



TRANSMISSION CORPORATION OF TELANGANA LIMITED
VIDYUT SOUDHA: HYDERABAD

Web: www.tstransco.in

CIN No: U40102TG2014SGC094248

TSTRANSCO – Engagement of M/s KPMG India Services LLP for providing the consultancy services to TSTRANSCO, TSPCC and TSGENCO for the period of 24 months – Sanction Accorded - Regarding.

T.O.O. (CE - Comml & RAC)/Ms. No. 835

Dt: 05-09-2020

Read the following: -

- Ref:- 1) Letter of Engagement(LoE) submitted by M/s KPMG, Dated:24-06-2020.
2) Revised LoE submitted by M/s KPMG, Dated:15-07-2020.
3) Minutes of the 38th Board Meeting of TSTRANSCO held on 29th July,2020.
4) CMD Approval vide Regd.No.1231, Dt: 07-08-2020 &
JMD Approval vide Regd.No.2935, Dt: 06-08-2020.

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ORDER:

In the reference 4th cited above, the approval has been accorded to engage M/s KPMG India Services LLP for providing consultancy support to TSTRANSCO, TSPCC and TSGENCO with the total fixed amount of **INR 2,31,24,000 (including OPEs & Excluding taxes)** towards the fee for the period of 24 months (12.08.2020 to 11.08.2022) subject to Terms and conditions. The said amount is inclusive of out of pocket expenses(OPEs) and excluding goods and service tax. Goods and Service tax is payable as applicable from time to time.

The detailed breakup of total fixed amount is as follows:

Type of Resource & % Time	No of Resource	Total Per month - Consolidated fee for first year	Total Per month - Consolidated fee for Second year (13 th month onwards with a cost escalation of 5%)
Senior Resource (30% time)	1	INR 9,40,000	INR 9,87,000
Junior Resource (100% time)	2		
Total Monthly Fee (including OPEs & Excluding taxes)		INR 9,40,000	INR 9,87,000
GST @ 18%		INR 1,69,200	INR 1,77,660
Total Monthly Fee (Including GST @ 18%)		INR 11,09,200	INR 11,64,660
Consolidated Fixed Amount for 24 months (Inc. GST @18%)		INR 2,72,86,320/-	

The scope of work of M/s KPMG is to assist TSTRANSCO, TSPCC and TSGENCO as follows:

A. Strategic cell to TSTRANSCO / GENCO to support on the following initiatives

Support in implementing long-term strategic initiatives to improve sustainability of TS Utilities

- Assist in preparing business case, conducting cost benefit analysis, evaluating relevant proposal received from central utilities, regulators etc.
- Support in monitoring of implementation of various initiatives
- Business process review for better effectiveness and transparency based on best practices in other utilities of power sector
- Assist CMD in coordinating inter and intra departmental project inception and implementation where required

Strategy support to address seasonal variations in power demand

- Review of potential existing options available to the state from supply & demand side to meet LIS loads and Agriculture loads owing to seasonal variations in demand especially during the operative periods of pumping loads
- Assist TSTRANSCO in possible energy banking (MW & MUs) with complimentary states (states to be identified) or even look for different procurement options (combination of solar and hybrid product) to meet the deficits in an optimal way.

Maintenance strategy to optimize TSGENCO plants considering seasonal variations

- Assess and define the most optimal maintenance strategy of TSGENCO stations that shall go for planned shut down during each season.

Strategy to reduce Transmission charges under new POC mechanism

- Detailed study of all India Transmission network and identifying node wise generation/demand, load flow study simulations
- Identification of inter-state lines to reduce intra state transmission charges on Discoms
- Regulatory support for inclusion of non-ISTS lines carrying ISTS power and natural ISTS lines in PoC mechanism

Strategy to meet RPPO in the state

- Identify the required MUs (Non-Solar & Solar) to be procured for meeting RPPO based on the future energy mix
- Identify the least cost based alternative option to procure additional RE (Solar and Non- Solar) for meeting RPPO

Strategy for evaluating implementation of FGD as per new norms issued for thermal plants by MoEF

- Assess the overall capex requirement for implementation of the above and the likely generation loss for the shutdown period and its impact on fixed cost (levelized)
- Prioritizing the thermal plants for implementation of FGDs given the

installation of FGD needs to be carried out in a phased manner considering the residual life of the thermal stations

- Comprehensive regulatory support to seek approval from TSERC for the required investments

Strategy support in optimization existing power cost

- Assess the current energy mix (Thermal, RE sources and other CGS stations, IPPs) and their associated power purchase cost
- Impact assessment of existing energy mix on long term power purchase cost and identify the scope for any interventions

Strategy support for implementing least cost based power procurement strategy for the future

- Assess different options for meeting the deficit and identify the optimal energy mix (Thermal, RE sources, hybrid, storage technologies) based on the retirement life existing thermal, current market trend and projected growth trend of RE Sources
- Formulation of action plan for achieving the proposed/identified optimal energy mix to overcome the deficits

Support to CMD cell on day to day basis

- Support in monitoring and implementation of various key initiatives
- Assist TS TRANSCO in reporting to other agencies including Govt., TSERC, CEA, MNRE other agencies on any specific matters
- Provide regular updates on any new state and central regulations and policies and their impact on the state power sector
- Assist CMD in any other areas, as required on a case to case basis

B. Chief Analytical Cell to define the governance structure, MIS and to monitor the KPIs

- Understand the current management infrastructure related to KPI's, MIS & Governance structure
- Evaluate alignment to overall objective of TSTRANSCO
- Develop the to-be Management infrastructure covering the following
 - Identify and define Organizational level KPI's and develop KPI's trees to drill down top level KPI's to each department
 - MIS framework to capture & report performance of key KPI's which shall include MIS templates for reporting KPI's, identifying reliable/relevant data sources, defining frequency of data capture, responsibility for KPI reporting etc.
 - Institutionalize governance structure to enable regular review of performance and course correction
- Set up baselines for all efficiency and reliability KPIs
- Assist TSTRANSCO in conducting periodic review meeting by coordinating with various stakeholders for the identified initiatives to review their progress and issue resolution

- The above mentioned scope is indicated. However, actual scope of work may vary based on the requirements of TSTRANSCO and KPMG shall work directly under the supervision of TSTRANSCO/TSGENCO.
- Consultants staffed at TSTRANSCO/TSGENCO will undertake work as per the directions given by CMD/JMD/ Directors of TSTRANSCO & TSGENCO.

M/s KPMG would be submitting invoices to the Chief Engineer (Comml & RAC) /TSTRANSCO on monthly basis along with monthly status report and payment schedule along with certified copies from concerned Chief Engineers/TSTRANSCO, TSPCC & TSGENCO for the man-days claimed with all tax receipts.

Payment shall be arranged through Pay Officer/TSTRANSCO after approval of Progress report by CMD / TSTRANSCO.

As the consultancy services provided by M/s KPMG to TSTRANSCO, TSPCC and TSGENCO, as decided in the reference 3rd cited above, the 1/3rd (one-third) of the total fixed amount to be shared by TSGENCO.

These orders are issued with concurrence of the Joint Managing Director (Finance, Comml. & HRD) vide Regd.No. 2935, Dt: 02-09-2020.

D.PRABHAKAR RAO
CHAIRMAN & MANAGING DIRECTOR

To:

The Chief Engineer / Comml. & RAC/TSTRANSCO/VS/Hyderabad.

Copy to:

- 1) Executive Director/Commercial/TSPCC/VS/Hyderabad.
- 2) Executive Director/Finance/TSTRANSCO/VS/Hyderabad.
- 3) Chief Engineer/Coal & Commercial/TSGENCO/VS/Hyderabad.
- 4) FA&CCA/Accounts & CFO/TSTRANSCO/VS/Hyderabad.
- 5) FA&CCA/Accounts/TSGENCO/VS/Hyderabad.
- 6) SE/Tech to Chairman & Managing Director/TSGENCO/VS/Hyderabad.
- 7) SE/Tech to Chairman & Managing Director/TSTRANSCO/VS/Hyderabad.
- 8) Dy.CCA to Director (Finance)/TSGENCO/VS/Hyderabad.
- 9) PS to Chairman & Managing Director/TSTRANSCO/VS/Hyderabad.
- 10) PS to Chairman & Managing Director/TSGENCO/VS/Hyderabad.
- 11) PS to Joint Managing Director (Fin., Comml. & HRD)/TSTRANSCO/VS/Hyderabad.
- 12) PS to Director (Transmission)/TSTRANSCO/VS/Hyderabad.
- 13) PS to Director (Projects)/TSTRANSCO/VS/Hyderabad.
- 14) PS to Director (Grid operations)/TSTRANSCO/VS/Hyderabad.
- 15) PS to Director (LIS)/TSTRANSCO/VS/Hyderabad.

//FORWARDED BY ORDER//

DIVISIONAL ENGINEER(PLANNING)