



TELANGANA ELECTRICITY REGULATORY COMMISSION
'Vidyut Nyantran Bhavan', G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045

I. A. No. 4 & 5 of 2025

IN

O. P. No. 21 & 22 of 2025

Dated 29.04. 2025

Present

Dr. Justice Devaraju Nagarjun, Chairman

Between:

TGSPDCL AND TGNPDCL

...Petitioner

AND

NIL

...Respondent

1. The petitioners / Chairman and Managing Directors of TGDISCOMs have filed these applications seeking to condone the delay of 59 days in filing the Annual Tariff Petition for FY 2025-2026 for approval of the Aggregate Revenue Requirement (ARR) and proposed revised Retail Supply Tariff of Retail Supply Business of TGDISCOMs as per TGERC Multi Year Tariff (MYT) Regulation No. 2 of 2023.
2. Heard the petitioners and the stakeholders, perused the records.
3. As per Clause 6.2(e) of Regulation No. 2 of 2023, after the 1st year of control period the annual petition by transmission licensee, distribution licensee and TGSLDC shall comprise true-up for preceding year, ARR for the control period of ensuing year, proposed revised tariff, charges for ensuing year of the control period and to be filed on or before 30.11.2024. However, TGDISCOMs have filed the petitions as referred above on 28.01.2025, with a delay of about 59 days.

4. During the public hearing held on 19.03.2025 at Warangal and 21.03.2025 at Hyderabad, Learned CMDs of TGDISCOMs have submitted that this Commission has issued orders in tariff petition for the retail supply business for the 5th Multi Year Tariff for FY 2024-2025 to FY 2028-2029 on 28.10.2024 and that there was hardly any time to go through and analyse the orders passed by this Commission on 28.10.2024 and thereby the petitions could not be filed as per the regulation on or before 30.11.2024.

5. Learned CMDs have submitted the following reasons for condonation of delay:

- a. As per the instructions of Government of Telangana, the TGDISCOMs were in the process of preparation and finalisation of State Energy Policy for next 10 years.
- b. In coordination with TGREDCO, the TGDISCOMs have floated tenders for empanelment of vendors for supply and erections of Solar Power Plants up to 1 MW for self-help group (SHG) under “Indira Mahila Shakti Program” of the Government of Telangana.
- c. The TGDISCOMs were in the process of floating of tenders with RFP for supply and erection of Solar Power Plants up to 4000 MW under ‘Kusum Component- C’.
- d. The information on the status of upcoming new LIS projects in the state of Telangana and their energy requirement for FY 2025-26 from I & CAD is awaited.
- e. The revised scheduled CODs of YTPS and NCEs are awaited.
- f. Finalisation of process for construction of new Power Plant at Ramagundam.
- g. Further, the Licensee had submitted the ARR for 5th Control Period under MYT regime from FY 2024-25 to FY 2028-29 in September 2024 and the Commission had released the Tariff Order on 28.10.2024.
- h. The License had undertaken analysis of the tariff order released by the Commission and further was also developing certain proposals for the subject petition.

6. The stakeholders have raised the following objections to the submission of learned CMDs for condoning the delay in filing the petitions.

a. In the tariff order for 2024-25, the Commission has pointed out 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,” under clause 20.2 of multi-year tariff Regulation No. 2 of 2023. The Commission has decided to impose penalties on the TGDISCOMs as per this regulation and directed them to adhere to the timelines as specified in the said regulation in future filing of petitions. The power utilities of GoTG have been habituated to file their petitions before the Commission with abnormal delays, mainly because of the delay in getting permission of the government to finalise and file the same. Despite the Commission imposing penalties on the TGDISCOMs in the form of reducing rate of RoE, as pointed out above, the TGDISCOMs seem to be helpless in view of dereliction of successive governments in permitting them to file petitions in time.

b. Another stakeholder has requested the Commission to impose penalties on TGDISCOMs as per the Regulatory provisions which works out to around Rs. 6 lakhs ($5,000 \times 30 + 10,000 \times 29 + 1,50,000$) for each TGDISCOM and also reduce the RoE (at the rate of 0.5% per month) as claimed by TGDISCOMs for FY 2025-26.

7. In reply to the objections cited above, the learned CMDs have submitted the following reasons for delay of filings for the ARR of FY 2025-26:

a. As per the instructions of the Government the TGDISCOMs were in the process of preparation and finalization of Energy Policy, and it was released on 11.01.2025.

b. The information on the status of upcoming new LIS projects in the state of Telangana and their energy requirement for FY 2025-26 from I&CAD was awaited. Formal approval of Government of Telangana for filing of ARR for FY 2025-26 was awaited.

c. The Licensees had undertaken analysis of the Tariff Order of FY 2024-25 issued by the Commission on 28.10.2024. Further the TGDISCOMs submit

that the future filings shall be done as per the Regulation No. 2 of 2023 and adhering to the timelines prescribed by TGERC Regulations.

- d. It is also submitted that the Licensees could not file the revised ARR of RSB for FY 2025-26 in view of all the reasons stated in the ARR petition not specifically w.r.t the formal approval of the GoTG. With the insufficient data available the Licensees may not be able to project the ARR of TGDISCOMs for the approval of Commission. In order to overcome the further financial burden on account of increase in power purchase cost experienced day to day by the TGDISCOMs, the Licensees proposed the ARR proposal by collecting the required information without further waiting for Power purchase True ups.
 - e. With reference to suo-motu proceedings by the Commission, even if the Commission were to initiate Suo-motu proceedings in the absence of a Tariff petition, it would still rely on the actual financial and operational data provided by TGDISCOMs to arrive at any determination of subsequent pass through. This further reinforces the need for TGDISCOMs to file the petition themselves, ensuring that all relevant facts and figures are presented accurately. Further the future filings shall be done as per the Regulation No. 2 of 2023 and adhering to the timelines prescribed by TGERC Regulations.
 - f. In light of the above reasons, the Licensees requested the Commission to consider above mentioned reasons and condone the delay for filing of the petition. The Licensees also requested the Commission not to impose any financial penalties on the TGDISCOM in view of the delay. Further the TGDISCOMs assured the Commission to file the future petitions within the time according to the regulations.
8. The Fee Regulation No. 2 of 2016 as amended in regulation no. 2 of 2022 goes to show that in case if the petitions are filed beyond the timelines fixed under regulation no. 2 of 2023, the petitioners can be levied with a penalty of an amount of Rs. 5,000/- per day for the first 30 days and after 30 days Rs. 1,50,000/- plus Rs. 10,000/- per day until the petition is submitted. That means harmonious reading of these two provisions in respect of timelines of filing the petition as per regulation no. 2 of 2023 and the fee regulation no. 2 of 2016 as amended, it is clear that the petitions can also be filed beyond the timelines as prescribed under regulation no. 2 of 2023. Therefore, even the petitions are filed beyond the timeline, they can be

admitted for procedure and the orders can be passed. Imposition of penalty would arise when the reasons for delay are not convincing.

9. In case on hand, on account of delay in passing the orders by this Commission, delay in filing the petition occurred. As per the regulations, this Commission was expected to pass Multi Year Tariff for the period FY 2024-2025 to FY 2028-2029 on or before 31st of March 2024. Once Multi Year Tariff has been fixed by this Commission, then the petitioner will get an opportunity to prepare the plans for the next financial year and submit the revised petition for FY 2025-26. However as observed above, this Commission has passed orders in MYT for FY 2024-2025 to FY 2028-2029 on 28.10.2024 which should have been passed in the month of March 2024. Therefore, as rightly submitted by learned CMDs of the TGDISCOMs there was no time for the TGDISCOMs to go through the orders and prepare the revised proposals for FY 2025-2026. Therefore, the submissions made by the petitioners in respect of the reasons for filing the petition for delay of 59 days can be accepted and the delay can be condoned.

10. In view of the discussion above, these applications for condoning the delay of 59 days in filing O. P. No. 21 and 22 of 2025 are hereby allowed and the delay condoned.

This Order is typed to dictation, corrected and signed on this 29th day of April, 2025.

Sd/-
(Dr. JUSTICE DEVARAJU NAGARJUN)
CHAIRMAN

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