



TELANGANA ELECTRICITY REGULATORY COMMISSION
Vidyut Niyantran Bhavan, G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045

ORDER

ON

**DETERMINATION OF ADDITIONAL SURCHARGE (AS)
TO BE LEVIED ON OPEN ACCESS (OA) CONSUMERS
FOR THE FIRST HALF (H1) OF FY 2026-27**

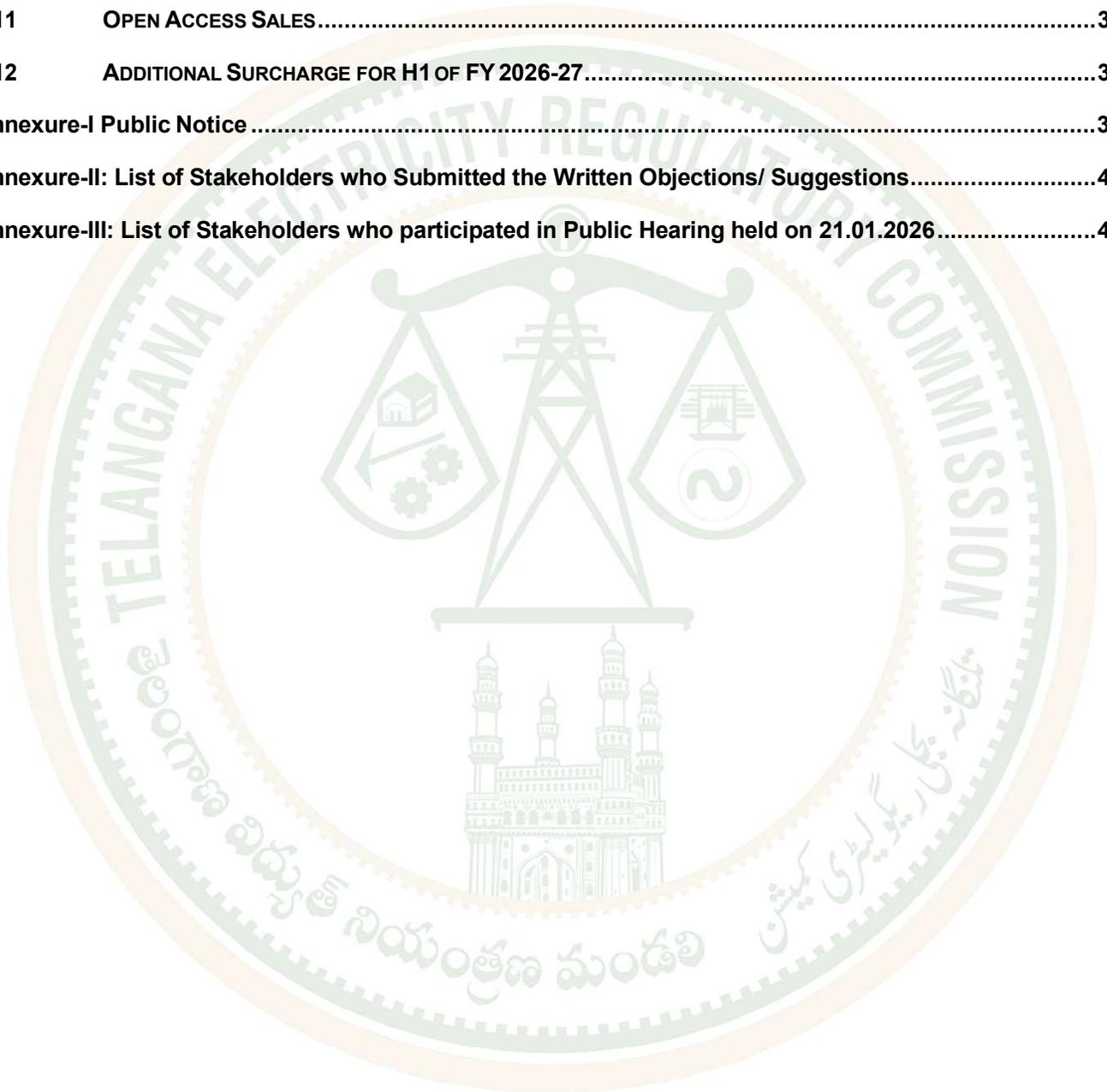
10.03.2026

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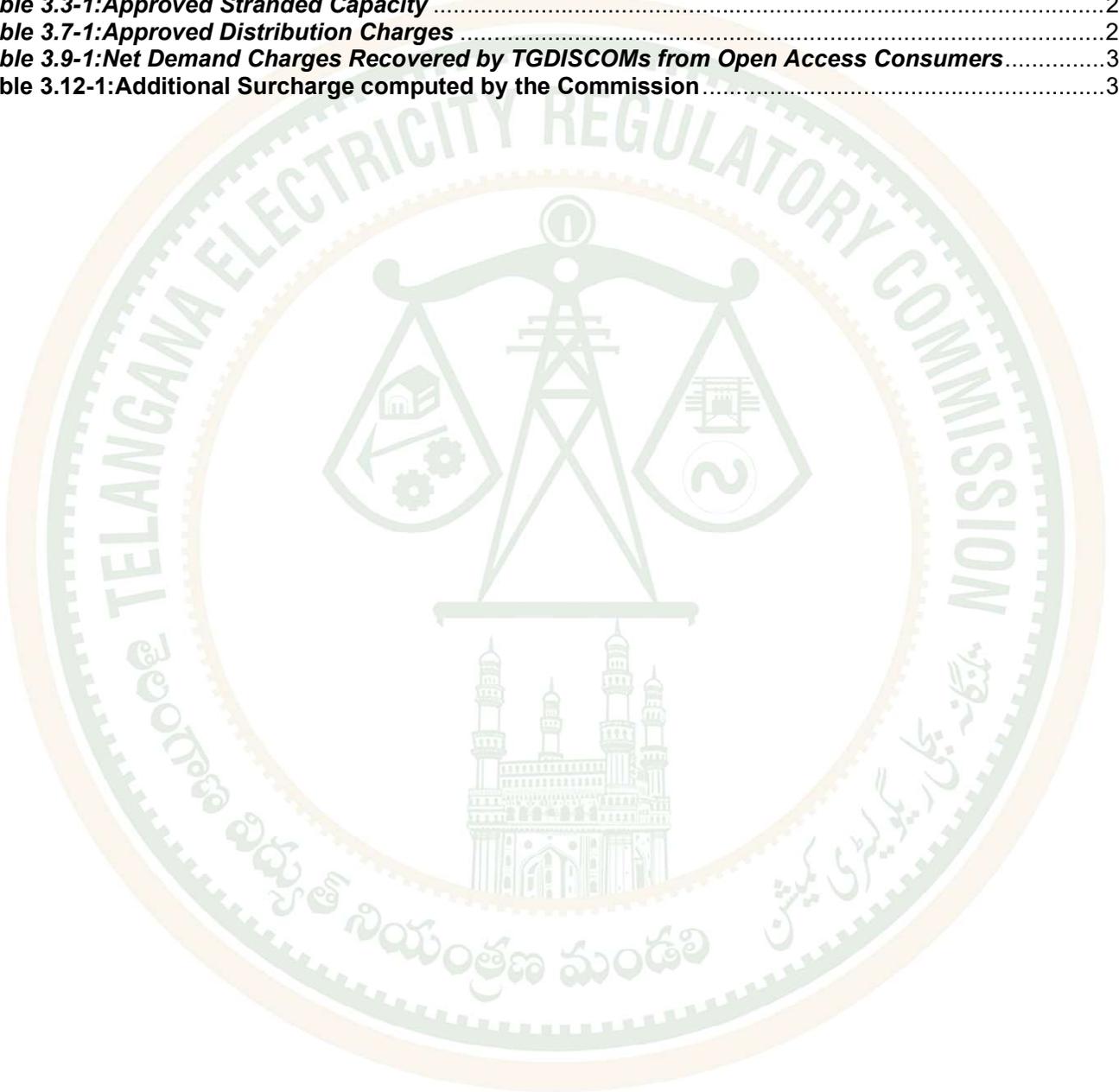
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TELANGANA ELECTRICITY REGULATORY COMMISSION

Vidyut Niyamtran Bhavan, G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045

Dated: 10.03.2026

Present

Dr. Justice Devaraju Nagarjun, Chairman
Sri. Raghu Kancharla, Member (Technical)
Sri. Cherukuri Srinivasa Rao, Member (Finance)

O.P.No. 65 of 2025 for H1 of FY 2026-27

Southern Power Distribution Company of Telangana Limited (TGSPDCL)

O.P.No.66 of 2025 for H1 of FY 2026-27

Northern Power Distribution Company of Telangana Limited (TGSPDCL)

... Applicants

The Southern Power Distribution Company of Telangana Limited (TGSPDCL) and the Northern Power Distribution Company of Telangana Limited (TGSPDCL) (together referred to as "Applicants" or "TGDISCOMs") filed petitions for determination of Additional Surcharge (AS) to be levied on Open Access (OA) consumers for the first half (H1) of FY 2026-27 (1st Half period from 01.04.2026 to 30.09.2026) as per the directions of the Commission in its Order dated 18.09.2020 in O.P.No.23 of 2020 in accordance with the provisions of the Electricity Act, 2003 and Tariff Policy, 2016.

The Commission, in exercise of its powers under the Electricity Act, 2003, and after considering submissions of TGDISCOMs, responses of TGDISCOMs, issues raised during the Public Hearing held on 21.01.2026 in the Court Hall of the Commission, Hyderabad, and all other relevant material, passed the following:

COMMON ORDER
CHAPTER-1:Introduction

1.1 BACKGROUND

1.1.1 The Commission vide its Suo Moto Order dated 18.09.2020 in O.P.No.23 of 2020 in the matter of “Mechanism for determination of stranded capacity and framing the terms & conditions for levy of Additional Surcharge (AS) on Open Access users to meet the fixed cost of the distribution licensee arising out of its obligation of supply”, has held that -

“52. The TGDISCOMs to submit their filings for determination of AS for the 1st half of the ensuing financial year i.e., for the period from April to September of the ensuing financial year latest by 30th November of the current financial year and for the 2nd half of the ensuing financial year i.e., for the period from October to March of the ensuing financial year latest by 31st May of the ensuing financial year.

a) **Mechanism for Demonstration of Stranded Capacity**

- i. The 15-minute time-block data of available capacity and scheduled capacity of all generating stations having long term PPAs with the Discoms, and the scheduled capacity of OA consumers of six months period is to be taken.
- ii. In case of hydel generating stations, the scheduled capacity is to be treated as available capacity in that time block.
- iii. The lower of the surplus capacity (i.e., available capacity less scheduled capacity) and capacity scheduled by OA consumers is to be considered as stranded capacity for the 15-minute time block.
- iv. Accordingly, the average stranded capacity for six-month period due to open access has to be arrived.

b) **Approved Methodology for Computation of Additional Surcharge**

Table 1.1-1:Approved Methodology for Computation of Additional Surcharge

Sl. No.	Description	Unit
{A}	Long term available capacity	MW
{B}	Capacity stranded due to OA	MW
{C}	Fixed Charges paid	Rs.crore
$\{D\}=\{C\}\div\{A\}$	Fixed Charges per MW	Rs.crore/MW
$\{E\}=\{D\}\times\{B\}$	Fixed Charges for stranded capacity	Rs.crore
{F}	Transmission charges paid	Rs.crore

{G}	Actual Energy scheduled	MU
$\{H\}=\{F\}\div\{G\}$	Transmission charges per unit	Rs./kWh
{I}	Distribution charges as per Tariff Order	Rs./kWh
$\{J\}=\{H\}+\{I\}$	Total transmission and distribution charges per unit	Rs./kWh
{K}	Energy consumed by OA consumers from the Discoms	MU
$\{L\}=\{K\}\times\{J\}$	Transmission and distribution charges paid by OA consumers	Rs.crore
{M}	Demand charges recovered by the Discoms from OA consumers	Rs.crore
$\{N\}=\{M\}-\{L\}$	Demand charges to be Adjusted	Rs.crore
$\{O\}=\{E\}-\{N\}$	Net stranded charges recoverable	Rs.crore
{P}	OA sales	MU
$\{Q\}=\{O\}\div\{P\}$	Additional Surcharge	Rs./kWh

c. **Terms & Conditions for levy of Additional Surcharge on OA Users**

- i. The AS determined by the Commission shall be applicable to the consumers of the TGDISCOMs who avail power through OA from any source other than their respective TGDISCOMs.
- ii. The AS shall be levied on the quantum of electricity scheduled by such consumers.
- iii. The AS shall not be levied on such OA consumers for their captive consumption to the extent of OA availed for wheeling of power from their own CPPs.
- iv. Exemption from payment of AS for the eligible OA consumers shall be as per the Government policy in force. The TGDISCOMs may take up the issue of making good of the revenue loss due to such exemption with the State Government for proper relief.”

1.2 STATUTORY PROVISIONS, REGULATORY PROVISIONS & COMMISSION’S DIRECTIVES

1.2.1 The following are the statutory and regulatory provisions with regard to levy of Additional Surcharge on Open Access users:

i) Para 5.8.3 of the National Electricity Policy (NEP) dated 12.02.2005 notified under Section 3 of the Act, states as under:

“5.8.3 An additional surcharge may also be levied under subsection (4) of Section 42 for meeting the fixed cost of the distribution licensee arising out of his obligation to supply in cases where consumers are allowed open access. The amount of surcharge and additional surcharge levied from consumers who are permitted open access should not become so onerous that it eliminates competition that is intended to be fostered in generation and supply of power directly to consumers through the provision of Open Access under Section 42(2) of the Act.”

ii) Section 42(4) of the Electricity Act 2003 stipulates as under –

42(4) “Where the State Commission permits a consumer or class of consumers to receive supply of electricity from a person other than the distribution licensee of his area of supply, such consumer shall be liable to pay an additional surcharge on the charges of wheeling, as may be specified by the State Commission, to meet the fixed cost of such distribution licensee arising out of his obligation to supply.”

iii) Clause 22.1(d) of ‘Terms and Conditions of Open Access’ Regulation No.1 of 2024 stipulates as under:

22.1(d) Additional Surcharge

The open access user shall also be liable to pay Additional Surcharge (AS) as may be specified by the Commission from time to time under Section 42(4) of the Act, in case open access is sought for receiving supply from a person other than distribution licensee of such consumer’s area of supply, to meet the fixed cost of the distribution licensee arising out of his obligation to supply.

iv) Clause 8.5.4 of Tariff Policy, 2016 notified by MoP on 28.01.2016 stipulates as under:

8.5.4 The additional surcharge for obligation to supply as per Section 42(4) of the Act should become applicable only if it is conclusively demonstrated that the obligation of a licensee, in terms of existing power purchase commitments, has been and continues to be stranded, or there is an unavoidable obligation and incidence to bear fixed costs consequent to such a contract. The fixed costs related to network assets would be recovered through wheeling charges.

v) Para (52) of Suo Moto Order dated 18.09.2020 in O.P.No.23 of 2020

“52. The TGDISCOMs to submit their filings for determination of AS for the 1st half of the ensuing financial year i.e., for the period from April to September of the ensuing financial year latest by 30th November of the current financial year and for the 2nd half of the ensuing financial year i.e., for the period from October to March of the ensuing financial year latest by 31st May of the ensuing financial year.

vi) Commission Directives in Order dated 15.03.2024 for H1 of FY 2024-25

TGDiscoms are directed in their future additional surcharge filings -

- a) to reflect the stranded capacity after netting of short-term purchases, if any, in the corresponding time-block;*
- b) to reflect the distribution charges for HT network (other than LT network) i.e., 11 kV and 33 kV;*
- c) to exclude demand charge recovery portion of LT network from total demand charges recovered from OA consumers while computing the additional surcharge.*
- d) henceforth the petitions should be accompanied with the quarterly balance sheets and the computations should be reconciled with the audited accounts.*
- e) to separately indicate the variation in fixed cost for the period from Apr'23 to Sep'23, if any, in the ensuing filings of additional surcharge, and to submit the detailed justification for variation in fixed charges. The Commission shall take a view on considering the same based on the submissions.*

1.3 PRESENT PETITION

1.3.1 In accordance with the above-mentioned provisions, the TGDISCOMs have filed petitions for determination of Additional Surcharge for H1 of FY 2026-27 (from 01.04.2026 to 30.09.2026) on 29.11.2025.

1.4 ADMISSION OF PETITION

1.4.1. In compliance with the regulations, Suo Moto Order dated 18.09.2020 in O.P.No.23 of 2020 and directions issued in order dated 15.03.2024 for H1 of 2024-25, both TGSPDCL and TGNPDCL have filed separate Petitions for determination of Additional Surcharge for H1 of FY 2026-27 (from 01.04.2026 to 30.09.2026). These petitions were scrutinised and found to be in order as required under the Conduct of Business Regulations No.2 of 2015, thereby, Commission has admitted the petitions and the same were taken on record by assigning the following Original Petition (OP) numbers:

- O.P.No.65 of 2025 for TGSPDCL for H1 of FY 2026-27
- O.P.No.66 of 2025 for TGNPDCL for H1 of FY 2026-27

1.5 REGULATORY PROCESS

- 1.5.1. TGDISCOMs, as directed by the Commission, published the Public Notice (Annexure-I) in two (2) Telugu, two (2) English and One (1) Urdu daily newspapers on 19.12.2025 to inform the general public about the TGDISCOMs filings before the Commission for determination of Additional Surcharge for H1 of FY 2026-27.
- 1.5.2. The filings along with supporting material were made available by the TGDISCOMs to the public at large including all the stakeholders. The filings and supporting material were also hosted on the websites of the TGDISCOMs as well as on the website of the Commission, inviting the objections/suggestions, if any, on the filings may be filed on or before 09.01.2026.
- 1.5.3. It was also mentioned in the Public Notice that the Commission intends to conduct a Public Hearing in the Court Hall of TGERC at Hyderabad on 21.01.2026 from 11:00 hours onwards.

1.6 RESPONSE TO PUBLIC NOTICE

- 1.6.1. In response to the Public Notice, objections/suggestions were received from two (2) nos. stakeholders.

1.7 PUBLIC HEARING

- 1.7.1. The Commission conducted the Public Hearing in the Court Hall of TGERC ('Vidyut Niyamtran Bhavan', G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045), on 21.01.2026 from 11:00 AM onwards. During the Public Hearing, the TGDIscoms submitted a brief presentation on their filings. Four objectors were present in the public hearing, out of whom one objector has presented the submissions before the Commission. TGDISCOMs responded to the objections/submissions made by the stakeholders on the issues raised by the Commission during the Public Hearing.

**CHAPTER-2
SUMMARY OF FILINGS**

2.1 ADDITIONAL SURCHARGE FOR H1 OF FY 2026-27

2.1.1 TGDISCOMs have relied on Section 42(4) of the Electricity Act, 2003, clause 22.1(d) of Regulation No.1 of 2024 on Open Access, clause 8.5.4 of Tariff Policy 2016, the Commission Order dated 18.09.2020 in O.P.No.23 of 2020 specifying the mechanism for determination of stranded capacity along with the approved methodology and terms & conditions for levy of Additional Surcharge on Open Access users in order to meet the fixed cost commitment of the distribution licensees arising out of its obligation by considering the actual parameters pertaining to H1 of FY 2025-26.

2.2 STRANDED CAPACITY

2.2.1 The average stranded capacity due to Open Access consumers for the six (6) month period (01.04.2025 to 30.09.2025) considering the 15-minute block wise data works out as 161.61 MW as detailed below:

Table 2.2-1: Average Stranded Capacity due to Open Access consumers for the period (01.04.2025 – 30.09.2025)

Particulars (in MW)	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Average
Available Capacity	30126538.21	30396758.95	28213556.13	31058278.89	35359461.03	35307025.21	10841.39
Scheduled Capacity	24280582.18	22756834.30	20808049.05	23718266.84	25339993.27	24331075.28	8039.32
Gross (Deficit) /Surplus	5845956.03	7639924.65	7405507.08	7340012.06	10019467.75	10975949.93	2802.07
Short-Term Purchases	4480275.90	3598136.71	7183967.42	7838691.20	4379115.03	3600326.32	1769.15
(Deficit)/Surplus after netting of Short-Term Purchases	2773657.74	4443529.32	1922990.42	2003966.00	6358818.28	7672883.22	1433.05
OA Scheduled Capacity	667906.45	640192.56	554181.50	740462.89	703926.65	550683.25	219.57
Stranded Capacity	526976.83	569508.82	350668.50	328903.33	566756.24	496288.41	161.61
Stranded capacity arrived by considering minimum of surplus and OA scheduled capacity for each 15 min-block							

Six months Average (Weighted Average) is worked out by converting 15- minute time-block data to MW i.e., by dividing six months average values by (4x24x30.5) where 4 is four 15-minute time-blocks, 24 is 24 hours per day and 30.5 is average days for six months period from 01.04.2025 to 30.09.2025.

2.3 FIXED CHARGES FOR STRANDED CAPACITY

2.3.1 The fixed charges paid by the TGDISOMS to the generators for H1 of FY 2025-26 is Rs.6737.11 Crores and the average long-term available capacity is 10,841.39 MW. Thus, the average fixed charges work out to Rs.0.62 crores per MW. Accordingly, the fixed charges for stranded capacity of 161.61 MW works out as Rs.100.43 Crores (i.e., 161.61 MW x Rs.0.62 crore/MW).

2.4 TRANSMISSION CHARGES AND SCHEDULED ENERGY

2.4.1 The transmission charges paid by TGDISCOMs for H1 of FY 2025-26 are Rs.2098.39 Crores and scheduled energy for that period is 41,965.33 MU. Thus, the actual transmission cost per unit works out to Rs.0.50/kWh.

2.5 WHEELING CHARGES FOR HT NETWORK

2.5.1 The HT distribution wheeling charges as approved by the Commission for FY 2025-26 is Rs.0.14 per kWh. Hence, the total transmission and distribution (T&D) costs works out to Rs.0.64/kWh.

2.6 DEMAND CHARGES

2.6.1 Based on the above mentioned values, the demand charges that are to be adjusted/(recovered) from Open Access consumers works out to Rs.73.76 Crores.

2.7 NET STRANDED CHARGES

2.7.1 The net stranded charges of Rs.26.67 Crores are considered for calculation of Additional Surcharge.

2.8 OPEN ACCESS SALES

2.8.1 The projected Open Access sales for H1 of FY 2026-27 is considered to be same as that of Open Access sales other than captive and green energy open access sales recorded for H1 of FY 2025-26 i.e., 451.21 MU.

2.9 ADDITIONAL SURCHARGE FOR H1 OF FY 2026-27

2.9.1 The Additional Surcharge is computed to be Rs.0.59/kWh as follows.

Table 2.9-1: Additional Surcharge claimed for H1 of FY 2026-27

Sl. No.	Description	Unit	Value
{A}	Long term available capacity	MW	10,841.39
{B}	Capacity stranded due to Open Access	MW	161.61
{C}	Fixed Charges paid	Rs.crore	6,737.11
{D}={C}÷{A}	Fixed Charges per MW	Rs.crore/MW	0.62
{E}={D}x{B}	Fixed Charges for stranded capacity	Rs.crore	100.43
{F}	Transmission charges paid	Rs.crore	2,098.39
{G}	Actual Energy scheduled	MU	41,965.33
{H}={F}÷{G}	Transmission charges per unit	Rs./kWh	0.50
{I}	Distribution charges as per Tariff Order	Rs./kWh	0.14
{J}={H}+{I}	Total transmission and distribution charges per unit	Rs./kWh	0.64
{K}	Energy consumed by OA consumers from the TGDIscoms	MU	1,909.22
{L}={K}x{J}	Transmission and distribution charges to be paid by OA consumers	Rs.crore	121.75
{M}	Demand charges recovered by the TGDIscoms from OA consumers	Rs.crore	195.51
{N}={M}-{L}	Demand charges to be adjusted	Rs.crore	73.76
{O}={E}-{N}	Net stranded charges recoverable	Rs.crore	26.67
{P}	Open Access sales	MU	451.21
{Q}={O}÷{P}	Additional Surcharge Computed	Rs./kWh	0.59

2.9.2 TGDIscoms requested the Commission to approve the Additional Surcharge of Rs.0.59 per kWh for H1 of FY 2026-27.

2.10 VARIATION IN FIXED CHARGES

2.10.1 TGDIscoms further submitted that the fixed charges paid for H1 of FY 2025-26 as claimed in the present filings are provisional in nature and are subject to variations in final audited accounts. The TGDIscoms requested to consider any variation in fixed charges in the ensuing filings of Additional Surcharge as and when the final audited accounts are available.

CHAPTER-3: Issues raised by Stakeholders, responses of Applicants and Commission's Analysis & Findings

3.1 OBJECTIONS/SUGGESTIONS MADE ON FILINGS

3.1.1 In response to the Public Notice issued by TGDISCOMs two (2) stakeholders have filed objections/suggestions on the filings for determination of Additional Surcharge for H1 of FY 2026-27. TGDISCOMs as directed by the Commission have filed replies on the objections/suggestions received from the stakeholders. For the sake of clarity, the objections/ suggestions raised by the stakeholders and responses of the Applicants have been consolidated and summarised issue-wise. The Commission has considered all the objections/suggestions of the stakeholders made in writing as well as also through oral submissions made during the Public Hearing held on 21.01.2026 and the responses of the Applicants.

3.2 LONG TERM AVAILABILITY

TGDISCOM's filings:

3.2.1 The Commission in its Order dated 18.09.2020 in O.P.No.23 of 2020 has determined the Mechanism for determination of stranded capacity and framing the terms & conditions for levy of AS on Open Access users to meet the fixed cost of the distribution licensee arising out of its obligation of supply.

3.2.2 TGDISCOMs have submitted the long-term available capacity of 10841.39 MW in their filings.

Stakeholders' Submissions:

3.2.3 No objections have been received from any of the stakeholders in so far as on the issue of long term availability.

Commission's Analysis and Findings:

3.2.4 The Commission has perused filings of the Discoms in respect of long-term availability and approved the long-term available capacity by taking average of the 15-minute time block data for entire 6 months' period as 10841.39 MW as claimed by the petitioner.

3.3 CAPACITY STRANDED DUE TO OPEN ACCESS

TGDISCOM's filings:

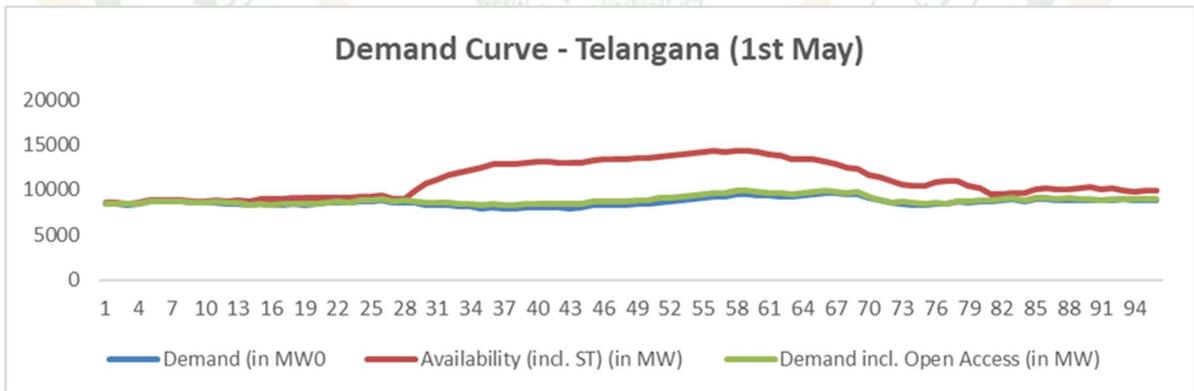
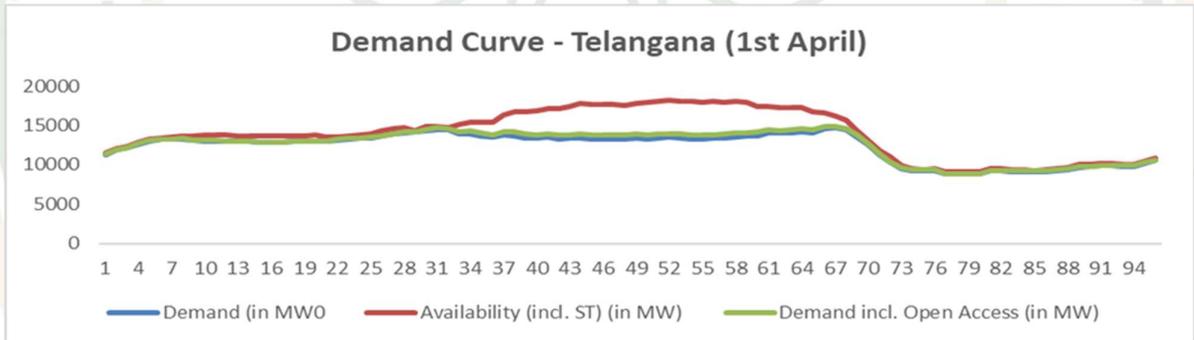
3.3.1 TGDISCOMs have submitted the stranded capacity due to Open Access as 161.61MW in their filings.

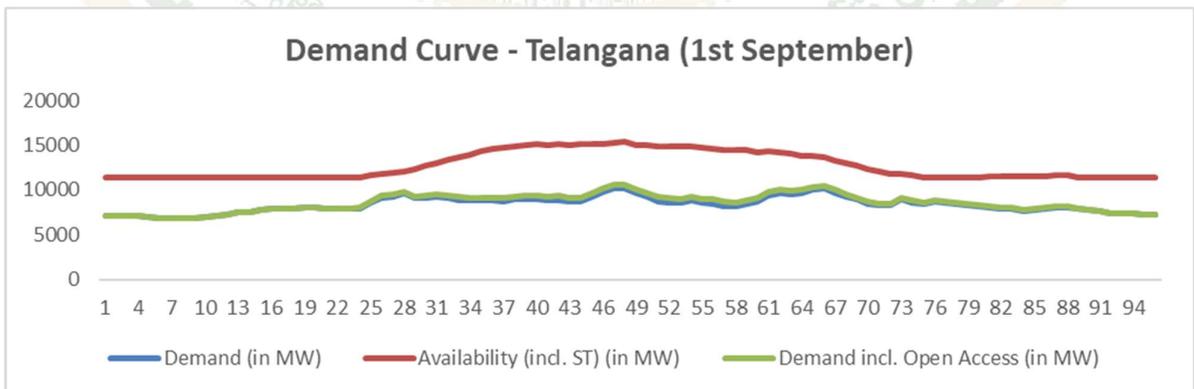
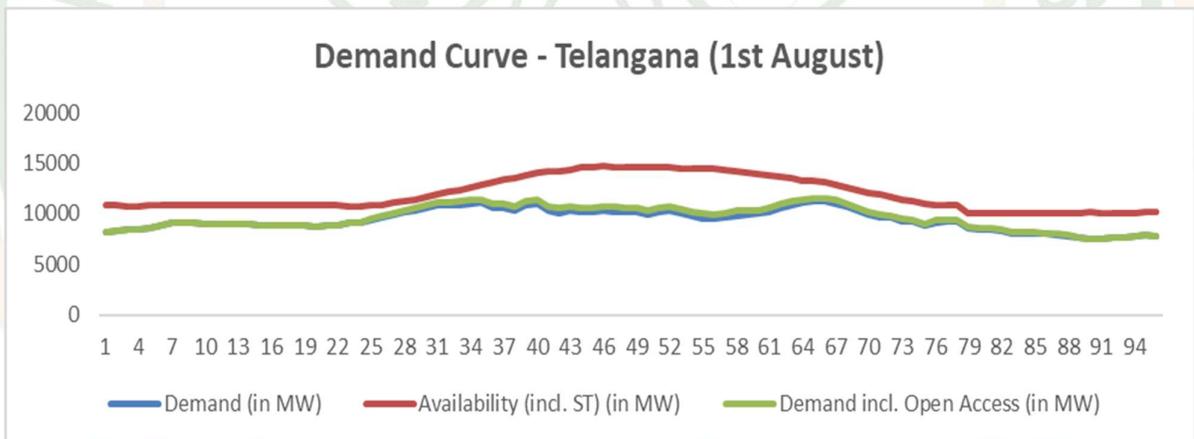
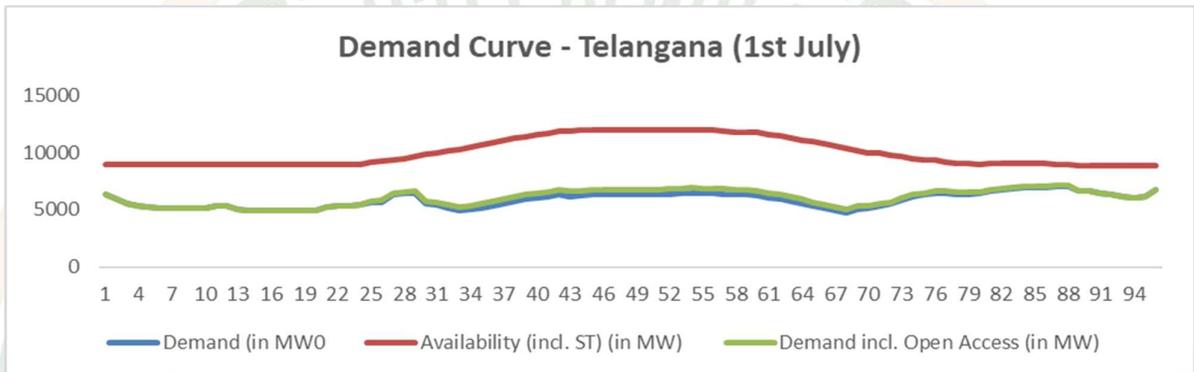
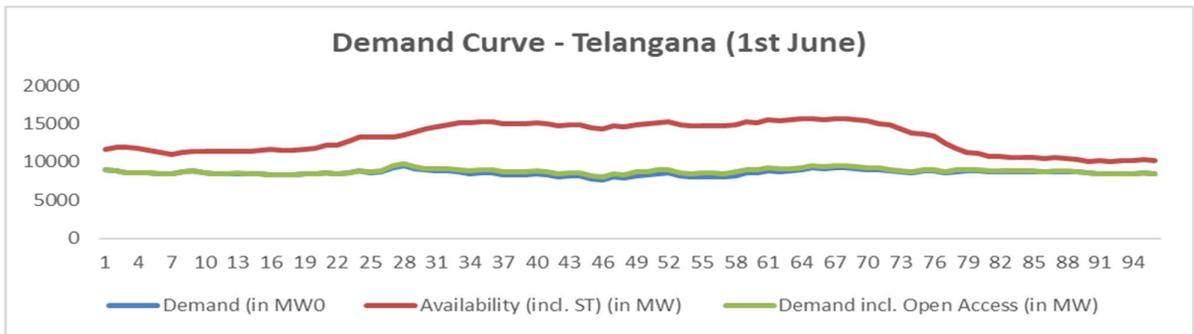
Stakeholders' Submissions:

3.3.2 The stakeholders have submitted that under clause 8.5.4 of National Tariff Policy, 2016, the Additional surcharge should become applicable only if it is conclusively demonstrated that the obligation of a licensee, in terms of existing power purchase commitments, has been and continues to be stranded. TGDISCOMs have not conclusively demonstrated of continuous stranded capacity.

3.3.3 Stakeholder has further submitted that, Discom's submission of stranded capacity during H1 indicates that the tied-up power source which remains stranded is uncompetitive to be sourced power from. Therefore, the burden of in efficient power portfolio planning should not be passed on to the consumers. Consumers face double whammy, first by way of higher power purchase cost, and secondly keeping them stranded pushing additional surcharge inhibiting consumers from opting for open access.

3.3.4 Stakeholder has submitted the daily Demand profile of Telangana (daily demand of the 1st day of each month of H1) as below:





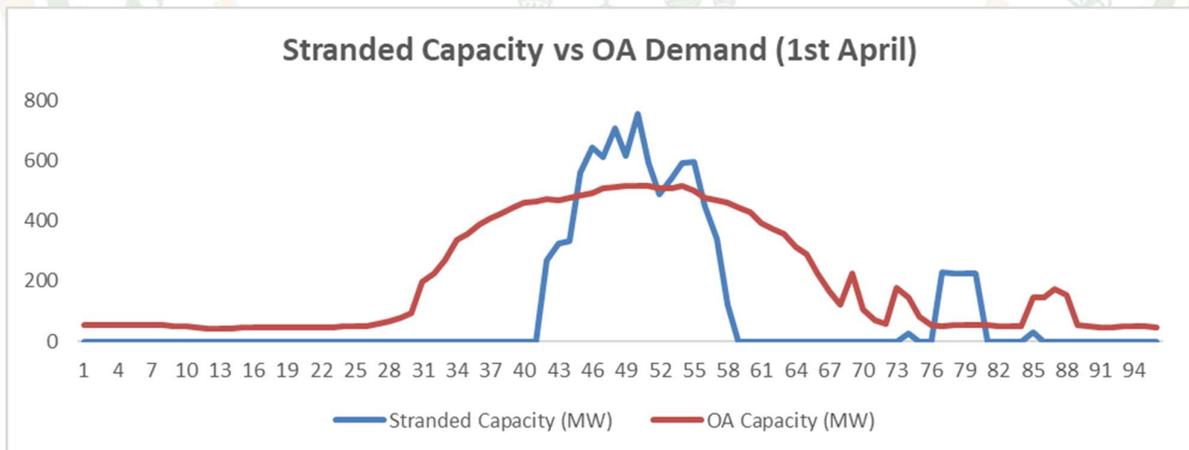
3.3.5 The stakeholder has made the following submissions in support of the

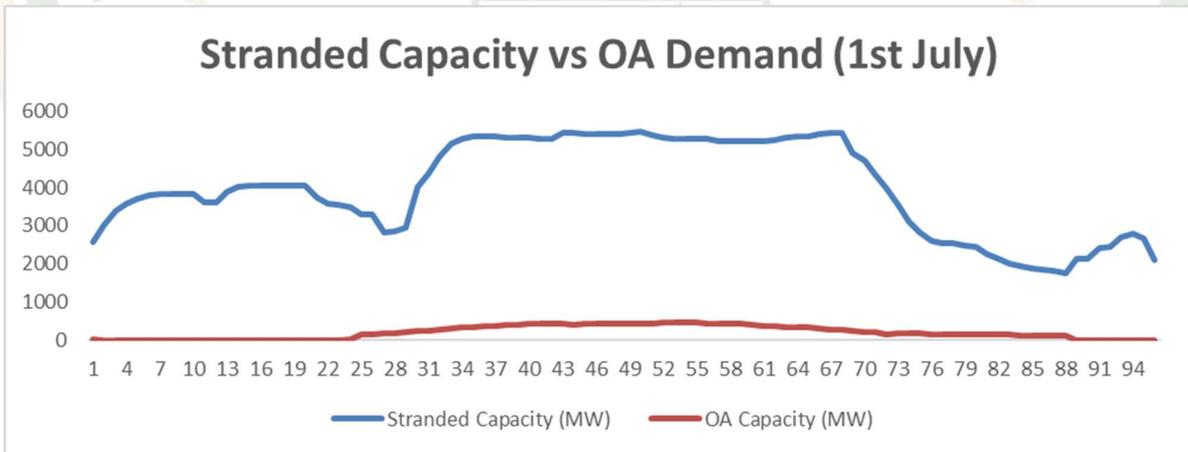
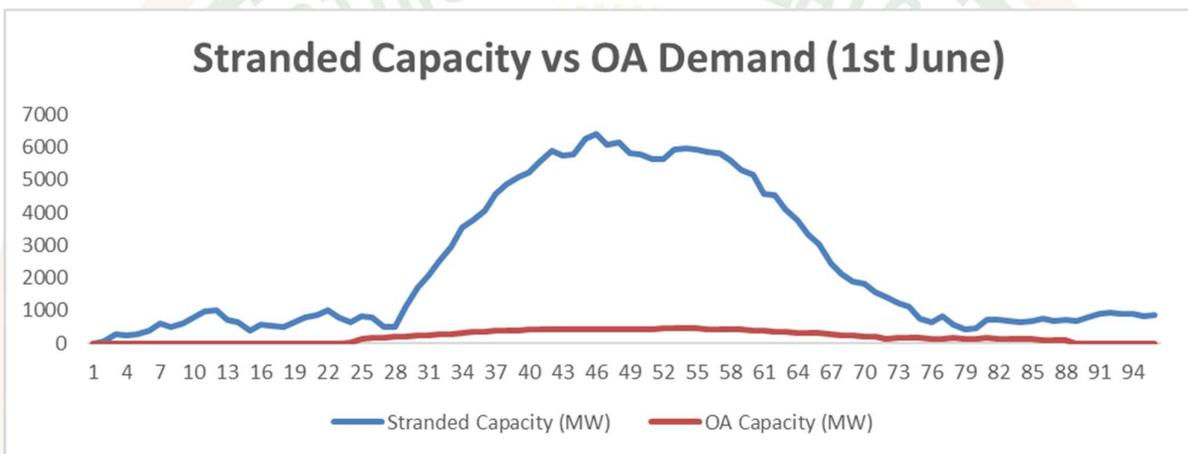
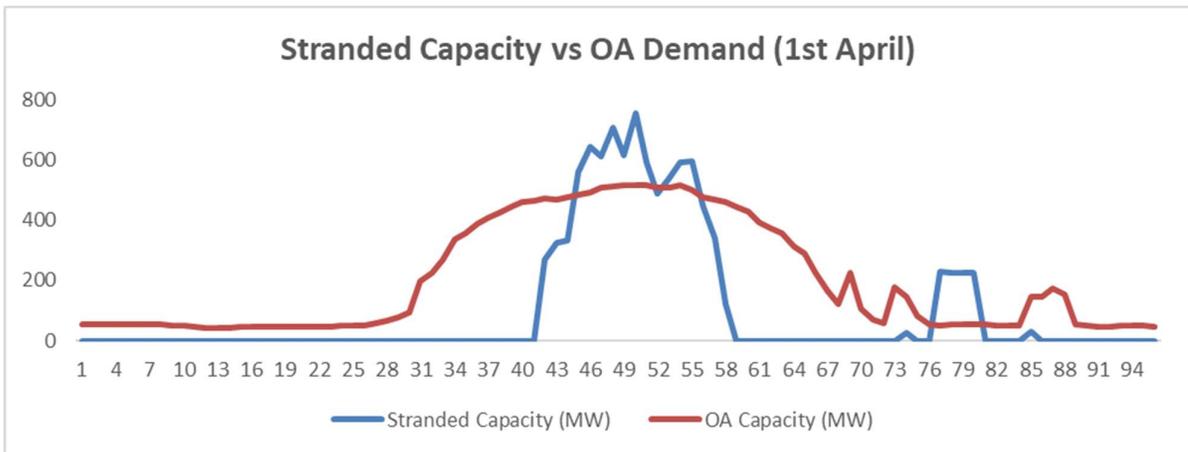
Demand curves:

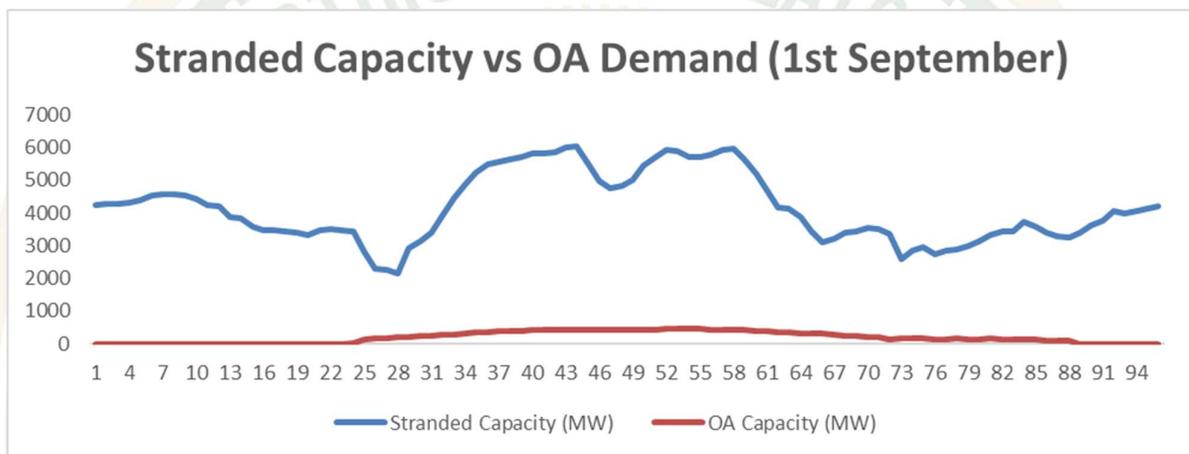
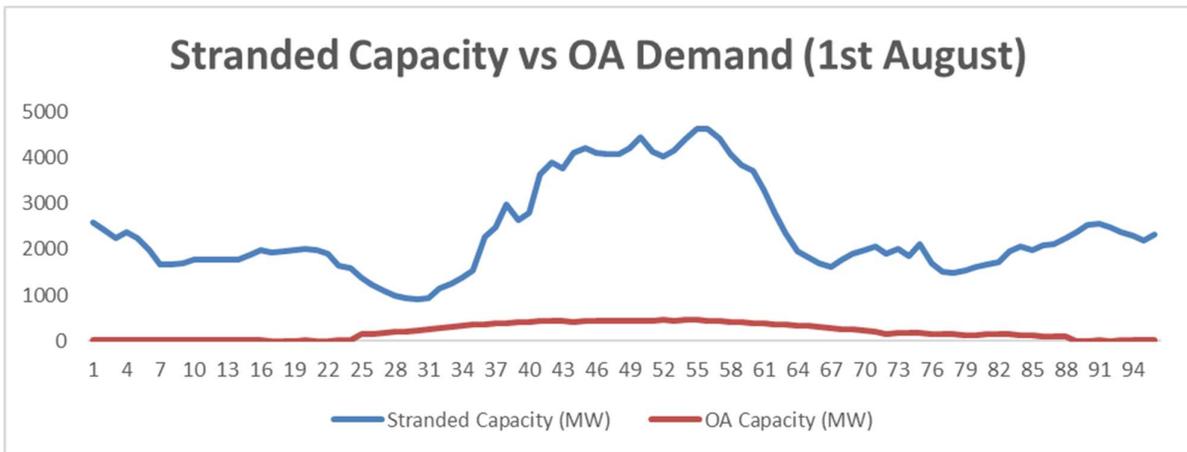
- Available capacity with TG Discoms (incl. Short term) is significantly high compared to the Demand for most months of H1
- Day time bulge in the demand curve indicates that surplus RE power is being fed into the grid.
- Demand during the monsoon months goes down resulting into the much higher variance in the demand-supply gap.
- Demand from Open Access do not seem to be bridging the variation in Demand and Supply.

3.3.6 Except for the month of April, the power-purchase portfolio remains highly skewed and warrants a structural realignment of the LT:MT:ST capacity mix. For most months, the quantum of stranded capacity is almost equivalent to the Open Access demand, which is not a result of deliberate optimisation but rather an incidental outcome of excessive surplus capacity, including short-term tie-ups. This indicates inefficiency in portfolio planning and highlights the need for a calibrated rebalancing of long-, medium- and short-term procurement to avoid persistent over-contracting and under-utilisation.

3.3.7 A similar comparison of the Stranded Capacity vis-vis Open Access Demand depicting the above contention is submitted by the stakeholder as below:







3.3.8 The pronounced bulge during solar hours reflects surplus RE injection into the grid, resulting in conventional capacity remaining idle or stranded across most months. Accordingly, it is not the migration of consumers to Open Access that leaves capacity unutilised; rather, it is the inherent intermittency of RE—surplus during solar hours and negligible generation during non-solar hours—that leads to stranding of long-term capacity.

3.3.9 In this context, while the methodology prescribed by the Commission considers stranded capacity as the lower of (i) surplus capacity (available minus scheduled) and (ii) capacity scheduled by OA consumers, it overlooks two critical aspects: first, deficiencies in power-procurement planning by the DISCOMs, and second, the impact of RE intermittency that structurally displaces and strands long-term tied-up capacity. Consequently, the present approach attributes stranding to OA consumers without adequately accounting for portfolio design and RE-driven operational constraints.

3.3.10 while RE intermittency is the principal driver of capacity stranding, RE power

does not carry a fixed-cost recovery obligation unlike conventional generation. Therefore, it is appropriate that the fixed costs considered for Additional Surcharge computation be duly adjusted to account for the displacement effect of RE power, so as to insulate consumers from bearing costs arising from RE-induced stranding of conventional capacity. In effect, consumers should not be burdened with fixed charges attributable to capacity rendered idle due to RE variability rather than Open Access migration.

3.3.11 Since the Commission abolished the night consumption incentive, the consumers are expected to shift to daytime for consumption of cheaper power. This shall require Discoms to increase their tied-up capacity(particularly solar) during the daytime and the shift from night time load to day time would possibly result into the base load capacity being idle during night time pushing additional surcharge even higher. Further more, the shift in load is expected to result in variance in demand during the day and night further affecting the system(both transmission and distribution) being underutilized again and pushing the additional surcharge.

3.3.12 TGDISCOMs need urgent over haul of their power procurement planning including ST/MT/LT sources. The stake holder submitted that, on account above the claim of Additional Surcharge at this point is not maintainable and ought to be rejected.

TGDISCOMs' replies:

3.3.13 TGDISCOMs have submitted that they have conclusively demonstrated the existence of stranded generation capacity by undertaking a detailed and granular analysis based on 15-minute time-block data. The assessment has been carried out by considering, for each time block, the available generation capacity under long-term and medium-term power purchase agreements, the actual scheduled capacity, and the resulting surplus capacity

3.3.14 The surplus capacity identified in each 15-minute time block represents the portion of contracted generation capacity that remained unscheduled and unutilized, despite being available to the DISCOMs and contracted under existing PPAs. Such surplus capacity, when observed consistently across time blocks and over the relevant period, establishes the presence of continuous stranded capacity attributable to reduction in demand and

migration of consumers to open access.

3.3.15 Accordingly, the DISCOMs have demonstrated stranded capacity on a real-time, time-block-wise basis, which is the most accurate and transparent method for assessing generation backing down and surplus availability. This approach clearly establishes that the contracted capacity continues to remain stranded due to open access transactions, thereby satisfying the requirement laid down under Clause 8.5.4 of the Tariff Policy, 2016.

3.3.16 Hence, the contention that the DISCOMs have not conclusively demonstrated continuous stranded capacity is not correct, as the determination is supported by detailed 15-minute block-wise data of generation availability, scheduling, surplus, and resultant stranded capacity.

3.3.17 The allegation that stranded capacity during H1 has arisen due to inefficient or uncompetitive power portfolio planning by the DISCOMs is incorrect and misleading. The tied-up power sources were procured in accordance with approved power procurement plans, demand projections, and competitive bidding processes as approved by the Commission.

3.3.18 The occurrence of stranded capacity is primarily due to reduction in demand and migration of consumers to open access, which is beyond the control of the DISCOMs, and not on account of inefficiency in procurement. The determination of stranded capacity has been conclusively demonstrated through 15-minute time-block-wise analysis of available, scheduled, and surplus capacity.

3.3.19 The contention of a “double whammy” on consumers is unfounded. The Additional Surcharge is a statutory compensatory charge under Section 42(4) of the Electricity Act, 2003, meant solely to offset unavoidable fixed costs of stranded power purchase obligations. It neither penalizes consumers nor inhibits open access, but ensures cost neutrality and protects non-open-access consumers from bearing such fixed costs.

3.3.20 TGDISCOMs have submitted that the existing portfolio of Power Purchase Agreements (PPAs) entered into by the DISCOMs is adequate and sufficient to meet any shift in demand from night hours to day time, including increased daytime consumption. The DISCOMs are not required to enter into additional

long-term capacity tie-ups solely on account of such load shifting.

3.3.21 Further, conventional generation sources forming part of the DISCOMs' power portfolio are optimally despatched to meet the system base-load and round-the-clock demand, taking into account technical constraints, merit order operation, and grid requirements. Such conventional sources will continue to be scheduled during night hours and will not remain idle merely due to a change in consumption pattern.

3.3.22 The distribution and transmission systems are planned and operated to cater to daily and seasonal variations in demand, and shift in consumption pattern between day and night hours do not result in system underutilization. The network continues to be optimally utilized based on overall system demand and load diversity.

3.3.23 The power procurement planning of the TGDISCOMs has been formulated in accordance with approved demand forecasts, resource planning studies, and competitive bidding processes, and has been duly examined and approved by the Commission from time to time.

3.3.24 The occurrence of stranded capacity, if any, is not a consequence of deficient procurement planning, but arises due to subsequent reduction in demand and migration of consumers to open access, which are factors beyond the control of the DISCOMs. The same has been conclusively demonstrated through 15-minute time-block-wise analysis of available and scheduled capacity.

3.3.25 The levy of Additional Surcharge is a statutory compensatory mechanism under Section 42(4) of the Electricity Act, 2003, intended to recover unavoidable fixed costs of existing power purchase commitments that have become stranded. The claim of Additional Surcharge is therefore legally maintainable and fully justified.

Commission's Analysis and Findings:

3.3.26 Stakeholders have raised their objections to the proposal of the Discoms with reference to clause 8.5.4 of National Tariff Policy, 2016, stating that Additional surcharge should become applicable only if it is conclusively demonstrated that capacity is continuously stranded. Discoms on the other hand have submitted that they have conclusively demonstrated the existence

of stranded generation capacity by undertaking a detailed and granular analysis based on 15-minute time-block data.

3.3.27 From the availability and demand curves submitted by the stakeholder, the Commission has observed that the stranded capacity is more during the solar hours of the day compared to non-solar hours. This is mainly due to the increase in solar generation integration into the grid. The Commission has also observed from stranded capacity vs open access demand curves that the open access demand during the solar hours is high. This is mainly due to increase in open access consumption from the solar generators and low market prices in the exchange.

3.3.28 As per the methodology specified by the Commission in its order dated 18.09.2020 in O.P.No.23 of 2020, the Commission has restricted the stranded capacity to the open access quantum in each time block while arriving the stranded capacity for H1 of 2025-26, this Commission is not passing entire cost of stranded power on to the open access consumers.

3.3.29 The Commission has considered the rival submissions and verified the existing tied-up power purchase agreements as approved by the Commission for arriving at the long-term availability. The Commission thoroughly went through statistics submitted by the TGDISCOMs as per the methodology formulated and found that the TGDISCOMs have submitted the data in consonance with the directions of this Commission in order dated 18.09.2020 in O. P. No. 23 of 2020. On considering the data of 15 minutes time block of energy available, energy scheduled and the amount of energy drawn by the Open Access consumers from outside the licensee, this Commission has come to a conclusion that there appears to be continuous stranded capacity which qualifies for imposing Additional Surcharge.

3.3.30 The Commission upon reviewing the 15-minute time- block data from April'25 to Sep'25, observed the following:

- TGDISCOMs followed the approved methodology i.e., averaged the 15-minutes time-block data over the entire six-months period.
- In certain 15-minute time block periods, the scheduled capacity is more than the available capacity due to allotment of Un-Requisitioned Surplus (URS) power i.e., reserve capacity in a generating station viz., Central

Generating Stations (CGS) that has not been requisitioned and is allotted to the Telangana State. As such for arriving Gross (Deficit)/Surplus during those 15-minute time block periods (i.e., difference between available capacity and scheduled capacity) is considered as Nil. Scheduled capacity includes revised delivery schedule, sale of power, backdown capacity.

- TGDISCOMs have purchased the energy under short-term and also sold power in the market during certain time-blocks when there is availability of surplus capacity. These short-term purchases during the periods of surplus capacity cannot be attributed to stranded capacity due to Open Access consumers. Consequently, stranded capacity is arrived after netting of short-term purchases from the Gross (Deficit)/Surplus, in the corresponding time-block.

3.3.31 Based on the above observations, the Commission approves the stranded capacity due to Open Access as 161.61 MW as claimed and detailed as below:

Table 3.3-1: Approved Stranded Capacity

Particulars (in MW)	Time-Block wise calculations	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Six Months Average
Available Capacity	A	30126538.21	30396758.95	28213556.13	31058278.89	35359461.03	35307025.21	10841.39
Scheduled Capacity	B	24270537.00	22735251.38	20794298.89	23707586.44	25337664.80	24331075.28	8036.00
Gross(Deficit)/ Surplus	C=A-B	5856001.21	7661507.57	7419257.24	7350692.45	10021796.23	10975949.93	2805.40
Short-Term power considered for netting off	D	3082343.48	3217978.25	5496266.82	5346726.45	3662977.94	3303110.04	1372.35
(Deficit)/Surplus after netting of Short-Term Purchases	E=C-D	2773657.74	4443529.32	1922990.42	2003966.00	6358818.28	7672839.90	1433.05
OA Scheduled Capacity	F	667906.45	640192.56	554181.50	740462.89	703926.65	550683.25	219.57
Stranded Capacity	G=Minimum of E and F	526976.83	569508.82	350668.50	328903.33	566756.24	496281.03	161.61

Six months Average (Weighted Average) is worked out by converting 15-minute time-block data to MW i.e., by dividing six months average values by (4x24x30.5) where 4 is four 15-minute time-blocks, 24 is 24 hours per day and 30.5 is average days for six months period from 01.04.2025 to 30.09.2025.

‘*’ All the figures are derived based on 15-minute time block wise data

3.4 FIXED CHARGES FOR STRANDED CAPACITY

TGDISCOM's filings:

3.4.1 TGDISCOMs have claimed that the fixed charges paid for the period from 01.04.2025 to 30.09.2025 as Rs.6737.11 crore.

Stakeholders' Submissions:

3.4.2 Stakeholder has submitted that there is mismatch in the fixed costs claimed by the petitioner (Rs 6737.11 cr) vs audited fixed costs (Rs 6453.73 Cr). The petitioner has not submitted any reasons substantiating such deviations and neither it has submitted reconciliation statement exhibiting the reasons for such variance. In the absence of any demonstrable evidence, the stakeholder suggested that the audited fixed costs must be considered for the purposes of determination of additional surcharge.

3.4.3 **Additional Pension Liabilities:** In addition to the foregoing mismatch in the Fixed costs, the stakeholder also submitted that the Additional Pension Liabilities does not pertain to TGGENCO but is a liability transferred to TGGENCO (post unbundling of erstwhile Andhra Pradesh) and also the ruling of the erstwhile APERC in order dated 24.03.2003 in O.P.No.402 of 2002.

3.4.4 This issue is a legacy of the unbundling of the erstwhile APSEB in undivided Andhra Pradesh pursuant to power sector reforms, followed by the tripartite agreements for allocation of assets, liabilities, and personnel among generation, transmission, and distribution entities, and the consistent regulatory practice of allowing interest on pension bonds as a pass-through. Post-bifurcation of erstwhile A.P., the pension-related liabilities of erstwhile APGENCO were transferred to newly formed APGENCO and TGGENCO, and the same approach has continued in both the States.

3.4.5 Conventionally, the contribution to the pension funds of erstwhile APSEB pensioners was to be taken over by State Govt. However, as an interim arrangement, the responsibility was to be handled by the successor Utility of APSEB. Consequently, under the first transfer scheme and post asset revaluation, the then APERC permitted recovery of interest on pension bonds from consumers, a practice followed by subsequent Commissions. Although APERC had earlier requested the Government to take over pension liabilities, no action ensued. Following bifurcation, Telangana utilities inherited these arrangements and TGERC has continued the same approach.

- 3.4.6 Allowing recovery of interest on pension bonds from consumers effectively penalises them for historical failures of the erstwhile APSEB and the Government. Even otherwise, the tripartite agreement envisages that the Government should assume such pension liabilities.
- 3.4.7 Notably, the Commission directed the Petitioner on multiple occasions to take the matter up with State Govt. However, pending Govt. taking up such responsibility, this Commission has been admitting such expenses as a pass through in tariff.
- 3.4.8 While the case is something similar for Karnataka as well, it is argued that the KERC has not allowed pass through of such liabilities to the retail consumers despite the State Govt. attempt to amend the Transfer scheme through Govt. Order. Relevant extracts of the Id. KERC Order dt. 12.05.2023 (Tariff Order for FY 2023-24) is shown below:

“Commission’s Analysis and Decision:

P & G Contributions payable by Government: The Commission notes that at the time of filing the APR application by KPTCL dated 30.11.2022, for revision of transmission tariff for FY24, the Government was expected to pay the P & G contribution as per the existing Rules. The decision to claim the same in retail supply tariff was based on the Government Order dated 15.11.2022, which was not supported by any Rules.

Rule 4 (13) (1) of the “Karnataka Electricity Reforms (Transfer of Undertakings of KPTCL and its personnel to Electricity Distribution and Retail Supply Companies) Rules, 2002” stipulates as under:

“(13)(1) The State Government, and not the Escoms, shall be liable for and shall make appropriate arrangements in regard to, the funding of the pension funds and all the statutory and other personnel related funds for the services rendered by the Specified Personnel to Karnataka Electricity Board and KPTCL prior to the Effective Date of Second Transfer of the Specified Personnel and to the extent they are unfunded as at the respective Effective Date of the Specified Personnel. Until such arrangements are made by the State Government, the discharge of all such unfunded liabilities for Specified Personnel who retire after the Effective Date of Second Transfer of such Specified personnel shall be

arranged by KPTCL”.

The Commission also notes that, the GoK has added a proviso to the above Rule, vide Notification dated 31.12.2022, which was published in the official Gazette on 6th January, 2023, which reads as follows:

“Provided that the Government whenever deems it fit, may by an order direct KPTCL to claim the Government portion of Pension Contribution through tariff by filing an application before the State Regulatory Commission”.

As per the clause-1 sub-rule 2) of the Notification dated 31.12.2022, the amended Rules shall come into force from the date of its publication in the Official Gazette of Karnataka. The amended rules were published in the Official Gazette on 06.01.2023.

Further, as per Rule 4(13(1)), which is an absolute Rule, it is the State Government, and not the Escoms which is responsible for funding the Pension and Gratuity payment of the Specified Personnel. The Government’s responsibility cannot be shifted to the KPTCL by issue of a Proviso to the ‘Absolute Rule’.

Hence, the Commission is unable to accept the claim of KPTCL to pass on a sum of Rs. 2,734.10 Crores in the tariff. The Commission reiterates that the said amount shall be provided by the Government.”

3.4.9 According to publicly available information, the above finding of the Ld. KERC has not been stayed by any court of law. In view of the same, it is argued that the Additional Pension Liabilities should not be allowed as a pass through in Fixed costs.

3.4.10 It is also worth mentioning that Additional Pension Liabilities does not form the part of Annual Fixed cost approved by the Commission in accordance with the Telangana State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2023 (Tariff Regulations). Such expenses are allowed to be recovered in totality without subjecting the same to operational performance of TGGenco. Therefore, the Additional Pension Liabilities claimed by the Petitioner as part of the Fixed costs do not essentially qualify under the fixed cost of such distribution licensee arising out of his obligation to supply as

mandated under the Act.

3.4.11 **Water charges:** Furthermore, the Petitioner have also claimed the Water charges to be part of the Fixed charges. As discussed above, such charges do not fit into the realm of Annual Fixed Charges mandated under the Tariff Regulations. Accordingly, the Objector argues that the Water charges should not form the part of fixed costs. Since, such expenses are to fulfil the operational needs of the power plant, the same are variable in nature and subject to plant being operational.

3.4.12 Notably, the Petitioner has not shown the detailed breakup of Fixed costs which are one time in nature and fall beyond the domain of Annual Fixed charges like Late Payment surcharge or otherwise. The Commission is humbly submitted that such exceptional expenses be removed while approving the Fixed costs for the purposes of AS determination.

3.4.13 **Fixed Charges towards Yadadri Thermal Power plant (YTPS) 1 and 2:**The stakeholder has submitted that the Petitioner has claimed Fixed Costs of Rs. 717 Crore towards power sourced from YTPS Units-1 and 2. It is pertinent to note that both units are owned and operated by TGGenco, and the provisional tariff for YTPS is yet to be determined by the Commission.

3.4.14 Further, the Petitions seeking provisional tariff determination for YTPS (O.P. Nos. 76 and 77 of 2025) are presently pending adjudication. In the absence of determination of capital cost and provisional tariff, it is unclear on what regulatory basis the Fixed Costs attributable to YTPS have been booked and recovered.

3.4.15 Notably, the Commission, vide Orders dated 22.03.2022 and 29.12.2023, had already directed TGGenco to file tariff petitions; however, the same were filed only in 2025 and remain pending. The Petitioner has failed to demonstrate the prudence or regulatory sanction for incurring and passing through such costs without tariff adoption. It goes without saying that any provisioning with regard to such claims must be disallowed, the costs actually incurred must only be admitted.

3.4.16 Accordingly, in the absence of capital cost approval and tariff determination, the Objector submits that the Fixed Costs pertaining to YTPS Units-1 and 2 are premature and unsupported, and therefore merit disallowance by the Commission.

TGDISCOMs' replies:

3.4.17 TGDISCOMs have replied that the filing for the Additional Surcharge for H1 of FY27 was done with the then available provisional fixed cost, whose audit figures have been published after the filing had been completed. The same audited figures may be updated at the time of publishing the approved Additional Surcharge for H1 of FY27.

3.4.18 Additional Pension Liabilities are statutory and unavoidable expenses arising out of legally binding service and pension regulations of employees. Water charges are paid by Hydel generators for drawing water from the reservoir owned and maintained by Irrigation Department. Hence, water charges must be included in the fixed costs. Many states consider Additional Pension Liability and Water Charges as Fixed Costs and hence by must be considered in the computation of Additional Surcharge as per the methodology determined by Commission.

3.4.19 TG DISCOMs submitted that they have considered the Fixed cost as per the provisional tariff for YTPS- I & II, as per MYT Retail Supply Tariff Order, Dt. 28.10.2024.

Commission's Analysis and Findings:

3.4.20 The Commission has gone through the submissions of both the stake holder and the Discoms. The Commission has directed TGGenco on multiple occasions to take up the matter of additional pension liabilities with State Govt. However , in the absence of a clear outcome on the matter, the Commission approves the additional pension liabilities which are to be borne by the TGGENCO as per the first transfer scheme and water charges paid by Hydel generators for drawing water form part of the fixed cost of the TGGENCO stations even though they are shown separately. The Commission has allowed the fixed cost of YTPS stations provisionally in the Retail Supply Tariff Order for FY 2025-26 and CODs of YTPS I&II stations have been achieved on 12-07-2025 and 25-01-2025. The energy is being dispatched from these two stations of YTPS and fixed costs paid by the Discoms as per the Retail Supply Tariff Order for FY 2025-26 need to be considered for determination of Additional Surcharge for H1 of 2026-27. TGGENCO has filed petition for determining the capital cost and fixed cost of YTPS I&II stations, which will be finalized after completion of public hearing and

fixed costs will be adjusted while determining the Additional Surcharge for future period. Further after verifying the quarterly audited accounts submitted by both TGSPDCL & TGNPDCL, the Commission has considered the fixed charges of Rs 6453.73 crore as against the claim of Rs 6737.11 cr for determination of Additional Surcharge for H1 of 2026-27. The long- term available capacity is considered as 10841.39 MW, resulting in average fixed charges of Rs.0.595 Crore/MW. Accordingly, the fixed charges for stranded capacity of 161.61 MW have been computed as Rs.96.20 Crores (i.e.,161.61 MW x Rs.0.595 crore/MW).

3.5 VARIATION IN FIXED CHARGES

TGDISCOM's filings:

3.5.1 TGDISCOMs have claimed that the fixed charges paid as claimed in the current filings are provisional in nature and are subjected to vary based on the final audited accounts and requested that any variations in fixed charges be considered in the ensuing filings of the Additional Surcharge once final audited accounts are available.

Commission's Analysis and Findings:

3.5.2 The Commission has reviewed the fixed costs for the H1 of 2025-26 by reconciling the total power purchase and transmission costs paid for the period with the quarterly financial reports of both TGSPDCL & TGNPDCL and revised the power purchase and transmission costs paid for the period in line with the quarterly financial reports. The Commission directs the TGDISCOMs to separately indicate the variation in fixed cost for the period from Apr'25 to Sep'25, if any, in the ensuing filings of Additional Surcharge, and to submit the detailed justification for variation in fixed charges. The Commission shall take a view on considering the same based on the submissions.

3.6 TRANSMISSION CHARGES AND ACTUAL ENERGY SCHEDULED

TGDISCOM's filings:

3.6.1 TGDISCOMs have claimed the transmission charges of Rs.2098.39 Crores for the period from 01.04.2025 to 30.09.2025 and scheduled energy for that period is 41965.33 MU.

Stakeholders' Submissions:

3.6.2 Stakeholders have submitted that, the Petitioners have claimed Transmission

charges to the tune of Rs. 2098 Crore for the period April to September 2025 towards the power procured from the tied-up sources.

3.6.3 The Commission vide AS H2 Order has relied upon the Quarterly Audited Accounts of the Petitioners to arrive at the admissible Transmission charges for consideration towards AS computation. Relevant extracts of the Commission approach of determining Transmission cost is shown below:

“3.6 TRANSMISSION CHARGES AND ACTUAL ENERGY SCHEDULED

3.6.1 The Petitioners have claimed the transmission charges of Rs.2674.53 Crores for the period from 01.10.2024 to 31.03.2025 and scheduled energy for that period is 45108.03 MU. The Commission after prudent check and after examining quarterly & annual audited accounts submitted by both TGSPDCL & TGNPDCL, has revised the Transmission charges paid by TGDISCOMs for H2 of FY 2024-25 to Rs.2671.84 crores and considered the scheduled energy as 47345.03 MU after deducting energy sold in the market of 285.36 MU from the total energy purchase of 47,630.39 MU. Accordingly, the transmission charges per unit have been worked out as Rs.0.56/kWh.”

3.6.4 As discussed in the preceding section of Fixed costs, the Objector perused the Quarterly Accounts of both the Discoms for the FY 2025-26 (Q1 and Q2) and has observed that the actual transmission charges are booked to be Rs. 1929 Crore for the H1 of 2025-26 (Q1 and Q2). Accordingly, in the absence of substantiating evidence justifying deviation and reconciliation, it is argued that the claim made by the Petitioner lacks merit. Basis, Audited Accounts, the Transmission charges should be approved at Rs. 1929 Crore resulting into per unit charge of Rs. 0.46/ unit (against Petitioner’s claim of Rs. 0.50/ unit).

3.6.5 Inclusion of ISTS and STU charges:

3.6.6 Stakeholders have submitted that, Inclusion of ISTS and STU charges will lead to excessive recovery of revenue by TGDISCOMs and inter-alia result on over burdening of the open access consumer. Further, the embedded open access consumers are also paying STU charges as part of the fixed charges and additionally STU charges on all open access transactions. Hence, ISTS & STU charges should not be considered for computation of Additional Surcharge

TGDISCOMs' Replies

- 3.6.7 TGDISCOMs have submitted that, the filing for the Additional Surcharge for H1 of FY27, was done with the then available provisional Transmission Charges whose audit figures have been published after the filing had been completed.
- 3.6.8 For computation of AS the Distribution cost attributed to the Retail Supply Business Aggregate Revenue Requirement has to be considered. Hence the objectors demand cannot be considered.
- 3.6.9 TGDISCOMs have submitted that, the fixed charges payable by the DISCOMs under long-term and medium-term power purchase agreements inherently include the associated transmission charges viz ISTS and STU charges, which form an integral and inseparable component of the cost of power procurement.
- 3.6.10 It is submitted that the STU charges paid by embedded open access consumers as part of retail tariff are towards network usage for supply under the regulated tariff, whereas the STU/ISTS charges paid on open access transactions are for specific transmission services availed for wheeling power under open access.
- 3.6.11 TGDISCOMs submit that the ISTS and STU charges paid by the Open access consumers availing ISTS & STU system, benefits in reduction of ISTS & STU charges for the state. However, the same benefits are passed on to the consumer by adjustment of transmission charges paid by the open access consumers in the Annual performance review (True-up) petition filed by TGTRANSCO.
- 3.6.12 Accordingly, inclusion of ISTS and STU charges in the computation of Additional Surcharge is justified, reasonable, and necessary to ensure full recovery of stranded fixed costs legitimately incurred by the TGDISCOMs. The same does not lead to excessive recovery nor does it impose an undue burden on open access consumers.

Commission's Analysis and Findings:

- 3.6.13 The Commission has examined the submissions of the stakeholder and Discoms regarding inclusion of ISTS and STU charges in computation of additional surcharge and is of the opinion that the STU charges paid by the open access consumers will be reduced from Transmission ARR in the truing up exercise of Transmission business of the relevant year which will reduce

the transmission charges which in turn benefit the open access consumers. Truing up of the ISTS charges will be done by the CERC.

3.6.14 Regarding the ISTS and STU charges paid by the embedded open access consumers as part fixed charges payment, the fixed charges paid by them to the Discoms are deducted for computation of additional surcharge.

3.6.15 The Commission after prudent check and after examining Q1 and Q2 quarterly audited accounts submitted by both TGSPDCL & TGNPDCL, has revised the Transmission charges paid by TGDISCOMs for H1 of FY 2025-26 to Rs.1928.63 crores as against the claim of Rs.2098.39crores and considered the scheduled energy as 41965.33 MU as claimed. Accordingly, the transmission charges per unit have been worked out as Rs.0.46/kWh.

3.7 DISTRIBUTION CHARGES

TGDISCOM's filings:

3.7.1 The TGDISCOMs have filed the distribution charges of Rs 0.138/kWh for H1 of FY 2025-26.

Commission's Analysis and Findings:

3.7.2 The Commission observed that the Discoms have considered the voltage wise cost allocation for FY 2025-26 as approved in Wheeling MYT Order dt. 28.10.2024 in arriving the Distribution charges of HT per unit of Rs 0.1377 per kWh. The Commission has considered the HT distribution cost of 2025-26 approved in the Order dt. 29.04.2025 for Revised ARR and Wheeling Tariff for FY 2025-26 as Rs 1159.94 crores for H1 of 2025-26 in arriving the Distribution Charges of HT network as Rs 0.1382/kWh and the computations are shown below:

Table 3.7-1: Approved Distribution Charges

Description	Referred as	Particulars
Half ($\frac{1}{2}$) of the Distribution cost as per Revised Wheeling Tariff Order for FY 2025-26 by considering ARR less NTI	(a)	Rs.3813.60 crore
Actual Energy Scheduled for H1 of FY 2025-26	(b)	41965.33 MU
Total Distribution charges as per Tariff Order	(c)=a/b	Rs.0.909/kWh
Distribution charges other than LT (i.e., 11 kV and 33 kV) as per Revised Wheeling Tariff Order for FY 2025-26	(d)	Rs.1159.94 crore
Percentage of other than LT distribution cost (i.e., for 11 kV and 33 kV) in total distribution cost as per Revised Wheeling Tariff Order for FY 2025-26	(e)=($\frac{1}{2}$ xd)/a	15.21%
Distribution charges as per Tariff Order considered by Commission for AS calculation	(f)=e*c	Rs.0.1382/kWh

3.8 TRANSMISSION AND DISTRIBUTION CHARGES PAYABLE BY OPEN ACCESS CONSUMERS

TGDISCOM's filings:

3.8.1 The TGDISCOMs have filed the total transmission and distribution charges per unit as Rs.0.64/kWh and energy consumed by open access consumers from the Discoms as 1909.22 MU.

3.8.2 The TGDISCOMs have claimed Rs 121.75 Crore as transmission and Distribution charges payable by open access consumers.

Commission's Analysis and Findings:

3.8.3 The Commission, having considered the Transmission charges per unit as Rs.0.46/kWh and Distribution charges per unit as Rs.0.1382/kWh has arrived at the total transmission and distribution charges per unit as Rs.0.598/kWh.

3.8.4 The Commission after verifying the data furnished by TGDISCOMs has considered 1909.22 MU as claimed towards the energy consumption by Open Access consumers from the TGDISCOMs.

3.8.5 Considering the above , the transmission and distribution charges payable by the Open Access consumers as works out to Rs.114.13 Crores.

3.9 DEMAND CHARGES RECOVERED BY TGDISCOMS FROM OPEN ACCESS CONSUMERS

TGDISCOM's filings:

3.9.1 TGDISCOMs have filed demand charges recovered by the Discoms from open access consumers as Rs 195.51 Crore by excluding the revenue recovery pertaining to LT network from total demand charges recovered from Open Access consumers.

(A)	Total Demand Charges Recovered	INR Cr	261.42
(B)=29.10%(A)	Distribution Cost recovery percentage in demand Charges as per Tariff Order values	INR Cr	76.08
(C)=86.62%(B)	LT Network cost recovery percentage in Distribution cost	INR Cr	65.91
(D)=(A-C)	Net demand charges (Excluding LT network cost recovery) considered in Additional Surcharge calculations	INR Cr	195.51

3.9.2 TGDISCOMs have claimed Rs 73.76 Crore (i.e., Rs.195.51 Crore – Rs.121.75 Crore) towards the demand charges to be adjusted.

Stakeholders' Submissions:

3.9.3 The stakeholder has submitted that the ratio of Distribution Cost recovery

percentage in demand Charges as per Tariff Order values and LT Network cost recovery percentage in Distribution cost claimed by the Petitioners are incorrect. The Commission while delving on the above topic in respect of the Distribution cost observed as follows:

“3.7 DISTRIBUTION CHARGES

3.7.1 The TGDISCOMs have considered the HT distribution cost of Rs 1054.03 crores for FY 2024-25 and Distribution ARR less NTI for H2 of 2024-25 at Rs 3923.19 Crore which is inclusive of Distribution ARR transferred to Retail Supply business also in arriving at the Distribution Charges of HT network as Rs 0.1316/kWh in their filings. The Commission having gone through the data furnished by the TGDISCOMs in their filings has considered the HT distribution cost of 2024-25 as Rs 1054.03 crores and Distribution ARR less NTI at for H2 of 2024-25 as Rs 3521.63 Crore allocated to Distribution Business only in considering the Distribution Charges of HT network as Rs 0.1122/kWh and the computations are shown below:”

3.9.4 Accordingly, it is argued that the Distribution Cost recovery percentage in demand Charges must also be computed keeping into consideration the Distribution business related costs only. Accordingly, against the Petitioner’s claim of 29.10% towards Distribution Cost recovery percentage in demand Charges, the admissible should be 25.78% as shown under:

Table: Distribution Cost recovery percentage in demand Charges as per stakeholder’s assessment:

SN.	Particulars (from RST Order FY 2025-26)	Petitioner’s claim	As per Objector’s assessment
1	Demand - G	16705.28	16705.28
2	Demand - T	4324.77	4324.77
3	Demand - D	7644.85	7644.85
4	Demand - R	988.51	988.51
5	Total Demand	29663.41	29663.41
	Distribution Cost recovery percentage in demand Charges	29.10% (7644.85+988.51) 29663.41	25.77% (7644.85) 29663.41

3.9.5 The stakeholder has suggested the admissible Net demand charges

recovered as per stakeholder's assessment is Rs. 205.51 Crore against the Petitioner's claim of Rs. 195.51Crore.

TGDISCOMs' Replies

3.9.6 For computation of Additional Surcharge the Distribution cost attributed to the Retail Supply Business Aggregate Revenue Requirement has to be considered. Hence the objectors demand cannot be considered

Commission's Analysis and Findings:

3.9.7 Commission has analysed the submission of the stakeholder to consider the Distribution related cost only while arriving the Distribution Cost recovery percentage in demand Charges and reply of the Discoms. The Commission finds merit in the suggestion of the stakeholder that the Distribution Cost recovery percentage in demand Charges must be computed keeping into consideration the Distribution business related costs only. The Commission opines that, as Distribution cost allocated to Retail Supply Business shall not considered in computing Transmission and Distribution Charges payable by open access consumers in arriving Distribution Cost recovery percentage in demand Charges.

3.9.8 From the data submitted it is observed that the total demand charges recovered by the TGDISCOMs from Open Access consumers amounts to Rs.261.42 Crores as per the claim. After prudent check, the Commission has revised the net demand charges as Rs. 196.91Crore by excluding the demand charges recovery portion of LT network cost as detailed in Table below:

Table 3.9-1:Net Demand Charges Recovered by TGDISCOMs from Open Access Consumers

Total Demand charges recovered	A	Rs 261.42 Crore
Distribution Cost recovery percentage in demand charges as per Tariff Order values	B=25.77%*A	Rs 67.37 Crore
LT Network cost recovery percentage in Distribution Cost	C=84.79%*B	Rs 57.13 Crore
Net demand charges (excl LT network cost recovery) considered in AS calculations	D=A-C	Rs 204.29 Crore

3.9.9 The demand charges to be adjusted as worked out by the Commission is Rs.90.16 Crore (i.e., Rs.204.29 Crore – Rs.114.93 Crore).

3.10 NET STRANDED CHARGES

TGDISCOM's filings:

3.10.1 TGDISCOMs have filed the net stranded charges recoverable of the Applicants as Rs.26.67 Crore.

Commission's Analysis and Findings:

3.10.2 The Commission after prudent check has arrived at the net stranded charges recoverable as Rs.6.04 Crores (i.e., Rs.96.20 Crores – Rs.90.16 Crores).

3.11 OPEN ACCESS SALES

TGDISCOM's filings:

3.11.1 The TGDISCOMs have claimed the Open Access sales of 451.21 MU pertaining to Open Access other than captive transactions and after excluding the Green Energy Open Access for the period from 01.04.2025 to 30.09.2025.

Commission's Analysis and Findings:

3.11.2 The Commission after prudent check of the data submitted by TGDISCOMs has considered the Open Access sales as 451.21 MU.

3.12 ADDITIONAL SURCHARGE FOR H1 OF FY 2026-27

TGDISCOM's filings:

3.12.1 The Additional Surcharge claimed by the TGDISCOMs for H1 of FY 2026-27 as per the filings is Rs.0.59/kWh.

Stakeholders' Submissions:

3.12.2 Stakeholders have submitted that, Vide Notification dated 10.01.2024, Ministry of Power, Government of India issued Electricity (Amendment) Rules, 2024 (hereinafter referred to as "Rules") which provide for the as follows in respect of Additional Surcharge:

"(3) Additional Surcharge – The additional surcharge levied on any Open Access Consumer shall not be more than the per unit fixed cost of power purchase of the distribution licensee concerned:

Provided that for a person availing General Network Access or Open Access, the additional surcharge shall be linearly reduced from the value in the year in which General Network Access or Open Access was granted so that, if it is continued to be availed by this person, the additional surcharge shall get eliminated within four years from the date

of grant of General Network Access or Open Access:

Provided further that the additional surcharge shall not be applicable for Open Access Consumer to the extent of contract demand being maintained with the distribution licensees:

Provided also that the additional surcharge shall be applicable only for the Open Access Consumers who are or have been consumers of the concerned Distribution licensee.

Explanation. – For the purpose of this rule, General Network Access and Temporary-GNA shall have the same meaning as defined in the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 as amended from time to time.”

3.12.3 Accordingly, the legislative intent has been to ensure reduction in level of Surcharges (both CSS and Additional Surcharge). In accordance with the Rules, the Additional Surcharge should follow a continuous reducing trajectory leading to elimination of the same in 4 years.

3.12.4 While the Additional Surcharge had been high during the previous years, it was determined as NIL in the AS H2 Order. The trend of AS applicable during the last few years is shown below:

Table 1: Additional Surcharge approved over the past years

Period	Additional surcharge
FY 2021-22 – H1	0.52
FY 2021-22 – H2	0.96
FY 2022-23 – H1	1.15
FY 2022-23 – H2	1.38
FY 2023-24 – H1	0.39
FY 2023-24 – H2	0.39
FY 2024-25 – H1	1.40
FY 2024-25 – H2	1.09
FY 2025-26 – H1	1.45
FY 2025-26 – H2	NIL
FY 2026-27 – H1	0.59 (claimed)

3.12.5 Stakeholder has submitted that, the AS determined in the preceding years does not seem to follow a deterministic trend. Notably, the Commission has been determining the AS in accordance with the AS Order. Despite being the case, the AS was determined to be NIL during the H2 of FY 2025-26 (currently applicable).

3.12.6 In view of the Rules explicitly providing for the progressive reduction and eventual elimination of Additional Surcharge, the Objector submits that the AS ought to continue to be maintained at NIL for the ensuing control period. Retaining a zero Additional Surcharge will promote open access uptake in the State and enable consumers and generators to participate in a more competitive power market. Such an approach aligns with the statutory objective as mandated under the Act.

TGDISCOMs' Replies

3.12.7 TGDISCOMs have submitted that, AS is dependent on OA sales, stranded capacity, extent of fixed costs actually incurred by the DISCOMs and is not a numerical trend. Stranded Capacity is in turn is dependent of seasonal trend and Open Access Consumer behaviour, which are outside the control of the DISCOMs. Hence, the AS cannot be fitted to the decreasing linear trend outlined by the objector. Further, the TGDISCOMs have computed AS as per the methodology finalized by Commission

Commission's Analysis and Findings:

3.12.8 The Commission has gone through the submissions of the stakeholders and TGDISCOMs. The stranded capacity depends on the open access sales and the hence Additional Surcharge to be levied may not follow a uniform trend over a period of time.

3.12.9 The Commission has determined the Additional Surcharge in accordance with procedure given in the Order dated 18.09.2020 in O.P.No.23 of 2020 specifying the mechanism for determination of stranded capacity along with the approved methodology and terms & conditions for levy of Additional Surcharge on Open Access users.

3.12.10 The Commission, based on the above parameters has computed the Additional Surcharge of Rs. 0.13 /kWh as shown in table below;

Table 3.12-1: Additional Surcharge computed by the Commission

SI. No.	Particulars	Unit	Claimed	Approved
{A}	Long term available capacity	MW	10,841.39	10,841.39
{B}	Capacity stranded due to open access	MW	161.61	161.61
{C}	Fixed Charges paid	Rs. in crore	6,737.11	6,453.73
{D}={C}÷{A}	Fixed Charges per MW	Rs. in crore/MW	0.621	0.595
{E}={D}x{B}	Fixed Charges for stranded capacity	Rs. in crore	100.43	96.20
{F}	Transmission charges paid	Rs. in crore	2,098.39	1,928.63
{G}	Actual Energy scheduled	MU	41,965.33	41,965.33
{H}={F}÷{G}	Transmission charges per unit	Rs./kWh	0.500	0.460
{I}	Distribution charges as per Tariff Order	Rs./kWh	0.138	0.1382
{J}={H}+{I}	Total transmission and distribution charges per unit	Rs./kWh	0.638	0.598
{K}	Energy consumed by open access consumers from the TGDISCOMs	MU	1,909.22	1,909.22
{L}={K}x{J}	Transmission and distribution charges payable by open access consumers	Rs. in crore	121.75	114.13
{M}	Demand charges recovered by the TGDISCOMs from open access consumers	Rs. in crore	195.51	204.29
{N}={M}-{L}	Demand charges to be adjusted	Rs. in crore	73.76	90.16
{O}={E}-{N}	Net stranded charges recoverable	Rs. in crore	26.67	6.04
{P}	Open Access sales	MU	451.21	451.21
{Q}={O}÷{P}	Additional Surcharge	Rs./kWh	0.59	0.13

3.12.11 The Additional Surcharge for H1 of FY 2026-27 is determined as Rs 0.13/kWh and shall be applicable from 01.04.2026 to 30.09.2026.

This Order is typed to dictation, corrected and signed on this 10th day of March, 2026.

Sd/-
CHERUKURI SRINIVASA RAO
MEMBER (FINANCE)

Sd/-
RAGHU KANCHARLA
MEMBER (TECHNICAL)

Sd/-
Dr. JUSTICE DEVARAJU NAGARJUN
CHAIRMAN

//CERTIFIED COPY//

Annexure-I Public Notice

Paper clippings that appeared in The New Indian Express and The Hindu on
19.12.2025



BEFORE THE HONOURABLE TELANGANA ELECTRICITY REGULATORY COMMISSION

Vidyuth Niyantaran Bhavan, Sy.No.145-P,GTS Colony, Kalyan Nagar, Hyderabad 500 045

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGSPOCL)					NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGNPDCL)				
PUBLIC NOTICE					PUBLIC NOTICE				
<p>1. Notice is hereby given to all that the Distribution Company viz. SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGSPOCL) holding Distribution and Retail Supply License No.13/2000, as, on 29-12-2000, filed before the Telangana Electricity Regulatory Commission (TGERC), the Additional Surcharge for H1 of FY 2026-27. These filings have been taken on record by the Hon'ble Commission in OP No.66 of 2025.</p> <p>2. Copies of the filings referred are available in the office of Chief Engineer(IPC&RAC), TGSPOCL Corporate Office, 1st floor, 'X' block, Mrii Compound, Hyderabad-500063 and the Superintending Engineer, Operation circles of the Distribution Company at Banjara Hills, Hyderabad(South), Hyderabad(Central), Medchal, Cyberoty, Habibnagar, Secunderabad, Rajendranagar, Saroornagar, Vikarabad, Mahabubnagar, Gadwal, Nagarjunacool, Narayanpet, Wanaparthy, Medak, Siddipet, Sangareddy, Nalgonda,Yadadri and Suryapet. 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 proposals are also available on www.tgsouthernpower.org and the same may be accessed at www.tgers.telangana.gov.in. A copy of these filings can be obtained from the above offices from 19.12.2025 onwards on payment of charges (in cash) for photocopying.</p> <p>3. Objections/suggestions, if any, on the filings, together with supporting material may be sent to the Chief Engineer(IPC&RAC), TGSPOCL, Corporate Office, 1st floor, 'A' block, Mrii Compound, Hyderabad-500063 in person or through Registered Post so as to reach on or before 03.01.2026 by 5 PM. 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, postal address, email id and contact number 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. If the objector also wants to be heard in person it may also be specifically mentioned. The objection/suggestion should accompany the following statement.</p>					<p>1. Notice is hereby given to all that the Distribution Company viz. NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGNPDCL) holding Distribution and Retail Supply License No.14/2000, as, on 29-12-2000, filed petition before the Telangana Electricity Regulatory Commission (TGERC), the Additional Surcharge for H1 of FY 2026-27. These filings have been taken on record by the Hon'ble Commission in OP No.66 of 2025.</p> <p>2. Copies of the filings referred are available in the office of the Chief Engineer (IPC & RAC), TGNPDCL H.No 2-5-31/2, Vidyuth Bhavan, Nakkalagutta, Hanamakonda-506001 and the Superintending Engineer Operation circles of the Distribution Company at Hanamakonda, Warangal, Mahabubabad, Jyoti Shankar(Bhupalpally), Mulugu, Jangaon,Karimnagar, Jagtial, Peddapally,Khammam, Badrathi,Kothagudem, Nizamabad, Kamareddy, Adilabad, Nirmal, Mancherial and Khammam(Bheem(Katibad)). Interested persons may inspect/ peruse the said filings and take note thereof during office hours at any of the said offices at free of cost. These proposals are also available on www.tgsouthernpower.org and the same may be accessed at www.tgers.telangana.gov.in. A copy of these filings can be obtained from the above offices from 19.12.2025 onwards on payment of charges (in cash) for photocopying.</p> <p>3. Objections/suggestions, if any, on the filings, together with supporting material may be sent to the Chief Engineer (IPC & RAC), TGNPDCL H.No 2-5-31/2, Vidyuth Bhavan, Nakkalagutta, Hanamakonda-506001 in person or through Registered Post so as to reach on or before 03.01.2026 by 5 PM. 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, postal address, email id and contact number 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. If the objector also wants to be heard in person it may also be specifically mentioned. The objection/suggestion should accompany the following statement.</p>				
Name & full address of the Objector along with e-mail id and contact number	Brief details of Objections(s)/ Suggestion(s)	Objections against Proposals of Additional Surcharge (TGSPOCL)	Whether copy of objection & proof of delivery at Licensee's office enclosed (Yes/No)	Whether Objector wants to be heard in person (Yes/No)	Name & full address of the Objector along with e-mail id and contact number	Brief details of Objections(s)/ Suggestion(s)	Objections against proposals of Additional Surcharge (TGNPDCL)	Whether copy of objection & proof of delivery at Licensee's office enclosed (Yes/No)	Whether Objector wants to be heard in person (Yes/No)
<p>4. The gist of the filings of the Discom for Additional Surcharge for H1 of FY 2026-27 are indicated in the Schedule-I below.</p> <p>5. Telangana Electricity Regulatory Commission intends to conduct Public Hearing at Court Hall, TGERC, 'Vidyut Niyantaran Bhavan', Sy.No.145-P.G.T.S. Colony,Kalyan Nagar,Hyderabad 500 045 on 21.01.2026 (Wednesday) from 11:00 hrs onwards.</p>					<p>4. The gist of the filings of the Discom for Additional Surcharge for H1 of FY 2026-27 are indicated in the Schedule-I below.</p> <p>5. Telangana Electricity Regulatory Commission intends to conduct Public Hearing in the Court Hall, TGERC, 'Vidyut Niyantaran Bhavan,G.T.S. Colony,Kalyan Nagar, Hyderabad 500 045 on 21.01.2026 (Wednesday) from 11:00 hrs onwards.</p>				
<p>Sd/- CHAIRMAN & MANAGING DIRECTOR Southern Power Distribution Company of Telangana Limited (TGSPOCL)</p>					<p>Sd/- CHAIRMAN & MANAGING DIRECTOR Northern Power Distribution Company of Telangana Limited (TGNPDCL)</p>				
<p>Place: Hyderabad Date : 19.12.2025</p>					<p>Place: Hanamakonda Date : 19.12.2025</p>				
SCHEDULE-I Additional Surcharge for H1 of FY 2026-27									
S.No.	Particulars	Unit	Value		S.No.	Particulars	Unit	Value	
(A)	Long Term Available Capacity	MW	16,841.39		(J)	Total transmission and distribution charges per unit	Rs./kWh	0.64	
(B)	Capacity stranded due to open access	MW	161.61		(K)	Energy consumed by OA consumers from the DISCOMs	MU	1,609.22	
(C)	Fixed Charges paid	Rs. Cr.	6,737.11		(L)	Transmission and Distribution charges to be paid by OA consumers	Rs. Cr.	121.75	
(D) = (C)/(A)	Fixed Charge per MW	Rs. Cr./ MW	0.62		(M)	Demand Charges recovered by the DISCOMs from OA consumers	Rs. Cr.	196.51	
(E) = (D)*(B)	Fixed Charge for Stranded Capacity	Rs. Cr.	100.43		(N)	Demand Charges to be adjusted	Rs. Cr.	73.76	
(F)	Transmission Charges Paid	Rs. Cr.	2,058.39		(O) = (E) - (N)	Net stranded charges recoverable	Rs. Cr.	26.67	
(G)	Actual Energy Scheduled	MU	41,988.33		(P)	Open Access Sales	MU	461.21	
(H) = (F)/(G)	Transmission Charges per unit	Rs./kWh	0.50		(Q) = (O)/(P)	Additional Surcharge Computed	Rs./kWh	0.58	
(I)	Distribution Charges as per Tariff Order	Rs./kWh	0.14						

DIPR R.O.No.928-PP/CL-AGENCY/ADV/1/2025-26, Dt:18-12-2025

**BEFORE THE HONOURABLE
 TELANGANA ELECTRICITY REGULATORY COMMISSION**

Vidyuth Niyantaran Bhavan, Sy.No.145-P,GTS Colony, Kalyan Nagar, Hyderabad 500 045

 SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGSPDCL)	 NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGNPDCL)
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PUBLIC NOTICE

1. Notice is hereby given to all that the Distribution Company viz. **SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGSPDCL)** holding Distribution and Retail Supply License No.13/2000, as, on 29-12-2000, filed before the Telangana Electricity Regulatory Commission (TGERC), the Additional Surcharge for H1 of FY 2026-27. These filings have been taken on record by the Hon'ble Commission in OP No.65 of 2025.

2. Copies of the filings referred are available in the office of Chief Engineer(IPC&RAC), TGSPDCL, Corporate Office, 1st floor, 'A' block, Mint Compound, Hyderabad-500063 and the Superintending Engineer, Operation circles of the Distribution Company at Banjara Hills, Hyderabad(South), Hyderabad(Central), Medchal, Cyberoty, Habsiguda, Secunderabad, Rajendranagar, Saroomagar, Vikarabad, Mahabubnagar, Gadwal, Nagarkurnool, Narayanpet, Wanaparthy, Medak, Siddipet, Sangareddy, Nalgonda, Yadadri and Suryapet. 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 proposals are also available on www.tgspower.org and the same may be accessed at www.tgerc.telangana.gov.in. A copy of these filings can be obtained from the above offices from 19.12.2025 onwards on payment of charges (in cash) for photo copying.

3. Objections/suggestions, if any, on the filings, together with supporting material may be sent to the Chief Engineer(IPC&RAC), TGSPDCL, Corporate Office, 1st floor, 'A' block, Mint Compound, Hyderabad-500063 in person or through Registered Post so as to reach on or before 09.01.2026 by 5 PM. 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, postal address, email id and contact number 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. If the objector also wants to be heard in person it may also be specifically mentioned. The objection/suggestion should accompany the following statement.

PUBLIC NOTICE

1. Notice is hereby given to all that the Distribution Company viz. **NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGNPDCL)** holding Distribution and Retail Supply License No.14/2000, as, on 29-12-2000, filed petition before the Telangana Electricity Regulatory Commission (TGERC), the Additional Surcharge for H1 of FY 2026-27. These filings have been taken on record by the Hon'ble Commission in **OP No.66 of 2025**.

2. Copies of the filings referred are available in the office of the Chief Engineer (IPC & RAC), TGNPDCL, H.No.2-5-31/2, Vidyuth Bhavan, Nakkalagutta, Hanamakonda-506001 and the Superintending Engineer, Operation circles of the Distribution Company at Hanamakonda, Warangal, Mahabubabad, Jaya Shanker(Bhupalpally), Mulugu, Jangaon,Karimnagar, Jagtial, Peddapally,Khammam, Badraddi Kothagudem, Nizamabad, Kamareddy, Adilabad, Nirmal, Mancheril and Komarambheem(Asilabad). Interested persons may inspect/ peruse the said filings and take note thereof during office hours at any of the said offices at free of cost. These proposals are also available on www.tgnpdcl.com and the same may be accessed at www.tgerc.telangana.gov.in. A copy of these filings can be obtained from the above offices from 19.12.2025 onwards on payment of charges (in cash) for photocopying.

3. Objections/suggestions, if any, on the filings, together with supporting material may be sent to the Chief Engineer (IPC & RAC), TGNPDCL, H.No.2-5-31/2, Vidyuth Bhavan, Nakkalagutta, Hanamakonda-506001 in person or through Registered Post so as to reach on or before 09.01.2026 by 5 PM. 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, postal address, email id and contact number 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. If the objector also wants to be heard in person it may also be specifically mentioned. The objection/suggestion should accompany the following statement.

Name & full address of the Objector along with e-mail id and contact number	Brief details of Objections(s)/ Suggestion(s)	Objections against Proposals of Additional Surcharge (TGSPDCL)	Whether copy of objection & proof of delivery at Licensee's office enclosed (Yes/No)	Whether Objector wants to be heard in person (Yes/No)	Name & full address of the Objector along with e-mail id and contact number	Brief details of Objections(s)/ Suggestion(s)	Objections against proposals of Additional Surcharge (TGNPDCL)	Whether copy of objection & proof of delivery at Licensee's office enclosed (Yes/No)	Whether Objector wants to be heard in person (Yes/No)
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4. The gist of the filings of the Discom for Additional Surcharge for H1 of FY 2026-27 are indicated in the Schedule-I below.

5. Telangana Electricity Regulatory Commission intends to conduct Public Hearing at Court Hall, TGERC, 'Vidyut Niyantaran Bhavan', Sy.No.145-P G.T.S. Colony,Kalyan Nagar,Hyderabad 500 045 on 21.01.2026 (Wednesday) from 11.00 hrs onwards.

Sd/-
CHAIRMAN & MANAGING DIRECTOR
 Southern Power Distribution Company of
 Telangana Limited (TGSPDCL)

Place: Hyderabad
 Date : 19.12.2025

4. The gist of the filings of the Discom for Additional Surcharge for H1 of FY 2026-27 are indicated in the Schedule-I below.

5. Telangana Electricity Regulatory Commission intends to conduct Public Hearing in the Court Hall, TGERC, Vidyut Niyantaran Bhavan,G.T.S Colony,Kalyan Nagar, Hyderabad 500 045 on 21.01.2026(Wednesday) from 11.00 hrs onwards.

Sd/-
CHAIRMAN & MANAGING DIRECTOR
 Northern Power Distribution Company of
 Telangana Limited (TGNPDCL)

Place: Hanamakonda
 Date : 19.12.2025

SCHEDULE-I Additional Surcharge for H1 of FY 2026-27							
S.No.	Particulars	Unit	Value	S.No.	Particulars	Unit	Value
(A)	Long Term Available Capacity	MW	10,841.39	(J) = (H)+(I)	Total transmission and distribution charges per unit	Rs. /kWh	0.64
(B)	Capacity stranded due to open access	MW	161.61	(K)	Energy consumed by OA consumers from the DISCOMs	MU	1,909.22
(C)	Fixed Charges paid	Rs. Cr.	6,737.11	(L) = (K) x (J)	Transmission and Distribution charges to be paid by OA consumers	Rs. Cr.	121.75
(D) = (C) x (A)	Fixed Charge per MW	Rs. Cr./ MW	0.62	(M)	Demand Charges recovered by the DISCOMs from OA consumers	Rs. Cr.	195.51
(E) = (D) x (B)	Fixed Charge for Stranded Capacity	Rs. Cr.	100.43	(N) = (M) - (L)	Demand Charges to be adjusted	Rs. Cr.	73.76
(F)	Transmission Charges Paid	Rs. Cr.	2,096.39	(O) = (E) - (N)	Net stranded charges recoverable	Rs. Cr.	26.67
(G)	Actual Energy Scheduled	MU	41,965.33	(P)	Open Access Sales	MU	451.21
(H) = (F) x (G)	Transmission Charges per unit	Rs. /kWh	0.50	(Q) = (O) + (P)	Additional Surcharge Computed	Rs. /kWh	0.59
(I)	Distribution Charges as per Tariff Order	Rs. /kWh	0.14				

DIPR R.O.No.928-PP/CL-AGENCY/ADVT/1/2025-26, Dt:18-12-2025



19.12.2025

**BEFORE THE HONOURABLE
TELANGANA ELECTRICITY REGULATORY COMMISSION**

Vidyuth Niyantaran Bhavan, Sy.No.145-P,GTS Colony, Kalyan Nagar, Hyderabad 500 045



**SOUTHERN POWER DISTRIBUTION COMPANY
OF TELANGANA LIMITED (TGSPDCL)**



**NORTHERN POWER DISTRIBUTION COMPANY
OF TELANGANA LIMITED (TGNPDCL)**

PUBLIC NOTICE

1. Notice is hereby given to all that the Distribution Company viz. **SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGSPDCL)** holding Distribution and Retail Supply License No.13/2000, as, on 29-12-2000, filed before the Telangana Electricity Regulatory Commission (TGERC), the Additional Surcharge for H1 of FY 2026-27. These filings have been taken on record by the Hon'ble Commission in OP No.85 of 2025.

2. Copies of the filings referred are available in the office of Chief Engineer(IPC&RAC), TGSPDCL, Corporate Office, 1st floor, 'A' block, Mint Compound, Hyderabad-500063 and the Superintending Engineer, Operation circles of the Distribution Company at Banjara Hills, Hyderabad(South), Hyderabad(Central), Medchal, Cybercity, Habasguda, Secunderabad, Rajendranagar, Sarornnagar, Vikarabad, Mahabubnagar, Gadwal, Nagarkurnool, Narayanpet, Wanaparthy, Medak, Siddipet, Sangareddy, Naigonda, Yadadri and Suryapet. 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 proposals are also available on www.tgsouthpower.org and the same may be accessed at www.tgerc.telangana.gov.in. A copy of these filings can be obtained from the above offices from 19.12.2025 onwards on payment of charges (in cash) for photocopying.

3. Objections/suggestions, if any, on the filings, together with supporting material may be sent to the Chief Engineer(IPC&RAC), TGSPDCL, Corporate Office, 1st floor, 'A' block, Mint Compound, Hyderabad-500063 in person or through Registered Post so as to reach on or before 09.01.2026 by 5 PM. 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, postal address, email id and contact number 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. If the objector also wants to be heard in person it may also be specifically mentioned. The objection/suggestion should accompany the following statement.

Name & full address of the Objector along with e-mail id and contact number	Brief details of Objections(s)/ Suggestion(s)	Objections against Proposals of Additional Surcharge (TGSPDCL)	Whether copy of objection & proof of delivery at licensee's office enclosed (Yes/No)	Whether Objector wants to be heard in person (Yes/No)
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4. The gist of the filings of the Discom for Additional Surcharge for H1 of FY 2026-27 are indicated in the Schedule-I below.

5. Telangana Electricity Regulatory Commission intends to conduct Public Hearing at Court Hall, TGERC, Vidyut Niyantaran Bhavan, Sy.No.145-P.G.T.S. Colony,Kalyan Nagar,Hyderabad 500 045 on 21.01.2026 (Wednesday) from 11:00 hrs onwards.

Sd/-
CHAIRMAN & MANAGING DIRECTOR
Southern Power Distribution Company of
Telangana Limited (TGSPDCL)
Place: Hyderabad
Date : 19.12.2025

PUBLIC NOTICE

1. Notice is hereby given to all that the Distribution Company viz. **NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGNPDCL)** holding Distribution and Retail Supply License No.14/2000, as, on 29-12-2000, filed petition before the Telangana Electricity Regulatory Commission (TGERC), the Additional Surcharge for H1 of FY 2026-27. These filings have been taken on record by the Hon'ble Commission in **OP No.66 of 2025**.

2. Copies of the filings referred are available in the office of Chief Engineer (IPC & RAC), TGNPDCL,H.No.2-5-31/2, Vidyuth Bhavan, Nakkalagutta, Hanamakonda-506001 and the Superintending Engineer, Operation circles of the Distribution Company at Hanamakonda, Warangal, Mahabubabad, Jaya Shankar(Bhupalpalay), Mulugu, Jangaon,Karimnagar, Jagtial, Peddapally,Khammam, Badrathi Kothagudem, Nizamabad, Kamareddy, Adilabad, Nirmal, Mancherial and Komarambheem(Asifabad) Interested persons may inspect/ peruse the said filings and take note thereof during office hours at any of the said offices at free of cost. These proposals are also available on www.tgnpdcl.com and the same may be accessed at www.tgerc.telangana.gov.in. A copy of these filings can be obtained from the above offices from 19.12.2025 onwards on payment of charges (in cash) for photocopying.

3. Objections/suggestions, if any, on the filings, together with supporting material may be sent to the Chief Engineer (IPC & RAC), TGNPDCL,H.No.2-5-31/2, Vidyuth Bhavan, Nakkalagutta, Hanamakonda-506001 in person or through Registered Post so as to reach on or before 09.01.2026 by 5 PM. 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, postal address, email id and contact number 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. If the objector also wants to be heard in person it may also be specifically mentioned. The objection/suggestion should accompany the following statement.

Name & full address of the Objector along with e-mail id and contact number	Brief details of Objections(s)/ Suggestion(s)	Objections against proposals of Additional Surcharge (TGNPDCL)	Whether copy of objection & proof of delivery at licensee's office enclosed (Yes/No)	Whether Objector wants to be heard in person (Yes/No)
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4. The gist of the filings of the Discom for Additional Surcharge for H1 of FY 2026-27 are indicated in the Schedule-I below.

5. Telangana Electricity Regulatory Commission intends to conduct Public Hearing in the Court Hall, TGERC, Vidyut Niyantaran Bhavan,G.T.S Colony,Kalyan Nagar, Hyderabad 500 045 on 21.01.2026(Wednesday) from 11:00 hrs onwards.

Sd/-
CHAIRMAN & MANAGING DIRECTOR
Northern Power Distribution Company of
Telangana Limited (TGNPDCL)
Place: Hanamakonda
Date : 19.12.2025

SCHEDULE-I

Additional Surcharge for H1 of FY 2026-27

S.No.	Particulars	Unit	Value	S.No.	Particulars	Unit	Value
(A)	Long Term Available Capacity	MW	10,841.39	(J) = (H)+(I)	Total transmission and distribution charges per unit	Rs. /kWh	0.54
(B)	Capacity stranded due to open access	MW	161.61	(K)	Energy consumed by OA consumers from the DISCOMs	MU	1,909.22
(C)	Fixed Charges paid	Rs. Cr.	5,737.11	(L) = (K)*(J)	Transmission and Distribution charges to be paid by OA consumers	Rs. Cr.	121.75
(D) = (C)/(A)	Fixed Charge per MW	Rs. Cr./ MW	0.62	(M)	Demand Charges recovered by the DISCOMs from OA consumers	Rs. Cr.	195.51
(E) = (D)*(B)	Fixed Charge for Stranded Capacity	Rs. Cr.	100.43	(N) = (M) - (L)	Demand Charges to be adjusted	Rs. Cr.	73.76
(F)	Transmission Charges Paid	Rs. Cr.	2,098.39	(O) = (E) - (N)	Net stranded charges recoverable	Rs. Cr.	26.67
(G)	Actual Energy Scheduled	MU	41,965.33	(P)	Open Access Sales	MU	451.21
(H) = (F)/(G)	Transmission Charges per unit	Rs. /kWh	0.50	(Q) = (O)+(P)	Additional Surcharge Computed	Rs. /kWh	0.59
(I)	Distribution Charges as per Tariff Order	Rs. /kWh	0.14				

DIPR R.O.No.928-PP/CL-AGENCY/ADVT/1/2025-26, Dt:18-12-2025

Annexure-II: List of Stakeholders who Submitted the Written Objections/ Suggestions

SI. No	Name and address of the stakeholder	Date of submission of the objections
1	T. Sujatha, Sr. Director FTCCI, 11-6-841. Federation House, Federation Marg, Red Hills, Hyderabad - 500004	12-01-2026 & 20.01.2026
2	I.Gopinath, Chief Executive Officer, SICMA Administrative Office: 3rd Floor, 36th Square, Plot no. 481, Road no. 36, Jubilee Hills, Hyderabad - 500034, Telangana, India	09-01-2026 & 20.01.2026

Annexure-III: List of Stakeholders who participated in Public Hearing held on 21.01.2026

SI. No	Name and address of the stakeholder
1	T. Sujatha, Sr. Director FTCCI, 11-6-841. Federation House, Federation Marg, Red Hills, Hyderabad - 500004
2	Representative on behalf of Soth India Cement Manufacturers Association, Telangana Iron & Steel Mills Association and AGI Glasspac.