**ANNEXURE-I**

**True-Up filings for FY 2024-25 and Annual Tariff Petition for FY 2026-27**

**Replies to submissions on SLDC Business Activity O.P. No.69 of 2025 by TGDISCOMs. (TGSPDCL).**

| **S.No.** | **Objections** | **Reply** |
| --- | --- | --- |
| 1 | Depreciation rises sharply from Rs. 1.41 crore (MYT order) to Rs. 4.08 crore actual (page 11, Table‑2). SLDC attributes this to reclassification of fixed assets on 01.04.2024, and depreciation on REMC‑grant assets (Rs. 1.19 crore). For FY 2026-27, the depreciation claimed is Rs. 10.55 crore. TGDISCOMs request the Hon’ble Commission to direct TGSLDC to provide justification with detailed breakup on scheme-wise capital expenditure, capitalization and depreciation. | The During the FY 2024-25 the Company has reclassified some of the assets in compliance with regulation 2 of 2023.  The increase in depreciation is mainly on account of reclassification of assets and Capitalization of assets during the FY 2024-25.  Further, at the time of filing of MYT the company has not taken in to consideration of reclassification of assets, hence there is difference in depreciation approved by the Hon’ble Commission and actual depreciation claimed in the FY 2024-25.  The depreciation for the FY 2026–27 has increased mainly an account of Capitalization of Rs. 62.16 Crs. Pertaining to Back up SLDC at Warangal and Up gradation of existing SCADA/EMS system at main SLDC, Hyd, which is included in IT equipment of Rs.73.99 Crores for FY: 2026-27.  A statement showing detailed breakup & Capital Expenditure & Capitalization along with depreciation is enclosed. |
| 2 | R&M increases from Rs. 1.59 crore to Rs. 3.31 crore, yet Form‑2.3 shows that the K‑factor differs significantly year‑to‑year, and no technical justification is provided for doubling R&M despite stable GFA. DISCOMs request SLDC to provide justification. | As per clause 98.3 of Regulation 2 of 2023 R & M expenses for the relevant year is arrived on opening GFA at K factor by duly escalating at WPI inflation.  For the FY 2026-27 the R & M Cost has been arrived on opening GFA of Rs. 52.29 Crs. By multiplying K factor has at 6.03% (K factor has been arrived by considering average R & M cost of the last 5 years) and the same has been escalated with WPI inflation rate of 5.05%  K factor computation is attached.    (Rs. in Crs.)   |  |  |  |  | | --- | --- | --- | --- | | **FY** | **GFA** | **R & M** | **K FACTOR** | | 2021-22 | 17.63 | 1.02 |  | | 2022-23 | 18.95 | 0.82 |  | | 2023-24 | 19.25 | 0.84 |  | | 2024-25 | 28.05 | 2.38 |  | | 2025-26 | 28.26 | 1.7 |  | | **Total** | **112.14** | **6.76** | **6.03** | |
| 3 | The SAMAST scheme cost is Rs. 21.95 crore with Rs. 12.48 crore PSDF grant, Grant utilisation (actual vs booked) is not reconciled in Formats. Depreciation on grant funded assets must not burden licensees. DISCOMs request SLDC to provide justification. | The SAMAST scheme cost is Rs. 21.95 crore of which Rs. 12.48 crore PSDF grant & remaining 9.47 crore is Entity portion. Out of the entity portion, the **SLDC share is Rs. 5.17 crore**, which is **not covered under the grant component**. Accordingly, there is no financial burden on the licensees for the grant portion.   1. SLDC works are proposed to be executed in the Financial Year 2026-27. Till date, SLDC didn’t utilize any grant. Hence, the same was not reconciled in formats. 2. Depreciation will be calculated on Rs 5.17 Cr only excluding the PSDF grant of Rs 9.47 Cr for the SLDC works. 3. Justification:   The Availability Based Tariff (ABT) regime introduced by CERC at the national level had a positive impact. Hence, SERCs are advised to introduce ABT regime at state level i.e., implementation of ABT and frequency linked Deviation Settlement Mechanism (DSM) at state level.  Further, Hon’ble TGERC had notified the Deviation Settlement Mechanism (DSM) and Related matters Regulation No.3 of 2021, dated 16.06.2021, for carrying out Intra-State DSM. Accordingly, TGSLDC has initiated the SAMAST (i.e. Scheduling, Accounting, Metering and Settlement of Transactions in Electricity) project to implement intrastate ABT in Telangana. |