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

**Replies to submissions on Transmission Business O.P no.68 of 2025 by WRI India**

| **S.No.** | **Objections** | **Reply** |
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| 1 | **MYT Order as a regulatory baseline:**  In its MYT Order for the 5th Control Period, the Commission made a specific and reasoned choice to adopt the Resource Plan-approved capital investment plan, noting that TGTRANSCO had not adequately justified deviations from it. The MYT Order records that the TGTRANSCO failed to provide sufficient scheme-level justification as required under the regulations and therefore, the Commission adopted the Resource Plan figures as the MYT baseline for FY 2024-25 to FY 2028-29. This is a crucial regulatory fact that the MYT numbers were not just provisional placeholders but were frozen as a baseline after scrutiny and seeking additional information. | At the time of ATP filling, the Administrative Approval for the new Transmission Schemes are under process. Detailed Project Reports (DPRs) along with Implementation schedules with target CODs, Cost-benefit justifications are being submitted to the Hon'ble Commission for Investment approvals. |
| 2 | **Exceptional deviation sought in the petition:**  In the present petition, TGTRANSCO seeks acceptance of revised estimates that show, inter alia:   1. FY 2026-27 capital expenditure increasing from Rs.727.27 crore (MYT) to Rs.4,432.61 crore, and 2. capitalisation increasing from Rs. 1,312.51 crore to Rs. 4,949.18 crore.(See Table 1) | The resource plan was filed in August-2023. The Commission has considered the capital investment plan as approved in the resource plan order dated 29-12-2023 for FY :2024-25 to FY: 2028-29. Thereafter, the transmission capital expansion plan has been revised to include other schemes apart from the schemes approved in resource plan for strengthening the existing network for providing quality and reliable supply to the consumers in view of the increase in load demand.  In respect of 400 kV works,  i. The approved capital expenditure in repsect of 400kV schemes is zero for FY 2026-27. However, Capital expenditure of Rs.935.64 crore towards spill over 400kV Transmission works and new 400kV Transmission Schemes approved by CEA in 2024-25 & 2025-26 proposed under System Strengthening as per the Transmission System requirement in line with growing Demand and System Improvement, are considered for FY 2026-27.  **ii.** Towards, spill over of 400kV Transmission works, Rs.496 crore proposed to be capitalized in FY 2026-27, are considered for capitalisation claim during FY 2026-27. (YTPP-Jangaon 400kV Line actual expenditure as on date, of Rs.361 crore (as per ERP) + Rs.135 crore towards projections for KTPP & YTPP schemes) |
|  | Table 1: CWIP, Capital Expenditure and Capitalisation for FY 25, FY 26 and FY 27   |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | **Sl. No.** | **Particulars** | **2024-25** | | | **2025-26** | | | **2026-27** | | | | **MYT Order** | **Apr - Mar** | **variation** | **ATP Tariff Order** | **Apr - Mar** | **variation** | **MYT Order** | **Apr - Mar** | **Variation** | | **Approved** | **Audited** | **Estimated** | **Approved** | **Estimated** | **Estimated** | **Approved** | **Estimated** | **Estimated** | | 1 | Opening Capital Works in Progress | 2,475.03 | 4,223.00 | - | 2,991.73 | 3,593.86 | 602.13 | 2,251.86 | 3,301.13 | 1,049.27 | | 2 | Capital Expenditure during the year | 2,864.16 | 731.81 | -2,132.35 | 1,029.73 | 1,780.02 | 750.29 | 727.27 | 4,432.61 | 3,705.34 | | 3 | Capitalisation during the year | 2,347.46 | 1,360.95 | -986.51 | 1,769.60 | 2,072.75 | 303.15 | 1,312.51 | 4,949.18 | 3,636.67 | | 4 | Closing Capital Works in Progress | 2,991.73 | 3,593.86 | - | 2,251.86 | 3,301.13 | 1,049.27 | 1,666.62 | 2,784.56 | 1,117.94 |   This represents a five- to six-fold increase over the MYT-approved level within a single tariff year. We submit that such a deviation necessitates the highest level of prudence scrutiny, particularly when the licensee relies on "changed conditions" without clearly establishing why such changes were not foreseeable at the MYT stage. |
| 3 | **Phasing and timing arguments without comparative evidence**:  The petition asserts that project execution was front-loaded, the timelines got compressed, and therefore, annual capex has increased. However, it does not provide a comparative phasing table showing the MYT-approved year-wise phasing versus the revised year-wise phasing. In the absence of such data, it is not possible to establish the prudence of these claims. It is our submission that the claimed rise in capex should not be approved without the petitioner submitting data and evidence to substantiate its claims. |
| 4 | **Reliance on revised estimates despite prior MYT findings:**  The MYT Order records that TGTRANSCO had earlier failed to justify deviations from the Resource Plan, leading the Commission to fix conservative baselines. The present petition does not clearly establish what materially new information emerged after the MYT Order and why such information could not have been placed before the Commission earlier. We submit that the revision of issues already settled in the MYT Order, without new evidence, would undermine regulatory certainty and, hence, should not be allowed. |
| 5 | **Lack of clear information on capital investments undertaken**:  From the current format of the petitions and TERC orders, it is difficult to understand how projections are made and how actual capital investments are calculated. Consider FY 2024-25. In the petition for the 5th CP, TGTRANSCO projected a capital investment of Rs. 4,301 crores. In its order dated October 2024, TGERC approved Rs. 2,864 crores. In the petition for annual tariff for FY26, filed in January 2025, TGRANSCO showed April to March figures for FY 2024-25, wherein the capital expenditure was shown as Rs. 2,179 crores. However, in the current petition, the capital investment for FY25 is given as Rs. 720 crores (See Table 2), falling short of meeting the TERC approved investment by Rs.2,312 crores (See Table 1).  Table 2: Capital Investment and Capitalisation for FY 2024-25, Various petitions   |  |  |  |  | | --- | --- | --- | --- | | **Source** | **Date** | **Capital Investment** | **Capitalisation** | | MYT Petition for 5th CP | Aug- 24 | 4,301 | 4,849 | | TGERC MYT Order for 5Th CP | Oct- 24 | 2,864 | 2,347 | | Petition for Annual Tariff got FY 26 | Jan-25 | 2,179 | 2,601 | | Current Petition | Nov-25 | 732 | 1,361 |   Such large variation between capital expenditure figures, in this case within 10 months, needs to be scrutinized. TGTRANSCO must also explain such a large shortfall from approved capital investment and capitalization for FY 2024-25. | The 400KV works approved for FY 2024-25 are nil. The capitalization of Rs. 723.067 Crores against 400KV works in FY 2024-25 is due to spill over works from FY 2023-24.  The reasons for the lower capitalisation achieved in FY 2024–25 as compared to the approved capitalisation for FY 2024–25 for other capital works of TGTRANSCO:  a. Delay in forest clearances from the forest authorities.  b. Delay in Railway crossing appovals from Railway authorities.  c. Delay in land acquisition and ROW issues, Court cases  For LIS/PRLIS and other Deposit Contributory works, the actual expenditure varies as per the payments by deposits received from I&CAD department, Govt. of Telangana etc., Accordingly, capitalization claimed was lower than the approved capitalization for FY 2024-25. |
| 6 | **RoE and filing discipline:**  The MYT Order records that the Commission reduced allowable RoE for FY 2024-25 due to delayed filing and directed TRANSCO to adhere to timelines going forward. The present petition seeks full RoE treatment, but does not acknowledge the prior finding, demonstrate systemic improvements in compliance, or submit a directive-wise compliance statement.     * **Absence of directive-wise compliance reporting:** The MYT Order issued several procedural and behavioural directions, including on justification standards, filing discipline, and stakeholder process. The petition contains only a general assurance of compliance and does not provide a directive-wise compliance matrix. We submit that accountability under MYT requires traceable compliance, especially when significant deviations are sought. * **Missing tariff filing forms:** Several tariff filing forms have not been filled in. Importantly, information as perForms 16.1 to 16.7, pertaining to capital cost approvals, have not been provided in the current petition. | The Company has made a request to the Hon’ble Commission to consider the condonation of delay in filings for the 5th Multi Year Control period during the time of filing of Multi Year Tariff petition. As the delay has happened mainly due to the reason not in the control of the Company such as General election to the 18th Lok sabha etc.,  However, the Hon’ble Commission has levied a penalty by reducing the RoE by 3.5%. There by the company has incurred a loss of Rs.143.97 crores(Approx.,) as per 5Th MYT Order.  In view of the above, it was once again requested the Hon’ble Commission to allow condonation of delay and approve RoE at 14 % without penalty. |

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