

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

From
Chief Engineer (IPC & RAC),
TGSPDCL, Corporate Office,
6-1-50, Mint Compound,
Hyderabad – 500 063.

To
The Commission Secretary,
TGERC, Vidyuth Niyantran Bhavan,
GTS Colony, Kalyan Nagar,
Hyderabad – 500 045.

Lr. No. CE(IPC & RAC)/SE/DE(RAC)/ADE-III/F.No.A-124/D.No. 4945/26, Dt: 25-02-26.

Sir,

Sub: TGSPDCL – Responses to the objections raised in the matter of filings of Power Purchase Cost True-ups for FY 2022-23 in OP No. 58 of 2025, (b) Power Purchase Cost True-up & Revenue True-up for FY 2023-24 in OP No. 59 of 2025 & FY 2024-25 in OP No. 82 of 2025 for Retail Supply Business – Information Submission – Reg.

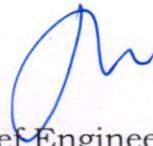
Ref: 1. Representation dated 16.02.2026 received from TSTMA.
2. TISMA/Energy/2025-26, Dt: 16.02.2026.

* * *

The TGSPDCL is herewith submitting the responses to the objections raised in the matter of filings of Power Purchase Cost True-ups for FY 2022-23 in OP No. 58 of 2025, (b) Power Purchase Cost True-up & Revenue True-up for FY 2023-24 in OP No. 59 of 2025 & FY 2024-25 in OP No. 82 of 2025 for Retail Supply Business with a request to kindly place the same before the Hon'ble Commission for approval.

Encl: Responses to the objections.
1. M/s. TSTMA
2. M/s. TISMA

Yours faithfully,



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Southern Power Distribution Company of Telangana Ltd. (TGSPDCL)



Responses to Further Objections / Suggestions

On

Filings of Power Purchase Cost True ups for FY 2022-23, FY 2023-24 & FY 2024-25 of Retail Supply Business

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1. **Response to TSTMA (Telangana Spinning and Textile Mills Association), Surya Towers, 1st Floor, Sardar Patel Road, Secunderabad, 500003, Telangana, 9100999986**

S.No.	Summary of Objections / Suggestions	Response of the Licensee
Comments on TGDICOM's True-Up Filing for FY 2022–23		
1.	<p>The Hon'ble Commission, vide its Order dated 2 May 2025, granted an extension to the Petitioner and directed it to file the True-up Petitions for FY 2022–23 and FY 2023–24 within two months from the date of the said Order. However, the Licensees filed the Petition only on 10 November 2025, which is beyond the stipulated timeline.</p> <p>It is to be noted that TG DISCOMs have filed Power Purchase Cost & Revenue True-Up Petitions for FY 2022-23, FY 2023-24 & FY 2024-25. These True-Up Petitions are incomplete since important elements like Sales, Energy Balance, Transmission Losses, Distribution Losses have not been filed. Moreover, in the absence of complete True-up, Revenue Gap / Surplus has not been calculated. Claiming Power Purchase True-Up without submitting the Sales and Energy Balance is a non-scientific & non-transparent way of determining the Power Purchase Cost and defeats the purpose of True-Up Exercise.</p> <p>It is pertinent to mention that the last True-Up Order issued by Hon'ble TGERC is for FY 2018-19 dated 23/03/2023. Till date True-Up Orders for FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23, FY 2023-24 &</p>	<p>TGDISCOMs filed power purchase cost true up for FY 2022-23 in accordance with "APERC (Terms and Conditions for determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation, 4 of 2005" and its first amendment Regulation I of 2014 (adopted by TGERC).</p> <p>These filings have been made strictly in line with the regulatory formats and requirements prescribed by the Hon'ble Commission. Details relating to sales, energy balance, and T&D losses are provided in the ARR filings of respective years. TGDISCOMs acknowledges the need for timely issuance of Tariff orders and True up orders.</p> <p>TGDISCOMs submit that, for the reasons detailed in the petition, the True-Up petitions could not be filed earlier. The marginal delay in submission was procedural and transitional in nature, and was neither intentional nor indicative of any deficiency in service.</p>

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	<p>FY 2024-25 are pending. The same comment was submitted by PFI in the ARR Petition for FY 2025-26. Hon'ble TGERC addressed the said comment in the Tariff Order for FY 2025-26 dated 29/04/2025.</p> <p><i>“3.3 TRUE UP/ DOWN AND FCA PETITIONS</i></p> <p><i>Commission’s analysis & findings</i></p> <p><i>3.3.8 The Commission has noted the concerns of the stakeholders in respect of the consequences that resulted in running into losses of the petitioners on account of not properly filing the True-up/True-down petitions and not collecting Fuel Cost Adjustment (FCA) as per stipulated regulations. The petitioners have failed to explain as to why they could not file their claims in respect of FCA adjustments quarterly as stipulated in the Regulation which has resulted in huge backlogs thereby the TGDISCOMs are not in a position to claim the FCA either from the government or from the consumers.</i></p> <p><i>... 3.3.11 The Commission directs the TGDISCOMs to strictly comply with Regulation 2 of 2023 and ensure that all future True-up, ARR, Tariff Proposals, and FCA claims are filed within the stipulated timelines. Any deviation from the prescribed schedule will be viewed seriously and may attract regulatory action.”</i></p> <p>Thereafter, TG DISCOMs in Petition I.A. No. 28 of 2025 prayed before the Commission that they may be granted time for filing of petition of power purchase True-Ups of FY 2022-23 and FY 2023-24 pertaining to retail supply business alongwith condonation of delay application within due course of time. Hon'ble TGERC vide Order dated 2/05/2025 granted time extension for two months. Relevant extract from the said Order is as follows.</p>	<p>TGDISCOMs further submit that all future filings will be made strictly in accordance with Regulation No. 02 of 2023 and in adherence to the timelines prescribed under the Telangana Electricity Regulatory Commission Regulations.</p> <p>TGDISCOMs are diligently adhering to the current MYT regulations 1 of 2023 in calculating FCA and will continue do so.</p> <p>The TGDISCOMs have addressed letters to the GoTG for approval for collection of FCA amount regularly every month as per the provisions in the MYT Regulation.</p> <p>TGDISCOMs have clearly stated in their submissions that no Power Purchase true-up is being claimed for FY 2023-24 and FY 2024-25 and have requested the Hon'ble Commission to pass necessary orders accordingly.</p> <p>This clearly demonstrates the TGDISCOM's adherence to the regulatory framework and compliance with the directions of the Hon'ble Commission.</p> <p>It is further submitted that as per regulations, Power Purchase true-up for FY 2022-23 is allowed since disallowance based on FCA levying is not applicable for FY 2022-23.</p> <p>TGDISCOMs acknowledge that while the Hon'ble APTEL</p>

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	<p><i>“13. Therefore, keeping in view of the exigencies as submitted by the petitioner this Commission extends the time for filing the true-up petitions. 14. Accordingly, this petition is allowed and petitioners/TGDISCOMs are directed to file the true-up petitions for FY 2022 – FY 2023 and FY 2023 – FY 2024 within two months from the date of this order”</i></p> <p>Even after being granted time extension of two months, the True-Up Petitions for FY 2022-23 & FY 2023-24 have been filed on 29/11/2025 i.e, 5 months of delay.</p> <p>Further, as per TGERC (Multi Year Tariff) Regulation, 2023, the DISCOMs need to file or True-Up annually. Relevant extract from the Regulations is as follows:</p> <p><i>“6 Procedure for filing Petition</i></p> <p><i>6.1 The petitions under MYT by the generating entity, transmission licensee/STU, SLDC and distribution licensee shall be filed as per the timelines specified in this Regulation...</i></p> <p><i>c) Multi Year Tariff petition shall be filed by 30th November of the year preceding the first year of the Control Period by distribution licensee (for retail supply business) comprising:</i></p> <p><i>i. True-up of preceding year;</i></p> <p><i>ii. Aggregate Revenue Requirement for each year of the Control Period;</i></p> <p><i>iii. Revenue from retail sale of electricity at existing tariffs & charges and projected revenue gap for the first year of the Control Period;</i></p> <p><i>iv. Proposal of consumer category wise</i></p>	<p>has empowered SERCs to initiate suo-motu proceedings in the absence of utility filings, the Hon'ble Commission would still require complete and accurate data from the DISCOMs to ensure a fair and accurate determination.</p> <p>Given the technical and regulatory complexities involved, it is preferable that DISCOMs file the True-Up petitions themselves.</p> <p>This ensures completeness, transparency, and avoids avoidable delays, supporting a more accurate and cost-reflective tariff determination process.</p> <p>TGDISCOMs re-iterate that the True-up filings for FY 2022-23, FY 2023-24 and FY 2024-25 have been made in accordance with regulations issued by Hon'ble commission.</p>

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	<p><i>f) After first year of the Control Period and onwards, the annual petitions by distribution licensee (for retail supply business) shall comprise of:</i></p> <p><i>i. True-up of preceding year;</i></p> <p><i>ii. Revised Aggregate Revenue Requirement for ensuing year of the Control Period;</i></p> <p><i>iii. Revenue from retail sale of electricity at existing tariffs & charges and projected revenue gap for ensuing year of the Control Period;</i></p> <p><i>iv. Proposal of consumer category wise retail supply tariff and charges for ensuing year of the Control Period.</i></p> <p>9) Further, the same Regulations have also stipulated a penal mechanism to enforce timely submission of True-Up Petitions. Relevant extract from the Regulations is as follows.</p> <p><i>“29 Return on Equity</i></p> <p><i>29.1 Return on Equity shall be computed in rupee terms, on the equity base determined in accordance with clause 27.</i></p> <p><i>29.2 Return on Equity shall be computed at the following base rates:</i></p> <p><i>Provided that in case of delay in submission of tariff/true-up filings by the generating entity or licensee or SLDC, as required under this Regulation, rate of RoE shall be reduced by 0.5% per month or part thereof.”</i></p> <p>Moreover, the need for timely issuance of Tariff Orders and True-up Orders has been decided by Hon'ble APTEL in its judgement dtd. 11/11/2011 in OP No. 1 of 2011, as follows:</p>	

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	<p><i>“57. This Tribunal has repeatedly held that regular and timely truing-up expenses must be done since:</i></p> <p><i>(a) No projection can be so accurate as to equal the real situation.</i></p> <p><i>(b)The burden/benefits of the past years must not be passed on to the consumers of the future.</i></p> <p><i>(c) Delays in timely determination of tariff and truing-up entails:</i></p> <p><i>(i) Imposing an underserved carrying cost burden to the consumers, as is also recognised by para 5.3 (h) (4) of National Tariff Policy.</i></p> <p><i>(ii) Cash flow problems for the licensees.</i></p> <p><i>65. In view of the analysis and discussion made above, we deem it fit to issue the following directions to the State Commissions:</i></p> <p><i>(i) Every State Commission has to ensure that Annual Performance Review, true-up of past expenses and Annual Revenue Requirement and tariff determination is conducted year to year basis as per the time schedule specified in the Regulations.</i></p> <p><i>(ii) It should be the endeavour of every State Commission to ensure that the tariff for the financial year is decided before 1st April of the tariff year...</i></p> <p><i>(iii) In the event of delay in filing of the ARR, truing-up and Annual Performance Review, one month beyond the scheduled date of submission of the petition, the State Commission must initiate Suo-moto proceedings for tariff determination in accordance with Section 64 of the Act read with clause 8.1 (7) of the Tariff Policy.</i></p> <p><i>(v) Truing up should be carried out regularly and preferably every year...”.</i></p>	

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	<p>From above, it is noted that Hon'ble APTEL has even decided that SERCs can initiate Suo-moto proceedings and collect the data and information and give suitable directions and then determine the Tariff even in the absence of the application filed by the utilities by exercising the powers under the provisions of the Act as well as the Tariff Regulations.</p> <p>Thus, timely issuance of Tariff and True-up Orders that too cost-reflective results in timely passing of escalated cost in the power sector supply chain thereby maintaining adequate cash flow with the utilities, thus enabling them to supply uninterrupted quality supply to the consumers. It further avoids Creation of Regulatory Assets, burden of Carrying Cost and Tariff shock at once to the end consumers.</p> <p>Req: In view of the above, it is humbly prayed that the Hon'ble Commission may not accept or admit the present True-up Petition. It is further prayed that an appropriate penalty be imposed on the Licensees, in line with the Commission's observations in the Tariff Order for FY 2024–25, wherein it has been specified that, "in case of delay in submission of tariff/True-up filings by the generating entity or licensee or SLDC, as required under this Regulation, the rate of RoE shall be reduced by 0.5% per month or part thereof," under Clause 20.2 of the Multi-Year Tariff Regulation No. 2 of 2023.</p>	
2.	The Licensees, TGSPDCL and TGNPDCL, have claimed Transmission Charges of ₹4,134 crore and ₹1,737 crore, respectively, in the True-up	TGDISCOM submits that, While the objector has compared certain line-item figures presented under specific

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	<p>for FY 2022–23. However, the Annual Accounts of TGSPDCL (Note 23, Page 132) reflect the amount as ₹4,091.61 crore, and those of TGNPDCL (Note 25, Page 138) reflect the amount as ₹1,018.66 crore. Hence, the Hon'ble Commission is requested not to accept the claim of the Petitioner and to consider the figures as per the audited accounts.</p> <table border="1" data-bbox="327 416 981 635"> <thead> <tr> <th data-bbox="327 416 656 547">Claimed by the Licensee for True Up of FY 2022-23</th> <th data-bbox="656 416 981 547">As per Audited Accounts</th> </tr> </thead> <tbody> <tr> <td data-bbox="327 547 656 592">Rs. 4134 Crore</td> <td data-bbox="656 547 981 592">Rs. 4091.61 Crore</td> </tr> <tr> <td data-bbox="327 592 656 635">Rs. 1737 Crore</td> <td data-bbox="656 592 981 635">Rs. 1018.66 Crore</td> </tr> </tbody> </table>	Claimed by the Licensee for True Up of FY 2022-23	As per Audited Accounts	Rs. 4134 Crore	Rs. 4091.61 Crore	Rs. 1737 Crore	Rs. 1018.66 Crore	<p>accounting notes, it is respectfully submitted that the overall power purchase cost, including Transmission Charges, as claimed in the True-up, is fully reconciled with and tallying with the audited annual accounts of both DISCOMs.</p>
Claimed by the Licensee for True Up of FY 2022-23	As per Audited Accounts							
Rs. 4134 Crore	Rs. 4091.61 Crore							
Rs. 1737 Crore	Rs. 1018.66 Crore							
3.	<p>The Note 43 of the Audited accounts of TGSPDCL provide that:</p> <p>In respect of provision for surcharge of M/s. Singareni Thermal Power Plant (STPP), as the Discom and STPP are Government companies, the Discom is taking up the issue with STPP to waive late payment surcharge. To avoid the burdening the consumers, TS Discoms have requested to waive the late payment surcharge as it is not covered in ARR order. The late payment surcharge levied to the end of 2022-23 is Rs.3,459.65 Crore</p> <p>The Hon'ble Commission is requested to direct the Petitioner to clarify whether it has paid the Late Payment Surcharges and if it has, the same may be reduced from the power purchase cost.</p>	<p>The LPS amount is not included in the power purchase cost. And TGDISCOMs have not claimed in the True-ups.</p>						
4.	<p>The NTPC plants, such as NTPC Simhadri Stage-I and NTPC Kudgi, are among the generating stations that participated in the Ancillary</p>	<p>As per the prevailing regulatory framework, the net gain or revenue from Ancillary Services, after accounting for fuel</p>						

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	<p>Services Market during FY 2022–23. The Hon'ble Commission is respectfully requested to direct the Licensees to clarify whether the appropriate share of revenue earned from the Ancillary Services Market has been duly passed on by the Generators to the DISCOMs, in accordance with the applicable regulations and PPA provisions</p>	<p>and other variable costs, is adjusted in accordance with CERC orders. Such adjustments are reflected in the monthly regional energy accounts (REA) through billing adjustments raised by the generator. The bills raised by NTPC, which are prepared in line with CERC regulations and verified through the Regional Power Committee mechanism.</p>
5.	<p>The Licensees, TGSPDCL and TGNPDCL, have claimed miscellaneous charges of ₹1,563 crore and ₹931 crore, respectively, for which no details have been provided. In respect of these miscellaneous expenses, the audited statements of TGSPDCL provide the following details:</p> <p>It is to submit that, Hon'ble TSERC has issued the order Dated: 21.11.2022 in respect of OP No: 8 of 2021 filed by M/s. Singareni-STPP allowing the water charges and Thermal incentive based on scheduled energy for the period from 2016-19.</p> <p>However, TSDiscoms have already made provision in the books for thermal incentive and other Miscellaneous expenses. Subsequently, Hon'ble TSERC has disposed the secondary petition in OP.No. 25 of 2021 disallowing the other Miscellaneous expenses were already taken in the books of accounts. M/s. SCCL-STPP misinterpreting the TSERC Order has preferred consolidated claim including charges which was disallowed by TSERC. Therefore, the total claim was rejected with a</p>	<p>The miscellaneous charges claimed by the DISCOMs for FY 2022-23 to FY 2024-25 include expenses towards – major portion 1142 crs for FY 2022-23 is towards MTR Order and Provision-2022-23, banked energy, IEX Cost adjustments, STOA and LTOA charges, Reactive charges, Deviation charges and other related statutory and operational charges. These charges are incidental to power procurement and grid operations.</p> <p>These amounts have been accounted for in line with regulatory requirements and are reflected in the audited accounts.</p> <p>A detailed breakup of these miscellaneous charges is being furnished to the Hon'ble Commission as part of the additional information.</p>

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	<p>request to claim water charges and incentive separately. Separate provision was not made towards water charges as provision for miscellaneous expenses more or less compensates the provision for water charges.</p> <p>However, the actual water charges will be taken into books of accounts of TSDiscoms in 2023-24 duly setting off against the provision already made.</p> <p>Hence the Hon'ble Commission is requested to not consider it for the FY 2022-23 True Up.</p> <p>The Licensees, in their reply to some of the objectors, have stated that the miscellaneous charges claimed by the DISCOMs for FY 2022–23 include expenses, of which a major portion amounting to ₹1,142 crore pertains to the GENCO MTR Order and Provision for FY 2022–23, banked energy, IEX cost adjustments, STOA and LTOA charges, reactive charges, deviation charges, and other related statutory and operational charges. The Licensees have further submitted that these charges are incidental to power procurement and grid operations.</p> <p>In this regard, the Hon'ble Commission is respectfully requested to direct the Licensees to furnish a detailed head-wise and item-wise break-up of the aforesaid miscellaneous charges, along with supporting documents and reconciliation with the audited accounts. In the absence of such proper justification and documentary evidence, the Hon'ble Commission may kindly disallow the said claims.</p>	

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6.	<p>For the approved short-term purchase of 2,171.87 MU in FY 2022–23, the Commission has considered a power purchase price of Rs. 3.30/kWh (Para 4.5.10, p. 129 of the RST Order for FY 2022–23). However, the TGDISCOMs procured power from market sources at an average cost of Rs. 6.53 per unit, which is nearly double the purchase price stipulated by the Commission. Therefore, the Hon’ble Commission is respectfully requested to adopt the short-term purchase price as approved in the Tariff Order for FY 2022–23 and not to allow the higher prices claimed by the TGDISCOMs.</p> <p>The TGDISCOMs, in their reply regarding the higher market purchase price, have submitted that the cost claimed represents the actual cost borne by the DISCOMs, and that relevant details have been furnished in the filings. They have further stated that the cost was incurred to ensure reliable and continuous power supply to consumers, and that it is necessary for the DISCOMs to recover the same. The DISCOMs have contended that the rate of Rs. 3.30/unit approved in the Tariff Order was only an indicative estimate, whereas the actual market prices during the year were significantly higher. They have submitted that the average DAM and GDAM prices during FY 2022–23 were around Rs. 6.10/unit and Rs. 5.75/unit, respectively, which, after accounting for losses and other charges, resulted in a landed cost of Rs. 6.53/unit, and that such procurement reflects prudent market optimization.</p>	<p>TGDISCOMs submit that this is the actual cost borne by DISCOM and relevant details are submitted in the filings and this cost was borne by DISCOMs to provide reliable and continuous power supply to its consumers and it is important for DISCOM to get this claim. It is also to be noted that the objector’s comparison is based on calendar year 2022, whereas the True-up pertains to financial year FY 2022-23. and references of computation is attached below (source – IEX)</p> <table border="1" data-bbox="1281 657 1971 1056"> <thead> <tr> <th colspan="4">Market Snapshot</th> </tr> <tr> <td colspan="4"><i>Date: 01-04-2022 to 31-12-2022</i></td> </tr> <tr> <th>Year</th> <th>Month</th> <th>Weighted MCP (Rs/MWh)</th> <th>Rs/Unit</th> </tr> </thead> <tbody> <tr><td>2022</td><td>April</td><td>9524.24</td><td>9.5</td></tr> <tr><td>2022</td><td>May</td><td>6810.33</td><td>6.8</td></tr> <tr><td>2022</td><td>June</td><td>6884.79</td><td>6.9</td></tr> <tr><td>2022</td><td>July</td><td>5496.85</td><td>5.5</td></tr> <tr><td>2022</td><td>August</td><td>5431.08</td><td>5.4</td></tr> <tr><td>2022</td><td>September</td><td>5875.13</td><td>5.9</td></tr> <tr><td>2022</td><td>October</td><td>3963.44</td><td>4.0</td></tr> <tr><td>2022</td><td>November</td><td>4795.49</td><td>4.8</td></tr> <tr><td>2022</td><td>December</td><td>5597.86</td><td>5.6</td></tr> <tr><td>2023</td><td>Jan</td><td>6375.48</td><td>6.4</td></tr> <tr><td>2023</td><td>Feb</td><td>6639.79</td><td>6.6</td></tr> <tr><td>2023</td><td>March</td><td>5436.19</td><td>5.4</td></tr> <tr><td colspan="3">avg price DAM</td><td>6.1</td></tr> </tbody> </table>	Market Snapshot				<i>Date: 01-04-2022 to 31-12-2022</i>				Year	Month	Weighted MCP (Rs/MWh)	Rs/Unit	2022	April	9524.24	9.5	2022	May	6810.33	6.8	2022	June	6884.79	6.9	2022	July	5496.85	5.5	2022	August	5431.08	5.4	2022	September	5875.13	5.9	2022	October	3963.44	4.0	2022	November	4795.49	4.8	2022	December	5597.86	5.6	2023	Jan	6375.48	6.4	2023	Feb	6639.79	6.6	2023	March	5436.19	5.4	avg price DAM			6.1
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	<p>However, the weighted average DAM rate as per IEX for the calendar year 2022 was Rs. 5.821/unit, which is lower than the claimed rate of Rs. 6.10/unit. Therefore, the Hon'ble Commission is respectfully requested to examine the discrepancy and verify the basis of the claimed market rates, and accordingly restrict the allowable power purchase cost to reasonable and prudently incurred levels. (https://www.iexindia.com/market-data/day-ahead-market/market-snapshot?interval=YEARLY&dp=CALENDER_YEAR&showGraph=false&toDate=2022&fromDate=1)</p>	<p>Market Snapshot Date: 01-04-2022 to 31-12-2022</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Month</th> <th>Weighted MCP (Rs/MWh)</th> <th>Rs/Unit</th> </tr> </thead> <tbody> <tr><td>2022</td><td>April</td><td>9286.40</td><td>9.29</td></tr> <tr><td>2022</td><td>May</td><td>5910.24</td><td>5.91</td></tr> <tr><td>2022</td><td>June</td><td>5939.28</td><td>5.94</td></tr> <tr><td>2022</td><td>July</td><td>4631.94</td><td>4.63</td></tr> <tr><td>2022</td><td>August</td><td>5202.76</td><td>5.20</td></tr> <tr><td>2022</td><td>September</td><td>5422.74</td><td>5.42</td></tr> <tr><td>2022</td><td>October</td><td>4019.08</td><td>4.02</td></tr> <tr><td>2022</td><td>November</td><td>4913.08</td><td>4.91</td></tr> <tr><td>2022</td><td>December</td><td>5235.40</td><td>5.24</td></tr> <tr><td>2023</td><td>Jan</td><td>6299.04</td><td>6.30</td></tr> <tr><td>2023</td><td>Feb</td><td>6569.1</td><td>6.57</td></tr> <tr><td>2023</td><td>March</td><td>5665.2</td><td>5.67</td></tr> <tr><td></td><td></td><td>avg price DAM</td><td>5.76</td></tr> </tbody> </table>	Year	Month	Weighted MCP (Rs/MWh)	Rs/Unit	2022	April	9286.40	9.29	2022	May	5910.24	5.91	2022	June	5939.28	5.94	2022	July	4631.94	4.63	2022	August	5202.76	5.20	2022	September	5422.74	5.42	2022	October	4019.08	4.02	2022	November	4913.08	4.91	2022	December	5235.40	5.24	2023	Jan	6299.04	6.30	2023	Feb	6569.1	6.57	2023	March	5665.2	5.67			avg price DAM	5.76
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7.	<p>The Hon'ble Commission is humbly requested to direct the Licensees to furnish the details of the Late Payment Surcharge (LPS) amounts, in Rs. crore, paid to the generators, along with supporting documents and reconciliation with the audited accounts.</p>	<p>The details pertaining to payment of LPS amounts is being furnished to the Hon'ble Commission as part of the additional information.</p>																																																								
8.	<p>The Licensees, TGSPDCL and TGNPDCL, have claimed short-term power purchase quantum of 5,126 MU and 2,140 MU, respectively, as against the approved quantum of 1,532 MU and 640 MU. This represents an increase of about 235% (3.35 times) in the case of TGSPDCL and about 234% in the case of TGNPDCL over the quantum approved by the Hon'ble Commission.</p> <p>At the same time, procurement from reliable GENCO thermal sources was lower than the approved quantum. In the case of TGNPDCL, only 6,968 MU was procured as against the approved 7,924 MU, and in the case of TGSPDCL, 16,692 MU was procured as against the approved</p>	<p>TGDISCOMs would like to reiterate the fact that Energy procurement from short term sources is considered for the following reasons</p> <ul style="list-style-type: none"> • Energy supply during hours of deficit (Power requirement > Power availability from generators) • Power purchase cost optimization: TGDISCOMs have considered procurement from short term sources during hours when the Market price is lesser than the Variable cost (VC) of few generating stations with higher VC to 																																																								

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	<p>18,983 MU.</p> <p>The simultaneous under-procurement from approved and economical thermal sources and excessive reliance on costly short-term market purchases clearly indicate lack of proper power planning, forecasting, and optimal scheduling by the DISCOMs.</p> <p>Accordingly, the excess short-term procurement ought not to be considered prudent and should not be allowed in the True-up.</p>	<p>optimize the overall cost of power procurement.</p> <p>Here, it is pertinent to note that, the procurement from short term sources for deficit supply is done only when the entire generation capacity is dispatched and the procurement from short term sources for Power purchase optimization is done only by backing down the thermal generators having higher VC than the then existing market (Short term source) prices resulting only in the reduction of overall power procurement cost.</p>
<p>Comments on TSDISCOM's True-Up Filing for FY 2023–24</p>		
<p>9.</p>	<p>The Hon'ble Commission, vide its Order dated 2 May 2025, granted an extension to the Petitioner and directed it to file the True-up Petitions for FY 2022–23 and FY 2023–24 within two months from the date of the said Order. However, the Licensees filed the Petition only on 10 November 2025, which is beyond the stipulated timeline.</p> <p>In view of the above, it is humbly prayed that the Hon'ble Commission may not accept or admit the present True-up Petition. It is further prayed that an appropriate penalty be imposed on the Licensees, in line with the Commission's observations in the Tariff Order for FY 2024–25, wherein it has been specified that, "in case of delay in submission of tariff/True-up filings by the generating entity or licensee or SLDC, as required under this Regulation, the rate of RoE shall be reduced by 0.5% per month or part thereof," under Clause 20.2 of the Multi-Year</p>	<p>TGDISCOMs acknowledges the need for timely issuance of Tariff orders and True up orders.</p> <p>TGDISCOMs submit that, for the reasons detailed in the petition, the True-Up petitions could not be filed earlier. The marginal delay in submission was procedural and transitional in nature, and was neither intentional nor indicative of any deficiency in service.</p> <p>TGDISCOMs further submit that all future filings will be made strictly in accordance with Regulation No. 02 of 2023 and in adherence to the timelines prescribed under the Telangana Electricity Regulatory Commission Regulations.</p> <p>TGDISCOMs have clearly stated in their submissions that no Power Purchase true-up is being claimed for</p>

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	Tariff Regulation No. 2 of 2023.	FY 2023-24, and have requested the Hon'ble Commission to pass necessary orders accordingly. This clearly demonstrates the TGDISCOM's adherence to the regulatory framework and compliance with the directions of the Hon'ble Commission.
10.	<p>The Licensees have submitted that the Central Generating Stations witnessed a shortfall of 4,340 MU, amounting to a 21% reduction in generation, attributing the same to the delay in commissioning of the Telangana STPP. However, the Hon'ble Commission had approved a total quantum of 21,126 MU, as per Table No. 4.15 vide its Order dated 24.03.2023 for FY 2023–24, which included 8,247.29 MU from TSTPP–1. If the quantum pertaining to TSTPP–1 is excluded on account of the delay, the revised quantum works out to 12,878.71 MU.</p> <p>In this context, a shortfall of 4,340 MU corresponds to approximately 20.5% of the approved quantum of 21,126 MU, and not 21% (which would amount to about 4,436 MU). Therefore, the percentage reduction claimed by the Licensees does not mathematically align with the stated shortfall and requires proper clarification and justification.</p>	<p>For the CGS stations, the Hon'ble Commission had approved 7,916 MU from TSTPP-1, of which 2,645 MU was actually dispatched, resulting in a shortfall of 5,271 MU. This shortfall was partly offset by higherthanapproved dispatch from several CGS stations such as NTPC, NPC-Kaiga, and NCE JNNSM Phase-1, thereby bringing the net shortfall to 4,340 MU.</p> <p>The petition highlighted only the major reasons for the variation. The calculated shortfall of 4,340 MU corresponds to approximately 20.54%, which was rounded to 21% for ease of understanding.</p>
11.	The Hon'ble Commission approved the quantum of power purchase from NCEs for FY 2023–24 as 11,896 MU, whereas the Licensees have claimed the quantum as 11,007 MU. The Licensees have submitted that there has been a 7.47% shortfall in energy dispatched by NCEs, leading to a reduction of 889 MU in generation.	<p>The variation in NCE energy is due to the actual dispatch being 11,007 MU against the Hon'ble Commission's approved 11,896 MU, resulting in a reduction of 889 MU, i.e., 7.47%.</p> <p>TGDISCOMs submit that the aforesaid shortfall is primarily</p>

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	<p>In this regard, the Hon'ble Commission is humbly requested to direct the Licensees to furnish detailed data on curtailment, including scheduled energy vis-à-vis actual draw/withdrawal. The Commission may also direct the Licensees to clarify whether the quantum under net metering has been considered under this head.</p>	<p>attributable to factors beyond the control of the Licensees, such as resource variability (solar irradiation), seasonal patterns, etc. NCE power is accorded "must-run" status as per the provisions of the regulations and grid code, and there is no curtailment of NCE sources.</p> <p>Actual energy from NCE sources is fully considered in the True-up computations. Whereas, the net-metering (rooftop solar) quantum is not included under NCE purchase, it is netted off against sales.</p>
12.	<p>The Licensees have claimed Transmission cost of ₹6,113 crore as against the approved cost of ₹5,376 crore for FY 2023–24. However, the audited accounts of TGNPDCL reflect Transmission & SLDC charges of ₹1,139.98 crore, while the audited accounts of TGSPDCL reflect ₹4,244.26 crore, aggregating to ₹5,384.24 crore.</p> <p>The claimed amount is therefore higher than the audited figures by ₹728.76 crore and also significantly above the approved cost. Hence, the Hon'ble Commission is respectfully requested to direct the Licensees to furnish detailed justification and reconciliation for such variation.</p>	<p>TGDISCOM submits that, While the objector has compared certain line-item figures presented under specific accounting notes, it is respectfully submitted that the overall power purchase cost, including Transmission Charges, as claimed in the True-up, is fully reconciled with and tallying with the audited annual accounts of both DISCOMs.</p>
13.	<p>The Licensees have claimed Interstate Sale/UI Sale/Purchase in 33 kV and below as ₹ (-735) crore for FY 2023–24, as against the approved value of ₹ (-1,862) crore. However, as per the audited accounts of TGNPDCL (Note 23.2), the Company has recorded inter-state sales</p>	<p>The DISCOMs submit that the audited annual accounts reflect the actual quantum and value of interstate sale/UI transactions recorded at the Company level.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>amounting to ₹234.34 crore and Unscheduled Interchange (UI) charges of ₹6.12 crore.</p> <p>In view of the above, the Hon'ble Commission is respectfully requested to direct the Licensees to furnish the complete break-up and detailed reconciliation of the said claim with the audited accounts.</p>	<p>For the purpose of the True-up computation, the split of the consolidated figures between TGNPDCL and TGSPDCL has been carried out based on their respective energys share (29.45% for TGNPDCL and 70.55% for TGSPDCL). Accordingly, there is no inconsistency between the audited accounts and the values presented in the True-up model; the variation is only due to this allocation methodology.</p>
14.	<p>The Licensee, TGSPDCL, has claimed the actual revenue realized from the HT category as ₹19,509.79 crore. However, the audited accounts of TGSPDCL (Note 21) reflect revenue earned from HT supply amounting to ₹19,608.47 crore.</p> <p>In view of the above, the Hon'ble Commission is respectfully requested to direct the Licensee to submit a detailed reconciliation of the claimed amount vis-à-vis the figures reflected in the audited accounts.</p>	<p>The revenue shown in the True-up is based on category-wise mapping, not the audited line items. The total revenue of ₹31,499.6 crore fully matches the audited accounts when considering:</p> <p>LT revenue: ₹11,204.40 cr HT revenue: ₹19,608.47 cr Add: Customer charges ₹912.41 cr Less: ED ₹225.67 cr</p> <p>This reconciles exactly to ₹31,499.6 cr, which is the same total used in the True-up (LT ₹11,989.8 cr + HT ₹19,509.8 cr).</p>
15.	<p>The Licensee, TGSPDCL, has claimed revenue from other sources amounting to ₹289.10 crore, which appears to be understated when compared with the revenue from other sources as reflected in the audited accounts.</p> <p>In view of the above, the Hon'ble Commission is respectfully requested</p>	<p>The amount of ₹289.10 crore represents revenue from Additional Surcharge, Cross-Subsidy Surcharge, and other Non-Tariff Income.</p>

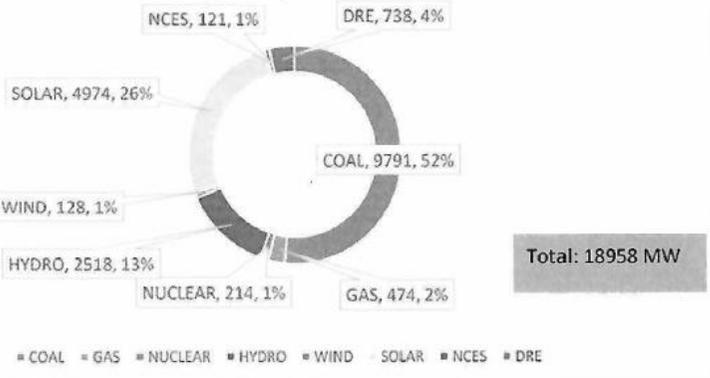
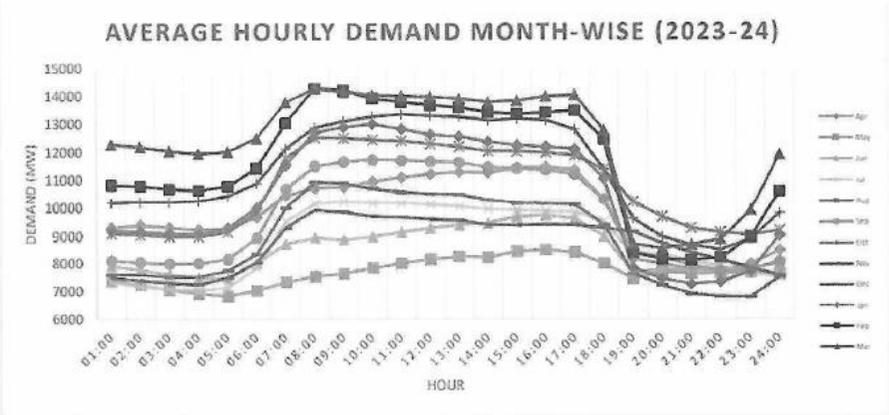
S.No.	Summary of Objections / Suggestions	Response of the Licensee
	to direct the Licensee to furnish a detailed break-up of the said amount along with proper reconciliation with the audited accounts.	
16.	<p>The Licensee, TGNPDCL, has claimed Non-Tariff Income amounting to ₹72.37 crore, which appears to be understated when compared with the corresponding figures reflected in the audited accounts. The Licensee has not considered Miscellaneous Charges from consumers amounting to ₹486.62 crore, Recoveries towards Theft/Malpractice amounting to ₹22.40 crore, and Delayed Payment Charges amounting to ₹166.08 crore.</p> <p>In view of the above, the Hon'ble Commission is respectfully requested to direct the Licensee to furnish a detailed break-up of the said amount along with proper reconciliation with the audited accounts.</p>	DPS and miscellaneous charges from consumers have already been accounted for under the respective consumer categories. The amount of ₹72.37 crore shown under 'other revenue' pertains to theft cases and other non-tariff income.
Comments on TGDISCOM's True-Up Filing for FY 2024–25		
17.	<p>The Licensees procured 7,266 MU from short-term sources in FY 2022–23, which increased to 9,895 MU in FY 2023–24 (an increase of about 36%) and further escalated to 20,870 MU in FY 2024–25 (an increase of about 111% over the previous year). Overall, short-term power procurement has increased by approximately 187% over the two-year period. This steep and continuous rise in reliance on short-term sources indicates lack of proper long-term power planning and prudent procurement strategy on the part of the Licensees, resulting in avoidable financial burden on consumers.</p>	<p>TGDISCOMs would like to reiterate the fact that Energy procurement from short term sources is considered for the following reasons:</p> <ul style="list-style-type: none"> • Energy supply during hours of deficit (Power requirement > Power availability from generators) • Power purchase cost optimization: TGDISCOMs have considered procurement from short term sources during hours when the Market price is lesser than the Variable cost (VC) of few generating stations with higher VC to

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		<p>optimize the overall cost of power procurement.</p> <p>Here, it is pertinent to note that, the procurement from short term sources for deficit supply is done only when the entire generation capacity is dispatched and the procurement from short term sources for Power purchase optimization is done only by backing down the thermal generators having higher VC than the then existing market (Short term source) prices resulting only in the reduction of overall power procurement cost.</p>
18.	<p>The Licensees, while justifying the substantial increase in short-term power procurement, have submitted that the State of Telangana has been supplying 24x7 power to the agricultural sector since 1 January 2018, which has increased the overall power purchase requirement for FY 2024–25. The Licensees have further stated that, after exhausting all available sources, they resorted to short-term market purchases to meet the sudden increase in power demand during FY 2024–25.</p> <p>However, it is submitted that the Licensees have not adequately explored alternative and more economical procurement options, such as procurement through the DEEP portal, short-term bilateral agreements, or medium-term power purchase arrangements. Instead, they have largely relied on costly power procurement through the power exchanges, without duly considering the resultant financial burden on consumers. Such procurement practices reflect a lack of prudent</p>	<p>Before resorting to purchase from power exchanges, the TGDISCOMs explored and availed power through:</p> <ul style="list-style-type: none"> • Procurement through transparent bidding platforms, including the DEEP portal. • Banking arrangements and swap mechanisms. <p>After exhausting above options, procured power from short-term market.</p> <p>In view of the above, TGDISCOMs respectfully submit that the short-term procurement undertaken during FY 2024–25 was necessary, prudent, and in the larger consumer interest to avoid load shedding and maintain statutory supply obligations. The Hon’ble Commission may kindly</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>planning and optimal power procurement strategy.</p> <p>In view of the above, the Hon'ble Commission is respectfully requested to disallow the excess costly procurement undertaken by the DISCOMs and direct them to adopt prudent and economically optimal power procurement planning in future.</p>	<p>consider the same and allow the power purchase costs as claimed.</p>
19.	<p>The Licensee, TGSPDCL, has claimed Transmission Charges for FY 2024–25 amounting to ₹3,956 crore, whereas the audited accounts reflect Transmission Charges of ₹3,905.28 crore. This results in a variation of ₹50.72 crore between the claimed amount and the audited figures.</p> <p>In view of the above, the Hon'ble Commission is respectfully requested to direct the Licensee to furnish a detailed reconciliation of the claimed amount vis-à-vis the audited accounts and justify the said variation.</p>	<p>TGDISCOM submits that, While the objector has compared certain line-item figures presented under specific accounting notes, it is respectfully submitted that the overall power purchase cost, including Transmission Charges, as claimed in the True-up, is fully reconciled with and tallying with the audited annual accounts of both DISCOMs.</p>
<p>Specific comments on True-Up for power purchase by Telangana State Discoms for FY 2022-23, FY 2023-24 and FY 2024-25</p>		
20.	<p>Based on the submissions made by the Discoms in Telangana, the analysis has been conducted. This primarily shows that the Discoms have been highly inefficient in there planning and power purchase as the share of power purchase from market has been increasing and has grown to 25% of the total requirement in FY 2024-25. The cost of power purchase from market has also been on higher side thereby leading to higher expense. The inefficiency of the Discoms need not be passed on to the consumers.</p> <p>In Fy 2024-25, the energy purchased from all sources reduced in</p>	<p>TGDISCOMs submit that the audited accounts reflect the actual energy sales recorded during the year. However, the True-up model is computed strictly in accordance with the methodology approved by the Hon'ble Commission, wherein the approved agricultural sales are considered for deriving the energy requirement, rather than the actual agricultural consumption recorded in the books of accounts.</p>

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	<p>comparison to the approval granted by the Commission. It is clear that such energy is being purchased from market at higher prices thereby adversely affecting the consumers.</p> <p>Further, the point wise submission has been made below:</p> <p>A. Comparison with audit financial statements</p> <p>Power Purchase Units (Mus)</p> <table border="1" data-bbox="322 488 1240 655"> <thead> <tr> <th>Financial Year</th> <th>Petition</th> <th>TGSPDCL</th> <th>TGNPDCL</th> <th>Total as per FS</th> <th>Variation from FS</th> </tr> </thead> <tbody> <tr> <td>2022-23</td> <td>76073</td> <td>51243</td> <td>23217</td> <td>74459.3</td> <td>1613.7</td> </tr> <tr> <td>2023-24</td> <td>79848</td> <td>58312</td> <td>20976</td> <td>79287.7</td> <td>560.3</td> </tr> </tbody> </table> <p>It can be seen that the Discoms are claiming cost of higher units in comparison to the units that are shown in the audited financial statements (FS). Therefore, the per unit cost related to power purchase (excluding transmission charges and sale of power) needs to be allowed only to the extent of units in audited financial statements. Thus, the cost of 1,613.7 Mus in FY 2022-23 and 560.3 Mus in FY 2023-24 needs to be disallowed. The units for FY 2024-25 for TGSPDCL is not shown in the audited financial statements, the Discom needs to be directed to show the units and accordingly treatment needs to be done for FY 2024-25 as well.</p>	Financial Year	Petition	TGSPDCL	TGNPDCL	Total as per FS	Variation from FS	2022-23	76073	51243	23217	74459.3	1613.7	2023-24	79848	58312	20976	79287.7	560.3	
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21.	<p data-bbox="409 183 701 209" style="text-align: center;"><u>Transmission Charges (Rs. Cr.)</u></p> <table border="1" data-bbox="338 240 1243 470"> <thead> <tr> <th>Financial Year</th> <th>Petition</th> <th>TGSPDCL</th> <th>TGNPDCL</th> <th>Total as per FS</th> <th>Variation from FS</th> </tr> </thead> <tbody> <tr> <td>2022-23</td> <td>5,871</td> <td>4,019.61</td> <td>1,018.66</td> <td>5,038.27</td> <td>832.73</td> </tr> <tr> <td>2023-24</td> <td>6,113</td> <td>4,244.26</td> <td>1,139.98</td> <td>5,384.24</td> <td>728.76</td> </tr> <tr> <td>2024-25</td> <td>5,618</td> <td>3,905.28</td> <td>1,681.59</td> <td>5,586.87</td> <td>31.13</td> </tr> </tbody> </table> <p data-bbox="322 499 1256 834">It can be seen from the above table that the Discoms have claimed higher transmission charges in comparison to the transmission charges in the income statement. The transmission charges should be limited to the cost that has been accounted and shown in the audited financial statements of the two companies. Thus, the cost of transmission charges of Rs. 832.73 Cr. in FY 2023, Rs. 728.76 Cr. in FY 2023-24 and Rs. 31.13 Cr. in Fy 2024-25 should be disallowed.</p>	Financial Year	Petition	TGSPDCL	TGNPDCL	Total as per FS	Variation from FS	2022-23	5,871	4,019.61	1,018.66	5,038.27	832.73	2023-24	6,113	4,244.26	1,139.98	5,384.24	728.76	2024-25	5,618	3,905.28	1,681.59	5,586.87	31.13	<p data-bbox="1279 180 2063 467">TGDISCOM submits that, While the objector has compared certain line-item figures presented under specific accounting notes, it is respectfully submitted that the overall power purchase cost, including Transmission Charges, as claimed in the True-up, is fully reconciled with and tallying with the audited annual accounts of both DISCOMs.</p>
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22.	<p data-bbox="322 879 696 904">B. Resource Adequacy Plan</p> <p data-bbox="322 951 1256 1182">The report on resource adequacy plan for the State of Telangana was published by CEA in November 2024. The report is available on https://cea.nic.in/wp-content/uploads/resource_adequacy_st/2024/11/Report_on_Resource_Adequacy_Plan_for_Telangana_Up_to_2034_35.pdf.</p> <p data-bbox="322 1227 1256 1353">As per the report, in 2023-24, the peak demand for the State is 15,622 MW whereas 18,958 MW of the capacity has already been tied up. This is shown in the below chart:</p>	<p data-bbox="1279 879 2063 1214">The CEA Resource Adequacy Report shows the planned and tied-up capacity, but it does not guarantee that all this capacity is available in real time. Actual availability depends on many factors such as plant outages, renewable fluctuations, maintenance and other factors. Because of this, DISCOMs sometimes need short-term power to maintain continuous and reliable supply.</p> <p data-bbox="1279 1259 2063 1339">The large tied-up capacity itself shows that long-term planning is already in place.</p> <p data-bbox="1279 1383 2063 1409">Therefore, the claim that higher short-term purchase is due</p>																								

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p data-bbox="533 199 1034 231">Contracted Capacity as on 31.03.2024</p>  <p data-bbox="338 660 1048 687">The load profile of the State has also been studied which is shown below:</p>  <p data-bbox="322 1182 1256 1366">As can be seen from the above chart, the peak hours for Telangana are from 08:00 to 17:00 hours and there has not been much variation over the complete year which makes the planning more reliable and cost effective in comparison to other States like in northern part of the</p>	<p data-bbox="1279 161 2060 292">to poor planning is not correct. TGDISCOMs would like to reiterate the fact that Energy procurement from short term sources is considered for the following reasons</p> <ul data-bbox="1279 336 2060 695" style="list-style-type: none"> • Energy supply during hours of deficit (Power requirement > Power availability from generators) • Power purchase cost optimization: TGDISCOMs have considered procurement from short term sources during hours when the Market price is lesser than the Variable cost (VC) of few generating stations with higher VC to optimize the overall cost of power procurement. <p data-bbox="1279 735 2060 1174">The DISCOMs submit that power procurement planning is carried out primarily to meet projected demand reliably and maintain grid stability. Projections are prepared conservatively to ensure reliability of supply, grid security, and compliance with planning norms and dispatch of power is as per merit order, Hon'ble TGERC has published the draft 'Resource Adequacy: regulation. As and when this regulation is finalized, TG DISCOMS would be aligning the projections with the RA regulation.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>country where there is significant variation at different time of year. This favourable aspect for Discoms in Telangana should minimize the need for expensive market purchases during expected demand peaks. By aligning procurement with projected hourly and seasonal load profiles, DISCOMs can better match demand and supply and mitigate volatility in the cost of supply.</p> <p>However, despite adequate tied-up capacity, recent operational and market trends show that the share and cost of short-term power purchases have increased. Even when overall capacity appears sufficient, DISCOMs often resort to the short-term market to balance real-time demand and supply, manage unforeseen outages, or respond to intra-day fluctuations — especially in a system with high renewable energy penetration. Such short-term purchases are typically priced significantly higher than long-term contracted power, which directly adds to the power purchase cost burden for DISCOMs.</p> <p>Given this context, while the resource adequacy framework strengthens planning and can reduce reliance on short-term procurement, the higher cost component associated with short-term market purchases should not be indiscriminately passed on to consumers. Consumers have a legitimate expectation of efficient, cost-effective power supply. Passing through the full cost of expensive short-term purchases — especially when underlying tied-up capacity is adequate — could unduly increase tariffs and place avoidable cost burdens on end users. Instead, DISCOMs and the regulatory framework should</p>	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>prioritise optimisation of the power purchase mix, enhanced forecasting, demand-side management, and long-term contracting strategies to constrain short-term costs while ensuring reliability and affordability.</p> <p>Further, the Telangana Discoms have not demonstrated any initiative that has been taken for meeting the targets for resource adequacy that have been approved by CEA. As per the report, the share of power purchase from market (short term) needs to be reduced and that of long and Medium term has to be increased. The Discoms need to develop power purchase plan in line with resource adequacy approved by CEA.</p>	
23.	<p>C. Treatment for purchase of power from market</p> <p>An Appeal no. 98 of 2021 was filed by Noida Power Company Ltd. in which the company had appealed against the disallowance of short term power (power purchased from market). Hon'ble APTEL in judgement dated 02.12.2025 has observed that short term procurement of power by distribution Licensee is to be allowed at the cost at which it was actually procured, provided that the quantum of power utilised remains within the approved short-term procurement quantum and the procurement price does not exceed the approved average cost of short-term power as specified in the ARR Order (Pg. 212 of the Order).</p> <p>The case of Telangana State Discoms is same and the principle laid down by Hon'ble APTEL needs to be applied. The approval granted by Hon'ble Commission was much lower and at much lower price. Consumers have a legitimate expectation of efficient, cost-effective</p>	<p>The DISCOMs submit that power procurement and sale are carried out based on merit-order dispatch, demand variability, renewable must-run obligations. TGDISCOMs would like to reiterate the fact that Energy procurement from short term sources is considered for the following reasons</p> <ul style="list-style-type: none"> • Energy supply during hours of deficit (Power requirement > Power availability from generators) • Power purchase cost optimization: TGDISCOMs have considered procurement from short term sources during hours when the Market price is lesser than the Variable cost (VC) of few generating stations with higher VC to optimize the overall cost of power procurement.

S.No.	Summary of Objections / Suggestions	Response of the Licensee																				
	<p>power supply. The increase in power purchase cost due to inefficiency of the Discoms need not be passed on to the consumers. Therefore, the excess units over and above the approved quantum needs to be limited approved price or the price at which energy is purchased, whichever is lower.</p>	<p>The DISCOMs submit that power procurement planning is carried out primarily to meet projected demand reliably and maintain grid stability. Projections are prepared conservatively to ensure reliability of supply, grid security, and compliance with planning norms, and do not necessarily translate into avoidable financial burden on consumers.</p>																				
24.	<p>Cost of Power from NCE</p> <p>The prices discovered in government auctions (SECI/NTPC) for long-term Power Purchase Agreements (PPAs). Prices are in ₹/kWh are as shown below:</p> <table border="1" data-bbox="324 805 1048 1061"> <thead> <tr> <th>Year</th> <th>Solar (Utility Scale)</th> <th>Wind (Non-Solar)</th> <th>Wind-Solar Hybrid</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>₹2.20 – ₹2.50</td> <td>₹2.84 – ₹3.10</td> <td>₹2.53 – ₹2.65</td> </tr> <tr> <td>2023</td> <td>₹2.50 – ₹2.70</td> <td>₹3.10 – ₹3.40</td> <td>₹3.00 – ₹3.30</td> </tr> <tr> <td>2024</td> <td>₹2.50 – ₹2.65</td> <td>₹3.40 – ₹3.60</td> <td>₹3.15 – ₹3.45</td> </tr> <tr> <td>2025/26</td> <td>₹2.56 – ₹2.70</td> <td>₹3.60 – ₹3.74</td> <td>₹3.30 – ₹3.40</td> </tr> </tbody> </table> <p>The above chart clearly shows that the prices of NCE sources have been quite stable in the last few years. The Discoms in Telangana have been inefficient not only in planning but have also been inefficient in operations. Thus, the approval of power purchase cost needs to be limited to the above range rather than approving the actual cost being claimed by the Discoms.</p>	Year	Solar (Utility Scale)	Wind (Non-Solar)	Wind-Solar Hybrid	2022	₹2.20 – ₹2.50	₹2.84 – ₹3.10	₹2.53 – ₹2.65	2023	₹2.50 – ₹2.70	₹3.10 – ₹3.40	₹3.00 – ₹3.30	2024	₹2.50 – ₹2.65	₹3.40 – ₹3.60	₹3.15 – ₹3.45	2025/26	₹2.56 – ₹2.70	₹3.60 – ₹3.74	₹3.30 – ₹3.40	<p>We strongly condemn the allegation of inefficiency. Telangana DISCOMs already have low-cost SECI/NTPC PPAs at ₹2.44/₹2.53/₹2.82 per unit as adopted in the Commission's tariff orders. Auction prices are ex-bus rates, while DISCOMs pay the landed cost, which includes ISTS/STU charges, transmission losses, etc.,</p>
Year	Solar (Utility Scale)	Wind (Non-Solar)	Wind-Solar Hybrid																			
2022	₹2.20 – ₹2.50	₹2.84 – ₹3.10	₹2.53 – ₹2.65																			
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S.No.	Summary of Objections / Suggestions	Response of the Licensee
25.	<p>Sources of power purchased from market</p> <p>The discoms need to show that the power has been purchased from competitive sources by clearly showing the sources of power purchase and providing evidence of competitive bidding. Such details are absent in the submission that has been made by the Discoms.</p>	<p>The plant-wise/source-wise details and market purchases, along with quantities and average rates, are submitted to the Hon'ble Commission.</p>
26.	<p>Miscellaneous Charges</p> <p>The miscellaneous charges that are being claimed by the Discoms are essentially part of power purchase cost itself. Thus, allowing these costs separately will not be appropriate and hence have to be disallowed.</p>	<p>The miscellaneous charges claimed by the DISCOMs for FY 2022-23 to FY 2024-25 include expenses towards major portion 1142 crs for FY 2022-23 is towards Genco MTR Order and Provision-2022-23, banked energy, IEX Cost adjustments, STOA and LTOA charges, Reactive charges, Deviation charges and other related statutory and operational charges. These charges are incidental to power procurement and grid operations.</p>
27.	<p>TSTMA most respectfully prays that the Hon'ble Commission:</p> <p>A. Consider the above Comments/Suggestion/Objections filed by TSTMA on the True-Up Petitions of FY 2022-23, FY 2023-24, FY 2024-25 of TGDISCOMs.</p> <p>B. To conduct True-Up of FY 20223-23. FY 2023-24 & FY 2024-25 on suo-motu basis by 31st March 2026 as mandated by Hon'ble APTEL.</p> <p>C. May direct the Discoms to provide a reconciliation of the Power Procurement Cost, and each component with the audited accounts and the Transmission Charges may be accordingly allowed subject to prudence check;</p> <p>D. May Conduct a Prudence check over the components as highlighted by TSTMA;</p>	<p>The DISCOMs submit that all comments and suggestions filed by FTCCI have been duly noted, and appropriate clarifications have been provided in the responses.</p> <p>The DISCOMs submit that True-Up Petitions for FY 2022-23, FY 2023-24, and FY 2024-25 have already been filed in accordance with the regulations and fully aligned with the audited accounts.</p> <p>The DISCOMs requests Hon'ble Commission to approve the same.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	E. Pass necessary orders as may be deemed appropriate in the facts and circumstances of the case in the interest of competition, as has been enshrined in the Electricity Act;	

2. Response to TISMA (Telangana Iron and Steel Manufacturers Association), Satya Sarovar Apt, Ghansi Bazar, Near High court, Hyderabad, 500002, Telangana. Ph: 040-66145102., Email: tismahyd@gmail.com.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
Comments on TGDICOM's True-Up Filing for FY 2022–23		
1.	<p>The Hon'ble Commission, vide its Order dated 2 May 2025, granted an extension to the Petitioner and directed it to file the True-up Petitions for FY 2022–23 and FY 2023–24 within two months from the date of the said Order. However, the Licensees filed the Petition only on 10 November 2025, which is beyond the stipulated timeline.</p> <p>It is to be noted that TG DISCOMs have filed Power Purchase Cost & Revenue True-Up Petitions for FY 2022-23, FY 2023-24 & FY 2024-25. These True-Up Petitions are incomplete since important elements like Sales, Energy Balance, Transmission Losses, Distribution Losses have not been filed. Moreover, in the absence of complete True-up, Revenue Gap / Surplus has not been calculated. Claiming Power Purchase True-Up without submitting the Sales and Energy Balance is a non-scientific</p>	<p>TGDISCOMs filed power purchase cost true up for FY 2022-23 in accordance with "APERC (Terms and Conditions for determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation, 4 of 2005" and its first amendment Regulation I of 2014 (adopted by TGERC).</p> <p>These filings have been made strictly in line with the regulatory formats and requirements prescribed by the Hon'ble Commission. Details relating to sales, energy balance, and T&D losses are provided in the ARR filings of respective years. TGDISCOMs acknowledges the need for timely issuance of Tariff orders and True up orders.</p> <p>TGDISCOMs submit that, for the reasons detailed in the</p>

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	<p>& non-transparent way of determining the Power Purchase Cost and defeats the purpose of True-Up Exercise.</p> <p>It is pertinent to mention that the last True-Up Order issued by Hon'ble TGERC is for FY 2018-19 dated 23/03/2023. Till date True-Up Orders for FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23, FY 2023-24 & FY 2024-25 are pending. The same comment was submitted by PFI in the ARR Petition for FY 2025-26. Hon'ble TGERC addressed the said comment in the Tariff Order for FY 2025-26 dated 29/04/2025.</p> <p>“3.3 TRUE UP/ DOWN AND FCA PETITIONS</p> <p><i>Commission’s analysis & findings</i></p> <p><i>3.3.8 The Commission has noted the concerns of the stakeholders in respect of the consequences that resulted in running into losses of the petitioners on account of not properly filing the True-up/True-down petitions and not collecting Fuel Cost Adjustment (FCA) as per stipulated regulations. The petitioners have failed to explain as to why they could not file their claims in respect of FCA adjustments quarterly as stipulated in the Regulation which has resulted in huge backlogs thereby the TGDISCOMs are not in a position to claim the FCA either from the government or from the consumers.</i></p> <p><i>... 3.3.11 The Commission directs the TGDISCOMs to strictly comply with Regulation 2 of 2023 and ensure that all future True-up, ARR, Tariff Proposals, and FCA claims are filed within the stipulated timelines. Any deviation from the prescribed schedule will be viewed seriously and may attract regulatory action.”</i></p> <p>Thereafter, TG DISCOMs in Petition I.A. No. 28 of 2025 prayed before the Commission that they may be granted time for filing of petition of</p>	<p>petition, the True-Up petitions could not be filed earlier. The marginal delay in submission was procedural and transitional in nature, and was neither intentional nor indicative of any deficiency in service.</p> <p>TGDISCOMs further submit that all future filings will be made strictly in accordance with Regulation No. 02 of 2023 and in adherence to the timelines prescribed under the Telangana Electricity Regulatory Commission Regulations.</p> <p>TGDISCOMs are diligently adhering to the current MYT regulations 1 of 2023 in calculating FCA and will continue do so.</p> <p>The TGDISCOMs have addressed letters to the GoTG for approval for collection of FCA amount regularly every month as per the provisions in the MYT Regulation.</p> <p>TGDISCOMs have clearly stated in their submissions that no Power Purchase true-up is being claimed for FY 2023-24 and FY 2024-25 and have requested the Hon'ble Commission to pass necessary orders accordingly.</p> <p>This clearly demonstrates the TGDISCOM's adherence to the regulatory framework and compliance with the directions of the Hon'ble Commission.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>power purchase True-Ups of FY 2022-23 and FY 2023-24 pertaining to retail supply business alongwith condonation of delay application within due course of time. Hon'ble TGERC vide Order dated 2/05/2025 granted time extension for two months. Relevant extract from the said Order is as follows.</p> <p><i>“13. Therefore, keeping in view of the exigencies as submitted by the petitioner this Commission extends the time for filing the true-up petitions. 14. Accordingly, this petition is allowed and petitioners/TGDISCOMs are directed to file the true-up petitions for FY 2022 – FY 2023 and FY 2023 – FY 2024 within two months from the date of this order”</i></p> <p>Even after being granted time extension of two months, the True-Up Petitions for FY 2022-23 & FY 2023-24 have been filed on 29/11/2025 i.e, 5 months of delay.</p> <p>Further, as per TGERC (Multi Year Tariff) Regulation, 2023, the DISCOMs need to file or True-Up annually. Relevant extract from the Regulations is as follows:</p> <p><i>“6 Procedure for filing Petition</i></p> <p><i>6.1 The petitions under MYT by the generating entity, transmission licensee/STU, SLDC and distribution licensee shall be filed as per the timelines specified in this Regulation...</i></p> <p><i>c) Multi Year Tariff petition shall be filed by 30th November of the year preceding the first year of the Control Period by distribution licensee (for retail supply business) comprising:</i></p> <p><i>i. True-up of preceding year;</i></p>	<p>It is further submitted that as per regulations, Power Purchase true-up for FY 2022-23 is allowed since disallowance based on FCA levying is not applicable for FY 2022-23.</p> <p>TGDISCOMs acknowledge that while the Hon'ble APTEL has empowered SERCs to initiate suo-motu proceedings in the absence of utility filings, the Hon'ble Commission would still require complete and accurate data from the DISCOMs to ensure a fair and accurate determination.</p> <p>Given the technical and regulatory complexities involved, it is preferable that DISCOMs file the True-Up petitions themselves.</p> <p>This ensures completeness, transparency, and avoids avoidable delays, supporting a more accurate and cost-reflective tariff determination process.</p> <p>TGDISCOMs re-iterate that the True-up filings for FY 2022-23, FY 2023-24 and FY 2024-25 have been made in accordance with regulations issued by Hon'ble commission.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p><i>ii. Aggregate Revenue Requirement for each year of the Control Period;</i></p> <p><i>iii. Revenue from retail sale of electricity at existing tariffs & charges and projected revenue gap for the first year of the Control Period;</i></p> <p><i>iv. Proposal of consumer category wise</i></p> <p><i>f) After first year of the Control Period and onwards, the annual petitions by distribution licensee (for retail supply business) shall comprise of:</i></p> <p><i>i. True-up of preceding year;</i></p> <p><i>ii. Revised Aggregate Revenue Requirement for ensuing year of the Control Period;</i></p> <p><i>iii. Revenue from retail sale of electricity at existing tariffs & charges and projected revenue gap for ensuing year of the Control Period;</i></p> <p><i>iv. Proposal of consumer category wise retail supply tariff and charges for ensuing year of the Control Period.</i></p> <p>9) Further, the same Regulations have also stipulated a penal mechanism to enforce timely submission of True-Up Petitions. Relevant extract from the Regulations is as follows.</p> <p><i>“29 Return on Equity</i></p> <p><i>29.1 Return on Equity shall be computed in rupee terms, on the equity base determined in accordance with clause 27.</i></p> <p><i>29.2 Return on Equity shall be computed at the following base rates:</i></p> <p><i>Provided that in case of delay in submission of tariff/true-up filings by the generating entity or licensee or SLDC, as required under this Regulation, rate of RoE shall be reduced by 0.5% per month or part</i></p>	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p><i>thereof.”</i></p> <p>Moreover, the need for timely issuance of Tariff Orders and True-up Orders has been decided by Hon'ble APTEL in its judgement dtd. 11/11/2011 in OP No. 1 of 2011, as follows:</p> <p><i>“57. This Tribunal has repeatedly held that regular and timely truing-up expenses must be done since:</i></p> <p><i>(a) No projection can be so accurate as to equal the real situation.</i></p> <p><i>(b)The burden/benefits of the past years must not be passed on to the consumers of the future.</i></p> <p><i>(c) Delays in timely determination of tariff and truing-up entails:</i></p> <p><i>(i) Imposing an underserved carrying cost burden to the consumers, as is also recognised by para 5.3 (h) (4) of National Tariff Policy.</i></p> <p><i>(ii) Cash flow problems for the licensees.</i></p> <p><i>65. In view of the analysis and discussion made above, we deem it fit to issue the following directions to the State Commissions:</i></p> <p><i>(i) Every State Commission has to ensure that Annual Performance Review, true-up of past expenses and Annual Revenue Requirement and tariff determination is conducted year to year basis as per the time schedule specified in the Regulations.</i></p> <p><i>(ii) It should be the endeavour of every State Commission to ensure that the tariff for the financial year is decided before 1st April of the tariff year...</i></p> <p><i>(iii) In the event of delay in filing of the ARR, truing-up and Annual Performance Review, one month beyond the scheduled date of submission of the petition, the State Commission must initiate Suo-</i></p>	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p><i>moto proceedings for tariff determination in accordance with Section 64 of the Act read with clause 8.1 (7) of the Tariff Policy.</i></p> <p><i>(v) Truing up should be carried out regularly and preferably every year...”.</i></p> <p>From above, it is noted that Hon’ble APTEL has even decided that SERCs can initiate Suo-moto proceedings and collect the data and information and give suitable directions and then determine the Tariff even in the absence of the application filed by the utilities by exercising the powers under the provisions of the Act as well as the Tariff Regulations.</p> <p>Thus, timely issuance of Tariff and True-up Orders that too cost-reflective results in timely passing of escalated cost in the power sector supply chain thereby maintaining adequate cash flow with the utilities, thus enabling them to supply uninterrupted quality supply to the consumers. It further avoids Creation of Regulatory Assets, burden of Carrying Cost and Tariff shock at once to the end consumers.</p> <p>Req: In view of the above, it is humbly prayed that the Hon’ble Commission may not accept or admit the present True-up Petition. It is further prayed that an appropriate penalty be imposed on the Licensees, in line with the Commission’s observations in the Tariff Order for FY 2024–25, wherein it has been specified that, “in case of delay in submission of tariff/True-up filings by the generating entity or licensee or SLDC, as required under this Regulation, the rate of RoE shall be reduced by 0.5% per month or part thereof,”</p>	

S.No.	Summary of Objections / Suggestions	Response of the Licensee						
	under Clause 20.2 of the Multi-Year Tariff Regulation No. 2 of 2023.							
2.	<p>The Licensees, TGSPDCL and TGNPDCL, have claimed Transmission Charges of ₹4,134 crore and ₹1,737 crore, respectively, in the True-up for FY 2022–23. However, the Annual Accounts of TGSPDCL (Note 23, Page 132) reflect the amount as ₹4,091.61 crore, and those of TGNPDCL (Note 25, Page 138) reflect the amount as ₹1,018.66 crore. Hence, the Hon’ble Commission is requested not to accept the claim of the Petitioner and to consider the figures as per the audited accounts.</p> <table border="1" data-bbox="327 616 981 836"> <thead> <tr> <th data-bbox="327 616 654 746">Claimed by the Licensee for True Up of FY 2022-23</th> <th data-bbox="654 616 981 746">As per Audited Accounts</th> </tr> </thead> <tbody> <tr> <td data-bbox="327 746 654 791">Rs. 4134 Crore</td> <td data-bbox="654 746 981 791">Rs. 4091.61 Crore</td> </tr> <tr> <td data-bbox="327 791 654 836">Rs. 1737 Crore</td> <td data-bbox="654 791 981 836">Rs. 1018.66 Crore</td> </tr> </tbody> </table>	Claimed by the Licensee for True Up of FY 2022-23	As per Audited Accounts	Rs. 4134 Crore	Rs. 4091.61 Crore	Rs. 1737 Crore	Rs. 1018.66 Crore	<p>TGDISCOM submits that, While the objector has compared certain line-item figures presented under specific accounting notes, it is respectfully submitted that the overall power purchase cost, including Transmission Charges, as claimed in the True-up, is fully reconciled with and tallying with the audited annual accounts of both DISCOMs.</p>
Claimed by the Licensee for True Up of FY 2022-23	As per Audited Accounts							
Rs. 4134 Crore	Rs. 4091.61 Crore							
Rs. 1737 Crore	Rs. 1018.66 Crore							
3.	<p>The Note 43 of the Audited accounts of TGSPDCL provide that:</p> <p>In respect of provision for surcharge of M/s. Singareni Thermal Power Plant (STPP), as the Discom and STPP are Government companies, the Discom is taking up the issue with STPP to waive late payment surcharge. To avoid the burdening the consumers, TS Discoms have requested to waive the late payment surcharge as it is not covered in ARR order. The late payment surcharge levied to the end of 2022-23 is Rs.3,459.65 Crore</p> <p>The Hon’ble Commission is requested to direct the Petitioner to clarify</p>	<p>The LPS amount is not included in the power purchase cost. And TGDISCOMs have not claimed in the True-ups.</p>						

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	whether it has paid the Late Payment Surcharges and if it has, the same may be reduced from the power purchase cost.	
4.	<p>The NTPC plants, such as NTPC Simhadri Stage-I and NTPC Kudgi, are among the generating stations that participated in the Ancillary Services Market during FY 2022–23. The Hon'ble Commission is respectfully requested to direct the Licensees to clarify whether the appropriate share of revenue earned from the Ancillary Services Market has been duly passed on by the Generators to the DISCOMs, in accordance with the applicable regulations and PPA provisions</p>	<p>As per the prevailing regulatory framework, the net gain or revenue from Ancillary Services, after accounting for fuel and other variable costs, is adjusted in accordance with CERC orders. Such adjustments are reflected in the monthly regional energy accounts (REA) through billing adjustments raised by the generator. The bills raised by NTPC, which are prepared in line with CERC regulations and verified through the Regional Power Committee mechanism.</p>
5.	<p>The Licensees, TGSPDCL and TGNPDCL, have claimed miscellaneous charges of ₹1,563 crore and ₹931 crore, respectively, for which no details have been provided. In respect of these miscellaneous expenses, the audited statements of TGSPDCL provide the following details:</p> <p>It is to submit that, Hon'ble TSERC has issued the order Dated: 21.11.2022 in respect of OP No: 8 of 2021 filed by M/s. Singareni-STPP allowing the water charges and Thermal incentive based on scheduled energy for the period from 2016-19.</p> <p>However, TSDiscoms have already made provision in the books for thermal incentive and other Miscellaneous expenses. Subsequently, Hon'ble TSERC has disposed the secondary petition in OP.No. 25 of</p>	<p>The miscellaneous charges claimed by the DISCOMs for FY 2022-23 to FY 2024-25 include expenses towards – major portion 1142 crs for FY 2022-23 is towards MTR Order and Provision-2022-23, banked energy, IEX Cost adjustments, STOA and LTOA charges, Reactive charges, Deviation charges and other related statutory and operational charges. These charges are incidental to power procurement and grid operations.</p> <p>These amounts have been accounted for in line with regulatory requirements and are reflected in the audited accounts.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>2021 disallowing the other Miscellaneous expenses were already taken in the books of accounts. M/s. SCCL-STPP misinterpreting the TSERC Order has preferred consolidated claim including charges which was disallowed by TSERC. Therefore, the total claim was rejected with a request to claim water charges and incentive separately. Separate provision was not made towards water charges as provision for miscellaneous expenses more or less compensates the provision for water charges.</p> <p>However, the actual water charges will be taken into books of accounts of TSDiscoms in 2023-24 duly setting off against the provision already made.</p> <p>Hence the Hon'ble Commission is requested to not consider it for the FY 2022-23 True Up.</p> <p>The Licensees, in their reply to some of the objectors, have stated that the miscellaneous charges claimed by the DISCOMs for FY 2022–23 include expenses, of which a major portion amounting to ₹1,142 crore pertains to the GENCO MTR Order and Provision for FY 2022–23, banked energy, IEX cost adjustments, STOA and LTOA charges, reactive charges, deviation charges, and other related statutory and operational charges. The Licensees have further submitted that these charges are incidental to power procurement and grid operations.</p> <p>In this regard, the Hon'ble Commission is respectfully requested to direct the Licensees to furnish a detailed head-wise and item-wise</p>	<p>A detailed breakup of these miscellaneous charges is being furnished to the Hon'ble Commission as part of the additional information.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee																																																																
	break-up of the aforesaid miscellaneous charges, along with supporting documents and reconciliation with the audited accounts. In the absence of such proper justification and documentary evidence, the Hon'ble Commission may kindly disallow the said claims.																																																																	
6.	<p>For the approved short-term purchase of 2,171.87 MU in FY 2022–23, the Commission has considered a power purchase price of Rs. 3.30/kWh (Para 4.5.10, p. 129 of the RST Order for FY 2022–23). However, the TGDISCOMs procured power from market sources at an average cost of Rs. 6.53 per unit, which is nearly double the purchase price stipulated by the Commission. Therefore, the Hon'ble Commission is respectfully requested to adopt the short-term purchase price as approved in the Tariff Order for FY 2022–23 and not to allow the higher prices claimed by the TGDISCOMs.</p> <p>The TGDISCOMs, in their reply regarding the higher market purchase price, have submitted that the cost claimed represents the actual cost borne by the DISCOMs, and that relevant details have been furnished in the filings. They have further stated that the cost was incurred to ensure reliable and continuous power supply to consumers, and that it is necessary for the DISCOMs to recover the same. The DISCOMs have contended that the rate of Rs. 3.30/unit approved in the Tariff Order was only an indicative estimate, whereas the actual market prices during the year were significantly higher. They have submitted that the average DAM and GDAM prices during FY 2022–23 were around Rs. 6.10/unit and Rs. 5.75/unit, respectively, which, after</p>	<p>TGDISCOMs submit that this is the actual cost borne by DISCOM and relevant details are submitted in the filings and this cost was borne by DISCOMs to provide reliable and continuous power supply to its consumers and it is important for DISCOM to get this claim. It is also to be noted that the objector's comparison is based on calendar year 2022, whereas the True-up pertains to financial year FY 2022-23. and references of computation is attached below (source – IEX)</p> <table border="1" data-bbox="1283 858 1966 1262"> <thead> <tr> <th colspan="4">Market Snapshot</th> </tr> <tr> <td colspan="4"><i>Date: 01-04-2022 to 31-12-2022</i></td> </tr> <tr> <th>Year</th> <th>Month</th> <th>Weighted MCP (Rs/MWh)</th> <th>Rs/Unit</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>April</td> <td>9524.24</td> <td>9.5</td> </tr> <tr> <td>2022</td> <td>May</td> <td>6810.33</td> <td>6.8</td> </tr> <tr> <td>2022</td> <td>June</td> <td>6884.79</td> <td>6.9</td> </tr> <tr> <td>2022</td> <td>July</td> <td>5496.85</td> <td>5.5</td> </tr> <tr> <td>2022</td> <td>August</td> <td>5431.08</td> <td>5.4</td> </tr> <tr> <td>2022</td> <td>September</td> <td>5875.13</td> <td>5.9</td> </tr> <tr> <td>2022</td> <td>October</td> <td>3963.44</td> <td>4.0</td> </tr> <tr> <td>2022</td> <td>November</td> <td>4795.49</td> <td>4.8</td> </tr> <tr> <td>2022</td> <td>December</td> <td>5597.86</td> <td>5.6</td> </tr> <tr> <td>2023</td> <td>Jan</td> <td>6375.48</td> <td>6.4</td> </tr> <tr> <td>2023</td> <td>Feb</td> <td>6639.79</td> <td>6.6</td> </tr> <tr> <td>2023</td> <td>March</td> <td>5436.19</td> <td>5.4</td> </tr> <tr> <td colspan="3">avg price DAM</td> <td>6.1</td> </tr> </tbody> </table>	Market Snapshot				<i>Date: 01-04-2022 to 31-12-2022</i>				Year	Month	Weighted MCP (Rs/MWh)	Rs/Unit	2022	April	9524.24	9.5	2022	May	6810.33	6.8	2022	June	6884.79	6.9	2022	July	5496.85	5.5	2022	August	5431.08	5.4	2022	September	5875.13	5.9	2022	October	3963.44	4.0	2022	November	4795.49	4.8	2022	December	5597.86	5.6	2023	Jan	6375.48	6.4	2023	Feb	6639.79	6.6	2023	March	5436.19	5.4	avg price DAM			6.1
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	<p>accounting for losses and other charges, resulted in a landed cost of Rs. 6.53/unit, and that such procurement reflects prudent market optimization.</p> <p>However, the weighted average DAM rate as per IEX for the calendar year 2022 was Rs. 5.821/unit, which is lower than the claimed rate of Rs. 6.10/unit. Therefore, the Hon'ble Commission is respectfully requested to examine the discrepancy and verify the basis of the claimed market rates, and accordingly restrict the allowable power purchase cost to reasonable and prudently incurred levels. (https://www.iexindia.com/market-data/day-ahead-market/market-snapshot?interval=YEARLY&dp=CALENDER_YEAR&showGraph=false&toDate=2022&fromDate=1)</p>	<p>Market Snapshot Date: 01-04-2022 to 31-12-2022</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Month</th> <th>Weighted MCP (Rs/MWh)</th> <th>Rs/Unit</th> </tr> </thead> <tbody> <tr><td>2022</td><td>April</td><td>9286.40</td><td>9.29</td></tr> <tr><td>2022</td><td>May</td><td>5910.24</td><td>5.91</td></tr> <tr><td>2022</td><td>June</td><td>5939.28</td><td>5.94</td></tr> <tr><td>2022</td><td>July</td><td>4631.94</td><td>4.63</td></tr> <tr><td>2022</td><td>August</td><td>5202.76</td><td>5.20</td></tr> <tr><td>2022</td><td>September</td><td>5422.74</td><td>5.42</td></tr> <tr><td>2022</td><td>October</td><td>4019.08</td><td>4.02</td></tr> <tr><td>2022</td><td>November</td><td>4913.08</td><td>4.91</td></tr> <tr><td>2022</td><td>December</td><td>5235.40</td><td>5.24</td></tr> <tr><td>2023</td><td>Jan</td><td>6299.04</td><td>6.30</td></tr> <tr><td>2023</td><td>Feb</td><td>6569.1</td><td>6.57</td></tr> <tr><td>2023</td><td>March</td><td>5665.2</td><td>5.67</td></tr> <tr><td colspan="3">avg price DAM</td><td>5.76</td></tr> </tbody> </table>	Year	Month	Weighted MCP (Rs/MWh)	Rs/Unit	2022	April	9286.40	9.29	2022	May	5910.24	5.91	2022	June	5939.28	5.94	2022	July	4631.94	4.63	2022	August	5202.76	5.20	2022	September	5422.74	5.42	2022	October	4019.08	4.02	2022	November	4913.08	4.91	2022	December	5235.40	5.24	2023	Jan	6299.04	6.30	2023	Feb	6569.1	6.57	2023	March	5665.2	5.67	avg price DAM			5.76
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7.	<p>The Hon'ble Commission is humbly requested to direct the Licensees to furnish the details of the Late Payment Surcharge (LPS) amounts, in Rs. crore, paid to the generators, along with supporting documents and reconciliation with the audited accounts.</p>	<p>The details pertaining to payment of LPS amounts is being furnished to the Hon'ble Commission as part of the additional information.</p>																																																								
8.	<p>The Licensees, TGSPDCL and TGNPDCL, have claimed short-term power purchase quantum of 5,126 MU and 2,140 MU, respectively, as against the approved quantum of 1,532 MU and 640 MU. This represents an increase of about 235% (3.35 times) in the case of TGSPDCL and about 234% in the case of TGNPDCL over the quantum approved by the Hon'ble Commission.</p> <p>At the same time, procurement from reliable GENCO thermal sources</p>	<p>TGDISCOMs would like to reiterate the fact that Energy procurement from short term sources is considered for the following reasons</p> <ul style="list-style-type: none"> • Energy supply during hours of deficit (Power requirement > Power availability from generators) • Power purchase cost optimization: TGDISCOMs have 																																																								

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	<p>was lower than the approved quantum. In the case of TGNPDCL, only 6,968 MU was procured as against the approved 7,924 MU, and in the case of TGSPDCL, 16,692 MU was procured as against the approved 18,983 MU.</p> <p>The simultaneous under-procurement from approved and economical thermal sources and excessive reliance on costly short-term market purchases clearly indicate lack of proper power planning, forecasting, and optimal scheduling by the DISCOMs.</p> <p>Accordingly, the excess short-term procurement ought not to be considered prudent and should not be allowed in the True-up.</p>	<p>considered procurement from short term sources during hours when the Market price is lesser than the Variable cost (VC) of few generating stations with higher VC to optimize the overall cost of power procurement.</p> <p>Here, it is pertinent to note that, the procurement from short term sources for deficit supply is done only when the entire generation capacity is dispatched and the procurement from short term sources for Power purchase optimization is done only by backing down the thermal generators having higher VC than the then existing market (Short term source) prices resulting only in the reduction of overall power procurement cost.</p>
Comments on TSDISCOM's True-Up Filing for FY 2023–24		
9.	<p>The Hon'ble Commission, vide its Order dated 2 May 2025, granted an extension to the Petitioner and directed it to file the True-up Petitions for FY 2022–23 and FY 2023–24 within two months from the date of the said Order. However, the Licensees filed the Petition only on 10 November 2025, which is beyond the stipulated timeline.</p> <p>In view of the above, it is humbly prayed that the Hon'ble Commission may not accept or admit the present True-up Petition. It is further prayed that an appropriate penalty be imposed on the Licensees, in line with the Commission's observations in the Tariff Order for FY 2024–25, wherein it has been specified that, "in case of delay in submission of</p>	<p>TGDISCOMs acknowledges the need for timely issuance of Tariff orders and True up orders.</p> <p>TGDISCOMs submit that, for the reasons detailed in the petition, the True-Up petitions could not be filed earlier. The marginal delay in submission was procedural and transitional in nature, and was neither intentional nor indicative of any deficiency in service.</p> <p>TGDISCOMs further submit that all future filings will be made strictly in accordance with Regulation No. 02 of 2023 and in adherence to the timelines prescribed under the</p>

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	tariff/True-up filings by the generating entity or licensee or SLDC, as required under this Regulation, the rate of RoE shall be reduced by 0.5% per month or part thereof,” under Clause 20.2 of the Multi-Year Tariff Regulation No. 2 of 2023.	Telangana Electricity Regulatory Commission Regulations. TGDISCOMs have clearly stated in their submissions that no Power Purchase true-up is being claimed for FY 2023-24, and have requested the Hon’ble Commission to pass necessary orders accordingly. This clearly demonstrates the TGDISCOM’s adherence to the regulatory framework and compliance with the directions of the Hon’ble Commission.
10.	<p>The Licensees have submitted that the Central Generating Stations witnessed a shortfall of 4,340 MU, amounting to a 21% reduction in generation, attributing the same to the delay in commissioning of the Telangana STPP. However, the Hon'ble Commission had approved a total quantum of 21,126 MU, as per Table No. 4.15 vide its Order dated 24.03.2023 for FY 2023–24, which included 8,247.29 MU from TSTPP–1. If the quantum pertaining to TSTPP–1 is excluded on account of the delay, the revised quantum works out to 12,878.71 MU.</p> <p>In this context, a shortfall of 4,340 MU corresponds to approximately 20.5% of the approved quantum of 21,126 MU, and not 21% (which would amount to about 4,436 MU). Therefore, the percentage reduction claimed by the Licensees does not mathematically align with the stated shortfall and requires proper clarification and justification.</p>	<p>For the CGS stations, the Hon’ble Commission had approved 7,916 MU from TSTPP-1, of which 2,645 MU was actually dispatched, resulting in a shortfall of 5,271 MU. This shortfall was partly offset by higherthanapproved dispatch from several CGS stations such as NTPC, NPC-Kaiga, and NCE JNNSM Phase-1, thereby bringing the net shortfall to 4,340 MU.</p> <p>The petition highlighted only the major reasons for the variation. The calculated shortfall of 4,340 MU corresponds to approximately 20.54%, which was rounded to 21% for ease of understanding.</p>
11.	The Hon’ble Commission approved the quantum of power purchase from NCEs for FY 2023–24 as 11,896 MU, whereas the Licensees	The variation in NCE energy is due to the actual dispatch being 11,007 MU against the Hon’ble Commission’s

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	<p>have claimed the quantum as 11,007 MU. The Licensees have submitted that there has been a 7.47% shortfall in energy dispatched by NCEs, leading to a reduction of 889 MU in generation.</p> <p>In this regard, the Hon'ble Commission is humbly requested to direct the Licensees to furnish detailed data on curtailment, including scheduled energy vis-à-vis actual drawl/withdrawal. The Commission may also direct the Licensees to clarify whether the quantum under net metering has been considered under this head.</p>	<p>approved 11,896 MU, resulting in a reduction of 889 MU, i.e., 7.47%.</p> <p>TGDISCOMs submit that the aforesaid shortfall is primarily attributable to factors beyond the control of the Licensees, such as resource variability (solar irradiation), seasonal patterns, etc. NCE power is accorded "must-run" status as per the provisions of the regulations and grid code, and there is no curtailment of NCE sources.</p> <p>Actual energy from NCE sources is fully considered in the True-up computations. Whereas, the net-metering (rooftop solar) quantum is not included under NCE purchase, it is netted off against sales.</p>
12.	<p>The Licensees have claimed Transmission cost of ₹6,113 crore as against the approved cost of ₹5,376 crore for FY 2023–24. However, the audited accounts of TGNPDCL reflect Transmission & SLDC charges of ₹1,139.98 crore, while the audited accounts of TGSPDCL reflect ₹4,244.26 crore, aggregating to ₹5,384.24 crore.</p> <p>The claimed amount is therefore higher than the audited figures by ₹728.76 crore and also significantly above the approved cost. Hence, the Hon'ble Commission is respectfully requested to direct the Licensees to furnish detailed justification and reconciliation for such variation.</p>	<p>TGDISCOM submits that, While the objector has compared certain line-item figures presented under specific accounting notes, it is respectfully submitted that the overall power purchase cost, including Transmission Charges, as claimed in the True-up, is fully reconciled with and tallying with the audited annual accounts of both DISCOMs.</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
13.	<p>The Licensees have claimed Interstate Sale/UI Sale/Purchase in 33 kV and below as ₹ (-735) crore for FY 2023-24, as against the approved value of ₹ (-1,862) crore. However, as per the audited accounts of TGNPDCL (Note 23.2), the Company has recorded inter-state sales amounting to ₹234.34 crore and Unscheduled Interchange (UI) charges of ₹6.12 crore.</p> <p>In view of the above, the Hon'ble Commission is respectfully requested to direct the Licensees to furnish the complete break-up and detailed reconciliation of the said claim with the audited accounts.</p>	<p>The DISCOMs submit that the audited annual accounts reflect the actual quantum and value of interstate sale/UI transactions recorded at the Company level.</p> <p>For the purpose of the True-up computation, the split of the consolidated figures between TGNPDCL and TGSPDCL has been carried out based on their respective energys share (29.45% for TGNPDCL and 70.55% for TGSPDCL). Accordingly, there is no inconsistency between the audited accounts and the values presented in the True-up model; the variation is only due to this allocation methodology.</p>
14.	<p>The Licensee, TGSPDCL, has claimed the actual revenue realized from the HT category as ₹19,509.79 crore. However, the audited accounts of TGSPDCL (Note 21) reflect revenue earned from HT supply amounting to ₹19,608.47 crore.</p> <p>In view of the above, the Hon'ble Commission is respectfully requested to direct the Licensee to submit a detailed reconciliation of the claimed amount vis-à-vis the figures reflected in the audited accounts.</p>	<p>The revenue shown in the True-up is based on category-wise mapping, not the audited line items. The total revenue of ₹31,499.6 crore fully matches the audited accounts when considering:</p> <p>LT revenue: ₹11,204.40 cr HT revenue: ₹19,608.47 cr Add: Customer charges ₹912.41 cr Less: ED ₹225.67 cr</p> <p>This reconciles exactly to ₹31,499.6 cr, which is the same total used in the True-up (LT ₹11,989.8 cr + HT ₹19,509.8 cr).</p>
15.	<p>The Licensee, TGSPDCL, has claimed revenue from other sources</p>	<p>The amount of ₹289.10 crore represents revenue from</p>

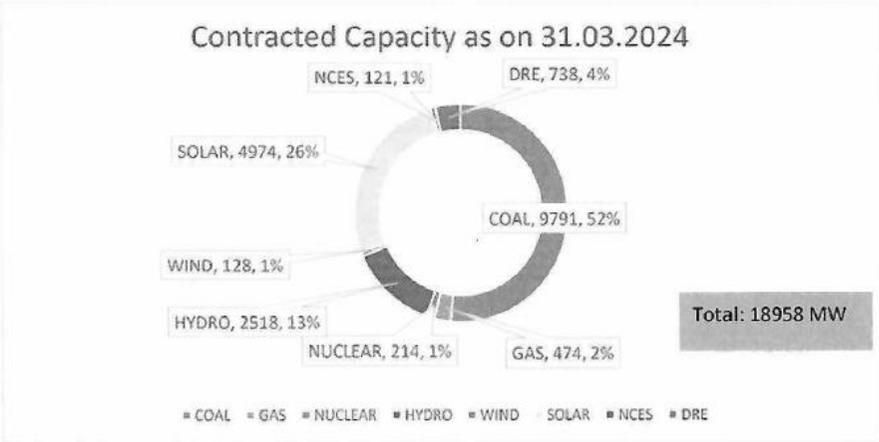
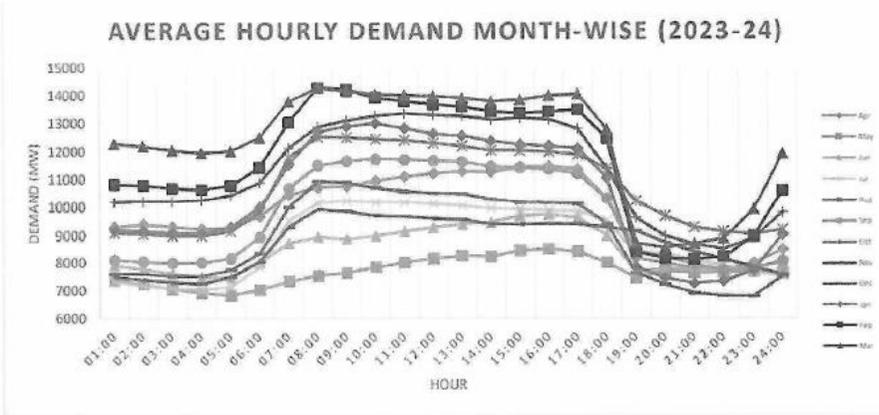
S.No.	Summary of Objections / Suggestions	Response of the Licensee
	<p>amounting to ₹289.10 crore, which appears to be understated when compared with the revenue from other sources as reflected in the audited accounts.</p> <p>In view of the above, the Hon'ble Commission is respectfully requested to direct the Licensee to furnish a detailed break-up of the said amount along with proper reconciliation with the audited accounts.</p>	<p>Additional Surcharge, Cross-Subsidy Surcharge, and other Non-Tariff Income.</p>
16.	<p>The Licensee, TGNPDCL, has claimed Non-Tariff Income amounting to ₹72.37 crore, which appears to be understated when compared with the corresponding figures reflected in the audited accounts. The Licensee has not considered Miscellaneous Charges from consumers amounting to ₹486.62 crore, Recoveries towards Theft/Malpractice amounting to ₹22.40 crore, and Delayed Payment Charges amounting to ₹166.08 crore.</p> <p>In view of the above, the Hon'ble Commission is respectfully requested to direct the Licensee to furnish a detailed break-up of the said amount along with proper reconciliation with the audited accounts.</p>	<p>DPS and miscellaneous charges from consumers have already been accounted for under the respective consumer categories. The amount of ₹72.37 crore shown under 'other revenue' pertains to theft cases and other non-tariff income.</p>
<p>Comments on TGDISCOM's True-Up Filing for FY 2024–25</p>		
17.	<p>The Licensees procured 7,266 MU from short-term sources in FY 2022–23, which increased to 9,895 MU in FY 2023–24 (an increase of about 36%) and further escalated to 20,870 MU in FY 2024–25 (an increase of about 111% over the previous year). Overall, short-term power procurement has increased by approximately 187% over the two-year period. This steep and continuous rise in reliance on short-</p>	<p>TGDISCOMs would like to reiterate the fact that Energy procurement from short term sources is considered for the following reasons:</p> <ul style="list-style-type: none"> • Energy supply during hours of deficit (Power requirement > Power availability from generators)

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	<p>term sources indicates lack of proper long-term power planning and prudent procurement strategy on the part of the Licensees, resulting in avoidable financial burden on consumers.</p>	<ul style="list-style-type: none"> • Power purchase cost optimization: TGDISCOMs have considered procurement from short term sources during hours when the Market price is lesser than the Variable cost (VC) of few generating stations with higher VC to optimize the overall cost of power procurement. <p>Here, it is pertinent to note that, the procurement from short term sources for deficit supply is done only when the entire generation capacity is dispatched and the procurement from short term sources for Power purchase optimization is done only by backing down the thermal generators having higher VC than the then existing market (Short term source) prices resulting only in the reduction of overall power procurement cost.</p>
18.	<p>The Licensees, while justifying the substantial increase in short-term power procurement, have submitted that the State of Telangana has been supplying 24x7 power to the agricultural sector since 1 January 2018, which has increased the overall power purchase requirement for FY 2024–25. The Licensees have further stated that, after exhausting all available sources, they resorted to short-term market purchases to meet the sudden increase in power demand during FY 2024–25.</p> <p>However, it is submitted that the Licensees have not adequately explored alternative and more economical procurement options, such as procurement through the DEEP portal, short-term bilateral</p>	<p>Before resorting to purchase from power exchanges, the TGDISCOMs explored and availed power through:</p> <ul style="list-style-type: none"> • Procurement through transparent bidding platforms, including the DEEP portal. • Banking arrangements and swap mechanisms. <p>After exhausting above options, procured power from short-term market.</p>

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	<p>agreements, or medium-term power purchase arrangements. Instead, they have largely relied on costly power procurement through the power exchanges, without duly considering the resultant financial burden on consumers. Such procurement practices reflect a lack of prudent planning and optimal power procurement strategy.</p> <p>In view of the above, the Hon'ble Commission is respectfully requested to disallow the excess costly procurement undertaken by the DISCOMs and direct them to adopt prudent and economically optimal power procurement planning in future.</p>	<p>In view of the above, TGDISCOMs respectfully submit that the short-term procurement undertaken during FY 2024–25 was necessary, prudent, and in the larger consumer interest to avoid load shedding and maintain statutory supply obligations. The Hon'ble Commission may kindly consider the same and allow the power purchase costs as claimed.</p>
19.	<p>The Licensee, TGSPDCL, has claimed Transmission Charges for FY 2024–25 amounting to ₹3,956 crore, whereas the audited accounts reflect Transmission Charges of ₹3,905.28 crore. This results in a variation of ₹50.72 crore between the claimed amount and the audited figures.</p> <p>In view of the above, the Hon'ble Commission is respectfully requested to direct the Licensee to furnish a detailed reconciliation of the claimed amount vis-à-vis the audited accounts and justify the said variation.</p>	<p>TGDISCOM submits that, While the objector has compared certain line-item figures presented under specific accounting notes, it is respectfully submitted that the overall power purchase cost, including Transmission Charges, as claimed in the True-up, is fully reconciled with and tallying with the audited annual accounts of both DISCOMs.</p>
<p>Specific comments on True-Up for power purchase by Telangana State Discoms for FY 2022-23, FY 2023-24 and FY 2024-25</p>		
20.	<p>Based on the submissions made by the Discoms in Telangana, the analysis has been conducted. This primarily shows that the Discoms have been highly inefficient in there planning and power purchase as the share of power purchase from market has been increasing and has grown to 25% of the total requirement in FY 2024-25. The cost of power</p>	<p>TGDISCOMs submit that the audited accounts reflect the actual energy sales recorded during the year. However, the True-up model is computed strictly in accordance with the methodology approved by the Hon'ble Commission, wherein the approved agricultural sales are considered for</p>

S.No.	Summary of Objections / Suggestions	Response of the Licensee																		
	<p>purchase from market has also been on higher side thereby leading to higher expense. The inefficiency of the Discoms need not be passed on to the consumers.</p> <p>In Fy 2024-25, the energy purchased from all sources reduced in comparison to the approval granted by the Commission. It is clear that such energy is being purchased from market at higher prices thereby adversely affecting the consumers.</p> <p>Further, the point wise submission has been made below:</p> <p>A. Comparison with audit financial statements</p> <p>Power Purchase Units (Mus)</p> <table border="1" data-bbox="324 710 1243 877"> <thead> <tr> <th>Financial Year</th> <th>Petition</th> <th>TGSPDCL</th> <th>TGNPDCL</th> <th>Total as per FS</th> <th>Variation from FS</th> </tr> </thead> <tbody> <tr> <td>2022-23</td> <td>76073</td> <td>51243</td> <td>23217</td> <td>74459.3</td> <td>1613.7</td> </tr> <tr> <td>2023-24</td> <td>79848</td> <td>58312</td> <td>20976</td> <td>79287.7</td> <td>560.3</td> </tr> </tbody> </table> <p>It can be seen that the Discoms are claiming cost of higher units in comparison to the units that are shown in the audited financial statements (FS). Therefore, the per unit cost related to power purchase (excluding transmission charges and sale of power) needs to be allowed only to the extent of units in audited financial statements. Thus, the cost of 1,613.7 Mus in FY 2022-23 and 560.3 Mus in FY 2023-24 needs to be disallowed. The units for FY 2024-25 for TGSPDCL is not shown in the audited financial statements, the Discom needs to be directed to show the units and accordingly treatment needs to be done for FY 2024-25</p>	Financial Year	Petition	TGSPDCL	TGNPDCL	Total as per FS	Variation from FS	2022-23	76073	51243	23217	74459.3	1613.7	2023-24	79848	58312	20976	79287.7	560.3	<p>deriving the energy requirement, rather than the actual agricultural consumption recorded in the books of accounts.</p>
Financial Year	Petition	TGSPDCL	TGNPDCL	Total as per FS	Variation from FS															
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21.	<p data-bbox="409 261 701 288" style="text-align: center;"><u>Transmission Charges (Rs. Cr.)</u></p> <table border="1" data-bbox="338 320 1240 549"> <thead> <tr> <th data-bbox="338 320 501 411">Financial Year</th> <th data-bbox="501 320 658 411">Petition</th> <th data-bbox="658 320 831 411">TGSPDCL</th> <th data-bbox="831 320 1003 411">TGNPDCL</th> <th data-bbox="1003 320 1128 411">Total as per FS</th> <th data-bbox="1128 320 1240 411">Variation from FS</th> </tr> </thead> <tbody> <tr> <td data-bbox="338 411 501 456">2022-23</td> <td data-bbox="501 411 658 456">5,871</td> <td data-bbox="658 411 831 456">4,019.61</td> <td data-bbox="831 411 1003 456">1,018.66</td> <td data-bbox="1003 411 1128 456">5,038.27</td> <td data-bbox="1128 411 1240 456">832.73</td> </tr> <tr> <td data-bbox="338 456 501 501">2023-24</td> <td data-bbox="501 456 658 501">6,113</td> <td data-bbox="658 456 831 501">4,244.26</td> <td data-bbox="831 456 1003 501">1,139.98</td> <td data-bbox="1003 456 1128 501">5,384.24</td> <td data-bbox="1128 456 1240 501">728.76</td> </tr> <tr> <td data-bbox="338 501 501 549">2024-25</td> <td data-bbox="501 501 658 549">5,618</td> <td data-bbox="658 501 831 549">3,905.28</td> <td data-bbox="831 501 1003 549">1,681.59</td> <td data-bbox="1003 501 1128 549">5,586.87</td> <td data-bbox="1128 501 1240 549">31.13</td> </tr> </tbody> </table> <p data-bbox="322 576 1256 911">It can be seen from the above table that the Discoms have claimed higher transmission charges in comparison to the transmission charges in the income statement. The transmission charges should be limited to the cost that has been accounted and shown in the audited financial statements of the two companies. Thus, the cost of transmission charges of Rs. 832.73 Cr. in FY 2023, Rs. 728.76 Cr. in FY 2023-24 and Rs. 31.13 Cr. in Fy 2024-25 should be disallowed.</p>	Financial Year	Petition	TGSPDCL	TGNPDCL	Total as per FS	Variation from FS	2022-23	5,871	4,019.61	1,018.66	5,038.27	832.73	2023-24	6,113	4,244.26	1,139.98	5,384.24	728.76	2024-25	5,618	3,905.28	1,681.59	5,586.87	31.13	<p data-bbox="1279 256 2060 544">TGDISCOM submits that, While the objector has compared certain line-item figures presented under specific accounting notes, it is respectfully submitted that the overall power purchase cost, including Transmission Charges, as claimed in the True-up, is fully reconciled with and tallying with the audited annual accounts of both DISCOMs.</p>
Financial Year	Petition	TGSPDCL	TGNPDCL	Total as per FS	Variation from FS																					
2022-23	5,871	4,019.61	1,018.66	5,038.27	832.73																					
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22.	<p data-bbox="322 954 696 986">B. Resource Adequacy Plan</p> <p data-bbox="322 1027 1256 1262">The report on resource adequacy plan for the State of Telangana was published by CEA in November 2024. The report is available on https://cea.nic.in/wp-content/uploads/resource_adequacy_st/2024/11/Report_on_Resource_Adequacy_Plan_for_Telangana_Up_to_2034_35.pdf.</p> <p data-bbox="322 1302 1256 1382">As per the report, in 2023-24, the peak demand for the State is 15,622 MW whereas 18,958 MW of the capacity has already been tied up. This</p>	<p data-bbox="1279 954 2060 1294">The CEA Resource Adequacy Report shows the planned and tied-up capacity, but it does not guarantee that all this capacity is available in real time. Actual availability depends on many factors such as plant outages, renewable fluctuations, maintenance and other factors. Because of this, DISCOMs sometimes need short-term power to maintain continuous and reliable supply.</p> <p data-bbox="1279 1334 2060 1366">The large tied-up capacity itself shows that long-term</p>																								

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	<p>is shown in the below chart:</p>  <p>The load profile of the State has also been studied which is shown below:</p>  <p>As can be seen from the above chart, the peak hours for Telangana are from 08:00 to 17:00 hours and there has not been much variation over the complete year which makes the planning more reliable and cost</p>	<p>planning is already in place.</p> <p>Therefore, the claim that higher short-term purchase is due to poor planning is not correct. TGDISCOMs would like to reiterate the fact that Energy procurement from short term sources is considered for the following reasons</p> <ul style="list-style-type: none"> • Energy supply during hours of deficit (Power requirement > Power availability from generators) • Power purchase cost optimization: TGDISCOMs have considered procurement from short term sources during hours when the Market price is lesser than the Variable cost (VC) of few generating stations with higher VC to optimize the overall cost of power procurement. <p>The DISCOMs submit that power procurement planning is carried out primarily to meet projected demand reliably and maintain grid stability. Projections are prepared conservatively to ensure reliability of supply, grid security, and compliance with planning norms and dispatch of power is as per merit order, Hon'ble TGERC has published the draft 'Resource Adequacy: regulation. As and when this regulation is finalized, TG DISCOMS would be aligning the projections with the RA regulation.</p>

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	<p>effective in comparison to other States like in northern part of the country where there is significant variation at different time of year. This favourable aspect for Discoms in Telangana should minimize the need for expensive market purchases during expected demand peaks. By aligning procurement with projected hourly and seasonal load profiles, DISCOMs can better match demand and supply and mitigate volatility in the cost of supply.</p> <p>However, despite adequate tied-up capacity, recent operational and market trends show that the share and cost of short-term power purchases have increased. Even when overall capacity appears sufficient, DISCOMs often resort to the short-term market to balance real-time demand and supply, manage unforeseen outages, or respond to intra-day fluctuations — especially in a system with high renewable energy penetration. Such short-term purchases are typically priced significantly higher than long-term contracted power, which directly adds to the power purchase cost burden for DISCOMs.</p> <p>Given this context, while the resource adequacy framework strengthens planning and can reduce reliance on short-term procurement, the higher cost component associated with short-term market purchases should not be indiscriminately passed on to consumers. Consumers have a legitimate expectation of efficient, cost-effective power supply. Passing through the full cost of expensive short-term purchases — especially when underlying tied-up capacity is adequate — could unduly increase tariffs and place avoidable cost burdens on end users.</p>	

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	<p>Instead, DISCOMs and the regulatory framework should prioritise optimisation of the power purchase mix, enhanced forecasting, demand-side management, and long-term contracting strategies to constrain short-term costs while ensuring reliability and affordability.</p> <p>Further, the Telangana Discoms have not demonstrated any initiative that has been taken for meeting the targets for resource adequacy that have been approved by CEA. As per the report, the share of power purchase from market (short term) needs to be reduced and that of long and Medium term has to be increased. The Discoms need to develop power purchase plan in line with resource adequacy approved by CEA.</p>	
23.	<p>C. Treatment for purchase of power from market</p> <p>An Appeal no. 98 of 2021 was filed by Noida Power Company Ltd. in which the company had appealed against the disallowance of short term power (power purchased from market). Hon'ble APTEL in judgement dated 02.12.2025 has observed that short term procurement of power by distribution Licensee is to be allowed at the cost at which it was actually procured, provided that the quantum of power utilised remains within the approved short-term procurement quantum and the procurement price does not exceed the approved average cost of short-term power as specified in the ARR Order (Pg. 212 of the Order).</p> <p>The case of Telangana State Discoms is same and the principle laid down by Hon'ble APTEL needs to be applied. The approval granted by Hon'ble Commission was much lower and at much lower price.</p>	<p>The DISCOMs submit that power procurement and sale are carried out based on merit-order dispatch, demand variability, renewable must-run obligations. TGDISCOMs would like to reiterate the fact that Energy procurement from short term sources is considered for the following reasons</p> <ul style="list-style-type: none"> • Energy supply during hours of deficit (Power requirement > Power availability from generators) • Power purchase cost optimization: TGDISCOMs have considered procurement from short term sources during hours when the Market price is lesser than the Variable cost (VC) of few generating stations with higher VC to optimize the overall cost of power procurement.

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	<p>Consumers have a legitimate expectation of efficient, cost-effective power supply. The increase in power purchase cost due to inefficiency of the Discoms need not be passed on to the consumers. Therefore, the excess units over and above the approved quantum needs to be limited approved price or the price at which energy is purchased, whichever is lower.</p>	<p>The DISCOMs submit that power procurement planning is carried out primarily to meet projected demand reliably and maintain grid stability. Projections are prepared conservatively to ensure reliability of supply, grid security, and compliance with planning norms, and do not necessarily translate into avoidable financial burden on consumers.</p>																				
24.	<p>Cost of Power from NCE</p> <p>The prices discovered in government auctions (SECI/NTPC) for long-term Power Purchase Agreements (PPAs). Prices are in ₹/kWh are as shown below:</p> <table border="1" data-bbox="324 805 1048 1061"> <thead> <tr> <th>Year</th> <th>Solar (Utility Scale)</th> <th>Wind (Non-Solar)</th> <th>Wind-Solar Hybrid</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>₹2.20 – ₹2.50</td> <td>₹2.84 – ₹3.10</td> <td>₹2.53 – ₹2.65</td> </tr> <tr> <td>2023</td> <td>₹2.50 – ₹2.70</td> <td>₹3.10 – ₹3.40</td> <td>₹3.00 – ₹3.30</td> </tr> <tr> <td>2024</td> <td>₹2.50 – ₹2.65</td> <td>₹3.40 – ₹3.60</td> <td>₹3.15 – ₹3.45</td> </tr> <tr> <td>2025/26</td> <td>₹2.56 – ₹2.70</td> <td>₹3.60 – ₹3.74</td> <td>₹3.30 – ₹3.40</td> </tr> </tbody> </table> <p>The above chart clearly shows that the prices of NCE sources have been quite stable in the last few years. The Discoms in Telangana have been inefficient not only in planning but have also been inefficient in operations. Thus, the approval of power purchase cost needs to be limited to the above range rather than approving the actual cost being claimed by the Discoms.</p>	Year	Solar (Utility Scale)	Wind (Non-Solar)	Wind-Solar Hybrid	2022	₹2.20 – ₹2.50	₹2.84 – ₹3.10	₹2.53 – ₹2.65	2023	₹2.50 – ₹2.70	₹3.10 – ₹3.40	₹3.00 – ₹3.30	2024	₹2.50 – ₹2.65	₹3.40 – ₹3.60	₹3.15 – ₹3.45	2025/26	₹2.56 – ₹2.70	₹3.60 – ₹3.74	₹3.30 – ₹3.40	<p>We strongly condemn the allegation of inefficiency. Telangana DISCOMs already have low-cost SECI/NTPC PPAs at ₹2.44/₹2.53/₹2.82 per unit as adopted in the Commission's tariff orders. Auction prices are ex-bus rates, while DISCOMs pay the landed cost, which includes ISTS/STU charges, transmission losses, etc.,</p>
Year	Solar (Utility Scale)	Wind (Non-Solar)	Wind-Solar Hybrid																			
2022	₹2.20 – ₹2.50	₹2.84 – ₹3.10	₹2.53 – ₹2.65																			
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25.	<p>Sources of power purchased from market</p> <p>The discoms need to show that the power has been purchased from competitive sources by clearly showing the sources of power purchase and providing evidence of competitive bidding. Such details are absent in the submission that has been made by the Discoms.</p>	<p>The plant-wise/source-wise details and market purchases, along with quantities and average rates, are submitted to the Hon'ble Commission.</p>
26.	<p>Miscellaneous Charges</p> <p>The miscellaneous charges that are being claimed by the Discoms are essentially part of power purchase cost itself. Thus, allowing these costs separately will not be appropriate and hence have to be disallowed.</p>	<p>The miscellaneous charges claimed by the DISCOMs for FY 2022-23 to FY 2024-25 include expenses towards major portion 1142 crs for FY 2022-23 is towards Genco MTR Order and Provision-2022-23, banked energy, IEX Cost adjustments, STOA and LTOA charges, Reactive charges, Deviation charges and other related statutory and operational charges. These charges are incidental to power procurement and grid operations.</p>
27.	<p>TISMA most respectfully prays that the Hon'ble Commission:</p> <p>A. Consider the above Comments/Suggestion/Objections filed by TISMA on the True-Up Petitions of FY 2022-23, FY 2023-24, FY 2024-25 of TGDISCOMs.</p> <p>B. To conduct True-Up of FY 2022-23, FY 2023-24 & FY 2024-25 on suo-motu basis by 31st March 2026 as mandated by Hon'ble APTEL.</p> <p>C. May direct the Discoms to provide a reconciliation of the Power Procurement Cost, and each component with the audited accounts and the Transmission Charges may be accordingly allowed subject to prudence check;</p> <p>D. May Conduct a Prudence check over the components as highlighted by TISMA;</p>	<p>The DISCOMs submit that all comments and suggestions filed by FTCCI have been duly noted, and appropriate clarifications have been provided in the responses.</p> <p>The DISCOMs submit that True-Up Petitions for FY 2022-23, FY 2023-24, and FY 2024-25 have already been filed in accordance with the regulations and fully aligned with the audited accounts.</p> <p>The DISCOMs requests Hon'ble Commission to approve the same.</p>

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	E. Pass necessary orders as may be deemed appropriate in the facts and circumstances of the case in the interest of competition, as has been enshrined in the Electricity Act;	