



TELANGANA ELECTRICITY REGULATORY COMMISSION

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

ORDER

ON

ANNUAL PERFORMANCE REVIEW

FOR FY 2023-24

AND

AGGREGATE REVENUE REQUIREMENT (ARR) &

REVISED SLDC CHARGES

FOR FY 2025-26

OF

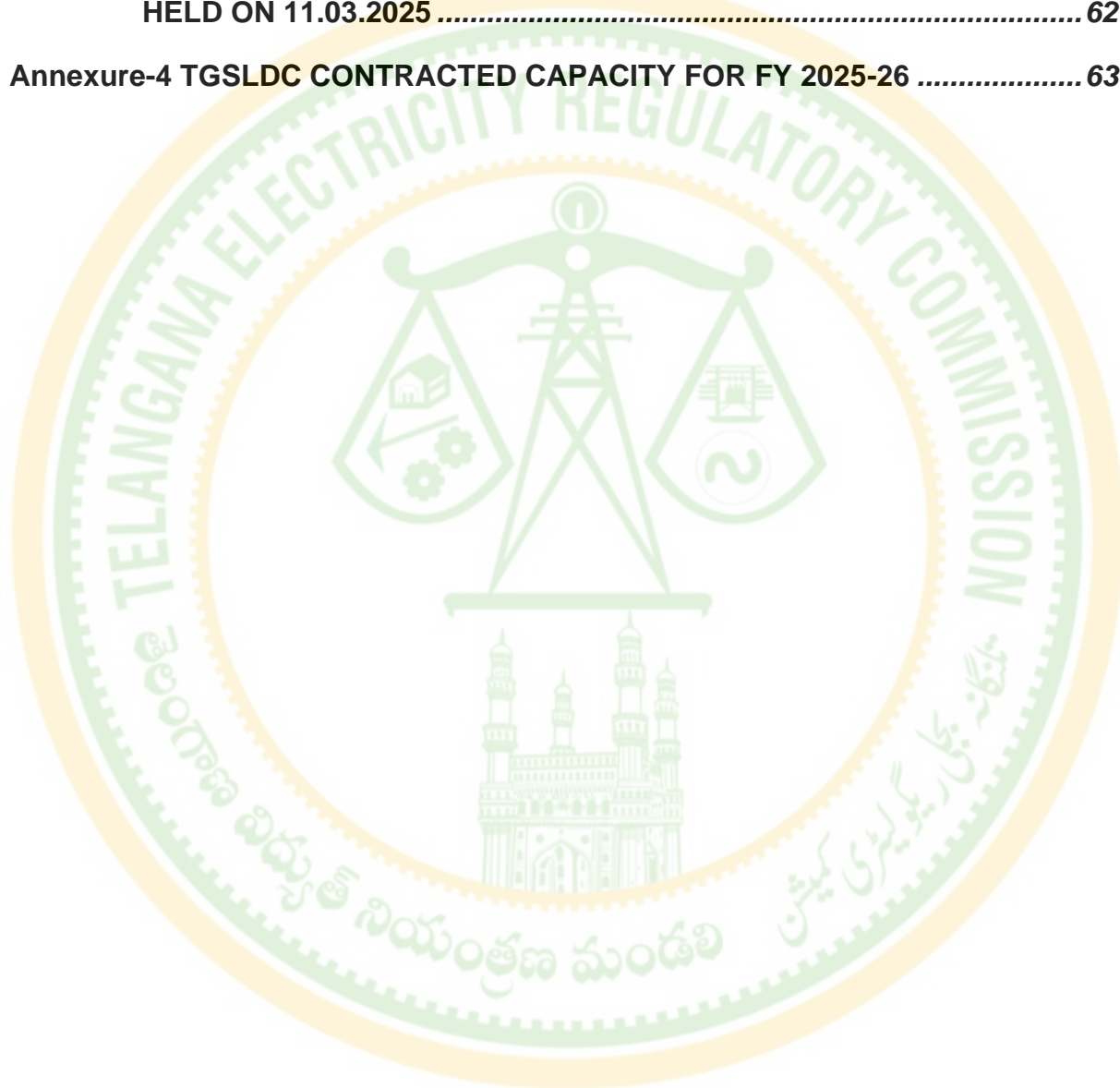
**TRANSMISSION CORPORATION OF TELANGANA LIMITED
(TGTransco)**

29.04.2025

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List of Abbreviations

4 th control period	For the period from FY 2019-20 to FY 2023-24
5 th control period	For the period from FY 2024-25 to FY 2028-29
A&G	Administrative and General
APR	Annual performance Review
ARR	Aggregate Revenue Requirement
CC	Consumer Contribution
CERC	Central Electricity Regulatory Commission
CPI	Consumer Price Index
CWIP	Capital Work in Progress
DISCOM	Distribution Company
EE	Employee Expenses
FPT	Filing for Proposed Tariff
FY	Financial Year
GFA	Gross Fixed Assets
MAT	Minimum Alternative Tax
MW	Mega-Watt
MYT	Multi Year Tariff
NTI	Non-Tariff Income
O&M	Operation and Maintenance
O.P.	Original Petition
OA	Open Access
R&M	Repairs & Maintenance
RoE	Return on Equity
Rs.	Rupees
SLDC	State Load Despatch Centre
STU	State Transmission Utility
TGERC	Telangana Electricity Regulatory Commission
TGNPDCL	Northern Power Distribution Company of Telangana Limited
TGSPDCL	Southern Power Distribution Company of Telangana Limited
TGTransco	Transmission Corporation of Telangana Limited
WPI	Wholesale Price Index



TELANGANA ELECTRICITY REGULATORY COMMISSION

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

Dated 29.04.2025

Present

Dr. Justice Devaraju Nagarjun, Chairman

O.P.No.20 of 2025 & I.A.No.02 of 2025

Transmission Corporation of Telangana Limited (TGTransco)

... Applicant

Transmission Corporation of Telangana Limited (hereinafter referred to as 'Applicant' or 'Petitioner' or 'TGTransco' or 'Licensee') filed petition on 20.01.2025 under Sections 61 to 64 of the Electricity Act, 2003 read with relevant guidelines and Regulations as adopted by the Commission for determination of Aggregate Revenue Requirement (ARR) and State Load Despatch Centre Charges for SLDC activity for FY 2025-26 and Annual Performance Review of FY 2023-24.

The Commission, in exercise of its powers under the Electricity Act, 2003 read with Regulation No.2 of 2023 and after considering petitioner's submissions, additional submissions, suggestions/objections of the stakeholders, issues that are raised during Public Hearing, response to the same by petitioner and all other relevant material, passed the following:

ORDER
Chapter-1
INTRODUCTION

1.1 BACKGROUND

The Commission

- 1.1.1 Telangana State Electricity Regulatory Commission was constituted by the Government of Telangana (GoTG) in terms of the provisions of Schedule XII(C)(3) of the A.P. Reorganisation Act of 2014, read with Section 82(1) of the Electricity Act, 2003 vide G.O.Ms.No.3, (Energy) (Budget) Department, dated 26.07.2014. The Government of Telangana issued G.O.Ms.No.12, Energy (HR. A1) Department, dated 31.05.2024 for change of nomenclature and amended the expression and abbreviation as '*Telangana Electricity Regulatory Commission (TGERC)*'.

TGSLDC

- 1.1.2 The Government of Telangana (GoTG) notified in G.O.Ms.No.9 Energy (Budget) Department, dated 17.09.2014 that the existing SLDC shall continue as SLDC and be operated by the Transmission Corporation of Telangana Limited (TGTransco), which was earlier notified as the State Transmission Utility (STU) for Telangana State.

1.2 REGULATION NO.1 OF 2014

- 1.2.1 The Commission soon after its formation has notified Regulation No.1 of 2014 on 10.12.2014 and adopted previously subsisting regulations, decisions, directions or order, licenses and practice of directions. As such, all the Regulations framed by the erstwhile Commission before formation of Telangana State will continue to apply for the State of Telangana, till further modification.

1.3 REGULATION NO.1 OF 2006

- 1.3.1 Regulation No.1 of 2006 notified on 27.07.2006 viz., '*Levy and Collection of Fees and Charges by State Load Despatch Centre*' and its subsequent amendments thereof, as subsisting as on date of constitution of TGERC and in force, shall mutatis mutandis apply to the State of Telangana. Regulation

No.1 of 2006 introduced Multi-Year-Tariff framework and specified the principles and procedures of filings.

1.4 EARLIER ARR & SLDC CHARGES ORDER OF THE COMMISSION

1.4.1 The Commission passed order on 02.03.2020 in O.P.No.2 of 2019 on Annual Fee and Operating Charges for 4th control period (FY 2019-20 to FY 2023-24) for SLDC activity of TGTransco.

1.4.2 The Commission has passed Order on 28.10.2024 in O.P.No 15. of 2024 on Aggregate Revenue Requirement and SLDC Charges for 5th control period (FY 2024-25 to FY 2028-29) for SLDC activity of TGTransco.

1.5 DETERMINATION OF MYT FOR 4TH CONTROL PERIOD AND APRs FOR FY 2019-20, FY 2020-21, FY 2021-22 AND FY 2022-23 FOR SLDC ACTIVITY

1.5.1 The Commission has issued MYT Order dated 02.03.2020 for 4th control period for SLDC activity i.e. from FY 2019-20 to FY 2023-24.

1.5.2 The Commission vide its order dated 02.09.2021 has determined Annual Performance Review (APR) for FY 2019-20 in O.P.No.14 of 2021 & I.A.No.5 of 2021 read with order dated 09.02.2022 in R.P.(SR) No.66 of 2021 & I.A.(SR) No.85 of 2021 in O.P.No.14 of 2021, APR for FY 2020-21 dated 23.03.2022 in O.P.No.02 of 2022 read with order dated 30.08.2022 in R.P.(SR) No.78 of 2022 in O.P.No.02 of 2022, APR for FY 2021-22 dated 23.05.2023 in O.P.No.2 of 2023 read with Errata dated 02.06.2023 and for APR for FY 2022-23 dated 07.06.2024 in O.P.No.01 of 2024 for SLDC activity of TGTransco. The relevant paragraphs of the last APR order is reproduced below for reference:

Order dated 07.06.2024

4.7 Recovery of Revenue Gap/(Surplus)

4.7.1 *As per clause 20.2 of Regulation No.5 of 2005, the Applicant shall include the total approved revenue gap of Rs.1.63 crore (surplus of Rs.0.04 crore for FY 2019-20, surplus of Rs.4.76 crore for FY 2020-21, surplus of Rs.2.99 crore for FY 2021-22 and gap of Rs.9.42 crore for FY 2022-23) in its claim of operating charges for the subsequent control period.*

1.6 REGULATION NO.2 OF 2023

1.6.1 This Commission has notified 'Multi Year Tariff' Regulation, 2023 [Regulation No.2 of 2023] on 30.12.2023, which supersedes Regulation No.1 of 2006.

1.7 TIMELINES FOR FILING THE PETITION AFTER FIRST YEAR OF THE CONTROL PERIOD

1.7.1 As per clause 6 of Regulation No. 2 of 2023, SLDC has to make Annual Petition comprising of (i) True-up of preceding year; (ii) Aggregate Revenue Requirement (ARR) for ensuing year of the Control Period; and (iii) Proposal of Revised Tariff and Charges for ensuing year of the Control Period. The timelines for Annual Tariff petition for FY 2025-26 is 30.11.2024.

1.8 STATUTORY AND REGULATORY PROVISIONS

1.8.1 As per illustration given under clause 6.2 of Regulation No. 2 of 2023 the timelines stipulated for filing of Annual Tariff Petition after first year of the control period is by 30.11.2024.

1.8.2 Provision under clause 29.2 of Multi Year Tariff Regulation No. 2 of 2023 stipulates that:

"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."

1.8.3 Clause (4) [clause 4(3)(c) of Principal Regulation No. 2 of 2016] of First Amendment to 'Fee' Regulation, 2022 (Regulation No.2 of 2022) stipulates that:

"The penal fee that is attracted in case of licensee or generating company not complying with the provisions of other regulations on the specific topics mentioned in the table below shall be required to pay the penal fee as shown in the opposite column on each of the petition separately whenever it is filed."

1. Aggregate Revenue Requirement & Tariff/ Multi Year Tariff petition.	Rs.5,000/- per day for the first 30 days beyond the specified date. After 30 days, Rs.1,50,000/- plus Rs.10,000/- per day till submission of petition
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1.9 PRESENT PETITION

1.9.1 TGTransco has filed the instant petition on 20.01.2025 for approval of Aggregate Revenue Requirement (ARR) and SLDC Charges for SLDC activity for FY 2025-26 and Annual Performance Review of FY 2023-24 with the following prayers:

- a. To take the accompanying petition for determination of ARR & SLDC charges of SLDC business of TGTRANSCO for FY2025-26 on record.
- b. To consider the Annual Tariff Petition including all requested regulatory treatments in the filing;

1.10 DELAY CONDONATION APPLICATION

1.10.1 The TGTRANSCO was expected to file this petition on or before 30.11.2024. However, this Application is filed on 20.01.2025, thereby there is a delay in filing the application. Accordingly, the TGTRANSCO has filed this application along with IA seeking delay condonation along with petition in O.P. No. 20 of 2025 with following reasons:

- a) As per the clause 6.2(e) of TGERC Regulation No. 2 of 2023 dated 30.12.2023, TGTransco is required to file Annual Tariff Petition for FY 2025-26 for SLDC Activity by 30.11.2024. TGERC has issued Tariff order for SLDC Activity for 5th MYT (FY 2024-25 to FY 2028-29) on 28.10.2024.

As the licensee had to study the Tariff Order for 5th MYT and prepare the Annual Tariff petition for FY 2025-26, and due to insufficient time between the date of tariff order for 5th MYT and due date for filing Annual Tariff Petition for FY 2025-26, TGTransco could not file the Annual Tariff Petition for FY 2025-26 for SLDC Activity by 30.11.2024.

1.10.2 TGTransco requested the Commission to exempt payment of penalty due to delay in filing of the petition.

1.10.3 The 3.2.7 As per Regulation No. 2 of 2023, compliance with the stipulated deadlines is essential for maintaining regulatory efficiency and accountability. The timely submission of ARR and tariff petitions ensures transparency, financial prudence, and the smooth functioning of the regulatory framework. While the Commission acknowledges the reasons cited by the DISCOMs for the delay, it is important to reiterate that the responsibility for timely submissions rests with the licensees.

- 1.10.4 Repeated delays in filing tariff petitions not only disturb the regulatory process but also have financial and operational implications for the sector. It is important for all licensees to comply with regulatory timelines as prescribed under the applicable regulations.

As per Clause 29.2 (f) of Regulation No. 2 of 2023, the Commission will have a right to impose penalties, including the reduction in the Return on Equity (RoE), for non-compliance with filing deadlines. The TGTRANSCO has also filed separate application for condoning the delay in filing the petition beyond the deadlines fixed in Regulation No. 02 of 2023. The TGTRANSCO has mainly submitted for condonation of delay because the Commission was expected to pass order in the petition of ARR for FY 2024-25 on or before March 2024 as per the Regulation. However, admittedly this Commission has passed orders on 28.10.2024. Therefore, as rightly submitted by TGTRANSCO has to study the Multi Year Tariff (MYT) for the FY 2024-25 to FY 2028-29 and prepare the Annual Tariff Petition for FY 2025-26. Due to insufficient time between the date of MYT Tariff Order and due date for filing Annual Tariff Petition for FY 2025-26, TGTRANSCO couldn't file the Annual Tariff Petition for FY 2025-26 for SLDC activity by 30.11.2024. Even otherwise imposing penalties for delay is not going to serve the purpose. The penalty, if any imposed will not be passed on to the consumers and it will be added to the losses of the TGTRANSCO, thereby financial health of TGTRANSCO will get deteriorated.

- 1.10.5 Therefore, considering the submission of TGTRANSCO, the Commission with a separate reasoned order has condoned the delay in filing the petitions beyond the deadline. The Commission directs the TGTRANSCO to ensure strict compliance with regulatory deadlines in subsequent filings, failing which necessary regulatory actions, will be imposed as per the provisions of the applicable regulations.

1.11 ADMISSION OF PETITION

- 1.11.1 The petition submitted by TGTransco was scrutinized and is found to be in Order as required under 'Conduct of Business' Regulation, 2015 (Regulation No. 2 of 2015). The Commission has admitted the filings and the same were

taken on record by assigning O.P.No. 20 of 2025 & I.A. No. 2 of 2025. On consideration of all the parties in the public hearing, the Commission allowed IA. No. 2 of 2025 and condoned the delay in filing the main petition, vide separate order.

1.12 DATA GAPS

1.12.1 Upon scrutiny of the filing, the Commission has identified certain data gaps and directed the petitioner to furnish additional information. Accordingly, the petitioner submitted the additional information. The Commission has considered the original filing and additional information submitted by the petitioner.

1.13 PUBLIC NOTICE

1.13.1 The petitioner, as directed by the Commission, published a Public Notice in two (2) Telugu, two (2) English and One (1) Urdu daily newspapers on 04.02.2025 (Annexure-1) . The Public Notice was to inform the stakeholders and general public at large that the petitioner has filed APR for FY 2023-24 and ARR and Revised SLDC Charges for FY 2025-26 petition before the Commission. It was also notified in the Public Notice that, objections/suggestions on the filings may be filed with the petitioner by 25.02.2025 with a copy marked to the Commission Secretary. In the Public Notice it was also indicated that Public Hearing will be held on 11.03.2025 from 10:30 hours onwards in the Court Hall of the Commission, 'Vidyut Niyantran Bhavan', G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045. The filings of the petitioner along with the additional information submitted by TGTransco was posted on the official website of TGTransco as well as on the website of the Commission.

1.14 RESPONSE TO PUBLIC NOTICE

1.14.1 In response to the Public Notice, objections/suggestions were received from One (1) stakeholder. The details of stakeholders who have submitted objections/suggestions is enclosed as Annexure-2.

1.14.2 The petitioner was directed to arrange response to the stakeholder's written objections/suggestions received, by 03.03.2025 to the respective objector

with a copy to the Commission Secretary before the scheduled date of Public Hearing. It was also directed to post the replies on the website of TGTransco.

1.15 STATE ADVISORY COMMITTEE MEETING

1.15.1 The State Advisory Committee (SAC) meeting was conducted on 04.03.2025 in the Meeting Hall of Commission's Office at 'Vidyut Niyamtran Bhavan', G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045 to elicit views of members on the filings of the petitioner. The views of the members were duly considered while determining the ARR and SLDC charges for FY 2025-26.

1.16 PUBLIC HEARING

1.16.1 The Commission has conducted the Public Hearing as published in Public Notice on 11.03.2025 at TGERC Court Hall. During the Public Hearing, TGTransco made brief presentation on its filing and objections made by the objectors. Three objectors was present in the Public Hearing and was permitted to present objections before the Commission. At the end, as directed by the Commission, the TGTransco responded on the issues raised by the stakeholders during the Public Hearing. The Petitioners have also made a written submission of the replies given. The list of the stakeholders who attended the public hearing is at **Annexure -3**.

Chapter-2 SUMMARY OF FILINGS

2.1 PETITIONER'S CLAIM

2.1.1 The petitioner has filed the petition for determination of APR for FY 2023-24 and ARR & Revised SLDC Charges for FY 2025-26 for SLDC activity. The summary of each of the submissions is detailed below:

2.2 ANNUAL PERFORMANCE REVIEW FOR FY 2023-24

2.2.1 In compliance to the *Directive* No.5 in Order dated 02.03.2020 in O.P.No.2 of 2019 on Aggregate Revenue Requirement (ARR) and SLDC Charges for 4th control period (FY 2019-20 to FY 2023-24), TGTransco has filed the APR Petition for FY 2023-24.

2.3 FINANCIAL PERFORMANCE FOR FY 2023-24

2.3.1 TGTransco has submitted the following filings for its SLDC activity for FY 2023-24:

- Statement of variance with the Tariff Order for each item in the Aggregate Revenue Requirement (ARR) and reasons for variation.
- Actual ARR for the year computed based on O&M Charges and actual interest and other costs.
- The surplus/deficit for FY 2023-24 arrived based on actual revenue for FY 2023-24.

2.4 OPERATION & MAINTENANCE (O&M) EXPENSES

2.4.1 The O&M expenses claimed by the Petitioner for FY 2023-24 is as shown in Table below:

Table 2.1: O&M expenses claimed for FY 2023-24

(Rs.in Crores)

Particulars	MYT Order	Claimed	Variance
Employee Cost	37.98	53.01	15.03
A&G Expenses	2.94	0.58	(2.36)
R&M Expenses	0.56	0.85	0.29
Total O&M Expenses	41.48	54.44	12.96

2.4.2 The reasons submitted by the petitioner for increase in O&M Expenses for FY 2023-24 by Rs. 12.96 Crores is as follows:

- i. The increase in Employee benefits expense is mainly due to annual grade increments and DA arrears.
- ii. There is a normal increase in actual A&G expenses compared to previous year actuals.
- iii. There is a normal increase in actual R&M expenditure due to increase in R&M of IT & Software expenses compared to previous Year actuals.

2.5 CAPITAL COST

2.5.1 The petitioner submitted that they carried following capital works during FY 2023-24.

i. Procurement of 1 No Intel NUC CPU etc:

An indent was received from O/o. Deputy Chief Minister, Finance & Planning, Energy for procurement of 1 No intel NUC, i7 12th Generation CPU and related accessories to visualize real time Power System parameters and the same was procured and commissioned.

ii. Purchase of 2 Nos Fortinet Firewalls:

2 Nos. 100F Fortigate Firewalls for SCADA system were procured and successfully commissioned since the End of Support for existing Firewall was declared by the vendor. Further Firewalls upgrade was required to mitigate new emerging cyber threats and for enhancing cybersecurity posture.

iii. Procurement of Various Furniture for use in SLDC

Various meetings are being organized in SLDC VC room, Meeting Hall & in EBC wing. Higher officials from TG Transco, CEA, GRID-INDIA, Power Grid etc attend these meetings.

Chairs were procured to replace old broken chairs.

iv. Providing of MS Staircase for Emergency exit for SLDC

There was no emergency exit for SLDC and was also a requirement for ISMS implementation. So emergency exit was provided through MS Staircase works was taken up and commissioned in the FY 2023-24.

v. Supply of 36 W 2 X 2 feet 72 Nos LED lights

Existing CFL False ceiling lights were failing frequently as they were installed in 2014. Due to non-availability of spares, CFL lights were replaced with LED lights.

vi.Establishment of REMC at Telangana SLDC

- a. REMC is a dedicated RE (Solar & Wind) control center, which provides prediction of Wind and Solar power generation at state level, substation level and at each generator level. The Day ahead/Week Ahead/Intra Day RE Forecasts and Day ahead & Intra Day schedules. received through REMC will support SLDC in conventional generation planning and assist the System Operator (SLDC) for purchase or sale of power for load generation balance and smooth grid operation to enhance Grid Security.
- b. Ministry of Power, Govt., of India accorded sanction for "Establishment of Renewable Energy Management Centre in Telangana" on 16.12.2019 with estimated cost of Rs17.6 crores. M/s PGCIL (Power Grid Corporation of India Ltd) is the Implementing Agency.
- c. M/s PGCIL awarded the project to M/s ABB Power Products and Systems India Ltd., (Presently Hitachi Energy India Ltd: HEIL) with a total amount of Rs 11,23,69,908/- including GST(Amendment-2).

Sl.No.	Name of the Contract	Amount in Rs.
1	Supply of Goods Contract	8,16,98,807/-
2	Supply of Services Contract	18,44,217/-
3	Supply of Maintenance Contract	2,88,26,885/-
	Total (including GST)	11,23,69,908/-

- d. Funds for establishment of REMC Project (up to taking over by TGTRANSCO), shall be arranged/ provided by Ministry of Power, (GoI) as grant to the PGCIL. PGCIL shall submit fund requisition directly to Ministry of Power for release of funds in advance as per requirement of project implementation i.e. based on the progress of works. The payment of REMC Control Centre AMC, forecasting & weather service cost from MOP grant portion shall be disbursed to PGCIL who in turn will disburse the above payment to TGTRANSCO.
- e. REMC Project was taken over on 18.01.2024 and Physical Completion Certificate (PCC) is issued for an estimated cost of

Rs.8,54,17,362/- in which it is mentioned that 18.01.2024 as date of completion of work. PCC is enclosed.

- f. The Contractor i.e., M/s HEIL has to provide following services to TGTRANSCO from the date of operational acceptance by TGTRANSCO.

Sl.No.	Subject	Total Charges including GST in Crore (Rupees)
1	AMC for 7 years including 1 year warranty	1.087
2	Internet Services for 7 years	0.1415
3.	Forecast Services Providers & Weather Service Charges for 4 years	1.29
4.	Training	0.078
Total		2.88 Crores

- 2.5.2 The petitioner has submitted that the Capital Cost is a recovery towards Interest & Finance Charges and Depreciation is a claim towards replacement cost of fixed assets. The Capital Cost claimed by the Petitioner for FY 2023-24 is as shown in Table below:

Table 2.2: Capital Cost claimed for FY 2023-24

(Rs.in Crore)

Particulars	MYT Order	Claimed	Variance
Capital Cost	6.88	1.59	(5.29)
Total	6.88	1.59	(5.29)

- 2.5.3 The Annual Charges of any Load Despatch Centre as per Clause (18) of CERC (Fee and Charges of RLDCs) Regulations, 2019 consists of following:

- Return on Equity
- The Interest on loan Capital
- Depreciation

- d) Operation & Maintenance cost (excluding HRD expenses)
 - e) Human Resources expense (employee cost)
 - f) Corporate Office Expenses and
 - g) Interest on working capital
- 2.5.4 The petitioner has requested to allow the depreciation to recover the same from the Generators on monthly-basis.

2.6 REVENUE

- 2.6.1 Revenue from SLDC charges claimed by the petitioner for FY 2023-24 is shown in table below:

Table 2.3: Revenue from SLDC Charges claimed for FY 2023-24

(Rs.in Crores)

Particulars	MYT Order	Claimed	Variance
Revenue from SLDC Charges:			
Operating Charges	40.47	41.42	0.95
Add: Annual Fees	6.88	6.89	0.01
Sub-Total:	47.35	48.31	0.96
Other Income	1.00	0.64	(0.36)
Total:	48.35	48.95	0.60

- 2.6.2 The increase in total Revenue of SLDC of Rs.0.60 crore is due to Open Access.

2.7 AGGREGATE REVENUE REQUIREMENT (ARR) AND GAP FOR FY 2023-24

- 2.7.1 The total Aggregate Revenue Requirement (ARR) and Gap for FY 2023-24 claimed by the petitioner is as shown in Table below:

Table 2.4: Summary of APR as claimed for FY 2023-24

(Rs.in Crores)

Particulars	MYT Order	Claimed	Variance
Total Expenditure	48.36	56.03	7.67
Revenue from SLDC Charges:	48.35	48.95	0.60
Deficit	(0.01)	(7.08)	(7.07)

- 2.7.2 It can be seen from the table above that actual expenditure over the approved has increased by Rs.7.67 crore and actual Revenue over the approved has increased by Rs.0.60 crore. Thereby there is a net deficit in SLDC operating charges for an amount of Rs.7.07 crore during FY 2023-24.

2.7.3 The petitioner has requested to admit the above claim/deficit amount of Rs.7.07 crore for FY 2023-24 and the deficit of Rs.1.63 crore approved by the Commission as per the APR orders for FY 2019-20 to FY 2022-23. Hence the net deficit claimed by SLDC is Rs.8.70 crore i.e., (Rs.7.07crore +Rs.1.63 crore). The petitioner has proposed for adjustment of Rs.8.70 Crore in FY 2025-26 as a Special Appropriation.

2.8 REVISED AGGREGATE REVENUE REQUIREMENT FOR FY 2025-26

2.8.1 The Petitioner has submitted its Aggregate Revenue Requirement (ARR) and Annual Transmission Charges for FY 2025-26 as per the methodology notified in Regulation No.2 of 2023.

2.9 CAPITAL INVESTMENT PLAN

2.9.1 The Petitioner has submitted the following Capital Investment plan for FY 2025-26:

Table 2.5: Capital Investment plan claimed for FY 2025-26

(Rs.in Crores)

Sl. No.	Particulars	FY 2024-25			FY 2025-26		
		MYT/Tariff Order	Apr - Mar	variation	MYT/Tariff Order	Projected	Variation
1.	Opening Capital Works in Progress	13.86	-	(13.86)	37.41	45.87	8.46
2.	Capital Expenditure during the year	31.08	45.90	14.82	31.08	44.21	13.13
3.	Capitalisation during the year	7.52	0.03	(7.49)	62.43	13.79	(48.64)
4.	Closing Capital Works in Progress	37.41	45.87	8.46	6.07	76.29	70.22

2.9.2 The Petitioner submitted that there is a major decrease in Capitalization during the FY 2025-26 as Back up SLDC at Warangal is expected to be capitalized in the FY 2026-27.

O&M EXPENSES

2.9.3 The Petitioner has submitted that the O&M expenses are claimed as per Clause 71 of Regulation No.2 of 2023. The O&M expenses shall comprise of the following:

$$\text{O\&Mn} = \text{EMPn} + \text{R\&Mn} + \text{A\&Gn}$$

Where,

$$\text{EMPn} = \text{EMP(n-1)} \times \text{CPI Inflation}$$

$$\text{R\&Mn} = \text{K} \times (\text{GFAn}) \times (\text{WPI Inflation})$$

$$\text{A\&Gn} = \text{A\&G (n-1)} \times \text{WPI Inflation}$$

Table 2.6: O&M expenses claimed for FY 2025-26

(Rs.in Crores)

Sl. No.	Particulars	FY 2024-25			FY 2025-26		
		MYT Order	Estimated	Variance	MYT Order	Projected	Variance
1	Employee Expenses	49.37	55.77	6.40	52.23	58.66	6.43
2	A&G Expenses	1.66	0.63	(1.03)	1.74	0.67	(1.07)
3	R&M Expenses	0.99	1.51	0.52	1.39	1.51	0.12
	Total	52.02	57.91	5.89	55.36	60.84	5.48

- Employee Cost: The Employee cost has been computed by considering FY 2023-24 as base year and duly escalating at the rate of 5.20% (monthly average of CPI Inflation for FY-2023-24).
- Repairs and Maintenance (R&M) Expenses : R&M expenses have been computed as per the regulation No.2 of 2023, where "K" factor is arrived by dividing R & M Expenses with Opening GFA of the respective year and duly escalating with WPI Inflation at the rate of 7.4%.
 - Where, K is the average % of R&M expenses on Opening GFA from FY 2023-24 to FY 2024-25 worked out at 5%.

- The WPI has been arrived at 7.4% by averaging inflation rates of FY2019-20 to FY 2023-24.
- Admin & General (A&G) Expenses: A&G Expenses have been computed by considering FY 2023-24 as base year and duly escalating at the rate of 7.4%, where, the 7.4% WPI has been arrived at by averaging inflation rates of F 2019-20 to FY 2023-24.

DEPRECIATION

2.9.4 The Petitioner has submitted that the depreciation is a claim towards replacement cost of fixed assets. The depreciation for the FY 2024-25 & FY 2025-26 is arrived at based on useful life as declared and specified in Regulation No. 2 of 2023.

Table 2.7: Depreciation claimed for FY 2025-26

(Rs.in Crores)

Particulars	FY 2024-25			FY 2025-26		
	MYT Order	Estimated	Variance	MYT Order	Projected	Variance
Opening GFA	22.12	28.05	5.93	29.65	28.08	(1.57)
Addition during the Year	7.52	0.03	(7.49)	62.43	13.79	(48.64)
Closing GFA	29.65	28.08	(1.56)	92.08	41.87	(50.21)
Depreciation	1.41	2.71	1.30	6.83	3.52	(3.31)

There is a major decrease in depreciation during the FY 2025-26 as Back up SLDC at Warangal is expected to be capitalized in the FY 2026-27.

INTEREST AND FINANCE CHARGES ON LOAN

2.9.5 The Interest and Finance charges have been computed as per Regulation 2 of 2023, Clause 31 at the weighted average interest rate applied on the normative average loan for the year arrived as per clause 27 of Regulation 2 of 2023. The Interest and Finance Charges on Loan Claimed by the Petitioner for FY 2025-26 is as follows:

Table 2.8: Interest and Finance Charges on Loan claimed for FY 2025-26
(Rs.in Crores)

Sl. No	Particulars	FY 2024-25			FY 2025-26		
		MYT ORDER	Estimated	Variance	MYT ORDER	Projected	Variance
1	Opening Balance of Gross Normative Loan	6.55	21.04	14.49	10.78	21.06	10.28
2	Cumulative Repayment till the year	0.00	10.36	10.36	0.00	13.06	13.06
3	Opening Balance of Net Normative Loan	6.55	10.68	4.13	10.78	8.00	(2.78)
4	Less: Reduction of Normative Loan due to retirement or replacement of assets	0.00	0.00	0.00	0.00	0.00	0.00
5	Addition of Normative Loan due to capitalisation during the year	5.64	0.02	(5.62)	46.82	10.34	(36.48)
	Repayment of Normative loan during the year	1.41	2.71	1.30	6.83	3.52	(3.31)
6	Closing Balance of Net Normative Loan	10.78	7.99	(2.79)	50.77	14.81	(35.96)
7	Closing Balance of Gross Normative Loan	12.19	21.06	8.87	57.61	31.41	(26.20)
8	Average Balance of Net Normative Loan	8.67	9.34	0.67	30.78	11.41	(19.37)
	Weighted average Rate of Interest on actual Loans (%)	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%
9	Interest	0.83	0.90	0.06	2.95	1.09	(1.86)
10	Finance charges	0.00	0.00	0.00	0.00	0.00	0.00
11	Total Interest & Finance charges	0.83	0.90	0.06	2.95	1.09	(1.86)

The Interest and Finance charges have been computed on the following basis:

- Opening balance of Net normative loan has been arrived on 75% of the Opening Net Fixed Assets.
- Addition of normative loan during the year is considered as 75% of Additions to fixed assets during the year.
- Repayment of the normative loan during the year is considered equal to the depreciation amount.
- The “Average Normative Loan” is arrived by considering average of net opening and net closing normative loan.
- Interest rate at 9.60% is considered as the weighted average rate of Interest on Actual long term loan portfolio at the beginning of each year.

INTEREST ON WORKING CAPITAL

2.9.6 The Petitioner has submitted that the Interest on Working Capital has been computed as per the Clause 33.5 of Regulation No.2 of 2023. The Interest on Working Capital is arrived by considering the following:

- i. One month of O&M expenses.
- ii. Receivables for 45 Days of Aggregate Revenue Requirement.

The working capital rate of interest @10.50% has been arrived based on SBI MCLR 9.00% plus 150 Basis Points.

Table 2.9: Interest on Working Capital claimed for FY 2025-26

(Rs.in Crores)

Sl. No.	Particulars	FY 2024-25			FY 2025-26		
		MYT Order	Estimated	Variance	MYT Order	Projected	Variance
1	O&M Expenses	4.33	4.83	0.50	4.61	5.07	0.46
2	Receivables	6.82	7.84	1.02	8.38	8.36	(0.02)
	Total Working Capital Requirement	11.15	12.67	1.52	12.99	13.43	0.44
3	Interest Rate	10.15%	10.50%		10.15%	10.50%	
4	Interest on Working Capital	1.13	1.33	0.49	1.32	1.41	0.09

RETURN ON EQUITY

2.9.7 The Petitioner has submitted that the Return on Equity has been computed as per the Regulation No.2 of 2023, Clause 29 and grossed up at Normal rate of tax as per Clause 30. The Return on Equity claimed by the petitioner is as shown below:

Table 2.10: Return on Equity claimed for FY 2025-26

(Rs.in Crores)

Sl. No.	Particulars	FY 2024-25			FY 2025-26		
		MYT Order	Estimated	Variance	MYT Order	Projected	Variance
1	Regulatory Equity at the beginning of the year	2.18	7.01	4.83	4.06	7.02	2.96
2	Capitalisation during the year	7.52	0.03	(7.49)	62.44	13.79	(48.65)
3	Equity portion of capitalisation during the year	1.88	0.01	(1.87)	15.61	3.45	(12.16)
4	Reduction in Equity Capital on account of retirement / replacement of assets	0.00	0.00	0.00	0.00	0.00	0.00
5	Regulatory Equity at the end of the year	4.06	7.02	2.96	19.67	10.46	(9.21)
	Rate of Return on Equity		-	-	-	-	-
6	Base rate of Return on Equity	10.50%	14.00%	-	14.00%	14.00%	-
7	Effective Income Tax rate	17.47%	17.47%	-	17.47%	17.47%	-
8	Rate of Return on Equity	12.72%	16.96%	-	16.96%	16.96%	-
	Return on Equity Computation		-	-	-	-	-
9	Return on Regulatory Equity at the beginning of the year	0.28	1.19	0.91	0.69	1.19	0.50
10	Return on Regulatory Equity addition during the year	0.12	0.00	(0.12)	1.32	0.29	(1.03)
11	Total Return on Equity	0.40	1.19	0.79	2.01	1.48	(0.53)

- Return on Equity has been considered at 14% on equity portion detailed below:
 - i. Opening regulated equity has been arrived by considering 25% of net block of fixed assets of previous year.
 - ii. Addition of equity for the year has been considered as 25% of fixed asset addition during the year.
 - iii. Return on Equity has been arrived at 16.96% (14% rate of return with effective normal tax rate) on opening regulated equity and on the 50% equity addition during the year.

NON-TARIFF INCOME

2.9.8 The Petitioner has claimed that the Non-Tariff Income has been computed as per the Clause 99 of Regulation No.2 of 2023. The Non-Tariff Income claimed by petitioner is as shown below:

Table 2.11: Non-Tariff Income claimed for FY 2025-26

(Rs.in Crores)

Particulars	FY 2024-25	FY 2025-26
	Estimated	Projected
Income from SLDC Processing Fee, Registration Fee and Surcharge	0.50	0.50
Total	0.50	0.50

The amount of Non-Tariff Income for the FY 2025-26 includes SLDC Processing fee, SLDC Registration fee and Surcharge on late payment charges.

IMPACT OF TRUE-UP FOR PRIOR PERIOD

2.9.9 The Petitioner based on the Annual Performance Review orders and Audited Accounts, claimed Pass through/claim for Control Period. The petitioner claimed True-Up for 4th Control Period as follows:

Table 2.12: True-Up of 4th Control Period claimed in FY 2025-26*(Rs.in Crores)*

Sl.No.	FY	Particulars	Amount
1	FY 2019-20	Surplus as APR order	0.04
2	FY 2020-21	Surplus as APR order	4.76
3	FY 2021-22	Surplus as APR order	2.99
4	FY 2022-23	Deficit as per APR order	(9.42)
5	FY 2023-24	Deficit as per Audited Accounts	(7.07)
		Deficit/Claim	(8.70)

2.9.10 The petitioner has considered total deficit of Rs.8.70 Crore for 4th MYT Control period, duly accepting the Surplus/Deficit as per the APR Orders for the FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23 and filings for FY 2023-24. The petitioner has proposed for adjustment of Rs.8.70 Crore in FY 2025-26 as Special Appropriation .

AGGREGATE REVENUE REQUIREMENT FOR FY 2025-26

2.9.11 Based on above components the petitioner has claimed ARR for FY 2025-26 as shown in table below:

Table 2.13: Summary of ARR claimed for FY 2025-26*(Rs.in Crores)*

Sl. No.	Particulars	FY 2024-25			FY 2025-26		
		MYT/ Tariff Order	Estimated	Var.	MYT/ Tariff Order	Projected	Var.
1.	Operation & Maintenance Expenses	52.02	57.91	5.89	55.36	60.84	5.48
2.	Depreciation	1.41	2.71	1.30	6.83	3.52	(3.31)
3.	Interest and finance charges on loan	0.83	0.90	0.07	2.95	1.09	(1.86)
4.	Interest on Working Capital	1.13	1.33	0.20	1.32	1.41	0.09
5.	Return on Equity	0.40	1.19	0.79	2.01	1.48	(0.53)
6.1	Less: Non-Tariff Income	0.50	0.50	0.00	0.50	0.50	0.00
6.2	Income from Open Access Charges		-			-	
6.3	Income from Other Business		-				

Sl. No.	Particulars	FY 2024-25			FY 2025-26		
		MYT/ Tariff Order	Estimated	Var.	MYT/ Tariff Order	Projected	Var.
7.1	Less: Impact of surplus pass-through for 4 th Control Period					8.70	8.70
	ARR	55.29	63.54	8.25	67.98	76.56	8.58

SLDC CHARGES

2.9.12 Based on the projected ARR, the petitioner has proposed SLDC Charges for FY 2025-26 as follows:

Table 2.14: SLDC Charges claimed for FY 2025-26

Particulars	FY 2025-26	
	MYT Order	Projected
ARR of SLDC Business (Rs. in Crores)	67.98	76.56
Generation Contracted Capacity (MW)	23387.94	24584.78
SLDC Charges (Rs/MW/month)	2422.16	2594.98

Chapter-3

ISSUES RAISED BY STAKEHOLDER, RESPONSES OF PETITIONER AND COMMISSION'S ANALYSIS AND FINDINGS

3.1 SUGGESTIONS MADE ON FILINGS

- 3.1.1 One (1) stakeholder has filed the objections/suggestions on the petition for Aggregate Revenue Requirement (ARR) and SLDC Charges for SLDC activity for FY 2025-26 and Annual Performance Review of FY 2023-24. The petitioner has filed replies on the objections/suggestions received from the stakeholder. The Commission has considered all the objections/ suggestions of the stakeholder made in writing as well as oral submissions made during the Public Hearing and the responses of the petitioners. For the sake of brevity, the objections/suggestions raised by the stakeholders and responses of the petitioners have been consolidated and summarized issue-wise. In case any suggestions are not specifically elaborated it does not mean that the same has not been considered.

TRUE UP OF FY 2023-24

3.2 CAPITAL COST FOR FY 2023-24

Petitioner's Claim

- 3.2.1 Capital cost is a recovery towards interest & finance charges on loan whereas, depreciation is a claim towards replacement cost of fixed assets. The petitioner has claimed depreciation on fixed assets amounting to Rs.1.59 Crores as capital cost for the year as per CERC norms and requested the Commission to consider and allow the same as capital cost to be recovered by way of Annual Fee for funding its investments since, the petitioner has not availed any loans during the year.

Stakeholder's Submission

- 3.2.2 For FY 2023-24, SLDC's capital cost is lesser by Rs.5.29 Crores, with the approved capital expenditure decreasing from Rs.6.88 Crores to Rs.1.59 Crores.

Petitioner's Replies

- 3.2.3 The petitioner has not responded on the objection made by the stakeholder.

Commission's Analysis and Findings

- 3.2.4 The petitioner has submitted that Capital Cost is a recovery towards Interest & Finance Charges on loan and Depreciation is a claim towards replacement cost of fixed assets. As per CERC Notification No. L-1/153/2019/CERC, dated 26.02.2019, vide Regulation (Fees and Charges for RLDCs), Clause 18, the petitioner has requested to allow the depreciation to recover the same from the Generators on monthly basis.
- 3.2.5 As regards Capital Cost, Clause 4.3 of the Regulation No. 1 of 2006 stipulates as under:

“4.3 *The basis for determination of the annual fee shall be the Capital Cost to cover the repayment of principal amount and payment of interest on investments in a year, plus any residual component of past investments.*”

3.2.6 The Clause 4.3 of the Regulation No.1 of 2006 stipulates that the Capital Cost shall cover the repayment of principal amount and payment of interest on investments in a year, plus any residual component of past investments. Since, the petitioner has not availed loan during FY 2023-24 and there are no past loans, the Commission is of the view that Capital Cost claimed cannot be allowed for FY 2023-24.

3.2.7 Accordingly, the Capital Cost claimed and approved for FY 2023-24 has been summarised in the Table below:

Table 3.1: Capital Cost claimed and approved for FY 2023-24

(Rs.in Crores)

Particulars	MYT Order	Claimed	Approved
Capital Cost	6.88	1.59	0.00

3.3 OPERATION AND MAINTENANCE EXPENSES FOR FY 2023-24

Petitioner's Claim

3.3.1 The Operation and Maintenance (O&M) expenses comprise of (i) Employee cost, (ii) A&G expenses and (iii) R&M expenses. The Petitioner has claimed the O&M expenses of Rs.41.48 Crores as against approved expenses of Rs.54.44 Crores for FY 2023-24 as shown in the Table below:

Table 3.2: O&M Expenses claimed for FY 2023-24

(Rs.in Crores)

Particulars	MYT Order	Claimed	Deviation
Employees Cost	37.98	53.01	15.03
Administration and General Exp.	2.94	0.58	(2.36)
Repairs & Maintenance Exp.	0.56	0.85	0.29
Total:	41.48	54.44	12.96

3.3.2 The Petitioner further submitted the following in regard to above claim:

- (i) There is an increase of Rs.12.96 Crores towards employee cost compared to that approved in MYT Order. The increase in Employee benefits expense is mainly due to annual grade increments and DA arrears.
- (ii) There is a nominal increase in actual A&G expenses compared to previous year actuals.

- (iii) There is a nominal increase in actual R&M expenditure due to increase in R&M of IT & Software expenses compared to previous Year actuals.

Stakeholder's Submission

- 3.3.3 Its O&M expenditure increased by Rs.12.96 Crores from the approved Rs.41.48 Crores to Rs.54.44 Crores. It has claimed that it is mainly on account of increase in employee cost by Rs.15.03 Crores from the approved Rs.37.98 Crores to Rs.53.01 Crores.

Petitioner's Replies

- 3.3.4 The petitioner has submitted that the Commission has not considered PRC impact in employee cost effected from 01.04.2022 onwards in the MYT order for 4th Control period (FY 2019-20 to FY 2023-24) and the impact of PRC in FY 2023-24 is as shown below:

(Rs.in Crores)

Employee cost as per Audited (Actuals) accounts filed in APR - 2022-2023 (Including PRC)	56.94
Less : PRC Provision of Employees (Including Artisans)	10.33
Opening Balance of employee Cost as on 01.04.2023 (Excluding PRC)	46.61
Opening balance (Without PRC) as on 01.04.2023	46.61
Add : Regular Increment, DA (Whole Year) & Leave Encash	2.93
Closing Balance as on 31.03.2024 (Without PRC)	49.54
Add : PRC impact @ 7 %	3.47
Employee Cost (Including PRC) as on 31.03.2024	53.01

Commission's Analysis and Findings

- 3.3.5 The Petitioner has claimed the O&M Expenses as Rs. 54.44 Crores against the approved value of Rs. 41.48 Crores in MYT Order dated 02.03.2020 for FY 2023-24. The Commission has observed that the Petitioner has claimed the O&M Expenses on actual basis as per audited accounts.
- 3.3.6 The Commission has noted that the primary reason for the increase in the O&M expenses of FY 2023-24 from the approved O&M expenses is due to the Pay revision which was rolled out in FY 2022-23, Actuarial Valuation Liability and Terminal Benefits. As this variation is beyond the control of the petitioner and depends on the pay revision guidelines as per the Government of Telangana (GoTG), the Commission finds its prudent to allow the pay

revision and terminal benefits on actuals for FY 2023-24. Therefore, the Commission has approved the O&M expenses of Rs. 54.44 Crores as claimed by the petitioner for FY 2023-24. The O&M expenses claimed and approved are shown in table below:

Table 3.3: O&M Expenses claimed and approved for FY 2023-24

(Rs.in Crores)

Particulars	MYT Order	Claimed	Approved
Employees Cost	37.98	53.01	53.01
Administration and General Exp.	2.94	0.58	0.58
Repairs & Maintenance Exp.	0.56	0.85	0.85
Total:	41.48	54.44	54.44

3.4 EXPENDITURE FOR FY 2023-24

Petitioner's Submissions

- 3.4.1 The expenditure claimed by the petitioner for FY 2023-24 is Rs.7.67 Crores more than that approved in the MYT order and is as shown in table below:

Table 3.4: Expenditure claimed for FY 2023-24

(Rs.in Crores)

Particulars	MYT Order	Claimed	Variance
Operating Cost (O&M Expenses)	41.48	54.44	12.96
Capital Cost	6.88	1.59	(5.29)
Expenditure	48.36	56.03	7.67

Commission's Analysis and Findings

- 3.4.2 Based on the above analysis, the total expenditure approved is as shown in Table below:

Table 3.5: Expenditure claimed and approved for FY 2023-24

(Rs.in Crores)

Particulars	MYT Order	Claimed	Approved
Operating Cost (O&M Expenses)	41.48	54.44	54.44
Capital Cost	6.88	1.59	0.00
Expenditure	48.36	56.03	54.44

3.5 REVENUE

Petitioner's Submissions

3.5.1 The Petitioner has claimed the revenue from Operating charges, Annual Fee and other income of Rs.41.42 Crores, Rs.6.89 Crores and 0.64 Crores respectively totaling to Rs.48.95 Crores.

Table 3.6: Revenue claimed for FY 2023-24

(Rs.in Crores)

Particulars	MYT Order	Claimed	Deviation
Operating Charges	40.47	41.42	0.95
Annual Fee	6.88	6.89	0.01
Other Income	1.00	0.64	(0.36)
Total:	48.35	48.95	0.60

3.5.2 The overall increase of Rs.0.60 Crores in total revenue is due to open access.

Commission's Analysis and Findings

3.5.3 The Commission after prudent check has observed that the total revenue from the SLDC charges including other income as per audited accounts is Rs.52.28 crore. On seeking justification for the discrepancy in revenue claimed and audited figure, the Petitioner has submitted the following reconciliation statement as per annual accounts.

Particulars	Amount (in Rs. Crores)
Revenue as per True-up Petition	48.31
Add: Increase in revenue as per audited accounts due to following adjustments	
Claim Adjustment for the FY 2023-24 (Note no.19.2)	7.07
Less: Decrease in revenue as per audited accounts due to following adjustments	
Reversal of revenue towards Disallowed claim for FY 2022-23 (Rs. 3.10 Crs) (Note no.19.7)	(3.10)
Total Revenue of Transmission Business as per Audited Accounts	52.28

- 3.5.4 Since the True up/(Down) for the period FY 2019-20 to FY 2022-23 is yet to be passed on to the beneficiaries , the Commission has not considered the impact of true up/(down) in the Revenue for FY 2023-24 and approved Rs. 48.95 Crores. The details of Revenue claimed and approved is as shown in table below:

Table 3.7: Revenue claimed and approved for FY 2023-24

(Rs.in Crores)

Particulars	MYT Order	Claimed	Approved
Operating Charges	40.47	41.42	41.42
Annual Fee	6.88	6.89	6.89
Other Income	1.00	0.64	0.64
Total:	48.35	48.95	48.95

3.6 SUMMARY OF APR FOR FY 2023-24

Petitioner's Submissions

- 3.6.1 The total Aggregate Revenue Requirement (ARR) and Gap for FY 2023-24 claimed by the petitioner is as shown in Table below:

Table 3.8: Summary of APR as claimed for FY 2023-24

(Rs.in Crores)

Particulars	MYT Order	Claimed	Variance
Total Expenditure	48.36	56.03	7.67
Revenue from SLDC Charges:	48.35	48.95	0.60
Surplus/(Deficit)	(0.01)	(7.08)	(7.07)

- 3.6.2 It can be seen from the table above that actual expenditure over the approved has increased by Rs.7.67 Crores and actual Revenue over the approved has increased by Rs.0.60 Crores. Thereby there is a net deficit in SLDC operating charges for an amount of Rs.7.07 Crores during FY 2023-24.

Stakeholder's Submissions

- 3.6.3 The stakeholder has submitted that State Load Despatch Centre has sought a true-up of Rs.8.70 Crores. For the FY, it has shown a revenue gap of Rs.7.07 Crores, with an increase of Rs.7.67 Crores in its expenditure for the FY 2023-24, despite increase in its revenue from SLDC charges by Rs.0.60 Crores.

Petitioner's Replies

3.6.4 The petitioner has submitted the reason for increase in expenditure is that the Commission has not considered PRC impact in employee cost effected from 01.04.2022 onwards in the MYT order for 4th Control period (FY 2019-20 to FY 2023-24).

Commission's Analysis and Findings

3.6.5 Based on the above analysis, the summary of APR for FY 2023-24 is as shown in the Table below:

Table 3.9: Gap/(Surplus) as claimed and approved for FY 2023-24

(Rs.in Crores)

Particulars	MYT Order	Claimed	Approved
Total Expenditure	48.36	56.03	54.44
Total Revenue	48.35	48.95	48.95
Gap/(Surplus)	0.01	7.08	5.49

3.6.6 The revenue gap approved for FY 2023-24 is Rs. 5.49 Crores against the claim of Rs. 7.08 Crores.

END OF CONTROL PERIOD REVIEW FOR 4TH CONTROL PERIOD

Petitioner's Claim

3.6.7 As per the APR orders issued by the Commission for FY 2019-20, FY 2020-21, FY 2021-22 & FY 2022-23 and as per the Annual Audited Accounts for FY 2023-24, the Petitioner has claimed an overall revenue gap of Rs.8.70 Crores for 4th Control Period. The Petitioner's claim is as shown in table below:

Table 3.10: Revenue gap/(Surplus) claimed for 4th Control Period
(Rs.in Crores)

Sl.No.	FY	Particulars	Amount
1	FY 2019-20	Surplus as APR order	0.04
2	FY 2020-21	Surplus as APR order	4.76
3	FY 2021-22	Surplus as APR order	2.99
4	FY 2022-23	Deficit as per APR order	(9.42)
5	FY 2023-24	Deficit as per Audited Accounts	(7.07)
	Deficit/Claim		(8.70)

3.6.8 The petitioner has considered total revenue deficit of Rs.8.70 Crores for 4th MYT Control period, duly considering the Surplus/Deficit as per the APR Orders for the FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23 and filings for FY 2023-24. The petitioner has proposed for adjustment of Rs.8.70 Crores in FY 2025-26 as Special Appropriation.

Stakeholder's Submissions

3.6.9 SLDC has sought true-up of deficit of Rs.1.63 Crores approved by the Commission as per APR orders for 2019-20 and 2022-23.

Petitioner's Replies

3.6.10 The petitioner has not responded on the objection made by the stakeholder.

Commission's Analysis and Findings

3.6.11 The Commission has issued APR orders for FY 2019-20 to FY 2022-23 and approved APR for FY 2023-24 in this order. The summary of Revenue gap for 4th Control Period is as shown below.

Table 3.11: Revenue gap claimed and approved for 4th Control Period

(Rs.in Crores)

Sl.No.	Financial Year	Claimed	Approved
1	2019-20	(0.04)	(0.04)
2	2020-21	(4.76)	(4.76)
3	2021-22	(2.99)	(2.99)
4	2022-23	9.42	9.42
5	2023-24	7.07	5.49
Total		8.70	7.12

3.6.12 The approved Revenue Gap of Rs. 7.12 Crores shall be adjusted in the ARR of FY 2025-26

ARR FOR FY 2025-26

3.7 CAPITAL INVESTMENT PLAN AND CAPITALIZATION FOR FY 2025-26

Petitioner's claim

- 3.7.1 The petitioner has claimed the Capital Investment Plan for FY 2025-26 as given in table below:

Table 3.12: Capital Investment Plan claimed for FY 2025-26

(Rs.in Crores)

Sl. No.	Particulars	FY 2025-26		
		MYT Order	Claimed	Variance
1	Opening Capital Works in Progress	37.41	45.87	8.46
2	Capital Expenditure during the year	31.08	44.21	13.13
3	Additional Capitalisation during the year	62.43	13.79	(48.46)
4	Closing Capital Works in Progress	6.07	76.29	70.22

- 3.7.2 The Petitioner submitted that there is a major decrease in Capitalisation during the FY 2025-26 as Back up SLDC at Warangal is expected to be capitalized in the FY 2026-27.

- 3.7.3 The Petitioner submitted the following with regard to the major works to be carried out during FY 2025-26:

- i. Upgradation of existing SCADA/EMS system at Main SLDC, Hyderabad & Establishment of SCADA/EMS system at Backup SLDC at Warangal:

Even though several advanced features facilitating increased Grid Management requirements were incorporated in the existing SCADA system which was commissioned in FY 2015-16, it has become insufficient to accommodate faster rate of Grid expansion, necessitating faster and complex Grid management activities.

This is also in line with CERC's approved life cycle of 7 years for SCADA/IT Systems.

The state of art SCADA/EMS system provides visibility, decision making facilities for system operator in the operation and control of real time system for the reliable, efficient and secure grid operations.

Estimated cost: Rs.62.16 Cr - (excluding AMC charges).

Present status:

- a. TGERC investment approval of Rs.62.16 crore was accorded vide approval No. 02/2023-24 dt.21.03.2024
- b. Notification of Award issued to M/s L&T, Contract will be entered shortly.

Period of execution: 20 months (tentative).

ii. Implementation of SAMAST (Scheduling, Accounting, Metering and Settlement of Transactions in Electricity) Project at TGSLDC:

ABT regime introduced by CERC at National level had a positive impact. Hence, SERCs are advised to introduce ABT and frequency linked Deviation Settlement Mechanism at state level.

The SAMAST scheme will achieve an efficient mechanism for proper scheduling for settlement of electricity transactions in a transparent manner for the power transactions across intra-state boundaries.

DSM (Deviation Settlement Mechanism) as per TGERC Regulations will be enforced for all stakeholders by comparing Implemented schedules with Actual Generation and draws. The Stakeholders are TGGENCO, TG DISCOMs, IPPs, CPPs, EHT PDs (Both RE and non-RE) etc.

In present scenario, energy exchanges between TGDISCOMs are only being settled based on marginal cost which is not in line with CERC Deviation Settlement Mechanism.

No settlement procedure is in place for Intra state generators (except Solar and wind) and full open access consumers. Whereas in SAMAST, all Intra State Generators (excluding Solar and wind) having installed capacity of 5MW and above, Distribution licensees, Deemed Distribution licensees and Full Open Access Consumers will be covered under DSM mechanism.

Project components:

- i. Procurement of ABT meters.
- ii. Development of Software application module.
- iii. Procurement of IT components
- iv. AMR (automatic meter reading) module including procurement of GRPS modems with Ethernet port for obtaining continuous meter data online for carrying out weekly energy settlements,

Cost Estimate: Rs.21.95 Crores

Present Status:

Agreement entered with M/s Scheneider electric on 28.06.2024 for supply of interface energy meters. Technical evaluation is under progress for development of IT applications for all modules of SAMAST.

Execution period: Slated to be completed by December-2025 (tentative).

Stakeholder's submissions

- 3.7.4 For the FY 2025-26, SLDC has revised its ARR to Rs.76.56 Crores from the approved Rs.67.98 Crores, i.e., an increase of Rs.8.58 Crores or 12.62%. While it has proposed an increase of Rs.13.13 Crores in capital expenditure from the approved Rs.31.08 Crores to Rs.44.21 Crores, it has decreased capitalization by Rs.48.64 Crores from the approved Rs.62.13 Crores to Rs.13.79 Crores.

Petitioner's Replies

- 3.7.5 The petitioner has not responded on the objection made by the stakeholder.

Commission's Analysis and Findings

- 3.7.6 Clause 7.1 of Regulation No.2 of 2023 details the provision related to Capital Investment Plan. The relevant para of clause 7.1 is reproduced below:

"7. Capital Investment Plan

- 7.1 The generating entity, transmission licensee, distribution licensee and SLDC shall file for approval of the Commission a Capital Investment Plan along with its Multi Year Tariff Petition, covering the entire control period with separate details for each year of the control period.*

Provided that the capital investment plan filed by the generating entity/transmission licensee/distribution licensee for the control period commencing from 01.04.2024, as on date of notification of this Regulations, shall be deemed to have been filed under this Regulation.

.....”

3.7.7 The Commission in MYT Order dated 28.10.2024, has approved the capital investment plan for 5th control period i.e., from FY 2024-25 to FY 2028-29 after carrying out detailed analysis of the Capital Investment Plan submitted by TGTRANSCO. Therefore, the Commission has considered the Capital Investment Plan and capitalization for FY 2025-26 as approved in MYT order.

3.7.8 The Capital Investment Plan claimed and approved for FY 2025-26 is as follows:

Table 3.13: Capital Investment Plan claimed and approved for FY 2025-26

(Rs.in Crores)

Particulars	MYT Order	Claimed	Approved
Capital Expenditure	31.08	44.21	31.08

3.7.9 For determination of capitalization for FY 2025-26, the Commission has considered the same percentage of opening CWIP and capital expenditure as approved in the MYT order. Accordingly, the Commission has approved Rs.62.43 Crores towards capitalization for FY 2025-26 as follows:

Table 3.14: Additional Capitalisation claimed and approved for FY 2025-26

(Rs.in Crores)

Particulars	MYT Order	Claimed	Approved
Capitalization during the year	62.43	13.79	62.43

3.8 OPERATION & MAINTENANCE EXPENSES

Petitioner's claim

3.8.1 The relevant Clause of Regulation No.2 of 2023 for O&M Expenses is reproduced below:

98.1 The O&M expenses for SLDC shall comprise of:

- i) Employee cost;
- ii) Repairs and Maintenance (R&M) expenses; and
- iii) Administrative and Generation (A&G) expenses.

98.2 The O&M expenses for SLDC for each year of the control period shall

be approved based on the formula shown below:

$$O\&M_n = EMP_n + R\&M_n + A\&G_n$$

Where,

- i. $O\&M_n$ – Operation and Maintenance expense for the n^{th} year;
- ii. EMP_n – Employee Costs for the n^{th} year;
- iii. $R\&M_n$ – Repair and Maintenance Costs for the n^{th} year;
- iv. $A\&G_n$ – Administrative and General Costs for the n^{th} year;

98.3 The above components shall be computed in the manner specified below:

$$EMP_n = (EMP_{n-1}) \times (\text{CPI Inflation});$$

$$R\&M_n = K \times (GFA_n) \times (\text{WPI Inflation}) \text{ and}$$

$$A\&G_n = (A\&G_{n-1}) \times (\text{WPI Inflation})$$

Where,

- EMP_{n-1} – Employee Costs for the $(n-1)^{th}$ year;
- “K” is a constant specified by the Commission in %. Value of K for each year of the control period shall be determined by the Commission in the MYT order based on SLDC’s filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;
- GFA_n - Opening Gross Fixed Asset for the n^{th} year;
- $A\&G_{n-1}$ – Administrative and General Costs for the $(n-1)^{th}$ year;
- CPI Inflation – is the point to point change in the Consumer Price Index (CPI) for Industrial Workers (all India) as per Labour Bureau, Government of India; in case CPI Inflation is negative, the escalation/change shall be 0%;
- WPI Inflation – is the point-to-point change in the Wholesale Price Index (WPI) as per the Office of Economic Advisor of Government of India;

Provided that the employee cost and A&G expenses **for the first year of the Control Period** shall be worked out considering the average of the **true-up expenses** after adding/deducting the share of efficiency gains/losses, for the immediately preceding control period, excluding abnormal expenses, if any, subject to prudence check by the Commission and duly escalating the same for 3 years with CPI Inflation for employee costs and WPI Inflation for A&G expenses.

98.4 Provisioning of expenses shall not be considered as actual expenses at the time of true-up, and only expenses as actually incurred shall be considered.”

3.8.2 The O&M Expenses claimed by the petitioner for FY2025-26 is as follows:

Table 3.15: O&M Expenses claimed for FY 2025-26*(Rs.in Crores)*

Sl.No	Particulars	MYT Order	Claimed	Variance
1	Employee Expenses	52.23	58.66	6.43
2	A&G Expenses	1.74	0.67	(1.07)
3	R&M Expenses	1.39	1.51	0.12
	Total	55.36	60.84	5.48

- Employee Cost: The Employee cost has been computed by considering FY 2023-24 as base year and duly escalating at the rate of 5.20% (monthly average of CPI Inflation for FY-2023-24).
- Repairs and Maintenance (R&M): expenses have been computed as per the regulation No.2 of 2023, where "K" factor is arrived by dividing R & M Expenses with Opening GFA of the respective year and duly escalating with WPI Inflation at the rate of 7.4%.
 - Where, K is the average % of R&M expenses on Opening GFA from FY 2023-24 to FY 2024-25 worked out at 5%.
 - The WPI has been arrived at 7.4%. by averaging inflation rates of FY2019-20 to FY 2023-24.
- Admin & General (A&G) expenses: have been computed by considering FY 2023-24 as base year and duly escalating at the rate of 7.4%. Where, the 7.4% WPI has been by averaging inflation rates of F 2019-20 to FY 2023-24.

Stakeholder's submissions

- 3.8.3 It has shown an increase in O&M expenditure by Rs.5.48 Crores. The claim of SLDC to consider an average inflation rate of 7.41% (WPI) for the 4th control period as the basis for calculating employee cost is questionable and needs to be pruned.

Petitioner's Replies

- 3.8.4 The petitioner has considered 5.20% CPI for employee cost computation for FY 2023-24 as per Regulation.

Commission's Analysis and Findings

Employee cost

- 3.8.5 In accordance with proviso of Clause 98.3 of Regulation No.2 of 2023, the Commission has recomputed the Employee cost for FY 2024-25, by escalating the trued-up expenses of FY 2023-24 with CPI inflation factor of 5.79%, as approved in MYT order. Further the employee cost of FY 2024-25 has been escalated with CPI inflation factor of 5.79% as approved in MYT order to arrive at Employee cost of FY 2025-26. The normative employee cost computed for FY 2025-26 is shown below:

Table 3.16: Normative Employee Costs computed for FY 2025-26

(Rs.in Crores)

Employee Cost for FY 2024-25	CPI Inflation	Employee Cost for FY 2025-26
(a)	(b)	a*(1+b)
56.08	5.79%	59.32

A&G Expenses

- 3.8.6 In accordance with proviso of Clause 98.3 of Regulation No.2 of 2023, the Commission has recomputed the A&G expenses for FY 2024-25, by escalating the trued-up expenses of FY 2023-24 with WPI of 4.93% as approved in MYT order. Further A&G expenses for FY 2025-26 were computed by escalating the A&G expenses of FY 2024-25 with WPI of 4.93% as approved in MYT order. The details of computed A&G Expenses for FY 2025-26 is as shown in table below:

Table 3.17: Normative A&G Expenses computed for FY 2025-26

(Rs.in Crores)

A&G Expenses for FY 2024-25	WPI Inflation	A&G Expenses for FY 2025-26
(a)	(b)	a * (1+b)
0.61	4.93%	0.64

R&M Expenses

- 3.8.7 The Commission has considered K factor of 4.27% and WPI inflation factor of 4.93% as approved in MYT Order dated 28.10.2024. The normative R&M Expenses of FY 2025-26 is computed by multiplying the opening GFA for FY 2025-26 with K factor and WPI inflation factor. The details of computed R&M Expenses for FY 2025-26 are shown in table below:

Table 3.18: Normative R&M Expenses computed for FY 2025-26

(Rs.in Crores)

K	GFA _n	WPI Inflation	R&M _n
(a)	(b)	(c)	(a*b*(1+c))
4.27%	35.57	4.93%	1.59

- 3.8.8 Based on the above Employee Cost, A&G Expenses and R&M Expenses computed on normative basis, the O&M Expenses approved for FY 2025-26 is as shown below:

Table 3.19: O&M expenses claimed and approved for FY 2025-26

(Rs.in Crores)

Particular	Approved in MYT Order dated:28.10.2024	Claimed	Approved
Employee cost	52.23	58.66	59.32
A&G Expenses	1.74	0.67	0.64
R&M Expenses	1.39	1.51	1.59
O&M Expenses	55.36	60.84	61.56

3.9 DEPRECIATION

Petitioner's claim

- 3.9.1 The Petitioner has submitted that the depreciation is a claim towards replacement cost of fixed assets. The depreciation for the FY 2024-25 & FY 2025-26 is arrived based on useful life as specified in Regulation no. 2 of 2023. The Depreciation claimed for FY 2025-26 is shown in table below:

Table 3.20: Depreciation claimed for FY 2025-26*(Rs.in Crores)*

Sl. No.	Asset Group	FY 2025-26		
		MYT Order	Claimed	Variance
1.	Buildings	6.83	0.26	3.31
2.	Civil Works		0.05	
3.	Plant and Machinery		0.57	
4.	IT Equipment		0.13	
5.	Communication Equipment		0.37	
6.	Furniture & Fixtures		0.03	
8.	Intangible assets		1.48	
9.	Office equipment		0.63	
Total		6.83	3.52	3.31

Commission's Analysis and Findings

3.9.2 Clause 28 of Regulation No.2 of 2023 specifies the provisions related to Depreciation. The relevant extract of the Regulation is as follows:

“28. Depreciation

28.1 *The generating entity, licensee, and SLDC shall be permitted to recover depreciation on the value of fixed assets used in their respective regulated businesses, computed in the following manner:*

(a) *The approved original cost of the fixed assets shall be the value base for calculation of depreciation:*

Provided that the depreciation shall be allowed on the entire capitalised amount of the new assets after reducing the approved original cost of the retired or replaced or de-capitalised assets.

(b) *Depreciation shall be computed annually based on the straight-line method on the basis of the expected useful life specified in the Annexure I to this Regulation.*

(c) *The salvage value of the asset shall be considered at ten per cent of the allowable capital cost and depreciation shall be allowed up to a maximum of ninety per cent of the allowable capital cost of the asset:*

Provided that the generating entity or Licensee or SLDC shall submit certification from the Statutory Auditor for the capping of depreciation at ninety per cent of the allowable capital cost of the asset:

Provided further that the salvage value of Information Technology equipment and computer software shall be considered at zero per cent of the allowable capital cost.

28.2 *Land other than the land held under lease and the land for reservoir in case of hydel Generating Station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the assets.*

28.3 *In case of existing assets, the balance depreciable value as on 01.04.2024 shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31.03.2024 from the gross depreciable value of the assets:*

Provided that depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

28.4 *The generating entity or Licensee or SLDC shall submit the depreciation computations separately for assets added up to 31.03.2024 and assets added on or after 01.04.2024.*

28.5 *Depreciation allowed for each year of the control period shall be deemed to be equal to the loan repayment, up to the ceiling of seventy five percent (75%) of asset cost or actual debt component used for funding such asset in case the debt funding is higher than seventy five percent (75%) of the asset cost:*

Provided that depreciation allowed for each year of the control period beyond seventy five percent (75%) of asset cost or actual debt component used for funding such asset in case the debt funding is higher than seventy five percent (75%) of the asset cost, shall be utilised for reduction of equity during that year.”

3.9.3 The Commission has observed that the petitioner has not shown depreciation separately for assets added up to 31.03.2024 and assets added on or after 01.04.2024 as per Clause 28.4 of Regulation No.2 of 2023 and computed the depreciation considering the projected additional capitalization for FY 2024-25 & FY 2025-26.

3.9.4 The Commission has computed the depreciation based on approved GFA using straight line method and expected useful life specified in the Annexure-I of Regulation No.2 of 2023. Further, as per Clause 28.4 the depreciation is computed separately for assets added up to 31.03.2024 and assets added on

or after 01.04.2024 and summed up to arrive at the total depreciation for FY 2025-26.

- 3.9.5 The depreciation approved by the Commission is net of depreciation due to grants/consumer contributed assets. The depreciation claimed and approved for FY 2025-26 is as follows:

Table 3.21: Net Depreciation claimed and approved for FY 2025-26

(Rs.in Crores)

Particulars	Approved in MYT Order Dated 28.10.2024	Claimed	Approved
Gross Depreciation	6.83	3.52	9.66
Amortization of Consumer Contributed Assets	-	-	1.14
Net Depreciation	6.83	3.52	8.52

3.10 INTEREST AND FINANCE CHARGES ON LOAN

Petitioner's claim

- 3.10.1 The Interest and Finance Charges (I&FC) on Loan claimed by the petitioner for FY 2025-26 is as follows:

Table 3.22: I&FC charges on Loan claimed for FY 2025-26

(Rs.in Crores)

Sl.No.	Particulars	MYT Order	Claimed	Variance
1	Opening Balance of Gross Normative Loan	10.78	21.06	10.28
2	Cumulative Repayment till the year	0	13.06	13.06
3	Opening Balance of Net Normative Loan	10.78	8	-2.78
4	Less: Reduction of Normative Loan due to retirement or replacement of assets	0	0	0
5	Addition of Normative Loan due to capitalisation during the year	46.82	10.34	-36.48
	Repayment of Normative loan during the year	6.83	3.52	-3.31
6	Closing Balance of Net Normative Loan	50.77	14.81	-35.96
7	Closing Balance of Gross Normative Loan	57.61	31.41	-26.2

Sl.No.	Particulars	MYT Order	Claimed	Variance
8	Average Balance of Net Normative Loan	30.78	11.41	-19.37
	Weighted average Rate of Interest on actual Loans (%)	9.60%	9.60%	9.60%
9	Interest	2.95	1.09	-1.86
10	Finance charges	0	0	0
11	Total Interest & Finance charges	2.95	1.09	-1.86

3.10.2 The Petitioner has submitted that the Interest and Finance charges have been computed on the following basis:

- Opening balance of Net normative loan has been arrived on 75% of the Opening Net Fixed Assets.
- Addition of normative loan during the year is considered as 75% of Additions to fixed assets during the year.
- Repayment of the normative loan during the year is considered equal to the depreciation amount.
- The “Average Normative Loan” is arrived by considering average of net opening and net closing normative loan.
- Interest rate at 9.60% is considered as the weighted average rate of Interest on Actual long term loan portfolio at the beginning of each year.

Commission’s Analysis and Findings

3.10.3 Clause 31 of Regulation No.2 of 2023 specifies the provisions related to I&FC on Loan. The relevant extract of the Regulation No.2 of 2023 is reproduced as below:

“31.1 The loans arrived at in the manner indicated in clause 27 on the assets put to use shall be considered as gross normative loan for calculation of interest on loan:

Provided that in case of retirement or replacement or de-capitalisation of assets, the loan capital approved as mentioned above, shall be reduced to the extent of outstanding loan component of the original cost of such assets based on documentary evidence.

.....”

3.10.4 The Commission has derived the opening loan base for FY 2024-25 by considering the approved gross GFA as on 01.04.2024 by netting of accumulated depreciation, consumer contributions & grants and considering the debt equity ratio of 75: 25. Further, to derive addition of loans during FY 2024-25 & FY 2025-26 ,in line with clause 27.1 of Regulation No.2 of 2023,

the Commission has considered the normative Debt: Equity ratio of 75:25 on approved capitalization during the years. The interest rate is considered as 9.60% as approved in MYT order dated 28.10.2024. The Interest & Finance Charges on Loan approved for FY 2025-26 is as shown in table below:

Table 3.23: Interest & Finance charges on Loan claimed and approved for FY 2025-26

(Rs.in Crores)

Particulars	MYT Order	Claimed	Approved
Opening Loan	10.78	8.00	4.20
Additions during the Year	46.82	10.34	46.82
Repayment during the Year	6.83	3.52	8.52
Closing Loan	50.77	14.81	42.50
Interest rate	9.6%	9.60%	9.60%
Interest on loan	2.95	1.09	2.24

3.11 INTEREST ON WORKING CAPITAL

Petitioner's claim

3.11.1 The Petitioner has submitted that the Interest on Working Capital has been computed as per the Clause 33.5 of Regulation No.2 of 2023.

Table 3.24: Interest on Working Capital claimed for FY 2025-26

(Rs.in Crores)

Sl.No.	Particulars	MYT Order	Claimed	Variance
1	O&M Expenses	4.61	5.07	0.46
2	Receivables	8.38	8.36	(0.02)
	Total Working Capital Requirement	12.99	13.43	0.44
3	Interest Rate	10.15%	10.50%	
4	Interest on Working Capital	1.32	1.41	0.09

- The petitioner has claimed IoWC as per clause 33.5 of Regulation No.2

of 2023.

- The petitioner has considered One (1) month O&M expenses, receivables for 45 days to derive the total working capital requirement.
- Further, the petitioner has considered rate of IoWC as 10.50% considering 9.00% as 1-year SBI MCLR plus 150 basis points in accordance with clause No.33.6 of Regulation No.2 of 2023.

Stakeholder's submissions

3.11.2 While the weighted average interest rate for actual loans is shown as 9.6%, SLDC has revised the rate of interest on working capital from 10.15% approved in the MYT order to 10.50%.

Petitioner's Replies

3.11.3 The Rate of Interest on Working Capital (IoWC) was arrived at 10.50% (i.e., latest SBI MCLR Rate of Interest at 9% for one year effective from 15.01.2025 plus 150 basis points) in accordance with the clause 33.6 of Regulation No.2 of 2023.

Commission's Analysis and Findings

3.11.4 Clause 33.5 of Regulation No.2 of 2023, specifies the provisions related to IoWC. The relevant extract of the Regulation is as follows:

"33.5 SLDC

- (a) The working capital requirement of the SLDC shall cover:*
 - (i) Operation and Maintenance expenses for one (1) month;*
 - (ii) Receivables equivalent to forty-five (45) days of the Aggregate Revenue Requirement:*

.....

33.6 Rate of interest on working capital shall be on normative basis and shall be equal to the Base Rate as on the date on which the petition for determination of Tariff is filed, plus 150 basis points:

Provided that for the purpose of Truing-up for any year, interest on working capital shall be allowed at a rate equal to the weighted average Base Rate prevailing during the concerned Year plus 150 basis points.

3.11.5 The Commission has computed the working capital requirement in accordance with Clause 33.5 of Regulation No.2 of 2023. The Commission has observed that SBI MCLR as on date of filing is 9.00% and considered the interest rate for computation of IoWC as 10.50% (SBI MCLR (9.00% plus 150

basis points) in accordance with clause 33.6 of Regulation No.2 of 2023. The IoWC claimed and approved for FY 2025-26 is as shown below:

Table 3.25: Interest on Working Capital claimed and approved for MY 2025-26

(Rs.in Crores)

Particular	MYT Order	Claimed	Approved
Normative O&M expenses for 1 Month	4.61	5.07	5.13
Receivables equivalent to 45 days of ARR	8.38	8.36	9.28
Total Working Capital requirement	12.99	13.43	14.41
Interest rate	10.15%	10.50%	10.50%
Interest on Working Capital	1.32	1.41	1.51

3.12 RETURN ON EQUITY (ROE)

Petitioner's claim

3.12.1 The Petitioner has submitted that the Return on Equity has been computed as per the Regulation No.2 of 2023, Clause 29 and grossed up at Normal rate of tax as per Clause 30. The Return on Equity claimed by the petitioner is as shown below:

Table 3.26: Return on Equity claimed for FY 2025-26

(Rs.in Crores)

Sl.No	Particulars	MYT Order	Claimed	Variance
1	Regulatory Equity at the beginning of the year	4.06	7.02	2.96
2	Capitalisation during the year	62.44	13.79	(48.65)
3	Equity portion of capitalisation during the year	15.61	3.45	(12.16)
4	Reduction in Equity Capital on account of retirement / replacement of assets	0.00	0.00	0.00

5	Regulatory Equity at the end of the year	19.67	10.46	(9.21)
	Rate of Return on Equity	-	-	-
6	Base rate of Return on Equity	14.00%	14.00%	-
7	Effective Income Tax rate	17.47%	17.47%	-
8	Rate of Return on Equity	16.96%	16.96%	-
	Return on Equity Computation	-	-	-
9	Return on Regulatory Equity at the beginning of the year	0.69	1.19	0.50
10	Return on Regulatory Equity addition during the year	1.32	0.29	(1.03)
11	Total Return on Equity	2.01	1.49	(0.53)

3.12.2 The petitioner has submitted that the Return on Equity has been considered at 14% on equity portion as detailed below:

- iv. Opening regulated equity has been arrived by considering 25% of net block of fixed assets of previous year.
- v. Addition of equity for the year has been considered as 25% of fixed asset addition during the year.
- vi. Return on Equity has been arrived at 16.96% (14% rate of return with effective normal tax rate) on opening regulated equity and on the 50% equity addition during the year.

Commission's Analysis and Findings

3.12.3 Clause 29 of Regulation No.2 of 2023 specifies provisions related to Return on Equity. The relevant extract of the Regulation is as follows:

"29. Return on Equity

29.1 Return on Equity shall be computed in rupee terms, on the equity base determined in accordance with clause 27.

29.2 Return on Equity shall be computed at the following base rates:

....

(f) SLDC: 14.00%;

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.

... ..
29.3 *The Return on Equity shall be computed in the following manner:*

- (a) *Return at the allowable rate as per this clause, applied on the amount of equity capital at the commencement of the Year; plus*
- (b) *Return at the allowable rate as per this Regulation, applied on 50 per cent of the equity capital portion of the allowable capital cost, for the investments put to use in generation business or transmission business or distribution business or SLDC, for such Year.*

30. *Tax on Return on Equity*

30.1 *The Base rate of Return on Equity allowed by the Commission under clause 29.2 shall be grossed up with the effective Income Tax rate of the respective entity for the respective financial year: Provided that the effective Income Tax rate shall be considered on the basis of actual Income Tax paid in respect of the financial year in line with the provisions of the relevant Finance Acts by the concerned generating entity or licensee, as the case may be:*

Provided further that the actual Income Tax on the amount of income from Delayed Payment Charges or Interest on Delayed Payment or Income from Other Business or income from any source that has not been considered for computing the Aggregate Revenue Requirement or income from efficiency gains and incentive approved by the Commission shall be excluded for the calculation of effective Income Tax rate:

Provided also that in case of generating entity or licensee paying Minimum Alternate Tax (MAT), the effective Income Tax rate shall be considered as MAT rate including surcharge and cess:

Provided also that if no Income Tax has been paid by the Company as a whole, then the effective Income Tax rate shall be considered as "Nil".

3.12.4 Equity: The Commission has derived the opening Equity base for FY 2024-25 by considered approved gross GFA as on 01.04.2024 by netting of accumulated depreciation, consumer contributions & grants and considering the debt equity ratio of 75:25. Further, to derive addition of equity during FY 2024-25 & FY 2025-26 ,in line with Clause 27.1 of Regulation No.2 of 2023, the Commission has considered the normative Debt Equity ratio of 75:25 on approved capitalization during the years after netting of consumer contributions and grants.

3.12.5 Rate of RoE: The Commission has considered rate of RoE as 14% as per the Regulation No.2 of 2023.

3.12.6 Tax Rate (MAT): The Commission has considered Effective Income Tax rate as 17.472% in line with the MYT order dated:28.10.2024.

3.12.7 The MAT rate is considered after grossing up the base rate of RoE to derive the effective rate of Return on Equity. The Return on Equity approved for FY 2025-26 is as follows:

3.12.8 Accordingly, Return on Equity claimed and approved for FY 2025-26 is as follows:

Table 3.27: Return on Equity claimed and approved for FY 2025-26

(Rs.in Crores)

Particulars	MYT Order	Claimed	Approved
Opening Equity	4.06	7.02	3.54
Addition during the Year	15.61	3.45	15.61
Closing Equity	19.67	10.46	19.15
Base Rate of Return on Equity	14.00%	14.00%	14.00%
Effective Tax Rate	17.47%	17.47%	17.47%
Grossed up Rate of Return on Equity	16.96%	16.96%	16.96%
Return on Equity	2.01	1.49	1.92

3.13 NON-TARIFF INCOME

Petitioner's claim

3.13.1 The Non-Tariff Income (NTI) claimed by the petitioner for FY 2025-26 is as follows:

Table 3.28: Non-Tariff claimed for FY 2025-26

(Rs.in Crores)

Particulars	Amount
Non-Tariff Income	0.50

- NTI includes SLDC processing fee, SLDC registration fee and surcharge on late payment charges.

Commission's Analysis and Findings

3.13.2 The components of NTI as per Clause 99 of Regulation No. 2 of 2023 is as follows:

“99. *Non-Tariff Income*

99.1 *The amount of Non-Tariff Income relating to the SLDC as approved by the Commission shall be deducted from the Aggregate Revenue Requirement in determining the SLDC Charges:*

99.2 *The Non-Tariff Income shall include:*

- a) *Income from rent of land or buildings;*
- b) *Net income from sale of de-capitalised assets;*
- c) *Income from sale of scrap;*
- d) *Income from statutory investments;*
- e) *Interest income on advances to suppliers/contractors;*
- f) *Income from rental from staff quarters;*
- g) *Income from rental from contractors;*
- h) *Income from sale of tender documents;*
- i) *Any other Non-Tariff Income*

3.13.3 On prudent check the Commission approved the NTI as claimed by the petitioner. The NTI approved for FY 2025-26 is as follows:

Table 3.29: Non-Tariff Income claimed and approved for FY 2025-26

(Rs.in Crores)

Particular	MYT Order	Claim	Approved
Non-Tariff Income	0.50	0.50	0.50

3.14 ARR FOR SLDC BUSINESS FOR FY 2025-26

3.14.1 The Aggregate Revenue Requirement (ARR) claimed by the petitioner for SLDC Business for FY 2025-26 is as follows:

Table 3.30: ARR claimed for FY 2025-26

(Rs.in Crores)

Sl. No.	Particulars	FY 2025-26		
		MYT/Tariff Order	Claimed	Variation
1.	Operation & Maintenance Expenses	55.36	60.84	5.48
2.	Depreciation	6.83	3.52	(3.31)

3.	Interest and finance charges on loan	2.95	1.09	(1.86)
4.	Interest on Working Capital	1.32	1.41	0.09
5.	Return on Equity	2.01	1.48	(0.53)
6.1	Less: Non-Tariff Income	0.50	0.50	0.00
6.2	Income from Open Access Charges		-	
6.3	Income from Other Business			
7.1	Less: Impact of surplus pass-through for 4 th Control Period		8.70	8.70
ARR		67.98	76.56	8.58

Commission's Analysis and Findings

3.14.2 Based on the above analysis, the Aggregate Revenue Requirement (ARR) approved for FY 2025-26 is as follows:

Table 3.31: ARR claimed and approved for FY 2025-26

(Rs.in Crores)

Particulars	Claimed	Approved
Operation & Maintenance Expenses	60.84	61.56
Depreciation	3.52	8.52
Interest and finance charges on loan	1.09	2.24
Interest on Working Capital	1.41	1.51
Return on Equity	1.48	1.92
Less: Non-Tariff Income	0.50	0.50
Impact of true-up for Prior Period	8.70	7.12
Aggregate Revenue Requirement	76.56	82.37

3.15 CONTRACTED CAPACITIES

Petitioner's Claim

3.15.1 The petitioner has claimed the following contracted capacities (Generation Capacity in MW) for FY 2025-26.

Table 3.32: Contracted Capacities claimed for FY 2025-26

Particulars	Capacity
Generation Capacity (MW)	24584.78

Stakeholder's submissions

3.15.2 Against increase of contracted capacity for SLDC business from 23287.94 MW in 2024-25 to 24584.78 MW for 2025-26, SLDC charges are proposed at Rs.2594.98 per MW per month. After prudence check, the ARR and tariff proposals of SLDC may be revised appropriately.

Commission's Analysis and Findings

3.15.3 Having considered the additional information submitted by the petitioner, the Commission has approved the contracted capacity of 23359 MW by making the following modifications to the claim of the petitioner:

- Disallowed the contracted capacity of 947.5 MW of Atal Bihari Vajpayee Thermal Power Plant as the power is not being scheduled.
- Reduced the capacity of 25.89 MW of RE-solar due to typographical error in petitioner's filing.
- The capacities of Central Generating Stations have been revised due to re allocation of contracted capacities as per the Petitioner's claim.
- The contracted capacity of 20 MW of Nizam Deccan Sugars is not considered as the plant is under shutdown.
- The solar NLC capacity of 200 MW has not been considered as the expected date of commissioning of the solar plant is in Feb'2026.

Table 3.33: Contracted Capacities claimed and approved for FY 2025-26

Particulars	Claimed	Approved
Generation Capacity (MW)	24584.78	23359.00

The year-wise, station-wise details of normative contracted capacities are given in Anneuxre-4.

3.16 SLDC CHARGES

Petitioner's claim

- 3.16.1 Based on the ARR projections and Contracted Capacities, the petitioner has claimed the SLDC Charges for FY 2025-26 is as follows:

Table 3.34: SLDC Charges claimed for FY 2025-26

Particulars	FY 2025-26
Aggregate Revenue Requirement (Rs. in Crores)	76.56
Generation Capacity (MW)	24584.78
SLDC Charges (Rs. /MW/Month)	2594.98

Commission's Analysis and Findings

- 3.16.2 Clause 100 of Regulation No.2 of 2023 specifies provisions related to determination of SLDC Charges. The relevant clause is extracted below:

"100. SLDC Charges

100.1 The SLDC Charges payable by the Transmission System Users shall be computed in accordance with the following formula:

$$SLDC\ Charges = \frac{ARR}{12}$$

$$\frac{Total\ generation\ capacity\ in\ MW}{}$$

Where,

SLDC Charges are in Rs./MW/month

ARR = Aggregate Revenue Requirement as determined under clause 97.1;"

- 3.16.3 Based on the approved ARR and considered Generation capacities, the SLDC Charges approved for FY 2025-26 is as follows:

Table 3.35: SLDC Charges claimed and approved for FY 2025-26

Particulars	Claimed	Approved
ARR (Rs.in Crores)	76.56	82.37
Generation Capacity (MW)	24584.78	23359.00
SLDC Charges (Rs./MW/Month)	2594.98	2938.55

Applicability

- i. The SLDC Charges shall be payable by generating companies (including captive generating plants), distribution licensees and trading licensees using the intra-State transmission network under any agreement or arrangement with the transmission licensee in proportion to the capacity contracted.
- ii. The SLDC charges for SLDC activity as determined for FY 2024-2025 as part of 5th control period FY 2024 – FY 2025 to FY 2028 – FY 2029 will cease to be effective after 31.03.2025. Even prior to passing of the orders the ECI as per the proceedings dated 06.02.2025 has issued model code of conduct on account of biennial elections to Telangana Legislative Council from Hyderabad local authorities constituency.
- iii. In view of the model code of conduct and to avoid vacuum this Commission has felt it necessary to extend the subsisting charges for SLDC activity to be levied and collected by the TGTRANSCO in the state of Telangana, from 01.04.2025 until the orders are passed after receiving permission of the ECI or cessation of model code of conduct whichever is earlier.
- iv. Accordingly, the Commission in exercise of powers conferred under section 94 (2) of the Act, 2003 read with section 28 of the Telangana Electricity Reform Act, 1998, has passed an interim orders in I.A.No. 2 of 2025 dated 28.03.2025 extending the charges for SLDC activity as determined by order dated 28.10.2024 in O. P. No. 15 of 2024 to be applicable from 01.04.2025 till a fresh order is passed by the Commission.
- v. The SLDC Charges determined for FY 2025-26 are applicable from 01.05.2025 to 31.03.2026.

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

Sd/-
Dr. Justice Devaraju Nagarjun
Chairman

//CERTIFIED COPY//

Appendix-A
SCHEDULE OF APPROVED SLDC CHARGES

SLDC Charges (Rs./MW/Month)

Particulars	FY 2025-26
SLDC Charges (Rs./MW/Month)	2938.55

Applicability

- i. The SLDC Charges shall be payable by generating companies (including captive generating plants), distribution licensees and trading licensees using the intra-State transmission network under any agreement or arrangement with the transmission licensee in proportion to the capacity contracted.
- ii. The aforementioned SLDC Charges determined for FY 2025-26 are applicable from 01.05.2025 to 31.03.2026.

Appendix-B

COMMISSION'S DIRECTIVES

1. Details of Completed Capital Works

The Commission directs the petitioner to submit the details of completed capital works pertaining to SLDC operations along with Project Completion Certificate (PCC) and Financial Completion Certificate (FCC) as is being done for transmission projects. The Commission also directs the petitioner to file a monthly report with the Commission on progress in capital works pertaining to SLDC operations by 25th of every month relating to the previous month.

2. Details of Actual Costs and Revenue

The Commission directs the petitioner to file the actual costs and revenues by 25th of every month relating to the previous month in the format prescribed for this purpose by the Commission. The Commission also directs the petitioner to state its own observations on cost, revenues and capacities along with the monthly report.

3. Optimum Utilisation of SLDC Assets

The Commission directs the petitioner to make needful study and send the proposal for approval regarding the optimum utilisation of SLDC assets by engaging in other business activity and amount of financial gains to be accrued on account of the above.

4. Timely Filing of Petitions

The Commission directs the petitioner to adhere to the timelines as specified in Regulation No.2 of 2023 in future filing of petitions.

5. Approval of Schemes

Petitioner is directed to approach the Commission for approval of schemes duly indicating the details as specified in clause 7.6 of Regulation No.2 of 2023.

6. Expedition of work of Back Up SLDC

In view of the importance of Back up SLDC, the Commission directs the SLDC to expediate the work relating to Backup SLDC and approves Rs.62.43Cr as Additional Capitalisation. In case if SLDC fails to commence in FY 2025-26, the SLDC can seek review of the proposed in ensuing True up.

Appeared in SAKSHI and EENADU (Telugu) on 04.02.2025

58

BEFORE THE HON'BLE TELANGANA ELECTRICITY REGULATORY COMMISSION
Vidyal Nivaran Bhavan, G.T.S. Colony, Kalyan Nagar, Hyderabad-500045.

TRANSMISSION CORPORATION OF TELANGANA LIMITED (TGTRANSCO)

PUBLIC NOTICE
O.P.No.19 of 2025 and O.P.No.20 of 2025

1. Notice is hereby given to all that the Transmission Corporation of Telangana Limited (TGTRANSCO) has filed before the Telangana Electricity Regulatory Commission (TGERC) for a) ARR, proposed revised Transmission Tariff and Charges for FY 2025-26 and True up for FY 2023-24 for Transmission business, b) Proposed revised ARR & SLDC Charges for FY 2025-26 and True up for FY 2023-24 for SLDC activity. These filings have been taken on record by the Commission in O.P.No.19 of 2025 (Transmission Business) and O.P.No.20 of 2025 (SLDC activity), respectively.

2. Copies of the filings referred are available in the Office of the Chief Engineer (Commercial & RAC) Room No. 149, 'A' Block, TGTRANSCO, Vidyal Nivaran Bhavan, Hyderabad-500045 and the Chief Engineer (Metro Zone, Rural Zone, Karimnagar and Warangal Zone) and Superintending Engineer/DMC/TGTRANSCO (Karimnagar, Nizamabad, Adilabad, Karimnagar and Warangal, Mahabubnagar, Wanaparthy, Metro East, Metro West, Metro Central, Sangareddy located at Hyderabad) from 04.02.2025. Interested persons may inspect/peruse the said filings and take note thereof during office hours at any of the said offices free of cost. These filings are also available on www.tgtransco.in and the same may be also accessed at www.tgerc.telangana.gov.in. A copy of these filings can be obtained from the above office on payment of photocopying charges by cash.

3. Objections/suggestions if any, on the said filings together with supporting material may be sent to the Chief Engineer (Commercial & RAC) Room No. 149, 'A' Block, TGTRANSCO, Vidyal Nivaran Bhavan, Hyderabad-500045 in person or through Registered Post so as to reach on or before 25.02.2025 by 5pm. A copy of the same must also be filed with the Commission Secretary, TGERC, at the address mentioned above. The objections/suggestions should be duly signed and should carry full name and postal address of the person(s) sending the objections/suggestions. If the objections/suggestions are filed on behalf of any organization or any category of consumers, it should be clearly mentioned. The objections/suggestions should accompany the following statement as an annexure:-

Name & full address of the Objector	Brief details of Objection(s)/Suggestion(s)	Objections against Filings by TGTRANSCO	Whether copy of objection & proof of delivery at TGTRANSCO's office enclosed (Yes/No)	Whether Objector wants to be heard in person (Yes/No)
		a) ARR, proposed Revised Transmission Tariff and Charges for FY 2025-26, and True up for FY 2023-24 for Transmission business.		
		b) Proposed revised ARR & SLDC Charges for FY 2025-26 and True up for FY 2023-24 for SLDC activity		

4. Telangana Electricity Regulatory Commission intends to conduct a Public Hearing on 11.02.2025 from 10:30 hrs onwards in the Court Hall of TGERC, Vidyal Nivaran Bhavan, G.T.S. Colony, Kalyan Nagar, Hyderabad.
Place: Hyderabad
Date: 04.02.2025
Sd/- Chairman and Managing Director
TGTRANSCO

SCHEDULE-I

1. Annual Performance Review for FY 2023-24 for Transmission Business

Particulars		FY 2023-24 (Rs. in Crores)		
		Tariff Order	Actuals	Deviation
Expenditure		2886.53	2481.18	-395.35
O&M Costs		1137.51	1020.34	-117.17
O&M Capital Costs		0.00	0.00	0.00
Depreciation		1378.79	1073.34	-305.45
Special Appreciation		1.00	0.00	-1.00
Other Expenses		0.00	0.00	0.00
Surplus Capitalized		178.98	189.28	10.30
O&M Expenses Capitalized		153.46	189.28	33.82
Net Expenditure		2538.82	2220.82	-318.00
Revenue		1288.52	1221.83	-66.69
Non-Tariff Income		4288.14	3476.80	-811.34
Revenue from Tariff		417.71	440.99	23.28
Total Revenue		2506.44	4117.00	1610.56
Surplus/Deficit		0.00	1896.87	1896.87

2. Impact of True up for 4th control period (FY 2019-20 to FY 2023-24) for Transmission Business

Sl.No.	Financial Year	Particulars	Amount (Rs. in Crores)
1	2019-20	Deficit as per APR order dated 02.06.2021	(64.88)
2	2020-21	Surplus as per APR order dated 07.04.2022	173.94
3	2021-22	Deficit as per APR order dated 25.05.2023	(158.60)
4	2022-23	Surplus as per APR order dated 07.06.2024	579.05
5	2023-24	Surplus (as per Audited Accounts)	108.15
Total			1608.87

3. Revised Aggregate Revenue Requirement for FY 2025-26 for Transmission Business

Sl. No.	Particulars	MYT/Tariff Order	FY 2025-26 Projected	Variation
1	Operation & Maintenance Expenses	1377.19	1303.41	-73.78
2	Depreciation	883.33	820.09	-63.24
3	Interest and finance charges on loan	298.55	1137.40	188.85
4	Interest on working capital	411.71	411.71	0.00
5	Return on Equity	628.71	587.51	-41.20
6	Less: Non-Tariff Income	515.70	443.27	-72.43
7	Income from Open Access Charges			
8	Income from Other Business			
9	Less: Impact of surplus pass through for 4th Control Period		1896.87	1896.87
Aggregate Revenue Requirement		3422.95	2086.50	-1336.45

4. Proposed Transmission Tariffs and Transmission Losses for FY 2025-26 for Transmission Business

Particulars	FY 2025-26 (n+1)
ARR of Transmission Business (Rs. in Crores)	2030.50
Transmission Connected Capacity (MW)	23544.81
Transmission Charges Per MW/Month (Rs.)	73.65
Projected Transmission Losses (%)	2.48 (+0.2)

5. Annual Performance Review for FY 2023-24 for SLDC Business

Particulars		FY 2023-24 (Rs. in Crores)		
		Tariff Order	Actuals	Deviation
Total Expenditure		48.26	56.03	7.77
Revenue from SLDC Charges		48.55	48.05	-0.50
Surplus/Deficit		-0.61	-7.08	-6.47

6. Impact of True up for 4th control period (FY 2019-20 to FY 2023-24) for SLDC Business

Sl.No.	Financial Year	Particulars	Amount (Rs. in Crores)
1	2019-20	Surplus as per APR order	0.04
2	2020-21	Surplus as per APR order	4.76
3	2021-22	Surplus as per APR order	2.99
4	2022-23	Deficit as per APR order	-9.42
5	2023-24	Deficit as per Audited Accounts	-7.07
Net Deficit/Claim			-8.70

7. Revised Aggregate Revenue Requirement for FY 2025-26 for SLDC Business

Sl.No.	Particulars	Units	Reference	5th MYT Order	Projected	Variation
1	Operation & Maintenance Expenses	Rs. Crore	Form 2	55.38	60.84	5.46
2	Depreciation	Rs. Crore	Form 4	0.83	3.52	3.31
3	Interest and finance charges on loan	Rs. Crore	Form 5	1.85	1.09	-0.86
4	Interest on Working Capital	Rs. Crore	Form 6	1.31	1.31	0.00
5	Return on Equity	Rs. Crore	Form 7	2.07	1.48	-0.59
6	Less: Non-Tariff Income	Rs. Crore	Form 8	0.90	0.90	0.00
7	Income from Open Access Charges	Rs. Crore	Form 9			
8	Income from Other Business	Rs. Crore	Form 10			
9	Less: Impact of true-up for prior period	Rs. Crore	Form 11		8.70	8.70
10	Aggregate Revenue Requirement	Rs. Crore		67.56	76.55	8.99
11	Depreciation Capacity	MW	Form 12	23387.54	24594.79	1107.25
12	SLDC Charges	Rs. MW/Month		2422.16	2594.95	172.79

8. Proposed SLDC Charges for FY 2025-26 for SLDC Business

Particulars	Projected for FY 2025-26
ARR of SLDC Business (Rs. in Crores)	76.55
Generation Connected Capacity (MW)	23544.81
SLDC Charges (Rs./MW/Month)	2594.95

R.O.No - 971-PPICL-AGENCY/ADVT/1/2024-25, Date:03.02.2025

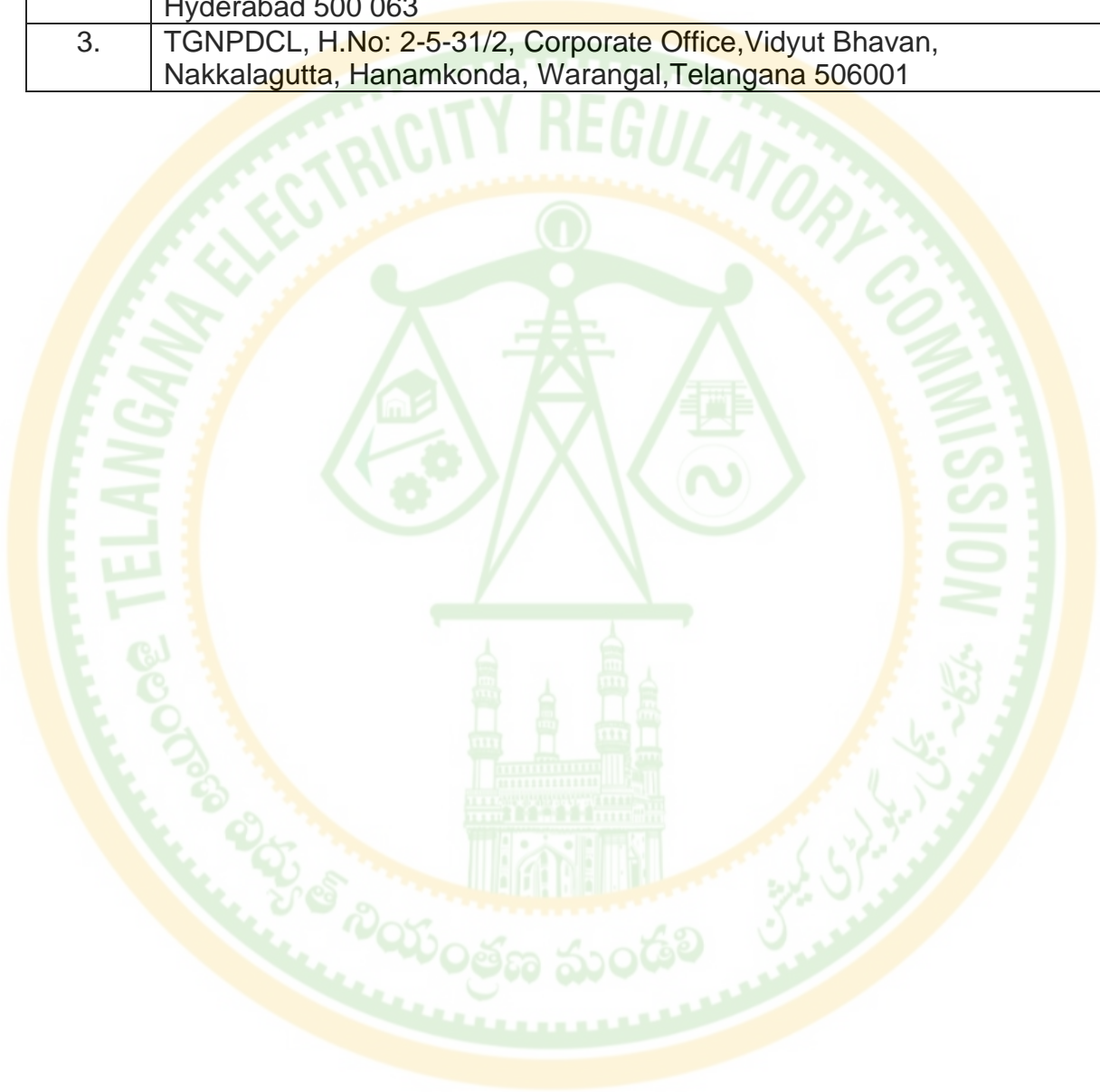
Annexure-2
LIST OF STAKEHOLDERS WHO SUBMITTED WRITTEN
OBJECTIONS/ SUGGESTIONS

Sl. No.	Name and Address of the stakeholders
1)	Sri M.Venugopala Rao, Senior Journalist & Convenor, Centre for Power Studies, H.No.1-100/MP/101, Monarch Prestige, Journalist's Colony, Gopanpally, Serlingampally mandal, Hyderabad 500 032.



Annexure-3
LIST OF STAKEHOLDERS WHO ATTENDED THE PUBLIC
HEARING HELD ON 11.03.2025

Sl. No.	Name and Address of the stakeholder
1	Sri M.Venugopala Rao, Senior Journalist & Convener, Centre for Power Studies H.No.1-100/MP/101, Monarch Prestige, Journalists, Colony, Serilingampally Mandal, Hyderabad 500 032
2.	TGSPDCL, Corporate office, 6-1-50, 1 st floor, Mint Compound, Hyderabad 500 063
3.	TGNPDCL, H.No: 2-5-31/2, Corporate Office,Vidyut Bhavan, Nakkalagutta, Hanamkonda, Warangal,Telangana 506001



Annexure-4
TGSLDC CONTRACTED CAPACITY FOR FY 2025-26

Sl. No	Generating Station/Unit/Source	Installed Capacity (MW)	Net Capacity TS Share (MW)	Claimed	Approved
(A)					
1	KTPS-V	500	453.50	453.50	453.50
2	KTPS-VI	500	473.75	473.75	473.75
3	KTPS-VII	800	758.00	758.00	758.00
4	KTPP-I	500	473.75	473.75	473.75
5	KTPP-II	600	568.50	568.50	568.50
6	RTS-B	62.5	56.25	0.00	0.00
7	BTPS	1080	988.20	988.20	988.20
8	YTPS	4000	3790.00	3790.00	3790.00
Total Thermal (A):		8042.50	7561.95	7561.95	7561.95
(B)					
1	Srisaillam Left Bank HES	900	889.20	889.20	889.20
2	NSPH	815.6	807.44	807.44	807.44
3	NSLCPH	60	59.40	59.40	59.40
4	Lower Jurala HES	240	237.60	237.60	237.60
5	Pulichintala	120	118.80	118.80	118.80
6	Priyadarshini Jurala HES	234	115.83	115.83	115.83
7	Pochampad PH (I-IV)	36	35.64	35.64	35.64
8	Singur	15	14.85	14.85	14.85
9	Nizam Sagar PH	10	9.90	9.90	9.90
10	Mini Hydel (Peddapalli)	9.16	9.07	9.07	9.07
11	Palair	2	1.98	1.98	1.98
Total Hydel (B):		2441.76	2299.71	2299.71	2299.71
(C)					
1	Machkund	84.00	44.82	44.82	44.82
2	Tungabhadra Dam	57.60	30.73	30.73	30.73
Total Interstate Hydel		141.60	75.55	75.55	75.55
(D)					
1	NTPC (SR)-I & II	2100	322.42	322.42	322.43
2	NTPC (SR) Stage-III	500	81.69	81.69	0.00
3	NTPC Talcher Stagell	2000	202.23	202.23	202.23
4	NLC Stage-I	580	3.31	3.31	3.31
5	NLC Stage-II	790	4.35	4.35	4.35
6	NPC-MAPS	440	19.31	19.31	19.31
7	NPC-Kaiga Unit-I&II	440	59.05	59.05	59.05
8	NPC-Kaiga Unit-III & IV	440	62.91	62.91	62.91
9	NTPC Simhadri Stage-I	1000	510.61	510.61	510.61
10	NTPC Simhadri Stage-II	1000	241.71	241.71	241.71
11	NTECL Vallur Thermal Power Plant	1500	97.26	97.26	97.26
12	NLC Tamilnadu (Tuticorn) Unit-I & Unit II	1000	136.82	136.82	136.82
13	Kudigi	2400	256.72	256.72	256.72

Sl. No	Generating Station/Unit/Source	Installed Capacity (MW)	Net Capacity TS Share (MW)	Claimed	Approved
	Unit-I, II & III				
14	New Neyveli Thermal Power plant	934	58.19	58.19	58.19
15	NLC Exp-I	420	3.48	3.48	3.48
16	NLC Exp-II	500	3.99	3.99	3.99
17	Telangana STPP	1600	1287.80	1287.80	1287.80
18	KKNPP (Kudankulam Nuclear Power Plant) Unit-I	1000	2.80	2.80	2.80
19	KKNPP (Kudankulam Nuclear Power Plant) Unit-II	1000	46.10	46.10	46.10
20	NVVNL Bundled Power (Coal)	45.81	42.92	42.83	42.83
21	NSM Bundled Phase -II	25650	186.83	186.83	186.83
Total CGS		45339.81	3630.41	3630.41	3630.41
(E)					
1	Singareni Thermal Power Plant	1200	1131.00	1131.00	1131.00
2	Atal Bihari Vajpayee Thermal Power Plant, Chattisgarh (Formerly	1000	947.50	947.50	0.00
3	Thermal Power Tech (Unit - I) (Sembcorp I)	1320	269.45	269.45	269.45
Total Other Projects		2520.00	2347.95	2347.95	1400.45
(F)					
1	Vemagiri	370	193.41	193.41	193.41
2	Kona seema	444.08	0.00	0.00	0.00
Total Gas projects		814.08	193.41	193.41	193.41
(G)					
1	Solar	7876.92	7876.92	8131.15	7876.92
2	Biomass	6.00	6.00	6.00	6.00
3	Bagasse	61.70	61.70	81.70	61.70
4	IW	15.00	15.00	18.50	15.00
5	Minihydel	2.55	2.00	2.55	2.00
6	MSW	19.80	34.30	34.30	34.30
7	Wind	128.10	128.10	128.10	128.10
8	Non-Solar Total	233.15	247.10	271.15	247.10
NCEs total		8110.07	8124.02	8402.30	8124.02
Contract Demand (CD)		67409.82	23546.27	24455.03	22491.81
(H)					
LT OA Contracts		129.75	129.75	129.75	129.75
Total Generation Contracted Capacity (in MW)		67539.57	23676.02	24584.78	23359.00