

Southern Power Distribution Company of Telangana Ltd. (TGSPDCL)



Responses to Objections / Suggestions

On

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

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1. Response to Mr. 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> <ol style="list-style-type: none"> 1. Energy supply during hours of deficit (Power requirement > 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. 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 |

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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</p> | <p>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 & 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 anticipated from February to March 17996 MU.</p> |

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| | <p>2025-26? The changing projections and estimates of 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</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 & 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 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-</p> |

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| | <p>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 power is always with high variable charges. Second, need for market purchases arises, generally, to meet peak demand and the cost of power in the market during peak hours tends to be higher, especially, when exchanges have become platforms for legalized black marketing. Third, other states, too, have surplus power. For 2025-26, the DISCOMs have not shown any estimate of revenue gap/surplus to be claimed under 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 the required demand to maintain uninterrupted power supply. As the Licensee is anyway obligated to pay fixed costs to the respective Generating Stations for dispatch to meet energy demand, the Licensee deems it fit to determine the revenue from sale of surplus power only considering the variable charges of the respective generating stations” (pages 106 and 107 of RSTO for 2025-26). Further they maintained that, “since the fixed cost is paid to the</p> | <p>27, have considered the block wise surplus generation available along 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 85 per cent</i>”</p> <p>It is submitted that in the estimation of Energy Availability from thermal generating stations, TGDISCOMs have considered a normative availability of 85%. Accordingly, it becomes prudent to consider full cost</p> |

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| | <p>Generating companies irrespective of the quantum of energy dispatched due to variable nature of the demand curve, the fixed cost component is not factored in while comparing the market prices with the variable charges” (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 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.</p> | <p>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>Withoutbacking down surplus power, if DISCOMs are purchasing power in the market,the question of paying fixed charges to the generators under PPAs in forceadditionally 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 variableand fixed charges, paid for purchasing power in the market. They have to showprices paid unit-wise for such market purchases, not average cost per unit foroverall market purchases made.</p> <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 themarket 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 orderdispatch, 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, isa moot point which the Hon'ble Commission has to examine, clarify and</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> <p>As clarified in the previous sections, the Power purchase from market is</p> |

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| | <p>given 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>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 TGD DISCOMs 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</p> | |

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| | <p>insufficient supply” (page 111 of RSTO for 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</p> | <p>a) & b)</p> <p>TG DISCOMs 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> <p>C)</p> |

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| | <p>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. 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</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) & 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> <p>F</p> <p>We reiterate that there is no unwarranted surplus power leading to</p> |

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| | <p>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>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</p> | <p>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> <p>h) TGDISCOMs iterate that market purchases were undertaken only for operational necessity and cost optimization. Short-term power was</p> |

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| | <p>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>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</p> | <p>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>I)</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. 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>consumers of power; it is notacting 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 theDISCOMs, forcing the DISCOMs to allow private developers of RE units tobank their surplus power with the former, etc., are adding to availability ofunwarranted surplus power.</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 and slot-specific, thereby minimizing distortions in supply-demand balance.</p> |

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| | <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 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</p> | <p>L)</p> <p>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)</p> <p>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.</p> <p>This demonstrates that FSA is a dynamic mechanism, directly linked to actual fuel cost variations, and not an arbitrary burden on consumers. DISCOMs remain committed to minimizing procurement costs and ensuring that any adjustments under FSA</p> |

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| | <p>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>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 anti-consumer reforms.</p> | <p>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 V and BTPS, are projected to be lesser for FY 2026-27 compared to the same for FY 2025-26, the DISCOMs have considered 5%</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> |

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| | <p>escalation of the actual variable costs for H1 of 2025-26 for most of the central generating stations, without explaining the reasons for the same. The variable cost of NTPC Kudigi – I, II and III is projected at Rs.6.50 per kwh, of NLC TS II stage II at Rs.8.10 per kwh and of NCE bundled power (coal) at Rs.5 per kwh. In the face of projected availability of surplus power for the next financial year, such projects are vulnerable to be backed down invariably, thereby imposing avoidable burden of payment of fixed charges for backing down. This brings to the fore the questions whether purchasing power from such plants is required and prudent and whether allowing provisions for adjusting fuel costs, with abnormal increases in their prices as and when they take place, in the PPAs, is prudent. In the RSTO for 2025-26, the Hon'ble Commission rightly responded to objections on proposing escalation of variable charges arbitrarily and rejected their proposals. The Commission observed : "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</p> | <p>For Central Generating Stations (CGS), the escalation of 5% has been considered based on the historical growth rate of variable costs 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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| | <p>costs for the said last three month is far less than the escalated variable cost claimed by the TGDISCOMs. Thereby while rejecting the claim of the DISCOMs to consider 3% escalation on variable costs, this Commission has considered the average of variable costs for the last three months to arrive at variable costs” (page 109). We request the Hon’ble Commission to take a similar stand on the proposal of the DISCOMs for escalation of 5% for variable costs for the next financial year.</p> | |
| 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. SPDCL has stated that it includes “water charges.” It is difficult to understand the connection between additional pension liabilities and water charges and as to why both are clubbed together. Responding to objections being raised against imposing interest and additional interest on pension bonds on the consumers, the Hon’ble Commission, in the RSTO for 2025-26, observed: “This issue of interest on pension bonds has been subject matter for every tariff order. It is submitted by DISCOMS during the course of public hearing that allocation of funds towards additional liability on pension bonds is on account of unsettled dispute between the</p> | <p>Pension to the employees who rendered their services in the department are paid under:</p> <ul style="list-style-type: none"> • Service Rules (e.g., State Pension Rules) • Statutes (e.g., Employees’ Provident Funds & Miscellaneous Provisions Act, 1952 – EPS Scheme) <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>Government of Andhra Pradesh and Government of Telangana in respect of sharing of additional liability of pension of the retired employees of the erstwhile APSEB and subsequent retirements.</p> <p>“After enactment of Andhra Pradesh Electricity Act, 1998 subsequent to unbundling of APSEB into various companies the liability of pensions of the retired employees of the APSEB was taken over by GENCO, TRANSCO and four DISCOMs. 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. Thereby 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.</p> <p>“The Commission, in spite of advising, to change the nomenclature of the subject, still the 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 thereby there is no need for claiming such interest on pension bonds. In fact it is clear that the subject “interest on pension bonds” is in fact “Additional pension liability” to be paid to the retired</p> | |

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| | <p>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 DISCOMs of both the states. Both APERC and TGERC have unjustifiably been imposing that burden on theconsumers of their DISCOMs.</p> <p>b)</p> <p>b) That neither the government in the combined state nor the government afterbifurcation of the state of Telangana has come forward to accept the liabilities inrespect of pensions of the retired employees is no basis or justification for imposingthat burden on consumers of the DISCOMs.</p> <p>c) That until alternative arrangements are made, this</p> | |

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| | <p>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, 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</p> | |

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| | <p>nonarrangementof an alternative to avoid imposition of the unjust burden ofadditional pension liabilities on the consumers of the DISCOMs.</p> <p>f) This kind of approach of the successive Commissions of A.P. and Telanganareflects arbitrary exercise of powers and fails to explain which law permits suchunjust orders.</p> <p>g) The view that “the TGDISCOMs are not paying any interest on pension bondsthereby there is no need for claiming such interest on pension bonds” is ingeniousand contrary to factual position. If TGDISCOMs are not paying interest onpension bonds to TGGENCO, then why are they claiming the same and why aresuccessive Commissions allowing the same to be collected from their consumers?The reality is that all the claims being made by the DISCOMs, from powerpurchase to supply of power to the consumers, to the extent they are beingallowed by the Commission, are sought from, and being paid by, the consumersof 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 ofequanimity to recognize a blunder committed and rectify it. Simply because thefirst SERC of Andhra Pradesh, successive Commissions and TGERC</p> | |

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| | <p>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 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> | |

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| 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</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>Reform (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</p> | |

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| | <p>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 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</i></p> | |

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| | <p><i>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 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 pension bonds was accepted to the extent found provisionally admissible on due verification by the Commission. However, the request of the objector that the Government of Andhra Pradesh shall bear the additional burden be extracted and communicated to the Principal Secretary, Energy, GoAP for favourable consideration."</i> Though the proposal was forwarded to the government by APERC, there was no response to it. The very fact that the Hon'ble Commission forwarded our request to the government shows that it merits favourable consideration by the government. The failure of successive Commissions to make it clear that either the government or the licensees themselves have to bear the burden of interest and additional interest on pension bonds and that it will not be allowed to be imposed</p> | |

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| | <p>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 “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.” If imposing the burdens of interest and additional interest on pension bonds is justifiable on the ground that there is no tariff hike, with the state 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</p> | |

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| | <p>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 incorrect. 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 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> | |

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| | <p>i) No private developer of a power plant with whom APDISCOMs had a PPA inforce has been making claims for pension liabilities separately.</p> <p>j) That, for the FY 2026-27, the DISCOMs have projected additional interest onpension bonds of GENCO at Rs.2815.61 crore shows the magnitude of thisunwarranted 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 wereconsumers in the undivided Andhra Pradesh also.</p> <p>k) The Hon'ble Commission should re-examine the issue and take a fair andbalanced stand as suggested based on merits and disallow claims of theDISCOMs (and GENCO and TRANSCO) for interest/additional interest on thesaid pension bonds.</p> | |
| 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 onaccount of withdrawing incentive to the categories of consumers under ToD chargesfor the period applicable for 2025-26 and additional revenue on account ofcontinuing ToD charges for the said categories for 2026-27. In its order dated17.11.2025, in OP Nos.21 and 22 of 2025, the</p> | |

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| | <p>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 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</p> | <p>A)</p> <p>DISCOMs have submitted the financial implications to the commission as mentioned in the comment</p> <p>B)</p> |

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| | <p>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 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</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> <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</p> |

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| | <p>forconsumption of power during off-peak hours by the categories of consumersconcerned and compelled to withdraw the incentive, that the DISCOMs couldnot comply with the directive of the Commission in their ARR filings for the FY2026-27 indicates the kind of problems that may arise as a result of such aframework for incentivising day-time consumption of power. There does notseem to be any sustainable basis for such a vague framework, in view of theadverse 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 ofpower consumed during the specified peak hours is turning out to be a means ofgarnering more income, without the intended purpose to promote efficientutilisation of “surplus solar energy,” reduce dependence on high-cost night-timepurchases, and maintain grid stability. Since solar power plants are enjoying mustrunstatus, the DISCOMs have to purchase and supply solar energy fully to theirconsumers, with no prospect for “surplus solar energy.” For purchasing andconsuming must-run solar energy, the DISCOMs have to back down thermalenergy and pay fixed charges for the same. In other words, purchase ofunwarranted RE, especially solar energy, is leading to making thermal power</p> | <p>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 leastcost 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 reliabilitycost 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> |

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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</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> <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> |

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| | <p>during day-time and its backing down and payment offixed 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</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>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 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>F)</p> <p>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> |

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| | <p data-bbox="241 325 1005 405">g) Implementation of ToD charges does not lead to overall variations in totalconsumption of power.</p> <p data-bbox="241 954 1005 1337">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 withadditional burden. Extending ToD charges to other categories of consumerswould intensify such burdens. It will facilitate the DISCOMs to collect additionalamount in advance on the lines of FSA of 30 paise per unit per month permittedby the Commission.</p> <p data-bbox="241 1378 1005 1410">i) In the above-mentioned order on ToD charges, the</p> | <p data-bbox="1028 268 1066 300">G)</p> <p data-bbox="1028 357 1971 590">DISCOMs agree with the observation that ToD tariff changes alone may not lead to an overall increase in total consumption of power. The intent of ToD charges is not to expand aggregate demand but to shift consumption patterns in alignment with supply availability</p> <p data-bbox="1028 647 1971 817">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 data-bbox="1028 874 1066 906">H)</p> <p data-bbox="1028 963 1971 1197">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 data-bbox="1028 1254 1066 1286">I)</p> <p data-bbox="1028 1343 1971 1375">DISCOMs submit that ToD tariffs are a methodology adopted not only in</p> |

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| | <p>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 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</p> | <p>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 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> |

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| | <p>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 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</p> | <p>J)</p> <p>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> <p>K)</p> <p>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</p> |

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| | <p>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 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</p> | <p>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>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</p> | <p>L) & m)</p> <p>This is already answered in above points</p> |

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| | <p>drawls.</p> <p>n) For these reasons, among others, we request the Hon'ble Commission todispense with the arrangement of ToD charges.</p> | <p>N)</p> <p>TGDISCOMs have clarified on the objections made and request the commission to allow the current TOD tariff structure.</p> |
| 7. | <p>Cost of power purchase used to be nearly 80% of aggregate revenue requirement ofthe DISCOMs for their retail supply business in the past. However, that has beenchanging. For FY 2026-27, the DISCOMs have projected cost of power purchase asRs.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 absoluteterms. It is because costs of intra-state and inter-state transmission and of operationand maintenance are increasing disproportionately to some extent. The average costof 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 ofinstalled capacities under PPAs with different tariffs for power from differentpower 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</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>downthe same, additional power purchases in the market under short-term, changes incosts of fuels used for generation of power, inadequate supply of such fuels requiredand allocated, and their transportation charges, and a host of other factors,including change of law. Despite projecting availability of a surplus of above 28,000MU for the FY 2025-26, the DISCOMs have now estimated additional purchase ofpower in the market on short-term basis to the tune of 15,328 MU for the currentfinancial year. For earlier FYs also, such a pattern was evident, with a difference indegree. Why has this kind of dichotomy been continuing? An efficient methodology,covering various factors, needs to be developed and adopted to make near realisticestimates of availability of power, surplus and deficit, demand growth, need fortimely addition of installed capacities periodically, harmonious balance betweendemand fluctuation and power mix to the extent technically practicable, etc. Suchfactors are broadly controllable and within the purview of the DISCOMs and theCommission. Without considering such factors realistically, once regulatoryconsents to PPAs entered into with power projects indiscriminately by theDISCOMs, obviously, at the behest or direction of the government of the day, theadverse consequences that would arise cannot be</p> | |

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| | <p>undone or corrected for a longtime. 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> | |
| 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</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</p> |

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| | <p>inthat direction for planned decentralization of balanced development of all the areasin the state. Projected revenue from cross subsidy surcharge of Rs.168.5 crore toSPDCL constitutes an insignificant 0.335% of its ARR. There is cross subsidysurcharge being imposed on LT consumers under some of the slabs where the tariffsexceed cost of service. In other words, successive Commissions have beenconsciously reducing the percentage of cross subsidy surcharge over the years, eventhough the DISCOMs have not been seeking such a drastic reduction vis a 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</p> | <p>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> <p>The tariffs presently applicable to consumers have been duly examined and approved by the Hon'ble Commission.</p> |

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| | <p>stategovernment to the categories of consumers concerned, DISCOM-wise andcategory/slab-wise, but also the component of cross subsidy surcharge similarly.</p> | |
| <p>10.</p> | <p>Unrealistic projection and determination of availability of power andsurplus/deficit, on the one hand, and projection of inflated growth of sales, on the other, would lead to projection of ARR and revenue deficit in such a way that the need for subsidy from the government or tariff hike or both would be reduced, and later claims for thousands of crores of Rupees under FSA and true-up would emerge during the financial year concerned. Both the TGDISCOMs projected sales of 90,124 MU for 2026-27. 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 189MU approved for 2025-26, indicates sickness and</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 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> |

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| | <p>closures of those industries, power tariffs being one of the factors for such a situation, and underline need for support of the government for their revival in the interest of industrial growth and protection of employment.</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> |
| 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</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, 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> |

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| | <p>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 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 & AMI/AMR meters. The DISCOMs have clarified that, if they take up segregation of agriculture feeder under RDSS, they can assess the</p> | <table border="1"> <thead> <tr> <th data-bbox="1046 153 1440 213">Particulars</th> <th data-bbox="1440 153 1610 213">NPDCL</th> <th data-bbox="1610 153 1776 213">SPDCL</th> </tr> </thead> <tbody> <tr> <td data-bbox="1046 213 1440 268">Load Projections (hp)</td> <td data-bbox="1440 213 1610 268">7,421,344</td> <td data-bbox="1610 213 1776 268">8,205,026</td> </tr> <tr> <td data-bbox="1046 268 1440 312">Load Projections (MW)</td> <td data-bbox="1440 268 1610 312">5536</td> <td data-bbox="1610 268 1776 312">6121</td> </tr> <tr> <td data-bbox="1046 312 1440 408">Sales Projections (MU) (Load in MW*12*180/10^3)</td> <td data-bbox="1440 312 1610 408">11958</td> <td data-bbox="1610 312 1776 408">15425</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 |
| Particulars | NPDCL | SPDCL | | | | | | | | | | | | | | |
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| Load Projections (MW) | 5536 | 6121 | | | | | | | | | | | | | | |
| Sales Projections (MU) (Load in MW*12*180/10^3) | 11958 | 15425 | | | | | | | | | | | | | | |
| | | <p>With regard to Directive No. 9 & 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 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> | | | | | | | | | | | | | | |

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| | agriculture consumption with feeder meter data itself without fixing meters to agriculture DTRs. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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="248 507 999 683"> <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> <td></td> <th>Approved</th> <th>Actual</th> <td></td> <th>Approved</th> <th>Actual</th> <td></td> </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 of the latest estimate of dispatch of energy and actual sales for FY 2025-26.</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.</p> <p>To clarify, TGDISCOMs have considered short term power purchases for the following purposes:</p> <ol style="list-style-type: none"> 1. To address demand–supply gaps during hours when power requirement exceeds the available generation. 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 high VC generating stations. <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 the state’s actual supply position.</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 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| 13. | <p>In response to directive Nos.5&6 relating to electrical accidents and ex-gratia given by the Commission, the DISCOMs have submitted the following for the first half of 2025-26:</p> <table border="1" data-bbox="241 411 1003 497"> <thead> <tr> <th>DISCOM</th> <th>HUMAN</th> <th>ANIMAL</th> <th>Ex-gratia paid</th> </tr> </thead> <tbody> <tr> <td>SPDCL</td> <td>139 fatal 33 non-fatal</td> <td>615</td> <td>Rs.23.2114 cr.</td> </tr> <tr> <td>NPDCL</td> <td>158 41</td> <td>543</td> <td>7.7453</td> </tr> </tbody> </table> <p>Compared to electrical accidents that occurred during 2024-25 - 723 for SPDCL and 1165 for NPDCL – their occurrence during the first half of 2025-26 does not show any declining trend, despite all the efforts being made by the DISCOMs to educate the general public for preventing such accidents. What are the posts sanctioned in both the DISCOMs under various cadre and the number of posts which are still unfilled?</p> | DISCOM | HUMAN | ANIMAL | Ex-gratia paid | SPDCL | 139 fatal 33 non-fatal | 615 | Rs.23.2114 cr. | NPDCL | 158 41 | 543 | 7.7453 | <p>The DISCOMs continue to undertake sustained preventive measures, including:</p> <ul style="list-style-type: none"> Public awareness campaigns through print, electronic and social media, Safety drives in villages and urban localities, Replacement of damaged conductors and poles, Strengthening of earthing systems and DTR fencing, Regular patrolling and preventive maintenance. <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. | | | | | | | | | | | |
| NPDCL | 158 41 | 543 | 7.7453 | | | | | | | | | | | |
| 14. | <p>In directive No.7, the Hon'ble Commission has once again directed the DISCOMs to take steps for the installation of prepaid smart meters with latest technology for all interested consumers. SPDCL has reiterated that under RDSS, a draft DPR for smart prepaid 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</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 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</p> | | | | | | | | | | | | |

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| | <p>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 theDPR by Distribution Reforms Committee, and the state cabinet, it will be taken up forfinal approval by the MoP, GoI, SPDCL has reiterated. A similar reply is given byNPDCLSPDCL has reminded that a petition for release of all the new services withsmart meters with AMI (advanced metering infrastructure) for LTM application bycollecting 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 apublic hearing on such petitions, before giving its orders, as the issue has seriousimplications for the consumers Are the DISCOMs taking prior consent ofinterested consumers for installation of prepaid smart meters? If so, from howmany consumers they have taken prior consent so far?</p> | <p>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 tosubmit a time bound action plan for replacement of existing meters with prepaidsmart meters with two-way communication in the interest of revenue realization ofthe DISCOMs. TGSPDCL has replied that it has decided to install smart meters for70,472 services (comprising 19,909 single phase and</p> | <p>TGSPDCL installed 10903 prepaid meters to Government services and data is captured through online system.</p> |

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| | <p>50,564 three phase meters) having amonthly 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="248 1281 999 1385"> <thead> <tr> <th data-bbox="248 1281 472 1310">DISCOM</th> <th data-bbox="472 1281 792 1310">As on 31.3.2025</th> <th data-bbox="792 1281 999 1310">As on 30.9.2025</th> </tr> </thead> <tbody> <tr> <td data-bbox="248 1318 472 1347">SPDCL</td> <td data-bbox="472 1318 792 1347">Rs.20463.81 cr</td> <td data-bbox="792 1318 999 1347">24186.83 cr.</td> </tr> <tr> <td data-bbox="248 1355 472 1383">NPDCL</td> <td data-bbox="472 1355 792 1383">15507.72</td> <td data-bbox="792 1355 999 1383">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 | | | | | | | | | |

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| | <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</p> | |

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| | performance and make the same public. | | | | | | | | | | | | | | | | | | | | | | | | | |
| 17. | <p>In directive No.17, the Hon'ble Commission has directed the DISCOMs to come up with reasons for T&D losses, detailed 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&D losses as hereunder:</p> <table border="1" data-bbox="230 762 1016 927"> <thead> <tr> <th>DISCOM</th> <th>Total input MU</th> <th>Total sales</th> <th>T&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&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&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</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>SPDCL have submitted to Hon'ble commission on the measures being taken for reduction of T&D losses which included segregation of 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&D losses through continuous system strengthening, improved metering, and network upgrades. The DISCOMs respectfully submit that they will fully comply with T&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 | | | | | | | | | | | | | | | | | | | | | |
| NPDCL | 30065 | 26371 | 3694 | 12.29% | 879 | | | | | | | | | | | | | | | | | | | | | |
| Total | 101981 | 90124 | 11857 | 11.63% | 2985 | | | | | | | | | | | | | | | | | | | | | |

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| | <p>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&D losses for next financial year, notwithstanding what it determined the same in the MYT orders for the 5th control period.</p> | |
| <p>18.</p> | <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</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>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 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</p> | |

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| | <p>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 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</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 Hon’ble Commission for submission of relevant records to examine the factual position.</p> |

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| | <p>boiler pressure parts; higher auxiliary power consumption and heatrate; heavy ash content burdening the ash evacuation system; and excess coalconsumption beyond design levels, resulting in higher freight and handling costs.He further pointed out thermal stations of TGGENCO are totally linked to SCCLfor 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 ofGCV 2800-3400 kcal/kg, he pointed out. CMD of TGGENCO made it clear that thereceipt of poor quality of coal has hindered TGGENCO's ability to achieve its ratedcapacity of 85% fixed by TGERC, thereby impacting fixed charges and overallrevenue, with the fixed charges regulated on a pro rata basis. (Copy of a reportpublished in New Indian Express dt.17.10.2025 is enclosed. What needs to beverified is whether GCV is in accordance with the contracted grade of coal, not inaccordance with the lower grade of coal supplied by SCCL. Needless to say, thepointed failure of GENCO to achieve 85% of PLF its thermal stations is resulting inTGDISCOMs making purchases in the market at higher prices, thereby imposingavoidable burdens on their consumers under FSA and true-up additionally. Werequest the Hon'ble</p> | |

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| | Commission to call for relevant records, examine the factual position and give necessary directions and make the same public. | |
| 20. | <p>If fuel surcharge adjustment @ 30 paise per unit per month is collected, for the FY2026-27, it would work out to Rs.2703.72 crore against the projected sale of 90,124MU. 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 becontumacious, 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 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,</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</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) & 1.75%(Non solar) & 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 & 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>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 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</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>through traders,with manipulated and inflated prices.</p> <p>i) Gol and Central Electricity Authority directing thermal power stations to reducetheir PLF drastically to facilitate penetration of RE into the grid.</p> <p>j) Determination of targets of minimum purchase of renewable energy, with must-runcondition, under renewable power purchase obligation (RPPO) by ERCs on a higher side and even exceeding that percentage, with PPAs entered into by theDISCOMs and consents given to the same by SERC indiscriminately.</p> <p>k) Problems of variation in generation of power by various plants below theirthreshold level of plant load factor (PLF) due to divergent problems and problemsof intermittency in generation of power by plants of renewable energy, above orbelow capacity utilization factor (CUF).</p> <p>l) Increasing burdens of non-conventional energy, especially, with ever increasingvariable 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, asdecided by the Commission, without submitting and considering capital cost of theplants, PPAs and tariffs simultaneously and in time.</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 thepoints elucidated above, the remarks of the objectorare 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>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 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</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>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>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>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>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 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 17th 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.</p> <p>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</p> |

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| | | Methodologies formulated by Hon'ble TGERC |
| 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 power 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</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</p> |

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| | <p>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, without leaving scope for escaping 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</p> | <p>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 Commission.</p> |

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| | <p>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</p> <p>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 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</p> | |

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| | <p>government as per its decision and crosssubsidy to the concerned categories, thereby eliminating the dichotomy betweenproviding subsidy and cross subsidy in retail supply tariffs and avoiding thesame for FSA claims and true-up.</p> <p>e) It will ensure uniformity in terms of tariff to same category of consumers of allthe DISCOMs in the state, and proportionate increase in tariffs to all categoriesof consumers, leaving no scope for determining different FSA rates to samecategories of consumers of the DISCOMs.</p> <p>f) It will ensure equitable distribution of revenue gap in the tariffs to be paid bydiffernt categories of consumers and avoid scope for imposition of a part ofadditional burden that arises as a result of additional supply of power to fullyand 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 foradjusting cost variations of current FY</p> | |

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| | <p>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> <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>Revenue gap/surplus are being accounted in the filings.</p> |

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| | <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 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</p> | |

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| | <p>control period.</p> <p>To consider the suggestions, the Commission needs to amend its Regulations. It will examine them in due course.”</p> <p>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 is to</p> | |

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| | <p>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,</p> | |

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| | <p>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 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>TGDISCOMs welcome any further submissions.</p> |

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| | 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. | |

2. Response to Prayas (Energy Group)

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| 2. | <p>Demand Forecast</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 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>We request the DISCOMs to provide clear explanations for selecting Growth Rates, especially for the major sales categories such as LT Domestic, LT & HT Commercial, LT & HT Industry and LT Agriculture.</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</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>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="1133 884 1865 1139"> <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*180/10³)</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> | 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 |
| 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>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 & FY26 (Estimates) and FY 27 (Projected).</p> <table border="1" data-bbox="383 475 996 667"> <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>13,18,401</td> <td>13,56,715</td> <td>14,02,289</td> <td>14,48,079</td> </tr> <tr> <td>Annual Growth Rate %</td> <td></td> <td>2.9</td> <td>3.4</td> <td>3.3</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>Annual Growth Rate %</td> <td></td> <td>3.0</td> <td>4.4</td> <td>3.2</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>Annual Growth Rate %</td> <td></td> <td>0.5</td> <td>11.3</td> <td>13.2</td> </tr> </tbody> </table> <p>Table 1: Agriculture sales trends in NPDCL (from NPDCL Petition and RSF Forms)</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. We request NPDCL 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 SPDCL.</p> | Detail | FY24 Act | FY25 Est | FY26 Est | FY27 Proj | Agricultre connections | 13,18,401 | 13,56,715 | 14,02,289 | 14,48,079 | Annual Growth Rate % | | 2.9 | 3.4 | 3.3 | Agr Contracted Demand MW | 4,993 | 5,143 | 5,369 | 5,538 | Annual Growth Rate % | | 3.0 | 4.4 | 3.2 | Agriculture Sales MU | 9,447 | 9,493 | 10,568 | 11,962 | Annual Growth Rate % | | 0.5 | 11.3 | 13.2 | <p>Comparison by objector was till FY 2023-24, if we go back upto FY 2021-22</p> <table border="1" data-bbox="1122 288 2051 818"> <thead> <tr> <th colspan="2"></th> <th>FY</th> <th>FY</th> <th>FY</th> <th>FY</th> <th>FY</th> <th>FY</th> </tr> <tr> <th colspan="2">DISCOM</th> <th>22</th> <th>23</th> <th>24</th> <th>25</th> <th>FY 26</th> <th>27</th> </tr> </thead> <tbody> <tr> <td rowspan="2">N</td> <td>Sales (MU)</td> <td>742</td> <td>786</td> <td>944</td> <td>949</td> <td>1056</td> <td>119</td> </tr> <tr> <td>Growth rate</td> <td>0</td> <td>8</td> <td>7</td> <td>3</td> <td>8</td> <td>62</td> </tr> <tr> <td rowspan="2">P</td> <td>Sales (MU)</td> <td>117</td> <td>121</td> <td>157</td> <td>152</td> <td>1414</td> <td>154</td> </tr> <tr> <td>Growth rate</td> <td>24</td> <td>27</td> <td>07</td> <td>09</td> <td>0</td> <td>28</td> </tr> <tr> <td rowspan="2">S</td> <td>Sales (MU)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Growth rate</td> <td></td> <td>6%</td> <td>20%</td> <td>0.5%</td> <td>11%</td> <td>13%</td> </tr> <tr> <td rowspan="2">P</td> <td>Sales (MU)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Growth rate</td> <td></td> <td>3%</td> <td>30%</td> <td>3.2%</td> <td>-7%</td> <td>9%</td> </tr> </tbody> </table> <p>Such fluctuations confirm that agricultural consumption does not exhibit a smooth growth trend.</p> <p>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> | | | FY | FY | FY | FY | FY | FY | DISCOM | | 22 | 23 | 24 | 25 | FY 26 | 27 | N | Sales (MU) | 742 | 786 | 944 | 949 | 1056 | 119 | Growth rate | 0 | 8 | 7 | 3 | 8 | 62 | P | Sales (MU) | 117 | 121 | 157 | 152 | 1414 | 154 | Growth rate | 24 | 27 | 07 | 09 | 0 | 28 | S | Sales (MU) | | | | | | | Growth rate | | 6% | 20% | 0.5% | 11% | 13% | P | Sales (MU) | | | | | | | Growth rate | | 3% | 30% | 3.2% | -7% | 9% |
| Detail | FY24 Act | FY25 Est | FY26 Est | FY27 Proj | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Agricultre connections | 13,18,401 | 13,56,715 | 14,02,289 | 14,48,079 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Annual Growth Rate % | | 2.9 | 3.4 | 3.3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Agr Contracted Demand MW | 4,993 | 5,143 | 5,369 | 5,538 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Annual Growth Rate % | | 3.0 | 4.4 | 3.2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Agriculture Sales MU | 9,447 | 9,493 | 10,568 | 11,962 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Annual Growth Rate % | | 0.5 | 11.3 | 13.2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | FY | FY | FY | FY | FY | FY | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| DISCOM | | 22 | 23 | 24 | 25 | FY 26 | 27 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| N | Sales (MU) | 742 | 786 | 944 | 949 | 1056 | 119 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Growth rate | 0 | 8 | 7 | 3 | 8 | 62 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| P | Sales (MU) | 117 | 121 | 157 | 152 | 1414 | 154 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Growth rate | 24 | 27 | 07 | 09 | 0 | 28 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S | Sales (MU) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Growth rate | | 6% | 20% | 0.5% | 11% | 13% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| P | Sales (MU) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Growth rate | | 3% | 30% | 3.2% | -7% | 9% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| S.No. | Summary of Objections / Suggestions | Response of the Licensee | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|--|--------------------------|-------------|------------|----------|-----------|------------------------|--|-----------|-----------|-----------|-----------------------------|--|--|------------|------------|--------------------------|--|-------|-------|-------|-----------------------------|--|--|------------|------------|----------------------|--------|--------|--------|--------|-----------------------------|--|-------------|-------------|------------|---|
| | <table border="1" data-bbox="392 177 1048 368"> <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>Annual Growth Rate %</td> <td></td> <td></td> <td>6.3</td> <td>4.0</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>Annual Growth Rate %</td> <td></td> <td></td> <td>7.6</td> <td>8.5</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>Annual Growth Rate %</td> <td></td> <td>-3.2</td> <td>-7.0</td> <td>9.1</td> </tr> </tbody> </table> <p data-bbox="353 395 1088 416">Table 2: Agriculture sales trends in SPDCL (from SPDCL Petition and RSF Forms)</p> <p data-bbox="331 443 1095 826">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 data-bbox="331 850 1095 1385">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> | Detail | FY24 Act | FY25 Est | FY26 Est | FY27 Proj | Agricultre connections | | 14,10,883 | 15,00,174 | 15,60,174 | Annual Growth Rate % | | | 6.3 | 4.0 | Agr Contracted Demand MW | | 5,247 | 5,644 | 6,122 | Annual Growth Rate % | | | 7.6 | 8.5 | Agriculture Sales MU | 15,707 | 15,209 | 14,140 | 15,428 | Annual Growth Rate % | | -3.2 | -7.0 | 9.1 | <p data-bbox="1122 188 2063 376">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 427 2063 815">With respect to feeder-level metering, accurate estimation of agricultural consumption is not currently feasible due to mixed feeders. Even if non-agricultural consumption and estimated losses were deducted from feeder readings, the results would still be approximate, as losses at 11 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> |
| Detail | FY24 Act | FY25 Est | FY26 Est | FY27 Proj | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Agricultre connections | | 14,10,883 | 15,00,174 | 15,60,174 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Annual Growth Rate % | | | 6.3 | 4.0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Agr Contracted Demand MW | | 5,247 | 5,644 | 6,122 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Annual Growth Rate % | | | 7.6 | 8.5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Agriculture Sales MU | 15,707 | 15,209 | 14,140 | 15,428 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Annual Growth Rate % | | -3.2 | -7.0 | 9.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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|-------|--|--------------------------|
| | <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>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>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.</p> | |

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| | <p>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.</p> | |
| 3. | <p>Power Purchase planning</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 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. TSGENCO could explore the possibility of increasing the flexibility of coal power plant with some additional marginal investment.</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. As soon as these Regulations are finalised, DISCOMs could start preparing RA plans.</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> <p>Further, TGGENCO is exploring the initiatives to reduce the technical minimum from the current levels of 55%.</p> |

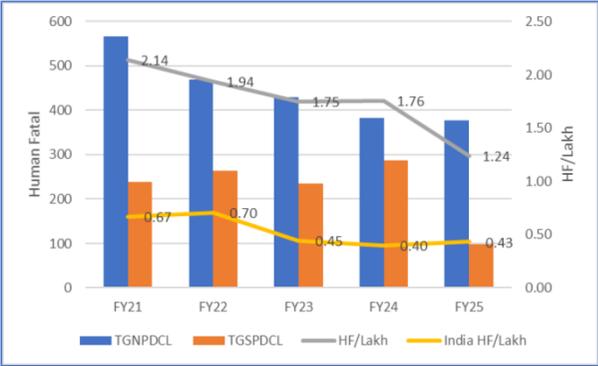
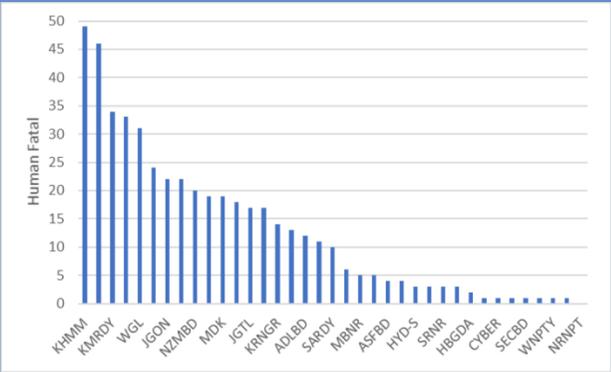
| S.No. | Summary of Objections / Suggestions | Response of the Licensee |
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| | <p>As per the current petitions, power purchase quantum available from TSGENCO thermal stations is 44,790 MUs (combined across both DISCOMs) in 2026-27, which is more than 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 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, we request the DISCOMs to provide the expected hourly demand supply gap/surplus in 2026-27.</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"> 1. Energy supply during hours of deficit (Power requirement > 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. 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>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> |

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| | <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. We request the DISCOMs to provide the status of commissioning of the 500 MW BESS project of TGENCO. We request the DISCOMs to take up modelling studies to prepare power purchase plans to resource adequacy plans.</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. We request the DISCOMs to update the status of these projects and how they would influence the power purchase plans for FY27.</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</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 TGENCO 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> <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&M expenses by applying escalation on the average of the true-up expenses for the immediate</p> |

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| | <p>followed by a para on O&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>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&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 & 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 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> |
| 4. | <p>Addressing the poor financial health of DISCOMs</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> | <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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|-----------|---|-------|--------|------------------------------|--------|--------|--|--------------------------|--------------------------|--|--|------------------------------|--|--|----|----|-------|----|----|-------|------|-------|-------|-------|--------|--------|--------|------|-------|-------|-------|--------|--------|--------|------|-------|-------|-------|--------|--------|--------|------|-----|-----|-----|--------|--------|--------|------|-------|-------|--------|--------|--------|--------|------|-------|-------|-------|--------|--------|--------|------|-------|-------|-------|--------|--------|--------|--|
| | <table border="1" data-bbox="344 165 958 384"> <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="344 405 1070 453">Table 3: The mounting financial losses of TG DISCOMs (From DISCOM annual reports and MoP 14th Rating Report)</p> <p data-bbox="331 480 1095 715">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="331 735 1095 1171">In the 13th Integrated Rating & 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="331 1192 1095 1374">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</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 | |
| 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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| | <p>losses and suggest measures to reduce them over a period of time.</p> | |
| 5. | <p>Quality of supply and accidents</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>Since Quality of Supply & Service issues are raised by 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</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 & 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> <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</p> |

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| | <p>compared the all-India figure of 0.43.</p>  <p>Figure 1: Trend of Human Fatal accidents in TG DISCOMs (From DISCOM ARR and CEA)</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>  <p>Figure 2: Circle wise human fatal accidents, FY25 (from DISCOM petitions)</p> <p>DISCOMs could prepared accident reduction measures based on circle- wise or division-wise break-up data.</p> | <p>investigation), leading to numerical variation.</p> |

| S.No. | Summary of Objections / Suggestions | Response of the Licensee | | | | | | | | | | | | |
|------------|--|--------------------------|------|------|------|------------|-----|-----|-----|---------|----|----|----|--|
| | <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 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 1082 1079 1225"> <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>Table 4: Mismatch in human fatal accidents – TG DISCOMs and CEA (From DISCOM petitions and CEA Annual Statistics and CEI Accident report)</p> | | FY23 | FY24 | FY25 | TG DISCOMs | 664 | 671 | 476 | CEA/CEI | 89 | 98 | 27 | |
| | FY23 | FY24 | FY25 | | | | | | | | | | | |
| TG DISCOMs | 664 | 671 | 476 | | | | | | | | | | | |
| CEA/CEI | 89 | 98 | 27 | | | | | | | | | | | |

| S.No. | Summary of Objections / Suggestions | Response of the Licensee |
|-------|---|--|
| | <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. We request DISCOMs to clarify this mismatch between DISCOM and CEA reported accident data.</p> <p>Hon'ble TGERC could set up a committee to study electricity accidents and suggest recommendations to reduce accidents. The committee could have members drawn from State Electrical Inspectorate, DISCOMs, Safety professionals, Rural consumer organisations and Academia.</p> | |
| 6. | <p>Smart Meters</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. 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?</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> |

3. Response to Indian Oil Corporation Limited (IOCL), Hyderabad Terminal

| S.No. | Summary of Objections / Suggestions | Response of the Licensee |
|-------|---|---|
| 7. | <p>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)</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 without any blending process.</p> <p><i>At present, IOCL company carries out blending operations such as Ethanol Blended Motor Spirit(EBMS) and B7 High Speed Diesel, Xtrapremium MS and Xtragreen Diesel.</i></p> <p><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></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,</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 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> |

| S.No. | Summary of Objections / Suggestions | Response of the Licensee | | | | | | | | | | | | | | | |
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| | <p>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 humbly request the Hon'ble Commission to:</p> <ol style="list-style-type: none"> 1. Consider our earlier representations along with this submission during the public hearing; and 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. <table border="1" data-bbox="248 1166 1001 1305"> <thead> <tr> <th colspan="5" data-bbox="248 1166 1001 1177">Request for Recategorization :</th> </tr> <tr> <th data-bbox="248 1177 510 1225">Location Address</th> <th data-bbox="510 1177 611 1225">HT Service Connection</th> <th data-bbox="611 1177 725 1225">Existing Tariff Category</th> <th data-bbox="725 1177 866 1225">New Tariff Category Request</th> <th data-bbox="866 1177 1001 1225">Reasons</th> </tr> </thead> <tbody> <tr> <td data-bbox="248 1225 510 1305">Indian Oil Corporation Limited Hyderabad Terminal Survey No. 183, IDA Phase-III, Cherlapalli, Hyderabad - 500051</td> <td data-bbox="510 1225 611 1305">HBG594</td> <td data-bbox="611 1225 725 1305">HT-II (A): Commercial</td> <td data-bbox="725 1225 866 1305">HT-I (A): Industry General</td> <td data-bbox="866 1225 1001 1305">Blending process Operations</td> </tr> </tbody> </table> <p>In view of the above submission, we respectfully request for recategorization of HT Connection from HT-II (A):</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 | |
| 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 | | | | | | | | | | | | | |

| S.No. | Summary of Objections / Suggestions | Response of the Licensee |
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| | <p>Commercial category to HT-I (A): Industry General 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> | |

4. 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 | | |
| 8. | <p>4)PFI notes that TG DISCOMs have filed Power Purchase Cost & Revenue True-Up Petitions for FY 2022-23, FY 2023-24 & 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 calculated. Claiming Power Purchase True-Up without submitting the Sales and Energy Balance is a non-scientific & non-transparent wayof determining the Power Purchase Cost and defeats the purpose of True-Up Exercise.</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 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&D losses are provided in the ARR filings of respective years.</p> |
| 9. | <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 & FY 2024-25 are pending. The samecomment 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><i>"3.3 TRUE UP/ DOWN AND FCA PETITIONS Commission's analysis & findings</i></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 |
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| | <p>3.3.8 <i>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 <i>The Commission directs the TGDISCOMs to strictly 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> | |
| 10. | <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 alongwith 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>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> |

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| | <p>7) Even after being granted time extension of two months, the True-Up Petitions for FY 2022-23 & 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 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> <ul style="list-style-type: none"> <i>i. True-up of preceding year;</i> <i>ii. Aggregate Revenue Requirement for each year of the Control Period;</i> <i>iii. Revenue from retail sale of electricity at existing tariffs & charges and projected revenue gap for the first year of the Control Period;</i> <i>iv. Proposal of consumer category wise</i> <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> <ul style="list-style-type: none"> <i>i. True-up of preceding year;</i> | |

| S.No. | Summary of Objections / Suggestions | Response of the Licensee |
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| | <p>ii. <i>Revised Aggregate Revenue Requirement for ensuing year of the Control Period;</i></p> <p>iii. <i>Revenue from retail sale of electricity at existing tariffs & charges and projected revenue gap for ensuing year of the Control Period;</i></p> <p>iv. <i>Proposal of consumer category wise retail supply tariff and charges for ensuing year of the Control Period.”</i></p> | |
| 11. | <p>9) Further, the same Regulations have also stipulated a penal mechanism to enforce timely submission of True-Up Petitions. 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>TGDISCOMs submit that, for the reasons detailed in the petition, the True-Up petitions could not be filed earlier. The marginal delay in 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> |
| 12. | <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>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</p> |

| S.No. | Summary of Objections / Suggestions | Response of the Licensee |
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| | <p>(a) <i>No projection can be so accurate as to equal the real situation.</i></p> <p>(b) <i>The burden/ benefits of the past years must not be passed on to the consumers of the future.</i></p> <p>(c) <i>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>(ii) <i>Cash flow problems for the licensees.</i></p> <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, truing-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>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 2023-24 and FY 2024-25 have been made in accordance with regulations issued by Hon'ble commission.</p> |

| S.No. | Summary of Objections / Suggestions | Response of the Licensee |
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| | <p data-bbox="271 177 1140 248"><i>(v) Truing up should be carried out regularly and preferably every year...".</i></p> <p data-bbox="271 280 1140 563">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 data-bbox="271 608 1140 938">12) Thus, timely issuance of Tariff and True-up Orders that too 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 data-bbox="271 983 1140 1369">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 & FY 2024-25. They have filed for True-Up of Power Purchase Cost & Revenue only. Power Foundation of India (PFI) therefore, urges Hon'ble TGERC to conduct True-Up of FY 2022-23, FY 2023-24 & 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</p> | |

| S.No. | Summary of Objections / Suggestions | Response of the Licensee | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--------------------------|------------|------------|------------|---------------|-------|-------|-------|-----------------|-------|-------|-------|-----------------------|-----|-----|-----|----------------------------------|--|--|-------------|----------------------|----------------------|--------------------------------------|--|--|-------------------------------|------|------|--|-------|-------|--------------------------|------|------|------------------------|----------|----------|---|------------|------------|---|------|------|--------------|---------------|-----------------|---|--|--|---|
| | and Tariff shock to the end consumers. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13. | <p data-bbox="271 233 831 260">B. POOR COLLECTION EFFICIENCY</p> <p data-bbox="271 304 1140 488">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 data-bbox="943 523 1016 547">(Rs. Cr.)</p> <table border="1" data-bbox="282 563 1016 671"> <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> <p data-bbox="271 719 1140 852">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="282 895 1016 1166"> <thead> <tr> <th colspan="3">19 - SHORT TERM LOANS & 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">a. Unsecured, considered good</td> </tr> <tr> <td>Loans & Advances to employees</td> <td>4.48</td> <td>7.43</td> </tr> <tr> <td>Refunds available with Revenue Departments</td> <td>29.10</td> <td>27.32</td> </tr> <tr> <td>Advance to O&M Suppliers</td> <td>2.09</td> <td>1.83</td> </tr> <tr> <td>Government Receivables</td> <td>4,518.36</td> <td>5,286.22</td> </tr> <tr> <td>Provision for Government Receivables - Additional Power</td> <td>(3,877.87)</td> <td>(3,877.87)</td> </tr> <tr> <td>Other Loans & Advances - Receivables from Vendors</td> <td>0.56</td> <td>0.23</td> </tr> <tr> <td>Total</td> <td>776.72</td> <td>1,445.16</td> </tr> <tr> <td colspan="3">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</td> </tr> </tbody> </table> <p data-bbox="271 1214 1140 1398">16) According to Form 9a submitted by TGSPDCL, total arrears of Rs. 50,000 and more pending for six months are a staggering Rs. 20,464 Cr. as on 30/03/2025. This translates to - 50% of the ARR of TGSPDCL.</p> | 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% | 19 - SHORT TERM LOANS & ADVANCES | | | Particulars | As at March 31, 2025 | As at March 31, 2024 | a. Unsecured, considered good | | | 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 | 4,518.36 | 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 | Total | 776.72 | 1,445.16 | 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 | | | <p data-bbox="1167 212 2047 411">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 data-bbox="1167 459 2018 576">As stated in the filings, TGDISCOMs are persistently pursuing the State Government and various Government Departments for settlement of outstanding dues.</p> <p data-bbox="1167 624 2011 740">TGDISCOMs reaffirm their commitment to improving and strengthening their financial position and shall continue to take all necessary steps in this regard.</p> <p data-bbox="1167 788 2040 943">With respect to the suggestion to consider 100% Collection Efficiency, TGDISCOMs submit that the present ARR filing is already premised on 100% collection efficiency, and earnest efforts will be made to achieve the same.</p> |
| 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% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 19 - SHORT TERM LOANS & ADVANCES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Particulars | As at March 31, 2025 | As at March 31, 2024 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| a. Unsecured, considered good | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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 | 4,518.36 | 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 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 776.72 | 1,445.16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| S.No. | Summary of Objections / Suggestions | Response of the Licensee | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--|-------------|----------|-------------------------|-----------|-----------------------|------------------|--|--|---------------|------|----------|-------------------------------|------|----------|-----------------|------|----------|--------------------------|---|------|-------------------|-----|----------|-------------------------------------|-------|-----------|------------------------|-----|--------|--------------------------|-----|-------|---|---|------|------------------------|--------------|------------------|------------------|--|--|---------------|------|------------|--------------|-----|-----------|--|---|---|-------------------------|-----|--------------|-----------------------|---|----------|--|---|-------|-------------------------|----|-----------|---|---|------|------------------------|-------------|---------------------|---------------------------|--------------|---------------------|--|
| | <p>Format - 9(a)</p> <p>Arrears of consumers over Rs.50,000 pending for over six months</p> <table border="1" data-bbox="280 212 1016 549"> <thead> <tr> <th>Category</th> <th>SC Nos.</th> <th>Ns.Lakhs</th> </tr> </thead> <tbody> <tr> <td colspan="3">As on 31.03.2025</td> </tr> <tr> <td colspan="3">LT Supply</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>6,524.80</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>7.57</td> </tr> <tr> <td>LT-V Agricultural</td> <td>919</td> <td>1,110.67</td> </tr> <tr> <td>LT-VI Street Lighting & PWS Schemes</td> <td>20309</td> <td>44,499.41</td> </tr> <tr> <td>LT-VII General Purpose</td> <td>539</td> <td>698.96</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>LT Supply Total</td> <td>30895</td> <td>57,168.45</td> </tr> <tr> <td colspan="3">HT Supply</td> </tr> <tr> <td>HT-I Industry</td> <td>1128</td> <td>657,485.46</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 & 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 & Residential Colonies</td> <td>7</td> <td>99.54</td> </tr> <tr> <td>HT-VII Temporary Supply</td> <td>55</td> <td>12,494.30</td> </tr> <tr> <td>HT-IX Electric Charging Stations/Battery Swap</td> <td>1</td> <td>0.51</td> </tr> <tr> <td>HT Supply Total</td> <td>1954</td> <td>1,989,212.96</td> </tr> <tr> <td>LT-HT Supply Total</td> <td>32346</td> <td>2,046,381.43</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 difference between the actual Revenue Collected and the Revenue considering 100% Collection Efficiency should be borne by the Govt. of Telangana in the form of Subsidy.</p> | Category | SC Nos. | Ns.Lakhs | As on 31.03.2025 | | | LT Supply | | | LT-I Domestic | 1800 | 1,799.01 | LT-II Non-Domestic/Commercial | 5537 | 6,524.80 | LT-III Industry | 1171 | 2,335.31 | LT-IV Cottage Industries | 6 | 7.57 | LT-V Agricultural | 919 | 1,110.67 | LT-VI Street Lighting & PWS Schemes | 20309 | 44,499.41 | LT-VII General Purpose | 539 | 698.96 | LT-VIII Temporary Supply | 103 | 94.20 | LT-IX Electric Charging Stations/Battery Swap | 1 | 0.51 | LT Supply Total | 30895 | 57,168.45 | HT Supply | | | HT-I Industry | 1128 | 657,485.46 | HT-II Others | 441 | 53,974.35 | HT-III Airports, Railway stations and Bus stations | - | - | HT-IV Irrigation & CPWS | 311 | 1,263,860.07 | HT-V Railway Traction | 6 | 1,326.26 | HT-VI Townships & Residential Colonies | 7 | 99.54 | HT-VII Temporary Supply | 55 | 12,494.30 | HT-IX Electric Charging Stations/Battery Swap | 1 | 0.51 | HT Supply Total | 1954 | 1,989,212.96 | LT-HT Supply Total | 32346 | 2,046,381.43 | |
| Category | SC Nos. | Ns.Lakhs | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| As on 31.03.2025 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| LT Supply | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| LT-I Domestic | 1800 | 1,799.01 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| LT-II Non-Domestic/Commercial | 5537 | 6,524.80 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| LT-III Industry | 1171 | 2,335.31 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| LT-IV Cottage Industries | 6 | 7.57 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| LT-V Agricultural | 919 | 1,110.67 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| LT-VI Street Lighting & PWS Schemes | 20309 | 44,499.41 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| LT-VII General Purpose | 539 | 698.96 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| LT-VIII Temporary Supply | 103 | 94.20 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| LT-IX Electric Charging Stations/Battery Swap | 1 | 0.51 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| LT Supply Total | 30895 | 57,168.45 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HT Supply | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HT-I Industry | 1128 | 657,485.46 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HT-II Others | 441 | 53,974.35 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HT-III Airports, Railway stations and Bus stations | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HT-IV Irrigation & CPWS | 311 | 1,263,860.07 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HT-V Railway Traction | 6 | 1,326.26 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HT-VI Townships & Residential Colonies | 7 | 99.54 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HT-VII Temporary Supply | 55 | 12,494.30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HT-IX Electric Charging Stations/Battery Swap | 1 | 0.51 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HT Supply Total | 1954 | 1,989,212.96 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| LT-HT Supply Total | 32346 | 2,046,381.43 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PFI Comments/Suggestions: TGSPDCL ARR Petition FY 2026-27 for Retail Supply Business | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14. | <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</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.</p> <p>Load and Sales Projections for FY 2026 27</p> <table border="1" data-bbox="1182 1265 1742 1406"> <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> </tbody> </table> | Particulars | SPDCL | Load Projections (hp) | 82,05,026 | Load Projections (MW) | 6121 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Particulars | SPDCL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Load Projections (hp) | 82,05,026 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Load Projections (MW) | 6121 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| S.No. | Summary of Objections / Suggestions | Response of the Licensee | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|----------------|--------------|----------------|--------------|-----|-------------------|---------|---------|-------|----|--------|------------------------|------|------|-----|----|--------|------------|-------|-------|------|----|--------|--|--|--|-------|
| | <p>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 & FY 2026-27</i></p> <table border="1" data-bbox="282 312 1016 421"> <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 | <table border="1" data-bbox="1182 156 1742 236"> <tr> <td>Sales Projections (MU) (Load in MW*12*180/10³)</td> <td>15425</td> </tr> </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> | | Sales Projections (MU) (Load in MW*12*180/10 ³) | 15425 |
| 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 | | | | | | | | | | | | | | | | | | | | | | | | |
| Sales Projections (MU) (Load in MW*12*180/10 ³) | 15425 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15. | <p>21) PFI notes from the above table that TGSPDCL has proposed addition in new unmetered connections in FY 2026-27, 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</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. The DISCOM is implementing metering in a phased manner in accordance with directions issued by the appropriate authorities and subject to availability of approved</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| S.No. | Summary of Objections / Suggestions | Response of the Licensee |
|-------|---|--|
| | <p>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>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> |
| 16. | <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</p> |

| S.No. | Summary of Objections / Suggestions | Response of the Licensee | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------|--|---|-----------------|-------|-------|-------|---------|---------|-------------|-----|-----|--------------|-----|-----|-----------------|-------------|--|--------------|--|-------|-------|-------|-------|--------|--|--|--|--|-------|----|----|----|----|-----|----|----|----|----|------|----|----|----|----|------|----|----|----|----|-----|----|----|----|----|------|----|----|----|----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|-----|-----|-----|-----|--|
| | | <p>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> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 17. | <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 Sates, like Madhya Pradesh, detailed norms considered for projecting the unmetered 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 & 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;">Table 22: Phase Wise Assessment for Un-metered Temporary Agriculture Connections</p> <table border="1" data-bbox="387 935 808 1034"> <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;">Table 23: Phase Wise Assessment for Unmetered Permanent Agriculture Connections</p> <table border="1" data-bbox="407 1118 797 1390"> <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> | 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>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 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</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 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| S.No. | Summary of Objections / Suggestions | Response of the Licensee | | | | | | | | | | | | | | | |
|------------|---|--------------------------|--------------------------|-----------------------------|--------------------------|-----------------------------|------------|-----|----|----|-----|------------|-----|----|----|-----|---|
| | <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 & Distribution Loss). Unmetered consumption is an estimated figure and could be used to mask DISCOM losses. Further analysis might lead to the 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="277 868 1021 954"> <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 | <p>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"> • Connected load and number of services, • Hours of supply, • Feeder-wise energy input, • Sample metering studies, • Norms approved by the Commission, and <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> |
| 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 | | | | | | | | | | | | | |

| S.No. | Summary of Objections / Suggestions | Response of the Licensee |
|-------|--|--|
| | | 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. |
| 18. | <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&C Loss for FY 2024-25 is 18.51%, higher than All India 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>The submissions made by PFI are denied:</p> <ol style="list-style-type: none"> 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 DISCOM. 2. With regard to AT&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 3. With regard to ACS-ARR Gap (Rs. 1.14/kWh on cash basis): The gap is examined by the Hon'ble Commission |

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|-------|---|--|
| | | <p>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> |
| 19. | <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 & Fixed Cost of 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.</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 expected rise in costs during the ensuing year.</p> |
| 20. | <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</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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|-------|---|---|
| | <p>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 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.</p> | |
| 21. | <p>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 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 & Transmission cost through automatic route.</p> | <p>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.</p> |
| 22. | <p>32) PFI has computed the Power Purchase Cost for FY 2026-27 considering energy charge rate & fixed cost the same as H1 FY</p> | <p>The power purchase cost projected for FY 2026-27 is based on contractual commitments, demand projections, cost trends, and</p> |

| S.No. | Summary of Objections / Suggestions | Response of the Licensee | | | | | | | | | | | | | | | | | | | | | | |
|----------|--|---|-------------------|-----------------------|---------------|-----------------------|------------|--|------------|------------|---------------|------------|------------|---------------|------------|-----|-------|-------|-------|-------|-------|-------|-------|---|
| | <p>2026-27 actuals.</p> <p style="text-align: center;"><i>Power Purchase Cost/or TGSPDCL from CGS Stations</i></p> <table border="1" data-bbox="282 268 1010 352"> <thead> <tr> <th rowspan="2">Stations</th> <th colspan="3">Claimed (Rs. Cr.)</th> <th colspan="3">PFI 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>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 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.</p> | Stations | Claimed (Rs. Cr.) | | | PFI Working (Rs. Cr.) | | | Difference | Fixed Cost | Variable Cost | Total Cost | Fixed Cost | Variable Cost | Total Cost | CGS | 2,484 | 4,994 | 7,477 | 2,412 | 4,756 | 7,167 | (310) | <p>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.) | | | Difference | | | | | | | | | | | | | | | | | |
| | Fixed Cost | Variable Cost | Total Cost | Fixed Cost | Variable Cost | Total Cost | | | | | | | | | | | | | | | | | | |
| CGS | 2,484 | 4,994 | 7,477 | 2,412 | 4,756 | 7,167 | (310) | | | | | | | | | | | | | | | | | |
| 23. | <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&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</p> | <p>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.</p> | | | | | | | | | | | | | | | | | | | | | | |

| S.No. | Summary of Objections / Suggestions | Response of the Licensee | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---------|---|--------------------------|-----------------|-------------------|-----------------|------------|---|---|------|------|---|----|-------------------|------|------|--|----|---|-----|-----|--|----|-------------------------------------|-----|-----|--|---|------------------------|-----|-----|------|----|--|--|----|--|---|------------------|-----|-----|---|---|-----------------------------|-----|-----|---|---|--------------|------|-----|-------|----|--|--|-----|--|---|--|--------------|--------------|--------------|---|-------------------------|-----|-----|---|---|--------------|---|---|--|---|----------------|--------------|--------------|--------------|--|
| | <p>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="286 336 1025 676"> <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 & Maintenance (O&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 & General (A&G) Expenses</td> <td>199</td> <td>199</td> <td></td> </tr> <tr> <td>1c</td> <td>Repair & Maintenance (R&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><i>Less: Additional 2% RoE on account of SOP</i></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><i>Depreciation from Consumer Contributed Assets</i></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> <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&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&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> | 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 | <i>Less: Additional 2% RoE on account of SOP</i> | | 54 | | 3 | Interest on Loan | 840 | 840 | 0 | 4 | Interest on Working Capital | 150 | 150 | 0 | 5 | Depreciation | 1034 | 650 | (384) | 5a | <i>Depreciation from Consumer Contributed Assets</i> | | 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) | |
| 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 | <i>Less: Additional 2% RoE on account of SOP</i> | | 54 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Interest on Loan | 840 | 840 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Interest on Working Capital | 150 | 150 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Depreciation | 1034 | 650 | (384) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5a | <i>Depreciation from Consumer Contributed Assets</i> | | 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) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| S.No. | Summary of Objections / Suggestions | Response of the Licensee | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|-----------------|-------------------|-----------------|------------|-------------|------------|------------------------------------|-------|-----|---|-------------------|-------|-------|------|--------------------------------------|-------------------|-------|-------|------------------|----|---------------------|-------|--------------------------|------------|------------|--|--|-----|--|---|-------------------|------|------|--|---|---|-----|-----|---|----|-------------------|-----|-----|--|----|---|----|----|--|----|-------------------------------------|----|----|--|---|------------------|----|----|-----|----|--|--|---|--|---|------------------|----|----|---|---|
| | <p style="text-align: center;"><i>Summary of Retail Supply expenses for FY 2026-27 for TGSPDCL (Rs. Cr.)</i></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2" style="text-align: left;">Particulars (for Retail Supply, 10% of total)</th> <th colspan="3" style="text-align: center;">TGSPDCL</th> </tr> <tr> <th style="text-align: center;">Claimed</th> <th style="text-align: center;">PFI Working</th> <th style="text-align: center;">Difference</th> </tr> </thead> <tbody> <tr> <td>Operation and Maintenance expenses</td> <td style="text-align: center;">452</td> <td style="text-align: center;">452</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: center;">115</td> <td style="text-align: center;">72</td> <td style="text-align: center;">(43)</td> </tr> <tr> <td>Interest and finance charges on Loan</td> <td style="text-align: center;">93</td> <td style="text-align: center;">93</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Return on Equity</td> <td style="text-align: center;">48</td> <td style="text-align: center;">42</td> <td style="text-align: center;">(6)</td> </tr> <tr> <td>Total Expenditure</td> <td style="text-align: center;">708</td> <td style="text-align: center;">660</td> <td style="text-align: center;">(49)</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) | Total Expenditure | 708 | 660 | (49) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Expenditure | 708 | 660 | (49) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 24. | <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, Hon'ble Commission is requested to kindly consider the same.</p> <p style="text-align: center;">(Rs. Cr.)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <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 style="text-align: center;">63753</td> <td style="text-align: center;">63753</td> <td style="text-align: center;">0</td> </tr> <tr> <td>2</td> <td>Distribution Loss</td> <td style="text-align: center;">7.98%</td> <td style="text-align: center;">7.98%</td> <td></td> </tr> <tr> <td>3</td> <td>Transmission Loss</td> <td style="text-align: center;">3.67%</td> <td style="text-align: center;">3.67%</td> <td></td> </tr> <tr> <td>4</td> <td>Power Purchase Cost</td> <td style="text-align: center;">38492</td> <td style="text-align: center;">38182</td> <td style="text-align: center;">(310)</td> </tr> <tr> <td>4a</td> <td><i>Less: Escalation in FC & VC of CGS Plants</i></td> <td></td> <td style="text-align: center;">310</td> <td></td> </tr> <tr> <td>5</td> <td>Transmission Cost</td> <td style="text-align: center;">4133</td> <td style="text-align: center;">4133</td> <td></td> </tr> <tr> <td>6</td> <td>Operation & Maintenance (O&M) Expenses (6a+6b+6c)</td> <td style="text-align: center;">452</td> <td style="text-align: center;">452</td> <td style="text-align: center;">0</td> </tr> <tr> <td>6a</td> <td>Employee Expenses</td> <td style="text-align: center;">404</td> <td style="text-align: center;">404</td> <td></td> </tr> <tr> <td>6b</td> <td>Administrative & General (A&G) Expenses</td> <td style="text-align: center;">22</td> <td style="text-align: center;">22</td> <td></td> </tr> <tr> <td>6c</td> <td>Repair & Maintenance (R&M) Expenses</td> <td style="text-align: center;">26</td> <td style="text-align: center;">26</td> <td></td> </tr> <tr> <td>7</td> <td>Return on Equity</td> <td style="text-align: center;">48</td> <td style="text-align: center;">42</td> <td style="text-align: center;">(6)</td> </tr> <tr> <td>7a</td> <td><i>Less: Additional 2% RoE on account of SOP</i></td> <td></td> <td style="text-align: center;">6</td> <td></td> </tr> <tr> <td>8</td> <td>Interest on Loan</td> <td style="text-align: center;">93</td> <td style="text-align: center;">93</td> <td style="text-align: center;">0</td> </tr> </tbody> </table> | 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 | <i>Less: Escalation in FC & VC of CGS Plants</i> | | 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 | <i>Less: Additional 2% RoE on account of SOP</i> | | 6 | | 8 | Interest on Loan | 93 | 93 | 0 | <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 therefore requested to take the said submissions on record and consider them appropriately.</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 | <i>Less: Escalation in FC & VC of CGS Plants</i> | | 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 | <i>Less: Additional 2% RoE on account of SOP</i> | | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | Interest on Loan | 93 | 93 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| S.No. | Summary of Objections / Suggestions | | | | Response of the Licensee | | |
|-------|---|--|---------------|---------------|--------------------------|--|---|
| | 9 | Interest on Working Capital | 0 | 0 | 0 | | |
| | 10 | Depreciation | 115 | 72 | (43) | | |
| | 10a | <i>Less: Depreciation from Consumer Contributed Assets</i> | | 43 | | | |
| | 11 | Other Costs | 6908 | 6470 | (438) | | |
| | 11a | <i>Less: Comments on Distribution Wheeling Business</i> | | 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>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> | | | | | | |
| 25. | <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>2)To conduct True-Up of FY 20223-23. FY 2023-24 & 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</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>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 & 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>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> | |