



TELANGANA ELECTRICITY REGULATORY COMMISSION

'Vidyut Nyantran Bhavan', G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045

I.A. No. 24 of 2025

in

O.P. No. 21 of 2025

and

I.A. No. 25 of 2025

in

O.P. No. 22 of 2025

Dated: 02.04.2026

Present

Dr. Justice Devaraju Nagarjun, Chairman

Sri. Raghu Kancharla, Member (Technical)

Sri. Cherukuri Srinivasa Rao, Member (Finance)

Between:

1. Southern Power Distribution Company of Telangana Limited,
H. No. 6-1-50, Corporate Office, 1st Floor, Mint Compound,
Hyderabad – 500 063.

2. Northern Power Distribution Company of Telangana Limited,
H. No. 2-5-31/2, Corporate Office, Vidyut Bhavan, Nakkalagutta,
Warangal – 506 001

... Petitioners

AND

M/s. Radha Smelters Private Limited (MDK-1060) (Furnace Division)
Sy. No. 43 & 44, Plot No. 53, 54, 57 & 58, 4th Floor,
Mahaveer Radiance, Madhapur, Hyderabad-500081

... Respondent

ORDER

This Interlocutory application was restored to its original file as per the directions of the Hon'ble Appellate Tribunal for Electricity (hereinafter, "APTEL") in DFR No. 491 of 2025 dated 12.02.2026.

FACTS OF THE CASE:

1. Petitioners, the Southern Power Distribution Company of Telangana Limited (TGSPDCL) and Northern Power Distribution Company of Telangana Limited (TGSPDCL) (hereinafter referred to as or "TGDISCOMs") are distribution companies incorporated under the Companies Act, 1956. The respondent is a private limited company engaged in the manufacturing of M.S. Ingots/TMT Rods at Hyderabad- 500081 and that the respondent had obtained a High-Tension from the 1st petitioner.
2. The petitioners/TGDISCOMs have filed interlocutory applications on the file of the Commission under Section 64 of the Electricity Act, 2003 proposing certain amendments to the Time of Day (ToD) Tariffs approved by the Commission in the Retail Supply Tariff Order dated 29.04.2025 for FY 2025-26 vide O. P. Nos. 21 & 22 of 2025 to align with industrial load patterns, average power purchase cost, exchange price trends for efficient power usage and supporting demand-supply balance.
3. The Commission after hearing the stakeholders in the public hearing passed following order, vide orders dated 15.11.2025 in I. A. No. 24 of 2025 in O. P. No. 21 of 2025 and in I. A. No. 25 of 2025 in O. P. No. 22 of 2025.

"The TGDISCOMs are directed to file the consequent impact on revenue due to amendment of ToD Tariff for the time slot 10pm to 6am as Rs. 0.00/unit for the period from 01.12.2025 to 31.03.2026 in the True-up petitions for FY 2025-26."

4. Aggrieved by the said orders of this Commission The respondent herein filed an appeal under Section 111 of the Electricity Act, 2003 on the file of Hon'ble APTEL in DFR No. 491 of 2025, with a prayer to set aside the Impugned Order dated 15.11.2025 passed by the Commission in I.A. No. 24 of 2025 in O. P. No. 21 of 2025.

5. The Hon'ble APTEL has disposed of the appeal on 12.02.2026 with the following directions:

“We deem it appropriate, in such circumstances, to pass an order of limited remand directing the Commission to consider applicability of the 2023 Amendment Rules to the consumers of the 1st Respondent-Discoms particularly to the category to which the Appellant belongs, and then consider relief, if any, to which such consumers are entitled to.

While we are of the view that the 2023 Rules ought to have been considered by the Commission, we also make it clear that we are not expressing any opinion on the extent of its applicability or on the nature of the relief which consumers, in the Appellant's category, are entitled to, if the Commission were to be satisfied that the 2023 Amendment Rules would apply to them.

Considering the fact that the tariff year is due to end by 31st March, 2026, we request the Commission to consider this issue with utmost expedition, preferably within four weeks from the date of receipt of a copy of this order, after giving both the Telangana Discoms and the Appellant herein a reasonable opportunity of being heard.

Liberty is granted to the Appellant to file an appeal afresh on all the other issues raised in the present appeal, apart from the issue relating to the 2023 Amendment Rules. The appeal stands disposed of accordingly. All the I.A.s therein stand disposed of.”

6. On receipt of the orders of Hon'ble APTEL, I. A. No. 24 of 2025 in O. P. No. 21 of 2025 and in I. A. No. 25 of 2025 in O. P. No. 22 of 2025 were restored to its file.
7. On behalf of TGDISCOMs, Mr. Mohammad Bande Ali, Law Attaché and CMD, TGSPDCL have made their submissions whereas on behalf of the respondent, Mr. Apoorv Kurup, Learned Senior Counsel has submitted arguments. The learned counsel for respondent apart from making oral submissions also filed written submissions on 25.02.2026 and written submissions on 06.03.2026. The sum and substance of oral submissions, written submissions filed by the respondent, in brief are as under:
- i. That the issue involved in this petition squarely falls within the statutory framework of the Electricity (Rights of Consumers) Amendment Rules, 2023,

whereby Rule 8A which was inserted in the principal Rules by notification being G.S.R. 437(E) dated 14.06.2023, mandates implementation of Time of Day (ToD) tariff.

- ii. That the Commission has renewed the earlier time of day rebate of Rs. 1.50/unit for the time of day 10 PM to 6 AM, however, surcharge of Rs. 1/unit for the time of day 6 AM to 10 PM and 6 PM to 10 PM continues to operate and thereby, the resultant tariff structure is completely contrary and violative of Rule 8A. That, statutory mandate is not merely to provide some rebate, but to ensure that solar-hour tariff is at least 20% lower than normal tariff and that the present tariff framework fails this statutory bench mark.
- iii. That several State Commissions including, Assam, Bihar, Karnataka, Gujarat and Maharashtra have already implemented the mandate of the 2023 Amendment Rules and granted minimum 20% solar rebate. In these jurisdictions, the State Commissions have, recognized the binding nature of Rule 8A; and structured ToD tariffs to ensure compliance with the 20% minimum reduction during solar hours. This Hon'ble Commission's deviation therefore creates regulatory inconsistency and defeats the uniform statutory scheme intended by the Central Government. That, once multiple State Commissions have already operationalized the mandatory 20% solar-hour rebate, there remains no regulatory or legal justification for the Respondent Commission to adopt a contrary position.
- iv. That the issue regarding applicability and mandatory nature of the Electricity (Rights of Consumers) Amendment Rules, 2023 is no longer *res integra* in view of the authoritative findings of the Hon'ble Appellate Tribunal for Electricity in its order dated 12.02.2026 in DFR No. 491 of 2025. The Hon'ble Tribunal has unequivocally held that the 2023 Amendment Rules constitute binding subordinate legislation having the force of law, and are mandatory in nature. The Hon'ble Tribunal has categorically observed that the said Rules, are binding not only on the Telangana Discoms and their consumers (including the present Appellant), but also, on the State Commission and the Tribunal itself.
- v. That, in light of clear statutory mandate under Rule 8A, the consistent implementation by other State Commissions, and the binding findings of the Hon'ble APTEL, there remains no legal or regulatory justification for

continued noncompliance by the Respondent Commission. The Amendment Rules, 2023 came into force on 14 June 2023 and were required to be operationalized for eligible consumers from the timelines prescribed therein. The benefit cannot be deferred or diluted. That, the continued absence of the mandated minimum 20% solar-hour rebate defeats, the express statutory scheme, and national policy on solar integration.

- vi. Finally the respondent submitted that,
- a. Rule 8A of the Electricity (Rights of Consumers) Amendment Rules, 2023 is mandatory in nature and squarely applicable to HT-I(A) consumers including the Appellant;
 - b. to implement the Time-of-Day tariff strictly in conformity with the said Rules;
 - c. to grant solar-hour tariff at not less than 20% below the normal tariff for the relevant consumer category with effect from the applicable date.
8. Originally, In the Tariff Order for FY 2024–25, the erstwhile Commission had enhanced the night-time rebate applicable to HT consumers from ₹1.00 per unit to ₹1.50 per unit. Aggrieved thereby, the Distribution Licensees (TGDISCOMs) preferred I.A. No. 24 of 2025 in O.P. No. 21 of 2025 and I.A. No. 25 of 2025 in O.P. No. 22 of 2025, inter alia, seeking withdrawal of the said enhanced night-time rebate of ₹1.50 per unit on various grounds. Upon issuance of public notice and after affording due opportunity to stakeholders in the public hearings, this Commission, by Order dated 15.11.2025, allowed the said Interlocutory Applications and approved the withdrawal of the night-time rebate.
9. Aggrieved by the same Respondent, has preferred an appeal before the Hon'ble APTEL in DFR No. 491 of 2025 on various grounds including that, though night rebate of Rs. 1.50 paise was removed, the Commission has not considered the amended Rule 8A of 2023 rules, where under the rebate is required to be given to the HT consumers during solar hours.
10. A careful reading of the Order dated 12.02.2026 passed by the Hon'ble Appellate Tribunal for Electricity in DFR No. 491 of 2025 makes it abundantly clear that the Hon'ble Tribunal has not interfered with, much less set aside, the Orders of this

Commission dated 15.11.2025 in I.A. No. 24 of 2025 in O.P. No. 21 of 2025 and I.A. No. 25 of 2025 in O.P. No. 22 of 2025 on merits, whereby the Time of Day (ToD) tariff was revised. The remand ordered by the Hon'ble Tribunal is expressly limited in scope, being confined only to an examination of (i) the extent of applicability of the Electricity (Rights of Consumers) Amendment Rules, 2023 to the category of the Appellant, and (ii) Consequently, whether any relief is warranted to consumers falling within such category. The substantive findings of this Commission on tariff determination thus remain undisturbed and intact.

11. The Hon'ble Tribunal has also not rendered any adverse finding or observation with regard to the decision of this Commission to withdraw the night-time rebate of ₹1.50 per unit applicable to HT consumers. Consequently, the said determination of this Commission has attained finality, inasmuch as the withdrawal of the night-time rebate was neither specifically assailed on independent grounds nor set aside by the Hon'ble Tribunal.
12. Further, there exists no provision under the Electricity Act, 2003, nor under any Rules framed there under which mandates the grant or continuation of a night-time rebate to any category of consumers, including HT consumers. The grant of such rebate is a matter of tariff design and regulatory discretion, exercisable by the Commission within the statutory framework. In view of the above, the issue relating to withdrawal of the night-time rebate of ₹1.50 per unit, as approved by this Commission vide Orders dated 15.11.2025, does not warrant reconsideration and cannot be reopened in the present proceedings, which are confined to the limited scope of remand.
13. The limited purpose for which the matter has been remanded to this Commission by the Hon'ble Appellate Tribunal for Electricity, vide Order dated 12.02.2026, is to examine the applicability of Rule 8A of the Electricity (Rights of Consumers) Amendment Rules, 2023, which came into force on 14.06.2023. The Hon'ble Tribunal has observed that, while determining the Time of Day (ToD) tariff, this Commission had not adverted to the amended Rule 8A.
14. The relevant Electricity (Rights of Consumers) Amendment Rules, 2023 applicable in

so far as this I. A. is concerned are extracted hereunder for ready reference.

"(8A) Time of Day Tariff.-The Time of Day tariff for Commercial and Industrial consumers having maximum demand more than ten Kilowatt shall be made effective from a date not later than 1st April, 2024 and for other consumers except agricultural consumers, the Time of Day tariff shall be made effective not later than 1st April, 2025 and a Time of Day tariff shall be made effective immediately after installation of smart meters, for the consumers with smart meters:

Provided that, the Time of Day Tariff specified by the State Commission for Commercial and Industrial consumers during peak period of the day shall not be less than 1.20 times the normal tariff and for other consumers, it shall not be less than 1.10 times the normal tariff:

Provided further that, tariff for solar hours of the day specified by the State Commission shall be at least twenty percent less than the normal tariff for that category of consumers:

Provided also that the Time of Day Tariff shall be applicable on energy charge component of the normal tariff: Provided also that the duration of peak hours shall not be more than solar hours as notified by the State Commission or State Load Despatch Centre.

Explanation: For the purposes of this rule, the expression "solar hours" means the duration of eight hours in a day as specified by the State Commission"

15. Hon'ble APTEL has observed in the Order dated 12.02.2026 passed by the Hon'ble Appellate Tribunal for Electricity, the Electricity (Rights of Consumers) Amendment Rules, 2023 are statutory subordinate legislation framed under Section 176 of the Electricity Act, 2003, and have come into force with effect from 14.06.2023. However, their applicability is necessarily restricted by the scope of the subject matter they govern and must be read in harmony with the provisions of the Electricity Act, 2003. The requirement to consider such Rules does not warrant their application in a manner that extends beyond their express field or encroaches upon the statutory functions vested in this Commission. Accordingly, Rule 8A falls for consideration only to the extent it relates to tariff differentiation during peak hours and solar hours and cannot be construed as mandating or regulating tariff components, such as night-

time rebate, which lie outside its ambit. In order to consider the applicability of Rule 8A for tariff differentiation for peak hours and solar hours, this Commission required to consider the following aspects.

16. Hon'ble Appellate Tribunal has directed this Commission to hear the Appellant as well as the Distribution Licensees and to determine the extent of applicability of the Electricity (Rights of Consumers) Amendment Rules, 2023 to the category of consumers concerned. It is pertinent to note that the Orders passed by this Commission in I.A. No. 24 of 2025 and I.A. No. 25 of 2025, revising the Time of Day (ToD) tariff, constitute modifications to the tariff orders earlier passed in O.P. No. 21 of 2025 and O.P. No. 22 of 2025 for FY 2025–26. Both at the stage of determination of tariff in the said Original Petitions, as well as while considering the Interlocutory Applications for revision of ToD tariff, this Commission had undertaken due process, including issuance of public notice and conduct of stakeholder consultations.
17. In this backdrop, any further modification to the ToD tariff structure, including introduction of any new element such as tariff differentiation for peak hours and solar hours, would amount to a substantive alteration of the tariff order. Such an exercise necessarily requires compliance with the statutory procedure prescribed under the Electricity Act, 2003, including public notice, invitation of objections and suggestions, and hearing of all stakeholders. The same cannot be undertaken in the present proceedings, which are confined to the limited scope of remand.
18. Further, the Time of Day (ToD) tariff has been determined by this Commission keeping in view the tariff applicable to all categories of consumers and the overall system considerations. Any proposal to introduce a rebate, such as a 20% concession during solar hours for one or more categories of consumers, would necessarily require a corresponding determination and rebalancing of tariffs for non-solar hours. Such an exercise cannot be undertaken in isolation, as it would have a cascading impact on the tariff structure of other consumer categories as well. Therefore, any alteration to the ToD framework cannot be confined to a single consumer or a particular category without affording an opportunity of hearing to all affected stakeholders.
19. Moreover, determination of tariff for solar hours would necessarily involve a comprehensive reassessment of the tariff structure, including fixation of peak-hour

tariff and normal-hour tariff. Such determination requires consideration of multiple parameters, including load patterns at different times of the day, demand profiles, power procurement costs, and system constraints. In the absence of such relevant data and without undertaking a detailed tariff exercise, it would not be feasible or appropriate to introduce any such modification in the present proceedings.

20. In view of the foregoing discussion, this Commission holds that the limited remand by the Hon'ble Appellate Tribunal for Electricity has been duly complied with by examining the applicability of Rule 8A of the Electricity (Rights of Consumers) Amendment Rules, 2023. It is found that the said Rule does not govern or mandate continuation of night-time rebate. It is further clarified that any implementation of tariff provisions relating to peak hours and solar hours, if warranted, can only be undertaken through an appropriate tariff proceeding in accordance with Sections 61, 62 and 64 of the Electricity Act, 2003, after due public notice and stakeholder consultation. Accordingly, no case is made out for interference with the Orders dated 15.11.2025 passed by this Commission.

This Order is typed to dictation, corrected and signed on this 2nd day of April, 2026.

Sd/-

CHERUKURI SRINIVASA RAO
MEMBER (FINANCE)

Sd/-

RAGHU KANCHARLA
MEMBER (TECHNICAL)

Sd/-

Dr. JUSTICE DEVARAJU NAGARJUN
CHAIRMAN

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