TGNPDCL: RESPONSES TO THE OBJECTIONS / SUGGESTIONS RECEIVED ON AGGREATE REVENUE REQUIREMENT (ARR) FOR RETAIL SUPPLY BUSINESS & TARIFF PROPOSALS INCLUDING CSS FOR FY 2025-26

SI.No.	Name of the Objector	Page No.	
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2	Sarvotham Care, 1-20-248, Umajay Complex, Rasoolpura, Secunderabad – 500003	20-23	
3	The Federation of Telangana Chambers of Commerce and Industry, Federation House, Federation	24-27	
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Response to ITC Limited

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S.No.	Summary of Objections / Suggestions	Response of the Licensee		
1	There are electrical inter-locks in place to ensure that the connected loads trip whenever there is a tripping of the TG-Sets. Therefore, there is no transfer of load to the grid in the event of TG-Set failure or shut down. Mandatory protection arrangements are in place to clear internal faults within the time prescribed in the Grid Code.	Even with electrical interlocks and protection systems, when a Captive Power Plant (CPP) operates in parallel with the grid, it derives critical support such as voltage and frequency stabilization, fault current contribution, and		
	In the normal operation of ITC's continuous process plant, there are no equipment which impose intermittent or transient loads. There is no harmonic injection from ITC's plant in excess of permissible limits.	system inertia. These ancillary services, though not always measurable directly, enhance the operational reliability of the plant.		
	Therefore, there is no circumstance by which it can be considered that any grid support is actually availed by ITC. The connection to the grid is utilised only for start-up power or stand-by within the CMD with TGNPDCL or for import of open access power.	As long as the plant is connected to the grid all such benefits are accessible, hence levy of Grid Support Charges are justified.		
2	TGPNDCL and TGSPDCL have proposed levy of grid support charges ("GSC") for the FY 2025-26 at the rate of Rs. 20.04 Rs/kW/Month × (total installed capacity of the generators connected to the Grid – OA capacity or the PPA capacity if any with the DISCOMS). The proposal of GSC is unreasonable and is being challenged herein both in respect of the levy itself as well as the quantum. The proposal of GSC is wholly misconceived and without any proper understanding or consideration of the concept of grid support/parallel operation as explained hereinafter.	TGDISCOMs have computed the Grid Support Charges as per the directives of the Hon'ble Commission considering the R&M cost that is likely to be incurred in FY 26 along with the expected contracted capacity. Hence TGDISCOMs is of the view that both the charges levied and the quantum are justified.		
3	 Classification of CPPs operating in parallel with the grid: a) CPPs that are located at a different or distant location from the load with the energy for captive use being wheeled / transmitted under open access duly paying wheeling / transmission charges. b) CPPs having surplus capacity over and above their own requirement connected in parallel with the grid in order to export power 	As long as the CPP is operating in parallel with the grid, it is still deriving the benefit of voltage, current and frequency stabilization. The Discoms are still obligated to provide the reserved category on the grid and are still required to plan network capacity, reserve infrastructure, maintain grid strength.		

	for sale through bilateral / IEX transactions under open access or to bank such surplus energy.	A mere non-utilization at a particular in time does not mean, the backup facility is not available when needed.
	c) CPPs having load of such nature that results in large momentary peaks, starting currents and runs the plant in parallel to avail the support of grid beyond the contract demand.	Further even though claim is being made that harmonics are in permissible limits, the cumulative effect of several parallel operating
	d) Process industries with CPPs run in parallel in order to avail continuous power supply, in the event of failure of CPP generating units.	CPPs across the grid can still affect the power quality of the grid. Therefore, as Discoms, aggregate system impact needs to be considered rather than isolated cases.
	e) Renewable Energy CPPs (solar, or possibly even hydel or wind) which may be co-located with the loads.	
	f) Black start of CPP, where the startup power is required to restart the units.	
	g) CPPs connected to the grid to receive / import renewable power to meet their RPPO.	
	h) CPPs whose generation capacity is intended to meet a part of their electricity requirement while the rest is met from the contracted demand with the licensee and/or through open access.	
	Unless it can be shown by measurable and verifiable means that the industry is availing anything beyond its contracted demand, it cannot be subjected to any grid support charges arbitrarily.	
4	The levy of GSC is often supported by the observations of the Hon'ble Electricity Tribunal in its judgement dated 18.02 2011 in Chhattisgarh	As explicitly acknowledged in paras 17 and 18 of the said judgment the Tribunal merely referred to
	State Power Distribution vs Godawari Power & Ispat Ltd. The issues in	certain advantages enjoyed by co-located CPPs
	Charges and as to whether such dispute was a consumer dispute. The	of GSC was not under challenge in that case.
	CPP in that case was a co-located captive power plant. In paras 17 and	Hence levy of GSC is rightfully justified.
	18 of the Judgement, observations were made as to the basis for levy	
	or grid support charges enumerating certain reatures considered to be	

	advantages to a co-located CPP. The levy of grid support charges itself was not in issue in that case.	
5	The purported premise behind the proposal of licensees for GSC is that the co-located CPPs enjoy certain benefits by operating in parallel with the grid for which they pay nothing – hence a grid support charge is required to be levied. The licensees have often cited the following reasons seeking to justify the levy of GSC and the Objector submits its objections as under.	
	a) The fluctuations in the load are absorbed by the utility grid in the parallel operation mode. This will reduce the stresses on the captive generator and equipments. The bulk consumer can operate his generating units at constant power generation mode irrespective of his load cycle.	a) Grid support is not merely about drawing energy from the grid. Even when no net energy is consumed, co-located CPPs benefit significantly from stabilization of frequency, voltage, system inertia, and short circuit support offered by the grid. These are ancillary services that improve
	Objector submits that this is clearly an issue related to the load and its nature. It is not related at all to the generating capacity of the CPP which is irrationally sought to be made the subject of a charge. Consider an industry with load fluctuating between 8 to 10 MW where the CPP capacity is 12 MW and the industry has a 2 MW contracted demand for start-up. Clearly the CPP itself can meet the fluctuation of the loads without resort to the grid or even the contracted demand. In such cases, levy of charge on 10 MW is wholly unfair, unreasonable and unjustifiable.	the reliability and operational efficiency of the CPP, and hence attract a corresponding charge.
	b) Absorption of harmonics: The proposition cited by Discoms is that certain kinds of loads inject harmonics into the grid. These harmonics flowing in the grid system are harmful to the equipments and are also responsible for polluting the power quality of the system.	b) The power distribution network is a shared system, and its quality affects all connected users. Even if harmonic injection arises from specific types of non-linear loads, the fact of the matter remains that any consumer operating
	This is clearly an issue related to the load and its nature. It is not related at all to the installed/generating capacity of the CPP which is irrationally sought to be made the subject of a charge. Harmonics arise primarily from non-linear loads. Motors generally do not generate any significant	such equipment/ CPP in parallel with the grid contributes to the distortion of waveform and degrades overall power quality. It is therefore essential that grid support charges account for

harmonics except if they are, for any reason, overfluxed. It is not at all related to the installed/generating capacity on which the charge is irrationally proposed. Not all loads inject harmonics into the grid as alleged. The issue may be related to certain specific kind of industries such as steel mills or arc furnaces or industries using power electronics which need to be properly and distinctly identified. Following are the results of a survey by the Forum of Regulators (Forum of Regulators has published a White Paper on Power Quality Regulations in India. This is extracted from a presentation at the Asia Power Quality Initiative)	such contributions. The grid is a shared resource and harmonic injection by any connected party affects the overall system stability.
c) Negative phase sequence current is generated by unbalanced loads. The magnitude of negative phase sequence current is much higher at the point of common coupling than at generator output terminal. This unbalance current normally creates problem of overheating of the generator and other equipment of CPP, if not running in parallel with grid. When they are connected to the grid, the negative phase sequence current flows into the grid and reduces stress on the captive generator.	c) When a CPP runs in parallel with the grid, any negative sequence current arising due to unbalanced load flows into the grid. The grid must handle and compensate for this imbalance, which creates additional technical and financial burdens on the DISCOM's infrastructure, including transformers, protection systems, and reactive power management. Therefore, levying GSC is justified.
This is clearly an issue related to the load and its nature. It is not related at all to the installed/generating capacity of the CPP which is irrationally sought to be made the subject of a charge. Where there is some CMD with the licensee, the question as to whether the effect of unbalanced loads is within the CMD or not is to be carefully considered.	
d) Captive power plants have higher fault level support when they are running in parallel with the grid supply. Because of the higher fault level, the voltage drop at load terminal is less when connected with the grid.This is clearly an issue related to the load and its nature. It is not related at all to the installed/generating capacity of the CPP which is irrationally sought to be made the subject of a charge.	d) Captive Power Plants operating in parallel with the grid enjoy improved system fault level, which results in reduced voltage dip during disturbances, enhanced stability during motor starting or high inrush conditions, better performance of protection systems due to higher fault current availability.
It is also an issue relating to starting currents and momentary loads which depend on the load and its nature in specific types of industries.	These advantages directly translate to improved industrial performance and equipment safety.

It is stated too broadly. What is to be seen and considered is whether, in relation to specific types of industries, any alleged support from the grid is inconsistent with the contracted demand that the industry has with the licensee having regard to the provisions of the GTCS and the Grid Code.	
Fault level is relevant only when a fault occurs. The Grid Code provides for the time within which faults may be cleared which is less than 0.06 seconds in case of fault and 0.10 seconds in case of overloads. On fault, it is not a case of grid support being taken, rather it is a case where a fault current flows for a short duration necessary to clear the fault and isolate it. Even in a domestic connection, faults do occur randomly, and it cannot be said that any grid support is being availed during the short period required for a fuse to blow or an MCB to trip.	
It is also true that the CPP itself adds to the fault handling capacity of the grid. In the event of an earth fault in the grid at any location nearby to the CPP, fault current is also drawn from the CPP because of the low impedance path to the CPP, and the CPP itself may trip in such circumstances of earth fault in the grid. So, while waxing on the fault handling support of the grid to the industrial loads, it must not be forgotten that the CPP is also affected by faults in the grid.	
(e) The grid provides stability to the plant to start heavy loads like HT motors.	e) When a CPP operates in parallel with the grid, the grid provides voltage and frequency support, significantly reducing voltage dip and ensuring
This is clearly an issue related to the load and its nature. It is not related at all to the generating capacity of the CPP which is irrationally sought to be made the subject of a charge.	smoother starting of motors. This stabilizing role of the grid is especially critical during large motor starts, where even a brief voltage sag can affect sensitive industrial processes.
Where the capacity of the CPP is intended for the entire industrial load, it is usually dimensioned to take the starting current of motors generally. The industry also has some contracted demand with the licensee. The GTCS and Grid Code provide limitations on starting currents. While DOL starting currents may be high, soft-start alternatives are there to reduce the starting currents. In any case, what needs to be seen and	This benefit is irrespective of whether there is actual drawal from the grid or not. The grid acts as a stabilizing source, sharing the burden of high inrush currents and contributing to system balance.

considered is that, in a given case, whether the starting currents of motors alleged to be drawn from the grid are inconsistent with the arranged contracted demand with the licensee. If it is consistent, then the licensee is already compensated through demand charges and there is no justification whatsoever for anything more.	
(f.) The variation in the voltage and frequency at the time of starting large motors and heavy loads, is minimized in the industry, as the grid supply acts as an infinite bus. The active and reactive power demand due to sudden and fluctuating load is not recorded in the meter. This is clearly an issue related to the load and its nature. It is not related at all to the generating capacity of the CPP which is irrationally sought to be made the subject of a charge. As stated supra, high starting currents for motors are recognised and permitted by the GTCS and the Grid Code. What requires to be considered is, again, whether such starting currents are consistent with the contracted demand that the industry has with the licensee. On the issue of active and reactive power demand not being recorded in the meter, it is only because the metering methodology approved is to integrate over a 15 minute duration. There is no concept of instantaneous demand measurement. Demand is itself computed from the approximation.	f) The grid effectively acts as an infinite bus providing strong voltage and frequency support during starting of large motors, sudden load variations, reactive power variations. This stabilization ensures equipment safety and uninterrupted industrial operations. CPPs operating in parallel automatically benefit from this stabilizing effect without necessarily drawing energy. The burden of maintaining this grid robustness is borne by the DISCOM and hence warrants cost recovery through GSC.
the energy during the 15 minute interval. It cannot be denied that the active and reactive energy is duly recorded in the meter. Therefore, the demands due to fluctuating loads are also included and part of the demand measurement over the 15 minute integrating interval. Even in the cases where there is no CPP, the instantaneous demands due to load fluctuations are never separately measured, and these are subsumed in the measurement of demand as computed from the energy measured during the 15 minute interval.	
(g) The impact created by sudden load throw off and consequent tripping of CPP generator on over speeding is avoided with the grid taking care of the impact.	g) When a large industrial load is suddenly thrown off, the captive generator experiences an instantaneous excess of mechanical input with no

Load throw off is a random and rare event. When load is thrown off, the power generated flows to the grid till the generation is brought down within a few minutes by measures such as venting of steam and reduction of firing in the boiler. There is no "impact" on the grid as such. On the contrary, during the few minutes following the load throw off, the	corresponding electrical demand. This typically causes the generator to overspeed, leading to tripping of the generator to prevent damage, transient power surges into the grid, frequency and voltage variations in the local grid network.
licensee receives inadvertent power free of charge. Such compensation by way of free power itself is more than sufficient for the alleged "impact" or event.	The grid instantaneously absorbs this sudden power injection, acting as a buffer. This stabilizing role is not automatic or inconsequential, it involves technical effort and system
(h) The transient surges reduce the life of equipment of the CPP. In some cases, the equipment fails if transient is beyond a limit. If the system is connected to the grid, it absorbs the transient load. Hence,	preparedness from the DISCOM and hence levy of GSC is warranted.
grid enhances the life of the CPP equipment.	h) The grid, by virtue of its large system inertia and strong fault level, acts as a shock absorber,
at all to the generating capacity of the CPP which is irrationally sought to be made the subject of a charge.	mitigating high-frequency voltage spikes, sudden current rises, switching transients and harmonics. When the CPP operates in isolation, these transients are absorbed internally, stressing the
Transient surges are significantly absorbed by the CPP itself as the impedance path to the CPP is the lowest. There may or may not be any spill over to the grid depending on the nature of the load and the capacity of the CPP (higher CPP capacity means lesser spill over to the grid). Further transient surges are lead nature related energies to	generator and connected equipment. But when connected in parallel with the grid, a significant portion of these surges is diverted into the grid, extending the life of the CPP equipment and
specific types of load in specific kinds of industries. Over-generalisation is unwarranted and unreasonable.	improving system reliability.
(i) Load fluctuation of captive consumer are passed on to the utility's system thereby the efficiency of utility's system may be affected, which may also impact on utility's other consumers.	(i) During high load fluctuations, the grid serves as a buffer, absorbing or supplying the deficit/surplus, which places stress on voltage regulation, transformer loading, and frequency
This is clearly an issue related to the load and its nature. It is not related at all to the generating capacity of the CPP which is irrationally sought to be made the subject of a charge.	control. These impacts become challenging for DISCOMs in managing especially when multiple CPPs or large industrial consumers are involved. Hence GSC is warranted.
The statement is an unwarranted and unreasonable over	

generalisation. It is not correct to say that load fluctuations are not handled by the CPPs because the generation of the CPPs can be matched to the load fluctuations. In the case of fluctuations in the nature of starting currents or the like, the submissions supra may be considered. In any case, the issue that also needs to be considered is whether the load fluctuations alleged to be passed on to the grid are consistent with the contracted demand arranged with the licensee or not.	
The statement about effect on the efficiency of the utility's system is vague and hypothetical. There is no data or details as to how precisely, how often and to what extent the utility's efficiency is affected.	
(j) In case of an ungrounded (or grounded through resistance) system supply, fault on interconnecting line (consumer's side) results in interruption of system. For single phase to ground fault which are 80 to 85% of the short circuit fault level, the grounding of the system is achieved through the neutral or step-down transformer of the utility, when the generators run in parallel with the utility's grid. This supply is likely to cause damage to the terminal equipment's at utility's sub- stations and line insulators, as voltage on the other two healthy phases rise beyond the limit. under such conditions.	(j) Even if the supply system is grounded, faults on the interconnection line or at the consumer end can cause overvoltage on healthy phases during single-phase to ground faults, stress on substation equipment, CT/PT insulators, and surge arrestors, need for sensitive protection coordination between the CPP and DISCOM systems.
 This is entirely hypothetical. Supply system is grounded. (k) The utility has to sustain the impact of highly fluctuating peak loads like that of arc furnace, rolling mill etc. for which it does not get any return on the capital invested to create system reserve. 	DISCOMs bear the responsibility to isolate such faults swiftly to protect both its infrastructure and other consumers connected to the grid. This responsibility persists irrespective of whether the fault originated within the DISCOM's or the consumer's system. Hence GSC is warranted.
This is clearly an issue related to the load and its nature. It is not related at all to the generating capacity of the CPP which is irrationally sought to be made the subject of a charge. As stated supra, if it is shown by real and factual data that certain kinds of loads and/or certain kinds of industry impact the grid as alleged, then	k) During high load fluctuations, the grid serves as a buffer, absorbing or supplying the deficit/surplus, which places stress on voltage regulation, transformer loading, and frequency control. These impacts become challenging for DISCOMs in managing especially when multiple

unreasonable to paint same brush.	all other industries a	and/or kind of load	s with the	CPPs or large industrial consumers are involved. Hence GSC is warranted.
 The variation in re losses and lowers the effects. 	active power require voltage profile. Utility	ement increases th has to bear the co	e system st of such	I) When CPPs operate in parallel with the grid, they frequently exhibit dynamic reactive power consumption, especially during motor starts, load switching, or production fluctuations. These
This is clearly an issue at all to the generating	e related to the load a g capacity of the CPP	nd its nature. It is r P which is irrationa	lly sought	variations lead to increased I ² R losses, voltage dips, and require continuous reactive power
to be made	the subject	t or a	charge.	deploy capacitor banks, automatic voltage
The statement is also with a synchronous ge aids and improves the	vague. It also needs enerator supplies rea e voltage profile of the	to be recognised the ctive power to the generation of the generati	nat a CPP grid which	regulators, or even STATCOMs to maintain voltage within limits. These system adjustments come at a cost, and DISCOMs must ensure network reliability not just for the CPP-connected
(m) The lower voltage neighbouring consum resulting in revenue lo	e profile and fluctuati ers due to deteriorat oss to the utility.	ons affect the servine in quality of su	rice to the pply, thus	consumer but for all other consumers in the vicinity.
This is an entirely vag to CPPs or the genera	ue statement without ation capacity of the o	t any factual basis CPP.	in relation	m) When a CPP runs in parallel with the grid and operates large or highly variable industrial loads (e.g., furnaces, crushers, large motors), it often
(n) Non-recording of demand by the	f high fluctuating/su motor results	udden active and in financial	reactive losses.	causes voltage dips or flickers due to inrush currents and fluctuating loads, reactive power imbalances, and
This is incorrect. The may	submissions made s be	upra with regard to co	metering onsidered.	local grid stress, especially on low-impedance feeders or radial networks. These disturbances propagate through the local distribution system and degrade power quality for neighboring
(o) On account of inc additional revenue ca	crease in plant load an be generated by to	factor of captive g the CPP by sale of the	generator, of surplus utility	consumers, including domestic, commercial, and small-scale industries.
This is meaningless. export of power. In the entirely from the CPP for sale through the g	There is never an e case of surplus pov , and in addition the rid.	y simultaneous in wer export, the load CPP exports surp	nport and ds are fed lus power	n) The financial impact stems from loss of system efficiency due to repeated voltage regulation and reactive power balancing, premature aging of equipment due to stress from frequent transients,

	 (p) In case of fault in a CPP generating unit or other equipment, bulk consumers can draw the required power from the grid and can save their production loss. This is only where the consumer industry has arranged for a stand-by from the grid by taking a contracted demand from the licensee for which the industry continuously pays demand charges to the licensee. In such circumstances, it is not understandable as to how this is a advantage to the generating plant. On the other hand, in this case, the licensee gets continuous revenue for the billing demand even though the contracted demand is utilised only when the CPP trips. 	 undue burden on shared infrastructure without compensation. o) The actual sale of surplus power is only possible because the CPP is synchronized with the grid. The grid provides voltage and frequency reference for synchronization, stability and balancing services during export fluctuations, transmission and distribution network access for surplus power to reach third-party buyers. These services are availed even when there is no net drawal, and the grid acts as a necessary enabler for commercial gains realized by the CPP.
		p) When a CPP trips due to a fault or equipment failure, the bulk consumer immediately switches to the grid to draw the required power and prevent production loss. This instantaneous support is made possible only because the grid is maintained in a live, synchronized, and responsive condition. This critical grid service enables industrial continuity, avoiding equipment downtime and commercial penalties. This readiness and technical availability are not dependent on whether actual power is drawn or not and DISCOMs are required to maintain the infrastructure in place at all times.
6	Need for Evolution of Criteria to determine when and to what extent grid support may be considered to have been availed.	Regardless of industry type, all CPP-connected consumers operating in parallel with the grid
	10. Clearly the loads of all industries are not the same. Different	derive similar technical benefits, including: voltage and frequency stabilization, reactive
	industries have different loads. Different loads of different kinds of	power balancing, backup support during
	industries have different characteristics. Fluctuating loads are peculiar	equipment trips, protection and fault coordination,
	to certain kinds of industries only. High starting currents for large motors	I ransient damping during starting/stopping of
	are specific to certain kinds of industries only. The CMD that an industry	110(015.

	has with the licensee and the fluctuations that are consistent with such contracted demand are also relevant to be considered. 11. There are limitations imposed on starting currents under the Grid Code and/or the GTCS. There are also limitations on the harmonics that may be injected. The Hon'ble Commission may have to seriously consider if the requirements of the Grid Code/GTCS are to be enforced, or whether grid support charges levied condone and allow deviations. 12. It is therefore necessary for the Hon'ble Commission to evolve criteria to determine when and to what extent grid support may be considered to have been availed. It is only after such criteria on relevant considerations is evolved, the question of levy of charges (uniform or differentiated according to nature of industry/load) may be considered.	These services are inherent to the grid and agnostic to industry classification, which is why GSC is levied uniformly across all CPPs.
	It is submitted that all industries should not be painted with the same brush that suits only specific kinds of industries / loads.	
7	Open Access Source vs CPP source of power 13. Consider the case of a consumer with a connected load of 20 MW, recorded maximum demand of 15 MW, and contracted demand of 5 MW with the licensee sourcing 10 MW power at exit point under open access. The OA power is constant and load factor for this source would be 100%. The load fluctuations (including starting current, momentary loads etc) of the consumer are all taken by the contracted demand with the licensee, and the load factor with the licensee supply would be much less. No grid support charges are levied for the load fluctuations being taken by the licensee alone. 14. Now, if the same 10 MW that was being sourced under open access is sourced from a co-located CPP, then grid support charges are sought to be levied. There is essentially no difference between the two, except that the source of the 10 MW is now co-located with the load. It is per se discriminatory against the CPP.	Open Access (OA) consumers are already required to pay wheeling charges, cross subsidy surcharge, additional surcharge (for stranded capacity), SLDC and scheduling charges. These charges reflect the use of network infrastructure and system support, whereas co-located CPPs bypass such components and still use the grid's strength for real-time support without similar compensation. Hence, GSC balances this asymmetry.
8	Roof-top Solar generation 16. In all cases of rooftop solar generation, the capacity is within the CMD/Connected load with the licensee. All the incidents of the alleged	Even when rooftop solar capacity is within CMD or Connected Load the DISCOM grid provides real-time balancing, especially during generation

grid support are already fully covered by the Connected load with the licensee and the D relating thereto. There cannot be any further otherwise. 17. Without prejudice to the above, rooftop sola of less than 15% and there can be no rationa consider the nominal generation capacity for th 18. Rooftop solar generation is required to be National Policy and also the legislative policy of The proposed levy on rooftop solar energy of measure and cannot be countenanced.	arrangement for CMD / bemand / fixed charges charge as proposed or ar generation has a CUF le or reasonableness to be proposed charge. e encouraged under the the Electricity Act 2003. capacity is a retrograde	fluctuations caused by cloud cover, partial shading, or ramping effects. Solar generation is intermittent and unpredictable, and the grid ensures continuous voltage and frequency stability, even when there is no net drawal. Hence inclusion of rooftop solar capacity is warranted for computation purposes.
 9 Quantification of Grid Support Charge as 19. Without prejudice to the aforesaid s submissions hereinafter, the Objector subm computing the grid support charges is arbitri irrational apart from unjustly enrich (a) The CPP's installed/generation capacity is, justifiable basis of charge; more particularly why to be required by the loads, and certain kind (b) Even if the charges were to be levied on a is indeed availed by any kind of industry with p or otherwise, the charges must be on a ra methodology relatable to the issue involved. T must propose a methodology for arriving at where it is justifiable to be levied consumers may be respond to the outcome of such study and the for levy and quantification (c) The R&M costs of the TS-Transco and the fully recovered from the retail supply tariffs wheeling tariffs. The amounts recovered by way would be over and above their approved AF 	proposed by Discoms ubmissions and other its that the manner of rary, unreasonable and ing the licensees. in any event, not at all a en the support is alleged ds of load in particular. finding that grid support particular kinds of loads, tional basis with some he Hon'ble Commission the quantum of charge be commissioned for the given an opportunity to e consequent proposals of the charge. TS-Discoms are already and the transmission / y of grid support charges	TG DISCOMs have computed Grid Support Charges in accordance with the directions prescribed by the Hon'ble Commission. The methodology proposed for Grid Support Charges is cost-reflective, fair, and technically grounded. It does not result in double recovery, nor is it arbitrary. The DISCOM has ensured alignment with regulatory norms

	enrichment.	
	(d) The Objector herein is connected at 132 kV. The distribution system of the distribution licensee has no role to play whatsoever. There is no justification as to why the entities like Objector should pay a charge based on the R&M costs of both the distribution licensees. There is also no reason or rationale for a consumer within the area of operation of one distribution licensee paying charges which are based upon the R&M costs of another distribution licensee. The manner of computation is flawed, irrational and arbitrary.	
10	Salient relevant changes brought about by the Electricity Act 2003 20. Prior to the coming into force of the Electricity Act 2003, CPPs were regulated in terms of section 21(3) of the Reform Act 1998 read with section 44 of the Supply Act 1948. At that time, the then APERC followed a policy of restricting CPPs on various grounds, inter alia, that the captive use of captive generation was affecting the finances of the licensee, and that "repatriation" of captive capacity to the grid was a necessity. 21. The erstwhile APERC in its Order dated 08.02.2002 had approved the levy of GSC for year 2002-03 which Order was the subject matter in the appeal before the Hon'ble Supreme Court which had upheld the GSC for the said year in its order dated 29.11.2006. This was for a period prior to when the Electricity Act 2003 came into force. Moreover, the present proposals irrationally and significantly alter the scope of grid support charges. The entire environment is changed. The Hon'ble Commission has to consider the matter afresh considering the completely changed legislative environment, and also after carrying out the necessary technical studies as relevant to this State. 22. The Electricity Act 2003 completely de-regulated captive generation and captive consumption. The legislative policy manifested freedom, encouragement and promotion of captive generation. The statutory National Electricity policy emphasises the need to encourage captive power plants as distributed generation and to tap the surplus capacity of captive generation plants. Thus CPPs were not only encouraged for meeting captive requirements but the setting up of capacity beyond captive requirements was contemplated and encouraged. This sea	While the Electricity Act, 2003 promotes freedom to establish and operate captive power plants, it does not exempt CPPs from charges related to grid usage. CPPs operating in parallel with the grid derive technical benefits such as stability, synchronization, and frequency regulation, reactive power support, backup during CPP failure, voltage balancing and short-circuit level enhancement. These services are provided by the DISCOMs even when no energy is drawn. The Electricity Act does not prevent the recovery of legitimate grid-related costs through GSC for such system services. The de-regulation under the Electricity Act removed licensing and procedural barriers, but not the economic responsibility of captive users towards common grid. The National Electricity Policy and Tariff Policy both advocate cost- reflective tariffs, non-discriminatory recovery from all grid users, and avoidance of cross-subsidy from other consumers.
	meeting captive requirements but the setting up of capacity beyond captive requirements was contemplated and encouraged. This sea	GSC is levied not for generation, but for support

	change in the legislative and statutory policy must be given due consideration.	from the grid, and does not interfere with the freedom to generate or self-consume power.
	The proposed grid support charges cannot be such as to be a measure of a punitive charge on CPPs with an effect of discouraging CPPs and/or to an effect of making CPPs unviable and/or with the hidden motive of "repatriation of captive consumption to the grid" and/or to facilitate purchase only from the licensee contrary to the legislative and statutory policy under the Act. 23. The Electricity Act 2003 introduced mandatory open access whereby a consumer could source power from anywhere. It has been held by a Constitution Bench of the Hon'ble Supreme Court in PTC's case that open access is one of the most important features of the Act. When Open Access consumers are not sought to be mulcted with any grid support charges, it needs to be carefully examined and considered as to whether CPPs and/or captive consumption ought to be mulcted merely because the CPPs are co-located with the consuming loads. A fresh look at the concept in the changed legislative environment is	The assertion that CPPs co-located with loads are being unfairly treated compared to Open Access consumers is misplaced as OA consumers pay wheeling, scheduling, UI, CSS, and additional surcharges, CPPs in many cases bypass these while still depending on the grid. GSC helps create tariff parity by recovering grid support costs fairly across all user categories, including those that would otherwise escape such payments.
11	 necessary. Earlier reports of Grid Co-ordination Committee on Grid Support Charges are seriously faulty, insufficient and based on non- consideration of relevant industries besides being in violation of principles of natural justice 24. For the proposal of GSC for the FYs 2022-23 and 2023-24 by the licensees, the Objector had made elaborate written submissions and oral submissions before this Hon'ble Commission with copies served to Discoms. However, the said submissions were neither tabled before, nor considered by the Grid Co-ordination Committee ('GCC') to which Committee, this Hon'ble Commission vide its Tariff Order dated 23.03.2022 (for FY 2022-23) had referred the matter for a detailed study on the issue of parallel operation of captive power plants and consequent levy of grid support charges. The said GCC gave no opportunity of hearing to the Objector on the matter of parallel operation of captive power plants and/or the consequent levy of GSC. Thereafter, the GCC submitted its report on the GSC for the FY-2023-24 to this Commission under cover of its letter dated 	It is respectfully submitted that the objection to the Grid Support Charges, particularly in relation to the findings of the Grid Co-ordination Committee (GCC) and the simulation studies, lacks merit and overlooks the structured and technically sound process followed. The GCC comprised of experienced technical experts, engineers, and planners from across the transmission and distribution sectors. Its reports—including those issued in December 2022 and October 2023—were developed through methodical evaluation of operational data, field conditions, and system simulations. The claim that the reports were prepared arbitrarily is inaccurate. The GCC's methodology was consistent with established regulatory norms and represented the collective input of multiple stakeholders.

07.10.2023 and in the consequent hearing before the Commission, the Objector filed detailed objections dated 27.12.2023 to the said report of GCC and also filed a note of analysis on the basis of GSC in the hearing before this Commission on 08.01.2024. In such hearing the Commission directed the GCC to inform the Commission as to whether the detailed submissions earlier made by the Objector had been considered by the GCC and as to the decisions of the GCC thereon with reasons. The GCC failed and refused to respond to the oral directions of the Commission.

25. The purported report of the GCC of October 2023 entitled 'Final Report on levy of grid support charges for FY 2023-24' which was submitted to the Commission under cover of TS-Transco's letter dated 07.10.2023 purports to base its conclusions only on a purported study on solar power plants. The study and the conclusions are seriously flawed and biased. It does not deal with the issues raised by the Objector before this Hon'ble Commission in respect of levy of grid support charges. On the basis of the shallow and limited study on solar power plants, the Committee arbitrarily, unreasonably and irrationally purports to conclude to the effect that grid support charges are warranted for conventional, renewable energy and rooftop solar generators. The entire approach of the Committee was to somehow return a pre-determined and biased finding to support the proposal of the distribution licensees. Clearly the excessive dominance of the State Utilities in the Committee and the indifference of other members of the GCC has resulted in the biased, incoherent, technically incompetent and irrational report of October 2023.

26. The recommendation of the GCC in the above report was for the levy of grid support charges on an irrational and even basis to colocated CPPs, third party generating units availing Open Access, solar power plants, wind power plants and renewable energy power plants. The interaction of each of these categories of generators with the grid is distinct and different. They cannot be painted with the same brush. It is trite law that unequals cannot be treated as equals. It is constitutionally impermissible. The approach is indicative of the GCC

While it is true that the simulation study considered specific CPP configurations (e.g., 1x50 MW and 2x30 MW), these were chosen to represent practical and high-impact scenarios, rather than to cover every possible industrial setup. The objective of the study was not to replicate all load behaviours but to demonstrate the systemic effects—such as transient surges, voltage deviations, and negative phase sequence currents—that result when CPPs operate in parallel with the grid. These representative findings support broader regulatory conclusions and do not invalidate the study's relevance, as suggested in the objection statement.

Furthermore, the simulation results were not used in isolation; rather, they supplemented realworld observations from substations, field logs, and historical system disturbances. Therefore, the GSC is based on a combination of empirical data, expert assessment, and international regulatory practices.

It is also important to note that the grid must always be maintained in a state of readiness, even if actual grid support usage by CPPs is intermittent. The principle of precaution is a valid operational standard in grid management. CPPs, while self-generating, rely on the grid for voltage stability, synchronism, protection coordination, and fault absorption. The cost of providing these services is real and continuous, justifying the levy of GSC. ITC's assertion that the simulation lacked diversity of scenarios or was shallow is thus not only overstated but also ignores the

being unable to, or deliberately unwilling to, differentiate the chaff	cumulative and consultative process that led to
from the grain and/or the wood from the trees.	the requirement and need to levy such a charge.
27. Since there is nothing in the GCC report of October 2023	In conclusion, the levy of GSC is fair, technically
specifically dealing with co-located thermal CPPs, the specific case of	justified, and the result of comprehensive, multi-
ITC was not considered at all together with the specific and extensive	layered analysis-not a single report. The
submissions of ITC.	DISCOM submits that the objection raised is
	based on selective interpretation and disregards
28. After 08.01.2024, for the first time the GCC report of December	both the content and context of the Commission's
2022 on GSC for CPPs was published and made available for public	process. The Honble Commission is therefore
on the website of this Commission. The purported report of December	well within its regulatory authority to continue the
there is no reference, consideration, application of mind or discussion	levy of GSC as proposed.
to the various issues raised by the Objector in its submissions before	
the Commission It arbitrarily comes to sweeping and unwarranted	
conclusions on the basis of a simulation study with a single set of	
circumstances.	
The simulation study considers a case of a CPP with 1x50 MW and	
2x30 MW units. It purports to examine the short circuit capacity in grid-	
connected mode and the grid at the point of coupling when in the grid-	
connected mode facilitates absorption by the grid of load variations,	
harmonics, negative phase sequence currents etc. The other	
simulation study purports to evaluate the stability of the CPP in the	
event of outage of one of the units of the CPP. It is sought to be	
concluded that the operation of the other units of the CPP is more	
stable when in ghd connected mode than when in isolated mode. From	
supported simulation studies it is sought to be arbitrarily and	
which improves the load life of the equipment and stability of the CPPs	
and that grid support is necessary for parallel operation of CPPs	
There is no study or consideration of any other configuration or of any	
single unit CPPs. There is no data of the incidence or magnitude of any	
alleged injection of harmonics or negative phase sequence currents by	
various types of industries and/or various types of loads. There is no	

	study, data, application of mind or consideration as to the effect of starting currents of motors, arrangements for reducing or limiting starting currents and/or the real effects thereof on the grid. There is no enquiry, study, data, application of mind or consideration to the effect and consequences of the industrial unit also having a CMD with the licensee. Therefore, this is merely a pretence to put forth a predetermined and biased conclusion for the levy of grid support charges. So the said report of GCC of December 2022 cannot be relied upon to justify the levy of GSC on all captive power plants.	
	29. The Objector reliably learnt, inter alia from the letter dated 24.01.2024 addressed by a member of Grid Co-ordination Committee to this Hon'ble Commission enclosed herewith that the Objector earlier's objections and submissions before the Commission with regard to Grid Support Charges were not even considered or discussed by the Grid Co-ordination Committee. The said letter dated 24.01.2024 specifically states to the fact that the Committee's reports dated 28.12.2022 and 07.10.2023 were neither shared nor circulated in draft with the members of the Grid Co-ordination Committee at any time and that there was no discussion in the Committee which could be considered as the Committee having agreed to the reports as submitted or otherwise.	
12	 30. This Hon'ble Commission passed a common order dated 27.03.2024 in O.P. Nos. 80 and 81 of 2022 holding among others the following – (a) Grid support is an ancillary service extended by the utility to the consumers and that it has to be charged to the captive power plants who utilise the grid support; and (b) Grid Support charges cannot be levied on captive power plants which are not co-located, IPPs, Solar rooftop plants and generators which have PPAs with the TS-DISCOMs; and (c) The Grid Support Charges can be levied only on the captive power 	No Comments are required.
	plants and the levy shall be limited to only the power consumed by the	

	co-located loads.	
	31. Being aggrieved by the aforesaid common order dated 27.03.2024 passed by this Hon'ble Commission in O.P. Nos. 80 and 81 of 2022, so far as it relates to O.P. 80 of 2022, the Appellant has filed an Appeal before APTEL, in DFR No. 259 of 2024; and APTEL, vide its Order dated 03.09.2024 has granted leave to appeal. The said appeal is presently pending before APTEL.	
13	 Need for separate proceeding on the issue of GSC 32. Objector submits that the issues involved in the levy and/or quantification of grid support charges are complex and require to be heard, considered and decided in a separate proceeding. The issue requires elaborate arguments and consideration. In this context, it is submitted that — (a) The licensees must first provide real data and facts on the incidence of grid support being actually availed by different types of industries, and they must also provide details of how the proposed quantification of the charges is justified with reasons. (b) The Hon'ble Commission may cause a scientific study to be conducted by an appropriate technical organisation on the issue of the actual incidence of availment of grid support by CPPs of different types of industries and the appropriate methodology of computation of the quantum of grid support charges for each such type of industry. (c) The Hon'ble Commission may then issue a discussion paper on the levy and quantification of grid support charges for different types of industries with CPPs having regard to – (i) The wide changes that have been brought about by the Electricity Act 2003, inter alia, the introduction of open access and the legislative policy of de-regulating CPPs and the legislative and national policy of promoting CPPs; and (ii) The study report commissioned by this Hon'ble Commission and also the various studies conducted by various State Commissions; and 	It is humbly submitted before the Hon'ble Commission that all requisite scientific, systematic and unbiased studies have already been conducted in arriving the need for levying such a grid support charge considering the cost being incurred by the DISCOMs in providing such a support that provides technical benefits to CPPs such as: • Stability, synchronization, and frequency regulation, • Reactive power support, • Backup during CPP failure, • Voltage balancing and short-circuit level enhancement. Hence the TGDISCOMs affirm that levy of Grid Support Charges is justified, scientifically accurate and is warranted.

(iii) The approach and orders of various other State Commissions on	
the issue; and	
(iv) Submissions made by parties on the GSC including those made	
by ITC.	
(d) Thereupon the Hon'ble Commission may initiate proceedings to	
determine the scope of levy or otherwise of grid support charges and/or	
the methodology for determination of the charges where applicable.	

Response to Sarvotham Care

Sarvotham Care, 1-20-248, Umajay Complex, Rasoolpura, Secunderabad – 500003, India. Tel: EPABX: +91-40 2790322				
66575454, Fax: +91 40 27908708, Email: umajay@sarvothamcare.com				
S.No.	Summary of Objections / Suggestions	Response of the Licensee		
1	 (1) Grid Support Charges (GSC): Background: It was mentioned that the rationale for levy of GSC originated due to benefits certain co-located captive consumers are availing during their parallel operation with the licensees' grid network. Hon'ble APTEL had allowed Appeal No: 228 of 2022 and Appeal No. 391 of 2023 filed by Rain CII Carbon (Vizag) Ltd & Others Vs APERC in respect to Determination and applicability of Grid Support Charges (GSC) and held that levy of Grid support charges shall be limited to only the power consumed by the co-located captive load. Hon'ble APTEL through these orders had already set aside applicability of the GSC for non co-located power plants. In line with Hon'ble APTEL orders, the terms and conditions of GSC were modified as below by Hon'ble TGERC in its Retail Supply Tariff order Dated: 28.10.2024. "6.16.7 The GSC will be applicable only on Captive Power Plants (CPPs) and the levy shall be limited to only the power consumed by the co-located load. 6.16.8 The GSC is not applicable for the following: A. Captive Power Plants (both Renewable and Conventional) which are not co-located. B. IPPs (both Renewable and Conventional). C. Solar Roof Top plants. D. Generators which have PPAs with TGDISCOMs." 	The solar OA generators also require grid support as much as co-located captive plants. Hence, the Licensee has proposed to levy Grid Support Charges for all other categories of power plants.		
	levy of such GSC on Captive Power Plants (both Renewable and Conventional) both co-located and not co-located IPPs (both			
	Renewable and Conventional) & Solar Roof Top plants and Generators			
	having partial PPAs with the Licensee over and above PP capacity,			

	basically covering universe of power plants. In our opinion, licensee should restrain from making such proposals that are against rules, orders and regulations and therefore, the levy of GSC should be limited to only co-located captive load. DISCOMs have been misguiding the honorable commission time and again in their proposals to expand the scope of levy of GSC and therefore the levy of GSC should be restricted to only co-located captive power plants, which work in parallel with the grid.	
2	 (2) The standby charges: The definition and conditions of levy of stand-by charges are derived from the Electricity Rules, 2022, Dated: 06.06.2022, which is extracted below. "[f] The standby charges, wherever applicable, shall be specified by the State Commission and such charges shall not be applicable if the Green Energy Open Access Consumers have given notice, in advance at least twenty-four hours before the time of delivery of power, for standby arrangement to the distribution licensee: Provided that the applicable standby charges shall not be more than Ten per cent of the energy charges applicable to consumer tariff category. Explanation: For the purposes of this rule, (i) the expression —standby charge(s) means the charges applicable to open access consumers against the standby arrangement provided by the distribution licensee, in case the open access consumer is unable to procure power from the generating sources with whom they have the agreements to procure power fue to outages of generator, transmission assets and the like. (ii) It is hereby clarified that in such situations the open access consumer has to take power from an alternate source like the distribution licensee and the charges for maintaining standby arrangements for such consumers should be reflective of the costs incurred by the distribution licensee for providing those support services. As such several State Electricity Regulatory commissions have clarified this position. For instance, APERC has clarified in its order dated: 01.05.2024 in Regulation No. 3 of 2024 as below: 	As the consumer is utilizing supply under captive or third party open access agreements, the power plants of the generators with which the licensees have entered into PPA becomes stranded and the licensee is bound to pay the fixed charges towards his power purchase commitments. Whenever such open access consumer switches to DISCOM, the DISCOM has to make alternative arrangement for providing supply to such OA consumers on demand. The entire fixed cost commitment of the DISCOMs is not being recovered through demand charges. Hence, the OA consumers are liable to make the payment of standby charges for the alternative arrangements by the DISCOM as per the provisions of the Electricity Amendment Rules by MOP, GOI.

	"As long as the Consumer avails power up to the contracted demand with the DISCOMs, the question of standby charges does not arise. The Standby charges are incorporated in the Regulation to address the issue of exigencies of Open Access Users and the consumers may avoid penalties."	
	From the DISCOMS for drawing power over and above the CMD by availing the standby option during exigencies."	
	• TGSPDCL is allowing Open Access/ Green Energy Open Access within consumer CMD.	
	• DISCOMs are duty bound to provide electricity on demand within the Contract Maximum Demand (CMD) as the fixed charges for the	
	respective CMD are paid by the consumer.Since the consumer is already paying the fixed charges for the CMD,	
	 Standby charges only come into play in cases where DISCOMs 	
	Hence, the proposal for standby charges must be completely rejected.	
3	(3) Need for separate category for startup power of renewable generating sources	The DISCOMs are levying the charges on the power plants for Start-up activity determined by
	It is humbly submitted that several states have incorporated a separate category for RE startup power	the Hon'ble Commission in the Tariff Order which are less than that of the retail consumers. Hence
	The relevant extracts from APERC are reproduced for the quick	no separate category is required for start- up
	CATEGORY-II (B): STARTUP POWER – HT	activity.
	The tariff is applicable for supply of electricity to startup power for	
	Captive Generating Plants or Co-Generation Plants or Renewable Energy Generation Plants and Merchant plants	
	The Startup Power is intended for those generators who require	
	occasional and intermittent supply for startup operations of the generating unit(s) alone. However, the Captive and Cogeneration	
	plants with their process plants being located in the same premises and	
	continuously depend on the licensees' supply for part of their energy	

requirement may be given option to either continue in their present category or to be included in this new category. Without giving an opportunity to all such generators to exercise option in this regard, the				
 category change shall not be effected. The conditions applicable for Startup Power are as follows: Supply is to be used strictly for generator start-up, operations, maintenance and lighting purposes only. II. Allowable Maximum Demand shall be limited to the percentage (as given below) of the maximum capacity unit in the generating station in case of generators other than Wind and Solar, and of the plant capacity in case of Wind and Solar generator. Thermal – 15%, Gas based – 6%, Hydel – 3%, NCE Sources – 10%, Wind and Solar – 2% III. If the Maximum Demand exceeds the limits specified above, the energy charges shall be charged at 1.2 times of normal charge for the entire energy consumed. IV. All other conditions applicable to Category II: Commercial & Others – HT shall also apply to the Category II(B): Startup Power – HT to the extent they are not contradictory to the above. V. This category is also applicable to all the Wind and solar plants who have PPAs with the licensees. 				
Voltage of Supply	Demand Charges (Rs/kVA/month)	Energy (Rs/kVAh)	Charges	
All Voltages	Nil	12.25		
Note: In respect of cogeneration Sugar plants, the billing shall be in accordance with the specific clauses of the power purchase agreements. Therefore, it is requested that the Honorable Commission to notify separate category for solar RE generators without any fixed charges in line with above provisions. We look forward to favourable action by the Hon'ble commission in respect of above mentioned 3 points.			shall be in purchase on to notify	

Response to The Federation of Telangana Chambers of Commerce and Industry

The Federation of Telangana Chambers of Commerce and Industry, Federation House, Federation Marg, 11-6-841, Red Hills,			
Hyderabad – 500004, Telangana, India, Tel: 91-40-23395515 to 22 (8 lines), Fax: 91-40-23395525, email: info@ftcci.in, website:			
S.No.	Summary of Objections / Suggestions	Response of the Licensee	
1	Though the DISCOMs have not proposed for any increase in Retail Supply Tariff; the CSS proposed is high, putting the burden on subsidizing consumers such as industry. We request the Hon'ble Commission to reduce the CSS and provide a road map for making CSS zero, as suggested in Electricity Act.	National Tariff Policy 2016, section 8.5 states that the cross subsidy surcharge for each category of consumer should be as per the below mentioned formula: S= T – [C/ (1-L/100) + D+ R] TGDISCOMs in their ARR filings, have used the aforementioned formula prescribed in the National Tariff Policy 2016 to arrive at the category wise Cross Subsidy Surcharge.	
2	TGPCC Meeting: The Telangana Grid Code and Protection Coordination Committee (TGPCC) meeting headed by Hon'ble Chairman and Managing Director TGTRANSCO has been pending for a long time. Conducting this meeting will help address open access related approvals, grid stability, compliance, and coordination issues.	The delay in convening the meeting has not in anyways hindered the day-to-day operational coordination or open access approvals, as TGRANSCO has been continuously addressing stakeholder as part of their regular operational measures. Many open access-related issues have been proactively handled by the concerned wings of TGRANSCO in a time-bound manner, ensuring that grid reliability, stability, and compliance are not compromised.	

3	Open Access Guidelines: Releasing updated open access operating guidelines will provide clarity to industries, ensuring smoother power procurement, better cost efficiency, and increased competition in the market.	TGDISCOMs remain committed to promoting transparency and efficiency in the open access regime. It is respectfully submitted that the existing open access procedures are already being implemented in accordance with prevailing regulations, ensuring that industrial and commercial consumers are facilitated in a time bound until and unless limited by any technical challenges from grid stability perspective
4	Wheeling Charges Revision: The current practice of levying wheeling charges on an MW basis should be changed to a per-unit charge to make costs more equitable and consumption-based.	Presently, Telangana Discoms have computed wheeling charges as per clause 79.2 of Telangana State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2023 which states that, "The Wheeling Charges of the Distribution Licensee shall be determined by the Commission on the basis of a Petition for determination of Tariff filed by the Distribution Licensee: Provided that the Wheeling Charges shall be denominated in terms of Rupees/kVA/month for long-term and medium-term Open Access and in terms of Rupees/kVA/hr for short-term Open Access, for the purpose of recovery from the Distribution System User, or any such denomination, as may be stipulated by the Commission: Provided further that the Wheeling Charges shall be determined separately for LT voltage, 11 kV voltage, and 33 kV voltage, as applicable".

5	Cross Subsidy Surcharge Reduction: Originally introduced in 2005 as a temporary measure, the cross-subsidy surcharge has continued for two decades. A phased reduction to zero will enhance industrial competitiveness and attract investments.	National Tariff Policy 2016, section 8.5 states that the cross subsidy surcharge for each category of consumer should be as per the below mentioned formula: S=T - [C/ (1-L/100) + D+ R]TGDISCOMs in their ARR filings, have used the aforementioned formula prescribed in the National Tariff Policy 2016 to arrive at the category wise Cross Subsidy Surcharge.
6	Review of Additional Surcharge, Standby Charges, and Grid Support Charges: These charges should be periodically reassessed to ensure they reflect actual costs and do not place an undue financial burden on industries.	Presently, Additional Surcharge, Standby Charges and Grid Support charges have been computed and levy as per directives provided by the Hon'ble Commission
7	Metering of Agricultural Power Supply: Implementing metering for agricultural consumers will promote accountability, efficient power utilization, and prevent misuse or wastage of subsidized electricity.	TGDISCOMs acknowledge the intent behind implementing metering for agricultural consumers. Presently, TGDISCOMs are estimating agricultural sales basis ISI recommended stratified random sampling methodology for estimating agricultural sales.
8	Reduction in Late Payment Charges & Early Payment Incentives: The current late payment charge of 18% is significantly high and should be reduced to at least 9%, aligning with reasonable commercial interest rates. Additionally, a minimum incentive of 1% should be provided for payments made within seven days of bill generation to encourage timely payments.	Telangana Discoms provide consumers with sufficient time to pay their electricity bills. However, when consumers default on payments, the financial burden falls entirely on Discoms, which must secure working capital loans to meet their operational expenses. These loans typically attract high interest rates, increasing the overall financial strain on Discoms. The Delayed Payment Surcharge (DPS) at 18% per annum serves as a necessary deterrent against delayed payments and ensures timely revenue collection, which is critical for maintaining a stable power supply and fulfilling

		payment obligations to generators and other stakeholders.
9	HT Bill Payments via Credit Card: Enabling credit card payments for high-tension (HT) electricity bills will provide industries with better financial flexibility and ease of transactions.	TGDISCOMs would explore the feasibility of incorporating payments through credit cards.
10	Non-Retrospective Charges: Retrospective levies create financial uncertainty for industries. Any changes in tariffs or charges should be applied prospectively to ensure predictability and fairness.	All charges/ tariffs levied by TGDISCOMs are prospective in nature.
11	Incentives for Green Energy Industries: Industries adopting and investing in clean and renewable energy should receive incentives such as reduced tariffs, exemptions, or financial support to encourage sustainable energy use and reduce carbon emissions.	Telangana's Energy Department has recently released Telangana Clean and Green Energy Policy 2025 which will give impetus to various industries in terms of sustainable energy usage, affordable tariffs and reduced carbon emissions