

Comments by AGI Greenpac Limited on petitions filed by TGDISCOMs (TGSPDCL and TGNPDCL) for determination of Additional Surcharge (AS) to be levied on Open Access (OA) consumers for H2 of FY 2026-27

Context

The Southern Power Distribution Company of Telangana Limited (TGSPDCL) and the Northern Power Distribution Company of Telangana Limited (TGNPDCL) (together “TGDISCOMs” or “Petitioners”) have filed petitions for determination of Additional Surcharge (AS) to be levied on Open Access (OA) consumers for the second half (October 2026 to March 2027) of FY 2026-27, on the basis of data for October 2025 to March 2026, as per the directions of the Hon’ble Commission in its Order dated 18.09.2020 in O.P.No.23 of 2020, the Electricity Act, 2003 and the Tariff Policy, 2016. The TGDISCOMs have claimed an Additional Surcharge of Rs. 0.83/kWh.

AGI Greenpac Ltd (AGI), formerly HSIL Limited, is an Association started in 1917 as a Chamber of Commerce, with its office at Federation House, 11-6-841, Red Hills, FTCCI Marg, Hyderabad 500004. The main function of FTCCI is to promote and protect the interests of trade, commerce and industry. FTCCI objects to the proposed levy of Additional Surcharge, for the reasons set out below.

Background

The Hon’ble Commission in its Order dated 18.09.2020 in O.P.No.23 of 2020 (“AS Order”) prescribed the mechanism for determination of stranded capacity and the terms and conditions for levy of Additional Surcharge, as under:

- The 15-minute time-block data of available capacity and scheduled capacity of all generating stations having long term PPAs with the TGDISCOMs, and the scheduled capacity of OA consumers, for the six-month period is to be taken.
- In case of hydel generating stations, the scheduled capacity is to be treated as available capacity in that time block.
- The lower of the surplus capacity (available capacity less scheduled capacity) and the capacity scheduled by OA consumers is the stranded capacity for the 15-minute time block, and the average stranded capacity for the six-month period is to be arrived at.
- The AS is applicable to consumers who avail power through OA from any source other than their respective TGDISCOMs; it is levied on the quantum of electricity scheduled; it shall not be levied on OA consumers for captive consumption to the extent of OA availed for wheeling power from their own CPPs; and exemptions shall be as per Government policy.

In its earlier AS Orders the Hon’ble Commission directed the TGDISCOMs, in their future filings, (a) to reflect the stranded capacity after netting of short-term purchases in the corresponding time block; (b) to reflect the distribution charges for the HT network (11 kV and 33 kV) only; (c) to exclude the demand charge recovery portion of the LT network from the total demand charges recovered from OA consumers; (d) to accompany the petitions with quarterly balance sheets and reconcile the computations with the audited accounts; and (e) to separately indicate the variation in fixed cost and justify it.

In the Order dated 10.03.2026 for H1 of FY 2026-27, the Hon’ble Commission determined the AS at Rs. 0.13/kWh against Rs. 0.59/kWh claimed, after (i) holding that fixed and transmission charges are to be

benchmarked on the audited accounts, (ii) correcting the distribution-cost recovery percentage in the demand charges to 25.77% and the LT share to 84.79%, and (iii) reiterating that captive and green-energy OA sales are excluded from OA sales. FTCCI relies on those findings in the comments below.

Submissions

At the outset, FTCCI submits that, given rising electricity costs and the ESG expectations on industry, Open Access should be facilitated. Industrial consumers have a flatter and largely fixed load curve, which improves capacity utilisation and lowers the cost of service for the utilities, and they cross-subsidise other consumers. All consumers availing Open Access through a captive generating plant are exempt from surcharge under Section 42(2) of the Act. A levy of Additional Surcharge further deters industrial consumers from availing Open Access.

Trend of AS (Rs./kWh), as per the Commission's own record in the H1 FY 2026-27 Order, is as under:

Period	FY22 H1	FY22 H2	FY23 H1	FY23 H2	FY24 H1	FY24 H2	FY25 H1	FY25 H2	FY26 H1	FY26 H2	FY27 H1	FY27 H2
Approved	0.52	0.96	1.15	1.38	0.39	0.39	1.40	1.09	1.45	NIL	0.13	Claimed 0.83

It is evident that in successive filings the TGDISCOMs have claimed values that the Hon'ble Commission has had to reduce materially (H1 FY27: Rs. 0.59 claimed against Rs. 0.13 determined; H2 FY26: determined as NIL). The present claim of Rs. 0.83/kWh, more than six times the value determined for the immediately preceding period on similar parameters, requires rigorous verification. The onus of establishing the claim rests with the TGDISCOMs.

FTCCI further submits that:

- Clause 8.5.4 of the Tariff Policy, 2016 permits AS only if it is conclusively demonstrated that the obligation of the licensee to supply, in terms of the existing power purchase commitments, has been continuously stranded, or there is an unavoidable obligation and incidence to bear fixed costs consequent to such a contract. The nexus between the OA and the stranded capacity has to be demonstrated in terms of quantum, date and time. The petitions do not demonstrate this nexus for the large part of the "OA scheduled capacity" they rely on (see Comment 1 below).
- The Electricity (Amendment) Rules, 2024 (10.01.2024) provide that the AS shall not be more than the per unit fixed cost of power purchase of the distribution licensee; shall be linearly reduced so as to be eliminated within four years for a person availing OA; shall not be applicable for OA consumers to the extent of the contract demand maintained with the distribution licensee; and shall be applicable only for OA consumers who are or have been consumers of the distribution licensee. The legislative intent is a continuous reducing trajectory leading to elimination of AS. The Hon'ble Commission determined NIL for H2 FY26 and Rs. 0.13/kWh for H1 FY27; a claim of Rs. 0.83/kWh runs counter to that trajectory. The petitions do not state how the proviso on contract demand and the four-year linear reduction have been given effect to.
- Rule 13 of the Electricity Rules, 2005 (as amended in 2022) caps the surcharge under Section 42(2) at 20% of the average cost of supply; and the Hon'ble Commission in its Order dated 22.03.2022 (H1 FY23) itself recognised that an AS significantly higher than the prevailing level could hinder the promotion of competition that the Act advocates, and moderated it. The same balancing is warranted.

- A consumer with a contract demand of 2,500 kVA at 60% load factor cannot, after paying minimum demand charges, CSS and an AS of this order, source power through OA at an advantage; the claim therefore makes Open Access an illusion, contrary to Sections 42, 61(c), (g) and (i) of the Act and the National Electricity Policy.

Comments on the calculation of Additional Surcharge for H2 of FY 2026-27

FTCCI has examined both petitions (TGSPDCL and TGNPDCL), the combined model of the Discoms (“Additional Surcharge model_H2 FY27-FINAL”), the monthly 15-minute block files, the Annexure-C OA sales and service-wise demand charge data, the Captive and Third Party schedule data, the station-wise fixed/variable charges file (TGPPCC, provisional, 30.04.2026), the HT consumer data supplied for TGNPDCL, and the audited quarterly financials (Note 23 of TGSPDCL and Note 25 of TGNPDCL). The Discoms’ model has been reproduced in full by FTCCI, and a supporting calculation workbook in the Table-5 format of the AS Order is submitted along with these comments. FTCCI finds that the arithmetic of the Discoms’ formula reproduces (Rs. 0.833/kWh); the defects lie in what has been counted in the inputs, and in data that has not been disclosed.

Both petitions are identical in content and are filed on a combined basis; neither Discom has furnished a separate computation, separate stranded capacity or separate {K}, {M} and {P} for its own area, although the Hon’ble Commission’s directive (d) and the Rules referred to above are Discom-specific. FTCCI has therefore examined the TGSPDCL and TGNPDCL data separately wherever the supplied data allows, and lists the gaps in each.

1. Long-term availability and capacity stranded due to Open Access – {A} and {B}

The TGDISCOMs have claimed a stranded capacity of 282.56 MW on a long-term availability of 11,424.82 MW. FTCCI has rebuilt the figure from the 15-minute block data of all six months (17,472 blocks, with no intermediate averaging) and the Discoms’ stranded capacity reproduces exactly. The fault lies in the inputs:

(a) Captive schedules have been counted as “OA scheduled capacity”. The OA scheduled capacity of 451.28 MW comprises IEX/exchange 204.95 MW, intra-state captive 201.97 MW, intra-state third party 11.71 MW and bilaterals 32.64 MW. The captive component (TGSPDCL 101.8 MW and TGNPDCL 100.2 MW, as per the Discoms’ own Captive-SP and Captive-NP schedules) is 44% of the claimed stranded capacity. Under the AS Order (T&C iii) AS is not leviable on captive consumption to the extent of OA from own CPPs, and the Discoms themselves exclude captive sales from {P}. Capacity that is not chargeable cannot be counted as stranded capacity and then recovered from the other OA consumers. The Hon’ble Commission’s principle in the H1 FY27 Order, that captive OA sales are excluded, applies equally to the capacity side. With captive removed, the stranded capacity is 158.04 MW, not 282.56 MW.

MW (6-month block average)	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Average
Net surplus after ST netting (as filed)	3,706.89	3,659.57	1,299.64	1,109.55	658.52	105.76	1,764.30
OA scheduled, all categories (as filed)	402.90	457.16	445.50	468.16	489.48	448.34	451.28
of which captive intra-state	190.04	212.90	206.41	202.65	200.27	199.75	201.97
Stranded capacity as filed	395.38	438.82	322.66	275.81	219.60	42.04	282.56
Stranded capacity, captive excluded (Verification Sheet)	208.58	234.45	176.79	163.28	138.99	26.80	158.04

(b) Availability and schedule are on different footings. Availability {A} has been taken from the day-ahead declared capacity, whereas the schedule has been built from the revised declared capacity less backdown.

The reductions between the day-ahead and the revised declared capacity (average 122 MW for thermal stations in this period) are thereby treated as available surplus, and increase the stranded capacity. The availability should be on the same basis as the schedule. The Verification Sheet has retained {A} as filed (11,424.82 MW), so that this item remains in the Discoms' favour, and the Discoms should explain the basis adopted.

(c) Sale of power. An average of 281 MW of sale of power has been netted off the scheduled capacity, which enlarges the surplus. The H1 FY27 Order records that the scheduled capacity includes the revised delivery schedule, sale of power and backdown capacity. The Discoms must explain how netting sale of power from the schedule is consistent with that finding. FTCCI has not adjusted for this item in its computation and requests that the Discoms furnish the block-wise sale of power, stationwise, and the corresponding treatment.

(d) Where the schedule exceeds availability (URS power), the surplus is to be taken as nil; the Discoms should confirm that this has been done block-wise.

(e) The OA scheduled capacity has increased from 93.75 MW in the H1 FY26 petition to 451.28 MW in this petition, and the OA sales used for {P} (936.26 MU) have also risen steeply over H1 FY27 (451.21 MU). The Discoms have not given the consumer-wise or category-wise schedules to explain this increase, or to establish the nexus required by Clause 8.5.4 of the Tariff Policy.

2. Fixed charges – {C}, {D}, {E}

The fixed charges of Rs. 8,436.14 Cr tie to the quarterly financial statements (Notes 23 and 25; CA-stamped, and not stated to be audited) (TGSPDCL Note 23: Rs. 2,897.37 Cr and Rs. 2,695.80 Cr; TGNPDCL Note 25: Rs. 1,202.19 Cr and Rs. 1,640.78 Cr). The Hon'ble Commission benchmarks the audited accounts, and FTCCI has not recomputed {C}. However:

- The station-wise fixed charges for October 2025 to March 2026 in the TGPPCC file (CGS Rs. 1,723.38 Cr, SEIL Rs. 146.08 Cr, TGGenco Rs. 4,942.01 Cr, Singareni Rs. 676.39 Cr, total Rs. 7,487.86 Cr) are lower than the accounts by Rs. 948.28 Cr (12.7%). Directive (d) requires reconciliation with the audited accounts. No reconciliation has been furnished.
- The fixed charge per MW rises to Rs. 0.738 Cr/MW against Rs. 0.595 Cr/MW approved for H1 FY27 (a 24% increase), and no justification of the variation in fixed cost has been provided, contrary to Directive (e). FTCCI requests that the variation be explained, station by station.
- FTCCI requests the Hon'ble Commission to conduct a prudence check of the fixed charges to ensure that no cost relating to stations that are not part of the long-term PPA availability {A} is loaded to {C}.

3. Transmission charges and distribution charges – {F} to {J}

Transmission charges of Rs. 2,177.74 Cr tie to the accounts (TGSPDCL Rs. 821.30 Cr and Rs. 712.41 Cr; TGNPDCL Rs. 141.66 Cr, Rs. 141.65 Cr, CTU Rs. 202.49 Cr and Rs. 158.23 Cr), but exceed the station-wise transmission bills of Rs. 1,917.25 Cr (PGCIL POC, non-POC, POSOCO/SRLDC, TGTRANSCO transmission and SLDC) by Rs. 260.49 Cr, with no reconciliation. The transmission charge per unit is Rs. 0.489/kWh against Rs. 0.460/kWh approved for H1 FY27.

The source of {G} = 44,570.89 MU ("actual energy scheduled") has not been furnished; it should be tied to the energy purchased in the accounts. In addition, the distribution charge {I} has been derived from a hard-

coded HT-network distribution cost of Rs. 1,159.54 Cr whose source is not stated, and the model adds “revenue from open access” (Rs. 1.19 Cr and Rs. 3.19 Cr) to the ARR whereas the Commission’s method deducts non-tariff income. The resulting Rs. 0.1301/kWh is lower than the Rs. 0.1382/kWh adopted by the Commission for H1 FY27. FTCCI requests that the Commission adopt the HT distribution charge as per the approved MYT/ARR order and direct the Discoms to give the derivation.

4. Energy consumed and demand charges recovered from OA consumers – {K}, {M}

{K} (1,560.99 MU) and the demand charges (Rs. 290.83 Cr before the LT-network adjustment; Rs. 227.27 Cr after it, using the same percentages as the Commission corrected in the H1 FY27 Order, i.e. 25.77% and 84.79%) are built up from the two Discoms’ own data as follows:

Discom	Energy from DISCOM (MU)	Demand charges (Rs. Cr)	Basis
TGNPDCL	217.89	51.22	HT consumer data (20 consumers x 6 months), incl. penal demand charges Rs. 2.13 Cr
TGSPDCL – service-wise rows	1,123.38	208.58	Annexure C, 511 consumer-month rows (102 consumers)
TGSPDCL – added from an external workbook	219.72	31.03	Cell link to an “Export Worksheet” that has not been supplied
Total	1,560.99	290.83	

- TGSPDCL’s figures include an addition of 219.72 MU and Rs. 31.03 Cr (14.1% of {K}) taken from a workbook that is not part of the filing. These figures cannot be verified and must be supported by consumer-wise data.
- TGNPDCL’s HT data lists 20 consumers, of which four (BKM001, BKM013, PDL002, PDL250 – all on the Discom’s in-house captive consumers list) show no OA units in any of the six months. The petition does not explain on what basis their consumption and demand charges form part of OA consumers’ {K} and {M}. The list also shows ITC (BKM011), appearing both as an OA consumer and as an in-house captive consumer, with 10.60 MU of inter-state OA, and the nature of this OA (captive or third-party) is not stated. Penal demand charges (Rs. 2.13 Cr for TGNPDCL; Rs. 0.77 Cr for TGSPDCL) are included in {M}; the Discoms should confirm that penal charges are treated consistently.
- The same consumers must feed {K}, {M} and {P}. {K} and {M} include consumers with intra-state OA (captive and third-party), while {P} (936.26 MU) contains only inter-state/IEX third-party sales and omits the 71.43 MU of intra-state third-party sales shown in Annexure C. See Comment 5.
- The service-wise data for March 2026 has only 38 consumer rows against 87–98 rows in every other month, and shows nil intra-state units for March whereas Annexure C reports 25.40 MU of intra-state OA for the same month. The Discoms should confirm that the March data is complete.

5. Open Access sales – {P}

The Discoms have taken {P} as 936.26 MU, being only the IEX/inter-state third-party OA units. Annexure-C itself shows OA sales excluding captive as 1,007.69 MU (936.26 MU IEX/inter-state and 71.43 MU intra-state third-party). The Hon’ble Commission excludes only captive and green energy OA from {P}. Since the AS is recovered on the units of all AS-liable OA, the denominator is understated by 71.43 MU (7.1%). Further, the OA units in the billing data (TGSPDCL 657.20 MU OA_KVAH plus 279.06 MU third-party and 102.97 MU intra-state; TGNPDCL 112.33 MU OA_KVAH) do not reconcile with the Annexure C totals (1,064.61 MU), and the

same column definitions are not used in the two Discoms' files (OA_KVAH includes intra-state units in the TGNPDCL file but not in the TGSPDCL file). The Discoms must reconcile billed OA units with scheduled OA units and with {P}.

6. Computation of Additional Surcharge

The AS has been worked out in the Table-5 format of the AS Order, input by input, as per the Commission's methodology and the Electricity (Amendment) Rules, 2024, and each input has been cross-checked with the data supplied by the Discoms. The computation is in the sheet AS_Per_Regulation of the Verification Sheet submitted herewith, and is compared below with the claim of the Discoms and, for reference, with the H1 FY27 values:

Ref	Particulars	Unit	Claimed by TGDISCOMs	As per Regulations (FTCCI calculations)	H1 FY27 approved (memo)
{A}	Long-term available capacity	MW	11,424.82	11,424.82	10,841.39
{B}	Capacity stranded due to OA	MW	282.56	158.04	161.61
{C}	Fixed charges paid	Rs. Cr	8,436.14	8,436.14	6,453.73
{D}	Fixed charges per MW	Rs. Cr/MW	0.738	0.738	0.595
{E}	Fixed charges for stranded capacity	Rs. Cr	208.64	116.70	96.20
{F}	Transmission charges paid	Rs. Cr	2,177.74	2,177.74	1,928.63
{G}	Actual energy scheduled	MU	44,570.89	44,570.89	41,965.33
{H}	Transmission charges per unit	Rs./kWh	0.489	0.489	0.460
{I}	Distribution charges	Rs./kWh	0.130	0.130	0.138
{J}	Total T&D charges per unit	Rs./kWh	0.619	0.619	0.598
{K}	Energy consumed by OA consumers from DISCOMs	MU	1,560.99	1,320.55	1,909.22
{L}	T&D charges payable by OA consumers	Rs. Cr	96.58	81.71	114.13
{M}	Demand charges recovered from OA consumers	Rs. Cr	227.27	193.66	204.29
{N}	Demand charges to be adjusted	Rs. Cr	130.70	111.95	90.16
{O}	Net stranded charges recoverable	Rs. Cr	77.95	4.75	6.04
{P}	Open access sales	MU	936.26	1,007.69	451.21
{Q}	Additional Surcharge	Rs./kWh	0.83	0.047	0.13

Only the inputs that depart from the Commission's methodology or from the data supplied have been changed: (i) the captive schedule is removed from the stranded capacity ({B}: 282.56 MW to 158.04 MW), since AS is not levied on captive consumption to the extent of OA from own CPPs; (ii) {P} includes the 71.43 MU of intra-state third-party OA sales shown in Annexure C; (iii) {K} and {M} are restricted to consumers who actually availed OA, by removing the four TGNPDCL consumers with nil OA, using TGNPDCL's own data (TGSPDCL data is not used for TGNPDCL); and (iv) the TGSPDCL addition of 219.72 MU and Rs. 31.03 Cr, for which no data is supplied, is excluded. The fixed and transmission charges are the figures in the Discoms' quarterly financial statements, and {G} and the distribution charge are retained as filed, although {G} is not supported by any document (Comment 8).

The result is that {O} is only Rs. 4.75 Cr and the AS is Rs. 0.047/kWh, against Rs. 0.83/kWh claimed, and below the Rs. 0.13/kWh determined for H1 FY27. If the Discoms substantiate the TGSPDCL addition of 219.72 MU / Rs. 31.03 Cr with consumer-wise data, {O} turns negative and no AS is leviable. The AS is within the ceiling of the per unit fixed cost of power purchase (Rs. 1.89/kWh, being {C}/{G}). The Verification Sheet follows the Discoms' own treatment of sale of power and backdown in the schedule, while the green-energy OA exemption in {P}, the contract-demand proviso and the four-year linear reduction under the Rules could not be applied for want of data (Comment 9); the proviso and the linear reduction, if applied, would reduce the AS further.

6A. Additional Surcharge Computation

FTCCI reproduced the Discoms' model from their own 15-minute block files, accounts and billing data. The arithmetic reproduces (Rs. 0.833/kWh); the errors are in the inputs. Each error is set out below with the data, the reason it is wrong, and the correct treatment adopted in the Verification Sheet (AS_Per_Regulation).

#	Discom Submission	FTCCI Views	Remarks	Effect on the input
1	Counted all OA schedules as stranded capacity: OA scheduled 451.28 MW, of which intra-state captive 201.97 MW (SPDCL 101.8, NPDCL 100.2) = 41–47% of OA capacity in every month. Captive-attributable stranded capacity = 124.5 MW of the 282.56 MW (44%). Rs. 91.94 Cr of the Rs. 208.64 Cr stranded fixed cost relates to captive capacity.	AS Order T&C (iii): AS is not levied on captive consumption to the extent of OA from own CPPs. The Discoms themselves exclude captive from {P} and the billing data for captive consumers is not in {K}/{M}. The captive schedule (about 882 MU over six months at 202 MW) is also 15 times the captive OA sales of 56.92 MU shown in Annexure C. Numerator counts what the denominator does not.	Exclude captive: {B} = 158.04 MW; {E} = Rs. 116.70 Cr	{B} 282.56 → 158.04 MW; {E} 208.64 → 116.70 Cr
2	{P} = 936.26 MU = IEX / inter-state third-party sales only; the 71.43 MU of intra-state third-party OA sales in Annexure C is omitted, although {K} and {M} include those consumers.	The Commission excludes only captive and green-energy OA from {P}. Annexure C itself shows OA sales excluding captive as 1,007.69 MU.	{P} = 1,007.69 MU	{P} 936.26 → 1,007.69 MU
3	{K}/{M} for NPDCL include four consumers (BKM001, BKM013, PDL002, PDL250) with nil OA in all six months: 20.72 MU and Rs. 11.99 Cr. Done from NPDCL's own HT data; SPDCL data is not used for NPDCL.	They are not OA consumers in the period; {K}/{M} must cover OA consumers only. (This correction is against FTCCI's interest and is made for accuracy.)	Removed from {K} and {M}	{K} –20.72 MU; {M} – Rs. 11.99 Cr
4	{K} and {M} for TGSPDCL include 219.72 MU and Rs. 31.03 Cr (14.1% of {K}) added through a cell link to an "Export Worksheet" that is not part of the filing; no consumer-wise data is given.	Inputs that cannot be verified cannot be passed through to OA consumers. The onus of support lies on the Discoms.	Excluded until supported by consumer-wise data: {K} –219.72 MU; {M} –Rs. 31.03 Cr	{K}, {M} reduced (this raises AS; excluded for accuracy)

Of the Rs. 208.64 Cr that the Discoms attribute to stranded capacity ({E}), Rs. 91.94 Cr (124.5 MW at Rs. 0.738 Cr/MW) relates to captive schedules. That is more than the whole net claim of Rs. 77.95 Cr ({O}). In effect the claim recovers from third-party OA consumers the fixed cost of capacity scheduled for exempt captive users. Month-wise, the captive-attributable part of the claimed stranded capacity is:

MW	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Average
Stranded capacity as filed	395.38	438.82	322.66	275.81	219.60	42.04	282.56
Stranded capacity, captive excluded	208.58	234.45	176.79	163.28	138.99	26.80	158.04
Attributable to captive	186.80	204.37	145.87	112.53	80.61	15.24	124.52
Captive share of filed stranded capacity	47%	47%	45%	41%	37%	36%	44%

The break-even is also clear on the Verification Sheet: demand charges net of T&D charges recovered from OA consumers ({N}) are Rs. 111.95 Cr, and at the fixed charge per MW of Rs. 0.738 Cr this covers 151.6 MW of stranded capacity. The claimed 282.56 MW exceeds it by about 131 MW, whereas the captive schedule counted in it is 124.5 MW.

6B. Impact on industry

The effect on industry has been quantified from the Discoms' own volumes and from the Verification Sheet (AS_Per_Regulation):

Measure	Value	Basis
AS claimed	Rs. 0.83/kWh	Petitions
AS determined by the Commission for H1 FY27	Rs. 0.13/kWh	Order dated 10.03.2026

AS applicable during the data period Oct-25 to Mar-26 (H2 FY26)	NIL	Commission's AS trend table
AS as per Regulations (Verification Sheet)	Rs. 0.047/kWh	AS_Per_Regulation, {Q}
OA sales (excluding captive) in Oct-25 to Mar-26	1,007.69 MU	Annexure C (936.26 inter-state + 71.43 intra-state third-party)
Burden on OA consumers if Rs. 0.83/kWh is levied	Rs. 77.95 Cr as claimed; Rs. 83.6 Cr on 1,007.69 MU	0.83 x volume
Burden at the H1 FY27 level of Rs. 0.13/kWh	about Rs. 13 Cr	0.13 x 1,007.69 MU
Burden as per Regulations	Rs. 4.75 Cr	{O} in the Verification Sheet
Over-recovery from OA consumers in the claim	about Rs. 73 Cr	Rs. 77.95 Cr claimed less Rs. 4.75 Cr

For an individual HT consumer, take 2,400 kVA recorded demand at 60% load factor (the example used in FTCCI's earlier submissions) and, assuming 0.90 power factor, consumption of about 9.46 lakh kWh a month. At Rs. 0.83/kWh the AS is about Rs. 7.9 lakh per month (about Rs. 47 lakh per half-year), against about Rs. 1.2 lakh at Rs. 0.13/kWh and about Rs. 0.45 lakh at the Rs. 0.047/kWh arrived at in the Verification Sheet. This is over and above the cross-subsidy surcharge and the demand charges the consumer continues to pay on its contract demand.

The data also shows how industry responds to AS. In the six months of NIL AS, OA sales (excluding captive) were 1,007.69 MU, against 451.21 MU in the half-year approved at Rs. 0.13/kWh (H1 FY27). A levy of Rs. 0.83/kWh, resting on exempt captive capacity, would reverse this and drive consumers back to the Discoms' supply. The Rules' intent of a reducing trajectory leading to elimination of AS would be defeated.

7. Compliance with the Commission's directives

Directive	TGSPDCL	TGNPDCL	FTCCI observation
(a) Net short-term purchases block-wise	Applied (combined model)	Applied (combined model)	Applied; but sale of power netted (281 MW avg) and availability on a different basis from schedule – see 1(b), 1(c)
(b) Distribution charge for 11/33 kV only	Hard-coded Rs. 1,159.54 Cr	Same	Source not given; OA revenue added to ARR – see 3
(c) Exclude LT-network recovery from {M}	Applied (25.77% / 84.79%)	Applied	Consistent with H1 FY27 Order
(d) Reconcile with quarterly audited accounts	Accounts furnished; no reconciliation with station-wise bills	Accounts furnished; no reconciliation	Differences of Rs. 948.28 Cr (fixed) and Rs. 260.49 Cr (transmission) unexplained
(e) Indicate and justify variation in fixed cost	Not provided	Not provided	Fixed cost per MW up 24% over H1 FY27 approved; no justification

8. Verification of the data in the petitions against the accounts and supporting documents

FTCCI has checked each input of the petitions against the quarterly financial statements and the supporting data supplied. The result:

Item	Per petition	Supporting document in the filing	Status
{A} Long-term available capacity (MW)	11,424.82	Discoms' 15-minute block files (Oct-25 to Mar-26) and day-ahead DC files by station	
{B} Stranded capacity (MW)	282.56	Block files	
OA scheduled capacity - captive 201.97 MW (MW)	201.97	Captive and Third Party Data.xlsx (Captive-SP 101.8, Captive-NP 100.2)	
OA scheduled capacity - IEX/exchange 204.95, bilaterals 32.64, third party 11.71 MW (MW)	249.30	DAM / G-DAM / RTM portfolio files; bilateral (REMC / ITC) files; third-party sheet	

Sale of power netted from schedule (avg 281.09 MW) (MW)	281.09	Block files (sale rows); Block Wise Sales Data folder	
Backdown / NCE / CGS / SEIL data	–	Backdown, NCEs Data, CGS and SEIL folders	
{C} Fixed charges paid (Rs Cr)	8,436.14	Quarterly financial statements: TGSPDCL Note 23, TGNPDCL Note 25 (Q3 and Q4 FY26)	
{F} Transmission charges paid (Rs Cr)	2,177.74	Notes 23 and 25 (SPDCL 821.30 + 712.41; NPDCL STU 141.66 + 141.65, CTU 202.49 + 158.23)	
{G} Actual energy scheduled (MU)	44,570.89	None. Hard-coded in the model (cell labelled "Actual scheduled capacity for H2 FY 2025-26")	NO supporting document
{I} Distribution charge (Rs/kWh) (Rs/kWh)	0.1301	Model inputs: ARR SPDCL 4,862.54 and NPDCL 2,760.27 Cr (sheet cites the "fourth MYT / Revised ARR order"; order not supplied); HT cost 1,159.54 Cr hard-coded	NO supporting document
{K} NPDCL energy from DISCOM (MU)	217.89	HTDATA_SINCE_Oct 25 - NPDCL final.xlsx (20 consumers x 6 months)	
{K} SPDCL energy - service-wise rows (MU)	1,123.38	Annexure C, service-wise sheet (511 consumer-month rows)	
{K} SPDCL energy - added block (MU)	219.72	None. Linked to an "Export Worksheet" that is not supplied	NO supporting document
{M} NPDCL demand charges (Rs Cr)	51.22	NPDCL HT data (normal 49.09 + penal 2.13)	
{M} SPDCL demand charges - service-wise rows (Rs Cr)	208.58	Annexure C, service-wise sheet (normal 207.81 + penal 0.77)	
{M} SPDCL demand charges - added block (Rs Cr)	31.03	None. Linked to an "Export Worksheet" that is not supplied	NO supporting document
LT-network adjustment: 25.77% and 84.80%	0.2577	RST cost allocation (Demand-D 7,644.85 / total 29,663.41 Cr) - RST order not supplied; matches Commission's corrections in H1 FY27 Order (25.77%, 84.79%)	
{P} OA sales (MU)	936.26	Annexure C, OA Sales H2 (inter-state/IEX third party)	
Captive OA sales (billed) vs captive schedule (MU)	56.92	Annexure C vs Captive-SP/NP schedules (201.97 MW x 4,368 h)	
Arithmetic of {D},{E},{H},{I},{L},{N},{O},{Q} (Rs/kWh)	0.8300	Recomputed in AS_Computation (Case 0)	

Three inputs have no supporting document at all: {G} (44,570.89 MU, a hard-coded figure that FTCCI could not reproduce – the nearest reconstruction from the block data is 45,216.8 MU), the HT distribution cost and ARR inputs behind {I}, and the SPDCL block added from the external workbook. The financial statements supplied are CA-stamped quarterly statements; the petitions do not state that they are audited, as Directive (d) requires. Where a figure is marked NOT SUPPORTED, FTCCI requests the Hon'ble Commission to direct the Discoms to produce the supporting document before the figure is relied on.

9. Data not made available or not clear in the petitions – TGDISCOMs to furnish

FTCCI has been able to verify the Discoms' arithmetic only because the monthly block files were supplied. The following required data has not been furnished, or is unclear, and FTCCI requests the Hon'ble Commission to direct the Discoms to place it on record and to allow stakeholders to comment on it before the AS is determined:

A. Applicable to both TGSPDCL and TGNPDCL

- A separate computation for each Discom ({B}, {K}, {M}, {P} and fixed/transmission charges); both petitions are identical and combined.
- Source and basis of {G} = 44,570.89 MU, and its tie to the energy purchased.

- Reconciliation of the fixed charges (Rs. 8,436.14 Cr) and transmission charges (Rs. 2,177.74 Cr) in the financial statements to the station-wise bills (Rs. 7,487.86 Cr and Rs. 1,917.25 Cr), and the station-wise variation in fixed cost (Directive (e)).
- Derivation of the HT-network distribution cost (Rs. 1,159.54 Cr) and the reason why OA revenue was added to the ARR.
- Station-wise block-wise availability on day-ahead and revised declared capacity, the backdown quantities, and the sale-of-power quantities, and the treatment of each in the schedule.
- Category- and consumer-wise OA schedules (captive / intra-state third-party / IEX / bilateral), and a reconciliation of scheduled OA units to billed OA units and to {P}; Annexure C is not given Discom-wise.
- Treatment of the contract-demand proviso and the four-year linear reduction under the Electricity (Amendment) Rules, 2024, and the list of OA consumers who are not consumers of the concerned Discom.
- Explanation of the increase in OA scheduled capacity from 93.75 MW (H1 FY26 petition) to 451.28 MW, and of the green-energy OA exemption, if any, in {P}.

B. TGSPDCL

- The “Export Worksheet” (external workbook) from which 219.72 MU and Rs. 31.03 Cr have been added to {K} and {M}.
- Captive schedule of 101.8 MW (about 445 MU for six months) against the captive OA sales of 56.92 MU in Annexure C (both Discoms together): the consumer-wise captive energy, and why the in-house captive list of 16 consumers contains only two consumers that appear in the service-wise sheet.
- March 2026 service-wise data (38 consumers against 87–98 in other months; intra-state units nil against 25.40 MU in Annexure C).
- The definition of OA_KVAH, TP_KVAH and INTRASTATE_KVAH in the service-wise data (in the rows having both third-party and intra-state units, OA_KVAH 4.31 MU is less than TP_KVAH 5.32 MU, so OA_KVAH does not include TP_KVAH).

C. TGNPDCL

- Billing and OA data for the nine captive consumers listed (BKM163, BKM169, BKM180, BPL098, KMM1173, KMR053, MCL127, MCL151, MCL166): they are not in the HT data supplied, although the TGNPDCL captive schedule is 100.2 MW on average (about 438 MU for six months).
- The reason for including four consumers with nil OA (BKM001, BKM013, PDL002, PDL250) in {K} and {M}, and the status of ITC (BKM011) (OA consumer and in-house captive consumer with 10.60 MU of inter-state OA).
- The nature of the 101.73 MU of intra-state OA of 16 consumers, predominantly Singareni collieries, whether drawn from SCCL’s own plants (captive/own-use) or from third parties; and the OA settlement sheet which the HT data note says contains the OA kVA, which has not been supplied.
- The OA_KVAH column in the TGNPDCL data includes intra-state and inter-state units, whereas the TGSPDCL data keeps these separate; the Discoms should adopt a common definition.

10. Additional Surcharge Levy on Industries in current scenario

As can be seen currently, there is acute shortage of power across country and all the states as well as consumers are struggling to arrange power for the next 6 months, with prices going much above the ceiling rates of Rs 10/kWh and Rs 20/kWh in DAM & HPDAM markets.

It is to further state, that in such a scenario, the stranded capacity of Discoms cannot be attributed to open access consumers alone, rather to shortage of supply in the country.

Hence, it can be clearly said, that levying Additional Surcharge at this scenario will further burden all the consumers of the state.

Accordingly, FTCCI prays to the Hon'ble Commission, not to levy additional surcharge on the consumers in such a scenario.

PRAYERS

FTCCI most respectfully prays that the Hon'ble Commission:

- A. Consider the above objections and comments of FTCCI;
- B. Direct the TGDISCOMs to furnish the data and clarifications listed in Comment 9 and allow stakeholders an opportunity to comment on it before determining the AS;
- C. Hold that capacity scheduled for captive consumption is not stranded capacity chargeable to OA consumers, and exclude it from the stranded capacity;
- D. Verify the basis of availability (day-ahead versus revised declared capacity) and the treatment of sale of power and backdown in the schedule;
- E. Conduct a prudence check on the fixed and transmission charges and direct the Discoms to reconcile them to the station-wise bills (Directive (d)) and to justify the variation in fixed cost (Directive (e));
- F. Include in {P} the intra-state third-party OA sales and compute {K}, {M} and {P} on a consistent consumer base, Discom-wise;
- G. Determine the Additional Surcharge for H2 of FY 2026-27 as NIL if the Discoms substantiate the unsupported TGSPDCL data, in line with the Electricity (Amendment) Rules, 2024 and the trajectory of NIL for H2 FY26 and Rs. 0.13/kWh for H1 FY27;
- H. Not to levy the additional surcharge on the consumers, considering the shortage of power scenario of the country currently.
- I. Pass such other orders as the Hon'ble Commission may deem appropriate in the interest of competition enshrined in the Electricity Act.

Federation of Telangana Chambers of Commerce and Industry (FTCCI), Hyderabad