

**Southern Power Distribution Company of Telangana Ltd. (TGSPDCL)**



**Final Consolidated Responses to Objections / Suggestions**

**On**

**Filings of Revised ARR, FPT & CSS proposals of Retail Supply Business for FY 2026-27**

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65.	<b>Rice Millers Association Telangana State</b> Office : Flat No. 108, Taj Enclave, Beside Meera Theatre, Khairatabad, Hyderabad - 500 004	338
66.	<b>UPPAL NOTIFIED MUNICIPAL INDUSTRIAL AREA SERVICE SOCIETY</b> (Regd. No. 1857/ 16 Dated 04.04.1996) K-2,Plot No. 9, RPR-UPL-NH 202, IDA, UPPAL, HYDERABAD - 500 039.	340
67.	<b>I. Gopinath, Chief Executive Officer</b> SOUTH INDIAN CEMENT MANUFACTURERS' ASSOCIATION, Administrative Office: 3rd Floor, 36th Square, Plot no. 481, Road no. 36, Jubilee Hills, Hyderabad - 500034, Telangana, India.	364



**1. Response to Mr. M Venugopala Rao**

<b>S.No.</b>	<b>Summary of Objections / Suggestions</b>	<b>Response of the Licensee</b>
1.	The projected revenue gap works out to 30% of projected ARR. Though the DISCOMs have not proposed any tariff revision, they have not made submissions as to how they would bridge the projected revenue gap. By implication, it may be considered that for bridging the revenue gap to be determined by the Hon'ble Commission, the state government may agree to provide required subsidy. We welcome such a development.	TGDISCOMs humbly request Government of Telangana to fulfill the requested revenue gap. TGDISCOMs shall abide by the directions of the Hon'ble Commission with regard to revenue gap.
2.	Even if no tariff revision takes place for the FY 2026-27, it is difficult to presume that there would be no additional burdens on the consumers. For the FY 2024-25, NPDCL has shown a net revenue gap of Rs.1086 crore, while SPDCL has shown a net revenue gap of Rs.589.92 crore. The DISCOMs have not prayed for any specific order of the Commission on treating the projected revenue gaps, except submitting that "pass such order as the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case." Though permitted by the Commission, the DISCOMs have not been availing themselves of the opportunity to collect FSA not more than 30 paise per unit every month.	The DISCOMs have not sought any specific direction at this stage regarding recovery of the projected revenue gaps and have left the matter to the regulatory discretion of the Hon'ble Commission.  With regard to Fuel Surcharge Adjustment (FSA), while the Commission has permitted recovery up to the prescribed limit, non-levy or deferment of FSA has been a considered decision of the DISCOMs, keeping in view consumer interest.
3.	For their distribution business for the FY 2024-25, the DISCOMs have filed their petitions, seeking true up of Rs.484 crore by	TGSPDCL, in its filings before the Hon'ble Commission, has submitted that the true-up gap pertaining to its Distribution

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	<p>TGNPDCL and Rs.545.18 crore, stating that the amount is “transferred to RSB of 2026-27”. We request the Hon’ble Commission to include in the ARR of the DISCOMs for 2026-27 the amounts claimed under true-up for their distribution business for 2024-25 and net revenue gaps shown for the same FY to the extent it determines as permissible by issuing orders after holding public hearings. True-up claims for distribution business of the DISCOMs, transmission business of TGTRANSCO and various generators of power for the FY 2025-26 also would come up, adding to the true-up claims for retail supply business of the DISCOMS for the same FY to be claimed during 2026-27.</p>	<p>Business for FY 2024-25 may be considered for recovery in the Aggregate Revenue Requirement (ARR) for FY 2026-27 for distribution business only and its is further transferred to Retail Supply Business as per allocation matrix as per MYT Regulations. In line with this request, the true-up amount for FY 2024-25, as filed by the Licensee, has been duly incorporated in the ARR projections for FY 2026-27 for Distribution Business.</p>
4.	<p>We request the Hon’ble Commission to not treat fully or partly the revenue gap it determines for FY 2026-27 in the subject petitions as regulatory asset. There has been no instance of treating revenue gap of the DISCOMs for any FY since regulatory process started in the undivided Andhra Pradesh and after bifurcation of the state in both the Telugu states. The DISCOMs continue to be in financial doldrums, with abnormal dues pending from the government and various categories of consumers and dues to be cleared by them to generators of power and others. Treating any amount as regulatory asset would further intensify the financial difficulties of the DISCOMs and the accumulated burden, with carrying cost, would hang as</p>	<p>TGDISCOMs have filed revised ARR for FY 2026-27 as per MYT Regulation 2 of 2023 laid out by Hon’ble commission. TGDISCOMs shall abide by the directions of the Hon’ble Commission with regard to treatment of revenue gap.</p>

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	Damocles' sword on the necks of the consumers.	

**Responses to further objections of Sri. M Venugopala Rao**

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1.	<p>1. Energy availability is projected as 1,13,006 MU, requirement of both the DISCOMs as 1,01,981 MU and surplus as 11,025 MU. Even while claiming that short-term purchases would be need-based, the DISCOMs have projected requirement of short-term power in the market and through exchanges as 11,641 MU – SPDCL 8186 MU and NPDCL 3455 MU - with a variable cost of Rs.3.45 per unit. While the plant load factor of thermal power stations is projected as 85%, availability of hydel energy is estimated as 3827 MU, taking the average of hydel dispatch in the last seven years. We request the Hon'ble Commission to examine the following points, among others:</p>	<p>TGDISCOMs would like to submit that a detailed analysis is done at hourly block to estimate the block level power requirement, available generation capacity and thereby surplus/deficit. Accordingly, TGDISCOMs respectfully submit that, in the estimation of Power Purchase expenses for FY 2026-27, Power purchase from Short-term sources is considered for the following:</p> <p>1. Energy supply during hours of deficit (Power requirement &gt; Power availability from generators). Despite having a total Energy surplus of 11,025 MUs, it is pertinent to note that there will be time blocks in the year when the instantaneous power requirement in the state is higher than the total generation capacity, pushing TGDISCOMs to procure the power deficit from short-term sources. Such instances of electricity deficit occur during Morning and evening peak hours when the Solar generation is not available. Hence, purchase from short term sources become inevitable with the current supply demand situation.</p> <p>2. Power purchase cost optimization: TGDISCOMs have considered procurement from short term sources during hours when the Market price is lesser than the Variable cost (VC) of few generating stations</p>

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	<p>a) The estimated surplus energy for FY 2026-27 works out to 9.76%. The projected availability of power is without considering availability of 1000 MW from CSPDCL the dispute relating to which is pending before appellate authority. What would be actual availability, requirement and surplus power for the next financial year are uncertain, going by the experience of the last three financial years. For the last three financial years and FY 2025-26, the DISCOMs have not given the actual surplus that has been backed down and fixed charges paid for the same in their true-up claims for the last three FYs and for the current FY in the subject petitions.</p> <p>b) For the FY 2025-26, the DISCOMs have projected availability of 1,23,630 MU against their projection for the same year of 1,34,159 MU in their filings for the 5th control period and 1,14,299 MU determined in the RST and ARR order for the 5th control period and 1,05,391 MU determined in the RSTO for the same year by the Commission. What is the actual availability of power for 2025-26? The changing projections and estimates of</p>	<p>with higher VC to optimize the overall cost of power procurement. It is clarified that the generation from TGGENCO, CGS, SEIL, SCCL plants are proposed to be backed down only during hours when market purchase is more economical in order to optimize the overall cost of the power purchase in the state.</p> <p>The effective short-term purchase rate of ~Rs.3.44/unit is arrived including both short-term purchase for deficit supply &amp; Power procurement cost optimization.</p> <p>TGDISCOMs have estimated the Energy Availability for FY 2026-27 considering the existing PPAs with various generators that are currently under dispatch or expected to get commissioned before/in FY 2026-27. Energy generation from CSPDCL has not been accounted for the Energy availability since the station is not under dispatch due to disputes as highlighted in the objection.</p> <p>The actual availability of power up to January'2026 is 79166 MU and</p>

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	<p>availability of power for the same FY, as shown above, make their reliability and the purpose of such changes questionable. While the Commission has approved requirement of 90,971 MU for 2025-26, the DISCOMs have now estimated it as 91,825 MU.</p> <p>c) Compared to the need for market purchases determined by the Commission for the last three FYs, actual market purchases increased several folds, leading to additional expenditures and claims for true-up of variations in cost of power purchases. For the FY 2025-26, the Hon'ble Commission has not considered any market purchases in the RSTO. However, in the subject petitions, the DISCOMs have estimated market purchases for 2025-26 as 15,328 MU - 11,405 MU by SPDCL and 4923 MU by NPDCL - against projection of surplus of 28,504 MU.</p> <p>d) The DISCOMs have estimated sale of surplus power of 1216 MU for 2025-26. Against sale of surplus power, while the DISCOMs have projected revenue of Rs.2739.83 crore, they have now estimated the same as Rs.360.05 crore. How such vast variations are taking place vis a vis what is projected by the DISCOMs and determined by the Commission remains inexplicable, in the absence of any explanation given by the DISCOMs. Experience over the years confirms that the scope for selling surplus power in the market, at least, for no loss and no profit, if not at the tariff for which such surplus power is purchased plus reasonable profit, is extremely limited. It is because surplus</p>	<p>anticipated from February to March 17996 MU.</p> <p>TGDISCOMs would like to clarify that the projections on Short-term purchases for any financial year is done based on the then existing generation availability, demand projections &amp; Market purchase price trends. Accordingly, the Power purchase quantum is estimated both for the purpose of deficit supply and Power purchase cost optimization.</p> <p>TGDISCOMs completely align with the mentioned remark that highlights the necessity for the market prices to be higher than the VC of the</p>

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	<p>power is always with highervariable charges. Second, need for market purchases arises, generally, to meetpeak demand and the cost of power in the market during peak hours tends to behigher, especially, when exchanges have become platforms for legalized blackmarketing. Third, other states, too, have surplus power. For 2025-26, theDISCOMs have not shown any estimate of revenue gap/surplus to be claimedunder true-up/true-down in the subject petitions.</p> <p>e) The DISCOMs submitted that for the year 2025-26, “the surplus power is intermittent, and power plants will dispatch energy for most of the period to meet therequired demand to maintain uninterrupted power supply. As the Licensee is anywayobligated to pay fixed costs to the respective Generating Stations for dispatch to meetenergy demand, the Licensee deems it fit to determine the revenue from sale ofsurplus power only considering the variable charges of the respective generatingstations” (pages 106 and 107 of RSTO for 2025-26). Further they maintainedthat, “since the fixed cost is paid to the Generating companies irrespective of thequantum of energy dispatched due to variable nature of the demand curve, the fixedcost component is not factored in while comparing the market prices with the variablecharges” (page 107 of RSTO). The arguments of the DISCOMs are untenable. If the DISCOMs have to pay fixed charges for dispatch of energy by generators,the</p>	<p>surplus power to be able to be sold in the market and generate profit.</p> <p>TGDISCOMs, in the estimation of sale of surplus electricity for FY 2026-27, have considered the block wise surplus generation availablealong with the block wise Market purchases. The sale of surplus Electricity has only been considered on the blocks when the market price is higher than the Variable cost of surplus electricity available leading to revenue margins that is considered in the Power purchase cost for FY 2026-27 for a realistic estimation.</p> <p>In ref to clause 44.2 of TGERC Regulation 2 of 2023 <i>“The Normative Annual Plant Availability Factor (NAPAF) for Thermal Generating Stations for full recovery of Annual Fixed Charges shall be 85per cent”</i></p> <p>It is submitted that in the estimation of Energy Availability from thermal</p>

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	<p>question of backing down that power does not arise. While availability can be projected based on the threshold level of PLF of the power plants, to what extent the power plants concerned can declare availability from time to time cannot be presumed in advance. Fixed charges have to be paid for the actual supply the power plants make and for capacities the DISCOMs back down, not "anyway." If the power plants declare availability at less than threshold level of PLF as incorporated in the PPAs, for lesser supply of power, the DISCOMs need not pay fixed charges for power not supplied. If DISCOMs are considering only variable charges for purchases being made in the market, it implies that they are making market purchases by backing down thermal power of power plants with whom they had PPAs in force. If such is the case, they have to justify backing down thermal power in order to purchase power in the market on short-term basis and clarify whether it is beneficial or not to the consumers. Without backing down surplus power, if DISCOMs are purchasing power in the market, the question of paying fixed charges to the generators under PPAs in force additionally and non-consideration of fixed cost for market purchases would not arise, and the DISCOMs have to show the total cost per unit, i.e., both variable and fixed charges, paid for purchasing power in the market. They have to show prices paid unit-wise for such market purchases, not average cost per unit for overall market purchases made.</p>	<p>generating stations, TGDISCOMs have considered a normative availability of 85%. Accordingly, it becomes prudent to consider full cost recovery of Annual Fixed costs for the thermal generators in accordance with clause 44.2 of Regulation 2 of 2023.</p> <p>The said statement in RSTO for 2025-26 (Page 106 and 107) only explains the method being adopted for determination of the revenue from sale of surplus electricity. It is to be noted that the surplus electricity refers to the excess energy available with the generators after dispatching electricity as per MoD principle to meet the demand in the state.</p> <p>Here, while estimating the revenue margin from sale of such surplus electricity, it is prudent to net off the cost of generation from the market sales revenue. Thereby, since the Fixed cost of the thermal generating stations are already considered in respective plant sections (as the Fixed charges are to be paid irrespective of the dispatch), the variable cost is the only additional cost incurred in the generation of the surplus electricity and hence only the variable cost is netted off to estimate the revenue margin from sale of surplus electricity.</p>

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	<p>f) As the Hon'ble Commission did not determine to what extent market purchases would be required and at the maximum price per unit such purchases can be made for FY 2025-26, nothing is in public domain whether the DISCOMs have sought and got its prior consent to purchase the estimated 15,328 MU in the market and the limit of maximum price to be paid per kWh.</p> <p>g) When the DISCOMs are obligated to follow the principle of merit order dispatch, when surplus power is available, whether it is permissible to backdown thermal power plants in order to purchase power in the market, especially, if it results in additional cost and imposes avoidable burden on the consumers, is a moot point which the Hon'ble Commission has to examine, clarify and give necessary directions to the DISCOMs.</p> <p>h) We are not repeating the other problems with market purchases which we submitted in our submissions on ARR and tariff proposals of the DISCOMs for 2025-26 and on earlier occasions and are incorporated in the RSTO issued for that year.</p>	<p>It is submitted that the Market purchases for deficit supply is done in accordance with the real time supply-demand conditions. Further, the market purchase for Power purchase optimization is done only when the market price is more economical than the high VC station cost.</p>

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		<p>As clarified in the previous sections, the Power purchase from market is done for two reasons – 1. Deficit supply when all the thermal generators are running at the full available capacity (back down does not happen) and 2. Power purchase optimization where market purchase is done by backing down thermal generators only when the market price is more economical than the VC of that generator backed down. Hence, we would like to clarify that the backing down of thermal stations during market purchase is done only to reduce the overall costs.</p>
2.	<p>2. In the RSTO for 2025-26, the Hon'ble Commission elucidated that "even though the TGDISCOMs have projected surplus, the variability of demand due to seasonal changes and unforeseen circumstances can render these projections unreliable. Relying solely on surplus figures without accounting for potential spikes in demand could lead to energy shortages, which would ultimately harm consumers more than fixed charges would. Fixed charges associated with the PPA can be viewed as a form of insurance against future shortfalls. It is crucial to ensure energy stability, which sometimes necessitates maintaining capacity even when not fully utilized. The long-term benefits of reliability and stability in energy supply may outweigh the short-term costs, providing consumers with assurance and preventing potential financial losses from outages or insufficient supply" (page 111 of RSTO for</p>	

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	<p>2025-26). We request the Hon'ble Commission to examine the following points, among others:</p> <p>a) Availability of any quantum of surplus power and imposing avoidable burdens on the consumers, cannot be justified under generalized and sweeping observations.</p> <p>b) The very purpose of making projections in load forecast, procurement plans and other plans for the control period concerned by the transmission and distribution licensees and determination of such projections by the Commission is to ensure a harmonious balance between fluctuating demand curve and power mix to the extent technically practicable so as to avoid availability of unwarranted surplus or deficit.</p> <p>c) It is generally agreed that a five percent of spinning reserve or reserve margin is prudent to take care of fluctuations in generation of power and demand due to unforeseen circumstances.</p> <p>d) It is difficult to understand the intended purport of the contention that "fixed charges associated with the PPA can be viewed as a form of insurance against future shortfalls." When fixed charges have to be paid or not is explained under point No.1 (e) above. Even when availability of abnormal quantum of surplus power is projected, that market purchases are being made by the DISCOMs shows that availability of such surplus power does not ensure balance between fluctuating demand curve and power mix.</p>	<p>a) &amp; b)</p> <p>TGDISCOMs prepare demand forecasts and procurement strategies based on historical consumption patterns, seasonal variations, and anticipated growth in demand. Continuous efforts are being made to bring the supply availability curve as close as possible to the demand curve. However, it is important to understand that different generators have distinct generation profiles, which makes the supply-demand balance highly dynamic. For instance, solar power is only available during daylight hours. Despite this limitation, solar generation cannot be ignored due to its competitive tariffs and contribution to reducing overall procurement costs.</p> <p>On the other hand, there is no generation source that exclusively caters to non-solar hours. This diversity in generation profiles means that DISCOMs must continuously optimize procurement strategies to balance cost efficiency with reliability.</p> <p>Therefore, while DISCOMs strive to minimize deficits and surpluses, the inherent variability in generation profiles requires dynamic planning and real-time adjustments to ensure uninterrupted supply to consumers.</p>

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	<p>Such an imbalance is the result of imbalanced decisions taken while entering into long-term power purchase agreements and regulatory consents given to the same. Long-term benefit is linked to periodical and timely addition of required generation capacity and not based on availability of abnormal quantum of surplus power now and in future.</p> <p>e) Addition of generation capacities has to be made in tune with projected requirements periodically, not arbitrarily, by reviewing the same periodically based on changing ground realities and revising already projected requirements. That the DISCOMs have consistently been making market purchases every FY, irrespective of projected availability of abnormal quantum of surplus power, confirms that availability of unwarranted surplus power and the fixed charges associated with its backing down are no “insurance” to ensure energy stability and that there is neither any insurer, nor benefit of “insurance”.</p> <p>f) Experience has been confirming repeatedly that availability of unwarranted surplus power is leading to imposition of avoidable burdens on the consumers in the form of paying fixed charges for power backed down, on the one hand, and market purchases at higher prices, on the other, resulting in the claims of the DISCOMs for true-up of thousands of crores of rupees every FY.</p>	<p>C)</p> <p>DISCOMs submit that spinning reserve is generally maintained for grid stability. It is a mechanism wherein generators keep a portion of their capacity available to ramp up quickly in case of sudden disturbances, such as the tripping of a thermal unit or unexpected fluctuations in demand. If spinning reserve is used to manage short-term fluctuations between supply and demand, its primary purpose during emergencies would be defeated.</p> <p>d) &amp; e)</p> <p>The abnormal market purchases projected are not solely due to demand–supply deficits but are also part of DISCOMs’ optimization strategy. TGDISCOMs are continuously striving to reduce overall power purchase costs, and one effective method is to procure competitively priced power from the market while backing down costlier thermal generation wherever the Market price is lesser than the Variable cost (VC) of few generating stations. It is clarified that the generation from TGGENCO, CGS, SEIL, SCCL plants are proposed to be backed down only during hours when market purchase is more economical in order to optimize the overall cost of the power purchase in the state.</p>

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	<p>g) Availability of abnormal quantum of surplus power, as well as its backing down, has been affecting the interests of generators like TGGENCO, whose thermal power plants are being backed down, in the form of shortening of useful lifespan of its thermal power plants backed down, consumption of oil, and other technical problems in ramping up and ramping down their generation.</p> <p>h) For the years 2022-23, 2023-24 and 2024-25, in their petitions for true-up, TGDISCOMs have shown market purchases of 40169 MU and true-up claims of Rs.17611 crore. The true-up claims are after adjusting true-up claims of Rs.811.38 crore and Rs.409 crore in the retail supply tariff orders for 2022-23 and 2023-24, respectively, and claims for true-down amounts.</p>	<p>F</p> <p>We reiterate that there is no unwarranted surplus power leading to consumer overburden. If surplus power were truly available, there would not be a deficit during peak hours. The characterization of surplus must be seen in the context of the entire daily and seasonal demand cycle. Power availability fluctuates across hours and seasons, and hence it cannot be termed “unwarranted surplus” when it is not consistently in excess throughout the day or year.</p> <p>DISCOMs optimize procurement to balance cost and reliability, ensuring that consumers are not subjected to unnecessary financial burdens. Market purchases and backing down of certain generation sources are undertaken only to minimize overall costs and to match the dynamic demand profile.</p> <p>G)</p> <p>Thermal generators are not being backed down for the entire day. If that were the case, DISCOMs would not have contracted such capacity in the first place. As per the National Tariff Policy, merit order dispatch must be followed, which requires prioritizing lower-cost generation sources to optimize overall procurement.</p> <p>This practice helps in reducing the total power purchase costs and, in turn, minimizes the burden on consumers. Backing down thermal generation is therefore not a reflection of unwarranted surplus but a necessary optimization measure to balance cost efficiency with reliability.</p>

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	<p>i) TGDISCOMs have estimated market purchases of 15,328 MU for 2025-26 and projected the same as 14332 MU for 2026-27. How much would be their true-up claims for the current and next financial years is to be seen.</p> <p>j) Projection of availability of abnormal quantum of surplus power, as well as its backing down and paying fixed charges for the same, coupled with purchase of abnormal quantum of power in the market at higher prices, is leading to imposition of hefty burdens additionally on the consumers of power; it is not acting as “insurance.”</p> <p>k) As a part of lopsided reforms, with a number of imbalances and dichotomies, arbitrary and irrational imposition of obligations under RPPO on the DISCOMs, forcing the DISCOMs to allow private developers of RE units to bank their surplus power with the former, etc., are adding to availability of unwarranted surplus</p>	<p>h) TGDISCOMs iterate that market purchases were undertaken only for operational necessity and cost optimization. Short-term power was procured during deficit hours after fully dispatching available power, and for optimizing power purchase cost by backing down high VC thermal units whenever market prices were lower.</p> <p>The provisional true-up amounts have been accounted while computing actual true-up claims, and these details have been presented in the true-up filings.</p> <p>l)</p> <p>DISCOMs have projected lower market purchases for FY 2026–27 compared to FY 2025–26 primarily due to the additional supply availability from five YTPS units, which were not fully operational in FY 2025–26. With these units expected to contribute significantly in FY 2026–27, the reliance on market purchases will reduce.</p> <p>Market purchases are generally required to meet deficits during peak hours and night hours. With the enhanced availability of YTPS generation, such deficits will be minimized, thereby lowering the quantum of market procurement.</p> <p>J)</p> <p>This is answered in points d and f</p>

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	<p>power.</p> <p>l) If flexible generation of thermal power stations, as per the notification of the CEA and regulations of CERC, and renewable generation obligations for thermal power stations, as per the resolution of the Ministry of Power, Government of India, are implemented, it would further precipitate the situation by adding to</p>	<p>K)</p> <p>The Ministry of Power (MoP) targets for Renewable Purchase Obligations (RPO) are indeed high. It is important to clarify that the banking of renewable energy (RE) power is governed by the Open Access Regulations.</p> <p>As per Clause 33.5 of the regulations:</p> <p><i>“Provided that the credit for energy banked during the month shall be adjusted during the same month as per the energy injected in the respective Time of Day (‘TOD’) slots determined by the Commission in its Orders determining the Tariffs of the distribution licensee:</i></p> <p><i>Provided further that, the energy banked during peak TOD slots shall be permitted to draw during peak as well as off-peak TOD slot by paying the banking charges as specified in clause 33.3 of this Regulation. However, the energy banked during off-peak TOD slots shall be permitted to draw during off-peak ToD slot only.”</i></p> <p>This means that energy injected by RE developers during solar hours cannot be drawn during non-solar hours. The injected power is drawn by the developer during solar hours only, which reduces the possibility of surplus spilling into non-solar time blocks.</p> <p>The regulatory framework ensures that RE banking is time-bound</p>

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	<p>availability of unwarranted surplus power.</p> <p>m) Even when no tariff hike is effected for any FY, additional burdens in the form of FSA and under true-up claims are cropping up during the same FY, as a result of unrealistic projections and determination of various factors that are being considered in the regulatory process and decisions of the governments, fundamentally, and some unforeseen and uncontrollable factors, marginally. It cannot be asserted, with any degree of certainty, that the situation in FY 2026-27 will be different, except with a difference in degree.</p> <p>n) Ingenious casuistry of protagonists of reforms cannot hide, much less justify, the failures of commission and omission of the powers-that-be in various wings and levels of authority associated with the reforms and their implementation in the power sector and the disastrous consequences that have been arising as a result much to the detriment of larger consumer interest. It is nothing but exercising authority, without any responsibility and accountability for such disastrous consequences.</p>	<p>and slot-specific, thereby minimizing distortions in supply-demand balance.</p> <p>L) The flexible generation of thermal power indeed helps discom to reduce the power purchase costs. DISCOMs can opt for lower priced market purchase or PPAs with renewable, wherein they can get power at a lower rate compared to the thermal VC. Hence flexible</p> <p>M) The Fuel Surcharge Adjustment (FSA) is levied to recover the excess per-unit cost of power procurement. It is important to note that FSA need not be positive for all months; in fact, it can also reflect reductions in costs. For example, after Singareni Collieries reduced its coal prices, the same was reflected in TGGENCO's tariff, and it has been observed that the overall FSA has been coming down in recent months. This demonstrates that FSA is a dynamic mechanism, directly linked to actual fuel cost variations, and not an arbitrary burden on</p>

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	<p>o) Experience has been confirming repeatedly that the disastrous consequences outweigh the benefits, short-term, medium-term and long-term, with ever increasing burdens on the consumers in the form of tariff hikes, fuel surcharge adjustment, true-up claims and a host of other charges being shown in CC bills, directly, and hefty subsidies being provided by the state government, imposing that burden also on the people at large, indirectly, under pro-corporate and anticonsumer reforms.</p>	<p>consumers. DISCOMs remain committed to minimizing procurement costs and ensuring that any adjustments under FSA are transparent and reflective of real market and fuel conditions.</p> <p>N)</p> <p>Reforms and regulations in the power sector are introduced and modified with the larger consumer interest as the guiding principle. Every regulation undergoes scrutiny at multiple levels, including stakeholder consultations, technical evaluations, and financial impact assessments, before being finalized. This ensures that the perspectives of consumers, generators, and DISCOMs are taken into account.</p> <p>DISCOMs remain committed to implementing reforms responsibly, balancing compliance with operational realities, and ensuring that consumer interests are protected. Accountability is embedded in the regulatory process</p> <p>O)</p> <p>DISCOMs remain committed to minimizing procurement costs and ensuring that any adjustments under FSA are transparent and reflective of real market and fuel conditions.</p>
3.	<p>While variable costs of thermal power plants of TGGENCO, except Kothagudem Vland BTPS, are projected to be lesser for FY 2026-27 compared to the same for FY2025-26, the DISCOMs have considered 5% escalation of the actual variable costs for H1 of 2025-26 for most of the central generating stations, without</p>	<p>The reduction in variable costs of TGGENCO plants is primarily due to the reduction in coal prices by SCCL, which has been reflected in the projected costs for FY 2026–27.</p> <p>For Central Generating Stations (CGS), the escalation of 5% has been considered based on the historical growth rate of variable costs</p>

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	<p>explaining thereasons for the same. The variable cost of NTPC Kudigi – I, II and III is projectedat Rs.6.50 per kwh, of NLC TS II stage II at Rs.8.10 per kwh and of NCE bundledpower (coal) at Rs.5 per kwh. In the face of projected availability of surplus powerfor the next financial year, such projects are vulnerable to be backed downinvariably, thereby imposing avoidable burden of payment of fixed charges forbacking down. This brings to the fore the questions whether purchasing power fromsuch plants is required and prudent and whether allowing provisions for adjustingfuel costs, with abnormal increases in their prices as and when they take place, inthe PPAs, is prudent. In the RSTO for 2025-26, the Hon'ble Commission rightlyresponded to objections on proposing escalation of variable charges arbitrarily andrejected their proposals. The Commission observed : “the Commission has noted thatthe DISCOMs have claimed 3% escalation on variable cost randomly without anystatistical data. On considering the objections of the stakeholders, this Commission hastaken into consideration the statistics in respect of actual variable costs for the months ofNovember 2024, December 2024 and January 2025 and concluded that the actualvariable costs for the said last three month is far less than the escalated variable costclaimed by the TGDISCOMs. Thereby while rejecting the claim of the DISCOMs toconsider 3% escalation on variable costs, this Commission has considered the average ofvariable costs for the last three months to arrive at</p>	<p>observed in these stations. This approach is consistent with past trends and ensures that projections remain realistic, given the volatility in fuel prices and transportation costs.</p> <p>It is important to note that CGS plants are still required to meet the base-load demand of the system. These plants provide firm and reliable capacity, which cannot be substituted entirely by market purchases or renewable sources. When compared to market prices during night hours, the variable costs of CGS plants are still lower, making them a prudent choice for DISCOMs to ensure cost-effective and reliable supply.</p>

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	variable costs” (page 109). Werequest the Hon’ble Commission to take a similar stand on the proposal of theDISCOMs for escalation of 5% for variable costs for the next financial year.	
4.	<p>The DISCOMs have projected “additional pension liabilities” of Rs.2815.61 crore -Rs.1164.71 crore by SPDCL and Rs.1650.90 crore by NPDCL - for the FY 2026-27.SPDCCL has stated that it includes “water charges.” It is difficult to understand theconnection between additional pension liabilities and water charges and as to whyboth are clubbed together. Responding to objections being raised against imposinginterest and additional interest on pension bonds on the consumers, the Hon’bleCommission, in the RSTO for 2025-26, observed: “This issue of interest on pensionbonds has been subject matter for every tariff order. It is submitted by DISCOMS duringthe course of public hearing that allocation of funds towards additional liability onpension bonds is on account of unsettled dispute between the Government of AndhraPradesh and Government of Telangana in respect of sharing of additional liability ofpension of the retired employees of the erstwhile APSEB and subsequent retirements.</p> <p>“After enactment of Andhra Pradesh Electricity Act, 1998 subsequent to unbundling ofAPSEB into various companies the liability of pensions of the retired employees of theAPSEB was taken over by GENCO, TRANSCO and four DISCOMs. Neither thegovernment in the combined state nor the government after</p>	<p>Pension to the employees who rendered their services in the department are paid under:</p> <ul style="list-style-type: none"> <li>• <b>Service Rules</b> (e.g., State Pension Rules)</li> <li>• <b>Statutes</b> (e.g., Employees’ Provident Funds &amp; Miscellaneous Provisions Act, 1952 – EPS Scheme)</li> </ul> <p>The Hon’ble Commission has already approved the interest on pension bonds in the Retail Supply Tariff (RST) Multi-Year Tariff (MYT) order after due scrutiny, stakeholder consultations, and public hearing. This approval process ensures that all relevant aspects, including financial sustainability of DISCOMs and consumer interests, are carefully examined before such costs are admitted.</p> <p>DISCOMs remain committed to complying with the directives of the Hon’ble Commission and to presenting all such financial obligations in a transparent manner during ARR and tariff proceedings.</p>

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	<p>bifurcation of the state ofTelangana has come forward to accept the liabilities in respect of pensions of the retiredemployees. Thereby until alternative arrangements are made, this Commission is of theopinion that additional liability on pension of retired shall be allowed to be continued asapproved in MYT order.</p> <p>“The Commission, in spite of advising, to change the nomenclature of the subject, stillthe petitioners are showing the subject as “interest on pension bonds” as one of the heads of items. In fact, the TGDISCOMs are not paying any interest on pension bonds therebythere is no need for claiming such interest on pension bonds. In fact it is clear that thesubject “interest on pension bonds” is in fact “Additional pension liability” to be paid tothe retired employees. Therefore, the TGDISCOMs are hereby directed to change thenomenclature of the subject from “Interest on pension bonds” to “Additional pensionliability” in subsequent filings” (pp 109-110 of RSTO for 2025-26). We request theHon’ble Commission to examine the following points, among others:</p> <p>a) The dispute, if any, between Telangana and Andhra Pradesh on sharing ofadditional liability of pension of the retired employees of the erstwhile APSEB andsubsequent retirements is not, and should not be, the basis or justification for imposing that burden on consumers of</p>	

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	<p>DISCOMs of both the states. Both APERC and TGERC have unjustifiably been imposing that burden on the consumers of their DISCOMs.</p> <p>b)</p> <p>b) That neither the government in the combined state nor the government after bifurcation of the state of Telangana has come forward to accept the liabilities in respect of pensions of the retired employees is no basis or justification for imposing that burden on consumers of the DISCOMs.</p> <p>c) That until alternative arrangements are made, this Commission is of the opinion that additional liability on pension of retired shall be allowed to be continued as approved in MYT order evades the real issues rather than responding to or answering the same. The reference to alternative arrangements implies that the continuing arrangement is not tenable and that it needs to be replaced with an alternative arrangement. Therefore, the real question is what is that alternative arrangement, who has to decide it and when and who has to implement it.</p> <p>d) The opinion of the Commission that until alternative arrangements are made, additional liability on pension of retired shall be allowed to be continued as approved in MYT order implies that, if no alternative arrangement is made to avoid imposition of additional pension liabilities on the consumers,</p>	

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	<p>the present questionable and unjust arrangement shall be continued.</p> <p>e) The opinion that additional liability on pension of retired employees shall be allowed to be continued as approved in MYT order, if no alternative arrangement is made, fails to take note of the fact that the orders being given by the SERCs of Andhra Pradesh and Telangana and the MYT are not based on any merits and legal tenability. Such orders and MYT cannot gain legitimacy based on non-arrangement of an alternative to avoid imposition of the unjust burden of additional pension liabilities on the consumers of the DISCOMs.</p> <p>f) This kind of approach of the successive Commissions of A.P. and Telangana reflects arbitrary exercise of powers and fails to explain which law permits such unjust orders.</p> <p>g) The view that “the TGDISCOMs are not paying any interest on pension bonds thereby there is no need for claiming such interest on pension bonds” is ingenious and contrary to factual position. If TGDISCOMs are not paying interest on pension bonds to TGGENCO, then why are they claiming the same and why are successive Commissions allowing the same to be collected from their consumers? The reality is that all the claims being made by the DISCOMs, from power purchase to supply of power to the consumers, to the extent they are being allowed by the</p>	

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	<p>Commission, are sought from, and being paid by, the consumers of power at large and subsidy being provided by the state government.</p> <p>h) The approach of successive Commissions of A.P. and Telangana is bereft of unanimity to recognize a blunder committed and rectify it. Simply because the first SERC of Andhra Pradesh, successive Commissions and TGERC have been adopting the same questionable approach, the present Commissions need not, and should not, continue to stick to such a questionable approach and issue questionable and legally untenable orders every year on those lines.</p> <p>i) Whether the Hon'ble Commission would examine the issue on merits, legally and otherwise, and issue orders, making it clear that claims of TGGENCO, TGTRANSCO and TGDISCOMs to collect additional pension liabilities from the consumers would not be allowed and that they should seek such liabilities from the state government is the real issue. Untenable orders being given by successive Commissions and the said MYT are not sacrosanct and unalterable.</p> <p>j) The intended purpose of the Hon'ble Commission directing the DISCOMs "to change the nomenclature from "interest on pension bonds" to "Additional pension liability" is not made clear. Whether this innovative approach of changing nomenclature would make</p>	

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	<p>any material difference, as far as imposing all such burdens on consumers of power, much less justifying it, is inexplicable, if it is not like rechristening tweedledee as tweedledom.</p>	
5.	<p>Since the Hon'ble Commission has relied on the submissions of the DISCOMs on the issue of additional pension liabilities, we would like to set the record straight and request it to examine the following points, too, among others:</p> <p>a) After trifurcation of the erstwhile APSEB, based on a wrong approach adopted by the then APERC in allowing interest on pension bonds as pass through to be collected from the consumers, successive Commissions continued the questionable and imbalanced approach in their orders. Our repeated and detailed requests to successive Commissions during the last more than two decades to make it clear that interest on pension bonds shall not be allowed as pass through, that the DISCOMs should claim the same from GoAP/GoTS, which should provide funds for those bonds as a one-time measure to resolve the issue permanently, fell on the deaf ears of the powers-that-be. As a result, for more than two decades, the burden of thousands of crores of rupees has been imposed on the consumers to meet interest on the said pension bonds and how long this injustice to consumers will continue is anybody's guess.</p> <p>b) It is incorporated in the Andhra Pradesh Electricity Reform</p>	<p>The Hon'ble Commission has already approved the interest on pension bonds in the Retail Supply Tariff (RST) Multi-Year Tariff (MYT) order after due scrutiny, stakeholder consultations, and public hearing. This approval process ensures that all relevant aspects, including financial sustainability of DISCOMs and consumer interests, are carefully examined before such costs are admitted.</p> <p>DISCOMs remain committed to complying with all such financial obligations in a transparent manner during ARR and tariff proceedings.</p>

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	<p>(Transfer Scheme) Rules, 1999 dated 29.1.1999 that <i>“The State Government shall make appropriate arrangements in regard to the funding of the pension funds and other personnel related funds to the extent they are unfunded on the effective date of transfer of the Personnel from the Board and till such arrangements are made all such payments for personnel who retire after the effective date shall be entirely arranged by the APTRANSCO.</i></p> <p><i>“The State Government shall make appropriate arrangements in regard to the funding and due payment of all terminal benefits to the existing pensioners of the Board as on the effective date of transfer and till such arrangements are made the payment falling due shall be made by the APTRANSCO, subject to such adjustments as may be decided between the State Government and the APTRANSCO.”</i> Seeking regulatory consent for imposing such burdens on consumers, as well as allowing the same, is a violation of the said rules.</p> <p>c) It is a standard practice that funds for retirement benefits and payment of pension for employees are maintained to earn interest on them. That is the reason why no private developer of a power plant with whom APDISCOMs had a PPA in force is seeking pension liabilities separately, as they have to maintain funds provided for retirement benefits of its employees in such a that they earn interest thereon. As the erstwhile APSEB did not</p>	

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	<p>maintain such funds separately and did not maintain accounts for the same, after unbundling of the Board and as a part of schemes for transfer of assets and liabilities to APGENCO, APTRANSCO and DISCOMs, assets were revalued and a master trust was formed with the responsibility of maintaining it entrusted to GENCO. APGENCO established a Master Trust and issued bonds for Rs. 1320.43 crore for retired employees as on 01.02.1999 and Rs. 3066.52 crore for employees still on the APSEB payroll as on that date. APGENCO assumed the responsibility for servicing these bonds, with redemption timelines set for 2029 and 2033, respectively. After bifurcation of the state of Andhra Pradesh, the said responsibility devolved to TGGENCO, TGTRANSCO and TGDISCOMs, as a part and parcel of sharing of assets and liabilities between power utilities of both the governments.</p> <p>d) In its order dated 24.3.2003 in O.P. No. 402/2002, approving the PPA between APTRANSCO and APGENCO, APERC held that <i>"any excess liability for pension bond interest, beyond what was specified, would be allowed as a pass-through in APGENCO's tariff on a yearly basis."</i> Following that order, successive Commissions have been allowing interest and additional interest on pension liabilities as a pass-through in the tariff on a year-to-year basis, thereby imposing that burden on consumers at large unjustifiably. TGERC, too, has been following</p>	

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	<p>suit.</p> <p>e) Responding to our repeated submissions, APERC decided, when Justice GBhavani Prasad garu was its chairman, that <i>“the additional interest on pensionbonds was accepted to the extent found provisionally admissible on due verificationby the Commission. However, the request of the objector that the Government ofAndhra Pradesh shall bear the additional burden be extracted and communicated tothe Principal Secretary, Energy, GoAP for favourable consideration.”</i> Though theproposal was forwarded to the government by APERC, there was no response toit. The very fact that the Hon’ble Commission forwarded our request to thegovernment shows that it merits favourable consideration by the government.The failure of successive Commissions to make it clear that either thegovernment or the licensees themselves have to bear the burden of interest andadditional interest on pension bonds and that it will not be allowed to beimposed on the consumers of power is nothing but regulatory failure, if not“regulatory capture.”</p> <p>f) In the RSTO for 2025-26, APERC has contended, inter alia, that <i>“the RevenueGap to be determined by the Commission in this Order will be paid by the GoAP, and the DISCOMS have not proposed any tariff hike to meet the Revenue Gap.”</i> Ifimposing the burdens of interest and additional interest on pension bonds isjustifiable on the ground that there is no tariff hike, with the state</p>	

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	<p>government agreeing to provide subsidy to bridge the determined revenue gap of the DISCOMs, it implies that, when there is tariff hike, imposition of the said interest burden on consumers as a part of retail supply tariffs is unjustifiable. Moreover, providing subsidy by the state government to avoid tariff hike in the RSTO does not avoid imposition of the burden of additional interest on pension bonds under true-up later, as experience is confirming repeatedly.</p> <p>g) That APERC relied on a judgement of the apex court that “prudently incurred employees’ costs need to be reimbursed to the utility” does not establish that imposition of additional interest on pension bonds on the consumers is permissible and justified. The real question is how should the additional interest on pension bonds be paid and by whom, not whether additional interest on pension bonds should be provided. The judgement referred to by APERC does not deal with this issue and a sweeping interpretation or misinterpretation of the judgement cannot establish, much less justify, that imposition of such a burden on the consumers under the garb of “prudently incurred employees’ costs” is correct. Here, the real question is not whether providing additional interest on pension bonds is prudent or not; whether imposing that burden on consumers is prudent or not is the real issue which neither the said judgement, nor APERC addressed. Our objection is not to the licensee concerned providing</p>	

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	<p>additional interest on pension bonds, but to imposing it on the consumers of power. Imposing such burden on the consumers and allowing it by the Commission is nothing but shifting the responsibility of the licensee concerned on to the consumers of power. No judgement has justified imposition of interest and additional interest on pension bonds on the consumers of power.</p> <p>h) Allowing interest and additional interest on pension bonds to be imposed on the consumers makes a mockery of the parameters being adopted by the Commission for determining employee costs as a part of operation and maintenance costs.</p> <p>i) No private developer of a power plant with whom APDISCOMs had a PPA in force has been making claims for pension liabilities separately.</p> <p>j) That, for the FY 2026-27, the DISCOMs have projected additional interest on pension bonds of GENCO at Rs.2815.61 crore shows the magnitude of this unwarranted burden on the consumers that has been going on since 2003-04, i.e., for the last 24 years on the consumers in Telangana as well, since they were consumers in the undivided Andhra Pradesh also.</p> <p>k) The Hon'ble Commission should re-examine the issue and take a fair and balanced stand as suggested based on merits and disallow claims of the DISCOMs (and GENCO and TRANSCO) for</p>	

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	interest/additional interest on the said pension bonds.	
6.	<p>While projecting revenue from current tariffs for FY 2025-26 and FY 2026-27, the DISCOMs have not shown the estimated additional revenue that accrues to them on account of withdrawing incentive to the categories of consumers under ToD charges for the period applicable for 2025-26 and additional revenue on account of continuing ToD charges for the said categories for 2026-27. In its order dated 17.11.2025, in OP Nos. 21 and 22 of 2025, the Hon'ble Commission approved the proposal of the DISCOMs, withdrawing ToD incentive of R.1.50 per unit consumed from 10 pm to 6 am from 1.12.2025 and continuing ToD charges with additional charge of Re.1 per unit consumed from 6 am to 10 am and from 6 pm to 10 pm to the six categories of consumers to whom the ToD charges continue to be implemented. For the FY 2026-27, the DISCOMs have proposed continuation of the said ToD charges. We request the Hon'ble Commission to examine the following points, among others:</p> <p>a) In response to the directive No.21 given by the Commission, directing the DISCOMs to conduct a comprehensive analysis of the existing ToD tariff structure considering the actual peak and off-peak load conditions, the financial implications for both consumers and utilities, and the overall impact on demand side management and submit a detailed report by</p>	<p>A) DISCOMs have submitted the financial implications to the commission</p>

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	<p>30.9.2025 outlining potential improvements in ToD tariff structures based on real-time consumption patterns, SPDCL has pointed out that the compliance was submitted to the Commission on 16.10.2025. NPDCL has submitted that its analysis was submitted to the Commission on 6.8.2025 and the detailed report on 27.9.2025.</p> <p>b) In the above-mentioned order, the Hon'ble Commission maintained that the proposal of the DISCOMs seeks to realign consumption patterns with the current supply availability. It further observed that the aim is to promote efficient utilization of surplus solar energy, reduce dependence on high-cost night-time purchases, and maintain grid stability. The way ToD charges for specific categories of consumers is being implemented and modified shows the problems associated with it. To what extent the intended benefit of shifting of time of consumption of power by those categories of consumers from off-peak hours to peak hours has been materialised is not made public by the DISCOMs. Their submissions also show the kind of problems that arise as a result of off-peak period turning into peak period.</p> <p>c) Even while giving consent, in its order dated 17.11.2025 in OP Nos.24 and 25 of 2025, to the proposal of the DISCOMs to withdraw the incentive of Rs.1.50 per unit for consumption of power by the said categories of consumers during the specified off-peak hours, the Hon'ble Commission directed the DISCOMs</p>	<p>as mentioned in the comment</p> <p>B)</p> <p>DISCOMs reiterate that the recent ToD change, the removal of incentives during night hours, is not intended to shift consumption from night hours to peak hours. Rather, the objective is to encourage consumption during solar hours, when DISCOMs' PPA costs and market power prices are comparatively low.</p> <p>This measure is designed to promote efficient utilization of surplus solar energy, reduce dependence on high-cost night-time purchases, and thereby minimize the overall burden on consumers. By aligning consumption more closely with solar generation availability, DISCOMs can optimize procurement costs while maintaining grid stability.</p>

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	<p>to evaluate and submit a detailed framework for incentivising daytime consumption in their next ARR filings, consistent with Clause 8.4. of the National Tariff Policy, 2016. Having already burnt their fingers with the ToD incentives given for consumption of power during off-peak hours by the categories of consumers concerned and compelled to withdraw the incentive, that the DISCOMs could not comply with the directive of the Commission in their ARR filings for the FY 2026-27 indicates the kind of problems that may arise as a result of such a framework for incentivising day-time consumption of power. There does not seem to be any sustainable basis for such a vague framework, in view of the adverse consequences faced by the DISCOMs in giving ToD incentives. In effect, the arrangement of ToD charges, exceeding the normal tariff by Re.1 per unit of power consumed during the specified peak hours is turning out to be a means of garnering more income, without the intended purpose to promote efficient utilisation of "surplus solar energy," reduce dependence on high-cost night-time purchases, and maintain grid stability. Since solar power plants are enjoying must-run status, the DISCOMs have to purchase and supply solar energy fully to their consumers, with no prospect for "surplus solar energy." For purchasing and consuming must-run solar energy, the DISCOMs have to back down thermal energy and pay fixed charges for the same. In other words, purchase of unwarranted RE, especially solar energy, is leading to making thermal power</p>	<p>C)</p> <p>We would like to submit that the withdrawal of the incentive was not solely due to the must run status of solar plants. A key factor is that solar power purchases are made at comparatively lower prices than other sources of generation. Encouraging consumption during solar hours allows DISCOMs to utilize this low cost energy more effectively, thereby reducing the overall power purchase cost. -run status of solar plants. A key factor is that solar power purchases are made at comparatively lower prices than other sources of generation. Encouraging consumption during solar hours allows DISCOMs to utilize this low-cost energy more effectively, thereby reducing the overall power purchase cost.</p> <p>This approach directly benefits consumers by minimizing their tariff burden. While solar generation does require backing down of thermal plants during certain hours, the merit order principle ensures that the least cost generation is dispatched first. The optimization of procurement through prioritizing solar energy is therefore not an arbitrary measure,</p>

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	<p>surplus to that extent.</p> <p>d) Despite implementation of the arrangement of ToD charges, that the DISCOMs have consistently been constrained to make market purchases at higher prices is indicative of the limitations of the arrangement of ToD charges in achieving the intended objective.</p> <p>e) The Hon'ble Commission noted in the said order that "the delay in commissioning of the Yadadri Thermal Power Station (YTPS) has materially impacted the availability of base-load capacity. Owing to this delay, the DISCOMs were compelled to rely on costlier short-term and market-based purchases to meet night-time demand." As and when the contracted energy is available from YTPS, it will be available for meeting night-time demand, but, at the same time, it will lead to availability of surplus during day-time and its backing down and payment offixed</p>	<p>but a deliberate strategy to balance affordability, efficiency, and reliability cost generation is dispatched first. The optimization of procurement through prioritizing solar energy is therefore not an arbitrary measure, but a deliberate strategy to balance affordability, efficiency, and reliability. -cost generation is dispatched first. The optimization of procurement through prioritizing solar energy is therefore not an arbitrary measure, but a deliberate strategy to balance affordability, efficiency, and reliability.</p> <p>D) The DISCOMs are statutorily obligated to ensure uninterrupted supply and maintain grid stability. In circumstances where demand exceeds tied-up capacity or renewable output is lower than forecast, procurement from the power exchange becomes necessary irrespective of ToD arrangements.</p> <p>In view of the above, the continued need for market purchases does not indicate failure of the ToD mechanism, but rather reflects the inherent operational realities of power system management. ToD remains a useful demand-side management tool, though not a substitute for adequate resource planning and capacity tie-ups.</p>

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	<p>charges for the same. It is doubly so, because “daytime power availability is presently abundant,” as admitted by the Commission. In such a situation, how can incentivizing day-time consumption be worked out and implemented is a big question mark. For the sake of argument, presuming that, through the proposed incentivizing of day-time consumption, consumption pattern of the categories of consumers under ToD charges would change, it will pose a dichotomy. If those consumers shift their consumption from night-time to day-time to get the benefit of the said incentivization, the base-load capacity that would be added through projects like YTPS would become surplus to the extent night-time consumption of the said consumers shifts to day-time. Such a shifting of consumption pattern is doubtful, because of constraints of consumption of power based on social requirements. Consumption of power by such consumers is not confined to night-time only. If they are presently consuming power during day-time also, to what extent they can consume additional power during day-time by shifting their power consumption from night-time to day-time is another question mark. As admitted, when “daytime power availability is presently abundant,” and that needs to be consumed through shifting of consumption by the said categories of consumers from night-time to day-time, the base-load capacities to be added by projects like YTPS would become surplus during day-time. Such dichotomies and constraints of consumption of power based on</p>	<p>E)</p> <p>DISCOMs would like to submit that the base-load requirement of the State is increasing every year, driven by rising demand across sectors. Plants like YTPS are crucial to cater to this growing load and ensure long-term reliability. DISCOMs cannot procure or enter into Power Purchase Agreements (PPAs) with base-load plants on a yearly basis, as such capacity additions are planned for decades to meet sustained demand growth.</p> <p>The commissioning of YTPS will reduce dependence on costlier short-term and market purchases, particularly during night hours, thereby lowering overall procurement costs. Even if daytime surplus requires occasional backing down of thermal plants, the long-term benefits of having reliable base-load capacity far outweigh such operational adjustments.</p>

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	<p>social requirements would make it problematic to work out an arrangement for incentivizing of day-time consumption. As such, whether equilibrium between availability of power and consumption pattern can be achieved through ToD charges and a mechanism of incentivization remains an intractable riddle. The impact, if any, of such an arrangement would be marginal.</p> <p>f) Imposition of additional burdens on industry and commerce in the form of ToD tariffs would lead to imposition of all such burdens on the consumers at large in the form of escalation of prices of commodities and services and affect their purchasing power and living standards and, as such, they are retrogressive. It may also affect competitiveness of industries and commercial entities in the market.</p> <p>g) Implementation of ToD charges does not lead to overall variations in total consumption of power.</p>	<p>F) The proposed ToD tariff is a measure designed with long-term benefits in mind. It is intended to optimize consumption patterns by encouraging usage during periods when power procurement costs are lower, particularly solar hours. This helps DISCOMs reduce overall power purchase costs, which can eventually be passed on to consumers in the form of reduced tariff burdens.</p> <p>It is important to clarify that ToD tariffs should not be viewed as an additional revenue measure or as overburdening consumers. Instead, they are a regulatory tool to promote efficient utilization of available resources, reduce reliance on high-cost market purchases, and maintain grid stability.</p> <p>G) DISCOMs agree with the observation that ToD tariff changes alone may not lead to an overall increase in total consumption of power. The</p>

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	<p>h) When retail supply tariffs are being determined based on cost of service of each category of consumers, there is no justification in imposing ToD charges with additional burden. Extending ToD charges to other categories of consumers would intensify such burdens. It will facilitate the DISCOMs to collect additional amount in advance on the lines of FSA of 30 paise per unit per month permitted by the Commission.</p> <p>i) In the above-mentioned order on ToD charges, the Hon'ble Commission admitted that "with the increasing integration of renewable energy, particularly solar, the State now experiences surplus generation during daytime and comparatively higher procurement costs during night hours." It shows that consumption of power depends on social requirements, not on availability of surplus power. Peak and off-peak hours are also relative and with pattern of consumption of power they may undergo changes. As submitted by the DISCOMs what used to be off-peak hours during night time have now become peak hours. In response to the directive of the Commission, NPDCL has submitted that "under the current ToD tariff structure, the night time incentive has led to increased consumption during hours when power procurement costs are relatively high. This trend results in elevated overall procurement expenses for DISCOMs, which</p>	<p>intent of ToD charges is not to expand aggregate demand but to shift consumption patterns in alignment with supply availability</p> <p>While total consumption may remain broadly unchanged, the distribution of consumption across time blocks is expected to improve system efficiency and cost-effectiveness.</p> <p>H) DISCOMs submit that the ToD tariff and its impact are not reflected in the Cost of Service (CoS) calculations. The CoS methodology considers only cost elements such as power purchase costs, transmission charges, distribution expenses, and other operational costs.</p> <p>I) DISCOMs submit that ToD tariffs are a methodology adopted not only in Telangana but across almost all states in the country, and internationally as well. The intent of ToD is not to expect every consumer to completely shift their consumption pattern, which is naturally influenced by social and lifestyle requirements. Rather, the objective is to encourage partial shifting of consumption towards solar hours, where procurement costs are lower, thereby reducing overall</p>

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	<p>are ultimately passed on to consumers through tariff adjustments - potentially leading to future hikes.” It is the pattern of social life that leads to fluctuations in consumption of power. ToD charges and incentives associated with them cannot change pattern of social life. In a lighter vein, “raath ko khavo, pivo, din ko aaram karo” – can ToD charges change this kind of pattern of social life? Is it consumption of the six categories of consumers to whom ToD tariffs are implemented that has led to increase in power consumption during night-time? We have to see how much would be the burden on consumers when the DISCOMs make claims for true up of loss of revenue to them as a result of giving incentive to the said consumers during night hours which were considered off-peak for the year 2026-27.</p> <p>j) NPDCL has further maintained that “there has been dynamic change in the supply patterns and also consumer consumption patterns in the past few years. The initial intent of ToD is to flatten the load curve since the only major power source is thermal power. But in the present scenario, the supply patterns have changed drastically and it is not anywhere near to flat curve. Hence ToD purpose is to bring demand curve to supply availability rather than making it flat.” In other words, ToD charges and incentives have not only failed to flatten the load curve, but also are leading to imposition of the burden of true-up claims on all the consumers. Will this situation be different, if an arrangement</p>	<p>system costs.</p> <p>Even marginal shifts in demand from high-cost night hours to low-cost solar hours can yield significant savings in procurement costs. These savings ultimately benefit consumers by reducing tariff pressures and improving grid efficiency.</p> <p>J) As mentioned in the above point, TOD measure tries to change the consumption partially but not completely. Back in time, when thermal and hydel were only the generation sources, TOD tariffs were applied to bring the demand curve near to supply curve which is flat. But since the generation mix is changed completely now, DISCOMs modified the TOD tariffs to align with the current generation availability</p>

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	<p>of incentivizing day-time consumption is introduced?</p> <p>k) NPDCL has also contended that “this analysis has highlighted the need for realignment of the existing Time-of-Day (ToD) tariff structure to better reflect the cost of electricity procurement.” This brings to the fore the anomaly of imposing FSA and true-up burdens on all categories of consumers uniformly, without considering their respective consumption of power, how much additional power was purchased to meet their demand, especially, additional demand exceeding the quantum determined by the Commission in the respective RSTO order, what is the additional cost incurred for that and the need for working out apportionment of additional cost per unit based on their actual consumption of power, i.e., based on additional cost for consumption of power determined by the Commission in the RSTO and additional consumption exceeding that quantum. Such a rational approach results in working out different rates per unit to different categories of consumers under claims of FSA and true-up, just as cost of service is being worked out differently to different categories of consumers. In other words, such an approach of apportionment of additional cost to different categories of consumers would ensure a fair and equitable imposition of claims under FSA and true-up. ToD cannot be a solution for this. If uniformity has to be achieved in ensuring same rate of FSA under true-up to same category of consumers under</p>	<p>K) DISCOMs submit that the Fuel Surcharge Adjustment (FSA) and ToD tariffs are intended for different purposes and hence cannot be correlated. FSA is a mechanism to recover variations in fuel and power procurement costs, while ToD tariffs are a demand management tool designed to encourage consumption during lower-cost periods and discourage usage during high-cost periods.</p> <p>The point that FSA is an anomaly is not accurate. When FSA charges are imposed, consumers who have higher consumption are charged proportionately higher overall FSA amounts. This ensures fairness, as the burden is distributed in line with actual consumption levels.</p> <p>ToD tariffs, on the other hand, are not about imposing additional costs but about optimizing consumption patterns to reduce reliance on expensive market purchases.</p>

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	<p>all the DISCOMs in the state, the state government has to provide required subsidy, just as it is doing to ensure uniformity of tariff to same category of consumers under all the DISCOMs in the state.</p> <p>l) The real problem is availability of abnormal quantum of surplus power, obviously, during off-peak hours and seasons. This is a result of the irrational decisions of entering into long-term PPAs with generators of power, especially of RE, to purchase unwarranted power indiscriminately. This is a result of the failure of the powers-that-be to take prudent decisions to ensure a harmonious balance between fluctuating demand for power and power mix. Instead of addressing this issue, protagonists of lopsided reforms are bringing forth measures like ToD tariffs which do not address the real problems.</p> <p>m) The way out is to make prudent decisions, while entering into power purchase agreements with different power plants, both conventional and nonconventional, to ensure harmonious balance between fluctuating demand curve and power mix of thermal, hydel and renewable energy to the extent technically practicable so as to avoid availability of unwarranted surplus or deficit. Once economical and sustainable battery energy storage system is developed and put to use to the extent required, it can show the way out to avoid high-cost market purchases, swapping and unscheduled interchange draws.</p>	<p>L) &amp; m)</p> <p>This is already answered in above points</p>

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	<p>n) For these reasons, among others, we request the Hon'ble Commission to dispense with the arrangement of ToD charges.</p>	<p>N) TGDISCOMs have clarified on the objections made and request the commission to allow the current TOD tariff structure.</p>
<p>7.</p>	<p>Cost of power purchase used to be nearly 80% of aggregate revenue requirement of the DISCOMs for their retail supply business in the past. However, that has been changing. For FY 2026-27, the DISCOMs have projected cost of power purchase as Rs.54,567 crore which constitutes 74.75% of projected ARR of Rs.72,996 crore. This reduction of power purchase cost is as a percentage of ARR, not in absolute terms. It is because costs of intra-state and inter-state transmission and of operation and maintenance are increasing disproportionately to some extent. The average cost of power purchase for the next financial year is projected as Rs.5.35 per kWh. Whenever average cost of power purchase fluctuates, it is due to addition of installed capacities under PPAs with different tariffs for power from different power plants, fluctuations in levels of generation of power by different power plants, quantum of surplus power available and fixed charges to be paid for backing down the same, additional power purchases in the market under short-term, changes in costs of fuels used for generation of power, inadequate supply of such</p>	<p>We reiterate that there is no unwarranted surplus power leading to consumer overburden. If surplus power were truly available, there would not be a deficit during peak hours. During all time blocks, the surplus power is not same, continuous and regular. The characterization of surplus must be seen in the context of the entire daily and seasonal demand cycle. Power availability fluctuates across hours and seasons, and hence it cannot be termed "unwarranted surplus" when it is not consistently in excess throughout the day or year.</p> <p>DISCOMs optimize procurement to balance cost and reliability, ensuring that consumers are not subjected to unnecessary financial burdens. Market purchases and backing down of certain generation sources are undertaken only to minimize overall costs and to match the dynamic demand profile.</p>

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	<p>fuels required and allocated, and their transportation charges, and a host of other factors, including change of law. Despite projecting availability of a surplus of above 28,000 MU for the FY 2025-26, the DISCOMs have now estimated additional purchase of power in the market on short-term basis to the tune of 15,328 MU for the current financial year. For earlier FYs also, such a pattern was evident, with a difference in degree. Why has this kind of dichotomy been continuing? An efficient methodology, covering various factors, needs to be developed and adopted to make near realistic estimates of availability of power, surplus and deficit, demand growth, need for timely addition of installed capacities periodically, harmonious balance between demand fluctuation and power mix to the extent technically practicable, etc. Such factors are broadly controllable and within the purview of the DISCOMs and the Commission. Without considering such factors realistically, once regulatory consents to PPAs entered into with power projects indiscriminately by the DISCOMs, obviously, at the behest or direction of the government of the day, the adverse consequences that would arise cannot be undone or corrected for a long time. That has been the continuing experience. Prevention is better than cure. Therefore, a stern blow needs to be given when the Commission should at the time of considering requirement of power and PPAs for giving or rejecting consents to the same or by modifying them in terms of quantum of energy and period of requirement.</p>	

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8.	<p>As far as transmission and distribution costs are concerned, in the petitions of TGTRANSCO and DISCOMs for determination of their ARR and tariffs for their transmission and distribution businesses for the FY 2026-27, we have already made submissions. Considering the same, among others, the Hon'ble Commission is expected to take appropriate decisions and issue its orders.</p>	<p>All the submissions on Distribution business filing are answered by the DISCOMs and we request commission to approve the same</p>
9.	<p>For the FY 2026-27, revenue from cross subsidy surcharge is estimated to be Rs.168.5 crore from HT consumers only for SPDCL, while NPDCL has not projected any revenue from cross subsidy surcharge. This reflects an imbalanced pattern of development between the areas covered under both the DISCOMs. It underlines the need for developing HT industries and commercial entities in the areas under NPDCL, with necessary steps to be taken by the state government in that direction for planned decentralization of balanced development of all the areas in the state. Projected revenue from cross subsidy surcharge of Rs.168.5 crore to SPDCL constitutes an insignificant 0.335% of its ARR. There is cross subsidy surcharge being imposed on LT consumers under some of the slabs where the tariff exceeds cost of service. In other words, successive Commissions have been consciously reducing the percentage of cross subsidy surcharge over the years, even though the DISCOMs have not been seeking such a drastic reduction vis a</p>	<p>Cross subsidy and Cross Subsidy Surcharge (CSS) are distinct. Cross subsidy is embedded within retail tariffs, whereas CSS is payable only by Open Access (OA) consumers under Section 42(2) of the Electricity Act, 2003, and is meant to meet the current level of cross subsidy within the licensee's area of supply. Accordingly, CSS applies solely when a consumer avails power through OA.</p> <p>For FY 2026-27, SPDCL has projected ₹168.5 crore as CSS revenue exclusively from HT-OA consumers. There is no CSS projected from LT consumers because there are no LT-OA consumers. In contrast, NPDCL has not projected any CSS revenue since there are currently no OA consumers in its area. While CSS rates are computed category-wise for both DISCOMs, revenue arises only if OA materializes; hence, for NPDCL, the CSS revenue is not projected.</p> <p>The observation that ₹168.5 crore forms only about 0.335% of SPDCL's ARR reflects the narrow base of OA consumption and should not be combined with cross-subsidy embedded in tariffs.</p>

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	<p>vis 20%of cross subsidy surcharge. Compared to the cost of service, the tariffs applicable todifferent categories of consumers under some of the slabs, both HT and LT, showthat cross subsidy surcharge is being paid by them. How much is the revenue fromcross subsidy surcharge SPDCL has projected to get from HT categories and LTcategories separately? Though NPDCL has not shown any revenue under crosssubsidy surcharge, it is obvious that it is getting some revenue under cross subsidysurcharge going by the cost of service and tariffs applicable to some categories ofconsumers under different slabs. How much is the revenue NPDCL is getting undercross subsidy surcharge from HT and LT consumers? We request the Hon'bleCommission to show in the RSTO not only subsidy being given by the stategovernment to the categories of consumers concerned, DISCOM-wise andcategory/slab-wise, but also the component of cross subsidy surcharge similarly.</p>	<p>The tariffs presently applicable to consumers have been duly examined and approved by the Hon'ble Commission.</p>
10.	<p>Unrealistic projection and determination of availability of power andsurplus/deficit, on the one hand, and projection of inflated growth of sales, on theother, would lead to projection of ARR and revenue deficit in such a way that theneed for subsidy from the government or tariff hike or both would be reduced, andlater claims for thousands of crores of Rupees under FSA and true-up wouldemerge during the financial year concerned. Both the TGDISCOMs projected salesof 90,124 MU for 2026-27.</p>	<p>Growth rates should not be derived by comparing approved sales of one year with actuals of another, as this ignores the variation between approved and actual figures. For instance, approved sales for FY 2024-25 were 74,047 MU, while actual sales were 78,226 MU, variation of 5.6%. Using approved values for one year and actuals for another can make growth appear artificially low or high. Therefore, comparisons should be made with actual sales data.</p> <p>On this basis, effective growth rate for FY 2026-27 is about 7.3% wrt FY</p>

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	<p>Compared to the sales approved by the Commission in the RSTO for 2025-26 of 81029 MU, the growth rate of sales for 2026-27 works out to 10.09% percent. Compared to the actual sales of 78226 MU for 2024-25, the approved sales for 2025-26 work out to a growth rate of 3.46%. The projected growth rate of sales for 2026-27, especially for LT V agriculture, airports, railways and bus stations and HT VIII RESCO, seems to be ambitious and may lead to heavy claims under FSA and true-up later. Projection of sales to HT 1(B) power-intensive ferro alloys industries, with a reduction to 41 MU for next financial year from 189 MU approved for 2025-26, indicates sickness and closures of those industries, power tariffs being one of the factors for such a situation, and underlines need for support of the government for their revival in the interest of industrial growth and protection of employment.</p>	<p>2024-25 which aligns with normal historical trends. Consumption in first half of FY 2025-26 was low due to an extended monsoon, resulting in a suppressed baseline. Accordingly, TGDISCOMs used FY 2024-25, a normal operational year, to compute CAGR for projecting FY 2026-27 sales. While growth calculated against the lower FY 2025-26 consumption appears higher at about 11.5%, the 7.3% growth calculated against FY 2024-25 is realistic and reasonable.</p> <p>For LT V (Agriculture), TGDISCOMs followed methodology adopted by Hon'ble Commission. Agricultural sales for FY 2026-27 have been estimated based on 12 hours of daily supply and 180 operational days. Since nature of agricultural consumption is similar in both DISCOM areas, the same approach has been uniformly applied.</p> <p>For HT VIII (RESCO), the growth rate has been aligned with the growth trend of the corresponding LT consumers, as RESCO consumers essentially consists of LT category consumers. This approach ensures consistency with actual consumption patterns.</p> <p>For HT III (airports, railways and bus stations), growth rates adopted are modest and based on historic CAGR values. In the case of NPDCL, a conservative growth rate of approximately 2% has been considered for 11 kV consumers. For SPDCL, growth rates are based on historic CAGRs, and only moderate values have been considered. Although higher 3-year and 4-year CAGRs were available, the DISCOM has adopted appropriate CAGR to ensure projections are reasonable and not overestimated.</p>

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11.	<p>Inflating growth of sales to LT V agriculture based on load to 27,390 MU for 2026-27 from 21,442 MU approved for 2025-26, i.e., an increase of 21.72%, on the face of it, seems unrealistic. Though, as a matter of whimsical policy of the government, supply of power throughout the day and year to agriculture is being claimed, the reality is that water for agriculture, as well as power required to pump groundwater out, is not required and would not be available throughout the day and year. As such, projection of growth rate for sales to agriculture based on load is questionable. Against the claim of the DISCOMs of actual sales to LT agriculture of 24702 MU for 2024-25, that the Commission approved a sale of 21442 MU for 2025-26 makes the rate of growth of 21.72% projected by the DISCOMs for the next FY questionable. These variations underline the need for an effective methodology for a realistic estimate of consumption of power for agriculture under the policy of free supply. In this connection, it is to be noted that, in directive No.9, the Hon'ble Commission has directed the DISCOMs to explore the possibility of arriving at consensus among their agricultural consumers regarding the hours of supply for their peak load management. Though the DISCOMs have submitted the efforts being made by them in this direction, they could not specify to what extent the farmers are consuming power during non-peak hours only for agriculture. In directive No.11, the Hon'ble</p>	<p>As mentioned earlier, Growth rates should not be derived by comparing approved sales of one year with actuals of another, as this ignores the variation between approved and actual figures.</p> <p>With respect to LT V (Agriculture) sales, TGDISCOS have followed the methodology adopted by the Hon'ble Commission. Agricultural sales for FY 2026-27 have been estimated based on 12 hours of daily supply and 180 operational days per year, using the connected load indicated in the ARR filings. Details of existing and expected load is also mentioned in the filings. Since, the nature of agricultural consumption is similar in both DISCOM areas, the same approach has been uniformly applied.</p> <p><b>Load and Sales Projections for FY 2026-27</b></p> <table border="1" data-bbox="1093 791 1823 1046"> <thead> <tr> <th>Particulars</th> <th>NPDCCL</th> <th>SPDCCL</th> </tr> </thead> <tbody> <tr> <td>Load Projections (hp)</td> <td>7,421,344</td> <td>8,205,026</td> </tr> <tr> <td>Load Projections (MW)</td> <td>5536</td> <td>6121</td> </tr> <tr> <td>Sales Projections (MU) (Load in MW*12*180/10<sup>3</sup>)</td> <td>11958</td> <td>15425</td> </tr> </tbody> </table> <p>With regard to Directive No. 9 &amp; 11, the DISCOMs have been holding regular meetings with farmer groups to promote shifting agricultural pumping to non-peak hours and to encourage the use of proper capacitors for grid stability. These awareness efforts are ongoing; however, due to the seasonal and irrigation-dependent nature of agricultural usage, it is not presently possible to quantify exactly how much consumption occurs only during non-peak hours. Along with</p>	Particulars	NPDCCL	SPDCCL	Load Projections (hp)	7,421,344	8,205,026	Load Projections (MW)	5536	6121	Sales Projections (MU) (Load in MW*12*180/10 <sup>3</sup> )	11958	15425
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Sales Projections (MU) (Load in MW*12*180/10 <sup>3</sup> )	11958	15425												

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	<p>Commission has also directed the DISCOMs to submit, within a period of two months from the date of this order (RSTO for 2025-26), an action plan for achieving 100% agricultural DTR metering. The DISCOMs have replied that all the feeders in both the DISCOMs were already equipped with feeder meters and that, under RDSS, all feeder meters are to be meters with communicable &amp; AMI/AMR meters. The DISCOMs have clarified that, if they take up segregation of agriculture feeder under RDSS, they can assess the agriculture consumption with feeder meter data itself without fixing meters to agriculture DTRs.</p>	<p>pursuance for participation in RDSS, The TGDISCOMs are examining the option of providing DTR-level metering, and once implemented, it will enable more accurate assessment of consumption patterns.</p>																																			
12.	<p>While the energy dispatched has come down from the quantum approved by the Commission, the cost of power purchase has increased for the last three FYs for the two DISCOMs as given below:</p> <table border="1" data-bbox="197 917 1048 1093"> <thead> <tr> <th>Year</th> <th colspan="2">Energy dispatched MU</th> <th>Difference</th> <th colspan="2">Cost of power purchase Rs.cr</th> <th>Difference</th> </tr> <tr> <th></th> <th>Approved</th> <th>Actual</th> <th></th> <th>Approved</th> <th>Actual</th> <th></th> </tr> </thead> <tbody> <tr> <td>2022-23</td> <td>78361</td> <td>73121</td> <td>5240</td> <td>40149</td> <td>47433</td> <td>7285</td> </tr> <tr> <td>2023-24</td> <td>84156</td> <td>78460</td> <td>5606</td> <td>42311</td> <td>48895</td> <td>6584</td> </tr> <tr> <td>2024-25</td> <td>84403</td> <td>82595</td> <td>1808</td> <td>44515</td> <td>47009</td> <td>2494</td> </tr> </tbody> </table> <p>These trends show that requirement of power was overestimated. At the same time, abnormal quantum of power was purchased in the market during the last three FYs at higher prices and a total of Rs.15,961 crores under power purchase true-up and Rs.1650 crores under revenue true-up are claimed by the DISCOMs for the last three financial years. The DISCOMs have to give details</p>	Year	Energy dispatched MU		Difference	Cost of power purchase Rs.cr		Difference		Approved	Actual		Approved	Actual		2022-23	78361	73121	5240	40149	47433	7285	2023-24	84156	78460	5606	42311	48895	6584	2024-25	84403	82595	1808	44515	47009	2494	<p>The DISCOMs submit that power requirement has not been overestimated but has been assessed prudently to meet projected demand and ensure grid stability, which are statutory obligations. While instances of surplus power may arise in certain periods, these are mainly due to seasonal demand variations, renewable energy intermittency, inflexibility of long-term PPAs, and changes in actual consumption patterns, and not because of inflated demand estimates. As highlighted in the petition, procurement from short term sources will be undertaken only when necessary. To clarify, TGDISCOMs have considered short term power purchases for the following purposes:</p> <ol style="list-style-type: none"> <li>1. To address demand–supply gaps during hours when power requirement exceeds the available generation.</li> <li>2. To optimize overall power procurement costs, by purchasing</li> </ol>
Year	Energy dispatched MU		Difference	Cost of power purchase Rs.cr		Difference																															
	Approved	Actual		Approved	Actual																																
2022-23	78361	73121	5240	40149	47433	7285																															
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	<p>of the latest estimate of dispatch of energy and actual sales for FY 2025-26.</p>	<p>from the market during hours when market prices are lower than the variable cost (VC) of certain high VC generating stations.</p> <p>Since TGDISCOMs do not maintain any tied up capacity for short term procurement, and such purchases depend entirely on real time demand supply conditions and prevailing market prices, including this power in the energy availability calculations would misrepresent picture of thestate’s actual supply position.</p>															
<p><b>13.</b></p>	<p>In response to directive Nos.5&amp;6 relating to electrical accidents and ex-gratia givenby the Commission, the DISCOMs have submitted the following for the first half of2025-26:</p> <table border="1" data-bbox="197 715 1048 802"> <thead> <tr> <th>DISCOM</th> <th colspan="2">HUMAN</th> <th>ANIMAL</th> <th>Ex-gratia paid</th> </tr> </thead> <tbody> <tr> <td>SPDCL</td> <td>139 fatal</td> <td>33 non-fatal</td> <td>615</td> <td>Rs.23.2114 cr.</td> </tr> <tr> <td>NPDCCL</td> <td>158</td> <td>41</td> <td>543</td> <td>7.7453</td> </tr> </tbody> </table> <p>Compared to electrical accidents that occurred during 2024-25 - 723 for SPDCLand 1165 for NPDCCL – their occurrence during the first half of 2025-26 does notshow any declining trend, despite all the efforts being made by the DISCOMs toeducate the general public for preventing such accidents. What are the postssanctioned in both the DISCOMs under various cadre and the number of postswwhich are still unfilled?</p>	DISCOM	HUMAN		ANIMAL	Ex-gratia paid	SPDCL	139 fatal	33 non-fatal	615	Rs.23.2114 cr.	NPDCCL	158	41	543	7.7453	<p>The DISCOMs continue to undertake sustained preventive measures, including:</p> <p>Public awareness campaigns through print, electronic and social media, Safety drives in villages and urban localities,</p> <p>Replacement of damaged conductors and poles,</p> <p>Strengthening of earthing systems and DTR fencing,</p> <p>Regular patrolling and preventive maintenance.</p> <p>The impact of such measures is gradual and cumulative in nature.</p> <p>It is respectfully submitted that the occurrence of electrical accidents cannot be directly or solely attributed to vacancy position, as accidents are influenced by multifaceted and external factors as stated above.</p>
DISCOM	HUMAN		ANIMAL	Ex-gratia paid													
SPDCL	139 fatal	33 non-fatal	615	Rs.23.2114 cr.													
NPDCCL	158	41	543	7.7453													
<p><b>14.</b></p>	<p>In directive No.7, the Hon’ble Commission has once again directed the DISCOMs totake steps for the installation of prepaid smart meters with latest technology for allinterested consumers.</p>	<p>With respect to Directive No. 7, the DISCOMs have filed a petition before the Hon’ble Commission to release all new services with smart meters on a cost-recovery basis, given the benefits to consumer and</p>															

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>SPDCL has reiterated that under RDSS, a draft DPR for smartprepaid metering for all existing consumers (excluding agriculture consumers) and system metering has been prepared for an amount of Rs.9308.37 crore. As per RDSS guidelines, the approximate cost of Rs.729 crore for the existing 81 lakh consumers (other than agriculture consumers), it has pointed out. Once approval is given to the DPR by Distribution Reforms Committee, and the state cabinet, it will be taken up for final approval by the MoP, GoI, SPDCL has reiterated. A similar reply is given by NPDCL. SPDCL has reminded that a petition for release of all the new services with smart meters with AMI (advanced metering infrastructure) for LTM application by collecting the cost of smart meter from the consumer was submitted to the Commission on 12.9.2025 and again on 16.10.2025. We request the Hon'ble Commission to hold a public hearing on such petitions, before giving its orders, as the issue has serious implications for the consumers. Are the DISCOMs taking prior consent of interested consumers for installation of prepaid smart meters? If so, from how many consumers they have taken prior consent so far?</p>	<p>DISCOM.</p> <p>This approach aligns with established practice in comparable states such as Andhra Pradesh (since 2023) and Karnataka (since 2025).</p> <p>TGDISCOMs submit that petitions submitted by the licensee are made when the DISCOMs consider a measure necessary in the larger consumer interest, and not solely on individual consumer requests.</p> <p>DISCOMs will abide by orders of Hon'ble commission wrt to public hearings and orders in this regard.</p>
15.	<p>In directive No.8, the Hon'ble Commission has again directed the DISCOMs to submit a time bound action plan for replacement of existing meters with prepaid smart meters with two-way communication in the interest of revenue realization of the</p>	<p>TGSPDCL installed 10903 prepaid meters to Government services and data is captured through online system.</p>

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	<p>DISCOMs. TGNPDCL has replied that it has decided to install smart meters for 70,472 services (comprising 19,909 single phase and 50,564 three phase meters) having a monthly consumption of 500 units and above and that procurement of those smart meters is under process. In this connection, the reply of NPDCL that, as per the order of the state government, 15,035 prepaid meters out of 18,812 procured by it and installed so far for government services are functioning in postpaid mode needs to be noted. In other words, installation of prepaid meters has turned out to be an infructuous exercise. No reply is given by SPDCL.</p>										
16.	<p>In directive No.16, the Hon'ble Commission has directed the DISCOMs to keep pursuing with the government for clearance of outstanding electricity bills of government departments. The DISCOMs have responded that "regular pursuance is made with the Government departments for clearance of outstanding dues" and that "all the possible efforts are being made for collection of 100% outstanding dues from all the consumers including Government departments". The DISCOMs have shown arrears of consumers over Rs.50,000 pending for over six months as hereunder:</p> <table border="1" data-bbox="203 1230 1048 1334"> <thead> <tr> <th data-bbox="203 1230 405 1257">DISCOM</th> <th data-bbox="405 1230 741 1257">As on 31.3.2025</th> <th data-bbox="741 1230 1048 1257">As on 30.9.2025</th> </tr> </thead> <tbody> <tr> <td data-bbox="203 1270 405 1297">SPDCL</td> <td data-bbox="405 1270 741 1297">Rs.20463.81 cr</td> <td data-bbox="741 1270 1048 1297">24186.83 cr.</td> </tr> <tr> <td data-bbox="203 1305 405 1332">NPDCL</td> <td data-bbox="405 1305 741 1332">15507.72</td> <td data-bbox="741 1305 1048 1332">17968.45</td> </tr> </tbody> </table>	DISCOM	As on 31.3.2025	As on 30.9.2025	SPDCL	Rs.20463.81 cr	24186.83 cr.	NPDCL	15507.72	17968.45	<p>As mentioned in the filings TGDISCOMs are continuously pursuing with State govt and govt departments for clearance of outstanding dues, timely disbursement of subsidy amounts.</p> <p>TGDISCOMs submit that necessary actions are being taken in accordance with the Terms and Conditions of Supply in cases where consumers, do not pay CC bills within the prescribed timelines.</p> <p>Data regarding arrears, payables, outstanding loans are available in the audited annual accounts of TGDISCOMs and these documents are made available to public.</p> <p>TGDISCOMs remain fully committed to strengthening their financial position and will continue to do so.</p>
DISCOM	As on 31.3.2025	As on 30.9.2025									
SPDCL	Rs.20463.81 cr	24186.83 cr.									
NPDCL	15507.72	17968.45									

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>Despite the claimed efforts of the DISCOMs to collect arrears from the consumers, the trends of increasing arrears is alarming. What are the latest dues both the DISCOMs have to collect from consumers, including governmental departments and local bodies? What are the amounts pending from the government towards true-up claims and subsidy to be paid to the DISCOMs? What are the dues the DISCOMs have to pay to generators and suppliers of power and others? How many cases are pending at various levels relating to dues to be paid or collected by the DISCOMs? What are the accumulated losses of the DISCOMs? What are the accumulated dues of loans taken by the DISCOMs? Why are the DISCOMs failing to disconnect service connections of the consumers when the latter fail to pay CC bills in time, as per the terms of supply? What are the amounts the DISCOMs paid or are paying towards delayed payments surcharge for the last three and current FYs? What are the additional loans being taken by the DISCOMs and interest thereon being paid by them in view of their precarious financial position? We request the Hon'ble Commission to get the above-sought information every month, review it and give necessary instructions and guidance to the DISCOMs to improve their performance and make the same public.</p>	
17.	<p>In directive No.17, the Hon'ble Commission has directed the DISCOMs to come up with reasons for T&amp;D losses, detailed</p>	<p>SPDCL have submitted to Hon'ble commission on the measures being taken for reduction of T&amp;D losses which included segregation of</p>

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	<p>mechanism for reducing losses, efforts being employed to reduce the losses and bring the same to national average or less than that. While NPDCL has given the steps it is being for reduction of line losses and data of percentage of losses, SPDCL has stated that it has submitted the details to the Commission on 16.10.2025. For FY 2026-27, the DISCOMs have projected T&amp;D losses as hereunder:</p> <table border="1" data-bbox="197 539 1048 699"> <thead> <tr> <th>DISCOM</th> <th>Total input MU</th> <th>Total sales</th> <th>T&amp;D losses</th> <th>Loss %</th> <th>Sale of surplus</th> </tr> </thead> <tbody> <tr> <td>SPDCL</td> <td>71915</td> <td>63753</td> <td>8163</td> <td>11.35%</td> <td>2106</td> </tr> <tr> <td>NPDCL</td> <td>30065</td> <td>26371</td> <td>3694</td> <td>12.29%</td> <td>879</td> </tr> <tr> <td>Total</td> <td>101981</td> <td>90124</td> <td>11857</td> <td>11.63%</td> <td>2985</td> </tr> </tbody> </table> <p>The DISCOMs have projected average cost of power purchase for 2026-27 as Rs.5.35 per unit. The projected T&amp;D losses work out to Rs.6343.50 crore. Even the projected losses have to be seen in the background of questionable projection of sales to agriculture which gives scope for showing a part of T&amp;D losses as sale to agriculture. If the DISCOMs cannot sell the projected surplus power of 2985 MU fully or partly, the average cost of power purchase would increase, adding to the true-up claims to be made for 2026-27. In view of ever-increasing costs of transmission and distribution networks, we request the Hon'ble Commission to determine targets of reduction in T&amp;D losses for next financial year, notwithstanding what it determined the same in the MYT orders for the 5th control period.</p>	DISCOM	Total input MU	Total sales	T&D losses	Loss %	Sale of surplus	SPDCL	71915	63753	8163	11.35%	2106	NPDCL	30065	26371	3694	12.29%	879	Total	101981	90124	11857	11.63%	2985	<p>overloaded feeders, curtailment of lengthy feeders, augmentation of overloaded transformer capacity, and diversion of loads from overloaded transformers/feeders.</p> <p>As mentioned earlier Agri sales have been determined as per methodology adopted by Hon'ble commission.</p> <p>The DISCOMs also submit that the ability to sell surplus power depends on real-time market conditions, demand patterns, and system constraints. Projections of surplus power and its sale have been made based on the best available information at the time of filing, taking into account market conditions and expected demand.</p> <p>TGDISCOMs remain committed to reducing T&amp;D losses through continuous system strengthening, improved metering, and network upgrades. The DISCOMs respectfully submit that they will fully comply with T&amp;D loss reduction targets set by the Hon'ble Commission.</p>
DISCOM	Total input MU	Total sales	T&D losses	Loss %	Sale of surplus																					
SPDCL	71915	63753	8163	11.35%	2106																					
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Total	101981	90124	11857	11.63%	2985																					

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18.	<p>In directive No.1, the Hon'ble Commission has directed the DISCOMs to verify whether imported coal is being procured through the competitive bidding process, or under any guidelines issued in this regard by GoI, before admitting the stationwise power purchase bills and submit certificates to that effect. SPDCL has replied that compliance report was submitted to the Commission on 16.10.2025. NPDCL has explained that it is ensured that thermal projects of TGGENCO and STPP of SCCL are not using imported coal. It has further informed that, regarding usage of imported coal by CGS stations, it is ensured that the imported coal is being procured by NTPC in accordance with the MoP, GoI, guidelines issued from time to time and also through transparent international competitive bidding process. Serious allegations have been made and published in the media about manipulations and inflating costs of imported coal, involving big Indian corporate companies who had coal mines abroad, but no action has been taken by the GoI. The way TGDISCOMs signed the PPA in IA No.39 in OP No.31 of 2025 with NTPC for procurement of 800 MW from stage II of TSTPP 3x800 MW, with a number of deficiencies and improprieties detrimental to the interests of the consumers, has shown how ineffective the approach of the state government and the DISCOMs in questioning NTPC and making it agree to redraft and sign a comprehensive and balanced PPA. Similar was experience in</p>	<p>DISCOMs would like to submit that presently, the GENCO and SCCL plants which have signed PPAs with TGDISCOMs are operating only with domestic coal, as they already have firm coal linkages.</p> <p>The tariff petitions of CGS plants are scrutinized by the Central Electricity Regulatory Commission (CERC), which has the final authority in approving energy charges and escalation rates.</p> <p>Thus, DISCOMs rely on the statutory and regulatory framework established by CERC and MoP, which provides transparency and accountability in coal procurement and tariff determination.</p>

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	<p>signing PPAs with NTPC in the past also, and records available in the Commission also confirm it. As such, it is difficult to take the submission of NPDCL about coal imported by NTPC at its face value, in the absence of any recorded evidence. How can the DISCOMs certify that coal is being imported by NTPC in accordance with guidelines of MoP, GoI, and through transparent international competitive bidding? We request the Hon'ble Commission to call for relevant records relating to import of coal, examine whether prices of imported coal were in line with the market trends at relevant point of time or inflated abnormally and make the same public. Regarding Sembcorp Energy India Limited, with blended coal - 70% domestic and 30% imported - energy bills are being paid based on fixed tariff schedule provided in the PPA and escalation rates notified by CERC from time to time. Are escalation rates notified by CERC and actual rates of coal being verified by the DISCOMs to ascertain authenticity and permissibility of variable costs being claimed by Sembcorp from time to time? When prices of coal are being escalated as notified by CERC from time to time, how can the DISCOM claim that "energy charges does not effect by the usage of the Domestic/Imported coal by the generator," whatever it may mean.</p>	
19.	<p>In directive No.2, the Hon'ble Commission has directed the DISCOMs to ensure that the GCV of coal for which the price is</p>	<p>The GCV of coal is being verified with the minimum of the range of GCV specified for that particular grade. TGSPDCL abide by the directions of</p>

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	<p>paid by its contracted generating stations should not be less than the minimum of the range of GCV specified for that particular grade. NPDCL has maintained that GCV of coal is being verified with the minimum of the range of GCV specified for that particular grade. SPDCL has replied that compliance report was submitted to the Commission on 16.10.2025. The CMD of TGGENCO, in a letter to the then CMD of SCCL, pointed out that the poor quality of coal supplied to the thermal stations of GENCO resulted in units being forced to operate at partial loads, leading to generation loss; reduction in plant load factor, affecting the station availability against the norms of TGERC and causing loss; increased wear and tear of boiler pressure parts; higher auxiliary power consumption and heat rate; heavy ash content burdening the ash evacuation system; and excess coal consumption beyond design levels, resulting in higher freight and handling costs. He further pointed out thermal stations of TGGENCO are totally linked to SCCL for a quantity of 28.872 million tonnes per annum and that about 85% of the FSA quantity is higher grade with gross calorific value ranging from 4000-4900 kcal/kg. However, majority of the coal quality is below the FSA grade (G14/G15 grade of GCV 2800-3400 kcal/kg, he pointed out. CMD of TGGENCO made it clear that the receipt of poor quality of coal has hindered TGGENCO's ability to achieve its rated capacity of 85% fixed by TGERC, thereby impacting fixed charges and overall revenue, with the fixed charges regulated on a pro rata basis. (Copy of a</p>	<p>Hon'ble Commission for submission of relevant records to examine the factual position.</p>

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	<p>report published in New Indian Express dt.17.10.2025 is enclosed.</p> <p>What needs to be verified is whether GCV is in accordance with the contracted grade of coal, not in accordance with the lower grade of coal supplied by SCCL. Needless to say, the pointed failure of GENCO to achieve 85% of PLF its thermal stations is resulting in TGDISCOMs making purchases in the market at higher prices, thereby imposing avoidable burdens on their consumers under FSA and true-up additionally. We request the Hon'ble Commission to call for relevant records, examine the factual position and give necessary directions and make the same public.</p>	
20.	<p>If fuel surcharge adjustment @ 30 paise per unit per month is collected, for the FY 2026-27, it would work out to Rs.2703.72 crore against the projected sale of 90,124 MU. Is that amount factored in the projections of revenue on sale of the projected power? If not, and if the DISCOMs continue not to collect the said FSA, it is better to dispense with it, instead of allowing the DISCOMs to continue to be contumacious, defying the direction of the Commission. If it is not factored in the projected revenue of the DISCOMs for next FY and collected, it will crop up in the form of claims for true-up.</p>	<p>TGDISCOMs did not levy FSA/FCA for FY 2023-24 and FY 2024-25 and have not claimed Power Purchase (PP) true-up amounts for FY 2023-24 and FY 2024-25.</p> <p>TGDISCOMs are diligently adhering to the current MYT Regulation 2 of 2023 in calculating FCA and will continue to do so. The TGDISCOMs have addressed letters to the GoTG for approval for collection of FCA amount regularly every month as per the provisions in the MYT Regulation.</p> <p>If the Hon'ble commission updates/modifies to the treatment of FCA, DISCOMs shall abide by the directions of the Hon'ble Commission.</p>

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<p>21.</p> <p>22.</p> <p>23.</p>	<p>The very arrangement of fuel surcharge adjustment (FSA) is bristling with many contradictions and problems. It should be dispensed with altogether, without affecting the interests of the DISCOMs. As a part and parcel of the controversial reforms being imposed by the government of India in the power sector and following the same, as a part of the regulatory process of Andhra Pradesh Electricity Regulatory Commission (APERC), the arrangement introduced for FSA in the early 2000s and later rechristened fuel and power purchase cost adjustment (FPPCA), true-up and true-down continued to undergo several changes through periodical orders of the Commission. In practice, it has turned out to be an arrangement to impose avoidable burdens on the consumers at large, on the one hand, and allowing the licensees of transmission, distribution and retail supply business - APTRNSCO and APDISCOMs - and State Load Dispatch Centre to claim and collect huge amounts, in addition to the retail supply tariffs and other charges being shown in the power consumption bills, on the other. This arrangement has become an instrument to reduce the need for subsidy to be provided by the government as per its decisions, on the one hand, and hoodwinking the consumers of power at large that there have been no hikes in power tariffs, especially during pre-election periods, or that the tariff hikes are relatively lower, but, in practice, imposing burdens of thousands of crores of Rupees on the consumers at large every month, quarterly, yearly and quinquennially – both directly and indirectly – in the form of FPPCA, true-up and true-down.<sup>63</sup> TGERC adopted the regulations of APERC, after bifurcation of the state, and made some changes in the regulations.</p>	<p>FSA/FCA is a regulatory mechanism meant to address uncontrollable variations in power purchase costs and is calculated strictly in accordance with the applicable Regulations. It does not impact State subsidy, which is determined independently based on power purchase costs, other costs and expected revenue.</p> <p>TGDISCOMs respectfully submit that FCA is not being levied on consumers at present, and the true-ups for the associated years have also not been claimed, ensuring that no additional burden is imposed on consumers at this stage. However, FCA remains an essential tool for addressing uncontrollable cost variations and therefore should not be dispensed with.</p> <p>TGDISCOMs are diligently adhering to the current MYT regulations 2 of 2023 in calculating FCA and will continue to do so. The TGDISCOMs have addressed letters to the GoTG for approval for collection of FCA amount regularly every month as per the provisions in the MYT Regulation.</p> <p>If the Hon'ble commission updates/modifies to the treatment of FCA, DISCOMs shall abide by the directions of the Hon'ble Commission.</p>

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24.	<p>After the Commission issues RSTO for next financial year, several factors, which could not be foreseen or as a result of failure to foresee or due to unrealistic estimates and determination of various factors at the time of submission of ARR and tariff revision proposals of the DISCOMs and issuing RSTO by the Commission, may come into play during next financial year. As a result, revenue requirement and revenue gap or surplus of the DISCOMs may vary vis a vis the ones determined in RSTO. The following are some of the factors that may lead to variations in revenue requirement and revenue gap/surplus of the DISCOMs during the financial year concerned:</p> <p>a) Variation in availability of power and surplus/deficit due to unrealistic estimates and entering into long-term power purchase agreements (PPAs) to purchase unwarranted power, especially renewable energy like solar and wind power, with must-run status, indiscriminately, and getting regulatory consents to the same.</p> <p>b) Taking shelter under long-term load forecast, resource plans, electricity plan, etc., submitted by the DISCOMs and consented by SERC to enter into long-term PPA to purchase unwarranted power, without reviewing ground reality and revising the projections made in those plans periodically, as and when a proposal or PPA comes up for consideration of the Commission.</p> <p>c) Failure to maintain balance between demand curve and power</p>	<p>It may be noted that the very act of projection will have a certain bit of uncertainty because of uncontrollable factors beyond the control of the licensee. Regulatory principles are well laid for treatment of deviations due to controllable and uncontrollable factors. The licensee submits that the relevant factors are considered for making projections that reflect the situation on ground.</p> <p>a) The licensee submits that there is no unwarranted purchase of power, especially solar and wind. It may be noted that Hon'ble TGERC has come up with a comprehensive Renewable Power Purchase Obligation (RPO) after a detailed public consultation and scrutiny. Further the quantum of RE purchase has been aligned to the demand and supply scenario of Telangana State. The licensee is procuring RE power to achieve a two-pronged objective of reducing power purchase cost and also fulfilling the RPO requirements. For FY 2024-25, as against TGERC RPO target 10%(solar) &amp; 1.75%(Non solar) &amp; MNRE, TGDISCOMs have achieved said target. Hence, the licensee submits that it is not resorting to any indiscriminate purchase of RE power. All power procurements are being done considering the need to supply quality &amp; reliable power supply with due approval of the Hon'ble Commission.</p> <p>b) It may be noted that while filing for the ensuing year of the control period, the licensee has considered the more recent</p>

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	<p>mix to the extent possible to ensure that surplus power is available to the least possible extent technically.</p> <p>d) Backing down generation capacities of thermal power plants as per the principle of merit order dispatch when surplus power is available on a large scale and paying fixed charges for power backed down.</p> <p>e) Purchasing power in the market and through power exchanges at higher prices, with power exchanges becoming conduits for legalized black marketing, without real competition among sellers.</p> <p>f) Inadequate supply of fuels like coal, natural gas, etc., and problems and costs of transportation.</p> <p>g) Pricing of fuels, change in law and policies of taxation of the governments.</p> <p>h) Government of India forcing thermal power stations to import costly coal by artificially creating scarcity for coal in the country, with a view to facilitating import of coal from the mines of Indian monopoly corporate houses and through traders, with manipulated and inflated prices.</p> <p>i) Govt and Central Electricity Authority directing thermal power stations to reduce their PLF drastically to facilitate penetration of RE into the grid.</p> <p>j) Determination of targets of minimum purchase of renewable</p>	<p>factors which are impacting projections and modulating them accordingly. A holistic assessment is made on the adequate supply to be contracted to serve the expected demand in an optimal and reliable manner. Such projections are also subject to the regulatory scrutiny of the Hon'ble Commission.</p> <p>c) Maintaining balance between the demand and supply in real-time is a complex phenomenon, and TGS LDC is executing the mandated task in a meticulous manner. This is evident in the availability levels of the network. Experiencing surplus/deficit in time slots across the day is an inherent feature of the system, and licensees are endeavoring to run the system in an optimal and reliable manner.</p> <p>d) Backing down of generation capacities is done strictly in accordance with the Grid Code for ensuring the secure, reliable, and stable operation of the grid.</p> <p>e) TGDISCOMs would like to submit that Section 66 of the Electricity Act pertains to the 'Development of Market'. In accordance with above provision, Hon'ble CERC has notified the 'Power Market Regulation' and power exchanges are one of the key market participants. It must be noted that from a commercial and operational standpoint, it is advisable to have firm contracted capacities to extent of base demand of the system (around 70%). Around 15-20% could be contracted through</p>

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	<p>energy, with must-run condition, under renewable power purchase obligation (RPPO) by ERCs on a higher side and even exceeding that percentage, with PPAs entered into by the DISCOMs and consents given to the same by SERC indiscriminately.</p> <p>k) Problems of variation in generation of power by various plants below their threshold level of plant load factor (PLF) due to divergent problems and problems of intermittency in generation of power by plants of renewable energy, above or below capacity utilization factor (CUF).</p> <p>l) Increasing burdens of non-conventional energy, especially, with ever increasing variable costs, as in the case of biomass-based power plants.</p> <p>m) Allowing the DISCOMs to purchase power from power plants for interim tariffs, as decided by the Commission, without submitting and considering capital cost of the plants, PPAs and tariffs simultaneously and in time.</p> <p>n) Purchasing power, especially renewable energy, under higher generic tariffs fixed by SERC, and through mutual agreements, without following the process of real competitive biddings and by not giving as much scope as possible for wider participation of bidders in the country, to ensure competitive tariffs</p> <p>o) Imprudent terms and conditions in the PPAs much to the</p>	<p>medium term contract and balance 10-15% of the quantum could be contracted on a short-term basis for balancing the power requirements in a short time scale. Power exchanges are regulated by Hon'ble CERC and its operations are also subject to scrutiny of Hon'ble CERC. Hence, power exchanges serve as an excellent platform for fulfilling the short-term power needs either purchasing quantum in case of deficits and in selling any surplus power.</p> <p>The Day-ahead Market (DAM) and Real-time market (RTM) operate based on 'Anonymous Closed Double Sided' auction wherein the buyer and seller don't know each other and Market Clearing Price (MCP) are determined based on algorithm of 'social welfare maximization'. This is a transparent mechanism and prices determined are a function of demand and supply, and there is no scope of manipulating the bid prices. It may be noted that Hon'ble CERC also conducts surveillance on exchange operations and audits the algorithm on a periodic basis to prevent any malpractice.</p> <p>In view of the points elucidated above, the remarks of the objector are not warranted, and they undermine the structural foundations of 'Power Market' especially at a time when efforts are being made across India for increasing the 'Short-term Market' size.</p>

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	<p>detriment of interests of consumers at large and undue benefit to developers of power plants.</p> <p>p) Endless legal litigations, especially, with private power developers, and their consequences.</p> <p>q) Ever-changing and never-ceasing notifications and directives being issued by the GoI, often mutually contradictory in nature, to be followed by the state governments, DISCOMs and ERCs.</p> <p>r) Conditionalities being imposed by the GoI under schemes like revamped distribution sector scheme (RDSS) to ensnare the states and their DISCOMs, thereby imposing avoidable and unwarranted burdens on the consumers.</p> <p>s) Lack of effective regulatory control on purchases of materials and contracts being given by transmission and distribution licensees.</p> <p>t) Due to vagaries of nature like scanty rainfall or drought or heavy rainfall and floods, variations in generation of hydel power and renewable energy and demand for power take place.</p> <p>u) Apart from scheduled shut down of power plants for annual overhauling, forced shut down due to technical problems may take place, leading to generation of power below threshold levels of PLF.</p>	<p>f) TGGENCO and SCCL have tied up for coal based on the thermal capacities contracted with TGDISCOMs</p> <p>g) The points raised by the objector fall outside the purview of TGDISCOMs</p> <p>h) TGGENCO stations have requisite fuel allocations for existing capacities. For the upcoming units to be commissioned, matter for coal linkage allocation has been taken up with Ministry of Coal.</p> <p>i) Moving to a cleaner and environmentally friendly power generation is beneficial to all the stakeholders and utilities across the globe are making a conscious effort to source higher quantum of RE power.</p> <p>The above trend of 'Energy Transition' brings along certain challenges such as making coal-based plants more flexible, capable of operating at a lower technical minimum. It may be noted that these are fundamental measures for greater integration of RE and TGDISCOMs are not insulated from such a trend. TGGENCO and licensees are taking necessary steps for integrating higher quantum of RE power</p> <p>j) It must be noted that though TGDISCOMs are currently meeting the RPO targets as set by Hon'ble TGERC, the targets itself are expected to be revised upwards. Hence, TGDISCOMs are</p>

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	<p>v) Shifting of cross-subsidizing consumers like HT industrial and commercial consumers to captive generation, open access, rooftop solar power, etc. Shifting of high-consumption domestic consumers to rooftop solar, etc.</p> <p>w) Time of the day charges</p> <p>x) Banking facility</p> <p>y) Drawing power under unscheduled interchange</p> <p>z) Allowing private DISCOMs to be set up in the areas of operation of the DISCOMs of state government.</p> <p>aa) Setting up a separate DISCOM for supply of power to agriculture in the state.</p> <p>bb) Variations in transmission, inter-state and intra-state, and distribution charges and losses.</p> <p>cc) Variations in estimated and determined demand for power</p> <p>dd) Writing off of bad and doubtful debts</p> <p>ee) Imbalanced orders of the regulatory Commissions, both state and central, and appellate authorities.</p> <p>ff) After introduction of the arrangement in the early 2000s, starting with Rs.50 crore under FSA for the first quarter, the burdens have been increasing tremendously on the consumers of</p>	<p>taking appropriate measures to meet the revised targets.</p> <p>k) The issues pointed out by the objector are common in a high RE environment. TGGENCO and the DISCOMs are taking up measures for operating the grid and meeting the demand of consumers in a system with higher RE penetration.</p> <p>l) The quantum of operational biomass power plants is low in the State of Telangana. Determination of tariff for Biomass plants would be based on methodology outlined by Hon'ble TGERC</p> <p>m) TGDISCOMs will abide by the directions of Hon'ble TGERC.</p> <p>n) It must be noted that RE technologies take time to mature from a commercial and operational standpoint. If we were to consider the case of solar power, there was preferential tariff determination by Regulatory Commissions across India and globally for encouraging solar power during 2010-2014. However, due to the 'learning curve' effect we are seeing a downward trend in solar prices and price discovery is largely through competitive bidding.</p> <p>In the same manner to encourage RE technologies which have not gained sufficient maturity, Regulators are determining tariffs based on set methodology. Progressively competitive bidding would be the basis for the selection of developers.</p> <p>o) All the PPA terms and conditions are scrutinized by Hon'ble</p>

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	<p>power, running into thousands of crores of Rupees annually. The FSA and true-up burdens annually are turning out to be several times higher than the impact of tariff hikes and as higher percentages of the annual revenue requirements of the DISCOMs determined by SERC. This is despite the fact that the subsidy being provided by the state government, too, is increasing considerably. FSA and true-up burdens are even exceeding the subsidy being provided by the state government.</p>	<p>TGERC</p> <p>p) TGDISCOMs have filed counters in respective matters.</p> <p>q) This point is a matter of opinion of the Objector</p> <p>r) DISCOMs across the country must compete for funding which is available under RDSS. Hence it is natural for set of criteria to be met to be eligible for the funding schemes.</p> <p>s) It is expected that 'Regulatory Oversight' should nudge the licensees towards pushing their limits and improving their performance across all areas. However, micromanagement by the Regulator in the operations of the licensee is neither desirable nor is proven for achieving the desired results.</p> <p>The licensees are fully adhering to the directives of Hon'ble Commission and implementing the necessary measures.</p> <p>t) This seems to be a matter of fact stated by the objector</p> <p>u) TGGENCO is taking all measures for achieving the normative availability of 85% and most of the stations have achieved this target.</p> <p>v) This seems to be a matter of fact stated by the objector</p> <p>w) TGDISOMs are following the TOD tariff structure as approved by Hon'ble TGERC</p>

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		<p>x) Banking facility is as per the existing provisions in the Terms and Conditions of OA regulations notified by Hon'ble TGERC.</p> <p>y) Drawing Power under UI/ Deviation Settlement Mechanism (DSM) is very minimal. For FY 2024-25 at a state level there was a marginal inflow of INR 12crs.</p> <p>z) As it stands there is no such plan from Government of Telangana</p> <p>aa) The rationale and high-level modalities for formation of Third Discom are outlined in the GOTG GO issued on 17<sup>th</sup> December 2025.</p> <p>bb) Transmission and Distribution charges are primarily based on the CAPEX additions and the extent of capitalization in a year, usage of the network, inflationary trends in cost elements, etc. Line losses depend on the peak loading, power flow path, extent of network for improving the reliability of supply etc. Hence both the parameters are bound to vary based on the operational conditions.</p> <p>CC) This point has been covered in earlier replies.</p> <p>DD) Writing off of bad and doubtful debts is as per the accepted And prudential accounting norms</p> <p>EE) This is opinion expressed by Objector</p> <p>FF) FSA and true-ups are being computed based on the Methodologies formulated by Hon'ble TGERC</p>

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25.	<p>We request the Hon'ble Commission to examine the following points also, among others:</p> <p>a) The fundamental deficiency in considering true-up claims is confining to their permissibility or otherwise as per regulations, unable or reluctant to consider the policies, decisions and orders - of the governments, licensees and the Commissions - that have been leading to a precarious situation for the DISCOMs to make true-up claims endlessly. The glaring dichotomies in considering various factors are also questionable. In other words, all the questionable policies, directions, decisions, regulations and orders of the powers that be in various wings involved in the entire process are being taken for granted without any critical, objective and honest reappraisal based on experience. The failures of commission and omission of the powers that be in the decision-making at the levels of the central and state governments, in the utilities and regulatory process are rendering the very true-up system itself highly questionable, with the consumers being forced to face all the adverse consequences and bear all the burdens for such failures of commission and omission. All these factors underline the need for dispensing with the very system of FSA and true-up and allowing the DISCOMs to factor them for current financial year in their claims for aggregate revenue requirement next financial year annually. Such an arrangement would compel the state government to take its stand on providing subsidies,</p>	<p>a) to r)</p> <p>DISCOMs respectfully submit that we have already addressed the objections raised on Fuel Surcharge Adjustment (FSA) and true-ups in the above points, and request the Hon'ble Commission to approve the filings made by the DISCOMs.</p> <p>It is reiterated that FSA is a mechanism designed to recover uncontrollable variations in fuel and power procurement costs, such as changes in coal prices. The burden is proportionately distributed among consumers based on their actual consumption, ensuring fairness and transparency.</p> <p>True-ups, on the other hand, are intended to reconcile projected costs and revenues with actuals, thereby preventing under-recovery or over-recovery of expenses. This process ensures accuracy in tariff determination and protects both consumer interests and the financial sustainability of DISCOMs.</p> <p>Both FSA and true-ups are established regulatory tools, scrutinized by the Hon'ble Commission through stakeholder consultations and public hearings. They are not arbitrary impositions but necessary adjustments to maintain fairness, transparency, and financial discipline in the sector. DISCOMs remain committed to presenting these claims in a transparent manner and complying fully with the directives of the Hon'ble</p>

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	<p>without leaving scope for escapism from such obligation for covering the components of true-up which are being shown and treated separately so far and the false impression that the governments have not been responsible for the burdens of true-up. It also underlines the imperative need for demanding the government of India to provide subsidies to consumers to lessen the burdens being imposed on them as a result of its failures of commission and omission and exercising its authority, without any responsibility and accountability.</p> <p>b) We have repeatedly been requesting successive Commissions to dispense with the system of FSA and true-up and direct the DISCOMs to include their revenue surplus/deficit of a FY in their ARR petitions for the next FY. It can be worked out for 12 months of current year, by taking into account proportionate amount for the four months from December of that year and the next three months up to March of next year based on revenue surplus/deficit worked out for the first eight months of current FY. For ARR of next FY also, the DISCOMs are working out their revenue requirement and deficit based on the trends for the first eight months of current financial year and projections for next FY. The Commission also is considering the same, with changes it feels are required. Just as there cannot be hundred per cent accuracy in such estimates and projections, working out revenue deficit/surplus for current FY to be included in ARR for next FY</p>	<p>Commission.</p>

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	<p>also, as suggested above, cannot ensure hundred percent accuracy. Nevertheless, an objective and comparative analysis would confirm that this alternative to the system of FSA and true-up being implemented so far is far better and that it will eliminate a number of irrationalities and imbalances embedded in the present system.</p> <p>c) It will eliminate need and scope for delay in submissions for FSA and true-up separately and issuing orders by the Commission.</p> <p>d) Adjustment of current FY's revenue gap, if any, in ARR for next FY would ensure provision for subsidy from government as per its decision and cross subsidy to the concerned categories, thereby eliminating the dichotomy between providing subsidy and cross subsidy in retail supply tariffs and avoiding the same for FSA claims and true-up.</p> <p>e) It will ensure uniformity in terms of tariff to same category of consumers of all the DISCOMs in the state, and proportionate increase in tariffs to all categories of consumers, leaving no scope for determining different FSA rates to same categories of consumers of the DISCOMs.</p> <p>f) It will ensure equitable distribution of revenue gap in the tariffs to be paid by different categories of consumers and avoid scope for imposition of a part of additional burden that arises as a result</p>	

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	<p>of additional supply of power to fully and partly subsidized categories of consumers on other consumers.</p> <p>g) It will avoid need for carrying cost for longer periods.</p> <p>h) It will underline the imperative of making realistic estimates of demand, availability of power, its surplus/deficit, requirement of market purchases, etc., as it avoids scope and need for FSA and true-up by virtue of the compulsion for adjusting cost variations of current FY in ARR of next FY.</p> <p>i) It will avoid need and scope for collection of additional amounts in the form of FSA every month and the uncertainty associated with it.</p> <p>j) Adjustment of revenue gap/surplus for transmission and distribution businesses of TGTRANSCO and DISCOMs, respectively, for current FY in ARR of next FY would facilitate timely review and corrections and revision of tariffs for next FY. As such, it would meet requirement of the licensees for recovery of what is due to them, on the one hand, and refund or adjustment of revenue surplus of current FY in the ARR for next FY. Despite implementation of the system of multi-year tariff for transmission and distribution businesses, the suggested adjustment would leave no scope for accumulation of true-up or true-down amounts for the entire control period of five years, thereby protecting interests of the licensees and consumers.</p>	

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	<p>k) It will leave no scope for the Commission to adopt the double standards of allowing the DISCOMs to collect FSA amounts in the CC bills, but adjusting true-down amounts for reducing revenue gap of DISCOMs for next financial year.</p> <p>l) Since FSA and true-up amounts will be subsumed in the ARR of next FY and covered in revised tariffs, with subsidy from the government and cross-subsidy, the degree of intensity for recurrence of revenue gap which would otherwise come into play under the arrangement of FSA and true-up would get reduced substantially.</p> <p>m) It will leave no scope for disputes that arise under the present system on who should bear the burden of FSA and true-up for past periods - owners of properties or their past or present tenants.</p> <p>n) It will avoid the kind of difficulties and problems industrial and commercial consumers face on account of imposition of FPPCA and true-up amounts for past periods.</p> <p>o) APERC and TGERC have been requested to take a holistic view and issue an appropriate order in this direction. Similarly, for transmission and distribution business also, true-up/true-down should be effected every year, if the system continues. Responding to our suggestions, APERC, in its FPPCA orders for</p>	<p>Revenue gap/surplus are being accounted in the filings.</p>

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	<p>FY2022-23 dated 25.10.2024, belatedly observed that “the Commission is guided by its Regulations in determining FPPCA claims and true-up for the total control period.</p> <p>To consider the suggestions, the Commission needs to amend its Regulations. It will examine them in due course.” This order was issued before retirement of the then chairman of APERC. Nevertheless, the sooner it is examined and required amendments to its Regulations are brought about the better. We request the Hon’ble Commission also to move in that direction.</p> <p>p) In the FPPCA order for 2024-25, APERC has maintained that “some stakeholders urged the Commission to abolish the FPPCA system and allow all variations in power purchase costs to be adjusted in the next year’s ARR. The Commission notes that the FPPCA framework is mandated under Regulation No. 2 of 2023. This regulation has been notified in accordance with a directive from the Appellate Tribunal for Electricity (APTEL). In its order dated November 11, 2011, in Appeal No. 1 of 2011, APTEL recognised that fuel and power purchase costs are a significant and uncontrollable expense for distribution companies. Consequently, APTEL directed the State Commissions to implement a mechanism for FPPCA under Section 62(4) of the Electricity Act, 2003, at least quarterly, but preferably on a monthly basis, to manage these costs effectively. The purpose of FPPCA</p>	

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	<p>is to provide a timely pass-through of uncontrollable variations in fuel and power purchase costs, rather than deferring them. Dispensing with FPPCA would result in the deferment of cost recovery, contrary to national policies. The Commission therefore reiterates that the FPPCA mechanism shall continue to be implemented in accordance with the Regulations. Based on the final true-up/down, the Commission will take appropriate steps to shift to ARR or pass on the costs to consumers.” That APERC has deviated from the directive of APTEL is evident from the fact that the said regulation provides for claiming FPPCA yearly and after completion of five-year control period, besides allowing collection of 40 paise per unit per month under FPPCA. In other words, it is already allowing deferment of cost recovery. The suggested change of adjusting all permissible variations in ARR for next financial year facilitates recovery of the same to the extent the Commission considers them permissible as a part of the tariffs to be determined by the Commission in RSTO, after taking into account the subsidy the state government agrees to provide and other relevant factors.</p> <p>q) Responding positively to our suggestion, APERC, when Sri C.R. Sekhar Reddy was the incharge chairman, dispensed with the system of FSA and allowed the DISCOMs to include variations in their revenue for a FY in the ARR claims for the next FY. Subsequent Commissions changed the same and reintroduced old system for monthly, quarterly and yearly claims</p>	

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	<p>for FSA.</p> <p>r) It is clear that the suggested change would not avoid the reasons for which revenue gap would arise after issuance of RSTO for retail supply business of DISCOMs and multi-year tariff orders, with determination of annual tariffs, for transmission and distribution businesses of the licensees. With ever-changing and never-ceasing reforms, new factors will continue to come into play impacting on tariffs and FSA claims and the licensees may put forth their FSA and true-up claims under such factors also. Such reasons need to be analysed in terms of policies, directives and decisions of the governments and regulations and orders of the Commissions and their regulatory practice and balanced alternatives should be worked out and implemented.</p>	
26.	<p>We request the Hon'ble Commission to consider the above points and my earlier submissions, among others, subject the claims of the DISCOMs for their retail supply business for 2026-27 to prudence check and determine their revenue requirement and revenue gap permissible.</p> <p>I request the Hon'ble Commission to provide me an opportunity to make further submissions, after receiving responses of the DISCOMs and during the scheduled public hearings in person.</p>	<p>TGDISCOMs welcome any further submissions.</p>

## 2. Response to Mr. Ramisetty Venkata Subba Rao

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1.	<p>DIRECTIVE 1: Timely Filing and RoE Moderation Regulation: MYT Regulation 2 of 2023, Clause 29.2(f); TGERC RST Order FY 2025-26,</p>	<p>TGSPDCL submits that, the filing timelines referred to by the objector coincided with the transition to the revised MYT framework and new formats, requiring extensive data segregation, reconciliation and</p>

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	<p>para 1.9.5</p> <p>Mandate: Filing delays beyond 30 November attract automatic 0.5% per month RoE reduction.</p> <p>TGSPDCL's Conduct:</p> <ul style="list-style-type: none"> <li>• FY 2025-26 ARR filed 29 days late (28.01.2025 vs. 30.11.2024)</li> <li>• FY 2026-27 ARR expected 60–90 days late</li> <li>• No RoE reduction self-applied despite repeated delays</li> </ul> <p>Financial Impact: ₹14.5–15 Cr annually; ₹72.5–75 Cr over 5-year period</p> <p>Recommendation: Apply mandatory 0.5% per month RoE reduction; condition approval on written commitment to meet future deadlines.</p>	<p>compliance alignment across multiple heads. The marginal delay in filing was thus procedural and transitional in nature, neither deliberate nor reflective of any service deficiency.</p> <p>Further, the RoE on account of filing timeline is a matter for the Hon'ble Commission's determination under the applicable Regulations. TGSPDCL has placed the full facts on record and has thereafter ensured timely filings in subsequent years in line with the Commission's requirements. Accordingly, the objector's quantified "₹14.5–15 Cr" impact and the prayer for automatic RoE reduction are based on assumptions and are liable to be rejected.</p>
2.	<p>DIRECTIVE 2: Loss-Sharing Mechanism (50:50 Controllable Loss Distribution)</p> <p>Regulation: MYT Regulation 2 of 2023, Clause 14.4; TGERC RST Order FY 2025-26, para 3.23</p> <p>Mandate: 50% of controllable losses shared between DISCOM and consumers.</p> <p>TGSPDCL's Conduct:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> FY 2026-27 filing shows approved loss levels but no evidence of 50:50 implementation</li> <li><input type="checkbox"/> Full pass-through to consumers; no controllable loss</li> </ul>	<p>TGSPDCL submits that the allegation of "non-implementation" of the loss-sharing mechanism is incorrect and based on self-assumed computations. The sharing of gains/losses arising from deviation of actual losses vis-à-vis approved loss trajectory is in-built in the MYT framework and is applied through the true-up/true-down process strictly as per the MYT Regulations and the Hon'ble Commission's methodology. Accordingly, there is no concept of upfront or presumptive 'disallowance' in ARR merely because an objector imputes a controllable loss component.</p> <p>Further, segregation of "controllable" and "uncontrollable" loss</p>

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	<p>segregation</p> <ul style="list-style-type: none"> <li>□ No DISCOM loss burden reflected in ARR</li> </ul> <p>Quantification:</p> <ul style="list-style-type: none"> <li>□ Controllable losses: ~3.5–4.0% of total losses (~8.08% approved)</li> <li>□ Unshared burden: ₹68.75–77 Cr annually</li> <li>□ 5-year cumulative impact: ₹343.75–385 Cr</li> </ul> <p>Recommendation: Disallow 50% of controllable losses (~₹68–77 Cr/year); require feeder/DT-wise loss audit.</p>	<p>components is a regulatory determination based on the Commission-approved approach, audited data, and prudence review—not on broad percentage assumptions such as “3.5–4.0%”. The objector’s proposed disallowance of Rs. 68–77 crore is therefore without regulatory basis and cannot be admitted.</p>
3.	<p><b>DIRECTIVE 3: Non-Tariff Income (NTI) Realization</b></p> <p>Regulation: TGERC RST Order FY 2025-26, para 3.15</p> <p>Mandate: Prepare detailed NTI action plan with quarterly targets; improve realization of under-reported potential.</p> <p>TGSPDCL's Conduct:</p> <ul style="list-style-type: none"> <li>□ FY 2026-27 NTI projection: ₹320–340 Cr (0.64% of RSB ARR)</li> <li>□ Potential available: 1.2–1.5%</li> <li>□ No structured quarterly targets or action plan submitted</li> </ul> <p>Quantification:</p> <ul style="list-style-type: none"> <li>□ Under-realized NTI: ₹70–90 Cr annually</li> <li>□ 5-year cumulative: ₹350–450 Cr</li> </ul> <p>Recommendation: Mandate detailed NTI action plan; reduce accepted claims by ₹40–50Cr pending implementation evidence.</p>	<p>TGSPDCL submits that the allegation of “under-realized NTI” is unfounded and based on a notional “potential percentage” that has no regulatory standing. Non-Tariff Income (NTI) has been computed strictly in accordance with the MYT Regulations and the applicable tariff formats, considering only those income streams that are attributable to the relevant business (Distribution/Retail Supply) and are recurring and realizable. The objector’s approach of imputing NTI at 1.2–1.5% of ARR is arbitrary, unsupported by audited evidence, and contrary to prudence principles.</p> <p>For MYT projections, TGDISCOMs have applied a conservative year-on-year escalation (2%) on the admissible NTI base; however, for true-up and subsequent determinations, NTI is claimed on the basis of audited actuals separately for Distribution and Retail Supply businesses. Accordingly, there is no understatement or suppression of NTI—only regulation-consistent classification and realistic projection.</p>

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		<p>Further, the request to “reduce ₹40–50 Cr” upfront is misconceived. NTI is an income offset to ARR and is to be admitted based on audited accounts and verifiable heads; it cannot be reduced or enhanced on assumptions. TGSPDCL has already furnished detailed break-up while truing-up of Distribution Business as directed by the Hon’ble Commission, but the objector’s proposed presumptive disallowance is liable to be rejected.</p>
4.	<p><b>DIRECTIVE 4: Power Purchase Cost &amp; Merit-Order Dispatch</b>  Regulation: MYT Regulation 2 of 2023; TGERC RST Order FY 2025-26, paras 3.8.63–3.8.64  Mandate: Base variable cost projections on 3-month moving average of actuals; apply merit-order dispatch discipline.  TGSPDCL's Conduct:</p> <ul style="list-style-type: none"> <li>□ FY 2026-27: Claims 5% variable cost escalation without merit-order analysis</li> <li>□ Does NOT integrate November 2024–January 2025 actual variable costs as directed</li> <li>□ No documented merit-order analysis in filing</li> </ul> <p>Quantification:</p> <ul style="list-style-type: none"> <li>□ Conservative disallowance estimate: ₹400–500 Cr annually</li> <li>□ 5-year cumulative: ₹2,000–2,500 Cr</li> </ul>	<p>TGDISCOMs submit that we have followed Merit Order Dispatch at hourly block level to estimate the dispatch from various thermal generating stations based on their Variable cost to optimize the cost of power procurement.</p> <p>In, addition TGDISCOMs have also considered power procurement from Short-term sources at times when the Market prices are lesser than the Variable cost of certain generating stations.</p> <p>Further, TGDISCOMs have projected Variable cost for FY 2026-27 lesser than that incurred in FY 2024-25 considering the impact of Coal cost reduction. For CGS stations and IPPs (SEIL), TGDISCOMs have considered 5% escalation in the Variable Cost incurred in H1 of FY 2025-26 to account for the expected raise in the expenses.</p>

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	<p>Recommendation: Disallow arbitrary 5% escalation; rebase on recent actuals with maximum 1% escalation; reduce variable cost by ₹400–500 Cr.</p>	
5.	<p><b>DIRECTIVE 5: Asset Completion Certificates and Capitalization Validation</b></p> <p>Regulation: TGERC RST Order FY 2025-26, paras 3.15–3.16</p> <p>Mandate: Provide COD, PCC, and FCC for all capitalized assets; depreciation only upon valid certification.</p> <p>TGSPDCL's Conduct:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> ₹175.21 Cr in assets capitalized without completion documentation</li> <li><input type="checkbox"/> No COD/PCC/FCC evidence submitted for major additions</li> <li><input type="checkbox"/> Depreciation claimed on unverified assets</li> <li><input type="checkbox"/> No scheme-wise project completion status provided</li> </ul> <p>Critical Violation: Depreciation on Capital Work in Progress (CWIP) violates MYT Regulation 7, which explicitly prohibits depreciation on incomplete assets. Retail Supply Business depreciation increased 76.2% from ₹65.18 Cr to ₹114.87 Cr with no asset completion documentation.</p> <p>Quantification:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Capitalized assets pending certification: ₹175.21 Cr</li> <li><input type="checkbox"/> Annual depreciation on unverified assets: ₹5–7 Cr (formal claim) + ₹49.69 Cr (CWIP violation) = ₹54.69–56.69 Cr</li> </ul>	<p>TGSPDCL submit that compliance with directives issued in the MYT and Tariff Orders is an ongoing process, and both DISCOMs are adhering to the requirements stipulated under the applicable Regulations, including those relating to investment approval, capitalization procedures, and submission of PCC/FCC certificates. Wherever capital works are completed, the PCC and FCC are being issued by the competent authorities and submitted to the Hon'ble Commission in line with the timelines prescribed.</p> <p>With respect to TGSPDCL, the utility has been complying with the directives in accordance with the Hon'ble Commission's instructions, and any pending submissions are being furnished in the formats and frequently communicated by the Commission.</p> <p>TGSPDCL reiterate that all capitalization entries admitted into ARR will be strictly subject to prudence check, verification of PCC/FCC, and Commission approval, ensuring that only assets duly completed, recorded, and put to use are reflected in OCFA. Therefore, the concern regarding non-compliance or lack of oversight does not arise.</p>

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	<p>☐ 5-year excess depreciation impact: ₹273.45–283.45 Cr</p> <p>Recommendation: Suspend depreciation on ₹175.21 Cr pending COD/PCC/FCC submission within 30 days; de-capitalize if not provided; disallow CWIP depreciation retroactively.</p>	
6.	<p><b>DIRECTIVE 6: Geographic Information System (GIS) Operationalization</b></p> <p>Regulation: TGERC RST Order FY 2025-26, para 3.12</p> <p>Mandate: Prioritize GIS mapping for feeder-wise loss monitoring, theft detection, preventive maintenance.</p> <p>TGSPDCL's Conduct:</p> <p>☐ Only partial coverage (~30–40% of network in main towns)</p> <p>☐ Estimated ₹55–92 Cr annually from cable/DT damage due to lack of GIS coordination</p> <p>☐ No timeline for 100% implementation</p> <p>Quantification:</p> <p>☐ Annual cable/DT damage cost: ₹55–92 Cr</p> <p>☐ 5-year cumulative: ₹275–460 Cr</p> <p>Recommendation: Direct 100% GIS mapping completion within 24 months; condition RoE approval on quarterly reporting; disallow ₹30–40 Cr/year from distribution cost until operationalized.</p>	<p>TGSPDCL has developed an app and GIS mapping of majority of distribution transformers, feeders, and consumers are done. Further, certain assets are being added to the network and certain are retired and is a continuous process. The same are being updated regularly.</p>
7.	<p><b>SECTION 2: FUEL COST ADJUSTMENT (FCA) MECHANISM – SYSTEMATIC NON-COMPLIANCE</b></p>	<p>TGDISCOMs are diligently adhering to the current MYT regulations 1 of</p>

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	<p>TGSPDCL's Systematic Failure</p> <p>No Monthly FCA Levy: TGSPDCL has NOT computed, published, or levied monthly FCA as required. Instead, it seeks to recover accumulated fuel/power purchase variations through True-up petitions filed years after year-end.</p> <p>No Contemporaneous Publication: FCA amounts are NOT published within 45 days of month-end. Delay renders historical FCA claims inadmissible per Clause 13.3(d).</p> <p>Ex-Post True-Up Substitution:</p> <ul style="list-style-type: none"> <li>□ FY 2022-23 variations sought via True-up filed 2025 (3 years after year-end)</li> <li>□ FY 2023-24 variations sought via True-up filed 2025 (2 years after year-end)</li> <li>□ FY 2024-25 variations sought in FY 2025-26 ARR without real-time FCA filings</li> </ul> <p>Commission's Earlier Warning: TGERC RST Order FY 2025-26, paras 3.3.8–3.3.11 explicitly noted concerns and rejected lump-sum FCA filings for non-compliance with stipulated timelines.</p> <p>Blocked FCA Recovery Impact:</p> <ul style="list-style-type: none"> <li>□ FY 2022-23: ₹150–200 Cr unrecovered</li> <li>□ FY 2023-24: ₹120–180 Cr unrecovered</li> <li>□ FY 2024-25: ₹100–150 Cr unrecovered</li> </ul>	<p>2023 in calculating FCA and will continue do so. The TGDISCOMs have addressed letters to the GoTG for approval for collection of FCA amount regularly every month as per the provisions in the MYT Regulation.</p> <p>TGDISCOMs have clearly stated in their submissions that no Power Purchase true-up is being claimed for FY 2023-24 and FY 2024-25, and have requested the Hon'ble Commission to pass necessary orders accordingly. This clearly demonstrates the TGDISCOM's adherence to the regulatory framework and compliance with the directions of the Hon'ble Commission.</p> <p>It is further submitted that as per regulations, Power Purchase true-up for FY 2022-23 is allowed since disallowance based on FCA levying is not applicable for FY 2022-23.</p> <p>If the Hon'ble commission updates/modifies to the treatment of FCA, DISCOMs shall abide by the directions of the Hon'ble Commission.</p>

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	<p>□ Total Blocked FCA: ₹370–530 Crore now improperly attempted to be loaded into FY 2026-27 ARR</p> <p>Recommendation:</p> <p>TGERC must:</p> <ol style="list-style-type: none"> <li>1. Suspend acceptance of all lump-sum fuel/variable cost adjustments claimed outside FCA mechanism</li> <li>2. Direct immediate operationalization of monthly FCA levy effective January 2026</li> <li>3. Disallow ₹370–530 Crore cumulative FCA backlog from FY 2026-27 ARR</li> <li>4. Require TGSPDCL to establish automated monthly FCA computation and publicationsystem</li> </ol>	
8.	<p><b>SECTION 3: CAPEX ANALYSIS (LAST 3 FISCAL YEARS) AND 3RD DISCOM IMPACT</b></p> <ol style="list-style-type: none"> <li>1. Capex Proposals Lack Cost-Benefit Analysis:</li> <li>2. Chronic Under execution</li> <li>3. Asset Completion Gaps</li> <li>4. It is observed that a significant number of assets created by the DISCOM—including substations (SS), power transformers (PTRs), lines, and distribution transformers(DTs)—are operating at very low utilisation levels, in many cases below 30% of their rated capacity. The Hon’ble Commission</li> </ol>	<p><b>1) Capex proposals lack Cost–Benefit Analysis (CBA)</b></p> <p>TGSPDCL submits that the capex proposals are need-based system strengthening schemes formulated through network planning, load-growth assessment, reliability constraints, and statutory requirements. The Hon’ble Commission’s investment approval process already provides the mechanism for scheme-wise scrutiny, including technical justification, cost reasonability, and phasing. The objector’s sweeping statement that “no CBA exists” is generic and unsubstantiated and ignores that capex is evaluated scheme-wise and admitted only after prudence check.</p> <p><b>2) Chronic under-execution (~80%)</b></p>

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	<p>may therefore direct the DISCOM to submit comprehensive asset-wise and circle-wise details of loading levels of all substations, PTRs, lines, and DTs. The same may be subjected to prudent scrutiny.</p> <p>5. 3rd DISCOM Asset Transfer Impact (Effective 1 April 2026): Submitting ARR that ignores the 3rd DISCOM formation is materially deficient and cannot be approved as-is.</p> <p>6. Future Capex Sustainability: Original 5-year capex plan: ~₹7,500–8,000 Cr. Current execution rate: 80% → 6,000–6,400 Cr likely. Asset base reduction post-3rd DISCOM: -25% → need for capex reduced proportionately. Proposed capex appears inflated and execution-infeasible</p>	<p>Capex execution is influenced by RoW constraints, statutory clearances, tender timelines, site readiness, monsoons, supply-chain constraints and vendor capacity, especially for urban and high-density areas. Variations in annual execution do not indicate imprudence; rather, they reflect practical implementation realities. Importantly, only actual capitalization (not mere approval/projection) is considered for ARR treatment, and any under-execution does not get loaded on consumers.</p> <p><b>3) Asset completion gaps / capitalization issues</b></p> <p>TGSPDCL reiterates that capitalization is undertaken based on completion and put-to-use, supported by certification and records. Wherever the Hon'ble Commission requires additional documentation (scheme-wise status, PCC/FCC, energisation details), TGSPDCL has furnished the same in the manner and timelines directed. The objector's insinuation that capitalization is routinely done without completion is incorrect and ignores the Commission's established prudence process.</p> <p><b>4) Many assets operate below 30% utilisation</b></p> <p>The objection reflects a misunderstanding of distribution planning. Distribution assets are designed with planning margins to meet peak demand, N-1 contingency, load growth, reliability standards, voltage profile requirements, and seasonal peaks. Temporary or location-specific under utilisation may occur due to demand ramp-up lags, new load additions, or phased commissioning, and cannot be construed as wasteful investment. However, the allegation that low utilisation automatically implies imprudence is misplaced.</p>

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		<p><b>5) ARR ignores 3rd DISCOM formation</b></p> <p>It may be noted that, Govt of Telangana had issued a GO pertaining to formation of Third Discom on 17<sup>th</sup> Dec 2025. To comply with the requirement of filing ARR within the stipulated time as outlined by Hon'ble TGERC, TGDISCOMs had undertaken earnest efforts and submitted the filing by 29<sup>th</sup> Nov 25. The filing was made all the information available to the licensee at the time of filing.</p> <p>Subsequent to the issue of GO, the licensees have started taking the next steps with regard to 3<sup>rd</sup> DISCOM formation such as administrative step of company creation. Once the company creation is done, an application for formation of 3<sup>rd</sup> discom will be filed before the Hon'ble TGERC.</p> <p>It may be noted that a due process as outlined in the Electricity Act/Regulatory provisions needs to be followed before 3<sup>rd</sup> discom comes into operation.</p> <p>Hence, the DISCOMs submit that there was no deficiency in the filing of ARR.</p> <p><b>6) Future capex inflated and infeasible</b></p> <p>Capex cannot be reduced mechanically in proportion to asset transfer assumptions. Network investment needs depend on demand growth, reliability constraints, urbanisation, equipment ageing, safety compliance and redundancy requirements, not merely on book value of assets. Further, execution feasibility is addressed through phasing, scheme prioritization and Commission oversight; and ARR impact arises only upon actual capitalization. Hence, the claim that capex is "inflated"</p>

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		or “execution-infeasible” is speculative and without technical basis.
9.	<p>SECTION 4: CAPABILITY TO SPEND LARGE CAPEX</p> <p>Critical Constraints</p> <ol style="list-style-type: none"> <li>1. Financial Capacity</li> <li>2. Execution Capacity</li> <li>3. Asset Utilization &amp; Management</li> </ol> <p>Conclusion: TGSPDCL cannot credibly spend ₹7,500+ Cr capex over next 5 years while maintaining financial sustainability, achieving regulatory targets, and executing current approvals.</p>	<p>The proposed capital expenditure of Rs. 7,508 crore for FY 2026-27 includes both the capex already approved by the Hon'ble Commission for the FY 2026-27 of 5th Control Period and the additional capex requirements that have emerged due to recent system conditions, network constraints, and reliability considerations.</p> <p>The additional capex primarily pertains to conversion of OH line to Underground cabling works, SCADA expansion and automation, New substations and capacity augmentation, required to meet summer peak loads and to address over loading of existing transformers and feeders. These works were not envisaged at the time of filing the MYT Petition due to evolving demand patterns, accelerated urbanisation, and emergent reliability issues. The new substations are planned for upcoming summers as we are expecting high unprecedented peak demand and stress on the distribution network, necessitating immediate system reinforcement to maintain safe voltage levels and prevent overloads.</p> <p>Accordingly, the additional capex being sought is directly linked to system reliability and safety. TGSPDCL therefore requests the Hon'ble Commission to approve the additional capex and the ARR arrived for FY 2026-27 to ensure reliable and uninterrupted supply to consumers during the forthcoming high-demand periods.</p>
10	SECTION 5: ALTERNATIVE METHODS – DEMAND-SIDE MANAGEMENT PROGRAM	<p>Measure-1:</p> <p>The cost–benefit analysis presented in the objection appears to be</p>

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	<p>DSM Measures with Unit Economics</p> <p>Measure 1: Transformer Replacement Program</p> <ul style="list-style-type: none"> <li>□ Target: Replace 100 kVA DTs with high failure rates</li> <li>□ Unit Cost: ₹1.35 Lakh per 5-Star rated DT</li> <li>□ Annual Benefit per DT: ₹94,700 (avoided repairs + reduced losses)</li> <li>□ Payback Period: 1.4–2.5 years</li> <li>□ Pilot Scope (5,000 units): ₹675 Cr capex; ₹473.5 Cr annual benefit</li> </ul> <p>Measure 2: Agricultural Pump Energy Audits &amp; Replacement</p> <ul style="list-style-type: none"> <li>□ Target: High-efficiency pump replacement</li> <li>□ Unit Cost: ₹70,000 per pump (5-Star rated)</li> <li>□ Annual Benefit: ₹14,175–22,000 per pump (20–25% energy reduction)</li> <li>□ Payback Period: 3–5 years</li> <li>□ Full Program (200,000 pumps): ₹1,000–1,200 Cr; ₹800–1,200 Cr annual benefit</li> </ul> <p>Measure 3: Capacitor Installation at Distribution Transformer Level (APFC Panels)</p> <p>Technical Background: Power factor in agricultural distribution networks typically operates at 0.70–0.75, significantly below optimal 0.95. This creates substantial technical and commercial losses.</p> <p>Intervention: Installation of Automatic Power Factor</p>	<p>based on overstated assumptions regarding repair expenditure and loss reduction. At present, DISCOMs are not incurring annual costs of ₹94,700 per 100 kVA distribution transformer on repairs and accounted losses combined. The actual expenditure is significantly lower, and therefore the projected annual benefit figure does not accurately reflect ground realities.</p> <p>Consequently, the payback period and benefit calculations derived from these inflated assumptions do not hold good. While DISCOM acknowledges the importance of transformer reliability and efficiency, the financial justification provided in the objection is not aligned with the current operational and expenditure data.</p> <p>Measure-2:</p> <p>The proposed measure is not feasible under the current regulations, as agricultural pump sets are not assets owned or maintained by DISCOMs. However solarization of grid connected Agriculture pump sets will be taken up as part of KUSUM scheme component-C to reduce grid dependency.</p> <p>Additionally, the projected energy savings of 20–25% appear overstated when compared to field-level data and practical operating conditions. Therefore, the cost–benefit analysis presented in the objection does not accurately reflect the realities of agricultural supply and billing practices.</p> <p>Measure-3:</p> <p>The assumption of a 0.70 power factor used in the objection is not consistent with actual field conditions observed in TGDISCOM</p>

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	<p>Correction (APFC) panels at distribution transformer level</p> <p>Measure 4: Scrap-and-Replace Program for Life-Expired Distribution Transformers</p> <p>Current Problem: TGSPDCL spends ₹13.5 crore annually repairing 5,000 failed distribution transformers. This repair-and-replace cycle is economically unviable—repairs extend asset life only 6 months while replacement provides 5-year warranty and superior performance.</p> <p>Proposed Solution: Systematically scrap transformers &gt;15 years old with &gt;25% no-load current; replace with amorphous-core transformers achieving 70% lower no-load losses.</p>	<p>networks. DISCOMs regularly carry out detailed studies to assess capacitor requirements, and based on these analyses, installation of power factor correction devices at the distribution transformer (DTR) level has not been found to be economically viable.</p> <p>Presently, capacitor banks are strategically installed at 33 kV substations and at Transco substations. This approach effectively improves the overall system power factor and reduces technical losses at a network-wide level, rather than at individual DTRs</p> <p>Measure- 4:</p> <p>The assumption in the objection that repaired distribution transformers have an asset life of only six months is not accurate. In practice, the asset life after repair for TGDISCOMs is significantly higher, which makes repairs economically viable compared to outright replacement.</p> <p>Further, DISCOMs follow a structured process of scrutiny at the transformer level to determine whether a unit should be repaired or scrapped. This ensures that only transformers with irreparable damage are replaced, while those that can be restored to reliable service are repaired. This approach optimizes costs, extends asset life, and maintains system reliability without incurring unnecessary capital expenditure.</p>
11	<p>SECTION 6: SYSTEMIC CORRUPTION AND LEADERSHIP FAILURES</p> <p>6.1 Pervasive Corruption at Multiple Levels</p>	<p>Isolated incidents reported in the media do not reflect the overall performance of TGDISCOMs. TGDISCOMs have robust internal vigilance mechanisms and take disciplinary action against erring staff.</p>

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	<p>6.2 Root Cause: Patronage-Based Leadership</p> <p>6.3 Neglect of Technical Reform</p> <p>6.4 Regulatory Directives on Corruption &amp; Reform</p>	<p>We request the Commission to consider performance metrics and audited compliance reports rather than anecdotal reports. The details of the action taken against erring staff for FY 2024-25 and FY 2025-26 are already provided to the Hon'ble Commission</p>
12	<p>Section 7: 3<sup>rd</sup> Discom Formation: Impact on ARR</p> <p>Commission should reject current ARR filing and require TGSPDCL to submit revised FY 2026-27 ARR reflecting post-3<sup>rd</sup> DISCOM asset base and consumer base, with complete bifurcation schedules attested by auditors.</p>	<p>It may be noted that, Govt of Telangana had issued a GO pertaining to formation of Third Discom on 17<sup>th</sup> Dec 2025. To comply with the requirement of filing ARR within the stipulated time as outlined by Hon'ble TGERC, TGDISCOMs had undertaken earnest efforts and submitted the filing by 29<sup>th</sup> Nov 25. The filing was made all the information available to the licensee at the time of filing.</p> <p>Subsequent to the issue of GO, the licensees have started taking the next steps with regard to 3<sup>rd</sup> DISCOM formation such as administrative step of company creation. Once the company creation is done, an application for formation of 3<sup>rd</sup> discom will be filed before the Hon'ble TGERC.</p> <p>It may be noted that a due process as outlined in the Electricity Act/Regulatory provisions needs to be followed before 3<sup>rd</sup> discom comes into operation.</p> <p>Hence, the DISCOMs submit that there was no deficiency in the filing of ARR.</p>
13	<p>SECTION 8: ASSET VERIFICATION AND PCC/FCC REQUIREMENTS</p> <p>Current Framework Gap: Government Order on 3<sup>rd</sup></p>	<p>TGSPDCL submit that compliance with directives issued in the MYT and Tariff Orders is an ongoing process, and both DISCOMs are adhering to the requirements stipulated under the applicable Regulations, including</p>

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	<p>DISCOM formation (G.O.Ms. No. 44, Dated 17.12.2025)directs preparation of detailed asset registers for agricultural DTRs and downstreamnetworks, including gross fixed assets, age, and accumulated depreciation. However,TGSPDCL lacks published construction standards suitable for asset verification andongoing operations.</p> <p>Recommendations for PCC/FCC Verification</p> <p>Instead of accepting bare PCC/FCC certificates submitted by DISCOM, Commission can:</p> <ol style="list-style-type: none"> <li>1. Cross-Verify Sample Assets: Independent third-party/CEA-empanelled inspection of 20–25% of major capitalized assets</li> <li>2. Correlate Certifications with Reality: Match COD/PCC/FCC dates with GIS/asset register and actual energisationrecords</li> <li>3. Allow Depreciation Only Post-Verification: Defer depreciation and RoE claims until independent verification completed</li> <li>4. Establish Asset Register Audit: Annual third-party audit of asset completion status and depreciation accuracy</li> </ol> <p>Aged Asset Replacement Analysis</p> <p>Critical Finding: TGSPDCL collects depreciation from consumers (FY 2024-25 actual:</p>	<p>those relating to investment approval, capitalisation procedures, and submission of PCC/FCC certificates. Wherever capital works are completed, the PCC and FCC are being issued by the competent authorities and submitted to the Hon'ble Commission in line with the timelines prescribed.</p> <p>With respect to TGSPDCL, the utility has been complying with the directives in accordance with the Hon'ble Commission's instructions, and any pending submissions are being furnished in the formats and frequently communicated by the Commission.</p> <p>TGSPDCL reiterate that all capitalization entries admitted into ARR will be strictly subject to prudence check, verification of PCC/FCC, and Commission approval, ensuring that only assets duly completed, recorded, and put to use are reflected in OCFA. Therefore, the concern regarding non-compliance or lack of oversight does not arise.</p>

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	<p>₹809.32 Cr; FY 2026-27 proposed: ₹1,034 Cr) ostensibly for asset replacement after useful life. However, there is disconnect:</p> <ul style="list-style-type: none"> <li>□ Which aged assets have been replaced? List to be provided</li> <li>□ Are replacement programs adequately funded and executed? Asset replacement schedule required</li> <li>□ When assets complete useful life and are decapitalized, where is the consumer benefit? Decapitalization income to be explicitly shown and credited to consumers</li> </ul> <p>Recommendation: Commission should require TGSPDCL to:</p> <ol style="list-style-type: none"> <li>1. Submit asset register showing all assets &gt;3 years old with remaining useful life</li> <li>2. Prepare comprehensive asset replacement program with year-wise schedule and costs</li> <li>3. Provide decapitalization schedule showing annual decapitalization expected and consumer benefit</li> <li>4. Link depreciation recovery to actual replacement (if replacement not executed, reduce next year's depreciation allowance proportionately)</li> <li>5. Introduce "Renewal Fund" concept where depreciation collected is exclusively used for replacement capex</li> </ol>	
14	SECTION 9: CONSTRUCTION STANDARDS AND CONTRACTOR QUALITY	TGDISCOMs clearly adhere to Indian Standards (IS) and CEA Regulations in all construction activities, whether for new works or

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	<p>Current Deficiency: TGSPDCL currently lacks published, written construction standards suitable for distribution network works. This absence creates risks.</p> <p>Capex Execution Risk</p> <p>Given the scale of proposed works (smart metering, underground cabling, network augmentation), quality failures would create large future losses. The GO on 3rd DISCOM formation contemplates installation of ~2.92 lakh DTR-side smart meters at ₹1,306 Cr statewide cost. Poor-quality metering infrastructure would compromise revenue collection and operational control.</p> <p>Recommendations for Contractor Selection and Standards</p> <p>Major cable-laying and underground works should be awarded ONLY to technically qualified and proven contractors (including experienced MNCs that have already executed similar urban underground schemes) using competitive bidding, with:</p> <ol style="list-style-type: none"> <li>1. Mandatory Use of Standard-Specification Cables/Joints: Type-tested to BIS/IEC</li> <li>2. Defect-Liability and Performance Guarantees: Covering at least 5–7 years</li> <li>3. Pre-Approved Construction Method Statements: Independent quality audits mandatory</li> <li>4. Local Firm Alternative: If local contractors are preferred, require:</li> </ol>	<p>modifications to existing networks. These standards comprehensively cover critical aspects such as:</p> <ul style="list-style-type: none"> <li>• Construction of substations, switchyards and electric lines</li> <li>• Line-to-line and line-to-ground clearances for all voltage levels</li> <li>• Minimum separation distances from telecom and other utility cables</li> <li>• Insulation requirements for cables and associated testing protocols</li> <li>• Civil and electrical specifications for underground cable laying and jointing</li> </ul> <p>By mandating compliance with IS standards and CEA Regulations, DISCOM ensures that construction practices are uniform, reliable, and safe. In addition, quality checks are carried out at multiple stages to minimize risks of substandard work and premature failures.</p> <p>TGDISCOMs ensure strict quality control in procurement by carrying out vendor checks before placing any purchase orders. All supplied materials are verified against technical specifications and standards. If any discrepancy or non-compliance is identified, the concerned vendor is subject to corrective action, including blacklisting, to prevent the use of low-quality products in the network.</p> <p>This process ensures that only approved, quality-assured materials are deployed in construction and maintenance activities</p>

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	<ul style="list-style-type: none"> <li>□ Demonstrated track record on similar projects (₹10+ Cr projects)</li> <li>□ Subcontracting arrangement with experienced MNC for cable-laying and joint works</li> <li>□ Performance bonds and defect-liability guarantees equivalent to MNC standards</li> </ul> <p>Commission-Directed Construction Standards</p> <p>Recommendation: Commission should direct TGSPDCL to prepare and notify:</p> <ol style="list-style-type: none"> <li>1. Unified Distribution Construction Standards aligned with CEA regulations covering: <ul style="list-style-type: none"> <li>□ Overhead lines (conductor type, span length, earthing, safety clearances)</li> <li>□ Underground cables (cable type, duct standards, joint specifications, burial depth)</li> <li>□ Earthing systems (electrode type, resistance norms, maintenance protocols)</li> <li>□ Metering installations (meter box standards, sealing practices, data security)</li> </ul> </li> <li>2. Link capex approval to strict adherence to these standards</li> <li>3. Field quality audits mandatory before asset capitalization</li> <li>4. Disallow capex where works are not executed as per approved standards</li> </ol>	
15	SECTION 10: QUANTIFIED CONSUMER IMPACT	

S.No.	Summary of Objections / Suggestions	Response of the Licensee																											
	<p><b>SUMMARY</b></p> <p><b>Annual Consumer Burden from Compliance Failures</b></p> <table border="1" data-bbox="241 231 985 694"> <thead> <tr> <th>Issue</th> <th>Annual Impact (₹ Cr)</th> <th>5-Year Impact (₹ Cr)</th> </tr> </thead> <tbody> <tr> <td>RoE Non-Modulation</td> <td>14.5–15</td> <td>72.5–75</td> </tr> <tr> <td>Loss-Sharing Not Applied</td> <td>68.75–77</td> <td>343.75–385</td> </tr> <tr> <td>NTI Under-Realization</td> <td>70–90</td> <td>350–450</td> </tr> <tr> <td>Variable Cost Escalation</td> <td>400–500</td> <td>2,000–2,500</td> </tr> <tr> <td>Depreciation on Unverified Assets</td> <td>54.69–56.69</td> <td>273.45–283.45</td> </tr> <tr> <td>GIS Mapping Not Implemented</td> <td>55–92</td> <td>275–460</td> </tr> <tr> <td>FCA Not Levied (Loading Into ARR)</td> <td>74–106</td> <td>370–530</td> </tr> <tr> <td><b>**TOTAL ANNUAL BURDEN**</b></td> <td><b>**₹687.75–887 Cr**</b></td> <td><b>**₹3,436.25–4,435 Cr**</b></td> </tr> </tbody> </table> <p><b>Per-Unit Tariff Impact</b></p> <ul style="list-style-type: none"> <li>□ Annual ARR TGSPDCL: ₹50,242 Crore</li> <li>□ Annual Energy Sales: ~63.4 MU</li> <li>□ Excess tariff from compliance failures: ₹687.75–887 Cr ÷ 63.4 MU = ₹10.85–14 paise per kWh</li> </ul> <p><b>Consumer Tariff Impact Examples (If Compliance Directives Implemented)</b></p> <ul style="list-style-type: none"> <li>□ Domestic consumer (200 units/month): ₹217–280 annual savings</li> <li>□ Small commercial (500 units/month): ₹542–700 annual savings</li> <li>□ Industrial consumer (5,000 units/month): ₹5,425–7,000 annual savings</li> </ul>	Issue	Annual Impact (₹ Cr)	5-Year Impact (₹ Cr)	RoE Non-Modulation	14.5–15	72.5–75	Loss-Sharing Not Applied	68.75–77	343.75–385	NTI Under-Realization	70–90	350–450	Variable Cost Escalation	400–500	2,000–2,500	Depreciation on Unverified Assets	54.69–56.69	273.45–283.45	GIS Mapping Not Implemented	55–92	275–460	FCA Not Levied (Loading Into ARR)	74–106	370–530	<b>**TOTAL ANNUAL BURDEN**</b>	<b>**₹687.75–887 Cr**</b>	<b>**₹3,436.25–4,435 Cr**</b>	<p>TGDISCOMs hereby submit that we have explained the justification and considerations of estimation for all the said line items in the respective sections.</p> <p>In addition, we humbly submit that the Actual Energy sales projected for TGSPDCL is 63,753 MUs and the excess tariff mentioned by the petitioner seems to be factually incorrect.</p>
Issue	Annual Impact (₹ Cr)	5-Year Impact (₹ Cr)																											
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S.No.	Summary of Objections / Suggestions	Response of the Licensee
16	<p>SECTION 11: REMEDIAL DIRECTIVES AND RECOMMENDATIONS</p> <p>Recommended Commission Actions (in order of urgency):</p> <p>Immediate Actions (January–March 2026)</p> <ol style="list-style-type: none"> <li>1. Defer FY 2026-27 ARR/Tariff Approval pending resolution of compliance issues and 3rd DISCOM restructuring</li> <li>2. Direct TGSPDCL to Respond In-Writing on each compliance failure with action plan</li> <li>3. Initiate Regulatory Enquiry into systemic corruption, patronage appointments, and technical mismanagement</li> <li>4. Require Revised ARR Filing accounting for 3rd DISCOM formation</li> </ol> <p>Short-Term Conditions (FY 2026-27)</p> <ol style="list-style-type: none"> <li>5. Operationalize Monthly FCA Mechanism: Effective February 2026</li> <li>6. Mandate DSM Pilot Program: ₹1,000–1,200 Cr capex; ₹950–1,150 Cr annual benefit target</li> <li>7. Suspend Depreciation: On ₹175.21 Cr unverified assets (30-day deadline for certification)</li> <li>8. Apply RoE Moderation: 0.5% per month for filing delays</li> <li>9. Implement Loss-Sharing: Disallow 50% of controllable losses (~₹68–77 Cr/year)</li> </ol> <p>Medium-Term (FY 2027-29)</p> <ol style="list-style-type: none"> <li>10. Complete GIS Mapping: 100% coverage within 24</li> </ol>	<p>For reasons clearly elucidated in Section 7, the DISCOMs have started taking the necessary steps towards formation of 3<sup>rd</sup> discom. The DISCOM is presently fulfilling the administrative and regulatory requirements such as company formation, filing of licensee application etc.</p> <p>TGDISCOMs have robust internal vigilance mechanisms and take disciplinary action against erring staff.</p> <p>It may noted that the TGDISOMs have dedicated Energy Audit/DSM cell which looks at identifying opportunities for energy savings and implementing necessary measures.</p> <p>Hon'ble TGERC has notified the Demand Side Management(DSM) Regulation 2020 on 24<sup>th</sup>Nov 2020. The licensees are complying to the regulation for all the activities pertaining to DSM.</p> <p>The DSM regulation 2020 clearly mentions the detailed methodology pertaining to identifying the DSM opportunities, evaluation of benefits and preparation of detailed project report and monitoring of benefits.</p> <p>The DISCOM is complying with the DSM regulation 2020.</p> <p>Hon'ble TGERC has notified, the MYT Regulation 2 of 2023, These regulations outline the penalty structure applicable in case of delay in filings by the DISCOM. However, it may be noted that the DISCOMs have filed the ARR proposals within the stipulated time.</p> <p>TGDISCOMs clearly adhere to Indian Standards (IS) in all construction activities, whether for new works or modifications to existing networks.</p> <p>These standards comprehensively cover critical aspects such as:</p> <ul style="list-style-type: none"> <li>• Construction of substations, switchyards and electric lines</li> </ul>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>months</p> <p>11. Scale DSM Programs: Phase 2 expansion; target ₹2,243–2,878 Cr annual benefits by FY 2029-30</p> <p>12. Establish Construction Standards: Unified standards with mandatory compliance framework</p> <p>13. Tariff Moderation: Rather than 8–12% annual increases, cap at 2–3% with DSM savings pass-through</p> <p>Long-Term Structural Reform (Control Period onwards)</p> <p>14. Institutional Restructuring: Merit-based leadership recruitment, Telangana-prioritized appointments, separation of functions</p> <p>15. Regulatory Conditions: AT&amp;C losses ≤15% by FY 2028-29; zero tolerance for corruption; sustained DSM delivery</p> <p>16. Alternative Financing: Leverage energy efficiency and carbon credit revenues to reduce tariff burden.</p>	<ul style="list-style-type: none"> <li>• Line-to-line and line-to-ground clearances for all voltage levels</li> <li>• Minimum separation distances from telecom and other utility cables</li> <li>• Insulation requirements for cables and associated testing protocols</li> <li>• Civil and electrical specifications for underground cable laying and jointing</li> </ul> <p>By mandating compliance with IS standards, DISCOM ensures that construction practices are uniform, reliable, and safe. In addition, quality checks are carried out at multiple stages to minimize risks of substandard work and premature failures.</p> <p>There are different departments in TGDISOMs clearly looking at different functions/ services. These departments are headed by experienced personnel who have demonstrated capabilities and expertise in delivering the required outcomes.</p>
17	<p><b>SECTION 12: COMPLIANCE CERTIFICATION REQUIREMENTS</b></p> <p>Mandatory Filings by TGSPDCL Prior to FY 2026-27 Tariff Approval</p> <p><b>Within 30 Days</b></p> <ul style="list-style-type: none"> <li>• Asset Completion Certificates (COD/PCC/FCC) for ₹175.21 Crore capitalized assets</li> <li>• Detailed feeder/DT-wise loss audit identifying controllable vs. non-controllable losses</li> </ul>	<p>Asset Completion Certificates (COD/PCC/FCC): PCC and FCC for all capital works are submitted by DISCOMs to the Commission within the stipulated timelines.</p> <p>Feeder/DT-wise Loss Audit: The Energy Audit Wing regularly analyzes feeders to identify those with high technical and commercial losses. To improve performance, DISCOM staff conduct field-level inspections to detect theft and unauthorized connections.</p> <p>NTI Action Plan: Action plans are prepared and implemented to address non-technical issues, with periodic monitoring to ensure realization of targets.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<ul style="list-style-type: none"> <li>• NTI Action Plan with quarterly realization targets</li> <li>• Written response to each compliance issue identified in this submission</li> <li>• Cost-Benefit Analysis for proposed capex schemes comparing with DSM alternatives</li> </ul> <p><b>Within 60 Days</b></p> <ul style="list-style-type: none"> <li>• GIS Implementation Roadmap with 24-month completion timeline</li> <li>• Commitment letter for monthly FCA filing henceforth (copies to be published within 45 days)</li> <li>• Variable cost justification based on November 2024–January 2025 actuals with merit order dispatch plan</li> <li>• Revised ARR petition accounting for 3rd DISCOM formation and asset transfer</li> </ul> <p><b>Ongoing (Quarterly)</b></p> <ul style="list-style-type: none"> <li>• Attestation of controllable loss reduction progress</li> <li>• NTI realization against approved targets</li> <li>• GIS mapping coverage percentage</li> <li>• FCA computation and publication records</li> <li>• DSM program implementation status with measured savings</li> </ul>	<p>Written Response to Compliance Issues: DISCOMs provide written responses to each compliance issue raised, ensuring transparency and accountability.</p> <p>Cost-Benefit Analysis for Capex Schemes: DISCOMs evaluate proposed capital expenditure schemes against demand-side management (DSM) alternatives to ensure economic viability</p> <p>GIS Implementation Roadmap: GIS mapping of all distribution transformers, feeders, and consumers is currently under progress</p> <p>Monthly FCA Filing: TGDISCOMs are addressing letters to the Government of Telangana (GoTG) for FCA recovery every month, and filings will continue henceforth.</p> <p>Revised ARR Petition: The revised ARR petition, accounting for the formation of the 3rd DISCOM and asset transfer, will be filed once the license is issued to the new DISCOM.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
18	<p><b>CONCLUSION</b></p> <p>TGSPDCL cannot credibly claim further tariff increases while:</p> <ul style="list-style-type: none"> <li>• Failing systematic compliance with regulatory directives (₹415–592 Cr annual impact)</li> <li>• Operating under entrenched corruption and patronage-driven leadership</li> <li>• Proposing ₹7,500+ Crore capex without Cost-Benefit Analysis or execution feasibility</li> <li>• Achieving only 80% capex execution with inflated future proposals</li> <li>• Ignoring low-cost, high-return technical interventions (DSM potential: ₹2,243–2,878Cr annual savings)</li> <li>• Submitting ARR that does not account for 3rd DISCOM formation.</li> </ul> <p>The only sustainable path is conditional ARR approval tied to demonstrable reforms, DSM implementation, loss reduction, and corruption investigation with credible outcomes.</p> <p>Consumer protection and utility sustainability require regulatory discipline. The Commission's approval should be withheld until evidence-based reform is credible.</p>	<p>The responses to the said objections has been addressed by TGSPDCL in previous sections &amp; we would like to reiterate the fact that the ARR and gap projections has been done with prudence reflecting the actual conditions.</p> <p>In addition, TGDISCOMs have robust practices to avoid corruption and has directed efforts on the other critical areas highlighted.</p> <p>In view of the above, the TGSPDCL pray the Hon'ble commission to consider the ARR filings of FY2026-27 made in accordance with MYT Regulation 2 of 2023 and approval be accorded.</p>

### 3. Response to National Highways Authority of India

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1.	Streetlights on National Highway fall under LT-VI	➤ As per the existing Retail Supply Tariff Order, only those street

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>Category</p> <p>35. In terms of the Retail Tariff Order dated 29.0.1.2025 and 28.10.2024. LT-VI category includes supply of energy for lighting on public roads. streets. Thoroughfares including Parks. Markets, Cart-stands. Taxi stands. Bridges and also for PWS schemes in the Local Bodies viz., Panchayats/Municipalities/Municipal Corporations. Accordingly. it is evident that LT-VI Street Light category is applicable, among others, for lighting in public streets/ thorough fares which are open to the general public.</p> <p>36. Further, LT-VI Street Light category is a distinct category specifically designed to cover street lighting for public use. The usage of the word "including" makes it evident that LT-VI Street light category is an inclusive category and would cover any street lighting which serves a public utility function. Accordingly, street lighting on National Highways ought to be categorized under the LT-VI Street Light category, as it is intended for public safety.</p>	<p>lighting services operated by Local Bodies viz.,Panchayats/Municipalities/Municipal Corporations are categorized under LT VI (A) Street Lights.</p> <ul style="list-style-type: none"> <li>➤ In view of the above, as the street lights maintained by NHAI do not fall in the purview of local body and in any other LT category, the same are to be categorized under LT II Non Domestic/Commercial category as per the terms and conditions of Retail Supply Tariff Order.</li> <li>➤ Street lighting maintained by NHAI in access-controlled highways are under LT-II(B) Commercial as they are of access-controlled highways wherein consumers are charged a toll to access and use such highway facilities. The act of charging a toll to access / use any facilities comes under the purview of commercial use and as such the street lighting maintained by NHAI are to be considered under LT-II (B) category.</li> <li>➤ The Hon'ble Commission differentiates the tariff for street light services of the local bodies viz.,Panchayats/Municipalities /Municipal Corporations based on the tax revenue of the respective bodies. However, NHAI is collecting the toll fee from all the commuters on the National Highways. Hence, the billing category LT-II(B) considered is very much justified.</li> <li>➤ The main intention of providing subsidized tariff for Street light services maintained by the local bodies is due to the limited tax revenue collected by them. Apart from the street lighting, the local bodies also provide additional services like drinking water, sanitization, primary health centers. The funds allotted by the local government to the local bodies are nominal only. Whereas the NHAI is being funded by the Central Govt as per the projects being undertaken. In addition to which, the NHAI is collecting the toll from the commuters which ensures revenue neutrality.</li> </ul>
2.	<p>Financial Loss: It is submitted that if street lighting on National Highways continues to be categorized under the LT-II (B) Commercial category, it will result in significant financial hardship for the NHAI. The tariff differential between the LT-II (B) (with Rs. 11/- unit for above 500 units) and LT-VI (A) (with Rs. 7.10/- unit) categories is</p>	<ul style="list-style-type: none"> <li>➤ If the request of NHAI for subsidized tariff on par with local bodies is considered, the Cross subsidy burden will increase on other category consumers which is against to the provisions of National Tariff Policy 2016.</li> </ul>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>substantial, with a difference of approximately Rs. 3-4 per unit (approx.35% -36%). This tariff differential will impose a heavy financial burden on NHA since it is obliged to meet these increased costs for public safety measures. Accordingly, it is critical that streetlights on National Highways be categorized under LT-VI (A) Street Light category.</p>	<ul style="list-style-type: none"> <li>➤ NHA cannot be treated on par with local bodies.</li> <li>➤ Hence, the Licensee requests the Hon'ble Commission to retain the existing LT-II(B) Category to the Street light services maintained by NHA.</li> </ul>
3.	<p>It is pertinent to mention that Mission Bhagiratha, a safe drinking water project for every village in Telangana State, was initially not included under the LT-VI Category. However, Telangana Discoms in their Petition for determination Retail Supply Tariffs &amp; Cross Subsidy Surcharge for FY 2023-24 proposed to categorize all Mission Bhagiratha services under LT-VI(B) or HT-IV(B) as applicable for respective voltage levels. This Hon'ble Commission vide Retail Supply Tariff Order dated 24.03.2024 approved the proposal of Telangana Discoms and modified the applicability of LT-VI(B) category and HT-IV(B) category to include Mission Bhagiratha scheme (a scheme intended for public safety), as under: -</p>	<p>Mission Bhagiratha, a flagship welfare program of the Government of Telangana for providing safe drinking water to every village, was classified under the LT-VI category at the time of its introduction itself, considering its public-utility and non-commercial nature, and the Hon'ble Commission subsequently reaffirmed this classification by approving its inclusion under LT-VI(B)/HT-IV(B) vide Tariff Order dated 24.03.2024; in contrast, access-controlled highways operate on a toll-based, user-pay model and therefore cannot be compared with Mission Bhagiratha for tariff classification.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee						
	<table border="1" data-bbox="248 180 996 699"> <tr> <td data-bbox="248 180 607 328">Existing 'Applicability' clause before inclusion of Mission Bhagirathi Schemes</td> <td data-bbox="607 180 996 328">Approved 'Applicability' clause including Mission Bhagirathi Schemes under LT-VI Street Lighting and PWS Schemes category as per Retail Supply Tariff Order dated 24.03.2024</td> </tr> <tr> <td data-bbox="248 328 607 520"> <b>9.7. LT-VI: STREET LIGHTING AND PWS SCHEMES</b>   <b>Applicability</b>            9.7.1. Applicable for supply of energy for lighting on public roads, streets, thoroughfares including Parks, Markets.         </td> <td data-bbox="607 328 996 520"> <b>9.7. LT-VI: STREET LIGHTING AND PWS SCHEMES</b>   <b>Applicability</b>            9.7.1. Applicable for supply of energy for lighting on public roads, streets, thoroughfares including Parks, Markets, Cart-stands, Taxi         </td> </tr> <tr> <td data-bbox="248 520 607 699">           Cart-stands, Taxi stands, Bridges and also for PWS schemes in the Local Bodies viz., Panchayats/ Municipalities/ Municipal Corporations. Metering is compulsory irrespective of tariff structure.            [...]         </td> <td data-bbox="607 520 996 699">           stands, Bridges and also for PWS schemes and Mission Bhagiratha schemes in the Local Bodies viz., Panchayats / Municipalities / Municipal Corporations. Metering is compulsory irrespective of tariff structure.            [...]         </td> </tr> </table> <p data-bbox="241 743 1003 927">It is submitted that same relief of inclusion of National Highways under LT-VI (A) Street Light' category. may be granted by this Hon'ble Commission while determining the Tariff and ARR in O.P Nos. 79 and 80 of 2025 for Telangana Discoms.</p>	Existing 'Applicability' clause before inclusion of Mission Bhagirathi Schemes	Approved 'Applicability' clause including Mission Bhagirathi Schemes under LT-VI Street Lighting and PWS Schemes category as per Retail Supply Tariff Order dated 24.03.2024	<b>9.7. LT-VI: STREET LIGHTING AND PWS SCHEMES</b>  <b>Applicability</b> 9.7.1. Applicable for supply of energy for lighting on public roads, streets, thoroughfares including Parks, Markets.	<b>9.7. LT-VI: STREET LIGHTING AND PWS SCHEMES</b>  <b>Applicability</b> 9.7.1. Applicable for supply of energy for lighting on public roads, streets, thoroughfares including Parks, Markets, Cart-stands, Taxi	Cart-stands, Taxi stands, Bridges and also for PWS schemes in the Local Bodies viz., Panchayats/ Municipalities/ Municipal Corporations. Metering is compulsory irrespective of tariff structure. [...]	stands, Bridges and also for PWS schemes and Mission Bhagiratha schemes in the Local Bodies viz., Panchayats / Municipalities / Municipal Corporations. Metering is compulsory irrespective of tariff structure. [...]	
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#### 4. Response to South Central Railways

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1.	<p>Indian Railways is a vital and largest transport organization of Government of India, have vast network for surface transport accessible to all sections of society and play important roles in economic and financial growth of the country. Railways serve the public at large and</p>	<p>It is submitted that TGDISCOMs cater to the general public and, as public utilities, are obligated to supply electricity at reasonable and affordable rates to all categories of consumers, including domestic, commercial, industrial, railways &amp; traction, agriculture, and others.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>being a public utility, it should be supplied with electricity at a reasonable price which would reduce its requirement for diesel. In the process there would be saving of foreign exchange. It will also prevent upward revision of fares for transportation of passengers and goods by the Railways. If the fare for passengers &amp; Goods is increased to offset fuel (energy) cost, it will add to overall inflation.</p>	<p>Since inception, TGDISCOMs have been providing reliable and quality power supply to all consumers by continuously strengthening and expanding the distribution network across the entire state.</p>
2.	<p>South Central Railway avails traction power through 31 TSSs at 132 kV Traction sub-stations in the state of Telangana. The total connected load is 474 MVA and total consumption of Railway traction is 1302 million units projected for the year 2025-26 and paying a substantial amount of Rs. 914 Crores to DISCOMs in Telangana state.</p> <p>The Railways is a bulk consumer and pay major revenues to TGDISCOMs. Hence, the grievances of Railways are to be considered while fixing the tariff for HT-V (A) category.</p>	<p>TGDISCOMs have the responsibility of serving all categories of consumers, including both small and bulk consumers, and have accordingly proposed the tariff after carefully considering the implications for all consumer segments. It is respectfully submitted that, without adequate recovery of the costs incurred in procurement, distribution, and maintenance, the DISCOMs would not be in a position to ensure supply of electricity to it's consumers.</p>
3.	<p>The Railways is a bulk consumer and pay major revenues to TGDISCOMs. Hence, the grievances of Railways are to be considered while fixing the tariff for HT-V (A) category.</p>	<p>TGDISCOMs acknowledge the grievances submitted.</p>
4.	<p>Government of India and state governments have taken policy decisions to encourage public/private electric road vehicles for decarbonization of transport system to reduce carbon footprint and protect the environment. Government</p>	<p>TGDISCOMs make continuous efforts to provide electricity to people across Telangana at affordable prices. Even though the costs of power purchase, operations, and maintenance have gone up over the years, tariffs were not revised over past decade, except for the increase during</p>

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	<p>of India (Ministry of Railways) took policy decision to electrify its entire existing Railway network over Indian Railways on fast-track mode to enrich carbon free transportation and 99.2% of BG routes of IR have been electrified.</p> <p>The hike in electricity tariff of Railway Traction will affect the operating cost of Railways, which may result in high freight charges, commodity prices and thereby rise in inflation and burdening common man and public of all sectors.</p> <p>Rising operating costs in a labor-intensive Railway organization have a direct impact affecting financial sustainability, manpower planning and employment expansion.</p>	<p>FY 2022–23.</p>																
5.	<p>Cost of Service for Railway Traction: The proposed Cost of service for Railway Traction is as follows:</p> <table border="1" data-bbox="241 970 936 1190"> <thead> <tr> <th>Discom</th> <th>Cost of Service Rs/KWH</th> </tr> </thead> <tbody> <tr> <td>TGSPDCL</td> <td>5.97 (As per the ARR submitted)</td> </tr> <tr> <td>TGNPDCL</td> <td>5.63 (As per the ARR submitted)</td> </tr> <tr> <td><b>Average</b></td> <td><b>5.80</b></td> </tr> </tbody> </table> <p>The comparison of cost of service and existing/proposed tariff for Railway traction HT-V(A) category is given below.</p> <table border="1" data-bbox="241 1326 992 1401"> <thead> <tr> <th>Year</th> <th>Average COS of Discoms</th> <th>Existing/Proposed Traction tariff</th> <th>% Variation</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Discom	Cost of Service Rs/KWH	TGSPDCL	5.97 (As per the ARR submitted)	TGNPDCL	5.63 (As per the ARR submitted)	<b>Average</b>	<b>5.80</b>	Year	Average COS of Discoms	Existing/Proposed Traction tariff	% Variation					<p>As per Clause 8.3 of the National Tariff Policy, 2016, tariff design is based on the linkage of tariffs to the Average Cost of Service not the category cost of service.</p> <p>And the tariff for traction service is within 20% of Average Cost of Service of state/ DISCOM in line with national Tariff Policy 2016.</p>
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S.No.	Summary of Objections / Suggestions				Response of the Licensee																								
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6.	<p>Existing/Proposed Traction Tariff for 2026-27:</p> <p>Existing/proposed traction tariff with demand charges of Rs. 500/kVA and Energy Charges Rs.5.05/kVAh, which is equivalent to Rs. 7.03/kVAh is already at very high and unreasonable for national transporter like Railways.</p> <ul style="list-style-type: none"> <li>Higher traction tariff slashes Rate of Return (ROR) for the new electrification projects, existing electrification projects and upgradation of existing electrification works which are under progress and may make them non- viable.</li> </ul> <p>Further, it is worth to mention that SC Railways operates</p>				<p>When compared with the prevailing tariffs in comparable states, Telangana does not levy the highest electricity tariff. A comparison of demand charges and energy charges across comparable states is presented below:</p> <table border="1" data-bbox="1032 1046 1834 1358"> <thead> <tr> <th>S.No</th> <th>State</th> <th>Demand charge (Rs/KVA)</th> <th>Energy charge (Rs/Unit)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Telangana</td> <td>500</td> <td>5.05</td> </tr> <tr> <td>2</td> <td>AP</td> <td>350</td> <td>6.50</td> </tr> <tr> <td>3</td> <td>Karnataka</td> <td>355</td> <td>6.50</td> </tr> <tr> <td>4</td> <td>Tamil Nadu</td> <td>608</td> <td>7.75</td> </tr> <tr> <td>5</td> <td>Maharashtra</td> <td>650</td> <td>7.29</td> </tr> </tbody> </table>	S.No	State	Demand charge (Rs/KVA)	Energy charge (Rs/Unit)	1	Telangana	500	5.05	2	AP	350	6.50	3	Karnataka	355	6.50	4	Tamil Nadu	608	7.75	5	Maharashtra	650	7.29
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	<ul style="list-style-type: none"> <li>Other states offer traction-friendly tariff structures.</li> <li>Align Telangana traction tariff with national benchmarks.</li> <li>Tariff rationalization directly impacts freight cost, passenger fares and state economy.</li> </ul>																				
7.	<p>Tariff Schedule of Hyderabad Metro Rail (HMR) and Indian Railways:</p> <table border="1" data-bbox="248 528 1003 699"> <thead> <tr> <th rowspan="2">Consumer</th> <th colspan="3">Existing/Proposed Tariff</th> </tr> <tr> <th>Demand Charges Rs/KVA</th> <th>Energy Charges Rs/KVAh</th> <th>Average unit rate Rs/KVAh</th> </tr> </thead> <tbody> <tr> <td>HMR-HT-V(B)</td> <td>500</td> <td>4.95</td> <td>6.93</td> </tr> <tr> <td>Railways HT-V(A)</td> <td>500</td> <td>5.05</td> <td>7.03</td> </tr> <tr> <td colspan="3">% increase over HMR</td> <td>1.44</td> </tr> </tbody> </table> <p>It is evident from the preceding data that there is a 1.44% more difference in the current tariff between HMR and Railways. Further, it is worth to mention that SC Railways operates train services around the clock both during the day and at night, contributing to maintain and increase grid stability during off-peak load hours, whereas HMR operates only with a fixed load during the day and no load during the night.</p>	Consumer	Existing/Proposed Tariff			Demand Charges Rs/KVA	Energy Charges Rs/KVAh	Average unit rate Rs/KVAh	HMR-HT-V(B)	500	4.95	6.93	Railways HT-V(A)	500	5.05	7.03	% increase over HMR			1.44	<p>The marginally lower tariff provided to HMR aims to support urban transportation, as HMR requires significantly higher investment for pillar construction and overhead traction systems compared to SCR. Further, higher compensation is payable for property demolitions in urban areas. In view of these factors, the Licensees have proposed demand and energy charges to ensure sufficient cost recovery.</p>
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8.	<p>Electrification of more sections in Telangana:</p> <p>By way of electrification of Railway network in Telangana additional infrastructure will be added, resulting into faster movement of goods and passenger traffic. Ultimately there is every possibility of upcoming industries in</p>	<p>TGDISCOMs have been undertaking significant capital investments to strengthen and expand the electrical network with the objective of ensuring reliable and widespread access to electricity. Recovery of these costs is therefore essential for the Licensees to sustain operations</p>																			

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	<p>Telangana state.</p> <p>Electrification projects recently completed:</p> <p>Electrification Projects completed in last 3 yrs.: 1186 Kms</p> <p>I. Peddapalli - Nizamabad: 178 Km</p> <p>II. Falaknuma– Mahbubnagar Doubling with Electrification:98 Km.</p> <p>III. Malkajgiri – Medchal doubling with Electrification: 24 Km</p> <p>IV. Mahbubnagar – Kurnool Town: 128 Km.</p> <p>V. Medchal - Dharmabad : 166 Km.</p> <p>VI. Devarakhadra – Krishna: 65 Km</p> <p>VII. Janakampet – Bodhan : 27 Km.</p> <p>VIII. Moulali – Ghaktkesar (Quadruppling): 24 Km.</p> <p>IX. Kazipet – Ballaharsha (Tripling): 185 Km.</p> <p>X. Vikarabad – Matakunta: 79 Km.</p> <p>XI. Akanapet – Medak: 17 Km.</p> <p>XII. Kazipet – Vijayawada (Tripling): 195 Km.</p> <p>9.2 Electrification projects under progress: 342 Km.</p> <p>i. Kazipet – Balharshah (Tripling): 18 Km</p> <p>ii. Kazipet – Vijayawada (Tripling): 25 Km</p> <p>iii. Medchal – Mudkhed (Doubling): 171 Km.</p> <p>iv. Mahbubnagar-Kurnool Town (Doubling): 128 Km.</p> <p>9.3 Electrification projects under sanction: 149 Km.</p> <p>i. Manoharabad – Kothapalli: 149 KM.</p>	<p>and continue providing quality, reliable, and uninterrupted power supply to all consumers.</p>

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	<p>9.4 Electrification projects under proposal stage and yet to be sanctioned: 622 Km.</p> <p>i. Sattupalli – Kovvur:95 Km.</p> <p>ii. Manugur – Ramagundam:200 Km.</p> <p>iii. Macherla – Nalgonda: 92 Km.</p> <p>iv. Kondapalli – Kothagudem: 125 Km.</p> <p>v. Kazipet – Ghatkesar: 110 Km.</p> <p>a) Above New Line project sections are planned to be electrified in Telangana state. Existing high traction tariff affecting badly and not viable the upcoming electrification projects and slow down the existing projects also in Telangana state and effects the development of infrastructure works in the state of Telangana.</p> <p>b) Further, Railway Board have chosen Railway network work over Telangana region to upgrade the traction system from existing 1x25 KV system to 2x25 KV system to enhance existing carrying capacity to realize Mission 3000 MT master plan of PMO office, wherein connected loads and power demand are envisaged to increase significantly</p> <p>c) Details of 2x25 kV AT system upgradation Projects in the state of Telangana over S.C. Railway:</p>	

S.No.	Summary of Objections / Suggestions	Response of the Licensee																																				
	<p>I. 2x25 kV AT system upgradation works awarded and execution in progress:</p> <table border="1" data-bbox="271 245 797 429"> <thead> <tr> <th>Sl.No.</th> <th>Section</th> <th>Length in Km.</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Balharshah-Ramagundam</td> <td>142</td> </tr> <tr> <td>2</td> <td>Secunderabad - Kazipet</td> <td>131</td> </tr> <tr> <td>3</td> <td>Kazipet – Dornakal Jn.</td> <td>96</td> </tr> <tr> <td>4</td> <td>WADI - Vikarabad</td> <td>112</td> </tr> <tr> <td>5</td> <td>Ramagundam - Kazipet</td> <td>92</td> </tr> </tbody> </table> <p>II. 2x25 kV AT system upgradation works Sanctioned, yet to be awarded:</p> <table border="1" data-bbox="277 533 808 767"> <thead> <tr> <th>Sl.No.</th> <th>Section</th> <th>Length in Km.</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Kondapalli - Khammam</td> <td>85</td> </tr> <tr> <td>2</td> <td>Khammam – Dornakal Jn. – Badrachalam Road.</td> <td>78</td> </tr> <tr> <td>3</td> <td>Mahbubnagar - Dhone</td> <td>184</td> </tr> <tr> <td>4</td> <td>Pagidipalli – Guntur - Motumari</td> <td>337</td> </tr> <tr> <td>5</td> <td>Medchal - Mudkhed</td> <td>225</td> </tr> </tbody> </table> <p>d) In the second phase, it is proposed to convert the balance sections from the existing 1 × 25 kV AC traction system to the 2 × 25 kV AC traction system.</p>	Sl.No.	Section	Length in Km.	1	Balharshah-Ramagundam	142	2	Secunderabad - Kazipet	131	3	Kazipet – Dornakal Jn.	96	4	WADI - Vikarabad	112	5	Ramagundam - Kazipet	92	Sl.No.	Section	Length in Km.	1	Kondapalli - Khammam	85	2	Khammam – Dornakal Jn. – Badrachalam Road.	78	3	Mahbubnagar - Dhone	184	4	Pagidipalli – Guntur - Motumari	337	5	Medchal - Mudkhed	225	
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9.	<p>Incentive on Prompt/early payment: Railways are prompt in payment of energy bills to the DISCOMs and for these, Railways certainly deserve some rebate/incentive. Reasonable rebate/incentive for prompt payment be granted as done in Odisha state. In Odisha, Railways entitled to a rebate of 1% (one percent) of the amount of monthly bill (excluding all arrears).</p>	<p>TGDISCOMs acknowledge and sincerely appreciate Railways for prompt payments. However, it is respectfully submitted that, at present, there are no approved provisions or policies within the scope of the DISCOMs that allow for the extension of any rebates or incentives for prompt or early payments.</p>																																				
10	<p>Off peak time loads for Railway Traction: It is to mention that Railway traction is power intensive</p>	<p>Off-peak incentives are designed to encourage load shifting from peak periods. Railway traction demand is continuous and non-flexible, with no</p>																																				

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	<p>and loads are for passenger &amp; goods train services which are run round the clock. There is no distinction of peak to non-peak hours. Thus Railways are improving base loads of DISCOMs and supporting the grid stability. Apart from this, Railways is maintaining higher power factor.</p>	<p>or low scope for load shifting. Since off-peak incentives would not yield any additional operational or demand-management benefit, railway traction is neither penalized during peak hours nor incentivized during off-peak hours.</p>
11	<p>Unblocking of leading kVArh:</p> <p>As per the Para no. 3.21.20 of Hon'ble TGERC order, Tariff for Retail sale of Electricity for FY-2025-26, has approved the TGDISCOMs proposal for unblocking of leading kVArh for the purpose of kVAh billing with a three (3) months prior notice.</p> <p>It is prayed to consider the following points from Railways end and relieve the financial burden on Railways due to unblocking of leading kVArh.</p> <ul style="list-style-type: none"> <li>• Railway traction load changes every moment. Matching reactive power in real time is difficult in this system.</li> <li>• When Railways operate in leading VAR, they supply reactive power to the grid. This supports grid voltage, but increasing kVAh billing due to tariff design, resulting in higher traction energy cost, there by improves voltage profile and reducing upstream system losses.</li> </ul>	<ul style="list-style-type: none"> <li>a) While traction load is highly variable, reactive power, whether lagging or leading, causes increase in current and thus imposes additional burden on the network.</li> <li>b) Uncoordinated/ Uncontrolled leading reactive power may also cause over-voltage, increase system losses also pose damage to the system.</li> <li>c) Capacitors remaining switched ON during low load conditions injecting reactive energy into the grid causes adverse impact on the grid performance.</li> </ul>

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	<ul style="list-style-type: none"> <li>• Fixed capacitor banks stay in service to maintain power factor. During low load, these inject reactive energy into the grid.</li> <li>• Traction loads are inherently dynamic and highly schedule-dependent, which limits effective real-time power factor control. In view of these operational constraints, imposition of power factor penalties under such conditions is technically inequitable.</li> <li>• Traction power varies with train movement and passenger schedules, Railways have limited control over power factor during live operations. Penalizing this is not technically fair.</li> <li>• Grid rules and tariff policies do not mandate billing for leading VAR unless voltage rising issues occur. Railways have not caused such problems.</li> <li>• The current billing method penalizes Railways without giving any credit for helping the grid during off-peak periods, when it helps to maintain grid stability during low load condition, the leading kVARh injected by Railways during low load period acts as a dynamic compensation source that improves grid voltage, stability and reduces the line losses, acting as an ancillary service. Therefore, applying penalties on leading kVARh is technically unjustified.</li> </ul>	<p>d) kVAh billing is a cost-reflective mechanism and not a penalty. Operational constraints cannot be a basis for differential treatment, as network impact remains the same.</p> <p>e) Though real-time control is challenging, reactive energy irrespective of its nature affects system capacity and losses, and therefore must be accounted for in billing.</p> <p>f) The Hon'ble Commission, after due examination and consideration of all relevant aspects, has approved the proposal for unblocking of RkVAh lead for kVAh billing, having recognized the technical necessity and justification for the same.</p> <p>g) As stated by the objector in the queries above, Railway operations are schedule-based and traction loads are dynamic in nature; therefore, any leading reactive power injection occurs only during specific operating periods and not uniformly across all off-peak hours. Hence, such intermittent and non-dispatchable reactive power cannot be considered as a consistent grid support service warranting credit.</p> <p>h) The Commission has provided advance notice for implementation. Consumers may adopt appropriate power factor correction measures in a phased manner.</p>

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	<ul style="list-style-type: none"> <li>• Installing advanced dynamic compensation needs high investment and long timelines like PQR (Power Quality Restorer).</li> <li>• Railways are a national service. Their power system is not comparable to regular commercial users.</li> </ul> <p>“In light of the above submissions, it is prayed that Railways may be exempted from levy of charges on leading reactive energy. The Railway traction system inherently contributes to grid stability, and the occurrence of momentary leading VAR during traction operations is unavoidable and operationally intrinsic.</p> <p>Railways may therefore be considered as a special case, and billing may be confined to lagging reactive energy only, without levying any charges on leading reactive energy (kVArh)” to avoid financial burden on the Railways.</p>	<p>i) TGDISCOMs respect Railway’s role in national service. However, the tariff design must remain non-discriminatory and cost-reflective across TGDISCOM’s consumer categories.</p>
12	<p>Railways Planning to avail traction power through open access.</p> <ul style="list-style-type: none"> <li>• It is brought to the kind notice of the Hon’ble commission; Indian Railways are already availing power through “Open access” in 14 states. The “Deemed Distribution Licensee” status of Railways is under sub-judice at Hon’ble Supreme Court. However, Hon’ble Supreme Court in its interim orders dated 06.05.2024 and 08.11.2024, clarified that open access</li> </ul>	<p>a) The Deemed Distribution Licensee status for Indian Railways was withheld by Hon’ble APTEL in its judgment.</p> <p>As per the provisions in the Electricity Act 2003 under section 42(2) &amp; 42(4) any Open Access consumer is required to pay CSS&amp; AS determined by the Hon’ble Commission in its Tariff orders including Indian Railways.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>for Railways shall not be denied and cross subsidy and additional surcharges are not liable to pay till final order of the Hon'ble Supreme Court. South Central Railway submitted application for grant of GNA NOC with TGTRANSCO on 17.06.2025 to avail power through open access as" Drawee entity connected with Intra-State Transmission System" as per CERC, General Network Access (GNA) Regulations'2022.</p> <ul style="list-style-type: none"> <li>• Availability of ABT meters is a mandatory requirement for availing power through Open Access. An amount of ₹14.30 crore was deposited with TGTRANSCO by Railways during 2017-18, as per the estimates submitted by TGTRANSCO. However, despite extensive correspondence between Railways, TGTRANSCO, and TGDISCOMs, no substantial progress has been made in providing ABT meters compatible with Open Access in accordance with the latest regulations and guidelines in force.</li> <li>• As per Section 39, 2 (d) Indian Electricity Act-2003, STU to provide non-discriminatory open access to its transmission system for use by all the entities eligible as per the Regulations in force.</li> <li>• High traction tariff for Railways, forcing Railways to explore the other alternatives to avail traction power</li> </ul>	<p>b &amp; c) TGDISCOMs are processing the request of Railways as per Standard Operating Procedures of TGDISCOMs.</p> <p>d) The replies to this have already been answered above</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>through bilateral arrangements under Open Access to reduce the cost of energy billing. Reasonable, competitive and low traction tariff for Railways on par with the other open access states is requested to retain bulk consumer and prompt payer of electricity bills.</p>	
13	<p>Railways prayed:</p> <p>a) Railway traction tariff shall be on par with open access rates (average open access rate for Railways is Rs. 5.49/unit) in other states of Railways. Reasonable traction tariff for Railways may be considered to retain a bulk consumer and prompt payer like Railways. Reasonable traction tariff on par with the open access rates will further give impetus to Railway electrification projects and traction system upgradation from 1x25 kV system to 2x25 kV system over the Railway network in the state of Telangana. Railway Electrification is environment friendly, energy efficient and reduces carbon footprint, which further reduces the import burden of high-speed diesel.</p> <p>b) Existing high traction tariff for Railways has been affecting the ongoing Railway Electrification projects which are under progress in the state of Telangana. This will have a detrimental effect on the electrification projects and other upcoming infrastructure projects in the state of</p>	<p>The replies to this have already been answered above.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>Telangana.</p> <p>c) In this circumstance, existing/proposed tariff by TG Discoms equivalent charges of Rs 7.03 /kVAh (with average load factor 35%) is high and unreasonable. Higher tariff compared to “open access” and burdening the bulk consumer like Railways.</p>	
14	<p>Conclusion:</p> <p>Railway traction provides base load, maintains high power factor and save imported fissile fuel, apart from speedy, energy efficient and environmentally friendly public transport.</p> <p>Encouragement for new electrified sections for development of infrastructure in the state of Telangana and also act as growth engine for the economy of country largely.</p> <p>Keeping the above in view, Hon'ble commission is requested to consider and it is prayed that,</p> <p>a) The existing high traction tariff under category HT-V (A) Railway traction is to be reduced for the above-mentioned reasons as per the provisions of National Tariff Policy, to encourage electrification projects in Telangana state.</p> <p>b) Railway Traction Tariff in line with Hyderabad Metro Rail, may be considered to avoid disparity, discrimination and injustice between the two public transport systems.</p> <p>c) Railway Traction tariff reduction may be considered by exempting Railways from the burden of cross subsidy surcharge by virtue of provisions contained in the National</p>	<p>The replies to this have already been answered above.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>Tariff Policy issued by Ministry of Power on 28th January - 2016.</p> <p>d) To give impetus to electrification of Railway network, it is requested to consider the reasonable rebate/ incentives for prompt payment of monthly energy bills.</p> <p>e) Blocking of leading kVArh to be considered for Railways to avoid financial burden on the Railways in view of reasons/clarifications mentioned at P.No.11.</p> <p>f) In the circumstances explained above, the Hon'ble Commission is humbly requested to kindly consider the objections submitted by the Railways and to review, rationalize, and suitably revise the existing tariff schedule and policies governing Railway Traction, keeping in view the Railways' status as a bulk consumer and a prompt payer of energy charges.</p>	

**5. Response to Mr. Venkat N.K.K, Independent Member- CGRF (Rural)- (TGSPDCL), General Secretary - Telangana State Solar Open Access DEVELOPERS' Association (TSOADA), Member- Energy Committee- Federation of Chamber of Commerce of Telangana (FTCCI)**

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1.	<p>Cross Subsidy Surcharge: - Objection to Proposed Increase in CrossSubsidy Surcharge (CSS):-</p> <p>The proposal of TGSPDCL to increase the Cross Subsidy Surcharge (CSS) by more than 11% — for example, for</p>	<p>TGDISCOMs submits that the Cross Subsidy Surcharge (CSS) for FY 2026-27 has been calculated in line with the National Tariff Policy, 2016, considering the existing consumer mix, cost of supply and applicable tariffs. The proposed CSS is restricted within <math>\pm 20\%</math> of the Average Billing Rate (ABR) for the concerned consumer category, as prescribed</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>33kV (HT-1A) consumers from ₹1.56 per unit to ₹1.73 per unit — is contrary to the express mandate of the Electricity Act, 2003 and the statutory policies issued thereunder.</p> <p>In terms of Section 42(2) of the Electricity Act, 2003, read with Clause 8.3 of the National Tariff Policy, 2016 (as amended in 2023) and Para 5.4.7 of the National Electricity Policy, 2005, both cross subsidy and cross subsidysurcharge are required to be progressively reduced so as to move towards cost-reflective tariffs. ....</p>	<p>under the policy.</p> <p>TGDISCOMs remains committed to the progressive reduction of cross subsidy and CSS in the system and will continue to do so.</p>
2.	<p>Exemption from lead un-block for open access solar power plants:</p> <p>Solar Open Access Generators were given HT service with minimum 70 KVA load as against Solar Projects selling power to TGSPDCL, who are netted off with their gross generation. This is discriminatory treatment of OpenAccess Generators, as compared to similarly placed solar generators, it is expressly prohibited under the Electricity Act, 2003. Open Access is a statutory right and cannot be frustrated through arbitrary conditions, higher charges, or operational restrictions. We also wish to bring on record that solar power plants operate as generators and not as consumers, particularly during night hours or during periods of zero generation.</p>	<p>The Tariff order mandates uniform application of the approved metering and billing provisions to all applicable consumers connected to the distribution system, including grid-connected solar generating stations, since drawal and injection of energy and reactive power impact the distribution network.</p> <p>Uncontrolled injection of leading reactive power, particularly during low-load or non-generation periods, adversely affects voltage profile, system stability, and network operations. Accordingly, proper measurement and accounting of reactive energy, including leading kVARh, is essential for maintaining grid discipline and efficient system operation, as recognised in the Tariff Order. It is the responsibility of the consumer to regulate and control such reactive power by absorbing it from the grid , whenever required rather than injecting the same.</p> <p>The directions of the Hon'ble Commission regarding <b>unblocking of</b></p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>Technical Position</p> <p>1) Generator-mode reactive behavior: During night hours or under low irradiance conditions, transformers and HT lines/cables inherently operate in a capacitive mode, causing export of capacitive kVARh (lead) to the grid even when active power export is zero. This is a natural characteristic of grid-connected generating stations and not a consumer load behavior.</p> <p>2) Recorded MD during non-generation: We have only about 5–8 kW auxiliary consumption during non-generation hours; however, the maximum demand recorded is 18–30 kVA, solely due to the transformer no-load losses and the capacitive reactive characteristics of the 33 kV line.</p> <p>3) HT Agreement CMD requirement: Even though our actual auxiliary requirement is very low, we hold an HT agreement with TGSPDCL for 70kVA CMD, only to comply with the minimum kVA requirements specified by TGERC for allotment of an HT Service Connection Number.</p> <p>4) Purpose of unblocking “kVARh Lead”: The intention behind unblocking the leading reactive register is to discourage capacitive injection/draw by consumers. However, solar panels neither draw or injects</p>	<p><b>metering of lead KVARh</b> have been issued in the <b>Tariff Order after due regulatory scrutiny</b> and are intended to ensure <b>accurate measurement of energy exchange and grid discipline</b>, in line with the provisions of the Electricity Act, 2003 and the applicable Regulations.</p> <p>It is a fact that solar power plants draw power from the grid during night hours not for start-up activities, but exclusively for lighting loads, and in that context, the solar power plants are treated as consumers. Hence, it does not follow that the <b>technical directions issued by the Hon’ble Commission in the Tariff Order are inapplicable</b> to such plants.</p> <p>The Tariff Order does not provide any explicit exemption to generating stations, including solar plants, from the applicability of metering provisions relating to reactive energy.</p> <p>It is submitted that <b>reactive power management is a critical element of grid operation</b>, irrespective of whether the entity is a consumer or a generator. Injection of leading reactive power by solar plants, particularly during low load and non-generation conditions, has a <b>direct impact on voltage profile, system stability and power quality</b> of the distribution network.</p> <p>The directions for unblocking of lead KVARh metering have been issued to ensure that <b>reactive energy is properly recorded and accounted for</b>, so as to discourage excessive injection of leading reactive power and to promote efficient grid operation. These directions are <b>technical</b></p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>capacitive reactive power.</p> <p>5) Compliance during actual generation: During daytime generation, solar plants maintain power factor well within the limits specified by DISCOM, CEA regulations and the State Grid Code.</p> <p>Our Request In view of the above factual and technical circumstances, we humbly request that Solar Power Plants may kindly be exempted from the “kVArh Lead Unblock” provision as leading reactive energy export is natural, unavoidable and inherent to generator-type systems, and not attributable to consumer-side behavior.</p> <p>This selective application only to Open access generators is hostile, discriminatory, arbitrary and contrary to Sections 38(2)(d), 39(2)(d), 40(c) and 42 of the Electricity Act, 2003 which mandate non-discriminatory open access.</p>	<p><b>and operational in nature</b> and are not linked solely to the consumer category or end-use of electricity.</p> <p>Promotion of renewable energy does not imply exemption from <b>grid discipline, metering requirements or operational controls</b>. Renewable generators are equally required to comply with the regulatory framework governing system operation.</p> <p>Whenever the plant is connected to the distribution system whether during generation or non-generation hours it becomes a <b>grid-interfacing entity</b> whose reactive power injection or absorption directly affects <b>voltage profile, network loading and system stability</b> and therefore cannot seek blanket exemption from metering provisions merely on the basis of its generating status.</p> <p>During non-generation hours, when the solar generator draws power from the grid for auxiliary consumption, lighting, control systems, inverters and grid-support operations, such drawal constitutes <b>consumption of electricity from the distribution system</b>. For such periods, the solar generator <b>squarely falls within the scope of an HT consumer</b> under the applicable Tariff Order.</p>
3.	<p>Lead Unblock- Exemption to consumers with less than 1 MW CMD &amp; Deferment to all other consumers till detailed study:-</p> <p>Clause 3.21.14 of the Retail Supply Tariff Order for FY</p>	<p>TGDISCOMs submit that reactive power, whether lagging or leading, results in an increase in current flow, thereby necessitating additional network capacity.</p> <p>The FOR observed that there is no difference between leading and</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>2025-26 dated 29.04.2025 states as under:“In the Tariff Order for FY 2024-25, the Commission directed the TGDISCOMs to carry out an impact assessment study on unblocking of kVArh, conduct comprehensive consumer awareness programmes across the State, and submit the study report to the Commission before the nexttariff filing.”</p> <p>It is observed from Clause 3.21.15 that the TGDISCOMs have submitted the impact assessment study, wherein the issue of leading power factor has been addressed only in a summary manner, citing stress on the transmission and distribution network as the reason.</p> <p>Our Submissions: It is respectfully submitted that:</p> <p>Lagging power factor: consumes reactive power (+kVAr)-&gt; Reactive power is drawn from the grid by loads.</p> <p>Leading power factor: supplies reactive power (-kVAr) -&gt; Reactive power is injected into the grid by loads.</p> <p>Thus, reactive power injected by one consumer is, in practice, absorbed by another consumer within the same distribution system. As a matter of fact, our Distribution networks (TGSPDCL &amp; TGNDCL) are dominated by inductive loads due to widespread use of Induction</p>	<p>lagging power factor in reduction of network capacity and increasing the energy and power losses.</p> <p>Uncontrolled injection of reactive power (leading VARs) can cause operational issues such as over-voltage conditions and inefficient utilization of network assets.</p> <p>For better grid discipline, lag plus lead billing system gives meaningful kVAh as static meters are envisaged the measurement of both leading and lagging reactive power.</p> <p>Capacitors should remain in circuit as long as the load runs and must be cut-off as soon as the load is switched off. However, in the existing lead block billing system, the lead pf will be treated as unity.</p> <p>As a result, some of the consumers were keeping their capacitors in ON condition even when no load is connected to the system thereby maintaining leading PF i.e. on the pretext of maintaining unity pf, consumers were overcompensating.</p> <p>Such condition not only injects reactive power into the system but also is detrimental to the healthiness of the Grid for various reasons such as the utilization of transformer capacity (KVA) is blocked due to increase in current, line loss gets increased due to increase in current, over-voltage problem occurs in secondary side of transformer etc.</p>

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	<p>motors, transformers, extension of 24 Hours supply to agricultural pump sets. In such scenarios supply of reactive power from certain consumers reduces the net reactive burden on the grid. The study conducted by TG DISCOMS did not evaluate the current reactive power requirement of DISCOMs and that how DISCOMs will manage when such reactive power is not supplied by certain consumers.</p> <p>In this context, it is pertinent to note that several distribution systems across various countries recognise and compensate for reactive power services as a grid-support function.</p> <p>No doubt the ideal scenario for the Utilities shall be that every consumer operating in the unity power factor. But this is practically not possible due to presence of millions of agricultural pump sets and lack of monitoring mechanisms of such pump sets.</p> <p>.....</p> <p>Request</p> <p>In view of the above, it is humbly prayed that the Hon'ble Commission may be pleased to:</p> <p>1. To Constitute an expert committee comprising</p>	<p>This is not only harmful to grid but also to the consumer's equipment which is connected to system. Hence, unblocking of RkVAh lead is warranted for all HT services to use electricity at Unity PF.</p> <p>The APERC has issued order for unblocking of KVARh lead for the purpose of computation of KVAh and is being implemented by APDISCOMs since 2019.</p> <p>Further, MSERC in its order dt. 02.01.2019 observed that "RkVAh lead" needs to be considered in computation of PF/kVAh and the consumers are to install required equipment or make necessary changes in their processes so as to maintain PF within the prescribed limits.</p> <p>The Hon'ble TGERC after due public consultation process has approved for unblocking of KVARh Lead.</p> <p>Hence, considering the report of Apex body like FoR, other state Regulatory Commissions i.e. APERC &amp; MSERC orders on unblocking of KVARh Lead in terms of the safety of GRID, it is not necessary for formation of committee for studying the impact of KVARh lead as the behaviour of the KVARh lead is same on the Grid.</p>

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	<p>representatives from industry associations, reputed technical institutions (such as IITs/NITs/JNTU), generators, and other relevant stakeholders, as deemed appropriate by the Commission.</p> <p>2. To Undertake a detailed study of the techno-commercial implications of unblocking leading kVArh and its impact on consumers and the distribution system; and</p> <p>3. To Direct the DISCOMs to undertake widespread consumer awareness programmes prior to implementation of any decision based on the recommendations of the said committee.</p> <p>4. To direct DISCOMs to Rectify the excess billing done in the lead kvah unblock conditions till the final decision is taken in this regard.</p>	<p>The DISCOMs have already addressed the grievances of consumers having issues with reactive power through field level interactions.</p> <p>However, the DISCOMs are open to create awareness to the needy consumers on controlling the reactive power.</p>

#### 6. Response to M. Thimma Reddy

S.No.	Summary of Objections / Suggestions	Response of the Licensee																									
1.	<p>Table 1: Electricity Sales growth (MU)</p> <table border="1" data-bbox="257 1125 996 1244"> <thead> <tr> <th>Year</th> <th>SPDCL</th> <th>NPDCL</th> <th>Total</th> <th>Growth (%)</th> </tr> </thead> <tbody> <tr> <td>2023-24</td> <td>53,325</td> <td>21,064</td> <td>74,389</td> <td>---</td> </tr> <tr> <td>2024-25</td> <td>56,183</td> <td>22,043</td> <td>78,226</td> <td>5.16</td> </tr> <tr> <td>2025-26</td> <td>57,089</td> <td>23,741</td> <td>80,830</td> <td>3.33</td> </tr> <tr> <td>2026-27</td> <td>63,753</td> <td>26,371</td> <td>90,124</td> <td>11.50</td> </tr> </tbody> </table> <p>TGDISCOMs have claimed to have applied category wise CAGR trend during the last 5 years, 4 years, 3 years, 2 years, 1 year over the previous year to arrive at energy</p>	Year	SPDCL	NPDCL	Total	Growth (%)	2023-24	53,325	21,064	74,389	---	2024-25	56,183	22,043	78,226	5.16	2025-26	57,089	23,741	80,830	3.33	2026-27	63,753	26,371	90,124	11.50	<p>The lower electricity consumption recorded during H1 of FY 2025-26, primarily due to an extended and intensive monsoon period, has resulted in a suppressed baseline for FY 2026. Accordingly, TGDISCOMs have adopted the CAGR based on FY 2024-25 consumption levels for projecting sales for FY 2026-27. When growth is calculated with respect to the lower consumption of FY 2025-26, the</p>
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	<p>requirement during FY2026-27. But there was no proper justification for using the particular CAGR in the case of different consumer categories. In fact in many cases, they have used 'manual growth rates'. The final power consumption/sales figures arrived by TGDISCOMs for FY 2026-27 do not seem to have any relation to the past experiences. As the above table shows during the FY 2024-25 electricity consumption increased by 5.16% and during the FY 2025-26 electricity consumption increased by 3.33%. But during the ensuing FY 2026-27 electricity consumption is estimated to increase by 11.50%. This is two times the consumption growth rate recorded during FY 2024-25 and three times the consumption growth rate recorded during FY 2025-26. Obviously, electricity consumption estimated to take place during FY 2026-27 is overestimated. The same needs to be revised downwards.</p>	<p>resulting figure appears higher at 11.50%. However, when benchmarked against FY 2024-25 (an operationally normal year), the effective growth rate is 7.3%, which is more realistic and consistent with historical demand patterns.</p> <p>The objector considered growth only up to FY 2023-24. If we extend this analysis by two additional years, the following growth rates can be seen</p> <table border="1" data-bbox="1032 459 1805 715"> <thead> <tr> <th>Year</th> <th>SP</th> <th>NP</th> <th>State</th> <th>Growth rate</th> </tr> </thead> <tbody> <tr> <td>FY 2021-22</td> <td>42,578</td> <td>18,642</td> <td>61,220</td> <td>-</td> </tr> <tr> <td>FY 2022-23</td> <td>47,551</td> <td>19,250</td> <td>66,801</td> <td>9.12%</td> </tr> <tr> <td>FY 2023-24</td> <td>53,379</td> <td>21,064</td> <td>74,443</td> <td>11.44%</td> </tr> <tr> <td>FY 2024-25</td> <td>56,183</td> <td>22,043</td> <td>78,226</td> <td>5.08%</td> </tr> <tr> <td>FY 2025-26</td> <td>57,089</td> <td>23,741</td> <td>80,830</td> <td>3.33%</td> </tr> <tr> <td>FY 2026-27</td> <td>63,753</td> <td>26,371</td> <td>90,124</td> <td>7.34% (wrt FY 25)</td> </tr> </tbody> </table> <p>In this context, the projected FY 2026–27 growth rate of 7.3% remains well within the normal range and aligns with past consumption behavior.</p> <p>Additionally, it is important to note that the PM e-Drive initiative is expected to contribute to incremental energy demand.</p>	Year	SP	NP	State	Growth rate	FY 2021-22	42,578	18,642	61,220	-	FY 2022-23	47,551	19,250	66,801	9.12%	FY 2023-24	53,379	21,064	74,443	11.44%	FY 2024-25	56,183	22,043	78,226	5.08%	FY 2025-26	57,089	23,741	80,830	3.33%	FY 2026-27	63,753	26,371	90,124	7.34% (wrt FY 25)
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2.	<p>During the FY 2026-27 agriculture services are estimated to consume 11,962 MU accounting for 39.79% of energy requirement in the case of TGNPDCL and 15,428 MU accounting for 21.45% of energy requirement in the case of TGSPDCL. TGDISCOMs have claimed to have projected this consumption by agriculture services as per connected load. They have not mentioned whether the Commission approved this method. They have not</p>	<p>This method has been adopted based on the Commission's approach in earlier ARR orders. As mentioned in the Commission's analysis:  <i>"Commission's analysis &amp; findings:  3.4.39 The growth rates of actual agricultural contracted demands for the 4 years period before FY 2023-24 vis-à-vis the agricultural demand projected by TGDISCOMs for FY 2025-26 were analysed. LT-V Agricultural sales for FY 2025-26 were determined based on the demand claimed by TGDISCOMs in their petitions. For this purpose, an average operational period of 180 days per annum was considered for both the DISCOMs and an average daily operation time of 12 hours and 10 hours were considered for TGSPDCL and TGNPDCL respectively."</i></p>																																			

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	<p>explained how they have used this method. It all depends on assumptions they made on number of days and number of hours of operation of pump sets each day. An important limitation of this method is that some of the agriculture services released are not in operation. This leads to overestimation of power consumption by agriculture services. Besides this, solarization of agriculture pump sets under KUSUM taken up in the State will have its impact on this estimate.</p>	<p>In current filings, TGDISCOMs have considered 12 hours of daily operation time and 180 operational days per year for both DISCOMs, since the nature of agricultural consumption is similar in both areas. Using the connected load indicated in the ARR filings, the sales figures have been calculated on the basis of 12 hours × 180 days. This method has been consistently used by the Commission for agricultural sales estimation. Therefore, TGDISCOMs have followed the same approach for estimating FY 2026-27 agricultural sales.</p> <p><b>Load and Sales Projections for FY 2026-27</b></p> <table border="1" data-bbox="1043 584 1774 836"> <thead> <tr> <th>Particulars</th> <th>NPDCL</th> <th>SPDCL</th> </tr> </thead> <tbody> <tr> <td>Load Projections (hp)</td> <td>7,421,344</td> <td>8,205,026</td> </tr> <tr> <td>Load Projections (MW)</td> <td>5536</td> <td>6121</td> </tr> <tr> <td>Sales Projections (MU) (Load in MW*12*180/10<sup>3</sup>)</td> <td>11958</td> <td>15425</td> </tr> </tbody> </table> <p><b>PM KUSUM</b></p> <p>TGDISCOMs have already considered the generation from Solarization of Agricultural pumpsets under component-A &amp; component-C of PM KUSUM and Roof top solarization under PM Surya Ghar under Power purchase estimation for FY 2026-27 as per the capacities expected to be commissioned in the said financial year.</p>	Particulars	NPDCL	SPDCL	Load Projections (hp)	7,421,344	8,205,026	Load Projections (MW)	5536	6121	Sales Projections (MU) (Load in MW*12*180/10 <sup>3</sup> )	11958	15425
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3.	<p>In the past the Commission has directed the TGDISCOMs to install meters on DTRs serving agriculture pump sets to estimate electricity consumption by these agriculture services. To this direction TGDISCOMs responded that as</p>	<p>The DISCOMs have proposed to undertake segregation of agricultural feeders under the RDSS program to enable better monitoring and accurate accounting of agricultural consumption subject to approval from GOI.</p>												

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	<p>feeders serving agriculture services are going to be segregated under RDSS metering these feeders will serve the purpose of estimating electricity consumption by these services. They have also mentioned that most of these feeders are already metered. TGDISCOMs are repeating this response over the last few years. They have also not given the timeline over which segregation of agriculture feeders will be completed. In the past TGDISCOMs had stated that they were not able to raise funds to take up metering DTRs connected to agriculture pump sets. But they are ready to take up smart meter programme which involves higher expenditure than metering agriculture DTRs. This indicates that TGDISCOMs have different priorities. In this background we request the Commission to direct TGDISCOMs to provide information on feeders that are exclusively serving agriculture services and mixed feeders; and provide time line over which mixed feeders will be segregated. In the case of mixed feeders which cannot be segregated meters shall be installed on DTRs connected to agriculture pump sets.</p>	
4.	<p>The two TGDISCOMs projected 3,877 MU electricity consumption by lift irrigation projects at 132 kV level during the ensuing financial year. The lift irrigation units linked to KLIP are not in full working condition due to damages to the barrages and pumping motors. Given</p>	<p>The sales of SPDCL and NPDCL have been determined independently based on their respective historical actual sales and growth rates and hence the sales pattern of both DISCOMs needs to be looked at independently.</p> <p>Few units linked to Kaleshwaram Lift Irrigation Project (KLIP) are</p>

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	<p>these facts TGDISCOMs projections related to electricity consumption by these lift irrigation projects need to be re-examined. The TGDISCOMs also adopted different growth rates in estimating power consumption by lift irrigation projects at 11 kV and 33 kV level. While TGNPDCL adopted 2% growth TGSPDCL adopted 10% growth. At the same time, they did not provide any rationale for the growth rates adopted. They have adopted manual growth rate as “historical CAGR is erratic” They should be having information on ground level situation of lift irrigation schemes and the same should have been taken in to account.</p>	<p>non-functional and remain unchanged since FY 2024-25. There has been no additional reduction in operational usage thereafter. Hence, FY 2024-25 actuals already capture the impact of the same. KLIP is predominantly present in TGNPDCL territory which explains the relatively moderated growth ie., 2% NPDCL compared to 10% (for 11 kV and 33 kV) and 5% (for 132 kV) in SPDCL.</p> <p>We would like to mention that historically LIS sales have been erratic (This is not specific to this year, Same is the case for previous years). Appropriate growth rate has been considered for projecting FY 2026-27 sales.</p>																																			
5.	<p><b>Table 2: Power requirement 2026-27 (MU)</b></p> <table border="1" data-bbox="248 810 996 935"> <thead> <tr> <th>Particulars</th> <th>SPDCL</th> <th>NPDCL</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Total requirement</td> <td>71,916</td> <td>30,065</td> <td>1,01,981</td> </tr> <tr> <td>Total sales</td> <td>63,753</td> <td>26,371</td> <td>90,124</td> </tr> <tr> <td>Total (T&amp;D) losses</td> <td>8,163</td> <td>3,694</td> <td>11,857</td> </tr> <tr> <td>Total losses (%)</td> <td>11.35</td> <td>12.29</td> <td>11.63</td> </tr> </tbody> </table> <p><b>Table 3: T&amp;D losses of TGDISCOMs</b></p> <table border="1" data-bbox="264 1007 981 1139"> <thead> <tr> <th>Year</th> <th>Electricity procured (MU)</th> <th>Electricity sales (MU)</th> <th>T&amp;D losses (MU)</th> <th>T&amp;D losses (%)</th> </tr> </thead> <tbody> <tr> <td>2024-25</td> <td>88,964</td> <td>78,226</td> <td>10,738</td> <td>12.07</td> </tr> <tr> <td>2025-26</td> <td>90,609</td> <td>80,830</td> <td>9,779</td> <td>10.79</td> </tr> </tbody> </table> <p>More than one tenth of power procured is going waste due to T&amp;D losses. T&amp;D loss levels recorded during the FY 2025-26 are higher than that projected as a part of the ARR of that FY. T&amp;D loss levels projected by TGDISCOMs for FY 2026-27 are higher than the T&amp;D loss</p>	Particulars	SPDCL	NPDCL	Total	Total requirement	71,916	30,065	1,01,981	Total sales	63,753	26,371	90,124	Total (T&D) losses	8,163	3,694	11,857	Total losses (%)	11.35	12.29	11.63	Year	Electricity procured (MU)	Electricity sales (MU)	T&D losses (MU)	T&D losses (%)	2024-25	88,964	78,226	10,738	12.07	2025-26	90,609	80,830	9,779	10.79	<p>TGDISCOMs respectfully submit that voltage-wise losses across LT, 11 kV, 33 kV, and intra-state transmission levels are considered in accordance with the loss parameters approved by the Hon’ble Commission in the TGERC Order on ARR of the Retail Supply Business for the 5th Control Period dated 28.10.2024. These loss levels continue to be reasonable and prudent in view of prevailing system conditions.</p> <p>Further, inter-state transmission losses have been considered based on</p>
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	<p>levels recorded during the previous FY. These high T&amp;D losses are taking place even after substantial investments in men and materials to strengthen and expand T&amp;D network.</p> <p>T&amp;D losses shown by TGDISCOMs are also higher than that projected by the Commission in its Order on ARR of Retail Supply Business for 5th Control Period and Retail Supply Tariffs for FY 2024-25 of TGDISCOMs dated 28-10-2024. Lower T&amp;D losses imply lower power requirement and lower power procurement costs.</p>	<p>the historically recorded average loss levels, duly factoring in the projected quantum of power procurement from inter-state generating sources.</p> <p>We would like to reiterate that the losses for different voltage levels are considered as per the MYT Tariff order and the difference in overall T&amp;D loss figures is due to the variation in the projected sales mix from the approved numbers in the MYT Order dated 28.10.2024</p>
6.	<p>The Commission through the Order on ARR of Retail Supply Business for 5th Control Period and Retail Supply Tariffs for FY 2024-25 of TGDISCOMs dated 28-10-2024 estimated total power requirement during FY 2026-27 to be 92,202 MU. At the same time TGDISCOMs arrived at 1,01,981 MU as their energy requirement during the same year. TGDISCOMs' estimate of energy requirement is 10% higher than that of the Commission.</p> <p>From the above it is quite obvious that TGDISCOMs overestimated power requirement during the FY 2026-27. The same needs to be revised downwards reflecting ground realities.</p>	<p>TGDISCOMs have projected the category wise sales by incrementing the past year sales for FY 2024-25 with the CAGR in previous years keeping into account the new load additions. Further, the Energy requirement of the state is estimated by grossing up the sales projections with the voltage wise losses approved in the TGERC Order on ARR of Retail supply business for 5<sup>th</sup> control period dated 28.10.2024.</p> <p>It may be noted that TGDISCOMs have projected sales based on the latest available consumption trends and new load applications received. This will enable the projected sales to be aligned to the actual sales.</p>

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7.	<p><b>Electricity availability:</b></p> <p><b>Table 4: Power availability during FY 2026-27</b> (MU)</p> <table border="1" data-bbox="248 236 996 501"> <thead> <tr> <th>Source</th> <th>DISCOMs' 5<sup>th</sup> Control Period filings</th> <th>TSERC Retail Supply Tariff and ARR 5<sup>th</sup> CP Order</th> <th>DISCOMs' ARR Filings 2026-27</th> </tr> </thead> <tbody> <tr> <td>GENCO Thermal</td> <td>70,009</td> <td>55,887</td> <td>55,887</td> </tr> <tr> <td>GENCO Hydel</td> <td>5,741</td> <td>5,742</td> <td>3,827</td> </tr> <tr> <td>CGS</td> <td>29,477</td> <td>25,436</td> <td>26,458</td> </tr> <tr> <td>NCES</td> <td>22,230</td> <td>22,232</td> <td>16,526</td> </tr> <tr> <td>SEIL</td> <td>2,006</td> <td>1,773</td> <td>1,886</td> </tr> <tr> <td>Singareni</td> <td>8,936</td> <td>7,916</td> <td>8,421</td> </tr> <tr> <td>Short-term</td> <td>1,093</td> <td>---</td> <td>---</td> </tr> <tr> <td>Total</td> <td>1,39,492</td> <td>1,18,986</td> <td>1,13,006</td> </tr> </tbody> </table> <p>Electricity availability is projected to increase from 95,711 MU in FY 2025-26 to 1,13,006 MU in FY 2026-27. That is, electricity availability is projected to increase by 18.07% during the ensuing financial year.</p> <p>The ensuing FY will see a surplus of 11,025 MU (9.76%). If we take in to account the fact that TGDISCOMs overestimated power requirement during the ensuing FY the surplus power available will be even higher.</p> <p>TGDISCOMs did not include short-term purchases under availability though they have mentioned that short-term procurement would be resorted to depending on the need. Under power procurement cost TGDISCOMs included short-term power procurement. If this short-term procurement is also added total power available to TGDISCOMs during the FY 2026-27 the surplus power in Telangana during FY 2026-27 will be much higher.</p>	Source	DISCOMs' 5 <sup>th</sup> Control Period filings	TSERC Retail Supply Tariff and ARR 5 <sup>th</sup> CP Order	DISCOMs' ARR Filings 2026-27	GENCO Thermal	70,009	55,887	55,887	GENCO Hydel	5,741	5,742	3,827	CGS	29,477	25,436	26,458	NCES	22,230	22,232	16,526	SEIL	2,006	1,773	1,886	Singareni	8,936	7,916	8,421	Short-term	1,093	---	---	Total	1,39,492	1,18,986	1,13,006	<p>TGDISCOMs respectfully acknowledge that an electricity surplus of 11,025 MUs is projected for FY 2026–27, based on the estimated energy availability from generators and the overall energy requirement at the state level. TGDISCOMs are obligated to maintain adequate tied-up capacities to reliably meet both base and peak demand across most time blocks throughout the year.</p> <p>As highlighted in the petition, procurement from short-term sources will be undertaken only when necessary.</p> <p>To clarify, TGDISCOMs have considered short-term power purchases for the following purposes:</p> <ol style="list-style-type: none"> <li>1. To address demand–supply gaps during hours when power requirement exceeds the available generation.</li> <li>2. To optimize overall power procurement costs, by purchasing from the market during hours when market prices are lower than the variable cost (VC) of certain highVC generating stations.</li> </ol> <p>Since TGDISCOMs do not maintain any tiedup capacity for short-term procurement, and such purchases depend entirely on real-time demand supply conditions and prevailing market prices, including this power in the energy availability calculations would misrepresent picture of the state's actual supply position.</p>
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8.	<p>Power availability from TGGENCO plants is projected to increase from 42,782 MU in FY 2025-26 to 59, 714 MU in</p>	<p>TGDISCOMs have considered the Energy generation from all the 5</p>																																				

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	<p>FY 2026-27, signifying an increase of 40% in power availability from TGGENCO. But this increase in power availability depends on achieving CoD of all 5 units of YTPS.</p> <p>Until now CoD of three units (I, II and IV) was achieved. While the Commission, through its order on 5th Control Period, projected 22,232 MU availability from NCE sources during the FY 2026-27 TGDISCOMs projected 16,526 MU.</p>	<p>units of YTPS for FY 2026-27 as per the commissioning dates confirmed by TGGENCO vide letter 03.09.2025 according to which all the 5 units of YTPS will be commissioned by February 2026.</p>																																																
9.	<p><b>Table 5: Renewable energy availability (MU)</b></p> <table border="1" data-bbox="264 555 992 1289"> <thead> <tr> <th>Particulars</th> <th>TSERC Retail Supply Tariff and ARR 5<sup>th</sup> CP Order</th> <th>DISCOMs' ARR Filings 2026-27</th> </tr> </thead> <tbody> <tr> <td>Biomass</td> <td>0.78</td> <td>0.23</td> </tr> <tr> <td>Bagasse</td> <td>0.00</td> <td>0.00</td> </tr> <tr> <td>Municipal waste</td> <td>91.69</td> <td>257</td> </tr> <tr> <td>Industrial waste</td> <td>78.06</td> <td>75</td> </tr> <tr> <td>Wind</td> <td>261.80</td> <td>283</td> </tr> <tr> <td>Mini hydel</td> <td>0.22</td> <td>0.37</td> </tr> <tr> <td>Solar</td> <td>6083.02</td> <td>5,465</td> </tr> <tr> <td>Solar (JNNSM Phase I)</td> <td>119.80</td> <td>107</td> </tr> <tr> <td>Solar (NTPC)</td> <td>858.66</td> <td>770</td> </tr> <tr> <td>Solar (SECI)</td> <td>858.66</td> <td>770</td> </tr> <tr> <td>Solar (NTPC, NHPC CPSU) Tr-III 1545 MW</td> <td>3316.56</td> <td>3360</td> </tr> <tr> <td>Solar (NTPC CPSU) Tr-I &amp; II 1692 MW</td> <td>3632.12</td> <td>3258</td> </tr> <tr> <td>SECI (ISTS Tr IX 1000 MW)</td> <td>2146.64</td> <td>1925</td> </tr> <tr> <td>Additional RE Procurement</td> <td>4784.00</td> <td>255</td> </tr> <tr> <td><b>Total</b></td> <td><b>22232.01</b></td> <td><b>16,526</b></td> </tr> </tbody> </table> <p>Compared to their earlier filings as well as the quantum of availability approved by the Commission for the FY 2026-</p>	Particulars	TSERC Retail Supply Tariff and ARR 5 <sup>th</sup> CP Order	DISCOMs' ARR Filings 2026-27	Biomass	0.78	0.23	Bagasse	0.00	0.00	Municipal waste	91.69	257	Industrial waste	78.06	75	Wind	261.80	283	Mini hydel	0.22	0.37	Solar	6083.02	5,465	Solar (JNNSM Phase I)	119.80	107	Solar (NTPC)	858.66	770	Solar (SECI)	858.66	770	Solar (NTPC, NHPC CPSU) Tr-III 1545 MW	3316.56	3360	Solar (NTPC CPSU) Tr-I & II 1692 MW	3632.12	3258	SECI (ISTS Tr IX 1000 MW)	2146.64	1925	Additional RE Procurement	4784.00	255	<b>Total</b>	<b>22232.01</b>	<b>16,526</b>	<p>TGDISCOMs have projected the energy availability from Non-Conventional Energy (NCE) sources based on the contracted capacities of NCE generators including the ones that are expected to be commissioned in FY 2026-27. The estimated generation from these capacities has been arrived at by duly considering the historically observed generation patterns across various NCE sources.</p> <p>In addition, the proposed solar capacity additions under the PM-KUSUM-A, PM Surya Ghar, and PM-KUSUM-C schemes have also been taken into account for estimation of Energy availability. The corresponding energy generation from these anticipated capacity additions has been included in Energy Availability by factoring in the expected commissioning timelines of the respective projects.</p>
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	<p>27 TGDISCOMs in their present filings reduced electricity availability from solar power plants. They have also reduced additional RE procurement. They have not provided any reasons for revising their estimates.</p>																																									
10.	<p><b>Power procurement cost:</b></p> <p>Table 6: Power availability and procurement during FY 2026-27 (MU)</p> <table border="1" data-bbox="248 440 996 679"> <thead> <tr> <th>Source</th> <th>Availability</th> <th>Procurement</th> <th>Variation</th> </tr> </thead> <tbody> <tr> <td>GENCO Thermal</td> <td>55,887</td> <td>44,790</td> <td>11,097 (19.86%)</td> </tr> <tr> <td>GENCO Hydel</td> <td>3,827</td> <td>3,827</td> <td>0</td> </tr> <tr> <td>CGS</td> <td>26,458</td> <td>18,181</td> <td>8,277 (31.28%)</td> </tr> <tr> <td>NCES</td> <td>16,526</td> <td>16,526</td> <td>0</td> </tr> <tr> <td>SEIL</td> <td>1,886</td> <td>1,701</td> <td>185 (9.81%)</td> </tr> <tr> <td>Singareni</td> <td>8,421</td> <td>6,206</td> <td>2,215 (26.30%)</td> </tr> <tr> <td>Short-term purchase</td> <td>---</td> <td>11,641</td> <td></td> </tr> <tr> <td>Short-term (sale)</td> <td></td> <td>(891)</td> <td></td> </tr> <tr> <td>Total</td> <td>1,13,006</td> <td>1,01,981</td> <td></td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• TGDISCOMs' power procurement plan for the FY 2026-27 shows that 21,774 MU available from various thermal power plants is not being procured. Nearly 20% of power available from TGGENCO thermal power plants is not going to be procured. More than 30% of power available from CGS thermal power plants is not going to be procured. Nearly 10% of power available from SEIL thermal power plants is not going to be procured. More than one-fourth of power available from Singareni thermal power plants is not going to be procured.</li> <li>• Even when substantial capacity of thermal power plants available to Telangana state are going to be</li> </ul>	Source	Availability	Procurement	Variation	GENCO Thermal	55,887	44,790	11,097 (19.86%)	GENCO Hydel	3,827	3,827	0	CGS	26,458	18,181	8,277 (31.28%)	NCES	16,526	16,526	0	SEIL	1,886	1,701	185 (9.81%)	Singareni	8,421	6,206	2,215 (26.30%)	Short-term purchase	---	11,641		Short-term (sale)		(891)		Total	1,13,006	1,01,981		<p>TGDISCOMs would like to reiterate the fact that Energy procurement from short term sources is considered for the following reasons</p> <ol style="list-style-type: none"> <li>1. Energy supply during hours of deficit (Power requirement &gt; Power availability from generators). Despite having a total Energy surplus of 11,025 MUs, it is pertinent to note that there will be time blocks in the year when the instantaneous power requirement in the state is higher than the total generation capacity, pushing TGDISCOMs to procure the power deficit from short-term sources. Such instances of electricity deficit occur during Morning and evening peak hours when the Solar generation is not available. Hence, purchase from short term sources become inevitable with the current supply demand situation.</li> <li>2. Power purchase cost optimization: TGDISCOMs have considered procurement from short term sources during hours when the Market price is lesser than the Variable cost (VC) of few generating stations with higher VC to optimize the overall cost of power procurement. It is clarified that the generation from TGGENCO, CGS, SEIL, SCCL plants are proposed to be</li> </ol>
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	<p>backed down during the FY 2026-27 TGDISCOMs proposes to procure 11,641 MU through short-term purchases. These short-term purchases account for 11.41% of total power procurement planned.</p> <ul style="list-style-type: none"> <li>• Even if these short-term power purchases are not resorted to, still Telangana state will have surplus power of more than 10,000 MU during FY 2026-27.</li> <li>• TGDISCOMs in their present filings noted their proposal to purchase power from short term sources on need-to-need basis. As the State is facing surplus power situation there shall be no place for short-term power purchases. Following the power availability and power requirements estimated by TGDISCOMs during the FY 2026-27 the state will have surplus power of more than 10,000 MU, without taking into account power proposed to be procured from short-term sources. In such power surplus situation, there shall be no place for short-term power procurement.</li> <li>• Compared to the FY 2025-26 TGGENCO thermal power plants will be generating 16,932 MU additional power during the FY 2026-27. This power is expected to come from new Units (III, IV and V) of YTPS with aggregate generation capacity of 2,400 MW. At the</li> </ul>	<p>backed down only during hours when market purchase is more economical in order to optimize the overall cost of the power purchase in the state.</p> <p>TGDISCOMs respectfully submit that we have estimated a total procurement of 3,346 MUs from Short term sources for supply during hours of power deficit and 8,295 MUs for Power procurement cost optimization.</p> <p>TGDISCOMs submit that, as elaborated in the preceding sections, the planning of tied-up capacity is undertaken after carefully assessing the State's base-load and peak-load requirements throughout the year, using demand–supply analyses at a granular 15-minute time-block level.</p>

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	<p>same time TGDISCOMs propose to not to procure 21,774 MU available from various thermal power plants. This implies that these three new units of YTPS with aggregate capacity of 2,400 MW are not needed. A fundamental question arises in this context: When these three new units of YTPS with aggregate capacity of 2,400 MW are not needed, is there need for another 2,400 MW capacity from NTPC's Telangana STPS Stage-II?</p> <ul style="list-style-type: none"> <li>• TGDISCOMs estimated the total power purchase cost to be Rs. 54,567 Crore during the FY 2026-27 compared to the Commission's estimate of Rs. 49,667 Crore. TGDISCOMs' estimate of power purchase cost is 9.87% higher than that of the Commission.</li> <li>• Net power purchase cost arrived at by TGDISCOMs as well as the Commission depends on revenue envisaged from sale of surplus power during the FY 2026-27. While TGDISCOMs projected sale of 2,985 MU of surplus power the Commission projected sale of 16,755 MU of surplus power. Hitherto experience with selling surplus power is not very encouraging. Inclusion of estimated revenue from sale of surplus</li> </ul>	<p>The existing peak-load characteristics of the State, particularly their occurrence during non-solar hours, necessitate adequate thermal capacity to ensure reliable supply during such periods.</p> <p>Further, we would like to submit that the backing down of thermal stations does not arise solely from energy-surplus conditions. Backing down is also undertaken to optimize overall power-purchase costs whenever market prices are more economical compared to the variable cost of certain generating stations. The long-term projections of the State's base-load and peak-load patterns continue to justify the requirement for 2,400 MW of capacity from the YTPS units.</p> <p>We would also like to clarify that TGDISCOMs have proposed procurement of only 800 MW from the 3x800 MW NTPC Telangana STPS Stage-II project.</p> <p>We submit that, in estimating the power-purchase cost for FY 2026–27, a detailed block-level analysis of energy-surplus availability and prevailing Market prices has been undertaken for all time blocks across the year. Based on this assessment, the projection of surplus-power sales has been considered only for those blocks in which the Market price is higher than the Variable Cost (VC) of the generating stations, thereby ensuring that such transactions remain financially viable.</p>

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	<p>power only helps to show lower power purchase cost burden which in turn leads to lower or no tariff hike and lower subsidy burden on the state government. But reality will catch up at the time of true-up.</p> <ul style="list-style-type: none"> <li>• For the FY 2025-26, TGDISCOMs estimated the fixed costs of TGGENCO thermal units to be Rs. 8,492 Crore While the Commission approved Rs. 8,756 Crore towards the same. In case of FY 2026-27, TGDISCOMs projected fixed cost of TGGENCO thermal units to be Rs. 12,017 Crore. Substantial part of this increase in fixed costs during FY 2026-27 is due to YTPS. The Commission has not yet determined the capital cost of YTPS. Fixed costs of YTPS units shall be according to the Commission's Order on capital cost determination of YTPS. Fixed costs of YTPS units in operation shall only be taken in to account.</li> <li>• TGDISCOMs have projected higher fixed costs during the FY 2026-27 in the case of other thermal power plants of TGGENCO compared to these costs during FY 2025-26, though there is no change in generation capacities. In the case of BTPS fixed cost is projected to be Rs. 280 crore higher during FY 2026-27 compared to the estimated fixed cost during the FY</li> </ul>	<p>It shall be noted that three units (Unit-1, Unit-2 &amp; Unit-4) of YTPS have already been commissioned. Further, the remaining two units are expected to be commissioned prior to the commencement of FY 2026–27, as communicated by TGGENCO vide letter dated 03.09.2025. In view of the above, all five units of YTPS are anticipated to be under commercial operation during FY 2026–27. Accordingly, it is considered appropriate to take into account the fixed costs pertaining to all five units of YTPS for the said financial year.</p> <p>TGDISCOMs have projected the fixed cost for TGGENCO stations considering the additional capitalization of assets proposed by TGGENCO in their filings thereby resulting in higher Fixed costs in comparison with the previous years.</p>

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	<p>2025-26. With capital cost at more than Rs. 9 crore per MW. BTPS is the costliest coal based thermal power plant in the country. The operation of the plant until now has shown that it is beset with problems due to substandard machinery/plant. Given this experience no more capital cost addition shall be allowed in the case of BTPS.</p> <ul style="list-style-type: none"> <li>• Regarding fixed costs of central generating stations (CGS) TGDISCOMs submitted as follows, “For FY 2026-27, the Licensee has considered the 3% escalation on the Fixed Costs incurred on full year projections of FY 2025-26 based on actual fixed cost of first half (Apr'25 to Sep'25) of FY 2025-26.” TGDISCOMs have not provided rationale for adopting this procedure.</li> <li>• In the case of SEIL and Singareni thermal power plant also TGGDISCOMs adopted similar approach of escalation current years fixed cost by 3%. As they have not provided any rationale for this same shall be rejected.</li> </ul>	<p>TGDISCOMs have considered a 3% escalation in the Fixed cost of Central Generating stations (CGS) in order to account for the expected increase in the cost in FY 2026-27.</p> <p>TGDISCOMs have considered a 3% escalation in the Fixed cost of SCCL and Singareni in order to account for the expected increase in the cost in FY 2026-27.</p>
11.	In the case of Singareni thermal power plant different fixed cost figures are provided at different places:	It is hereby clarified that TGDISCOMs have considered 3% escalation on the Fixed cost on full year projections of FY 2025-26 based on the Fixed cost incurred in the first half of FY 2025-26. The fixed cost projected for Singareni thermal power plant is as follows.

S.No.	Summary of Objections / Suggestions	Response of the Licensee																	
	<p>Table 7: Fixed cost of Singareni thermal power plant</p> <table border="1" data-bbox="250 193 981 333"> <thead> <tr> <th>Particulars</th> <th>2025-26 (Rs. in Cr)</th> <th>2026-27 (Rs. in Cr)</th> </tr> </thead> <tbody> <tr> <td>Narrative part*</td> <td>1326.43</td> <td>1319</td> </tr> <tr> <td>Power purchase cost summary**</td> <td>1440</td> <td>1379.80</td> </tr> </tbody> </table> <p>* TGSPDCL ARR, p.51 ** TGNPDCL ARR, p. vi and vii; TGSPDCL ARR, p.54</p> <p>This discrepancy needs to be clarified.</p>	Particulars	2025-26 (Rs. in Cr)	2026-27 (Rs. in Cr)	Narrative part*	1326.43	1319	Power purchase cost summary**	1440	1379.80	<table border="1" data-bbox="1032 156 1928 269"> <thead> <tr> <th></th> <th>FY 2025-26</th> <th>FY 2026-27</th> </tr> </thead> <tbody> <tr> <td>Fixed cost Singareni thermal (Crs)</td> <td>1,340</td> <td>1,380</td> </tr> </tbody> </table>				FY 2025-26	FY 2026-27	Fixed cost Singareni thermal (Crs)	1,340	1,380
Particulars	2025-26 (Rs. in Cr)	2026-27 (Rs. in Cr)																	
Narrative part*	1326.43	1319																	
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	FY 2025-26	FY 2026-27																	
Fixed cost Singareni thermal (Crs)	1,340	1,380																	
12.	<ul style="list-style-type: none"> <li>There is wide variation in projected variable costs of different plants of TGGENCO thermal plants. Except YTPS all other thermal plants are located near coal mines. At one end is Kakatiya TPP-II with variable cost of Rs. 2.74 per unit, at another end is Kothagudem-VI with variable cost of Rs. 3.85 per unit. As all these plants are located in similar geographical conditions their wide variation in variable cost is puzzling.</li> <li>Projected variable costs of different plants of TGGENCO thermal plants in the FY 2026-27 are lower than actual variable costs reported for the FY 2024-25.</li> <li>Variable cost of Singareni thermal power plant (Rs. 3.46 per unit) is higher than TGGENCO's Kakatiya TPP-II (Rs. 2.74 per unit).</li> <li>Variable cost of NTPC's Ramagundam I &amp; II (Rs. 4.52 per unit) and Ramagundam-III (Rs. 4.45 per unit) is higher than TGGENCO's Kakatiya TPP-II (Rs. 2.74</li> </ul>	<p>TGDISCOMs would like to bring to notice that irrespective of having similar geographical proximity from coal mines, different generators have different Station Heat Rates (SHR) and other operating parameters leading to difference in variable costs</p> <p>The projections on the Variable cost (VC) of TGGENCO thermal stations has been done also considering the impact of variable cost reduction due to coal cost reduction by M/s Singareni Collieries company and the impact of changes in GST increase from 5% to 18% and abolition of Rs.400 Compensation CESS. The above has resulted in lesser VC projections for TGGENCO stations in comparison with the actual VC in FY 2024-25.</p>																	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	per unit) though they are located in similar geographical conditions.	
13.	<p>TGDISCOMs propose to procure 11,641 MU of electricity through short-term purchases at Rs. 3.45 per unit. This unit cost is higher than variable cost of several thermal power plants available to Telangana state which sought to be backed down to facilitate short-term power procurement. We request the Commission not to allow short-term power procurement by TGDISCOMs.</p>	<p>TGDISCOMs would like to reiterate the fact that Energy procurement from short term sources is considered for the following reasons</p> <ol style="list-style-type: none"> <li>1. Energy supply during hours of deficit (Power requirement &gt; Power availability from generators)</li> <li>2. Power purchase cost optimization: TGDISCOMs have considered procurement from short term sources during hours when the Market price is lesser than the Variable cost (VC) of few generating stations with higher VC to optimize the overall cost of power procurement.</li> </ol> <p>To further detail the above, 3,346 MUs Electricity for supply during deficit hours is projected to be procured from short-term sources at ~Rs.4.99/unit and 8,295 MUs Electricity for Power purchase optimization is projected to be procured during hours of low market prices at Rs. 2.81 per unit. This leads to an overall procurement cost of ~Rs.3.43/unit from for the total 11,641 MUs to be purchased from short term sources. Here, it is pertinent to note that, the procurement from short term sources for deficit supply is done only when the entire generation capacity is dispatched and the procurement from short term sources for Power purchase optimization is done only by backing down the thermal generators having higher VC than the then existing market (Short term source) prices resulting only in the reduction of overall power procurement cost.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee																			
14.	<p data-bbox="253 164 992 188"><b>Table 8: T&amp;D Costs of TGDISCOMs for FY 2026-27</b> (Rs. in Cr)</p> <table border="1" data-bbox="253 199 992 300"> <thead> <tr> <th rowspan="2">Expenditure</th> <th colspan="2">NPDCL</th> <th colspan="2">SPDCL</th> </tr> <tr> <th>Filings</th> <th>Approved</th> <th>Filings</th> <th>Approved</th> </tr> </thead> <tbody> <tr> <td>Transmission cost</td> <td>1,726</td> <td>1,795.83</td> <td>4,133</td> <td>4,302.05</td> </tr> <tr> <td>Distribution cost</td> <td>4,953</td> <td>4,058.86</td> <td>7,616</td> <td>6,053.99</td> </tr> </tbody> </table> <ul data-bbox="253 355 992 1377" style="list-style-type: none"> <li>The Commission had issued the Retail Supply Tariff Order for FY 2024-25 and ARR for each year of the 5th control period on 28th October 2024. In that order the Commission had approved ARR for each year of the 5th control period. TGDISCOMs in their present filings have claimed that in accordance to the regulation and above Order of the Commission the DISCOMs have computed the ARR for FY 2026-27. But there is wide variation between the ARR approved by the Commission for the FY 2026-27 as a part of 5th Control Period and the present filings by the TGDISCOMs. In the case of all expenditure items except transmission cost DISCOMs have shown higher expenditure compared to that approved by the Commission through the above MYT Order. At the same time TGDISCOMs did not provide reasons for the variations in expenditure.</li> <li>In the case of TG NPDCL while the Commission had approved Rs. 4,058.86 crore towards distribution cost the DISCOM is claiming Rs. 4,953 crore which is</li> </ul>	Expenditure	NPDCL		SPDCL		Filings	Approved	Filings	Approved	Transmission cost	1,726	1,795.83	4,133	4,302.05	Distribution cost	4,953	4,058.86	7,616	6,053.99	<p data-bbox="1037 403 1968 1249">TGSPDCL respectfully submits that there is no violation of the MYT principle under TSERC (Multi-Year Tariff) Regulation, 2023 (Regulation No. 2 of 2023). In accordance with clause 6.2 of Regulation 2 of 2023 requires the distribution licensee to file, for every year after the first year of the Control Period, an annual petition containing the true-up of the previous year and the revised Aggregate Revenue Requirement (ARR) for the ensuing year, along with the revised tariff and charges. Further, the MYT framework mandates that the Commission shall determine the ARR and tariff for each year of the Control Period separately, and also provides for the treatment of controllable and uncontrollable variables. The ARR approved in the original MYT Order serves only as a baseline projection, and the Regulation does not freeze the ARR; instead, it anticipates annual updates based on actual capitalization, O&amp;M norms, true-up impacts, and other permissible adjustments. Hence, the proposed ARR does not contravene the MYT Order nor undermine regulatory consistency, as it has been filed strictly in accordance with the provisions of Regulation No. 2 of 2023.</p> <p data-bbox="1037 1273 1968 1401">The reduction in Transmission cost claimed than approved in MYT order is by considering the APR of TGTRANSCO for FY2024-25. The increase in the Distribution cost of TGSPDCL is by considering the</p>
Expenditure	NPDCL		SPDCL																		
	Filings	Approved	Filings	Approved																	
Transmission cost	1,726	1,795.83	4,133	4,302.05																	
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	<p>higher by Rs. 894 crore (22% higher). Similarly, in the case of TGSPDCL while the Commission had approved Rs. 6,053.99 crore towards distribution cost the DISCOM is claiming Rs. 7,616 crore which is higher by Rs. 1,562 crore (25.80% higher). Given this wide deviation TGDISCOMs' claims related to distribution cost for the year 2025-26 shall be thoroughly scrutinized.</p> <ul style="list-style-type: none"> <li>Net result of this is that TGDISCOMs have arrived at higher ARR compared to the ones approved by the Commission. Given this deviation from the ARR approved by the Commission DISCOMs' claims on ARR for the FY 2026-27 needs to be subjected to thorough scrutiny. This is particularly important because TGDISCOMs did not provide justification for higher expenditure over and above the limit set by the Commission.</li> </ul>	<p>additional capex for the proposed conversion of OH line to UG cabling in metro area of Hyderabad in the 1<sup>st</sup> phase.</p> <p>It is humbly submitted that TGDISCOMs have estimated the Annual Revenue requirement involving prudence in the estimation of Revenue and cost. The Hon'ble commission is requested to review the same.</p>																													
15.	<p><b>Electrical Accidents:</b></p> <p><b>Table 9: Fatal electrical accidents</b></p> <table border="1" data-bbox="248 1137 996 1305"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">2024-25</th> <th colspan="2">2025-26 H1</th> </tr> <tr> <th>NPDCCL</th> <th>SPDCL</th> <th>NPDCCL</th> <th>SPDCL</th> </tr> </thead> <tbody> <tr> <td>General public No.</td> <td>377</td> <td>97</td> <td>158</td> <td>131</td> </tr> <tr> <td>Ex-gratia No.</td> <td>388</td> <td>138</td> <td>124</td> <td>382</td> </tr> <tr> <td>Ex-gratia Paid Rs. Cr</td> <td>19.90</td> <td>6.74</td> <td>6.40</td> <td>18.99</td> </tr> <tr> <td>Compensation to Animals Rs. Cr</td> <td>3.83</td> <td>1.01</td> <td>1.14</td> <td>4.23</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>During the FY 2024-25, 474 fatal electrical accidents</li> </ul>	Particulars	2024-25		2025-26 H1		NPDCCL	SPDCL	NPDCCL	SPDCL	General public No.	377	97	158	131	Ex-gratia No.	388	138	124	382	Ex-gratia Paid Rs. Cr	19.90	6.74	6.40	18.99	Compensation to Animals Rs. Cr	3.83	1.01	1.14	4.23	<p>In compliance with the Commission's directive, TGSPDCL has submitted the Electrical Accidents and Ex-gratia Report with complete details for FY 2024-25 to Hon'ble Commission. TGSPDCL requests the Hon'ble Commission to consider the amounts claimed and submitted as per the filings.</p>
Particulars	2024-25		2025-26 H1																												
	NPDCCL	SPDCL	NPDCCL	SPDCL																											
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S.No.	Summary of Objections / Suggestions	Response of the Licensee																
	<p>involving humans had taken place in the State. During the first half of FY 2025-26 the number of such fatal accidents stands at 289. These numbers show that there was no let up in occurrence of fatal electrical accidents in the State. Directives issued by the Commission to the TGDISCOMs to take steps to bring down the number of these fatal electric accidents do not seem to have much impact.</p> <ul style="list-style-type: none"> <li>As a part of its response to the Commission's directive related to electrical accidents TGNPDCL provided causes for electrical accidents that have taken place during FY 2025-26. These causes are divided in to accidents for which consumers/external factors are responsible and for which department is responsible. Following are some of the causes for which consumers/external factors are held responsible:</li> </ul> <p><b>Table 10: Causes for electrical accidents</b></p> <table border="1" data-bbox="248 1034 996 1273"> <thead> <tr> <th>Accidents Taken place with Consumer side fault or external factors</th> <th>No. of accidents</th> </tr> </thead> <tbody> <tr> <td>Victim came in to Contact with live Conductor (with or without any object)</td> <td>56</td> </tr> <tr> <td>While replacing HG fuses or LT Fuses of DTR / PTR or Touching the Fuse Box @ DTR</td> <td>14</td> </tr> <tr> <td>While working on existing line for maintenance / Construction of New Line</td> <td>14</td> </tr> <tr> <td>Pole damaged and fell down due to Heavy gale and wind</td> <td>3</td> </tr> <tr> <td>Touched the Sagged/Snapped / fallen conductor due to Gale &amp; Wind</td> <td>3</td> </tr> <tr> <td>Touching the Snapped and fallen conductor</td> <td>10</td> </tr> <tr> <td>Total</td> <td>100</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>People come in to contact with live conductors because they are sagging. It is the responsibility of the</li> </ul>	Accidents Taken place with Consumer side fault or external factors	No. of accidents	Victim came in to Contact with live Conductor (with or without any object)	56	While replacing HG fuses or LT Fuses of DTR / PTR or Touching the Fuse Box @ DTR	14	While working on existing line for maintenance / Construction of New Line	14	Pole damaged and fell down due to Heavy gale and wind	3	Touched the Sagged/Snapped / fallen conductor due to Gale & Wind	3	Touching the Snapped and fallen conductor	10	Total	100	<p>TGDISCOMs ensure compliance of safe practices during Installation, Operation &amp; Maintenance of distribution infrastructure keeping public</p>
Accidents Taken place with Consumer side fault or external factors	No. of accidents																	
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Touching the Snapped and fallen conductor	10																	
Total	100																	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>DISCOMs to see that conductors are in good condition. Consumers try to replace fuses of DTRS because DISCOM personnel do not respond to the complaints in time forcing the consumers to take risk. It is the responsibility of the DISCOM to repair damaged poles and conductors in time to avoid accidents. All the above 100 accidents shall fall in the DISCOM account. Consumers shall not be held responsible for these accidents.</p> <ul style="list-style-type: none"> <li>• TGSPDCL responded to this directive as follows, “The report on Electrical Accidents and Ex-gratia shall be submitted to the Hon'ble Commission.”</li> <li>• As a part of the Distribution Business true up for the year 2024-25 TGNPDCL claimed Rs. 25.14 Crore towards compensation/ex-gratia paid to electrical accidents. In the filings related to ARR and RST Proposals for FY 2026-27 TGNPDCL recorded that Rs. 23.73 Crore expenditure was incurred during FY 2024-25 towards compensation/ex-gratia paid to electrical accidents. Similarly, TGSPDCL claimed Rs. 20.18 Crore, as a part of the Distribution Business true up for the year 2024-25, towards compensation/ex-gratia paid to electrical accidents. In the filings related to ARR and RST Proposals for FY 2026-27 TGSPDCL</li> </ul>	<p>safety as utmost priority. In addition, TGDISCOMs have initiated programs such as Praja Bata to address consumers concerns on areas including Electrical safety and improving consumer awareness.</p> <p>Free Dial number 1912 facility is created to lodge any supply related complaints by the consumers which will be processed and rectification action will be taken in short times.</p> <p>As per the filings of TGSPDCL related to ARR and RST Proposals for FY 2026-27, the expenditure of Rs. 7.75 Crore incurred during FY 2024-25 towards compensation/ex-gratia paid to electrical accidents shown only for H1 of FY2024-25. For entire FY2024-25, TGSPDCL claimed Rs. 20.18 crore, towards compensation/ex-gratia paid to electrical accidents as part of the Distribution Business true up for the year 2024-25. There is discrepancy in the amounts claimed by TGDISCOMs towards compensation/ex-gratia paid to electrical accidents during FY 2024-25.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>recorded that Rs. 7.75 Crore expenditure was incurred during FY 2024-25 towards compensation/ex-gratia paid to electrical accidents. There is discrepancy in the amounts claimed by TGDISCOMs towards compensation/ex-gratia paid to electrical accidents during FY 2024-25. This needs to be verified.</p> <ul style="list-style-type: none"> <li>The information provided by TSDISOMs on electrical accidents show that most of the fatal accidents took place in circles with predominantly rural services. These accidents are low in urban circles. This implies that the rural consumers are not receiving quality service. Every step shall be taken to correct this anomaly.</li> </ul>	
16.	<p>Arrears:</p> <ul style="list-style-type: none"> <li>According to TGNPDCL filings of FY 2026-27 total arrears of Rs. 50,000 and more pending for six months as on 30-09-2025 are Rs. 17,968.45 crore. These arrears are higher than ARR approved by the Commission for FY 2025-26. According to TGSPDCL filings of FY 2026-27 total arrears of Rs. 50,000 and more pending for six months as on 30-09-2024 are Rs. 2, 418.68 crore. These arrears are equal to 5.88% of ARR approved by the Commission for FY 2025-26. Compared to the previous year TGSPDCL has reduced the arrears substantially. Substantial portion of these arrears have to come from state government departments. (While TGSPDCL mentioned the arrears due from Government departments, TGNPDCL did not</li> </ul>	<p>It is submitted that both DISCOMs have been consistently taking focused steps for arrears reduction through sustained monitoring, intensified collection drives, disconnection of defaulting consumers as per the Electricity Act, 2003 and Supply Code provisions, and periodic engagement with large consumers. As rightly noted by the objector, TGSPDCL has achieved a substantial reduction in arrears compared to the previous year, reflecting the effectiveness of these measures.</p> <p>With regard to TGSPDCL, the arrears pertains to State Government departments, amounting to ₹1,543.06 crore (63.8%), the DISCOM has been regularly pursuing the concerned Government departments through institutional mechanisms and periodic reconciliations.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>show these details. TGNPDCL provided circle wise information). According to TGSPDCL submission arrears due from state government departments stand at Rs. 1,543.06 crore accounting for 63.8% of the arrears. Situation may be the same or even worse in the case of TGNPDCL. In the case of TGNPDCL 99% of the arrears are due from HT consumers. According to Section 1.2 i) of UDAY – MoU all outstanding dues from the government departments to DISCOMs for supply of electricity shall be paid by 31-03-2017. Since then, arrears from state government departments in fact have increased.</p> <ul style="list-style-type: none"> <li>If the arrears below Rs. 50,000 are also taken in to account total arrears due to TGDISCOMs will be much higher. Because of these mounting arrears TGDISCOMs are forced in to heavy debt burden and it is one of the reasons for losses incurred by the TGDISCOMs.</li> </ul>	<p>Regarding the reference to Clause 1.2(i) of the UDAY MoU stipulating clearance of Government department dues by 31-03-2017, it is submitted that while the DISCOMs have been continuously flagging the issue at appropriate levels, the clearance of such dues depends on budgetary allocations and policy decisions of the State Government.</p> <p>Non-realisation of these amounts cannot be construed as a lapse on the part of the DISCOMs, particularly when supply to essential Government services cannot be abruptly discontinued.</p> <p>It is therefore submitted that arrears from Government departments are a systemic issue, being addressed through coordinated efforts with the State Government, and the same should not be viewed as inefficiency in DISCOM operations.</p> <p>The demonstrated improvement in arrears position, especially in the case of TGSPDCL, clearly establishes the DISCOMs' commitment to financial discipline and revenue recovery.</p>

**7. Response to Mr. Vijay Rathod, Chief Project & Engineering Officer, GMR Hyderabad International Airport Ltd.,**

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1.	Request for revision of GMR Airport's Tariff at 132KV level and from existing ratio of Aviation to Non-Aviation loads from 61:39% to 80:20% ratio.	The petitioner's reliance on internal load data and presentations dated 13.05.2022 and 10.10.2024 to claim an aviation load ratio of 80% is selective and self-serving. Such data has neither been subjected to

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	<p>Hon'ble APTEL in Appeal No. 12 of 2011 held that if it is not feasible to have separate metering arrangements for the aviation activities and purely commercial activities, then the State Commission could re-categorize the Appellant in a separate category other than HT commercial II and determine the composite tariff for aviation and the commercial activities of the Appellant.</p> <p>For the Tariff Year 2012-13, in pursuance of the Hon'ble APTEL's order in Appeal No. 12 of 2011, considering the challenges involved in segregation of aviation and non-aviation loads, Hon'ble State Commission created a new category for Airports by considering a composite tariff with aviation load at 61% and the non-aviation loads at 39% ratio.</p> <p>Since the major non-aviation loads have been segregated from the aviation network in compliance to the directives of Hon'ble State Commission, resultantly, the load pattern ratios for the existing airport activities at GMR Airport for have changed as per table provided herein below:</p> <table border="1" data-bbox="241 1150 1003 1358"> <thead> <tr> <th>Sl No</th> <th>Type of Load</th> <th>Before Load Segregation</th> <th>After Non-Aviation Load Segregation</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Aviation</td> <td>61%</td> <td>80%</td> </tr> <tr> <td>2</td> <td>Non-Aviation</td> <td>39%</td> <td>20%</td> </tr> </tbody> </table> <p>Vide our representations dated 13.05.2022 and</p>	Sl No	Type of Load	Before Load Segregation	After Non-Aviation Load Segregation	1	Aviation	61%	80%	2	Non-Aviation	39%	20%	<p>independent verification nor approved by the Commission. Tariff determination cannot be based merely on representations or internal computations furnished by the consumer, especially when separate metering and segregation are feasible and have in fact been implemented.</p> <p>It is further submitted that tariff categorisation and applicable load ratios are matters of <b>regulatory determination</b>, to be decided by the Hon'ble Commission after a detailed prudence check and stakeholder consultation. The petitioner cannot seek automatic revision of approved ratios merely on the ground that internal consumption patterns have changed.</p> <p>Moreover, allowing revision of the Aviation to Non-Aviation ratio to 80:20 would result in <b>cross-subsidy distortion</b> and unjustified tariff benefit to non-aviation commercial activities, which are otherwise required to be billed under applicable commercial / HT categories. Such an approach would be contrary to the principles of cost reflectivity and non-discrimination enshrined under the Electricity Act, 2003.</p> <p>It is also pertinent to submit that HT-III tariff at 132 kV level and above is determined based on system cost, voltage-wise network usage and cross-subsidy considerations. Any modification to the tariff structure or load ratios has system-wide implications and cannot be considered in isolation for a single consumer.</p>
Sl No	Type of Load	Before Load Segregation	After Non-Aviation Load Segregation											
1	Aviation	61%	80%											
2	Non-Aviation	39%	20%											

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>10.10.2024, we requested Hon'ble State Commission and TGSPDCL to consider revising the HT-III tariff (132KV Level and above) by computing the aviation load at 80% and non-aviation load at 20%. (Annex 1 &amp; 2)</p> <p>We are enclosing the details of aviation and non activities on the airport load, which evidence the ratio of 80% of aviation load and 20% of non-aviation loads. (Annex: 3).</p> <p>We therefore humbly request the Hon'ble Commission to revise the HT-III tariff for Airport (132KV level and above) as per the revised the load ratios.</p>	
2.	<p>We understand from the Hon'ble Commission's order dt 15.11.2025, on removal of TOD tariff incentive for the night duration (from 22:00 hrs to 06:00 hrs) was based on the DISCOM's submissions that the day time power procurement cost as is cheaper than that of the night time power procurement cost.</p> <p>The said order was made applicable for the period from 1 Dec 2025 to 31 March 2026.</p> <p>Now TGSPDCL is proposing to continue the same ToD tariff structure removing the incentive for night time operations.</p> <p>In this regard, we would like to take reference to the Electricity (Rights of Consumers) Amendment Rules, 2023 issued by Government of India, wherein it is clearly mentioned that "tariff for solar hours of the day, specified by the State Commission shall be at least twenty percent less than the normal tariff for that category of consumers".</p> <p>We therefore humbly request the Hon'ble State Commission to introduce the incentive of INR 1.50/- per</p>	<p>TGDISCOMs submit that the removal of TOD incentive during the night hours (22:00 hrs to 06:00 hrs) was based on the higher per-unit power procurement cost during this period compared to other time blocks. Continuation of incentives during these hours would impose additional financial burden on the Licensee, which would ultimately be passed on to consumers through tariff adjustments.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	unit during the solar availability period (ie from 10 am to 6pm) in terms of Electricity (Rights of Consumers) Amendment Rules, 2023 or retain the earlier mechanism of night incentive of Rs. 1.50/- for the period from 22:00 hrs to 06:00 hrs.	
3.	We therefore humbly request the Hon'ble Commission to advise TSSPDCL to carry out Load Assessment Study for Aviation Service as the major non-aviation loads have been segregated and submit the cost of service to the Hon'ble Commission for finalizing HT-III Tariff.	<p>Segregation of certain non-aviation loads does not alter the fundamental network usage characteristics, demand pattern, or cost drivers applicable to HT-III consumers. Any separate cost of service study for a sub-set of consumers within an existing tariff category would lead to unwarranted tariff fragmentation and regulatory complexity.</p> <p>TGSPDCL therefore submits that the existing HT-III tariff, as approved by the Hon'ble Commission, adequately reflects the cost of service, and no separate Load Assessment Study or tariff finalization exercise for Aviation Service is required.</p>

#### 8. Response to Mr. PV Subba Reddy

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1.	<p>When a farmer applies for an AGL connection, he is told that neighboring farmers are not allowed to lay the line, so he is not given a connection, and is told that he should talk to that neighboring farmer himself</p> <p>It is requested that the department to take up this responsibility. In such instances the poles should be laid</p>	<p>TGDISCOMs respectfully submits that agricultural connections are released in accordance with prescribed SOPs. Wherever feasible, HT/LT lines and DTRs are routed along existing roads or field boundaries, to avoid inconvenience to farmers.</p> <p>The right of way for erection of poles for release of new connection is under the scope of applicant only.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>along the roads and boundaries, not in the middle of the field.</p> <p>Several DTRs are in the midst of crops, cultivating land, is prone for accidents. Such DTRs to be relocated sumoto without request of farmers.</p>	<p>Shifting of DTRs will be considered as per the SOPs.</p>
2.	<p>Safety measures and network upgradation is at snail pace, snapped wires, Lack of AB switch, low hanging cables is a common scene.</p>	<p>Regularly the defects (loose lines, leaned poles, low transformer plinths etc.,) noticed in the existing distribution network of 33KV, 11KV and LT lines are being rectifying and every care is being taken to provide reliable, quality and un-interrupted power supply to Agriculture sector.</p>
3.	<p>Hon commission amended regulation of ORC. consumers are issued estimates, but pending for payment. Request to include under modified regulation.</p>	<p>Only the applications recived from the date of effect of modified Regulation will be processed under new Regulation.</p>
4.	<p>The huge number of petitions filed in response to ARR, Cgrfs as well customer service centers are testimony for violation of SOP Standard's</p>	<p>The licensee achieved the overall SOP. Quarterly SOP reports are being submitted to Hon'ble commission.</p>
5.	<p>While laying electricity towers and lines farmers or general public do not receive any prior information, nor the utilities such as their consent before entering the fields which belongs to electricity is being supplied from 11 kV to 765 kV. Electricity poles are being planted with a radius of 12 inches and extending up to half an acre, starting from the supports. On such poles, electricity floor ws from 11 kV to 133, 220, 440 and 765 kV lines. Due to the flow, there is a</p>	<p>TGDISCOMs respectfully submits that laying of distribution infrastructure is carried out strictly in accordance with SOP guidelines, with due regard to public safety. Wherever required, prior intimation and compensation are being provided.</p> <p>The area occupied for poles or towers is kept within approved safety limits, and farmers are generally allowed to continue cultivation with due safety precautions.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>possibility of its adverse effect on the crops grown in the vicinity of those lines, resulting in low crop yields. Its adverse effect on the livestock of the farmer, especially on pregnant animals, is more and the livestock is also lost. When farmers are working in their fields, women farmers, including pregnant women and men, are working for hours and are falling ill due to the effects of electric cycles and are suffering from diseases like cancer.</p> <p>Farmers are deprived of their livelihood, loss of crop and possible health problems while laying a transmission line and possibly towers in their land often access to land owned by them is restricted loss of economic value for their land due to laying of electric line in between their fields, the financial capacity of Small and marginal farmers are more severely affected.</p> <p>Prior consent is not being taken before laying of power lines. Compensation is not paid adequately and thus to redress their grievances are limited for the farmers, except to approach courts.</p> <p>The major problem is the area being taken only limited to four legs of the tower pylon structure. The farmer cannot cultivate either with bullocks or tractor 5 meters radius, apart the tower all round being dangerous zone while carrying out Agri operations. So the total area to be compensated should be increased.</p>	<p>TGDISCOMs remains committed to protecting farmer interests, ensuring safety of people and livestock, and addressing grievances through established mechanisms, while also ensuring reliable power supply for public benefit.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>Compensation towards diminution of land value in the width of Right of way row corridor due to laying of lines should be 100% of land value as per market rate and applicable under Land Acquisition Act 2013 or on lease permanently which has to be paid half yearly in September- October and March, April annually.</p> <p>The authorities are not adhering to the laid down rules, regulations for land acquisition, ROW. violations to be treated as cognizable offensive. Necessary rules, regulations, protocols to be defined and ensured for compliance.</p> <p>The above procedure of following guidelines should be strictly adhered to and responsibility to be fixed on supervisory authority of not less than Superintendent Engineer. Their deviation should attract criminal proceedings denying or ignoring poor farmers as they are unaware of their right which gives scope to once ride them and cash their ignorance of their rights. Police or any officials should not interfere nor threaten the farmers. In future as the Private Sector may come into the field as a player we have to be careful in strictly implementing for the benefit of farmer.</p>	
6.	Status of implementation of directives	Status of Implementation of Directives is furnished as part of ARR Filings.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
7.	<p>Efforts to improve internal efficiency for gap in ACS and ARR are also not filed</p> <p>Reg govt dues the reply is routine. Hon commission is requested to direct to provide for provision as per accounting norms</p>	<p>TGDISCOMs submits that continuous efforts are being made to reduce ACS-ARR gap. TGDISCOMs are actively pursuing clearance of outstanding electricity dues from the Government of Telangana, which is required for participation in the RDSS scheme, and proposals have also been submitted to the Ministry of Power, Government of India. In parallel, TGDISCOMs are regularly conducting consumer awareness programs and wide publicity through newspapers to promote energy conservation, use of LED lighting and star-rated appliances, which together contribute to improving efficiency and reducing ACS-ARR gap over time.</p>
8.	<p>Loss reduction measures given only by circles and head office is required to file comprehensive report.</p>	<p>Head office furnished Loss-reduction measures being implemented at area specific for more clarity.</p>
9.	<p>Energy audit quarterly not made available.</p>	<p>It is submitted that the quarterly energy audit reports are being regularly hosted on the official website of the DISCOM and are accessible in the public domain.</p>
10.	<p>Segregation of commercial and avian activity GMR airport is not complied.</p>	<p>Subsequent to the directions of TGSPDCL, GHIAL has completed segregation of major non-aviation and aviation loads at source level. All major non-aviation loads have been shifted to the new HT services in the presence of TGSPDCL officials, while residual minor non-aviation loads that are not technically feasible for segregation at source level are being metered at consumption level and billed at applicable tariffs.</p>
11.	<p>Notice for compliance for power factor is not implemented</p>	<p>TGDISCOMs have issued notices to applicable consumers to maintain</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
		the power factor close to unity by controlling reactive power at the load end, rather than at the system level, so as to avoid stress on the network and potential adverse impacts.
12.	DTR replacement is done only after breakdown.	All major materials such as DTRs, conductors, AB Switches are maintained as per field requirement. DTR replacement is undertaken based on both field assessments and breakdowns.
13.	3rd DISCOM formation is not taken in to consideration in filings	The formation of the 3rd DISCOM involves completion of prescribed statutory and administrative procedures, including approval of the licensee, bifurcation of assets and liabilities, and fulfillment of other due processes, and upon completion of these requirements, the same will be duly considered in the subsequent filings.
14.	<p>The employee costs are more by 15 % than approved.</p> <p>All segments of distribution are higher than approved by Commission. The Justification by facts or given instead reason that commission approved lower is untenable.</p>	<p>The Hon'ble Commission has approved O&amp;M expenses by applying escalation on the average of the true-up expenses for the immediate preceding control period, and this if further escalated for 3 years as per clause No. 81 of Regulation No. 2 of 2023. However, the approved amount so derived is lower than the actual expenditure incurred during FY 2023-24. O&amp;M cost escalation is based on CPI/WPI indices in accordance with Regulation 81.3 based on actuals for FY 2024-25. This revision is primarily on account of actual employee cost, repairs &amp; maintenance activities, and administrative expenses, projected based on CPI/WPI.</p> <p>The Hon'ble Commission has approved Employee cost for FY 2024-25 by applying escalation on the average of the true-up expenses for the immediate preceding control period, and this if further escalated for 3</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
		<p>years as per clause No. 81 of Regulation No. 2 of 2023. However, the approved amount so derived is lower than the actual expenditure incurred during FY 2023-24.</p> <p>The revised O&amp;M expenses projected for FY 2026-27 is computed based on actual costs and inflation. We request the Commission to consider these variations as we have filed our submission in accordance with MYT Regulations, 2023 (2 of 2023).</p>
15.	<ul style="list-style-type: none"> <li>• SPDCL balance sheet as of 31/3/24 accumulated losses are 40,380 CT against paidup capital of Rs.12017 cry only with huge 28362 Chr negative net worth.</li> <li>• Even considering the short.long term borrowings and capital ,still the accumulated losses are more.</li> </ul> <p>The interest burden on short term increased 808 Crs suggests prudent management of borrowings In view of the precarious financials of discoms, the companies are not financially viable entities to carry on the huge essential public utility services. Structural financial crisis due to high purchase cost, subsidy burden</p>	<p>TGDISCOMs submits that, in order to reduce the financing cost burden, DISCOMs are actively engaging with lenders to renegotiate existing loan terms, including seeking reduction in interest rates, and exploring restructuring options wherever feasible, with the objective of lowering the overall cost of debt. These efforts are ongoing to ensure that the interest burden on consumers is minimized and the financing structure becomes more sustainable. In case of any reduction in interest rates achieved through these negotiations or restructuring will be fully reflected and claimed appropriately during the True-up.</p>
16.	<p>The data on accidents, month wise also not submitted. The accidents are on the rise and precious lives are lost case wise reasons are to be provided.</p>	<p>Our claim includes (a) statutory and ex-gratia payments arising from force-majeure/public safety events not attributable to the utility; and (b) amounts mandated under lawful directions where no fault of the licensee is established. According to the guidelines of the Hon'ble Commission of Proceedings No. TSERC/Secy/86 of 2015, Dt:28-12-2015, para no.3 is</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
		<p>extracted as below.</p> <p><i>“After careful consideration of the information submitted and issues raised by the DISCOMs, the Commission hereby enhances the ex-gratia sum payable, as a safety measure, in the case of a fatal accident resulting in death of a non-departmental person and / or of an animal owing to electrocution and other issues connected therewith are dealt hereunder.”</i></p> <p>Therefore, TGDISCOMs are paying the compensation/ex-gratia amount to every Electrical accident to non-departmental person and / or of an animal with Department fault or without Department fault in every year and this expenditure is booked under compensations account under A&amp;G expenses in the licensee books of accounts. The details of case-by-case cause of accident and the payments made against each case are already submitted to the Hon’ble Commission.</p>
17.	<ul style="list-style-type: none"> <li>• Demand growth is significant pressure on infra and costs.</li> <li>• Requires capex expediency.</li> </ul>	<p>TGDISCOMs submits that the strong demand growth places significant load on existing network assets, requiring timely and targeted capital investment to maintain reliability, safety, and supply quality. The proposed capex is therefore essential and not discretionary, aimed at strengthening substations, feeders, and network capacity to meet rising peak demand and avoid overloads or service disruptions. In case of TGSPDCL, the additional capex primarily pertains to Underground cabling works, SCADA expansion and automation, New substations and capacity augmentation, required to meet summer peak loads and to address loading of existing transformers and feeders.</p> <p>The UG cabling works were not envisaged at the time of filing the MYT Petition due to evolving demand patterns, accelerated urbanisation, and</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
		emergent reliability issues.

### 9. Response to ITC Limited, Paperboard & Specialty Papers Division

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1.	<p>2. The captive generation of electricity at the Objector's aforesaid plant is by the cogeneration process whereby heat energy used for pulp cooking, humidification, and drying is produced along with electricity. The said plant presently has seven T-G Sets of varying capacities aggregating to about 260.187 MVA. Four TG-Sets of 95.5 MVA is kept as a stand-by. The TG-sets and the loads are segregated into two networks internally, with 88 MVA in one network and 76.687 MVA in another network. Under normal operation, the TG-Sets are operated in island mode and the entire load is met exclusively from the TG-sets, no power being consumed from TGNPDCL.</p> <p>The Consumer Service with TGNPDCL is presently with a CMD of 15MVA at 132 kV. Power is drawn from TGNPDCL within the CMD of 15 MVA partly for start-up purposes of the TG-sets and partly as standby power. The starting currents of motors during start-up is minimised by soft start arrangements. The power drawn during start-ups is always well within the CMD of 15 MVA.</p>	<p>The Objector claim that it does not avail any grid support is not tenable because it maintains a live 132 kV grid interconnection with a CMD of 15 MVA and routinely relies on the grid for start-up, stand-by, and open-access import operations. Even if its TG sets generally operate in island mode with internal interlocks, the grid must remain continuously available to provide voltage and frequency reference, system strength and fault level, protection coordination, and back-up clearing capability at the point of interconnection. These services impose real obligations and costs on the licensee regardless of whether actual load transfer occurs during contingencies.</p> <p>Compliance with harmonic limits or internal protection schemes does not negate the need for the grid to maintain required reliability and protection standards for a connected consumer. Therefore, the assertion that "no grid support is actually availed" is incorrect; the Objector's own operational arrangement establishes dependence on the grid. Accordingly, the levy of grid support charges remains justified, and the objection does not warrant any deviation.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>The said plant also receives and consumes power from its wind energy plant in Andhra Pradesh through inter-state open access. Under normal operation, the connection with the grid is only to enable import of the energy under open access. At such times, only one of the networks is connected to the grid.</p> <p>There are electrical inter-locks in place to ensure that the connected loads trip whenever there is a tripping of the TG-Sets. Therefore, there is no transfer of load to the grid in the event of TG-Set failure or shut down. Mandatory protection arrangements are in place to clear internal faults within the time prescribed in the Grid Code.</p> <p>In the normal operation of ITC's continuous process plant, there are no equipment which impose intermittent or transient loads. There is no harmonic injection from ITC's plant in excess of permissible limits.</p> <p>Therefore, there is no circumstance by which it can be considered that any grid support is actually availed by ITC. The connection to the grid is utilised only for startup power or stand-by within the CMD with TGNPDCL or for import of open access power.</p>	
2.	<p>TGNPDCL and TGSPDCL have proposed levy of grid support charges ("GSC") for the FY 2026-27 at the rate of Rs. 18.50 Rs/kW/Month X (total installed capacity of the generators connected to the Grid – OA capacity or the</p>	<p>The Hon'ble Commission has determined the GSC as per the technical committee report of the Grid Coordination Committee duly considering the objections of the members of the committee towards the end of the Financial Year 2023-24 and directed the Licensees to file the proposals afresh</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>PPA capacity if any with the DISCOMS). The proposal of GSC is unreasonable and is being challenged herein both in respect of the levy itself as well as the quantum. The proposal of GSC is wholly misconceived and without any proper understanding or consideration of the concept of grid support/parallel operation as explained hereinafter.</p>	<p>for FY 2024-25. Therefore, based on the directions of the Hon'ble Commission, the DISCOMs have proposed the Grid Support Charges.</p> <p>The licensee has computed Grid Support charges as per the methodology approved by Hon'ble Commission vide order O. P. Nos. 80 &amp; 81 of 2022 dated 27.03.2024. The excerpt of the clause 4.1.13 is shown below</p> <p><i>“At this stage, when the Retail Supply Tariffs are already fixed for FY 2023-24 and the Financial Year is at the fag end, the commission is not willing to determine GSC for FY 2023-24 and directs TSDISCOMs to file a separate petition for determination of GSC for FY 2024-25 onwards duly following the methodology approved in this order”</i></p> <p>Hence, the licensee has adopted the methodology approved in the above order for computation of Grid Support Charges for FY 2026-27.</p>
3.	<p>Classification of Captive Power Plants (CPPs) operating in parallel with the grid Sl. No. 4</p>	<p>The Objector's classification of CPPs into multiple categories to argue selective non-applicability of Grid Support Charges (GSC) is misplaced. Any CPP that remains synchronized or interconnected with the grid—whether for start-up, stand-by, export, import, wheeling, or RPPO compliance—necessarily depends on the grid for system strength, voltage and frequency reference, protection coordination, fault-level support, and reliable operation at the point of common</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
		coupling. These technical requirements exist irrespective of the quantum of actual drawal or whether the CPP exports or operates in island mode during normal operation.
4.	<ul style="list-style-type: none"> <li>• Fallacies in the premises and assumptions of Discoms in seeking to justify GSC. <b>Para 5 to 9.</b></li> <li>• Need for Evolution of Criteria to determine when and to what extent grid support may be considered to have been availed. <b>Para 10 to 12</b></li> <li>• Open Access Source vs CPP source of power <b>Para 13 &amp; 14</b></li> <li>• Non Co-located CPPs and Merchant/Independent Power plants <b>Para 15</b></li> <li>• Roof-top Solar generation <b>Para 16 to 18</b></li> <li>• Quantification of Grid Support Charge as proposed by Discoms <b>Para 19</b></li> <li>• Earlier reports of Grid Co-ordination Committee on Grid Support Charges are seriously faulty, insufficient and based on non-consideration of relevant industries besides being in violation of principles of natural justice <b>Para 24 to 31</b></li> <li>• Need for separate proceeding on the issue of GSC <b>Para 32</b></li> </ul>	<p>The objections raised from paragraphs 5 to 32 are based on incorrect premises and unfounded assumptions about the nature, extent, and applicability of Grid Support Charges (GSC). The Objector’s attempt to differentiate CPPs, open-access sources, rooftop solar, merchant plants, or non-co-located generators does not alter this underlying technical and regulatory reality. The suggestion that GSC requires a fresh “evolution of criteria” ignores the established jurisprudence and cost-of-service framework under which parallel operation and grid synchronisation are recognised as imposing system-level obligations on the licensee. Likewise, contentions regarding earlier technical committee reports, alleged non-consideration of industry-specific scenarios, or the need for a separate proceeding do not undermine the Commission’s authority to determine compensatory charges within the tariff process.</p> <p>Similarly, arguments raised in respect of open-access imports versus CPP generation, renewable co-located plants, rooftop installations, or partial-load CPPs overlook that CMD entitlements deal only with rights of consumption, not the broader system-readiness obligations that arise from synchronous parallel operation. The reliance on installed capacity as the basis for quantification is neither arbitrary nor disproportionate; it reflects the extent to which the</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
		connected generator influences fault levels, stability margins, and protection-system requirements. Consequently, the proposal of DISCOMs to levy GSC and the methodology adopted are both reasonable and consistent with technical standards, regulatory principles.
5.	<p>The Hon'ble Commission may</p> <p>(a) cause a scientific study to be conducted by an appropriate technical organisation on the issue of the actual incidence of avilment of grid support by CPPs of different types of industries and the appropriate methodology of computation of the quantum of grid support charges for each such type of industry; and</p> <p>(b) issue a discussion paper on the levy and quantification of grid suport charges for different types of industies; and</p> <p>(c) evolve the criteria as to when and to what extent grid support can be considered to be availed and to determine the charges leviabale duly differentiated on the nature of load and/or nature of the industry duly providing for hearing of the affected parties.</p>	The existing framework sufficiently enables stakeholder consultation, technical scrutiny, and differentiation where justified, and therefore the Objector's request for additional processes does not merit acceptance.

10, 11, 12, 13. Response to Mr. Vijaya Bhasker, Mr. Sridhar Reddy, Mr. Domaru Ram and Mr. Sri Ranga Rao Bharatiya Kisan Sangh

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1.	The company has not sustained the measures to bridge revenue gap by operational efficiency.	TGDISCOMs submit that they are continuously striving to improve operational efficiency by implementing loss reduction measures and power purchase optimization initiatives. These efforts are ongoing and sustained, and the details have been comprehensively outlined in the Operational Performance chapter of the ARR filings.
2.	Customer complaints, accident cases details are to be provided	TGDISCOMs submit that the details of consumer complaints and accident cases, along with ex-gratia sanctioned, have already been furnished as part of the ARR filings.

14	<b>L.Manik Reddy S/o Linga reddy, H.No:1-39, Village:Nareguda, Post:Vikarabad, Mdl:Navabpet, Pin code:50101</b>	
	డిపార్ట్మెంట్ పుస్తకములు తెలుగు లో కూడా ముద్రించుటకై. కరెంటు డిపార్ట్మెంట్ వారు తమకు సంబంధించిన అన్ని రకాల ఉత్తర ప్రత్యుత్తరాలు మరియు డిపార్ట్మెంట్ కు సంబంధించిన ప్రతి సమాచారం కూడా తెలుగు భాష లో అచ్చు వేయించగలరని తమ ద్వారా కోరుచున్నాము.	'మీరు సూచించిన సూచనలు పరిగణ లోకి తీసుకోవడం జరిగింది. కావున తరువాత అవకాశం ఉన్నప్పుడు తప్పకుండా తెలుగు భాష లో కూడా అచ్చు వేయిస్తాము.

15.	<b>M.Sridhar Reddy, Bharatiya Kisan Sangh, F.No. G2 H.No. 2-1-174 &amp; 175, Old Ramalayam Veedi, Rajput Residency, Nallakunta, Hyderabad- 500044</b>	
	<p><b>1.</b>2025-26 టారిఫ్ ఆదేశాలలో GMR Airport లో వాణిజ్య విమాన సరఫరా వినియోగాలను విడదీసి వివరాలు మూడు నెలల లోపల సమర్పించుటకు గతములో ఆదేశాలు ఇవ్వడం జరిగింది. కానీ కంపెనీ ఇప్పటికి కూడా అమలులోకి తెలేదు. ఈ వివరాలు పొందుపరిచిన తరువాతనే ఆదాయ ప్రతిపాదనలు పరిశీలించగలరు.</p> <p><b>2.</b>దశాబ్దాలుగా ఈ ప్రతిపాదనలకు సంబంధించిన వివరాలు తెలుగు భాష లో వెలువరించుట లేదు, ఇంతకు పూర్వమే కమిషన్ వారు తగు ఆదేశాలు ఇవ్వడం జరిగింది. అయినప్పటికీ ఆదేశాలను బేతకారు చేస్తూ ఆంగ్లం లోనే సమర్పిస్తున్నారు. వీటిని నిర్బంధంగా తెలుగు లోనే సమర్పించే విధంగా తగు ఆదేశాలు జారీ చేయాలి.</p>	<p><b>1.</b>కమిషన్ వారి ఆదేశాల మేరకు GMR విమానాశ్రయం లో వెలుపల ఉన్న వాణిజ్య వినియోగానికి సంబంధించిన విద్యుత్ లోడ్స్ ల ను విభజించి బిల్లింగ్ చేయుట జరుగుచున్నది.</p> <p><b>2.</b> మీ సూచనలను పరిగణ లోకి తీసుకోవజరిగింది.</p>

**16. Guda Mahender Reddy S/o. Malla Reddy R/o Velikatta M/o Kondapak  
Siddipet District, Telangana State, Phone No.9396679143**

1. వ్యవసాయ పొలాల వద్ద ట్రాన్స్ఫార్మర్ ఓవర్ లోడ్ అయితే సమస్యని తీర్చే బాధ్యత ఎవరిది.

2. రైతు లు డబ్బులు పెట్టి ఎస్టిమేషన్ వేయించుకుని అదనపు ట్రాన్స్ఫార్మర్ పెట్టించుకోవాలా. అలాగైతే కనెక్షన్ కోసం ఎస్టిమేషన్ డబ్బులను తిరిగి ఇస్తారా.. ఇవ్వరా..

3. రైతు లు విద్యుత్తు షాక్ తో మరణిస్తే తక్షణ సాయం చావు ఖర్చు లకు ఇస్తారా.. సంవత్సరానికి ఇస్తారా.. మిగతా డబ్బులు ఇవ్వడానికి ఎన్ని రోజులు కాలపరిమితి ఉంది.

4. రైతు లు చనిపోయినప్పుడు ఇంటిమేషన్ ఇస్తున్నారు. దీని ఆధారంగా పరిశీలన జరిపించి ప్రాసెస్ చేయవచ్చు. కాని కాగితాలు సరిగ్గా లేవని కాలయాపన జరుగు సందర్భాలు ఉన్నాయి, డెత్ సిర్టిఫికేట్ ఆధారంగా ప్రాసెస్ చేయవచ్చా... లేదా...దయచేసి తెలుపగలరు.

1. వ్యవసాయ డిస్ట్రిబ్యూషన్ ట్రాన్స్ఫార్మర్ (DTR) ఓవర్లోడ్ అయిన చోట, డిపార్ట్మెంట్ అదనపు ట్రాన్స్ఫార్మర్ను ఏర్పాటు చేస్తుంది లేదా ఉన్న ట్రాన్స్ఫార్మర్ సామర్థ్యాన్ని పెంచుతుంది

2. విద్యుత్ షాక్ కారణంగా మనిషి మరణించిన సందర్భంలో, అర్జులైన లబ్ధిదారులకు డిపార్ట్మెంట్ రూ. 5,00,000 ఎక్స్-గ్రేషియా చెల్లిస్తుంది.

3. పరిహారం (ex-gratia) ప్రక్రియను ప్రారంభించడానికి కేవలం మరణ ధృవీకరణ పత్రం (death certificate) మాత్రమే సరిపోదు. సంబంధిత శాఖ సూచించిన విధంగా అదనపు పత్రాలను తప్పనిసరిగా సమర్పించాల్సి ఉంటుంది

**17. K Jeshwanth Reddy, S/o. Narsi Reddy, H.No.11-1-78/2, Shivaji Nagar Siddipet, Pincode: 502103, Ph.No.9866602852**

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1. రైతు ల ట్రాన్స్ఫర్ కాలిపోతే ఎవరు తీసుకెళ్ళాలి...
2. రైతు లు తీసుకెళ్ళిన లోడింగ్ అన్ లోడింగ్ అని 6,000 /- రూపాయలు వసూలు చేస్తున్నారు. ఈ డబ్బులు ఎందుకు ఇవ్వాలి..
3. చెల్లించిన డబ్బులు రశీదు లు ఇస్తారా.. రిఫండ్ ఇస్తారా....
4. సిద్దిపేట జిల్లా లో DD లు కట్టి కనెక్షన్ ల కోసం వేచి ఉన్నారు. DD లు కట్టినంక ఎన్ని రోజులకి కనెక్షన్ ఇస్తారు.. దానికి ఏమైనా కాల పరిమితి ఉందా...
5. ప్రభుత్వం వ్యవసాయానికి 18 గంటల కరెంటు ఇస్తున్నాం అని చెప్పింది కానీ రోజుకి 14 గంటల కి మించి ఇవ్వట్లేదు. దీనికి కారణం ఏమిటి. ఇంకా ప్రభుత్వం ఇచ్చిన కరెంటు సప్లై నుండి 18 గంటల నుండి 14 గంటలు రైతు లకు ఇచ్చింది. పోగా మిగిలిన కరెంటు ఎటు పోయింది.

పై విషయాలన్నింటికీ మాకు వివరణ కావాల్సింది గా మీతో సవినయంగా మనవి చేస్తున్నాము.

1. డిపార్ట్మెంట్ వారు పాడైపోయిన DTRను ఫీల్డ్ నుండి SPMకు మరియు బాగున్న (healthy) DTR ను SPM నుండి ఫీల్డ్ కు రవాణా చేస్తారు.
- 2&3. రైతులు స్వయంగా DTR (డిస్ట్రిబ్యూషన్ ట్రాన్స్ ఫార్మర్)లను రవాణా చేస్తే, వారికి విద్యుత్ శాఖ రవాణా ఛార్జీల కింద ₹750 (మండలం లోపల అయితే) మరియు ₹1,000 (మండలం వెలుపల అయితే) అందజేస్తుంది. రైతులు లోడింగ్ లేదా అన్-లోడింగ్ ఛార్జీలు చెల్లించాల్సిన అవసరం లేదు. ఎవరైనా అటువంటి ఛార్జీలు డిమాండ్ చేస్తే, రైతులు వెంటనే సంబంధిత శాఖ అధికారులకు తెలియజేయాలి. అన్ని SPM షెడల్ వద్ద సంప్రదింపు నంబర్లు ప్రదర్శించబడ్డాయి.
4. వ్యవసాయ విద్యుత్ కనెక్షన్ల కోసం, రిజిస్ట్రేషన్ దశ నుండి సర్వీసు మంజూరు చేసే వరకు 'ముందు వచ్చిన వారికి మొదటి ప్రాధాన్యత' (FIFO - First In, First Out) అనే నియమాన్ని పాటిస్తారు. ఈ నిబంధన ప్రకారమే ఖచ్చితంగా సర్వీసులు విడుదల చేయబడతాయి.
5. విద్యుత్ గ్రిడ్ భద్రతను దృష్టిలో ఉంచుకొని, LMRC ఆదేశాల ప్రకారం వ్యవసాయ విద్యుత్ సరఫరా అందించబడుతోంది.

<b>18.Konatham Lingareddy, H.No.102, Vinayaka Homes, Vidyanagar Miriyalaguda, Nalgonda District</b>	
మిరియాలగూడ మండలం లో గూడు గ్రామం లో గత సంవత్సరం దైద రాజశేఖర్ రెడ్డి పొలం లో కరెంటు ట్రాన్స్ఫార్మర్ కోసం దిమ్మె కు 15000 /- రూపాయలు, స్తంభాలు మెటీరియల్ ట్రాన్స్పోర్ట్ కు 5000 /- రూపాయలు మరియు లేబర్ ఖర్చు కోసం 10,000 /- రూపాయలు మొత్తము 30,000 /- రూపాయలు కరెంటు వాళ్ళు తీసుకున్నారు.	పిటిషన్ తన పిటిషన్ లో లైన్ మెన్ పేరు గాని మరియు ఏ ఇతర పూర్తి వివరాలు స్పష్టంగా తెలుపలేదు. అలాగే, పిటిషన్ లో ఎలాంటి ఆధారాలు మరియు నిర్దిష్ట తేదీని కూడా పేర్కొనలేదు. అందువల్ల, వివరాలు తెలియ చేయగలరని కోరుచున్నాము.

<b>19. Vidyasagar, Thopucherla Village, Vemula Mandal, Nalgonda Dist - 9618277757</b>	
మేము అనగా గ్రా" తోపుచర్ల మం"వేముల జిల్లా నల్గొండ కు సంబంధించిన వ్యవసాయదారులము. మాకు సంబంధించిన వ్యవసాయ బోరు కరెంటు కనెక్షన్ కు సంబంధించిన ట్రాన్స్ఫార్మర్ స్థాన మార్పిడి మరియు లూస్ లైన్స్ కు స్తంభాలు మరియు బోరు బావుల వద్దకు వచ్చు లైన్ లను కరెంటు స్తంభాలు దగ్గరగా లేక సర్వీస్ వైర్ ద్వారా చాలా దూరం ప్రమాదకరంగా లైన్ లు కలవు. ఇట్టి మా యొక్క ఇబ్బందిని దయచేసి గమనించి మాకు సంబంధించిన కరెంటు లైన్ లు మరియు లూస్ కాంటాక్ట్ లైన్స్ కు పోల్స్ మరియు ట్రాన్స్ఫార్మర్ కు ఎక్స్చేంజి చేయించగలరని మనవి.	మీ యొక్క వినతిని వినియోగదారుల సేవా కేంద్రం (CSC) లో రిజిస్టర్ చేసుకొని, లైన్లు మరియు డిస్ట్రిబ్యూషన్ ట్రాన్స్ఫార్మర్లు మార్పు కోసం అంచనా వ్యయం చెల్లిస్తే తప్ప, విద్యుత్ శాఖ ఆ పనులను చేపట్టదు.  లైన్ల మార్పిడి కోసం వినియోగదారుల సేవా కేంద్రం (CSC) లో ఫిర్యాదు నమోదు చేసుకోవాలని మరియు మార్పిడి అంచనా మొత్తాన్ని చెల్లించడానికి సమ్మతి లేఖను ఇవ్వాలని DE ఆపరేషన్ మిరియాలగూడ కోరడమైనది.

**20. Poosala Nagesh S/o Narsinga rao, Vil:Gadicharlapally, Mdl:Siddipet, Telangana - 9393006022**

	అభ్యాక్షన్	రిపై
	<p>1. గతం లో వేసిన కేబుల్ వైర్లు కాలిపోతే రైతు లే వేసుకోవాలా లేదా మీరే ఇస్తారా</p> <p>2. అర్బన్ ఏరియా లో అగ్రికల్చర్ చేస్తున్న వారికీ వ్యవసాయ భూమి ఇండ్లు ప్రక్కప్రక్కనే నిర్మించుకోవడం వలన అగ్రికల్చరల్ కనెక్షన్ ఇవ్వడానికి నాలా కనెక్షన్ క్రిందికి లేదా కమర్షియల్ క్రిందికి వస్తుందని అంటున్నారు . మరి ఆ రైతుకు అగ్రికల్చరల్ కరెంటు వాడుకోవాలంటే అర్హత ఉందా లేదా .</p> <p>3. వ్యవసాయానికి కరెంటు ఇవ్వకపోతే అర్బన్ రైతు వ్యవసాయం చెయ్యాలా వద్దా.</p> <p>దయచేసి తెలుపగలరు.</p>	<p>1. మీరు మీ సమస్యని ఒక అప్లికేషన్ రాసి మీ సంబంధిత ఏ.ఈ. ఆఫీసర్ గారికి ఇస్తే వారు పై అధికారులకి పంపించి బడ్జెట్ ఇచ్చిన తరువాత ఎస్టిమేషన్ వేసి కేబుల్ మారుస్తారు.</p> <p>2. మీ వ్యవసాయ భూమి నాలా కన్వర్షన్ కాకుండా ఉంటే మీకు వ్యవసాయ కనెక్షన్ ఇవ్వగలం . అప్పుడు మీకు వ్యవసాయం చేసుకోవడానికి కరెంటు వాడుకోవడానికి అర్హత ఉంటుంది.</p>

**21. Chepuri Chandragoud S/o. Yella goud, R/o.Lingapur, M/oThoguta, District:Siddipet, Telangana, Pincode:- 5022788, Phone No.9441764124**

<p>1.</p>	<p>1. బీడు భూములు గా ఉన్నప్పుడు ఇష్టానుసారం గా లైసులు వేసి సప్లై ఇచ్చారు కానీ ఇప్పుడు తెలంగాణ వ్యాప్తంగా అందులో సిద్ధిపేట ప్రాంతం లోని మూడు డివిజన్ ల లో మొత్తము సాగుభూములు గా మారినాయి. ఈ సందర్భం లో .....</p> <p>అ ) పొలాలలో ట్రాన్స్ఫర్మర్ లు సపోర్ట్ వైర్లు ఉండి అర్డింగు రావడం జరుగుతుంది. అలాగే అవ్వీ రిపేరు వచ్చినప్పుడు చుట్టూ పొలాలు ఉండడం వల్ల తీయడానికి ఇబ్బంది గా మారింది. దీనికి బాధ్యత రైతులదేనా.</p> <p>ఆ) కొన్ని ప్రాంతాలలో మా రైతు లే ట్రాన్స్ఫర్మర్ లను భుజాలపై తీసుకు వచ్చి కట్టెలకు తాళ్లు కట్టి కావడి రూపం లో గడ్డ పైకి తెస్తున్నారు. ఈ క్రమం లో ఏదైనా జరిగితే ఆ నష్టాన్ని ఎవరు నింపుతారు.</p> <p>ఇ) ట్రాక్టర్ ల లో కూడా రైతు లే తీసుకు వస్తున్నారు. ఎక్కించేటప్పుడు దించేటప్పుడు కాలు చేయి విరిగితే బాధ్యు లు ఎవరు.</p> <p>ఈ) 40 -50 సం// ల కింద ఏర్పాటు చేసిన పాత వైర్లు స్తంభాలు, ఇనుప స్తంభాలు, కొన్ని దగ్గర్ల లో వైర్లు కింద జారడం ఇలాంటివి ఎప్పుడు సరిచేస్తారు. రైతు లే చేసుకోవాలా. దయచేసి తెలుపగలరు.</p>	<p>1. వ్యవసాయ భూమి మధ్యలో ఉన్న ట్రాన్స్ ఫార్మర్ (DTR) వల్ల మీరు ఎర్డింగ్ సమస్యను ఎదుర్కొంటున్నట్లయితే, ఆ ట్రాన్స్ ఫార్మర్ మరియు స్తంభాలను మార్చడానికి (shifting) వినియోగదారుల సేవా కేంద్రం (CSC)లో ఫిర్యాదు చేయాలి. దాని ప్రకారం, సంబంధిత అధికారులు ఖర్చును అంచనా వేసి (estimate), చెల్లించాల్సిన డిమాండ్ ఛార్జీల వివరాలను మీకు తెలియజేస్తారు. మీరు ఆ డిమాండ్ ఛార్జీలను చెల్లించిన తర్వాత, ట్రాన్స్ఫార్మర్ మరియు స్తంభాలను వేరే చోటికి తరలించడం జరుగుతుంది. కొత్త కనెక్షన్ల మంజూరు కోసం లేదా మరే ఇతర అవసరాల కోసం DTR (ట్రాన్స్ ఫార్మర్)ను రవాణా చేయాల్సిన బాధ్యత ఎవరికీ ఉండదు. రవాణా ఏర్పాట్లను సంబంధిత శాఖయే చూసుకుంటుంది. ఒకవేళ ఏవైనా ఇబ్బందులు ఎదురైతే, వెంటనే ఉన్నతాధికారులకు సమాచారం అందించండి.</p> <p>2. "లైన్లు వదులుగా ఉన్న చోట మధ్యంతర స్తంభాలను ఏర్పాటు చేస్తారు, మరియు తుప్పు పట్టిన లేదా దెబ్బతిన్న ఇనుప స్తంభాలను మారుస్తారు."</p>
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<b>22. Kotla Balakistareddy S/o. Narayana Reddy, Saidpally (V), Parigi(M) Vikarabad District, Ph.No.9347546963</b>		
1.	<p>మాది సైదపల్లి గ్రామం కాలిన ట్రాన్స్ఫార్మర్ ను మార్చుటకై మా చేతనే అనగా రైతుల చేతనే తరిలించారు. ఆటో కు రూపాయలు 20000/- ఖర్చు అయ్యింది మరియు అదనంగా ఇతర ఖర్చుల కింద సుమారు మూడు వెయ్యిలు ఖర్చు అయ్యింది మరియు ట్రాన్స్ఫర్మ్ విషయం కరెంటు వాళ్ళు చెయ్యాలి అని అంటున్నారు. కానీ మా చేతనే చేయిస్తున్నారు. కావున దయచేసి ఇక ముందు మీరే చేయగలరని కోరుచున్నాము.</p>	<p>మేము సరిగ్గా విచారణ జరుపగా మాకు ఈ యొక్క ఫిర్యాదు తప్ప అని తెలిసినది అని DE ఆపరేషన్ వికారాబాద్ సర్కిల్ గారు తెలియజేయడమైనది.</p>

<b>23.</b>	<b>G. Chandraih, District Secretary of Bharatiya Kisan Sangh, H.No.5-15, Nandi Vaddeman village, Bijinapalli -Mandal, Nagarkurnool -district, Pin code No.509215, Ph.No.9492992069</b>	
1.	<p>1. జిల్లా లో HT లైన్ లు చాలా సంవత్సరాల కింద లాగడం జరిగింది. అట్టి లూజు లైన్ కింద ఇంటర్ పోల్స్ వేయుట గురించి 2. బిజినాపల్లి మండల కేంద్రం లో ఉన్న అన్ని గ్రామాలకు లో వోల్టేజి వాళ్ళ విద్యుత్తు అంతరాయము కలుగుచున్నది. కాబట్టి బిజినాపల్లి పరిసర ప్రాంతం లో 33KV లైను రోజుకు సుమారు నాలుగు అయిదు సార్లు అంతరాయం ఏర్పడటం</p>	<p>1) 180 ఇంటర్మీడియట్ పోల్స్ గురించి ఎస్టిమేట్ సాంక్షన్ అయ్యింది. 150 ఇంటర్మీడియట్ పోల్స్ వేయడం యొక్క పని పూర్తి అయినది. ఇంకా 30 ఇంటర్మీడియట్ పోల్స్ వేయడం యొక్క పని జరుగుతు ఉన్నది. తొందరలోనే HT ఇంటర్మీడియట్ పోల్స్ వేస్తాము. 2) కొత్త 33KV లైను ని మర్రికల్ 220KV</p>

<p>జరుగుతుంది. దీని వాళ్ళ రైతుల పంట పొలాలు సరిఅయిన విద్యుత్తు లేక ఎండిపోయి రైతులు ఇబ్బంది పడుతున్నారు ఇట్టి సమస్యని నివారించుట గురించి.</p> <p>3. నంది వడ్డెమాను సుబ స్టేషన్ నుంచి అగ్రికల్చర్ కు మరియు గ్రామానికి ఒకే ఫీడెర్ ఉంది గ్రామం లో లైట్స్ వేసినప్పుడు కానీ ఏ చిన్న పనికి అయినా LC తీసుకున్నప్పుడల్లా అగ్రికల్చర్ కు ఇబ్బంది కలుగుతుంది. కావున సెపెరేట్ ఫీడెర్ ఏర్పాటు చేయుట గురించి.</p> <p>నోట్: (గత సంవత్సరం కూడా ఈ ఫీడెర్ సెపెరేట్ చేయాలని ERC లో ఫిర్యాదు చేయడం జరిగింది. అయినా ఇప్పటివరకు ఎలాంటి పని జరగలేదు.)</p> <p>4. కాలిపోయిన ట్రాన్స్మిషన్ లు డిపార్ట్మెంట్ వాళ్ళు తీసుకుపోవడం లేదు.</p> <p>5. ఆక్సిడెంట్ ID NGKL2436225 Non - డిపార్ట్మెంట్ ఫాటల్ ఎలక్ట్రికల్ ఆక్సిడెంట్ వలన తేదీ: 13.09.2024 నాడు ఒక గేదె చనిపోవడం జరిగింది. అది శ్రీమంతుల శివలింగం S/o బచ్చన్న, H .No:1-64, ఔరాజపల్లి గ్రామం నాగర్కర్నూల్ మండల్ మరియు జిల్లా.నష్టపరిహారం చెల్లించుట గురించి.</p>	<p>/132 /33 KV సబ్ స్టేషన్ నుండి ప్రతిపాదించడము జరిగింది. ఆ పని జరుగుతోంది</p> <p>3) ఎస్టిమేట్ నంబర్: T-2532-35-01-13-01-004, ఈ ఎస్టిమేట్ లో ది వడ్డెమాన్ గ్రామం కొరకు సెపెరేట్ 11KV ఫీడెర్ సాంక్షన్ అయ్యింది. పని పురోగతి లో ఉంది(జరుగుతుంది).</p> <p>4) ఈ యొక్క 2025 -26 సంవత్సరానికి గాను ఇప్పటివరకు 1318 ఫెయిల్ అయిన ట్రాన్స్మిషన్ లను డిపార్ట్మెంట్ వాహనం లో తరలించడం జరిగింది.</p> <p>5) ఆక్సిడెంట్ ID NGKL2436225 Non - డిపార్ట్మెంట్ ఫాటల్ ఎలక్ట్రికల్ ఆక్సిడెంట్ వలన తేదీ: 13.09.2024 కు నష్ట పరిహారం మంజూరు అయ్యింది. డబ్బులు చెల్లించడానికి LOC అప్లై చేసారు, LOC no 10024447/06.02.2026 తొందర్లో మీ చేతికి అందజేస్తారు.</p>
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**24. M Rajenderreddy S/o. Ram Reddy, Chityala (post & Village), Pargi Mandal, Vikarabad District, Ph.No.9704991958**

1.	<p>విషయం : అదనపు ట్రాన్స్ఫర్మర్ గురించి మాది చిట్యాల గ్రామం. గ్రామం లో ట్రాన్స్ఫర్మర్ పై లోడ్ ఎక్కువ అయినందున మోటార్లు కాలిపోవుచున్నాయి. గతం లో అనేక సార్లు అధికారులకు విన్నవించుకున్నాము. అయినా కూడా మా ఇబ్బంది తీరలేదు. కావున మా సమస్య ని పెద్ద మనసు తో తీర్చగలరు. అదనపు ట్రాన్స్ఫర్మర్ ఏర్పాటు చేయగలరు. రైతు ల అందరి లిస్టు(18 మంది) కూడా మీకు తెలియచేయుచున్నాము. ఎక్కువ మోటార్లు ఉన్నందున మాకు నష్టం జరుగుతుంది.</p>	<p>అదనపు వ్యవసాయ ట్రాన్స్ఫర్మర్ కోసం ఎస్టిమేషన్ పూర్తి అయ్యి మరియు సాంక్షన్ కూడా అయినది. తదుపరి 15 రోజులలో పూర్తి అవుతుంది అని DE ఆపరేషన్ వికారాబాద్ సర్కిల్ గారు తెలియజేయడమైనది.</p>
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**25. Sama Govardhan Reddy, H.No.6-114, Kamareddy guda village, Post:Dhannaram, Vikarabad Mandal, Vikarabad District, Ph.No.9989956189**

1.	<p>అదనపు ట్రాన్స్ఫర్మర్ ఏర్పాటు పై మాది గ్రామం కామారెడ్డి గూడ వికారాబాద్ మండలం మరియు జిల్లా. మా గ్రామం లో అనేక సంవత్సరాలు గా ఒకే ట్రాన్స్ఫర్మర్ పై 32 మంది మోటార్లు ఉన్నాయి. పూజా పోయి రోజులో చాలా సార్లు కరెంటు అంతరాయం కలుగుతుంది. మోటార్లు కాలిపోవుచున్నాయి. అధికారులకు అనేక సార్లు చెప్పుకున్నా మా విషయం పట్టించుకోవడం లేదు. మీ ద్వారా అదనపు ట్రాన్స్ఫర్మర్ ఏర్పాటు చేసి మా సమస్య తీర్చగలరు.</p>	<p>అదనపు వ్యవసాయ ట్రాన్స్ఫర్మర్ కోసం ఎస్టిమేషన్ పూర్తి అయ్యి మరియు సాంక్షన్ కూడా అయినది. తదుపరి 15 రోజులలో పూర్తి అవుతుంది అని DE ఆపరేషన్ వికారాబాద్ సర్కిల్ గారు తెలియజేయడమైనది.</p>
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**26. Edhula Anjanreddy, Village:Chowdarpally, Vangoor – Mandal, Kalvakurthi Division, Nagarkurnool – District, Ph.No. 8790983131**

1.	<p>పోల్కంపల్లి సబ్ స్టేషన్ పరిధి లో గల డిండి ఫీడర్ విద్యుత్ లైను లు వేసి చాలా సంవత్సరాలు గడుస్తుంది. కాబట్టి ప్రతి సంవత్సరము ఆయొక్క లైను మధ్య మధ్య లో తెగిపోయి విద్యుత్ అంతరాయం కలుగుతుంది. దీని వల్ల మనుషులకి కానీ మూగ జంతువులకు కానీ ప్రమాదాలు జరిగే అవకాశం ఉంది. ఇట్టి విషయం పై గత సంవత్సరము ERC లో ఫిర్యాదు చేయడం జరిగింది. అయినా ఇప్పటి వరకు ఆ పని పూర్తి కాలేదు, కాలిపోయిన ట్రాన్సార్మర్ లు డిపార్ట్మెంట్ వాళ్ళు తీసుకుపోవడం లేదు.</p>	<p>1. ఎస్టిమేట్ నంబర్: T-2445-35-01-24-02-003, ఈ ఎస్టిమేట్ 11KV డిండి ఫీడర్ పై దెబ్బతిన్న కండక్టర్ను మార్చడానికి వేయడం జరిగింది మరియు సాంక్షన్ అయ్యింది మరియు పనులు జరుగుతున్నాయి. 2. ఈ యొక్క 2025 -26 సంవత్సరానికి గాను ఇప్పటివరకు 1318 ఫెయిల్ అయిన ట్రాన్సార్మర్స్ లను డిపార్ట్మెంట్ వాహనం లో తరలించడం జరిగింది</p>
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**27. Gadige Gajender , S/o. Bhimaiya, Nagal Kunta Village, Shabad Mandal Pincode:509217, Ranga Reddy District**

1.	<p>1.మూడు రోజులు గా కరెంటు రావడం లేదు అని రైతు లు అధికారులకి విన్నవించగా మూడు రోజుల తర్వాత AE రాంమూర్తి గారు అక్కడికి వచ్చి కూర్చుని రైతు ని స్తంభాల పైకి ఎక్కించి HG ప్యూజు వేయిస్తున్న దృశ్యం 14 .01 .2026 న సీఎండీ పేషీ DE గారికి 8712468019 నంబరు కు వాట్సాప్ పంపి సీఎండీ గారి దృష్టి కి తీసుకుపోయి విజ్ఞప్తి చేయడం అయినది. ఇక ఈ విషయమై తీసుకున్న చర్యల వివరములు తెలుపగలరు.</p>	<p>1. "నమస్తే తెలంగాణ దినపత్రికలో 'అధికారుల నిర్లక్ష్యం - రైతున్నకు ప్రాణసంకటం' అనే శీర్షికతో వచ్చిన వార్త ఆధారంగా, నర్సాపూర్ ఏఎఈ (ఆపరేషన్) శ్రీ డి. రామ్ మూర్తిపై విధి నిర్వహణలో ఘోరమైన నిర్లక్ష్యం వహించినందుకు మరియు బాధ్యతారాహిత్యంగా వ్యవహరించినందుకు గాను శాఖాపరమైన చర్యలు తీసుకోవడం</p>
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		<p>జరిగింది. ఆయనకు షోకాజ్ నోటీసు (కారణం చూపాలని కోరుతూ నోటీసు) జారీ చేసి, తుది ఉత్తర్వులను వెలువరించారు."</p>
	<p><b>2.</b>బండ వెంకట్ రాం రెడ్డి బండ శ్రీనివాస్ రెడ్డి అనే ఇద్దరు రైతులు తమ వ్యవసాయ పొలం లో బోరు మోటార్లకు కనెక్షన్ లు ఇవ్వడానికి ఒక సంవత్సర కాలం గా తిరిగి తిరిగి స్థానిక లైనుమెను గారికి విడతల వారీగా 50,000 /- రూపాయలు ఆన్లైన్ మరియు ఆఫ్ లైను ద్వారా ఇచ్చినారు. సుమారు 25 రోజుల క్రితం BKS దృష్టికి రాగా మేము నల్గొండ DE గారి దృష్టికి తీసుకు వెళ్ళినాము, వారి దృష్టికి పోయి 20 రోజులు అయినా వారు రైతుకి డబ్బులు ఇప్పించ లేదు. ఈ విషయమై DE గారిని అడుగగా మిమ్ములను డబ్బులు ఎవరు ఇవ్వమని అన్నారు. పై అధికారులకు ఫిర్యాదు చేశాండి అని బాధ్యతా రహితంగా మాట్లాడినారు. ఆ తర్వాత నల్గొండ SE గారి దృష్టికి తీసుకుపోగా రెండు రోజులలో ఆ రైతులకు డబ్బులు ఇప్పించారు. ఈ విషయమై పూర్తి విచారణ జరిపి తగు చర్యలు తీసుకుంటారని మనవి.</p> <p>కాలిపోయిన ట్రాన్స్ఫార్మర్ లు డిపార్ట్మెంట్ వాళ్ళు తీసుకుపోవడం లేదు.</p>	<p>పిటిషనర్ తన పిటిషన్లో లైన్మెన్ పేరు, ప్రాంతం పేరు మరియు లైన్ మెన్కు ఏ ప్రయోజనం కోసం డబ్బు ఇచ్చారో పేర్కొనలేదని తెలియజేయడమైనది. అలాగే, పిటిషన్లో ఎలాంటి ఆధారాలు మరియు నిర్దిష్ట తేదీని కూడా పేర్కొనలేదు. అందువల్ల, దీనిని చెల్లని ఫిర్యాదుగా పరిగణించవచ్చు అని SE ఆపరేషన్ సర్కిల్ నల్గొండ తెలియజేయడమైనది.</p>

28.	<b>N. Venkatareddy Village:Kerella, Dharoodh Mandal, Vikarabad Dist-501121 - 9849127346</b>	
1.	<p>మాది కేరెళ్ళ గ్రామం వికారాబాద్ జిల్లా ధరూర్ మండలం. మా మామగారు 2021 సం// లో అనగా 5 సం// ల క్రితం కరెంటు షాకు కారణంగా చనిపోయినారు. ADE గారికి దరఖాస్తు చేసుకున్నాము. కానీ జరిగిన విషయం గత సం// ERC సమావేశం లో మీ దృష్టికి తీసుకు వచ్చినాము. కానీ మాకు ఎలాంటి పరిహారము అందలేదు. మీరు జరిగిన విషయం విని సాయం చేస్తామని చెప్పియుంటిరి. అలాంటి పరిహారము ఇప్పించి ఆదుకొనగలరని మనవి. (ఆక్సిడెంట్, Non-డిపార్ట్మెంటల్ ఫాటల్ ఎలక్ట్రికల్ ఆక్సిడెంట్ తేదీ: 12.06.2021 at 02:00PM నాడు ఒక రైతు చనిపోవడం జరిగింది. అది ఎన్. చంద్రా రెడ్డి S /o మాణిక్ రెడ్డి, కేరెళ్ళ గ్రామం. నష్టపరిహారం చెల్లించుట గురించి)</p>	<p>2021 జూన్ 12వ తేదీన ఈ ప్రమాదం జరిగిందని, అయితే ప్రమాదం జరిగిన సమయంలో ఈ విషయాన్ని విభాగానికి నివేదించలేదని తెలియజేయడమైనది. ERC (విద్యుత్ నియంత్రణ మండలి) విచారణలో ఈ అంశం ప్రస్తావనకు వచ్చిన తర్వాత, దీనిపై స్పష్టత వచ్చింది. అనంతరం విభాగానికి చెందిన సిబ్బంది ఎన్. చంద్రారెడ్డి కుటుంబ సభ్యులను సంప్రదించి, ప్రాథమిక నివేదికను 2025 మార్చి 22వ తేదీన ఈ కార్యాలయానికి సమర్పించారు. ఆ ప్రాథమిక నివేదిక ప్రకారం, మృతుడు ఇంటి నిర్మాణ సమయంలో ఇనుప కడ్డీని మారుస్తుండగా, అది సమీపంలో వెళ్తున్న 11KV విద్యుత్ లైన్ కు ప్రమాదవశాత్తు తగిలింది. దానివల్ల ఆయన విద్యుత్ షాక్ కు</p>

		<p>గురయ్యారు. చికిత్స నిమిత్తం ఆసుపత్రికి తరలించగా, అక్కడ చికిత్స పొందుతూ మరణించారు. ఇకపైన మీరు కావాల్సిన డాక్యుమెంట్స్ (FIR నకలు, పోస్ట్ మార్డం రిపోర్టు) సమర్పిస్తే తదుపరి ప్రక్రియ పూర్తి చేసి మీకు తగిన నష్ట పరిహారం అందేలాగా చూస్తాము.</p>
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**29. Response to Indian Oil Corporation Limited (IOCL), Hyderabad Terminal (Same repeated for additional submissions also)**

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	<p><b>Representation against the Re-categorization of HT Connection and Revision of Tariff – IOCL Hyderabad Terminal and consideration of representation in Public Hearing scheduled on 07.03.2026 (O.P. No. 80 of 2025)</b></p> <p>we respectfully submit our request for re-categorization of the HT power connection of Indian Oil Corporation Limited (IOCL), Hyderabad Terminal, located at Cherlapally IDA. Hyderabad Terminal of Indian Oil Corporation(IOCL), located at Cherlapally IDA, is availing HT power connection (connection no : HBG594) currently categorized under HT-II (A) (Commercial). Earlier, At Hyderabad Terminal, the products i.e., Motor Spirit(petrol) and High speed Diesel are being stored and directly loaded into Tank Trucks withoutany blending process.</p>	<p>TGSPDCL reiterates that it has submitted its report to the Hon'ble Commission, based on the inspection conducted at the IOCL Hyderabad Terminal (Service No. HBG594), it is observed that the electrical supply is being utilized primarily for activities such as storage, unloading, transfer, pumping and simple mixing of petroleum products and biofuels, with no manufacturing or processing operation carried out at the premises, as the blending of petrol (80%) and ethanol (20%) is done through transfer into existing tanks without the use of any industrial processing equipment.</p> <p>As per Clause 2.2 of the Tariff Order, the HT-I Industrial category applies only where electricity is used for manufacturing, processing or preservation of goods, whereas Clause 2.16 explicitly classifies</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p><b><i>At present, IOCL company carries out blending operations such as Ethanol Blended Motor Spirit(EBMS) and B7 High Speed Diesel, Xtrapremium MS andXtragreen Diesel.</i></b></p> <p><b><i>Also as per Govt. norms, Blending of Ethanol made mandatory or else payment of additional excise duty at the rate of Rs. 2 per litre for non-blended MS will be imposed on Oil Companies.</i></b></p> <p>The terminal is presently availing an HT connection (No. HBG594) categorized under HT-II (A) (Commercial). The said connection is utilized for operating a petroleum storage and distribution terminal involving receipt, storage, blending, and pumping of petroleum products, including blending activities such as Ethanol Blended Motor Spirit (EBMS) and B7 High-Speed Diesel (HSD).</p> <p>Further, the establishment is covered under the Factories Act, and a copy of the valid Factory License has already been submitted to your good office.</p> <p>It is pertinent to submit that other IOCL terminals performing identical industrial operations in the State of Andhra Pradesh, such as Rajahmundry, Kakinada, Guntakal and Chittor are categorized under the HT-Industrial tariff category and copies of the corresponding electricity bills have already been furnished for kind reference. In this connection, and with reference to the public hearing scheduled on 07.03.2026 in O.P. No. 80 of 2025 regarding approval of Revised ARR, FPT, and CSS for FY 2026-27, we</p>	<p>Gas/Oil Storage and Transfer Stations under HT-II(A) Commercial; the activities observed at the IOCL Terminal fall squarely within this definition.</p> <p>Accordingly, TGSPDCL submits that the existing categorization under HT-II(A): Commercial is appropriate and the request for re-categorization to HT-I: Industrial is not supported by the nature of operations actually carried out at the premises.</p>

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	<p>humbly request the Hon'ble Commission to:</p> <ol style="list-style-type: none"> <li><b>1. Consider our earlier representations along with this submission during the public hearing; and</b></li> <li><b>2. Re-categorize the HT connection of IOCL Hyderabad Terminal from HT-II (A) (Commercial) to HT-I (A) (Industrial) and revise the applicable tariff accordingly.</b></li> </ol> <table border="1" data-bbox="360 502 1072 638"> <thead> <tr> <th colspan="5">Request for Recategorization :</th> </tr> <tr> <th>Location Address</th> <th>HT Service Connection</th> <th>Existing Tariff Category</th> <th>New Tariff Category Request</th> <th>Reasons</th> </tr> </thead> <tbody> <tr> <td>Indian Oil Corporation Limited Hyderabad Terminal Survey No. 183, IDA Phase-III, Cherlapalli, Hyderabad - 500051</td> <td>HBG594</td> <td>HT-II (A): Commercial</td> <td>HT-I (A): Industry General</td> <td>Blending process Operations</td> </tr> </tbody> </table> <p>In view of the above submission, we respectfully request for recategorization of HT Connection from <b>HT-II (A): Commercial category to HT-I (A): Industry General</b> while finalizing the retail Tariff Proposal of TGSPDCL. Further, we would request the Hon'ble Commission to afford us with an opportunity to be heard during the course of the hearing dt. 07.03.2026 to enable us to further elaborate on the request made herein above.</p>	Request for Recategorization :					Location Address	HT Service Connection	Existing Tariff Category	New Tariff Category Request	Reasons	Indian Oil Corporation Limited Hyderabad Terminal Survey No. 183, IDA Phase-III, Cherlapalli, Hyderabad - 500051	HBG594	HT-II (A): Commercial	HT-I (A): Industry General	Blending process Operations	
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Indian Oil Corporation Limited Hyderabad Terminal Survey No. 183, IDA Phase-III, Cherlapalli, Hyderabad - 500051	HBG594	HT-II (A): Commercial	HT-I (A): Industry General	Blending process Operations													

### Rejoinder (IOCL)

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1.	<p>With reference to Letter No. CE(IPC &amp; RAC)/SE/DE(RAC)/ADE-III/F.No.A-124/D.NO.4801 /25 dated 16.02.2026, it has been communicated by TGSPDCL that:</p>	<p>As already stated in our earlier submissions, TGSPDCL reiterates that it has submitted its report to the Hon'ble Commission based on the inspection conducted at the IOCL Hyderabad Terminal (Service No.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>a)The request for re-categorization to HT-I (Industrial) is not supported by the nature of operations carried out at IOCL Hyderabad Terminal; and</p> <p>b)The activities undertaken at the terminal are merely simple mixing of petroleum products and biofuels without any manufacturing or processing operations, and that blending is carried out only through transfer into existing tanks without the use of industrial processing equipment.</p> <p>IOCL respectfully submits that the above observations are not in consonance with the actual operations at the Hyderabad Terminal.</p> <p>A manufacturing/processing activity is defined as a set of physical, chemical, or mechanical operations that transform raw materials or intermediate goods into finished products by altering their properties, composition or characteristics using machinery, power, and labour.</p> <p>At IOCL Hyderabad Terminal:</p> <ul style="list-style-type: none"> <li>•Blending of petroleum products and biofuels results in change in chemical properties, which constitutes processing and cannot be construed as simple mixing.</li> <li>•The terminal is equipped with a Vapour Recovery Unit (VRU) that recovers petroleum vapours and converts them into liquid form through an industrial process.</li> <li>•Biodiesel blending operations require circulation to ensure uniform blending and compliance with prescribed chemical specifications of the finished product.</li> </ul> <p>As per Clause 2.2 of the Tariff Order, the HT-I Industrial</p>	<p>HBG594). The inspection established that the electricity at the premises is being used primarily for storage, unloading, pumping, transfer, and simple mixing of petroleum products and bio-fuels. No manufacturing or processing activity is carried out at the terminal, as the blending of petrol (80%) and ethanol (20%) is performed merely through transfer into existing tanks without the use of any industrial processing equipment.</p> <p>The Vapour Recovery Units (VRU) and other equipment cited by IOCL are standard safety and environmental compliance systems mandated by CPCB for specific, high-volume retail petroleum outlets and storage terminals to control volatile organic compound emissions and do not constitute industrial processing equipment.</p> <p>The overall functioning of the terminal remains commercial in nature, consistent with logistical and distribution activities covered under HT-II(A) Others.</p> <p>Possession of a Factory License also does not establish industrial activity, as such licenses are often required for safety, health, and environmental reasons.</p> <p>Accordingly, TGSPDCL submits that the existing categorization under HT II(A): Others is appropriate.</p>

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	<p>Category is applicable where electricity is used for manufacturing, processing, or preservation of goods.</p> <p>In view of the above operational processes and recovery systems involving industrial processing equipment, IOCL Hyderabad Terminal is effectively engaged in processing activities of blended petroleum products.</p> <p>It is further submitted that other IOCL terminals in the State of Andhra Pradesh performing identical industrial operations-such as Rajahmundry, Kakinada, Guntakal, and Chittoor-are categorized under the HT-Industrial tariff category, and copies of the relevant electricity bills have already been furnished for kind reference.</p> <p>IOCL Hyderabad Terminal presently holds HT Service Connection No. HBG594, categorized under HT-II (A) - Commercial.</p> <p>The said connection is utilized for Ethanol Blended Motor Spirit (EBMS) ,B7 High-Speed Diesel (HSD) and its associated activities.</p> <p>Further, the establishment is covered under the Factories Act, and a valid Factory License has already been submitted to the Hon'ble Commission.</p> <p>In connection with the <b>Public Hearing scheduled on 07.03.2026 in O.P. No.80 of 2025</b> regarding approval of Revised ARR, FPT, and C SS for FY 2026-27, IOCL most respectfully requests the Hon'ble Commission to:</p> <p>Consider our earlier representations along with the present submission during the public hearing;</p>	

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	<p>and Re-categorize the HT connection of IOCL Hyderabad Terminal from HT-II (A) (Commercial) to HT-I (A) (Industrial) and revise the applicable tariff accordingly.</p> <p>Request for Re-categorization: _</p> <table border="1" data-bbox="244 432 936 759"> <thead> <tr> <th data-bbox="248 432 434 517">Location Address</th> <th data-bbox="434 432 546 517">HT Service Connection</th> <th data-bbox="546 432 692 517">Existing Tariff Category</th> <th data-bbox="692 432 806 517">New Tariff Category Request</th> <th data-bbox="806 432 931 517">Reasons</th> </tr> </thead> <tbody> <tr> <td data-bbox="248 517 434 756">Indian Oil Corporation Limited Hyderabad Terminal Survey No. 183, IDA Phase-III, <del>Cherlapalli</del>, Hyderabad - 500051</td> <td data-bbox="434 517 546 756">HBG594</td> <td data-bbox="546 517 692 756">HT-II (A): Commercial</td> <td data-bbox="692 517 806 756">HT-I (A): Industry General</td> <td data-bbox="806 517 931 756">Blending process Operations</td> </tr> </tbody> </table> <p>In view of the above, we respectfully request the Hon'ble Commission to re-categorize the HT connection from HT-II (A) - Commercial to HT-I (A) - Industry General while finalizing the retail tariff proposal of TGSPDCL.</p>	Location Address	HT Service Connection	Existing Tariff Category	New Tariff Category Request	Reasons	Indian Oil Corporation Limited Hyderabad Terminal Survey No. 183, IDA Phase-III, <del>Cherlapalli</del> , Hyderabad - 500051	HBG594	HT-II (A): Commercial	HT-I (A): Industry General	Blending process Operations	
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### 30. Response to Prayas (Energy Group)

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	<p><b>Demand Forecast</b></p> <p>Sections 2.1 (NP) and 3.1 (SP) of the petitions cover sales forecast. Category-wise sales for from FY21 to FY25 (FY20 to FY25 for NP) is provided and energy sales for FY27 is calculated using category-wise growth rates over</p>	<p>TGDISCOMs have projected the category wise sales for FY2026-27 by considering the actual sales of FY 2024-25 with the CAGR in previous years keeping into account the expected new load additions.</p>

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	<p>FY25 actuals. NPDCL mentions that connected load growth is used for LT Agriculture sales projection and Electric Vehicles initiative for EV charging projection. SPDCL does not mention any such details. Both the DISCOM adopt 1,2,3,4 or 5 year Growth Rates or Manual Growth Rates for different categories, without providing any explanations.</p> <p><b>We request the DISCOMs to provide clear explanations for selecting Growth Rates, especially for the major sales categories such as LT Domestic, LT &amp; HT Commercial, LT &amp; HT Industry and LT Agriculture.</b></p> <p>As for LT Agriculture sales estimation, in the Tariff order dated 28/10/2024 (Section 4.1.5, pp108), Hon'ble TGERC has laid out a procedure it has used for agriculture consumption estimation. This was based on calculating the specific consumption of pumpsets (Units/hp/year) based on historical data and using the connected load increase (due to new connections) to project sales. NPDCL petition mentions that connected load is used for projections. Table 1 gives the details of the number of connections, contracted demand and agriculture sales for NPDCL for FY24 (Actual), FY 25 &amp; FY26 (Estimates) and FY 27 (Projected).</p>	<p>With respect to LT V (Agriculture) sales, TGDISCOMs have followed the methodology adopted by the Hon'ble Commission. Agricultural sales for FY 2026-27 have been estimated based on 12 hours of daily supply and 180 operational days per year, using the connected load indicated in the ARR filings. Details of existing and expected load is also mentioned in the filings. Since, the nature of agricultural consumption is similar in both DISCOM areas, the same approach has been uniformly applied.</p> <p><b>Load and Sales Projections for FY 2026-27</b></p> <table border="1" data-bbox="1133 619 1865 871"> <thead> <tr> <th>Particulars</th> <th>NPDCL</th> <th>SPDCL</th> </tr> </thead> <tbody> <tr> <td>Load Projections (hp)</td> <td>7,421,344</td> <td>8,205,026</td> </tr> <tr> <td>Load Projections (MW)</td> <td>5536</td> <td>6121</td> </tr> <tr> <td>Sales Projections (MU) (Load in MW*12*180/10^3)</td> <td>11958</td> <td>15425</td> </tr> </tbody> </table> <p>It may be noted that while connections and connected load tend to show a steady, linear increase. Whereas, actual agricultural consumption does not follow the same pattern. Agricultural sales are significantly influenced by seasonality, weather conditions, and actual demand at the field level.</p> <p>Comparison by objector was till FY 2023-24, if we go back upto FY 2021-22</p> <table border="1" data-bbox="1122 1294 2051 1404"> <thead> <tr> <th colspan="2">DISCOM</th> <th>FY 22</th> <th>FY 23</th> <th>FY 24</th> <th>FY 25</th> <th>FY 26</th> <th>FY 27</th> </tr> </thead> <tbody> <tr> <td><b>N</b></td> <td><b>Sales (MU)</b></td> <td>7420</td> <td>7868</td> <td>9447</td> <td>9493</td> <td>10568</td> <td>1196</td> </tr> <tr> <td><b>P</b></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>2</td> </tr> </tbody> </table>	Particulars	NPDCL	SPDCL	Load Projections (hp)	7,421,344	8,205,026	Load Projections (MW)	5536	6121	Sales Projections (MU) (Load in MW*12*180/10^3)	11958	15425	DISCOM		FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	<b>N</b>	<b>Sales (MU)</b>	7420	7868	9447	9493	10568	1196	<b>P</b>							2
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But the sales growth rate is only 0.5% between FY24 and FY25, but much higher for subsequent years, without any correlation to connections or demand. <b>We request NPDCL to provide clarification on this, specifically on how the FY26 to FY27 growth rate was arrived at.</b></p> <p data-bbox="331 842 864 874">Table 2 provides similar data for SPDCL.</p> <table border="1" data-bbox="389 911 1048 1102"> <thead> <tr> <th>Detail</th> <th>FY24 Act</th> <th>FY25 Est</th> <th>FY26 Est</th> <th>FY27 Proj</th> </tr> </thead> <tbody> <tr> <td>Agricultre connections</td> <td></td> <td>14,10,883</td> <td>15,00,174</td> <td>15,60,174</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td></td> <td><b>6.3</b></td> <td><b>4.0</b></td> </tr> <tr> <td>Agr Contracted Demand MW</td> <td></td> <td>5,247</td> <td>5,644</td> <td>6,122</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td></td> <td><b>7.6</b></td> <td><b>8.5</b></td> </tr> <tr> <td>Agriculture Sales MU</td> <td>15,707</td> <td>15,209</td> <td>14,140</td> <td>15,428</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td><b>-3.2</b></td> <td><b>-7.0</b></td> <td><b>9.1</b></td> </tr> </tbody> </table> <p data-bbox="353 1129 1088 1152"><b>Table 2: Agriculture sales trends in SPDCL (from SPDCL Petition and RSF Forms)</b></p> <p data-bbox="331 1177 1093 1410">While growth in connections and demand are correlated, it can be seen that there is no correlation of these with sales. Surprisingly, Table with historical sales in Section 3.1.2 of SPDCL petition gives 15,707 MU as the LT Agriculture sales in FY24 as well as in FY23, which we</p>					Detail	FY24 Act	FY25 Est	FY26 Est	FY27 Proj	Agricultre connections	13,18,401	13,56,715	14,02,289	14,48,079	<b>Annual Growth Rate %</b>		<b>2.9</b>	<b>3.4</b>	<b>3.3</b>	Agr Contracted Demand MW	4,993	5,143	5,369	5,538	<b>Annual Growth Rate %</b>		<b>3.0</b>	<b>4.4</b>	<b>3.2</b>	Agriculture Sales MU	9,447	9,493	10,568	11,962	<b>Annual Growth Rate %</b>		<b>0.5</b>	<b>11.3</b>	<b>13.2</b>	Detail	FY24 Act	FY25 Est	FY26 Est	FY27 Proj	Agricultre connections		14,10,883	15,00,174	15,60,174	<b>Annual Growth Rate %</b>			<b>6.3</b>	<b>4.0</b>	Agr Contracted Demand MW		5,247	5,644	6,122	<b>Annual Growth Rate %</b>			<b>7.6</b>	<b>8.5</b>	Agriculture Sales MU	15,707	15,209	14,140	15,428	<b>Annual Growth Rate %</b>		<b>-3.2</b>	<b>-7.0</b>	<b>9.1</b>	<table border="1" data-bbox="1122 153 2054 360"> <thead> <tr> <th></th> <th><b>Growth rate</b></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td>6%</td> <td>20%</td> <td>0.5%</td> <td>11%</td> <td>13%</td> <td></td> </tr> <tr> <td rowspan="2"><b>S P</b></td> <td><b>Sales (MU)</b></td> <td>11724</td> <td>12127</td> <td>15707</td> <td>15209</td> <td>14140</td> <td>15428</td> <td></td> </tr> <tr> <td><b>Growth rate</b></td> <td></td> <td>3%</td> <td>30%</td> <td>-3.2%</td> <td>-7%</td> <td>9%</td> <td></td> </tr> </tbody> </table> <p data-bbox="1122 395 2069 481">Such fluctuations confirm that agricultural consumption does not exhibit a smooth growth trend.</p> <p data-bbox="1122 529 2069 916">TGDISCOMs have considered load based projections for determination of sales for FY 2025-26 and FY 2026-27. Historically, the Commission has approved agriculture sales for NPDCL based on 10 hours/day for 180 days and for SPDCL based on 12 hours/day for 180 days. Given that the nature of agricultural consumption is the same across both DISCOM areas, a uniform assumption of 12 hours of daily operation for 180 days has been considered for projecting sales for FY 2025-26 and FY 2026-27.</p> <p data-bbox="1122 970 2069 1155">TGDISCOMs submits that relevant past data across various filings is being provided depending on the nature of the submission. Power purchase details are furnished in PP true-up filings, while revenue and sales data are included in revenue true-up filings.</p> <p data-bbox="1122 1209 2069 1394">With respect to feeder-level metering, accurate estimation of agricultural consumption is not currently feasible due to mixed feeders. 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	<p>hope is not a typo. We request SPDCL to provide clarification on this, specifically on how the FY26 to FY27 growth rate was arrived at.</p> <p>In this context, the ARR filing formats as per the MYT Regulations 2023 are quite useful for such analysis. One suggestion for improvement is to provide historical actual data for past three years. For this control period (FY25-FY29), all the Forms could provide actual data for at least the past three years, even if some of those years from the previous control period. It can be seen that some forms do provide this data (eg. F2- Number of connections, F3- Contracted Demand etc), but some do not (eg. F1- ARR, F4-Sales etc). We request the DISCOMs to provide at least 3-year actual historical data in all forms.</p> <p>Hon'ble TGERC have been directing the DISCOMs to meter agriculture DTs and Directive 11 was to submit action plan within 2 months. In the petition, DISCOMs have responded that feeder metering is planned under RDSS and in that case DT metering would not be required. But in response to Directive 7 (Smart Meters), DISCOMs have submitted the RDSS proposals are awaiting approval from the government. Use of RDSS for smart metering (feeder, DT and selected consumers) and network augmentation would benefit TG DISCOMs and we request DISCOMs to expedite the RDSS proposals.</p>	<p>kV, DT, and LT levels vary. Accurate assessment requires dedicated metering infrastructure, which is planned under the RDSS program. TGDISCOMs are actively pursuing with the government for participation in the RDSS scheme.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>In the meantime, TG DISCOMs can use feeder metering to improve the estimation of agriculture consumption, as is being done in many states, including AP. This can be done even before feeder segregation is implemented. All 11 kV feeders in Telangana are reportedly metered. For mixed feeders, non-agriculture consumers are hopefully metered and mapped to the feeder. This metered consumption and expected losses (11 kV feeder, DT and LT lines) could be subtracted from feeder meter reading to arrive at the agriculture consumption.</p> <p><b>We request the comments from DISCOMs about this method of estimating Agriculture sales. Hon'ble TGERC could consider preparing guideline for feeder-metering based agriculture consumption estimation. As done by the Maharashtra SERC and MPERC, Hon'ble TGERC could also consider setting up a committee with members drawn from SAC, DISCOMs and TGERC to prepare these guidelines.</b></p>	
2.	<p><b>Power Purchase planning</b></p> <p>We wish to highlight the importance of planning power purchase over a 5 or 10-years time horizon, using modelling studies. The current Resource Plan order 2023 would have to be revised, considering the many new developments. Modelling studies would help to identify cost optimised capacity addition and dispatch options</p>	<p>TGDISCOMs, in the estimation of Power purchase expenses for FY 2026-27, have considered Electricity demand at hourly block level to understand the supply-demand balance with the existing contracted generation capacity, requirement of short-term purchases for deficit supply. In addition, short-term purchases during hours of lesser market price for Power purchase cost optimization is also considered.</p>

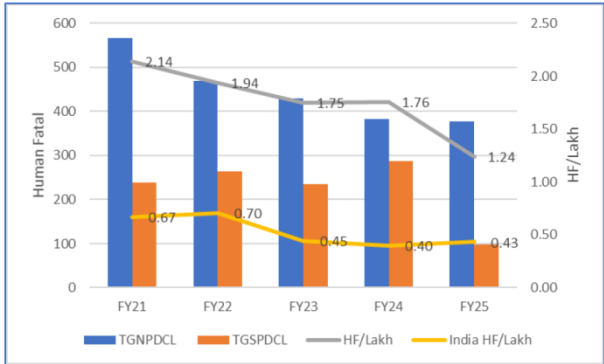
S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>under different scenarios. Specifically, it can suggest optimal energy storage addition plans and best use of market options to minimise power purchase cost, while maintaining reliable supply. <b>TSGENCO could explore the possibility of increasing the flexibility of coal power plant with some additional marginal investment.</b></p> <p>Hon'ble TGERC has already initiated the process of Resource Adequacy Regulations and DISCOMs are expected to prepare 10-year plans. As many as 15 SERCs have prepared Resource Adequacy Regulations (10-year planning horizon with one-year rolling plans) and some DISCOMs have started preparing RA plans. <b>As soon as these Regulations are finalised, DISCOMs could start preparing RA plans.</b></p> <p>As per the current petitions, power purchase quantum available from TSGENCO thermal stations is 44,790 MUs (combined across both DISCOMs) in 2026-27, which is more than double the power purchase from TSGENCO Thermal in 2024-25. In addition, "Other short-term purchase" of 11,641 MUs at an average price of 3.44 Rs/kWh and sale of surplus power of 2,985 MUs at an average revenue of 2 Rs/kWh has been estimated for the year 2026-27. Given that the expected revenue from surplus power is low at 2 Rs/kWh, it appears that the sale is expected to happen when market prices are low such</p>	<p>Further, TGGENCO is exploring the initiatives to reduce the technical minimum from the current levels of 55%.</p> <p>TGDISCOMs would like to reiterate the fact that Energy procurement from short term sources is considered for the following reasons</p> <p>1. Energy supply during hours of deficit (Power requirement &gt; Power availability from generators). Despite having a total Energy surplus, it is pertinent to note that there will be time blocks in the year when the instantaneous power requirement in the state is higher than the total generation capacity, pushing TGDISCOMs to procure the power deficit from short-term sources. Such instances of electricity deficit occur during Morning and evening peak hours when the Solar generation is not available. Hence, purchase from short term sources become inevitable with the current supply demand situation.</p>

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	<p>as during the solar hours. This is in contrast to the average revenue realised from surplus power of 5.66 Rs/kWh in 2024-25. To help understand this better, <b>we request the DISCOMs to provide the expected hourly demand supply gap/surplus in 2026-27.</b></p> <p>The current petitions do not mention any BESS deployment plan, Pumped Storage operation of existing plants and plans to improve flexible operation of the coal plants. In the absence of such measures, costly market power purchase would be the option to balance demand supply gap. <b>We request the DISCOMs to provide the status of commissioning of the 500 MW BESS project of TGGENCO. We request the DISCOMs to take up</b></p>	<p>2.Power purchase cost optimization: TGDISCOMs have considered procurement from short term sources during hours when the Market price is lesser than the Variable cost (VC) of few generating stations with higher VC to optimize the overall cost of power procurement. It is clarified that the generation from TGGENCO, CGS, SEIL, SCCL plants are proposed to be backed down only during hours when market purchase is more economical in order to optimize the overall cost of the power purchase in the state.</p> <p>TGDISCOMs respectfully submit that we have estimated a total procurement of 3,346 MUs from Short term sources for supply during hours of power deficit and 8,295 MUs for Power procurement cost optimization. The overall cost of procurement from short term sources come to Rs.3.44/unit.</p> <p>Further, it is clarified that Rs.2/unit is the revenue margin from sale of surplus electricity after netting off the variable cost incurred to generate the surplus electricity.</p> <p>We would like to notify that TGGENCO is in the process of procuring 500MWh BESS from VGF-I and 1,500MWh BESS from VGF-II. TGDISCOMs did not consider the impact of BESS in the Power purchase estimation for FY 2026-27 considering the expected commissioning timelines of the above said BESS projects.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p><b>modelling studies to prepare power purchase plans to resource adequacy plans.</b></p> <p>Telangana has initiated the setting up of distributed solar of about 4000 MW under KUSUM-A, and Hon'ble TGERC has given consent to this in April 2025. <b>We request the DISCOMs to update the status of these projects and how they would influence the power purchase plans for FY27.</b></p> <p>There are a few paragraphs on Distribution Cost in Section 2.3.3 (Power Purchase Cost) of the SPDCL petition. It is not clear why this section is not included. A Table is given, which shows the Approved and Actual components of Distribution Cost in FY25. This Table is followed by a para on O&amp;M cost. To quote: <i>"The operation and maintenance expenses incurred during FY2024-25 are higher than the Tariff order approved values by Rs. 439.87 crores which is mainly due to consideration of lower approval in the Tariff Order."</i> We request SPDCL to explain this section, and particularly, this sentence.</p>	<p>TGDISCOMs, in their petition, have also considered the Electricity generation from KUSUM-A contracted capacity that are expected to get commissioned in the said financial year.</p> <p>The section on financial performance during previous financial year of DISCOM is included in the petition as part of filings insisted by the Hon'ble Commission.</p> <p>The Hon'ble Commission has approved O&amp;M expenses by applying escalation on the average of the true-up expenses for the immediate preceding control period, and this if further escalated for 3 years as per clause No. 81 of Regulation No. 2 of 2023. However, the approved amount so derived is lower than the actual expenditure incurred during FY 2023-24. O&amp;M cost escalation is based on CPI/WPI indices in accordance with Regulation 81.3 based on actuals for FY 2024-25. This revision is primarily on account of actual employee cost, repairs &amp; maintenance activities, and administrative expenses, projected based on CPI/WPI.</p> <p>The Hon'ble Commission has approved Employee cost for FY 2024-25 by applying escalation on the average of the true-up expenses for the immediate preceding control period, and this if further escalated for 3</p>

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		years as per clause No. 81 of Regulation No. 2 of 2023. However, the approved amount so derived is lower than the actual expenditure incurred during FY 2023-24.																																																														
3.	<p><b>Addressing the poor financial health of DISCOMs</b></p> <p>The financial health of most state DISCOMs is poor and TG is no exception. As a silver line, MoP/PFC in its 14th Annual Rating Report, has reported that in FY25, all the DISCOMs – private and public – reported a modest combined profit of Rs. 2,701 Cr, compared to a loss of Rs. 27,022 Cr in FY24. As per this report, TG DISCOMs continue to make losses and their accumulated financial loss has been growing, as indicated in Table 3.</p> <table border="1" data-bbox="344 778 958 994"> <thead> <tr> <th rowspan="2">FY/DISCOM</th> <th colspan="3">DISCOM Annual Loss Rs Cr</th> <th colspan="3">DISCOM Cumulative Loss Rs Cr</th> </tr> <tr> <th>SP</th> <th>NP</th> <th>Total</th> <th>SP</th> <th>NP</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>FY19</td> <td>4,967</td> <td>3,051</td> <td>8,019</td> <td>24,362</td> <td>11,858</td> <td>36,220</td> </tr> <tr> <td>FY20</td> <td>4,933</td> <td>1,116</td> <td>6,050</td> <td>29,309</td> <td>12,969</td> <td>42,279</td> </tr> <tr> <td>FY21</td> <td>4,246</td> <td>2,440</td> <td>6,686</td> <td>33,555</td> <td>15,410</td> <td>48,965</td> </tr> <tr> <td>FY22</td> <td>627</td> <td>204</td> <td>831</td> <td>34,182</td> <td>15,614</td> <td>49,796</td> </tr> <tr> <td>FY23</td> <td>8,147</td> <td>2,966</td> <td>11,113</td> <td>42,330</td> <td>18,570</td> <td>60,899</td> </tr> <tr> <td>FY24</td> <td>4,910</td> <td>1,441</td> <td>6,351</td> <td>47,239</td> <td>20,011</td> <td>67,250</td> </tr> <tr> <td>FY25</td> <td>1,103</td> <td>1,359</td> <td>2,462</td> <td>48,342</td> <td>21,399</td> <td>69,741</td> </tr> </tbody> </table> <p><b>Table 3: The mounting financial losses of TG DISCOMs (From DISCOM annual reports and MoP 14<sup>th</sup> Rating Report)</b></p> <p>TG is one of the eight states with the highest accumulated losses. In addition, the TG DISCOMs have a total of Rs. 59,229 Cr as outstanding loans in FY25, as per MoP/PFC's 14th Rating Report. Arrears are quite high with government departments as the main contributor. In the 13th Integrated Rating &amp; Ranking of power</p>	FY/DISCOM	DISCOM Annual Loss Rs Cr			DISCOM Cumulative Loss Rs Cr			SP	NP	Total	SP	NP	Total	FY19	4,967	3,051	8,019	24,362	11,858	36,220	FY20	4,933	1,116	6,050	29,309	12,969	42,279	FY21	4,246	2,440	6,686	33,555	15,410	48,965	FY22	627	204	831	34,182	15,614	49,796	FY23	8,147	2,966	11,113	42,330	18,570	60,899	FY24	4,910	1,441	6,351	47,239	20,011	67,250	FY25	1,103	1,359	2,462	48,342	21,399	69,741	<p>As mentioned in the filings, TGDISCOMs are continuously pursuing with State govt. and head of the departments for clearance of outstanding dues, timely disbursement of subsidy amounts.</p> <p>TGDISCOMs remain fully committed to strengthening their financial position and will continue to so.</p>
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	<p>distribution utilities by MoP (February 2025), both TG DISCOMs have rating of “C-“ compared to “C” in the 12th rating. The main reason for this appears to be the low score on financial sustainability. In the current 14th Rating report, both DISCOMs continue to have rating of C- and very low scores. Out of the total 54 rated utilities (private and public), unfortunately, NPDCL is ranked last (54th) and SPDCL is ranked 52nd.</p> <p><b>We request the Hon’ble TGERC to review the financial health of DISCOMs or consider providing policy advice to the state government to set up an inter-departmental committee to study the causes of such losses and suggest measures to reduce them over a period of time.</b></p>	
4.	<p><b>Quality of supply and accidents</b></p> <p>We have repeatedly pointed out, that in addition to providing information in the performance reports section of the petitions, what matters is the trend of these parameters over the years, and analysis of the data to arrive at key aspects that affect the consumers. Analysis of this should provide inputs to tightening the performance benchmarks listed in the SoP Regulations such as time taken to repair failed DT, time taken to replace failed meter or address fuse off calls.</p> <p><b>Since Quality of Supply &amp; Service issues are raised by</b></p>	<p>TGDISCOMs place the highest priority on public safety and the quality of supply, and multiple quality checks are embedded across installation, operation, and maintenance activities to minimize risks of substandard works and equipment failures. TGDISCOMs ensure compliance of safe practices during Installation, Operation &amp; Maintenance of distribution infrastructure keeping public safety as utmost priority.</p> <p>In addition, TGDISCOMs have initiated programs such as Praja Bata to address consumers concerns on areas including Electrical safety and improving consumer awareness.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee																																				
	<p>many objectors during Retail Supply Tariff public hearings, Hon'ble TGERC may wish to organise separate public hearings, say once in 2-3 years, only on this topic. DISCOMs could provide 3-year trends of SoP indicators and plans to improve them.</p> <p>As for electricity accidents, the number of fatal human accidents continue to be high, though the numbers appear to be reducing. Figure 1 gives the trend of fatal human accidents in TG DISCOMs over the years. It also provides the fatality rate (Human fatalities/lakh population – HF/Lakh) in TG state, which is much higher than the All-India rate. For example, TG fatality rate in FY25 is 1.24 compared the all-India figure of 0.43.</p>  <table border="1" data-bbox="344 820 945 1185"> <caption>Data for Figure 1: Trend of Human Fatal accidents in TG DISCOMs</caption> <thead> <tr> <th>Year</th> <th>TGNDCL (Human Fatal)</th> <th>TGSPDCL (Human Fatal)</th> <th>TGNDCL (HF/Lakh)</th> <th>TGSPDCL (HF/Lakh)</th> <th>All-India (HF/Lakh)</th> </tr> </thead> <tbody> <tr> <td>FY21</td> <td>550</td> <td>240</td> <td>2.14</td> <td>0.67</td> <td>0.43</td> </tr> <tr> <td>FY22</td> <td>480</td> <td>260</td> <td>1.94</td> <td>0.70</td> <td>0.43</td> </tr> <tr> <td>FY23</td> <td>420</td> <td>230</td> <td>1.75</td> <td>0.45</td> <td>0.43</td> </tr> <tr> <td>FY24</td> <td>380</td> <td>280</td> <td>1.76</td> <td>0.40</td> <td>0.43</td> </tr> <tr> <td>FY25</td> <td>380</td> <td>100</td> <td>1.24</td> <td>0.43</td> <td>0.43</td> </tr> </tbody> </table> <p><b>Figure 1: Trend of Human Fatal accidents in TG DISCOMs (From DISCOM ARR and CEA)</b></p> <p>There is wide variation in the number of human fatal accidents across circles/districts, as seen from Figure 2, which gives this data for FY25.</p>	Year	TGNDCL (Human Fatal)	TGSPDCL (Human Fatal)	TGNDCL (HF/Lakh)	TGSPDCL (HF/Lakh)	All-India (HF/Lakh)	FY21	550	240	2.14	0.67	0.43	FY22	480	260	1.94	0.70	0.43	FY23	420	230	1.75	0.45	0.43	FY24	380	280	1.76	0.40	0.43	FY25	380	100	1.24	0.43	0.43	<p>Free Dial number 1912 facility is created to lodge any supply and safety related complaints by the consumers which will be processed and rectification action will be taken in short times.</p> <p>The data furnished by TGDISCOMs pertains strictly to accidents occurring within the DISCOMs' distribution network and jurisdiction during the relevant financial year. However, CEA/CEI statistics may include consolidated data received from multiple reporting authorities.</p> <p>Certain incidents may be categorized differently by CEA/CEI (e.g., non-utility assets, consumer premises accidents, or cases under investigation), leading to numerical variation.</p>
Year	TGNDCL (Human Fatal)	TGSPDCL (Human Fatal)	TGNDCL (HF/Lakh)	TGSPDCL (HF/Lakh)	All-India (HF/Lakh)																																	
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	<p>Figure 2: Circle wise human fatal accidents, FY25 (from DISCOM petitions)</p> <p><b>DISCOMs could prepared accident reduction measures based on circle- wise or division-wise break-up data.</b></p> <p>DISCOMs do not provide electrical locations and causes of accidents, except NPDCL providing causes for accidents. These details are available in the CEA reports. As per CEA’s data for FY25, nearly 80% of the human fatalities occur due to accidents in Distribution system and 15% in Non-industrial consumer locations. Very few fatal accidents are reported from Generation, Transmission and Industrial consumer locations. As per the same report, and NPDCL petition, nearly 70% of the fatalities are due to accidental contact or line snapping. From all these, it is clear that DISCOMs have a crucial role to take steps to reduce accidents.</p> <p>A related point to note is that there is a wide variation of</p>	

S.No.	Summary of Objections / Suggestions	Response of the Licensee												
	<p>the number of fatal human accidents reported by TG DISCOMs in the ARR petitions and as reported by CEA in its Annual Statistics or CEI's annual accident reports. This is illustrated in Table 4, which gives human fatal accidents reported by DISCOMs and CEA in the past three years.</p> <table border="1" data-bbox="344 421 1081 564"> <thead> <tr> <th></th> <th>FY23</th> <th>FY24</th> <th>FY25</th> </tr> </thead> <tbody> <tr> <td>TG DISCOMs</td> <td>664</td> <td>671</td> <td>476</td> </tr> <tr> <td>CEA/CEI</td> <td>89</td> <td>98</td> <td>27</td> </tr> </tbody> </table> <p><b>Table 4: Mismatch in human fatal accidents – TG DISCOMs and CEA (From DISCOM petitions and CEA Annual Statistics and CEI Accident report)</b></p> <p>It can be seen that the numbers reported by CEA is much less compared to that of TG DISCOMs. Since DISCOMs or State Chief Electrical Inspector Office must be providing this data to CEA, the reason for this mismatch is not clear. <b>We request DISCOMs to clarify this mismatch between DISCOM and CEA reported accident data.</b></p> <p><b>Hon'ble TGERC could set up a committee to study electricity accidents and suggest recommendations to reduce accidents.</b> The committee could have members drawn from State Electrical Inspectorate, DISCOMs, Safety professionals, Rural consumer organisations and Academia.</p>		FY23	FY24	FY25	TG DISCOMs	664	671	476	CEA/CEI	89	98	27	
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TG DISCOMs	664	671	476											
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S.No.	Summary of Objections / Suggestions	Response of the Licensee
5.	<p><b>Smart Meters</b></p> <p>NPDCL, in its response to Directive 8 (Timebound action plan for replacement of existing meters with smart meters) mentions that procurement of 79,493 smart meters is in progress for consumers with consumption greater than 500 Units/month. <b>We request NPDCL to clarify if all these are domestic consumers and the circle/division where this activity is planned. What is the plan to recover the cost of this meter replacement?</b></p>	<p>TGNPDCL has filed petition before commission to approve the release of all the new services with smart meters with AMI (Advanced Metering Infrastructure) for LTM applications (Apartments, High Rise Buildings, Multi Storied buildings etc.,) and the cost of the smart meter shall be borne by the consumer.</p> <p>Upon receiving the approval of Hon'ble commission, TGNPDCL will install smart meters for new services wrt Apartments, High Rise Buildings, Multi Storied buildings etc., prioritizing high loss areas.</p>

### 31. Response to Power Foundation of India

S.No.	Summary of Objections / Suggestions	Response of the Licensee
PFI Comments/Suggestions: TGSPDCL True-Up Petition FY 2024-25 for Retail Supply Business		
1.	<p>4)PFI notes that TG DISCOMs have filed Power Purchase Cost &amp; Revenue True-Up Petitions for FY 2022-23, FY 2023-24 &amp; FY 2024-25. These True-Up Petitions are incomplete since important elements like Sales, Energy Balance, Transmission Losses, Distribution Losses have not been filed. Moreover, in the absence of complete True-up, Revenue Gap/ Surplus has not been</p>	<p>TGDISCOMs filed power purchase cost true up for FY 2022-23in accordance with "APERC (Terms and Conditions for determination of Tariff for Wheeling and Retail Sale ofElectricity) Regulation, 4 of 2005" and its first amendment Regulation I of 2014 (adoptedby TGERC)and Power purchase cost true up for FY 2023-24 and revenue true up for FY 2024-25 in accordance TGERC (Multi Year</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>calculated. Claiming Power Purchase True-Up without submitting the Sales and Energy Balance is a non-scientific &amp; non-transparent way of determining the Power Purchase Cost and defeats the purpose of True-Up Exercise.</p>	<p>Tariff) Regulation, 2 of 2023.</p> <p>These filings have been made strictly in line with the regulatory formats and requirements prescribed by the Hon'ble Commission. Details relating to sales, energy balance, and T&amp;D losses are provided in the ARR filings of respective years.</p>
<p>2.</p>	<p>5)It is pertinent to mention that the last True-Up Order issued by Hon'ble TGERC is for FY 2018-19 dated 23/03/2023. Till date True-Up Orders for FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23, FY 2023-24 &amp; FY 2024-25 are pending. The same comment was submitted by PFI in the ARR Petition for FY 2025-26. Hon'ble TGERC addressed the said comment in the Tariff Order for FY 2025-26 dated 29/04/2025.</p> <p>"3.3 TRUE UP/ DOWN AND FCA PETITIONS</p> <p><i>Commission's analysis &amp; findings</i></p> <p><i>3.3.8 The Commission has noted the concerns of the stakeholders in respect of the consequences that resulted in running into losses of the petitioners on account of not properly filing the True-up/True-down petitions and not collecting Fuel Cost Adjustment (FCA) as per stipulated regulations. The petitioners have failed to explain as to why they could not file their claims in respect of FCA adjustments quarterly as stipulated in the Regulation which has resulted in huge backlogs thereby the TGDISCOMs are not in a position to claim the FCA either from the government or from the consumers.</i></p> <p>... 3. 3.11 The Commission directs the TGDISCOMs to strictly</p>	<p>TGDISCOMs submit that the Power Purchase True-Up/True-Down claims for FY 2016-17 to FY 2021-22, along with the provisional True-Up for FY 2022-23, were filed before the Hon'ble Commission on 16.12.2022. The Hon'ble Commission approved the same in the RST Order for FY 2023-24 dated 24.03.2023.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p><i>comply with Regulation 2 of 2023 and ensure that all future True-up, ARR, Tariff Proposals, and FCA claims are filed within the stipulated timelines. Any deviation from the prescribed schedule will be viewed seriously and may attract regulatory action."</i></p>	
<p>3.</p>	<p>6) Thereafter, TG DISCOMs in Petition I.A. No. 28 of 2025 prayed before the Commission that they may be granted time for filing of petition of power purchase True-Ups of FY 2022-23 and FY 2023-24 pertaining to retail supply business along with condonation of delay application within due course of time. Hon'ble TGERC vide Order dated 2/05/2025 granted time extension for two months. Relevant extract from the said Order is as follows.</p> <p><i>"13. Therefore, keeping in view of the exigencies as submitted by the petitioner this Commission extends the time for filing the true-up petitions. 14. Accordingly, this petition is allowed and petitioners/TGDISCOMs are directed to file the true-up petitions for FY 2022 - FY 2023 and FY 2023 - FY 2024 within two months from the date of this order"</i></p> <p>7) Even after being granted time extension of two months, the True-Up Petitions for FY 2022-23 &amp; FY 2023-24 have been filed on 29/11/2025 i.e, 5 months of delay.</p> <p>8) As per TGERC (Multi Year Tariff) Regulation, 2023, the DISCOMs need to file or True-Up annually. Relevant extract from the Regulations is as follows:</p> <p><i>"6 Procedure for filing Petition</i></p> <p><i>6.1 The petitions under MYT by the generating entity, transmission</i></p>	<p>TGDISCOMs couldn't file True-up petitions in view of all the reasons stated in the petition. The marginal delay in filing was thus procedural and transitional in nature, neither deliberate nor reflective of any service deficiency.</p> <p>However, TGDISCOMs have ensured the timely filing of the ARR for FY 2026–27 and will continue to do so for all future regulatory submissions.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p><i>licensee/ STU, SLDC and distribution licensee shall be filed as per the timelines specified in this Regulation...</i></p> <p><i>c) Multi Year Tariff petition shall be filed by 30th November of the year preceding the first year of the Control Period by distribution licensee (for retail supply business) comprising:</i></p> <p><i>i. True-up of preceding year;</i></p> <p><i>ii. Aggregate Revenue Requirement for each year of the Control Period;</i></p> <p><i>iii. Revenue from retail sale of electricity at existing tariffs &amp; charges and projected revenue gap for the first year of the Control Period;</i></p> <p><i>iv. Proposal of consumer category wise</i></p> <p><i>f) After first year of the Control Period and onwards, the annual petitions by distribution licensee (for retail supply business) shall comprise of:</i></p> <p><i>i. True-up of preceding year;</i></p> <p><i>ii. Revised Aggregate Revenue Requirement for ensuing year of the Control Period;</i></p> <p><i>iii. Revenue from retail sale of electricity at existing tariffs &amp; charges and projected revenue gap for ensuing year of the Control Period;</i></p> <p><i>iv. Proposal of consumer category wise retail supply tariff and charges for ensuing year of the Control Period.”</i></p>	
4.	9) Further, the same Regulations have also stipulated a penal mechanism to enforce timely submission of True-Up Petitions.	TGDISCOMs submit that, for the reasons detailed in the petition, the True-Up petitions could not be filed earlier. The marginal delay in

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	<p>Relevant extract from the Regulations is as follows.</p> <p><i>"29 Return on Equity</i></p> <p><i>29.1 Return on Equity shall be computed in rupee terms, on the equity base determined in accordance with clause 27.</i></p> <p><i>29.2 Return on Equity shall be computed at the following base rates:</i></p> <p><i>Provided that in case of delay in submission of tariff/true-up filings by the generating entity or licensee or SLDC, as required under this Regulation, rate of RoE shall be reduced by 0.5% per month or part thereof"</i></p>	<p>submission was procedural and transitional in nature, and was neither intentional nor indicative of any deficiency in service.</p> <p>TGDISCOMs further submit that all future filings will be made strictly in accordance with Regulation No. 02 of 2023 and in adherence to the timelines prescribed under the Telangana Electricity Regulatory Commission Regulations.</p>
5	<p>10) Moreover, the need for timely issuance of Tariff Orders and True-up Orders has been decided by Hon'ble APTEL in its judgement dtd. 11/11/2011 in OP No. 1 of 2011, as follows:</p> <p><i>"57. This Tribunal has repeatedly held that regular and timely truing-up expenses must be done since:</i></p> <p><i>(a) No projection can be so accurate as to equal the real situation.</i></p> <p><i>(b) The burden/ benefits of the past years must not be passed on to the consumers of the future.</i></p> <p><i>(c) Delays in timely determination of tariff and truing-up entails:</i></p> <p><i>(i) Imposing an underserved carrying cost burden to the consumers, as is also recognised by para 5.3 (h) (4) of National Tariff Policy.</i></p> <p><i>(ii) Cash flow problems for the licensees.</i></p>	<p>TGDISCOMs acknowledges the need for timely issuance of Tariff orders and True up orders.</p> <p>TGDISCOMs also acknowledge that while the Hon'ble APTEL has empowered SERCs to initiate suo-motu proceedings in the absence of utility filings, the Hon'ble Commission would still require complete and accurate data from the DISCOMs to ensure a fair and accurate determination.</p> <p>Given the technical and regulatory complexities involved, it is preferable that DISCOMs file the True-Up petitions themselves. This ensures completeness, transparency, and avoids avoidable delays, supporting a more accurate and cost-reflective tariff determination process.</p> <p>TGDISCOMs iterate that the True-up filings for FY 2022-23, FY</p>

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	<p>65. <i>In view of the analysis and discussion made above, we deem it fit to issue the following directions to the State Commissions:</i></p> <p>(i) <i>Every State Commission has to ensure that Annual Performance Review, true-up of past expenses and Annual Revenue Requirement and tariff determination is conducted year to year basis as per the time schedule specified in the Regulations.</i></p> <p>(ii) <i>It should be the endeavour of every State Commission to ensure that the tariff for the financial year is decided before 1st April of the tariff year...</i></p> <p>(iii) <i>In the event of delay in filing of the ARR, true-up and Annual Performance Review, one month beyond the scheduled date of submission of the petition, the State Commission must initiate Suo-moto proceedings for tariff determination in accordance with Section 64 of the Act read with clause 8.1 (7) of the Tariff Policy.</i></p> <p>(v) <i>Truing up should be carried out regularly and preferably every year...".</i></p> <p>11) From above, it is noted that Hon'ble APTEL has even decided that SERCs can initiate Suo-moto proceedings and collect the data and information and give suitable directions and then determine the Tariff even in the absence of the application filed by the utilities by exercising the powers under the provisions of the Act as well as the Tariff Regulations.</p> <p>12) Thus, timely issuance of Tariff and True-up Orders that too</p>	<p>2023-24 and FY 2024-25 have been made in accordance with regulations issued by Hon'ble commission.</p>

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	<p>cost-reflective results in timely passing of escalated cost in the power sector supply chain thereby maintaining adequate cash flow with the utilities, thus enabling them to supply uninterrupted quality supply to the consumers. It further avoids Creation of Regulatory Assets, burden of Carrying Cost and Tariff shock at once to the endconsumers.</p> <p>13) In view of above, it is noted that TG DISCOMs have filed incomplete Petitions for True-Up of FY 2022-23, FY 2023-24 &amp; FY 2024-25. They have filed for True-Up of Power Purchase Cost &amp; Revenue only. Power Foundation of India (PFI) therefore, urges Hon'ble TGERC to conduct True-Up of FY 20223-23, FY 2023-24 &amp; FY 2024-25 on suo-motu basis by 31st March 2026 as mandated by Hon'ble APTEL (stipulated above). This will avoid the issue of creation of Regulatory Assets, burden of Carrying Cost and Tariff shock to the end consumers.</p>																	
6.	<p>B. POOR COLLECTION EFFICIENCY</p> <p>14) PFI notes that Collection Efficiency for FY 2024-25 is only 88.87%. One major reason for such poor collection efficiency is the exceptionally low Revenue Realization from Government Departments as tabulated below.</p> <p style="text-align: right;">(Rs. Cr.)</p> <table border="1" data-bbox="282 1295 1016 1401"> <thead> <tr> <th>Govt. Dept. Dues</th> <th>FY 2022-23</th> <th>FY 2023-24</th> <th>FY 2024-25</th> </tr> </thead> <tbody> <tr> <td>Amount Billed</td> <td>5,965</td> <td>6,937</td> <td>7,799</td> </tr> <tr> <td>Amount Received</td> <td>1,778</td> <td>2,758</td> <td>1,838</td> </tr> <tr> <td>Collection Efficiency</td> <td>30%</td> <td>40%</td> <td>24%</td> </tr> </tbody> </table>	Govt. Dept. Dues	FY 2022-23	FY 2023-24	FY 2024-25	Amount Billed	5,965	6,937	7,799	Amount Received	1,778	2,758	1,838	Collection Efficiency	30%	40%	24%	<p>TGDISCOMs submit that collection efficiency is under continuous monitoring, and sustained measures are being undertaken to enhance revenue realisation. In cases where consumers fail to pay CC bills within the stipulated timelines, appropriate action is initiated in accordance with the Terms and Conditions of Supply.</p> <p>As stated in the filings, TGDISCOMs are persistently pursuing the State Government and various Government Departments for settlement of outstanding dues.</p> <p>TGDISCOMs reaffirm their commitment to improving and</p>
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	<p>15) Moreover, Tariff Subsidy amounting to Rs. 803 Cr. has been written off in FY 2024- 25. Relevant extract from the Audited Accounts is as follows.</p> <table border="1" data-bbox="286 352 1019 624"> <thead> <tr> <th colspan="3">19 - SHORT TERM LOANS &amp; ADVANCES</th> </tr> <tr> <th>Particulars</th> <th>As at March 31, 2025</th> <th>As at March 31, 2024</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>a. 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This translates to - 50% of the ARR of TGSPDCL.</p> <table border="1" data-bbox="286 901 1019 1268"> <thead> <tr> <th colspan="3">Format - 9(a)</th> </tr> <tr> <th colspan="3">Arrears of consumers over Rs.50,000 pending for over six months</th> </tr> <tr> <th>Category</th> <th>SC Nos.</th> <th>Rs.Lakhs</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>As on 31.03.2025</b></td> </tr> <tr> <td colspan="3"><b>LT Supply</b></td> </tr> <tr> <td>LT-I Domestic</td> <td>1800</td> <td>1,799.01</td> </tr> <tr> <td>LT-II Non-Domestic/Commercial</td> <td>5537</td> <td>6,624.80</td> </tr> <tr> <td>LT-III Industry</td> <td>1171</td> <td>2,335.31</td> </tr> <tr> <td>LT-IV Cottage Industries</td> <td>6</td> <td>7.87</td> </tr> <tr> <td>LT-V Agricultural</td> <td>919</td> <td>1,110.67</td> </tr> <tr> <td>LT-VI Street Lighting &amp; PWS Schemes</td> <td>20309</td> <td>44,499.11</td> </tr> <tr> <td>LT-VII General Purpose</td> <td>549</td> <td>639.36</td> </tr> <tr> <td>LT-VIII Temporary Supply</td> <td>103</td> <td>94.20</td> </tr> <tr> <td>LT-IX Electric Charging Stations/Battery Swap</td> <td>1</td> <td>0.51</td> </tr> <tr> <td><b>LT Supply Total</b></td> <td><b>30395</b></td> <td><b>57,168.45</b></td> </tr> <tr> <td colspan="3"><b>HT Supply</b></td> </tr> <tr> <td>HT-I Industry</td> <td>1128</td> <td>657,486.46</td> </tr> <tr> <td>HT-II Others</td> <td>441</td> <td>53,974.35</td> </tr> <tr> <td>HT-III Airports, Railway stations and Bus stations</td> <td>-</td> <td>-</td> </tr> <tr> <td>HT-IV Irrigation &amp; CPWS</td> <td>311</td> <td>1,263,860.07</td> </tr> <tr> <td>HT-V Railway Traction</td> <td>6</td> <td>1,326.26</td> </tr> <tr> <td>HT-VI Townships &amp; Residential Colonies</td> <td>7</td> <td>99.54</td> </tr> <tr> <td>HT-VII Temporary Supply</td> <td>58</td> <td>12,494.30</td> </tr> <tr> <td>HT-IX Electric Charging Stations/Battery Swap</td> <td>1</td> <td>-</td> </tr> <tr> <td><b>HT Supply Total</b></td> <td><b>1954</b></td> <td><b>1,989,212.98</b></td> </tr> <tr> <td><b>LT-HT Supply Total</b></td> <td><b>32346</b></td> <td><b>2,046,381.43</b></td> </tr> </tbody> </table> <p>17) PFI requests Hon'ble TGERC to consider Collection Efficiency as 100% while approving the total Revenue for FY 2024-25. The</p>	19 - SHORT TERM LOANS & ADVANCES			Particulars	As at March 31, 2025	As at March 31, 2024	<b>a. Unsecured, considered good</b>			Loans & Advances to employees	4.48	7.43	Refunds available with Revenue Departments	29.10	27.32	Advance to O&M Suppliers	2.09	1.83	Government Receivables	4,618.36	5,286.22	Provision for Government Receivables - Additional Power	(3,877.87)	(3,877.87)	Other Loans & Advances - Receivables from Vendors	0.56	0.23	<b>Total</b>	<b>776.72</b>	<b>1,445.16</b>	<b>b. Tariff Subsidy amounting to Rs.803.45 Crores being receivable from the Govt since 2014-15 to 2019-20 is now considered un-recoverable and the same has written off in 2024-25</b>			Format - 9(a)			Arrears of consumers over Rs.50,000 pending for over six months			Category	SC Nos.	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PFI Comments/Suggestions: TGSPDCL ARR Petition FY 2026-27 for Retail Supply Business																																		
7.	<p>A. HUGE UNMETERED SALES</p> <p>18) TGSPDL in the ARR Petition for FY 2026-27 has projected huge unmetered Sales of 15,428 MU, 24% of the total Sales. These unmetered Sales are pertaining to the Agricultural consumers. PFI had also submitted a similar comment on the ARR Petition for FY 2025-26.</p> <p>19) The unmetered Agriculture Sales as claimed for FY 2026-27 have been estimated to increase by around 9% over the Agriculture Sales in FY 2025-26.</p> <p>Further, TG DISCOMs have also considered increase in number of unmetered agricultural connections in FY 2026-27 as shown below:</p> <p style="text-align: center;"><i>Agriculture Sales Billing Determinants for FY 2025-26 &amp; FY 2026-27</i></p> <table border="1" data-bbox="282 1046 1016 1158"> <thead> <tr> <th>Particulars</th> <th>FY 2025-26</th> <th>FY 2026-27</th> <th>y-o-y Increase</th> <th>Increase (%)</th> <th>Ref</th> </tr> </thead> <tbody> <tr> <td>Connections (nos)</td> <td>1500174</td> <td>1560174</td> <td>60000</td> <td>4%</td> <td>Form-2</td> </tr> <tr> <td>Contracted Demand (MW)</td> <td>5644</td> <td>6122</td> <td>478</td> <td>8%</td> <td>Form-3</td> </tr> <tr> <td>Sales (MU)</td> <td>14140</td> <td>15428</td> <td>1288</td> <td>9%</td> <td>Form-4</td> </tr> </tbody> </table>	Particulars	FY 2025-26	FY 2026-27	y-o-y Increase	Increase (%)	Ref	Connections (nos)	1500174	1560174	60000	4%	Form-2	Contracted Demand (MW)	5644	6122	478	8%	Form-3	Sales (MU)	14140	15428	1288	9%	Form-4	<p>With respect to LT V (Agriculture) sales, TGDISCOMs have followed the methodology adopted by the Hon'ble Commission. Agricultural sales for FY 2026-27 have been estimated based on 12 hours of daily supply and 180 operational days per year, using the connected load indicated in the ARR filings. Details of existing and expected load is also mentioned in the filings.</p> <p>Load and Sales Projections for FY 2026 27</p> <table border="1" data-bbox="1178 730 1742 951"> <thead> <tr> <th>Particulars</th> <th>SPDCL</th> </tr> </thead> <tbody> <tr> <td>Load Projections (hp)</td> <td>82,05,026</td> </tr> <tr> <td>Load Projections (MW)</td> <td>6121</td> </tr> <tr> <td>Sales Projections (MU) (Load in MW*12*180/10<sup>3</sup>)</td> <td>15425</td> </tr> </tbody> </table> <p>It is submitted that although the number of connections and the connected load generally exhibit a steady and linear growth trend, actual agricultural consumption does not increase in a similar manner. Agricultural energy sales are largely dependent on seasonal variations, prevailing weather conditions, and the actual irrigation requirements at the field level, resulting in fluctuating consumption patterns.</p>	Particulars	SPDCL	Load Projections (hp)	82,05,026	Load Projections (MW)	6121	Sales Projections (MU) (Load in MW*12*180/10 <sup>3</sup> )	15425
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8.	21) PFI notes from the above table that TGSPDCL has proposed addition in new unmetered connections in FY 2026-27,	it is submitted that the projections for FY 2026-27 indicating addition of certain agricultural service connections categorized as "unmetered" are in line with the prevailing State Government policy																																

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	<p>which implies that the DISCOM itself is proposing to provide new connections which will be unmetered in FY 2026-27. However, this is in violation of the MoP Electricity (Rights of Consumers) Rules, 2020 dtd. 31/12/2020, which states that no connection shall be given without a meter and such meter shall be the smart prepayment meter or pre-payment meter. Relevant extract of the said Rules is as follows:</p> <p><i>"S. Metering - (1) No connection shall be given without a meter and such meter shall be the smart prepayment meter or pre-payment meter. Any exception to the smart meter or prepayment meter shall have to be duly approved by the Commission. The Commission, while doing so, shall record proper justification for allowing the deviation from installation of the smart pre-payment meter or prepayment meter."</i></p> <p>22) PFI further observed that as per CEA Report on "Status of Metering in the Country", only 18% of the Rural Distribution Transformer (DT) in case of TG South DISCOM are metered as on 31/03/2025. In the past, Hon'ble TGERC has repeatedly directed TG DISCOMs to achieve 100% of the Agricultural DTR Metering, however, TG DISCOMs have failed to meter all Agricultural DTs as is evident from the CEA Report.</p>	<p>and the existing tariff framework applicable to agricultural consumers.</p> <p>With regard to the reference made to the Electricity (Rights of Consumers) Rules, 2020 dated 31.12.2020, it is respectfully submitted that the said Rules provide the general framework relating to consumer rights and metering. However, agricultural service connections in the State are presently governed by specific policy directions of the State Government under which supply to agriculture is being extended in accordance with approved norms.</p> <p>It is further submitted that the classification of certain agricultural services as "unmetered" in the ARR projections is primarily for billing and subsidy accounting purposes under the prevailing tariff structure. The same does not imply any deliberate violation of statutory provisions. The DISCOM is implementing metering in a phased manner in accordance with directions issued by the appropriate authorities and subject to availability of approved schemes, regulatory approvals, and funding support.</p> <p>Therefore, the mere projection of new agricultural connections under the existing unmetered category for FY 2026-27 cannot be construed as a violation of the aforesaid Rules. The DISCOM remains committed to complying with all applicable statutory provisions and regulatory directions as may be issued from time to time by the appropriate authorities.</p> <p>The DISCOMs have proposed to undertake segregation of agricultural feeders under the RDSS program to enable better monitoring and accurate accounting of agricultural consumption subject to approval from GOI.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
9.	<p>23) Distribution Losses, Metering, Billing and Collection are controllable parameters on the part of DISCOMs and therefore, True-up should not be allowed for masked inefficiencies on account of DISCOMs. Due to lack of metered connections and huge unmetered Sales, Proper Energy Accounting and Actual Distribution losses cannot be ascertained. Thus, the inefficiencies of TG DISCOMs are borne by honest metered consumers.</p>	<p>It is submitted that the True-up exercise is undertaken strictly in accordance with the provisions of Tariff Regulations framed by the State Commission. The True-up process is a statutory mechanism intended to reconcile approved projections with actual audited performance. The Hon'ble Commission prudently examines the deviations and allows only those variations that are justified, duly supported by audited accounts and verified data.</p> <p>As regards metering and energy accounting, it is submitted that 100% feeder metering have already been completed to improve energy audit and loss estimation. Even in the case of agricultural services categorized as unmetered for billing purposes, consumption assessment is carried out based on approved norms, load studies, and sample metering, as per the methodology approved by the Commission. Therefore, the assertion that actual distribution losses cannot be ascertained is factually incorrect.</p> <p>TGDISCOMs submit that the True-Up mechanism already limits recognition of agricultural sales strictly to the levels approved by the Hon'ble Commission, which are significantly lower than the actual sales incurred.</p>
10.	<p>24) Further, TG DISCOMs have not given detailed calculations on how unmetered sales have been estimated. PFI notes than in ARR Petitions for FY 2026-27 of other States, like Madhya Pradesh, detailed norms considered for projecting the unmetered</p>	<p>TGDISCOMs submit that LT-V (Agriculture) unmetered sales have been estimated strictly in line with the methodology approved by the Hon'ble Commission. Agricultural sales for FY 2026-27 have been projected using a load-based approach, considering 12 hours of</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee																																																																																							
	<p>Sales are provided. Relevant extract from MP DISCOMs' ARR Petition for FY 2026-27 is as follows.</p> <p style="text-align: center;"><i>Revised ARR for FY 2026-27 and Tariff Proposal for FY 2026-27</i></p> <p>3.2.6.1 For Temporary Metered &amp; Temporary Permanent Connections, the estimation of Consumers and Load has been carried out on Monthly basis instead of directly applying the growth rate to annual figures. For unmetered temporary agriculture consumers under this category, the assessed consumption is considered as per the norms stipulated by Hon'ble Commission in the Tariff order for FY 2025-26. The same is shown as below</p> <p style="text-align: center;"><b>Table 22: Phase Wise Assessment for Un-metered Temporary Agriculture Connections</b></p> <table border="1" data-bbox="387 432 808 533"> <thead> <tr> <th rowspan="3">Phase</th> <th colspan="2">Figures in Unit</th> </tr> <tr> <th>Urban</th> <th>Rural</th> </tr> <tr> <th>2024-25</th> <th>2024-25</th> </tr> </thead> <tbody> <tr> <td>Three Phase</td> <td>220</td> <td>195</td> </tr> <tr> <td>Single Phase</td> <td>230</td> <td>205</td> </tr> </tbody> </table> <p>3.2.6.2 The month-wise segregation of norms for assessed consumption of unmetered permanent agricultural connections are as shown below:</p> <p style="text-align: center;"><b>Table 23: Phase Wise Assessment for Unmetered Permanent Agricultural Connections</b></p> <table border="1" data-bbox="407 619 797 887"> <thead> <tr> <th rowspan="2">Figures in Unit</th> <th colspan="2">Three Phase</th> <th colspan="2">Single Phase</th> </tr> <tr> <th>Urban</th> <th>Rural</th> <th>Urban</th> <th>Rural</th> </tr> </thead> <tbody> <tr><td>Months</td><td></td><td></td><td></td><td></td></tr> <tr><td>April</td><td>95</td><td>95</td><td>95</td><td>95</td></tr> <tr><td>May</td><td>95</td><td>95</td><td>95</td><td>95</td></tr> <tr><td>June</td><td>95</td><td>95</td><td>95</td><td>95</td></tr> <tr><td>July</td><td>95</td><td>95</td><td>95</td><td>95</td></tr> <tr><td>Aug</td><td>95</td><td>95</td><td>95</td><td>95</td></tr> <tr><td>Sept</td><td>95</td><td>95</td><td>95</td><td>95</td></tr> <tr><td>Oct</td><td>170</td><td>170</td><td>180</td><td>180</td></tr> <tr><td>Nov</td><td>170</td><td>170</td><td>180</td><td>180</td></tr> <tr><td>Dec</td><td>170</td><td>170</td><td>180</td><td>180</td></tr> <tr><td>Jan</td><td>170</td><td>170</td><td>180</td><td>180</td></tr> <tr><td>Feb</td><td>170</td><td>170</td><td>180</td><td>180</td></tr> <tr><td>March</td><td>170</td><td>170</td><td>180</td><td>180</td></tr> </tbody> </table> <p>25) Impact of proper Energy Accounting, which is achieved through metering, is huge. Assuming that we have real numbers of Power Purchase Quantum at State Periphery and the same is allowed in totality because it is serving both metered and unmetered consumer is entirely wrong. Power Purchase Quantum has been done to meet two things</p> <p>- (i) consumption and (ii) losses (Transmission &amp; Distribution Loss). Unmetered consumption is an estimated figure and could be used to mask DISCOM losses. Further analysis might lead to the</p>	Phase	Figures in Unit		Urban	Rural	2024-25	2024-25	Three Phase	220	195	Single Phase	230	205	Figures in Unit	Three Phase		Single Phase		Urban	Rural	Urban	Rural	Months					April	95	95	95	95	May	95	95	95	95	June	95	95	95	95	July	95	95	95	95	Aug	95	95	95	95	Sept	95	95	95	95	Oct	170	170	180	180	Nov	170	170	180	180	Dec	170	170	180	180	Jan	170	170	180	180	Feb	170	170	180	180	March	170	170	180	180	<p>daily supply for 180 days, along with the connected load figures provided in the ARR filings.</p> <p>It is submitted that the Power Purchase Quantum at the State periphery is not approved or allowed in a mechanical or unconditional manner. Under the regulatory framework of the Electricity Act, 2003, the Hon'ble Commission approves power procurement based on detailed load forecasts, sales projections, loss levels, and prudence checks.</p> <p>Agricultural consumption, though categorized as unmetered for billing purposes in certain segments, is not arbitrarily assumed. It is assessed based on:</p> <ul style="list-style-type: none"> <li>• Connected load and number of services,</li> </ul>
Phase	Figures in Unit																																																																																								
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	<p>conclusion that losses are higher rather than unmetered consumption. For instance, in the table below, it can be seen that for the same Power Purchase Quantum of 140 MU, the Distribution Loss can vary drastically.</p> <table border="1" data-bbox="277 368 1023 456"> <thead> <tr> <th>Scenario</th> <th>Metered Sales (MU)</th> <th>Unmetered Sales (MU)</th> <th>Distribution Losses (MU)</th> <th>Power Purchase Quantum (MU)</th> </tr> </thead> <tbody> <tr> <td>Scenario 1</td> <td>100</td> <td>30</td> <td>10</td> <td>140</td> </tr> <tr> <td>Scenario 2</td> <td>100</td> <td>25</td> <td>15</td> <td>140</td> </tr> </tbody> </table>	Scenario	Metered Sales (MU)	Unmetered Sales (MU)	Distribution Losses (MU)	Power Purchase Quantum (MU)	Scenario 1	100	30	10	140	Scenario 2	100	25	15	140	<ul style="list-style-type: none"> <li>• Hours of supply,</li> <li>• Feeder-wise energy input,</li> <li>• Sample metering studies,</li> <li>• Norms approved by the Commission, and</li> </ul> <p>The hypothetical illustration that the same power purchase quantum (e.g., 140 MU) can yield drastically different distribution loss levels does not reflect the actual regulatory process. Loss determination is not a residual or discretionary figure; it is computed after detailed energy balance analysis. Any abnormal variation in loss levels is examined by the Hon'ble Commission against approved targets, and deviations are treated as controllable or uncontrollable, as per the applicable Regulations.</p> <p>Accordingly, the estimation of unmetered agricultural sales is neither arbitrary nor masking losses, rather, it is derived from a methodology that is duly approved by the Commission, linked to connected load and supply parameters, and field conditions.</p>
Scenario	Metered Sales (MU)	Unmetered Sales (MU)	Distribution Losses (MU)	Power Purchase Quantum (MU)													
Scenario 1	100	30	10	140													
Scenario 2	100	25	15	140													
11.	<p>26) Further, some of the key parameters highlighting the negative performance of TGSPDCL DISCOMs are as follows:</p> <p>a) TGSPDCL is a loss-making utility and has been rated at 'C-' as per 14th Integrated Rating for FY 2024-25.</p> <p>b) AT&amp;C Loss for FY 2024-25 is 18.51%, higher than All India</p>	<p>The submissions made by PFI are denied:</p> <ol style="list-style-type: none"> <li>1. With regard to the Integrated Rating ('C-'): the Integrated Rating exercise is a composite assessment covering multiple financial and operational parameters. The rating is not a standalone indicator of operational inefficiency of the</li> </ol>															

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	<p>Average of 15.04%</p> <p>c)ACS-ARR Gap (on Cash basis) stands at Rs. 1.14/kWh for FY 2024-2527)</p> <p>27) In view of the above, PFI submits in case of such huge unmetered Sales, Distribution losses of TGSPDCL cannot be ascertained accurately, and proper Energy Accounting cannot be done. PFI requests the Hon'ble Commission to direct DISCOMs to submit action plan for metering at least 100% Agricultural Distribution Transformers at first level and to submit the action plan to meter all the unmetered agricultural sales in maximum 5 years. Further penal action u/s 142 of Electricity Act, 2003 maybe taken for non-compliance with the directions of the Commission.</p>	<p>DISCOM.</p> <p>2. With regard to AT&amp;C Loss of 18.51% vis-à-vis All-India Average:The comparison with All-India Average (15.04%) is not appropriate without considering structural differences in consumer mix and network characteristics. TGSPDCL services a substantial agricultural and rural consumer base, with dispersed load and long LT network, which inherently impacts technical losses. Loss levels are determined and monitored in accordance with targets approved by the Hon'ble Commission. The DISCOM has been undertaking continuous loss-reduction measures</p> <p>3. With regard to ACS-ARR Gap (Rs. 1.14/kWh on cash basis):The gap is examined by the Hon'ble Commission during ARR and True-up proceedings and addressed in accordance with regulatory principles.</p> <p>The DISCOMs have proposed to undertake segregation of agricultural feeders under the RDSS program to enable better monitoring and accurate accounting of agricultural consumption subject to approval from GOI.</p>
12.	<p>B. REVISED POWER PURCHASE EXPENSES</p> <p>B.1 Higher Cost of Central Generating Stations</p> <p>28) PFI notes while computing Variable Cost &amp; Fixed Cost of</p>	<p>TGDISCOMs have considered a 3% escalation in the fixed cost and a 5% escalation in the variable cost of Central Generating Stations (CGS) for FY 2026-27, based on the trend of cost increases witnessed in previous years and to reasonably account for the</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	Central Generating Stations TGSPDCL has considered escalation of 5% & 3% respectively on H1 FY 2025-26 actuals. However, no reasoning has been provided by TGSPDCL for arbitrarily considering such escalations.	expected rise in costs during the ensuing year.
13.	<p>29) It is submitted that the Central Government, vide MoF Notification No.9 /2025-Central Tax (Rate) dated 17/09/2025, has increased the GST rate on coal from 5% to 18%; and vide Notification No. 2/2025-Compensation Cess (Rate) dated 17/09/2025, has abolished the Compensation Cess of Rs. 400/MT, with effect from 22/09/2025. The abolition of the Compensation Cess and the increase in the GST rate on coal have impact on the cost of coal to be procured by the generating companies. Hon'ble CERC vide its suo-moto order dated 1/10/2025, has mentioned that changes due to GOI notifications dated 17/09/2025, squarely fall within the ambit of a change in law event and will be applicable to all PPAs having a composite scheme and covered under Section 63 of the Act, except in case of the generating companies having captive coal mines.</p> <p>30) It is expected that rationalisation of GST rates on coal from 5% to 18% and removal of compensation cess of Rs. 400 per ton, will reduce the cost of generation for coal-based power generators. Further, Ministry of Coal estimated that impact of the new reform on coal pricing and the power sector is a substantial reduction in overall tax burden, with coal grades G6 to G17 seeing decreases</p>	<p>The projections of Variable Cost (VC) for TGGENCO thermal stations have been made after duly considering the impact of reduction in coal cost by Singareni Collieries Company Limited, as well as the effect of changes in taxation, including the increase in GST rate from 5% to 18% and the abolition of the ₹400 Compensation Cess.</p> <p>After factoring in the above elements, the projected Variable Cost for TGGENCO stations for the ensuing year is lower than the actual VC incurred during FY 2024-25.</p>

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	in the range of Rs. 13 .40 per tonne to Rs. 329.61 per tonne. For the power sector, the average reduction is estimated to be around Rs. 260 per tonne, translating into a cut of 17-18 paise per kWh in the cost of generation.																								
14.	31) Therefore, it will not be prudent to escalate the ARR of FY 2026-27 and allow upfront loading in Tariff, due to increased Power Purchase Cost, for the consumers ofTelangana. Moreover, Hon'ble Commission has already approved the monthly Fuel and Power Purchase Adjustment Surcharge (FPPAS), which recovers the variation in Power Purchase & Transmission cost through automatic route.	The Fuel Cost Adjustment (FCA) mechanism adjusts only the variation between the power purchase cost approved by the Commission and the actual cost incurred. If the ARR projections are understated, the shortfall will subsequently surface as a higher FCA recovery. It is therefore prudent to approve realistic and reasonable power purchase cost projections upfront, rather than defer recovery through larger ex-post FCA adjustments.																							
15.	<p>32) PFI has computed the Power Purchase Cost for FY 2026-27 considering energy charge rate &amp; fixed cost the same as H1 FY 2026-27 actuals.</p> <p style="text-align: center;"><i>Power Purchase Cost/or TGSPDCLfrom CGS Stations</i></p> <table border="1" data-bbox="282 970 1008 1058"> <thead> <tr> <th rowspan="2">Stations</th> <th colspan="3">Claimed (Rs. Cr.)</th> <th colspan="4">PFI Working (Rs. Cr.)</th> </tr> <tr> <th>Fixed Cost</th> <th>Variable Cost</th> <th>Total Cost</th> <th>Fixed Cost</th> <th>Variable Cost</th> <th>Total Cost</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>CGS</td> <td>2,484</td> <td>4,994</td> <td>7,477</td> <td>2,412</td> <td>4,756</td> <td>7,167</td> <td>(310)</td> </tr> </tbody> </table> <p>33) PFI requests Hon'ble TGERC to consider the same Power Purchase Cost (FC and VC) for CGSs as H1 FY 2026-27 actuals. Any difference in Actual and Allowed Power Purchase Cost will be automatically factored in Fuel and Power Purchase Adjustment Surcharge (FPPAS) mechanism for FY 2026-27. It will not be prudent to escalate the ARR of FY 2026-27 and allow upfront</p>	Stations	Claimed (Rs. Cr.)			PFI Working (Rs. Cr.)				Fixed Cost	Variable Cost	Total Cost	Fixed Cost	Variable Cost	Total Cost	Difference	CGS	2,484	4,994	7,477	2,412	4,756	7,167	(310)	<p>The power purchase cost projected for FY 2026-27 is based on contractual commitments, demand projections, cost trends, and reasonable forward-looking assumptions. The same is subject to prudence scrutiny by the Hon'ble Commission.</p> <p>Accordingly, the request to freeze CGS fixed and variable cost at H1 FY 2025-26 actual levels and to shift any variation either to FPPAS or to Government subsidy is not justified.</p>
Stations	Claimed (Rs. Cr.)			PFI Working (Rs. Cr.)																					
	Fixed Cost	Variable Cost	Total Cost	Fixed Cost	Variable Cost	Total Cost	Difference																		
CGS	2,484	4,994	7,477	2,412	4,756	7,167	(310)																		

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	loading in Tariff, due to increased Power Purchase Cost, for the consumers of Telangana. The difference in claimed Power Purchase Cost and as computed by PFI may be borne by the Govt. of Telangana in the form of subsidy.																																																																												
16.	<p>C. REVISED NET DISTRIBUTION ARR</p> <p>34) TGSPDCL in the ARR Petition for Distribution Wheeling Business for FY 2026-27 submitted net Distribution ARR (comprising of O&amp;M expenses, Depreciation, Interest and finance charges on Loan and Return on Equity) of Rs. 5,996 Cr.</p> <p>35) However, based on the applicable Regulatory provisions PFI has worked out net Distribution ARR of Rs. 5,558 Cr. for TGSPDCL. The detailed submission of PFI has been made in its letter dtd. 16/01/2025 sent to Hon'ble Commission in this regard. The Summary of claimed and PFI working of net Distribution Wheeling Cost for FY 2026-27 is as follows:</p> <p style="text-align: center;">(Rs. Cr.)</p> <table border="1" data-bbox="286 1011 1025 1350"> <thead> <tr> <th>Sr. No.</th> <th>Particulars</th> <th>Claimed by DISCOM</th> <th>Proposed by PFI</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Operation &amp; Maintenance (O&amp;M) Expenses (1a+1b+1c)</td> <td>4072</td> <td>4072</td> <td>0</td> </tr> <tr> <td>1a</td> <td>Employee Expenses</td> <td>3638</td> <td>3638</td> <td></td> </tr> <tr> <td>1b</td> <td>Administrative &amp; General (A&amp;G) Expenses</td> <td>199</td> <td>199</td> <td></td> </tr> <tr> <td>1c</td> <td>Repair &amp; Maintenance (R&amp;M) Expenses</td> <td>235</td> <td>235</td> <td></td> </tr> <tr> <td>2</td> <td>Return on Equity (RoE)</td> <td>434</td> <td>380</td> <td>(54)</td> </tr> <tr> <td>2a</td> <td>Less: Additional 2% RoE on account of SOP</td> <td></td> <td>54</td> <td></td> </tr> <tr> <td>3</td> <td>Interest on Loan</td> <td>840</td> <td>840</td> <td>0</td> </tr> <tr> <td>4</td> <td>Interest on Working Capital</td> <td>150</td> <td>150</td> <td>0</td> </tr> <tr> <td>5</td> <td>Depreciation</td> <td>1034</td> <td>650</td> <td>(384)</td> </tr> <tr> <td>5a</td> <td>Depreciation from Consumer Contributed Assets</td> <td></td> <td>384</td> <td></td> </tr> <tr> <td>6</td> <td>Aggregate Revenue Requirement (ARR)</td> <td>6,530</td> <td>6,092</td> <td>(438)</td> </tr> <tr> <td>7</td> <td>Less: Non-Tariff Income</td> <td>532</td> <td>532</td> <td>0</td> </tr> <tr> <td>8</td> <td>Other Income</td> <td>1</td> <td>1</td> <td></td> </tr> <tr> <td>9</td> <td>Net ARR</td> <td>5,996</td> <td>5,558</td> <td>(438)</td> </tr> </tbody> </table>	Sr. No.	Particulars	Claimed by DISCOM	Proposed by PFI	Difference	1	Operation & Maintenance (O&M) Expenses (1a+1b+1c)	4072	4072	0	1a	Employee Expenses	3638	3638		1b	Administrative & General (A&G) Expenses	199	199		1c	Repair & Maintenance (R&M) Expenses	235	235		2	Return on Equity (RoE)	434	380	(54)	2a	Less: Additional 2% RoE on account of SOP		54		3	Interest on Loan	840	840	0	4	Interest on Working Capital	150	150	0	5	Depreciation	1034	650	(384)	5a	Depreciation from Consumer Contributed Assets		384		6	Aggregate Revenue Requirement (ARR)	6,530	6,092	(438)	7	Less: Non-Tariff Income	532	532	0	8	Other Income	1	1		9	Net ARR	5,996	5,558	(438)	The revised O&M expenses, Depreciation, Interest and Finance Charges, and Return on Equity projected for FY 2026-27 have been calculated strictly in accordance with MYT Regulations, 2023. TGDISCOMs have already addressed the very same objections during the Distribution Business public hearing. We therefore request the Hon'ble Commission to consider the submissions made by TGDISCOMs for approval.
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9	Net ARR	5,996	5,558	(438)																																																																									

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	<p>36) PFI requests Hon'ble TGERC to consider the submission made by PFI and accordingly allow net Distribution Wheeling ARR considering the PFI working shown above.</p> <p>C.REVISED O&amp;M EXPENSES, DEPRECIATION, FINANCE CHARGES AND RoE FOR RETAIL SUPPLY BUSINESS</p> <p>37) Based on the detailed submission made vide letter dtd. 16/01/2025 to Hon'ble Commission with respect to Distribution Wheeling Business ARR wherein PFI hadworked out revised O&amp;M expenses, Depreciation, Finance Charges and RoE applicable for TGSPDCL for FY 2026-27, the revised applicable expenses for Retail Supply Business, i.e., 10% of the Total ARR, is as follows:</p> <p style="text-align: center;"><i>Summary of Retail Supply expenses for FY 2026-27 for TGSPDCL (Rs. Cr.)</i></p> <table border="1" data-bbox="286 842 990 1002"> <thead> <tr> <th rowspan="2">Particulars (for Retail Supply, 10% of total)</th> <th colspan="3">TGSPDCL</th> </tr> <tr> <th>Claimed</th> <th>PFI Working</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>Operation and Maintenance expenses</td> <td>452</td> <td>452</td> <td>0</td> </tr> <tr> <td>Depreciation</td> <td>115</td> <td>72</td> <td>(43)</td> </tr> <tr> <td>Interest and finance charges on Loan</td> <td>93</td> <td>93</td> <td>0</td> </tr> <tr> <td>Return on Equity</td> <td>48</td> <td>42</td> <td>(6)</td> </tr> <tr> <td><b>Total Expenditure</b></td> <td><b>708</b></td> <td><b>660</b></td> <td><b>(49)</b></td> </tr> </tbody> </table> <p>38) PFI requests Hon'ble TGERC to consider the above expenses pertaining to Retail Supply Business as worked out by PFI while computing the ARR of TGSPDCL for FY 2026-27.</p>	Particulars (for Retail Supply, 10% of total)	TGSPDCL			Claimed	PFI Working	Difference	Operation and Maintenance expenses	452	452	0	Depreciation	115	72	(43)	Interest and finance charges on Loan	93	93	0	Return on Equity	48	42	(6)	<b>Total Expenditure</b>	<b>708</b>	<b>660</b>	<b>(49)</b>	
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<b>Total Expenditure</b>	<b>708</b>	<b>660</b>	<b>(49)</b>																										
17.	<p>D. SUMMARY OF ARR FY 2026-27</p> <p>1) As stipulated above, summary of PFI Comments on ARR of FY 2026-27 for TGSPDCL Retail Supply Business is as follows,</p>	<p>TGDISCOMs reiterate that, with respect to the replies furnished to the preceding queries, the submissions have been made strictly in accordance with the applicable Regulations. The Commission is</p>																											

S.No.	Summary of Objections / Suggestions	Response of the Licensee																																																																																																																													
	<p>Hon'ble Commission is requested to kindly consider the same.</p> <p style="text-align: center;">(Rs. Cr.)</p> <table border="1" data-bbox="277 240 1025 906"> <thead> <tr> <th>Sr. No.</th> <th>Particulars</th> <th>Claimed by DISCOM</th> <th>Proposed by PFI</th> <th>Difference</th> </tr> </thead> <tbody> <tr><td>1</td><td>Sales (MU)</td><td>63753</td><td>63753</td><td>0</td></tr> <tr><td>2</td><td>Distribution Loss</td><td>7.98%</td><td>7.98%</td><td></td></tr> <tr><td>3</td><td>Transmission Loss</td><td>3.67%</td><td>3.67%</td><td></td></tr> <tr><td>4</td><td>Power Purchase Cost</td><td>38492</td><td>38182</td><td>(310)</td></tr> <tr><td>4a</td><td>Less: Escalation in FC &amp; VC of CGS Plants</td><td></td><td>310</td><td></td></tr> <tr><td>5</td><td>Transmission Cost</td><td>4133</td><td>4133</td><td></td></tr> <tr><td>6</td><td>Operation &amp; Maintenance (O&amp;M) Expenses (6a+6b+6c)</td><td>452</td><td>452</td><td>0</td></tr> <tr><td>6a</td><td>Employee Expenses</td><td>404</td><td>404</td><td></td></tr> <tr><td>6b</td><td>Administrative &amp; General (A&amp;G) Expenses</td><td>22</td><td>22</td><td></td></tr> <tr><td>6c</td><td>Repair &amp; Maintenance (R&amp;M) Expenses</td><td>26</td><td>26</td><td></td></tr> <tr><td>7</td><td>Return on Equity</td><td>48</td><td>42</td><td>(6)</td></tr> <tr><td>7a</td><td>Less: Additional 2% RoE on account of SOP</td><td></td><td>6</td><td></td></tr> <tr><td>8</td><td>Interest on Loan</td><td>93</td><td>93</td><td>0</td></tr> <tr><td>9</td><td>Interest on Working Capital</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>10</td><td>Depreciation</td><td>115</td><td>72</td><td>(43)</td></tr> <tr><td>10a</td><td>Less: Depreciation from Consumer Contributed Assets</td><td></td><td>43</td><td></td></tr> <tr><td>11</td><td>Other Costs</td><td>6908</td><td>6470</td><td>(438)</td></tr> <tr><td>11a</td><td>Less: Comments on Distribution Wheeling Business</td><td></td><td>438</td><td></td></tr> <tr><td>12</td><td>Aggregate Revenue Requirement (ARR)</td><td>50,241</td><td>49,444</td><td>(797)</td></tr> <tr><td>13</td><td>Less: Non-Tariff Income</td><td>83</td><td>83</td><td>0</td></tr> <tr><td>14</td><td>Other Income</td><td>198</td><td>198</td><td></td></tr> <tr><td>15</td><td>Net ARR</td><td>49,960</td><td>49,163</td><td>(797)</td></tr> <tr><td>16</td><td>Revenue from Sale of Power</td><td>40378</td><td>40378</td><td></td></tr> <tr><td>17</td><td>Revenue (Gap)/Surplus</td><td>(9582)</td><td>(8785)</td><td></td></tr> </tbody> </table> <p>In view of above, elements of ARR which are not as per Regulatory provisions may not be passed on to the consumers, rather it should be borne by Govt. of Telangana in the form of subsidy. Accordingly, the subsidy to be decided by Govt. of Telangana for FY 2026-27 should include Rs. 797 Cr. additionally.</p>	Sr. No.	Particulars	Claimed by DISCOM	Proposed by PFI	Difference	1	Sales (MU)	63753	63753	0	2	Distribution Loss	7.98%	7.98%		3	Transmission Loss	3.67%	3.67%		4	Power Purchase Cost	38492	38182	(310)	4a	Less: Escalation in FC & VC of CGS Plants		310		5	Transmission Cost	4133	4133		6	Operation & Maintenance (O&M) Expenses (6a+6b+6c)	452	452	0	6a	Employee Expenses	404	404		6b	Administrative & General (A&G) Expenses	22	22		6c	Repair & Maintenance (R&M) Expenses	26	26		7	Return on Equity	48	42	(6)	7a	Less: Additional 2% RoE on account of SOP		6		8	Interest on Loan	93	93	0	9	Interest on Working Capital	0	0	0	10	Depreciation	115	72	(43)	10a	Less: Depreciation from Consumer Contributed Assets		43		11	Other Costs	6908	6470	(438)	11a	Less: Comments on Distribution Wheeling Business		438		12	Aggregate Revenue Requirement (ARR)	50,241	49,444	(797)	13	Less: Non-Tariff Income	83	83	0	14	Other Income	198	198		15	Net ARR	49,960	49,163	(797)	16	Revenue from Sale of Power	40378	40378		17	Revenue (Gap)/Surplus	(9582)	(8785)		<p>therefore requested to take the said submissions on record and consider them appropriately.</p>
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18.	<p>Prayers before Hon'ble TGERC:</p> <p>1)To consider the comments / suggestions of Power Foundation of India (PFI) on the FY 2024-25 True-Up Petition of TGSPDCL Retail Supply Business.</p>	<p>The issues raised herein have already been addressed in the preceding submissions.</p>																																																																																																																													

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>2)To conduct True-Up of FY 20223-23. FY 2023-24 &amp; FY 2024-25 on suo-motu basis by 31st March 2026 as mandated by Hon'ble APTEL.</p> <p>3)To consider Collection Efficiency as 100% while approving the Revenue for FY 2024-25</p> <p>4)To consider the comments / suggestions of Power Foundation of India (PFI) on the ARR Petitions FY 2026-27 of TGDISCOMs.</p> <p>5)To direct TGDISCOMs to submit action plan for 100% Agricultural Distribution Transformers at first level and to submit the action plan to meter all the unmetered agricultural sales in maximum 5 years. Further to take penal action u/s 142 of Electricity Act, 2003 for non-compliance with the directions of the Commission.</p> <p>6)To not consider any escalation in Fixed Cost &amp; Energy Charge Rate while determining the Power Purchase Cost of Central Generating Stations as a result of Gol Notification dated 17/09/2025 w.r.t. removal of Coal Cess and increase in GSTon coal.</p> <p>7)To consider comments submitted by PFI on Distribution Wheeling Business Petitions submitted vide Letter dated 16/01/2026.</p> <p>8)The inefficiency of DISCOM should not be passed through in the ARR and may be borne by the Govt. of Telangana in the form of additional subsidy of Rs. 797 Cr. for FY 2026-27.</p>	

32. Appali Narsimlu S/o Mogulappa, Bapanapalli (V), Dhamaragidda(Mdl), Narayanpet(Dist), Mobile no. 9182025825

Sl.No:	అభ్యక్షన్	రిపై
1.	<p>విలేజి లింగారెడ్డిపల్లి శివారు సర్వీస్ నంబరు K26100186 కనెక్షన్ ఉన్నది. అందుగురించి అర్జీ. పైన విషయాన్నీ తమరితో మనవి చేయునది ఏమనగా పేరు అప్పలి నర్సింలు S/o మొగులప్ప, నివాసం బాపనపల్లి అయిన ప్రస్తుతం సర్వీస్ వైరు కర్రల పైన ఉన్నది. ఎప్పుడు వాన వస్తే గాలికి కింద పడి ప్రమాద స్థితి లో ఉన్నది. కావున 5 పోల్స్ మరియు <b>కేబుల్</b> మంజూరు చేయగలరని మనవి.</p>	<p>సైట్ తనిఖీ చేసిన తర్వాత, ప్రస్తుతం ఉన్న బోర్ కనెక్షన్ కోసం 4 ఎల్ టి పోల్స్ (LT Poles) అవసరమని నిర్ధారించడమైనది. ప్రస్తుతం పొలంలో పంట ఉన్నందున ఈ పనులను చేపట్టడం సాధ్యం కాదు. పంట కోత పూర్తయిన వెంటనే, పనులు ప్రారంభించి పూర్తి చేయబడతాయి</p>

33. K.Venkatappa S/o Ramulappa, Linagareddypalli(V), Dhamaragidda(Mdl), Narayanpet(Dist), Mobile no. 9014452707

<p>1.</p>	<p>విలేజి లింగారెడ్డిపల్లి శివారు సర్వీస్ నంబరు K261900048 కనెక్షన్ ఉన్నది. అందుగురించి అర్జీ. పైన విషయాన్నీ తమరితో మనవి చేయునది ఏమనగా కే. వెంకటప్ప S/o రాములప్ప నివాసం లింగారెడ్డిపల్లి అయిన ప్రస్తుతం సర్వీస్ వైరు కర్రల పైన ఉన్నది. ఎప్పుడు వాన వస్తే గాలికి కింద పడి ప్రమాద స్థితి లో ఉన్నది. కావున 5 పోల్స్ మరియు కేబుల్ మంజూరు చేయగలరని మనవి.</p>	<p>క్షేత్ర తనిఖీ ప్రకారం 4 లో-టెన్షన్ (LT) పోల్స్ అవసరమని తేలింది. ఈ పనిని ప్రారంభించి 15 రోజుల్లోపు పూర్తి చేయడం జరుగుతుంది.</p>
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34. K.Ushanna S/o Ammanna , Linagareddypalli(V), Dhamaragidda(Mdl), Narayanpet(Dist), Mobile no. 9967403805

<p>1.</p>	<p>విలేజి లింగారెడ్డిపల్లి శివారు సర్వీస్ నంబరు K261900201 కనెక్షన్ ఉన్నది. అందుగురించి అర్జీ. పైన విషయాన్నీ తమరితో మనవి చేయునది ఏమనగా కొత్తమాలే ఉషన్న తండ్రి పేరు అమ్మన్న నివాసం లింగారెడ్డిపల్లి అయిన ప్రస్తుతం సర్వీస్ వైరు కర్రల పైన ఉన్నది. ఎప్పుడు వాన వస్తే గాలికి కింద పడి ప్రమాద స్థితి లో ఉన్నది. కావున 4 పోల్స్ మరియు కేబుల్ మంజూరు చేయగలరని మనవి</p>	<p>ఫీల్డ్ ఇన్స్పెక్షన్ (క్షేత్ర తనిఖీ) ప్రకారం, బోర్ వరకు ఇప్పటికే ఎల్లీ (LT) లైన్ అందుబాటులో ఉంది మరియు ఎటువంటి పోల్స్ (స్తంభాలు) అవసరం లేదు.</p>
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35. Kavali Mogulamma W/o Hanumanthu , Linagareddypalli(V), Dhamaragidda(Mdl), Narayanpet(Dist), Mobile no. 7013983695

<p>1.</p>	<p>విలేజి లింగారెడ్డిపల్లి శివారు సర్వీస్ నంబరు K261900023 కనెక్షన్ ఉన్నది. అందుగురించి అర్జీ. పైన విషయాన్నీ తమరితో మనవి చేయునది ఏమనగా కావలి మొగులమ్మ W/o హనుమంతు నివాసం లింగారెడ్డిపల్లి అయిన ప్రస్తుతం సర్వీస్ వైరు కర్రల పైన ఉన్నది. ఎప్పుడు వాన వస్తే గాలికి కింద పడి ప్రమాద స్థితి లో ఉన్నది. కావున 6 పోల్స్ మరియు కేబుల్ మంజూరు చేయగలరని మనవి</p>	<p>ఫీల్డ్ ఇన్స్పెక్షన్ (క్షేత్ర తనిఖీ) ప్రకారం, బోర్ వరకు ఇప్పటికే ఎల్లీ (LT) లైన్ అందుబాటులో ఉంది మరియు ఎటువంటి పోల్స్ (స్తంభాలు) అవసరం లేదు.</p>
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36. Bapuli Kanthamma W/o Kistappa , Linagareddypalli(V), Dhamaragidda(Mdl), Narayanpet(Dist), Mobile no. 9000572670

<p>1.</p>	<p>విలేజి లింగారెడ్డిపల్లి శివారు సర్వీస్ నంబరు K261900021 కనెక్షన్ ఉన్నది. అందుగురించి అర్జీ. పైన విషయాన్నీ తమరితో మనవి చేయునది ఏమనగా బాపులి కాంతమ్మ W/o కిష్టప్ప నివాసం లింగారెడ్డిపల్లి అయిన ప్రస్తుతం సర్వీస్ వైరు కర్రల పైన ఉన్నది. ఎప్పుడు వాన వస్తే గాలికి కింద పడి ప్రమాద స్థితి లో ఉన్నది. కావున 4 పోల్స్ మరియు <b>కేబుల్</b> మంజూరు చేయగలరని మనవి</p>	<p>ఫీల్డ్ ఇన్స్పెక్షన్ (క్షేత్ర తనిఖీ) ప్రకారం, బోర్ వరకు ఇప్పటికే ఎల్టీ (LT) లైన్ అందుబాటులో ఉంది మరియు ఎటువంటి పోల్స్ (స్తంభాలు) అవసరం లేదు.</p>
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37. Peddanolla Chinna Narsappa S/o Buggappa, Bapanapalli (V), Dhamaragidda(Mdl), Narayanpet(Dist), Mobile no. 937420974

<p>1.</p>	<p>విలేజి బాపనపల్లి శివారు సర్వీస్ నంబరు K261000230 కనెక్షన్ ఉన్నది. అందుగురించి అర్జీ. పైన విషయాన్నీ తమరితో మనవి చేయునది ఏమనగా పెద్దనోళ్ల చిన్న నర్సప్ప S/o బుగ్గప్ప నివాసం బాపనపల్లి అయిన ప్రస్తుతం సర్వీస్ వైరు కర్రల పైన ఉన్నది. ఎప్పుడు వాన వస్తే గాలికి కింద పడి ప్రమాద స్థితి లో ఉన్నది. కావున 6 పోల్స్ మరియు <b>కేబుల్</b> మంజూరు చేయగలరని మనవి</p>	<p>ఫీల్డ్ ఇన్స్పెక్షన్ (క్షేత్ర తనిఖీ) ప్రకారం, బోర్ వరకు ఇప్పటికే ఎల్టీ (LT) లైన్ అందుబాటులో ఉంది మరియు ఎటువంటి పోల్స్ (స్తంభాలు) అవసరం లేదు.</p>
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**38. Buddapolla Mogulamma W/o Narsappa, Bapanapalli (V), Dhamaragidda(Mdl), Narayanpet(Dist), Mobile no. 7702350304**

<p><b>1.</b></p>	<p>విలేజి బాపనపల్లి శివారు సర్వీస్ నంబరు K261000189 కనెక్షన్ ఉన్నది. అందుగురించి అర్జీ. పైన విషయాన్నీ తమరితో మనవి చేయునది ఏమనగా బుడ్డపోళ్ల మొగులమ్మ W/o నర్సప్ప నివాసం బాపనపల్లి అయిన ప్రస్తుతం సర్వీస్ వైరు కర్రల పైన ఉన్నది. ఎప్పుడు వాన వస్తే గాలికి కింద పడి ప్రమాద స్థితి లో ఉన్నది. కావున 5 పోల్స్ మరియు కేబుల్ మంజూరు చేయగలరని మనవి</p>	<p>సైట్ తనిఖీ చేసిన తర్వాత, ఉన్న బోర్ కోసం 2 ఎల్టీ (LT) స్తంభాలు అవసరమని తేలింది. ప్రస్తుతం పంట పొలంలో ఉండటం వల్ల పనులను చేపట్టడం వీలుపడదు. కోతలు పూర్తయిన తర్వాత, ఈ పనులు చేపట్టి పూర్తి చేయబడతాయి.</p>
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**39. Kavali Mogulappa S/o Mogulappa, Linagareddypalli(V), Dhamaragidda(Mdl), Narayanpet(Dist), Mobile no. 7013983695**

<p><b>1.</b></p>	<p>విలేజి లింగారెడ్డిపల్లి శివారు సర్వీస్ నంబరు K261900033 కనెక్షన్ ఉన్నది. అందుగురించి అర్జీ. పైన విషయాన్నీ తమరితో మనవి చేయునది ఏమనగా కావలి మొగులప్ప S/o మొగులప్ప నివాసం లింగారెడ్డిపల్లి అయిన ప్రస్తుతం సర్వీస్ వైరు కర్రల పైన ఉన్నది. ఎప్పుడు వాన వస్తే గాలికి కింద పడి ప్రమాద స్థితి లో ఉన్నది. కావున 5 పోల్స్ మరియు కేబుల్ మంజూరు చేయగలరని మనవి</p>	<p>ఫీల్డ్ ఇన్స్పెక్షన్ (క్షేత్ర స్థాయి పరిశీలన) ప్రకారం 2 ఎల్టీ పోల్స్ (LT poles) అవసరమని తేలింది. ఈ పనిని ప్రారంభించి 15 రోజుల్లోగా పూర్తి చేయడం జరుగుతుంది.</p>
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**40. Kavali Mogulappa S/o Mogulappa, Linagareddypalli(V), Dhamaragidda(Mdl), Narayanpet(Dist), Mobile no. 7036772445**

<p><b>1.</b> విలేజి లింగారెడ్డిపల్లి శివారు సర్వీస్ నంబరు K261900203 కనెక్షన్ ఉన్నది. అందుగురించి అర్జీ. పైన విషయాన్నీ తమరితో మనవి చేయునది ఏమనగా కావలి మొగులప్ప S/o మొగులప్ప నివాసం లింగారెడ్డిపల్లి అయిన ప్రస్తుతం సర్వీస్ వైరు కర్రల పైన ఉన్నది. ఎప్పుడు వాన వస్తే గాలికి కింద పడి ప్రమాద స్థితి లో ఉన్నది. కావున 5 పోల్స్ మరియు <b>కేబుల్</b> మంజూరు చేయగలరని మనవి</p>	<p>ఫీల్డ్ ఇన్స్పెక్షన్ (క్షేత్రస్థాయి తనిఖీ) ప్రకారం 1 ఎల్ టి (LT) పోల్ అవసరమని తేలింది. ఈ పనిని చేపట్టి 15 రోజుల్లోగా పూర్తి చేయడం జరుగుతుంది.</p>
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**41. Harijan Manikyamma W/o Hanumanthu, Linagareddypalli(V), Dhamaragidda(Mdl), Narayanpet(Dist), Mobile no. 8309117386**

<p><b>1.</b> విలేజి లింగారెడ్డిపల్లి శివారు సర్వీస్ నంబరు K261900088 కనెక్షన్ ఉన్నది. అందుగురించి అర్జీ. పైన విషయాన్నీ తమరితో మనవి చేయునది ఏమనగా హరిజన మాణిక్యమ్ W/o హనుమంతు నివాసం లింగారెడ్డిపల్లి అయిన ప్రస్తుతం సర్వీస్ వైరు కర్రల పైన ఉన్నది. ఎప్పుడు వాన వస్తే గాలికి కింద పడి ప్రమాద స్థితి లో ఉన్నది. కావున 4 పోల్స్ మరియు <b>కేబుల్</b> మంజూరు చేయగలరని మనవి</p>	<p>ఫీల్డ్ ఇన్స్పెక్షన్ (క్షేత్ర తనిఖీ) ప్రకారం, బోర్ వరకు ఇప్పటికే ఎల్ టి (LT) లైన్ అందుబాటులో ఉంది మరియు ఎటువంటి పోల్స్ (స్తంభాలు) అవసరం లేదు.</p>
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**42.Kothapalli Chinna Buggappa S/o Ashanna, Malreddy palli (V), Dhamaragidda(Mdl), Narayanpet(Dist), Mobile no. 9533038112**

<p><b>1.</b></p>	<p>విలేజి మల్రెడ్డి పల్లి శివారు సర్వీస్ నంబరు K260900417 కనెక్షన్ ఉన్నది. అందుగురించి అర్జీ. పైన విషయాన్నీ తమరితో మనవి చేయునది ఏమనగా కొత్తపల్లి చిన్న బుగ్గప్ప S/o ఆశన్న నివాసం మల్రెడ్డిపల్లి అయిన ప్రస్తుతం సర్వీస్ వైరు కర్రల పైన ఉన్నది. ఎప్పుడు వాన వస్తే గాలికి కింద పడి ప్రమాద స్థితి లో ఉన్నది. కావున <b>10</b> పోల్స్ మరియు <b>కేబుల్</b> మంజూరు చేయగలరని మనవి</p>	<p>సైట్ తనిఖీ చేసిన తర్వాత, ప్రస్తుతం ఉన్న బోర్ కనెక్షన్ కోసం 4 ఎల్ టీ (LT) పోల్స్ అవసరమని తేలింది. ప్రస్తుతం పొలంలో పంట నిలబడి ఉన్నందున ఈ పనులను చేపట్టడం సాధ్యపడదు. కోతలు పూర్తయిన తర్వాత, ఈ పనులను చేపట్టి పూర్తి చేయడం జరుగుతుంది.</p>
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**43. Response to Smt. M. Santhi Vardhini, owner of house bearing No. 21-5/2, VV Nagar, Dilsukhnagar, Hyderabad.**

S.No.	Summary of Objections / Suggestions	Response of the Licensee
<p><b>1.</b></p>	<p><b>Requesting to Direct TSSPDCL to Revert to Net Consumption Billing for Rooftop Solar Consumers and Adjust Excess Collections.</b></p> <p>My service number is.. 11/2 15004 falling under Saroornagar area of TSSPDCL. I have constructed the house in the year 2012 and taken the power connection.</p> <p>In order to encourage the citizens to install solar panels on their roof tops to convert sunlight into electricity, typically for self consumption with excess power fed into the grid via net metering, the government is widely encouraging</p>	<p>TGSPDCL Billing for Rooftop Solar follows TGERC Regulations.</p> <p>TGSPDCL's current billing method for rooftop solar net metering consumers aligns with Telangana Electricity Regulatory Commission (TGERC) guidelines, particularly under the Rooftop Solar PV Grid Interactive Systems Regulation No. 01 of 2025 and prior frameworks.</p> <p>Net units (import minus export) determine billable consumption, but energy charges apply based on total import units' slab, not solely the net</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>the public by giving subsidy and having inspired by the same and also in view of the fact that it reduces electricity bills and lower carbon emissions, I have applied for converting my ordinary connection into the solar connection and accordingly I got installed 3 KV connection on my roof top. I have also encouraged many in my colony to install the solar panels on the roof tops and many have also followed me and installed roof top solar panels. In this regard I am to submit that the net metering enables solar prosumers to offset electricity bills by exporting excess solar energy to the grid using a bi-directional meter. DISCOMs (tsspdcl/tsnpdcl) calculate bills based on the net difference between imported and exported units typically on a monthly basis with surplus credits often carried forward. If electricity generated (export) is less than consumed (import) the consumer pays for the net energy. If export exceeds import, the surplus units are carried over to the next month. Like wise, if the net meter is found defective, billing is based on the average of the past three billing cycles.</p> <p>At present the TSSPDCL is collecting electricity tariffs at different slabs varying from Rs.1.95 ps per unit to Rs.10.00 per unit. For the purpose of roof top solar systems. till now the procedure adopted by the TSSPDCL used to be to collect the tariffs basing on the net consumption viz., export-import. For example, if a consumer has imported 300 units and exported only 250 units, then the billing used to be for the difference of 50 units and the charges applicable for that slab. Strangely, from October, 2025 onwards without any information or notice, the billing procedure has been changed and the TSSPDCL is charging higher rates to the consumers. When enquired with the concerned personnel of my area, it was told that the DISCOM has directed them by a memo to collect higher tariffs from the consumers though the difference falls under lower slab since the consumer has</p>	<p>amount.</p> <p>Net Metering Rules</p> <ul style="list-style-type: none"> <li>● If import &gt; export, bill for net units (e.g., 300 import - 250 export = 50 units) at slab rates corresponding to total import volume; fixed/customer charges use net.</li> <li>● If export &gt; import, excess units settled at Rs. 2.57/unit and adjusted in bills.</li> </ul> <p>Electricity is an essential service. Households below the poverty line depend on affordable electricity for basic lighting and livelihood activities. Lower tariffs ensure them access to electricity remains affordable. Basic needs are met at affordable rates while higher consumption is charged progressively.</p> <p>The Electricity Act, 2003 permits State Governments to provide subsidies to specific categories of consumers in public interest. Supporting BPL consumers aligns with the constitutional mandate of promoting social justice and equitable development.</p> <p>Higher tariffs for low-consumption households could push vulnerable families into “energy poverty,” forcing them to revert to unsafe or inefficient alternatives.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>utilized the power more than what he/she supplied via net metering. At the same time, if the consumer produces more power than what he consumes, the DISCOM will only note the same against his connection and after six months, it will pay back him if he does not consume the same at the lower slab. My requests to have a copy of the said memo went in vain.</p> <p>I am to further submit that on enquiry I found that the Honourable ERC has not permitted the DISCOMS to bill in the manner in which they are now billing for the roof top solar consumers and that it has permitted to collect only net consumption charges. The DISCOMs stating that the ERC has not specified the tariffs and that there is an ambiguity as to what are the charges applicable and instead of getting it clarified, the DISCOM has taken advantage of the same and issuing bills contrary to the procedure it followed till October, 2025 without issuing any notice to its consumers about the change, straight away violating the principles of natural justice and directly running against the main object of the government in encouraging the people to install roof top solar panels for converting the solar energy into electricity both for the purpose of reducing their electricity bills as also to reduce the carbon emission.</p> <p>I am to further submit that the roof top solar panels will not be supplied by the DISCOM free of cost and the consumer has to spend lakhs of rupees for installing the same on their houses with the intention of reducing his electricity charges and if the present system is adopted, it is a punishment given by the DISCOM to the consumer rather than encouraging them since generally upto 200 units the slab will be lower side and thereafter it will collect higher slabs viz., Rs.7.00 to Rs10.00 per unit whereas the tariff on the lower side is from Rs.1.00 to Rs.5.00. The average production of electricity for a residential connection of 3 ky would be 200 units for which the slabs would be on the lower side only as decided by the</p>	<p>Tariff structures are designed on a cross-subsidy principle, where higher consumption categories and certain commercial/industrial consumers bear relatively higher tariffs.</p> <p>The subsidy component for BPL or low-consumption domestic consumers is directly supported by the State Government budget. This progressive structure ensures equity and financial sustainability without burdening the poorest consumers.</p> <p>Since BPL consumers consume minimal units of electricity, the revenue foregone per consumer is modest. The overall financial impact is managed through cross-subsidy mechanisms and government subsidy reimbursements.</p> <p>In view of the above principles, the concessional energy charges are intentionally designed only for low-consumption and economically vulnerable consumers to ensure affordability and social equity.</p> <p>Accordingly, net-metered consumers who typically fall under higher consumption brackets cannot be equated with Below Poverty Line or lifeline consumers.</p> <p>After netting off import and export energy under the applicable net metering regulations, the applicable tariff and slab are determined based on the gross consumption pattern, not in a manner that artificially reduces their tariff to subsidized lifeline rates.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>government and if the present billing procedure is accepted, there is no use for any consumer to erect roof top solar panels by spending lakhs of rupees.</p> <p>For the foregoing reasons, I request your goodself to kindly consider the representation and direct the TSSPDCL to follow the earlier procedure by collecting the tariffs as per the net consumption tariffs on the slabs under which the consumer falls starting from 0-50 and to adjust the excessive amounts collected from the roof top solar customers in their future bills.</p> <p>For the month of January, I was issued with a bill to pay an amount of Rs.1,153/- for the excess use of nearly 100 units than what I exported to the department. In the earlier mode of billing. it would be only minimum charges of around Rs.200/-.</p>	

**44.Malugari Madhavareddy S/o Narsimha reddy, Navabpet (V & Mdl), Mahabubnagar (Dist), Mobile no. 9676092710**

1.	<p>నేను అనగా మలుగారి మాధవరెడ్డి S/o నర్సింహా రెడ్డి, నవాబుపేట (V &amp; Mdl), మహబూబ్ నగర్ జిల్లా. నా యొక్క పంట పొలం లో సర్వే నంబరు 44 లో ట్రాన్స్ ఫార్మర్ చేసు లో ఉన్నది. ఎప్పుడైనా పాడైనప్పుడు వర్షాకాలం మరియు పంట ఉన్నప్పుడు ఇబ్బందిగా ఉంది. దాన్ని పక్కకు రోడ్ పైకి తొలగించగలరని నా యొక్క ప్రార్థన.</p>	<p>మీ యొక్క విజ్ఞాపనని సంబంధిత ఏజ గారికి పంపడమయింది. ఏజ గారు విచారించి డిపార్ట్ మెంట్ పరంగా చర్యలు తీసుకోబడును</p>
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**45.Kanukurthi Narsappa S/o Balaiah, Linagareddypalli(V), Dhamaragidda(Mdl), Narayanpet(Dist), Mobile no. 6301674800**

<p>1.</p>	<p>విలేజి లింగారెడ్డిపల్లి శివారు సర్వీస్ నంబరు K261900202 కనెక్షన్ ఉన్నది. అందుగురించి అర్జీ. పైన విషయాన్నీ తమరితో మనవి చేయునది ఏమనగా కానుకుర్తి నర్సప్ప S/o బాలయ్య నివాసం లింగారెడ్డిపల్లి అయిన ప్రస్తుతం సర్వీస్ వైరు 7 కర్రల పైన ఉన్నది. కావున 7 పోల్స్ మరియు కేబుల్ మంజూరు చేయగలరని మనవి.</p>	<p>సైట్ తనిఖీ చేసిన తర్వాత, ఉన్న బోర్ కోసం 6 ఎల్ టి (LT) స్తంభాలు అవసరమని తేలింది. ప్రస్తుతం పంట పొలంలో ఉండటం వల్ల పనులను చేపట్టడం వీలుపడదు. కోతలు పూర్తయిన తర్వాత, ఈ పనులు చేపట్టి పూర్తి చేయబడతాయి.</p>
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**46.Paddanakka Kankamma W/o Buggappa, Bapanapalli (V), Dhamaragidda(Mdl), Narayanpet(Dist), Mobile no. 9386526030**

<p>1.</p>	<p>విలేజి బాపనపల్లి శివారు సర్వీస్ నంబరు K261000233 కనెక్షన్ ఉన్నది. అందుగురించి అర్జీ. పైన విషయాన్నీ తమరితో మనవి చేయునది ఏమనగా పద్దనక్క కన్నప్ప S/o బుగ్గప్ప నివాసం బాపనపల్లి అయిన పై సర్వీస్ నంబరు బోరు బావికి కరెంటు కనెక్షన్ కలదు. ప్రస్తుతం సర్వీస్ వైరు 5 కర్రల పైన ఉన్నది. ఎప్పుడు వాన వస్తే గాలికి కింద పడి ప్రమాద స్థితి లో ఉన్నది. కావున 5 పోల్స్ మరియు <b>కేబుల్</b> మంజూరు చేయగలరని మనవి</p>	<p>ఫీల్డ్ ఇన్స్పెక్షన్ (క్షేత్ర తనిఖీ) ప్రకారం, బోర్ వరకు ఇప్పటికే ఎల్ టి (LT) లైన్ అందుబాటులో ఉంది మరియు ఎటువంటి పోల్స్ (స్తంభాలు) అవసరం లేదు.</p>
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<p><b>1.</b> <b>విషయం:-</b> విద్యుత్ పంపిణీ సంస్థలు తమరికి ఏ ఆర్ ఆర్ ను తమరికి సమర్పించినారు అట్టి విషయమై నా సలహాలు సూచనలు అభ్యంతరాలను తమరికి విన్నవించుకుంటున్నాను.</p> <p>LT కేటగిరీలో 1 ఆఫ్ 2026 యూనిఫామ్ సర్వీస్ లైన్ ఛార్జెస్ నిర్ణయించి దాని అమలుకు కృషిచేసి రైతులు మరియు ఇతర ఎల్ టీ వినియోగదారుల ను DRC లాంటి కష్టాల నుండి తప్పించినందుకు తమరికి వేల వేల ధన్యవాదాలు. దానిని అమలును చేయ తలపెట్టినందుకు పంపిణీ సంస్థల యజమాన్యాలకు ప్రభుత్వానికి ప్రత్యేక ధన్యవాదాలు.</p> <p><b>1) HT వినియోగదారులకు కూడా యూనిఫామ్ సర్వీస్ లైన్ ఛార్జెస్ నిర్ణయించి వారిని కూడా ప్రత్యేకంగా నిర్మాణ రంగంలో ఉన్న బిల్డర్స్ కష్టాలను కూడా తొలగించాలని తమరిని ప్రత్యేకంగా ప్రార్థిస్తున్నాను.</b></p> <p><b>2) వ్యవసాయ రంగం తర్వాత నిర్మాణ రంగంలో అత్యధిక ఉపాధి దొరుకుతున్న కారణంగా అందరికీ అందుబాటు ధరలో ఇల్లు ఇవ్వడానికి ఆ రంగానికి వృతం ఇవ్వాలి ఉంది కానీ దురదృష్టవశాత్తు ఆ రంగం వారిని విద్యుత్ కనెక్షన్లు తీసుకునే సందర్భంలో విపరీతంగా కష్టపడుతున్నారు. వారి కష్టాలను దూరం చేయడానికి నిర్మాణ రంగంలో నుండి ఇద్దరినీ SAC మెంబర్లుగా తీసుకోవాలని తమరికి విన్నవించుకుంటున్నాను.</b></p> <p><b>3) విద్యుత్ షాక్ వల్ల దుర్మరణం చెందుతున్న రైతులు వినియోగదారులు ప్రైవేటు ఎలక్ట్రిసియాన్స్ దుర్మరణం చెందినప్పుడు అట్టి సంఘటనలకు బాధ్యులుగా సంబంధిత డిప్యూటీ ఎగ్జిక్యూటివ్ ఇంజనీర్ గారిని సూపరిండెంట్ ఇంజనీర్ గారిని బాధ్యులుగా చేయాలి. ఉన్నతాధికారుల పర్యవేక్షణ లోపం కారణంగా ఈ దుర్మరణాలు సంభవిస్తున్నాయి. ముఖ్యంగా ప్రైవేటు ఎలక్ట్రిషియన్ గ్రూప్ లో విద్యుత్తు ఉద్యోగుల క్రింద పనిచేసి దుర్మరణం పాలైనప్పుడు వారిని ఉపయోగించుకున్న పంపిణీ సంస్థల ఉద్యోగులు ఎటువంటి బాధ్యత వహించడం లేదు. దీనివల్ల గ్రూప్ లోని యువకులు నిరుద్యోగులు కొద్దిపాటి సొమ్ములకు ఆశించి వీరి దగ్గర పనిచేసి అంగ వికలురు అవ్వడమే కాకుండా దుర్మరణం పాలు అవుతున్నారు. వినియోగదారులు ప్రైవేట్ ఎలక్ట్రిషియన్స్ దుర్మరణం పాలైనప్పుడు చెల్లించే ఎక్స్ పెన్ షియా ను 5 లక్షల నుండి ఎనిమిది లక్షలకు పెంచాలి. ఈ విషయంపై ప్రత్యేక శ్రద్ధ వహించి తగిన చర్యలు తీసుకోవాలని తమరిని ప్రార్థిస్తున్నాను.</b></p> <p><b>4) టారిఫ్ పెంపు విషయంలో విద్యుత్ పంపిణీ సంస్థలు ఎటువంటి ప్రతిపాదన</b></p>	<p><b>1) రాష్ట్ర విద్యుత్ నియంత్రణ మండలి (ERC) HT వినియోగదారులకు కూడా యూనిఫామ్ సర్వీస్ లైన్ ఛార్జెస్ డ్రాఫ్ట్ జారీ చేసారు</b></p> <p>2) యూనిఫామ్ సర్వీస్ లైన్ ఛార్జెస్ వల్ల నిర్మాణ రంగం కనెక్షన్ విషయంలో పడుతున్న ఇబ్బందులు తొలగిపోతాయి.</p> <p><b>3) ఉన్నతాధికారుల పర్యవేక్షణ నిమిత్తం తగు మార్గదర్శకాలు జారీ చేయబడతాయి</b></p> <p>4) రాష్ట్ర విద్యుత్ నియంత్రణ మండలి (ERC) ప్రజాభిప్రాయ సేకరణ మరియు ప్రభుత్వ సబ్సిడీ హామీ తరువాత విద్యుత్ టారిఫ్ విషయంలో</p>
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చేయలేదు. విపరీతమైన నష్టాలలో ఉండి, రావలసిన బాకీలను ప్రభుత్వం మరియు ఇతర వర్గాల నుండి వసూలు చేసుకోలేక నిర్వహణ కొరకు అప్పులు తీసుకొచ్చి తాత్కాలిక ఏర్పాటు చేసుకొని సంస్థను నడుపుతున్నారు. ఏదో ఒక రోజు అప్పుల వలయంలో చిక్కుకున్న ఈ సంస్థలు మూతపడక తప్పని పరిస్థితి ఏర్పడుతుంది. దీనికి మేనేజ్మెంట్ తో పాటు అన్ని స్థాయిల ఉద్యోగులు కూడా బాధ్యులు. ఈ కారణంగా ప్రైవేట్ వ్యాపారస్తులు పంపిణీ రంగంలోకి వచ్చి సామాన్య వినియోగదారుల పైన ఎక్కువ భారం మోపే అవకాశం కూడా ఉంది దానికి బాధ్యత మేనేజ్మెంట్ మరియు ఉద్యోగస్తులది. పంపిణీ సంస్థలు తప్పకుండా కాల అనుగుణంగా పెరిగిన రేట్లు అనుకూలంగా విద్యుత్తు యూనిట్ రేట్లకు కూడా పెంపు ప్రతిపాదించాల్సిన బాధ్యత ఉంది. ఆ బాధ్యతను వారు విస్మరించిన కారణంగా తమరు చొరవ తీసుకొని ధరల పెరుగుదల సహేతుకంగా చేయాలని తమర్ని ప్రార్థిస్తున్నాను.

**5)** దేశంలోని దేశం లోని అన్ని ఎయిర్పోర్టుల కన్నా హైదరాబాద్ లో ఉన్న రాజీవ్ గాంధీ ఇంటర్నేషనల్ ఎయిర్పోర్ట్ లో లో యూజర్ చార్జీలు అత్యధికం. కానీ విద్యుత్ చార్జీలు అనుగుణంగా లేవు. ఎయిర్పోర్ట్ల కనీస అవసరాలు అయినా టీ, బిస్కెట్, అల్పాహారం, పార్కింగ్ లాంటి అన్ని రేట్లు అత్యధికం అలాగే విపరీతంగా అడ్వర్టైజ్మెంట్ హోర్డింగుల ద్వారా విద్యుత్ వినియోగం చేస్తున్నారు తదనుగుణంగా విద్యుత్ రేట్లు లేవు కావున తప్పకుండా ఎయిర్పోర్ట్ కు సంబంధించిన రేట్లను సవరించాలి. బస్సు స్టాండ్లతో, రైల్వే స్టేషన్ లతో ఎయిర్పోర్టు పోల్చి ఒకే గాటన కట్ట రాదు.

**6)** ప్రభుత్వం ఆధ్వర్యంలోని లిఫ్ట్ ఇరిగేషన్ HT 4 గల దాని పాత బకాయిలు రెండు పంపిణీ సంస్థలకు సుమారు 30000 కోట్లు చెల్లించాల్సి ఉన్నది. ఈ రాబోయే సంవత్సరం కు గాను 3470 కోట్లు రూపాయలు ఈ కేటగిరీలో వినియోగం ఉంటుందని చూపించారు. పాత బకాయిలు ప్రభుత్వము వారు ఎప్పుడు చెల్లిస్తారు సరియైన వివరణ ఇవ్వాలి అని తమరికి విన్నవించుకుంటున్నాము.

**7)** ఎన్పీడీసీఎల్ కు ఆదాయ అంచనా పదివేల కోట్లు ఖర్చు 23 వేల కోట్లు సుమారు ఈ పంపిణీ సంస్థను నడపాల్సిన ఉన్నతాధికారుల పైన ఎంత ఒత్తిడి ఉంటుందో తమరు గమనించాలి దీనికి సరైన పరిష్కార మార్గం కమిషన్ వారు సూచించాలని కమిషన్ వారిని ప్రార్థిస్తున్నాము.

తగు నిర్ణయం తీసుకుంటారు.

**5)** కమిషన్ వారి ఆదేశాల మేరకు GMR విమానాశ్రయం లో వెలుపల ఉన్న వాణిజ్య మరియు అడ్వర్టైజ్మెంట్ హోర్డింగుల వినియోగానికి సంబంధించిన విద్యుత్ లోడ్స్ ల ను విభజించి సంబంధిత కేటగిరీల క్రింద బిల్లింగ్ చేయుట జరుగుచున్నది.

**6)** బకాయిలకు సంబంధించి ప్రతిపాదన లు ప్రభుత్వానికి పంప డ ము జరిగింది. మీరు పేర్కొన్నట్లుగా; రాబోయే సంవత్సరానికి గాను వినియోగం కోసం కేటాయించిన నిధులతో పాటు, పాత బకాయిల కోసం ప్రతి ఏటా బడ్జెట్లో కొంత మొత్తాన్ని కేటాయిస్తూ వస్తున్నారు. 2025-26 బడ్జెట్లో విద్యుత్ కోసం బడ్జెట్ కేటాయింపును గతంతో పోలిస్తే గణనీయంగా పెంచారు.

**7)** ఎన్పీడీసీఎల్ కు సంబంధించింది

8) ప్రభుత్వం LT క్యాటగిరి డొమెస్టిక్ వారికి 200 యూనిట్లు ఉచితంగా ఇస్తున్నది. ఇతర వర్గాలకు కూడా సబ్సిడీలు నిర్ణయించి ప్రకటించారు. దానికి సంబంధించిన బిల్లులు ఎంత. ప్రభుత్వం వారు చెల్లించింది. ఎంత. బకాయి ఎంత. ప్రభుత్వం వారి నుండి వచ్చే సబ్సిడీలు ఇతర డబ్బు నెల వారిగా ఎంత వస్తుందో అట్టి క్యాష్ ఫ్లో వివరాలను బహిర్గత పరచాలి.

9) మొత్తం డిస్కాం వారీగా ఉన్న అప్పు ఎంత దానిపై వడ్డీ ఎంత. ఆ భారం ఎవరిపైన వేస్తారో కమిషన్ వారు కంపెనీలను అడిగి వివరాలు ప్రకటించేలాగా తగిన చర్యలు తీసుకోవాలని ప్రార్థిస్తున్నాము.

10) గతంలో PPA ఒప్పందం కన్నా ఎక్కువ ధర చెల్లించి దానిపైన రికవరీకి కేసులు వేసిన విషయం తెలిసింది. పంపిణీ సంస్థలకు మరియు విద్యుత్ సరఫరా దారులకు మధ్యలో ఉన్న కేసులు వివరాలు వాటిలో ఇన్వెస్ట్ అయిన మొత్తం రూపాయలు అట్టి

8) తెలంగాణ ప్రభుత్వం అమలు చేస్తున్న ప్రధాన సంక్షేమ పథకాలు మరియు వాటి కింద లభించే సబ్సిడీ ఆర్థిక సహాయ వివరాలు కింద ఇవ్వబడ్డాయి:

పథకం - సంవత్సరం 2025-26 upto Jan-2026	(Rs in Crs)		
	సబ్సిడీ అనుమతించబడింది / ఆమోదించబడింది	తెలంగాణ రాష్ట్ర ప్రభుత్వం ఇటీవల ఏర్పడిన వివిధ సబ్సిడీలు మరియు పథకాల వివరాలు	రావాల్సిన నిల్వ
గృహ మరియు వ్యవసాయ వినియోగదారులకు విద్యుత్ సుంకం రాయితీ (గృహ వినియోగం - నెలకు 0 నుండి 50 యూనిట్ల వరకు & వ్యవసాయం)	4150.28	2865.96	1284.32
ఎస్సీ (SC) కుటుంబాలకు ఉచిత విద్యుత్ పథకం వివరాలు (0 - 101 units p.m.)	7.85	0.00	7.85
ఎస్ బీ (ST) కుటుంబాలకు ఉచిత విద్యుత్ పథకం వివరాలు (0 - 101 units p.m.)	4.12	0.00	4.12
హెయిర్ కటింగ్ సెల్యూలకు ప్రభుత్వం ఆందించే రాయితీలు (upto 250 units p.m.)	13.77	0.00	13.77
లాండరీ షాపులు మరియు డిబీ షాపులకు ప్రభుత్వం ఆందించే రాయితీలు (upto 250 units p.m.)	39.44	0.05	39.39
మరమ్మరింపు కార్మికులకు ప్రభుత్వం ఆందించే రాయితీలు @ Rs. 2.00 per unit	1.01	0.00	1.01
తెలంగాణ ప్రభుత్వం ప్రవేశపెట్టిన గృహజ్యోతి పథకం (upto 200 units p.m.)	912.60	626.75	285.85
ప్రభుత్వ విద్యా సంస్థలకు ఉచిత విద్యుత్	40.35	40.35	0.00
<b>మొత్తం</b>	<b>5169.42</b>	<b>3533.11</b>	<b>1636.31</b>

9) మీరు అడిగిన వివరాలు కంపెనీ ఆడిటర్స్ అకౌంట్స్ లో పేర్కొనడం జరిగింది. ఈ వివరాలు కంపెనీ వెబ్సైటు లో పెట్టడం జరిగింది.

10) ERC ఆమోదించిన రేటు ప్రకారమే విద్యుత్ సరఫరా దారులకు చెల్లించడం జరిగింది

కేసులకు సంబంధించి వకీళ్లకు ఇచ్చిన ఫీజుల వివరాలను మరియు కేసుల స్థితిగతులను పంపిణీ సంస్థలు తెలియపరిచే విధంగా తమరు సరియైన చర్యలు తీసుకోవాలని ప్రార్థిస్తున్నాము.

**11)** సిరిసిల్ల కు సంబంధించిన సెస్ ఆర్థిక వ్యవహారాలు వాళ్ళ నష్టాలు పూడ్చుకోవడానికి తీసుకుంటున్న చర్యలు సవివరంగా తెలియజేయాలి. Cess ఇది సహకార సంస్థనా, విద్యుత్ సంస్థనా సహకార సంస్థ లో పనిచేస్తున్న అందరికీ సహకార సంస్థ వేతనాలు చెల్లించబడతాయి. సహకార రంగంలో పనిచేస్తూ విద్యుత్ రంగా వేతన చట్టాలను అమలు చేయడం ఇది సహకారస్ఫూర్తికి విరుద్ధం. నష్టాల్లో ఉన్న ఈ సంవత్సరం వెంటనే దీని లైసెన్సును రద్దుచేసి ఎన్పీడీసీఎల్ లో కలపాలని ప్రార్థిస్తున్నాను.

**12)** కన్స్ట్రూమర్ ఫోరమ్స్ CGRF గురించి క్షేత్రస్థాయిలో వినియోగదారులకు ఇంకా అవగాహన వచ్చే విధంగా పంపిణీ సంస్థలు ప్రయత్నించడం లేదు. ప్రతి కార్యాలయంలో దీని గురించి ఫ్లెక్సీలు ఏర్పాటు చేయాలి. అన్ని గ్రామ పంచాయతీలలో ఫ్లెక్సీలు ఏర్పాటు చేసి ఫోరం సేవలు అందరికీ అందేటట్లుగా తగు చర్య తీసుకోవాలి. ఫోరం చైర్మన్ గారు ఇతర సభ్యులు వినియోగదారులతో ప్రవర్తించేటప్పుడు వినియోగదారులకు సేవకులం వారి కష్టాలను తీర్చే వారిని అనే ధోరణిలో ప్రవర్తించాలి. ఫోరం నాలుగవ మెంబర్ కు తగిన గౌరవం మరియు కార్యాలయంలో సౌకర్యం ఏర్పాటు చేసి వారి గౌరవ పారితోషకాన్ని కూడా పెంచాలి. వినియోగదారుల పక్షాన వారు వినియోగదారులకు అవగాహన కల్పించడానికి వారికి కొంత ఆర్థిక వెసులుబాటు ఇతర సౌకర్యాలు కల్పించాలి అని తమరిని ప్రార్థిస్తున్నాను.

**13)** క్షేత్రస్థాయిలో పనిచేసే ఉద్యోగుల వేతనాలలో తారతమ్యాలు లేకుండా సరి చేయాలి. ఆర్డిజన్ ఉద్యోగుల వేతనాలు సవరించి వారికి సరియైన రక్షణ గౌరవం ఉద్యోగరక్షణ గౌరవం కల్పించాలి అని తమరి ద్వారా పంపిణీ సంస్థలను కోరుతున్నాను.

**11)** సెస్ కు సంబంధించింది

**12)** మీరు వ్యక్తపరిచిన అభిప్రాయాలు మరియు సూచనలు వినియోగదారుల హక్కులను పరిరక్షించడంలో అత్యంత కీలకమైనవి. విద్యుత్ వినియోగదారుల ఫిర్యాదుల పరిష్కార వేదిక (CGRF) సేవలను క్షేత్రస్థాయికి తీసుకువెళతాము.

**13)** మీ సలహాలు సూచనలు పరిగణ లోకి తీసుకోబడును

1. Response to CREDAI, Hyderabad, Lumbini Jewel Mall, 4th Floor, Road No. 2, Banjara Hills Hyderabad, Telangana, 500034

S.No.	Summary of Objections / Suggestions	Response of the Licensee
2.	<p><b>1. Land Requirement Criteria</b></p> <p>Via Memo issued by Chief Engineer dated 06/7/2024, TGSPDCL has issued for the Developers to allot land to the department in the following manner:</p> <ul style="list-style-type: none"> <li>a. For units of 500 and more — <b>800 sq. yds</b></li> <li>b. For plots or villas measuring more than 35 acres — <b>1500 sq. yds</b></li> </ul> <p>Sir, Considering the land cost in Hyderabad, both the requirements are undoable. The auction by the government for lands in itself, a testament for how expensive such lands are and hence how untenable this Memo is. Electricity department must acquire such lands and not insist from Developers. We pay tremendous fees to HMDA, GHMC, Electricity Board all in the name of Development and provision of infrastructure.</p> <p><b>Request:</b> We request to ask the department to revoke such memo and not insist Land from Developers.</p>	<p>The land requirement specified in the Memo dated 06.07.2024 has been framed after detailed technical assessments to ensure that large residential layouts and villa developments are equipped with dedicated, safe, and future-ready electrical infrastructure. High-density developments demand exclusive space for installing distribution transformers, RMUs, feeder pillars, switchgear, earthing systems, and mandatory safety clearances as per CEA Regulations and IS standards. Without adequate earmarked land, it becomes operationally impossible to ensure system reliability, maintain safe separation distances, or meet the projected load growth of such townships—leading to long-term safety risks and supply constraints for residents. Further, it must be emphasized that TGSPDCL collects all applicable development charges, network augmentation charges, and line extension charges from developers, and undertakes the expenditure required for laying additional lines and strengthening the network. The land being requested is not a cost-shifting measure, but a fundamental safety and operational requirement to house essential electrical infrastructure in a manner that complies with statutory norms and supports uninterrupted and high-quality power supply. Accordingly, the existing land allocation norms remain necessary and justified for ensuring the long-term safety, reliability, and sustainability of power supply to these gated communities and also meet future demands.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
3.	<p data-bbox="241 164 1003 233"><b>2. Electricity charges Commercial Applicability for Residential Units.</b></p> <p data-bbox="241 284 1003 595">We bring it your notice that at the time of giving the HT electricity connection to the completed buildings the department releases the connection under <b>HT-Category II (Commercial)</b> as against the relevant <b>HT Category VI (Township &amp; Residential colonies)</b> even though the building sanction is for Residential Purpose and the same is certified by the issuance of Occupancy Certificate by the relevant Authority.</p> <p data-bbox="241 646 1003 1193">The electricity department converts the HT Category II connection to HT Category VI only after the formation of the Residents' Welfare Association which takes more than 6 months for conversion itself. It is pertinent to note that as per the Real Estate Regulatory Authority act Telangana, the formation of Residents welfare Association is allowed to be registered only after 60% of the total apartments are occupied and to state that on an average the Residents take 8 to 10 months to occupy their respective apartments (flats). As such till 60% of the apartments are occupied the residents who have occupied the flats are forced to pay the electricity charges as per the commercial tariff even though the usage is purely for residential purpose.</p> <p data-bbox="241 1244 1003 1353">As a result of the above charges the flat owners are holding the developers responsible for these exorbitant electricity bills which in turn creating unwarranted</p>	<p data-bbox="1025 180 1980 667">The categorization of newly energized HT connections under HT Category–II (Commercial) at the time of release is to ensure that the electricity supply is extended only to a legally identifiable and accountable consumer entity. In the case of large residential complexes, until the Residents' Welfare Association is formally constituted and registered, the responsibility for managing and accounting for the common power consumption continues to rest with the developer. Post completion of construction works, the internal furnishing works which are carried out by the residents do not fall under domestic activity and these are considered under HT Commercial category.</p> <p data-bbox="1025 710 1980 1297">Further, conversion to HT Category VI (Townships &amp; Residential Colonies) is permissible only after the Residents' Welfare Association is formed, registered, and capable of entering into a formal agreement with TGSPDCL for ongoing consumption, billing, and safety compliance. This process ensures that the entity operating the premises has legal standing, accountability, and operational control over the common facilities. While the timelines for Residents' Welfare Association formation may vary based on occupancy, these requirements are designed to protect the interests of residents, to avoid legal complications demanding individual connections to the residents, terms for sharing of electricity charges by the residents and ensure safe load management and maintain clear contractual responsibility.</p> <p data-bbox="1025 1340 1980 1369">It is, however, reiterated that once the Residents' Welfare Association</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>dissonance between the developers and flat owners.</p> <p><b>Request:</b> We request to covert the Power to HT VI for all Residential permissions, on receipt of Occupancy Certificate.</p>	<p>submits the requisite documents—including registration proof, ownership/responsibility transfer, occupancy and compliance certificates—TGSPDCL expedites the reclassification to HT Category VI in line with applicable regulations.</p>
4.	<p><b>3. Power for Common area, STP, Club house under commercial rates:</b></p> <p>On insistence of the government and the Environmental departments the Developers built and STP in the premises to clean the water. Such and act is to help the government. In case of individual dwelling units such requirement does not exist and the government takes up the STP costs.</p> <p>The common area, parking, Fire systems, lifts roads built, in the apartments which include lifts etc., are a part of the residential complex, and are used by residents only. The entire road infrastructure within a gated complex is also maintained by the residents reducing a lot of burden to the government.</p> <p>When the end use is for the residents and the Developer community is aiding the government, applying commercial tariffs for these uses is undue tax to the residents only for choosing to stay in gated community.</p> <p><b>Request:</b> We request r to apply residential tariffs for all the uses mentioned above which will,. Help the salaried class.</p>	<p>The power consumed in common facilities such as STP plants, club houses, internal roads, lifts, fire-fighting systems, and parking areas forms part of the shared amenities of the residential complex and is operated and maintained by the residents through their association or by the developer until handover. These are part of internal services of the township and therefore fall under the purview of bulk supply to a single entity managing the premises. As per prevailing tariff regulations, such shared loads are classified under HT-VI – Townships and Residential Colonies which shall be within the limits as per Tariff Order, which is the designated category for residential developments with common infrastructure. Accordingly, the tariff applied to these common-area services is consistent and reflects the correct classification prescribed for residential townships with collective amenities.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
5.	<p><b>4. Insistence of 5 KV even for smaller units:</b></p> <p>In the past the Power used to be issued as 2 KV for 2 Bhk and 5 KV for 3 Bhk. Now the department is insisting for 5 KV for all units irrespective of its size. This is causing undue costs to the salaried class who purchase smaller dwelling units.,</p> <p><b>Request:</b> We request to ask the department to revert to issuing power as 3 KV for smaller units.</p>	<p>The earlier sanctioned load limits of 2 kW for 2-BHK units and 5 kW for 3-BHK units no longer reflect present-day consumption patterns. Even smaller apartments today routinely use multiple high-load appliances—such as air-conditioners, geysers, induction stoves, washing machines, and water pumps—resulting in actual household demand far exceeding the earlier sanctioned capacities. This has led to consistent over-drawal, transformer overload, and frequent tripping incidents within residential developments.</p> <p>To prevent unsafe over-loading of the distribution network and to ensure stable, uninterrupted power supply for all consumers, DISCOM has adopted minimum sanctioned load for every dwelling unit. This requirement is driven purely by safety considerations, realistic household usage data, and the need to protect both consumer equipment and network infrastructure. It is not linked to the area or type of the flat, but to the load actually being drawn by modern households only after inspection. Recent incidences indicate that the use of under-rated wiring has resulted in overheating of internal circuits, and the increased loading of appliances has contributed to several electrical accidents. In view of this, the permissible limits need to be revised in accordance with actual load requirements.</p>
6.	<p><b>5. Power during construction Stage:</b></p> <p>The electricity charges for the construction of buildings is accorded under the temporary category where the tariff rates are @ Rs. 11/- per unit.. It is very important to note</p>	<p>Construction activities even when spread over several years, involve temporary, shifting, and non-continuous loads, which must be classified under the Temporary Supply category as per the Tariff Order notified by</p>

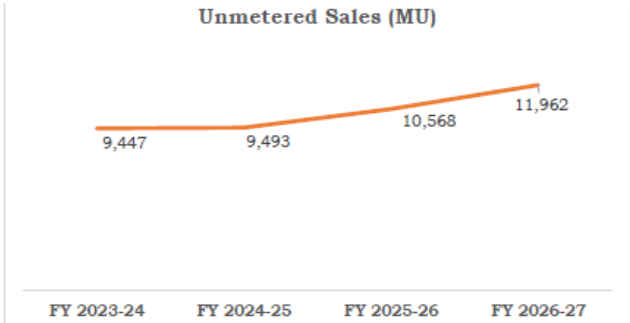
S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>the activity of building Construction is not temporary in nature and on an average, it takes 3 to 6 years to complete the buildings and also the municipal permissions are valid for 6 years with a provision to extend such permits.</p> <p><b>Request:</b> We request to give all the electricity connections for the construction purpose under industrial category.</p>	<p>Hon'ble TGERC. These loads do not constitute industrial processing or manufacturing, and therefore cannot be treated under the Industrial tariff. Accordingly, power required during construction will continue to be provided under the Temporary Supply category.</p>

**49.T. Sujatha, Sr. Director, FTCCI, 11-6-841, Federation House, Federation Marg, Federation Marg, Red Hills, Hyderabad - 500004**

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1.	<p>This is to submit that both the TG DISCOMs have claimed significant amount of Unmetered Energy Sales in FY 2026-27 pertaining to Agriculture. In case of TGNPDCL, unmetered Energy Sales claimed in FY 2026-27 are ~45% of the Total Sales while for TGSPDCL unmetered Energy Sales claimed in FY 2026-27 have been ~24% of the Total Sales.</p> <p>The Telangana Discoms have considered sales for LT V Agriculture as 15,428 MUs in Fy 2026-27 whereas in FY 2024-25 the sales for this category were 15,209 MUS and in FY 2025-26 the sales are expected to be 14,140 Mus. Despite the reduction in energy consumption in this category, high level of growth has been considered. The Energy for LT V category needs to be reduced by around 1,000 Mus and needs to be around 14,500 Mus. Similarly, the sales of at HT-I(A) under HT</p>	<p>TGDISCOMs have projected the category wise sales for FY2026-27 by considering the actual sales of FY 2024-25 with the CAGR in previous years keeping into account the expected new load additions.</p> <p>Agricultural sales projection: With respect to LT V (Agriculture) sales, TGDISCOMs have followed the methodology adopted by the Hon'ble Commission. Agricultural sales for FY 2026-27 have been estimated based on 12 hours of daily supply and 180 operational days per year, using the connected load indicated in the ARR filings. Details of existing and expected load is also mentioned in the filings. Since, the nature of agricultural consumption is similar in both DISCOM areas, the same approach has been uniformly</p>

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	<p>category 132 kV has been considered as 4,985 Mus in FY 2026-27 in comparison to 6,799 Mus in Fy 2025-26. It has been observed there is increase in sales in this category from 4,552 MUs in FY 2024-25. Thus, the sales in this category in FY 2026-27 needs to be atleast 7,000 Mus. The discoms are erroneously showing such values for sales to reduce the revenue expected to be generated in FY 2026-27.</p> <p>Reasonable growth must be provided in HT-I(A) under HT category 132 kV while the sales in LT V – Agriculture category should be reduced.</p> <p>Further, TG DISCOMs have also considered increase in number of unmetered agricultural connections in FY 2026-27 vis-à-vis actuals existing in FY 2024-25 and asin FY 2025-26. The summary of such unmetered connections is as shown below:</p> <table border="1" data-bbox="197 774 927 995"> <thead> <tr> <th>Particulars</th> <th>FY 2024-25</th> <th>FY 2025-26</th> <th>FY 2026-27</th> <th>Increase % y-o-y</th> <th>Source</th> </tr> </thead> <tbody> <tr> <td colspan="6"><b>TGNPDCL</b></td> </tr> <tr> <td>No. of Connections</td> <td>13,56,715</td> <td>14,02,289</td> <td>14,48,079</td> <td>3%</td> <td>Form-2</td> </tr> <tr> <td>Energy Sales (t)</td> <td>9,493</td> <td>10,568</td> <td>11,962</td> <td>13%</td> <td>Form-4</td> </tr> <tr> <td colspan="6"><b>TGSPDCL</b></td> </tr> <tr> <td>No. of Connections</td> <td>14,10,883</td> <td>15,00,174</td> <td>15,60,174</td> <td>40%</td> <td>Form-2</td> </tr> <tr> <td>Energy Sales (t)</td> <td>15,209</td> <td>14,140</td> <td>15,428</td> <td>9%</td> <td>Form-4</td> </tr> </tbody> </table> <p>From the above TG DISCOMs <b>themselves have proposed addition in new unmetered connections in FY 2026-27</b>. However, this is in violation of the Ministry of Power Electricity (Rights of Consumers) Rules, 2020 dtd. 31/ 12/2020, which states that no connection shall be given without a meter and such meter shall be the smart prepayment meter or pre-payment meter. Relevant extract of the said Rules is as follows:</p> <p><b>"5. Metering — (1) No connection shall be given without a meter and</b></p>	Particulars	FY 2024-25	FY 2025-26	FY 2026-27	Increase % y-o-y	Source	<b>TGNPDCL</b>						No. of Connections	13,56,715	14,02,289	14,48,079	3%	Form-2	Energy Sales (t)	9,493	10,568	11,962	13%	Form-4	<b>TGSPDCL</b>						No. of Connections	14,10,883	15,00,174	15,60,174	40%	Form-2	Energy Sales (t)	15,209	14,140	15,428	9%	Form-4	<p>applied.</p> <p>Load and Sales Projections for FY 2026 27</p> <table border="1" data-bbox="1160 279 1890 533"> <thead> <tr> <th>Particulars</th> <th>NPDCCL</th> <th>SPDCL</th> </tr> </thead> <tbody> <tr> <td>Load Projections (hp)</td> <td>7,421,344</td> <td>8,205,026</td> </tr> <tr> <td>Load Projections (MW)</td> <td>5536</td> <td>6121</td> </tr> <tr> <td>Sales Projections (MU) (Load in MW*12*180/10^3)</td> <td>11958</td> <td>15425</td> </tr> </tbody> </table> <p>It may be noted that while connections and connected load tend to show a steady, linear increase. Whereas, actual agricultural consumption does not follow the same pattern. Agricultural sales are significantly influenced by seasonality (monsoon), weather conditions, and actual demand at the field level. Such fluctuations confirm that agricultural consumption does not exhibit a smooth growth trend.</p> <p><b>For HT I(A) 132 kV Projections:</b></p> <p>FY 25 (Actuals): 4551.70 MU</p> <p>FY 26 (Projections): 4741.41 MU</p> <p>FY 27 (Projections): 4984.80 MU</p> <p>The projections are consistent and there is no erroneous reduction. The values filed are based on historical demand patterns and expected growth.</p>	Particulars	NPDCCL	SPDCL	Load Projections (hp)	7,421,344	8,205,026	Load Projections (MW)	5536	6121	Sales Projections (MU) (Load in MW*12*180/10^3)	11958	15425
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	<p><i>such meter shall be the smart prepayment meter or pre-payment meter. Any exception to the smart meter or prepayment meter shall have to be duly approved by the Commission. The Commission, while doing so, shall record proper justification for allowing the deviation from installation of the smart pre-payment meter or prepayment meter.”</i></p> <p>As such, no new unmetered connections shall be given to any category of consumer by the TG DISCOMs. It is pertinent to note that Hon'ble Commission in Tariff Order dtd. 29.04.2025 for Retail Supply Business has already directed the TG DISCOMs to meter the Agriculture consumers and in case non- compliance Commission may develop appropriate methodology for accounting of the unmetered agricultural connections. In this regard, relevant extract of the Commission's Order is as follows:</p> <p><i>“3.4.40 In respect of accounting of unmetered agricultural connections, several stakeholders have raised several concerns. Having considered the reply given by the TGDISCOMs as per the regulatory framework in respect of methodology adopted for unmetered agricultural connections, this Commission is of the opinion that though the ISI methodology to account for unmetered connections is not foolproof and that the metering of Agricultural feeders may give close data, however both the methods will not provide accurate data. Further, ASCI has also reported that the consumption of power for agriculture under ISI methodology has been provided at far less consumption level than actuals. Therefore, as long as there is no proper alternative methodology available before the Commission, the ISI methodology</i></p>	<p><b>Metering:</b></p> <p>It is submitted that the projections for FY 2026-27 indicating addition of certain agricultural service connections categorized as “unmetered” are in line with the prevailing State Government policy and the existing tariff framework applicable to agricultural consumers.</p> <p>With regard to the reference made to the Electricity (Rights of Consumers) Rules, 2020 dated 31.12.2020, it is respectfully submitted that the said Rules provide the general framework relating to consumer rights and metering. However, agricultural service connections in the State are presently governed by specific policy directions of the State Government under which supply to agriculture is being extended in accordance with approved norms.</p> <p>It is further submitted that the classification of certain agricultural services as “unmetered” in the ARR projections is primarily for billing and subsidy accounting purposes under the prevailing tariff structure. The same does not imply any deliberate violation of statutory provisions.</p> <p>The DISCOM is implementing metering in a phased manner in accordance with directions issued by the appropriate authorities and subject to availability of approved schemes, regulatory approvals, and funding support.</p>

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	<p><i>which is approved by this Commission has to be considered for calculation of unmetered agricultural connections. <b>However, this Commission has taken into consideration the concerns of the stakeholders and will try to evolve an appropriate methodology for accounting of the unmetered agricultural connections.</b></i></p> <p>However, the unmetered Agriculture Sales as claimed for FY 2026-27 have been estimated to increase by around 13% over the Agriculture Sales in FY 2025-26.</p>  <table border="1" data-bbox="197 560 824 884"> <caption>Unmetered Sales (MU)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Sales (MU)</th> </tr> </thead> <tbody> <tr> <td>FY 2023-24</td> <td>9,447</td> </tr> <tr> <td>FY 2024-25</td> <td>9,493</td> </tr> <tr> <td>FY 2025-26</td> <td>10,568</td> </tr> <tr> <td>FY 2026-27</td> <td>11,962</td> </tr> </tbody> </table> <p>FTCCI humbly request the Hon'ble Commission to take this issue as a matter of concern as Distribution Losses, Metering, Billing and Collection are controllable parameters on the part of DISCOMs. Inefficiencies on account of DISCOMs should not be allowed to be passed through in ARR. Due to lack of metered connections and huge unmetered Sales, Proper accounting and actual Distribution losses cannot be ascertained. Thus, the inefficiencies of TG DISCOMs are borne by honest metered consumers in the State.</p> <p>As for LT Agriculture sales estimation, in the Tarif order dated 28/10/2024 (Section 4.1.5, pp108), Hon'ble TGERC has laid out a</p>	Fiscal Year	Sales (MU)	FY 2023-24	9,447	FY 2024-25	9,493	FY 2025-26	10,568	FY 2026-27	11,962	<p>Therefore, the mere projection of new agricultural connections under the existing unmetered category for FY 2026-27 cannot be construed as a violation of the aforesaid Rules. The DISCOM remains committed to complying with all applicable statutory provisions and regulatory directions as may be issued from time to time by the appropriate authorities.</p> <p>The DISCOMs have proposed to undertake segregation of agricultural feeders under the RDSS program to enable better monitoring and accurate accounting of agricultural consumption subject to approval from GOI.</p> <p>The Agricultural consumption is assessed based on sample metering of agricultural feeders/DTRs, connected load data, pump-set census, and normative consumption parameters as approved by the Commission from time to time. The methodology is transparent and subject to regulatory scrutiny in every ARR and True-Up filing.</p> <p>Further, the energy balance, including T&amp;D losses, is derived from audited energy input data, metered sales data (for all metered categories), and Commission-approved estimation procedures for unmetered categories.</p> <p>TGDISCOMs also submit that higher T&amp;D losses arise due to multiple structural and operational factors such as:</p>
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	<p>procedure it has used for agriculture consumption estimation. This was based on calculating the specific consumption of pumpsets (Units/hp/year) based on historical data and using the connected load increase (due to new connections) to project sales. TGNPDCL petition mentions that connected load is used for projections. Table 1 gives the details of the number of connections, contracted demand and agriculture sales for TGNPDCL for FY24 (Actual), FY 25 &amp; FY26 (Estimates) and FY 27 (Projected).</p> <table border="1" data-bbox="192 564 1010 794"> <thead> <tr> <th>Detail</th> <th>FY24 Act</th> <th>FY25 Est</th> <th>FY26 Est</th> <th>FY27 Proj</th> </tr> </thead> <tbody> <tr> <td>Agriculture connections</td> <td>13,18,401</td> <td>13,56,715</td> <td>14,02,289</td> <td>14,48,079</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td><b>2.9</b></td> <td><b>3.4</b></td> <td><b>3.3</b></td> </tr> <tr> <td>Agr Contracted Demand MW</td> <td>4,993</td> <td>5,143</td> <td>5,369</td> <td>5,538</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td><b>3.0</b></td> <td><b>4.4</b></td> <td><b>3.2</b></td> </tr> <tr> <td>Agriculture Sales MU</td> <td>9,447</td> <td>9,493</td> <td>10,568</td> <td>11,962</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td><b>0.5</b></td> <td><b>11.3</b></td> <td><b>13.2</b></td> </tr> </tbody> </table> <p><b>Table 1: Agriculture sales trends in TGNPDCL (from NPDCL Petition and RSF Forms)</b></p> <p>It can be seen that there is a good correlation between the growth rates of number of connections and contracted demand – both are in the range of 3-4%. But the sales growth rate is only 0.5% between FY24 and FY25, but much higher for subsequent years, without any correlation to connections or demand. TGNPDCL to provide clarification on this, specifically on how the FY26 to FY27 growth rate was arrived at.</p> <p>Table 2 provides similar data for TGSPDCL.</p>	Detail	FY24 Act	FY25 Est	FY26 Est	FY27 Proj	Agriculture connections	13,18,401	13,56,715	14,02,289	14,48,079	<b>Annual Growth Rate %</b>		<b>2.9</b>	<b>3.4</b>	<b>3.3</b>	Agr Contracted Demand MW	4,993	5,143	5,369	5,538	<b>Annual Growth Rate %</b>		<b>3.0</b>	<b>4.4</b>	<b>3.2</b>	Agriculture Sales MU	9,447	9,493	10,568	11,962	<b>Annual Growth Rate %</b>		<b>0.5</b>	<b>11.3</b>	<b>13.2</b>	<ul style="list-style-type: none"> <li>• Predominantly rural network with lengthy 11 kV feeders and dispersed loads,</li> <li>• High proportion of agricultural consumption,</li> <li>• Rapid load growth and network constraints,</li> </ul> <p>TGDISCOMs are continuously undertaking loss-reduction measures including feeder segregation, HVDS implementation, strengthening of sub-transmission and distribution networks, energy accounting at feeder level, and vigilance drives to curb commercial losses.</p> <p>TGDISCOMs request the Hon'ble Commission to consider the submissions and reject the allegation that T&amp;D losses are being adjusted under Agricultural consumption.</p>
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	<p>submitted that they have addressed letter to Gol that they are ready to join RDSS scheme and are awaiting clearance of the cabinet and at the Central Government. This Commission is of the view that once the state DISCOMs join RDSS scheme, the situation in respect of DTR metering of agriculture connections may improve.</p> <p>3.5.20 Regarding agricultural consumption, the Commission has considered the concerns raised by stakeholders and members of the State Advisory Committee (SAC). Taking their suggestions into account, the Commission will conduct a detailed review of the calculation method and issue clear directions to improve the process of estimating agricultural sales.</p> <p>3.5.21 As rightly pointed out by stakeholders the T&amp;D losses are huge in the TGDISCOMs when compared to the national average. However, there is no approved data to conclude that TGDISCOMs are adjusting the energy losses in Agricultural consumption. Admittedly there could be transmission and commercial losses for variety of reasons. At the same time there could be a possibility of showing some of the energy losses in the Agricultural consumption. Therefore, unless the Agricultural consumption is properly audited, true figures in respect of T&amp;D losses of the DISCOMs cannot be found out. Since the TGDISCOMs have already submitted that they have given consent to join the RDSS and are also trying to evolve the methodology of calculating the agriculture consumption without actually fixing the meters to the agriculture motors, the situation is likely to improve in the coming financial year.”</p>	

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	<p>As above, Hon'ble Commission categorically directed the TG DISCOMs to improve the prevailing agriculture DT Metering, however, there has been no improvement in the same and still existing huge unmetered rural DTs. Further, the DISCOMs have not taken the directions issued by the Hon'ble Commission in a serious way and adopting lackadaisical approach the DISCOMs themselves have projected addition in unmetered agriculture connections in FY 2026-27.</p> <p>In view of the above, FTCCI submits before the Hon'ble Commission to take this matter as a serious concern and penal action u/ s 142 of Electricity Act, 2003 may be taken for non-compliance with the directions of the Commission by the TG DISCOMs.</p> <p>Further, FTCCI requests the Hon'ble Commission to consider the Agriculture Energy Sales adopting apt methodology for computing/estimating the unmetered agriculture consumption using suitable applicable norms so that the high Distribution losses may not be booked and hide in the form of unmetered Agriculture Sales.</p> <p>Further, FTCCI also requests the Hon'ble Commission to direct DISCOMs to submit action plan for metering 100% Agricultural DTs at first level and to submit the action plan to meter all the unmetered agricultural sales in the next phase.</p>	
2.	<p><b>High Power Purchase Expenses:</b></p> <p>This is to submit that TG DISCOMs while claiming the Variable and Fixed Cost of Generating Stations, <b>have considered escalation of 5% &amp; 3% respectively on actuals of H1 of FY 2025-26. TG DISCOMs have not provided any reasoning for arbitrarily considering such</b></p>	<p>TGDISCOMs, for estimation of Fixed cost &amp; Variable cost of CGS stations for FY 2026-27, have considered the said 3% and 5% over the respective costs incurred in FY 2025-26 to incorporate the expected nominal increase in costs.</p>

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	<p><b>escalations.</b></p> <p>It is pertinent to note that the Central Government, vide <i>MoF Notification No.9/2025-Central Tax (Rate) dated 17/09/2025</i>, has allowed the increase in GST rate on coal from 5% to 18%; and vide <i>Notification No. 2/2025-Compensation Cess (Rate) dated 17/09/2025</i>, has abolished the Compensation Cess of Rs. 400/ MT, with effect from 22/09/2025, The abolition of the Compensation Cess and the increase in the GST rate on coal impacted the cost of coal to be procured by the generating companies. Hon'ble CERC vide its suo-moto order dated 1/10/2025, has mentioned that changes due to GOI notifications dated 17/09/2025, squarely fall within the ambit of a change in law event and will be applicable to all PPAs having a composite scheme and covered under Section 63 of the Electricity Act, 2003 except in case of the generating companies having captive coal mines.</p> <p>Rationalisation of GST rates on coal from 5% to 18% and removal of compensation cess of Rs. 400 per ton, will reduce the cost of generation for coal-based power generators.</p> <p>Further, Ministry of Coal estimated that impact of the new reform on coal pricing and the power sector is a substantial reduction in overall tax burden. For the power sector, the average reduction is estimated to be ~Rs. 260 per tonne, translating into a reduction of 17-18 paise/ kWh in the cost of generation.</p> <p>Therefore, it will not be prudent to escalate the ARR of FY 2026-27 and allow upfront loading of Power Purchase expenses in Tariff on the consumers of Telangana. Moreover, Hon'ble Commission has already</p>	<p>TGDISCOMs would like to submit that the impact of coal cost reduction from SCCL and the impact of change in GST and CESS norms has been considered in the estimation of Variable cost of TGGENCO stations.</p> <p>For CGS stations the impact of the increase in GST and abolition of cess depends on the base rate of the coal procured which in turn depends on the grade of the coal.</p> <p>Hence, estimating the impact of the said GST changes on CGS stations will be a challenge in the absence of coal mix information of such stations.</p> <p>Hence, TGDISCOMs have adopted a 5% increase in the variable costs of CGS stations incurred in H1 of FY 2025-26 to account for the expected increase in costs.</p> <p>TGDISCOMs request the Hon'ble Commission to consider the above submissions for estimation of Fixed cost &amp; Variable cost of CGS stations for FY 2026-27.</p>

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	<p>approved the monthly Fuel and Power Purchase Adjustment Surcharge (FPPAS), which recovers the variation in Power Purchase &amp; Transmission cost through automatic route.</p> <p>Further, Hon'ble Commission in Tariff Order dtd. 29.04.2025 for Retail Supply Business approved the Power Purchase Expenses of TG DISCOMs without considering any arbitrary escalation in Fixed and variable cost of Generating Stations. In this regard, relevant extract of the Commission's Tariff Order dtd. 29.04.2025 for Retail Supply Business is as follows:</p> <p><b>“Fixed and Variable Costs</b></p> <p><i>3.8.62 The Commission has considered the fixed cost of TGGENCO stations for FY 2025-26 as approved in TGGENCO order for revised tariff for FY 2025-26. In so far as fixed cost of CGS stations is concerned, CERC is competent to decide the fixed costs of CG stations, thereby the fixed costs of CG stations as detailed by CERC is reflected in MYT Order dated Objections on ARR Petitions of TG DISCOMs for Retail Supply Business for the FY 2026-27 by the Federation of Telangana Chambers of Commerce &amp; Industry (FTCCI)28.10.2024 and the same is considered for arriving at the power purchase costs for FY 2025-26.</i></p> <p><i>3.8.63 The Commission has noted that the DISCOMs have claimed 3% escalation on variable cost randomly without any statistical data. On considering the objections of the stakeholders, this Commission has taken into consideration the statistics in respect of actual variable costs for the months of November 2024, December 2024 and January 2025</i></p>	

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	<p><i>and concluded that the actual variable costs for the said last three months is far less than the escalated variable cost claimed by the TGDISCOMs. <b>Thereby while rejecting claim of the DISCOMs to consider 3% escalation on variable cost, this Commission has considered the average of variable costs for the last three months to arrive at variable costs.</b></i></p> <p><i>3.8.64 Similar exercise is done by the Commission for arriving at the power purchase cost for all generating stations..."</i></p> <p>Therefore, in line with the methodology approved by the Hon'ble Commission in Retail Supply Tariff Order for FY 2025-26, FTCCI has re-computed the Power Purchase Cost for FY 2026-27 considering Energy charge rate &amp; fixed cost the same as H1 FY 2026-27 actuals, as follows.</p> <table border="1" data-bbox="197 869 1086 1184"> <thead> <tr> <th rowspan="2">DISCOMs</th> <th colspan="3">Claimed (Rs. Cr.)</th> <th colspan="3">FTCCI working (Rs. cr.)</th> <th rowspan="2">Difference</th> </tr> <tr> <th>Fixed Cost</th> <th>Variable Cost</th> <th>Total Cost</th> <th>Fixed Cost</th> <th>Variable Cost</th> <th>Total Cost</th> </tr> </thead> <tbody> <tr> <td>TS-GENCO Hydel</td> <td>810</td> <td>-</td> <td>810</td> <td>786</td> <td>-</td> <td>786</td> <td>24</td> </tr> <tr> <td>CGS</td> <td>2,484</td> <td>4,994</td> <td>7478</td> <td>2412</td> <td>4756</td> <td>7168</td> <td>310</td> </tr> <tr> <td>Semcorp Energy</td> <td>218</td> <td>362</td> <td>580</td> <td>212</td> <td>345</td> <td>556</td> <td>24</td> </tr> <tr> <td><b>Net TGSPDCL</b></td> <td><b>3,512</b></td> <td><b>5,356</b></td> <td><b>8,868</b></td> <td><b>3,410</b></td> <td><b>5,101</b></td> <td><b>8,511</b></td> <td><b>357</b></td> </tr> <tr> <td>TS-GENCO Hydel</td> <td>338</td> <td>-</td> <td>338</td> <td>328</td> <td>-</td> <td>328</td> <td>10</td> </tr> <tr> <td>CGS</td> <td>1,037</td> <td>2,084</td> <td>3121</td> <td>1007</td> <td>1985</td> <td>2992</td> <td>129</td> </tr> <tr> <td>Semcorp Energy</td> <td>91</td> <td>151</td> <td>242</td> <td>88</td> <td>144</td> <td>232</td> <td>10</td> </tr> <tr> <td><b>Net TGNPDCL</b></td> <td><b>1,466</b></td> <td><b>2,235</b></td> <td><b>3,701</b></td> <td><b>1,423</b></td> <td><b>2,129</b></td> <td><b>3,552</b></td> <td><b>149</b></td> </tr> <tr> <td><b>Total TG DISCOMs</b></td> <td><b>4,978</b></td> <td><b>7,591</b></td> <td><b>12,569</b></td> <td><b>4,833</b></td> <td><b>7,230</b></td> <td><b>12,063</b></td> <td><b>506</b></td> </tr> </tbody> </table> <p>It is requested to Hon'ble TGERC to consider the Power Purchase Cost (FC and VC) as worked out above by FTCCI for Generating Stations which is same as prevailing actuals for H1 FY 2026-27. Any difference in Actual and Allowed Power Purchase Cost will be automatically</p>	DISCOMs	Claimed (Rs. Cr.)			FTCCI working (Rs. cr.)			Difference	Fixed Cost	Variable Cost	Total Cost	Fixed Cost	Variable Cost	Total Cost	TS-GENCO Hydel	810	-	810	786	-	786	24	CGS	2,484	4,994	7478	2412	4756	7168	310	Semcorp Energy	218	362	580	212	345	556	24	<b>Net TGSPDCL</b>	<b>3,512</b>	<b>5,356</b>	<b>8,868</b>	<b>3,410</b>	<b>5,101</b>	<b>8,511</b>	<b>357</b>	TS-GENCO Hydel	338	-	338	328	-	328	10	CGS	1,037	2,084	3121	1007	1985	2992	129	Semcorp Energy	91	151	242	88	144	232	10	<b>Net TGNPDCL</b>	<b>1,466</b>	<b>2,235</b>	<b>3,701</b>	<b>1,423</b>	<b>2,129</b>	<b>3,552</b>	<b>149</b>	<b>Total TG DISCOMs</b>	<b>4,978</b>	<b>7,591</b>	<b>12,569</b>	<b>4,833</b>	<b>7,230</b>	<b>12,063</b>	<b>506</b>	
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	<p>factored in Fuel and Power Purchase Adjustment Surcharge (FPPAS) mechanism for FY 2026-27.</p> <p>The availability from different plants is shown in the Petition as provided in below table:</p> <table border="1" data-bbox="197 363 1111 539"> <thead> <tr> <th rowspan="2">Generating Station</th> <th colspan="2">Net Energy Availability for State (MU)</th> </tr> <tr> <th>FY 2025-26 (Estimated)</th> <th>FY 2026-27 (Projected)</th> </tr> </thead> <tbody> <tr> <td>TG Genco</td> <td>42,782</td> <td>59,714</td> </tr> <tr> <td>CGS</td> <td>26,458</td> <td>26,458</td> </tr> <tr> <td>Others</td> <td>10,307</td> <td>10,307</td> </tr> <tr> <td>NCES</td> <td>16,164</td> <td>16,526</td> </tr> <tr> <td><b>Total</b></td> <td><b>95,711</b></td> <td><b>1,13,006</b></td> </tr> </tbody> </table> <p>As shown in the above table, the Energy available from TG Genco has increased while there is no addition in other sources. Particularly, there is addition of only 362 Mus in NCES category which is not only too small but also against the National Policy. There are enormous opportunities in increasing the share of NCES at low cost however no initiatives are being taken by the State Discoms. On the contrary the purchase from short term sources has been kept excessively high. It is the inefficiency of the Discoms that is being passed on to the consumers. the burden of such inefficiency should be disallowed so that the consumers are not adversely affected.</p> <p><b>The State Discoms also need to demonstrate that RPO compliance is being done and is in line with the trajectory that has been approved.</b></p> <p>The current petitions do not mention any BESS deployment plan, Pumped Storage operation of existing plants and plans to improve flexible operation of the coal plants. In the absence of such measures, costly market power purchase would be the option to balance demand</p>	Generating Station	Net Energy Availability for State (MU)		FY 2025-26 (Estimated)	FY 2026-27 (Projected)	TG Genco	42,782	59,714	CGS	26,458	26,458	Others	10,307	10,307	NCES	16,164	16,526	<b>Total</b>	<b>95,711</b>	<b>1,13,006</b>	<p>It is submitted that, TGDISCOMs have considered capacity additions under NCEs to improve the Renewable Power Obligation (RPO) in the state. Solar additions are planned from Agricultural solarization under PM-KUSUM (Component-A &amp; Component-C) and Roof top solarization under PM Surya Ghar. The Energy Availability estimation from NCE sources for FY 2026-27 is as per the expected commissioning schedules from the above said plants.</p> <p>In addition, TGDISCOMs have considered the additional Inter-state solar capacity of ~1,000MW expected to be commissioned before FY 2026-27 in the estimation of Energy availability for the said year.</p>
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	supply gap. <b>The DISCOMs to provide the status of commissioning of the 500 MW BESS project, to reduce the peak power costs.</b>	<p>Further, it is also submitted that TGDISCOMs are complying to the Renewable Power Obligation (RPO) targets as set by the Hon'ble Commission.</p> <p>Considering the construction timelines of the BESS &amp; Pumped Storage projects under implementation in Telangana, the same cannot be considered for operation for FY 2026-27 and hence not considered in the assessment of Power Purchase cost estimation.</p>
3.	<p><b>Distribution cost:</b></p> <p>In the ARR Petition for Distribution Wheeling Business for FY 2026-27, TG DISCOMs have submitted net Distribution ARR comprising of O&amp;M expenses, Depreciation, Interest and finance charges on Loan and Return on Equity.</p> <p>However, based on the applicable Regulatory provisions, FTCCI has worked out net Distribution ARR of Rs. 4,564 Cr. for TGSPDCL and Rs. 3,339 Cr. for TGNPDCL. The detailed submission of FTCCI has been made vide its letter dtd. 20.01.2026 sent to Hon'ble Commission in this regard. The relevant extract of claimed and FTCCI working (<i>in Table 2 of the submissions</i>) of net Distribution Cost for FY 2026-27 is as follows:</p>	<p>The TGDISCOMs respectfully submit that the Distribution ARR claimed for FY 2026-27 has been computed strictly in accordance with the Tariff Regulations, 2023 and the MYT framework, applying the normative methodology prescribed by the Hon'ble Commission for O&amp;M expenses, Depreciation, Interest on Loan, Interest on Working Capital, and Return on Equity. The ARR components are derived from the base considered as per audited accounts, proposed capitalization, and regulatory norms, and not on any ad-hoc or discretionary basis.</p> <p>The alternative computation presented by FTCCI is based on the Federation's own assumptions and is not aligned with the methodology mandated under the MYT Regulations, including normative O&amp;M principles, treatment of grants and consumer contribution, calculation of depreciation, and the 75:25 debt-equity structure. The DISCOMs-filed ARRs reflect actual system requirements, prudently derived cost components, and the</p>

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	<p data-bbox="241 172 1079 220"><b>Table 2: Summary of admissible ARR of Distribution Business for the FY 2026-27</b></p> <table border="1" data-bbox="219 220 1102 673"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">TGSPDCL</th> <th colspan="2">TGNDPCL</th> </tr> <tr> <th>Claimed</th> <th>allowable</th> <th>Claimed</th> <th>allowable</th> </tr> </thead> <tbody> <tr> <td>Operation &amp; Maintenance Expenses</td> <td>4,524</td> <td>4,023</td> <td>2,818</td> <td>2,904</td> </tr> <tr> <td>Depreciation</td> <td>1,149</td> <td>416</td> <td>595</td> <td>323</td> </tr> <tr> <td>Interest and finance charges on Loan</td> <td>934</td> <td>241</td> <td>360</td> <td>184</td> </tr> <tr> <td>Interest on working capital</td> <td>150</td> <td>118</td> <td>100</td> <td>79</td> </tr> <tr> <td>Return on Equity</td> <td>482</td> <td>231</td> <td>220</td> <td>161</td> </tr> <tr> <td>Other Expenditure (Ex-Gratia)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td><b>ARR</b></td> <td><b>7,239</b></td> <td><b>5,028</b></td> <td><b>4,093</b></td> <td><b>3,652</b></td> </tr> <tr> <td><b>Less:</b></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Income from Open Access charges</td> <td>1</td> <td>29</td> <td>3</td> <td>29</td> </tr> <tr> <td>Non-Tariff income</td> <td>532</td> <td>436</td> <td>183</td> <td>284</td> </tr> <tr> <td>Income from Other Business</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td><b>Net ARR</b></td> <td><b>6,706</b></td> <td><b>4,564</b></td> <td><b>3,907</b></td> <td><b>3,339</b></td> </tr> <tr> <td>Revenue</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Revenue Gap/ (Surplus)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>PY adjustment</td> <td>545</td> <td>(670)</td> <td>484</td> <td>(258)</td> </tr> <tr> <td><b>Recoverable ARR</b></td> <td><b>7,251</b></td> <td><b>3,894</b></td> <td><b>4,391</b></td> <td><b>3,081</b></td> </tr> </tbody> </table> <p data-bbox="188 727 1124 858">FTCCI humbly requests the Hon'ble Commission to consider the submission made by the Federation and accordingly allow net Distribution Wheeling ARR to the TG DISCOMs for FY 2026-27.</p>	Particulars	TGSPDCL		TGNDPCL		Claimed	allowable	Claimed	allowable	Operation & Maintenance Expenses	4,524	4,023	2,818	2,904	Depreciation	1,149	416	595	323	Interest and finance charges on Loan	934	241	360	184	Interest on working capital	150	118	100	79	Return on Equity	482	231	220	161	Other Expenditure (Ex-Gratia)	-	-	-	-	<b>ARR</b>	<b>7,239</b>	<b>5,028</b>	<b>4,093</b>	<b>3,652</b>	<b>Less:</b>	-	-	-	-	Income from Open Access charges	1	29	3	29	Non-Tariff income	532	436	183	284	Income from Other Business	-	-	-	-	<b>Net ARR</b>	<b>6,706</b>	<b>4,564</b>	<b>3,907</b>	<b>3,339</b>	Revenue	-	-	-	-	Revenue Gap/ (Surplus)	-	-	-	-	PY adjustment	545	(670)	484	(258)	<b>Recoverable ARR</b>	<b>7,251</b>	<b>3,894</b>	<b>4,391</b>	<b>3,081</b>	<p data-bbox="1146 162 1935 194">operational needs of the distribution network for FY 2026-27.</p> <p data-bbox="1146 233 2020 466">Accordingly, the TGDISCOMs humbly request the Hon'ble Commission to consider only the ARR submitted in the Petitions, which is fully compliant with the regulatory framework, and not to adopt the alternate calculations proposed by FTCCI, which diverge from the Hon'ble Commission's approved methodology.</p>
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4.	<p data-bbox="188 880 810 912"><b>Distribution Cost for Retail Supply Business</b></p> <p data-bbox="188 932 1124 1270">Clause 77 of <i>TSERC Multi Year Tariff Regulations, 2023</i> requires every distribution licensee to 'maintain separate accounting records for the Wheeling Business and Retail Supply Business' to enable the Commission determine tariffs separately for the respective businesses. It also provides that in case such segregation is not made; the Aggregate Revenue Requirement of the distribution licensee shall be apportioned as specified in the Regulations.</p> <p data-bbox="188 1289 1124 1369">As above and based on the detailed submission made vide FTCCI letter dtd. 20.01.2026 to Hon'ble Commission with respect to</p>	<p data-bbox="1146 900 2020 1136">The TGDISCOMs respectfully submit that the segregation of Distribution ARR between Wheeling and Retail Supply businesses has been carried out strictly in accordance with Clause 77 of the TSERC MYT Regulations, 2023, applying the allocation matrix and methodology prescribed by the Hon'ble Commission.</p> <p data-bbox="1146 1177 2020 1311">Accordingly, the TGDISCOMs request the Hon'ble Commission to consider only the ARR allocation to Retail Supply Business submitted as per Distribution Business filings.</p>																																																																																									

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	<p>Distribution Wheeling Business ARR wherein the Federation has worked out revised O&amp;M expenses, Depreciation, Finance Charges and RoE applicable for the TG DISCOMs for FY 2026-27, the revised applicable expenses for Retail Supply Business, i.e. 10% of the Total Distribution ARR, is as follows:</p> <table border="1" data-bbox="197 416 1115 568"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">TGSPDCL</th> <th colspan="2">TGNPDCL</th> </tr> <tr> <th>Claimed</th> <th>Allowable</th> <th>Claimed</th> <th>Allowable</th> </tr> </thead> <tbody> <tr> <td>Distribution Cost- Retail Supply Business <i>(10% of the Distribution ARR)</i></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Operation &amp; Maintenance Expenses</td> <td>452</td> <td>402</td> <td>313</td> <td>290</td> </tr> </tbody> </table> <table border="1" data-bbox="197 576 1115 759"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">TGSPDCL</th> <th colspan="2">TGNPDCL</th> </tr> <tr> <th>Claimed</th> <th>Allowable</th> <th>Claimed</th> <th>Allowable</th> </tr> </thead> <tbody> <tr> <td>Depreciation</td> <td>115</td> <td>42</td> <td>66</td> <td>32</td> </tr> <tr> <td>Interest and finance charges on Loan</td> <td>93</td> <td>24</td> <td>40</td> <td>18</td> </tr> <tr> <td>Interest on working capital</td> <td>0</td> <td>0</td> <td>26</td> <td>8</td> </tr> <tr> <td>Return on Equity</td> <td>48</td> <td>23</td> <td>24</td> <td>16</td> </tr> </tbody> </table> <p>FTCCI requests Hon'ble TGERC to consider the above expenses pertaining to Retail Supply Business while approving the ARR of TG DISCOMs for FY 2026-27.</p>	Particulars	TGSPDCL		TGNPDCL		Claimed	Allowable	Claimed	Allowable	Distribution Cost- Retail Supply Business <i>(10% of the Distribution ARR)</i>					Operation & Maintenance Expenses	452	402	313	290	Particulars	TGSPDCL		TGNPDCL		Claimed	Allowable	Claimed	Allowable	Depreciation	115	42	66	32	Interest and finance charges on Loan	93	24	40	18	Interest on working capital	0	0	26	8	Return on Equity	48	23	24	16	
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5.	<p><b>Summary of Net ARR</b></p> <p>As above, summary of net ARR as claimed by the TGDISCOMs vis-à-vis worked out by FTCCI on Retail Supply ARR of FY 2026-27 is as follows. Hon'ble Commission is requested to kindly consider the same while approving the ARR for FY 2026-27 for DISCOMs.</p>	<p>TGDISCOMs have provided justifications for the various costs mentioned in the previous sections. The Hon'ble Commission is requested to review the same and accord approval.</p>																																																

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6.	<p><b>Time of Day (ToD) Tariff:</b></p> <p>This is to submit that Hon'ble Commission vide Order dtd. 15.11.2025 made amendments in the Time of Day tariff and removed the incentive of 1.5 Rs./kWh during the period 10 pm to 6 am. Other conditions of TOD to be governed as per the Tariff Order dated 29.04.2025. The applicability of this Order is for the period 01.12.2025 to 31.03.2026.</p> <p>It is pertinent to note that TG DISCOMs in the Petition for determination of ARR and tariff for Retail Supply Business for FY 2026-27 have not made any submission with regard to ToD as to whether the existing ToD tariff structure should continue or some changes are required.</p> <p>However, FTCCI considers it important to present a detailed reasoning as to why the earlier <b>ToD structure where rebate of 1.5 Rs./kWh was allowed by the Hon'ble Commission during the period from 10 pm to 6 am should be restored from 01.04.2026</b>. The detailed submission in this regard is as follows:</p>						<p>The primary objective of the proposed amendment to the existing Time-of-Day (ToD) tariff structure by TGDISCOMs is to promote effective Demand Side Management and ensure the long-term sustainability of affordable tariffs for consumers.</p> <p>TGDISCOMs have observed that the current incentivized hours often lead to power procurement at elevated rates, which ultimately translates into a higher tariff burden for consumers.</p> <p>To address this, the new TOD structure seeks to better align consumption patterns with the availability and cost of power—thereby enhancing grid stability and operational efficiency.</p> <p>This targeted realignment will optimize power procurement and</p>																																																																																			

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	<p><b>Concept of Time of Day Tariff</b></p> <p>ToD tariffs is generally conceptualized as a demand-side management tool, designed to influence consumer behaviour by incentivizing load shifting away from peak periods. Regulatory principles and National Tariff Policy recognize ToD as a demand-centric mechanism — its objective is to flatten the load curve, not merely reflect supply-side cost variations.</p> <p>Aligning off-peak tariffs with normal-hour charges converts ToD into a supply-cost recovery exercise rather than a behavioural signal, defeating its fundamental regulatory purpose. The relevant provisions of National Tariff Policy 2016 are reproduced for ready reference:</p> <p><b><i>“8.4 Definition of tariff components and their applicability</i></b></p> <p><i>1. Two-part tariffs featuring separate fixed and variable charges and time differentiated tariff shall be introduced on priority for large consumers (say, consumers with demand exceeding 1 MW) within one year and subsequently for all consumers within a period of five years or such period as may be specified. <b>This would also help in flattening the peak and implementing various energy conservation measures.</b>”</i></p> <p>Furthermore, if ToD tariffs were truly meant as a supply-centric mechanism merely mirroring market price fluctuations, the resulting tariff structure would be highly volatile and impractical. For instance, during solar hours, tariffs would have to drop to sub-Rs.2.00/unit levels, reflecting prevailing GDAM market prices, while during non-solar peak hours, tariffs would soar to Rs.10.00/unit, aligning with the CERC-</p>	<p>contribute to tariff stability, safeguarding consumer interests in the long run</p>

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	<p>prescribed ceiling rates. Such extreme variability might create instability for both consumers and utilities, making long-term planning impossible and defeating the regulatory objective of providing a predictable, demand-shaping price signal. This clearly demonstrates that ToD was conceived as a demand-side management tool — stable enough to encourage behavioural change, not a minute-by-minute reflection of generation costs.</p> <p>Further, the objective of ToD is also recognized by Hon'ble <b>APTEL in Appeal No. 34 of 2014</b>, Time-of-Day tariffs are a demand-side management tool intended to incentivize consumers to shift load away from peak hours, thereby improving system load factor, reducing overall power purchase costs, and enhancing grid stability. The Tribunal was categorical that such mechanisms must aim at flattening demand curves, not at offloading procurement inefficiencies onto consumers</p> <p><b>Ministry of Power Rules</b></p> <p>Ministry of Power, Gol in exercise of the powers conferred under sub-section (1), clause (z) of sub-section (2) of section 176 of the Electricity Act, 2003 made Rules vide notification Electricity (Rights of Consumers) amendment Rules 2023 dtd. 14.06.2023 with regard to ToD. Relevant extract of these Rules are as follows:</p> <p><i>“Time of Day Tariff. -The Time of Day tariff for Commercial and Industrial consumers having maximum demand more than ten Kilowatt shall be made effective from a date not later than 1st April, 2024 and for other consumers except agricultural consumers, the Time of Day tariff shall be made effective not later than 1st April, 2025 and a Time of Day</i></p>	<p>The Licensee respectfully submits that, with regard to the peak hour penalty, it is pertinent to note that the Licensee is not levying 20% of energy charges as prescribed under the Ministry of Power (MoP) guidelines.</p> <p>In the absence of such a penalty being imposed in line with the guidelines, it would not be rational or equitable to selectively adopt the same framework for granting incentives.</p>

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	<p><i>tariff shall be made effective immediately after installation of smart meters, for the consumers with smart meters:</i></p> <p><i>Provided that, the Time of Day Tariff specified by the State Commission for Commercial and Industrial consumers during peak period of the day shall not be less than 1.20 times the normal tariff and for other consumers, it shall not be less than 1.10 times the normal tariff:</i></p> <p><b><i>Provided further that, tariff for solar hours of the day, specified by the State Commission shall be at least twenty percent less than the normal tariff for that category of consumers:</i></b></p> <p><i>Provided also that the Time of Day Tariff shall be applicable on energy charge component of the normal tariff:</i></p> <p><i>Provided also that the duration of peak hours shall not be more than solar hours as notified by the State Commission or State Load Despatch Centre.</i></p> <p><i>For the purposes of this rule, "solar hours" means the duration of 8 hours in a day as specified by the State Commission."</i></p> <p>As above, the Rules clearly stipulates that tariff for solar hours of the day, specified by the State Commission shall be at <b>least twenty percent less than the normal tariff</b> for that category of consumers. This means that MoP Rules also provides an incentivizing provision for consumption in off Peak hours.</p> <p><b>Market Realities and Solar Integration</b></p> <p>With marginal power purchase costs during solar hours already crashing to sub-Rs.2/unit levels in the energy markets, there is a strong case for extending rebates during daytime to encourage higher solar</p>	<p>The cost of power procurement is on the higher side during the night hours due to the sustained higher demand at the State level. In order to mitigate the adverse impact of incurring higher costs of</p>

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	<p>consumption. Instead of eliminating the night-time incentive, ToD tariffs should be dynamically revised to support renewable integration and enhance system efficiency.</p> <p>Further, it is equally important to view the issue from a broader system-planning perspective. The ultimate goal of resource planning should be to smoothen and stabilize the overall demand profile of the State or licensee area, reducing sharp peaks and deep troughs that strain grid operations and increase power procurement costs.</p> <p><b>Cross-Subsidy Concerns</b></p> <p>This is to submit that the existing level of cross-subsidization in Telangana is already heavily skewed against the HT category of consumers, placing an undue burden on them in contravention of statutory norms. As per Clause 8.3 of the National Tariff Policy (NTP) 2016, the cross-subsidy for any consumer category is required to progressively move towards <math>\pm 20\%</math> of the cost of supply (CoS). However, based on the Tariff Order for FY 2025-26, the effective tariffs applicable to HT categories significantly exceed this ceiling, thereby breaching the permissible limit laid down under the NTP.</p> <p><b>Since ToD slabs apply largely to HT categories, abolishing the off-peak rebate disproportionately raises the Average Billing Rate (ABR) for industrial consumers. This further deepens the cross-subsidies in the system, further straining competitiveness of industries while leaving subsidized categories unaffected.</b></p> <p><b>Adverse Consumer and System Impact</b></p>	<p>procuring power on one hand and also giving incentives on the other hand, TGDISCOMs have acted swiftly to at least stem the flow of incentives which is counter productive to both TGDISCOMs and consumers also.</p> <p>Under the previous ToD tariff structure, the nighttime incentive has led to increased consumption during hours when power procurement costs are relatively high.</p> <p>This trend results in elevated overall procurement expenses for DISCOMs, which are ultimately passed on to consumers through tariff adjustments—potentially leading to future hikes.</p> <p>In contrast, the revised TOD tariff—which involves withdrawing the nighttime incentive—is designed to realign consumption patterns by discouraging usage during high-cost hours.</p> <p>This shift will enable DISCOMs to optimize their power procurement strategy, reduce reliance on expensive sources, and maintain grid efficiency.</p> <p>By implementing this change, TGDISCOMs aim to safeguard consumers from future tariff increases driven by rising procurement costs, while simultaneously promoting a more balanced and</p>

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	<p>Energy cost forms a critical input for any industrial operation, and therefore businesses/ industries plan their production schedules, supply chains, and cost structures well in advance, factoring in electricity and fuel price trends. Often, industries make significant capital investments—whether in additional shifts, automation, or captive infrastructure—when a predictable incentive framework exists. The introduction of ToD tariffs was precisely intended as a demand-centric measure, encouraging industries to shift consumption to off-peak hours and optimize the overall demand curve. This required industries to reorient their operations for 24-hour production cycles, re-train manpower, and invest heavily in enabling infrastructure.</p> <p>Withdrawing the off-peak rebate discourages night-time usage, potentially pushing demand back into peak hours. This aggravate load curve imbalances, increase DISCOMs' procurement costs, and burden consumers. Moreover, industries and households that have already invested in timers, automation, and EV charging infrastructure based on ToD rebates would face sunk costs, eroding trust in tariff signals and creating regulatory uncertainty.</p> <p><b>Request to the Hon'ble Commission</b></p> <p>In the backdrop of above points, FTCCI therefore requests the Hon'ble Commission to <b>discontinue the withdrawal of rebate provided in earlier ToD regime wef 01.04.206 and instead strengthen ToD tariffs in line with the objectives enshrined in the National Tariff Policy 2016 and Ministry of Power Rules.</b></p> <p>One of the prime objectives of the Electricity Act 2003 is to protect the</p>	<p>economically sustainable grid.</p>

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	<p>interest of consumers in the State. The industries in Telangana nowadays going through severe distress which has made it increasingly unviable to sustain operations. The situation has become even more uncertain as global trends show steep import tariff (Custom Duty) increases by America and European Union is also proposing a similar increase in the tariff. This has created an atmosphere of instability for industries. <b>In this context, we look forward to your leadership in ensuring for an incentivizing tariff through rebate in ToD in Telangana.</b></p>	
7.	<p><b>Reduction of Industrial tariff in the State</b></p> <p>This is to submit that the Industries in the State of Telangana are facing the brunt of higher tariffs as the industrial tariff is more than 120% of Average Cost of Supply. The Tariff Policy 2016 mandates SERCs to determine roadmap for reduction of Cross Subsidy and bring tariff at +/- 20% of the Average Cost of Supply. Relevant extract of the National Tariff Policy is as follows:</p> <p><i>“For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy”</i></p> <p>In line with the provisions stipulated in the National Tariff Policy, Hon'ble Commission is requested to kindly align the Industrial Tariff in the State of Telangana within the range of +/-20% of ACoS.</p> <p><b>Progressively reduction of Cross Subsidy Surcharge in the State</b></p>	<p>TGDISCOMs would like to submit that the current industrial tariffs for both the DISCOMs are within 120% of Average cost of Supply (ACoS) of both the DISCOMs which is well in alignment with the National Tariff Policy 2016.</p> <p>TGDISCOMs have estimated the Crosssubsidy surcharge in</p>

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	<p>This is to submit that the Electricity Act, 2003 provides for progressive reduction of Cross Subsidy Surcharge (CSS) as determined by the Hon'ble State Commission. Therefore, while approving the CSS for FY 2026-27 the Hon'ble Commission may reduce the existing CSS levels for the industrial consumers in the State.</p> <p><b>Promoting Energy Efficiency</b></p> <p>The Commission can nudge the TG DISCOMs to announce and implement Load Factor incentive as this will promote energy efficiency and incentive to the energy-intensive industry to consume energy from DISCOM rather than through the Open Access route.</p>	<p>compliance with the National Tariff Policy. The Hon'ble commission is requested to accord approval on the same.</p> <p>TGDISCOMs will evaluate the proposed Load Factor incentive scheme to promote retention of Energy intensive consumers from Open Access.</p>																																																														
8.	<p><b>Poor financial health of DISCOMs</b></p> <p>The financial health of most state DISCOMs is poor and TG is no exception. As a silver line, MoP/PFC in its 14th Annual Rating Report, has reported that in FY25, all the DISCOMs – private and public – reported a modest combined profit of Rs. 2,701 Cr, compared to a loss of Rs. 27,022 Cr in FY24. As per this report, TG DISCOMs continue to make losses and their accumulated financial loss has been growing, as indicated below:</p> <table border="1" data-bbox="197 1077 1115 1396"> <thead> <tr> <th rowspan="2">FY/DISCOM</th> <th colspan="3">DISCOM Annual Loss Rs Cr</th> <th colspan="3">DISCOM Cumulative Loss Rs Cr</th> </tr> <tr> <th>SP</th> <th>NP</th> <th>Total</th> <th>SP</th> <th>NP</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>FY19</td> <td>4,967</td> <td>3,051</td> <td>8,019</td> <td>24,362</td> <td>11,858</td> <td>36,220</td> </tr> <tr> <td>FY20</td> <td>4,933</td> <td>1,116</td> <td>6,050</td> <td>29,309</td> <td>12,969</td> <td>42,279</td> </tr> <tr> <td>FY21</td> <td>4,246</td> <td>2,440</td> <td>6,686</td> <td>33,555</td> <td>15,410</td> <td>48,965</td> </tr> <tr> <td>FY22</td> <td>627</td> <td>204</td> <td>831</td> <td>34,182</td> <td>15,614</td> <td>49,796</td> </tr> <tr> <td>FY23</td> <td>8,147</td> <td>2,966</td> <td>11,113</td> <td>42,330</td> <td>18,570</td> <td>60,899</td> </tr> <tr> <td>FY24</td> <td>4,910</td> <td>1,441</td> <td>6,351</td> <td>47,239</td> <td>20,011</td> <td>67,250</td> </tr> <tr> <td>FY25</td> <td>1,103</td> <td>1,359</td> <td>2,462</td> <td>48,342</td> <td>21,399</td> <td>69,741</td> </tr> </tbody> </table>	FY/DISCOM	DISCOM Annual Loss Rs Cr			DISCOM Cumulative Loss Rs Cr			SP	NP	Total	SP	NP	Total	FY19	4,967	3,051	8,019	24,362	11,858	36,220	FY20	4,933	1,116	6,050	29,309	12,969	42,279	FY21	4,246	2,440	6,686	33,555	15,410	48,965	FY22	627	204	831	34,182	15,614	49,796	FY23	8,147	2,966	11,113	42,330	18,570	60,899	FY24	4,910	1,441	6,351	47,239	20,011	67,250	FY25	1,103	1,359	2,462	48,342	21,399	69,741	<p>TGDISCOMs are putting effort on loss reduction initiatives in areas such as AT&amp;C loss reduction, Cost-reflective tariff mechanisms, Collection efficiency improvement. Further, TGDISCOMs would comply to the additional directions from the Hon'ble Commission on loss reduction and ensure implementation of the same.</p>
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FY25	1,103	1,359	2,462	48,342	21,399	69,741																																																										

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	<p><b>Table 3: The mounting financial losses of TG DISCOMs (From DISCOM annual reports and MoP 14th Rating Report)</b></p> <p>TG is one of the eight states with the highest accumulated losses. In addition, the TG DISCOMs have a total of Rs. 59,229 Cr as outstanding loans in FY25, as per MoP/PFC's 14th Rating Report. Arrears are quite high with government departments as the main contributor.</p> <p>In the 13th Integrated Rating &amp; Ranking of power distribution utilities by MoP (February 2025), both TG DISCOMs have rating of "C-" compared to "C" in the 12th rating. The main reason for this appears to be the low score on financial sustainability. In the current 14th Rating report, both DISCOMs continue to have rating of C- and very low scores. Out of the total 54 rated utilities (private and public), unfortunately, NPDCL is ranked last (54th) and SPDCL is ranked 52nd.</p> <p>FTCCI submits, that the poor financial health of the DISCOMs and inefficiencies of the Disocms, directly affect the consumers, specifically industries in terms of poor quality of supply and higher Tariffs, more higher for industries due to cross-subsidization. We request the Hon'ble TGERC to review the financial health of DISCOMs and direct them targets with penalties, so that inefficiencies are not passed on to the consumers of the state.</p>	
9.	<p><b>Prayer:</b></p> <p>1) To consider the comments / suggestions of FTCCI on the ARR &amp; Retail Supply Petitions FY 2026-27 of TG DISCOMs.</p> <p>2) To direct TG DISCOMs to submit action plan for 100% Agricultural Distribution Transformers at first level and to submit the action plan to meter all the unmetered agricultural sales in maximum 5 years. Further</p>	<p>TGDISCOMs request the Hon'ble Commission to consider the above submissions and accord approval.</p>

SNo.	Additional Info sought by Hon'ble Commission	Response of the Licensee
	<p>to take penal action u/s 142 of Electricity Act, 2003 for non-compliance with the directions of the Commission.</p> <p>3) To not consider any escalation in Fixed Cost &amp; Energy Charge Rate while determining the Power Purchase Cost of Central Generating Stations as a result of GoI Notification dated 17/09/2025 w.r.t. removal of Coal Cess and increase in GST on coal.</p> <p>4) The inefficiency of DISCOM should not be passed through in the ARR and may be borne by the Govt. of Telangana in the form of additional subsidy for FY 2026-27.</p> <p>5) Consider the Time of Day Tariffs judiciously, so as to provide rebate during off-peak tariff.</p> <p>6) May Conduct a Prudence check over the components as highlighted by FTCCI;</p> <p>7) Pass necessary orders as may be deemed appropriate in the facts and circumstances of the case in the interest of competition, as has been enshrined in the Electricity Act.</p>	

### Response to Additional Submission (T.sujatha, FTCCI)

SNo.	Summary of Objections / Suggestions
1.	<p>With reference to the subject cited above, we wish to draw your kind attention to our earlier representation FTCCI/2025-26/Energy/224 dated 27.12.2025 regarding the unblocking of leading kVAh for kVAh billing.</p> <p>In continuation of the above, we respectfully reiterate our request to kindly consider extending the implementation timeline of kVAh billing and to provide adequate time to industrial and commercial consumers for installing the necessary power factor correction equipment. The sudden implementation has resulted in a substantial increase in electricity bills, particularly impacting MSMEs, who are already under financial stress. Providing sufficient transition time will greatly help these enterprises sustain their operations and avoid undue hardship.</p>

<b>SNo.</b>	<b>Summary of Objections / Suggestions</b>
	<p>We would also like to submit that an industry body such as FTCCI, a non-profit organization, is facing similar issue, with a noticeable increase in electricity bills due to the unblocking of leading kVArh. In this regard, we are enclosing copies of FTCCI's electricity bills for your kind reference, which clearly reflect the impact of the revised billing mechanism.</p> <p>We wish to bring kind notice that on 2nd February 2026, APERC ordered Andhra Pradesh DISCOMs to immediately suspend the unblocking of the leading kVArh feature in LT smart meters, which had resulting high billing. This order was issued in the interest of protect consumer.</p> <p>We once again humbly request the Hon'ble Commission to kindly look into the matter and provide appropriate relief by way of extension of time, rationalisation of billing during the transition period, and necessary directions to the DISCOMs, in the interest of industry and MSME survival.</p> <p>We look forward to your positive consideration and an early resolution of the issue.</p>

**50.K.Jaswanth reddy, Bharath nagar Colony, H.No:11-1-78/2, Siddipet(V&M & Dist)**

<p><b>1.</b></p>	<p>మనవి చేయునది ఏమనగా, TGSPDCL పరిధి లో గల అగ్రికల్చరల్ ట్రాన్స్మిర్మర్ లు HVDS స్కేం లో మీరు రైతు లకి ట్రాన్స్మిర్మర్ లు 25KVA పెట్టడం జరిగింది. అట్టి ట్రాన్స్మిర్మర్ లు 100 % పొలాల మధ్య లో ఉన్నాయి. 6 ఫీట్ల చానెల్స్ పైన పెట్టడం జరిగింది. అట్టి ట్రాన్స్మిర్మర్ లు ఫెయిల్యూర్ అయినప్పుడు వాటిని వాన్ లో పెట్టడానికి మరియు రిపేర్ అయ్యి పెట్టుటకు వచ్చిన తరువాత ఛానల్ పై పెట్టుటకు తప్పనిసరిగా క్రేన్ అవసరం పడుతుంది. కావున ప్రతి మండలానికి ఒక క్రేన్ అలాట్ చేయగలరని మనవి. ఇట్టి సమస్య గతం లో మీ దృష్టి కి తేవడం జరిగింది.</p>	<p>ఫెయిల్ అయిన 25KVA ట్రాన్స్మిర్మర్లను రవాణా చేసి, నిర్మాణం (structure) పైకి ఎక్కించే ప్రక్రియను డిపార్ట్మెంట్ ఏ చేపడుతుంది.</p> <p>ప్రతి మండలానికి ఒక క్రేన్ (Crane) అలాట్ చేయమని మీరు అడిగిన విషయాన్ని పై అధికారులకి మేము తెలియచేస్తాము.</p>
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**51. Response to Mr. Tuljaram Singh Thakur, Retired Engineer, H. No. 4-93, Bandlaguda Jagir,Hyderabad**

S.No.	Summary of Objections / Suggestions	Response of the Licensee
<p>1.</p>	<p>1. ARR Details – TGSPDCL Revenue Requirement (FY 2026-27): Rs. 50,242 Crore Energy Sales:  <ul style="list-style-type: none"> <li>• FY 2024-25 (Actual): 56,183 MU</li> <li>• FY 2025-26 (Projected): 57,088 MU</li> <li>• FY 2026-27 (Projected): 63,753 MU</li> </ul>                     Energy Required for FY 2026-27: 71,911 MU                      Expected Revenue at Present Tariffs: Rs. 40,659 Crore                      Revenue Gap Projected for 2022-27:</p>	<p>The ARR of the TGDISCOMs for FY 2026–27 have been prepared strictly in accordance with the Hon'ble Commission's MYT framework and established methodology. Sales forecasts, energy requirement, power-purchase costs, network losses, O&amp;M expenses, depreciation, RoCE, financing assumptions, and working capital have all been computed using normative parameters and prudence principles</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>Rs. 9,583 Crore (≈20% of ARR Projected)</p> <p>2. ARR Details – TGNPDCL Revenue Requirement (FY 2026-27): Rs. 22,754 Crore Energy Sales:</p> <ul style="list-style-type: none"> <li>• FY 2024-25 (Actual): 22,042 MU</li> <li>• FY 2025-26 (Projected): 23,740 MU</li> <li>• FY 2026-27 (Projected): 26,370 MU</li> </ul> <p>Energy Required for FY 2026-27: 28,962 MU Expected Revenue at Present Tariffs: Rs. 10,172 Crore Revenue Gap Projected for 2022-27: Rs. 12,521 Crore (≈55% of ARR Projected)</p> <p>3. Combined Revenue Gap Total projected revenue gap of both DISCOMs: Rs. 9,583 Crore + Rs. 12,521 Crore = Rs. 22,104 Crore</p> <p>4. Key Observations</p> <ol style="list-style-type: none"> <li>1. Both DISCOMs have not proposed any tariff increase.</li> <li>2. The filings do not clearly indicate the extent of Government subsidy support proposed for FY2026-27.</li> <li>3. A third DISCOM, consisting of agricultural consumers, irrigation, and drinking water supply schemes, is expected to come into effect from 01.04.2026. However, separate ARR/Tariff filings have not yet been submitted.</li> <li>4. It is unclear how the proposed third DISCOM will sustain operations if cross-subsidy charges are fully removed.</li> </ol>	<p>prescribed by the Hon'ble Commission. The projected revenue at existing tariffs and the resultant revenue gap arises directly from these computations and are presented transparently to the Hon'ble Commission.</p> <p>The DISCOMs have placed the gross ARR and revenue at existing tariffs along with the projected gap, thereby enabling the Commission to determine the most suitable tariff rationalization and/or structural adjustments and any recovery as deemed fit. The DISCOMs shall fully comply with and implement any such directions issued by the Hon'ble Commission.</p> <p>Government subsidy is a policy variable confirmed through the tariff process. The DISCOMs have disclosed full costs and revenues at existing tariffs. Upon receipt of the Government's subsidy commitment for FY 2026–27, the same will be promptly placed on record and netted off in accordance with the Hon'ble Commission's practice.</p> <p>The company formation and statutory compliances are in progress.</p>
2	<p>5. Submissions / Requests</p> <p>In view of the above, I respectfully request the Hon'ble Commission to:</p> <ol style="list-style-type: none"> <li>1. Issue appropriate directions to the Government to provide subsidy support of Rs. 22,104 Crore for FY 2026-27 to bridge the revenue gap.</li> <li>2. Ensure that retail tariffs are not increased, thereby avoiding additional burden on consumers.</li> </ol>	<p>The DISCOMs have presented the ARR transparently without presuming any tariff action, and tariff decisions rest solely with the Hon'ble Commission. Regarding the proposed third DISCOM, the foundational processes such as company formation and statutory compliances are already underway.</p> <p>The DISCOMs remain committed to strengthening internal efficiencies,</p>

<b>S.No.</b>	<b>Summary of Objections / Suggestions</b>	<b>Response of the Licensee</b>
	<p>3. Direct the DISCOMs and the Government to clarify the financial sustainability of the proposed third DISCOM in the absence of cross-subsidy support.</p> <p>4. Advise the DISCOMs to take concrete steps toward:</p> <ul style="list-style-type: none"> <li>• Improving internal efficiency</li> <li>• Strengthening material management and procurement systems</li> </ul>	<p>enhancing material management and procurement systems, and implementing all directives issued by the Hon'ble Commission in order to ensure long-term operational and financial sustainability.</p>

**52.P.Sanjevareddy, Jala (V), Rajapet(mdl), Yadadri Bhuvanagiri(Dist), Mobile no:9490814152**

1. విషయం తెలియజేయునది ఏమనగా యాదాద్రి భువనగిరి జిల్లా రాజాపేట మండలం జాలా గ్రామానికి సమీపాన పాముకుంట గ్రామం లో 33 /11KV విద్యుత్ ఉపకేంద్రం నుండి జాలా గ్రామానికి దాదాపు మూడు కిలో మీటర్ల కరెంటు మెయిన్ వైరు (HT లైన్) దాదాపు 45 సంవత్సరాల క్రితం ఏర్పాటు చేసిన వైరు దాని యొక్క నాణ్యత తగ్గి కరెంటు లోడింగ్ ఆపడం లేదు వైరు హీట్ అయ్యి తెగిపోవడం జరుగుతుంది.తక్షణం ఈ వైరు మార్పిడి చేసి కరెంటు కోతలు లేకుండా చర్యలు చేపట్టగలరని మనవి.

2. అలాగే జాలా గ్రామం లో 2024 సంవత్సరం లో రెండు ట్రాన్స్ఫార్మర్ లు దొంగిలించారు. రైతుల పేర్లు మొగిలి సాయిలు సర్వీస్ నంబరు 39 , మొగిలి చంద్రయ్య, మొగిలి వెంకటయ్య సర్వీస్ నంబరు 273 వీటి పై FIR నోట్ ఇచ్చి గత 14 మాసాలు గడిచినాయి. వీటిపైనా చర్యలు తీసుకుని సమస్య ని పరిష్కరిస్తారని మనవి.

1. శ్రీ మొగిలి వెంకయ్య, మొగిలి శైలు మరియు మొగిలి చంద్రయ్యలు ఇప్పటి వరకు విద్యుత్ సరఫరాలో ఎటువంటి ఇబ్బంది లేదని ప్రకటనలు ఇచ్చారు, విద్యుత్ సరఫరా సమస్యకు సంబంధించి విద్యుత్ శాఖా అధికారులను ఫిర్యాదుదారు శ్రీ పి. సంజీవరెడ్డి సంప్రదించలేదు.

2.తేదీ 14.11.2024 నాడు, స్ట్రక్చర్ పై ఉన్న 3 DTRలలో 2 DTRలను గుర్తుతెలియని వ్యక్తులు దొంగిలించారు. వెంటనే అసిస్టెంట్ ఇంజనీర్/ఆపరేషన్/రాజాపేట ఆ ప్రాంతాన్ని పరిశీలించి, 17.11.2024 నాడు 1no. 25 KVA DTRను ఏర్పాటు చేశారు. తద్వారా 2 nos. 25 KVA DTRల ద్వారా 6 వ్యవసాయ సర్వీసులకు విద్యుత్ సరఫరాను పునరుద్ధరించారు. సదరు 6 వ్యవసాయ సర్వీసులకు నేటి వరకు ఎటువంటి అంతరాయం లేకుండా విద్యుత్ సరఫరా అందించబడుతోంది. మరో 25 KVA DTR ను 19.02.2025న ఏర్పాటు చేయడం జరిగింది. ఇప్పుడు 6 వ్యవసాయ విద్యుత్ కనెక్షన్ల కోసం మొత్తం 3 nos. 3 PH 25 KVA DTRలు అందుబాటులో ఉన్నాయి. ప్రస్తుతం అక్కడ ఎలాంటి కండక్టర్ల నష్టం కానీ, వదులుగా ఉన్న వైర్లు కానీ లేవు.

**53. Response to TELANGANA OIL INDUSTRIES & TRADE ASSOCIATION, (Regd. No. 139/2015),# 15-2-677, KishanGunj, Hyderabad - 500 012, (T.S.)**

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1.	<p>We, on behalf of the Telangana Oil Industries and Trade Association, respectfully submit this petition for your kind consideration regarding the withdrawal of the night-time electricity tariff incentive and the continued levy of peak-hour extra charges on industrial consumers.</p> <p>The Telangana oil industry is a power-intensive, continuous-process sector that plays a vital role in employment generation, farmer support, and the agro-based economy across the State of Telangana.</p> <p>Until November 2025, industrial consumers were extended a night-time electricity discount of Rs. 1.50 per unit for consumption between 10:00 PM and 6:00 AM. This incentive encouraged off-peak operations and significantly supported grid load management. However, with the withdrawal of this night-time discount from November 2025, oil industry units have lost a critical cost-balancing incentive.</p> <p>As a direct consequence of this withdrawal, each oil industry plant is experiencing an increase in monthly electricity costs exceeding Rs. 1,00,000. This escalation</p>	<p>TGDISCOMs procure electricity from a diverse portfolio of generating sources, including substantial capacity from non-conventional/renewable energy, whose generation profile is inherently time-dependent, with the solar energy being available during daytime hours. This variation in power availability directly influences the power purchase cost for different time blocks of the day. While consumer consumption patterns do not alter the cost structure of generators, the timing of consumer demand significantly impacts the DISCOMs' procurement expenses, as DISCOMs must rely on costlier sources—including peak-time procurement from thermal units or power exchanges—during high-demand hours.</p> <p>In this context, Time-of-Day (ToD) tariff mechanisms are an established regulatory instrument to ensure tariff differentiation that reflects actual system conditions. Section 62(3) of the Electricity Act, 2003 explicitly empowers the Hon'ble Commission to differentiate tariffs based on factors such as load factor, power factor, voltage, total consumption during a specified period. This statutory provision supports ToD tariffs and validates their use for achieving cost optimization, demand balancing, and grid stability.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>has placed considerable pressure on operating margins in an already cost-sensitive agro-based industry. In this context, we humbly submit that removal of the additional peak-hour charge of ₹1.00 per unit would substantially offset the increased power costs arising from the withdrawal of the night-time discount. Such a measure would provide much-needed relief to agro-based industries without undermining grid discipline or operational efficiency.</p> <p>We therefore request the Hon'ble Commission to kindly consider our representations sympathetically and extend appropriate relief.</p>	<p>It is further submitted that the peak-hour additional charge of Rs. 1.00 per unit is a component designed to signal the higher cost of meeting demand during peak periods, when the DISCOMs' procurement costs are at their maximum. Removing this charge would create a tariff imbalance that does not reflect actual cost of service and may adversely affect the financial sustainability of the DISCOMs, ultimately impacting all categories of consumers.</p> <p>we humbly request the Hon'ble Commission that, the ToD tariff be favorably considered and approved.</p>

**54. Response to The Warangal Granite Factory Owner's Association, H.No.1-1-850, Siddhartha Nagar, Kazipet, Hanumakonda, Telangana State Regd. No. 621/2010.**

S.No.	Summary of Objections / Suggestions	Response of the Licensee
7.	<p>We, the Warangal Granite Factory Owners' Association, representing a major cluster of granite processing units in Warangal, Hanamkonda, Jangaon and adjoining districts, respectfully submit this representation for the kind consideration of the Hon'ble Commission. This request pertains to the enhancement of the sanctioned load limit under the HT-1 Optional Category from the present 150 KVA to 200 KVA, exclusively for granite processing units.</p>	<p>TGDISCOMs respectfully submit that the demand charges for the HT-1 Optional Category are Rs. 100/kVA/month, as against Rs. 500/kVA/month applicable to the HT Industrial Category. This results in an under-recovery for TGDISCOMs for this specific consumer group.</p> <p>The HT-1 Optional Category was specifically created to avoid placing undue financial burden on small industrial consumers with low production levels. Accordingly, the</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p><b>1. Background and Industrial Significance</b></p> <p>The granite industry in Telangana, particularly in the Warangal region, is one of the State's most prominent MSME manufacturing clusters. The sector provides:</p> <ul style="list-style-type: none"> <li>• Large-scale direct and indirect employment,</li> <li>• Substantial contribution to state revenue,</li> <li>• Support to a wide ecosystem of allied industries such as transportation, tool suppliers, fabrication units, and quarries,</li> <li>• Significant foreign exchange earnings through exports of rough blocks and polished slabs.</li> </ul> <p>The granite cluster has contributed consistently to rural and semi-urban industrial development, and its continued viability is of strategic economic importance to the region.</p> <p><b>2. Existing Constraints under HT-1 Optional Category</b></p> <p>The current sanctioned load ceiling of 150 KVA under the HT-1 Optional Category has become inadequate to meet the operational and technological requirements of modern granite processing units. The limitation results in:</p> <p><b>a. Restriction on Technology Upgradation</b></p> <p>Contemporary machinery such as multi-disc cutters, automated polishing lines, resin treatment systems, and high-efficiency compressors require higher power availability. The present limit prevents units from adopting essential technological upgrades.</p> <p><b>b. Reduced Operational Efficiency</b></p>	<p>sanctioned load under this category is capped at 150 kVA.</p> <p>Any consumer requiring more than 150 kVA must, as per the Tariff Order, shift to the HT Industrial Category, which is designed for higher-demand industrial operations. Increasing the HT-1 Optional load limit to 200 kVA for any particular sector would distort the approved tariff design, create a precedent for similar requests from other industries, and undermine the very purpose for which the optional category was established.</p> <p>In view of the above, TGDISCOMs submit that the request for enhancement of the sanctioned load limit to 200 kVA cannot be considered. Consumers requiring a higher load shall continue to be classified under the HT Industrial Category as per the existing practice.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>Due to inadequate sanctioned load, a majority of units are compelled to operate only a single shift, restricting productivity and affecting competitiveness. Approximately 80% of granite units in the region are functioning significantly below their optimal capacity.</p> <p><b>c. Competitive Disadvantage</b></p> <p>The industry is facing intense competition from alternative surface-finished products such as quartz, engineered stone, ceramic slabs, and vitrified materials. These competing sectors enjoy higher production efficiency due to better power infrastructure, placing the local granite industry at a structural disadvantage.</p> <p><b>3. Economic and Employment Impact</b></p> <p>Enhancing the sanctioned load limit to 200 KVA will directly contribute to:</p> <ul style="list-style-type: none"> <li>• Increased operational hours and transition from single-shift to two-shift production,</li> <li>• Improved employment opportunities across skilled and semi-skilled categories,</li> <li>• Stabilization of income for thousands of families dependent on the granite sector,</li> <li>• Expansion of ancillary business activity such as transporters, loading contractors, fabrication units, and quarry operations.</li> </ul> <p>The measure will significantly support the MSME ecosystem in Telangana and promote sustainable industrial development in non-metro regions.</p> <p><b>4. Justification for Enhancement to 200 KVA</b></p>	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>The request for enhancement from 150 KVA to 200 KVA is based on the following considerations:</p> <ul style="list-style-type: none"> <li>• <b>Operational Need:</b> Modern machinery cannot function efficiently under the current cap and the machinery is being damaged while keeping idle for another shift as our machinery runs with water most of the time.</li> <li>• <b>Energy Efficiency:</b> Higher sanctioned load reduces equipment strain and lowers energy consumption per unit of production.</li> <li>• <b>Economic Competitiveness:</b> Increased load capacity will allow the industry to produce at competitive rates and meet export timelines.</li> <li>• <b>Regulatory Alignment:</b> A 200 KVA limit aligns with the operational requirements of MSME-level heavy stone processing units without altering the core structure of the HT-1 Optional Category tariff system</li> <li>• <b>Minimal Administrative Burden:</b> The enhancement requires no significant infrastructural modification and can be implemented within the existing regulatory framework.</li> </ul> <p><b>5. Prayer</b></p> <p>In view of the above, we most respectfully request the Hon'ble Commission to kindly:</p> <ul style="list-style-type: none"> <li>• Enhance the sanctioned load limit under HT-1 Optional Category from 150 KVA to 200 KVA specifically for granite processing industries;</li> <li>• Consider issuing the necessary regulatory order/notification to this effect;</li> </ul>	

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	<ul style="list-style-type: none"> <li>Extend this relief in the interest of industrial sustainability, employment generation, and regional economic stability.</li> </ul> <p><b>6. Conclusion</b></p> <p>The Warangal granite cluster has served as a vital industrial base for Telanganafor several decades. The industry now stands at a critical juncture whereregulatory support in the form of enhanced sanctioned loadis essential for itscontinued growth and survival in a highly competitive market landscape.</p> <p>We remain hopeful that the Hon'ble Commission will kindly consider thisrepresentation favorably, in view of its far-reaching benefits to the State's MSMEsector, employment generation, and industrial progress.</p>	

#### Response toThe Warangal Granite Factory (Additional Submissions)

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1.	<p>On behalf of the Warangal Granite Factory Owners' Association, we respectfully submit this representation requesting the Honorable Commission to kindly consider enhancement of the HT-1 Optional Category limit from 150 kVA to 225 kVA. Such a measure will significantly support the MSME granite sector and help sustain industrial activity in the region.</p> <p>At present, the granite industry is facing severe competition from alternative surface materials such as vitrified tiles, composite stones, and other engineered products. Due to rising production costs and market</p>	<p>TGDISCOMs respectfully submit that the demand charges for the HT-1 Optional Category are Rs. 100/kVA/month, as against Rs. 500/kVA/month applicable to the HT Industrial Category. This results in an under-recovery for TGDISCOMs for this specific consumer group.</p> <p>The HT-1 Optional Category was specifically created to avoid placing undue financial burden on small industrial consumers with low production levels. Accordingly, the</p>

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	<p>pressures, many units are becoming financially stressed, while several others are on the verge of closure. Without timely policy support and incentive-based relief, the survival of this traditional employment-generating industry will become increasingly difficult.</p> <p>Extension of the HT-1 Optional Category up to 225 kVA will:</p> <ul style="list-style-type: none"> <li>• Provide essential cost relief to small and medium granite units.</li> <li>• Encourage modernization through adoption of sophisticated and energy-efficient machinery.</li> <li>• Enable the industry to compete with emerging substitute materials.</li> <li>• Protect direct and indirect employment dependent on the granite sector across Telangana.</li> </ul> <p>We further request the Honorable Commission to kindly examine the present market condition and downturn in the granite sector through the District Industries Centre and the Ministry of Micro, Small and Medium Enterprises, Government of India, so that appropriate supportive measures may be extended.</p> <p>The livelihood of thousands of families depends on this industry, and timely intervention from the Commission will help revive confidence among entrepreneurs and ensure continued industrial growth.</p> <p>We therefore humbly request the Honorable Commission to kindly consider our representation favorably and take necessary action in the interest of the granite MSME sector.</p>	<p>sanctioned load under this category is capped at 150 kVA.</p> <p>Any consumer requiring more than 150 kVA must, as per the Tariff Order, shall shift to the HT Industrial Category, which is designed for higher-demand industrial operations.</p> <p>Any enhancement of the demand limit from 150 kVA to 225 kVA would result in revenue implications and may increase the cross-subsidy burden on other consumer categories unless compensated through tariff restructuring or additional subsidy support.</p> <p>Increasing the HT-1 Optional load limit to 225 kVA for any particular sector would distort the approved tariff design and undermine the very purpose for which the optional category was established.</p> <p>In view of the above, TGDISCOMs submit that the request for enhancement of the sanctioned load limit to 225 kVA cannot be considered. Consumers requiring a higher load shall continue to be classified under the HT Industrial Category as per the existing practice.</p>

55. Response to Laghu Udyog Bharati, Telangana, #5-283, Aswini House, H.P. Road, Moosapet, Hyderabad - 500 018, Telangana

S.No.	Summary of Objections / Suggestions	Response of the Licensee
8.	<p><b>Six-month transition period</b>                      After unlocking the lead factor, MSMEs must purchase, install and stabilize APFC panels, which is difficult in rural and semi-urban areas due to limited suppliers and technicians. Even after installation, owners and staff need time to understand and stabilize PF under varying loads. We request a six-month transition period from the date of unlocking of the lead factor, during which PF penalties on MSMEs are kept in abeyance and only advisory monitoring is done.</p>	<p>The Hon'ble Commission has already granted a transition period of three months specifically to enable consumers, including MSMEs, to upgrade and stabilize their PF correction systems. The implementation of lead block removal was commenced only after completion of the transition period as directed by the Commission. Accordingly, TGSPDCL has acted in compliance with the Commission's timelines.</p>
9.	<p><b>Waiver of abnormal PF-related bills</b>                      The new PF regime has resulted in very high PF-related debits in many MSME bills, which are disproportionate to their normal consumption and financial capacity. We request that abnormal PF-related charges raised during the initial implementation phase be waived and the amounts allowed to be adjusted in subsequent bills, so that genuine consumers get a fair chance to comply without suffering sudden financial shocks.</p>	<p>The revised PF mechanism applies uniformly based on actual measured Power Factor, and consumers who maintain the required PF are not subjected to any penalties. The PF-related charges appearing in bills arise only where the recorded PF falls low.</p> <p>During the implementation phase, TGSPDCL has followed the Hon'ble Commission's approved timelines. Since billing is strictly based on metered parameters, waiver or adjustment of PF-related charges cannot be granted by the Licensee. TGSPDCL assures that consumers maintaining better PF continue to remain unaffected and incur no PF penalties.</p>
10.	<p><b>Optional and MD - exemption and continuity tariff</b>                      Due to the new PF-based measurements, recorded Maximum Demand (MD) and units consumed are being affected, causing MD crossings not driven by deliberate over-loading. At present, MSME consumers in optional MD tariff lose this benefit if sanctioned MD is crossed more than two times in a year. Under the new PF regime such crossings are more likely.</p> <p>We request that MSME consumers whose MD or consumption</p>	<p>The Maximum Demand (MD) recorded by the meter is a direct outcome of the consumer's actual load and Power Factor (PF). Under the revised PF-based measurement system, consumers who maintain the required PF will have their MD recorded accurately and without undue escalation.</p> <p>Therefore, the MD exceedances being observed are primarily due to low PF conditions, and not because of the PF measurement methodology itself. When consumers maintain proper PF, MD remains within expected limits, and the question of unintended MD crossings does not</p>

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	<p>increases due to PF impact be allowed to remain in the optional MD tariff beyond the current "two times per year" limit. Further:</p> <ul style="list-style-type: none"> <li>- Where MD crosses along with extra consumption due to PF-related effects, consumers may be allowed to apply for sanctioned MD enhancement without losing optional tariff.</li> <li>- Where no enhancement is required but MD is temporarily exceeded due to PF-driven variation, consumers may still be permitted to continue under the optional tariff.</li> </ul>	<p>arise.</p> <p>TGSPDCL assures that consumers who maintain good PF do not face MD-related disadvantages, and can continue to enjoy the optional MD benefits within the existing regulatory framework.</p>
11.	<p><b>PF norm - accept PF 0.95</b></p> <p>Our field interactions show that even with APFC panels and unlocked lead factor, most MSMEs cannot maintain PF 1.0 consistently because of single-shift operations, seasonal and order-based loads, voltage fluctuations and old equipment. We request that PF 0.95 be accepted as a reasonable and achievable base PF for MSMEs, in line with norms already adopted in several neighbouring States.</p>	<p>Maintenance of higher PF is essential for optimal utilization of network capacity, reduction of technical losses, and improvement of system voltage profile. Lowering the base PF benchmark to 0.95 would:</p> <ul style="list-style-type: none"> <li>• Increase reactive power draw from the grid,</li> <li>• Adversely impact system efficiency,</li> <li>• Necessitate additional investment in network strengthening, and</li> <li>• Ultimately burden other consumers through higher costs.</li> </ul> <p>Consumers who maintain unity PF do not attract any PF penalties. In view of the above, the request to treat PF 0.95 as the base benchmark for MSMEs is not justified.</p>
12.	<p><b>Technical training and differentiated standards</b></p> <p>Most MSME entrepreneurs and staff are non-technical. We request that DISCOMs be directed to conduct regular technical training programmes in industrial areas on PF, APFC operation and MD management. We also request differentiated PF and MD standards and procedures for MSMEs, recognising the differences between HT and LT consumers and between small units and large industries.</p>	<p>TGSPDCL is open to facilitate consumer awareness and technical guidance programs, resources permitting, and will continue to conduct outreach through established channels. TGSPDCL will adhere to uniform standards unless and until the Commission notifies differentiated norms.</p>
13.	<p><b>Incentive scheme for good PF</b></p> <p>MSMEs in both LT and HT categories are willing to invest to improve PF, but need support. We request introduction of an</p>	<p>Any rebate or graded incentive would have revenue implications for the</p>

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	<p>incentive scheme under which consumers maintaining PF between 0.95 and 1.0 receive a graded incentive or rebate. This will encourage sustained investment in PF improvement and benefit both the system and consumers.</p>	<p>DISCOM and may require either:</p> <ul style="list-style-type: none"> <li>• Recovery through increased tariffs for other consumer categories, or</li> <li>• Adjustment in Aggregate Revenue Requirement (ARR).</li> </ul> <p>In view of above framework, such concessions lead to unintended financial burden on other consumers.</p>
14.	<p><b>Special protection for small LT and HT consumers (MD below 200 kVA)</b></p> <p>A large number of MSMEs are small LT and HT consumers with sanctioned MD below 200 kVA, operating with limited capital but supporting significant employment. We request that these consumers be specifically identified and given special protection and relaxed PF/MD conditions, so that their viability and the livelihood of their employees are not threatened.</p>	<p>TGDISCOMs assure that small consumers who maintain proper PF and operate within sanctioned demand parameters already benefit from lower demand charges and are not placed at any operational disadvantage.</p>
15.	<p>Our prayer In view of the above, we humbly pray that the Hon'ble Commission may kindly:</p> <ul style="list-style-type: none"> <li>• Grant a six-month transition period from the date of unlocking of lead factor, keeping PF penalties on MSMEs in abeyance.</li> <li>• Waive abnormal PF-related charges raised during the initial implementation phase and allow adjustment of such amounts in subsequent bills.</li> <li>• Provide exemptions in MD regulations so that MSMEs can remain in optional MD tariff beyond the "two times per year"</li> </ul>	<p>The concerns of MSMEs regarding operational challenges are appreciated. However, PF and MD related are technical and system-oriented in nature, intended to ensure grid stability, optimal asset utilization, and equitable cost recovery.</p> <p>Granting category-specific relaxations, waivers, or differentiated standards may lead to financial imbalance and operational inefficiencies.</p> <p>Accordingly, the prayers made by the objector may not merit</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>limit and can enhance or temporarily exceed MD without losing optional tariff benefits when this is driven by PF impact.</p> <ul style="list-style-type: none"> <li>• Approve PF 0.95 as the base PF norm for MSMEs instead of PF 1.0.</li> <li>• Direct DISCOMs to conduct regular technical training for MSME owners and staff and apply differentiated PF/MD standards for MSMEs.</li> <li>• Introduce a graded incentive scheme for LT and HT MSME consumers maintaining PF between 0.95 and 1.0.</li> <li>• Give special consideration and protection in PF and MD regulations to small LT and HT consumers with sanctioned MD below 200 kVA.</li> </ul>	<p>consideration.</p> <p>The DISCOMs remain committed to extending technical guidance and facilitating compliance within the existing regulatory framework.</p>

**56. Response to Mr. Vijaya Sai Meka, President, NAREDCO**

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1.	<p>Delay in Electricity Connection</p> <p>Presently only after receiving Occupancy Certificate (OC) is the Electricity Connection given, this is however getting unduly delayed resulting in consumers being forced to rely on expensive, unauthorized, or temporary power sources. Request that permission is granted to apply for Electricity Connection before getting the Occupancy Certificate (OC) so that the application is processed and passed along with the Occupancy Certificate (OC).</p>	<p>TGDISCOMs submit that new electricity connections are released within 30 days of receiving the application, provided all required documents are furnished and technical feasibility is established, as per the Standard Operating Procedures.</p> <p>Consumers must ensure submission of all relevant documents and payment of applicable charges for timely release of the service. Once the documentation is complete, TGDISCOMs process the application without delay.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
2.	<p>Reduction in requirement of Power</p> <p>Request for reduction in the Requirement of Power based on the area of the apartment. This will result in reduced capital requirement so the total infrastructure cost will be reduced. On the estimated power consumption applied for to the Department not even 40% is actually consumed. So, Builders are unnecessarily spending large amounts as capital expenditure and providing infrastructure though there is not sufficient consumption of power.</p>	<p>The sanctioned load cannot be reduced based on the apartment area. Even smaller apartments today routinely use multiple high load appliances such as air conditioners, geysers, induction stoves, washing machines, and water pumps resulting in actual household demand far exceeding the earlier sanctioned capacities. This has led to consistent overdrawl, transformer overload, and frequent tripping incidents within residential developments. Minimum load norms are set to ensure safe and reliable supply and are based on actual usage patterns.</p>
3.	<p>Reduction of electricity tariff levied on Projects under construction</p> <p>A. Emergency/Temporary Commercial Tariff rate of about Rs.13 per unit is levied on all the projects under construction. We understand that such a high tariff is to be imposed for temporary connections of smaller duration of 1 or 2 months like Circus, Small Exhibitions or Conventions etc.</p> <p>i. Normally, the construction process take between 2 years to 6 years depending on the size of the project. In fact-the Government of Telangana issues construction permits valid for a period of 6 years that can be renewed/extended for two more years.</p> <p>ii. The department started levying these charges by unilaterally changing the category and started billing at a higher slab of Rs.13/- per unit instead of Rs.6/- per unit after an initial period of 2 to 3 years.</p> <p>iii. Many developers are forced to approach the courts for temporary relief as it is impossible to pay these charges and continue with the</p>	<p>Tariffs for temporary category have undergone many changes over the years. Historically, temporary tariffs have undergone several revisions—1.5x the regular tariff until FY-17, and from FY-19 onward, a separate tariff structure was notified considering the rapid increase in temporary connections and the inherently unstable, shifting, and non-continuous nature of such loads.</p> <p>Construction activities even when spread over several years, involve temporary, shifting, and non-continuous loads, which must be classified under the Temporary Supply category as per the Tariff Order notified by Hon'ble TGERC.</p> <p>These loads do not constitute industrial processing or manufacturing, and therefore cannot be treated under the Industrial tariff.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>construction.</p> <p>iv.While the Government of Telangana encourages industries with concessional tariff, it is not justified to punish developers with very high and unviable tariff, as the construction industry is next to Agriculture in terms of providing employment and contributes a lot to the GDP of the country in addition to providing shelter to Lakhs of citizens.</p> <p>v.The Developers are asked to pay all the infrastructure costs/expenses for providing the Emergency/Temporary connection for the projects and there are no additional expenses borne by the Electricity Board in this regard.</p> <p>vi.The high tariff only increases the cost of housing resulting in slower off take of housing units and lowering competitiveness of the real estate in Telangana State as compared to other states.</p> <p>B.Conversion of HT Category-II (Non-Industrial Purpose) to HT Supply Category-II (Temporary)for under construction projects is unjust as</p> <p>i.Some Developers took the HT Supply connection under Category-II (Non-Industrial Purpose) in the year 2009 as per the Tariff order at that relevant point of time. Their HT Connections were illegally re-classified as HT Supply Category-II (Temporary) and demanded the differential Tariff with retrospective effect from 1-8-2010 and fresh bills were issued under HT Supply Category-II (Temporary) as per the tariff order for 2010-11.</p> <p>ii.There is no provision under the "GTCS" or the Tariff Order (Retail Supply Tariffs) for FY 2010-11 that the HT Supply for construction activity should be billed under HT Category-II Temporary Supply and</p>	<p>Accordingly, power required during construction will continue to be provided under the Temporary Supply category.</p>

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	<p>also giving it a retrospective effect. The order passed by the erstwhile APERC was applicable to new connections only and there was no mention in the said order that the existing connections should also be reclassified.</p> <p>iii. Moreover TGSPDCL has no jurisdiction much less power to demand the bills with retrospective effect of more than six months as per Condition No.3.1.4 of the "GTCS". The action of the TGSPDCL in demanding the bills under HT Temporary with retrospective effect along with the surcharge is illegal.</p> <p>iv. In view of the above reasons most of the developers have filed writ petition before the Hon'ble High Court at Hyderabad against the Assessment Order as well as classification change letter. Hon'ble High Court has allowed their writ petition setting aside the re-classification of their HT Connection to HT Supply Category-II (Temporary) including the demand raised for the back billing.</p> <p>v. As the matter stood thus, the developers were given fresh notices requesting them to furnish consent for payment of twice the regular tariff to continue to avail the alleged Temporary Supply. As the developers have not availed the HT Connection under Temporary Category and therefore the consent for payment, twice the regular tariff applicable to HT Category-VII (Temporary) as per Clause 3.4.1 of GTCS will not arise.</p> <p>vi. Thereafter, TGSPDCL have straightaway changed their Service Connection Category-II (Non-Industrial Purpose) to HT Temporary on a new ground that they have failed to submit required documents/</p>	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>approvals for availing HT Cat-II Supply as per Clause 5.5 and 5.6 of the GTCS and further demanded the bills under HT Category-II (Temporary) and also surcharge for the alleged delayed payments.</p> <p>vii.The Tariff Order (Retail Supply Tariffs) for FY 2016-17 under Clause 7.12 the Regulatory Commission refused to consider the request of the TGSPDCL to bring construction activities under the purview of Temporary Service on the ground that such connection can only be given based on the request of the Consumer and not otherwise.</p> <p>In view of the above, NAREDCO Telangana requests you to do away/rescind these unjustified tariffs that have been levied since the last several years and levy only "Domestic Tariff" on the projects under construction. Further the demands for the arrears be withdrawn to give the much-needed relief to the many developers fighting the litigation.</p> <p>We hope the above requests will be considered sympathetically and necessary orders issued to revive the construction industry.</p>	

**57. Response to Cellular Operators Association of India (COAI),14, Bhai Veer Singh Marg, New Delhi – 110 001**

S.No.	Summary of Objections / Suggestions	Response of the Licensee
16.	<p>1.Telecom services form the backbone of digital connectivity and play a critical role in economic growth, governance, and social development. Reliable and affordable telecom networks enable access to education, healthcare, banking, public services, emergency communication, and digital inclusion, especially in rural, remote, and tribal areas of the State. Telecom networks operate on a continuous 24x7 basis and are essential for</p>	No Comments

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	supporting Government programs, disaster management, and public safety. Electricity is a key input cost for telecom infrastructure such as towers, network equipment, and data facilities.	
17.	2. We would like to express our sincere appreciation to the Telangana DISCOMs for not proposing any electricity tariff hike for HT and LT consumers for FY 2025–26, as per the recent notification. This prudent decision will help avoid additional financial burden on critical telecom infrastructure such as cell sites and data centres that provide essential communication services to a large section in the State, particularly in rural and semi-urban areas, and will support continued network expansion, operational sustainability, and service affordability.	No Comments
18.	3. In this context, we humbly request the Hon'ble Commission to kindly consider levying electricity charges for the Telecommunication Industry under the Industrial Tariff category instead of the Commercial Tariff, as telecom services are essential public utilities and form the backbone of digital connectivity, governance, emergency services, and economic growth. Granting industrial tariff classification would further strengthen the sector's ability to deliver reliable and affordable services across the state.	<p>Tariff design is guided by cost-of-supply principles and cross-subsidy structures approved by the Hon'ble Commission. Reclassification of the entire telecommunication sector under Industrial Tariff would have revenue implications and may:</p> <ul style="list-style-type: none"> <li>• Increase cross-subsidy burden on other consumer categories</li> <li>• Widen the revenue gap requiring regulatory adjustment.</li> </ul> <p>Further there was no tariff hike for past two years</p> <p>In view of the above, the request to classify telecom installations under the Industrial Tariff category may not merit consideration.</p>
19.	4. Need for Classification of Telecom under Industrial Tariff: At present, telecom infrastructure in Telangana is billed under Commercial / Non-Industrial electricity tariffs,	

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	<p>which imposes a heavy cost burden on a sector that provides essential and uninterrupted services. Commercial tariffs are not aligned with the operating nature of telecom networks, which function round the clock and are required to support Government-led digital initiatives and essential public services across the State.</p>	<p>While telecom networks operate round the clock and provide uninterrupted services, tariff classification is not based on hours of operation but on the nature of activity.</p> <p>Industrial tariff is generally applicable to manufacturing and production-oriented activities. Telecom infrastructure such as mobile towers, switching centres, and data transmission facilities constitutes a service activity and therefore appropriately falls under the Commercial / Non-Industrial category.</p>
20.	<p>5. There is a strong need to align electricity tariff policy with the infrastructure-oriented nature of telecom operations. Classification of telecom services and infrastructure under the Industrial tariff category will help reduce operating costs, support faster rollout of 4G/5G networks, and improve digital connectivity across Telangana.</p>	<p>Industrial tariff is generally applicable to manufacturing and production-oriented activities. Telecom infrastructure such as mobile towers, switching centres, and data transmission facilities constitutes a service activity and therefore appropriately falls under the Commercial / Non-Industrial category.</p>
21.	<p>6. Telecom services have been recognized as infrastructure and industry at the national level. Other States such as Maharashtra and Himachal Pradesh have already extended Industrial electricity tariffs to telecom infrastructure, demonstrating that such classification is practical and beneficial.</p> <p><b>a.Rationale for Industrial Tariff Classification:</b> The Government of India has recognized telecom services and telecom infrastructure as part of the national infrastructure framework and industry- Telecom is treated as an industry for investment, financing, and development purposes, and requires continuous power supply similar to other industrial infrastructure. This recognition highlights the need for electricity tariffs that reflect infrastructure-based usage rather than commercial consumption.</p> <p><b>b.Judicial and policy recognition of telecom as an industry:</b> Telecom services have been consistently</p>	<p>Tariff frame works differ across States based on their respective ERC regulations, consumer mix, and cost-of-supply. Policies adopted elsewhere cannot be applied automatically in the State.</p> <p>Recognition as “infrastructure” under Central Government policies does not automatically translate to Industrial electricity tariff classification at the State level. Electricity tariffs are governed exclusively by the State ERC.</p> <p>Further, TGSPDCL reiterates that judicial references pertain to sectoral treatment under investment/industrial policies, not electricity tariff determination. Tariff classification must follow TGERC’s prevailing regulatory framework.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>treated as an industry based on their nature of activity, scale of operations, and role in economic development. Telecom networks involve large-scale capital investment, continuous operations, and structured service delivery comparable to other industrial activities. This supports the classification of telecom infrastructure under the Industrial tariff category.</p> <p><b>c. Precedents from other States and benefits to DISCOMs:</b> States such as Maharashtra and Himachal Pradesh have already classified telecom infrastructure under the Industrial tariff category. These precedents demonstrate that industrial classification is workable and supports sustainable growth of digital infrastructure. Further, extending Industrial tariff to telecom in Telangana will also benefit power distribution companies through increased network expansion, stable power demand, and opportunities for additional revenue through deployment of telecom equipment on electricity infrastructure.</p> <p><b>d. Statutory Role of the Commission:</b> The Telangana Electricity Regulatory Commission has the authority to classify consumers based on the purpose of electricity usage and determine appropriate tariff categories. Telecom infrastructure clearly aligns with industrial usage patterns rather than commercial usage.</p> <p><b>COAI requests the Hon'ble Commission to: Classify Telecom Services and Infrastructure under the Industrial tariff category.</b></p>	<p>TGSPDCL respectfully submits that all tariff classifications will be maintained as per existing Hon'ble Commission Tariff Orders. TGSPDCL remains committed to providing reliable power supply to all consumers, including telecom operators, in accordance with applicable regulations.</p>

**58. Response to All India Yadav Mahasabha, Central office: SriKrishnaBhawan, Sector-IV, Vaishali T.H.A., Ghaziabad, 201011(U.P.) Ph: 0120- 2778377, Email:yadavmahasabha@hotmail.com**

S.No.	Summary of Objections / Suggestions	Response of the Licensee
22.	<p>1) Our organization represents thousands of families across India, whose traditional and primary livelihood consists of dairy farming and sheep &amp; goat rearing. These activities are not commercial trading ventures but hereditary rural occupations sustaining families for generations and supporting the food system of society.</p> <p>2) A dairy farmer's day begins before sunrise, often around 4:00 AM, and continues till late night. The farmer feeds cattle, cleans sheds, milks animals, transports milk, and supplies it door-to-door. Imposition of commercial electricity tariff has become an unbearable burden.</p> <p>3) At present, TGSPDCL and TGNPDCL are billing electricity consumption of dairy farms and sheep/ goat rearing units under the Non-Domestic/Commercial category. This categorization is fundamentally incorrect.</p> <p>4) Agriculture includes raising of animals for milk, manure and allied products essential for agricultural sustainability. Government policies and planning frameworks treat animal husbandry and dairying as part of Agriculture &amp; Allied Sectors. Various Enactments defines these sectors comes under</p>	<p>TGDISCOMs submit that Dairy farms, Sheep farms, Goat farms, Mushroom production units and Rabbit farming are not billed under the Commercial category.</p> <p>As per the existing tariff conditions:</p> <ul style="list-style-type: none"> <li>• If the connected load is up to 25 HP, these activities are classified under LT-IV(B) - Agro-Based Activities.</li> <li>• If the connected load exceeds 25 HP, they are classified under LT-III–Industry.</li> </ul> <p>This classification has been consistently followed by TGDISCOMs.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p data-bbox="421 161 1258 240">Agriculture, which closely connected with agricultural operations.</p> <p data-bbox="322 284 1258 464">5) Tariff must be reasonable and non-discriminatory. Livelihood-based occupations cannot be treated on par with profit-making commercial enterprises. Regulatory authorities must consider social impact and protection of employment.</p> <p data-bbox="322 507 1258 735">6) I personally verified the electricity bill of a dairy unit belongs to Mr.Bodusu Shankar Yadav at Abdullapurmet, Ranga Reddy District wherein billing was made under commercial category for power used solely for dairy operations. Similar billing is happening across Telangana State.</p> <p data-bbox="322 778 1258 911">7) Electricity for a dairy farmer is not a luxury; it operates water motors, lighting, and milk preservation systems. Without electricity, milk production stops and society's nutrition suffers.</p> <p data-bbox="322 954 1258 986">8) Earlier Recognition by the Commission - Subsequent Reversal</p> <p data-bbox="322 1029 1258 1310">9) It is respectfully submitted that during the tariff proceedings of 2024, I personally appeared (OP 16/2024 &amp; OP 17/2024) in the public hearing conducted by this Hon'ble Commission and made detailed oral and written submissions requesting that Dairy Farming, Sheep &amp; Goat Rearing be treated as Agricultural/ Agro-based activity.</p> <p data-bbox="322 1353 1258 1385">10) Pursuant to myrepresentation, the tariff structure was modified</p>	

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	<p>and the activity was recognized under Agro-based activity category. However, in the present tariff proposal, the same activity has again been placed under Commercial/Industry category without any change in the nature of the activity or its socio-economic character.</p> <p>11) Such inconsistent classification creates uncertainty and financial instability for dairy farmers and ill-logical, regulatory treatment. Stability and predictability in tariff policy are essential for livelihood protection.</p> <p>12) PRAYER</p> <p>a. Classify electricity consumption for Dairy Farms, Sheep Farms and Goat Farms under the Agriculture Category and extend agricultural tariff.</p> <p>b. Without prejudice, alternatively classify such activity under Agro-based/Cottage Industry category and prescribe concessional tariff instead of commercial tariff.</p> <p>c. Grant an opportunity of personal hearing to the undersigned to present submissions.</p> <p>Milk reaches every household every morning, but the struggle of the dairy farmer remains unseen. Behind every litre of milk is a family waking before sunrise and caring for animals in difficult conditions. Supporting dairy farmers is not Charity but it is protection of agriculture,</p>	

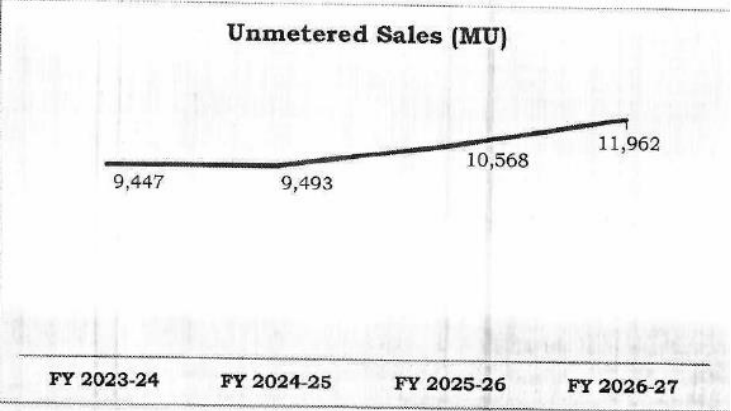
S.No.	Summary of Objections / Suggestions	Response of the Licensee
	Country economy and food security.	

**59.TELANGANA IRON & STEEL MANUFACTURERS ASSOCIATION (TISMA)**, Regd. Office:Flat No. 101, 1st Floor, Satya Sarovar Apt, Ghansi Bazar, Near High Court, Hyderabad-500002, Telangana.

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23.	<p>This is to submit that both the TG DISCOMs have claimed significant amount of Unmetered Energy Sales in FY 2026-27 pertaining to Agriculture. In case of TGNPDCL, unmetered Energy Sales claimed in FY 2026-27 are ~45% of the Total Sales while for TGSPDCL unmetered Energy Sales claimed in FY 2026-27 have been ~24% of the Total Sales.</p> <p>The Telangana Discoms have considered sales for LT V Agriculture as 15,428 MUs in Fy 2026-27 whereas in FY 2024-25 the sales for this category were 15,209 MUS and in FY 2025-26 the sales are expected to be 14,140 Mus. Despite the reduction in energy consumption in this category, high level of growth has been considered. The Energy for LT V category needs to be reduced by around 1,000 Mus and needs to be around 14,500 Mus. Similarly, the sales of at HT-I(A) under HT category 132 kV has been considered as 4,985 Mus in FY 2026-27 in comparison to 6,799 Mus in Fy 2025-26. It has been observed there is increase in sales in this category from 4,552 MUs in FY 2024-25. Thus, the sales in this category in FY 2026-27 needs to be atleast 7,000 Mus.</p>	<p>TGDISCOMs have projected the category wise sales for FY2026-27 by considering the actual sales of FY 2024-25 with the CAGR in previous years keeping into account the expected new load additions.</p> <p>Agricultural sales projection: With respect to LT V (Agriculture) sales, TGDISCOMs have followed the methodology adopted by the Hon'ble Commission. Agricultural sales for FY 2026-27 have been estimated based on 12 hours of daily supply and 180 operational days per year, using the connected load indicated in the ARR filings. Details of existing and expected load is also mentioned in the filings. Since, the nature of agricultural consumption is similar in both DISCOM areas, the same approach has been uniformly applied.</p> <p>Load and Sales Projections for FY 2026 27</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>NPDCCL</th> <th>SPDCL</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Particulars	NPDCCL	SPDCL			
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	<p>The discoms are erroneously showing such values for sales to reduce the revenue expected to be generated in FY 2026-27.</p> <p>Reasonable growth must be provided in HT-I(A) under HT category 132 kV while the sales in LT V – Agriculture category should be reduced.</p> <p>Further, TG DISCOMs have also considered increase in number of unmetered agricultural connections in FY 2026-27 vis-à-vis actuals existing in FY 2024-25 and asin FY 2025-26. The summary of such unmetered connections is as shown below:</p> <table border="1" data-bbox="197 571 927 791"> <thead> <tr> <th>Particulars</th> <th>FY 2024-25</th> <th>FY 2025-26</th> <th>FY 2026-27</th> <th>Increase % y-o-y</th> <th>Source</th> </tr> </thead> <tbody> <tr> <td colspan="6"><b>TGNPDCL</b></td> </tr> <tr> <td>No. of Connections</td> <td>13,56,715</td> <td>14,02,289</td> <td>14,48,079</td> <td>3%</td> <td>Form-2</td> </tr> <tr> <td>Energy Sales (₹)</td> <td>9,493</td> <td>10,568</td> <td>11,962</td> <td>13%</td> <td>Form-4</td> </tr> <tr> <td colspan="6"><b>TGSPDCL</b></td> </tr> <tr> <td>No. of Connections</td> <td>14,10,883</td> <td>15,00,174</td> <td>15,60,174</td> <td>40%</td> <td>Form-2</td> </tr> <tr> <td>Energy Sales (₹)</td> <td>15,209</td> <td>14,140</td> <td>15,428</td> <td>9%</td> <td>Form-4</td> </tr> </tbody> </table> <p>From the above TG DISCOMs <b>themselves have proposed addition in new unmetered connections in FY 2026-27</b>. However, this is in violation of the Ministry of Power Electricity (Rights of Consumers) Rules, 2020 dtd. 31/ 12/2020, which states that no connection shall be given without a meter and such meter shall be the smart prepayment meter or pre-payment meter. Relevant extract of the said Rules is as follows:</p> <p><b>"5. Metering</b> — (1) No connection shall be given without a meter and such meter shall be the smart prepayment meter or pre-payment meter. Any exception to the smart meter or prepayment meter shall have to be duly approved by the Commission. The Commission, while doing so, shall record proper justification for allowing the deviation from</p>	Particulars	FY 2024-25	FY 2025-26	FY 2026-27	Increase % y-o-y	Source	<b>TGNPDCL</b>						No. of Connections	13,56,715	14,02,289	14,48,079	3%	Form-2	Energy Sales (₹)	9,493	10,568	11,962	13%	Form-4	<b>TGSPDCL</b>						No. of Connections	14,10,883	15,00,174	15,60,174	40%	Form-2	Energy Sales (₹)	15,209	14,140	15,428	9%	Form-4	<table border="1" data-bbox="1160 156 1890 347"> <tbody> <tr> <td>Load Projections (hp)</td> <td>7,421,344</td> <td>8,205,026</td> </tr> <tr> <td>Load Projections (MW)</td> <td>5536</td> <td>6121</td> </tr> <tr> <td>Sales Projections (MU) (Load in MW*12*180/10^3)</td> <td>11958</td> <td>15425</td> </tr> </tbody> </table> <p>It may be noted that while connections and connected load tend to show a steady, linear increase. Whereas, actual agricultural consumption does not follow the same pattern. Agricultural sales are significantly influenced by seasonality, weather conditions, and actual demand at the field level. Such fluctuations confirm that agricultural consumption does not exhibit a smooth growth trend.</p> <p><b>For HT I(A) 132 kV Projections:</b></p> <p>FY 25 (Actuals): 4551.70 MU</p> <p>FY 26 (Projections): 4741.41 MU</p> <p>FY 27 (Projections): 4984.80 MU</p> <p>The projections are consistent and there is no erroneous reduction. The values filed are based on historical demand patterns and expected growth.</p> <p><b>Metering:</b></p> <p>It is submitted that the projections for FY 2026-27 indicating addition of certain agricultural service connections categorized as “unmetered” are in line with the prevailing State Government policy and the existing tariff framework applicable to agricultural</p>	Load Projections (hp)	7,421,344	8,205,026	Load Projections (MW)	5536	6121	Sales Projections (MU) (Load in MW*12*180/10^3)	11958	15425
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	<p><i>installation of the smart pre-payment meter or prepayment meter.”</i></p> <p>As such, no new unmetered connections shall be given to any category of consumer by the TG DISCOMs. It is pertinent to note that Hon’ble Commission in Tariff Order dtd. 29.04.2025 for Retail Supply Business has already directed the TG DISCOMs to meter the Agriculture consumers and in case non- compliance Commission may develop appropriate methodology for accounting of the unmetered agricultural connections. In this regard, relevant extract of the Commission’s Order is as follows:</p> <p><i>“3.4.40 In respect of accounting of unmetered agricultural connections, several stakeholders have raised several concerns. Having considered the reply given by the TGDISCOMs as per the regulatory framework in respect of methodology adopted for unmetered agricultural connections, this Commission is of the opinion that though the ISI methodology to account for unmetered connections is not foolproof and that the metering of Agricultural feeders may give close data, however both the methods will not provide accurate data. Further, ASCI has also reported that the consumption of power for agriculture under ISI methodology has been provided at far less consumption level than actuals. Therefore, as long as there is no proper alternative methodology available before the Commission, the ISI methodology which is approved by this Commission has to be considered for calculation of unmetered agricultural connections. <b>However, this Commission has taken into consideration the concerns of the stakeholders and will try to evolve an appropriate methodology for</b></i></p>	<p>consumers.</p> <p>With regard to the reference made to the Electricity (Rights of Consumers) Rules, 2020 dated 31.12.2020, it is respectfully submitted that the said Rules provide the general framework relating to consumer rights and metering. However, agricultural service connections in the State are presently governed by specific policy directions of the State Government under which supply to agriculture is being extended in accordance with approved norms.</p> <p>It is further submitted that the classification of certain agricultural services as “unmetered” in the ARR projections is primarily for billing and subsidy accounting purposes under the prevailing tariff structure. The same does not imply any deliberate violation of statutory provisions.</p> <p>The DISCOM is implementing metering in a phased manner in accordance with directions issued by the appropriate authorities and subject to availability of approved schemes, regulatory approvals, and funding support.</p> <p>Therefore, the mere projection of new agricultural connections under the existing unmetered category for FY 2026-27 cannot be construed as a violation of the aforesaid Rules. The DISCOM remains committed to complying with all applicable statutory provisions and regulatory directions as may be issued from time to time by the appropriate authorities.</p>

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	<p><b>accounting of the unmetered agricultural connections.”</b></p> <p>However, the unmetered Agriculture Sales as claimed for FY 2026-27 have been estimated to increase by around 13% over the Agriculture Sales in FY 2025-26.</p>  <table border="1" data-bbox="192 360 920 772"> <caption>Unmetered Sales (MU)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Sales (MU)</th> </tr> </thead> <tbody> <tr> <td>FY 2023-24</td> <td>9,447</td> </tr> <tr> <td>FY 2024-25</td> <td>9,493</td> </tr> <tr> <td>FY 2025-26</td> <td>10,568</td> </tr> <tr> <td>FY 2026-27</td> <td>11,962</td> </tr> </tbody> </table> <p>TISMA humbly request the Hon'ble Commission to take this issue as a matter of concern as Distribution Losses, Metering, Billing and Collection are controllable parameters on the part of DISCOMs. Inefficiencies on account of DISCOMs should not be allowed to be passed through in ARR. Due to lack of metered connections and huge unmetered Sales, Proper accounting and actual Distribution losses cannot be ascertained. Thus, the inefficiencies of TG DISCOMs are borne by honest metered consumers in the State.</p> <p>As for LT Agriculture sales estimation, in the Tarif order dated 28/10/2024 (Section 4.1.5, pp108), Hon'ble TGERC has laid out a procedure it has used for agriculture consumption estimation. This was based on calculating the specific consumption of pumpsets</p>	Fiscal Year	Sales (MU)	FY 2023-24	9,447	FY 2024-25	9,493	FY 2025-26	10,568	FY 2026-27	11,962	<p>The DISCOMs have proposed to undertake segregation of agricultural feeders under the RDSS program to enable better monitoring and accurate accounting of agricultural consumption subject to approval from GOI.</p> <p>The Agricultural consumption is assessed based on sample metering of agricultural feeders/DTRs, connected load data, pump-set census, and normative consumption parameters as approved by the Commission from time to time. The methodology is transparent and subject to regulatory scrutiny in every ARR and True-Up filing.</p> <p>Further, the energy balance, including T&amp;D losses, is derived from audited energy input data, metered sales data (for all metered categories), and Commission-approved estimation procedures for unmetered categories.</p> <p>TGDISCOMs also submit that higher T&amp;D losses arise due to multiple structural and operational factors such as:</p> <ul style="list-style-type: none"> <li>• Predominantly rural network with lengthy 11 kV feeders and dispersed loads,</li> <li>• High proportion of agricultural consumption,</li> <li>• Rapid load growth and network constraints,</li> </ul> <p>TGDISCOMs are continuously undertaking loss-reduction measures including feeder segregation, HVDS implementation,</p>
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	<p>(Units/hp/year) based on historical data and using the connected load increase (due to new connections) to project sales. TGNPDCL petition mentions that connected load is used for projections. Table 1 gives the details of the number of connections, contracted demand and agriculture sales for TGNPDCL for FY24 (Actual), FY 25 &amp; FY26 (Estimates) and FY 27 (Projected).</p> <table border="1" data-bbox="192 464 1010 695"> <thead> <tr> <th>Detail</th> <th>FY24 Act</th> <th>FY25 Est</th> <th>FY26 Est</th> <th>FY27 Proj</th> </tr> </thead> <tbody> <tr> <td>Agriculture connections</td> <td>13,18,401</td> <td>13,56,715</td> <td>14,02,289</td> <td>14,48,079</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td><b>2.9</b></td> <td><b>3.4</b></td> <td><b>3.3</b></td> </tr> <tr> <td>Agr Contracted Demand MW</td> <td>4,993</td> <td>5,143</td> <td>5,369</td> <td>5,538</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td><b>3.0</b></td> <td><b>4.4</b></td> <td><b>3.2</b></td> </tr> <tr> <td>Agriculture Sales MU</td> <td>9,447</td> <td>9,493</td> <td>10,568</td> <td>11,962</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td><b>0.5</b></td> <td><b>11.3</b></td> <td><b>13.2</b></td> </tr> </tbody> </table> <p><b>Table 1: Agriculture sales trends in TGNPDCL (from NPDCL Petition and RSF Forms)</b></p> <p>It can be seen that there is a good correlation between the growth rates of number of connections and contracted demand – both are in the range of 3-4%. But the sales growth rate is only 0.5% between FY24 and FY25, but much higher for subsequent years, without any correlation to connections or demand. TGNPDCL to provide clarification on this, specifically on how the FY26 to FY27 growth rate was arrived at.</p> <p>Table 2 provides similar data for TGSPDCL.</p> <table border="1" data-bbox="192 1161 987 1414"> <thead> <tr> <th>Detail</th> <th>FY24 Act</th> <th>FY25 Est</th> <th>FY26 Est</th> <th>FY27 Proj</th> </tr> </thead> <tbody> <tr> <td>Agricultre connections</td> <td></td> <td>14,10,883</td> <td>15,00,174</td> <td>15,60,174</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td></td> <td><b>6.3</b></td> <td><b>4.0</b></td> </tr> <tr> <td>Agr Contracted Demand MW</td> <td></td> <td>5,247</td> <td>5,644</td> <td>6,122</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td></td> <td><b>7.6</b></td> <td><b>8.5</b></td> </tr> <tr> <td>Agriculture Sales MU</td> <td>15,707</td> <td>15,209</td> <td>14,140</td> <td>15,428</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td><b>-3.2</b></td> <td><b>-7.0</b></td> <td><b>9.1</b></td> </tr> </tbody> </table>	Detail	FY24 Act	FY25 Est	FY26 Est	FY27 Proj	Agriculture connections	13,18,401	13,56,715	14,02,289	14,48,079	<b>Annual Growth Rate %</b>		<b>2.9</b>	<b>3.4</b>	<b>3.3</b>	Agr Contracted Demand MW	4,993	5,143	5,369	5,538	<b>Annual Growth Rate %</b>		<b>3.0</b>	<b>4.4</b>	<b>3.2</b>	Agriculture Sales MU	9,447	9,493	10,568	11,962	<b>Annual Growth Rate %</b>		<b>0.5</b>	<b>11.3</b>	<b>13.2</b>	Detail	FY24 Act	FY25 Est	FY26 Est	FY27 Proj	Agricultre connections		14,10,883	15,00,174	15,60,174	<b>Annual Growth Rate %</b>			<b>6.3</b>	<b>4.0</b>	Agr Contracted Demand MW		5,247	5,644	6,122	<b>Annual Growth Rate %</b>			<b>7.6</b>	<b>8.5</b>	Agriculture Sales MU	15,707	15,209	14,140	15,428	<b>Annual Growth Rate %</b>		<b>-3.2</b>	<b>-7.0</b>	<b>9.1</b>	<p>strengthening of sub-transmission and distribution networks, energy accounting at feeder level, and vigilance drives to curb commercial losses.</p> <p>TGDISCOMs request the Hon'ble Commission to consider the submissions and reject the allegation that T&amp;D losses are being adjusted under Agricultural consumption.</p>
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	<p><b>Table 2: Agriculture sales trends in TGSPDCL (from SPDCL Petition and RSF Forms)</b></p> <p>While growth in connections and demand are correlated, it can be seen that there is no correlation of these with sales. Surprisingly, Table with historical sales in Section 3.1.2 of SPDCL petition gives 15,707 MU as the LT Agriculture sales in FY24 as well as in FY23, which we hope is not a typo. We request SPDCL to provide clarification on this, specifically on how the FY26 to FY27 growth rate was arrived at.</p> <p>Further, it has been observed that as per CEA Report on "Status of Metering in the Country", only 18% of the Rural Distribution Transformer (DT) in case of TG South DISCOM and 41% of the Rural DT of TG North DISCOM are metered as on 31.03.2025. In the past, Hon'ble TGERC has repeatedly directed TG DISCOMs to achieve 100% of the Agricultural DTR Metering, however, TG DISCOMs have failed to meter all Agricultural DTs. In this regard, relevant extract of the Commission's Tariff Order dtd. 29.04.2025 for Retail Supply Business is as follows:</p> <p>"3.4.41 ... This Commission is in agreement with the submissions of the TGDISCOMs that achieving of 100 % metering of the agriculture DTR's cannot be completed overnight. Further, the TGDISCOMs have also submitted that they have addressed letter to Gol that they are ready to join RDSS scheme and are awaiting clearance of the cabinet and at the Central Government. This Commission is of the view that once the state DISCOMs join RDSS scheme, the situation in respect of DTR metering of agriculture connections may improve.</p> <p>3.5.20 Regarding agricultural consumption, the Commission has</p>	

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	<p>considered the concerns raised by stakeholders and members of the State Advisory Committee (SAC). Taking their suggestions into account, the Commission will conduct a detailed review of the calculation method and issue clear directions to improve the process of estimating agricultural sales.</p> <p>3.5.21 As rightly pointed out by stakeholders the T&amp;D losses are huge in the TGDISCOMs when compared to the national average. However, there is no approved data to conclude that TGDISCOMs are adjusting the energy losses in Agricultural consumption. Admittedly there could be transmission and commercial losses for variety of reasons. At the same time there could be a possibility of showing some of the energy losses in the Agricultural consumption. Therefore, unless the Agricultural consumption is properly audited, true figures in respect of T&amp;D losses of the DISCOMs cannot be found out. Since the TGDISCOMs have already submitted that they have given consent to join the RDSS and are also trying to evolve the methodology of calculating the agriculture consumption without actually fixing the meters to the agriculture motors, the situation is likely to improve in the coming financial year.”</p> <p>As above, Hon’ble Commission categorically directed the TG DISCOMs to improve the prevailing agriculture DT Metering, however, there has been no improvement in the same and still existing huge unmetered rural DTs. Further, the DISCOMs have not taken the directions issued by the Hon’ble Commission in a serious way and adopting lackadaisical approach the DISCOMs themselves have projected addition in</p>	

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	<p>unmetered agriculture connections in FY 2026-27.</p> <p>In view of the above, TISMA submits before the Hon'ble Commission to take this matter as a serious concern and penal action u/ s 142 of Electricity Act, 2003 may be taken for non-compliance with the directions of the Commission by the TG DISCOMs.</p> <p>Further, TISMA requests the Hon'ble Commission to consider the Agriculture Energy Sales adopting apt methodology for computing/estimating the unmetered agriculture consumption using suitable applicable norms so that the high Distribution losses may not be booked and hide in the form of unmetered Agriculture Sales.</p> <p>Further, TISMA also requests the Hon'ble Commission to direct DISCOMs to submit action plan for metering 100% Agricultural DTs at first level and to submit the action plan to meter all the unmetered agricultural sales in the next phase.</p>	
24.	<p><b>High Power Purchase Expenses:</b></p> <p>This is to submit that TG DISCOMs while claiming the Variable and Fixed Cost of Generating Stations, <b>have considered escalation of 5% &amp; 3% respectively on actuals of H1 of FY 2025-26. TG DISCOMs have not provided any reasoning for arbitrarily considering such escalations.</b></p> <p>It is pertinent to note that the Central Government, vide <i>MoF Notification No.9/2025-Central Tax (Rate) dated 17/09/2025</i>, has allowed the increase in GST rate on coal from 5% to 18%; and vide <i>Notification No. 2/2025-Compensation Cess (Rate) dated 17/09/2025</i>, has abolished the Compensation Cess of Rs. 400/ MT, with effect from</p>	<p>TGDISCOMs, for estimation of Fixed cost &amp; Variable cost of CGS stations for FY 2026-27, have considered the said 3% and 5% over the respective costs incurred in FY 2025-26 to incorporate the expected nominal increase in costs.</p> <p>TGDISCOMs would like to submit that the impact of coal cost reduction from SCCL and the impact of change in GST and CESS norms has been considered in the estimation of Variable cost of TGGENCO stations.</p>

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	<p>22/09/2025, The abolition of the Compensation Cess and the increase in the GST rate on coal impacted the cost of coal to be procured by the generating companies. Hon'ble CERC vide its suo-moto order dated 1/10/2025, has mentioned that changes due to GOI notifications dated 17/09/2025, squarely fall within the ambit of a change in law event and will be applicable to all PPAs having a composite scheme and covered under Section 63 of the Electricity Act, 2003 except in case of the generating companies having captive coal mines.</p> <p>Rationalisation of GST rates on coal from 5% to 18% and removal of compensation cess of Rs. 400 per ton, will reduce the cost of generation for coal-based power generators.</p> <p>Further, Ministry of Coal estimated that impact of the new reform on coal pricing and the power sector is a substantial reduction in overall tax burden. For the power sector, the average reduction is estimated to be ~Rs. 260 per tonne, translating into a reduction of 17-18 paise/ kWh in the cost of generation.</p> <p>Therefore, it will not be prudent to escalate the ARR of FY 2026-27 and allow upfront loading of Power Purchase expenses in Tariff on the consumers of Telangana. Moreover, Hon'ble Commission has already approved the monthly Fuel and Power Purchase Adjustment Surcharge (FPPAS), which recovers the variation in Power Purchase &amp; Transmission cost through automatic route.</p> <p>Further, Hon'ble Commission in Tariff Order dtd. 29.04.2025 for Retail Supply Business approved the Power Purchase Expenses of TG DISCOMs without considering any arbitrary escalation in Fixed and</p>	<p>For CGS stations the impact of the increase in GST and abolition of cess depends on the base rate of the coal procured which in turn depends on the grade of the coal.</p> <p>Hence, estimating the impact of the said GST changes on CGS stations will be a challenge in the absence of coal mix information of such stations.</p> <p>Hence, TGDISCOMs have adopted a 5% increase in the variable costs of CGS stations incurred in H1 of FY 2025-26 to account for the expected increase in costs.</p> <p>TGDISCOMs request the Hon'ble Commission to consider the above submissions for estimation of Fixed cost &amp; Variable cost of CGS stations for FY 2026-27.</p>

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	<p>variable cost of Generating Stations. In this regard, relevant extract of the Commission's Tariff Order dtd. 29.04.2025 for Retail Supply Business is as follows:</p> <p><b>“Fixed and Variable Costs</b></p> <p><i>3.8.62 The Commission has considered the fixed cost of TGGENCO stations for FY 2025-26 as approved in TGGENCO order for revised tariff for FY 2025-26. In so far as fixed cost of CGS stations is concerned, CERC is competent to decide the fixed costs of CG stations, thereby the fixed costs of CG stations as detailed by CERC is reflected in MYT Order dated Objections on ARR Petitions of TG DISCOMs for Retail Supply Business for the FY 2026-27 by the Federation of Telangana Chambers of Commerce &amp; Industry (TISMA)28.10.2024 and the same is considered for arriving at the power purchase costs for FY 2025-26.</i></p> <p><i>3.8.63 The Commission has noted that the DISCOMs have claimed 3% escalation on variable cost randomly without any statistical data. On considering the objections of the stakeholders, this Commission has taken into consideration the statistics in respect of actual variable costs for the months of November 2024, December 2024 and January 2025 and concluded that the actual variable costs for the said last three months is far less than the escalated variable cost claimed by the TGDISCOMs. <b>Thereby while rejecting claim of the DISCOMs to consider 3% escalation on variable cost, this Commission has considered the average of variable costs for the last three months to arrive at variable costs.</b></i></p>	

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	<p>3.8.64 Similar exercise is done by the Commission for arriving at the power purchase cost for all generating stations...”</p> <p>Therefore, in line with the methodology approved by the Hon'ble Commission in Retail Supply Tariff Order for FY 2025-26, TISMA has re-computed the Power Purchase Cost for FY 2026-27 considering Energy charge rate &amp; fixed cost the same as H1 FY 2026-27 actuals, as follows.</p> <table border="1" data-bbox="192 568 1115 1018"> <thead> <tr> <th rowspan="2">DISCOMs</th> <th colspan="3">Claimed (Rs. Cr.)</th> <th colspan="3">TISMA working (Rs. cr.)</th> <th rowspan="2">Difference</th> </tr> <tr> <th>Fixed Cost</th> <th>Variable Cost</th> <th>Total Cost</th> <th>Fixed Cost</th> <th>Variable Cost</th> <th>Total Cost</th> </tr> </thead> <tbody> <tr> <td>TS-GENCO Hydel</td> <td>810</td> <td>-</td> <td>810</td> <td>786</td> <td>-</td> <td>786</td> <td>24</td> </tr> <tr> <td>CGS</td> <td>2,484</td> <td>4,994</td> <td>7478</td> <td>2412</td> <td>4756</td> <td>7168</td> <td>310</td> </tr> <tr> <td>Semcorp Energy</td> <td>218</td> <td>362</td> <td>580</td> <td>212</td> <td>345</td> <td>556</td> <td>24</td> </tr> <tr> <td><b>Net TGSPDCL</b></td> <td><b>3,512</b></td> <td><b>5,356</b></td> <td><b>8,868</b></td> <td><b>3,410</b></td> <td><b>5,101</b></td> <td><b>8,511</b></td> <td><b>357</b></td> </tr> <tr> <td>TS-GENCO Hydel</td> <td>338</td> <td>-</td> <td>338</td> <td>328</td> <td>-</td> <td>328</td> <td>10</td> </tr> <tr> <td>CGS</td> <td>1,037</td> <td>2,084</td> <td>3121</td> <td>1007</td> <td>1985</td> <td>2992</td> <td>129</td> </tr> <tr> <td>Semcorp Energy</td> <td>91</td> <td>151</td> <td>242</td> <td>88</td> <td>144</td> <td>232</td> <td>10</td> </tr> <tr> <td><b>Net TGNPDCL</b></td> <td><b>1,466</b></td> <td><b>2,235</b></td> <td><b>3,701</b></td> <td><b>1,423</b></td> <td><b>2,129</b></td> <td><b>3,552</b></td> <td><b>149</b></td> </tr> <tr> <td><b>Total TG DISCOMs</b></td> <td><b>4,978</b></td> <td><b>7,591</b></td> <td><b>12,569</b></td> <td><b>4,833</b></td> <td><b>7,230</b></td> <td><b>12,063</b></td> <td><b>506</b></td> </tr> </tbody> </table> <p>It is requested to Hon'ble TGERC to consider the Power Purchase Cost (FC and VC) as worked out above by TISMA for Generating Stations which is same as prevailing actuals for H1 FY 2026-27. Any difference in Actual and Allowed Power Purchase Cost will be automatically factored in Fuel and Power Purchase Adjustment Surcharge (FPPAS) mechanism for FY 2026-27.</p> <p>The availability from different plants is shown in the Petition as provided</p>	DISCOMs	Claimed (Rs. Cr.)			TISMA working (Rs. cr.)			Difference	Fixed Cost	Variable Cost	Total Cost	Fixed Cost	Variable Cost	Total Cost	TS-GENCO Hydel	810	-	810	786	-	786	24	CGS	2,484	4,994	7478	2412	4756	7168	310	Semcorp Energy	218	362	580	212	345	556	24	<b>Net TGSPDCL</b>	<b>3,512</b>	<b>5,356</b>	<b>8,868</b>	<b>3,410</b>	<b>5,101</b>	<b>8,511</b>	<b>357</b>	TS-GENCO Hydel	338	-	338	328	-	328	10	CGS	1,037	2,084	3121	1007	1985	2992	129	Semcorp Energy	91	151	242	88	144	232	10	<b>Net TGNPDCL</b>	<b>1,466</b>	<b>2,235</b>	<b>3,701</b>	<b>1,423</b>	<b>2,129</b>	<b>3,552</b>	<b>149</b>	<b>Total TG DISCOMs</b>	<b>4,978</b>	<b>7,591</b>	<b>12,569</b>	<b>4,833</b>	<b>7,230</b>	<b>12,063</b>	<b>506</b>	
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	<p data-bbox="188 161 383 185">in below table:</p> <table border="1" data-bbox="199 213 1106 387"> <thead> <tr> <th rowspan="2">Generating Station</th> <th colspan="2">Net Energy Availability for State (MU)</th> </tr> <tr> <th>FY 2025-26 (Estimated)</th> <th>FY 2026-27 (Projected)</th> </tr> </thead> <tbody> <tr> <td>TG Genco</td> <td>42,782</td> <td>59,714</td> </tr> <tr> <td>CGS</td> <td>26,458</td> <td>26,458</td> </tr> <tr> <td>Others</td> <td>10,307</td> <td>10,307</td> </tr> <tr> <td>NCES</td> <td>16,164</td> <td>16,526</td> </tr> <tr> <td><b>Total</b></td> <td><b>95,711</b></td> <td><b>1,13,006</b></td> </tr> </tbody> </table> <p data-bbox="188 411 1122 898">As shown in the above table, the Energy available from TG Genco has increased while there is no addition in other sources. Particularly, there is addition of only 362 Mus in NCES category which is not only too small but also against the National Policy. There are enormous opportunities in increasing the share of NCES at low cost however no initiatives are being taken by the State Discoms. On the contrary the purchase from short term sources has been kept excessively high. It is the inefficiency of the Discoms that is being passed on to the consumers. the burden of such inefficiency should be disallowed so that the consumers are not adversely affected.</p> <p data-bbox="188 919 1122 1050"><b>The State Discoms also need to demonstrate that RPO compliance is being done and is in line with the trajectory that has been approved.</b></p> <p data-bbox="188 1070 1122 1358">The current petitions do not mention any BESS deployment plan, Pumped Storage operation of existing plants and plans to improve flexible operation of the coal plants. In the absence of such measures, costly market power purchase would be the option to balance demand supply gap. <b>The DISCOMs to provide the status of commissioning of the 500 MW BESS project, to reduce the peak power costs.</b></p>	Generating Station	Net Energy Availability for State (MU)		FY 2025-26 (Estimated)	FY 2026-27 (Projected)	TG Genco	42,782	59,714	CGS	26,458	26,458	Others	10,307	10,307	NCES	16,164	16,526	<b>Total</b>	<b>95,711</b>	<b>1,13,006</b>	<p data-bbox="1146 507 2018 842">It is submitted that, TGDISCOMs have considered capacity additions under NCEs to improve the Renewable Power Obligation (RPO) in the state. Solar additions are planned from Agricultural solarization under PM-KUSUM (Component-A &amp; Component-C) and Roof top solarization under PM Surya Ghar. The Energy Availability estimation from NCE sources for FY 2026-27 is as per the expected commissioning schedules from the above said plants.</p> <p data-bbox="1146 884 2018 1067">In addition, TGDISCOMs have considered the additional Inter-state solar capacity of ~1,000MW expected to be commissioned before FY 2026-27 in the estimation of Energy availability for the said year.</p> <p data-bbox="1146 1109 2018 1240">Further, it is also submitted that TGDISCOMs are complying to the Renewable Power Obligation (RPO) targets as set by the Hon'ble Commission.</p> <p data-bbox="1146 1281 2018 1366">Considering the construction timelines of the BESS &amp; Pumped Storage projects under implementation in Telangana, the same</p>
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		cannot be considered for operation for FY 2026-27 and hence not considered in the assessment of Power Purchase cost estimation.
25.	<p><b>Distribution cost:</b></p> <p>In the ARR Petition for Distribution Wheeling Business for FY 2026-27, TG DISCOMs have submitted net Distribution ARR comprising of O&amp;M expenses, Depreciation, Interest and finance charges on Loan and Return on Equity.</p> <p>However, based on the applicable Regulatory provisions, TISMA has worked out net Distribution ARR of Rs. 4,564 Cr. for TGSPDCL and Rs. 3,339 Cr. for TGNPDCL. The detailed submission of TISMA has been made vide its letter dtd. 20.01.2026 sent to Hon'ble Commission in this regard. The relevant extract of claimed and TISMA working (<i>in Table 2 of the submissions</i>) of net Distribution Cost for FY 2026-27 is as follows:</p>	<p>The TGDISCOMs respectfully submit that the Distribution ARR claimed for FY 2026-27 has been computed strictly in accordance with the Tariff Regulations, 2023 and the MYT framework, applying the normative methodology prescribed by the Hon'ble Commission for O&amp;M expenses, Depreciation, Interest on Loan, Interest on Working Capital, and Return on Equity. The ARR components are derived from the base considered as per audited accounts, proposed capitalization, and regulatory norms, and not on any ad-hoc or discretionary basis.</p> <p>The alternative computation presented by FTCCI is based on the Federation's own assumptions and is not aligned with the methodology mandated under the MYT Regulations, including normative O&amp;M principles, treatment of grants and consumer contribution, calculation of depreciation, and the 75:25 debt-equity structure. The DISCOMs-filed ARRs reflect actual system requirements, prudently derived cost components, and the operational needs of the distribution network for FY 2026-27.</p> <p>Accordingly, the TGDISCOMs humbly request the Hon'ble</p>

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	<p data-bbox="219 167 1075 215"><b>Table 2: Summary of admissible ARR of Distribution Business for the FY 2026-27</b></p> <table border="1" data-bbox="197 215 1064 662"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">TGSPDCL</th> <th colspan="2">TGNPDCL</th> </tr> <tr> <th>Claimed</th> <th>allowable</th> <th>Claimed</th> <th>allowable</th> </tr> </thead> <tbody> <tr> <td>Operation &amp; Maintenance Expenses</td> <td>4,524</td> <td>4,023</td> <td>2,818</td> <td>2,904</td> </tr> <tr> <td>Depreciation</td> <td>1,149</td> <td>416</td> <td>595</td> <td>323</td> </tr> <tr> <td>Interest and finance charges on Loan</td> <td>934</td> <td>241</td> <td>360</td> <td>184</td> </tr> <tr> <td>Interest on working capital</td> <td>150</td> <td>118</td> <td>100</td> <td>79</td> </tr> <tr> <td>Return on Equity</td> <td>482</td> <td>231</td> <td>220</td> <td>161</td> </tr> <tr> <td>Other Expenditure (Ex-Gratia)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td><b>ARR</b></td> <td><b>7,239</b></td> <td><b>5,028</b></td> <td><b>4,093</b></td> <td><b>3,652</b></td> </tr> <tr> <td><b>Less:</b></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Income from Open Access charges</td> <td>1</td> <td>29</td> <td>3</td> <td>29</td> </tr> <tr> <td>Non-Tariff income</td> <td>532</td> <td>436</td> <td>183</td> <td>284</td> </tr> <tr> <td>Income from Other Business</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td><b>Net ARR</b></td> <td><b>6,706</b></td> <td><b>4,564</b></td> <td><b>3,907</b></td> <td><b>3,339</b></td> </tr> <tr> <td>Revenue</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Revenue Gap/ (Surplus)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>PY adjustment</td> <td>545</td> <td>(670)</td> <td>484</td> <td>(258)</td> </tr> <tr> <td><b>Recoverable ARR</b></td> <td><b>7,251</b></td> <td><b>3,894</b></td> <td><b>4,391</b></td> <td><b>3,081</b></td> </tr> </tbody> </table> <p data-bbox="190 710 1120 845">TISMA humbly requests the Hon'ble Commission to consider the submission made by the Federation and accordingly allow net Distribution Wheeling ARR to the TG DISCOMs for FY 2026-27.</p>	Particulars	TGSPDCL		TGNPDCL		Claimed	allowable	Claimed	allowable	Operation & Maintenance Expenses	4,524	4,023	2,818	2,904	Depreciation	1,149	416	595	323	Interest and finance charges on Loan	934	241	360	184	Interest on working capital	150	118	100	79	Return on Equity	482	231	220	161	Other Expenditure (Ex-Gratia)	-	-	-	-	<b>ARR</b>	<b>7,239</b>	<b>5,028</b>	<b>4,093</b>	<b>3,652</b>	<b>Less:</b>	-	-	-	-	Income from Open Access charges	1	29	3	29	Non-Tariff income	532	436	183	284	Income from Other Business	-	-	-	-	<b>Net ARR</b>	<b>6,706</b>	<b>4,564</b>	<b>3,907</b>	<b>3,339</b>	Revenue	-	-	-	-	Revenue Gap/ (Surplus)	-	-	-	-	PY adjustment	545	(670)	484	(258)	<b>Recoverable ARR</b>	<b>7,251</b>	<b>3,894</b>	<b>4,391</b>	<b>3,081</b>	<p data-bbox="1142 159 2016 343">Commission to consider only the ARR submitted in the Petitions, which is fully compliant with the regulatory framework, and not to adopt the alternate calculations proposed by FTCCI, which diverge from the Hon'ble Commission's approved methodology.</p>
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26.	<p data-bbox="190 869 806 901"><b>Distribution Cost for Retail Supply Business</b></p> <p data-bbox="190 917 1120 1252">Clause 77 of <i>TSERC Multi Year Tariff Regulations, 2023</i> requires every distribution licensee to 'maintain separate accounting records for the Wheeling Business and Retail Supply Business' to enable the Commission determine tariffs separately for the respective businesses. It also provides that in case such segregation is not made; the Aggregate Revenue Requirement of the distribution licensee shall be apportioned as specified in the Regulations.</p> <p data-bbox="190 1268 1120 1412">As above and based on the detailed submission made vide TISMA letter dtd. 20.01.2026 to Hon'ble Commission with respect to Distribution Wheeling Business ARR wherein the Federation has</p>	<p data-bbox="1142 885 2016 1125">The TGDISCOMs respectfully submit that the segregation of Distribution ARR between Wheeling and Retail Supply businesses has been carried out strictly in accordance with Clause 77 of the TSERC MYT Regulations, 2023, applying the allocation matrix and methodology prescribed by the Hon'ble Commission.</p> <p data-bbox="1142 1157 2016 1300">Accordingly, the TGDISCOMs request the Hon'ble Commission to consider only the ARR allocation to Retail Supply Business submitted as per Distribution Business filings.</p>																																																																																									

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	<p>worked out revised O&amp;M expenses, Depreciation, Finance Charges and RoE applicable for the TG DISCOMs for FY 2026-27, the revised applicable expenses for Retail Supply Business, i.e. 10% of the Total Distribution ARR, is as follows:</p> <table border="1" data-bbox="197 363 1115 515"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">TGSPDCL</th> <th colspan="2">TGNPDCL</th> </tr> <tr> <th>Claimed</th> <th>Allowable</th> <th>Claimed</th> <th>Allowable</th> </tr> </thead> <tbody> <tr> <td>Distribution Cost- Retail Supply Business <i>(10% of the Distribution ARR)</i></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Operation &amp; Maintenance Expenses</td> <td>452</td> <td>402</td> <td>313</td> <td>290</td> </tr> </tbody> </table> <table border="1" data-bbox="197 523 1115 711"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">TGSPDCL</th> <th colspan="2">TGNPDCL</th> </tr> <tr> <th>Claimed</th> <th>Allowable</th> <th>Claimed</th> <th>Allowable</th> </tr> </thead> <tbody> <tr> <td>Depreciation</td> <td>115</td> <td>42</td> <td>66</td> <td>32</td> </tr> <tr> <td>Interest and finance charges on Loan</td> <td>93</td> <td>24</td> <td>40</td> <td>18</td> </tr> <tr> <td>Interest on working capital</td> <td>0</td> <td>0</td> <td>26</td> <td>8</td> </tr> <tr> <td>Return on Equity</td> <td>48</td> <td>23</td> <td>24</td> <td>16</td> </tr> </tbody> </table> <p>TISMA requests Hon'ble TGERC to consider the above expenses pertaining to Retail Supply Business while approving the ARR of TG DISCOMs for FY 2026-27.</p>	Particulars	TGSPDCL		TGNPDCL		Claimed	Allowable	Claimed	Allowable	Distribution Cost- Retail Supply Business <i>(10% of the Distribution ARR)</i>					Operation & Maintenance Expenses	452	402	313	290	Particulars	TGSPDCL		TGNPDCL		Claimed	Allowable	Claimed	Allowable	Depreciation	115	42	66	32	Interest and finance charges on Loan	93	24	40	18	Interest on working capital	0	0	26	8	Return on Equity	48	23	24	16	
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27.	<p><b>Summary of Net ARR</b></p> <p>As above, summary of net ARR as claimed by the TGDISCOMs vis-à-vis worked out by TISMA on Retail Supply ARR of FY 2026-27 is as follows. Hon'ble Commission is requested to kindly consider the same while approving the ARR for FY 2026-27 for DISCOMs.</p>	<p>TGDISCOMs have provided justifications for the various costs mentioned in the previous sections. The Hon'ble Commission is requested to review the same and accord approval.</p>																																																

S No.	Summary of Objections / Suggestions						Response of the Licensee	
	Sr. No.	Particulars	TGSPDCL		TGNPDCL			
1		Power Purchase Cost	Claimed	FTCCI	Claimed	FTCCI		
2		Transmission Cost	38,492	38,135	16,075	15,925		
3		PGCIL Cost	2,275	2,275	950	950		
4		SLDC Charges	1,790	1,790	747	747		
5		Distribution Cost	68	68	29	29		
6		Operation and Maintenance Charges (RSB)	6,542	3,390	4,391	3,081		
7		Depreciation (RSB)	452	402	313	290		
8		Interest and finance charges on loan (RSB)	115	42	66	32		
9		Interest on Working capital (RSB)	93	24	40	18		
10		Return on Equity (RSB)	-	-	26	8		
11		Interest on Consumer Security Deposits (RSB)	48	23	24	16		
		<b>Total ARR</b>	50,242	46,515	22,754	21,190		
28.	<p><b>Time of Day (ToD) Tariff:</b></p> <p>This is to submit that Hon'ble Commission vide Order dtd. 15.11.2025 made amendments in the Time of Day tariff and removed the incentive of 1.5 Rs./kWh during the period 10 pm to 6 am. Other conditions of TOD to be governed as per the Tariff Order dated 29.04.2025. The applicability of this Order is for the period 01.12.2025 to 31.03.2026.</p> <p>It is pertinent to note that TG DISCOMs in the Petition for determination of ARR and tariff for Retail Supply Business for FY 2026-27 have not made any submission with regard to ToD as to whether the existing ToD tariff structure should continue or some changes are required.</p> <p>However, TISMA considers it important to present a detailed reasoning as to why the earlier <b>ToD structure where rebate of 1.5 Rs./kWh was allowed by the Hon'ble Commission during the period from 10 pm to 6 am should be restored from 01.04.2026</b>. The detailed submission in this regard is as follows:</p>						<p>The primary objective of the proposed amendment to the existing Time-of-Day (ToD) tariff structure by TGDISCOMs is to promote effective Demand Side Management and ensure the long-term sustainability of affordable tariffs for consumers.</p> <p>TGDISCOMs have observed that the current incentivized hours often lead to power procurement at elevated rates, which ultimately translates into a higher tariff burden for consumers.</p> <p>To address this, the new TOD structure seeks to better align consumption patterns with the availability and cost of power—thereby enhancing grid stability and operational efficiency.</p> <p>This targeted realignment will optimize power procurement and</p>	

S No.	Summary of Objections / Suggestions	Response of the Licensee
	<p><b>Concept of Time of Day Tariff</b></p> <p>ToD tariffs is generally conceptualized as a demand-side management tool, designed to influence consumer behaviour by incentivizing load shifting away from peak periods. Regulatory principles and National Tariff Policy recognize ToD as a demand-centric mechanism — its objective is to flatten the load curve, not merely reflect supply-side cost variations.</p> <p>Aligning off-peak tariffs with normal-hour charges converts ToD into a supply-cost recovery exercise rather than a behavioural signal, defeating its fundamental regulatory purpose. The relevant provisions of National Tariff Policy 2016 are reproduced for ready reference:</p> <p><b>“8.4 Definition of tariff components and their applicability</b></p> <p><i>1. Two-part tariffs featuring separate fixed and variable charges and time differentiated tariff shall be introduced on priority for large consumers (say, consumers with demand exceeding 1 MW) within one year and subsequently for all consumers within a period of five years or such period as may be specified. <b>This would also help in flattening the peak and implementing various energy conservation measures.</b>”</i></p> <p>Furthermore, if ToD tariffs were truly meant as a supply-centric mechanism merely mirroring market price fluctuations, the resulting tariff structure would be highly volatile and impractical. For instance, during solar hours, tariffs would have to drop to sub-Rs.2.00/unit levels, reflecting prevailing GDAM market prices, while during non-solar peak hours, tariffs would soar to Rs.10.00/unit, aligning with the CERC-</p>	<p>contribute to tariff stability, safeguarding consumer interests in the long run</p>

S No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>prescribed ceiling rates. Such extreme variability might create instability for both consumers and utilities, making long-term planning impossible and defeating the regulatory objective of providing a predictable, demand-shaping price signal. This clearly demonstrates that ToD was conceived as a demand-side management tool — stable enough to encourage behavioural change, not a minute-by-minute reflection of generation costs.</p> <p>Further, the objective of ToD is also recognized by Hon'ble <b>APTEL in Appeal No. 34 of 2014</b>, Time-of-Day tariffs are a demand-side management tool intended to incentivize consumers to shift load away from peak hours, thereby improving system load factor, reducing overall power purchase costs, and enhancing grid stability. The Tribunal was categorical that such mechanisms must aim at flattening demand curves, not at offloading procurement inefficiencies onto consumers</p> <p><b>Ministry of Power Rules</b></p> <p>Ministry of Power, Gol in exercise of the powers conferred under sub-section (1), clause (z) of sub-section (2) of section 176 of the Electricity Act, 2003 made Rules vide notification Electricity (Rights of Consumers) amendment Rules 2023 dtd. 14.06.2023 with regard to ToD. Relevant extract of these Rules are as follows:</p> <p><i><b>“Time of Day Tariff.</b> -The Time of Day tariff for Commercial and Industrial consumers having maximum demand more than ten Kilowatt shall be made effective from a date not later than 1st April, 2024 and for other consumers except agricultural consumers, the Time of Day tariff shall be made effective not later than 1st April, 2025 and a Time of Day</i></p>	<p>The Licensee respectfully submits that, with regard to the peak hour penalty, it is pertinent to note that the Licensee is not levying 20% of energy charges as prescribed under the Ministry of Power (MoP) guidelines.</p> <p>In the absence of such a penalty being imposed in line with the guidelines, it would not be rational or equitable to selectively adopt the same framework for granting incentives.</p>

S No.	Summary of Objections / Suggestions	Response of the Licensee
	<p><i>tariff shall be made effective immediately after installation of smart meters, for the consumers with smart meters:</i></p> <p><i>Provided that, the Time of Day Tariff specified by the State Commission for Commercial and Industrial consumers during peak period of the day shall not be less than 1.20 times the normal tariff and for other consumers, it shall not be less than 1.10 times the normal tariff:</i></p> <p><b><i>Provided further that, tariff for solar hours of the day, specified by the State Commission shall be at least twenty percent less than the normal tariff for that category of consumers:</i></b></p> <p><i>Provided also that the Time of Day Tariff shall be applicable on energy charge component of the normal tariff:</i></p> <p><i>Provided also that the duration of peak hours shall not be more than solar hours as notified by the State Commission or State Load Despatch Centre.</i></p> <p><i>For the purposes of this rule, “solar hours” means the duration of 8 hours in a day as specified by the State Commission.”</i></p> <p>As above, the Rules clearly stipulates that tariff for solar hours of the day, specified by the State Commission shall be at <b>least twenty percent less than the normal tariff</b> for that category of consumers. This means that MoP Rules also provides an incentivizing provision for consumption in off Peak hours.</p> <p><b>Market Realities and Solar Integration</b></p> <p>With marginal power purchase costs during solar hours already crashing to sub-Rs.2/unit levels in the energy markets, there is a strong case for extending rebates during daytime to encourage higher solar</p>	

S No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>consumption. Instead of eliminating the night-time incentive, ToD tariffs should be dynamically revised to support renewable integration and enhance system efficiency.</p> <p>Further, it is equally important to view the issue from a broader system-planning perspective. The ultimate goal of resource planning should be to smoothen and stabilize the overall demand profile of the State or licensee area, reducing sharp peaks and deep troughs that strain grid operations and increase power procurement costs.</p> <p><b>Cross-Subsidy Concerns</b></p> <p>This is to submit that the existing level of cross-subsidization in Telangana is already heavily skewed against the HT category of consumers, placing an undue burden on them in contravention of statutory norms. As per Clause 8.3 of the National Tariff Policy (NTP) 2016, the cross-subsidy for any consumer category is required to progressively move towards <math>\pm 20\%</math> of the cost of supply (CoS). However, based on the Tariff Order for FY 2025-26, the effective tariffs applicable to HT categories significantly exceed this ceiling, thereby breaching the permissible limit laid down under the NTP.</p> <p><b>Since ToD slabs apply largely to HT categories, abolishing the off-peak rebate disproportionately raises the Average Billing Rate (ABR) for industrial consumers. This further deepens the cross-subsidies in the system, further straining competitiveness of industries while leaving subsidized categories unaffected.</b></p> <p><b>Adverse Consumer and System Impact</b></p>	<p>The cost of power procurement is on the higher side during the night hours due to the sustained higher demand at the State level. In order to mitigate the adverse impact of incurring higher costs of procuring power on one hand and also giving incentives on the other hand, TGDISCOMs have acted swiftly to at least stem the flow of incentives which is counter productive to both TGDISCOMs and consumers also.</p> <p>Under the previous ToD tariff structure, the nighttime incentive has led to increased consumption during hours when power procurement costs are relatively high.</p> <p>This trend results in elevated overall procurement expenses for DISCOMs, which are ultimately passed on to consumers through tariff adjustments—potentially leading to future hikes.</p> <p>In contrast, the revised TOD tariff—which involves withdrawing the nighttime incentive—is designed to realign consumption patterns by discouraging usage during high-cost hours.</p> <p>This shift will enable DISCOMs to optimize their power procurement strategy, reduce reliance on expensive sources, and</p>

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	<p>Energy cost forms a critical input for any industrial operation, and therefore businesses/ industries plan their production schedules, supply chains, and cost structures well in advance, factoring in electricity and fuel price trends. Often, industries make significant capital investments—whether in additional shifts, automation, or captive infrastructure—when a predictable incentive framework exists. The introduction of ToD tariffs was precisely intended as a demand-centric measure, encouraging industries to shift consumption to off-peak hours and optimize the overall demand curve. This required industries to reorient their operations for 24-hour production cycles, re-train manpower, and invest heavily in enabling infrastructure.</p> <p>Withdrawing the off-peak rebate discourages night-time usage, potentially pushing demand back into peak hours. This aggravate load curve imbalances, increase DISCOMs’ procurement costs, and burden consumers. Moreover, industries and households that have already invested in timers, automation, and EV charging infrastructure based on ToD rebates would face sunk costs, eroding trust in tariff signals and creating regulatory uncertainty.</p> <p><b>Request to the Hon’ble Commission</b></p> <p>In the backdrop of above points, TISMA therefore requests the Hon’ble Commission to <b>discontinue the withdrawal of rebate provided in earlier ToD regime wef 01.04.206 and instead strengthen ToD tariffs in line with the objectives enshrined in the National Tariff Policy 2016 and Ministry of Power Rules.</b></p> <p>One of the prime objectives of the Electricity Act 2003 is to protect the</p>	<p>maintain grid efficiency.</p> <p>By implementing this change, TGDISCOMs aim to safeguard consumers from future tariff increases driven by rising procurement costs, while simultaneously promoting a more balanced and economically sustainable grid.</p>

S No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>interest of consumers in the State. The industries in Telangana nowadays going through severe distress which has made it increasingly unviable to sustain operations. The situation has become even more uncertain as global trends show steep import tariff (Custom Duty) increases by America and European Union is also proposing a similar increase in the tariff. This has created an atmosphere of instability for industries. <b>In this context, we look forward to your leadership in ensuring for an incentivizing tariff through rebate in ToD in Telangana.</b></p>	
29.	<p><b>Reduction of Industrial tariff in the State</b></p> <p>This is to submit that the Industries in the State of Telangana are facing the brunt of higher tariffs as the industrial tariff is more than 120% of Average Cost of Supply. The Tariff Policy 2016 mandates SERCs to determine roadmap for reduction of Cross Subsidy and bring tariff at +/- 20% of the Average Cost of Supply. Relevant extract of the National Tariff Policy is as follows:</p> <p><i>“For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy”</i></p> <p>In line with the provisions stipulated in the National Tariff Policy, Hon’ble Commission is requested to kindly align the Industrial Tariff in the State of Telangana within the range of +/-20% of ACoS.</p> <p><b>Progressively reduction of Cross Subsidy Surcharge in the State</b></p>	<p>TGDISCOMs would like to submit that the current industrial tariffs for both the DISCOMs are within 120% of Average cost of Supply (ACoS) of both the DISCOMs which is well in alignment with the National Tariff Policy 2016.</p> <p>TGDISCOMs have estimated the Crosssubsidy surcharge in</p>

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	<p>This is to submit that the Electricity Act, 2003 provides for progressive reduction of Cross Subsidy Surcharge (CSS) as determined by the Hon'ble State Commission. Therefore, while approving the CSS for FY 2026-27 the Hon'ble Commission may reduce the existing CSS levels for the industrial consumers in the State.</p> <p><b>Promoting Energy Efficiency</b></p> <p>The Commission can nudge the TG DISCOMs to announce and implement Load Factor incentive as this will promote energy efficiency and incentive to the energy-intensive industry to consume energy from DISCOM rather than through the Open Access route.</p>	<p>compliance with the National Tariff Policy. The Hon'ble commission is requested to accord approval on the same.</p> <p>TGDISCOMs will evaluate the proposed Load Factor incentive scheme to promote retention of Energy intensive consumers from Open Access.</p>																																																														
30.	<p><b>Poor financial health of DISCOMs</b></p> <p>The financial health of most state DISCOMs is poor and TG is no exception. As a silver line, MoP/PFC in its 14th Annual Rating Report, has reported that in FY25, all the DISCOMs – private and public – reported a modest combined profit of Rs. 2,701 Cr, compared to a loss of Rs. 27,022 Cr in FY24. As per this report, TG DISCOMs continue to make losses and their accumulated financial loss has been growing, as indicated below:</p> <table border="1" data-bbox="197 1077 1111 1396"> <thead> <tr> <th rowspan="2">FY/DISCOM</th> <th colspan="3">DISCOM Annual Loss Rs Cr</th> <th colspan="3">DISCOM Cumulative Loss Rs Cr</th> </tr> <tr> <th>SP</th> <th>NP</th> <th>Total</th> <th>SP</th> <th>NP</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>FY19</td> <td>4,967</td> <td>3,051</td> <td>8,019</td> <td>24,362</td> <td>11,858</td> <td>36,220</td> </tr> <tr> <td>FY20</td> <td>4,933</td> <td>1,116</td> <td>6,050</td> <td>29,309</td> <td>12,969</td> <td>42,279</td> </tr> <tr> <td>FY21</td> <td>4,246</td> <td>2,440</td> <td>6,686</td> <td>33,555</td> <td>15,410</td> <td>48,965</td> </tr> <tr> <td>FY22</td> <td>627</td> <td>204</td> <td>831</td> <td>34,182</td> <td>15,614</td> <td>49,796</td> </tr> <tr> <td>FY23</td> <td>8,147</td> <td>2,966</td> <td>11,113</td> <td>42,330</td> <td>18,570</td> <td>60,899</td> </tr> <tr> <td>FY24</td> <td>4,910</td> <td>1,441</td> <td>6,351</td> <td>47,239</td> <td>20,011</td> <td>67,250</td> </tr> <tr> <td>FY25</td> <td>1,103</td> <td>1,359</td> <td>2,462</td> <td>48,342</td> <td>21,399</td> <td>69,741</td> </tr> </tbody> </table>	FY/DISCOM	DISCOM Annual Loss Rs Cr			DISCOM Cumulative Loss Rs Cr			SP	NP	Total	SP	NP	Total	FY19	4,967	3,051	8,019	24,362	11,858	36,220	FY20	4,933	1,116	6,050	29,309	12,969	42,279	FY21	4,246	2,440	6,686	33,555	15,410	48,965	FY22	627	204	831	34,182	15,614	49,796	FY23	8,147	2,966	11,113	42,330	18,570	60,899	FY24	4,910	1,441	6,351	47,239	20,011	67,250	FY25	1,103	1,359	2,462	48,342	21,399	69,741	<p>TGDISCOMs are putting effort on loss reduction initiatives in areas such as AT&amp;C loss reduction, Cost-reflective tariff mechanisms, Collection efficiency improvement. Further, TGDISCOMs would comply to the additional directions from the Hon'ble Commission on loss reduction and ensure implementation of the same.</p>
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	<p><b>Table 3: The mounting financial losses of TG DISCOMs (From DISCOM annual reports and MoP 14th Rating Report)</b></p> <p>TG is one of the eight states with the highest accumulated losses. In addition, the TG DISCOMs have a total of Rs. 59,229 Cr as outstanding loans in FY25, as per MoP/PFC's 14th Rating Report. Arrears are quite high with government departments as the main contributor.</p> <p>In the 13th Integrated Rating &amp; Ranking of power distribution utilities by MoP (February 2025), both TG DISCOMs have rating of "C-" compared to "C" in the 12th rating. The main reason for this appears to be the low score on financial sustainability. In the current 14th Rating report, both DISCOMs continue to have rating of C- and very low scores. Out of the total 54 rated utilities (private and public), unfortunately, NPDCL is ranked last (54th) andSPDCL is ranked 52nd.</p> <p>TISMA submits, that the poor financial health of the DISCOMs and inefficiencies of the Disocms, directly affect the consumers, specifically industries in terms of poor quality of supply and higher Tariffs, more higher for industries due to cross-subsidization. We request the Hon'ble TGERC to review the financial health of DISCOMs and direct them targets with penalties, so that inefficiencies are not passed on to the consumers of the state.</p>	
31.	<p><b>Prayer:</b></p> <p>1) To consider the comments / suggestions of TISMA on the ARR &amp; Retail Supply Petitions FY 2026-27 of TG DISCOMs.</p> <p>2) To direct TG DISCOMs to submit action plan for 100% Agricultural Distribution Transformers at first level and to submit the action plan to</p>	<p>TGDISCOMs request the Hon'ble Commission to consider the above submissions and accord approval.</p>

S No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>meter all the unmetered agricultural sales in maximum 5 years. Further to take penal action u/s 142 of Electricity Act, 2003 for non-compliance with the directions of the Commission.</p> <p>3) To not consider any escalation in Fixed Cost &amp; Energy Charge Rate while determining the Power Purchase Cost of Central Generating Stations as a result of Gol Notification dated 17/09/2025 w.r.t. removal of Coal Cess and increase in GST on coal.</p> <p>4) The inefficiency of DISCOM should not be passed through in the ARR and may be borne by the Govt. of Telangana in the form of additional subsidy for FY 2026-27.</p> <p>5) Consider the Time of Day Tariffs judiciously, so are to provide rebate during off-peak tariff.</p> <p>6) May Conduct a Prudence check over the components as highlighted by TISMA;</p> <p>7) Pass necessary orders as may be deemed appropriate in the facts and circumstances of the case in the interest of competition, as has been enshrined in the Electricity Act.</p>	

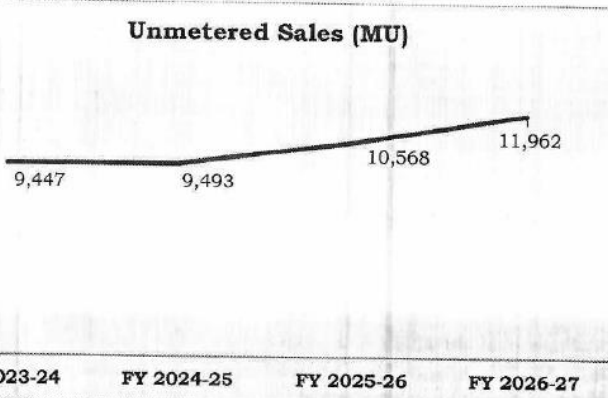
**60. Telangana Spinning & Textile Mills Association (TSTMA), Surya Towers, 1st Floor, Sardar Patel Road, Secunderabad- 500 003. Telangana State, India.**

S No.	Summary of Objections / Suggestions	Response of the Licensee
1.	This is to submit that both the TG DISCOMs have claimed significant amount of Unmetered Energy Sales in FY 2026-27 pertaining to Agriculture. In case of TGNPDCL, unmetered Energy Sales claimed in	TGDISCOMs have projected the category wise sales for FY2026-27 by considering the actual sales of FY 2024-25 with the CAGR in previous years keeping into account the expected new load

S No.	Summary of Objections / Suggestions	Response of the Licensee												
	<p>FY 2026-27 are ~45% of the Total Sales while for TGSPDCL unmetered Energy Sales claimed in FY 2026-27 have been ~24% of the Total Sales.</p> <p>The Telangana Discoms have considered sales for LT V Agriculture as 15,428 MUs in Fy 2026-27 whereas in FY 2024-25 the sales for this category were 15,209 MUS and in FY 2025-26 the sales are expected to be 14,140 Mus. Despite the reduction in energy consumption in this category, high level of growth has been considered. The Energy for LT V category needs to be reduced by around 1,000 Mus and needs to be around 14,500 Mus. Similarly, the sales of at HT-I(A) under HT category 132 kV has been considered as 4,985 Mus in FY 2026-27 in comparison to 6,799 Mus in Fy 2025-26. It has been observed there is increase in sales in this category from 4,552 MUs in FY 2024-25. Thus, the sales in this category in FY 2026-27 needs to be atleast 7,000 Mus. The discoms are erroneously showing such values for sales to reduce the revenue expected to be generated in FY 2026-27.</p> <p>Reasonable growth must be provided in HT-I(A) under HT category 132 kV while the sales in LT V – Agriculture category should be reduced.</p> <p>Further, TG DISCOMs have also considered increase in number of unmetered agricultural connections in FY 2026-27 vis-à-vis actuals existing in FY 2024-25 and asin FY 2025-26. The summary of such unmetered connections is as shown below:</p>	<p>additions.</p> <p>Agricultural sales projection: With respect to LT V (Agriculture) sales, TGDISCOMs have followed the methodology adopted by the Hon’ble Commission. Agricultural sales for FY 2026-27 have been estimated based on 12 hours of daily supply and 180 operational days per year, using the connected load indicated in the ARR filings. Details of existing and expected load is also mentioned in the filings. Since, the nature of agricultural consumption is similar in both DISCOM areas, the same approach has been uniformly applied.</p> <p>Load and Sales Projections for FY 2026 27</p> <table border="1" data-bbox="1162 758 1892 1013"> <thead> <tr> <th>Particulars</th> <th>NPDCL</th> <th>SPDCL</th> </tr> </thead> <tbody> <tr> <td>Load Projections (hp)</td> <td>7,421,344</td> <td>8,205,026</td> </tr> <tr> <td>Load Projections (MW)</td> <td>5536</td> <td>6121</td> </tr> <tr> <td>Sales Projections (MU) (Load in MW*12*180/10^3)</td> <td>11958</td> <td>15425</td> </tr> </tbody> </table> <p>It may be noted that while connections and connected load tend to show a steady, linear increase. Whereas, actual agricultural consumption does not follow the same pattern. Agricultural sales are significantly influenced by seasonality (monsoon), weather conditions, and actual demand at the field level. Such fluctuations confirm that agricultural consumption does not exhibit a smooth growth trend.</p>	Particulars	NPDCL	SPDCL	Load Projections (hp)	7,421,344	8,205,026	Load Projections (MW)	5536	6121	Sales Projections (MU) (Load in MW*12*180/10^3)	11958	15425
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	Energy Sales (₹)	9,493	10,568	11,962	13%	Form-4																																											
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	<p>From the above TG DISCOMs <b>themselves have proposed addition in new unmetered connections in FY 2026-27</b>. However, this is in violation of the Ministry of Power Electricity (Rights of Consumers) Rules, 2020 dtd. 31/ 12/2020, which states that no connection shall be given without a meter and such meter shall be the smart prepayment meter or pre-payment meter. Relevant extract of the said Rules is as follows:</p> <p><b>“5. Metering — (1) No connection shall be given without a meter and such meter shall be the smart prepayment meter or pre-payment meter. Any exception to the smart meter or prepayment meter shall have to be duly approved by the Commission. The Commission, while doing so, shall record proper justification for allowing the deviation from installation of the smart pre-payment meter or prepayment meter.”</b></p> <p>As such, no new unmetered connections shall be given to any category of consumer by the TG DISCOMs. It is pertinent to note that Hon’ble Commission in Tariff Order dtd. 29.04.2025 for Retail Supply Business has already directed the TG DISCOMs to meter the Agriculture consumers and in case non- compliance Commission may develop appropriate methodology for accounting of the unmetered agricultural connections. In this regard, relevant extract of the Commission’s Order</p>																																																

S No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>is as follows:</p> <p><i>“3.4.40 In respect of accounting of unmetered agricultural connections, several stakeholders have raised several concerns. Having considered the reply given by the TGDISCOMs as per the regulatory framework in respect of methodology adopted for unmetered agricultural connections, this Commission is of the opinion that though the ISI methodology to account for unmetered connections is not foolproof and that the metering of Agricultural feeders may give close data, however both the methods will not provide accurate data. Further, ASCI has also reported that the consumption of power for agriculture under ISI methodology has been provided at far less consumption level than actuals. Therefore, as long as there is no proper alternative methodology available before the Commission, the ISI methodology which is approved by this Commission has to be considered for calculation of unmetered agricultural connections. <b>However, this Commission has taken into consideration the concerns of the stakeholders and will try to evolve an appropriate methodology for accounting of the unmetered agricultural connections.</b>”</i></p> <p>However, the unmetered Agriculture Sales as claimed for FY 2026-27 have been estimated to increase by around 13% over the Agriculture Sales in FY 2025-26.</p>	<p>services as “unmetered” in the ARR projections is primarily for billing and subsidy accounting purposes under the prevailing tariff structure. The same does not imply any deliberate violation of statutory provisions.</p> <p>The DISCOM is implementing metering in a phased manner in accordance with directions issued by the appropriate authorities and subject to availability of approved schemes, regulatory approvals, and funding support.</p> <p>Therefore, the mere projection of new agricultural connections under the existing unmetered category for FY 2026-27 cannot be construed as a violation of the aforesaid Rules. The DISCOM remains committed to complying with all applicable statutory provisions and regulatory directions as may be issued from time to time by the appropriate authorities.</p> <p>The DISCOMs have proposed to undertake segregation of agricultural feeders under the RDSS program to enable better monitoring and accurate accounting of agricultural consumption subject to approval from GOI.</p> <p>The Agricultural consumption is assessed based on sample metering of agricultural feeders/DTRs, connected load data, pump-set census, and normative consumption parameters as approved by the Commission from time to time. The methodology is transparent and subject to regulatory scrutiny in every ARR and</p>

S No.	Summary of Objections / Suggestions	Response of the Licensee								
	<p style="text-align: center;"><b>Unmetered Sales (MU)</b></p>  <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>FY 2023-24</td> <td>FY 2024-25</td> <td>FY 2025-26</td> <td>FY 2026-27</td> </tr> <tr> <td>9,447</td> <td>9,493</td> <td>10,568</td> <td>11,962</td> </tr> </table> <p>TSTMA humbly request the Hon'ble Commission to take this issue as a matter of concern as Distribution Losses, Metering, Billing and Collection are controllable parameters on the part of DISCOMs. Inefficiencies on account of DISCOMs should not be allowed to be passed through in ARR. Due to lack of metered connections and huge unmetered Sales, Proper accounting and actual Distribution losses cannot be ascertained. Thus, the inefficiencies of TG DISCOMs are borne by honest metered consumers in the State.</p> <p>As for LT Agriculture sales estimation, in the Tarif order dated 28/10/2024 (Section 4.1.5, pp108), Hon'ble TGERC has laid out a procedure it has used for agriculture consumption estimation. This was based on calculating the specific consumption of pumpsets (Units/hp/year) based on historical data and using the connected load increase (due to new connections) to project sales. TGNPDCL petition mentions that connected load is used for projections. Table 1 gives the details of the number of connections, contracted demand and</p>	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	9,447	9,493	10,568	11,962	<p>True-Up filing.</p> <p>Further, the energy balance, including T&amp;D losses, is derived from audited energy input data, metered sales data (for all metered categories), and Commission-approved estimation procedures for unmetered categories.</p> <p>TGDISCOMs also submit that higher T&amp;D losses arise due to multiple structural and operational factors such as:</p> <ul style="list-style-type: none"> <li>• Predominantly rural network with lengthy 11 kV feeders and dispersed loads,</li> <li>• High proportion of agricultural consumption,</li> <li>• Rapid load growth and network constraints,</li> </ul> <p>TGDISCOMs are continuously undertaking loss-reduction measures including feeder segregation, HVDS implementation, strengthening of sub-transmission and distribution networks, energy accounting at feeder level, and vigilance drives to curb commercial losses.</p> <p>TGDISCOMs request the Hon'ble Commission to consider the submissions and reject the allegation that T&amp;D losses are being adjusted under Agricultural consumption.</p>
FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27							
9,447	9,493	10,568	11,962							

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	<p>agriculture sales for TGNPDCL for FY24 (Actual), FY 25 &amp; FY26 (Estimates) and FY 27 (Projected).</p> <table border="1" data-bbox="190 260 1010 491"> <thead> <tr> <th>Detail</th> <th>FY24 Act</th> <th>FY25 Est</th> <th>FY26 Est</th> <th>FY27 Proj</th> </tr> </thead> <tbody> <tr> <td>Agriculture connections</td> <td>13,18,401</td> <td>13,56,715</td> <td>14,02,289</td> <td>14,48,079</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td><b>2.9</b></td> <td><b>3.4</b></td> <td><b>3.3</b></td> </tr> <tr> <td>Agr Contracted Demand MW</td> <td>4,993</td> <td>5,143</td> <td>5,369</td> <td>5,538</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td><b>3.0</b></td> <td><b>4.4</b></td> <td><b>3.2</b></td> </tr> <tr> <td>Agriculture Sales MU</td> <td>9,447</td> <td>9,493</td> <td>10,568</td> <td>11,962</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td><b>0.5</b></td> <td><b>11.3</b></td> <td><b>13.2</b></td> </tr> </tbody> </table> <p><b>Table 1: Agriculture sales trends in TGNPDCL (from NPDCL Petition and RSF Forms)</b></p> <p>It can be seen that there is a good correlation between the growth rates of number of connections and contracted demand – both are in the range of 3-4%. But the sales growth rate is only 0.5% between FY24 and FY25, but much higher for subsequent years, without any correlation to connections or demand. TGNPDCL to provide clarification on this, specifically on how the FY26 to FY27 growth rate was arrived at.</p> <p>Table 2 provides similar data for TGSPDCL.</p> <table border="1" data-bbox="190 957 987 1209"> <thead> <tr> <th>Detail</th> <th>FY24 Act</th> <th>FY25 Est</th> <th>FY26 Est</th> <th>FY27 Proj</th> </tr> </thead> <tbody> <tr> <td>Agricultre connections</td> <td></td> <td>14,10,883</td> <td>15,00,174</td> <td>15,60,174</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td></td> <td><b>6.3</b></td> <td><b>4.0</b></td> </tr> <tr> <td>Agr Contracted Demand MW</td> <td></td> <td>5,247</td> <td>5,644</td> <td>6,122</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td></td> <td><b>7.6</b></td> <td><b>8.5</b></td> </tr> <tr> <td>Agriculture Sales MU</td> <td>15,707</td> <td>15,209</td> <td>14,140</td> <td>15,428</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td><b>-3.2</b></td> <td><b>-7.0</b></td> <td><b>9.1</b></td> </tr> </tbody> </table> <p><b>Table 2: Agriculture sales trends in TGSPDCL (from SPDCL Petition and RSF Forms)</b></p> <p>While growth in connections and demand are correlated, it can be seen that there is no correlation of these with sales. Surprisingly, Table with historical sales in Section 3.1.2 of SPDCL petition gives 15,707 MU as</p>	Detail	FY24 Act	FY25 Est	FY26 Est	FY27 Proj	Agriculture connections	13,18,401	13,56,715	14,02,289	14,48,079	<b>Annual Growth Rate %</b>		<b>2.9</b>	<b>3.4</b>	<b>3.3</b>	Agr Contracted Demand MW	4,993	5,143	5,369	5,538	<b>Annual Growth Rate %</b>		<b>3.0</b>	<b>4.4</b>	<b>3.2</b>	Agriculture Sales MU	9,447	9,493	10,568	11,962	<b>Annual Growth Rate %</b>		<b>0.5</b>	<b>11.3</b>	<b>13.2</b>	Detail	FY24 Act	FY25 Est	FY26 Est	FY27 Proj	Agricultre connections		14,10,883	15,00,174	15,60,174	<b>Annual Growth Rate %</b>			<b>6.3</b>	<b>4.0</b>	Agr Contracted Demand MW		5,247	5,644	6,122	<b>Annual Growth Rate %</b>			<b>7.6</b>	<b>8.5</b>	Agriculture Sales MU	15,707	15,209	14,140	15,428	<b>Annual Growth Rate %</b>		<b>-3.2</b>	<b>-7.0</b>	<b>9.1</b>	
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	<p>the LT Agriculture sales in FY24 as well as in FY23, which we hope is not a typo. We request SPDCL to provide clarification on this, specifically on how the FY26 to FY27 growth rate was arrived at.</p> <p>Further, it has been observed that as per CEA Report on "Status of Metering in the Country", only 18% of the Rural Distribution Transformer (DT) in case of TG South DISCOM and 41% of the Rural DT of TG North DISCOM are metered as on 31.03.2025. In the past, Hon'ble TGERC has repeatedly directed TG DISCOMs to achieve 100% of the Agricultural DTR Metering, however, TG DISCOMs have failed to meter all Agricultural DTs. In this regard, relevant extract of the Commission's Tariff Order dtd. 29.04.2025 for Retail Supply Business is as follows:</p> <p>"3.4.41 ... This Commission is in agreement with the submissions of the TGDISCOMs that achieving of 100 % metering of the agriculture DTR's cannot be completed overnight. Further, the TGDISCOMs have also submitted that they have addressed letter to Gol that they are ready to join RDSS scheme and are awaiting clearance of the cabinet and at the Central Government. This Commission is of the view that once the state DISCOMs join RDSS scheme, the situation in respect of DTR metering of agriculture connections may improve.</p> <p>3.5.20 Regarding agricultural consumption, the Commission has considered the concerns raised by stakeholders and members of the State Advisory Committee (SAC). Taking their suggestions into account, the Commission will conduct a detailed review of the calculation method and issue clear directions to improve the process of</p>	

S No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>estimating agricultural sales.</p> <p>3.5.21 As rightly pointed out by stakeholders the T&amp;D losses are huge in the TGDISCOMs when compared to the national average. However, there is no approved data to conclude that TGDISCOMs are adjusting the energy losses in Agricultural consumption. Admittedly there could be transmission and commercial losses for variety of reasons. At the same time there could be a possibility of showing some of the energy losses in the Agricultural consumption. Therefore, unless the Agricultural consumption is properly audited, true figures in respect of T&amp;D losses of the DISCOMs cannot be found out. Since the TGDISCOMs have already submitted that they have given consent to join the RDSS and are also trying to evolve the methodology of calculating the agriculture consumption without actually fixing the meters to the agriculture motors, the situation is likely to improve in the coming financial year.”</p> <p>As above, Hon’ble Commission categorically directed the TG DISCOMs to improve the prevailing agriculture DT Metering, however, there has been no improvement in the same and still existing huge unmetered rural DTs. Further, the DISCOMs have not taken the directions issued by the Hon'ble Commission in a serious way and adopting lackadaisical approach the DISCOMs themselves have projected addition in unmetered agriculture connections in FY 2026-27.</p> <p>In view of the above, TSTMA submits before the Hon’ble Commission to take this matter as a serious concern and penal action u/ s 142 of Electricity Act, 2003 may be taken for non-compliance with the</p>	

S No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>directions of the Commission by the TG DISCOMs.</p> <p>Further, TSTMA requests the Hon'ble Commission to consider the Agriculture Energy Sales adopting apt methodology for computing/estimating the unmetered agriculture consumption using suitable applicable norms so that the high Distribution losses may not be booked and hide in the form of unmetered Agriculture Sales.</p> <p>Further, TSTMA also requests the Hon'ble Commission to direct DISCOMs to submit action plan for metering 100% Agricultural DTs at first level and to submit the action plan to meter all the unmetered agricultural sales in the next phase.</p>	
2.	<p><b>High Power Purchase Expenses:</b></p> <p>This is to submit that TG DISCOMs while claiming the Variable and Fixed Cost of Generating Stations, <b>have considered escalation of 5% &amp; 3% respectively on actuals of H1 of FY 2025-26. TG DISCOMs have not provided any reasoning for arbitrarily considering such escalations.</b></p> <p>It is pertinent to note that the Central Government, vide <i>MoF Notification No.9/2025-Central Tax (Rate) dated 17/09/2025</i>, has allowed the increase in GST rate on coal from 5% to 18%; and vide <i>Notification No. 2/2025-Compensation Cess (Rate) dated 17/09/2025</i>, has abolished the Compensation Cess of Rs. 400/ MT, with effect from 22/09/2025, The abolition of the Compensation Cess and the increase in the GST rate on coal impacted the cost of coal to be procured by the generating companies. Hon'ble CERC vide its suo-moto order dated 1/10/2025, has mentioned that changes due to GOI notifications dated</p>	<p>TGDISCOMs, for estimation of Fixed cost &amp; Variable cost of CGS stations for FY 2026-27, have considered the said 3% and 5% over the respective costs incurred in FY 2025-26 to incorporate the expected nominal increase in costs.</p> <p>TGDISCOMs would like to submit that the impact of coal cost reduction from SCCL and the impact of change in GST and CESS norms has been considered in the estimation of Variable cost of TGGENCO stations.</p> <p>For CGS stations the impact of the increase in GST and abolition of cess depends on the base rate of the coal procured which in turn depends on the grade of the coal.</p>

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	<p>17/09/2025, squarely fall within the ambit of a change in law event and will be applicable to all PPAs having a composite scheme and covered under Section 63 of the Electricity Act, 2003 except in case of the generating companies having captive coal mines.</p> <p>Rationalisation of GST rates on coal from 5% to 18% and removal of compensation cess of Rs. 400 per ton, will reduce the cost of generation for coal-based power generators.</p> <p>Further, Ministry of Coal estimated that impact of the new reform on coal pricing and the power sector is a substantial reduction in overall tax burden. For the power sector, the average reduction is estimated to be ~Rs. 260 per tonne, translating into a reduction of 17-18 paise/ kWh in the cost of generation.</p> <p>Therefore, it will not be prudent to escalate the ARR of FY 2026-27 and allow upfront loading of Power Purchase expenses in Tariff on the consumers of Telangana. Moreover, Hon'ble Commission has already approved the monthly Fuel and Power Purchase Adjustment Surcharge (FPPAS), which recovers the variation in Power Purchase &amp; Transmission cost through automatic route.</p> <p>Further, Hon'ble Commission in Tariff Order dtd. 29.04.2025 for Retail Supply Business approved the Power Purchase Expenses of TG DISCOMs without considering any arbitrary escalation in Fixed and variable cost of Generating Stations. In this regard, relevant extract of the Commission's Tariff Order dtd. 29.04.2025 for Retail Supply Business is as follows:</p> <p><b><i>“Fixed and Variable Costs</i></b></p>	<p>Hence, estimating the impact of the said GST changes on CGS stations will be a challenge in the absence of coal mix information of such stations.</p> <p>Hence, TGDISCOMs have adopted a 5% increase in the variable costs of CGS stations incurred in H1 of FY 2025-26 to account for the expected increase in costs.</p> <p>TGDISCOMs request the Hon'ble Commission to consider the above submissions for estimation of Fixed cost &amp; Variable cost of CGS stations for FY 2026-27.</p>

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	<p>3.8.62 <i>The Commission has considered the fixed cost of TGGENCO stations for FY 2025-26 as approved in TGGENCO order for revised tariff for FY 2025-26. In so far as fixed cost of CGS stations is concerned, CERC is competent to decide the fixed costs of CG stations, thereby the fixed costs of CG stations as detailed by CERC is reflected in MYT Order dated Objections on ARR Petitions of TG DISCOMs for Retail Supply Business for the FY 2026-27 by the Federation of Telangana Chambers of Commerce &amp; Industry (TSTMA)28.10.2024 and the same is considered for arriving at the power purchase costs for FY 2025-26.</i></p> <p>3.8.63 <i>The Commission has noted that the DISCOMs have claimed 3% escalation on variable cost randomly without any statistical data. On considering the objections of the stakeholders, this Commission has taken into consideration the statistics in respect of actual variable costs for the months of November 2024, December 2024 and January 2025 and concluded that the actual variable costs for the said last three months is far less than the escalated variable cost claimed by the TGDISCOMs. <b>Thereby while rejecting claim of the DISCOMs to consider 3% escalation on variable cost, this Commission has considered the average of variable costs for the last three months to arrive at variable costs.</b></i></p> <p>3.8.64 <i>Similar exercise is done by the Commission for arriving at the power purchase cost for all generating stations...”</i></p> <p>Therefore, in line with the methodology approved by the Hon’ble Commission in Retail Supply Tariff Order for FY 2025-26, TSTMA has</p>	

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	<p>re-computed the Power Purchase Cost for FY 2026-27 considering Energy charge rate &amp; fixed cost the same as H1 FY 2026-27 actuals, as follows.</p> <table border="1" data-bbox="197 312 1111 842"> <thead> <tr> <th rowspan="2">DISCOMs</th> <th colspan="3">Claimed (Rs. Cr.)</th> <th colspan="4">TSTMA working (Rs. cr.)</th> </tr> <tr> <th>Fixed Cost</th> <th>Variable Cost</th> <th>Total Cost</th> <th>Fixed Cost</th> <th>Variable Cost</th> <th>Total Cost</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>TS-GENCO Hydel</td> <td>810</td> <td>-</td> <td>810</td> <td>786</td> <td>-</td> <td>786</td> <td>24</td> </tr> <tr> <td>CGS</td> <td>2,484</td> <td>4,994</td> <td>7478</td> <td>2412</td> <td>4756</td> <td>7168</td> <td>310</td> </tr> <tr> <td>Semcorp Energy</td> <td>218</td> <td>362</td> <td>580</td> <td>212</td> <td>345</td> <td>556</td> <td>24</td> </tr> <tr> <td><b>Net TGSPDCL</b></td> <td><b>3,512</b></td> <td><b>5,356</b></td> <td><b>8,868</b></td> <td><b>3,410</b></td> <td><b>5,101</b></td> <td><b>8,511</b></td> <td><b>357</b></td> </tr> <tr> <td>TS-GENCO Hydel</td> <td>338</td> <td>-</td> <td>338</td> <td>328</td> <td>-</td> <td>328</td> <td>10</td> </tr> <tr> <td>CGS</td> <td>1,037</td> <td>2,084</td> <td>3121</td> <td>1007</td> <td>1985</td> <td>2992</td> <td>129</td> </tr> <tr> <td>Semcorp Energy</td> <td>91</td> <td>151</td> <td>242</td> <td>88</td> <td>144</td> <td>232</td> <td>10</td> </tr> <tr> <td><b>Net TG NPDCL</b></td> <td><b>1,466</b></td> <td><b>2,235</b></td> <td><b>3,701</b></td> <td><b>1,423</b></td> <td><b>2,129</b></td> <td><b>3,552</b></td> <td><b>149</b></td> </tr> <tr> <td><b>Total TG DISCOMs</b></td> <td><b>4,978</b></td> <td><b>7,591</b></td> <td><b>12,569</b></td> <td><b>4,833</b></td> <td><b>7,230</b></td> <td><b>12,063</b></td> <td><b>506</b></td> </tr> </tbody> </table> <p>It is requested to Hon'ble TGERC to consider the Power Purchase Cost (FC and VC) as worked out above by TSTMA for Generating Stations which is same as prevailing actuals for H1 FY 2026-27. Any difference in Actual and Allowed Power Purchase Cost will be automatically factored in Fuel and Power Purchase Adjustment Surcharge (FPPAS) mechanism for FY 2026-27.</p> <p>The availability from different plants is shown in the Petition as provided in below table:</p>	DISCOMs	Claimed (Rs. Cr.)			TSTMA working (Rs. cr.)				Fixed Cost	Variable Cost	Total Cost	Fixed Cost	Variable Cost	Total Cost	Difference	TS-GENCO Hydel	810	-	810	786	-	786	24	CGS	2,484	4,994	7478	2412	4756	7168	310	Semcorp Energy	218	362	580	212	345	556	24	<b>Net TGSPDCL</b>	<b>3,512</b>	<b>5,356</b>	<b>8,868</b>	<b>3,410</b>	<b>5,101</b>	<b>8,511</b>	<b>357</b>	TS-GENCO Hydel	338	-	338	328	-	328	10	CGS	1,037	2,084	3121	1007	1985	2992	129	Semcorp Energy	91	151	242	88	144	232	10	<b>Net TG NPDCL</b>	<b>1,466</b>	<b>2,235</b>	<b>3,701</b>	<b>1,423</b>	<b>2,129</b>	<b>3,552</b>	<b>149</b>	<b>Total TG DISCOMs</b>	<b>4,978</b>	<b>7,591</b>	<b>12,569</b>	<b>4,833</b>	<b>7,230</b>	<b>12,063</b>	<b>506</b>	
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<b>Total TG DISCOMs</b>	<b>4,978</b>	<b>7,591</b>	<b>12,569</b>	<b>4,833</b>	<b>7,230</b>	<b>12,063</b>	<b>506</b>																																																																																		

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3.	<p><b>Distribution cost:</b></p> <p>In the ARR Petition for Distribution Wheeling Business for FY 2026-27, TG DISCOMs have submitted net Distribution ARR comprising of O&amp;M expenses, Depreciation, Interest and finance charges on Loan and Return on Equity.</p> <p>However, based on the applicable Regulatory provisions, TSTMA has worked out net Distribution ARR of Rs. 4,564 Cr. for TGSPDCL and Rs. 3,339 Cr. for TGNPDCL. The detailed submission of TSTMA has been made vide its letter dtd. 20.01.2026 sent to Hon'ble Commission in this regard. The relevant extract of claimed and TSTMA working (<i>in Table 2 of the submissions</i>) of net Distribution Cost for FY 2026-27 is as follows:</p> <table border="1" data-bbox="197 842 1070 1347"> <caption><b>Table 2: Summary of admissible ARR of Distribution Business for the FY 2026-27</b></caption> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">TGSPDCL</th> <th colspan="2">TGNPDCL</th> </tr> <tr> <th>Claimed</th> <th>allowable</th> <th>Claimed</th> <th>allowable</th> </tr> </thead> <tbody> <tr> <td>Operation &amp; Maintenance Expenses</td> <td>4,524</td> <td>4,023</td> <td>2,818</td> <td>2,904</td> </tr> <tr> <td>Depreciation</td> <td>1,149</td> <td>416</td> <td>595</td> <td>323</td> </tr> <tr> <td>Interest and finance charges on Loan</td> <td>934</td> <td>241</td> <td>360</td> <td>184</td> </tr> <tr> <td>Interest on working capital</td> <td>150</td> <td>118</td> <td>100</td> <td>79</td> </tr> <tr> <td>Return on Equity</td> <td>482</td> <td>231</td> <td>220</td> <td>161</td> </tr> <tr> <td>Other Expenditure (Ex-Gratia)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td><b>ARR</b></td> <td><b>7,239</b></td> <td><b>5,028</b></td> <td><b>4,093</b></td> <td><b>3,652</b></td> </tr> <tr> <td><b>Less:</b></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Income from Open Access charges</td> <td>1</td> <td>29</td> <td>3</td> <td>29</td> </tr> <tr> <td>Non-Tariff income</td> <td>532</td> <td>436</td> <td>183</td> <td>284</td> </tr> <tr> <td>Income from Other Business</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td><b>Net ARR</b></td> <td><b>6,706</b></td> <td><b>4,564</b></td> <td><b>3,907</b></td> <td><b>3,339</b></td> </tr> <tr> <td>Revenue</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Revenue Gap/ (Surplus)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>PY adjustment</td> <td>545</td> <td>(670)</td> <td>484</td> <td>(258)</td> </tr> <tr> <td><b>Recoverable ARR</b></td> <td><b>7,251</b></td> <td><b>3,894</b></td> <td><b>4,391</b></td> <td><b>3,081</b></td> </tr> </tbody> </table>	Particulars	TGSPDCL		TGNPDCL		Claimed	allowable	Claimed	allowable	Operation & Maintenance Expenses	4,524	4,023	2,818	2,904	Depreciation	1,149	416	595	323	Interest and finance charges on Loan	934	241	360	184	Interest on working capital	150	118	100	79	Return on Equity	482	231	220	161	Other Expenditure (Ex-Gratia)	-	-	-	-	<b>ARR</b>	<b>7,239</b>	<b>5,028</b>	<b>4,093</b>	<b>3,652</b>	<b>Less:</b>	-	-	-	-	Income from Open Access charges	1	29	3	29	Non-Tariff income	532	436	183	284	Income from Other Business	-	-	-	-	<b>Net ARR</b>	<b>6,706</b>	<b>4,564</b>	<b>3,907</b>	<b>3,339</b>	Revenue	-	-	-	-	Revenue Gap/ (Surplus)	-	-	-	-	PY adjustment	545	(670)	484	(258)	<b>Recoverable ARR</b>	<b>7,251</b>	<b>3,894</b>	<b>4,391</b>	<b>3,081</b>	<p>The TGDISCOMs respectfully submit that the Distribution ARR claimed for FY 2026-27 has been computed strictly in accordance with the Tariff Regulations, 2023 and the MYT framework, applying the normative methodology prescribed by the Hon'ble Commission for O&amp;M expenses, Depreciation, Interest on Loan, Interest on Working Capital, and Return on Equity. The ARR components are derived from the base considered as per audited accounts, proposed capitalization, and regulatory norms, and not on any ad-hoc or discretionary basis.</p> <p>The alternative computation presented by FTCCI is based on the Federation's own assumptions and is not aligned with the methodology mandated under the MYT Regulations, including normative O&amp;M principles, treatment of grants and consumer contribution, calculation of depreciation, and the 75:25 debt-equity structure. The DISCOMs-filed ARR reflect actual system requirements, prudently derived cost components, and the operational needs of the distribution network for FY 2026-27.</p> <p>Accordingly, the TGDISCOMs humbly request the Hon'ble Commission to consider only the ARR submitted in the Petitions, which is fully compliant with the regulatory framework, and not to adopt the alternate calculations proposed by FTCCI, which diverge from the Hon'ble Commission's approved methodology.</p>
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	TSTMA humbly requests the Hon'ble Commission to consider the submission made by the Federation and accordingly allow net Distribution Wheeling ARR to the TG DISCOMs for FY 2026-27.																				
4.	<p><b>Distribution Cost for Retail Supply Business</b></p> <p>Clause 77 of <i>TSERC Multi Year Tariff Regulations, 2023</i> requires every distribution licensee to 'maintain separate accounting records for the Wheeling Business and Retail Supply Business' to enable the Commission determine tariffs separately for the respective businesses. It also provides that in case such segregation is not made; the Aggregate Revenue Requirement of the distribution licensee shall be apportioned as specified in the Regulations.</p> <p>As above and based on the detailed submission made vide TSTMA letter dtd. 20.01.2026 to Hon'ble Commission with respect to Distribution Wheeling Business ARR wherein the Federation has worked out revised O&amp;M expenses, Depreciation, Finance Charges and RoE applicable for the TG DISCOMs for FY 2026-27, the revised applicable expenses for Retail Supply Business, i.e. 10% of the Total Distribution ARR, is as follows:</p> <table border="1" data-bbox="197 1098 1115 1251"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">TGSPDCL</th> <th colspan="2">TGNPDCL</th> </tr> <tr> <th>Claimed</th> <th>Allowable</th> <th>Claimed</th> <th>Allowable</th> </tr> </thead> <tbody> <tr> <td>Distribution Cost- Retail Supply Business <i>(10% of the Distribution ARR)</i></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Operation &amp; Maintenance Expenses</td> <td>452</td> <td>402</td> <td>313</td> <td>290</td> </tr> </tbody> </table>	Particulars	TGSPDCL		TGNPDCL		Claimed	Allowable	Claimed	Allowable	Distribution Cost- Retail Supply Business <i>(10% of the Distribution ARR)</i>					Operation & Maintenance Expenses	452	402	313	290	<p>The TGDISCOMs respectfully submit that the segregation of Distribution ARR between Wheeling and Retail Supply businesses has been carried out strictly in accordance with Clause 77 of the TSERC MYT Regulations, 2023, applying the allocation matrix and methodology prescribed by the Hon'ble Commission.</p> <p>Accordingly, the TGDISCOMs request the Hon'ble Commission to consider only the ARR allocation to Retail Supply Business submitted as per Distribution Business filings.</p>
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5.	<p data-bbox="197 525 1115 555"><b>Summary of Net ARR</b></p> <p data-bbox="197 571 1115 759">As above, summary of net ARR as claimed by the TGDISCOMs vis-à-vis worked out by TSTMA on Retail Supply ARR of FY 2026-27 is as follows. Hon'ble Commission is requested to kindly consider the same while approving the ARR for FY 2026-27 for DISCOMs.</p> <table border="1" data-bbox="197 775 1115 1262"> <thead> <tr> <th rowspan="2">Sr. No.</th> <th rowspan="2">Particulars</th> <th colspan="2">TGSPDCL</th> <th colspan="2">TGNPDCL</th> </tr> <tr> <th>Claimed</th> <th>FTCCI</th> <th>Claimed</th> <th>FTCCI</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Power Purchase Cost</td> <td>38,492</td> <td>38,135</td> <td>16,075</td> <td>15,925</td> </tr> <tr> <td>2</td> <td>Transmission Cost</td> <td>2,275</td> <td>2,275</td> <td>950</td> <td>950</td> </tr> <tr> <td>3</td> <td>PGCIL Cost</td> <td>1,790</td> <td>1,790</td> <td>747</td> <td>747</td> </tr> <tr> <td>4</td> <td>SLDC Charges</td> <td>68</td> <td>68</td> <td>29</td> <td>29</td> </tr> <tr> <td>5</td> <td>Distribution Cost</td> <td>6,542</td> <td>3,390</td> <td>4,391</td> <td>3,081</td> </tr> <tr> <td>6</td> <td>Operation and Maintenance Charges (RSB)</td> <td>452</td> <td>402</td> <td>313</td> <td>290</td> </tr> <tr> <td>7</td> <td>Depreciation (RSB)</td> <td>115</td> <td>42</td> <td>66</td> <td>32</td> </tr> <tr> <td>8</td> <td>Interest and finance charges on loan (RSB)</td> <td>93</td> <td>24</td> <td>40</td> <td>18</td> </tr> <tr> <td>9</td> <td>Interest on Working capital (RSB)</td> <td>-</td> <td>-</td> <td>26</td> <td>8</td> </tr> <tr> <td>10</td> <td>Return on Equity (RSB)</td> <td>48</td> <td>23</td> <td>24</td> <td>16</td> </tr> <tr> <td>11</td> <td>Interest on Consumer Security Deposits (RSB)</td> <td>366</td> <td>366</td> <td>93</td> <td>93</td> </tr> <tr> <td></td> <td><b>Total ARR</b></td> <td><b>50,242</b></td> <td><b>46,515</b></td> <td><b>22,754</b></td> <td><b>21,190</b></td> </tr> </tbody> </table>					Sr. No.	Particulars	TGSPDCL		TGNPDCL		Claimed	FTCCI	Claimed	FTCCI	1	Power Purchase Cost	38,492	38,135	16,075	15,925	2	Transmission Cost	2,275	2,275	950	950	3	PGCIL Cost	1,790	1,790	747	747	4	SLDC Charges	68	68	29	29	5	Distribution Cost	6,542	3,390	4,391	3,081	6	Operation and Maintenance Charges (RSB)	452	402	313	290	7	Depreciation (RSB)	115	42	66	32	8	Interest and finance charges on loan (RSB)	93	24	40	18	9	Interest on Working capital (RSB)	-	-	26	8	10	Return on Equity (RSB)	48	23	24	16	11	Interest on Consumer Security Deposits (RSB)	366	366	93	93		<b>Total ARR</b>	<b>50,242</b>	<b>46,515</b>	<b>22,754</b>	<b>21,190</b>	<p data-bbox="1155 571 2018 707">TGDISCOMs have provided justifications for the various costs mentioned in the previous sections. The Hon'ble Commission is requested to review the same and accord approval.</p>	
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6.	<p data-bbox="197 1287 1115 1318"><b>Time of Day (ToD) Tariff:</b></p> <p data-bbox="197 1334 1115 1364">This is to submit that Hon'ble Commission vide Order dtd. 15.11.2025</p>					<p data-bbox="1155 1334 2018 1364">The primary objective of the proposed amendment to the existing</p>																																																																																			

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	<p>made amendments in the Time of Day tariff and removed the incentive of 1.5 Rs./kWh during the period 10 pm to 6 am. Other conditions of TOD to be governed as per the Tariff Order dated 29.04.2025. The applicability of this Order is for the period 01.12.2025 to 31.03.2026.</p> <p>It is pertinent to note that TG DISCOMs in the Petition for determination of ARR and tariff for Retail Supply Business for FY 2026-27 have not made any submission with regard to ToD as to whether the existing ToD tariff structure should continue or some changes are required.</p> <p>However, TSTMA considers it important to present a detailed reasoning as to why the earlier <b>ToD structure where rebate of 1.5 Rs./kWh was allowed by the Hon'ble Commission during the period from 10 pm to 6 am should be restored from 01.04.2026</b>. The detailed submission in this regard is as follows:</p> <p><b>Concept of Time of Day Tariff</b></p> <p>ToD tariffs is generally conceptualized as a demand-side management tool, designed to influence consumer behaviour by incentivizing load shifting away from peak periods. Regulatory principles and National Tariff Policy recognize ToD as a demand-centric mechanism — its objective is to flatten the load curve, not merely reflect supply-side cost variations.</p> <p>Aligning off-peak tariffs with normal-hour charges converts ToD into a supply-cost recovery exercise rather than a behavioural signal, defeating its fundamental regulatory purpose. The relevant provisions of National Tariff Policy 2016 are reproduced for ready reference:</p> <p><b><i>“8.4 Definition of tariff components and their applicability</i></b></p>	<p>Time-of-Day (ToD) tariff structure by TGDISCOMs is to promote effective Demand Side Management and ensure the long-term sustainability of affordable tariffs for consumers.</p> <p>TGDISCOMs have observed that the current incentivized hours often lead to power procurement at elevated rates, which ultimately translates into a higher tariff burden for consumers.</p> <p>To address this, the new TOD structure seeks to better align consumption patterns with the availability and cost of power—thereby enhancing grid stability and operational efficiency.</p> <p>This targeted realignment will optimize power procurement and contribute to tariff stability, safeguarding consumer interests in the long run</p>

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	<p>1. <i>Two-part tariffs featuring separate fixed and variable charges and time differentiated tariff shall be introduced on priority for large consumers (say, consumers with demand exceeding 1 MW) within one year and subsequently for all consumers within a period of five years or such period as may be specified. <b>This would also help in flattening the peak and implementing various energy conservation measures.</b></i></p> <p>Furthermore, if ToD tariffs were truly meant as a supply-centric mechanism merely mirroring market price fluctuations, the resulting tariff structure would be highly volatile and impractical. For instance, during solar hours, tariffs would have to drop to sub-Rs.2.00/unit levels, reflecting prevailing GDAM market prices, while during non-solar peak hours, tariffs would soar to Rs.10.00/unit, aligning with the CERC-prescribed ceiling rates. Such extreme variability might create instability for both consumers and utilities, making long-term planning impossible and defeating the regulatory objective of providing a predictable, demand-shaping price signal. This clearly demonstrates that ToD was conceived as a demand-side management tool — stable enough to encourage behavioural change, not a minute-by-minute reflection of generation costs.</p> <p>Further, the objective of ToD is also recognized by Hon'ble <b>APTEL in Appeal No. 34 of 2014</b>, Time-of-Day tariffs are a demand-side management tool intended to incentivize consumers to shift load away from peak hours, thereby improving system load factor, reducing overall power purchase costs, and enhancing grid stability. The Tribunal was</p>	

S No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>categorical that such mechanisms must aim at flattening demand curves, not at offloading procurement inefficiencies onto consumers</p> <p><b>Ministry of Power Rules</b></p> <p>Ministry of Power, Gol in exercise of the powers conferred under sub-section (1), clause (z) of sub-section (2) of section 176 of the Electricity Act, 2003 made Rules vide notification Electricity (Rights of Consumers) amendment Rules 2023 dtd. 14.06.2023 with regard to ToD. Relevant extract of these Rules are as follows:</p> <p><b><i>“Time of Day Tariff. -The Time of Day tariff for Commercial and Industrial consumers having maximum demand more than ten Kilowatt shall be made effective from a date not later than 1st April, 2024 and for other consumers except agricultural consumers, the Time of Day tariff shall be made effective not later than 1st April, 2025 and a Time of Day tariff shall be made effective immediately after installation of smart meters, for the consumers with smart meters:</i></b></p> <p><i>Provided that, the Time of Day Tariff specified by the State Commission for Commercial and Industrial consumers during peak period of the day shall not be less than 1.20 times the normal tariff and for other consumers, it shall not be less than 1.10 times the normal tariff:</i></p> <p><b><i>Provided further that, tariff for solar hours of the day, specified by the State Commission shall be at least twenty percent less than the normal tariff for that category of consumers:</i></b></p> <p><i>Provided also that the Time of Day Tariff shall be applicable on energy charge component of the normal tariff:</i></p> <p><i>Provided also that the duration of peak hours shall not be more than</i></p>	<p>The Licensee respectfully submits that, with regard to the peak hour penalty, it is pertinent to note that the Licensee is not levying 20% of energy charges as prescribed under the Ministry of Power (MoP) guidelines.</p> <p>In the absence of such a penalty being imposed in line with the guidelines, it would not be rational or equitable to selectively adopt the same framework for granting incentives.</p>

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	<p><i>solar hours as notified by the State Commission or State Load Despatch Centre.</i></p> <p><i>For the purposes of this rule, “solar hours” means the duration of 8 hours in a day as specified by the State Commission.”</i></p> <p>As above, the Rules clearly stipulates that tariff for solar hours of the day, specified by the State Commission shall be at <b>least twenty percent less than the normal tariff</b> for that category of consumers. This means that MoP Rules also provides an incentivizing provision for consumption in off Peak hours.</p> <p><b>Market Realities and Solar Integration</b></p> <p>With marginal power purchase costs during solar hours already crashing to sub-Rs.2/unit levels in the energy markets, there is a strong case for extending rebates during daytime to encourage higher solar consumption. Instead of eliminating the night-time incentive, ToD tariffs should be dynamically revised to support renewable integration and enhance system efficiency.</p> <p>Further, it is equally important to view the issue from a broader system-planning perspective. The ultimate goal of resource planning should be to smoothen and stabilize the overall demand profile of the State or licensee area, reducing sharp peaks and deep troughs that strain grid operations and increase power procurement costs.</p> <p><b>Cross-Subsidy Concerns</b></p> <p>This is to submit that the existing level of cross-subsidization in Telangana is already heavily skewed against the HT category of</p>	<p>The cost of power procurement is on the higher side during the night hours due to the sustained higher demand at the State level. In order to mitigate the adverse impact of incurring higher costs of procuring power on one hand and also giving incentives on the other hand, TGDISCOMs have acted swiftly to at least stem the flow of incentives which is counter productive to both TGDISCOMs and consumers also.</p>

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	<p>consumers, placing an undue burden on them in contravention of statutory norms. As per Clause 8.3 of the National Tariff Policy (NTP) 2016, the cross-subsidy for any consumer category is required to progressively move towards <math>\pm 20\%</math> of the cost of supply (CoS). However, based on the Tariff Order for FY 2025-26, the effective tariffs applicable to HT categories significantly exceed this ceiling, thereby breaching the permissible limit laid down under the NTP.</p> <p><b>Since ToD slabs apply largely to HT categories, abolishing the off-peak rebate disproportionately raises the Average Billing Rate (ABR) for industrial consumers. This further deepens the cross-subsidies in the system, further straining competitiveness of industries while leaving subsidized categories unaffected.</b></p> <p><b>Adverse Consumer and System Impact</b></p> <p>Energy cost forms a critical input for any industrial operation, and therefore businesses/ industries plan their production schedules, supply chains, and cost structures well in advance, factoring in electricity and fuel price trends. Often, industries make significant capital investments—whether in additional shifts, automation, or captive infrastructure—when a predictable incentive framework exists. The introduction of ToD tariffs was precisely intended as a demand-centric measure, encouraging industries to shift consumption to off-peak hours and optimize the overall demand curve. This required industries to reorient their operations for 24-hour production cycles, re-train manpower, and invest heavily in enabling infrastructure.</p> <p>Withdrawing the off-peak rebate discourages night-time usage,</p>	<p>Under the previous ToD tariff structure, the nighttime incentive has led to increased consumption during hours when power procurement costs are relatively high.</p> <p>This trend results in elevated overall procurement expenses for DISCOMs, which are ultimately passed on to consumers through tariff adjustments—potentially leading to future hikes.</p> <p>In contrast, the revised TOD tariff—which involves withdrawing the nighttime incentive—is designed to realign consumption patterns by discouraging usage during high-cost hours.</p> <p>This shift will enable DISCOMs to optimize their power procurement strategy, reduce reliance on expensive sources, and maintain grid efficiency.</p> <p>By implementing this change, TGDISCOMs aim to safeguard consumers from future tariff increases driven by rising procurement costs, while simultaneously promoting a more balanced and economically sustainable grid.</p>

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	<p>potentially pushing demand back into peak hours. This aggravate load curve imbalances, increase DISCOMs' procurement costs, and burden consumers. Moreover, industries and households that have already invested in timers, automation, and EV charging infrastructure based on ToD rebates would face sunk costs, eroding trust in tariff signals and creating regulatory uncertainty.</p> <p><b>Request to the Hon'ble Commission</b></p> <p>In the backdrop of above points, TSTMA therefore requests the Hon'ble Commission to <b>discontinue the withdrawal of rebate provided in earlier ToD regime wef 01.04.206 and instead strengthen ToD tariffs in line with the objectives enshrined in the National Tariff Policy 2016 and Ministry of Power Rules.</b></p> <p>One of the prime objectives of the Electricity Act 2003 is to protect the interest of consumers in the State. The industries in Telangana nowadays going through severe distress which has made it increasingly unviable to sustain operations. The situation has become even more uncertain as global trends show steep import tariff (Custom Duty) increases by America and European Union is also proposing a similar increase in the tariff. This has created an atmosphere of instability for industries. <b>In this context, we look forward to your leadership in ensuring for an incentivizing tariff through rebate in ToD in Telangana.</b></p>	
7.	<p><b>Reduction of Industrial tariff in the State</b></p> <p>This is to submit that the Industries in the State of Telangana are facing the brunt of higher tariffs as the industrial tariff is more than 120% of</p>	<p>TGDISCOMs would like to submit that the current industrial tariffs for both the DISCOMs are within 120% of Average cost of Supply</p>

S No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>Average Cost of Supply. The Tariff Policy 2016 mandates SERCs to determine roadmap for reduction of Cross Subsidy and bring tariff at +/- 20% of the Average Cost of Supply. Relevant extract of the National Tariff Policy is as follows:</p> <p><i>“For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy”</i></p> <p>In line with the provisions stipulated in the National Tariff Policy, Hon’ble Commission is requested to kindly align the Industrial Tariff in the State of Telangana within the range of +/-20% of ACoS.</p> <p><b>Progressively reduction of Cross Subsidy Surcharge in the State</b></p> <p>This is to submit that the Electricity Act, 2003 provides for progressive reduction of Cross Subsidy Surcharge (CSS) as determined by the Hon’ble State Commission. Therefore, while approving the CSS for FY 2026-27 the Hon’ble Commission may reduce the existing CSS levels for the industrial consumers in the State.</p> <p><b>Promoting Energy Efficiency</b></p> <p>The Commission can nudge the TG DISCOMs to announce and implement Load Factor incentive as this will promote energy efficiency and incentive to the energy-intensive industry to consume energy from DISCOM rather than through the Open Access route.</p>	<p>(ACoS) of both the DISCOMs which is well in alignment with the National Tariff Policy 2016.</p> <p>TGDISCOMs have estimated the Crosssubsidy surcharge in compliance with the National Tariff Policy. The Hon’ble commission is requested to accord approval on the same.</p> <p>TGDISCOMs will evaluate the proposed Load Factor incentive scheme to promote retention of Energy intensive consumers from Open Access.</p>
8.	<p><b>Poor financial health of DISCOMs</b></p> <p>The financial health of most state DISCOMs is poor and TG is no</p>	<p>TGDISCOMs are putting effort on loss reduction initiatives in areas</p>

S No.	Summary of Objections / Suggestions	Response of the Licensee																																																														
	<p>exception. As a silver line, MoP/PFC in its 14th Annual Rating Report, has reported that in FY25, all the DISCOMs – private and public – reported a modest combined profit of Rs. 2,701 Cr, compared to a loss of Rs. 27,022 Cr in FY24. As per this report, TG DISCOMs continue to make losses and their accumulated financial loss has been growing, as indicated below:</p> <table border="1" data-bbox="197 466 1111 788"> <thead> <tr> <th rowspan="2">FY/DISCOM</th> <th colspan="3">DISCOM Annual Loss Rs Cr</th> <th colspan="3">DISCOM Cumulative Loss Rs Cr</th> </tr> <tr> <th>SP</th> <th>NP</th> <th>Total</th> <th>SP</th> <th>NP</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>FY19</td> <td>4,967</td> <td>3,051</td> <td>8,019</td> <td>24,362</td> <td>11,858</td> <td>36,220</td> </tr> <tr> <td>FY20</td> <td>4,933</td> <td>1,116</td> <td>6,050</td> <td>29,309</td> <td>12,969</td> <td>42,279</td> </tr> <tr> <td>FY21</td> <td>4,246</td> <td>2,440</td> <td>6,686</td> <td>33,555</td> <td>15,410</td> <td>48,965</td> </tr> <tr> <td>FY22</td> <td>627</td> <td>204</td> <td>831</td> <td>34,182</td> <td>15,614</td> <td>49,796</td> </tr> <tr> <td>FY23</td> <td>8,147</td> <td>2,966</td> <td>11,113</td> <td>42,330</td> <td>18,570</td> <td>60,899</td> </tr> <tr> <td>FY24</td> <td>4,910</td> <td>1,441</td> <td>6,351</td> <td>47,239</td> <td>20,011</td> <td>67,250</td> </tr> <tr> <td>FY25</td> <td>1,103</td> <td>1,359</td> <td>2,462</td> <td>48,342</td> <td>21,399</td> <td>69,741</td> </tr> </tbody> </table> <p><b>Table 3: The mounting financial losses of TG DISCOMs (From DISCOM annual reports and MoP 14th Rating Report)</b></p> <p>TG is one of the eight states with the highest accumulated losses. In addition, the TG DISCOMs have a total of Rs. 59,229 Cr as outstanding loans in FY25, as per MoP/PFC's 14th Rating Report. Arrears are quite high with government departments as the main contributor.</p> <p>In the 13th Integrated Rating &amp; Ranking of power distribution utilities by MoP (February 2025), both TG DISCOMs have rating of "C-" compared to "C" in the 12th rating. The main reason for this appears to be the low score on financial sustainability. In the current 14th Rating report, both DISCOMs continue to have rating of C- and very low scores. Out of the total 54 rated utilities (private and public), unfortunately, NPDCL is</p>	FY/DISCOM	DISCOM Annual Loss Rs Cr			DISCOM Cumulative Loss Rs Cr			SP	NP	Total	SP	NP	Total	FY19	4,967	3,051	8,019	24,362	11,858	36,220	FY20	4,933	1,116	6,050	29,309	12,969	42,279	FY21	4,246	2,440	6,686	33,555	15,410	48,965	FY22	627	204	831	34,182	15,614	49,796	FY23	8,147	2,966	11,113	42,330	18,570	60,899	FY24	4,910	1,441	6,351	47,239	20,011	67,250	FY25	1,103	1,359	2,462	48,342	21,399	69,741	<p>such as AT&amp;C loss reduction, Cost-reflective tariff mechanisms, Collection efficiency improvement. Further, TGDISCOMs would comply to the additional directions from the Hon'ble Commission on loss reduction and ensure implementation of the same.</p>
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S No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>ranked last (54th) and SPDCL is ranked 52nd.</p> <p>TSTMA submits, that the poor financial health of the DISCOMs and inefficiencies of the Disocms, directly affect the consumers, specifically industries in terms of poor quality of supply and higher Tariffs, more higher for industries due to cross-subsidization. We request the Hon'ble TGERC to review the financial health of DISCOMs and direct them targets with penalties, so that inefficiencies are not passed on to the consumers of the state.</p>	
9.	<p><b>Prayer:</b></p> <p>1) To consider the comments / suggestions of TSTMA on the ARR &amp; Retail Supply Petitions FY 2026-27 of TG DISCOMs.</p> <p>2) To direct TG DISCOMs to submit action plan for 100% Agricultural Distribution Transformers at first level and to submit the action plan to meter all the unmetered agricultural sales in maximum 5 years. Further to take penal action u/s 142 of Electricity Act, 2003 for non-compliance with the directions of the Commission.</p> <p>3) To not consider any escalation in Fixed Cost &amp; Energy Charge Rate while determining the Power Purchase Cost of Central Generating Stations as a result of Gol Notification dated 17/09/2025 w.r.t. removal of Coal Cess and increase in GST on coal.</p> <p>4) The inefficiency of DISCOM should not be passed through in the ARR and may be borne by the Govt. of Telangana in the form of additional subsidy for FY 2026-27.</p> <p>5) Consider the Time of Day Tariffs judiciously, so are to provide rebate during off-peak tariff.</p>	<p>TGDISCOMs request the Hon'ble Commission to consider the above submissions and accord approval.</p>

S No.	Summary of Objections / Suggestions	Response of the Licensee
	6) May Conduct a Prudence check over the components as highlighted by TSTMA; 7) Pass necessary orders as may be deemed appropriate in the facts and circumstances of the case in the interest of competition, as has been enshrined in the Electricity Act.	

### 61. Devinder Singh Major, Garrison Engineer(U), Military Engineer Services

#### Responses to Request from Military Engineering Services (MES)

Military Engineer Services (MES) is one of the premier organisation and is construction and maintenance agency under Ministry of Defence, Government of India, responsible for providing comprehensive infrastructure and engineering support to the Armed Forces (Army/Navy/ Airforce). This office Garrison Engineer (GE), Utility Secunderabad is entrusted with the operation, maintenance and management of essential utility services, including electricity and water supply for the entire military station of Secunderabad. The office ensures uninterrupted and efficient utility services to various defence establishments, operational units, training institutions, residential accommodations and allied defence infrastructure which are critical for sustaining operational readiness, administrative efficiency and welfare of service personnel and their families.

At present, the electricity supply to the Military Station Secunderabad is sourced from Telangana State Power Distribution Company Limited (TGSPDCL). The station is geographically dispersed across multiple locations and operational pockets, and to cater to the distributed load requirements, electricity is being drawn **through 51 High Tension (HT) service connections and 26 Low Tension (LT) service connections**. These service connections collectively support the diverse power requirements of operational units, administrative establishments, technical facilities and residential areas within the military station. The electricity consumption charges are duly paid to TGSPDCL on a regular monthly basis as per the applicable tariff and billing provisions.

It is submitted that the aforesaid service connections fall under multiple tariff categories other than the domestic category. These connections cater to a wide spectrum of defence establishments, including operational facilities, administrative offices, technical installations, training institutions, logistics units and other essential service infrastructure. The nature and pattern of **electricity consumption in these establishments are distinct from conventional commercial or industrial consumers** and are primarily aligned with operational and national security requirements.

In view of the foregoing, it is respectfully submitted that a **separate and distinct electricity tariff category for MES/Defence Establishments** is required to be considered by the Hon'ble Commission. The absence of a dedicated tariff category presently results in the applicability of multiple tariff classifications, frequent variations in Contracted Maximum Demand (CMD) and Recorded Maximum Demand (RMD), and the recurring levy of penalty charges, which do not accurately reflect the functional and operational realities of defence infrastructure. It is emphasised that MES and Defence Establishments are neither

commercial nor profit-oriented entities; rather, they operate solely in furtherance of national security, operational preparedness and welfare of Armed Forces personnel.

The necessity for creation of separate tariff category for MES/Defence establishments merits consideration due to several unique functional and operational factors, as enumerated below:-

### **5.1 Regular movement of Troops.**

The strength of Defence Establishments is inherently dynamic due to regular induction and de-induction of troops on account of operational deployments, field postings, training exercises and administrative rotations. Consequently, the electricity load pattern remains variable and unpredictable, with no stable or uniform demand profile throughout the year. Such unavoidable fluctuations frequently result in variations between Contracted Maximum Demand (CMD) and Recorded Maximum Demand (RMD), leading to recurring penalty charges under the existing tariff framework. Since these variations arise from operational necessities rather than commercial considerations, creation of a separate tariff category would help in rationalisation of tariff provisions, minimise avoidable penalty burdens and contribute to prudent utilisation of Government funds, thereby safeguarding the public exchequer.

### **5.2 Trial/ Procurement of New Tech Equipments.**

Defence Establishments are subject to continuous modernisation and capability enhancement, including upgradation of existing systems, induction of technologically advanced equipment and periodic field trials of new platforms and infrastructure. Such activities often result in temporary or sustained variations in electricity demand, directly impacting Contracted Maximum Demand (CMD) and Recorded Maximum Demand (RMD). Under the prevailing tariff structure, these operationally driven demand fluctuations attract penalty charges, despite being integral to national defence preparedness. A separate tariff category would appropriately account for such modernization linked load variations and prevent undue financial burden arising from penalties that are beyond the routine control of the establishment.

### **5.3 Undue Tarrif for Soldiers Accommodations.**

Other Than Married (OTM) accommodation constitutes residential living facilities for soldiers who are unmarried or serving away from their families. These premises are purely residential in nature and are used solely for dwelling purposes without any commercial activity being undertaken therein. However, at present, such OTM accommodations are being categorised under commercial tariff instead of domestic tariff, resulting in higher tariff application and associated financial burden. This classification does not reflect the true character and usage of these premises. Rationalisation through creation of a separate tariff category for Defence Establishments would address such anomalies, ensure appropriate tariff application, and eliminate the imposition of unsuitable commercial rates on non-commercial residential accommodation.

### **5.4 Multiple tariff categories for various infrastructures.**

Various infrastructure assets within Defence Establishments, including administrative offices, training facilities, logistics installations, technical workshops and welfare institutions, operate strictly on a non-profit and non-commercial basis in furtherance of national service. Despite this, such infrastructure is

presently classified under multiple tariff categories, including commercial classifications, which do not accurately reflect their functional character. This results in an avoidable financial burden on Government funds. Creation of a separate tariff category for MES/Defence Establishments would provide appropriate recognition to the unique status of defence infrastructure and ensure a fair, rational, and equitable tariff framework, thereby preventing unnecessary strain on the Government exchequer.

### **5.5 Varied load pattern due to operational preparedness.**

Defence establishments are mandated to maintain a high state of operational readiness at all times to respond effectively to contingencies, natural disasters, internal security situations and national emergencies. During such exigencies, there may be sudden and substantial surges in electricity consumption arising from activation of additional facilities, emergency operations centres, communication systems, medical installations, logistics nodes, and enhanced security infrastructure. These unforeseen yet mission-critical increases in load are not driven by commercial expansion but by national security imperatives and humanitarian assistance requirements. Under the existing tariff framework, such surge demands often attract higher demand charges and penalties linked to CMD/RMD variations. A dedicated tariff category would suitably account for such operational contingencies, ensuring that defence preparedness is not financially penalised under commercial tariff constructs.

### **5.6 Long Term Infrastructure Planning.**

Grant of a separate tariff recognition for MES/Defence Establishments would significantly enhance long-term infrastructure planning, financial forecasting and prudent budgeting of defence utility services. A stable and clearly defined tariff framework would enable accurate estimation of recurring electricity expenditure, facilitating more realistic budget allocations and efficient utilisation of public funds. It would also assist in structured load planning, phased infrastructure upgrades, and optimisation of demand management strategies without the uncertainty of fluctuating tariff classifications or penalty liabilities. Such predictability in tariff application would promote financial discipline, transparency and better coordination between Defence authorities and TGSPDCL thereby ensuring sustainable management of defence utility infrastructure in alignment with national priorities.

### **5.7 Non Commercial Welfare Infrastructures.**

Defence Establishments also maintain and operate a wide spectrum of welfare infrastructure, including schools, hospitals, community facilities and residential accommodation for service personnel and their families. These institutions perform essential public service and welfare functions, contributing not only to the well-being of Armed Forces personnel. The electricity consumption in such facilities is fundamentally service oriented and welfare driven, without any commercial or profit motive. However, classification under varied tariff categories often results in application of rates that do not correspond with their social and institutional character. A separate tariff category would ensure that such welfare infrastructure is accorded appropriate recognition and is charged on a rational and equitable basis consistent with its public service role.

**Response of TGDISCOMs:**

TGDISCOMs acknowledge the critical national security role of Defence/MES establishments and appreciate the operational context outlined in the request. TGDISCOMs would like to clarify that Tariff categorization, including creation of any new category, lies within the **exclusive jurisdiction of the Hon'ble Commission**. TGSPDCL's role is to implement approved tariffs, place facts on record, and submit workable solutions within the present regulatory framework.

TGDISCOMs are currently providing optimal tariff possible to the defence establishments following cost reflective approach. Pending any new category notified by the Commission, TGSPDCL is obliged to continue billing MES service connections under the **prevailing HT/LT categories** based on the **nature of usage, voltage level, CMD, and applicable tariff orders**.

Furthermore, TGDISCOMs will remain fully bound by any directives issued by the Hon'ble Commission regarding the creation of a separate tariff category and shall comply with such directions from the Commission.

**62. Response to Patancheru Notified Municipal Industrial Area Service Society, Ground Floor, TGIIC Admn. Bldg., Main Road, Patancheru – 502 319.**

<b>S.No.</b>	<b>Summary of Objections / Suggestions</b>	<b>Response of the Licensee</b>
1.	<p>Industries typically obtain sanction load based on their specific requirements. The meters, installed after 2010, accurately reflect the maximum power consumed over the past three months. Furthermore, every month, the concerned Assistant Engineer (AE) or Inspector visits the premises to take readings and verify the maximum load utilized. Currently, D.P. officers are visiting small industries and noting the connected load. It is important to note that the connected load can sometimes appear higher due to temporary machinery kept on the premises, while other machines may be off or unutilized during inspection. For Special Purpose Machine (SPM) manufacturers, the connected load might be higher, but the actual utilized power is often less than the sanctioned load.</p> <p>In the past, manual meters necessitated a focus on connected load. However, with the advent of electronic meters, the AE can accurately check the consumed load every month.</p> <p>We are deeply concerned that D.P. officers are pressuring industries to enhance their power and issuing penalty notices to owners, rather than relying on the maximum utilize load.</p> <p>We respectfully request that the AE and line inspector be empowered to check and, if necessary, warn industries to reduce their load. Only if industries continue to draw or utilize more than the sanctioned load after such warnings should penalties be imposed.</p>	<p>As per the GTCS, inspections of LT-III industries is the responsibility of ADE-designated officers, and monthly MD verification is carried out based on the electronic meter readings (Ref: GTCS Designated Officer provisions &amp; Clause 7.1.9).</p> <p>Electronic meters accurately record actual Maximum Demand, which is valid basis for assessing whether sanctioned load is exceeded. Connected-load observations by D.P.E. officers do not by themselves lead to penalties unless the metered MD exceeds the sanctioned MD.</p> <p>Consumers are advised and cautioned through AEs/Inspectors if MD variations are noticed, and action is taken only when actual recorded demand continues to exceed limits. The existing GTCS mechanism already protects consumers and ensures fair enforcement.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	We urge you to look into this matter favourably and take necessary action to protect these industries from harassment by D.P. officers.	

**63. Response to Hyderabad Metropolitan Water Supply & Sewerage Board, Admin building, Khairtabad, Hyderabad 500004.**

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1.	<p>(i) Sanction:HMWSSB requests the Hon'ble TSERC to continue to sanction concessional Power Tariff at the rate of Rs. 4.95 paise per kVAH for the FY 2025-26 onwards on perpetual basis.</p> <p>(ii) Special Category:As was observed by the Hon'ble TSERC in its Orders passed on the earlier occasions, we request to allot a Special Category for sanction of concessional Power Tariff for HMWSSB exclusively in line with HMRL.</p> <p>(iii) The facility of concessional Power Tariff may also be extended to: (a) Pump House (b) all STP stations, and (c) all Office Buildings.</p> <p>(iv) Subvention:Since financial year 2022-23, TG Govt has sanctioned subvention amounts to HMWSSB payable to TS DISCOMs. In line with TSERC orders, TSSPDCL have raised power bills for HMWSSB as per Cat-I(E) (Normal) instead of Cat-V(B) (Concessional), due to non-release of subvention amount by the State Government.</p> <p>The Hon'ble TSERC's kind attention is drawn to the letter of GoTS, Energy Department vide letters dated 30.06.2022 &amp; 06.03.2023, wherein</p>	<p>The Hon'ble Commission, in its Order dated 22.10.2022 <a href="#">Order in I.A.No.54 of 2022 in OP 58 &amp; 59 of 2021 22102022.pdf</a> has expressly held that "Therefore, there shall be no further determination or decision or creation of a separate category of tariff for HMWSSB for FY 2022-23 except extending the applicability of the tariff determined for HMRL for FY 2022-23 to HMWSSB and such extension and applicability of the tariff is subject to the subvention commitment being agreed to and extended from time to time by the Government."</p> <p>Further, any concessional tariff can be considered only upon a firm subvention commitment from the Government of Telangana.</p> <p>Due to non-release of the sanctioned subvention amount by the State Government, the differential revenue corresponding to the concessional tariff has not been realized by TGDISCOMs.</p> <p>In view of the above and in compliance with TSERC tariff orders, Telangana Southern Power Distribution Company</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>GoTS has invoked Section-108 of the Electricity Act, 2003 while assuring that it would take care of payment of Subvention amount for the past and future period and compensate DISCOMs suitably.</p> <p>(v) Time of Day: Earlier TOD tariff provided rebate of ₹1.50/unit for power consumption during off-peak hours (10 PM to 6 AM). The same has been removed in the present tariff, increasing power cost for HMWSSB. As HMWSSB performs essential public water supply operations mainly during night hours, it is requested to kindly restore / provide suitable off-peak TOD concession for HMWSSB.</p> <p>(vi) HMWSSB has already requested vide letter dt. 01.01.2026 the GoTS for issue of Comfort Letter by Energy Department as restoration of concessional power tariff is critically dependent on provision of subvention budget of Rs. 300 Cr per annum and issuance of Letter of Comfort by the Energy Department, Govt of Telangana.</p>	<p>Limited (TGSPDCL) has been raising power bills to HMWSSB under Normal tariff instead of Category-V(B) (Concessional), so as to avoid revenue shortfall and financial strain on the utility.</p> <p>TGDISCOMs submit that the concessional tariff under Category-V(B) can be extended prospectively upon receipt of the eligible subvention amount from the State Government, along with necessary budgetary support, in accordance with the statutory provisions and TSERC orders.</p> <p>With regard to the TOD tariffs, the earlier off-peak incentive has not been retained as the cost of procurement during night hours is relatively higher.</p> <p>The revised TOD tariffs have been proposed after assessing its financial and operational impact and is intended to better align consumption patterns with power availability, while supporting grid and cost efficiency.</p> <p>In view of the above, TGDISCOMs submit that the existing tariffs may be continued for the category.</p>

**64. Response to Federation of Telangana Small (MSME) Industries Associations, Industrial Estate, Sanath Nagar, Hyderabad**

**500018.**

<b>S.No.</b>	<b>Summary of Objections / Suggestions</b>	<b>Response of the Licensee</b>
1.	<p>We respectfully submit that our Association has been receiving numerous representations from MSME members stating that DISCOMs are issuing notices directing consumers having connected load between 50 HP and 100 HP to compulsorily convert their service connections from LT metering to HT metering.</p> <p>It is reported that officials are threatening disconnection of service connections and even sealing of premises if the consumers fail to convert to HT metering. Further, field-level officials are refusing to accept written representations from consumers and are insisting on immediate compliance without considering the applicable regulatory provisions.</p> <p>In this regard, we draw your kind attention to Clause No. 4.12.10 (e) – Metering and Load Conditions, which states:</p> <p>“Where metering is provided on LT side of transformer (due to space constraints), 3% of recorded energy during the month shall be added to arrive at the consumption on High Tension side of the transformer.”</p> <p>From the above provision, it is evident that where LT-side metering is provided, 3% of recorded energy can be added to account for transformation losses. Therefore, insisting on mandatory conversion from LT to HT metering, despite consumers being willing to comply with the additional 3% charges, appears contrary to the spirit of the Regulation.</p> <p>Further, we would also like to bring to your notice that while processing applications for enhancement of power supply, DISCOM officials are</p>	<p>With reference to above, as per tariff condition clause 1.4.4 as per approval of retail supply by TSERC FY2025-26 with effect from 01-04-2025: 1.4.4 (ii) For loads above 37.5 kW / 50 HP to 75 kW/ 100HP (As well as HT services), metering shall be provided on HT side of Distribution Transformer. Notices are being issued for fixing of meter on HT side of Distribution Transformer as per approval of tariff order.</p> <p>For buildings above permitted height, regular supply shall be provided upon submission of occupancy certificate / completion certificate as per para 21 of Hyderabad Revised Building Rules 2016 (and other rule sets under Andhra Pradesh G.O.Ms.No. 168 dt. 07-02-2016 and any other municipality in Telangana) and payment of required charges.</p> <p>So, upon submission of occupancy certificate / completion certificate by consumer, regular supply will be provided.</p>

<b>S.No.</b>	<b>Summary of Objections / Suggestions</b>	<b>Response of the Licensee</b>
	<p>insisting on submission of an Occupancy Certificate (OC).</p> <p>As you are aware, in the case of factories, building plans are approved by the Director of Factories, and not by GHMC or local municipal authorities. The Director of Factories does not issue Occupancy Certificates for establishment of factories. Hence, insisting on submission of an OC has become an impractical and additional requirement, causing unnecessary delay and hardship to industries seeking enhancement of power supply, both within industrial estates and outside.</p> <p>In view of the above, we humbly request the Hon'ble Commission to: Issue suitable directions/advisory to DISCOMs not to insist on compulsory conversion from LT to HT metering for loads between 50 HP and 100 HP where consumers are willing to pay 3% additional energy charges as per Regulation.</p> <p>Direct field officials to accept representations from consumers and act strictly in accordance with ERC Regulations without resorting to coercive measures.</p> <p>Instruct DISCOMs not to threaten disconnection or sealing of premises without due process.</p> <p>Clarify and issue necessary instructions that Occupancy Certificate shall not be insisted upon in the case of factories, particularly where approvals are granted by the Director of Factories.</p>	

**65. Response to Telangana State Rice Millers Association, Taj Enclave, Khairatabad, Hyderabad 500004**

S.No.	Summary of Objections / Suggestions	Response of the Licensee
32.	<p>1) We, on behalf of the Rice Millers Association Telangana State, respectfully submit this petition for your kind consideration regarding the withdrawal of the night-time electricity tariff incentive and the continued levy of peak-hour extra charges on industrial consumers.</p> <p>2) The Rice industry is a power-intensive, continuous process sector that plays a vital role in agricultural value addition, employment generation, and farmer support across the State of Telangana.</p> <p>3) Until November 2025, industrial consumers were extended a night-time electricity discount of ₹1.50 per unit for consumption between 10:00 PM and 6:00 AM, which encouraged off-peak operations and supported grid load management. However, with the withdrawal of this night-time discount from November 2025, Rice industry units have lost a critical cost-balancing incentive.</p> <p>4) Concurrently, additional peak-hour charges of ₹1.00 per unit continue to be levied for electricity consumed during 6:00 AM to 10:00 AM and 6:00 PM to 10:00 PM. Due to the continuous and process-driven nature of Rice industry operations, consumption during these peak hours is unavoidable.</p>	<p>The primary objective of the new Time-of-Day (ToD) tariff structure is to promote effective Demand Side Management and ensure the long-term sustainability of affordable tariffs for consumers.</p> <p>TGDISCOMs have observed that the night-time incentive often lead to power procurement at elevated rates, which ultimately translates into a higher tariff burden for consumers. Removal of peak time tariffs will translate to higher power procurement costs and eventually burden consumers. The new ToD tariffs are proposed to address this and better align consumption patterns with the availability and cost of power thereby enhancing grid stability and operational efficiency. The new TOD tariffs are aimed at encouraging consumers to shift their electricity usage to periods when power procurement is more economical. By doing so, TGDISCOMs can optimize overall procurement and reduce reliance on costly power purchases ultimately helping to prevent future tariff increases for consumers.</p> <p>The existing tariff structure during normal and peak hours has been carefully designed to ensure that demand previously concentrated in night-time hours does not migrate to peak periods, thereby maintaining grid stability. This targeted realignment will optimize power procurement and contribute to tariff stability, safeguarding consumer interests in the long run.</p>

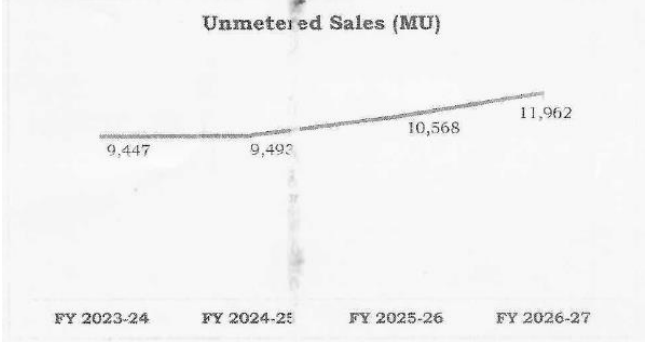
S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>5) As a direct consequence of the withdrawal of the night-time discount, each Rice mill industry plant is experiencing an increase in monthly electricity costs exceeding ₹1,50,000/-. This escalation has placed significant pressure on operating margins in an industry already subject to volatile raw material prices and tight processing spreads.</p> <p>6) In this context, we humbly submit that removal of the additional ₹1.00 perunit peakhour charges would substantially offset the increased power costs arising from the withdrawal of the night-time discount and provide much-needed relief to the bottom line of agrobased industries, without undermining grid discipline.</p> <p>We respectfully request the Hon'ble Commission to consider this rationalization as a compensatory and equitable measure, aimed at sustaining the viability of Rice industry units and allied agricultural value chains in Telangana.</p>	

**66. Response to Uppal Notified Municipal Industrial Area Service Society (Regd. No. 1857/96 dated 04.04.1996, K-2, Plot No.9, RPR -UPL-NH202, IDA, Uppal, Hyderabad 500039.**

S No.	Additional Info sought by Hon'ble Commission	Response of the Licensee												
1.	<p>This is to submit that both the TG DISCOMs have claimed significant amount of Unmetered Energy Sales in FY 2026-27 pertaining to Agriculture. In case of TGNPDCL, unmetered Energy Sales claimed in FY 2026-27 are ~45% of the Total Sales while for TGSPDCL unmetered Energy Sales claimed in FY 2026-27 have been ~24% of the Total Sales.</p> <p>The Telangana Discoms have considered sales for LT V Agriculture as 15,428 MUs in Fy 2026-27 whereas in FY 2024-25 the sales for this category were 15,209 MUS and in FY 2025-26 the sales are expected to be 14,140 Mus. Despite the reduction in energy consumption in this category, high level of growth has been considered. The Energy for LT V category needs to be reduced by around 1,000 Mus and needs to be around 14,500 Mus. Similarly, the sales of at HT-I(A) under HT category 132 kV has been considered as 4,985 Mus in FY 2026-27 in comparison to 6,799 Mus in Fy 2025-26. It has been observed there is increase in sales in this category from 4,552 MUs in FY 2024-25. Thus, the sales in this category in FY 2026-27 needs to be atleast 7,000 Mus. The discoms are erroneously showing such values for sales to reduce the revenue expected to be generated in FY 2026-27.</p> <p>Reasonable growth must be provided in HT-I(A) under HT category 132 kV while the sales in LT V – Agriculture category should be reduced.</p> <p>Further, TG DISCOMs have also considered increase in number of</p>	<p>TGDISCOMs have projected the category wise sales for FY2026-27 by considering the actual sales of FY 2024-25 with the CAGR in previous years keeping into account the expected new load additions.</p> <p>Agricultural sales projection: With respect to LT V (Agriculture) sales, TGDISCOMs have followed the methodology adopted by the Hon'ble Commission. Agricultural sales for FY 2026-27 have been estimated based on 12 hours of daily supply and 180 operational days per year, using the connected load indicated in the ARR filings. Details of existing and expected load is also mentioned in the filings. Since, the nature of agricultural consumption is similar in both DISCOM areas, the same approach has been uniformly applied.</p> <p>Load and Sales Projections for FY 2026 27</p> <table border="1" data-bbox="1160 1066 1892 1321"> <thead> <tr> <th>Particulars</th> <th>NPDCL</th> <th>SPDCL</th> </tr> </thead> <tbody> <tr> <td>Load Projections (hp)</td> <td>7,421,344</td> <td>8,205,026</td> </tr> <tr> <td>Load Projections (MW)</td> <td>5536</td> <td>6121</td> </tr> <tr> <td>Sales Projections (MU) (Load in MW*12*180/10^3)</td> <td>11958</td> <td>15425</td> </tr> </tbody> </table> <p>It may be noted that while connections and connected load tend to</p>	Particulars	NPDCL	SPDCL	Load Projections (hp)	7,421,344	8,205,026	Load Projections (MW)	5536	6121	Sales Projections (MU) (Load in MW*12*180/10^3)	11958	15425
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	<p>unmetered agricultural connections in FY 2026-27 vis-à-vis actuals existing in FY 2024-25 and asin FY 2025-26. The summary of such unmetered connections is as shown below:</p> <table border="1" data-bbox="197 319 929 539"> <thead> <tr> <th>Particulars</th> <th>FY 2024-25</th> <th>FY 2025-26</th> <th>FY 2026-27</th> <th>Increase % y-o-y</th> <th>Source</th> </tr> </thead> <tbody> <tr> <td colspan="6"><b>TGNPDCL</b></td> </tr> <tr> <td>No. of Connections</td> <td>13,56,715</td> <td>14,02,289</td> <td>14,48,079</td> <td>3%</td> <td>Form-2</td> </tr> <tr> <td>Energy Sales (M)</td> <td>9,493</td> <td>10,568</td> <td>11,962</td> <td>13%</td> <td>Form-4</td> </tr> <tr> <td colspan="6"><b>TGSPDCL</b></td> </tr> <tr> <td>No. of Connections</td> <td>14,10,883</td> <td>15,00,174</td> <td>15,60,174</td> <td>40%</td> <td>Form-2</td> </tr> <tr> <td>Energy Sales (M)</td> <td>15,209</td> <td>14,140</td> <td>15,428</td> <td>9%</td> <td>Form-4</td> </tr> </tbody> </table> <p>From the above TG DISCOMs themselves have proposed addition in new unmetered connections in FY 2026-27. However, this is in violation of the Ministry of Power Electricity (Rights of Consumers) Rules, 2020 dtd. 31/ 12/2020, which states that no connection shall be given without a meter and such meter shall be the smart prepayment meter or pre-payment meter. Relevant extract of the said Rules is as follows:</p> <p><b>"5. Metering</b> — (1) No connection shall be given without a meter and such meter shall be the smart prepayment meter or pre-payment meter. Any exception to the smart meter or prepayment meter shall have to be duly approved by the Commission. The Commission, while doing so, shall record proper justification for allowing the deviation from installation of the smart pre-payment meter or prepayment meter."</p> <p>As such, no new unmetered connections shall be given to any category of consumer by the TG DISCOMs. It is pertinent to note that Hon'ble Commission in Tariff Order dtd. 29.04.2025 for Retail Supply Business has already directed the TG DISCOMs to meter the Agriculture</p>	Particulars	FY 2024-25	FY 2025-26	FY 2026-27	Increase % y-o-y	Source	<b>TGNPDCL</b>						No. of Connections	13,56,715	14,02,289	14,48,079	3%	Form-2	Energy Sales (M)	9,493	10,568	11,962	13%	Form-4	<b>TGSPDCL</b>						No. of Connections	14,10,883	15,00,174	15,60,174	40%	Form-2	Energy Sales (M)	15,209	14,140	15,428	9%	Form-4	<p>show a steady, linear increase. Whereas, actual agricultural consumption does not follow the same pattern. Agricultural sales are significantly influenced by seasonality, weather conditions, and actual demand at the field level. Such fluctuations confirm that agricultural consumption does not exhibit a smooth growth trend.</p> <p><b>For HT I(A) 132 kV Projections:</b></p> <p>FY 25 (Actuals): 4551.70 MU</p> <p>FY 26 (Projections): 4741.41 MU</p> <p>FY 27 (Projections): 4984.80 MU</p> <p>The projections are consistent and there is no erroneous reduction. The values filed are based on historical demand patterns and expected growth.</p> <p><b>Metering:</b></p> <p>It is submitted that the projections for FY 2026-27 indicating addition of certain agricultural service connections categorized as "unmetered" are in line with the prevailing State Government policy and the existing tariff framework applicable to agricultural consumers.</p> <p>With regard to the reference made to the Electricity (Rights of Consumers) Rules, 2020 dated 31.12.2020, it is respectfully submitted that the said Rules provide the general framework</p>
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	<p>consumers and in case non-compliance Commission may develop appropriate methodology for accounting of the unmetered agricultural connections. In this regard, relevant extract of the Commission's Order is as follows:</p> <p><i>"3.4.40 In respect of accounting of unmetered agricultural connections, several stakeholders have raised several concerns. Having considered the reply given by the TGDISCOMs as per the regulatory framework in respect of methodology adopted for unmetered agricultural connections, this Commission is of the opinion that though the ISI methodology to account for unmetered connections is not foolproof and that the metering of Agricultural feeders may give close data, however both the methods will not provide accurate data. Further, ASCI has also reported that the consumption of power for agriculture under ISI methodology has been provided at far less consumption level than actuals. Therefore, as long as there is no proper alternative methodology available before the Commission, the ISI methodology which is approved by this Commission has to be considered for calculation of unmetered agricultural connections. <b>However, this Commission has taken into consideration the concerns of the stakeholders and will try to evolve an appropriate methodology for accounting of the unmetered agricultural connections.</b>"</i></p> <p>However, the unmetered Agriculture Sales as claimed for FY 2026-27 have been estimated to increase by around 13% over the Agriculture Sales in FY 2025-26.</p>	<p>relating to consumer rights and metering. However, agricultural service connections in the State are presently governed by specific policy directions of the State Government under which supply to agriculture is being extended in accordance with approved norms.</p> <p>It is further submitted that the classification of certain agricultural services as "unmetered" in the ARR projections is primarily for billing and subsidy accounting purposes under the prevailing tariff structure. The same does not imply any deliberate violation of statutory provisions.</p> <p>The DISCOM is implementing metering in a phased manner in accordance with directions issued by the appropriate authorities and subject to availability of approved schemes, regulatory approvals, and funding support.</p> <p>Therefore, the mere projection of new agricultural connections under the existing unmetered category for FY 2026-27 cannot be construed as a violation of the aforesaid Rules. The DISCOM remains committed to complying with all applicable statutory provisions and regulatory directions as may be issued from time to time by the appropriate authorities.</p> <p>The DISCOMs have proposed to undertake segregation of agricultural feeders under the RDSS program to enable better monitoring and accurate accounting of agricultural consumption subject to approval from GOI.</p>

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	 <p>The graph shows unmetered sales in MU for four fiscal years: FY 2023-24 (9,447), FY 2024-25 (9,492), FY 2025-26 (10,568), and FY 2026-27 (11,962). The sales show a steady increase over the period.</p> <p>FTCCI humbly request the Hon'ble Commission to take this issue as a matter of concern as Distribution Losses, Metering, Billing and Collection are controllable parameters on the part of DISCOMs. Inefficiencies on account of DISCOMs should not be allowed to be passed through in ARR. Due to lack of metered connections and huge unmetered Sales, Proper accounting and actual Distribution losses cannot be ascertained. Thus, the inefficiencies of TG DISCOMs are borne by honest metered consumers in the State.</p> <p>As for LT Agriculture sales estimation, in the Tarif order dated 28/10/2024 (Section 4.1.5, pp108), Hon'ble TGERC has laid out a procedure it has used for agriculture consumption estimation. This was based on calculating the specific consumption of pumpsets (Units/hp/year) based on historical data and using the connected load increase (due to new connections) to project sales. TGNPDCL petition mentions that connected load is used for projections. Table 1 gives the details of the number of connections, contracted demand and agriculture sales for TGNPDCL for FY24 (Actual), FY 25 &amp; FY26</p>	

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	<p>(Estimates) and FY 27 (Projected).</p> <table border="1" data-bbox="192 209 1010 440"> <thead> <tr> <th>Detail</th> <th>FY24 Act</th> <th>FY25 Est</th> <th>FY26 Est</th> <th>FY27 Proj</th> </tr> </thead> <tbody> <tr> <td>Agriculture connections</td> <td>13,18,401</td> <td>13,56,715</td> <td>14,02,289</td> <td>14,48,079</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td><b>2.9</b></td> <td><b>3.4</b></td> <td><b>3.3</b></td> </tr> <tr> <td>Agr Contracted Demand MW</td> <td>4,993</td> <td>5,143</td> <td>5,369</td> <td>5,538</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td><b>3.0</b></td> <td><b>4.4</b></td> <td><b>3.2</b></td> </tr> <tr> <td>Agriculture Sales MU</td> <td>9,447</td> <td>9,493</td> <td>10,568</td> <td>11,962</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td><b>0.5</b></td> <td><b>11.3</b></td> <td><b>13.2</b></td> </tr> </tbody> </table> <p><b>Table 1: Agriculture sales trends in TGNPDCL (from NPDCL Petition and RSF Forms)</b></p> <p>It can be seen that there is a good correlation between the growth rates of number of connections and contracted demand – both are in the range of 3-4%. But the sales growth rate is only 0.5% between FY24 and FY25, but much higher for subsequent years, without any correlation to connections or demand. TGNPDCL to provide clarification on this, specifically on how the FY26 to FY27 growth rate was arrived at.</p> <p>Table 2 provides similar data for TGSPDCL.</p> <table border="1" data-bbox="192 906 987 1158"> <thead> <tr> <th>Detail</th> <th>FY24 Act</th> <th>FY25 Est</th> <th>FY26 Est</th> <th>FY27 Proj</th> </tr> </thead> <tbody> <tr> <td>Agricultre connections</td> <td></td> <td>14,10,883</td> <td>15,00,174</td> <td>15,60,174</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td></td> <td><b>6.3</b></td> <td><b>4.0</b></td> </tr> <tr> <td>Agr Contracted Demand MW</td> <td></td> <td>5,247</td> <td>5,644</td> <td>6,122</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td></td> <td><b>7.6</b></td> <td><b>8.5</b></td> </tr> <tr> <td>Agriculture Sales MU</td> <td>15,707</td> <td>15,209</td> <td>14,140</td> <td>15,428</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td><b>-3.2</b></td> <td><b>-7.0</b></td> <td><b>9.1</b></td> </tr> </tbody> </table> <p><b>Table 2: Agriculture sales trends in TGSPDCL (from SPDCL Petition and RSF Forms)</b></p> <p>While growth in connections and demand are correlated, it can be seen that there is no correlation of these with sales. Surprisingly, Table with historical sales in Section 3.1.2 of SPDCL petition gives 15,707 MU as the LT Agriculture sales in FY24 as well as in FY23, which we hope is</p>	Detail	FY24 Act	FY25 Est	FY26 Est	FY27 Proj	Agriculture connections	13,18,401	13,56,715	14,02,289	14,48,079	<b>Annual Growth Rate %</b>		<b>2.9</b>	<b>3.4</b>	<b>3.3</b>	Agr Contracted Demand MW	4,993	5,143	5,369	5,538	<b>Annual Growth Rate %</b>		<b>3.0</b>	<b>4.4</b>	<b>3.2</b>	Agriculture Sales MU	9,447	9,493	10,568	11,962	<b>Annual Growth Rate %</b>		<b>0.5</b>	<b>11.3</b>	<b>13.2</b>	Detail	FY24 Act	FY25 Est	FY26 Est	FY27 Proj	Agricultre connections		14,10,883	15,00,174	15,60,174	<b>Annual Growth Rate %</b>			<b>6.3</b>	<b>4.0</b>	Agr Contracted Demand MW		5,247	5,644	6,122	<b>Annual Growth Rate %</b>			<b>7.6</b>	<b>8.5</b>	Agriculture Sales MU	15,707	15,209	14,140	15,428	<b>Annual Growth Rate %</b>		<b>-3.2</b>	<b>-7.0</b>	<b>9.1</b>	
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Agriculture Sales MU	15,707	15,209	14,140	15,428																																																																				
<b>Annual Growth Rate %</b>		<b>-3.2</b>	<b>-7.0</b>	<b>9.1</b>																																																																				

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	<p>not a typo. We request SPDCL to provide clarification on this, specifically on how the FY26 to FY27 growth rate was arrived at.</p> <p>Further, it has been observed that as per CEA Report on "Status of Metering in the Country", only 18% of the Rural Distribution Transformer (DT) in case of TG South DISCOM and 41% of the Rural DT of TG North DISCOM are metered as on 31.03.2025. In the past, Hon'ble TGERC has repeatedly directed TG DISCOMs to achieve 100% of the Agricultural DTR Metering, however, TG DISCOMs have failed to meter all Agricultural DTs. In this regard, relevant extract of the Commission's Tariff Order dtd. 29.04.2025 for Retail Supply Business is as follows:</p> <p>"3.4.41 ... This Commission is in agreement with the submissions of the TGDISCOMs that achieving of 100 % metering of the agriculture DTR's cannot be completed overnight. Further, the TGDISCOMs have also submitted that they have addressed letter to Gol that they are ready to join RDSS scheme and are awaiting clearance of the cabinet and at the Central Government. This Commission is of the view that once the state DISCOMs join RDSS scheme, the situation in respect of DTR metering of agriculture connections may improve.</p> <p>3.5.20 Regarding agricultural consumption, the Commission has considered the concerns raised by stakeholders and members of the State Advisory Committee (SAC). Taking their suggestions into account, the Commission will conduct a detailed review of the calculation method and issue clear directions to improve the process of estimating agricultural sales.</p>	

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	<p>3.5.21 As rightly pointed out by stakeholders the T&amp;D losses are huge in the TGDISCOMs when compared to the national average. However, there is no approved data to conclude that TGDISCOMs are adjusting the energy losses in Agricultural consumption. Admittedly there could be transmission and commercial losses for variety of reasons. At the same time there could be a possibility of showing some of the energy losses in the Agricultural consumption. Therefore, unless the Agricultural consumption is properly audited, true figures in respect of T&amp;D losses of the DISCOMs cannot be found out. Since the TGDISCOMs have already submitted that they have given consent to join the RDSS and are also trying to evolve the methodology of calculating the agriculture consumption without actually fixing the meters to the agriculture motors, the situation is likely to improve in the coming financial year.”</p> <p>As above, Hon'ble Commission categorically directed the TG DISCOMs to improve the prevailing agriculture DT Metering, however, there has been no improvement in the same and still existing huge unmetered rural DTs. Further, the DISCOMs have not taken the directions issued by the Hon'ble Commission in a serious way and adopting lackadaisical approach the DISCOMs themselves have projected addition in unmetered agriculture connections in FY 2026-27.</p> <p>In view of the above, FTCCI submits before the Hon'ble Commission to take this matter as a serious concern and penal action u/ s 142 of Electricity Act, 2003 may be taken for non-compliance with the directions of the Commission by the TG DISCOMs.</p>	

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	<p>Further, FTCCI requests the Hon'ble Commission to consider the Agriculture Energy Sales adopting apt methodology for computing/estimating the unmetered agriculture consumption using suitable applicable norms so that the high Distribution losses may not be booked and hide in the form of unmetered Agriculture Sales.</p> <p>Further, FTCCI also requests the Hon'ble Commission to direct DISCOMs to submit action plan for metering 100% Agricultural DTs at first level and to submit the action plan to meter all the unmetered agricultural sales in the next phase.</p>	
2.	<p><b>High Power Purchase Expenses:</b></p> <p>This is to submit that TG DISCOMs while claiming the Variable and Fixed Cost of Generating Stations, <b>have considered escalation of 5% &amp; 3% respectively on actuals of H1 of FY 2025-26. TG DISCOMs have not provided any reasoning for arbitrarily considering such escalations.</b></p> <p>It is pertinent to note that the Central Government, vide <i>MoF Notification No.9/2025-Central Tax (Rate) dated 17/09/2025</i>, has allowed the increase in GST rate on coal from 5% to 18%; and vide <i>Notification No. 2/2025-Compensation Cess (Rate) dated 17/09/2025</i>, has abolished the Compensation Cess of Rs. 400/ MT, with effect from 22/09/2025, The abolition of the Compensation Cess and the increase in the GST rate on coal impacted the cost of coal to be procured by the generating companies. Hon'ble CERC vide its suo-moto order dated 1/10/2025, has mentioned that changes due to GOI notifications dated 17/09/2025, squarely fall within the ambit of a change in law event and</p>	<p>TGDISCOMs, for estimation of Fixed cost &amp; Variable cost of CGS stations for FY 2026-27, have considered the said 3% and 5% over the respective costs incurred in FY 2025-26 to incorporate the expected nominal increase in costs.</p> <p>TGDISCOMs would like to submit that the impact of coal cost reduction from SCCL and the impact of change in GST and CESS norms has been considered in the estimation of Variable cost of TGGENCO stations. For CGS stations the impact of the increase in GST and abolition of cess depends on the base rate of the coal procured which in turn depends on the grade of the coal. Hence, estimating the impact of the said GST changes on CGS stations will be a challenge in the absence of coal mix information of such stations. Hence, TGDISCOMs have adopted a 5% increase in the</p>

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	<p>will be applicable to all PPAs having a composite scheme and covered under Section 63 of the Electricity Act, 2003 except in case of the generating companies having captive coal mines.</p> <p>Rationalisation of GST rates on coal from 5% to 18% and removal of compensation cess of Rs. 400 per ton, will reduce the cost of generation for coal-based power generators.</p> <p>Further, Ministry of Coal estimated that impact of the new reform on coal pricing and the power sector is a substantial reduction in overall tax burden. For the power sector, the average reduction is estimated to be ~Rs. 260 per tonne, translating into a reduction of 17-18 paise/ kWh in the cost of generation.</p> <p>Therefore, it will not be prudent to escalate the ARR of FY 2026-27 and allow upfront loading of Power Purchase expenses in Tariff on the consumers of Telangana. Moreover, Hon'ble Commission has already approved the monthly Fuel and Power Purchase Adjustment Surcharge (FPPAS), which recovers the variation in Power Purchase &amp; Transmission cost through automatic route.</p> <p>Further, Hon'ble Commission in Tariff Order dtd. 29.04.2025 for Retail Supply Business approved the Power Purchase Expenses of TG DISCOMs without considering any arbitrary escalation in Fixed and variable cost of Generating Stations. In this regard, relevant extract of the Commission's Tariff Order dtd. 29.04.2025 for Retail Supply Business is as follows:</p> <p><b><i>“Fixed and Variable Costs</i></b></p> <p><i>3.8.62 The Commission has considered the fixed cost of TGGENCO</i></p>	<p>variable costs of CGS stations incurred in H1 of FY 2025-26 to account for the expected increase in costs.</p>

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	<p>stations for FY 2025-26 as approved in TGGENCO order for revised tariff for FY 2025-26. In so far as fixed cost of CGS stations is concerned, CERC is competent to decide the fixed costs of CG stations, thereby the fixed costs of CG stations as detailed by CERC is reflected in MYT Order dated Objections on ARR Petitions of TG DISCOMs for Retail Supply Business for the FY 2026-27 by the Federation of Telangana Chambers of Commerce &amp; Industry (FTCCI)28.10.2024 and the same is considered for arriving at the power purchase costs for FY 2025-26.</p> <p>3.8.63 The Commission has noted that the DISCOMs have claimed 3% escalation on variable cost randomly without any statistical data. On considering the objections of the stakeholders, this Commission has taken into consideration the statistics in respect of actual variable costs for the months of November 2024, December 2024 and January 2025 and concluded that the actual variable costs for the said last three months is far less than the escalated variable cost claimed by the TGDISCOMs. <b>Thereby while rejecting claim of the DISCOMs to consider 3% escalation on variable cost, this Commission has considered the average of variable costs for the last three months to arrive at variable costs.</b></p> <p>3.8.64 Similar exercise is done by the Commission for arriving at the power purchase cost for all generating stations..."</p> <p>Therefore, in line with the methodology approved by the Hon'ble Commission in Retail Supply Tariff Order for FY 2025-26, FTCCI has re-computed the Power Purchase Cost for FY 2026-27 considering</p>	

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	<p>Energy charge rate &amp; fixed cost the same as H1 FY 2026-27 actuals, as follows.</p> <table border="1" data-bbox="197 311 1086 625"> <thead> <tr> <th rowspan="2">DISCOMs</th> <th colspan="3">Claimed (Rs. Cr.)</th> <th colspan="4">FTCCI working (Rs. cr.)</th> </tr> <tr> <th>Fixed Cost</th> <th>Variable Cost</th> <th>Total Cost</th> <th>Fixed Cost</th> <th>Variable Cost</th> <th>Total Cost</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>TS-GENCO Hydel</td> <td>810</td> <td>-</td> <td>810</td> <td>786</td> <td>-</td> <td>786</td> <td>24</td> </tr> <tr> <td>CGS</td> <td>2,484</td> <td>4,994</td> <td>7,478</td> <td>2,412</td> <td>4,756</td> <td>7,168</td> <td>310</td> </tr> <tr> <td>Semcorp Energy</td> <td>218</td> <td>362</td> <td>580</td> <td>212</td> <td>345</td> <td>556</td> <td>24</td> </tr> <tr> <td><b>Net TGSPDCL</b></td> <td><b>3,512</b></td> <td><b>5,356</b></td> <td><b>8,868</b></td> <td><b>3,410</b></td> <td><b>5,101</b></td> <td><b>8,511</b></td> <td><b>357</b></td> </tr> <tr> <td>TS-GENCO Hydel</td> <td>338</td> <td>-</td> <td>338</td> <td>328</td> <td>-</td> <td>328</td> <td>10</td> </tr> <tr> <td>CGS</td> <td>1,037</td> <td>2,084</td> <td>3,121</td> <td>1,007</td> <td>1,985</td> <td>2,992</td> <td>129</td> </tr> <tr> <td>Semcorp Energy</td> <td>91</td> <td>151</td> <td>242</td> <td>88</td> <td>144</td> <td>232</td> <td>10</td> </tr> <tr> <td><b>Net TGNPDCL</b></td> <td><b>1,466</b></td> <td><b>2,235</b></td> <td><b>3,701</b></td> <td><b>1,423</b></td> <td><b>2,129</b></td> <td><b>3,552</b></td> <td><b>149</b></td> </tr> <tr> <td><b>Total TG DISCOMs</b></td> <td><b>4,978</b></td> <td><b>7,591</b></td> <td><b>12,569</b></td> <td><b>4,833</b></td> <td><b>7,230</b></td> <td><b>12,063</b></td> <td><b>506</b></td> </tr> </tbody> </table> <p>It is requested to Hon'ble TGERC to consider the Power Purchase Cost (FC and VC) as worked out above by FTCCI for Generating Stations which is same as prevailing actuals for H1 FY 2026-27. Any difference in Actual and Allowed Power Purchase Cost will be automatically factored in Fuel and Power Purchase Adjustment Surcharge (FPPAS) mechanism for FY 2026-27.</p> <p>The availability from different plants is shown in the Petition as provided in below table:</p> <table border="1" data-bbox="197 1061 1108 1236"> <thead> <tr> <th rowspan="2">Generating Station</th> <th colspan="2">Net Energy Availability for State (MU)</th> </tr> <tr> <th>FY 2025-26 (Estimated)</th> <th>FY 2026-27 (Projected)</th> </tr> </thead> <tbody> <tr> <td>TG Genco</td> <td>42,782</td> <td>59,714</td> </tr> <tr> <td>CGS</td> <td>26,458</td> <td>26,458</td> </tr> <tr> <td>Others</td> <td>10,307</td> <td>10,307</td> </tr> <tr> <td>NCES</td> <td>16,164</td> <td>16,526</td> </tr> <tr> <td><b>Total</b></td> <td><b>95,711</b></td> <td><b>1,13,006</b></td> </tr> </tbody> </table> <p>As shown in the above table, the Energy available from TG Genco has increased while there is no addition in other sources. Particularly, there is addition of only 362 Mus in NCES category which is not only too</p>	DISCOMs	Claimed (Rs. Cr.)			FTCCI working (Rs. cr.)				Fixed Cost	Variable Cost	Total Cost	Fixed Cost	Variable Cost	Total Cost	Difference	TS-GENCO Hydel	810	-	810	786	-	786	24	CGS	2,484	4,994	7,478	2,412	4,756	7,168	310	Semcorp Energy	218	362	580	212	345	556	24	<b>Net TGSPDCL</b>	<b>3,512</b>	<b>5,356</b>	<b>8,868</b>	<b>3,410</b>	<b>5,101</b>	<b>8,511</b>	<b>357</b>	TS-GENCO Hydel	338	-	338	328	-	328	10	CGS	1,037	2,084	3,121	1,007	1,985	2,992	129	Semcorp Energy	91	151	242	88	144	232	10	<b>Net TGNPDCL</b>	<b>1,466</b>	<b>2,235</b>	<b>3,701</b>	<b>1,423</b>	<b>2,129</b>	<b>3,552</b>	<b>149</b>	<b>Total TG DISCOMs</b>	<b>4,978</b>	<b>7,591</b>	<b>12,569</b>	<b>4,833</b>	<b>7,230</b>	<b>12,063</b>	<b>506</b>	Generating Station	Net Energy Availability for State (MU)		FY 2025-26 (Estimated)	FY 2026-27 (Projected)	TG Genco	42,782	59,714	CGS	26,458	26,458	Others	10,307	10,307	NCES	16,164	16,526	<b>Total</b>	<b>95,711</b>	<b>1,13,006</b>	<p>It is submitted that, TGDISCOMs have considered capacity additions under NCEs to improve the Renewable Power Obligation (RPO) in the state. Solar additions are planned from Agricultural</p>
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	<p>small but also against the National Policy. There are enormous opportunities in increasing the share of NCEs at low cost however no initiatives are being taken by the State Discoms. On the contrary the purchase from short term sources has been kept excessively high. It is the inefficiency of the Discoms that is being passed on to the consumers. the burden of such inefficiency should be disallowed so that the consumers are not adversely affected.</p> <p><b>The State Discoms also need to demonstrate that RPO compliance is being done and is in line with the trajectory that has been approved.</b></p> <p>The current petitions do not mention any BESS deployment plan, Pumped Storage operation of existing plants and plans to improve flexible operation of the coal plants. In the absence of such measures, costly market power purchase would be the option to balance demand supply gap. <b>The DISCOMs to provide the status of commissioning of the 500 MW BESS project, to reduce the peak power costs.</b></p>	<p>solarization under PM-KUSUM (Component-A &amp; Component-C) and Roof top solarization under PM Surya Ghar. The Energy Availability estimation from NCE sources for FY 2026-27 is as per the expected commissioning schedules from the above said plants.</p> <p>In addition, TGDISCOMs have considered the additional Inter-state solar capacity of ~1,000MW expected to be commissioned before FY 2026-27 in the estimation of Energy availability for the said year.</p> <p>Further, it is also submitted that TGDISCOMs are complying to the Renewable Power Obligation (RPO) targets as set by the Hon'ble Commission.</p> <p>Considering the construction timelines of the BESS &amp; Pumped Storage projects under implementation in Telangana, the same cannot be considered for operation for FY 2026-27 and hence not considered in the assessment of Power Purchase cost estimation.</p>
3.	<p><b>Distribution cost:</b></p> <p>In the ARR Petition for Distribution Wheeling Business for FY 2026-27, TG DISCOMs have submitted net Distribution ARR comprising of O&amp;M expenses, Depreciation, Interest and finance charges on Loan and Return on Equity.</p>	<p>The TGDISCOMs respectfully submit that the Distribution ARR claimed for FY 2026-27 has been computed strictly in accordance with the Tariff Regulations, 2023 and the MYT framework, applying the normative methodology prescribed by the Hon'ble Commission for O&amp;M expenses, Depreciation, Interest on Loan, Interest on</p>

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	<p>However, based on the applicable Regulatory provisions, FTCCI has worked out net Distribution ARR of Rs. 4,564 Cr. for TGSPDCL and Rs. 3,339 Cr. for TGNPDCL. The detailed submission of FTCCI has been made vide its letter dtd. 20.01.2026 sent to Hon'ble Commission in this regard. The relevant extract of claimed and FTCCI working (<i>in Table 2 of the submissions</i>) of net Distribution Cost for FY 2026-27 is as follows:</p> <p style="text-align: center;"><b>Table 2: Summary of admissible ARR of Distribution Business for the FY 2026-27</b></p> <table border="1" data-bbox="219 571 1099 1031"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">TGSPDCL</th> <th colspan="2">TGNPDCL</th> </tr> <tr> <th>Claimed</th> <th>allowable</th> <th>Claimed</th> <th>allowable</th> </tr> </thead> <tbody> <tr> <td>Operation &amp; Maintenance Expenses</td> <td>4,524</td> <td>4,023</td> <td>2,818</td> <td>2,904</td> </tr> <tr> <td>Depreciation</td> <td>1,149</td> <td>416</td> <td>595</td> <td>323</td> </tr> <tr> <td>Interest and finance charges on Loan</td> <td>934</td> <td>241</td> <td>360</td> <td>184</td> </tr> <tr> <td>Interest on working capital</td> <td>150</td> <td>118</td> <td>100</td> <td>79</td> </tr> <tr> <td>Return on Equity</td> <td>482</td> <td>231</td> <td>220</td> <td>161</td> </tr> <tr> <td>Other Expenditure (Ex-Gratia)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td><b>ARR</b></td> <td><b>7,239</b></td> <td><b>5,028</b></td> <td><b>4,093</b></td> <td><b>3,652</b></td> </tr> <tr> <td><b>Less:</b></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Income from Open Access charges</td> <td>1</td> <td>29</td> <td>3</td> <td>29</td> </tr> <tr> <td>Non-Tariff income</td> <td>532</td> <td>436</td> <td>183</td> <td>284</td> </tr> <tr> <td>Income from Other Business</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td><b>Net ARR</b></td> <td><b>6,706</b></td> <td><b>4,564</b></td> <td><b>3,907</b></td> <td><b>3,339</b></td> </tr> <tr> <td>Revenue</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Revenue Gap/ (Surplus)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>PY adjustment</td> <td>545</td> <td>(670)</td> <td>484</td> <td>(258)</td> </tr> <tr> <td><b>Recoverable ARR</b></td> <td><b>7,251</b></td> <td><b>3,894</b></td> <td><b>4,391</b></td> <td><b>3,081</b></td> </tr> </tbody> </table> <p>FTCCI humbly requests the Hon'ble Commission to consider the submission made by the Federation and accordingly allow net Distribution Wheeling ARR to the TG DISCOMs for FY 2026-27.</p>	Particulars	TGSPDCL		TGNPDCL		Claimed	allowable	Claimed	allowable	Operation & Maintenance Expenses	4,524	4,023	2,818	2,904	Depreciation	1,149	416	595	323	Interest and finance charges on Loan	934	241	360	184	Interest on working capital	150	118	100	79	Return on Equity	482	231	220	161	Other Expenditure (Ex-Gratia)	-	-	-	-	<b>ARR</b>	<b>7,239</b>	<b>5,028</b>	<b>4,093</b>	<b>3,652</b>	<b>Less:</b>	-	-	-	-	Income from Open Access charges	1	29	3	29	Non-Tariff income	532	436	183	284	Income from Other Business	-	-	-	-	<b>Net ARR</b>	<b>6,706</b>	<b>4,564</b>	<b>3,907</b>	<b>3,339</b>	Revenue	-	-	-	-	Revenue Gap/ (Surplus)	-	-	-	-	PY adjustment	545	(670)	484	(258)	<b>Recoverable ARR</b>	<b>7,251</b>	<b>3,894</b>	<b>4,391</b>	<b>3,081</b>	<p>Working Capital, and Return on Equity. The ARR components are derived from the base considered as per audited accounts, proposed capitalization, and regulatory norms, and not on any ad-hoc or discretionary basis.</p> <p>The alternative computation presented is based on own assumptions and is not aligned with the methodology mandated under the MYT Regulations, including normative O&amp;M principles, treatment of grants and consumer contribution, calculation of depreciation, and the 75:25 debt-equity structure. The DISCOM-filed ARR reflects actual system requirements, prudently derived cost components, and the operational needs of the distribution network for FY 2026-27.</p> <p>Accordingly, the TGDISCOMs humbly request the Hon'ble Commission to consider only the ARR submitted in the Petitions, which is fully compliant with the regulatory framework, and not to adopt the alternate calculations proposed, which diverge from the Hon'ble Commission's approved methodology.</p>
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4.	<p><b>Distribution Cost for Retail Supply Business</b></p> <p>Clause 77 of <i>TSERC Multi Year Tariff Regulations, 2023</i> requires every distribution licensee to 'maintain separate accounting records for the</p>	<p>The TGDISCOMs respectfully submit that the segregation of Distribution ARR between Wheeling and Retail Supply businesses has been carried out strictly in accordance with Clause 77 of the</p>																																																																																									

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	<p>Wheeling Business and Retail Supply Business' to enable the Commission determine tariffs separately for the respective businesses. It also provides that in case such segregation is not made; the Aggregate Revenue Requirement of the distribution licensee shall be apportioned as specified in the Regulations.</p> <p>As above and based on the detailed submission made vide FTCCI letter dtd. 20.01.2026 to Hon'ble Commission with respect to Distribution Wheeling Business ARR wherein the Federation has worked out revised O&amp;M expenses, Depreciation, Finance Charges and RoE applicable for the TG DISCOMs for FY 2026-27, the revised applicable expenses for Retail Supply Business, i.e. 10% of the Total Distribution ARR, is as follows:</p> <table border="1" data-bbox="197 770 1115 922"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">TGSPDCL</th> <th colspan="2">TGNPDCL</th> </tr> <tr> <th>Claimed</th> <th>Allowable</th> <th>Claimed</th> <th>Allowable</th> </tr> </thead> <tbody> <tr> <td>Distribution Cost- Retail Supply Business <i>(10% of the Distribution ARR)</i></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Operation &amp; Maintenance Expenses</td> <td>452</td> <td>402</td> <td>313</td> <td>290</td> </tr> </tbody> </table> <table border="1" data-bbox="197 930 1115 1118"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">TGSPDCL</th> <th colspan="2">TGNPDCL</th> </tr> <tr> <th>Claimed</th> <th>Allowable</th> <th>Claimed</th> <th>Allowable</th> </tr> </thead> <tbody> <tr> <td>Depreciation</td> <td>115</td> <td>42</td> <td>66</td> <td>32</td> </tr> <tr> <td>Interest and finance charges on Loan</td> <td>93</td> <td>24</td> <td>40</td> <td>18</td> </tr> <tr> <td>Interest on working capital</td> <td>0</td> <td>0</td> <td>26</td> <td>8</td> </tr> <tr> <td>Return on Equity</td> <td>48</td> <td>23</td> <td>24</td> <td>16</td> </tr> </tbody> </table> <p>FTCCI requests Hon'ble TGERC to consider the above expenses pertaining to Retail Supply Business while approving the ARR of TG DISCOMs for FY 2026-27.</p>	Particulars	TGSPDCL		TGNPDCL		Claimed	Allowable	Claimed	Allowable	Distribution Cost- Retail Supply Business <i>(10% of the Distribution ARR)</i>					Operation & Maintenance Expenses	452	402	313	290	Particulars	TGSPDCL		TGNPDCL		Claimed	Allowable	Claimed	Allowable	Depreciation	115	42	66	32	Interest and finance charges on Loan	93	24	40	18	Interest on working capital	0	0	26	8	Return on Equity	48	23	24	16	<p>TSERC MYT Regulations, 2023, applying the allocation matrix and methodology prescribed by the Hon'ble Commission.</p> <p>Accordingly, the TGDISCOMs request the Hon'ble Commission to consider only the ARR allocation to Retail Supply Business submitted as per Distribution Business filings.</p>
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	<p>vis worked out by FTCCI on Retail Supply ARR of FY 2026-27 is as follows. Hon'ble Commission is requested to kindly consider the same while approving the ARR for FY 2026-27 for DISCOMs.</p> <table border="1" data-bbox="197 311 1108 790"> <thead> <tr> <th rowspan="2">Sr. No.</th> <th rowspan="2">Particulars</th> <th colspan="2">TGSPDCL</th> <th colspan="2">TGNPDCL</th> </tr> <tr> <th>Claimed</th> <th>FTCCI</th> <th>Claimed</th> <th>FTCCI</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Power Purchase Cost</td> <td>38,492</td> <td>38,135</td> <td>16,075</td> <td>15,925</td> </tr> <tr> <td>2</td> <td>Transmission Cost</td> <td>2,275</td> <td>2,275</td> <td>950</td> <td>950</td> </tr> <tr> <td>3</td> <td>PGCIL Cost</td> <td>1,790</td> <td>1,790</td> <td>747</td> <td>747</td> </tr> <tr> <td>4</td> <td>SLDC Charges</td> <td>68</td> <td>68</td> <td>29</td> <td>29</td> </tr> <tr> <td>5</td> <td>Distribution Cost</td> <td>6,542</td> <td>3,390</td> <td>4,391</td> <td>3,081</td> </tr> <tr> <td>6</td> <td>Operation and Maintenance Charges (RSB)</td> <td>452</td> <td>402</td> <td>313</td> <td>290</td> </tr> <tr> <td>7</td> <td>Depreciation (RSB)</td> <td>115</td> <td>42</td> <td>66</td> <td>32</td> </tr> <tr> <td>8</td> <td>Interest and finance charges on loan (RSB)</td> <td>93</td> <td>24</td> <td>40</td> <td>18</td> </tr> <tr> <td>9</td> <td>Interest on Working capital (RSB)</td> <td>-</td> <td>-</td> <td>26</td> <td>8</td> </tr> <tr> <td>10</td> <td>Return on Equity (RSB)</td> <td>48</td> <td>23</td> <td>24</td> <td>16</td> </tr> <tr> <td>11</td> <td>Interest on Consumer Security Deposits (RSB)</td> <td>366</td> <td>366</td> <td>93</td> <td>93</td> </tr> <tr> <td></td> <td><b>Total ARR</b></td> <td><b>50,242</b></td> <td><b>46,515</b></td> <td><b>22,754</b></td> <td><b>21,190</b></td> </tr> </tbody> </table>	Sr. No.	Particulars	TGSPDCL		TGNPDCL		Claimed	FTCCI	Claimed	FTCCI	1	Power Purchase Cost	38,492	38,135	16,075	15,925	2	Transmission Cost	2,275	2,275	950	950	3	PGCIL Cost	1,790	1,790	747	747	4	SLDC Charges	68	68	29	29	5	Distribution Cost	6,542	3,390	4,391	3,081	6	Operation and Maintenance Charges (RSB)	452	402	313	290	7	Depreciation (RSB)	115	42	66	32	8	Interest and finance charges on loan (RSB)	93	24	40	18	9	Interest on Working capital (RSB)	-	-	26	8	10	Return on Equity (RSB)	48	23	24	16	11	Interest on Consumer Security Deposits (RSB)	366	366	93	93		<b>Total ARR</b>	<b>50,242</b>	<b>46,515</b>	<b>22,754</b>	<b>21,190</b>	<p>mentioned in the previous sections. The Hon'ble Commission is requested to review the same and accord approval.</p>
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6.	<p><b>Time of Day (ToD) Tariff:</b></p> <p>This is to submit that Hon'ble Commission vide Order dtd. 15.11.2025 made amendments in the Time of Day tariff and removed the incentive of 1.5 Rs./kWh during the period 10 pm to 6 am. Other conditions of TOD to be governed as per the Tariff Order dated 29.04.2025. The applicability of this Order is for the period 01.12.2025 to 31.03.2026.</p> <p>It is pertinent to note that TG DISCOMs in the Petition for determination of ARR and tariff for Retail Supply Business for FY 2026-27 have not made any submission with regard to ToD as to whether the existing ToD tariff structure should continue or some changes are required.</p> <p>However, FTCCI considers it important to present a detailed reasoning as to why the earlier <b>ToD structure where rebate of 1.5 Rs./kWh was</b></p>	<p>The primary objective of the proposed amendment to the existing Time-of-Day (ToD) tariff structure by TGDISCOMs is to promote effective Demand Side Management and ensure the long-term sustainability of affordable tariffs for consumers.</p> <p>TGDISCOMs have observed that the current incentivized hours often lead to power procurement at elevated rates, which ultimately translates into a higher tariff burden for consumers. To address this, the new TOD structure seeks to better align consumption patterns with the availability and cost of power—thereby enhancing grid stability and operational efficiency. This targeted realignment</p>																																																																																		

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	<p><b>allowed by the Hon'ble Commission during the period from 10 pm to 6 am should be restored from 01.04.2026.</b> The detailed submission in this regard is as follows:</p> <p><b>Concept of Time of Day Tariff</b></p> <p>ToD tariffs is generally conceptualized as a demand-side management tool, designed to influence consumer behaviour by incentivizing load shifting away from peak periods. Regulatory principles and National Tariff Policy recognize ToD as a demand-centric mechanism — its objective is to flatten the load curve, not merely reflect supply-side cost variations.</p> <p>Aligning off-peak tariffs with normal-hour charges converts ToD into a supply-cost recovery exercise rather than a behavioural signal, defeating its fundamental regulatory purpose. The relevant provisions of National Tariff Policy 2016 are reproduced for ready reference:</p> <p><b><i>“8.4 Definition of tariff components and their applicability</i></b></p> <p><i>1. Two-part tariffs featuring separate fixed and variable charges and time differentiated tariff shall be introduced on priority for large consumers (say, consumers with demand exceeding 1 MW) within one year and subsequently for all consumers within a period of five years or such period as may be specified. <b>This would also help in flattening the peak and implementing various energy conservation measures.</b>”</i></p> <p>Furthermore, if ToD tariffs were truly meant as a supply-centric mechanism merely mirroring market price fluctuations, the resulting tariff structure would be highly volatile and impractical. For instance,</p>	<p>will optimize power procurement and contribute to tariff stability, safeguarding consumer interests in the long run</p>

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	<p>during solar hours, tariffs would have to drop to sub-Rs.2.00/unit levels, reflecting prevailing GDAM market prices, while during non-solar peak hours, tariffs would soar to Rs.10.00/unit, aligning with the CERC-prescribed ceiling rates. Such extreme variability might create instability for both consumers and utilities, making long-term planning impossible and defeating the regulatory objective of providing a predictable, demand-shaping price signal. This clearly demonstrates that ToD was conceived as a demand-side management tool — stable enough to encourage behavioural change, not a minute-by-minute reflection of generation costs.</p> <p>Further, the objective of ToD is also recognized by Hon'ble <b>APTEL in Appeal No. 34 of 2014</b>, Time-of-Day tariffs are a demand-side management tool intended to incentivize consumers to shift load away from peak hours, thereby improving system load factor, reducing overall power purchase costs, and enhancing grid stability. The Tribunal was categorical that such mechanisms must aim at flattening demand curves, not at offloading procurement inefficiencies onto consumers</p> <p><b>Ministry of Power Rules</b></p> <p>Ministry of Power, Gol in exercise of the powers conferred under sub-section (1), clause (z) of sub-section (2) of section 176 of the Electricity Act, 2003 made Rules vide notification Electricity (Rights of Consumers) amendment Rules 2023 dtd. 14.06.2023 with regard to ToD. Relevant extract of these Rules are as follows:</p> <p><b><i>“Time of Day Tariff.</i></b> -<i>The Time of Day tariff for Commercial and Industrial consumers having maximum demand more than ten Kilowatt</i></p>	<p>The Licensee respectfully submits that, with regard to the peak hour penalty, it is pertinent to note that the Licensee is not levying 20% of energy charges as prescribed under the Ministry of Power (MoP) guidelines. In the absence of such a penalty being imposed in line with the guidelines, it would not be rational or equitable to selectively adopt the same framework for granting incentives.</p>

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	<p><i>shall be made effective from a date not later than 1st April, 2024 and for other consumers except agricultural consumers, the Time of Day tariff shall be made effective not later than 1st April, 2025 and a Time of Day tariff shall be made effective immediately after installation of smart meters, for the consumers with smart meters:</i></p> <p><i>Provided that, the Time of Day Tariff specified by the State Commission for Commercial and Industrial consumers during peak period of the day shall not be less than 1.20 times the normal tariff and for other consumers, it shall not be less than 1.10 times the normal tariff:</i></p> <p><b><i>Provided further that, tariff for solar hours of the day, specified by the State Commission shall be at least twenty percent less than the normal tariff for that category of consumers:</i></b></p> <p><i>Provided also that the Time of Day Tariff shall be applicable on energy charge component of the normal tariff:</i></p> <p><i>Provided also that the duration of peak hours shall not be more than solar hours as notified by the State Commission or State Load Despatch Centre.</i></p> <p><i>For the purposes of this rule, "solar hours" means the duration of 8 hours in a day as specified by the State Commission."</i></p> <p>As above, the Rules clearly stipulates that tariff for solar hours of the day, specified by the State Commission shall be at <b>least twenty percent less than the normal tariff</b> for that category of consumers. This means that MoP Rules also provides an incentivizing provision for consumption in off Peak hours.</p> <p><b>Market Realities and Solar Integration</b></p>	<p>The cost of power procurement is on the higher side during the night hours due to the sustained higher demand at the State level.</p>

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	<p>With marginal power purchase costs during solar hours already crashing to sub-Rs.2/unit levels in the energy markets, there is a strong case for extending rebates during daytime to encourage higher solar consumption. Instead of eliminating the night-time incentive, ToD tariffs should be dynamically revised to support renewable integration and enhance system efficiency.</p> <p>Further, it is equally important to view the issue from a broader system-planning perspective. The ultimate goal of resource planning should be to smoothen and stabilize the overall demand profile of the State or licensee area, reducing sharp peaks and deep troughs that strain grid operations and increase power procurement costs.</p> <p><b>Cross-Subsidy Concerns</b></p> <p>This is to submit that the existing level of cross-subsidization in Telangana is already heavily skewed against the HT category of consumers, placing an undue burden on them in contravention of statutory norms. As per Clause 8.3 of the National Tariff Policy (NTP) 2016, the cross-subsidy for any consumer category is required to progressively move towards <math>\pm 20\%</math> of the cost of supply (CoS). However, based on the Tariff Order for FY 2025-26, the effective tariffs applicable to HT categories significantly exceed this ceiling, thereby breaching the permissible limit laid down under the NTP.</p> <p><b>Since ToD slabs apply largely to HT categories, abolishing the off-peak rebate disproportionately raises the Average Billing Rate (ABR) for industrial consumers. This further deepens the cross-</b></p>	<p>In order to mitigate the adverse impact of incurring higher costs of procuring power on one hand and also giving incentives on the other hand, TGDISCOMs have acted swiftly to at least stem the flow of incentives which is counter productive to both TGDISCOMs and consumers also..</p> <p>Under the previous ToD tariff structure, the nighttime incentive has led to increased consumption during hours when power procurement costs are relatively high. This trend results in elevated overall procurement expenses for DISCOMs, which are ultimately passed on to consumers through tariff adjustments—potentially leading to future hikes.</p> <p>In contrast, the revised TOD tariff—which involves withdrawing the nighttime incentive—is designed to realign consumption patterns by discouraging usage during high-cost hours. This shift will enable DISCOMs to optimize their power procurement strategy, reduce reliance on expensive sources, and maintain grid efficiency.</p> <p>By implementing this change, TGDISCOMs aim to safeguard consumers from future tariff increases driven by rising procurement</p>

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	<p><b>subsidies in the system, further straining competitiveness of industries while leaving subsidized categories unaffected.</b></p> <p><b>Adverse Consumer and System Impact</b></p> <p>Energy cost forms a critical input for any industrial operation, and therefore businesses/ industries plan their production schedules, supply chains, and cost structures well in advance, factoring in electricity and fuel price trends. Often, industries make significant capital investments—whether in additional shifts, automation, or captive infrastructure—when a predictable incentive framework exists. The introduction of ToD tariffs was precisely intended as a demand-centric measure, encouraging industries to shift consumption to off-peak hours and optimize the overall demand curve. This required industries to reorient their operations for 24-hour production cycles, re-train manpower, and invest heavily in enabling infrastructure.</p> <p>Withdrawing the off-peak rebate discourages night-time usage, potentially pushing demand back into peak hours. This aggravate load curve imbalances, increase DISCOMs' procurement costs, and burden consumers. Moreover, industries and households that have already invested in timers, automation, and EV charging infrastructure based on ToD rebates would face sunk costs, eroding trust in tariff signals and creating regulatory uncertainty.</p> <p><b>Request to the Hon'ble Commission</b></p> <p>In the backdrop of above points, FTCCI therefore requests the Hon'ble Commission to <b>discontinue the withdrawal of rebate provided in earlier ToD regime wef 01.04.206 and instead strengthen ToD</b></p>	<p>costs, while simultaneously promoting a more balanced and economically sustainable grid.</p>

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	<p><b>tariffs in line with the objectives enshrined in the National Tariff Policy 2016 and Ministry of Power Rules.</b></p> <p>One of the prime objectives of the Electricity Act 2003 is to protect the interest of consumers in the State. The industries in Telangana nowadays going through severe distress which has made it increasingly unviable to sustain operations. The situation has become even more uncertain as global trends show steep import tariff (Custom Duty) increases by America and European Union is also proposing a similar increase in the tariff. This has created an atmosphere of instability for industries. <b>In this context, we look forward to your leadership in ensuring for an incentivizing tariff through rebate in ToD in Telangana.</b></p>	
7.	<p><b>Reduction of Industrial tariff in the State</b></p> <p>This is to submit that the Industries in the State of Telangana are facing the brunt of higher tariffs as the industrial tariff is more than 120% of Average Cost of Supply. The Tariff Policy 2016 mandates SERCs to determine roadmap for reduction of Cross Subsidy and bring tariff at +/- 20% of the Average Cost of Supply. Relevant extract of the National Tariff Policy is as follows:</p> <p><i>“For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy”</i></p> <p>In line with the provisions stipulated in the National Tariff Policy,</p>	<p>TGDISCOMs would like to submit that the current industrial tariffs for both the DISCOMs are within 120% of Average cost of Supply (ACoS) of both the DISCOMs which is well in alignment with the National Tariff Policy 2016.</p>

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	<p>Hon'ble Commission is requested to kindly align the Industrial Tariff in the State of Telangana within the range of +/-20% of ACoS.</p> <p><b>Progressively reduction of Cross Subsidy Surcharge in the State</b></p> <p>This is to submit that the Electricity Act, 2003 provides for progressive reduction of Cross Subsidy Surcharge (CSS) as determined by the Hon'ble State Commission. Therefore, while approving the CSS for FY 2026-27 the Hon'ble Commission may reduce the existing CSS levels for the industrial consumers in the State.</p> <p><b>Promoting Energy Efficiency</b></p> <p>The Commission can nudge the TG DISCOMs to announce and implement Load Factor incentive as this will promote energy efficiency and incentive to the energy-intensive industry to consume energy from DISCOM rather than through the Open Access route.</p>	<p>TGDISCOMs have estimated the Cross subsidy surcharge in compliance with the National Tariff Policy. The Hon'ble commission is requested to accord approval on the same.</p> <p>TGDISCOMs will evaluate the proposed Load Factor incentive scheme to promote retention of Energy intensive consumers from Open Access.</p>
8.	<p><b>Poor financial health of DISCOMs</b></p> <p>The financial health of most state DISCOMs is poor and TG is no exception. As a silver line, MoP/PFC in its 14th Annual Rating Report, has reported that in FY25, all the DISCOMs – private and public – reported a modest combined profit of Rs. 2,701 Cr, compared to a loss of Rs. 27,022 Cr in FY24. As per this report, TG DISCOMs continue to make losses and their accumulated financial loss has been growing, as indicated below:</p>	<p>TGDISCOMs are putting effort on loss reduction initiatives in areas such as AT&amp;C loss reduction, Cost-reflective tariff mechanisms, Collection efficiency improvement. Further, TGDISCOMs would comply to the additional directions from the Hon'ble Commission on loss reduction and ensure implementation of the same.</p>

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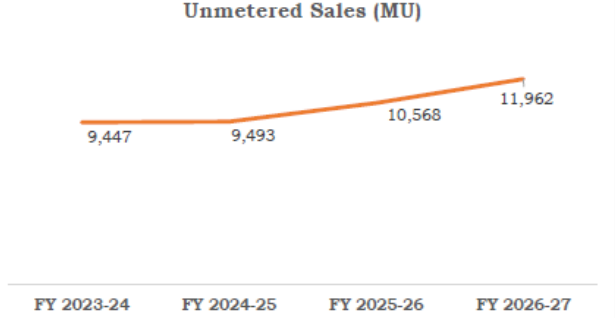
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	targets with penalties, so that inefficiencies are not passed on to the consumers of the state.	
9.	<p><b>Prayer:</b></p> <p>1) To consider the comments / suggestions of FTCCI on the ARR &amp; Retail Supply Petitions FY 2026-27 of TG DISCOMs.</p> <p>2) To direct TG DISCOMs to submit action plan for 100% Agricultural Distribution Transformers at first level and to submit the action plan to meter all the unmetered agricultural sales in maximum 5 years. Further to take penal action u/s 142 of Electricity Act, 2003 for non-compliance with the directions of the Commission.</p> <p>3) To not consider any escalation in Fixed Cost &amp; Energy Charge Rate while determining the Power Purchase Cost of Central Generating Stations as a result of Gol Notification dated 17/09/2025 w.r.t. removal of Coal Cess and increase in GST on coal.</p> <p>4) The inefficiency of DISCOM should not be passed through in the ARR and may be borne by the Govt. of Telangana in the form of additional subsidy for FY 2026-27.</p> <p>5) Consider the Time of Day Tariffs judiciously, so are to provide rebate during off-peak tariff.</p> <p>6) May Conduct a Prudence check over the components as highlighted by FTCCI;</p> <p>7) Pass necessary orders as may be deemed appropriate in the facts and circumstances of the case in the interest of competition, as has been enshrined in the Electricity Act.</p>	The discretion on the prayer mentioned shall be with the Hon'ble Commission

**67. Response to SICMA, SOUTH INDIAN CEMENT MANUFACTURERS' ASSOCIATION, Administrative Office: 3rd Floor, 36th Square, Plot no. 481, Road no. 36, Jubilee Hills, Hyderabad - 500034, Telangana, India**

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1.	<p>This is to submit that both the TG DISCOMs have claimed significant amount of Unmetered Energy Sales in FY 2026-27 pertaining to Agriculture. In case of TGNPDCL, unmetered Energy Sales claimed in FY 2026-27 are ~45% of the Total Sales while for TGSPDCL unmetered Energy Sales claimed in FY 2026-27 have been ~24% of the Total Sales.</p> <p>The Telangana Discoms have considered sales for LT V Agriculture as 15,428 MUs in Fy 2026-27 whereas in FY 2024-25 the sales for this category were 15,209 MUS and in FY 2025-26 the sales are expected to be 14,140 Mus. Despite the reduction in energy consumption in this category, high level of growth has been considered. The Energy for LT V category needs to be reduced by around 1,000 Mus and needs to be around 14,500 Mus. Similarly, the sales of at HT-I(A) under HT category 132 kV has been considered as 4,985 Mus in FY 2026-27 in comparison to 6,799 Mus in Fy 2025-26. It has been observed there is increase in sales in this category from 4,552 MUs in FY 2024-25. Thus, the sales in this category in FY 2026-27 needs to be atleast 7,000 Mus. The discoms are erroneously showing such values for sales to reduce the revenue expected to be generated in FY 2026-27.</p> <p>Reasonable growth must be provided in HT-I(A) under HT category 132 kV while the sales in LT V – Agriculture category should be reduced.</p>	<p>TGDISCOMs have projected the category wise sales for FY2026-27 by considering the actual sales of FY 2024-25 with the CAGR in previous years keeping into account the expected new load additions.</p> <p>Agricultural sales projection: With respect to LT V (Agriculture) sales, TGDISCOMs have followed the methodology adopted by the Hon'ble Commission. Agricultural sales for FY 2026-27 have been estimated based on 12 hours of daily supply and 180 operational days per year, using the connected load indicated in the ARR filings. Details of existing and expected load is also mentioned in the filings. Since, the nature of agricultural consumption is similar in both DISCOM areas, the same approach has been uniformly applied.</p> <p>Load and Sales Projections for FY 2026 27</p> <table border="1" data-bbox="1160 1118 1892 1374"> <thead> <tr> <th>Particulars</th> <th>NPDCCL</th> <th>SPDCL</th> </tr> </thead> <tbody> <tr> <td>Load Projections (hp)</td> <td>7,421,344</td> <td>8,205,026</td> </tr> <tr> <td>Load Projections (MW)</td> <td>5536</td> <td>6121</td> </tr> <tr> <td>Sales Projections (MU) (Load in MW*12*180/10^3)</td> <td>11958</td> <td>15425</td> </tr> </tbody> </table>	Particulars	NPDCCL	SPDCL	Load Projections (hp)	7,421,344	8,205,026	Load Projections (MW)	5536	6121	Sales Projections (MU) (Load in MW*12*180/10^3)	11958	15425
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	<p>Further, TG DISCOMs have also considered increase in number of unmetered agricultural connections in FY 2026-27 vis-à-vis actuals existing in FY 2024-25 and asin FY 2025-26. The summary of such unmetered connections is as shown below:</p> <table border="1" data-bbox="197 367 929 587"> <thead> <tr> <th>Particulars</th> <th>FY 2024-25</th> <th>FY 2025-26</th> <th>FY 2026-27</th> <th>Increase % y-o-y</th> <th>Source</th> </tr> </thead> <tbody> <tr> <td colspan="6"><b>TGNPDCL</b></td> </tr> <tr> <td>No. of Connections</td> <td>13,56,715</td> <td>14,02,289</td> <td>14,48,079</td> <td>3%</td> <td>Form-2</td> </tr> <tr> <td>Energy Sales (₹)</td> <td>9,493</td> <td>10,568</td> <td>11,962</td> <td>13%</td> <td>Form-4</td> </tr> <tr> <td colspan="6"><b>TGSPDCL</b></td> </tr> <tr> <td>No. of Connections</td> <td>14,10,883</td> <td>15,00,174</td> <td>15,60,174</td> <td>40%</td> <td>Form-2</td> </tr> <tr> <td>Energy Sales (₹)</td> <td>15,209</td> <td>14,140</td> <td>15,428</td> <td>9%</td> <td>Form-4</td> </tr> </tbody> </table> <p>From the above TG DISCOMs <b>themselves have proposed addition in new unmetered connections in FY 2026-27</b>. However, this is in violation of the Ministry of Power Electricity (Rights of Consumers) Rules, 2020 dtd. 31/ 12/2020, which states that no connection shall be given without a meter and such meter shall be the smart prepayment meter or pre-payment meter. Relevant extract of the said Rules is as follows:</p> <p><b>"5. Metering — (1) No connection shall be given without a meter and such meter shall be the smart prepayment meter or pre-payment meter. Any exception to the smart meter or prepayment meter shall have to be duly approved by the Commission. The Commission, while doing so, shall record proper justification for allowing the deviation from installation of the smart pre-payment meter or prepayment meter."</b></p> <p>As such, no new unmetered connections shall be given to any category of consumer by the TG DISCOMs. It is pertinent to note that Hon'ble Commission in Tariff Order dtd. 29.04.2025 for Retail Supply Business</p>	Particulars	FY 2024-25	FY 2025-26	FY 2026-27	Increase % y-o-y	Source	<b>TGNPDCL</b>						No. of Connections	13,56,715	14,02,289	14,48,079	3%	Form-2	Energy Sales (₹)	9,493	10,568	11,962	13%	Form-4	<b>TGSPDCL</b>						No. of Connections	14,10,883	15,00,174	15,60,174	40%	Form-2	Energy Sales (₹)	15,209	14,140	15,428	9%	Form-4	<p>It may be noted that while connections and connected load tend to show a steady, linear increase. Whereas, actual agricultural consumption does not follow the same pattern. Agricultural sales are significantly influenced by seasonality, weather conditions, and actual demand at the field level. Such fluctuations confirm that agricultural consumption does not exhibit a smooth growth trend.</p> <p><b>For HT I(A) 132 kV Projections:</b></p> <p>FY 25 (Actuals): 4551.70 MU  FY 26 (Projections): 4741.41 MU  FY 27 (Projections): 4984.80 MU</p> <p>The projections are consistent and there is no erroneous reduction. The values filed are based on historical demand patterns and expected growth.</p> <p><b>Metering:</b></p> <p>It is submitted that the projections for FY 2026-27 indicating addition of certain agricultural service connections categorized as "unmetered" are in line with the prevailing State Government policy and the existing tariff framework applicable to agricultural consumers.</p> <p>With regard to the reference made to the Electricity (Rights of Consumers) Rules, 2020 dated 31.12.2020, it is respectfully</p>
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	<p>has already directed the TG DISCOMs to meter the Agriculture consumers and in case non- compliance Commission may develop appropriate methodology for accounting of the unmetered agricultural connections. In this regard, relevant extract of the Commission's Order is as follows:</p> <p><i>"3.4.40 In respect of accounting of unmetered agricultural connections, several stakeholders have raised several concerns. Having considered the reply given by the TGDISCOMs as per the regulatory framework in respect of methodology adopted for unmetered agricultural connections, this Commission is of the opinion that though the ISI methodology to account for unmetered connections is not foolproof and that the metering of Agricultural feeders may give close data, however both the methods will not provide accurate data. Further, ASCI has also reported that the consumption of power for agriculture under ISI methodology has been provided at far less consumption level than actuals. Therefore, as long as there is no proper alternative methodology available before the Commission, the ISI methodology which is approved by this Commission has to be considered for calculation of unmetered agricultural connections. <b>However, this Commission has taken into consideration the concerns of the stakeholders and will try to evolve an appropriate methodology for accounting of the unmetered agricultural connections.</b>"</i></p> <p>However, the unmetered Agriculture Sales as claimed for FY 2026-27 have been estimated to increase by around 13% over the Agriculture Sales in FY 2025-26.</p>	<p>submitted that the said Rules provide the general framework relating to consumer rights and metering. However, agricultural service connections in the State are presently governed by specific policy directions of the State Government under which supply to agriculture is being extended in accordance with approved norms.</p> <p>It is further submitted that the classification of certain agricultural services as "unmetered" in the ARR projections is primarily for billing and subsidy accounting purposes under the prevailing tariff structure. The same does not imply any deliberate violation of statutory provisions.</p> <p>The DISCOM is implementing metering in a phased manner in accordance with directions issued by the appropriate authorities and subject to availability of approved schemes, regulatory approvals, and funding support.</p> <p>Therefore, the mere projection of new agricultural connections under the existing unmetered category for FY 2026-27 cannot be construed as a violation of the aforesaid Rules. The DISCOM remains committed to complying with all applicable statutory provisions and regulatory directions as may be issued from time to time by the appropriate authorities.</p> <p>The DISCOMs have proposed to undertake segregation of agricultural feeders under the RDSS program to enable better monitoring and accurate accounting of agricultural consumption</p>

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	<p style="text-align: center;"><b>Unmetered Sales (MU)</b></p>  <p>SICMA humbly request the Hon'ble Commission to take this issue as a matter of concern as Distribution Losses, Metering, Billing and Collection are controllable parameters on the part of DISCOMs. Inefficiencies on account of DISCOMs should not be allowed to be passed through in ARR. Due to lack of metered connections and huge unmetered Sales, Proper accounting and actual Distribution losses cannot be ascertained. Thus, the inefficiencies of TG DISCOMs are borne by honest metered consumers in the State.</p> <p>As for LT Agriculture sales estimation, in the Tarif order dated 28/10/2024 (Section 4.1.5, pp108), Hon'ble TGERC has laid out a procedure it has used for agriculture consumption estimation. This was based on calculating the specific consumption of pumpsets (Units/hp/year) based on historical data and using the connected load increase (due to new connections) to project sales. TGNPDCL petition mentions that connected load is used for projections. Table 1 gives the details of the number of connections, contracted demand and agriculture sales for TGNPDCL for FY24 (Actual), FY 25 &amp; FY26 (Estimates) and FY 27 (Projected).</p>	<p>subject to approval from GOI.</p>

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	<p><b>Table 1: Agriculture sales trends in TGNPDCL (from NPDCL Petition and RSF Forms)</b></p> <p>It can be seen that there is a good correlation between the growth rates of number of connections and contracted demand – both are in the range of 3-4%. But the sales growth rate is only 0.5% between FY24 and FY25, but much higher for subsequent years, without any correlation to connections or demand. TGNPDCL to provide clarification on this, specifically on how the FY26 to FY27 growth rate was arrived at.</p> <p>Table 2 provides similar data for TGSPDCL.</p> <table border="1"> <thead> <tr> <th>Detail</th> <th>FY24 Act</th> <th>FY25 Est</th> <th>FY26 Est</th> <th>FY27 Proj</th> </tr> </thead> <tbody> <tr> <td>Agricultre connections</td> <td></td> <td>14,10,883</td> <td>15,00,174</td> <td>15,60,174</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td></td> <td><b>6.3</b></td> <td><b>4.0</b></td> </tr> <tr> <td>Agr Contracted Demand MW</td> <td></td> <td>5,247</td> <td>5,644</td> <td>6,122</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td></td> <td><b>7.6</b></td> <td><b>8.5</b></td> </tr> <tr> <td>Agriculture Sales MU</td> <td>15,707</td> <td>15,209</td> <td>14,140</td> <td>15,428</td> </tr> <tr> <td><b>Annual Growth Rate %</b></td> <td></td> <td><b>-3.2</b></td> <td><b>-7.0</b></td> <td><b>9.1</b></td> </tr> </tbody> </table> <p><b>Table 2: Agriculture sales trends in TGSPDCL (from SPDCL Petition and RSF Forms)</b></p> <p>While growth in connections and demand are correlated, it can be seen that there is no correlation of these with sales. Surprisingly, Table with historical sales in Section 3.1.2 of SPDCL petition gives 15,707 MU as the LT Agriculture sales in FY24 as well as in FY23, which we hope is not a typo. We request SPDCL to provide clarification on this,</p>					Detail	FY24 Act	FY25 Est	FY26 Est	FY27 Proj	Agricultre connections		14,10,883	15,00,174	15,60,174	<b>Annual Growth Rate %</b>			<b>6.3</b>	<b>4.0</b>	Agr Contracted Demand MW		5,247	5,644	6,122	<b>Annual Growth Rate %</b>			<b>7.6</b>	<b>8.5</b>	Agriculture Sales MU	15,707	15,209	14,140	15,428	<b>Annual Growth Rate %</b>		<b>-3.2</b>	<b>-7.0</b>	<b>9.1</b>	
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	<p>specifically on how the FY26 to FY27 growth rate was arrived at.</p> <p>Further, it has been observed that as per CEA Report on "Status of Metering in the Country", only 18% of the Rural Distribution Transformer (DT) in case of TG South DISCOM and 41% of the Rural DT of TG North DISCOM are metered as on 31.03.2025. In the past, Hon'ble TGERC has repeatedly directed TG DISCOMs to achieve 100% of the Agricultural DTR Metering, however, TG DISCOMs have failed to meter all Agricultural DTs. In this regard, relevant extract of the Commission's Tariff Order dtd. 29.04.2025 for Retail Supply Business is as follows:</p> <p>"3.4.41 ... This Commission is in agreement with the submissions of the TGDISCOMs that achieving of 100 % metering of the agriculture DTR's cannot be completed overnight. Further, the TGDISCOMs have also submitted that they have addressed letter to Gol that they are ready to join RDSS scheme and are awaiting clearance of the cabinet and at the Central Government. This Commission is of the view that once the state DISCOMs join RDSS scheme, the situation in respect of DTR metering of agriculture connections may improve.</p> <p>3.5.20 Regarding agricultural consumption, the Commission has considered the concerns raised by stakeholders and members of the State Advisory Committee (SAC). Taking their suggestions into account, the Commission will conduct a detailed review of the calculation method and issue clear directions to improve the process of estimating agricultural sales.</p> <p>3.5.21 As rightly pointed out by stakeholders the T&amp;D losses are huge</p>	

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	<p>in the TGDISCOMs when compared to the national average. However, there is no approved data to conclude that TGDISCOMs are adjusting the energy losses in Agricultural consumption. Admittedly there could be transmission and commercial losses for variety of reasons. At the same time there could be a possibility of showing some of the energy losses in the Agricultural consumption. Therefore, unless the Agricultural consumption is properly audited, true figures in respect of T&amp;D losses of the DISCOMs cannot be found out. Since the TGDISCOMs have already submitted that they have given consent to join the RDSS and are also trying to evolve the methodology of calculating the agriculture consumption without actually fixing the meters to the agriculture motors, the situation is likely to improve in the coming financial year.”</p> <p>As above, Hon'ble Commission categorically directed the TG DISCOMs to improve the prevailing agriculture DT Metering, however, there has been no improvement in the same and still existing huge unmetered rural DTs. Further, the DISCOMs have not taken the directions issued by the Hon'ble Commission in a serious way and adopting lackadaisical approach the DISCOMs themselves have projected addition in unmetered agriculture connections in FY 2026-27.</p> <p>In view of the above, SICMA submits before the Hon'ble Commission to take this matter as a serious concern and penal action u/ s 142 of Electricity Act, 2003 may be taken for non-compliance with the directions of the Commission by the TG DISCOMs.</p> <p>Further, SICMA requests the Hon'ble Commission to consider the</p>	

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	<p>Agriculture Energy Sales adopting apt methodology for computing/estimating the unmetered agriculture consumption using suitable applicable norms so that the high Distribution losses may not be booked and hide in the form of unmetered Agriculture Sales.</p> <p>Further, SICMA also requests the Hon'ble Commission to direct DISCOMs to submit action plan for metering 100% Agricultural DTs at first level and to submit the action plan to meter all the unmetered agricultural sales in the next phase.</p>	
2.	<p><b>High Power Purchase Expenses:</b></p> <p>This is to submit that TG DISCOMs while claiming the Variable and Fixed Cost of Generating Stations, <b>have considered escalation of 5% &amp; 3% respectively on actuals of H1 of FY 2025-26. TG DISCOMs have not provided any reasoning for arbitrarily considering such escalations.</b></p> <p>It is pertinent to note that the Central Government, vide <i>MoF Notification No.9/2025-Central Tax (Rate) dated 17/09/2025</i>, has allowed the increase in GST rate on coal from 5% to 18%; and vide <i>Notification No. 2/2025-Compensation Cess (Rate) dated 17/09/2025</i>, has abolished the Compensation Cess of Rs. 400/ MT, with effect from 22/09/2025, The abolition of the Compensation Cess and the increase in the GST rate on coal impacted the cost of coal to be procured by the generating companies. Hon'ble CERC vide its suo-moto order dated 1/10/2025, has mentioned that changes due to GOI notifications dated 17/09/2025, squarely fall within the ambit of a change in law event and will be applicable to all PPAs having a composite scheme and covered</p>	<p>TGDISCOMs, for estimation of Fixed cost &amp; Variable cost of CGS stations for FY 2026-27, have considered the said 3% and 5% over the respective costs incurred in FY 2025-26 to incorporate the expected nominal increase in costs.</p> <p>TGDISCOMs would like to submit that the impact of coal cost reduction from SCCL and the impact of change in GST and CESS norms has been considered in the estimation of Variable cost of TGGENCO stations. For CGS stations the impact of the increase in GST and abolition of cess depends on the base rate of the coal procured which in turn depends on the grade of the coal. Hence, estimating the impact of the said GST changes on CGS stations will be a challenge in the absence of coal mix information of such stations. Hence, TGDISCOMs have adopted a 5% increase in the variable costs of CGS stations incurred in H1 of FY 2025-26 to</p>

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	<p>under Section 63 of the Electricity Act, 2003 except in case of the generating companies having captive coal mines.</p> <p>Rationalisation of GST rates on coal from 5% to 18% and removal of compensation cess of Rs. 400 per ton, will reduce the cost of generation for coal-based power generators.</p> <p>Further, Ministry of Coal estimated that impact of the new reform on coal pricing and the power sector is a substantial reduction in overall tax burden. For the power sector, the average reduction is estimated to be ~Rs. 260 per tonne, translating into a reduction of 17-18 paise/ kWh in the cost of generation.</p> <p>Therefore, it will not be prudent to escalate the ARR of FY 2026-27 and allow upfront loading of Power Purchase expenses in Tariff on the consumers of Telangana. Moreover, Hon'ble Commission has already approved the monthly Fuel and Power Purchase Adjustment Surcharge (FPPAS), which recovers the variation in Power Purchase &amp; Transmission cost through automatic route.</p> <p>Further, Hon'ble Commission in Tariff Order dtd. 29.04.2025 for Retail Supply Business approved the Power Purchase Expenses of TG DISCOMs without considering any arbitrary escalation in Fixed and variable cost of Generating Stations. In this regard, relevant extract of the Commission's Tariff Order dtd. 29.04.2025 for Retail Supply Business is as follows:</p> <p><b><i>“Fixed and Variable Costs</i></b></p> <p><i>3.8.62 The Commission has considered the fixed cost of TGGENCO stations for FY 2025-26 as approved in TGGENCO order for revised</i></p>	<p>account for the expected increase in costs.</p>

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	<p><i>tariff for FY 2025-26. In so far as fixed cost of CGS stations is concerned, CERC is competent to decide the fixed costs of CG stations, thereby the fixed costs of CG stations as detailed by CERC is reflected in MYT Order dated Objections on ARR Petitions of TG DISCOMs for Retail Supply Business for the FY 2026-27 by the Federation of Telangana Chambers of Commerce &amp; Industry (SICMA)28.10.2024 and the same is considered for arriving at the power purchase costs for FY 2025-26.</i></p> <p><i>3.8.63 The Commission has noted that the DISCOMs have claimed 3% escalation on variable cost randomly without any statistical data. On considering the objections of the stakeholders, this Commission has taken into consideration the statistics in respect of actual variable costs for the months of November 2024, December 2024 and January 2025 and concluded that the actual variable costs for the said last three months is far less than the escalated variable cost claimed by the TGDISCOMs. <b>Thereby while rejecting claim of the DISCOMs to consider 3% escalation on variable cost, this Commission has considered the average of variable costs for the last three months to arrive at variable costs.</b></i></p> <p><i>3.8.64 Similar exercise is done by the Commission for arriving at the power purchase cost for all generating stations..."</i></p> <p>Therefore, in line with the methodology approved by the Hon'ble Commission in Retail Supply Tariff Order for FY 2025-26, SICMA has re-computed the Power Purchase Cost for FY 2026-27 considering Energy charge rate &amp; fixed cost the same as H1 FY 2026-27 actuals,</p>	

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	<p data-bbox="188 161 327 188">as follows.</p> <table border="1" data-bbox="197 261 1088 576"> <thead> <tr> <th rowspan="2">DISCOMs</th> <th colspan="3">Claimed (Rs. Cr.)</th> <th colspan="3">FTCCI working (Rs. cr.)</th> <th rowspan="2">Difference</th> </tr> <tr> <th>Fixed Cost</th> <th>Variable Cost</th> <th>Total Cost</th> <th>Fixed Cost</th> <th>Variable Cost</th> <th>Total Cost</th> </tr> </thead> <tbody> <tr> <td>TS-GENCO Hydel</td> <td>810</td> <td>-</td> <td>810</td> <td>786</td> <td>-</td> <td>786</td> <td>24</td> </tr> <tr> <td>CGS</td> <td>2,484</td> <td>4,994</td> <td>7478</td> <td>2412</td> <td>4756</td> <td>7168</td> <td>310</td> </tr> <tr> <td>Semcorp Energy</td> <td>218</td> <td>362</td> <td>580</td> <td>212</td> <td>345</td> <td>556</td> <td>24</td> </tr> <tr> <td><b>Net TGSPDCL</b></td> <td><b>3,512</b></td> <td><b>5,356</b></td> <td><b>8,868</b></td> <td><b>3,410</b></td> <td><b>5,101</b></td> <td><b>8,511</b></td> <td><b>357</b></td> </tr> <tr> <td>TS-GENCO Hydel</td> <td>338</td> <td>-</td> <td>338</td> <td>328</td> <td>-</td> <td>328</td> <td>10</td> </tr> <tr> <td>CGS</td> <td>1,037</td> <td>2,084</td> <td>3121</td> <td>1007</td> <td>1985</td> <td>2992</td> <td>129</td> </tr> <tr> <td>Semcorp Energy</td> <td>91</td> <td>151</td> <td>242</td> <td>88</td> <td>144</td> <td>232</td> <td>10</td> </tr> <tr> <td><b>Net TGNDPCL</b></td> <td><b>1,466</b></td> <td><b>2,235</b></td> <td><b>3,701</b></td> <td><b>1,423</b></td> <td><b>2,129</b></td> <td><b>3,552</b></td> <td><b>149</b></td> </tr> <tr> <td><b>Total TG DISCOMs</b></td> <td><b>4,978</b></td> <td><b>7,591</b></td> <td><b>12,569</b></td> <td><b>4,833</b></td> <td><b>7,230</b></td> <td><b>12,063</b></td> <td><b>506</b></td> </tr> </tbody> </table> <p data-bbox="188 603 1122 887">It is requested to Hon'ble TGERC to consider the Power Purchase Cost (FC and VC) as worked out above by SICMA for Generating Stations which is same as prevailing actuals for H1 FY 2026-27. Any difference in Actual and Allowed Power Purchase Cost will be automatically factored in Fuel and Power Purchase Adjustment Surcharge (FPPAS) mechanism for FY 2026-27.</p> <p data-bbox="188 908 1122 991">The availability from different plants is shown in the Petition as provided in below table:</p> <table border="1" data-bbox="197 1015 1106 1187"> <thead> <tr> <th rowspan="2">Generating Station</th> <th colspan="2">Net Energy Availability for State (MU)</th> </tr> <tr> <th>FY 2025-26 (Estimated)</th> <th>FY 2026-27 (Projected)</th> </tr> </thead> <tbody> <tr> <td>TG Genco</td> <td>42,782</td> <td>59,714</td> </tr> <tr> <td>CGS</td> <td>26,458</td> <td>26,458</td> </tr> <tr> <td>Others</td> <td>10,307</td> <td>10,307</td> </tr> <tr> <td>NCES</td> <td>16,164</td> <td>16,526</td> </tr> <tr> <td><b>Total</b></td> <td><b>95,711</b></td> <td><b>1,13,006</b></td> </tr> </tbody> </table> <p data-bbox="188 1211 1122 1398">As shown in the above table, the Energy available from TG Genco has increased while there is no addition in other sources. Particularly, there is addition of only 362 Mus in NCES category which is not only too small but also against the National Policy. There are enormous</p>	DISCOMs	Claimed (Rs. Cr.)			FTCCI working (Rs. cr.)			Difference	Fixed Cost	Variable Cost	Total Cost	Fixed Cost	Variable Cost	Total Cost	TS-GENCO Hydel	810	-	810	786	-	786	24	CGS	2,484	4,994	7478	2412	4756	7168	310	Semcorp Energy	218	362	580	212	345	556	24	<b>Net TGSPDCL</b>	<b>3,512</b>	<b>5,356</b>	<b>8,868</b>	<b>3,410</b>	<b>5,101</b>	<b>8,511</b>	<b>357</b>	TS-GENCO Hydel	338	-	338	328	-	328	10	CGS	1,037	2,084	3121	1007	1985	2992	129	Semcorp Energy	91	151	242	88	144	232	10	<b>Net TGNDPCL</b>	<b>1,466</b>	<b>2,235</b>	<b>3,701</b>	<b>1,423</b>	<b>2,129</b>	<b>3,552</b>	<b>149</b>	<b>Total TG DISCOMs</b>	<b>4,978</b>	<b>7,591</b>	<b>12,569</b>	<b>4,833</b>	<b>7,230</b>	<b>12,063</b>	<b>506</b>	Generating Station	Net Energy Availability for State (MU)		FY 2025-26 (Estimated)	FY 2026-27 (Projected)	TG Genco	42,782	59,714	CGS	26,458	26,458	Others	10,307	10,307	NCES	16,164	16,526	<b>Total</b>	<b>95,711</b>	<b>1,13,006</b>	<p data-bbox="1146 1230 2018 1366">It is submitted that, TGDISCOMs have considered capacity additions under NCEs to improve the Renewable Power Obligation (RPO) in the state. Solar additions are planned from Agricultural</p>
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	<p>opportunities in increasing the share of NCEs at low cost however no initiatives are being taken by the State Discoms. On the contrary the purchase from short term sources has been kept excessively high. It is the inefficiency of the Discoms that is being passed on to the consumers. the burden of such inefficiency should be disallowed so that the consumers are not adversely affected.</p> <p><b>The State Discoms also need to demonstrate that RPO compliance is being done and is in line with the trajectory that has been approved.</b></p> <p>The current petitions do not mention any BESS deployment plan, Pumped Storage operation of existing plants and plans to improve flexible operation of the coal plants. In the absence of such measures, costly market power purchase would be the option to balance demand supply gap. <b>The DISCOMs to provide the status of commissioning of the 500 MW BESS project, to reduce the peak power costs.</b></p>	<p>solarization under PM-KUSUM (Component-A &amp; Component-C) and Roof top solarization under PM Surya Ghar. The Energy Availability estimation from NCE sources for FY 2026-27 is as per the expected commissioning schedules from the above said plants.</p> <p>In addition, TGDISCOMs have considered the additional Inter-state solar capacity of ~1,000MW expected to be commissioned before FY 2026-27 in the estimation of Energy availability for the said year.</p> <p>Further, it is also submitted that TGDISCOMs are complying to the Renewable Power Obligation (RPO) targets as set by the Hon'ble Commission.</p> <p>Considering the construction timelines of the BESS &amp; Pumped Storage projects under implementation in Telangana, the same cannot be considered for operation for FY 2026-27 and hence not considered in the assessment of Power Purchase cost estimation.</p>
3.	<p><b>Distribution cost:</b></p> <p>In the ARR Petition for Distribution Wheeling Business for FY 2026-27, TG DISCOMs have submitted net Distribution ARR comprising of O&amp;M expenses, Depreciation, Interest and finance charges on Loan and Return on Equity.</p>	<p>The TGDISCOMs respectfully submit that the Distribution ARR claimed for FY 2026-27 has been computed strictly in accordance with the Tariff Regulations, 2023 and the MYT framework, applying the normative methodology prescribed by the Hon'ble Commission for O&amp;M expenses, Depreciation, Interest on Loan, Interest on</p>

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	<p>However, based on the applicable Regulatory provisions, SICMA has worked out net Distribution ARR of Rs. 4,564 Cr. for TGSPDCL and Rs. 3,339 Cr. for TGNPDCL. The detailed submission of SICMA has been made vide its letter dtd. 20.01.2026 sent to Hon'ble Commission in this regard. The relevant extract of claimed and SICMA working (<i>in Table 2 of the submissions</i>) of net Distribution Cost for FY 2026-27 is as follows:</p> <p style="text-align: center;"><b>Table 2: Summary of admissible ARR of Distribution Business for the FY 2026-27</b></p> <table border="1" data-bbox="219 571 1099 1031"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">TGSPDCL</th> <th colspan="2">TGNPDCL</th> </tr> <tr> <th>Claimed</th> <th>allowable</th> <th>Claimed</th> <th>allowable</th> </tr> </thead> <tbody> <tr> <td>Operation &amp; Maintenance Expenses</td> <td>4,524</td> <td>4,023</td> <td>2,818</td> <td>2,904</td> </tr> <tr> <td>Depreciation</td> <td>1,149</td> <td>416</td> <td>595</td> <td>323</td> </tr> <tr> <td>Interest and finance charges on Loan</td> <td>934</td> <td>241</td> <td>360</td> <td>184</td> </tr> <tr> <td>Interest on working capital</td> <td>150</td> <td>118</td> <td>100</td> <td>79</td> </tr> <tr> <td>Return on Equity</td> <td>482</td> <td>231</td> <td>220</td> <td>161</td> </tr> <tr> <td>Other Expenditure (Ex-Gratia)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td><b>ARR</b></td> <td><b>7,239</b></td> <td><b>5,028</b></td> <td><b>4,093</b></td> <td><b>3,652</b></td> </tr> <tr> <td><b>Less:</b></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Income from Open Access charges</td> <td>1</td> <td>29</td> <td>3</td> <td>29</td> </tr> <tr> <td>Non-Tariff income</td> <td>532</td> <td>436</td> <td>183</td> <td>284</td> </tr> <tr> <td>Income from Other Business</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td><b>Net ARR</b></td> <td><b>6,706</b></td> <td><b>4,564</b></td> <td><b>3,907</b></td> <td><b>3,339</b></td> </tr> <tr> <td>Revenue</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Revenue Gap/ (Surplus)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>PY adjustment</td> <td>545</td> <td>(670)</td> <td>484</td> <td>(258)</td> </tr> <tr> <td><b>Recoverable ARR</b></td> <td><b>7,251</b></td> <td><b>3,894</b></td> <td><b>4,391</b></td> <td><b>3,081</b></td> </tr> </tbody> </table> <p>SICMA humbly requests the Hon'ble Commission to consider the submission made by the Federation and accordingly allow net Distribution Wheeling ARR to the TG DISCOMs for FY 2026-27.</p>	Particulars	TGSPDCL		TGNPDCL		Claimed	allowable	Claimed	allowable	Operation & Maintenance Expenses	4,524	4,023	2,818	2,904	Depreciation	1,149	416	595	323	Interest and finance charges on Loan	934	241	360	184	Interest on working capital	150	118	100	79	Return on Equity	482	231	220	161	Other Expenditure (Ex-Gratia)	-	-	-	-	<b>ARR</b>	<b>7,239</b>	<b>5,028</b>	<b>4,093</b>	<b>3,652</b>	<b>Less:</b>	-	-	-	-	Income from Open Access charges	1	29	3	29	Non-Tariff income	532	436	183	284	Income from Other Business	-	-	-	-	<b>Net ARR</b>	<b>6,706</b>	<b>4,564</b>	<b>3,907</b>	<b>3,339</b>	Revenue	-	-	-	-	Revenue Gap/ (Surplus)	-	-	-	-	PY adjustment	545	(670)	484	(258)	<b>Recoverable ARR</b>	<b>7,251</b>	<b>3,894</b>	<b>4,391</b>	<b>3,081</b>	<p>Working Capital, and Return on Equity. The ARR components are derived from the base considered as per audited accounts, proposed capitalization, and regulatory norms, and not on any ad-hoc or discretionary basis.</p> <p>The alternative computation presented by SICMA is based on the Federation's own assumptions and is not aligned with the methodology mandated under the MYT Regulations, including normative O&amp;M principles, treatment of grants and consumer contribution, calculation of depreciation, and the 75:25 debt–equity structure. The DISCOM-filed ARR reflects actual system requirements, prudently derived cost components, and the operational needs of the distribution network for FY 2026-27.</p> <p>Accordingly, the TGDISCOMs humbly request the Hon'ble Commission to consider only the ARR submitted in the Petitions, which is fully compliant with the regulatory framework, and not to adopt the alternate calculations proposed by SICMA, which diverge from the Hon'ble Commission's approved methodology.</p>
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4.	<p><b>Distribution Cost for Retail Supply Business</b></p> <p>Clause 77 of <i>TSERC Multi Year Tariff Regulations, 2023</i> requires every distribution licensee to 'maintain separate accounting records for the</p>	<p>The TGDISCOMs respectfully submit that the segregation of Distribution ARR between Wheeling and Retail Supply businesses has been carried out strictly in accordance with Clause 77 of the</p>																																																																																									

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	<p>Wheeling Business and Retail Supply Business' to enable the Commission determine tariffs separately for the respective businesses. It also provides that in case such segregation is not made; the Aggregate Revenue Requirement of the distribution licensee shall be apportioned as specified in the Regulations.</p> <p>As above and based on the detailed submission made vide SICMA letter dtd. 20.01.2026 to Hon'ble Commission with respect to Distribution Wheeling Business ARR wherein the Federation has worked out revised O&amp;M expenses, Depreciation, Finance Charges and RoE applicable for the TG DISCOMs for FY 2026-27, the revised applicable expenses for Retail Supply Business, i.e. 10% of the Total Distribution ARR, is as follows:</p> <table border="1" data-bbox="197 770 1115 922"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">TGSPDCL</th> <th colspan="2">TGNPDCL</th> </tr> <tr> <th>Claimed</th> <th>Allowable</th> <th>Claimed</th> <th>Allowable</th> </tr> </thead> <tbody> <tr> <td>Distribution Cost- Retail Supply Business <i>(10% of the Distribution ARR)</i></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Operation &amp; Maintenance Expenses</td> <td>452</td> <td>402</td> <td>313</td> <td>290</td> </tr> </tbody> </table> <table border="1" data-bbox="197 930 1115 1118"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">TGSPDCL</th> <th colspan="2">TGNPDCL</th> </tr> <tr> <th>Claimed</th> <th>Allowable</th> <th>Claimed</th> <th>Allowable</th> </tr> </thead> <tbody> <tr> <td>Depreciation</td> <td>115</td> <td>42</td> <td>66</td> <td>32</td> </tr> <tr> <td>Interest and finance charges on Loan</td> <td>93</td> <td>24</td> <td>40</td> <td>18</td> </tr> <tr> <td>Interest on working capital</td> <td>0</td> <td>0</td> <td>26</td> <td>8</td> </tr> <tr> <td>Return on Equity</td> <td>48</td> <td>23</td> <td>24</td> <td>16</td> </tr> </tbody> </table> <p>SICMA requests Hon'ble TGERC to consider the above expenses pertaining to Retail Supply Business while approving the ARR of TG DISCOMs for FY 2026-27.</p>	Particulars	TGSPDCL		TGNPDCL		Claimed	Allowable	Claimed	Allowable	Distribution Cost- Retail Supply Business <i>(10% of the Distribution ARR)</i>					Operation & Maintenance Expenses	452	402	313	290	Particulars	TGSPDCL		TGNPDCL		Claimed	Allowable	Claimed	Allowable	Depreciation	115	42	66	32	Interest and finance charges on Loan	93	24	40	18	Interest on working capital	0	0	26	8	Return on Equity	48	23	24	16	<p>TSERC MYT Regulations, 2023, applying the allocation matrix and methodology prescribed by the Hon'ble Commission.</p> <p>Accordingly, the TGDISCOMs request the Hon'ble Commission to consider only the ARR allocation to Retail Supply Business submitted as per Distribution Business filings.</p>
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	<p>vis worked out by SICMA on Retail Supply ARR of FY 2026-27 is as follows. Hon'ble Commission is requested to kindly consider the same while approving the ARR for FY 2026-27 for DISCOMs.</p> <table border="1" data-bbox="197 312 1111 799"> <thead> <tr> <th rowspan="2">Sr. No.</th> <th rowspan="2">Particulars</th> <th colspan="2">TGSPDCL</th> <th colspan="2">TGNPDCL</th> </tr> <tr> <th>Claimed</th> <th>FTCCI</th> <th>Claimed</th> <th>FTCCI</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Power Purchase Cost</td> <td>38,492</td> <td>38,135</td> <td>16,075</td> <td>15,925</td> </tr> <tr> <td>2</td> <td>Transmission Cost</td> <td>2,275</td> <td>2,275</td> <td>950</td> <td>950</td> </tr> <tr> <td>3</td> <td>PGCIL Cost</td> <td>1,790</td> <td>1,790</td> <td>747</td> <td>747</td> </tr> <tr> <td>4</td> <td>SLDC Charges</td> <td>68</td> <td>68</td> <td>29</td> <td>29</td> </tr> <tr> <td>5</td> <td>Distribution Cost</td> <td>6,542</td> <td>3,390</td> <td>4,391</td> <td>3,081</td> </tr> <tr> <td>6</td> <td>Operation and Maintenance Charges (RSB)</td> <td>452</td> <td>402</td> <td>313</td> <td>290</td> </tr> <tr> <td>7</td> <td>Depreciation (RSB)</td> <td>115</td> <td>42</td> <td>66</td> <td>32</td> </tr> <tr> <td>8</td> <td>Interest and finance charges on loan (RSB)</td> <td>93</td> <td>24</td> <td>40</td> <td>18</td> </tr> <tr> <td>9</td> <td>Interest on Working capital (RSB)</td> <td>-</td> <td>-</td> <td>26</td> <td>8</td> </tr> <tr> <td>10</td> <td>Return on Equity (RSB)</td> <td>48</td> <td>23</td> <td>24</td> <td>16</td> </tr> <tr> <td>11</td> <td>Interest on Consumer Security Deposits (RSB)</td> <td>366</td> <td>366</td> <td>93</td> <td>93</td> </tr> <tr> <td></td> <td><b>Total ARR</b></td> <td><b>50,242</b></td> <td><b>46,515</b></td> <td><b>22,754</b></td> <td><b>21,190</b></td> </tr> </tbody> </table>					Sr. No.	Particulars	TGSPDCL		TGNPDCL		Claimed	FTCCI	Claimed	FTCCI	1	Power Purchase Cost	38,492	38,135	16,075	15,925	2	Transmission Cost	2,275	2,275	950	950	3	PGCIL Cost	1,790	1,790	747	747	4	SLDC Charges	68	68	29	29	5	Distribution Cost	6,542	3,390	4,391	3,081	6	Operation and Maintenance Charges (RSB)	452	402	313	290	7	Depreciation (RSB)	115	42	66	32	8	Interest and finance charges on loan (RSB)	93	24	40	18	9	Interest on Working capital (RSB)	-	-	26	8	10	Return on Equity (RSB)	48	23	24	16	11	Interest on Consumer Security Deposits (RSB)	366	366	93	93		<b>Total ARR</b>	<b>50,242</b>	<b>46,515</b>	<b>22,754</b>	<b>21,190</b>	<p>mentioned in the previous sections. The Hon'ble Commission is requested to review the same and accord approval.</p>
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6.	<p><b>Time of Day (ToD) Tariff:</b></p> <p>This is to submit that Hon'ble Commission vide Order dtd. 15.11.2025 made amendments in the Time of Day tariff and removed the incentive of 1.5 Rs./kWh during the period 10 pm to 6 am. Other conditions of TOD to be governed as per the Tariff Order dated 29.04.2025. The applicability of this Order is for the period 01.12.2025 to 31.03.2026.</p> <p>It is pertinent to note that TG DISCOMs in the Petition for determination of ARR and tariff for Retail Supply Business for FY 2026-27 have not made any submission with regard to ToD as to whether the existing ToD tariff structure should continue or some changes are required.</p> <p>However, SICMA considers it important to present a detailed reasoning as to why the earlier <b>ToD structure where rebate of 1.5 Rs./kWh was</b></p>					<p>The primary objective of the proposed amendment to the existing Time-of-Day (ToD) tariff structure by TGDISCOMs is to promote effective Demand Side Management and ensure the long-term sustainability of affordable tariffs for consumers.</p> <p>TGDISCOMs have observed that the current incentivized hours often lead to power procurement at elevated rates, which ultimately translates into a higher tariff burden for consumers. To address this, the new TOD structure seeks to better align consumption patterns with the availability and cost of power—thereby enhancing grid stability and operational efficiency. This targeted realignment</p>																																																																																		

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	<p><b>allowed by the Hon'ble Commission during the period from 10 pm to 6 am should be restored from 01.04.2026.</b> The detailed submission in this regard is as follows:</p> <p><b>Concept of Time of Day Tariff</b></p> <p>ToD tariffs is generally conceptualized as a demand-side management tool, designed to influence consumer behaviour by incentivizing load shifting away from peak periods. Regulatory principles and National Tariff Policy recognize ToD as a demand-centric mechanism — its objective is to flatten the load curve, not merely reflect supply-side cost variations.</p> <p>Aligning off-peak tariffs with normal-hour charges converts ToD into a supply-cost recovery exercise rather than a behavioural signal, defeating its fundamental regulatory purpose. The relevant provisions of National Tariff Policy 2016 are reproduced for ready reference:</p> <p><b><i>“8.4 Definition of tariff components and their applicability</i></b></p> <p><i>1. Two-part tariffs featuring separate fixed and variable charges and time differentiated tariff shall be introduced on priority for large consumers (say, consumers with demand exceeding 1 MW) within one year and subsequently for all consumers within a period of five years or such period as may be specified. <b>This would also help in flattening the peak and implementing various energy conservation measures.</b>”</i></p> <p>Furthermore, if ToD tariffs were truly meant as a supply-centric mechanism merely mirroring market price fluctuations, the resulting tariff structure would be highly volatile and impractical. For instance,</p>	<p>will optimize power procurement and contribute to tariff stability, safeguarding consumer interests in the long run</p>

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	<p>during solar hours, tariffs would have to drop to sub-Rs.2.00/unit levels, reflecting prevailing GDAM market prices, while during non-solar peak hours, tariffs would soar to Rs.10.00/unit, aligning with the CERC-prescribed ceiling rates. Such extreme variability might create instability for both consumers and utilities, making long-term planning impossible and defeating the regulatory objective of providing a predictable, demand-shaping price signal. This clearly demonstrates that ToD was conceived as a demand-side management tool — stable enough to encourage behavioural change, not a minute-by-minute reflection of generation costs.</p> <p>Further, the objective of ToD is also recognized by Hon'ble <b>APTEL in Appeal No. 34 of 2014</b>, Time-of-Day tariffs are a demand-side management tool intended to incentivize consumers to shift load away from peak hours, thereby improving system load factor, reducing overall power purchase costs, and enhancing grid stability. The Tribunal was categorical that such mechanisms must aim at flattening demand curves, not at offloading procurement inefficiencies onto consumers</p> <p><b>Ministry of Power Rules</b></p> <p>Ministry of Power, Gol in exercise of the powers conferred under sub-section (1), clause (z) of sub-section (2) of section 176 of the Electricity Act, 2003 made Rules vide notification Electricity (Rights of Consumers) amendment Rules 2023 dtd. 14.06.2023 with regard to ToD. Relevant extract of these Rules are as follows:</p> <p><b><i>“Time of Day Tariff.</i></b> -<i>The Time of Day tariff for Commercial and Industrial consumers having maximum demand more than ten Kilowatt</i></p>	<p>The Licensee respectfully submits that, with regard to the peak hour penalty, it is pertinent to note that the Licensee is not levying 20% of energy charges as prescribed under the Ministry of Power (MoP) guidelines. In the absence of such a penalty being imposed in line with the guidelines, it would not be rational or equitable to selectively adopt the same framework for granting incentives.</p>

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	<p><i>shall be made effective from a date not later than 1st April, 2024 and for other consumers except agricultural consumers, the Time of Day tariff shall be made effective not later than 1st April, 2025 and a Time of Day tariff shall be made effective immediately after installation of smart meters, for the consumers with smart meters:</i></p> <p><i>Provided that, the Time of Day Tariff specified by the State Commission for Commercial and Industrial consumers during peak period of the day shall not be less than 1.20 times the normal tariff and for other consumers, it shall not be less than 1.10 times the normal tariff:</i></p> <p><b><i>Provided further that, tariff for solar hours of the day, specified by the State Commission shall be at least twenty percent less than the normal tariff for that category of consumers:</i></b></p> <p><i>Provided also that the Time of Day Tariff shall be applicable on energy charge component of the normal tariff:</i></p> <p><i>Provided also that the duration of peak hours shall not be more than solar hours as notified by the State Commission or State Load Despatch Centre.</i></p> <p><i>For the purposes of this rule, "solar hours" means the duration of 8 hours in a day as specified by the State Commission."</i></p> <p>As above, the Rules clearly stipulates that tariff for solar hours of the day, specified by the State Commission shall be at <b>least twenty percent less than the normal tariff</b> for that category of consumers. This means that MoP Rules also provides an incentivizing provision for consumption in off Peak hours.</p> <p><b>Market Realities and Solar Integration</b></p>	<p>The cost of power procurement is on the higher side during the night hours due to the sustained higher demand at the State level.</p>

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	<p>With marginal power purchase costs during solar hours already crashing to sub-Rs.2/unit levels in the energy markets, there is a strong case for extending rebates during daytime to encourage higher solar consumption. Instead of eliminating the night-time incentive, ToD tariffs should be dynamically revised to support renewable integration and enhance system efficiency.</p> <p>Further, it is equally important to view the issue from a broader system-planning perspective. The ultimate goal of resource planning should be to smoothen and stabilize the overall demand profile of the State or licensee area, reducing sharp peaks and deep troughs that strain grid operations and increase power procurement costs.</p> <p><b>Cross-Subsidy Concerns</b></p> <p>This is to submit that the existing level of cross-subsidization in Telangana is already heavily skewed against the HT category of consumers, placing an undue burden on them in contravention of statutory norms. As per Clause 8.3 of the National Tariff Policy (NTP) 2016, the cross-subsidy for any consumer category is required to progressively move towards <math>\pm 20\%</math> of the cost of supply (CoS). However, based on the Tariff Order for FY 2025-26, the effective tariffs applicable to HT categories significantly exceed this ceiling, thereby breaching the permissible limit laid down under the NTP.</p> <p><b>Since ToD slabs apply largely to HT categories, abolishing the off-peak rebate disproportionately raises the Average Billing Rate (ABR) for industrial consumers. This further deepens the cross-</b></p>	<p>In order to mitigate the adverse impact of incurring higher costs of procuring power on one hand and also giving incentives on the other hand, TGDISCOMs have acted swiftly to at least stem the flow of incentives which is counter productive to both TGDISCOMs and consumers also..</p> <p>Under the previous ToD tariff structure, the nighttime incentive has led to increased consumption during hours when power procurement costs are relatively high. This trend results in elevated overall procurement expenses for DISCOMs, which are ultimately passed on to consumers through tariff adjustments—potentially leading to future hikes.</p> <p>In contrast, the revised TOD tariff—which involves withdrawing the nighttime incentive—is designed to realign consumption patterns by discouraging usage during high-cost hours. This shift will enable DISCOMs to optimize their power procurement strategy, reduce reliance on expensive sources, and maintain grid efficiency.</p> <p>By implementing this change, TGDISCOMs aim to safeguard consumers from future tariff increases driven by rising procurement</p>

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	<p><b>subsidies in the system, further straining competitiveness of industries while leaving subsidized categories unaffected.</b></p> <p><b>Adverse Consumer and System Impact</b></p> <p>Energy cost forms a critical input for any industrial operation, and therefore businesses/ industries plan their production schedules, supply chains, and cost structures well in advance, factoring in electricity and fuel price trends. Often, industries make significant capital investments—whether in additional shifts, automation, or captive infrastructure—when a predictable incentive framework exists. The introduction of ToD tariffs was precisely intended as a demand-centric measure, encouraging industries to shift consumption to off-peak hours and optimize the overall demand curve. This required industries to reorient their operations for 24-hour production cycles, re-train manpower, and invest heavily in enabling infrastructure.</p> <p>Withdrawing the off-peak rebate discourages night-time usage, potentially pushing demand back into peak hours. This aggravate load curve imbalances, increase DISCOMs' procurement costs, and burden consumers. Moreover, industries and households that have already invested in timers, automation, and EV charging infrastructure based on ToD rebates would face sunk costs, eroding trust in tariff signals and creating regulatory uncertainty.</p> <p><b>Request to the Hon'ble Commission</b></p> <p>In the backdrop of above points, SICMA therefore requests the Hon'ble Commission to <b>discontinue the withdrawal of rebate provided in earlier ToD regime wef 01.04.206 and instead strengthen ToD</b></p>	<p>costs, while simultaneously promoting a more balanced and economically sustainable grid.</p>

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	<p><b>tariffs in line with the objectives enshrined in the National Tariff Policy 2016 and Ministry of Power Rules.</b></p> <p>One of the prime objectives of the Electricity Act 2003 is to protect the interest of consumers in the State. The industries in Telangana nowadays going through severe distress which has made it increasingly unviable to sustain operations. The situation has become even more uncertain as global trends show steep import tariff (Custom Duty) increases by America and European Union is also proposing a similar increase in the tariff. This has created an atmosphere of instability for industries. <b>In this context, we look forward to your leadership in ensuring for an incentivizing tariff through rebate in ToD in Telangana.</b></p>	
7.	<p><b>Reduction of Industrial tariff in the State</b></p> <p>This is to submit that the Industries in the State of Telangana are facing the brunt of higher tariffs as the industrial tariff is more than 120% of Average Cost of Supply. The Tariff Policy 2016 mandates SERCs to determine roadmap for reduction of Cross Subsidy and bring tariff at +/- 20% of the Average Cost of Supply. Relevant extract of the National Tariff Policy is as follows:</p> <p><i>“For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy”</i></p> <p>In line with the provisions stipulated in the National Tariff Policy,</p>	<p>TGDISCOMs would like to submit that the current industrial tariffs for both the DISCOMs are within 120% of Average cost of Supply (ACoS) of both the DISCOMs which is well in alignment with the National Tariff Policy 2016.</p>

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	<p>Hon'ble Commission is requested to kindly align the Industrial Tariff in the State of Telangana within the range of +/-20% of ACoS.</p> <p><b>Progressively reduction of Cross Subsidy Surcharge in the State</b> This is to submit that the Electricity Act, 2003 provides for progressive reduction of Cross Subsidy Surcharge (CSS) as determined by the Hon'ble State Commission. Therefore, while approving the CSS for FY 2026-27 the Hon'ble Commission may reduce the existing CSS levels for the industrial consumers in the State.</p> <p><b>Promoting Renewable Energy in the State</b> Industries adopting and investing in clean and renewable energy should receive incentives such as reduced tariffs, exemptions, or financial support to encourage sustainable energy use and reduce carbon emissions.</p> <p><b>Promoting Energy Efficiency</b> The Commission can nudge the TG DISCOMs to announce and implement Load Factor incentive as this will promote energy efficiency and incentive to the energy-intensive industry to consume energy from DISCOM rather than through the Open Access route.</p>	<p>TGDISCOMs have estimated the Cross subsidy surcharge in compliance with the National Tariff Policy. The Hon'ble commission is requested to accord approval on the same.</p> <p>TGDISCOMs will evaluate the proposed Load Factor incentive scheme to promote retention of Energy intensive consumers from Open Access.</p>
8.	<p><b>Poor financial health of DISCOMs</b> The financial health of most state DISCOMs is poor and TG is no exception. As a silver line, MoP/PFC in its 14th Annual Rating Report, has reported that in FY25, all the DISCOMs – private and public – reported a modest combined profit of Rs. 2,701 Cr, compared to a loss of Rs. 27,022 Cr in FY24. As per this report, TG DISCOMs continue to make losses and their accumulated financial loss has been growing, as</p>	<p>TGDISCOMs are putting effort on loss reduction initiatives in areas such as AT&amp;C loss reduction, Cost-reflective tariff mechanisms, Collection efficiency improvement. Further, TGDISCOMs would comply to the additional directions from the Hon'ble Commission on loss reduction and ensure implementation of the same.</p>

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	<p data-bbox="188 161 405 185">indicated below:</p> <table border="1" data-bbox="199 212 1111 533"> <thead> <tr> <th rowspan="2">FY/DISCOM</th> <th colspan="3">DISCOM Annual Loss Rs Cr</th> <th colspan="3">DISCOM Cumulative Loss Rs Cr</th> </tr> <tr> <th>SP</th> <th>NP</th> <th>Total</th> <th>SP</th> <th>NP</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>FY19</td> <td>4,967</td> <td>3,051</td> <td>8,019</td> <td>24,362</td> <td>11,858</td> <td>36,220</td> </tr> <tr> <td>FY20</td> <td>4,933</td> <td>1,116</td> <td>6,050</td> <td>29,309</td> <td>12,969</td> <td>42,279</td> </tr> <tr> <td>FY21</td> <td>4,246</td> <td>2,440</td> <td>6,686</td> <td>33,555</td> <td>15,410</td> <td>48,965</td> </tr> <tr> <td>FY22</td> <td>627</td> <td>204</td> <td>831</td> <td>34,182</td> <td>15,614</td> <td>49,796</td> </tr> <tr> <td>FY23</td> <td>8,147</td> <td>2,966</td> <td>11,113</td> <td>42,330</td> <td>18,570</td> <td>60,899</td> </tr> <tr> <td>FY24</td> <td>4,910</td> <td>1,441</td> <td>6,351</td> <td>47,239</td> <td>20,011</td> <td>67,250</td> </tr> <tr> <td>FY25</td> <td>1,103</td> <td>1,359</td> <td>2,462</td> <td>48,342</td> <td>21,399</td> <td>69,741</td> </tr> </tbody> </table> <p data-bbox="188 557 1122 639"><b>Table 3: The mounting financial losses of TG DISCOMs (From DISCOM annual reports and MoP 14th Rating Report)</b></p> <p data-bbox="188 659 1122 842">TG is one of the eight states with the highest accumulated losses. In addition, the TG DISCOMs have a total of Rs. 59,229 Cr as outstanding loans in FY25, as per MoP/PFC's 14th Rating Report. Arrears are quite high with government departments as the main contributor.</p> <p data-bbox="188 861 1122 1198">In the 13th Integrated Rating &amp; Ranking of power distribution utilities by MoP (February 2025), both TG DISCOMs have rating of "C-" compared to "C" in the 12th rating. The main reason for this appears to be the low score on financial sustainability. In the current 14th Rating report, both DISCOMs continue to have rating of C- and very low scores. Out of the total 54 rated utilities (private and public), unfortunately, NPDCL is ranked last (54th) and SPDCL is ranked 52nd.</p> <p data-bbox="188 1217 1122 1401">SICMA submits, that the poor financial health of the DISCOMs and inefficiencies of the Discoms, directly affect the consumers, specifically industries in terms of poor quality of supply and higher Tariffs, more higher for industries due to cross-subsidization. We request the Hon'ble</p>	FY/DISCOM	DISCOM Annual Loss Rs Cr			DISCOM Cumulative Loss Rs Cr			SP	NP	Total	SP	NP	Total	FY19	4,967	3,051	8,019	24,362	11,858	36,220	FY20	4,933	1,116	6,050	29,309	12,969	42,279	FY21	4,246	2,440	6,686	33,555	15,410	48,965	FY22	627	204	831	34,182	15,614	49,796	FY23	8,147	2,966	11,113	42,330	18,570	60,899	FY24	4,910	1,441	6,351	47,239	20,011	67,250	FY25	1,103	1,359	2,462	48,342	21,399	69,741	
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FY23	8,147	2,966	11,113	42,330	18,570	60,899																																																										
FY24	4,910	1,441	6,351	47,239	20,011	67,250																																																										
FY25	1,103	1,359	2,462	48,342	21,399	69,741																																																										

S No.	Additional Info sought by Hon'ble Commission	Response of the Licensee
	<p>TGERC to review the financial health of DISCOMs and direct them targets with penalties, so that inefficiencies are not passed on to the consumers of the state.</p>	
9.	<p><b>Prayer:</b></p> <p>1) To consider the comments / suggestions of SICMA on the ARR &amp; Retail Supply Petitions FY 2026-27 of TG DISCOMs.</p> <p>2) To direct TG DISCOMs to submit action plan for 100% Agricultural Distribution Transformers at first level and to submit the action plan to meter all the unmetered agricultural sales in maximum 5 years. Further to take penal action u/s 142 of Electricity Act, 2003 for non-compliance with the directions of the Commission.</p> <p>3) To not consider any escalation in Fixed Cost &amp; Energy Charge Rate while determining the Power Purchase Cost of Central Generating Stations as a result of Gol Notification dated 17/09/2025 w.r.t. removal of Coal Cess and increase in GST on coal.</p> <p>4) The inefficiency of DISCOM should not be passed through in the ARR and may be borne by the Govt. of Telangana in the form of additional subsidy for FY 2026-27.</p> <p>5) Consider the Time of Day Tariffs judiciously, so are to provide rebate during off-peak tariff.</p> <p>6) May Conduct a Prudence check over the components as highlighted by SICMA;</p> <p>7) Pass necessary orders as may be deemed appropriate in the facts and circumstances of the case in the interest of competition, as has been enshrined in the Electricity Act.</p>	<p>The discretion on the prayer mentioned shall be with the Hon'ble Commission</p>

**68. Sri. A Ramreddy, H.No: 13/1-68/5, Mothinagar, Hyderabad – 500 018.**

<p><b>1.</b> క్యాటగిరీ-8 నుండి క్యాటగిరీ-1 (డొమెస్టిక్) కి తన 7 సర్వీసులు (1.SZ183252, 253, 254, 255, 256, 257 &amp; SZ033161) మార్చుట గురించి మరియు సోలార్ నెట్ మీటర్ అనుమతి గురించి.</p> <p>7 సర్వీసులు (1.SZ183252, 253, 254, 255, 256, 257 &amp; SZ033161) క్యాటగిరీ-8 లో ఇవ్వడం జరిగింది. దానికి ప్రతి నెలకు బిల్లు యూనిట్ కు 12 రూ//లు చొప్పున చెల్లించుచున్నాము. దీనికి అదనంగా ప్రతి సం//కు ACD రూపకంగా బిల్లు అదనంగా చెల్లించుచున్నాము.</p> <p>నేను ట్రాన్స్ఫర్మర్ సెపెరేట్ గా వేయించుకున్నాను. డిపార్ట్మెంట్ కూడా నష్టం కలిగించలేదు. పాప్ ల కన్నా కమర్షియల్ ల కన్నా ఎక్కువగా బిల్లు వసూలు చేస్తున్నారు. జాయింట్ సెక్రెటరీటీ కమిషన్ గారితో ఇవ్వబడిన మార్గదర్శకాలకు బిన్నంగా పాటిస్తున్నారు. ఇందువలన నేను తీవ్రంగా నష్టపోతున్నాను. దేశం లో ఈ నిబంధన ఏ రాష్ట్రం లో లేదు. సోలార్ బిగించిన మాకు డొమెస్టిక్ లేని కారణంగా నెట్ మీటర్ ఇవ్వడం లేదు. GHMC వాళ్ళు మాకు NOC ఇవ్వడం లేదు. తెలంగాణ ప్రభుత్వం B R S ను కట్టేందుకు అనుమతి ఇస్తే దానికి నేను అందుకు సిద్ధంగా ఉన్నాను. ప్రతి ఇల్లు కట్టుకున్న వారికీ నాలుగు మీటర్ లు ఇస్తారు కానీ దాని కంటే నది మూడు మీటర్ లు ఎక్కువ ఉన్నవి . మాకు ఇంటి నిర్మాణమునకు బ్యాంకు లోన్ కారణంగా ప్రతి నెల కిస్తు కట్టుతున్నాము. రాష్ట్రం లో ఉచిత విద్యుత్ అమలు అవుతుంది. ఎంతమందికి ఉచితంగా ఇస్తున్నారు. మేము కనీసం రెగ్యులర్ గా బిల్లు కట్టేవారికి ఇబ్బంది పెడుతున్నారు. పై కారణాల వల్ల మా మీటర్ లను డొమెస్టిక్ మీటర్ లు గా, సోలార్ నెట్ మీటర్ లకు అనుమతి ఇవ్వగలరు అని కోరుతున్నాను .</p>	<p>గౌరవనీయ TGERC వారి 2025-26 రిటైల్ సప్లై టారిఫ్ ఆర్డర్లోని క్లాజ్ 2.37 ప్రకారం, <b>29.04.2025</b> నుండి అమలులోకి వచ్చే నిబంధనల మేరకు: <b>10 మీటర్ల కంటే ఎక్కువ ఎత్తు</b> ఉన్న భవనాలకు రెగ్యులర్ విద్యుత్ సరఫరా పొందాలంటే, గత ఆంధ్రప్రదేశ్ ప్రభుత్వం జారీ చేసిన <b>G.O.Ms.No: 86 (తేదీ: 03.03.2006)</b> లోని హైదరాబాద్ రివైజ్డ్ బిల్డింగ్ రూల్స్-2006, పారా 21 ప్రకారం మరియు తెలంగాణలోని ఇతర మున్సిపాలిటీల నిబంధనల మేరకు..</p> <p>వినియోగదారులు <b>ఆక్యుపెన్సీ సర్టిఫికేట్ (Occupancy Certificate)</b> లేదా <b>కంప్లీషన్ సర్టిఫికేట్ (Completion Certificate)</b> సమర్పించాల్సి ఉంటుంది. తగిన రుసుము చెల్లించిన తర్వాత రెగ్యులర్ సరఫరా మంజూరు చేయబడుతుంది. కావున, వినియోగదారుడు ఆక్యుపెన్సీ/కంప్లీషన్ సర్టిఫికేట్ సమర్పించిన పక్షంలో రెగ్యులర్ విద్యుత్ సరఫరా అందించబడుతుంది.</p>
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