of TANGEDCO
	<p>through UG cables.</p> <ul style="list-style-type: none"> • Road restoration works covering 15,520 sq.m Bituminous portion, 1,928 sq.m water bound macadam and 7,900 sq.m cement concrete roads completed. • HT dismantling works in all the six feeders completed and LT dismantling works in all the five feeders completed. (except Alpettai-4 feeder). <p>Works completed in this package as per Contract Agreement on 15.10.2022.</p> <p>Cuddalore Package 2:</p> <p>The overhead 22 kV Sellankuppam, New Town and Manjakuppam (part) feeders have been converted into 22KV Sellankuppam - 5 & Sellankuppam - 9, New Town -2, New Town-6 & NewTown-8 and Manjakuppam 7 UG cabling feeders in Cuddalore Town at the cost of Rs.191 crore involving the following main works (supply, erection and its allied works, dismantling works):</p> <ul style="list-style-type: none"> • 22kV Custom Switching station & 22kV Anna Stadium SS commissioned on 19.04.2021 and 13.05.2021 respectively. • All 6 nos. of bay extension works are commissioned at the existing 110/22 kV Semmankuppam and Semmandalam Substations. • All 523 nos. RMUs and 148.419 kms HT cable in all six HT UG cable feeders are charged and put into service. • All 509 Nos. DTs are charged thro RMU and HT cable. • 136.72 kms of LT UG cables, 343.362 kms of LT

Comments	Reply of TANGEDCO
	<p>service connections cables & 62.75 kms of LT street light cables are charged and put into service.</p> <ul style="list-style-type: none"> • All 234 nos. of LT feeder pillars and 1,988 nos. of LT service pillars are commissioned and put into service. • All 11604 Nos. service connections are charged through UG cables. • Road restoration works covering 8,971 sq.m. Bituminous road, 1,251 sq.m water bound macadam and 15,377 sq.m cement concrete roads completed. • HT dismantling works in all the six feeders and LT dismantling works in two feeders (Sellankuppam-5 & NewTown- 6) are completed. <p>Works completed in this package as per Contract Agreement on 31.12.2022.</p> <p>4. In proportionate to the sanctioned cost, 2 packages in Cuddalore town and one package in Velankanni town have been executed under total turnkey contracts.</p> <p>5. SIDCO industrial estate at Semmandalam area in Cuddalore town are fed by New Town 2 HT UG cable feeder in Package 2 and Alpettai-1 both HT and LT UG cable feeders in Package 3. Now uninterrupted power supply is maintained.</p> <p>6. SIPCOT industrial estate at Semmankuppam area in Cuddalore town are fed by Pentasia 1 & 2 both HT and LT UG cable feeders in Package 3. Now uninterrupted power supply is maintained.</p> <p>7. Also, the proposal for conversion of Over Head lines into Under Ground cables in the coastal areas of Chengalpet (2 packages), Nagapattinam (three packages) and Cuddalore (one package) districts have been submitted to Additional Chief Secretary, Commissioner of Revenue Administration, GoTN vide</p>

Comments	Reply of TANGEDCO
	<p>this office letter dt.07.06.2024 for getting funding assistance of Rs.610 Cr. from the National Disaster Relief Fund to build 'Cyclone resilient electrical network' in coastal areas of Cuddalore, Nagapattinam and Chengalpet districts for a total HT and LT length of 1960 km as a long term measure.</p> <p>Further it is learnt from SE/ Cuddalore EDC office with regard to RTI reply enclosed by the President of Micro & Small Enterprises Association, Cuddalore District that one No. Substation started after 2022 is Palapattu 110/22 KV SS in Nellikuppam Division in Panruti constituency and the present status is 95% works completed and yet to be commissioned due to one no. 110KV tower not erected due to pending legal dispute.</p>
<p>In Para 3.15 the increase in depreciation for distribution is manifold without actual Capital addition as approved and is not justified and hence, it may not be approved.</p>	<p>With reference to increased depreciation, the following is stated:</p> <p>There is increase in depreciation component compared with the approved ARR and true up relating to FY 2022-23. The depreciation was calculated on the fixed assets available in the distribution network, based on the depreciation rate arrived in line with the provision of the companies Act and the TNERC Regulations.</p> <p>Further, the depreciation in the approved ARR was provisional depreciation as per IGAP Methods and the actual depreciation, is as per Ind AS Method, so comparing the actual with approved depreciation for accounts of FY 2022-23 is not correct, since the methodology has changed.</p>
<p>In Para 3.16, the percentage of interest paid for security deposit of consumers is much less than the percentage paid for generation and distribution. The allowable rate of interest</p>	<p>With reference to interest on security deposit, as per sub-section (4) of Section 47 of Electricity Act, 2003, the Distribution Licensee shall pay interest equivalent to the Bank Rate or more, as may be specified by the</p>

Comments	Reply of TANGEDCO
<p>should not exceed the percentage of interest paid to consumers.</p>	<p>Commission, on the security in respect of electricity supplied to the consumers as well as for the meter provided to the consumers.</p> <p>As per Regulation 5(5)(i) of the Tamil Nadu Electricity Supply Code, rate of interest on Security Deposit shall be on the basis of the Commission's direction. In this regard, the rate on interest based on the Bank Rate as available in RBI website (www.rbi.org) has been taken and the average rate of interest has been worked out and submitted to the Commission for further orders. The rate ordered by the Commission, after due scrutiny in the matter of Interest on Security Deposit has been taken up by TANGEDCO for crediting to the consumer Security Deposit account. The interest for loan is actual interest paid for the borrowings from financial Institutions such as REC, PFC and nationalised banks. Hence, both rates of interest cannot be compared and should be allowed as per Tariff Regulations for Interest on Loan capital (Reg(21))</p>
<p>In Para 3.19, the justification for O&M expenses has been provided and they seem to claim more because of old machinery and high cost of salary. The fixing of Salary is not consulted with stakeholders and Salary is quite high when compared with private industries and similar work nature. TNERC should evolve a mechanism for reduction in this head.</p>	<p>In TANGEDCO, Wage Revision is being done once in 4 years for the Employees/Officers and the crucial date for giving benefit of wage revision is the first day of December of every 4 years. Accordingly, the issue of Revision of Wage for the employees would be negotiated with the Trade Unions/Associations. After arriving at a consensus, in consultation with the Government Finance department and with the approval of the Board of Directors of TANGEDCO (i.e., including the Secretary to Government, Finance, Industries and Energy), a Settlement under Section 12(3) of the Industrial Disputes Act between the Management and Trade Unions before the Commissioner of Labour will be signed and implemented. While revising the pay during Wage</p>

Comments	Reply of TANGEDCO
	<p>Revision, the scales of pay adopted in Government based on Pay Commission recommendations implemented in Government of Tamil Nadu, would be taken into account and the same is being adopted with slight modification, which is suitable to the officers/employees of TANGEDCO.</p> <p>Further, the O&M cost is allowed as per the Tariff Regulations (Regulation 25) and restricted on normative basis for A&G expenses and R&M expenses, and only employee expenses are allowed at actuals.</p>
<p>In Para 3.20, TANGEDCO has claimed 12.3% as per SBI lending rates. There is no need to consider the same as TANGEDCO pays its vendors without interest, As the collection of TANGEDCO was not affected during the financial year was routine without any hindrances, passing on the cost of interest burden to consumers should not be allowed.</p>	<p>TANGEDCO claims interest on working capital as per Regulation 26 of Tariff Regulations.</p> <p>Further, TANGEDCO is paying interest for the belated payments related to power supply cost from generators, MSME vendors and interest on working capital is utilized for maintaining the spares, coal stock, etc.</p>
<p>In Para 3.21, though TNERC had disallowed the operative costs in the previous order, TANGEDCO seems to be proposing the costs again, which should be disallowed as done earlier.</p>	<p>TANGEDCO submitted the actual expenditure incurred for maintaining the generation such as consumables, station auxillary consumption charges during reserve shutdown works, which are necessary to maintain the station, are not covered under O&M expenses. The claim of expenditure is based on audited accounts and the same is being allowed by the Hon'ble CERC in respect of central generating stations (NLC, NTPC, etc).</p>
<p>As per energy balance statement in Para 3.25, it is a positive sign of high sales in HT than LT, as compared to approved, which means the growing industry should not be burdened with added electricity cost. When there is big increase in HT sales when compared with</p>	<p>Due to the increase in HT sales and reduction in LT sales than the approved value, the overall distribution loss units has got reduced to 9251.08 MU, when compared with the approved value of 10371 MU.</p> <p>Therefore, the overall distribution loss is 10.03%, which is 0.97% lower when compared with the</p>

Comments	Reply of TANGEDCO
approved and reduction in LT sale when compared with approved, the distribution losses should be still lower.	approved value of 11.00%
A study of Para 3.28 with respect to 3B connections would reveal that actual sales is higher than approved sales, which shows the demand of MSME. However, the actual revenue is marginally short of approved revenue with the reason being revision in Tariff Order being implemented after 5 months of financial year. If it is considered on pro-rata basis, there seems to be no need for increasing tariff for another couple of years.	The gap between the Average Cost of Supply and Average Billing Rate is increasing even after revision of tariff due to multiple reasons. In the true up Petition, the ARR increased from the approved value for a sum of Rs. 17,961 Crore. Since the gap is more, TANGEDCO is facing financial crisis to meet the supply. So, the revision of tariff for ensuing years of the Control Period is based on T.O.No.7 of 2022 and is determined based on the CPI increase or 6%, whichever is less. However, the overall ARR increase was more than 6%, still the increase in tariff was done only for 2.18% from 01.07.2023 in FY 2023-24. Therefore, year-on-year increase to meet the increased input cost due to inflation is unavoidable.
It is suggested that subsidy for MSME units are paid through MSME Department after reconciliation. Similarly, a mechanism may be evolved for reimbursement of subsidy for agricultural connections through Agricultural department and for hut dwellings through Social Welfare department.	At present the subsidy for agriculture category is being claimed by the Director of Agriculture Department and subsidy for dwelling units is dealt by the Chief Electrical Inspector of GoTN similar to the MSME department, as Direct Benefit Transfer (DBT) is not yet implemented by Tamil Nadu.
<p>Views of the Commission:</p> <p>The comments of the stakeholder and the reply made by the Licensee have been scrutinized and dealt with appropriately in the relevant chapter.</p> <p>The remarks not related to this petition in particular have not been taken by the Commission in this order.</p>	

5. Thiru. Neelakanta Pillai

Comments	Reply of TANGEDCO
<p>The Petition is not prepared by competent authority and considering the well being of the consumers. The Petition is to be rejected immediately.</p>	<ul style="list-style-type: none"> • This petition is filed as per the Tariff Regulations and the MYT Regulation amended from time to time and under part VII (Section 61 to Section 64) of the Electricity Act, 2003. • The petition was filed by the competent authority approved by the Board of TANGEDCO based on the audited financials of TANGEDCO at 3 levels (Internal Audit/ Statutory Audit/ C&AG Audit). • The petition was webhosted for inviting comments as per the direction of the Commissions’s daily order dt.14.05.24
<p>In Para 3.3.4 (b), the Petitioner has suggested TANGEDCO should have amended the Regulations if the Performance Parameters as per the Regulations are too stringent to TANGEDCO instead of claiming relaxation in the Tariff Petition.</p>	<p>While filing the tariff petition for approval of ARR, TANGEDCO is requesting every time for revision of norms based on actuals. In the Tariff Regulation, under section 37. Norms of Operation (iii) Gross Station Heat RateNote 2 it is stated as follows:</p> <p><i>“For Generating Stations having combination of 200/210/250 MW sets and 500 MW and above sets, the normative gross Generating Station heat rate shall be the weighted average Generating Station heat rate of various sets.”</i></p> <p>Based on the above, the station heat rate is arrived and TANGEDCO prayed for approving the actuals. There is a need for upgradation of performance norms decided by the Commission under the Tariff Regulations. However, the major reason for degradation of the plant performance due to ageing and part load operations. This results in generation loss and hence performance of the plants gets degraded.</p>
<p>The petition seeking approval from the</p>	<p>As per Section 21 of Companies Act, 2013 [CA,2013]: a</p>

Comments	Reply of TANGEDCO
<p>Commission must be approved by the Board of TANGEDCO. No officer shall be entitled to file this petition with the Commission which is not approved by the Board. Also, all the Board of directors is fully responsible for all the activities of TANGEDCO management as per company law, 2013.</p>	<p>document or proceeding requiring authentication by a company; or contracts made by or on behalf of a company, may be signed by any Key Managerial Personnel [“KMP”] or an Officer or Employee of the company duly authorised by the Board in this behalf.</p> <ol style="list-style-type: none"> 1. As per Section 2(59) of CA,2013 “officer” includes any director, manager or KMP or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the directors is or are accustomed to Act. 3. As per the above provision the Board of TANGEDCO authorised the Chief Financial Controller /Regulatory Cell to file petitions before Hon’ble TNERC/APTEL. 4. Hence the petition is filed as per the provisions of Companies Act only. 5. Further the petition was filed based on the audited accounts, placed in the Board/AGM and filed with Ministry of Corporate Affairs.
<p>TANGEDCO to provide details of the following:</p> <ul style="list-style-type: none"> • clarify in details about the book loss, loss taken year and amount • furnish the clear details about the regulatory asset as on the end of this financial year 2022-23. • status of regulatory assets if the government under-disburses the sanctioned amount • details of the disbursement for each installments for take over of the regulatory assets in 7 installments 	<ol style="list-style-type: none"> 1. As per UDAY MoU the book losses of FY 2016-17 to FY 2020-21 are taken at 5%, 10%, 25%, 50% and 50% respectively. 2. As per RDSS standard operating procedure issued by Ministry of Power notification dated 20.07.2021, no new Regulatory Assets has to be created. 3. The GoTN vide G.O. (Ms) No. 38 dt.18.08.2021 has agreed to take over 100% losses of TANGEDCO from FY 2021-22 onwards 4. As per the additional borrowings of 0.5% of GSDP linked to performance in power sector norms given by Ministry of Finance to GOTN 75% of gross loss need to be taken over by GOTN.(Gross loss=book loss+loss

Comments	Reply of TANGEDCO
<ul style="list-style-type: none"> • justification for filing a true up petition for the year 2022-23 without providing any information about it • details of the follow-up made by TANGEDCO to the State Government to offset the regulatory assets. 	<p>funding during the year)</p> <p>5. The Gross loss = Book loss As per balance sheet + loss funding received during the year.</p> <p>6. As per balance sheet the book loss for FY 2022-23 is Rs.10868.26 Crore+ loss funding received in 2022-23 is Rs.11654.64 Crore The Gross loss is Rs.22822.90 Crore and 75% of Rs.22822.90 Crore is Rs.17117.18 Crore.</p> <p>7. The Commission while approving the true up of FY 2021-22 (M.P.No.10 of 2022) has revised the regulatory asset after considering the cash loss funding made by GoTN.</p> <p>8. As per the true up petition for FY 2022-23 the ARR gap is Rs 13454 Crore and the same is covered by the loss funding received from GOTN in FY 2023-24 to the extent of Rs. 17117.18 Crore. Hence no new regulatory asset will be created.</p> <p>9. GoTN has issued the restructuring and bifurcation of TANGEDCO vide G.O.(Ms) No.6 Energy (B2) department dt.24.01.2024 for the formation of Thermal Generating Company in the name of Tamil Nadu Power Generation Corporation Limited(TNPGCL).</p> <p>10. GoTN has issued the restructuring and bifurcation of TANGEDCO vide G.O.(Ms) No.7 Energy (B2) department dt.24.01.2024 for the formation of Green Energy Generating Company in the name of Tamil Nadu Green Energy Corporation Limited(TNGECL) by integrating Renewable Energy wing of TANGEDCO and merge Tamil Nadu Energy Development Agency(TEDA) with the new company.</p> <p>In view of the above, TANGEDCO is in the process of approaching GoTN for arriving road map for amortization of Regulatory Asset in consultation with the</p>

Comments	Reply of TANGEDCO
	Commission.
<p>No information has been given in the petition whether the approved annual energy audit report was submitted to CAG audit for audit.</p> <p>Further, the petition does not mention any sign of annual energy audit conducted.</p>	<p>As per BEE notification dated 06.10.2021, TANGEDCO is conducting the annual energy audit by appointing accredited energy auditors empanelled in the BEE. As stated by BEE, the annual report prepared by the Accredited energy auditor is submitted to BEE & SDA , after getting approval from the competent authority of TANGEDCO.</p> <p>As and when the CAG requests for the Annual Energy Audit Report, the same will be furnished. As per BEE notification dated 06.10.2021,TANGEDCO conducted annual energy audit by appointing accredited energy auditors empanelled in the BEE and submitted the report to BEE & SDA.</p> <p>As per BEE notification dated 06.10.2021, TANGEDCO conducted annual energy audit by appointing accredited energy auditors empanelled in the BEE and submitted the report to BEE & SDA. Action will be taken for uploading the Annual Energy Audit Report in the TANGEDCO website.</p> <p>As per BEE notification dated 06.10.2021, TANGEDCO has submitted the periodic energy accounting report and annual energy audit report to BEE and SDA regularly , since 2021. Action will be taken for uploading the Periodic & Annual Energy Audit Report in the TANGEDCO website.</p>
<p>It is observed that the increase in revenue from sales to HT I Category is not in proportion to the increase in sales in comparison to the values approved by the Commission while approving the ARR for FY 2022-23. TANGEDCO to provide the</p>	<p>The tariff was increased from 10.09.2022 (203 days) only. The same remarks are furnished under the table-28. Further, in distribution form (page no.303 to 306), categorywise sales and revenue along with ABR prior and after tariff revision are furnished for FY 2022-23.</p> <p>ABR for HT Industries</p>

Comments	Reply of TANGEDCO
<p>justification for the same.</p>	<ul style="list-style-type: none"> • Prior to tariff revision - 8.34/unit • After tariff revision - 13.59/unit <ul style="list-style-type: none"> • Therefore revenue from HT Industrial Tariff category I of Rs.15830.92 crores includes both quantum of sales increase i.e. unit increase as well as rate increase • Further due to post covid surge the consumption by industrial sector has increased in FY 2021-22 and FY 2022-23. • The Commission is appraised with the facts of increase in Sales/ Revenue through MIS returns submitted monthly. • The percentage of growth/increase in revenue by 19% includes <ul style="list-style-type: none"> • Unit/ sales increase • Tariff rate increase from 10.09.2022 • Old rate upto 09.09.2022 <p>Hence there is no discrepancy in the petition data submitted by TANGEDCO.</p> <p>Therefore increase in sales revenue (Rs. in Crore) and sales quantum (in MU) cannot be directly proportional.</p>
<p>It is observed that the increase in revenue from sales to HT customers is not in proportion to the increase in the sales as compared to the values approved during ARR for FY 2022-23. TANGEDCO to justify the same.</p>	<p>In table 28, approved revenue considering new tariff for entire/full year is shown. However the tariff was increased from 10.09.2022 (203 days) only. The same remarks are furnished under the table-28. Further in distribution form (page no.303 to 306), categorywise sales and revenue along with ABR prior and after tariff revision are furnished for FY 2022-23.</p> <ul style="list-style-type: none"> • Therefore the revenue from all HT Tariff Categories of Rs. 21261.25 Crore includes both quantum of sales increase i.e. unit increase as well as rate increase.

Comments	Reply of TANGEDCO
	<ul style="list-style-type: none"> • The approved numbers of FY 2022-23 are based on ARR submitted by TANGEDCO, which are estimated based on actuals of previous 3 - 5 years trend. • Further due to post covid surge consumption has increase in most of the tariff categories. • The Commission is appraised with facts of increase in sales/ revenue through MIS Returns submitted monthly. • The percentage growth/ increase in revenue by 11% includes <ul style="list-style-type: none"> • Units sales increase • Tariff rate increase from 10.09.2022 • old rate upto 09.09.2022 <p>Therefore increase in sales revenue (Rs. in crs.) and sales quantum (in MU) cannot be directly proportional.</p>
<p>The following mismatch is observed in the revenue realised from LT consumers:</p> <p>Tariff IA:</p> <ul style="list-style-type: none"> • Sale difference between approval and actual in MU is 1556 • Revenue from sale the difference between approval and actual Rs in Crs is 5101.5 • Variation is 4.8 % less in MUs and 28.1% reduction in revenue when compared to the approved quantity. <p>Tariff IB:</p> <ul style="list-style-type: none"> • There is 3.7% increase in MU and 31.7% reduction in the revenue realization when compared to the 	<p>In the ARR approved by Commission the following are considered.</p> <ul style="list-style-type: none"> • Tariff revision for the entire year (12 months). • However the tariff order was issued on 09.09.2022 with effect from 10.09.2022. Hence the difference. • Apart from the above the categorywise specific replies are furnished below: <p>Tariff IA:-</p> <p>1.Sale MU variation is due to conversion of domestic categories to Tariff II A (public lighting, water supplies Provided by GOVT/Local bodies) of Anganwadi centres, Common supply ID etc. The revenue is reduced due to new tariff rates implemented only from 10.09.2022 (203 days). The ABR after tariff revision is as per the approved tariff only.</p> <p>2. For the Hut category based on number of consumers</p>

Comments	Reply of TANGEDCO
<p>approved quantity.</p> <p>Tariff ID :</p> <ul style="list-style-type: none"> Anticipated revenue is Rs. 1497.8 Crs but realized only Rs. 276.25 Crs. i.e. 18.44 % only realized when compared to the approved quantum. <p>Tariff III A (1) :</p> <ul style="list-style-type: none"> Nearly Rs. 79 Crs reduction in revenue from sale i.e. 28.3 % revenue reduction is showcased. <p>Tariff III B:</p> <ul style="list-style-type: none"> 47 MUs increased in sale and Rs. 2224.19 Crs i.e 25 % reduction in revenue when compared to the approved quantum. The unit cost realization is badly affected by Rs. 2.81 per Unit. <p>Tariff IV :</p> <ul style="list-style-type: none"> It is showcased reduction in 2854 MUs and Rs.550.93 Crs against the approved quantum. <p>LT Total :</p> <ul style="list-style-type: none"> It showcased overall reduction in 2662 MUs and Rs. 9107.85 Crs against the approved quantum. There is a reduction in revenue 19 % <p>TANGEDCO to provide the justification for the same.</p>	<p>subsidy is being claimed as fixed charges/Service. However the consumption is based on load and hours of usage has been worked out. Further the revised tariff was implemented from 10.09.2022, the revenue reduced from approved ARR. The increase in MU could not be compared with revenue since fixed charges alone claimed from GoTN as subsidy.</p> <p>3. Tariff ID:-</p> <p>The conversion of common supply from Domestic is under process so far 3.16 Lakhs services have been converted into common supply category. The ARR projected for common supply is around 8 lakhs services will be converted from Domestic consumers. Hence the actual revenue is less as compared with the projected ARR.</p> <p>4. Tariff IIIA(1):-</p> <p>The revenue difference is due to new tariff implemented from 10.09.2022. The revenue at new tariff for 6.7 months (10.09.22 to 31.03.2023) is Rs.124.2 crore. Further, if the same is considered for one year the same will be Rs.222 crores. Hence there is no reduction in revenue.</p> <p>5. Tariff IV</p> <p>The Agriculture revenue of Rs.5902.87 crores was received as subsidy based on Rs.2875/HP/annum (from 01.04.2022 to 09.09.2022) and Rs.3550/HP/annum from 10.09.2022 to 31.03.2023. The overall difference is mainly due to implementation of new tariff from 10.09.2022 and ARR was approved for new tariff for the whole financial year.</p> <p>The consumption is arrived based on hours of usage and average consumption based on sample meter readings.</p>

Comments	Reply of TANGEDCO
	<p>The revenue is based on connected load. So only fixed charges are claimed from the GOTN as subsidy.</p> <p>From the above, the LT revenue is being collected as per the Tariff fixed by the Commission. There is no decrease in revenue as the approved ARR is for one year new tariff and tariff revision was effected from 10.09.2022. The forecasting was based on CAGR method for the past 5 years growth and base year was taken as 2019-20 since the year 2020-21 was COVID affected period. Further, the overall Revenue is being achieved as per the projections made.</p>
<p>The following are the defects in the preparation of the petition and its annexure.</p> <ul style="list-style-type: none"> • Annexure I and II (8 Sheets) are not visible / readable • The table (28) and (30) is illegible with obscure black ink worn information. • The year missing in the format heading for many table • Generation GAS Turbine – Many forms not duly filled and item wise data not furnished. • Thermal Plant format – Form 6 not readable. • Distribution formats – Form 19 and 20 not filled. • Distribution formats – Annexure II page 26 to 30 are not visible / readable. • Many of the formats, the page set up are not done promptly. 	<p>Reply to points 1, 2, 3, 4, 6, 8 & 9:</p> <p>The petition was scanned in black and white for uploading in the pdf format. In future colour scan will be uploaded to avoid any black shades.</p> <p>Reply to points 5 & 7:</p> <p>The Generation forms (GTS) related to estimate for capital expenditure, other debits and prior period expenses are NIL. Hence no data was furnished. In respect of distribution form 19 and 20 related to other debits and prior period expenses are Nil. Hence no data was furnished</p> <p>Reply to point 10:</p> <p>The fact of including subsidy is a common term used for indicating the difference between revenue from consumers and total revenue. The fact of excluding wheeling units is a common term used to indicate the difference between gross energy fed into and net energy handled.</p> <p>Reply to point 11(i):</p> <p>For HT Industries the approved sales is 11,796 MU</p>

Comments	Reply of TANGEDCO
<ul style="list-style-type: none"> • Many formats in distribution areas have different strategies in order to confuse all stakeholders purposely not even to understand them the data and not allowed to raise any query about the data. For example: the terms wheeling, subsidy and grants are considered as trump cards by using including / excluding technique for their convenience but in a non standard approach. • Table 28, I HT Supply. <ul style="list-style-type: none"> i) The total value of approved MUs is 17043 as per the breakup, not 17071 MUs ii) The total value of actual revenue Rs in Crs is 21261.25 as per the breakup, not 21621.25 Crs. • Format for energy balance is a non standard format when compare to all other States in India. • TANGEDCO has submitted that they document the power generation and power distribution accounts separately in some forms but combine both in many major forms, which is contradictory. 	<p>which has been wrongly mentioned as 11,768 MU. So the total sales is 17071 MU only.</p> <p>Reply to point 11(ii):</p> <p>The total HT revenue is Rs.21261 crores which has been wrongly mentioned as 21621 crores.</p> <p>Reply to point 12:</p> <p>Energy balance format is used as per the Commission's approved forms only. In audited balance sheet, the form is as per CEA and PFC is used for arriving AT & C loss.</p> <p>Reply to points 13 to 15:</p> <p>The details furnished in the table are from the audited accounts and field MIS returns for ARR. The information furnished are based on actual audited data only.</p>
<p>The Stakeholder has pointed out various Observations of the Auditors in the Audited Financial Statement for FY 2022-23 and requested TANGEDCO to provide the justification of the same.</p>	<p>Borrowings</p> <p>After implementation of ERP separate general ledger account was not created for working capital/cash credit accounts. Hence opening balance of Rs 5860.82 crore was remaining same for the last three years. However,</p>

Comments	Reply of TANGEDCO
	<p>transactions in cash credit accounts are grouped under regular bank balances.</p> <p>Now a separate general ledger account was created for the working capital limit of the respective bank and necessary journal entries towards transfer of opening balance entries have been made in this financial year 2023-24. The cash credit / working capital limit balance against the respective banks as per their sanction will be shown for the year 2023-24 financials.</p> <p>Cash/Bank Reconciliation</p> <p>The bank reconciliation follow up action was taken up to complete the BRS for every account rendering units from the head quarters and the same is followed up with every division. This financial year all the bank balances will be reconciled from TANGEDCO.</p> <p>Cash on Hand</p> <p>The Cash on hand and cheque in hand both entries posted in same account code 1090100 only. The daily collection viz., Cash /Cheque/ DD has been remitted in Bank in daily basis. The Bank transfer omitted to be posted in SAP ERP for period 2021-22 and 2022-23 and the same has been made in 2023-24. Hence, the Cash in hand and Cheque in hand as on 31.03.2024 has been tallied with Cash ledger and trial balance in respect of HQrs/Cash Compilation section.</p> <p>The omission of booking of PPE component</p> <p>The cost of PPE including material, labour, IDC and overheads have been brought into accounts during FY 2023-24.</p> <p>Coal shortage</p> <p>The daily coal stock is arrived based on the quantity of receipt and consumption during the day. The coal stock at</p>

Comments	Reply of TANGEDCO
	<p>the end of the month is arrived based on the quantity of receipt, consumption and considering the transit and handling loss of coal.</p> <p><u>Norms for transit and handling loss</u></p> <p>For non pit head stations, central Electricity regulatory commission (vide Terms & Conditions of tariff) Regulation 2019 prescribed the norms for transit and handling loss of coal as 0.8% and approved vide CEA letter No. 219/GC/BO/TPI/CEA/2019/322 dated 27.03.2019.</p> <p>In addition, every quarter the periodical verification of coal is being conducted and the coal stock at the end of the quarter is arrived considering the norms for permissible tolerance limit of shortage/excess in stock of coal.</p> <p>Permissible tolerance limit of shortage/excess in stock of coal.</p> <p>In the TANGEDCO proceedings (per) CMD TANGEDCO proceedings No.8 dated 01-07-2016 the norms for permissible tolerance limit of shortage/excess in stock of coal has been fixed as 0.5% of book balance of coal on the date of stock verification Adhering the above norms, the coal stock is being verified and accounted after adjusting the write off quantity.</p> <p>It is informed that no coal shortage has been identified during the year 2022-23. It is understood that the mentioned amount of 32.92 Crores has been arrived for the write off quantity of coal during the year 2022-23. It is also informed that the write off quantity is very well within the norms during the financial year 2022-23.</p> <p>Hence, it is informed that no shortage in coal has been identified and no disappearance of coal has been</p>

Comments	Reply of TANGEDCO
	<p data-bbox="758 282 1158 315">happened during the FY 2022-23.</p> <p data-bbox="758 344 1445 427">Development and other charges-accounted as deferred revenue instead of revenue</p> <p data-bbox="758 463 1426 497">All circles are reviewing their books and being rectified.</p> <p data-bbox="758 530 1445 660">Vendor invoices accounted net of retention amounts & Vendor balance prior to ERP implementation not recorded</p> <p data-bbox="758 696 1445 1081">While migration to ERP, all the details in respect of existing vendors are entered and processed. The vendors details related prior to ERP, such as retention amount, details of previous purchase orders, partial payment details, and advance payment to suppliers are to be entered into ERP system. Various levels of purchase order are issued in circles; Regional CE and HQs. The reconciliation of vendor closing balance is in progress.</p> <p data-bbox="758 1117 1034 1151">Contingent Liabilities</p> <p data-bbox="758 1184 1445 1314">Contingent liability will be provided for in the accounts, only when, it is crystalised into actual liability. Till such time, these audit comments will prevail.</p> <p data-bbox="758 1350 1445 1433">Point No. 72, 74,75, 78,82 to 85, 88,89,90,91 and 93 of the Adverse Remarks of the Auditors</p> <p data-bbox="758 1469 1445 1599">Transactional nature of errors and omissions are being attended by the circles and furnishing to auditors as a compliance.</p> <p data-bbox="758 1635 922 1668">Depreciation</p> <p data-bbox="758 1704 1445 1986">Depreciation is worked out through ERP automatically and brought into books of accounts based on the Fixed Assets Register. Only for few Asset category such as Furniture & Fittings, Vehicles, office equipments, there are few Account balances which carries depreciation, this manual Journals made by few circles are not material in</p>

Comments	Reply of TANGEDCO
	<p>nature</p> <p>Purchase of solar power not properly accounted</p> <p>The invoice for the solar power purchased under Sale to Board category is submitted by the solar generators as per the rates in the agreements which are based on the solar Tariff Order fixed by TNERC. The payment for the above solar power purchase is made by TANGEDCO as and when the invoice is produced. Also it is claimed through PRAPTI PORTAL with a trigger date and hence disbursement is quick. Thus delay in payment does not arise.</p> <p>However, there are very few instances in which the invoices for the power supplied during the year end (ie. March) is submitted belatedly and consequently accounted in April/May of ensuing financial year.</p>
<p>From the Loan Profile of the Audited Accounts the following queries were raised:</p> <p>Item 1: No addition to TNEB Bond for FY 2022-23</p> <p>Item 2: Details of the Loan of Rs 44579.45 Crs from financial institutions for FY 2022-23 has not been provided Details of the interest rate is not available Details of project-wise loan outstanding is not available</p> <p>Item 3: Details of the banks from which the loan was drawn is not provided</p>	<p>Reply to item no.1: There is no mobilization of Bonds during the corresponding year, hence there is no credit.</p> <p>Reply to item no.2 : The loan of Rs.44,579 crore has been availed not only for Project purpose loans but also for other activities such as Distribution activity, R&M activity and operational & working capital activities etc. Since the company has large number of loans showing the details of loans, received on various dates in a phased manner, in the financial statement is not possible. The loans are availed on the payment mechanism of secured and unsecured conditions and it may vary from loan to loan. The present rate of interest ranges from 9% to 12 %. Similarly, the repayment of Rs.33,565.46 crore is not made only for completed project loans but also include repayment of distribution, R&M activity and other term loans, etc. In respect of TNPFC, loans are being availed based on the</p>

Comments	Reply of TANGEDCO
<p>Item 4:</p> <p>Details of government subsidy received in these projects like RAPDRP-B, IPDS, DDUGJY, etc. Details of Schemes and Projects for utilisation of such funds, details of loan paid, interest rate, etc., are not available.</p>	<p>Board approval. Generally TL & STL loans are availed from TNPFC Ltd by making repayment of existing loans and subsequently availing it as new loan, on the next/following date. Presently a TL of Rs.5000 crore was availed from TNPFC Ltd., based on the Government Guarantee.</p> <p>Reply to item no.3:</p> <p>The loans availed from Banks during the FY 2022-23 was Rs.4699.99 crore. The repayment of Rs.3834.15 crore relates to EMI of old loans and there is no additional financial burden since the loans are availed at lesser rate of interest.</p> <p>Reply to item no.4:</p> <p>The outstanding loan of Government schemes is Rs.2933.10 crore. These loans are Distribution activity loans and not Generation project loans. Most of the schemes are closed. The outstanding loans of Rs.2933.10 crore persist due to the repayment schedule for the said loans which are generally 10 to 15 years. Totally a sum of Rs.1835 crore has been received as Grant for these Government scheme loans.</p>
<p>1. Details of factors such as</p> <ul style="list-style-type: none"> • Operation and Maintenance carried out in the plant since commissioning • Degradation due to ageing • Water Chemistry • Conditions of the Auxiliaries • Overloading and Partial Loading of machines • Number of Start/Stop • Temperatures and Pressures Stress-Machines have been subjected to • Automation of C&I • Condenser Vacuum <p>Contributing to the reduction in plant</p>	<p>Reply to points 1,4,5: Enclosed in Annexure provided by TANGEDCO</p> <p>Reply to point:2 (Backing down)</p> <ul style="list-style-type: none"> • SLDC is carrying out operations in real time conditions and backing down instructions are issued to conventional generators especially during solar hours/huge RE penetration period to harness the entire RE power as GOI has given must run status for RE power and to achieve non zero emission. • Moreover, backing down of conventional generators are

Comments	Reply of TANGEDCO
<p>performance to be provided by TANGEDCO.</p> <p>2. Details of circumstances outages are likely to occur i.e. planned outages, unplanned outages and emergency outages should be clearly classified for approval of PAF.</p> <p>3. Details of deterioration of Performance Parameter for each unit to be provided for</p> <ul style="list-style-type: none"> • Low PAF • Shortage of Gas • Auxiliary consumption • Station Heat Rate • Specific Oil consumption • GCV Gross Calorific Value <p>4. All information should be provided such as when and how many days the coal was in excess and therefore how much the GCV quality decreased.</p> <p>5. The claim of TANGEDCO that generating cost of units located far away from coal mines are higher due to higher freight cost is not justified.</p>	<p>being done only based on MOD.</p> <ul style="list-style-type: none"> • Shutdown of own thermal stations are done only during solar hours and the same units are brought into service during non-solar hours to effectively harness the RE power. • The planned outages of power plants are taken as per approved schedule only and most of the outages are planned during high RE penetration period. • The circumstances of outages towards unplanned outages and emergency outages of thermal power stations could not be predicted and any equipment failure may occur at any time as the units are in continuous operation.
<p>TANGEDCO's submission that hydro stations are operated based on the instructions of Load Dispatch Centre to meet out peak demand & according to the requirement to maintain grid stability and balancing Power to integrate other renewable sources, viz., Solar and wind power and they have no responsibility on these power plants is not admissible.</p>	<p>As per the Electricity Act, 2003, Section 33 (Compliance of directions)</p> <p><i>(1) The State Load Despatch Centre in a State may give such directions and exercise such supervision and control as may be required for ensuring the integrated grid operations and for achieving the maximum economy and efficiency in the operation of power system in that State.</i></p> <p><i>(2) Every licensee, generating company, generating station, sub-station and any other person connected with the operation of the power system shall comply with the</i></p>

Comments	Reply of TANGEDCO
	<p><i>directions issued by the State Load Despatch Centre under sub-section (1).</i></p> <p>...</p> <p><i>(5) If any licensee, generating company or any other person fails to comply with the directions issued under sub-section (1), he shall be liable to a penalty not exceeding rupees five lakhs.</i></p> <p>Accordingly, the Hydro generating stations are being operated as per the instructions of State Level Despatch Centre.</p> <p>Further, Hydro Power Houses are being operated based on the Regulation 6 of TNERC (Deviation Settlement Mechanism and Related Matters) Regulations 2019. The Declared Capability is being uploaded for scheduling SAMAST portal and revision is being done then and there as per the instructions of LD. The revision in case of outages are also made in the portal.</p> <p>In case of failure of Units, the repairs are done with minimum outage time and proper planning has been implemented to carry out Annual/ periodical and preventive maintenance in all hydro stations to increase the maximum availability of machines.</p> <p>On the whole, it is stated that Hydro Power Houses can easily work during high peak daily loads & according to the requirement to maintain grid stability and balancing Power to integrate other renewable sources, viz., Solar and wind power.</p>
<p>Depreciation என்று வரும் போது அந்த இயந்திரம் அல்லது அந்த மின் உற்பத்தி நிலையம் ஆரம்ப காலத்தில் அதற்குண்டான மதிப்பு</p>	<p>தமிழக மின் உற்பத்தி நிலையங்களில் அவ்வப்பொழுது மேற்கொள்ளப்படும் மூலதன செலவுகளுக்கு உண்டான தேய்மானத்தை நிறுவன சட்ட விதிகளின்</p>

Comments	Reply of TANGEDCO
<p>அதன் பிறகு தேய்மானம். செலவு செய்த வகையில் கூடுதல் மதப்பு, தேய்மானம் இப்படி ஒவ்வொரு ஆண்டும் அந்த இயந்துரத்தின் முப்பு எவ்வளவு குறைந்திருக்கிறியாது அதே நேரத்தில் தேய்மானத்துற்கான ஈடு செய்யும் தொகை எவ்வளவு பாதுகாக்கப்பட்டிருக்கிறது என்பது போன்ற தகவல்களை கொண்டதாக இருக்கவேண்டும்.</p>	<p>படி மற்றும் தமிழ்நாடு ஒழுங்குமுறை ஆணை விதிகளின்படியும் தேய்மான செலவு கணக்கிடப்பட்டு ஒவ்வொரு மின் உற்பத்தி நிலையத்திலும் கணக்கு பதிவு செய்யப்பட்டு வருகிறது. மேலும் தேய்மான செலவினங்கள் ஒவ்வொரு சொத்துக்களின் மதிப்பினில் தனித்தனியாக ERP மூலம் முறையாக கணக்கிடப்பட்டு பராமரிக்கப்பட்டு வருகிறது.</p>
<p>The Stakeholder submitted that the Energy Balance as submitted by TANGEDCO is erroneous and complete details of generation based on inter-state and intra-state source, PGCIL Losses, Transmission Losses, Transmission Charges, etc., as claimed are not supported with any documentary evidence.</p>	<p>The transmission loss is arrived for every quarter of the financial year based on the field report (import & export as received from substation end) and the resource statement received from the Grid Operation wing. Theft of energy deducted during FY 2022-23 was 3,41,19,392 units.</p>
<p>The Stakeholder alleged that the Petition was not properly advertised for comments from the Stakeholders.</p>	<p>The tariff petition was filed as per the Tariff Regulations and the MYT Regulations as amended from time to time and audited accounts for FY 2022-23. The petition was admitted on 26.03.2024 and directed to be webhosted in the website during hearing on 14.05.2024. As per daily order TANGEDCO webhosted the petition for inviting comments and suggestions from the stakeholders. The comments were received from stakeholders and replies were sent to all stakeholders. Further the detailed explanations for variations in revenue and expenditure are furnished to the stakeholders.</p>

Comments	Reply of TANGEDCO
<p>Views of the Commission:</p> <p>The comments of the stakeholder and the reply made by the Licensee have been scrutinized and dealt with appropriately in the relevant chapter.</p> <p>The remarks not related to this petition in particular have not been taken by the Commission in this order.</p> <p>As regards the issue of webhosting the Tariff Petition for comments from the Stakeholders, similar approach is followed in other States where true-up Order is issued separately and is within the ambit of the Electricity Act and the Tariff Regulations. The Stakeholders were provided ample time for submission of the comments on the Petition submitted.</p>	

6. Thiru. C. Selvaraj

Comments	Reply of TANGEDCO																																																																											
<p>பத்தி எண்.3.5.2.2</p> <p>சொந்த உற்பத்திநிலையங்களில் சூரிய மற்றும் காற்று சக்தியை வாங்குவதற்காக நிறுத்தி வைக்கப்பட்டதாக உள்ளது. எனவே மாத வாரியாக சொந்த உற்பத்தி நிறுத்தப்பட்டதின் அளவு புதுப்பிக்கதக்க சக்தி வாங்கப்பட்ட அளவு போன்ற விவரங்கள்.</p>	<p>Month-wise generation details for FY 2022-23</p> <table border="1"> <thead> <tr> <th rowspan="3">Year</th> <th>Solar</th> <th colspan="2">Wind</th> <th rowspan="3">TOTAL (In MU)</th> </tr> <tr> <th rowspan="2">Generation in MU</th> <th colspan="2">GENERATION IN MU</th> </tr> <tr> <th>OWN GENERATION</th> <th>PRIVATE</th> </tr> </thead> <tbody> <tr><td>Apr-22</td><td>701.01</td><td>0.052542</td><td>285.48</td><td>285.533</td></tr> <tr><td>May-22</td><td>730.91</td><td>0.33742</td><td>1939.41</td><td>1939.747</td></tr> <tr><td>Jun-22</td><td>728.6</td><td>0.732848</td><td>2282.09</td><td>2282.823</td></tr> <tr><td>Jul-22</td><td>731.17</td><td>0.561518</td><td>2317.13</td><td>2317.692</td></tr> <tr><td>Aug-22</td><td>760.95</td><td>0.509249</td><td>2092.19</td><td>2092.699</td></tr> <tr><td>Sep-22</td><td>839.18</td><td>0.509475</td><td>1931.29</td><td>1931.799</td></tr> <tr><td>Oct-22</td><td>754.99</td><td>0.314054</td><td>757.62</td><td>757.934</td></tr> <tr><td>Nov-22</td><td>663.18</td><td>0.021655</td><td>124.14</td><td>124.162</td></tr> <tr><td>Dec-22</td><td>698.89</td><td>0.06576</td><td>431.55</td><td>431.616</td></tr> <tr><td>Jan-23</td><td>856.48</td><td>0.160371</td><td>442.66</td><td>442.82</td></tr> <tr><td>Feb-23</td><td>868.6</td><td>0.092409</td><td>339.83</td><td>339.922</td></tr> <tr><td>Mar-23</td><td>959</td><td>0.084807</td><td>437.35</td><td>437.435</td></tr> <tr><td>Total</td><td>9292.94</td><td>3.44211</td><td>13380.7</td><td>13384.2</td></tr> </tbody> </table> <p>The Details of Thermal Stations 2022-23 are given in Annexure. The above generation includes sale to Board and wheeling.</p>	Year	Solar	Wind		TOTAL (In MU)	Generation in MU	GENERATION IN MU		OWN GENERATION	PRIVATE	Apr-22	701.01	0.052542	285.48	285.533	May-22	730.91	0.33742	1939.41	1939.747	Jun-22	728.6	0.732848	2282.09	2282.823	Jul-22	731.17	0.561518	2317.13	2317.692	Aug-22	760.95	0.509249	2092.19	2092.699	Sep-22	839.18	0.509475	1931.29	1931.799	Oct-22	754.99	0.314054	757.62	757.934	Nov-22	663.18	0.021655	124.14	124.162	Dec-22	698.89	0.06576	431.55	431.616	Jan-23	856.48	0.160371	442.66	442.82	Feb-23	868.6	0.092409	339.83	339.922	Mar-23	959	0.084807	437.35	437.435	Total	9292.94	3.44211	13380.7	13384.2
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<p>பத்தி எண்.3.5.2.3</p> <p>எரிவாயு போதுமான அளவு கிடைக்கப்பெறவில்லையென்றால் அது தொடர்பான விவரங்களான எவ்வளவு எரிவாயு தேவை, எவ்வளவு கிடைக்கப்பெற்றது மற்றும் குறைவான எரிவாயு கிடைக்கப்பெற்றதற்கான உண்மையான காரணங்கள் மற்றும் எரிவாயுவை பெறுவதற்காக எடுக்கப்பட்ட முயற்சிகள்.</p>	<p>எரிவாயு விநியோகம் குறைவாக இருப்பதற்கான காரணம் மற்றும் நடவடிக்கை:</p> <p>இயற்கை எரிவாயு கிணறுகளில் எரிவாயு உற்பத்தி குறைந்ததால், எரிவாயு விநியோகம் குறைந்துள்ளது. திருமாக்கோட்டை (கோவில்சுளப்பல்) எரிவாயு சுழலி மின் நிலையம் மற்றும் குத்தாலம் எரிவாயு சுழலி மின் நிலையத்திற்கு ஒதுக்கப்பட்ட எரிவாயுவை வழங்குமாறு M/s. GAILக்கு பலமுறை கேட்டுக்கொள்ளப்பட்டது.</p>																																																																											
<p>பத்தி எண்.3.7.2.</p> <p>உற்பத்தி நிலைய வெப்பநிலை அதிகரித்தது தொடர்பான (SHR) குறைவான இயக்கம் மற்றும் எரிபொருளின் தரத்தில் வேறுபாடு இருந்ததாக கூறப்படுகிறது. எனவே, அது தொடர்பான எரிபொருள் வாங்குவதற்காக</p>	<p>திருமாக்கோட்டை நிலையத்தை பொருத்தவரையில், பாதுகாக்கப்பட்ட வேளாண் மண்டலமாக</p>																																																																											

Comments	Reply of TANGEDCO
<p>குறிப்பிடப்பட்ட தரம், வந்து சேர்ந்த எரிபொருளின் தரம் மற்றும் எரிபொருளின் தரம் குறைவானதாக இருந்தால் அதற்குரிய கட்டணத்தை வழங்குபவரிடமிருந்து திரும்ப பெறப்பட்ட விவரம்.</p> <p>அனல் மின்நிலையங்கள் குறைந்த அளவு திறனில் இயக்கப்பட்டிருந்தால் அது தொடர்பாக SLDC ல் வழங்கப்பட்ட உத்தரவுகளின் விவரங்கள்.</p> <p>வட சென்னை அனல் மின் நிலையத்தில் குறைவான எரிதிறன் கொண்ட கரிவந்ததாகவும் ஈரப்பதம் அதிகமாக இருந்ததாகவும் பலமுறை நிறுத்தி நிறுத்தி உற்பத்தி செய்யப்பட்டதாகவும் மனுவில் குறிப்பிடப்பட்டதால் அதன் தொடர்பான விவரங்கள்.</p> <p>அட்டவணை 7:</p> <p>மின்சார ஒழுங்குமுறை ஆணையத்தால் நிர்ணயிக்கப்பட்ட எரி திறனை விட குறைவான எரி திறனுடைய நிலக்கரி தொடர்பாக அதிகப்படியான நிலக்கரியை தேங்கிவிட்ட காரணத்தால் நிலக்கரியின் தரம் குறைந்ததாக மனுவில் கூறப்பட்டுள்ளது. அனல்மின் நிலையங்களில் எவ்வளவு நிலக்கரி தேக்கிவைப்பதற்கு</p>	<p>அறிவிக்கப்பட்டதாலும் பிற உள்ளூர் சிக்கல்கள் காரணமாகவும் ஆய்வு நடவடிக்கைகள் செய்யப்படும் பகுதிகளில் பணி நிறுத்தப்பட்டுள்ளதாக ONGC தெரிவித்துள்ளது. குத்தாலம் எரிவாயு சுழலி மின்நிலையம் சம்பந்தமாக, M/s. GAIL தனது பதிலில், ஏற்கெனவே குத்தாலம் மண்டல வாடிக்கையாளர்களுக்கான ஒதுக்கீட்டில் 0.55 MMSCMD எரிவாயு பற்றாக்குறை உள்ளது என்று தெரிவித்துள்ளது .</p> <p>All backdown instructions are during real time operation to accommodate Renewable Energy & Grid Stability.</p> <p>If there is decrease in the grade (GCV) for the supply of coal to TANGEDCO from MCL and SCCL, the amount will be refunded for the decreased grade to TANGEDCO. An amount of Rs. 39,87,02,848/- for MCL as per CIL Portal and Rs. 7,56,57,518/- for SCCL is refunded to TANGEDCO during the year 2022-23.</p> <p>Coal stock carrying capacity, Actual coal stock and combined GCV details are enclosed in Annexure.</p> <p>During the FY 2022-23, Generation at NCTPS-II got affected mainly due to Boiler tube punctures (Unit-I & II) and chloride ingress in Unit-I. Shutdown was availed to remove the same (15 days).</p> <p>No such defects noticed in NCTPS-II and no amount</p>

Comments	Reply of TANGEDCO																								
<p>வசதிகள் இருக்கிறது, மாதவாரியாக வைக்கப்பட்டிருந்த தேக்கம், பெறப்பட்ட நிலக்கரியின் தரம் போன்ற விவரங்கள். இந்த விவரங்கள் மிக முக்கியமாக தேவைப்படுகிறது.</p> <p>ஏனென்றால் 2022-23 ஆம் ஆண்டில் பல நேரங்களில் நிலக்கரி தட்டுப்பாடு ஏற்பட்டதாக மின்சாரவாரியம் பத்திரிகைகள் மூலமாக தெரிவித்திருக்கும் நிலையில் அதிகப்படியான நிலக்கரி தேங்குவதற்கு வாய்ப்பு எப்படி வந்தது என்ற விவரம்.</p> <p>அட்டவணை எண்.9:</p> <p>தூத்துக்குடி மற்றும் மேட்டுர் அனல்மின் நிலையங்கள் ஆயுட்காலம் முடிந்தவையாகவும் நீண்டகால பயன்பாட்டில் இருந்து வந்ததாக குறிப்பிடும் நிலையில் அந்த இரு நிலையங்களிலும் அதிகமான மின் உற்பத்தி நடைபெற்றிருக்கிறது. ஆனால், வடசென்னை அனல்மின் நிலையம் பழமையானதாக இல்லாத நிலையில் அதில் மின் உற்பத்தி குறைவானதாக இருப்பதற்குரிய உண்மையான தொழில்நுட்பரீதியான விவரங்கள். ஒருவேளை புதியதாக நிறுவப்பட்ட இயந்திரங்களில் குறைபாடுகள் இருந்தாலோ அல்லது வரையறுக்கப்பட்ட</p>	<p>was recovered from the EPC Contractors.</p> <p>During the FY 2022-23, Generation at NCTPS-I got affected mainly due to Milling system problem. All necessary measures were taken to rectify the Milling system issues and after rectification of Milling system, Generation at NCTPS-I got improved from Dec'22 onwards. The PLF of station has got improved during the financial year 2023-24 to 65.35 % from 56.79% (which was during the financial year 2022-23). The variable cost of Generation also got reduced during the financial year 2023-24 to Rs. 3.97 per kwhr from Rs. 4.37 per kwhr (which was during the financial year 2022-23) .</p> <p>It is further stated that, due to the issues in Milling system HFO (Heavy Furnace Oil) had to be utilized for stable operation of Units during the financial year 2022-2023. However, in the subsequent financial year (i.e) 2023-2024, the oil consumption gets considerably reduced and well within the TNERC Norms.</p> <p>The factors affecting the variable cost as stated in the Order in M.P.10 of 2023.</p> <p>The details of variable cost (VC) filed and approval for FY 2021-22 is as follows:</p> <table border="1" data-bbox="759 1592 1430 1868"> <thead> <tr> <th>Station</th> <th>VC filed (Rs. in Crs.)</th> <th>VC approved (Rs. in Crs.)</th> <th>Difference (Rs. in Crs.)</th> </tr> </thead> <tbody> <tr> <td>TTPS</td> <td>1734</td> <td>1601</td> <td>-133</td> </tr> <tr> <td>MTPS-I</td> <td>1742</td> <td>1742</td> <td>0</td> </tr> <tr> <td>NCTPS-I</td> <td>1060</td> <td>1016</td> <td>-44</td> </tr> <tr> <td>NCTPS-II</td> <td>1312</td> <td>1321</td> <td>9</td> </tr> <tr> <td>MTPS-II</td> <td>1083</td> <td>995</td> <td>-88</td> </tr> </tbody> </table> <p>Hence there is no approximation in the approval.</p>	Station	VC filed (Rs. in Crs.)	VC approved (Rs. in Crs.)	Difference (Rs. in Crs.)	TTPS	1734	1601	-133	MTPS-I	1742	1742	0	NCTPS-I	1060	1016	-44	NCTPS-II	1312	1321	9	MTPS-II	1083	995	-88
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Comments	Reply of TANGEDCO
<p>காலத்திற்குள் நிறுவுதல் பணி முடிக்கப்படாமல் இருந்திருந்தால் அதற்காக ஒப்பந்ததாரரிடமிருந்து பெறப்பட்ட இழப்பீட்டுத்தொகைவிவரங்கள்.</p> <p>அட்டவணை எண்.11:</p> <p>ஒழுங்குமுறை ஆணையத்தால் நிர்ணயிக்கப்பட்ட variable cost விட அதிகமான செலவு ஏற்பட்டிருப்பதற்கு காரணமாக இருந்த இயக்கத்தடைகள், அதிகவெப்பநிலை, தரம் குறைந்த எரிபொருள் ஆகியவை மனுவில் குறிப்பிடப்பட்டுள்ளது. குறிப்பாக இத்தகைய அளவீடுகளை ஒழுங்குமுறை ஆணையம் தனது முந்தைய உத்தரவில் முறையாகவும் சரியாகவும் ஆராயாமல் உத்தேச அடிப்படையில், நடைமுறை சாத்தியமில்லாத வகையில் உத்தரவு வழங்கியிருக்க வாய்ப்பிருக்கிறது. ஏனென்றால். சென்ற ஆண்டு உண்மை நிலை மனுவில் முறையாக பரிசீலிக்கவில்லையென்ற எனது முந்தைய குற்றச்சாட்டு ஆணையத்தால் கணக்கில் எடுத்துக்கொள்ளப்படவில்லை.</p> <p>அட்டவணை 13:</p> <p>ஒழுங்குமுறை ஆணையத்தால் நிர்ணயிக்கப்பட்ட முதலீட்டு செலவைவிட உண்மையான செலவும் மூலதன கணக்கும்</p>	<p>மூலதன செலவுகள் நிதிநிலைமை மற்றும் கடன் அனுமதி பொருத்து செயல்படுத்தப் படுகிறது. கடன் மூலம் நிதி ஒதுக்கீடு செய்து செயல்படுத்துவதால் அனுமதிக்கப் பட்ட அளவைவிட குறைவாக செலவாகியுள்ளது.</p> <p>RDSS திட்டத்தின் கீழ் ரூ. 1000 கோடி அளவிற்கு அனுமதி வழங்கப்பட்ட திட்டங்கள் செயல்படுத்துவதில் கால தாமதம் ஏற்பட்டதால் 22-23 ஆம் ஆண்டு மூலதன செலவு குறைத்துள்ளது. மேலும் அனல் மின் உற்பத்தி நிலையங்களில் மாசு கட்டுப்பாட்டு (FGD) நிலையம் அமைப்பதற்கான அனுமதி பெறப்பட்டு tender வழங்கும் பணி தாமதம் ஏற்படுவதால் ரூ. 400 கோடி அளவிற்கு பணிகள் செய்ய இயலவில்லை.</p> <p>கடந்த நிதியாண்டில் நிலையான சொத்துக்களுக்குண்டான தேய்மான செலவுகள் - ஒவ்வொரு சொத்துக்களின் உண்மையான மதிப்பில், நிறுவன சட்டத்தின் விதி மற்றும் மாண்பமை தமிழ்நாடு ஒழுங்குமுறை ஆணையத்தின் மின் கட்டண விதி 2005-ன் படி தேய்மான விகிதத்தை பயன்படுத்தி கணக்கிடப்பட்டுள்ளது இந்த தேய்மானத் தொகை ஏற்கனவே ஆணையத்தால் உத்தேசிக்கப்பட்ட அடிப்படையில்</p>

Comments	Reply of TANGEDCO
<p>குறைந்திருப்பதற்குரிய காரணம். ஆணையத்தின் உத்தரவை கடைபிடிக்கக்கூடாது என்ற நோக்கமா? அல்லது ஆணையம் கணக்குகளை பரிசீலிக்காமல் அடிப்படையற்ற முறையில் ஆணையம் உத்தரவு வழங்கியிருக்கிறதென்ற காரணமா?</p> <p>அட்டவணை எண். 14:</p> <p>ஆணையம் அனுமதித்த தேய்மானத்தை விட மாறுபட்ட தேய்மானம் தான் உண்மையானதென காட்டப்பட்டுள்ளது. இது எவ்வாறு சாத்தியம் என்பது தெளிவுபடுத்தப்பட வேண்டும்.</p> <p>மேலும் தேய்மானம் மனுவில் காட்டப்பட்டுள்ளது. ஆனால் கம்பெனி சட்டப்படியான Depreciation Reserve Fund குறித்து எதுவுமே குறிப்பிடப்படவில்லை. இந்த குறைபாடு சென்ற ஆண்டு உண்மைத்தன்மை மனுவிலும் சுட்டிக்காட்டப்பட்ட நிலையிலும் கம்பெனியின் சட்டப்படியான முழுமையான செயல்பாடு கைவிடப்பட்டதற்குரிய காரணம்.</p> <p>பத்தி எண்.3.16.1.</p> <p>“TANGEDCO submits that it has a basket of loans which are very difficult to identify separately for each of the capital loan in a distribution and generation segment. In such case no separate loans can be identified for separate projects distribution</p>	<p>அனுமதித்த. தேய்மான செலவைவிட கூடுதலாக உள்ளது. எனினும் உள்ளபடியான தேய்மானங்கள் இந்திய கணக்கியியல் தர நிலை முறைப்படி மறுமதிப்பீடு செய்யப்பட்ட நிலையான சொத்துக்களின் அடிப்படையில் கணக்கிடப்பட்டுள்ளதால் தேய்மான செலவினங்கள் அதிகரித்துள்ளது.</p> <p>மின் உற்பத்தி மற்றும் பகிர்மானத்திற்கு வாங்கப்பட கடன்கள் அடையாளப்படுத்தப்பட்டு அவற்றுக்கு பகிர்ந்தளிக்கப்பட்டு பின்னர் எஞ்சிய கடன்களின் விவரங்கள் அடையாளப் படுத்துவதில் கணக்கிட முடியாததால் ஒவ்வொரு மின் நிலையங்கள் மற்றும் விநியோக த்திற்கான மொத்த சொத்து மதிப்புகள் அடிப்படையில் கடன்கள் பகிர்ந்தளிக்கப்பட்டு, பின் அதற்கான வட்டி கணக் கிடப்பட்டுள்ளது.</p> <p>இந்த பங்கீட்டு முறையின் விளக்கங்கள் மாண்பமை மின்சார ஒழுங்குமுறை ஆணையத்தின் முந்தைய True up order மற்றும் Tariff order - ல் கொடுக்கப்பட்டுள்ளது.</p> <p>மின் உற்பத்தி நிலையங்களின் இணைப்பு படிவங்களில் படிவம் - 9B மொத்த சொத்து மதிப்பு, நடப்பாண்டில் சேர்க்கப்பட்டது. அதன் 30% விவரம் படிவம் 4ல் வழங்கப்பட்டுள்ளது.</p>

Comments	Reply of TANGEDCO
<p>function/power plants except in few cases.”</p> <p>மேலே உள்ளது மனுவின் வாசகம். வாங்கப்பட்ட கடனை வினியோகத்திற்கும் உற்பத்திக்கும் உரிய ய தகுந்த பிரிவுகளில் குறிப்பாக அடையாளப்படுத்தி கணக்கிட முடியாது என்று சொல்லப்பட்டிருக்கும் நிலையில் இந்த மனுவின் பல இடங்களில் வட்டி மற்றும் நிதிச்செலவுகள் உற்பத்திக்கும் வினியோகத்திற்கும் தனித்தனியாக பிரித்து கணக்கிடப்பட்டிருப்பது எவ்வாறு சாத்தியம் என்பதற்குரிய தெளிவான விவரம்.</p> <p>பத்தி எண். 3.16.3:</p> <p>இதில் குறிப்பிட்டிருப்பதுபோல் கடன்வாரியாக முதலீட்டு செலவு கணக்கிடப்பட்டிருக்கிறதா மற்றும் debt:equity 70:30 என்ற அடிப்படையிலான தொகை எவ்வளவு என்பது இந்த மனுவில் எங்குமே குறிப்பிடப்படவில்லை. மேற்கண்ட விகிதாசாரத்தின் அடிப்படையிலான தொகை எவ்வளவு என்ற விவரம்.</p> <p>அட்டவணை எண்.15:</p> <p>முந்தைய பத்தியில் குறிப்பிட்டுள்ளபடி கடன் சார்ந்த</p>	<p>ஒவ்வொரு மின் நிலையம் மற்றும் விநியோகத்திற்கான மொத்த சொத்து மதிப்பு அடிப்படையில் கடன்கள் பகிர்ந்தளிக்கப்பட்டுள்ளது.</p> <p>அட்டவணை 17ல் குறிப்பிடப்பட்டுள்ள பரமாரிப்பு பணிகளுக்கான திருத்திய விவரம் கூடுதல் பிரமாணப் பத்திரத்தில் வழங்கப்பட்டுள்ளது. NCTPS நிலையங்களுக்கான பரமாரிப்பு செலவு ரூ,386.73 கோடிகள் ஆகும்.</p> <p>During the FY 2022-23, Generation at NCTPS-I got affected mainly due to Milling system problem. All necessary measures were taken to rectify the Milling system issues and after rectification of Milling system, Generation at NCTPS-I got improved from Dec'22 onwards. The PLF of station has got improved during the financial year 2023-24 to 65.35 % from 56.79% (which was during the financial year 2022-23).</p> <p>பணி மூலதன செவவினங்களுக்கான வட்டி பின்வரும் மின்கட்டண ஒழுங்குமுறை விதி 26 மற்றும் 27ன் படி வழங்கப்படுகிறது.</p> <p>26. Working Capital</p> <p>1) The Commission may conduct lead-lag studies for determination of Working Capital requirement for various types of Generating Stations / Transmission system / distribution system to arrive at a formulaic dispensation to accommodate</p>

Comments	Reply of TANGEDCO
<p>கணக்குகள் தனித்தனியாக குறிப்பாக பிரித்து பயன்படுத்தாத நிலையில் இந்த அட்டவணையில் உள்ள விவரம் எந்த விவரத்தின் அடிப்படையில் தயாரிக்கப்பட்டது என்பதற்கான தெளிவான விவரம்.</p> <p>அட்டவணை எண்.17:</p> <p>இதிலுள்ள விவரங்களின் அடிப்படையில் பார்க்கும் பொழுது NCTP-ல் மின் உற்பத்தி மிகவும் குறைவாக இருக்கும் நிலையில் பராமரிப்பு பணிசெலவுகள் அபரிமிதமாக உயர்ந்து காணப்படுகிறது. குறைவான உற்பத்தி செய்யும் ஒரு நிலையத்திற்கு, அதுவும் புதிய நிலையத்திற்கு, அதிகப்படியான பராமரிப்பு செலவு செய்வதைவிட அந்தநிலையத்தையே கைவிட்டால் தேவையற்ற செலவுகள் குறைவதற்கு வாய்ப்பிருக்கும். எனவே முறையான உற்பத்தியே இல்லாத நிலையத்திற்கு அதிகப்படியான பராமரிப்பு செலவு எதற்காக செய்யப்படுகிறது என்பதற்குரிய தெளிவான விவரம்.</p> <p>அட்டவணைஎண்.18:</p> <p>முந்தையபத்தி 3.16.1 இல் குறிப்பிட்டுள்ள நிலையில் எந்த கடனில் எந்த முதலீடு செய்யப்பட்டுள்ளது என்பது அடையாளப்படுத்த முடியாத</p>	<p>improvement on norms mutually agreed to between the generators and purchasers.</p> <p>2) Till such a formula is evolved, the norms for Working Capital shall be as below:</p> <p>--</p> <p>e) For Distribution System</p> <p>(i) Operation and Maintenance expenses for one month</p> <p>(ii) Maintenance spares for two months based on annual requirement considered at 1% of the gross fixed cost at the beginning of the year.</p> <p>(iii) Receivable equivalent to sixty days consumption charges</p> <p>27. Interest on Working Capital The rate of interest on working capital shall be on normative basis and shall be equivalent to the short term primary lending rate of State Bank of India as on 1st April of the relevant year.</p> <p>பணி மூலதன செவவினங்களுக்கான வட்டி கணக்கீடு செய்யும் போது நுகர்வோரிடம் பெறப்படும் காப்புத் தொகையின் அளவிற்கு குறைத்து பின்னர் கணக்கீடு செய்யப்படும். அவ்வாறு கணக்கீடு செய்யும்போது 2022-23 ம் ஆண்டில் புதிய மின் கட்டணத்தின் அடிப்படையில் வருவாய் உயர்ந்துள்ளது, இதற்கு ஏற்ப கூடுதல் காப்பு தொகை வரும் காலங்களில் வசூல் செய்யப்படும் பட்சத்தில் பணி மூலதனம், வட்டியும்</p>

Comments	Reply of TANGEDCO
<p>சூழலில் இந்த அட்டவணையில் கண்டுள்ள முதலீடு எந்த அடிப்படையில் கணக்கிடப்பட்டுள்ளது என்ற விவரம்.</p> <p>மிகவும் முக்கியமாக இந்த அட்டவணையில் கண்டுள்ள வரிசை எண் .15 வினியோகத்திற்காக ஒழுங்குமுறை ஆணையம் ரூ.5.7 கோடி அனுமதித்திருக்கும்போது ரூ. 315 கோடி ஏன்? எதற்காக? எந்த அடிப்படையில் செலவிடப்பட்டது என்ற விவரம். மேலும் வைப்புநிதியை ஆணையம் கணக்கில் எடுத்துக்கொள்ளவில்லையென்று மனுவில் உள்ளது. working capital, வைப்புநிதி, மற்றும் வட்டி ஆகியவற்றிற்கும் ஆணையத்தின் ஒப்புதலுக்கும் எந்தவகையில் இணைப்பு ஏற்படுத்தப்படுகிறது என்ற தெளிவான விவரம்.</p> <p>அட்டவணைஎண்.21:</p> <p>இந்த அட்டவணையில் கண்டுள்ள சுமார் ரூ. 2000 கோடிக்கும் அதிகமான வித்தியாசத்திலிருந்து ஆணையம் வீதப்பட்டியல்லாத வருமானம் (Non Tariff Income) முறையாக பரிசீலிக்காமல் பொறுப்பற்ற முறையில் செயல்பட்டுள்ளது என்று</p>	<p>குறைய வாய்ப்புள்ளது.</p> <p>மின் கட்டணம் அல்லாத பிற இன வருமானம் முந்தைய ஆண்டுகளின் வசூல் அடிப்படையில் புதிய கட்டண விகித உயர்வினை கருத்தில் கொண்டு அனுமதி வழங்கப்பட்டுள்ளது, பிற இனங்களின் வருவாய் விவரங்கள் உயர் மற்றும் தாழ்வழுத்த பட்டியல் மூலம் வருவாய் இனங்களின் விவரம் கூடுதல் மனுவில் வழங்கப்பட்டுள்ளது.</p> <p>திருத்தப்பட்ட அட்டவணை 23 கூடுதல் மனுவில் திருத்தி வழங்கப்பட்டுள்ளது.</p> <p>2022-2023 மின் கொள்முதல் செலவு நீண்ட கால மின் கொள்முதலில் அதிகரித்ததிற்கான காரணம் தமிழ்நாட்டு மக்களுக்கு தடையற்ற மின்சாரம் வழங்குவதற்காக.</p> <p>1, இறக்குமதி செய்யப்பட்ட நிலக்கரியை எரிபொருளாகப் பயன்படுத்தும் தனியார் மின் உற்பத்தி நிறுவனங்களிடமிருந்து. மின்சார சட்டம் 2003, பகுதி -11 மற்றும் மத்திய மின் அமைச்சகத்தின் 28-04-2022 நாளிட்ட கடிதத்தில் குறிப்பிட்டுள்ள மின்னாற்றல் கட்டண விகிதத்தின்படி " Pass-Through" முறைப்படி மின் கொள்முதல் செய்யப்படுகிறது.</p>

Comments	Reply of TANGEDCO
<p>எடுத்துக்கொள்ளலாமா? என்பதற்குரிய விவரம்.</p> <p>அட்டவணை எண்.23:</p> <p>இந்த அட்டவணையில் கணக்குகள் சரியாக பொருந்தாமல் இருப்பதுடன் வினியோகத்திற்குரிய மொத்த செலவு கொஞ்சமும் பொருந்தாமல் ரூ.4000 கோடி அதிகமாக இருப்பதற்குரிய தெளிவான விவரம்.</p> <p>அட்டவணை எண்..27:</p> <p>ஒழுங்குமுறை ஆணையத்தின் அறிவுறுத்தல் மற்றும் உத்தரவுகளுக்கு உட்பட்டுதான் மின்வாரியம் செயல்பட வேண்டுமென்பது சட்டப்பூர்வமான நிலை. ஆனால் மின் கொள்முதலில் ஆணையத்தால் அனுமதிக்கப்பட்ட செலவைவிட சுமார் ரூ.10000 கோடி அதிகப்படியாக செலவு செய்யப்பட்டுள்ளதாக இந்த அட்டவணை குறிப்பிடுகிறது.</p> <p>ஆணையத்தின் அறிவுறுத்தல்படி செயல்படக்கூடாது என்பது தான் இந்த அதிகப்படியான செலவின் அடிப்படை நோக்கமா என்பதின் விவரம். மேலும் பின்கொள்முதல் என்பது ஆணையத்தின் முன் அனுமதியின் அடிப்படையில் தான் வாங்கப்பட வேண்டும். ஆனால் இந்த அட்டவணையைப் பார்க்கையில் உரிய</p>	<p>2, மத்திய மின் அமைச்சகம் 28-04-2022 நாளிட்ட கடிதத்தில் இறக்குமதி செய்யப்பட்ட நிலக்கரியை ஆறு சதவீதம் வரை உள்நாட்டு நிலக்கரியுடன் கலப்பதற்கான அனுமதியை வழங்கியுள்ளது.</p> <p>3, மின் தேவை அதிகரித்ததால் மின் கொள்முதல் அளவு அதிகரித்துள்ளது.</p> <p>தமிழ்நாடு மின்சார ஒழுங்குமுறை ஆணையத்தின் அனுமதி பெற்று மின் கொள்முதல் செய்யப்படுகிறது.</p> <p>ஆணையத்தால் அனுமதிக்கப்பட்ட வீதப்பட்டி ஒரு முழு ஆண்டிற்கான வருவாய் புதிய மின்கட்டண உயர்வு அடிப் படையில் வழங்கப்பட்டுள்ளது. ஆனால், புதிய மின் கட்டணஉயர்வு 10.09.2022 முதல் அமல்படுத்தப் பட்டதால் 162 நாட்கள் (01.04.2022 முதல் 09.09.2022 வரை) பழைய விகிதப் பட்டியலில் வசூல் செய்யப்பட்டுள்ளது. எனவே வருவாயில் மாறுப்பட்ட விற்பனை ஏற்பட்டுள்ளது.</p> <p>தமிழக அரசின் ஆணைப்படி நடத்தினை ஏற்றுக்கொள்வது என்பது RDSS திட்டத்தின் கீழ் 2021 -2022 ஆண்டு முதல் புதிய ஒழுங்குமுறை சொத்துக்கள் ஏதும் அனுமதி வழங்கக்கூடாது. மொத்த வருவாய் தேவைக்கு ஏற்ப மின் கட்டணம்</p>

Comments	Reply of TANGEDCO
<p>முன் அனுமதியை பெறப்பட்டதாக தெரியவில்லை. எனவே, ஆணையத்தின் முன் அனுமதி எந்தெந்த கொள்முதலுக்கு எவ்வளவு தொகைக்கு பெறப்பட்டது, ஆணையத்தின் முன் அனுமதியில்லாமல் எவ்வளவு கொள்முதல் என்ன விலைக்கு செய்யப்பட்டது என்பது தொடர்பான முழுமையான விவரம்.</p> <p>அட்டவணை எண்..28:</p> <p>ஆணையத்தால் நிர்ணயிக்கப்பட்ட வீதப்பட்டி அடிப்படையில் மின்சார விற்பனை செய்துள்ள நிலையில் ஆணையத்தால் குறிப்பிடப்பட்ட வருவாயை விட மாறுபட்ட விற்பனை மற்றும் விற்பனையாக இருப்பதற்குரிய தெளிவான காரணங்கள் அடங்கிய விவரம்.</p> <p>பத்தி 3.30.2:</p> <p>தமிழக அரசின் உத்தரவின்படி மின்வாரியத்தில் ஏற்படும் நிதி பற்றாக்குறையை முழுமையாக ஏற்றுக்கொள்ளும் நிலையில் ஆணையத்தால் ஏற்கனவே அனுமதிக்கப்பட்ட பல்லாண்டு வீதப்பட்டி கட்டணத்தை இனிவரும் ஆண்டுகளுக்கு அதிகரிக்க வேண்டிய அவசியத் தேவை உள்ளதா என்பதைக் குறித்த தெளிவான</p>	<p>உயர்த்தி வசூல் செய்யப்பட வேண்டும் என்பது நிபந்தனையாகும். ஆனால் தமிழக அரசு மக்களின் நலனைக் கருத்தில் கொண்டு தமிழ்நாடு மின் உற்பத்தி கழகத்திற்கு ஏற்படும் வருவாய் இழப்பீட்டை ஏற்றுக்கொள்ளுவதாக உறுதி அளித்து அரசு ஆணை எண் 40 நாள். 20.06.2022, அரசு ஆணை. எண் 50 நாள்.09.09.2022 மற்றும் அரசு ஆணை எண் 58 நாள் 27.10.2022 மூலம் 2021-22க்கான நட்டத்தினை வழங்கி உள்ளது. மேலும் மின் கட்டண உயர்வினால் மட்டுமே சரிகட்ட வேண்டிய வருவாய் பற்றாக்குறையை தமிழக அரசு ஏற்றுக்கொள்வது என்பது மேலும் தமிழக அரசிற்கு நிதிச்சுமையை அதிகரிக்கும் தற்போது 2022-23ம் ஆண்டிற்கான மின் மானியம் மற்றும் நஷ்டத்தினை ஈடு செய்யும் வகையில் மொத்தம் ரூ 24695.68 கோடிகள் தமிழக அரசு தமிழ்நாடு மின் உற்பத்தி மற்றும் பகிர்மானக் கழகத்திற்கு வழங்கி உள்ளது. இதனால் அரசுக்கு கடும் நிதிச்சுமை ஏற்படுகிறது. மேலும் எதிர்வரும் காலங்களில் வருவாய் பற்றாக்குறை ஏற்படாத வண்ணம் கட்டணம் நிர்ணயம் செய்ய வேண்டும் என்பதே RDSS திட்டத்தின் வழிகாட்டுதல் ஆகும்</p> <p>அனைத்து மின்உற்பத்தி நிலையங்களிலும் பல்வேறு மூலதன</p>

Comments	Reply of TANGEDCO
<p>விவரம். ஏனென்றால், வருவாய் பற்றாகக் குறையை தமிழக அரசு ஏற்றுக்கொள்ளும் நிலையில், ஏற்கனவே பயனீட்டாளர்களுக்கு அதிக சுமையை சுமத்தியிருக்கும் நிலையில் மேன்மேலும் பயனீட்டாளர்களை நேரடியாக மின்கட்டண அதிக சுமையால் துன்புறுத்தாமலிருக்க உரிய நடவடிக்கை மேற்கொள்வது குறித்த விவரம்.</p> <p>-----()-----</p> <p>மனுவில் இணைக்கப்பட்டுள்ள Annexure I மற்றும் அனல் மின் நிலைய வாரியாக ஏனைய இணைப்புகள் தொடர்பான கருத்துகள் மற்றும் ஆட்சேபணைகள் கீழே பட்டியலிடப்பட்டுள்ளன.</p> <p>படிவம் 7 இல் எந்த விவரமும் இல்லாமல் ஒரு தொகை மூலதனமாக்கப்பட்டதாக (capitalisation) காட்டப்பட்டுள்ளது. அனைத்து அனல் மின்நிலையங்களுக்கும் இதே முறைகடை பிடிக்கப்பட்டுள்ளது. இது எவ்வாறு என்பதின் தெளிவான விவரம்.</p> <p>படிவம் 10 பி : மொத்த நிலையான சொத்துடன் (Gross Fixed Assets) இந்த ஆண்டுக்குரிய மூலதனமும் சேர்க்கப்பட்டு, நிலையான சொத்து மதிப்பு உயர்த்தப்பட்டுள்ளது. தேய்மானம் என்று குறிப்பிடும்பொழுது,</p>	<p>பணிகள் மேற்கொள்ளப்பட்டு வருகிறது. இதற்கான நேரிடையாக செலவு செய்யப்படும் வருவாயின செலவினங்களை மூலதனமாக்கப்படுவது கணக்கு விதிகளின்படி நியாயமான நடவடிக்கை எனவே தான் பணியாளரின் ஊதியம், கட்டுமான காலங்களில் செய்யப்படும் வட்டி செலவினங்கள் போன்றவற்றை capitalization என்ற வகையில் மூலதன செலவினங்களுடன் சேர்க்கப்பட்டு விடும். இது அனைத்து மின் நிலையங்கள் மற்றும் மின் பகிர்மான மூலதன செலவினங்களுக்கும் பொருந்தும்.</p> <p>மூலதனம் செய்யப்பட்ட விவரங்கள் ஒட்டு மொத்தமாக வழங்கப்பட்டுள்ளது, IndAs முறைப்படி கணக்கீடு செய்யப்பட்ட தேய்மான செலவினங்கள் (இந்திய தர நிர்ணய கணக்கியல் முறைப்படி) அனுமதி அளித்த தொகையைக் காட்டிலும் அதிகமாக உள்ளது. மேலும் தேய்மானம் என்பது சொத்துகளின் மதிப்பில் கூடும் தொகை மற்றும் விடுவிக்கப்பட்ட சொத்துக்களின் நிகர தொகை போக மிதமுள்ள தொகைக்கு கணக்கீடு செய்யப்படுகிறது. எனவே ஒவ்வொரு ஆண்டும் கூடுதல் மூலதன செலவினங்கள் செய்யும் போது தேய்மானம் அதிகரிக்கிறது.</p>

Comments	Reply of TANGEDCO
<p>தேய்மானத் தொகை குறைக்கப்படாமல் எவ்வாறு உயர்ந்துக் கொண்டு செல்கின்ற என்ற விவரம். இதுவும் அனைத்து அனல் மின் நிலையங்களுக்கும் பொருந்தும்.</p> <p>படிவம் 13 “பி”இல் 1 யூனிட் மின் உற்பத்திக்கு பணியாளர் செலவு 0.81 என்று உள்ளது. ஆனால், பணியாளர் செலவையும் உற்பத்தி செய்யப்பட்ட மின்சார யூனிட்டையும் கணக்கிட்டுப் பார்க்கும்பொழுது 0.74 என்றாக உள்ளது. இதற்குரிய விவரம்.</p>	<p>பணியாளர் செலவு 0.81 என்பது நிகர மின் உற்பத்திக்கு (Net Generation) கணக்கீடு செய்யப்பட்டுள்ளது.</p> <p>பணியாளர் செலவு 0.74 என்பது மொத்த மின் உற்பத்திக்கான (Gross Generation) கணக்கீடு ஆகும்.</p> <p>MTPS_II Around 15% of Imported Coal utilized during the year 2022-23 which greatly helped MTPS-II to overcome the Ash design parameters technically.</p> <p>NCTPS_I A small quantity of Imported coal of 394 MT consumption was made at NCTPS-I.</p>
<p>படிவம் 10 இல் நிலக்கரியின் எரிதிறன் உள்நாட்டு மற்றும் வெளிநாட்டு இறக்குமதி செய்யப்பட்ட நிலக்கரியின் எரிதிறன் இணைத்துக் காட்டப்பட்டுள்ளது. எனவே உள்நாட்டு மற்றும் வெளிநாட்டு நிலக்கரி எவ்வளவு பயன்படுத்தப்பட்டது என்ற அளவுகளின் விவரம். இது அனைத்து அனல் மின் நிலையங்களுக்கும் பொருந்தும்.</p> <p>படிவம் 20 இல் குறிப்பிட்டுள்ள நிலக்கரியின் அளவில் 31.3.2022 தேதியில் கையிருப்பு கரி எவ்வளவு, 1.4.22 முதல் 31.3.2023 வரை வாங்கப்பட்ட கரி மற்றும் 31.3.2023 அன்றைய தேதியில் கையிருப்பு எவ்வளவு இருந்தது என்ற</p>	<p>Ministry of Power vide M.O.P. orders dt 01.08.2022 had advised State Gencos/IPPs, “to import 10% of the total requirement for blending in the back drop of very high demand”. Hence it is stated that as per the orders cited vide ref (2), procurement of import coal was made during 2022-23.</p> <p>The stake holders for the reasons for entries in the number on points raised in the adverse remarks of the Auditors Report for 2022-23, Compared to the previous year FY 2021-22. Because of the ERP related transactional issue, Ind AS related previous year issue, Legacy balances related long pending issues there are increased in the number of adverse remarks for which TANGEDCO has being taking</p>

Comments	Reply of TANGEDCO
<p>விவரங்கள். இந்த விவரம் அனைத்து நிலையங்களுக்கும்.</p> <p>படிவம் 21 இல் உண்மையான மின் உற்பத்தி எவ்வளவு என்று சொல்லப்பட்டுள்ளது. ஆனால் இந்தப் படிவத்தில் உள்ள விவரங்கள் மின் உற்பத்தியை கணக்கீடுவதற்கு போதுமானவையல்ல. எனவே அனைத்து அனல்மின் நிலையங்களிலுமுள்ள Generator Energy Meter - Reading கீழ்க்கண்ட விவரங்கள்.</p> <p>1.4.2022 அன்று 00.00 மணி மற்றும் 31.3.2023 அன்றுமின் அளவியில் உள்ள கடைசி அளவு ஆகியவற்றுடன் ஒவ்வொரு இயந்திரத்திற்கும் உரிய மின் அளவியில் பயன்படுத்தக்கூடிய பெருக்குத்தொகை (MF) விவரத்துடன். ஏனென்றால், எவ்வளவு மின்சாரம் உற்பத்தி செய்யப்பட்டுள்ளதென்பதை துல்லியமாக கணக்கீடுவது மின் அளவி மட்டும் தான்.</p> <p>படிவம் 22 இல் Specific consumption of coal மற்ற நிலையங்களுக்கும் அந்தந்த படிவங்களில் குறிப்பிடப்பட்டுள்ளது. இந்த நிலக்கரி பயன்பாடு என்பது உள்நாட்டு மற்றும் வெளிநாட்டு நிலக்கரி பயன்படுத்தப்பட்ட</p>	<p>effective measures duly engaging external consultancy firm, CA firms as internal Auditors, tightening the internal control measures etc.</p>

Comments	Reply of TANGEDCO
<p>அளவுகளின் அடிப்படையில் விரிவான கணக்கீடு விவரம்.</p> <p>இந்த இணைப்பில் கண்டுள்ள படிவங்களின் அடிப்படையில் வடசென்னை மற்றும் மேட்டூர் நிலையங்களில் உள்நாட்டு கரியும் இறக்குமதி செய்யப்பட்டுள்ள கரியும் பயன் படுத்தப்பட்டுள்ளதாக தெரிகிறது. 2 நிலையங்களிலும் சுமார் 40 இலட்சம் டன் உள்நாட்டு கரி பயன்படுத்தப்பட்டுள்ள நிலையில் சுமார் 4 லட்சம் டன் 'தான் வெளிநாட்டுக் கரி பயன்படுத்தப்பட்டுள்ளது. இதிலிருந்து தெரிவது என்னவென்றால், உள்நாட்டு கரியிடன சுமார் 10 விழுக்காடு மட்டுமே பயன்படுத்தப்படுகிறது.</p> <p>தொழில்நுட்பரீதியாகப் பார்த்தால் மிகக் குறைந்த அளவு வெளிநாட்டு கரி பயன்படுத்துவதால், கரி பயன்பாட்டில் எந்தவித பயன் தரக்கூடிய மாற்றமோ நடைபெற வாய்ப்பில்லை.</p> <p>இத்தகைய நிலையில் சுமார் 3 மடங்கு அதிக விலையில் இறக்குமதி செய்யப்பட்ட கரியால் மின் உற்பத்தியில் எந்த பயனும் ஏற்படாது. இறக்குமதிக்கே செலவு செய்யப்பட்ட தொகை வீண் விரயத்தில் தான் முடியும். எனவே, பயன்பாட்டில் எந்த வித குறிப்பிடத்தக்க மாற்றமும் ஏற்படுத்தாத</p>	

Comments	Reply of TANGEDCO
<p>அளவில் இறக்குமதி செய்யப்பட்ட கரி ஏன்? எதற்காக? எந்த நோக்கத்தில் இறக்குமதி செய்யப்பட்டது என்பதற்கான தெளிவான காரணங்கள் அடங்கிய விவரம்.</p> <p>Apart from the above, in the previous statutory audit reports for the year 2021-22, the adverse remarks were 75 numbers in the previous accounting system and 84 numbers in the IndAs system. In the statutory audit for 2022-23, the adverse remarks have risen to 95 numbers. Hence the real reason for such ever increasing adverse remarks may be disseminated to ensure transparency.</p>	
<p>Comments on Board of Directors Report</p> <p>1.Minutes and recommendations of all the 3 meetings of Audit Committee need to be disclosed.</p> <p>2.Board of Directors meeting minutes held on 10-3-2023 to know the transactions transparently.</p> <p>3.Details of irregularities detected by the Board of Directors, as it is required because of the comments of the C&AG communicated in his letter dt. 28-12-2023, this reveals the presence of irregularities. It seems that the C&AG may not have detected all the irregularities. But the BOD is duty bound to detect all the irregularities, as pointed out in the statutory audit adverse remarks. Hence to ascertain the going on nature of the Company, these details are to be disseminated for full fledged comments.</p> <p>4.Copy of the financial statement prepared by the Directors which carries their signatures so as to corroborate the responsibility of the Directors in the</p>	<p>SS - 1 SECRETARIAL STANDARD ON MEETINGS OF THE BOARD OF DIRECTORS</p> <p>Clause 7.7. Inspection and Extracts of Minutes 7.7.1 The Minutes of Meetings of the Board and any Committee thereof can be inspected by the Directors. A Director is entitled to inspect the Minutes of a Meeting held before the period of his Directorship.</p> <p>A Director is entitled to inspect the Minutes of the Meetings held during the period of his Directorship, even after he ceases to be a Director.</p> <p>The Company Secretary in Practice appointed by the company, the Secretarial Auditor, the Statutory Auditor, the Cost Auditor or the Internal Auditor of the company can inspect the Minutes as he may consider necessary for the performance of his duties.</p> <p>Inspection of Minutes Book may be provided in physical or in electronic form. While providing inspection of Minutes Book, the Company Secretary or the official of the company authorised by the Company</p>

Comments	Reply of TANGEDCO
<p>matter of keeping the Company sound and healthy.</p>	<p>Secretary to facilitate inspection shall take all precautions to ensure that the Minutes Book is not mutilated or in any way tampered with by the person inspecting. A Member of the company is not entitled to inspect the Minutes of Meetings of the Board.</p> <p>Section 118 of the Companies Act, 2013 – Rule- 25 of the Companies (Management and Administration) Rules, 2014</p> <p>Directors, Company secretary, Secretarial Auditor, Statutory Auditor, Cost Auditor, Internal Auditor can inspect the minutes. However, the members of the company are not entitled to inspect minutes. Extracts of the minutes of the meeting can be given only to the director of the company.</p> <p>Details of irregularity are being curtailed through several mechanism which is continuously enforced in the company.</p> <p>The financial statement are signed by the CFC/IND AS, Company Secretary, Director Finance, Director Distribution, Chairman and Managing Director as per the requirements of companies act and also available in the annual report, available in the Tangedco website. The Board of directors including the directors who signed the financial statement have approval in the Board of Directors meeting.</p>
<p>Comments on the Comments Certificate of C&AG dt. 28-12-2023 and the Management reply.</p> <p>1.It is accepted by the TANGEDCO in its reply that there is a misclassification of Rs. 137.03 Crore. It amounts to irregularity.</p> <p>2.The matter of Generator exciter assembly worth Rs. 22.04 Crore, was kept as inventory without treating as</p>	<p>Comments on the Comments Certificate of C&AG dt. 28-12-2023 and the Management reply</p> <p>The comments of the stakeholders that the errors, misclassification, non provision, non-disclosure of few transaction are in the nature of irregularities is not justifiable, compared to the voluminous transactions in TANGEDCO with decentralized functionality at circle</p>

Comments	Reply of TANGEDCO
<p>property. From the comments of the C&AG, it is evident that keeping high valued equipments under inventory is not permissible. Hence the action of the TANGEDCO amounts to another irregularity.</p> <p>3.A sum of Rs. 708.33 Crore is wrongly classified and it amounts to non-compliance to the Ind AS. There is least possibility for the officials concerned to be unaware of the proper accounting procedure. Accordingly it is another attempt practiced for another irregularity.</p> <p>4.It is claimed that an amount of Rs. 5860.82 Crore cash balance from the year 2020-21 needs reconciliation to ascertain the present actual cash balance. Naturally it amounts to fraud and embezzlement, as it does not reflect the proper accounting and it is a clear case of missing amount.</p> <p>5.Unaccounting of power purchase cost of Rs 30.23 Crore has resulted in understatement of power purchase cost. It is a clear case of displaying irresponsibility in the discharge of entrusted duties, which is also an irregularity.</p> <p>6.Understatement of current liability of Rs 284.73 Crore results in understatement of cost of power generation, which cannot be construed as a healthy accounting practice as it brims with irregularity.</p> <p>7.Nondisclosure of interest and dividend received amounting to Rs 378.56 Crore is a contravention to the Ind AS and hence accounting in future year account cannot be a right practice as claimed by Tangedco in its reply. It amounts to fraud and embezzlement, as it is a cash flow received in the current year.</p>	<p>level, the errors and omissions are less materiality aspects and proper rectification entries are being carried out in the book of accounts as per Indian accounting standard. The stake holders lack of understanding on the accounting practices being adopted and the statutory auditors report and AG Audit report, subsequent following by the company on the comments of the Audit report etc., is resulting to these undue remarks.</p>

Comments	Reply of TANGEDCO
<p>8.It is a clear case of unhealthy accounting procedure of not accounting Rs. 85.37 Crore being the non-moving material cost and a mere correction constitutes grave irregularity.</p> <p>9.Net impact of Rs. 342.82 Crore resulted in understatement of loss and reserving this loss to future years is total irregularity.</p>	
<p>Views of the Commission:</p> <p>The comments of the stakeholder and the reply made by the Licensee have been scrutinized and dealt with appropriately in the relevant chapter.</p> <p>The remarks not related to this petition in particular have not been taken by the Commission in this order.</p>	

7. M/s. TECA

Comments	Reply of TANGEDCO
<p>ARR True-Up, which involves Rs. 94,000 Crore of Public Money, has not been given wide publicity before deciding anything on the matter. By this way of web hosting the matter, it will never reach the attention of the Common Public in any manner. Some of the portions are not properly legible. A few such pages found not legible, as downloaded from the TANGEDCO website.</p> <p>Every set of True-Up of previous year ARR and determining the ARR and the Retail Tariff for the next year, shall be construed to be a complete Tariff Petition and it should be treated in that manner alone as per the provisions of law.</p> <p>Section 64 of the Electricity Act 2003, mandates that every applicant shall publish the abridged version of the Petition in the English/Vernacular Newspapers and the Commission shall issue a Tariff Order after considering all the suggestions of the Public as received.</p> <p>Section 7 of the Tariff Regulations, mandates that every applicant shall publish the abridged version of the Petition in the English/Tamil Newspapers and the Commission shall issue a Tariff Order after considering all the suggestions of the Public.</p>	<p>TANGEDCO filed the True-up petition based on the ARR approved in the MYT Tariff order 07 of 2022 dt. 09.09.2022 and Audited accounts for FY 2022-23 on 15.03.2024. Further MYT (FY 2022-23 to FY 2026-27) order has been issued after completing all the procedure as per the Electricity Act 2003, the Tariff Regulations and its amendments.</p> <p>In the Tariff Order No.7 of 2022 dt.09.09.2022 the Commission directed TANGEDCO to file true up petition every year. As per the direction in order to comply the directive the true up petition has been filed and admitted as M.P.No.12 of 2024 on 15.03.2024. The Commission directed to webhost the petitions for inviting comments and suggestions from stakeholders on 15.05.2024. The same is webhosted in the TANGEDCO website for submitting the comments on or before 04.06.2024. Therefore there is no lapse on the part of TANGEDCO in complying with the provision of Electricity Act 2003 and Tariff Regulation.</p> <p>The tariff order T.O.No.7 of 2022 dt.09.09.2022 in force at present wherein provisional tariff and (Regulatory Asset) are determined. Further based on true up petition the Regulatory Asset is redetermined. The approved Regulatory Asset has to be amortized over a period of 7 years.</p> <p>Publishing the abridged version of the Petition in the English/Tamil Newspapers is applicable to tariff petition only. However this is true up petition as per directive in T.O.No.9 of 2022 dt.30.06.2022.</p>
<p>While the Government of Tamil Nadu is obligated to pay to the TANGEDCO, only on</p>	<p>As for as taking of losses of TANGEDCO by GoTN is considered the following are stated:</p>

Comments	Reply of TANGEDCO
<p>the Schemes announced by the Government for providing free power, concessional tariff etc., for certain categories of consumers, on the proposal to take over the expenditure over revenue of Rs. 13811 Crore, by the Government, we do not find any supporting provisions under the Electricity Act 2003, to take over such gaps in the expenditure over revenue.</p>	<ul style="list-style-type: none"> • As per UDAY MoU the book losses of FY 2016-17 to FY 2020-21 are taken at 5%, 10%, 25%, 50% and 50% respectively. • As per RDSS standard operating procedure issued by Ministry of Power notification dated 20.07.2021 no new Regulatory Assets has to be created. • The GoTN vide G.O. (Ms) No. 38 dt.18.08.2021 has agreed to take over 100% losses of TANGEDCO from FY 2021-22 onwards • As per the additional borrowings of 0.5% of GSDP linked to performance in power sector norms given by Ministry of Finance to GOTN 75% of gross loss need to be taken over by GOTN.(Gross loss=book loss+loss funding during the year) • The Gross loss = Book loss As per balance sheet + loss funding received during the year. <p>Therefore taking over of losses of Discom is a per terms and conditions of different schemes of GoI only.</p> <p>a. The petition was webhosted as per the direction of the Commission in its daily order dt.14.05.2024. There is no direction to publish in the newspaper.</p> <p>b. Also the time has been given for a period of 21 days from 15.05.2024 to 04.06.2024 as per the direction of the Commission in its daily order dt.14.05.2024.</p> <p>c. The tariff has been determined by the Commission for the MYT period from FY 2022-23 to FY 2026-27 in the T.O.No.7 of 2022 dt.09.09.2022.</p>
<p>Views of the Commission:</p> <p>The comments of the stakeholder and the reply made by the Licensee have been scrutinized and dealt with appropriately in the relevant chapter.</p> <p>As regards the issue of webhosting the Tariff Petition for comments from the Stakeholders, similar</p>	

Comments	Reply of TANGEDCO
<p>approach is followed in other States where true-up Order is issued separately and is within the ambit of the Electricity Act and the Tariff Regulations. The Stakeholders were provided ample time for submission of the comments on the Petition submitted.</p>	

8. M/s. TANSTIA

Comments	Reply of TANGEDCO
<p>Since the LT Industrial consumer have paid all the infrastructure charges in full, it is not viable for the industries to pay every month additional fixed charges. Which will make the industry in Tamilnadu not viable.</p>	<p>1. In July 2022, the Multi year tariff petition was submitted by TANGEDCO before the Commission, in which, by considering the various representations from the Micro, Small and Medium industrial consumers, the proposed Fixed charges of Rs.100 /month was reduced to Rs.75/month for connected load upto 50 kW and the proposed fixed charges for connected load of above 50 kW to 100 kW was reduced from Rs.325/Month to Rs.150/Month and for connected load of above 100 kW to 112 kW the proposed fixed charges was reduced from Rs.600/Month to Rs.150/Month, and the fixed charges of the same was changed by obtaining approval from the Commission. In this regard, the revenue loss to TANGEDCO was Rs. 2000 Crore per annum. Similarly, for HT Industries, the proposed fixed charges was reduced from Rs.600/Month to Rs.550/Month and the same was approved by the Commission vide Tariff No.7 of 2022 dated:09.09.2022.</p> <p>2. Considering the welfare and the request of various of Micro, Small and Medium industries , peak hour charges has been reduced from 25% to 15% vide G.O.Ms.No.79 dt:8.11.2022 ad the same was being implemented. Due to this reduction of peak hour charges, additional subsidy commitment of Rs.145 Crore per annum to Government of Tamil Nadu and around 3.11 Lakhs industries are being benefitted.</p> <p>3. While implementing the Multi year tariff order, it was ensured that the public /industries are not harmed due to increase in tariff from 01.07.2023. So, the rate of electricity tariff increase has been re-examined i.e.while the tariff was increased in September last year, the price index of August 2022 has been taken into account instead</p>

Comments	Reply of TANGEDCO
	<p>of the price index of April 2022. Hence, the tariff increase has been reduced from 4.7% to 2.18%, and the Commission has issued the Suo-motu tariff order vide order No: 6, 2023 dated 30.06.2023 with effect from 01.07.2023. As a result, TANGEDCO's LT industrial revenue was reduced to Rs. 175 Crore per year.</p> <p>4. The Commission has issued an order to change the electricity tariff for small enterprises from LT Tariff III B to LT Tariff III A(1) having connected load less than 12 kilowatts. Because of this, TANGEDCO will incur an additional revenue loss of Rs.75 Crore.</p> <p>5.For Seasonal Industries, in order to enable them to reduce the Fixed Charges, dynamic reduction of load within their sanctioned demand and increase the demand as and when required within their sanctioned demand without any charges is permitted. This facility is available four times in a year.</p> <p>6. Also, the Fixed charges for small and micro industries are very low in Tamil Nadu as compared to other South Indian States. (Andhra- Rs. 292, Karnataka- Rs. 275, Kerala- Rs. 220, Tamil Nadu- Rs. 161). Other States charge E.Tax of 10 to 15 percent and also includes fuel price in other South Indian States. In doing so, electricity charges are hiked every quarter or month.</p> <p>7. While various concessions have been given, GoTN has given an additional concession for non collection of peak hour charges for LT III B industries, till the installation of smart meters vide G.O.Ms. No.75 dt:10.11.2023 and the same is being implemented. Due to this non collection of peak hour charges, there would be additional subsidy commitment of Rs.189 Crore per annum to Government of TamilNadu and around 3.11 Lakhs industries are being benefitted.</p>

Comments	Reply of TANGEDCO
	<p>8. In the above government order dated 10.11.2023 of the Government of Tamil Nadu, Solar Roof top Network Charges have been reduced by 50% for Micro, Small and Medium Enterprises (LT III B) from 10.11.2023. Due to this 50% reduction of Network charges ,there would be additional subsidy commitment of Rs.7.31 Crs per annum to Government of Tamil Nadu and around 3.11 Lakhs industries will be benefitted. Thus all the Micro, Small and Medium Industries (in LT III B) who generate power through Solar Rooftop installations will be benefitted.</p>
<p>The depreciation claimed for distribution is much higher than approved by the Commission i.e., Rs. 2537.58 Crore is being claimed instead of approved value of Rs. 1585.65 Crore. The assets have been purchased through fixed cost charged on Industries. So the additional burden of depreciation expenditure should not be thrust on industries or else the fixed charges should be restored to old values.</p>	<p>The Depreciation on distribution Assets has witnessed increased compared to the provisionally arrived depreciation at the time of filing ARR Petition as per IGAAP (Indian Generally Accepted Accounting Principles) wherein the depreciation was calculated only based on the provisions of the Tariff Regulations. However in the true up petition the depreciation is based on audited Balance sheet which is calculated as per provision in Indian Accountancy Standard (IndAs).</p>
<p>Views of the Commission:</p> <p>The comments of the stakeholder and the reply made by the Licensee have been scrutinized and dealt with appropriately in the relevant chapter.</p>	

9. M/s. IWPA

Comments	Reply of TANGEDCO
<p>ARR True-Up, which involves Rs. 94,000 Crore of Public Money, has not been given wide publicity before deciding anything on the matter. By this way of web hosting the matter, it will never reach the attention of the Common Public in any manner. Some of the portions are not properly legible. A few such pages found not legible, as downloaded from the TANGEDCO website.</p> <p>Every set of True-Up of previous year ARR and determining the ARR and the Retail Tariff for the next year, shall be construed to be a complete Tariff Petition and it should be treated in that manner alone as per the provisions of law.</p> <p>Section 64 of the Electricity Act 2003, mandates that every applicant shall publish the abridged version of the Petition in the English/Vernacular Newspapers and the Commission shall issue a Tariff Order after considering all the suggestions of the Public as received.</p> <p>Section 7 of the Tariff Regulations, mandates that every applicant shall publish the abridged version of the Petition in the English/Tamil Newspapers and the Commission shall issue a Tariff Order after considering all the suggestions of the Public.</p>	<p>TANGEDCO filed the True-up petition based on the ARR approved in the MYT Tariff order 07 of 2022 dt. 09.09.2022 and Audited accounts for FY 2022-23 on 15.03.2024. Further MYT (FY 2022-23 to FY 2026-27) order has been issued after completing all the procedure as per the Electricity Act 2003, the Tariff Regulations and its amendments.</p> <p>In the Tariff Order No.7 of 2022 dt.09.09.2022 the Commission directed TANGEDCO to file true up petition every year. As per the direction in order to comply the directive the true up petition has been filed and admitted as M.P.No.12 of 2024 on 15.03.2024. The Commission directed to webhost the petitions for inviting comments and suggestions from stakeholders on 15.05.2024. The same is webhosted in the TANGEDCO website for submitting the comments on or before 04.06.2024. Therefore there is no lapse on the part of TANGEDCO in complying with the provision of Electricity Act 2003 and Tariff Regulation.</p> <p>The tariff order T.O.No.7 of 2022 dt.09.09.2022 in force at present wherein provisional tariff and (Regulatory Asset) are determined. Further based on true up petition the Regulatory Asset is redetermined. The approved Regulatory Asset has to be amortized over a period of 7 years.</p> <p>Publishing the abridged version of the Petition in the English/Tamil Newspapers is applicable to tariff petition only. However this is true up petition as per directive in T.O.No.9 of 2022 dt.30.06.2022.</p>

Comments	Reply of TANGEDCO
<p data-bbox="188 293 520 324">Views of the Commission:</p> <p data-bbox="188 360 1449 445">The comments of the stakeholder and the reply made by the Licensee have been scrutinized and dealt with appropriately in the relevant chapter.</p> <p data-bbox="188 479 1449 660">As regards the issue of webhosting the Tariff Petition for comments from the Stakeholders, similar approach is followed in other States where true-up Order is issued separately and is within the ambit of the Electricity Act and the Tariff Regulations. The Stakeholders were provided ample time for submission of the comments on the Petition submitted.</p>	

10. M/s. TASMA

Comments	Reply of TANGEDCO
<p>ARR True-Up, which involves Rs. 94,000 Crore of Public Money, has not been given wide publicity before deciding anything on the matter. By this way of web hosting the matter, it will never reach the attention of the Common Public in any manner. Some of the portions are not properly legible. A few such pages found not legible, as downloaded from the TANGEDCO website.</p> <p>Every set of True-Up of previous year ARR and determining the ARR and the Retail Tariff for the next year, shall be construed to be a complete Tariff Petition and it should be treated in that manner alone as per the provisions of law.</p> <p>Section 64 of the Electricity Act 2003, mandates that every applicant shall publish the abridged version of the Petition in the English/Vernacular Newspapers and the Commission shall issue a Tariff Order after considering all the suggestions of the Public as received.</p> <p>Section 7 of the Tariff Regulations, mandates that every applicant shall publish the abridged version of the Petition in the English/Tamil Newspapers and the Commission shall issue a Tariff Order after considering all the suggestions of the Public.</p>	<p>TANGEDCO filed the True-up petition based on the ARR approved in the MYT Tariff order 07 of 2022 dt. 09.09.2022 and Audited accounts for FY 2022-23 on 15.03.2024. Further MYT (FY 2022-23 to FY 2026-27) order has been issued after completing all the procedure as per the Electricity Act 2003, the Tariff Regulations and its amendments.</p> <p>In the Tariff Order No.7 of 2022 dt.09.09.2022 the Commission directed TANGEDCO to file true up petition every year. As per the direction in order to comply the directive the true up petition has been filed and admitted as M.P.No.12 of 2024 on 15.03.2024. The Commission directed to webhost the petitions for inviting comments and suggestions from stakeholders on 15.05.2024. The same is webhosted in the TANGEDCO website for submitting the comments on or before 04.06.2024. Therefore there is no lapse on the part of TANGEDCO in complying with the provision of Electricity Act 2003 and Tariff Regulation.</p> <p>The tariff order T.O.No.7 of 2022 dt.09.09.2022 in force at present wherein provisional tariff and (Regulatory Asset) are determined. Further based on true up petition the Regulatory Asset is redetermined. The approved Regulatory Asset has to be amortized over a period of 7 years.</p> <p>Publishing the abridged version of the Petition in the English/Tamil Newspapers is applicable to tariff petition only. However this is true up petition as per directive in T.O.No.9 of 2022 dt.30.06.2022.</p>
<p>While the Government of Tamil Nadu is obligated to pay to the TANGEDCO, only on</p>	<p>As for as taking of losses of TANGEDCO by GoTN is considered the following are stated:</p>

Comments	Reply of TANGEDCO
<p>the Schemes announced by the Government for providing free power, concessional tariff etc., for certain categories of consumers, on the proposal to take over the expenditure over revenue of Rs. 13811 Crore, by the Government, we do not find any supporting provisions under the Electricity Act 2003, to take over such gaps in the expenditure over revenue.</p>	<ul style="list-style-type: none"> • As per UDAY MoU the book losses of FY 2016-17 to FY 2020-21 are taken at 5%, 10%, 25%, 50% and 50% respectively. • As per RDSS standard operating procedure issued by Ministry of Power notification dated 20.07.2021 no new Regulatory Assets has to be created. • The GoTN vide G.O. (Ms) No. 38 dt.18.08.2021 has agreed to take over 100% losses of TANGEDCO from FY 2021-22 onwards • As per the additional borrowings of 0.5% of GSDP linked to performance in power sector norms given by Ministry of Finance to GOTN 75% of gross loss need to be taken over by GOTN.(Gross loss=book loss+loss funding during the year) • The Gross loss = Book loss As per balance sheet + loss funding received during the year. <p>Therefore taking over of losses of Discom is a per terms and conditions of different schemes of GoI only.</p> <p>a. The petition was webhosted as per the direction of the Commission in its daily order dt.14.05.2024. There is no direction to publish in the newspaper.</p> <p>b. Also the time has been given for a period of 21 days from 15.05.2024 to 04.06.2024 as per the direction of the Commission in its daily order dt.14.05.2024.</p> <p>c. The tariff has been determined by the Commission for the MYT period from FY 2022-23 to FY 2026-27 in the T.O.No.7 of 2022 dt.09.09.2022.</p>
<p>Views of the Commission:</p> <p>The comments of the stakeholder and the reply made by the Licensee have been scrutinized and dealt with appropriately in the relevant chapter.</p> <p>As regards the issue of webhosting the Tariff Petition for comments from the Stakeholders, similar</p>	

Comments	Reply of TANGEDCO
<p>approach is followed in other States where true-up Order is issued separately and is within the ambit of the Electricity Act and the Tariff Regulations. The Stakeholders were provided ample time for submission of the comments on the Petition submitted.</p>	