



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

Vidyut Niyantrana Bhavan, Adjacent to 220/132/33/11 kV, AP Carbides
Sub Station, Dinnedevarapadu Road, Kurnool - 518 002, Andhra Pradesh
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Press Note Dated 09.09.2024

Multi-Year Order on the Determination of Tariffs of APGENCO Generating stations for the 5th Control period (FY2024-25 to FY2028-29)

The AP Electricity Regulatory Commission (APERC), Kurnool, issued a Multi-Year Order today covering the Financial Years 2024-25 to 2028-29 regarding the Determination of Tariffs of APGENCO Generating Power Stations for the 5th Control period. Disposing of the petition filed by APGENCO vide O.P.No.79 of 2023, the Commission determined Tariffs of APGENCO Generating stations for the 5th Control period duly considering all aspects and public objections /views/suggestions from different stakeholders and upon following the procedure prescribed under Section 64 of the Electricity Act, 2003. The Order may be downloaded from the Commission's website: www.aperc.in. The important statistics in the order are as follows:

i. Additional Capital Expenditure incurred during the 4th CP

Year	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Total
Filed	29.32	127.67	42.23	7.63	10.99	1.59	219.44
Approved	0.00	124.55	40.93	7.95	10.34	0.49	184.26

ii. Depreciation for 5th CP (Rs. Cr.)

Year	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	5th CP
Filed	294.65	336.02	382.57	382.57	382.57	1,778.38
Approved	297.98	297.98	297.38	297.38	297.38	1,488.11

iii. O&M Expenses for 5th CP (Rs. Cr)

Year	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	5th CP
Filed	2,210.44	2,294.65	2,382.15	2,473.04	2,567.47	11,927.75
Approved	1,742.99	1,832.43	1,926.43	2,025.26	2,129.04	9,656.15

iv. Return on Capital Employed (RoCE) for 5th CP (Rs. Cr)

Year	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Filed	1,009.95	1,029.43	1,044.18	1,002.00	961.03	5,046.59
Approved	994.00	950.25	918.69	887.42	856.36	4,606.71

v. Additional Interest on Pension Bonds for 5th CP (Rs. Cr)

Year	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Filed	1,602.94	1,647.31	1,691.49	1,742.78	1,784.13	8,468.65
Approved	1,487.89	1,554.34	1,617.93	1,725.89	1,811.21	8,197.26

vi. Annual Fixed charges station/stage wise & Other charges (Rs. Cr.)

Year	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Filed	5198.10	5391.36	5588.32	5693.02	5791.69	27662.49
Approved	4,593.96	4,709.49	4,838.47	5,017.72	5,179.66	24339.3

vii. Energy Charges/Variable cost

Station		Dr.NTTPS- I, II,III	Dr.NTTPS -IV	RTPP- I, II, III	RTPP IV
Filed	Energy Charges (Rs./kWh)	4.44	4.17	4.44	4.11
Approved		4.26	4.01	4.40	4.10

The following are the highlights of the Order:

1. Approval is accorded for the Renovation and Modernisation (R&M) works of APGENCO's old power plants. In this regard, APGENCO is directed to undertake the R&M works by conducting transparent, competitive bidding. Its impact in the Tariff will be considered based on the actuals on filing a petition by APGENCO.
2. APGENCO is directed to place its audited reports on its website.
3. The Commission has not considered the impact of wage revision in approving the O&M costs of power plants. However, the True-Up provision has been incorporated.
4. **APGENCO is advised to pay salaries to its employees in a timely manner and make statutory pension contributions to employees' pension trusts.**
5. To overcome the coal shortages, the Government is advised to intervene and back APGENCO to address all logistical issues, improve APGENCO's performance, and lessen DISCOMS' dependence on power markets to maintain the 24X7 power supply to end consumers.
6. **The Commission held that it is APGENCO's responsibility to maintain the required coal stocks at their respective stations as per the norms. In case there is a deviation of more than 10 per cent from the norm, DISCOMS were permitted to file a petition before the Commission under section 142 for violation of the above direction, besides seeking recovery of working capital corresponding to the shortfall of coal stock.**
7. **The Commission directed the DISCOMS to make PP cost payments to APGENCO as per the PPA approved by the Commission by its order dated 06.03.2024. Any violation of this direction entitles APGENCO to initiate proceedings against the DISCOMS under Section 142 of the Electricity Act, in addition to regulating power supply as per Rule 6 of the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022.**
8. APGENCO is directed to submit its action plan within two months to comply with the CEA (Flexible Operation of Coal-based Thermal Generating Units) Regulations, 2023. The Regulations prescribe the minimum turn-down level

of thermal power plant's generation and their ramp rates for flexible operation to take care of the intermittency in RE Generation,

9. APGENCO is also directed to furnish DISCOMS with complete information regarding coal costs in monthly bills to ensure transparency in APGENCO's electricity billing.
10. APGENCO is directed to file its Annual Performance Review Petition hereafter.



Commission Secretary(i/c)

APERC