



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

**ORDER**

**ON**

**AGGREGATE REVENUE REQUIREMENT (ARR) AND  
WHEELING TARIFFS**

**FOR**

**DISTRIBUTION BUSINESS FOR THE CONTROL PERIOD  
(FY2024-25 TO FY2028-29)**

**IN THE SUPPLY AREAS OF**

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

**AND**

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

**28.10.2024**

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## List of Abbreviations

A&G	Administrative and General
APTransco	Transmission Corporation of Andhra Pradesh Limited
APCPDCL	Andhra Pradesh Central Power Distribution Corporation Limited
APERC	Andhra Pradesh Electricity Regulatory Commission
APNPDCL	Northern Power Distribution Company of Andhra Pradesh Limited
ARR	Aggregate Revenue Requirement
AT&C	Aggregate Technical and Commercial Losses
CAGR	Compound Annual Growth Rate
CC	Consumer Contribution
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CPI	Consumer Price Index
CT	Current Transformer
CWIP	Capital Work in Progress
DA	Daily Allowance
DE	Divisional Engineer
DISCOM	Distribution Company
DNR	Distribution Network Renovation
DTR	Distribution Transformer
EE	Employee Expenses
FPT	Filing for Proposed Tariff
FRP	Financial Restructuring Plan
FY	Financial Year
G.O.Ms	Government Order (Manuscript)
GFA	Gross Fixed Assets
GHMC	Greater Hyderabad Municipal Corporation
Gol	Government of India
GoTG	Government of Telangana
HT	High Tension
HV	High Voltage
HVDC	High Voltage Direct Current
IDC	Interest During Construction
ISI	Indian Standard Institute
kV	kilo Volt
LI	Lift Irrigation
LT	Low Tension
LV	Low Voltage
MAT	Minimum Alternative Tax
MoP	Ministry of Power

MSW	Municipal Solid Waste
MU	Million Units
MW	Mega-Watt
MYT	Multi Year Tariff
NEP	National Tariff Policy
NTI	Non-Tariff Income
NTP	National Tariff Policy
O&M	Operation and Maintenance
O.P.	Original Petition
OA	Open Access
PFC	Power Finance Corporation
PTC	Power Trading Corporation
PTR	Power Transformer
R&M	Repairs & Maintenance
RBI	Reserve Bank of India
RE	Renewable Energy
REC	Rural Electrification Corporation
RMI	Renovation, Modernisation & Improvement
RoCE	Return on Capital Employed
RoE	Return on Equity
RRB	Regulated Rate Base
Rs.	Rupees
RTC	Round the Clock
S/s or SS	Sub-Station
SCCL	Singareni Collieries Company Limited
SLDC	State Load Despatch Centre
STU	State Transmission Utility
TGERC	Telangana Electricity Regulatory Commission
TGNPDCL	Northern Power Distribution Company of Telangana Limited
TGSPDCL	Southern Power Distribution Company of Telangana Limited
TGTransco	Transmission Corporation of Telangana Limited
WACC	Weighted Average Cost of Capital
WPI	Wholesale Price Index



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

**Dated 28.10.2024**

**Present**

Sri T. Sriranga Rao, Chairman  
Sri M.D. Manohar Raju, Member (Technical)  
Sri Bandaru Krishnaiah, Member (Finance)

**O.P.No.12 of 2024 & I.A. No.11 of 2024, and I.A. No.23 of 2024**

Southern Power Distribution Company of Telangana Limited (TGSPDCL)

**O.P.No.13 of 2024 & I.A. No.12 of 2024, and I.A. No.20 of 2024**

Northern Power Distribution Company of Telangana Limited (TGSPDCL)

... Applicants

Southern Power Distribution Company of Telangana Limited (TGSPDCL) and Northern Power Distribution Company of Telangana Limited (TGSPDCL) (hereinafter referred to as "Applicants" or "Petitioners" or "TGDISCOMs" or "Licensees") filed petitions on 12.07.2024 and 20.07.2024 respectively under Section 61 of the Electricity Act, 2003 and in accordance with provisions under 'Multi Year Tariff' (MYT) Regulation No.2 of 2023 for determination of Aggregate Revenue Requirement (ARR) and Wheeling Tariffs (wheeling charges and wheeling losses in kind) for Distribution Business for the control period ( FY2024-25 to FY2028-29) read with Applications filed on 27.09.2024 by TGDISCOMs on corrigendum to the petition in accordance with the provisions under clause 77 of Regulation No.2 of 2023.

The Commission, in exercise of its powers under the Electricity Act, 2003 and Regulation No. 2 of 2023 after considering Petitioner's submissions, suggestions and objections of the stakeholders, responses of Petitioners and all other relevant material, passed the following.

# COMMON ORDER

## CHAPTER-1

### INTRODUCTION

#### 1.1 Background

#### 1.2 The Commission

- 1.2.1 Telangana State Electricity Regulatory Commission was constituted by the Government of Telangana (GoTG) in terms of the provisions of Schedule XII(C)(3) of the A.P. Reorganisation Act of 2014, read with Section 82(1) of the Electricity Act, 2003 vide G.O.Ms.No.3, (Energy) (Budget) Department, dated 26.07.2014. Of late, the Government of Telangana issued G.O.Ms.No.12, Energy (HR. A1) Department, dated 31.05.2024 for change of nomenclature and amended the expression and abbreviation as 'Telangana Electricity Regulatory Commission (TGERC)'.
- 1.2.2 This Commission having been established u/s 82(1) of the Act, 2003 is required to exercise the powers and functions vested in it in terms of Section 86(1)(a) and Section 62(1) of the Act, 2003 to determine the tariff for wheeling of electricity within the State of Telangana.

#### 1.3 TGDIscom's

- 1.3.1 Consequent on formation of Telangana State w.e.f. 02.06.2014, the APCPDCL has been renamed as TSSPDCL duly excluding the Kurnool and Anantapur circles. Likewise, the APNPDCL has been renamed as TSNPDCL duly excluding seven (7) mandals viz., Chintoor, Kunavaram, Vararamachandrapuram, Kukunuru, Velairupadu, Badrachalam (excluding Badrachalam town) and part of Burgampadu (excluding twelve (12) revenue villages), which have become part of residuary State of Andhra Pradesh and merged with the then existing APSPDCL and APEPDCL respectively on the appointed dated i.e., 02.06.2014.
- 1.3.2 The statement of bifurcation of assets and liabilities between Telangana and AP Discoms approved by Expert Committee formed for recommendation on bifurcation of assets & liabilities was communicated to Government of Telangana for further instructions and implementation.



- 1.3.3 During FY2016-17, State Government of Telangana vide G.O.Ms.No.225, 234 and 240 dated 11.10.2016, has issued orders for reorganization of districts and formation of new districts in the State of Telangana. Accordingly, seven (7) revenue mandals under the territorial jurisdiction of TSNPDCL have been merged with Siddipet district of TSSPDCL, Gundala mandal of Nalgonda which is under the territorial jurisdiction of TSSPDCL has been demerged/hived off and merged with Jangaon district under the territorial jurisdiction of TSNPDCL.
- 1.3.4 The Government of Telangana vide G.O.Ms.No.20 dated 23.02.2019 has re-transferred the Gundala mandal from TSNPDCL jurisdiction to TSSPDCL and with regard to the transfer of assets and liabilities, the TSSPDCL has taken over the network of Gundala mandal w.e.f. 02.04.2019 which was during the FY2019-20. Accordingly, the assets and liabilities of Gundala are incorporated in TSSPDCL in FY2019-20.
- 1.3.5 The Commission in its order dated 17<sup>th</sup> March 2017 in O.P.Nos.3 and 4 of 2017, has allowed the name of the license to be the Southern Power Distribution Company of Telangana Limited (TSSPDCL) in place of APCPDCL and the Northern Power Distribution Company of Telangana Limited (TSNPDCL) in place of APNPDCL.
- 1.3.6 In the wake of the State Government issuing U.O. Note No.4634/Genl, L&C/2024, dated 17.05.2024 to replace all references to “TS” with “TG” in the nomenclature of all State PSUs, Agencies, Autonomous Institutions and other government bodies, the TSSPDCL and TSNPDCL have replaced the abbreviated form of the company from TSSPDCL and TSNPDCL to TGSPDCL and TGNPDCL respectively and also to use the revised logo in all official documents.

#### **1.4 Regulation No.1 of 2014**

- 1.4.1 The Commission soon after its formation has notified Regulation viz., ‘Adoption’ Regulation No.1 of 2014 on 10.12.2014 being adoption of previously subsisting regulations, decisions, directions or order, licenses and practice of directions.
- 1.4.2 In accordance with the above Regulation, all the Regulations framed by the erstwhile Commission before formation of Telangana State will continue to apply for the State of Telangana, till further modification.

## **1.5 Regulation No.4 of 2005**

1.5.1 Accordingly, the Regulation No.4 of 2005 notified on 14.11.2005 viz., 'Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity' Regulation, 2005 and its subsequent amendment thereof, as subsisting as on date of constitution of TGERC and in force, shall mutatis mutandis apply to the State of Telangana. Regulation No.4 of 2005 introduced Multi-Year-Tariff framework and specified the principles and procedures of filings and also defines control period as a multi-year period fixed by the Commission from time to time, usually five (5) years, consequently 4<sup>th</sup> control period is from FY2019-20 to FY2023-24.

## **1.6 Earlier ARR & FPT Filings and Orders of the Commission**

1.6.1 TGDISCOMs have made filings for determination of ARR & Wheeling Tariffs for Distribution Business for 4<sup>th</sup> control period on 16.12.2019. Whereas, after comprehensive public consultation process on the filings, the Commission has passed orders on 29.04.2020 in O.P.Nos.9 and 10 of 2019 & I.A.No.9 of 2020 read with its amendment order dated 01.03.2021.

## **1.7 Determination of True-up for 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> control period and Annual Performance Reviews (APRs) for FY2019-20, FY2020-21 & FY2021-22 and FY2022-23 for Distribution Business**

1.7.1 Based on filings made by TGDISCOMs, the Commission passed order dated 23.03.2023, determining True-up for 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> control period and Annual Performance Reviews (APRs) for FY2019-20, FY2020-21 and FY2021-22 for Distribution Business. Subsequently, the Commission vide its order dated 07.06.2024 in O.P.Nos.37 and 38 of 2023 has determined APR for FY2022-23 for Distribution Business. The relevant paragraphs of the said orders are reproduced below for reference:

### **Order dated 23.03.2023**

**5.10 Aggregate Gains or Losses of APR claimed and approved for FY2019-20, FY2020-21 and FY2021-22 of 4<sup>th</sup> control period**

5.10.1 *The aggregate gains or losses of APR for FY2019-20, FY2020-21 and FY2021-22 of 4<sup>th</sup> control period claimed by TSDISCOMs and approved by the Commission is as shown in the Table below:*

<b>Financial Year</b>	<b>Claimed</b>		<b>Approved</b>	
	<b>TSSPDCL</b>	<b>TSNPDCCL</b>	<b>TSSPDCL</b>	<b>TSNPDCCL</b>
2019-20	193.54	-277.78	20.54	-384.76
2020-21	-115.00	-286.56	-253.05	-354.02
2021-22	-723.08	-557.32	-1114.66	-634.03
<b>Total</b>	<b>-644.54</b>	<b>-1121.66</b>	<b>-1347.17</b>	<b>-1372.80</b>

**Order dated 07.06.2024**

**4.11 Aggregate Gains or Losses of APR claimed and approved**

**Commission's View**

4.11.1 The aggregate gains or losses of APR for FY2022-23 of 4<sup>th</sup> control period claimed by TGDISCOMs and approved by the Commission is as shown in the Table below:

**Table 4.20: Aggregate gains or losses of APR for FY2022-23**

<b>Financial year</b>	<b>Claimed</b>		<b>Approved</b>	
	<b>TGSPDCL</b>	<b>TGNPDCL</b>	<b>TGSPDCL</b>	<b>TGNPDCL</b>
2022-23	-338.58	-780.09	-389.17	-854.62

**4.12 Recovery of Revenue Gap/(Surplus)Aggregate Gains or Losses of APR claimed and approved**

4.12.1 As per Clause 10.5 of Regulation 04 of 2005 the Commission directs the Applicant to include and propose the adjustment mechanism of the total approved revenue surplus for TGSPDCL for Rs.1736.34 crore (gap of Rs.20.54 crore for FY2019-20, surplus of Rs.253.05 crore for FY2020-21, surplus of Rs.1114.66 crore for FY2021-22 and surplus of Rs.389.17 crore for FY2022-23) and revenue surplus for TGNPDCL for Rs.2227.42 crore (surplus of Rs.384.76 crore for FY2019-20, surplus of Rs.354.02 crore, surplus of Rs.643.03 crore and surplus of Rs.854.62 crore) in its end of control period review petition for 4<sup>th</sup> control period.

**1.8 Approval of TGDISCOMs Resource Plan and Business Plan for 5<sup>th</sup> & 6<sup>th</sup> control periods**

1.8.1 Based on filings, the Commission passed order on 29.12.2023 approving the Resource Plan and Business Plan of TGDISCOMs for 5<sup>th</sup> control period for FY2024-25 to FY2028-29 and 6<sup>th</sup> control period for FY2029-30 to FY2033-34. In the said order it was also stated that the Commission shall examine the MYT filings as per the MYT Regulation in force.

## **1.9 Timelines for Filings MYT ARR and Tariffs for the control period as per Regulation No.4 of 2005**

1.9.1 As per clause 6.1 of Regulation No.4 of 2005 every distribution licensee shall file a petition for each of its licensed business (Distribution Business and Retail Supply Business) for approval of ARR and Filings for Proposed Tariff (FPT) for each year of the control period not less than 120 days before commencement of the first year of the control period, as such for MYT ARR and Wheeling Tariffs filings for Distribution Business for 5<sup>th</sup> control period ( FY2024-25 to FY2028-29) is to be filed by 30.11.2023.

## **1.10 Correspondence made for Extension of Time for filing MYT petition for 5<sup>th</sup> control period prior to notification of Regulation No.2 of 2023**

1.10.1 TGSPDCL vide letter D.No.539/23, dated 17.11.2023 and TGNPDCL vide letter D.No.272/23 dated 17.11.2023 have requested the Commission for extension of time for MYT filing for Distribution Business for the control period (FY2024-25 to FY2028-29) from 30.11.2023 to 02.01.2024 stating the following reasons:

- a) *Enforcement of Model Code of Conduct in Telangana State from 09.10.2023 in view of Legislative Assembly Elections 2023. The Election Commission announced the assembly poll schedule for Telangana State declaring that polls will be held on 30.11.2023 while the counting of votes will take place on 03.12.2023.*
- b) *TGDISCOMs are required to obtain formal approval from State Government for filing of ARR & Tariff proposals from FY2024-25.*
- c) *ARR & FPT for Retail Supply Business for FY2024-25 & Distribution Business for the control period require Government decisions in respect of continuation of subsidies/tariff incentives to certain category of consumers under various schemes.*
- d) *TGDISCOMs will have to prepare ARR for Retail Supply Business for FY2024-25 & Distribution MYT for 5<sup>th</sup> control period for FY2024-25 to FY2028-29 based on the approval of Resource Plan for 5<sup>th</sup> & 6<sup>th</sup> control period which is under process.*

1.10.2 The Commission vide letter D.No.766/23, dated 22.11.2023, after careful consideration of submissions made by TGDISCOMs, has accorded extension of time for filing of ARR and Tariff proposals of Retail Supply Business for FY2024-25 and MYT filing for Distribution Business for the control period i.e., FY2024-25 to FY2028-29 from 30.11.2023 to 02.01.2024.

1.10.3 Subsequently, TGSPDCL vide letter D.No.612/23, dated 30.12.2023 and TGNPDCL vide letter D.No.307/23, dated 30.12.2023 stated that the two (2) TGDISCOMs have same cause of action and requested to grant further

extension of time from 02.01.2024 to 02.02.2024 submitting that the licensees are facing following difficulties in finalising the preparation of petitions viz., ARR and Tariff proposals of Retail Supply Business for FY2024-25 and MYT filings for Distribution Business for the control period i.e., FY2024-25 to FY2028-29:

- a) *Licensees are in the process of analysing the data of upcoming Lift Irrigation schemes received from the ICAD Department that are going to be energized in the Telangana State in the ensuing year which have a significant impact on the demand projections in view of the uncertainty in commission of the Lift Irrigation pumps*
- b) *CoD of new power plants viz., YTPS, TSTPP, NCEs.*
- c) *Certain unavoidable circumstances viz., delay in receipt of information of power availability and cost thereon from Central Generating Stations leading to difficulty in finalization of power purchase cost projections that have material impact on the overall ARR.*
- d) *Assessment of Agricultural Sales in view of delay in Monsoon and change in crop pattern.*

### **1.11 Regulation No.2 of 2023**

1.11.1 Meanwhile, this Commission has notified 'Multi Year Tariff' Regulation, 2023 [Regulation No.2 of 2023] on 30.12.2023, which supersedes Regulation No.4 of 2005.

### **1.12 Timelines for Filings MYT ARR and Tariffs for the control period as per Regulation No.2 of 2023**

1.12.1 As per clause 6 of Regulation No.2 of 2023 TGDISCOMs has to make Multi Year Tariff petition comprising of (i) True-up of preceding year; (ii) Aggregate Revenue Requirement (ARR) for each year of the control period; and (iii) proposal of Wheeling Tariffs for each year of the control period (FY2024-25 to FY2028-29) by 31.01.2024 for their Distribution Business.

1.12.2 Accordingly, the Commission vide letter D.No.22/23, dated 05.01.2024 informed TGDISCOMs that their request for further extension of time for filing ARR and Tariff proposals for Retail Supply Business for FY2024-25 and MYT filing for Distribution Business for the control period from 02.01.2024 to 02.02.2024 is not accepted and as per clause 6 of Regulation No.2 of 2023, TGDISCOMs shall file MYT petitions for control period commencing from 01.04.2024 on or before 31.01.2024.

### **1.13 Correspondence made for Extension of Time for filing MYT petition for the control period after notification of Regulation No.2 of 2023**

1.13.1 TGSPDCL vide letter D.No.668/24, dated 17.01.2024 and TGNPDCL vide D.No.340/23, dated 17.01.2024 has sought clarification in certain clauses of Regulation No.2 of 2023 for preparation of ARR & FPT for Retail Supply Business and MYT ARR for Distribution Business. TGDISCOMs have also filed petition for amendment to certain clauses of Regulation No.2 of 2023 as the clauses sought to be amended will have significant impact on the revenue and expenditure of applicants and will adversely impact the cash flows from the first year of control period. The Commission has returned the petition seeking certain information.

1.13.2 The Commission vide letter D.No.88/24, dated 31.01.2024 clarified that the Commission is not inclined to give clarification as Regulation is made with previous publication, placing explanatory note, also giving statement of reasons and the Regulation is notified. In the same context, no petition for amendment of the Regulation made by the Commission can be entertained.

### **1.14 Extension of Application of Wheeling Charges and Losses in kind from 01.04.2024 onwards**

1.14.1 The Commission in its order dated 15.03.2024 in I.A.No.6 of 2023 & I.A.No.5 of 2024 in O.P.Nos.9 & 10 of 2019 has extended the application of the Wheeling Charges and Wheeling Losses in kind for further period upon expiry of the control period on 31.03.2024. The relevant last paragraph of the said order is reproduced below:

12. *Accordingly, the wheeling charges and losses in kind as applicable on 31.03.2024 as determined in the order dated 29.04.2020 are applicable and can be levied by applicants from 01.04.2024 onwards pending disposal of these applications finally. The applicants are directed to file the regular petitions for determination of fresh wheeling charges and losses in kind for the 5<sup>th</sup> control period being FY2024-25 to FY2028-29 immediately.*

### **1.15 Statutory and Regulatory Provisions**

1.15.1 As per provision under clause 6.2 of Regulation No.2 of 2023 the timelines stipulated for filing Multi Year Tariff petition for the control period from FY2024-25 to FY2028-29 is by 31.01.2024.

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

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

<p>1. Aggregate Revenue Requirement &amp; Tariff/ Multi Year Tariff petition. .....</p>	<p>Rs.5,000/- per day for the first 30 days beyond the specified date. After 30 days, Rs.1,50,000/- plus Rs.10,000/- per day till submission of petition</p>
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1.15.3 Provision under clause 29.2 of Multi Year Tariff Regulation No.2 of 2023 stipulates that:

*“Provided that in case of delay in submission of tariff/true-up filings by the generating entity or licensee or SLDC, as required under this Regulation, rate of RoE shall be reduced by 0.5% per month or part thereof.”*

## 1.16 Present Petitions

1.16.1 TGSPDCL and TGNPDCL filed the instant petitions for approval of ARR and Wheeling Tariffs for the control period from FY2024-25 to FY2028-29 with the following prayers:

### TGSPDCL

- to condone the delay in filing of this petition for the reasons as explained in various petitions filed before the Commission on this subject matter.
- to take the accompanying ARR and Wheeling Tariff application on record for Distribution Business and treat it as complete;
- to grant suitable opportunity within a reasonable time frame to the additional material information that may be subsequently available;
- to consider and approve ARR and Tariff application including all requested regulatory treatments in the filing;
- to pass such order as the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.

### TGNPDCL

- to condone the delay in filing of this petition for the reasons as explained in various petitions filed before the Commission on this subject matter.
- to take the accompanying ARR and Wheeling Tariff application on record for Distribution Business and treat it as complete;

- to grant suitable opportunity within a reasonable time frame to the additional material information that may be subsequently available;
- to consider and approve ARR and Tariff application including all requested regulatory treatments in the filing;
- to pass such order as the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.

## 1.17 Delay Condonation Applications

1.17.1 TGDISCOMs have also filed applications for delay condonation (Interlocutory Applications) along with the original petitions i.e., on 12.07.2024 and 20.07.2024 by TGSPDCL and TGNPDCL respectively, duly submitting the following reasons for delay in filing petition:

- i. *The Commission has notified the new MYT Regulation No.2 of 2023 on 30.12.2023, where the timelines for submission of petition for Distribution ARR for the control period is 31.01.2024.*
- ii. *Due to paucity of time, for preparation of Distribution ARR in terms of New MYT Regulation No.2 of 2023, the licensee was unable to file petition for Distribution ARR and determination of Wheeling Charges as per the above timelines.*
- iii. *The Licensee required to collect additional information in terms of MYT Regulation No.2 of 2023, for preparation and incorporation in the Distribution ARR of the control period.*
- iv. *As it was near to the closure of Financial Year 2023-24 and for considering the Audited Accounts Data pertaining to FY2023-24 for projections of 5<sup>th</sup> control period for preparation of Distribution ARR, the licensee required additional time for gathering above information.*
- v. *Enforcement of Model Code of Conduct during March to June' 2024, in view of General Elections to the Parliament House-Lok Sabha-2024.*
- vi. *In view of the aforementioned reasons, the licensee could not file the petition for Distribution ARR and determination of Wheeling Tariff for 5<sup>th</sup> control period in the stipulated timeline.*
- vii. *Hence, licensee humbly request the Commission to condone the delay in filing the petition for Distribution ARR and determination of Wheeling Tariff for 5<sup>th</sup> control period.*

1.17.2 Upon examining the representations from Licensees and the applicant's delay condonation petition, the Commission recalls its view pronounced in order dated 23.03.2023 while condoning delay in filing of True-up/True-down for Distribution Business for 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> control periods and APRs for FY2019-20, FY2020-21 and FY2021-22, in which the Commission held that –  
*"1.14.18 The objective of the Electricity Act, 2003 is to protect the interest of the consumers. Although the delay in filings for true-ups/true-downs and APRs of Distribution Business is not desirable. ... .. However, in future TSDISCOMs*



*shall endeavor for timely filing of their True-up/True-down and APR petitions before the Commission in accordance with the terms of relevant Regulations in order to issue necessary directions to improve the performance of TSDISCOMs”.*

1.17.3 Moreover, TGDISCOMs despite multiple extensions accorded for filing the MYT Wheeling Tariffs petition (initially extended from 30.11.2023 to 02.01.2024, and later to 31.01.2024 by notifying Regulation No.2 of 2023) have failed to file the petitions in time. Further, TGDISCOMs, though they were aware that they could file MYT Wheeling Tariffs petitions in a sealed cover during enforcement of Model Code of Conduct, they failed to do so. As such, to enforce discipline, the Commission decided to impose penalties as per Fee Regulation No.2 of 2016 read with subsequent amendments thereof and Regulation No.2 of 2023. The Commission has dealt with regard to reduction in rate of RoE in terms of Regulation No. 2 of 2023. **The Commission directs the petitioner to adhere to the timelines as specified in Regulation No.2 of 2023 in future filing of petitions.**

### **1.18 Admission of Petitions**

1.18.1 Upon ensuring the payment of requisite penalty amounts as per Fee Regulation No.2 of 2016 the petitions submitted by TGDISCOMs were found to be generally in order as required under ‘*Conduct of Business*’ Regulations, 2015 (Regulation No.2 of 2015). The Commission admitted the filings and the same were taken on record by assigning the following original petition (O.P.) and Interlocutory Application numbers:

- O.P.No.12 of 2024 & I.A.No.11 of 2024 for TGSPDCL
- O.P.No.13 of 2024 & I.A.No.12 of 2024 for TGNPDCL

### **1.19 Data Gaps**

1.19.1 Upon scrutiny of the filings, the Commission identified certain data gaps and directed the petitioners to furnish additional information. Subsequently, the Applicants submitted the additional information sought by the Commission for the control period. The Commission has considered the original filings and additional information submitted by the petitioners.

## **1.20 Public Notice**

1.20.1 The petitioners, as directed by the Commission, published for information of all stakeholders a Public Notice in two (2) English, two (2) Telugu and One (1) Urdu daily newspapers on 20.09.2024 (Annexure-1). The Public Notice was to inform stakeholders and the general public at large that petitioners have filed MYT ARR and Wheeling Tariffs petition before the Commission in respect of their Distribution Business for the control period. It was also notified in the Public Notice that, objections/suggestions on the filings may be filed with the petitioners by 11.10.2024 with a copy marked to the Commission Secretary. In the Public Notice it was also indicated the venues of Public Hearings to be held in the respective areas of supply of the respective TGDISCOMs viz., in TGSPDCL area of supply on 23.10.2024 from 10:30 hours onwards in Court Hall of the Commission, 'Vidyut Niyantran Bhavan', G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045 and in TGNPDCL area of supply on 24.10.2024 from 10:30 hours onwards at Meeting Hall of Integrated District Offices Complex (Collectorate Office), Nizamabad. The filings and the applicants along with the additional information submitted by TGDISCOMs were also posted on the official website of TSDISCOMs as well as on the website of the Commission.

## **1.21 Corrigendum to the Petitions filed**

1.21.1 Whereas, the Commission observed that the petitions filed are not aligned with clause 77 of Regulation No.2 of 2023, TGDISCOMs as directed by the Commission vide letter dated 24.09.2024 have published on 26.09.2024 corrigendum to Schedules in the same daily newspapers in which the original Public Notices were published (Annexure-2).

## **1.22 Applications and Memo Filed on Corrigendum**

1.22.1 TGDISCOMs have also filed Applications in O.P.Nos.12&13 of 2024 on 27.09.2024 in the matter of filing of corrigendum to the petition in accordance with the provisions of Regulation No.2 of 2023 along with a memo dated 03.10.2024 submitting to treat the corrigendum filed as Interlocutory Application.

### **1.23 Admission of Applications on Corrigendum**

1.23.1 The Applications submitted by TGDISCOMs were scrutinised and found to be generally in order as required under 'Conduct of Business' Regulations, 2015 (Regulation No.2 of 2015). The Commission admitted these Applications and the same were taken on record by assigning the following Interlocutory Application numbers:

- I.A.No.23 of 2024 in O.P.No.12 of 2024 for TGSPDCL
- I.A.No.20 of 2024 in O.P.No.13 of 2024 for TGNPDCL

### **1.24 Response to Public Notice**

1.24.1 In response to the Public Notice, objections/suggestions were received from Fifty-Seven (57) stakeholders. The details of stakeholders who submitted objections/ suggestions is enclosed as Annexure-3.

1.24.2 The petitioners were directed to arrange responses to the stakeholders' written objections/suggestions received, by 16.10.2024 to the respective objector with a copy to the Commission Secretary. It was also directed to post the replies on the website of TGDIscoms.

1.24.3 Considering the requests from some of the stakeholders to extend the time for submission of comments on the Petition, the Commission allowed to submit their objections/comments in the scheduled public hearings.

### **1.25 State Advisory Committee Meeting**

1.25.1 The State Advisory Committee (SAC) meeting was conducted on 05.10.2024 in the Meeting Hall of Commission's Office at 'Vidyut Niyantran Bhavan', G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045 to elicit views of members on the filings of the petitioners. The views of the members were duly considered while determining the ARR and Wheeling Tariffs for the control period.

### **1.26 Public Hearing**

1.26.1 The Commission has conducted the Public Hearings on 23.10.2024 and 24.10.2024 at TGSPDCL and TGNPDCL area of supply respectively and also made live streaming of the Public Hearing proceedings. During the Public Hearings, the TGDISCOMs made brief presentations on their respective filings and then the Commission heard the objectors desiring to be heard in person. During the public hearings, apart from the registered objectors, the

persons/organizations who were interested to submit their objections were also heard. As directed by the Commission, the Petitioners responded on the issues raised by the objectors during the Public Hearings. The list of stakeholders who attended the public hearing is enclosed at Annexure-4.



## CHAPTER-2 Summary of Filings

### 2.1 Petitioner's Claim

2.1.1 The Applicants filed the petitions for determination of ARR and Wheeling Tariffs for the Distribution Business of the licensees for the control period (FY2024-25 to FY2028-29) which includes -:

- ARR for the control period (FY2024-25 to FY2028-29) for the Distribution Business
- Wheeling Tariffs for the control period (FY2024-25 to FY2028-29) for Distribution Business
- Wheeling Loss trajectory for the control period from FY2024-25 to FY2028-29

2.1.2 The summary of each of the submissions is detailed below:

### 2.2 Capital Investment Plan for the control period

2.2.1 The summary of Capital Investment Plan proposed by TGSPDCL for the control period is as shown in the Table below:

**Table 2-1: Summary of Capital Investment Plan proposed by TGSPDCL for the control period**

(Rs.in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29	Total
<b>Load Growth and Network Strengthening</b>						
Substation Addition	699	1006	1257	1420	1794	6176
PTR Addition & Upgradation	71	120	102	122	152	566
Feeder Addition	1	2	8	9	11	31
DTR Addition	1332	1446	1580	1717	1878	7954
Smart Meters	2051	2461	6419	3008	2735	13675
<b>Sub Total</b>	<b>4154</b>	<b>5036</b>	<b>6367</b>	<b>6277</b>	<b>6569</b>	<b>28402</b>
<b>Other Capex</b>						
Loss Reduction	25	25	24	24	16	113
Reliability Improvement & Contingency Schemes	236	306	321	337	354	1554
Renovation & Modernisation	11	11	12	14	15	63
New Consumer Capex	139	150	161	173	185	807
Civil Infrastructure Development	2	2	3	1	2	10
Misc Project cost	41	58	80	90	99	368
AGL Feeder Segregation	160	178	213	249	257	1057
<b>Total</b>	<b>640</b>	<b>750</b>	<b>828</b>	<b>903</b>	<b>935</b>	<b>4055</b>

2.2.2 The summary of Capital Investment Plan proposed by TGSPDCL for the control period is as shown in the Table below:

**Table 2-2: Summary of Capital Investment Plan proposed by TGNPDCL for the control period**

(Rs.in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29	Total
<b>Base Capex</b>						
Substation Addition	237	290	365	404	562	1858
PTR Addition	23	34	49	65	84	254
Feeder Addition	1	2	4	6	8	20
DTR Addition	659	721	789	861	938	3969
<b>Sub Total</b>	<b>920</b>	<b>1047</b>	<b>1207</b>	<b>1336</b>	<b>1592</b>	<b>6101</b>
<b>Other Capex</b>						
AT&C Loss Reduction	16	7	9	11	9	52
Reliability Improvement & Contingency Schemes	40	57	67	68	73	306
Renovation & Modernisation	42	62	82	102	122	410
New Consumer Capex	83	88	93	98	104	466
Civil Infrastructure Development	16	16	16	16	16	82
Technology Upgradation	44	45	45	46	47	227
Misc (Capacitor Bank)	12	12	12	12	12	60
AGL feeder Segregation	55	79	110	158	151	553
<b>Sub Total</b>	<b>308</b>	<b>366</b>	<b>435</b>	<b>512</b>	<b>535</b>	<b>2155</b>
Smart Meters	356	534	1246	520	604	3560

### 2.3 ARR for FY2024-25 to FY2028-29

2.3.1 The summary of ARR for FY2024-25 to FY2028-29 as claimed by TGSPDCL in original petition is as shown in the Table below:

**Table 2-3 : ARR for FY2024-25 to FY2028-29 as claimed by TGSPDCL**

(Rs.in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Operations & Maintenance expenses	3,912	4,216	5,303	5,716	6,158
Depreciation	976	1,205	1,526	1,903	2,310
Interest and Finance charges on Loan	535	710	972	1,273	1,577
Interest on Working Capital	131	150	190	218	247
Return on Equity	264	401	585	805	1,042
<b>Total Expenditure</b>	<b>5,818</b>	<b>6,682</b>	<b>8,576</b>	<b>9,914</b>	<b>11,334</b>
Less: Income from Open Access Charges	1.21	1.19	1.28	1.27	1.24
Less: Non-Tariff Income	154	157	160	163	166
Less: Income from Other Business	-	-	-	-	-
<b>Net Aggregate Revenue Requirement</b>	<b>5,663</b>	<b>6,525</b>	<b>8,415</b>	<b>9,750</b>	<b>11,166</b>

2.3.2 The summary of ARR for FY2024-25 to FY2028-29 as claimed by TGNPDCL in original petition is as shown in the Table below:

**Table 2-4 : ARR for FY2024-25 to FY2028-29 as claimed by TGNPDCL**

(Rs.in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Operations & Maintenance expenses	2,919	3,137	3,918	4,213	4,528
Depreciation	430	514	645	790	956
Interest and Finance charges on Loan	355	451	561	685	802
Interest on Working Capital	82	91	113	127	141

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Return on Equity	106	157	222	300	380
<b>Total Expenditure</b>	<b>3,892</b>	<b>4,349</b>	<b>5,460</b>	<b>6,115</b>	<b>6,806</b>
Less: Income from Open Access Charges	6	7	9	11	12
Less: Non-Tariff Income	172	175	179	182	186
Less: Income from Other Business	-	-	-	-	-
<b>Net Aggregate Revenue Requirement</b>	<b>3,714</b>	<b>4,167</b>	<b>5,272</b>	<b>5,922</b>	<b>6,608</b>

2.3.3 The ARR claimed by TGSPDCL is revised in accordance with clause 77 Regulation No.2 of 2023 i.e., by apportioning costs between Wheeling and Retail Supply Businesses with 10% of the O&M expense, depreciation, interest and finance charges on loan and return on equity being transferred to retail supply business and which is also published in daily newspapers as Corrigendum to original filings by filing an application (I.A.No.23 of 2024) is as shown in the Table below:

**Table 2-5: Corrigendum Summary of ARR as claimed by TGSPDCL**

(Rs.in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Operations & Maintenance expenses	3521	3795	4773	5145	5542
Depreciation	878	1085	1373	1712	2079
Interest and Finance charges on Loan	481	639	875	1145	1419
Interest on Working Capital	122	138	175	201	229
Return on Equity	238	361	527	724	937
<b>Total Expenditure</b>	<b>5240</b>	<b>6017</b>	<b>7723</b>	<b>8928</b>	<b>10207</b>
Less: Income from Open Access Charges	1	1	1	1	1
Less: Non-Tariff Income	138	141	144	147	150
Less: Income from Other Business	-	-	-	-	-
<b>Net Aggregate Revenue Requirement</b>	<b>5100</b>	<b>5875</b>	<b>7578</b>	<b>8780</b>	<b>10056</b>

2.3.4 The ARR claimed by TGNPDCL is revised in accordance with clause 77 Regulation No.2 of 2023 i.e., by apportioning costs between Wheeling and Retail Supply Businesses with 10% of the O&M expense, depreciation, interest and finance charges on loan and return on equity being transferred to retail supply business and which is also published in daily newspapers as Corrigendum to original filings by filing an application (I.A.No.20 of 2024) is as shown in the Table below:

**Table 2-6: Corrigendum Summary of ARR as claimed by TGNPDCL**

(Rs.in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Operations & Maintenance expenses	2627	2823	3526	3791	4075
Depreciation	387	462	581	711	860
Interest and Finance charges on Loan	320	405	505	617	721
Interest on Working Capital	78	87	109	121	135
Return on Equity	95	142	200	270	342

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Total Expenditure</b>	<b>3507</b>	<b>3919</b>	<b>4921</b>	<b>5511</b>	<b>6133</b>
Less: Income from Open Access Charges	6	7	9	11	12
Less: Non-Tariff Income	172	175	179	182	186
Less: Income from Other Business	-	-	-	-	-
<b>Net Aggregate Revenue Requirement</b>	<b>3329</b>	<b>3737</b>	<b>4733</b>	<b>5318</b>	<b>5935</b>

## 2.4 Net ARR to be Transferred to Retail Business

2.4.1 As per clause 77 of Regulation No.2 of 2023, in case complete accounting segregation has not been done between the wheeling business and retail supply business of the distribution licensee, the ARR of the distribution licensee shall be apportioned between wheeling and retail supply business with 10% of the O&M expense, depreciation, interest and finance charges on loan, return on equity being transferred to retail supply business. Accordingly, the net ARR to be transferred to retail supply business is as shown in the Table below:

**Table 2-7: Net ARR to be transferred to Retail Supply business**

(Rs.in crore)

Voltage	2024-25		2025-26		2026-27		2027-28		2028-29	
	TGSPDCL	TGNPDCL	TGSPDCL	TGNPDCL	TGSPDCL	TGNPDCL	TGSPDCL	TGNPDCL	TGSPDCL	TGNPDCL
O&M Charges	391	292	419	314	526	392	565	421	608	453
Depreciation	98	43	121	51	153	65	190	79	231	96
I&FC on Loan	53	36	71	45	97	56	127	69	158	80
IoWC	0	0	0	0	0	0	0	0	0	0
RoE	26	11	40	16	59	22	81	30	104	38
<b>Total Expenditure</b>	<b>568</b>	<b>381</b>	<b>651</b>	<b>426</b>	<b>835</b>	<b>535</b>	<b>963</b>	<b>599</b>	<b>1101</b>	<b>666</b>

## 2.5 Wheeling Loss trajectory for the control period

2.5.1 TGDIscoms proposed in the Petition that the Aggregate Distribution Losses and Charges irrespective of the Voltage level on par with inter and Intra State Transmission system.



## **CHAPTER-3**

### **ISSUES RAISED BY STAKEHOLDER, RESPONSES OF PETITIONER AND COMMISSION'S VIEW**

#### **3.1 Objections/Suggestions made on Filings**

3.1.1 Fifty-Seven (57) stakeholders have filed objections/suggestions on the Petitions for MYT Petition for Tariff Determination of Wheeling Distribution Business and ARR for FY2024-25 to FY2028-29. The Applicants have filed replies on the objections/ suggestions received from the stakeholders. The Commission has considered all the objections/suggestions of the stakeholders made in writing as well as during the course of Public Hearing and the responses to them by the Applicants. In the subsequent Chapters of this Order, the Commission has taken into consideration, the objections/suggestions of the stakeholders and replies of the Applicants for analysis and conclusion on MYT Petition for Tariff Determination of Wheeling Distribution Business and ARR for FY2024-25 to FY2028-29. For the sake of brevity, the objections/suggestions raised by the stakeholders and responses of the Applicants have been consolidated and summarised issue-wise. In case any suggestion is not specifically elaborated, it does not mean that the same has not been considered.

#### **3.2 Delay in filings**

##### ***Stakeholders' Submissions***

3.2.1 The stakeholders have submitted that in response to the query of the Commission on delay in filing the subject petitions, the reasons given by the DISCOMs are untenable. In response to the preliminary submissions dated 23.9.2024, the Commission has conveyed in its reply dated 27.9.2024 that it "is not inclined to extend the last date for submission of objections/comments on the filings of Licensees." It has further stated that "in addition to submission of objections/comments, the stakeholders can also submit their objections/comments in the scheduled public hearings. The Commission recognizes the contribution of the submissions of knowledgeable and interested stakeholders and the same will be considered." Since the Commission has not responded to the reasons given by the stakeholders in support of their requests, they are constrained to come to the conclusion that it is inclined to complete the

entire regulatory process in eight petitions within the unreasonably short period of time and issue its orders and that it has condoned the delay in filing the subject petitions. As such, the stakeholders are making submissions on the petitions to the extent possible in view of the constraints of time given.

### **Petitioner's Replies**

3.2.2 Under purview of the Commission.

### **Commission's View**

3.2.3 As per Regulation No. 2 of 2023, compliance with the stipulated deadlines is essential for maintaining regulatory efficiency and accountability. While the Commission had denied the extension request, it is important to reiterate that the responsibility for timely submissions rests with the licensees. The Commission expects all licensees to adhere to regulatory timelines to ensure a smooth and effective operational environment.

## **3.3 Capital Expenditure**

### ***Stakeholders' Submissions***

3.3.1 The stakeholders have submitted that from the projections of TGDIscom's it is seen that for NPDCL, total capex includes capex for smart meters. As per the capital expenditure projected by the DISCOMs, as approved in the distribution and resource plans for the 5th control period by the Commission, compared to SPDCL's projections, the contracted capacity and capex projections of NPDCL are very much lower. However, wheeling tariffs proposed by NPDCL are almost double the projections of SPDCL. Even if higher agricultural consumption of NPDCL compared to that of SPDCL is taken into consideration, it is to be examined in comparison with capex proposed by NPDCL whether such higher wheeling charges proposed by NPDCL are justified.

### ***Petitioner's Replies***

3.3.2 The wheeling charges for Discoms have been computed at an aggregate level by considering DISCOM's aggregate revenue requirement and contracted capacities.

### ***Commission's View***

3.3.3 The Commission has considered the capital expenditure as approved in Resource plan orders and the capital investment proposed by the petitioners in

respect of implementation of smart meters is deferred and is dealt in Chapter-4.

### **3.4 Surplus Power**

#### ***Stakeholders' Submissions***

- 3.4.1 The stakeholders have stated that in view of availability of abnormal quantum of surplus power during the 5<sup>th</sup> control period, as projected by the DISCOMs, it is to be clarified whether the projected surplus power also is taken into account for the contracted capacity projected by them. If so, addition of distribution network capacity and projected capital expenditure would be unwarranted, as such a capacity would become idle.
- 3.4.2 DISCOMs should have provided a comprehensive report on their distribution business for the 4th control period, detailing network expansion, capital costs, targets met, surplus power backed down, fixed charges paid, and capex achievements. They should also have submitted a consolidated account of true-up or true-down claims. Examining these details would help determine realistic requirements for the 5th control period. This is crucial, as the projected growth in expenditures, ARR, and wheeling charges for the 5th control period is disproportionately higher compared to contracted capacity growth and the last year of the 4th control period (2023-24).

#### ***Petitioner's Replies***

- 3.4.3 Telangana's power demand has been growing at rapid pace. For instance, as evident in the peak demand of Hyderabad in FY2024-25, it has registered one of the highest powers demanded by any of the Indian metropolitan cities. This clearly indicates that capacity augmentation works need to be kept in tune with the rapid growth in power demand which is primarily being driven by growth in service sectors. Hence it is reasonable to believe that capacities would not become idle going further.
- 3.4.4 The proposed asset additions have been estimated on the basis of the growth in sales, and the required infrastructure to support such growth in sales. Further, the Licensee submits that the proposed asset additions would be capitalized as per prevailing regulations / norms and the same will be reflected in the True-up for the respective time period.

### ***Commission's View***

3.4.5 The Commission has considered the views submitted by the stakeholders and the Commission has considered the contracted capacities approved in the Resource Plan for 5<sup>th</sup> control period.

## **3.5 Revised Wheeling Charges and ARR Projections**

### ***Stakeholders' Submissions***

3.5.1 The stakeholders have stated that in response to the query of the Commission, both the DISCOMs have agreed to recalculate their requirements for 90% of the capacities, as they have segregated assets for wheeling business and retail supply business in the ratio of 90:10 respectively. The Commission is expected to consider the revised projections submitted by the DISCOMs for their distribution business for the 5<sup>th</sup> control period subjecting them to prudence check. As such, their projected ARR and wheeling charges should come down.

### ***Petitioner's Replies***

3.5.2 The revised submission which segregates the assets for distribution and retail supply business has been submitted to the Commission for their consideration.

### ***Commission's View***

3.5.3 The Commission has considered the revised submissions of the petitioners for determination of ARR and Wheeling charges for 5<sup>th</sup> Control period.

## **3.6 Distribution Losses and Charges**

### ***Stakeholders' Submissions***

3.6.1 The stakeholders have submitted that the DISCOMs have proposed uniform distribution losses and charges across all voltage levels (33 kV, 11 kV, LT) to mitigate financial losses, but this would unfairly increase the burden on higher voltage consumers, requiring them to cross-subsidize lower voltage users. It is standard practice to set different wheeling charges based on voltage levels due to differing distribution losses and costs. If uniformity is applied, it should extend to all consumer categories. The DISCOM's claim that the MoP's notification is non-mandatory is weak, as the revised notification itself corrects the deficiencies of the earlier one.

### **Petitioner's Replies**

3.6.2 The proposal for uniform wheeling charges and losses, similar to interstate and intrastate transmission systems, would simplify tariffs, improve billing transparency, enhance administrative efficiency, and streamline grid planning. It could also reduce disputes over varying wheeling charges. As distributed generation increases, voltage-based wheeling charge segregation may become less relevant, as more consumers transition to "prosumers."

### **Commission's View**

3.6.3 The petitioner has proposed aggregate distribution losses and charges irrespective of voltage level on par with interstate and intrastate transmission system. Whereas the petitioners have adopted the voltage wise losses as approved in resource plan in the Retail Supply Business for calculation of power purchase cost. The Commission has considered the voltage wise wheeling losses as approved in the resource plan for determination of Wheeling charges for 5th control period in accordance with Regulation No. 2 of 2023.

## **3.7 Uniform Wheeling Charges**

### **Stakeholders' Submissions**

3.7.1 The stakeholders have submitted that in support of their proposal for uniform wheeling charges, the DISCOMs have contended that

a) The roof-top solar installations are increasing at a rapid pace under Net Metering/Gross Metering/PM Surya Ghar schemes launched by Govt. As such when the consumer loads under such metering are low, the surplus power generation will flow in reverse direction to 11 kV system.

b) In PM-KUSUM Comp-C, the solar power plants of capacities 0.5 to 2 MW are coming up in 11 kV system at rapid pace. During non-agriculture loads periods, the solar power generated will flow in reverse direction to 33 kV system.

3.7.2 c) In PM-KUSUM Comp-„B“, Grid tied Solar pump sets, during the periods of non-operation of solar pump sets after yielding crops, the solar power generated will flow in reverse direction to 33 kV system.

- 3.7.3 d) Reduction in the cost of the Solar Panels and rules and regulations framed by the Government are encouraging the installation of Solar power plants and is increasing rapidly and there is a possibility of reverse flow of the power from 11 kV to 33 kV system.
- 3.7.4 e) Hybrid Solar and Wind system are coming up leading to continuous generation of power and there is a possibility of Reverse flow of power during the periods of Low-loads.
- 3.7.5 f) Battery Energy Storage System may come up under LT and 11 kV systems and there is a possibility of reverse flow of power during the periods of Low-loads from 11 kV to 33 kV system.
- 3.7.6 g) Under the above stated conditions of distributed power generation scenarios, the Distribution Losses will increase and the Licensee will always face High Energy Losses in the Network burdening with high Network Cost.
- 3.7.7 There are several technical and financial issues with renewable energy (RE), including intermittency and grid integration challenges, which have been raised in previous submissions. Despite these concerns, governments and DISCOMs continue to enter long-term PPAs with RE developers and intermediaries like SECI and NRVNL, focusing on RE's virtues and international commitments. However, maintaining a balance between demand and power mix is often overlooked. When problems arise from these policies, GoTG and its DISCOMs should seek compensation from the GoI, rather than burdening consumers with additional costs.

#### **Petitioner's Replies**

- 3.7.8 Intermittency of power generation prevalent with RE technologies such as solar and wind are inherent in nature due to externalities such as whether conditions, time of day, time of season etc. However, RE power projects are known for lower levelized cost of tariffs which can help Discoms in optimizing its power purchase cost, the benefits of which shall be passed on to the consumers of Discoms. Further, with Government of India's vision of increasing the share of RE consumption in India's consumption mix will lead to increased RE uptake going further. The Discoms have factored in all of the above scenarios as currently we are in a cusp of energy transition with more focus on sustainability.

Hence, with distributed generation expected to garner pace in the medium to long run, Discoms have proposed for uniform wheeling tariffs similar to the regime adopted with intra-state and inter-state transmission systems

### ***Commission's View***

3.7.9 The energy mix adoption proposed by the Discoms is encouraged by the Commission but within the framework of the regulations. The infusion of RE power into the system is welcome step but the uniform wheeling charges measures will discourage the RE power addition in the State.

3.7.10 The Commission has not considered the uniform wheeling charges as proposed by the petitioner and has computed voltage wise Wheeling Charges in accordance with the provisions of Regulation No. 2 of 2023.

## **3.8 Smart- meters**

### **Stakeholders' Submissions**

3.8.1 The stakeholders have submitted that TGNPDCL has projected Rs.3560 crore for smart meters during the 5th control period, while TGSPDCL has not detailed it separately. The Commission has directed DISCOMs to install prepaid smart meters for "all interested consumers" and submit a time-bound action plan. The stakeholders have questioned on the action plan, and number of consumers who have opted for smart meters. The stakeholders have expressed their concerns which include potential benefits to private operators under government reforms, forcing consumers to pay in advance, and unnecessary financial burdens on consumers, all while failing to address key operational issues and requested the Commission to reconsider proceeding with prepaid meter installations without consumer consent.

### ***Petitioner's Replies***

3.8.2 Installation of smart meters / replacement of existing energy meters with smart meters is a measure that will bring in more efficiency in Discoms" billing and collection process. This will ultimately lead to better service delivery by Discoms and ultimately the benefit for the same will be passed on to the consumers. As smart meters installation is a country wide exercise being done basis guidelines/ policy measures by Ministry of Power, Government of India, it is apt that

TGDISCOMs budget the capital expenditure that would be incurred for smart meters installation for its consumers.

### ***Commission's View***

3.8.3 The Commission has deferred the Smart meters capacity addition as proposed by the Petitioner and dealt in detail in Chapter-4.

## **3.9 Electrical Accidents**

### **Stakeholders' Submissions**

3.9.1 The stakeholders have stated that the Discoms have done root-cause analysis as directed by the Commission and report submitted. The Discom also stated that the awareness programs are being conducted and safety equipment is provided to the O&M staff to avoid Electrical Accidents. Discoms stated that Rs.3.03 Cr, Rs.2.86 Cr and Rs.3.56 Cr was spent during 2021-22, 2022-23 and 2023-24 respectively. This is appreciable and it's necessary to refer to the CEA (Measures for Safety and Electricity Supply) Regulations 2010. Clause 5 the said Regulations requires Discoms to appoint Safety Officers to ensure observance of Safety Measures. The stakeholders have suggested that the Commission may issue directions to the Discoms to appoint Safety Officer for each Discom if not for each Operation Circle, apart from improvement of Distribution Infrastructure already directed. Further, the Electrical Inspectorate under Chief Electrical Inspector to Government (CEIG) is the authority to investigate Electrical Accidents and to suggest rectifications under the scheme of the Electricity Act 2003. The Commission may hold joint meetings with CEIG, Discoms and Energy Department and advise the government to strengthen the Electrical Inspectorate to make out an effective action plan to reduce/avoid Electrical Accidents.

### ***Petitioner's Replies***

3.9.2 The electrical accidents occurred in TGSPDCL during the FY2023-24, it is to be noted that out of 288 fatal accidents occurred 276 accidents are due to the consumer faults, incautious attitude of general public only; 12 Nos. accidents occurred due to departmental staff even after the utmost care taken by the staff of TGSPDCL and 5 is due to the contract labour of TGSPDCL. Hence, most of the accidents occurred are due to the inattentiveness of consumers by not



following the safety measures, even after so many awareness programs and advertisements conducted by TGSPDCL.

### ***Commission's View***

**3.9.3** The submission of the stakeholders is noted and the Commission has taken serious note of the same. **The Commission directs the TGDIsoms to conduct safety awareness programs with active involvement of safety officers to increase awareness amongst the O&M staff to use safety equipment and also the consumers on the aspects of safety to avoid electrical accidents.**

### **3.10 Recovery of Revenue gap/surplus**

#### **Stakeholders' Submissions**

3.10.1 The stakeholders have stated that the Commission in Order dated 07.06.2024 in the matter of APR of Distribution Business for FY2022-23 has approved a Revenue Surplus of Rs.1736.34 crore and Rs.2227.42 crore for TGSPDCL and TGNPDCL respectively. The relevant extracts from such Order are as under: "4.12 RECOVERY OF REVENUE GAP/(SURPLUS) 4.12.1 As per Clause 10.5 of Regulation 04 of 2005 the Commission directs the Applicant to include and propose the adjustment mechanism of the total approved revenue surplus for TGSPDCL for Rs.1736.34 crore (gap of Rs.20.54crore for FY2019-20, surplus of Rs.253.05 crore for FY2020-21, surplus of Rs.1114.66 crore for FY2021-22 and surplus of Rs.389.17crore for FY2022-23) and revenue surplus for TGNPDCL for Rs.2227.42crore (surplus of Rs.384.76 crore for FY2019-20, surplus of Rs.354.02, surplus of Rs.634.03 crore and surplus of Rs 854.62 crore) in its end of control period review petition for 4th control period."

3.10.2 It is mentioned that the impact of Revenue Gap pertaining to the True up of FY2019-20 to FY2022-23 has to be passed in the Retail supply business. The stakeholders have requested the Commission to consider the impact of True up of Distribution business in the RST for FY2024-25.

#### ***Petitioner's Replies***

3.10.3 Clause 4.12.1 of order dated 07.06.2024 on Annual Performance Review of Distribution Business states that the adjustment mechanism of the total

approved revenue surplus is to be proposed in the end of control period review petition for 4th Control Period. The last petition for 4th Control period i.e., for FY2023-24 is yet to be filed by TGDIsoms wherein the adjustment mechanism would be provided as per directions given in the aforementioned order.

### ***Commission's View***

3.10.4 The impact of revenue surplus/gap pertaining to 4th Control Period will be considered at the end of Control Period review petition on examination of the APR petition for FY 2023-24 as dealt in Chapter-4.

## **3.11 Capitalisation**

### ***Petitioner's Submissions***

3.11.1 The stakeholders have stated that the petitioner (TGSPDCL) has claimed asset additions to the tune of Rs.31,589crore for the Control period FY2025-29 which is significantly high compared to the actual Capital Cost capitalized by the Distribution Licensees in the previous control period (FY2019-24). Notably, such high level of projections for Capital cost is injurious to the financial health of the Distribution licensees as non-capitalization of the projected capital cost would effectively result into the revenue surplus which is against the principles of reasonable cost recovery.

### ***Petitioner's Replies***

3.11.2 The proposed asset additions had been estimated on the basis of the growth in demand/sales, and the required infrastructure to support such growth in demand/sales to ensure reliable and quality power supply. Further, the Licensee submits that the proposed asset additions would be capitalized as per prevailing Regulations / norms and the same will be reflected in the true-ups for the respective time period.

### ***Commission's View***

3.11.3 The Commission has taken note of the Stakeholder submission and replies of the Petitioner. The Commission has considered the capacity additions after the due-diligence which is dealt in subsequent chapter.

### 3.12 Wheeling charges for short term open access

#### **Stakeholders' Submissions**

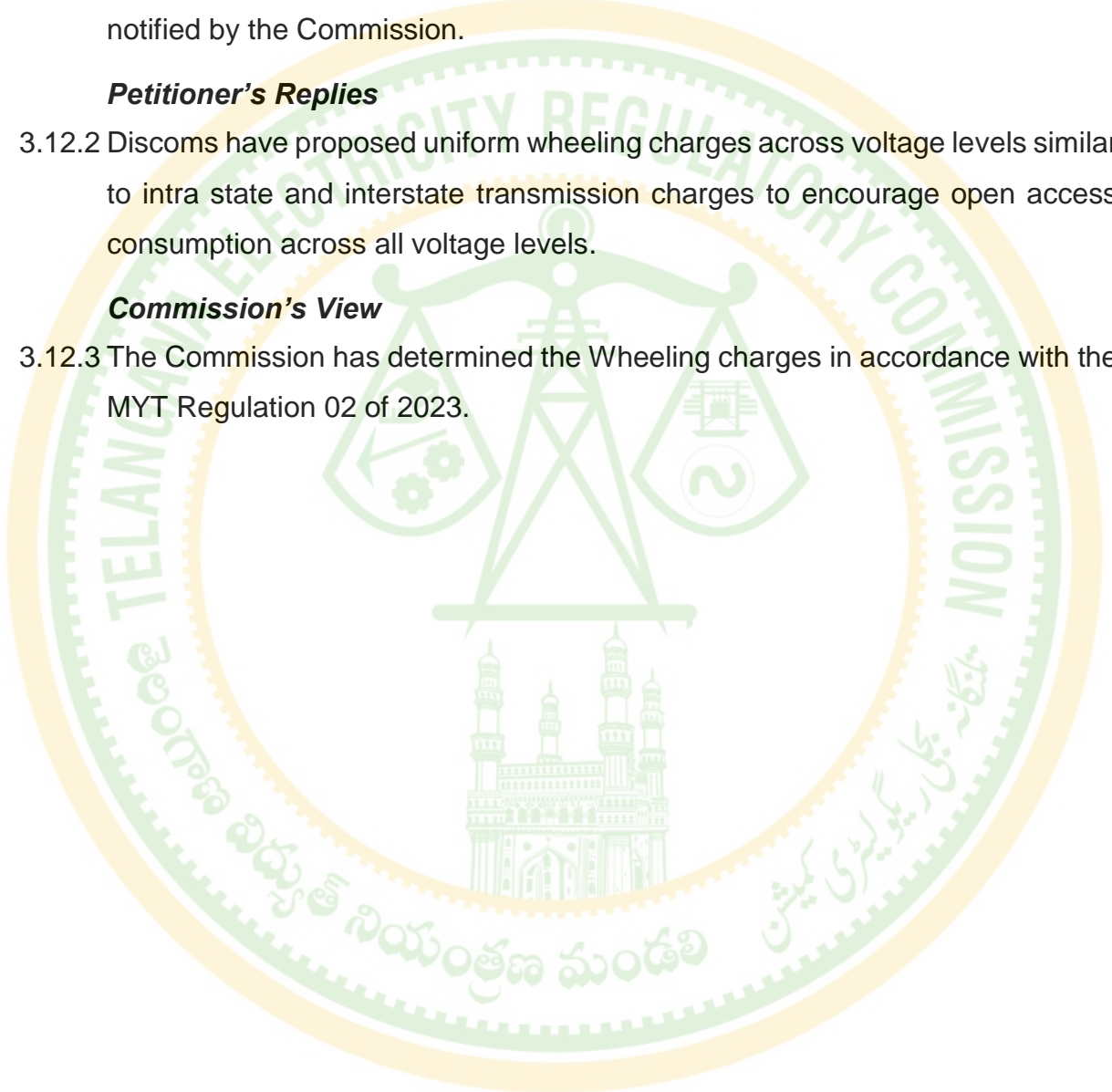
3.12.1 The stakeholders have stated that regulation also entails that the wheeling charges for short term open access shall be determined and applicable at Rupees/ kVA/ hr, however the distribution licensees have claimed wheeling charges at Rupees/ MW/ Month which is not aligned with the Regulations notified by the Commission.

#### **Petitioner's Replies**

3.12.2 Discoms have proposed uniform wheeling charges across voltage levels similar to intra state and interstate transmission charges to encourage open access consumption across all voltage levels.

#### **Commission's View**

3.12.3 The Commission has determined the Wheeling charges in accordance with the MYT Regulation 02 of 2023.



## CHAPTER-4 ANALYSIS AND CONCLUSIONS ON ARR OF MYT FOR FY2024-25 TO FY2028-29

### 4.1 Regulatory Provisions

4.1.1 The Wheeling Charges of the distribution licensee shall provide for the recovery of the Aggregate Revenue Requirement (ARR) of the Distribution Wheeling Business for the respective Years of the Control Period, as approved by the Commission and comprising the following components:

- (a) "Operation and maintenance expenses;
- (b) Depreciation;
- (c) Interest and finance charges on Loan;
- (d) Interest on working capital;
- (e) Return on Equity;
- minus:
- (f) Income from Open Access charges;
- (g) Non-Tariff income;
- (h) Income from Other Business, to the extent specified in this Regulation;
- Add:
- (i) Impact of true-up for prior period as approved by the Commission:

Provided that Depreciation, Interest and finance charges on Loan, Interest on working capital, Return on Equity for Distribution Wheeling Business shall be allowed in accordance with the provisions specified in Part IV of this Regulation:

Provided further that prior period income/expenses shall be allowed by the Commission at the time of truing up based on audited accounts, on a case-to-case basis, if the income/expenses in that prior period have been allowed on actual basis, subject to prudence check:

Provided also that all penalties and compensation payable by the Licensee to any party for failure to meet any Standards of Performance or for damages, as a consequence of the orders of the Commission, Courts, Consumer Grievance Redressal Forum, and Ombudsman, etc., shall not be allowed to be recovered through the Aggregate Revenue Requirement:

Provided also that the Distribution Licensee shall maintain separate details of such penalties and compensation paid or payable by the Licensee, if any, and shall submit them to the Commission along with its Petition."

4.1.2 Further, the 1<sup>st</sup> proviso of Clause 77.1 of the Regulation No. 2 of 2023, stipulates that till such time there is complete segregation of accounts between the wheeling Business and Retail Supply businesses, the ARR for each

business shall be apportioned between the Wheeling Business and Retail Supply Business in accordance with the allocation Matrix specified in the Regulation.

4.1.3 TGDISCOMs submitted that there are no separate accounts for Wheeling Business and Retail Supply Business, as both the businesses are being handled by a single entity. Thus, based on the allocation matrix specified in the Regulation, TGDISCOMs have segregated the cost and revenue amongst Wheeling and Retail Supply businesses.

4.1.4 As per clause 77.1 of MYT Regulation No 02 of 2023, 10% of Total O&M Expenses, Depreciation, Interest and finance charges on Loan, Interest on Working Capital and Return on Equity is to be allocated to Retail Supply Business. Accordingly, the commission has computed the Gross expenses for above components and allocated 90% to wheeling business and 10% to retail supply business.

4.1.5 The Commission has approved the MYT and Wheeling tariff for the period from FY2024-25 to FY2028-29, in line with the relevant Regulation No. 2 of 2023.

4.1.6 The component-wise description of the TGDISCOMs submission and the Commission's analysis thereof is provided hereunder.

## **4.2 Capital Expenditure Plan Petitioner's Submissions**

4.2.1 The Distribution Plan is prepared considering all the network elements required for system expansion to cater to load growth and network strengthening. TGSPDCL has re-estimated the Base capex for all the financial years of the Control Period as the network projections and cost thereof and actual values of FY2023-24 are more than that approved by the Commission for FY2024-25 in Resource Plan Order dated 29.12.2023. TGNPDCL has projected the Base capex same as approved by the Commission in Resource Plan Order dated 29.12.2023.

4.2.2 In Base capex, TGDISCOMs have proposed additional capex related to smart meters. The summary of Smart Meters capex proposed by TGDISCOMs is shown in table below:

**Table 4-1: Smart Meters Capex claimed by TGDISCOMs for FY2024-25 to FY2028-29**  
(Rs.in crore)

DISCOM	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29	Total
TGSPDCL	2,051.24	2,461.49	3,418.73	3,008.48	2,734.98	13,674.92
TGNPDCL	356.00	534.00	1,246.00	820.00	604.00	3,560.00

4.2.3 The other capex expenditure contains expenditure towards reliability improvement, AT&C loss reduction, contingency measures, renovation and modernisation of exiting assets, network additions for new consumer additions, Technology upgradation, civil infrastructure development etc. Other capex expenditure addition proposed by TGDISCOMs is in line to that approved in Resource Plan Order dated 29.12.2023.

4.2.4 The summary of capital investment plan proposed by TGDISCOMs is shown in table below:

**Table 4-2: Capital Investment Plan claimed by TGDISCOMs for FY2024-25 to FY2028-29**  
(Rs.in crore)

Particulars	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29	Total
<b>TGSPDCL</b>						
Base Capex	2,102.30	2,574.07	2,947.79	3,268.56	3,834.41	14,727.13
Smart Meters Capex	2,051.24	2,461.49	3,418.73	3,008.48	2,734.98	13,674.92
Other Capex	640.08	749.88	827.74	902.64	934.86	4,055.21
<b>Total Capex</b>	<b>4,793.62</b>	<b>5,785.44</b>	<b>7,194.27</b>	<b>7,179.68</b>	<b>7,504.24</b>	<b>32,457.26</b>
<b>TGNPDCL</b>						
Base Capex	919.89	1,047.04	1,206.58	1,335.84	1,592.14	6,101.48
Smart Meter Capex	356.00	534.00	1,246.00	820.00	604.00	3,560.00
Other Capex	307.64	365.83	434.81	511.64	534.60	2,154.52
<b>Total Capex</b>	<b>1,583.53</b>	<b>1,946.87</b>	<b>2,887.39</b>	<b>2,667.49</b>	<b>2,730.74</b>	<b>11,816.01</b>

### **Commission's View**

4.2.5 Clause 7.1 of Regulation No. 02 of 2023 details the general provisions related to Capital Investment Plan. The relevant para of clause 7.1 is stipulated below:

“7 Capital Investment Plan

7.1 The generating entity, transmission licensee, distribution licensee and SLDC shall file for approval of the Commission a Capital Investment Plan along with its Multi Year Tariff Petition, covering the entire Control Period with separate details for each year of the Control Period. Provided that the capital investment plan filed by the generating entity/transmission licensee/distribution licensee for the Control Period

commencing from 01.04.2024, as on date of notification of this Regulations, shall be deemed to have been filed under this Regulation.....

*For each capital investment scheme, the licensee shall submit the following details:*

- *Brief outline of the different components that constitute it and the salient features of the scheme;*
- *The objectives of the scheme and justification for taking it up along with quantification of the objectives;*
- *A comprehensive sketch / single line diagrams of the proposed work, grid maps of relevant areas where the scheme is proposed to be executed;*
- *Detailed cost estimates for each item of work covered by the scheme;*
- *The scheme shall be supported by the results of the load flow study, or any other appropriate tools/techniques employed by the Licensee to simulate the impact of the scheme on network performance. The results of the load flow shall be provided for each year up to a period of five years from the date of commissioning of the scheme;*
- *Financing plan supported by documents related to administrative approval, financial tie-up etc;*
- *Phasing of expenditure quarter wise for each work/module, supported with details of corresponding sources of funding;*
- *PERT/CPM chart detailing the activities involved in project execution highlighting the anticipated constraints, if any;*
- *Methodology of evaluation and measurement of the benefits accruing out of the investment; Cost benefit analysis;*
- *Physical benefits of the scheme;*
- *Financial benefits of the scheme supported by detailed calculations to demonstrate the payback period of the investment;”*

4.2.6 The Commission vide its Order dated 29.12.2023, approved the Resource Plan of TGDISCOMs of the Control Period i.e. from FY2024-25 to FY2028-29 after carrying out the detailed analysis of the Capital Expenditure schemes submitted by TGDISCOMs.

4.2.7 Further, Clause 80 of Regulation No. 02 of 2023 details the provisions specifically related to distribution Capital Investment Plan, requirements and necessary documents need to be submitted before the Commission for approval of Capital Investment Plan. The relevant para of clause 80 is stipulated below:

*“80.1 The distribution licensee shall submit a detailed Capital Investment Plan, financing plan and physical targets for each Year of the Control Period for strengthening and augmentation of its distribution network, meeting the requirement of load growth, reduction in distribution losses, improvement in quality of supply, reliability, metering, reduction in congestion, etc., to the Commission for approval, as a part of the Multi-Year Tariff Petition for the entire Control Period.*

*80.2 The Capital Investment Plan shall be a least cost plan for undertaking investments and shall cover all capital expenditure projects of a value exceeding Rs.10 crore or such other amount as may be stipulated by the Commission from time to time and shall be in such form as may be stipulated by the Commission from time to time.*

*80.3 The Capital Investment Plan shall be accompanied by such information, particulars and documents as may be required including but not limited to the information such as number of distribution sub-stations, consumer sub-stations, transformation capacity in MVA and details of distribution transformers of different capacities, HT:LT ratio as well as distribution line length showing the need for the proposed investments, alternatives considered, cost-benefit analysis and other aspects that may have a bearing on the Wheeling Charges.*

*80.4 The Commission shall consider the Capital Investment Plan along with the Multi-Year Aggregate Revenue Requirement for the entire Control Period submitted by the distribution licensee taking into consideration the prudence of the proposed expenditure and estimated impact on Wheeling Charges.”*

4.2.8 It is observed that TGDISCOMs have not submitted any details regarding the capital investment proposed for the period FY2024-25 to FY2028-29. The Commission has sought information from TGDISCOMs to provide the scheme details of capex proposed, its preparedness along with proposed source of financing for each scheme. Further, the Commission also sought information



from TGDISCOMs to provide the justification of variance in figures from Resource Plan Order dated 29.12.2023 approved by the Commission.

4.2.9 TGSPDCL in its reply submitted that the base capex approved under Resource Plan is not adequate to meet the increased demand of Telangana as the base capex for FY2023-24 has already crossed the base capex (FY2024-25), approved in the Resource Plan for FY2024-25 to FY2028-29. Therefore, TGSPDCL has recomputed its base capex requirement and projected requirement based on actual figures available till date. Further, there is also variance in capex, due to introduction of smart meter capex requirements which was not envisaged earlier during Resource Plan approval. The other capex is proposed in line to Resource Plan approval.

4.2.10 TGNPDCL in its reply submitted that the base capex and other capex is projected as per approved Resource Plan Order dated 29.12.2023. The difference in the capex investment plan is only due to addition of capex proposed towards installation of smart meters.

4.2.11 The Commission observed that TGSPDCL has not provided appropriate justification for the variance in the capex investment plan (Base Capex) from the approved Resource Plan Order dated 29.12.2023. Further, TGDISCOMs have not complied with Clause 80 of Regulation No. 2 of 2023 and has not provide the details of schemes proposed. Thus, in the light of limited information made available to the Commission by TGDISCOMs, the Commission has considered the base capex and other capex for both the TGDISCOMs as approved by the Commission in Resource Plan Order dated 29.12.2023.

4.2.12 With regard to smart meters, TGDISCOMs submitted that the proposal is put forward before the State Government for the approval. In view of uncertainty in the capex investment towards the smart meters and directives issued by the Commission regarding smart meter implementations, the Commission defers the investment proposed towards smart meters. The Petitioner may approach the Commission for approval of capex investment towards smart meters, after the approval of proposal submitted to the GoTG.

4.2.13 The capex investment proposed by TGDISCOMs and approved by the Commission for the period from FY2024-25 to FY2028-29 is shown in table below:

**Table 4-3: Capital Investment Plan approved by Commission for FY2024-25 to FY2028-29**

(Rs.in crore)

Particulars	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29	Total
<b>Claimed</b>						
<b>TGSPDCL</b>						
Base Capex	2,102.30	2,574.07	2,947.79	3,268.56	3,834.41	14,727.13
Smart Meter Capex	2,051.24	2,461.49	3,418.73	3,008.48	2,734.98	13,674.92
Other Capex	640.08	749.88	827.74	902.64	934.86	4,055.21
<b>Total Capex</b>	<b>4,793.62</b>	<b>5,785.44</b>	<b>7,194.27</b>	<b>7,179.68</b>	<b>7,504.24</b>	<b>32,457.26</b>
<b>TGNPDCL</b>						
Base Capex	919.89	1,047.04	1,206.58	1,335.84	1,592.14	6,101.48
Smart Meter Capex	356.00	534.00	1,246.00	820.00	604.00	3,560.00
Other Capex	307.64	365.83	434.81	511.64	534.60	2,154.52
<b>Total Capex</b>	<b>1,583.53</b>	<b>1,946.87</b>	<b>2,887.39</b>	<b>2,667.49</b>	<b>2,730.74</b>	<b>11,816.01</b>
<b>Approved</b>						
<b>TGSPDCL</b>						
Base Capex	1,532.86	1,667.52	1,780.29	1,906.55	2,065.92	8953.14
Smart Meter Capex	-	-	-	-	-	-
Other Capex	640.08	749.88	827.74	902.64	934.86	4055.21
<b>Total Capex</b>	<b>2172.94</b>	<b>2417.40</b>	<b>2608.03</b>	<b>2809.19</b>	<b>3000.77</b>	<b>13008.35</b>
<b>TGNPDCL</b>						
Base Capex	919.89	1,047.04	1,206.58	1,335.84	1,592.14	6101.48
Smart Meter Capex	-	-	-	-	-	-
Other Capex	307.64	365.83	434.81	511.64	534.60	2154.52
<b>Total Capex</b>	<b>1227.53</b>	<b>1412.87</b>	<b>1641.39</b>	<b>1847.49</b>	<b>2126.74</b>	<b>8256.01</b>

### 4.3 Capitalisation

#### Petitioner's Submissions

4.3.1 TGDISCOMs submitted that based on the capex investment proposed, the capitalisation proposed for the Control Period from FY2024-25 to FY2028-29 is as follows:

**Table 4-4: Capitalisation claimed for FY2024-25 to FY2028-29 by TGSPDCL**

(Rs.in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Opening Balance of Capital Working in Progress	1,696.01	2,808.70	3,699.64	4,684.63	5,078.91
Total Capital Expenditure	4,793.62	5,785.44	7,194.27	7,179.68	7,504.24
Expenses Capitalized	361.00	436.00	542.00	541.00	566.00
IDC	55.00	66.00	82.00	82.00	86.00
Transfer to fixed assets	4,096.93	5,396.51	6,833.27	7,408.40	7,852.08
Closing CWIP	2,808.70	3,699.64	4,684.63	5,078.91	5,382.00

**Table 4-5: Capitalisation claimed for FY2024-25 to FY2028-29 by TGNPDCL**

(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Opening Balance of Capital Working in Progress	2,018.15	1,998.36	2,195.37	2,829.56	3,014.46
Total Capital Expenditure	1,583.53	1,946.87	2,887.39	2,667.49	2,730.74
Expenses Capitalized	121.00	132.00	170.00	136.00	122.00
IDC	117.00	141.00	184.00	159.00	143.00
Transfer to fixed assets	1,841.32	2,022.85	2,607.20	2,777.58	2,882.20
Closing Capital Working in Progress	1,998.36	2,195.37	2,829.56	3,014.46	3,127.00

4.3.2 The capitalisation for each year of the FY2024-25 to FY2028-29 is considered as the percentage of opening CWIP and capital expenditure proposed during the financial year. TGDISCOMs has considered the same percentage ratio for determination of capitalisation as approved in Resource Plan Order dated 29.12.2023.

**Commission's View**

4.3.3 The Commission has considered the Closing Balance of Capital Work in Progress (CWIP) for FY2022-23 approved in the Annual Performance Review (APR) Order for FY2022-23 dated 07.06.2024 as opening balance for FY2023-24. The opening balance for the first year of the control period i.e. FY2024-25 is arrived by considering the capitalisation approved for FY2023-24 in MYT Order dated 29.04.2020.

4.3.4 For determination of capitalisation for each year of the Control period, the Commission has considered the same percentage of opening CWIP and capital expenditure as approved in the Resource Plan Order dated 29.12.2023.

4.3.5 The Commission has determined the expenses capitalized for each year of the Control Period by applying the same percentage of capitalized expenses, as claimed by the petitioner, to the projected O&M expenses. Similarly, interest during construction (IDC) has been calculated in proportion to the estimated total capital expenditure (capex) of the petitioner, compared to the capex approved by the Commission in this Order. As a result, there is a slight variation in the approved capitalized expenses and IDC compared to the Resource Plan Order.

4.3.6 The capitalisation proposed by TGDISCOMs and approved by the Commission for the period from FY2024-25 to FY2028-29 is as follows:

**Table 4-6: Capitalisation claimed and approved for FY2024-25 to FY2028-29 by TGSPDCL**  
(Rs.in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Claimed</b>					
Opening Balance of Capital Working in Progress	1,696.01	2,808.70	3,699.64	4,684.63	5,078.91
Total Capital Expenditure	4,793.62	5,785.44	7,194.27	7,179.68	7,504.24
Expenses Capitalized	361.00	436.00	542.00	541.00	566.00
IDC	55.00	66.00	82.00	82.00	86.00
Transfer to fixed assets	4,096.93	5,396.51	6,833.27	7,408.40	7,852.08
Closing Balance of Capital Working in Progress	2,808.70	3,699.64	4,684.63	5,078.91	5,383.08
<b>Approved</b>					
Opening Balance of Capital Working in Progress	1,696.01	1,718.33	1,853.76	1,995.56	2,133.62
Total Capital Expenditure	2,172.94	2,417.40	2,608.03	2,809.19	3,000.77
Expenses Capitalized	330.89	394.45	414.87	409.01	423.03
IDC	24.93	27.58	29.73	32.08	34.39
Transfer to fixed assets	2,506.45	2,704.00	2,910.83	3,112.23	3,317.48
Closing Balance of Capital Working in Progress	1,718.33	1,853.76	1,995.56	2,133.62	2,274.34

**Table 4-7: Capitalisation claimed and approved for FY2024-25 to FY2028-29 by TGNPDCL**  
(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Claimed</b>					
Opening Balance of Capital Working in Progress	2,018.15	1,998.36	2,195.37	2,829.56	3,014.46
Total Capital Expenditure	1,583.53	1,946.87	2,887.39	2,667.49	2,730.74
Expenses Capitalized	121.00	132.00	170.00	136.00	122.00
IDC	117.00	141.00	184.00	159.00	143.00
Transfer to fixed assets	1,841.32	2,022.85	2,607.20	2,777.58	2,882.20
Closing Capital Working in Progress	1,998.36	2,195.37	2,829.56	3,014.46	3,128.00
<b>Approved</b>					
Opening Balance of Capital Working in Progress	2,018.15	1,793.00	1,782.96	1,903.86	2,063.00
Total Capital Expenditure	1,227.53	1,412.87	1,641.39	1,847.49	2,126.74
Expenses Capitalized	108.73	117.62	129.17	102.41	91.13
IDC	90.70	102.33	104.60	110.12	111.37
Transfer to fixed assets	1,652.10	1,642.85	1,754.25	1,900.89	2,106.30
Closing Capital Working in Progress	1,793.00	1,782.96	1,903.86	2,063.00	2,285.94

#### 4.4 Operation and Maintenance (O&M) Expenses

##### *Petitioner's Submissions*

- 4.4.1 TGDISCOMs submitted that the Employee expenses for FY2024-25 to FY2028-29 has been arrived by considering salary of FY2023-24 and escalating the same by 7% on year-on-year basis. Further, a pay revision of 20% is projected with effect from FY2026-27. TGDISCOMs have also projected Pension benefit increment at 8% year on year basis for each financial year of the Control Period.

4.4.2 TGDISCOMs submitted that A&G Expenses for the first year of the Control Period is arrived by calculating the average of the actual A&G Expenses for last 4 years (FY2019-20 to FY2022-23) and escalating the result with WPI inflation rate three times.

4.4.3 In regard to R&M Expenses, the ratio of R&M Expenses to the opening GFA for FY2022-23 (actuals) is considered to derive the 'k' factor and further escalated with inflation factor to determine the R&M Expenses for FY2024-25 to FY2028-29.

4.4.4 The O&M expenses claimed by TGDISCOMs for the period from FY2024-25 to FY2028-29 is as follows:

**Table 4-8: Operation and Maintenance Expenses claimed by TGDISCOMs**

(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>TGSPDCL</b>					
Employee Cost	3510.72	3763.4	4786.99	5131.65	5501.2
A&G cost	187.48	196.49	205.92	215.81	226.17
R&M Cost	213.69	256.32	310.3	368.82	430.84
<b>O&amp;M Expenses</b>	<b>3911.89</b>	<b>4216.21</b>	<b>5303.21</b>	<b>5716.28</b>	<b>6158.21</b>
<b>TGNPDCL</b>					
Employee Cost	2,559.54	2,742.27	3,486.53	3,735.50	4,002.30
A&G cost	229.66	240.69	252.24	264.35	277.05
R&M Cost	130.20	153.71	179.54	212.82	248.28
<b>O&amp;M Expenses</b>	<b>2,919.40</b>	<b>3,136.67</b>	<b>3,918.31</b>	<b>4,212.68</b>	<b>4,527.64</b>

### Commission's View

4.4.5 Clause 81 of Regulation No. 2 of 2023 details the provisions related to O&M Expenses. The relevant para of Clause 80 is reproduced below:

**"81 Operation and Maintenance (O&M) expenses**

**"81. OPERATION AND MAINTENANCE COSTS**

81.1 The Operation and Maintenance Expense for Distribution Business shall comprise of the following:

Employee Cost including unfunded past liabilities of pension and gratuity;

Repairs and Maintenance (R&M) expenses; and

Administrative and General (A&G) expenses.

81.2 The O&M expenses for distribution licensee for each year of the Control Period shall be approved based on the formula shown below:

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

Where,

O&M<sub>n</sub> – Operation and Maintenance expense for the nth year;

EMP<sub>n</sub> – Employee Cost for the nth year;

R&M<sub>n</sub> – Repair and Maintenance Costs for the nth year;

A&G<sub>n</sub> – Administrative and General Costs for nth year;

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

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

$$R\&M_n = k (\text{GFAn}) \times (\text{WPI Inflation});$$

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

Where,

EMP<sub>n-1</sub> – Employee Costs for (n-1)th year;

*'k' is constant specified by the Commission in %. Value of k each year of control period shall be determined by the Commission in MYT Order based on the distribution licensee's filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;*

*GFA<sub>n</sub> – Opening Gross Fixed Asset of the distribution system for nth year;*

*A&G<sub>n-1</sub> – Administrative and General Cost for (n-1)th year;*

*CPI – is point to point change in Consumer Price Index for Industrial Workers (all India) as per Labour Bureau, Government of Indi; in case CPI Inflation is negative, the escalation /change shall be 0%;*

*WPI -is the point change in the Wholesale Price Index (WI) as per the Office of Economic Advisor of Government of India;*

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

.....”

4.4.6 The Commission sought information from TGDISCOMs to provide the basis and justification of considering the following while computation of Employee Expenses:

- 7% year on year for projecting employee expenses for the O&M expenses;
- 20% Pay revision for FY2026-27;
- 8% Pension benefit increment growth over year for each control period.

4.4.7 Further, it is observed that methodology adopted by TGDISCOMs for computation of O&M Expenses is not in accordance to clause 81.3 of Regulation 02 of 2023. The Commission sought information from TGDISCOMs to recompute O&M Expenses strictly as per the provisions of the Regulation.

#### **Employee Expenses**

4.4.8 TGDISCOMs submitted that historically, the Employee Expenses has been increasing at the rate ~7% (DA's & Increments and encashments) year on year, hence the same had been considered. Further, in FY2026-27, wage revision is envisaged which will be an increase of 20% on the existing salaries. Similarly increment in pension benefit has been historically close to 8% year on year basis.

4.4.9 TGDISCOMs further added that in case the Employee Expenses is computed strictly as per the formula provided in Regulation No. 2 of 2023, all the above factors mentioned above cannot be factored in and the Employee Expenses so derived would be under estimated.

4.4.10 TGDISCOMs further submitted that except for Employee Expense, all other components of O&M expense have been computed as per formula provided in Regulation 2 of 2023 and requested the Commission to allow O&M Expenses as proposed in the Petition.

4.4.11 The Commission has scrutinised the O&M expenses claimed by the Petitioner and reply submitted by the Petitioner in compliance to additional information sought by the Commission. The Commission observed that O&M Expenses claimed by TGDISCOMs is not in accordance with Clause 81 of Regulation No. 2 of 2023.

4.4.12 The Commission observed that the Petitioner has submitted that Employee Expenses is computed including past liabilities of pension and gratuity and unfunded past liabilities of pension and gratuity as claimed by the TGDISCOMs is Nil.

4.4.13 The Commission has scrutinized the trued-up expenses and observed that there is no abnormal expense in the preceding Control Period. In accordance to proviso of Clause 81.3 of Regulation No. 2 of 2023, the Commission has recomputed the Employee Expenses for FY2024-25, by considering the average of trued-up expenses after adding/deducting the share of efficiency gains/losses, for the immediately preceding Control Period till FY2022-23 and approved values for FY2023-24. The average employee expenses have been duly escalated thrice with average CPI inflation factor of last 5 financial years (FY2019-20 to FY2023-24) to arrive at Employee expenses for FY2024-25. As the employee expenses have been arrived by considering the average of employee expenses of last five years, the Commission has considered the average CPI Inflation factor of last 5 financial years.

4.4.14 The Employee Expenses of each financial year for FY2025-26 to FY2028-29 is computed by escalating the above derived value of Employee expenses by average CPI inflation factor (5.79%) of last 5 financial years (FY2019-20 to FY2023-24). The Employee Expenses approved by the Commission for the period FY2024-25 to FY2028-29 are as shown below:

**Table 4-9: Employee expenses as approved for the period of FY2024-25 to FY2028-29**  
(Rs.in crore)

Particulars		2024-25	2025-26	2026-27	2027-28	2028-29
<b>TGSPDCL</b>						
Employee Cost (n-1)	(a)	-	3162.37	3345.49	3539.21	3744.15
CPI Inflation Factor	(b)	-	1.0579	1.0579	1.0579	1.0579
Employee Cost (n)	c=(a*b)	*3162.37	3345.49	3539.21	3744.15	3960.96
<b>TGNPDCL</b>						
Employee Cost (n-1)	(a)	-	2360.89	2497.60	2642.23	2795.22
CPI Inflation Factor	(b)	-	1.0579	1.0579	1.0579	1.0579
Employee Cost (n)	c=(a*b)	*2360.89	2497.60	2642.23	2795.22	2957.08

\*The employee cost of the first year of the Control Period i.e. FY2024-25 is derived from the average of employee expenses for 4<sup>th</sup> Control period escalated twice with CPI inflation factor.

### A&G Expenses

4.4.15 The Commission has recomputed the A&G Expenses for FY2024-25, by considering the average of trued-up A&G expenses after adding/deducting the share of efficiency gains/losses, for the immediately preceding Control Period till FY2022-23 and approved values for FY2023-24. The average A&G expenses have been duly escalated thrice with average WPI inflation factor of last 5 financial years (FY2019-20 to FY2023-24) to arrive at A&G expenses for FY2024-25. As the A&G expenses have been arrived by considering the average of A&G expenses of last five years, the Commission has considered the average WPI Inflation factor of last 5 financial years. The A&G Expenses of each financial year for FY2025-26 to FY2028-29 is computed by escalating the above derived value of A&G expenses by average WPI inflation factor (4.93%) of last 5 financial years (FY2019-20 to FY2023-24). The A&G Expenses approved by the Commission for the period FY2024-25 to FY2028-29 are as shown below

**Table 4-10: A&G expenses as approved for the period of FY2024-25 to FY2028-29**

(Rs.in crore)

Particulars		2024-25	2025-26	2026-27	2027-28	2028-29
<b>TGSPDCL</b>						
A&G cost (n-1)	(a)	-	217.64	228.38	239.64	251.47
WPI Inflation Factor	(b)	-	1.0493	1.0493	1.0493	1.0493
A&G cost (n)	(c)= (a*b)	*217.64	228.38	239.64	251.47	263.87
<b>TGNPDCL</b>						



Particulars		2024-25	2025-26	2026-27	2027-28	2028-29
A&G cost (n-1)	(a)	-	135.41	142.09	149.10	156.45
WPI Inflation Factor	(b)	-	1.0493	1.0493	1.0493	1.0493
A&G cost (n)	(c)= (a*b)	*135.41	142.09	149.10	156.45	164.17

\*The A&G expenses of the first year of the Control Period i.e. FY2024-25 is derived from the average of A&G expenses for 4<sup>th</sup> Control period escalated twice with WPI inflation factor.

4.4.16 With regard to R&M Expenses, the Commission has computed the 'k' factor based on the approved R&M Expenses as the percentage of opening GFA (approved) at beginning of each year of the 4<sup>th</sup> Control Period. The normative R&M Expenses of each financial year for the period FY2024-25 to FY2028-29 is computed by multiplying the opening GFA, with 'k' factor derived above and average WPI inflation factor of last 5 financial years which is being escalated for each year of the period FY2024-25 to FY2028-29.

**Table 4-11: R&M expenses as approved for the period of FY2024-25 to FY2028-29**

(Rs.in crore)

Particulars		2024-25	2025-26	2026-27	2027-28	2028-29
<b>TGSPDCL</b>						
GFA (n)	(a)	21774.18	24280.62	26984.62	29895.45	33007.68
WPI Inflation Factor	(b)	1.0493	1.0493	1.0493	1.0493	1.0493
K-Factor	(c)	0.90%	0.90%	0.90%	0.90%	0.90%
R&M Cost (n)	(d)=(a*b*c)	205.55	240.52	280.49	326.08	377.79
<b>TGNPDCL</b>						
GFA(n)	(a)	10062.83	11714.93	13357.78	15112.04	17012.92
WPI Inflation Factor	(b)	1.0493	1.0493	1.0493	1.0493	1.0493
K-Factor	(c)	1.20%	1.20%	1.20%	1.20%	1.20%
R&M Cost (n)	(d)=(a*b*c)	127.15	155.33	185.85	220.63	260.64

4.4.17 The Gross O&M Expenses approved by the Commission for FY2024-25 to FY2028-29 are as shown in table below:

**Table 4-12: Gross O&M expenses claimed and approved for FY2024-25 to FY2028-29**

(Rs.in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Claimed</b>					
<b>TGSPDCL</b>					
Employee Cost	3510.72	3763.4	4786.99	5131.65	5501.2
A&G cost	187.48	196.49	205.92	215.81	226.17
R&M Cost	213.69	256.32	310.3	368.82	430.84
<b>O&amp;M Expenses</b>	<b>3911.89</b>	<b>4216.21</b>	<b>5303.21</b>	<b>5716.28</b>	<b>6158.21</b>
<b>TGNPDCL</b>					
Employee Cost	2,559.54	2,742.27	3,486.53	3,735.50	4,002.30

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A&G cost	229.66	240.69	252.24	264.35	277.05
R&M Cost	130.20	153.71	179.54	212.82	248.28
<b>O&amp;M Expenses</b>	<b>2,919.40</b>	<b>3,136.67</b>	<b>3,918.31</b>	<b>4,212.68</b>	<b>4,527.64</b>
<b>Approved</b>					
<b>TGSPDCL</b>					
Employee Cost	3,162.37	3,345.49	3,539.21	3,744.15	3,960.96
A&G cost	217.64	228.38	239.64	251.47	263.87
R&M Cost	205.55	240.52	280.49	326.08	377.79
<b>O&amp;M Expenses</b>	<b>3,585.56</b>	<b>3,814.39</b>	<b>4,059.35</b>	<b>4,321.70</b>	<b>4,602.63</b>
<b>TGNPDCL</b>					
Employee Cost	2,360.89	2,497.60	2,642.23	2,795.22	2,957.08
A&G cost	135.41	142.09	149.10	156.45	164.17
R&M Cost	127.15	155.33	185.85	220.63	260.64
<b>O&amp;M Expenses</b>	<b>2,623.45</b>	<b>2,795.02</b>	<b>2,977.17</b>	<b>3,172.31</b>	<b>3,381.90</b>

## 4.5 Depreciation

### *Petitioner's Submissions*

4.5.1 TGDISCOMs submitted that the depreciation for each financial year of the Control Period has been calculated considering the depreciation rate as per Regulation. The depreciation claimed by TGDISCOMs for FY2024-25 to FY2028-29 is as follows:

**Table 4-13: Depreciation Claimed for FY2024-25 to FY2028-29 by TGDISCOMs**

(Rs. in crore)

DISCOM	2024-25	2025-26	2026-27	2027-28	2028-29
TGSPDCL	976	1,205	1,526	1,903	2,310
TGNPDCL	430	514	645	790	956

### *Commission's View*

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

#### **"28 Depreciation**

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

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

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

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

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

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

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

28.2 Land other than the land held under lease and the land for reservoir in case of

*hydel Generating Station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the assets.*

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

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

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

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

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

.....”

- 4.5.3 As per clause 28.4 of MYT Regulation No 02 of 2023, the TGDISCOMs have not shown the depreciation separately for assets added up to 31.03.2024 and assets added on or after 01.04.2024. In line with the provisions of the regulation, the Commission has recomputed the depreciation on approved GFA based on straight line method and expected useful life specified in the Annexure I of the Regulation No. 02 of 2023. Further, the Commission has computed the depreciation separately for assets added up to 31.03.2024 and assets added on or after 01.04.2024 and summed up to derive the total depreciation of each financial year of FY2024-25 to FY2028-29.
- 4.5.4 Further, to derive the Consumer Contributions and Grants for each year of the Control Period, the Commission has considered the Consumer Contributions and Grants projected by the Petitioner. The actual Consumer Contribution and Grants will be considered while carrying out the truing up.
- 4.5.5 From the gross depreciation, the Depreciation corresponding to assets created by Consumer Contribution (CC) and grants are deduced to derive the net depreciation.
- 4.5.6 The loans taken over under UDAY comprise of Financial Restructuring Plan (FRP) loans availed to meet the payments towards power purchase and these costs of finance are not allowed by the Commission as a pass through under Distribution or Retail Supply Business in previous orders. Hence, the UDAY Amortization Impact is reduced to arrive at the net depreciation.

4.5.7 The gross depreciation as approved by the Commission for the period from FY2024-25 to FY2028-29 is as follows:

**Table 4-14: Gross Depreciation claimed and approved for FY2024-25 to FY2028-29 for TGDISCOMs**

(Rs.in crore)

DISCOM	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Claimed</b>					
TGSPDCL	976.00	1205.00	1526.00	1903.00	2310.00
TGNPDCL	430.00	514.00	645.00	790.00	956.00
<b>Approved</b>					
TGSPDCL	535.37	648.27	745.05	850.17	961.18
TGNPDCL	317.39	393.06	459.43	531.21	608.39

#### 4.6 Return on Equity (RoE)

##### *Petitioner's Submissions*

4.6.1 TGDISCOMs submitted that Return on Equity (ROE) is computed as per Regulation No. 2 of 2023. The opening equity base has been arrived considering 25% of the net block of fixed assets of previous year and addition of equity during the year is considered as 25% of addition to net fixed assets during the year.

4.6.2 TGDISCOMs have considered the base rate for Return on Equity as 14.00% and have not claimed any Tax on Return on Equity while computing the Return on Equity for each year of the control period (FY2024-25 to FY2028-29).

4.6.3 The Return on Equity claimed by TGDISCOMs for FY2024-25 to FY2028-29 is as follows:

**Table 4-15: Return on Equity (RoE) Claimed for FY2024-25 to FY2028-29 by TGSPDCL**

(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Regulatory Equity at the beginning of the year	1479	2296	3472	4930	6567
Capitalisation during the year	3302	4599	6030	6599	7034
Equity Portion of capitalisation during the year	825	1150	1508	1650	1758
Equity portion of fully depreciated assets	9	14	10	13	12
Regulatory Equity at the end of the year	2296	3432	4930	6537	8313
Rate of Return on Equity	14.00%	14.00%	14.00%	14.00%	14.00%
Return on Regulatory Equity at beginning of the year	207	321	481	690	919
Return on Regulatory Equity at additions during the year	58	80	106	115	123
<b>Total Return on Equity</b>	<b>264</b>	<b>401</b>	<b>585</b>	<b>805</b>	<b>1042</b>

**Table 4-16: Return on Equity (RoE) Claimed for FY2024-25 to FY2028-29 by TGNPDCL**

(Rs.in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Regulatory Equity at the beginning of the year	582	926	1321	1857	2433
Capitalisation during the year	1671	1841	2415	2573	2665
Equity Portion of capitalisation during the year	418	460	604	643	666
Equity portion of fully depreciated assets	74	65	68	67	100
Regulatory Equity at the end of the year	926	1321	1857	2433	2999
Rate of Return on Equity	14.00%	14.00%	14.00%	14.00%	14.00%
Return on Regulatory Equity at beginning of the year	82	130	185	260	341
Return on Regulatory Equity at additions during the year	24	28	38	40	40
<b>Total Return on Equity</b>	<b>106</b>	<b>157</b>	<b>222</b>	<b>300</b>	<b>380</b>

### **Commission's View**

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

***"29 Return on Equity***

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

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

*.....*

*(e) Distribution licensee: Base Return on Equity of 14% and additional Return on Equity up to 2% linked to Licensee's performance towards meeting standards of performance: Provided that the Commission at the time of true-up shall allow the additional Return on Equity up to 2% based on Licensee meeting the summary of overall performance standards as specified in Clause 1.11 of Schedule III of TSERC (Licensees' Standards of Performance) Regulations, 2016.*

*....."*

4.6.5 The Commission observed that TGDISCOMs have computed the opening equity by taking into account the GFA as per audited accounts instead of GFA approved in the previous orders of the Commission.

4.6.6 The Commission has recomputed the opening equity base for FY2024-25 based on the approved tried up closing equity for FY2022-23 and addition of equity base for FY2023-24 as approved by the Commission in MYT Order dated 29.04.2020.

4.6.7 The Commission has determined the opening equity base for FY2024-25 by taking the approved Gross Fixed Assets (GFA) as on 01.04.2024, and adjusting for accumulated depreciation, consumer contributions, and grants, based on a normative debt-equity ratio of 75:25. Furthermore, in accordance with Clause

27.1 of Regulation No. 2 of 2023, the Commission has applied the same 75:25 debt-to-equity ratio to the approved capitalisation, net of consumer contributions and grants, to calculate the equity addition for each year of the Control Period.

4.6.8 Rate of RoE: As per timelines specified in Regulation No.2 of 2023, TGDISCOMs had to file the petitions by 31.01.2024. However, TGDISCOMs have filed the petitions with delay and filed their respective petitions on 12.07.2024 (TGSPDCL) and 20.07.2024 (TGNDPDCL) with a delay of 163 days for TGSPDCL and delay of 171 days for TGNDPDCL. As per clause 29.2 of Regulation No.2 of 2023, in case the petitioner delays in filing the petition, there is provision for reduction in rate of Return on Equity by 0.5% per month or part thereof. Hence, the rate of RoE has to be reduced by 3.00% for all the years of 5th control period. Duly considering the advice given by the members during SAC meeting held on 05.10.2024 and since it is a first filing as per MYT Regulation No.2 of 2023, the Commission has taken a lenient view and restricted reduction of rate of RoE only for the first year of 5th control period i.e., FY 2024-25.

4.6.9 Thus, the Commission considered net allowable rate of RoE as 11.00% for first year of 5th control period and for subsequent four years of 5th control period rate of RoE is considered as 14%.

4.6.10 The Commission has observed that TGDISCOMs have not claimed tax on return on equity, thus the Commission has not grossed up the net allowable base rate.

4.6.11 The loans taken over under UDAY comprise of Financial Restructuring Plan (FRP) loans availed to meet the payments towards power purchase and these costs of finance were not allowed by the Commission as a pass through under Distribution or Retail Supply Business. The UDAY grant equity component has been amortized from regulated equity for each year of Control Period.

4.6.12 The gross Return on Equity as claimed by TGDISCOMs and approved by the Commission for the period from FY2024-25 to FY2028-29 are as follows:

**Table 4-17: Gross ROE claimed and approved for TGSPDCL**

(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Claimed</b>					
Regulatory Equity at the beginning of the year	1479	2296	3472	4930	6567
Net Capitalisation during the year	3302	4599	6030	6599	7034
Equity portion of capitalisation during the year	825	1150	1508	1650	1758
Equity portion of fully depreciated assets added in that Year	9	14	10	13	12
Regulatory Equity at the end of the year	2296	3432	4930	6537	8313
<b>Rate of Return on Equity</b>					
Base rate of Return on Equity	14%	14%	14%	14%	14%
Effective Income Tax rate	0%	0%	0%	0%	0%
Net Rate of Return on Equity	14%	14%	14%	14%	14%
<b>Return on Equity Computation</b>					
Return on Regulatory Equity at the beginning of the year	207	321	481	690	919
Return on Regulatory Equity addition during the year	58	80	106	115	123
<b>Total Return on Equity</b>	<b>264</b>	<b>401</b>	<b>585</b>	<b>805</b>	<b>1042</b>
<b>Approved</b>					
Regulatory Equity at the beginning of the year	1,407.23	1,834.93	2,311.18	2,837.60	3,412.85
Net Capitalisation during the year	1,711.45	1,906.00	2,106.83	2,302.23	2,499.48
Equity portion of capitalisation during the year	427.86	476.50	526.71	575.56	624.87
Regulatory Equity at the end of the year	1,835.09	2,311.59	2,838.30	3,413.85	4,038.72
<b>Rate of Return on Equity</b>					
Base rate of Return on Equity	14.00%	14.00%	14.00%	14.00%	14.00%
Reduction in Base ROE for delay in filling of Petition (6 Months)	3.0%	0.0%	0.0%	0.0%	0.0%
Allowable rate of Return on Equity	11.00%	14.00%	14.00%	14.00%	14.00%
Effective Income Tax rate	0%	0%	0%	0%	0%
Net Rate of Return on Equity	11.00%	14.00%	14.00%	14.00%	14.00%
<b>Return on Equity Computation</b>					
Return on Regulatory Equity at the beginning of the year	154.79	256.91	323.62	397.36	477.94
Return on Regulatory Equity addition during the year	23.53	33.35	36.87	40.29	43.74
<b>Less:</b>					
UDAY Grant on Equity Component	87.01	83.37	79.91	76.60	73.43
Impact of UDAY on ROE	9.57	11.67	11.19	10.72	10.28
<b>Total Return on Equity</b>	<b>168.76</b>	<b>278.60</b>	<b>349.30</b>	<b>426.93</b>	<b>511.40</b>

**Table 4-18: ROE claimed and approved for TGNPDCL**

(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Claimed</b>					
Regulatory Equity at the beginning of the year	582	926	1321	1857	2433
Net Capitalisation during the year	1671	1841	2415	2573	2665
Equity portion of capitalisation during the year	418	460	604	643	666
Equity portion of fully depreciated assets added in that Year	74	65	68	67	100

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Regulatory Equity at the end of the year	926	1321	1857	2433	2999
<b>Rate of Return on Equity</b>					
Base rate of Return on Equity	14%	14%	14%	14%	14%
Reduction in Base ROE for delay in filling of Petition (6 Months)					
Allowable rate of Return on Equity					
Effective Income Tax rate	0%	0%	0%	0%	0%
Net Rate of Return on Equity	14%	14%	14%	14%	14%
<b>Return on Equity Computation</b>					
Return on Regulatory Equity at the beginning of the year	82	130	185	260	341
Return on Regulatory Equity addition during the year	24	28	38	40	40
<b>Total Return on Equity</b>	<b>106</b>	<b>157</b>	<b>222</b>	<b>300</b>	<b>380</b>
<b>Approved</b>					
Regulatory Equity at the beginning of the year	624.85	995.12	1,360.34	1,750.65	2,174.62
Net Capitalisation during the year	1,481.10	1,460.85	1,561.25	1,695.89	1,889.30
Equity portion of capitalisation during the year	370.28	365.21	390.31	423.97	472.33
Regulatory Equity at the end of the year	995.12	1,360.34	1,750.65	2,174.62	2,646.95
<b>Rate of Return on Equity</b>					
Base rate of Return on Equity	14.00%	14.00%	14.00%	14.00%	14.00%
Reduction in Base ROE for delay in filling of Petition (6 Months)	3.0%	0.0%	0.0%	0.0%	0.0%
Allowable rate of Return on Equity	11.00%	14.00%	14.00%	14.00%	14.00%
Effective Income Tax rate	0%	0%	0%	0%	0%
Net Rate of Return on Equity	11.00%	14.00%	14.00%	14.00%	14.00%
<b>Return on Equity Computation</b>					
Return on Regulatory Equity at the beginning of the year	68.73	139.32	190.45	245.09	304.45
Return on Regulatory Equity addition during the year	20.37	25.56	27.32	29.68	33.06
<b>Less:</b>					
UDAY Grant on Equity Component	44.08	42.28	40.56	38.90	37.31
Impact of UDAY on ROE	4.85	5.92	5.68	5.45	5.22
<b>Total Return on Equity</b>	<b>84.25</b>	<b>158.96</b>	<b>212.09</b>	<b>269.32</b>	<b>332.29</b>

#### 4.7 Interest and Finance charges on Loans

##### *Petitioner's Submissions*

4.7.1 TGDSCOMs have submitted that the interest expenditure on account of long-term loans depends on the outstanding loan, repayments and prevailing interest rates on the outstanding loans. Further, the projected capital expenditure and their funding pattern also has a major bearing on the long-term interest expenditure. TGDSCOMs have computed the Interest and Finance Charges on Loan considering the normative opening loan, normative loan addition during the year and loan repayment equal to depreciation and average interest rate of



11%. The Interest and finance charges on Loan claimed by TGDISCOMs for FY2024-25 to FY2028-29 is summarised below:

**Table 4-19: Interest and finance charges on Loans claimed by TGSPDCL**

(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Opening Balance of Net Normative Loan	4480.09	5989.04	8238.70	11243.27	14297.41
Less: Reduction of Normative Loan due to retirement or replacement of assets	0.00	0.00	0.00	0.00	0.00
Addition of Normative Loan due to capitalisation during the year	2476.34	3448.92	4522.70	4949.52	5275.19
Repayment of Normative loan during the year	975.59	1205.41	1525.71	1902.65	2309.75
Equity Portion of GFA of fully depreciated assets depreciated	8.20	6.15	7.58	7.28	11.10
Closing Balance of Net Normative Loan	5989.04	8238.70	11243.27	14297.41	17273.95
Closing Balance of Gross Normative Loan					
Average Balance of Net Normative Loan	5234.57	7113.87	9740.98	12770.34	15785.68
Weighted average Rate of Interest on actual Loans (%)	10.22%	9.97%	9.98%	9.97%	9.99%
Interest	534.92	709.58	971.80	1272.56	1577.04
Finance charges	0.00	0.00	0.00	0.00	0.00
<b>Interest &amp; Finance charges</b>	<b>534.92</b>	<b>709.58</b>	<b>971.80</b>	<b>1272.56</b>	<b>1577.04</b>

**Table 4-20: Interest and finance charges on Loans claimed by TGNPDCL**

(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Opening Balance of Net Normative Loan	2869.30	3736.74	4642.81	5849.30	7028.99
Less: Reduction of Normative Loan due to retirement or replacement of assets					
Addition of Normative Loan due to capitalisation during the year	1253.06	1380.82	1810.91	1929.56	1998.59
Repayment of Normative loan during the year	430.23	513.70	645.10	790.33	955.59
Equity Portion of GFA of fully depreciated assets depreciated	44.61	38.95	40.68	40.47	59.93
Closing Balance of Net Normative Loan	3736.74	4642.81	5849.30	7028.99	8131.93
Closing Balance of Gross Normative Loan					
Average Balance of Net Normative Loan	3303.02	4189.78	5246.06	6439.15	7580.46
Weighted average Rate of Interest on actual Loans (%)	10.75%	10.75%	10.69%	10.64%	10.57%
Interest	355.15	450.50	560.84	685.04	801.50
Finance charges	0.00	0.00	0.00	0.00	0.00
<b>Interest &amp; Finance charges</b>	<b>355.15</b>	<b>450.50</b>	<b>560.84</b>	<b>685.04</b>	<b>801.50</b>

### Commission's View

4.7.2 Clause 31 of (Multi Year Tariff) Regulation 2 of 2023 specifies the provisions related to Interest and Finance Charges on Loan. The relevant extract of the Regulation is as follows:

*“31.1 The loans arrived at in the manner indicated in clause 27 on the assets put to use shall be considered as gross normative loan for calculation of interest on loan: Provided that in case of retirement or replacement or de-capitalisation of assets, the loan capital approved as mentioned above, shall be reduced to the extent of outstanding loan component of the original cost of such assets based on documentary evidence.*

*31.2 The normative loan outstanding as on 01.04.2024, shall be worked out by*

deducting the cumulative repayment as admitted by the Commission up to 31.03.2024, from the gross normative loan.

31.3 The loan repayment during each year of the Control Period shall be deemed to be equal to the depreciation allowed for that year, up to the ceiling of seventy five percent (75%) of asset cost or actual debt component used for funding such asset in case the debt funding is higher than seventy five percent (75%) of the asset cost.

31.4 Notwithstanding any moratorium period availed, the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed.

31.5 The rate of interest shall be the weighted average rate of interest computed on the basis of the actual long-term loan portfolio at the beginning of each year:

Provided that at the time of Truing-up, the weighted average rate of interest computed on the basis of the actual long-term loan portfolio during the concerned year shall be considered as the rate of interest:

Provided further that if there is no actual long-term loan for a particular year but normative long-term loan is still outstanding, the last available weighted average rate of interest for actual long-term loan shall be considered:

Provided also that if the generating entity or the licensee or the SLDC, as the case may be, does not have actual long-term loan even in the past, the weighted average rate of interest of its other Businesses regulated by the Commission shall be considered:

Provided also that if the generating entity or the licensee or the SLDC, as the case may be, does not have actual long-term loan, and its other Businesses regulated by the Commission also do not have actual long-term loan even in the past, then the weighted average rate of interest of the entity as a whole shall be considered:

Provided also that if the entity as a whole does not have actual long-term loan, then the Base Rate at the beginning of the respective year shall be considered as the rate of interest for the purpose of allowing the interest on the normative loan.

31.6 The interest on loan shall be computed on the normative average loan of the year by applying the weighted average rate of interest:

Provided that at the time of Truing-up, the normative average loan of the concerned year shall be considered on the basis of the actual asset capitalisation approved by the Commission for the year.

31.7 The above interest computation shall exclude interest on loan amount, normative or otherwise, to the extent of capital cost funded by Consumer Contribution, Deposit Works, Grants or Capital Subsidy.

31.8 The finance charges incurred for obtaining loans from financial institutions for any Year shall be allowed by the Commission at the time of Truing-up, subject to prudence check:

Provided that the finance charges such as credit rating charges, collection facilities charges, financing cost of delayed payment surcharge, bank charges and other finance charges of similar nature shall be part of A&G expenses.

31.9 The excess interest during construction on account of time and/or cost overrun as compared to the approved completion schedule and capital cost or on account of excess drawal of the debt funds disproportionate to the actual requirement based on Scheme completion status, shall be allowed or disallowed partly or fully on a case to case basis, after prudence check by the Commission based on the justification to be submitted by the Generating Company or Transmission Licensee or Distribution Licensee along with documentary evidence, as applicable:

Provided that where the excess interest during construction is on account of delay attributable to an agency or contractor or supplier engaged by the generating entity or the transmission licensee, any liquidated damages recovered from such agency or contractor or supplier shall be taken into account for computation of capital cost:

Provided further that the extent of liquidated damages to be considered shall depend on the amount of excess interest during construction that has been allowed by the Commission:

Provided also that the Commission may also take into consideration the impact of time overrun on the supply of electricity to the concerned Beneficiary.

31.10 The generating entity or the licensee or the SLDC, as the case may be, shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event, the costs associated with such re-financing shall be borne by the

*Beneficiaries and the net savings shall be shared between the Beneficiaries and them in the ratio of 2:1, subject to prudence check by the Commission:*

*Provided that refinancing shall not be done if such refinancing including other costs associated with such refinancing results in net increase in interest:*

*Provided further that if refinancing is done and it results in net increase on interest, then the rate of interest shall be considered equal to the Base Rate as on the date on which the Petition for determination of Tariff is filed:*

*Provided also that the re-financing shall not be subject to any conditions that are not in line with standard loan documents:*

*Provided also that the generating entity or the licensee or the SLDC, as the case may be, shall submit documentary evidence of the costs associated with such re-financing:*

*Provided also that the net savings in interest shall be computed after factoring all the terms and conditions, and based on the weighted average rate of interest of actual portfolio of loans taken from Banks and Financial Institutions recognised by the Reserve Bank of India, before and after re-financing of loans:*

*Provided also that the net savings in interest shall be calculated as an annuity for the term of the loan, and the annual net savings shall be shared between the entity and Beneficiaries in the specified ratio.*

.....”

4.7.3 The Commission has determined the opening loan base for FY2024-25 by taking the approved Gross Fixed Assets (GFA) as on 01.04.2024, adjusted for accumulated depreciation, consumer contributions, and grants, and apportioning it based on a debt-equity ratio of 75:25. Additionally, in accordance with Clause 27.1 of Regulation No. 2 of 2023, the Commission has applied the same 75:25 debt-equity ratio to the approved capitalisation during the year, net of consumer contributions and grants, to calculate the loan addition for each year of the Control Period.

4.7.4 The Commission sought information from TGSPDCL to clarify the basis for consideration of interest rate (10.20% for FY2025-26 & 10.0% for the rest of years of Control Period) while computing the Interest cost on along with details of long-term loan. Information was also sought on the details of actual long-term loan portfolio. Similarly, the Commission also sought information TGNPDCL to clarify the basis for consideration of interest rate (10.75% for first two years & gradual decline for rest of the years of Control Period) while computing the Interest cost on long term loan.

4.7.5 TGDISCOMs in their reply submitted that the interest rate is computed for each financial year of the Control Period by considering the yearly loan projections from FY2024-25 to FY2028-29. The interest rate for individual years has been determined by considering the average of opening balance and closing balance of each of the long-term loans and taking the weighted average interest rate from each source of the loan from the respective lending agency. Since, the

opening and the closing balance will change year on year, the interest rates vary slightly for each financial year of the Control Period.

4.7.6 TGSPDCL has projected lower interest rate for FY2024-25 when compared to FY2023-24 (actuals) and further reduced in future financial years of the Control Period. Similarly, TGNPDCL has projected lower interest rate for FY2024-25 when compared to FY2023-24 (actuals) and further reduced in future financial years of the Control Period. The Commission scrutinised the actual loan portfolio for FY2024-25 to FY2028-29. The Commission considered the interest rates as claimed by TGDISCOMs for determination of Interest and finance charges on loan, subject to prudence check at the time of truing up. The Gross Interest and Finance charges on loan approved by the Commission for the FY2024-25 to FY2028-29 is as follows:

**Table 4-21: Gross Interest and Finance charges on loan claimed and approved for TGSPDCL**

(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Claimed</b>					
Opening Balance of Net Normative Loan	4480.09	5989.04	8238.70	11243.27	14297.41
Less: Reduction of Normative Loan due to retirement or replacement of assets	0.00	0.00	0.00	0.00	0.00
Addition of Normative Loan due to capitalisation during the year	2476.34	3448.92	4522.70	4949.52	5275.19
Repayment of Normative loan during the year	975.59	1205.41	1525.71	1902.65	2309.75
Equity Portion of GFA of fully depreciated assets depreciated	8.20	6.15	7.58	7.28	11.10
Closing Balance of Net Normative Loan	5989.04	8238.70	11243.27	14297.41	17273.95
Closing Balance of Gross Normative Loan					
Average Balance of Net Normative Loan	5234.57	7113.87	9740.98	12770.34	15785.68
Weighted average Rate of Interest on actual Loans (%)	10.22%	9.97%	9.98%	9.97%	9.99%
Interest	534.92	709.58	971.80	1272.56	1577.04
Finance charges	0.00	0.00	0.00	0.00	0.00
<b>Interest &amp; Finance charges</b>	<b>534.92</b>	<b>709.58</b>	<b>971.80</b>	<b>1272.56</b>	<b>1577.04</b>
<b>Approved</b>					
Opening Balance of Net Normative Loan	4221.68	4969.44	5749.93	6584.20	7459.90
Less: Reduction of Normative Loan due to retirement or replacement of assets	0.00	0.00	0.00	0.00	0.00
Addition of Normative Loan due to capitalisation during the year	1283.59	1429.50	1580.13	1726.67	1874.61
Repayment of Normative loan during the year	535.37	648.31	745.05	850.17	961.18
Closing Balance of Net Normative Loan	4969.90	5751.08	6586.15	7462.66	8376.08
Closing Balance of Gross Normative Loan					
Average Balance of Net Normative Loan	4595.79	5360.49	6168.62	7024.41	7919.37
Weighted average Rate of Interest on actual Loans (%)	10.22%	9.97%	9.98%	9.97%	9.99%
Interest on Loans	469.64	534.69	615.41	699.98	791.17

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Finance charges	0.00	0.00	0.00	0.00	0.00
<b>Interest &amp; Finance charges</b>	<b>469.64</b>	<b>534.69</b>	<b>615.41</b>	<b>699.98</b>	<b>791.17</b>

**Table 4-22: Gross Interest and finance charges on Loans claimed and approved for TGNPDCL**

(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Claimed</b>					
Opening Balance of Net Normative Loan	2869.30	3736.74	4642.81	5849.30	7028.99
Addition of Normative Loan due to capitalisation during the year	1253.06	1380.82	1810.91	1929.56	1998.59
Repayment of Normative loan during the year	430.23	513.70	645.10	790.33	955.59
Equity Portion of GFA of fully depreciated assets depreciated	44.61	38.95	40.68	40.47	59.93
Closing Balance of Net Normative Loan	3736.74	4642.81	5849.30	7028.99	8131.93
Closing Balance of Gross Normative Loan					
Average Balance of Net Normative Loan	3303.02	4189.78	5246.06	6439.15	7580.46
Weighted average Rate of Interest on actual Loans (%)	10.75%	10.75%	10.69%	10.64%	10.57%
Interest	355.15	450.50	560.84	685.04	801.50
Finance charges	0.00	0.00	0.00	0.00	0.00
<b>Interest &amp; Finance charges</b>	<b>355.15</b>	<b>450.50</b>	<b>560.84</b>	<b>685.04</b>	<b>801.50</b>
<b>Approved</b>					
Opening Balance of Net Normative Loan	1874.54	2667.87	3370.26	4081.54	4822.04
Addition of Normative Loan due to capitalisation during the year	1110.83	1095.64	1170.94	1271.91	1416.98
Repayment of Normative loan during the year	317.39	393.06	459.43	531.21	608.39
Closing Balance of Net Normative Loan	2667.99	3370.56	4082.07	4822.77	5631.37
Average Balance of Net Normative Loan	2271.26	3019.27	3726.32	4452.42	5227.07
Weighted average Rate of Interest on actual Loans (%)	10.75%	10.75%	10.69%	10.64%	10.57%
Interest on Loans	244.22	324.64	398.37	473.68	552.67
Finance charges	0.00	0.00	0.00	0.00	0.00
<b>Interest &amp; Finance charges</b>	<b>244.22</b>	<b>324.64</b>	<b>398.37</b>	<b>473.68</b>	<b>552.67</b>

#### 4.8 Interest on Working Capital

##### *Petitioner's Submissions*

4.8.1 TGDISCOMs have claimed the Interest on Working Capital (IOWC) as per Clause 33.3 of Regulation No. 2 of 2023. TGDISCOMs have considered One-month normative O&M Expenses, One-month maintenance spares, receivables for 45 days, minus amount held as security deposits other than those in the form of Bank Guarantees, if any, from Distribution System Users to arrive at the total working capital requirement. Further, TGDISCOMs have considered rate of Interest on Working Capital as 10.15% i.e. 8.65% as 1-year SBI MCLR plus 150 basis points.

4.8.2 The Interest on Working Capital claimed by TGDISCOMs for FY2024-25 to FY2028-29 is as follows:

**Table 4-23: Interest on Working Capital claimed for FY2024-25 to FY2028-29 by TGSPDCL**  
(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	326	351	442	476	513
Maintenance Spares	271	325	393	467	545
Receivables	698	804	1037	1202	1377
<b>Less:</b>					
Security Deposits	0	0	0	0	0
Total Working Capital	1295	1480	1872	2145	2435
Interest Rate	10.15%	10.15%	10.15%	10.15%	10.15%
<b>Interest of Working Capital</b>	<b>131</b>	<b>150</b>	<b>190</b>	<b>218</b>	<b>247</b>

**Table 4-24: Interest on Working Capital claimed for FY2024-25 to FY2028-29 by TGNPDCL**  
(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
O&M Expenses	243	261	327	351	377
Maintenance Spares	102	120	141	167	194
Receivables	458	514	650	730	815
<b>Less:</b>					
Security Deposits	-	-	-	-	-
Total Working Capital	803	895	1117	1248	1386
Interest Rate	10.15%	10.15%	10.15%	10.15%	10.15%
<b>Interest of Working Capital</b>	<b>82</b>	<b>91</b>	<b>113</b>	<b>127</b>	<b>141</b>

### Commission's View

4.8.3 Clause 33.3 of Regulation No. 2 of 2023, specifies the provisions related to Interest on Working Capital. The relevant extract of the Regulation is as follows:

**“33.3 Distribution**

(a) The working capital requirement of the Distribution Wires Business shall cover:

(i) Normative Operation and Maintenance expenses for one (1) month;

(ii) Maintenance spares at one percent (1%) of the opening Gross Fixed Assets for the Year; and

(iii) Receivables equivalent to forty-five (45) days of the Aggregate Revenue Requirement; **minus**

(iv) Amount held as security deposits other than those in the form of Bank Guarantees, if any, from Distribution System Users:

.....

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

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

.....”

4.8.4 The Commission sought information from TGDISCOMs to provide the actual data of amount held as security deposits for FY2023-24 other than those in the form of Bank Guarantees. TGDISCOMs in their reply submitted there is no such amount held as Security Deposit other than bank guarantee.

4.8.5 The Commission has computed the working capital requirement in accordance of Clause 33.3 of Regulation No. 2 of 2023.

4.8.6 It is observed that the Rate of interest (10.15%) considered by TGDISCOMs for computation of interest on working capital is in accordance with Clause 33.6 of Regulation No. 2 of 2023. The Commission has considered the rate of interest of 10.15% on working capital requirement on normative basis in accordance with the Clause 33.6 of Regulation No. 2 of 2023 equal to Base Rate as on the date of filing of Petition plus 150 basis points. The Interest on Working Capital approved by the Commission for the period from FY2024-25 to FY2028-29 is as shown below:

**Table 4-25: Interest on Working Capital claimed and approved for TGSPDCL**

(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Claimed</b>					
O&M Expenses	326.00	351.00	442.00	476.00	513.00
Maintenance Spares	271.00	325.00	393.00	467.00	545.00
Receivables	698.28	804.35	1,037.51	1,202.07	1,376.70
<b>Less:</b>					
Security Deposits	-	-	-	-	-
Total Working Capital	1,295.28	1,480.35	1,872.51	2,145.07	2,434.70
Interest Rate	10.15%	10.15%	10.15%	10.15%	10.15%
Interest of Working Capital	<b>131.44</b>	<b>150.22</b>	<b>190.01</b>	<b>217.72</b>	<b>247.15</b>
<b>Approved</b>					
O&M Expenses	268.92	286.08	304.45	324.13	345.20
Maintenance Spares	50.66	61.24	72.56	84.82	97.89
Receivables	519.51	577.53	632.92	692.44	756.25
<b>Less:</b>					
Security Deposits	-	-	-	-	-
Total Working Capital	839.09	924.86	1,009.93	1,101.39	1,199.33
Interest Rate	10.15%	10.15%	10.15%	10.15%	10.15%
Interest of Working Capital	<b>85.17</b>	<b>93.87</b>	<b>102.51</b>	<b>111.79</b>	<b>121.73</b>

**Table 4-26: Interest on Working Capital claimed and approved for TGNPDCL**

(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Claimed</b>					
O&M Expenses	243.00	261.00	327.00	351.00	377.00
Maintenance Spares	102.00	120.00	141.00	167.00	194.00
Receivables	457.91	513.75	649.96	730.07	814.72
<b>Less:</b>					
Security Deposits	-	-	-	-	-
Total Working Capital	803.00	895.00	1,117.00	1,248.00	1,386.00
Interest Rate	10.15%	10.15%	10.15%	10.15%	10.15%
Interest of Working Capital	<b>82.00</b>	<b>91.00</b>	<b>113.00</b>	<b>127.00</b>	<b>141.00</b>
<b>Approved</b>					
O&M Expenses	196.76	209.63	223.29	237.92	253.64
Maintenance Spares	22.49	32.97	42.58	52.49	62.98
Receivables	347.95	392.91	434.69	479.19	527.12
<b>Less:</b>					
Security Deposits	-	-	-	-	-
Total Working Capital	567.20	635.50	700.56	769.61	843.74
Interest Rate	10.15%	10.15%	10.15%	10.15%	10.15%
Interest of Working Capital	<b>57.57</b>	<b>64.50</b>	<b>71.11</b>	<b>78.12</b>	<b>85.64</b>

## 4.9 Non-Tariff Income

### *Petitioner's Submissions*

4.9.1 TGDSICOMs have considered the actual Non-Tariff Income for FY2023-24 and escalated each item of Non-Tariff Income with a nominal growth rate of 2.00% on yearly basis to arrive at the Non-Tariff Income for the period from FY2024-25 to FY2028-29 as follows:

**Table 4-27: Non-Tariff Income as claimed for FY2024-25 to FY2028-29 by TGSPDCL**  
(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Incidental Charges- Work	118.53	120.90	123.32	125.79	128.31
Sales of Scrap	0.02	0.02	0.02	0.02	0.02
Penalties from Suppliers	7.03	7.17	7.31	7.46	7.61
SDs and BGs forfeited	11.69	11.92	12.16	12.40	12.65
Miscellaneous Income	9.60	9.79	9.99	10.19	10.39
Sales of tender Schedule	0.30	0.30	0.31	0.31	0.32
Rent from Fixed Assets	0.41	0.42	0.42	0.43	0.44
Meter Testing Charges	0.51	0.52	0.53	0.54	0.55
Registration Fee	5.29	5.40	5.51	5.62	5.73
Interest on Staff loans & advances	0.12	0.12	0.13	0.13	0.13
Penalty from Employees	0.05	0.05	0.05	0.05	0.06
<b>Total Non-Tariff Income</b>	<b>153.55</b>	<b>156.62</b>	<b>159.75</b>	<b>162.95</b>	<b>166.21</b>

**Table 4-28: Non-Tariff Income as claimed for FY2024-25 to FY2028-29 by TGNPDCL**  
(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Deferred Revenue Income	143.5	146.4	149.3	152.3	155.4
Interest on Staff Loans and Advances	0.84	0.86	0.87	0.89	0.91
Income from Investments	6.7	6.8	6.9	7.1	7.2
Interest of Advances to Suppliers/Contractors	0.00	0.00	0.00	0.00	0.00
Security Deposit/ Bank Guarantee forfeited	4.0	4.1	4.1	4.2	4.3
Fines/ Penalties from Supplies/Mat. Cust.	5.9	6.0	6.1	6.2	6.3
Other Miscellaneous Income	11.0	11.2	11.4	11.6	11.9
<b>Total Non-Tariff Income</b>	<b>171.8</b>	<b>175.3</b>	<b>178.8</b>	<b>182.3</b>	<b>186.0</b>

### **Commission's View**

4.9.2 Clause 82 of Regulation No. 2 of 2023 specifies provisions related to Non-Tariff Income. The relevant extract of the Regulation is as follows:

"82 Non-Tariff Income:

.....

82.2 The Non-Tariff Income shall include:

- a) Income from rent of land or buildings;
- b) Net income from sale of de-capitalised assets;
- c) Income from sale of scrap;
- d) Income from statutory investments;
- e) Interest income on advances to suppliers/contractors;
- f) Income from rental from staff quarters;
- g) Income from rental from contractors;
- h) Income from hire charges from contactors and others;
- i) Income from consumer charges levied in accordance with Schedule of Charges approved by the Commission;
- j) Supervision charges for capital works;
- k) Income from advertisements;



- l) Income from sale of tender documents;  
m) Any other Non-Tariff Income.

4.9.3 The Commission approves the Non-Tariff Income as claimed by TGDISCOMs subject to true-up based on actuals. The Non-Tariff Income approved by the Commission for the period FY2024-25 to FY2028-29 is as follows:

**Table 4-29: Non-Tariff Income claimed and approved for TGSPDCL**

(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Claimed</b>					
Incidental Charges- Work	116.21	120.90	123.32	125.79	128.31
Sales of Scrap	0.02	0.02	0.02	0.02	0.02
Penalties from Suppliers	6.89	7.17	7.31	7.46	7.61
SDs and BGs forfeited	11.46	11.92	12.16	12.40	12.65
Miscellaneous Income	9.41	9.79	9.99	10.19	10.39
Rent from Fixed Assets	0.29	0.42	0.42	0.43	0.44
Meter Testing Charges	0.51	0.52	0.53	0.54	0.55
Registration Fee	5.29	5.40	5.51	5.62	5.73
Interest on Staff loans & advances	0.12	0.12	0.13	0.13	0.13
<b>Total Non-Tariff Income</b>	<b>153.55</b>	<b>156.62</b>	<b>159.75</b>	<b>162.95</b>	<b>166.21</b>
<b>Approved</b>					
Incidental Charges- Work	118.53	120.90	123.32	125.79	128.31
Sale of Scrap	0.02	0.02	0.02	0.02	0.02
Penalties from Suppliers	7.03	7.17	7.31	7.46	7.61
SDs & BGs Forfeited	11.69	11.92	12.16	12.40	12.65
Miscellaneous Income	9.60	9.79	9.99	10.19	10.39
Sale of Tender Schedule	0.30	0.30	0.31	0.31	0.32
Rent from Fixed Assets	0.41	0.42	0.42	0.43	0.44
Meter Testing Charges	0.51	0.52	0.53	0.54	0.55
Registration Fees	5.29	5.40	5.51	5.62	5.73
Interest on Staff loans & Advances	0.12	0.12	0.13	0.13	0.13
Penalty from Employees	0.05	0.05	0.05	0.05	0.06
<b>Total Non-Tariff Income</b>	<b>153.55</b>	<b>156.62</b>	<b>159.75</b>	<b>162.95</b>	<b>166.21</b>

**Table 4-30: Non-Tariff Income claimed and approved for TGNPDCL**

(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Claimed</b>					
Deferred Revenue Income	143.5	146.4	149.3	152.3	155.4
Interest on Staff Loans and Advances	0.84	0.86	0.87	0.89	0.91
Income from Investments	6.7	6.8	6.9	7.1	7.2
Interest of Advances to Suppliers/Contractors	0.00	0.00	0.00	0.00	0.00
Security Deposit/ Bank Guarantee forfeited	4.0	4.1	4.1	4.2	4.3
Fines/ Penalties from Supplies/Mat. Cust.	5.9	6.0	6.1	6.2	6.3
Other Miscellaneous Income	11.0	11.2	11.4	11.6	11.9
<b>Total Non-Tariff Income</b>	<b>171.94</b>	<b>175.36</b>	<b>178.67</b>	<b>182.29</b>	<b>186.01</b>
<b>Approved</b>					
Deferred Revenue Income	143.5	146.4	149.3	152.3	155.4
Interest on Staff Loans and Advances	0.84	0.86	0.87	0.89	0.91
Income from Investments	6.7	6.8	6.9	7.1	7.2
Interest of Advances to Suppliers/Contractors	0.00	0.00	0.00	0.00	0.00
Security Deposit/ Bank Guarantee forfeited	4.0	4.1	4.1	4.2	4.3

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Fines/ Penalties from Supplies/Mat. Cust.	5.9	6.0	6.1	6.2	6.3
Other Miscellaneous Income	11.0	11.2	11.4	11.6	11.9
<b>Total Non-Tariff Income</b>	<b>171.94</b>	<b>175.36</b>	<b>178.67</b>	<b>182.29</b>	<b>186.01</b>

#### 4.10 Impact of APR/True-up for prior period

##### **Commission's View**

4.10.1 The Commission in its APR Order dated 07.06.2024 for FY 2022-23 has stated that the net gap/(surplus) of 4<sup>th</sup> Control Period shall be included for adjustment in the Tariff for subsequent Control Period. The relevant para of the Order is reproduced below:

##### **“4.12 RECOVERY OF REVENUE GAP/(SURPLUS)**

*4.12.1 As per Clause 10.5 of Regulation 04 of 2005 the Commission directs the Applicant to include and propose the adjustment mechanism of the total approved revenue surplus for TGSPDCL for Rs.1736.34 crore (gap of Rs.20.54crore for FY2019-20, surplus of Rs.253.05 crore for FY2020-21, surplus of Rs.1114.66 crore for FY2021-22 and surplus of Rs.389.17crore for FY2022-23) and revenue surplus for TGNPDCL for Rs.2227.42crore (surplus of Rs.384.76 crore for FY2019-20, surplus of Rs.354.02, surplus of Rs.634.03 crore and surplus of Rs 854.62 crore) in its end of control period review petition for 4th control period.”*

4.10.2 Therefore, the Commission will consider the impact of True-up for prior period (4th Control Period) on examination of APR petition for FY 2023-24.

#### 4.11 ARR for Distribution Business for FY2024-25 to FY2028-29

4.11.1 The Aggregate Revenue Requirement (ARR) claimed by TGDISCOMs for Distribution Business FY2024-25 to FY2028-29 is as follows:

**Table 4-31: ARR claimed by TGSPDCL for FY2024-25 to FY2028-29**

(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Operations and Maintenance Charges	3911.89	4216.21	5303.21	5716.28	6158.21
Depreciation	976.00	1205.00	1526.00	1903.00	2310.00
Interest and Finance Charges on Loan	534.92	709.58	971.80	1272.56	1577.04
Interest on Working Capital	131.44	150.22	190.01	217.72	247.15
Return on Equity	264.31	401.01	585.34	804.76	1041.60
<b>Less:</b>					
Non-Tariff Income	153.55	156.61	159.75	162.94	166.21
Income from Open Access Charges	1.21	1.19	1.28	1.27	1.24

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Net Distribution ARR</b>	<b>5663.80</b>	<b>6524.21</b>	<b>8415.32</b>	<b>9750.12</b>	<b>11166.55</b>

**Table 4-32: ARR claimed by TGNPDCL for FY2024-25 to FY2028-29**

(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Operations and Maintenance Charges	2919.40	3136.67	3918.31	4212.68	4527.64
Depreciation	430.00	514.00	645.00	790.00	956.00
Interest and Finance Charges on Loan	355.15	450.50	560.84	685.04	801.50
Interest on Working Capital	82	91	113	127	141
Return on Equity	105.49	157.17	222.38	300.17	380.08
<b>Less:</b>					
Non-Tariff Income	171.94	175.36	178.67	182.29	186.01
Income from Open Access Charges	6.00	7.00	9.00	11.00	12.00
<b>Net Distribution ARR</b>	<b>3714</b>	<b>4167</b>	<b>5272</b>	<b>5922</b>	<b>6608</b>

4.11.2 Based on analysis above, the Aggregate Revenue Requirement (ARR) for Distribution Business claimed and approved by the Commission for the Control Period i.e. for the period from FY2024-25 to FY2028-29 is as follows:

**Table 4-33: Gross ARR claimed and approved for TGSPDCL for FY2024-25 to FY2028-29**

(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Claimed</b>					
Operations and Maintenance Charges	3911.89	4216.21	5303.21	5716.28	6158.21
Depreciation	976.00	1205.00	1526.00	1903.00	2310.00
Interest and Finance Charges on Loan	534.92	709.58	971.80	1272.56	1577.04
Interest on Working Capital	131.44	150.22	190.01	217.72	247.15
Return on Equity	264.31	401.01	585.34	804.76	1041.60
<b>Less:</b>					
Non-Tariff Income	153.55	156.61	159.75	162.94	166.21
Income from Open Access Charges	1.21	1.19	1.28	1.27	1.24
<b>Net Distribution ARR</b>	<b>5663.80</b>	<b>6524.21</b>	<b>8415.32</b>	<b>9750.12</b>	<b>11166.55</b>
<b>Approved</b>					
Operations and Maintenance Charges	3227.00	3432.95	3653.41	3889.53	4142.36
Depreciation	481.83	583.48	670.55	765.15	865.06
Interest and Finance Charges on Loan	422.68	481.22	553.87	629.98	712.05
Interest on Working Capital	85.17	93.87	102.51	111.79	121.73
Return on Equity	151.88	250.74	314.37	384.23	460.26
<b>Less:</b>					
Non-Tariff Income	153.55	156.62	159.75	162.95	166.21
Income from Open Access Charges	1.21	1.19	1.28	1.27	1.24
<b>Net Distribution ARR</b>	<b>4213.80</b>	<b>4684.44</b>	<b>5133.68</b>	<b>5616.47</b>	<b>6134.02</b>

**Table 4-34: Gross ARR claimed and approved for TGNPDCL for FY2024-25 to FY2028-29**  
(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Claimed</b>					
Operations and Maintenance Charges	2627	2823	3526	3791	4075
Depreciation	387	462	581	711	860
Interest and Finance Charges on Loan	320	405	505	617	721
Interest on Working Capital	78	87	109	121	135
Return on Equity	95	142	200	270	342
<b>Less:</b>					
Non-Tariff Income	172	175	179	182	186
Income from Open Access Charges	6	7	9	11	12
<b>Net Distribution ARR</b>	<b>3329</b>	<b>3737</b>	<b>4733</b>	<b>5318</b>	<b>5935</b>
<b>Approved</b>					
Operations and Maintenance Charges	2361.10	2515.51	2679.46	2855.08	3043.71
Depreciation	285.65	353.76	413.49	478.09	547.55
Interest and Finance Charges on Loan	219.79	292.18	358.53	426.31	497.40
Interest on Working Capital	57.57	64.50	71.11	78.12	85.64
Return on Equity	75.82	143.07	190.88	242.39	299.06
<b>Less:</b>					
Non-Tariff Income	171.69	175.12	178.63	182.20	185.84
Income from Open Access Charges	6.00	7.00	9.00	11.00	12.00
<b>Net Distribution ARR</b>	<b>2822.25</b>	<b>3186.90</b>	<b>3525.84</b>	<b>3886.78</b>	<b>4275.51</b>

4.11.3 As per the Clause 77.1 of Regulation No.02 of 2023, the distribution licensees have to maintain the separate accounting records for Wheeling Business and Retail Supply Business and have to prepare an allocation statement to determine the Tariff separately. In case the accounting segregation has not been done between Wheeling Business and Retail Supply Business, the Aggregate Revenue Requirement shall be apportioned between Wheeling Business and Retail Supply Business as per following allocation matrix.

**Table 4-35: Allocation Matrix for Wheeling and Retail Supply Business of ARR**

Particular	Wheeling Business (%)	Retail Supply Business (%)
Power Purchase Expenses	0%	100%
Inter-State Transmission Charges	0%	100%
Intra-State Transmission Charges	0%	100%
Operation and Maintenance Expenses	90%	10%

Particular	Wheeling Business (%)	Retail Supply Business (%)
Depreciation	90%	10%
Interest and Finance Charges on Loan	90%	10%
Interest on Working Capital	90%	10%
Return on Equity	90%	10%

4.11.4 TGDISCOMs have not segregated the ARR between Wheeling Business and Retail Supply Business in Original filings. In the Corrigendum Petition submitted, the TGDISCOMs have allocated ARR as per the allocation Matrix at Clause 77.1 of Regulation No. 02 of 2023 as shown in Table below:

**Table 4-36: Revised ARR for Distribution Wheeling Business for TGSDPCL**

(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Operations and Maintenance Charges	3521	3795	4773	5145	5542
Depreciation	878	1085	1373	1712	2079
Interest and Finance Charges on Loan	481	639	875	1145	1419
Interest on Working Capital	122	138	175	201	229
Return on Equity	238	361	527	724	937
<b>Less:</b>					
Non-Tariff Income	138	141	144	147	150
Income from Open Access Charges	1	1	1	1	1
<b>Net Distribution ARR</b>	<b>5100</b>	<b>5875</b>	<b>7578</b>	<b>8780</b>	<b>10056</b>

**Table 4-37: Revised ARR for Distribution Wheeling Business for TGNDPCL**

(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Operations and Maintenance Charges	2627	2823	3526	3791	4075
Depreciation	387	462	581	711	860
Interest and Finance Charges on Loan	320	405	505	617	721
Interest on Working Capital	78	87	109	121	135
Return on Equity	95	142	200	270	342
<b>Less:</b>					
Non-Tariff Income	172	175	179	182	186
Income from Open Access Charges	6	7	9	11	12
<b>Net Distribution ARR</b>	<b>3329</b>	<b>3737</b>	<b>4733</b>	<b>5318</b>	<b>5935</b>

4.11.5 Based on the allocation matrix specified in the Regulation, the Commission has approved the ARR for the Control Period for the period from FY2024-25 to FY2028-29 for Distribution Wheeling Business as shown in tables below:

**Table 4-38: Net ARR for Distribution Wheeling Business approved for TGSPDCL***(Rs. in crore)*

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Approved</b>					
Operations and Maintenance Charges	3227.00	3432.95	3653.41	3889.53	4142.36
Depreciation	481.83	583.48	670.55	765.15	865.06
Interest and Finance Charges on Loan	422.68	481.22	553.87	629.98	712.05
*Interest on Working Capital	85.17	93.87	102.51	111.79	121.73
Return on Equity	151.88	250.74	314.37	384.23	460.26
<b>Less:</b>					
Non-Tariff Income	153.55	156.62	159.75	162.95	166.21
Income from Open Access Charges	1.21	1.19	1.28	1.27	1.24
<b>Net Distribution ARR</b>	<b>4213.80</b>	<b>4684.44</b>	<b>5133.68</b>	<b>5616.47</b>	<b>6134.02</b>

**Table 4-39: Net ARR for Distribution Wheeling Business approved for TGNPDCL***(Rs.in crore)*

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Approved</b>					
Operations and Maintenance Charges	2361.10	2515.51	2679.46	2855.08	3043.71
Depreciation	285.65	353.76	413.49	478.09	547.55
Interest and Finance Charges on Loan	219.79	292.18	358.53	426.31	497.40
*Interest on Working Capital	57.57	64.50	71.11	78.12	85.64
Return on Equity	75.82	143.07	190.88	242.39	299.06
<b>Less:</b>					
Non-Tariff Income	171.69	175.12	178.63	182.20	185.84
Income from Open Access Charges	6.00	7.00	9.00	11.00	12.00
<b>Net Distribution ARR</b>	<b>2822.25</b>	<b>3186.90</b>	<b>3525.84</b>	<b>3886.78</b>	<b>4275.51</b>

\*As per second proviso to clause 77.1 of MYT Regulation No 02 of 2023, the allocation matrix shall be applied for all or any of the heads of the expenditure, where actual accounting separation has not been done between distribution business and retail supply business. As per clause 33 of MYT Regulation No 02 of 2023 the interest on working capital has been computed separately for distribution business and retail supply business and hence the Commission has not considered any allocation of the same.

4.11.6 Based on the allocation matrix specified in the Regulation, the ARR allocated to the Retail Supply Business for the FY2024-25 to FY2028-29 as shown in tables below:

**Table 4-40: ARR allocated to Retail Supply Business for TGSPDCL***(Rs.in crore)*

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Approved</b>					
Operations and Maintenance Charges	358.56	381.44	405.93	432.17	460.26
Depreciation	53.54	64.83	74.51	85.02	96.12
Interest and Finance Charges on Loan	46.96	53.47	61.54	70.00	79.12
Interest on Working Capital	0.00	0.00	0.00	0.00	0.00
Return on Equity	16.88	27.86	34.93	42.69	51.14
<b>Less:</b>					
Non-Tariff Income	0.00	0.00	0.00	0.00	0.00

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Income from Open Access Charges	0.00	0.00	0.00	0.00	0.00
<b>Net Distribution ARR</b>	<b>475.93</b>	<b>527.60</b>	<b>576.91</b>	<b>629.88</b>	<b>686.64</b>

**Table 4-41: ARR allocated to Retail Supply Business for TGNPDCL**

(Rs.in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Approved</b>					
Operations and Maintenance Charges	262.34	279.50	297.72	317.23	338.19
Depreciation	31.74	39.31	45.94	53.12	60.84
Interest and Finance Charges on Loan	24.42	32.46	39.84	47.37	55.27
Interest on Working Capital	0.00	0.00	0.00	0.00	0.00
Return on Equity	8.42	15.90	21.21	26.93	33.23
<b>Less:</b>					
Non-Tariff Income	0.00	0.00	0.00	0.00	0.00
Income from Open Access Charges	0.00	0.00	0.00	0.00	0.00
<b>Net Distribution ARR</b>	<b>326.93</b>	<b>367.17</b>	<b>404.71</b>	<b>444.65</b>	<b>487.52</b>

#### 4.12 Contracted Capacity at consumer end

##### *Petitioner's Submissions*

4.12.1 The Petitioners have claimed the contracted capacity at consumer end as mentioned below:

**Table 4-42: Contracted capacity claimed by TGDISCOMs for FY2024-25 to FY2028-29**

(in MVA)

Particulars	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
TGSPDCL	10719	11435	12206	13034	13925
TGNPDCL	3788	3928	4074	4227	4386

##### *Commission's View*

4.12.2 The Commission has considered connected load at various voltage level as approved in the Resource Plan Order dated 29.12.2023. The Commission has applied the diversity factor of 0.8 for HT and 0.2 for LT to compute the contracted capacity at consumer end.

**Table 4-43: Voltage-wise Contracted capacity connected at voltage level for FY2024-25 to FY2028-29**

(in MVA)

Particulars	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
<b>TGSPDCL</b>					
33 kV	1633.75	1711.63	1793.59	1879.86	1970.70
11 kV	2740.97	2921.27	3113.49	3318.41	3536.90
LT	5015.43	5377.06	5768.05	6190.93	6648.44
<b>Total</b>	<b>9390.15</b>	<b>10009.95</b>	<b>10675.12</b>	<b>11389.20</b>	<b>12156.04</b>
<b>TGNPDCL</b>					
33 kV	189.83	197.50	205.53	213.95	222.76
11 kV	1130.96	1211.97	1299.40	1393.80	1495.77
LT	2468.89	2538.49	2610.25	2684.26	2760.59
<b>Total</b>	<b>3789.68</b>	<b>3947.95</b>	<b>4115.18</b>	<b>4292.00</b>	<b>4479.12</b>

## 4.13 Wheeling Charges and losses

### *Petitioner's Submissions*

4.13.1 TGDISCOMs submitted that as per Electricity (Amendment) Rules, 2024 dated 10.01.2024, Wheeling Charges may be computed irrespective of voltage levels similar to the transmission charges of transmission business. In accordance with the above said Rules, TGDISCOMs have proposed Wheeling Tariff irrespective of voltage level i.e. **Wheeling Charges = Annual Revenue Requirement (ARR) towards Wheeling Business / Contracted Capacity at consumer end.**

**Table 4-44: Wheeling Charges claimed by TGSPDCL for FY2024-25 to FY2028-29**

(Rs. in crore)

Particulars	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
Distribution ARR (Rs. Crore)	5100	5875	7578	8780	10056
Contracted Capacity at Consumer End (MVA)	10719	11435	12206	13034	13925
Wheeling Charges (Rs. /kVA/Month)	397	428	517	561	602

**Table 4-45: Wheeling Charges claimed by TGNPDCL for FY2024-25 to FY2028-29**

(Rs. in crore)

Particulars	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
Distribution ARR (Rs. Crore)	3329	3737	4733	5318	5935
Contracted Capacity at Consumer End (MVA)	3788	3928	4074	4227	4386
Wheeling Charges (Rs. /kVA/Month)	732	793	968	1049	1128

### **Commission's View**

4.13.2 Clause 79.2 of Regulation No. 2 of 2023 specifies provisions related to determination of Wheeling Charges. The relevant extract of the Regulation is as follows:

*"79.2 The Wheeling Charges of the Distribution Licensee shall be determined by the Commission on the basis of a Petition for determination of Tariff filed by the Distribution Licensee:*

*Provided that the Wheeling Charges shall be denominated in terms of Rupees/kVA/month for long-term and medium-term Open Access and in terms of Rupees/kVA/hr for short-term Open Access, for the purpose of recovery from the Distribution System User, or any such denomination, as may be stipulated by the Commission:*

*Provided further that the Wheeling Charges shall be determined separately for LT voltage, 11 kV voltage, and 33 kV voltage, as applicable.*

....."

4.13.3 The Commission observed that as per Electricity (Amendment) Rules, 2024 issued by Ministry of Power vide Notification dated 17.01.2024, the Appropriate Commission may determine wheeling charges at different voltage levels separately. The relevant extract of the above said Rules dated 17.01.2024 is reproduced below:



“(1) **Wheeling charges.** – Wheeling charges shall be computed as per following formula:  
 Wheeling Charge = Annual Revenue Requirement towards wheeling Energy wheeled during the year

**Provided that the Appropriate Commission may determine wheeling charges at different voltage level separately, in accordance with the above formula.”**

.....”

4.13.4 Further, Clause 79.2 of Regulation No. 2 of 2023, clearly specifies that the Wheeling Charges shall be determined separately for LT voltage, 11 kV voltage, and 33 kV voltage.

4.13.5 In accordance with Clause 79.2 of Regulation No. 2 of 2023, the Commission has computed the Wheeling Charges for the Control period i.e. FY2024-25 to FY2028-29.

- The year wise approved ARR for each year of the Control Period, i.e. FY2024-25 to FY2028-29 has been allocated amongst 33 kV, 11 kV and LT voltage levels;
- Having allocated the components of ARR among each voltage, the cost attributable for each voltage has been computed;
- The demand incident at each voltage level has been arrived at by considering the voltage wise demands in the ratio on actuals available with the Commission and approved losses as per Resource Plan Order dated 29.12.2023;
- The voltage wise wheeling charges have been computed by dividing the apportioned ARR at each voltage level by the demand at that voltage level.

**Table 4-46: Voltage wise cost allocation for TGDISCOMs for FY2024-25 to FY2028-29**

(Rs. in crore)

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>TGSPDCL</b>					
33 kV	84.97	92.86	100.02	107.53	115.38
11 kV	583.45	646.86	706.72	770.52	838.31
LT	3545.38	3944.72	4326.94	4738.42	5180.33
<b>TGNPDCL</b>					
33 kV	7.70	8.69	9.61	10.59	11.63
11 kV	377.91	439.29	500.25	567.55	642.43
LT	2436.64	2738.91	3015.98	3308.65	3621.44

4.13.6 Based on the above methodology, the Wheeling Tariffs (Wheeling Charges) approved by the Commission for the Control Period, i.e. FY2024-25 to FY2028-29 is as shown in the Table below:

**Table 4-47: Wheeling Charges claimed and Approved for TGSPDCL***(Rs.in crore)*

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Claimed</b>					
Wheeling Charges (Rs. /kVA/Month)	397	428	517	561	602
<b>Approved</b>					
<b>Contracted Capacity at consumer end</b>					
33 kV (MW)	1633.75	1711.63	1793.59	1879.86	1970.70
11 kV (MW)	2740.97	2921.27	3113.49	3318.41	3536.90
LT (MW)	5015.43	5377.06	5768.05	6190.93	6648.44
<b>Long- term &amp; Medium-term</b>					
33 kV (Rs. /kVA/Month)	43.34	45.21	46.47	47.67	48.79
11 kV (Rs. /kVA/Month)	177.39	184.53	189.16	193.50	197.52
LT (Rs. /kVA/Month)	589.08	611.35	625.13	637.82	649.32
<b>Short-term</b>					
33 kV (Rs. /kVA/hr)	0.0602	0.0628	0.0645	0.0662	0.0678
11 kV (Rs. /kVA/hr)	0.2464	0.2563	0.2627	0.2687	0.2743
LT (Rs. /kVA/hr)	0.8182	0.8491	0.8682	0.8859	0.9018

**Table 4-48: Wheeling Charges claimed and Approved for TGNPDCL**

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Claimed</b>					
Wheeling Charges (Rs. /kVA/Month)	732	793	968	1049	1128
<b>Approved</b>					
<b>Contracted Capacity at consumer end</b>					
33 kV (MW)	189.83	197.50	205.53	213.95	222.76
11 kV (MW)	1130.96	1211.97	1299.40	1393.80	1495.77
LT (MW)	2468.89	2538.49	2610.25	2684.26	2760.59
<b>Long-term and Medium-term</b>					
33 kV (Rs. /kVA/Month)	33.81	36.69	38.98	41.24	43.52
11 kV (Rs. /kVA/Month)	278.46	302.05	320.82	339.33	357.92
LT (Rs. /kVA/Month)	822.45	899.13	962.86	1027.18	1093.20
<b>Short-term</b>					
33 kV (Rs. /kVA/hr)	0.0470	0.0510	0.0541	0.0573	0.0604
11 kV (Rs. /kVA/hr)	0.3868	0.4195	0.4456	0.4713	0.4971
LT (Rs. /kVA/hr)	1.1423	1.2488	1.3373	1.4266	1.5183

4.13.7 The Wheeling losses approved by the Commission for FY2024-25 to FY2028-29 as approved in Resource Plan Order is given in Tables below:

**Table 4-49: Wheeling Losses approved for TGSPDCL for FY2024-25 to FY2028-29***(in %)*

Voltage Levels	2024-25	2025-26	2026-27	2027-28	2028-29
33 kV Voltage Levels	3.18%	3.16%	3.14%	3.12%	3.10%
11 kV Voltage Levels	4.07%	4.04%	4.01%	3.98%	3.95%
LT Voltage Levels	4.70%	4.65%	4.60%	4.55%	4.50%

**Table 4-50: Wheeling Losses approved for TGNPDCL for FY2024-25 to FY2028-29***(in %)*

Voltage Levels	2024-25	2025-26	2026-27	2027-28	2028-29
33 kV Voltage Levels	2.99%	2.97%	2.95%	2.93%	2.91%
11 kV Voltage Levels	3.74%	3.71%	3.68%	3.65%	3.62%
LT Voltage Levels	4.70%	4.65%	4.60%	4.55%	4.50%

## **Applicability**

4.13.8 Applicable for the use of distribution system of a licensee by other licensees, generating companies, captive power plants, and consumers who are permitted open access as per terms and conditions of Open Access Regulation (1 of 2024) and any other person(S) for wheeling of electricity

## **Terms & Conditions**

1. The Wheeling Tariffs (Wheeling charges and Wheeling losses) are to be levied as per terms and conditions approved by the Commission from time to time.
2. The Wheeling Charges payable and Wheeling energy losses to be borne shall be related to contracted capacity in kVA at the entry point except for LT system. For LT system 1 kW=1 kVA.
3. The Distribution Licensee shall deliver the quantum of contracted capacity given to it for wheeling, reduced by the Wheeling Loss.
4. The Wheeling Charges and Wheeling Losses in kind shall be up to the respective voltage level at which the wheeled electricity is delivered or injected whichever voltage is lower.
5. Wheeling Charges and Wheeling Losses are payable for contracted demand of the open access user at the entry point of the consumers.
6. If the wheeling involves transmission of electricity through transmission system of a Transmission Licensee, the consumer or the supplier as the case may be, shall pay the applicable transmission charges and transmission losses in kind also. Transmission system is considered to be involved in the wheeling of electricity in the following cases:
  - a. Entry/Exit point is connected to the EHT System.
  - b. The entry and exit points are connected to the network of more than one TGDISCOM.
  - c. If the wheeling of electricity is through the distribution system of more than one Distribution Licensee, the Wheeling Charges shall be payable to the Distribution Licensee of the area where the electricity is delivered.
7. The other conditions applicable for levy and collection of Wheeling Tariff shall be as per the provisions of the Regulation No. 1 of 2024 (Terms and Conditions

of Open Access) Regulation, 2024 and Regulation No.2 of 2006 (Balancing and Settlement Code) in force.

8. Exemption from payment of Wheeling Tariffs for the eligible Users of the Distribution Network shall be as per the Government policy in force. The TGDISCOMs may take up the issue of making good of revenue loss due to such exemption with the State Government for proper relief.

#### 4.14 Commission's Directives

4.14.1 The Commission's earlier directives and new directives issued in this Order are enclosed at Appendix C.

The Wheeling Tariffs (Wheeling Charges and Wheeling Losses) determined for each year of the control period are applicable from 1<sup>st</sup> April to 31<sup>st</sup> March of the respective Financial Year. However, for part of FY2024-25 is over, the Wheeling Charges and losses approved in this Order is **applicable w.e.f. 01.11.2024**.

**This Order is corrected and signed on this the 28<sup>th</sup> day of October, 2024.**

Sd/-  
(BANDARU KRISHNAIAH)  
MEMBER

Sd/-  
(M. D. MANOHAR RAJU)  
MEMBER

Sd/-  
(T. SRIRANGA RAO)  
CHAIRMAN

**//CERTIFIED COPY//**

## Appendix A Schedule of approved Wheeling Tariffs

### TGSPDCL -Wheeling Charges (Rs. /kVA/month)

(Rs.in crore)

Voltage	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Long-Term &amp; Medium -Term</b>					
33 kV	43.34	45.21	46.47	47.67	48.79
11 kV	177.39	184.53	189.16	193.50	197.52
LT	589.08	611.35	625.13	637.82	649.32
<b>Short-Term</b>					
33 kV	0.0602	0.0628	0.0645	0.0662	0.0678
11 kV	0.2464	0.2563	0.2627	0.2687	0.2743
LT	0.8182	0.8491	0.8682	0.8859	0.9018

### TGNPDCL -Wheeling Charges (Rs. /kVA/month)

(Rs.in crore)

Voltage	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Long-Term &amp; Medium -Term</b>					
33 kV	33.81	36.69	38.98	41.24	43.52
11 kV	278.46	302.05	320.82	339.33	357.92
LT	822.45	899.13	962.86	1027.18	1093.20
<b>Short-Term</b>					
33 kV	0.0470	0.0510	0.0541	0.0573	0.0604
11 kV	0.3868	0.4195	0.4456	0.4713	0.4971
LT	1.1423	1.2488	1.3373	1.4266	1.5183

### TGSPDCL -Wheeling Losses

(in %)

Voltage Levels	2024-25	2025-26	2026-27	2027-28	2028-29
33 kV Voltage Levels	3.18%	3.16%	3.14%	3.12%	3.10%
11 kV Voltage Levels	4.07%	4.04%	4.01%	3.98%	3.95%
LT Voltage Levels	4.70%	4.65%	4.60%	4.55%	4.50%

### TGNPDCL -Wheeling Losses

(in %)

Voltage Levels	2024-25	2025-26	2026-27	2027-28	2028-29
33 kV Voltage Levels	2.99%	2.97%	2.95%	2.93%	2.91%
11 kV Voltage Levels	3.74%	3.71%	3.68%	3.65%	3.62%
LT Voltage Levels	4.70%	4.65%	4.60%	4.55%	4.50%

## **Appendix B**

### **Terms & Conditions and applicability of Wheeling Tariffs**

#### **Applicability**

Applicable for the use of distribution system for wheeling of electricity of a licensee by other licensees, generating companies, captive power plants, and consumers who are permitted open access as per terms and conditions of Open Access Regulation (2 of 2005) and any other person(s).

#### **Terms & Conditions**

1. The Wheeling Tariffs (Wheeling charges and Wheeling losses) are to be levied as per terms and conditions approved by the Commission from time to time.
2. The Wheeling Charges payable and Wheeling energy losses to be borne shall be related to contracted capacity in kVA at the entry point except for LT system. For LT system, 1 kW=1 kVA.
3. The Distribution Licensee shall deliver the quantum of contracted capacity given to it for wheeling, reduced by the Wheeling Loss.
4. The Wheeling Charges and Wheeling Losses in kind shall be up to the respective voltage level at which the wheeled electricity is delivered or injected whichever voltage is lower.
5. Wheeling Charges and Wheeling Losses are payable for contracted demand of the open access user at the entry point of the consumers.
6. If the wheeling involves transmission of electricity through transmission system of a Transmission Licensee, the consumer or the supplier as the case may be, shall pay the applicable transmission charges and transmission losses in kind also. Transmission system is considered to be involved in the wheeling of electricity in the following cases:
  - a. Entry/Exit point is connected to the EHT System.
  - b. The entry and exit points are connected to the network of more than one DISCOM.
  - c. If the wheeling of electricity is through the distribution system of more than one Distribution Licensee, the Wheeling Charges shall be payable to the Distribution Licensee of the area where the electricity is delivered.
7. The other conditions applicable for levy and collection of Wheeling Tariff shall be as per the provisions of the Regulation No.2 of 2005 (Terms and Conditions of Open Access to Intra-State Transmission and Distribution) and Regulation No.2 of 2006 (Balancing and Settlement Code) in force.
8. Exemption from payment of Wheeling Tariffs for the eligible Users of the Distribution Network shall be as per the Government Policy in force. The DISCOMs may take up the issue of making good of revenue loss due to such exemption with the State Government for proper relief.

## **Appendix C**

### **Commission's Directives**

#### **EARLIER DIRECTIVES**

##### **4.15 Annual Performance Review**

1. The Commission directs the DISCOMs to file the Performance Review (true-up) for each year of 4th Control Period before 31st December of the following year.

##### **4.16 Capital Investments**

2. The DISCOMs shall seek approval for individual schemes at least 90 days undertaking the investment in accordance with the Guidelines for Investment Approval. The individual schemes/ projects submitted by the DISCOMs for Commission's approval must provide complete details including those relating to the cost and capitalisation for each year of 4th Control Period.
3. Considering the importance of capitalisation of works, the Commission lays down the following requirements to be fulfilled before accepting inclusion of the value of capitalised work in the Original Cost of Fixed Assets (OCFA):
  - a. On completion of a capital work, a physical completion certificate (PCC) to the effect that the work has been fully executed, physically, and the assets created are put in use, to be issued by the concerned engineer not below the rank of Superintendent Engineer.
  - b. The PCC shall be accompanied or followed by a financial completion certificate (FCC) to the effect that the assets created have been duly entered in the fixed assets register by transfer from the Capital Works in Progress (CWIP) register to OCFA. The FCC shall have to be issued by the concerned finance officer not below the rank of Senior Accounts Officer.
  - c. The above-mentioned certificates have to be submitted to the Commission within 60 days of completion of work, at the latest. The Commission may also inspect or arrange to inspect, at random, a few of the capitalised works included in the OCFA to confirm that the assets created are actually being used and are useful for the business.

#### **NEW DIRECTIVES**

4. The Commission directs the petitioner to adhere to the timelines as specified in Regulation No.2 of 2023 in future filing of petitions.
5. The Commission directs the petitioner to conduct safety awareness programs with active involvement of safety officers to increase awareness amongst the O&M staff to use safety equipment and also the consumers on the aspects of safety to avoid electrical accidents





Appeared in THE HINDU, DECCAN CHRONICLE and THE SIASAT DAILY  
(URDU) on 20.09.2024

**BEFORE THE HONOURABLE TELANGANA ELECTRICITY REGULATORY COMMISSION**  
**Vidyut Nyantran Bhavan, G.T.S. Colony, Kalyan Nagar, Hyderabad - 500 045**

**SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED**

**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 determination of ARR & Wheeling Tariff of Distribution Business for 5th control period (from FY 2024-25 to FY 2028-29). These filings have been taken on record by the Hon'ble Commission in O.P. Nos.12 of 2024 & I.A.Nos.11 of 2024.

2. Copies of the filings referred are available in the office of Chief Engineer (RAC), TGSPDCL #6-1-50, Corporate Office, 'A' Block First floor, Mint Compound, Hyderabad 500063 and the Superintending Engineer, Operation circles of the Distribution Company at Banjara Hills, Hyderabad (South), Hyderabad (Central), Medchal, Cybercity, Habsiguda, Secunderabad, Rajendranagar, Saroonagar, Vikarabad, Mahabubnagar, Gadwal, Nagarkurnool, Wanaparthy, Medak, Siddipet, Sangareddy, Nalgonda, Yadadri, Suryapet and Narayanpet. 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](http://www.tgsouthernpower.org) and the same may be accessed at [www.tgerc.telangana.gov.in](http://www.tgerc.telangana.gov.in). A copy of these filings can be obtained from the above offices from 20.09.2024 onwards on payment of photocopying charges.

3. Objections/suggestions, if any, on the tariff filings, together with supporting material may be sent to the Chief Engineer (RAC), TGSPDCL, #6-1-50, Corporate Office, 'A' Block First floor, Mint Compound, Hyderabad 500063 in person or through Registered Post so as to reach on or before 11.10.2024 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 against ARR & Wheeling Tariff of TGSPDCL office enclosed (Yes/No)	Whether copy of objection & Wheeling 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 tariff proposals of the Discom for the period from FY 2024-25 to FY 2028-29 are indicated in the schedule below.

5. Further, in this matter the Telangana Electricity Regulatory Commission intends to conduct a Public Hearing at Court Hall of TGERC, Vidyut Nyantran Bhavan, G.T.S. Colony, Kalyan Nagar, Hyderabad - 500 045 on 23.10.2024 from 10.30 hrs onwards.

Place: Hyderabad  
Date: 20.09.2024

Sd/-  
**CHAIRMAN & MANAGING DIRECTOR**  
(TGSPDCL)

**Schedule - I**  
**Aggregate Revenue Requirement (ARR) for FY 2024-25 to FY 2028-29**

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Operation & Maintenance Expenses	2912	4218	5303	5718	6156
Depreciation	876	1205	1528	1803	2310
Interest and finance charges on Loan	535	719	872	1273	1577
Interest on working capital	131	150	190	216	247
Return on Equity	294	401	595	835	1042
Gross ARR	6818	6882	8578	9914	11334
Less:					
Income from Open Access charges	117	115	127	125	122
Non-Tariff income	164	157	190	183	186
Net ARR	5663	5525	8415	9750	11166

**Schedule - II**  
**Filing of Wheeling Tariffs and Wheeling Losses for FY 2024-25 to FY 2028-29**

Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A)	Wheeling Tariff (Rs./KVA/Month)					
	Wheeling Tariff	385.07	426.79	515.96	559.96	600.43
B)	Voltage wise Loss reduction trajectory (Wheeling Losses (%))					
	33KV	3.48%	3.45%	3.44%	3.42%	3.40%
	11KV	4.07%	4.04%	4.01%	3.98%	3.96%
	LT	4.66%	4.61%	4.56%	4.51%	4.46%
C)	Capital Investments (Rs. in Crs)					
	Capital Investments	4793.83	5785.46	7194.26	7179.89	7504.26

DIPR R.O. No. : 416-PPICL-AGENCYADVT/1/2024-25

**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 before the Telangana Electricity Regulatory Commission (TGERC) the determination of ARR & Wheeling Tariff of Distribution Business for 5th control period (from FY 2024-25 to FY 2028-29). These filings have been taken on record by the Hon'ble Commission in O.P. Nos.13 of 2024 & I.A.Nos.12 of 2024.

2. Copies of the filings referred are available in the office of Chief Engineer (IPC & RAC), TGNPDCL H.No.2-5-31/2, Vidyut Bhavan, Nakkalagutta, Hanamakonda-506001 and the Superintending Engineer, Operation circles of the Distribution Company at Hanamakonda, Warangal, Mahabubabad, Jaya Shanker (Bhupalpally), Jangaon, Karimnagar, Jagtial, Peddapally, Khammam, Badraddi 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 free of cost. These proposals are also available on [www.tgnpdcl.com](http://www.tgnpdcl.com) and the same may be accessed at [www.tgerc.telangana.gov.in](http://www.tgerc.telangana.gov.in). A copy of these filings can be obtained from the above offices from 20.09.2024 onwards on payment of photocopying charges.

3. Objections/suggestions, if any, on the tariff filings, together with supporting material may be sent to the Chief Engineer (IPC & RAC), TGNPDCL H.No.2-5-31/2, Vidyut Bhavan, Nakkalagutta, Hanamakonda-506001 in person or through Registered Post so as to reach on or before 11.10.2024 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 against ARR & Wheeling Tariff of TGNPDCL office enclosed (Yes/No)	Whether copy of objection & Wheeling 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 tariff proposals of the Discom for the period from FY 2024-25 to FY 2028-29 are indicated in the schedule below.

5. Further, in this matter the Telangana Electricity Regulatory Commission intends to conduct a Public Hearing at Meeting Hall of Integrated District Offices Complex (Collectorate Office), Nizamabad on 24.10.2024 from 10.30 hrs onwards.

Place: Hanamakonda  
Date: 20.09.2024

Sd/-  
**CHAIRMAN & MANAGING DIRECTOR**  
(TGNPDCL)

**Schedule - I**  
**Aggregate Revenue Requirement (ARR) for FY 2024-25 to FY 2028-29**



Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Operation & Maintenance Expenses	2919	3137	3915	4213	4528
Depreciation	430	514	645	700	866
Interest and finance charges on Loan	355	451	561	665	802
Interest on working capital	82	91	113	127	141
Return on Equity	105	157	222	300	380
Gross ARR	3892	4348	5460	6115	6806
Less:					
Income from Open Access charges	8	7	9	11	12
Non-Tariff income	172	175	179	180	186
Net ARR	3714	4167	5272	5922	6608

**Schedule - II**  
**Filing of Wheeling Tariffs and Wheeling Losses for FY 2024-25 to FY 2028-29**



Sl. No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
A)	Wheeling Tariff (Rs./KVA/Month)					
	Wheeling Tariff	817	864	1,078	1,168	1,256
B)	Voltage wise Loss reduction trajectory (Wheeling Losses (%))					
	33KV	2.85%	2.87%	2.85%	2.83%	2.81%
	11KV	3.74%	3.71%	3.68%	3.65%	3.62%
	LT	4.70%	4.65%	4.60%	4.55%	4.50%
C)	Capital Investments (Rs. in Crs)					
	Capital Investments	1,584	1,947	2,887	2,887	2,751

## Annexure-2 Publication of Corrigendum

Appeared in EENADU and V6 VELUGU on 26.09.2024

<b>గౌరవనీయులైన తెలంగాణ విద్యుత్ నియంత్రణ మండలి వారి సమక్షంలో విద్యుత్ నియంత్రణ భవన్, G.T.S కాలనీ, కళ్యాణ నగర్, హైదరాబాద్ - 500 045</b>					
	<b>దక్షిణ తెలంగాణ విద్యుత్ పంపిణీ సంస్థ (TGSPDCL)</b>		<b>ఉత్తర తెలంగాణ విద్యుత్ పంపిణీ సంస్థ (TGNPDCL)</b>		
<b>అనుబంధం - I</b>					
<p>పంపిణీ వ్యాపారం యొక్క ఎలెక్ట్రీక్ మరియు వీరింగ్ టారిఫ్ ఫ్రేటింగ్లపై O.P. నెం.12/2024 మరియు 13/2024 (టికెఎస్సీడిసిఎల్ మరియు టికెఎస్సీడిసిఎల్) యొక్క అనుబంధం - I మరియు II లకు వెంటనే 20.09.2024 వారి పబ్లిక్ నోటీసుకు సవరణను ప్రకటించాలని కమిషన్ సెక్రటరీ, TGERC ప్రాసిక్యూటరులను అభ్యర్థించారు. తదుపరిగా 5వ నియంత్రణ కాలానికి ఆనగా, FY 2024-25 నుండి FY 2028-29 వరకు, 2023 MYT రిగ్యులేషన్ No.2 ప్రకారం సవరించిన అనుబంధం-I మరియు II లు క్రింద ప్రకటించబడ్డాయి.</p> <p style="text-align: center;"><b>అనుబంధం -I</b></p> <p style="text-align: center;">టికెఎస్సీడిసిఎల్ యొక్క అర్థిక సం॥ 2024-25 నుండి అర్థిక సం॥ 2028-29 వరకు సమగ్ర ఆదాయ అవశ్యకత (ఎలెక్ట్రీక్) (రూ. కోట్లలో)</p>					
<b>అర్థిక సం॥</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>
<b>అంచనాలు</b>					
ఓ. ఓ.ఎం టార్గెట్లు	3521	3795	4773	5185	5542
తయారీదల	878	1085	1393	1712	2079
అప్పుపై పడ్డ మరియు అర్థిక టార్గెట్లు	481	639	875	1145	1419
నిర్వహణ విభాగంపై పడ్డ	122	138	175	201	229
అమ్మోనియం	236	361	527	724	937
<b>స్థూల సమగ్ర ఆదాయ అవశ్యకత</b>	<b>5240</b>	<b>6017</b>	<b>7723</b>	<b>8928</b>	<b>10207</b>
తగ్గించు (-)					
ఓ.ఎస్.ఎం టార్గెట్ల నుండి ఆదాయం	1	1	1	1	1
టారిఫ్ తర ఆదాయం	138	141	144	147	150
<b>నికర సమగ్ర ఆదాయ అవశ్యకత</b>	<b>5100</b>	<b>5875</b>	<b>7678</b>	<b>8780</b>	<b>10036</b>
<b>టికెఎస్సీడిసిఎల్ యొక్క అర్థిక సం॥ 2024-25 నుండి అర్థిక సం॥ 2028-29 వరకు సమగ్ర ఆదాయ అవశ్యకత (ఎలెక్ట్రీక్) (రూ. కోట్లలో)</b>					
<b>అర్థిక సం॥</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>
<b>అంచనాలు</b>					
ఓ. ఓ.ఎం టార్గెట్లు	2,627	2,823	3,526	3,791	4,075
తయారీదల	387	462	581	711	860
అప్పుపై పడ్డ మరియు అర్థిక టార్గెట్లు	320	405	505	617	721
నిర్వహణ విభాగంపై పడ్డ	78	87	109	121	135
అమ్మోనియం	95	142	200	270	342
<b>స్థూల సమగ్ర ఆదాయ అవశ్యకత</b>	<b>3,507</b>	<b>3,919</b>	<b>4,921</b>	<b>5,511</b>	<b>6,133</b>
తగ్గించు (-)					
ఓ.ఎస్.ఎం టార్గెట్ల నుండి ఆదాయం	6	7	9	11	12
టారిఫ్ తర ఆదాయం	172	175	179	182	186
<b>నికర సమగ్ర ఆదాయ అవశ్యకత</b>	<b>3,329</b>	<b>3,737</b>	<b>4,733</b>	<b>5,318</b>	<b>5,935</b>
<b>అనుబంధం -II</b>					
<b>అర్థిక సం॥ 2024-25 నుండి అర్థిక సం॥ 2028-29 వరకు ప్రతిపాదించిన వీరింగ్ టారిఫ్ మరియు పంపిణీ వడ్డీలు</b>					
<b>వివరములు</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>
<b>A. సమగ్ర వీరింగ్ టార్గెట్లు (రూ./కె.వి.ఎ/సెం)</b>					
వీరింగ్ టార్గెట్లు (టికెఎస్సీడిసిఎల్)	397	428	517	561	602
వీరింగ్ టార్గెట్లు (టికెఎస్సీడిసిఎల్)	732	793	968	1049	1128
<b>B. సమగ్ర పంపిణీ వడ్డీలు తగ్గించుకొనే శ్రమం (%)</b>					
టికెఎస్సీడిసిఎల్	11.49%	11.39%	11.30%	11.21%	11.12%
టికెఎస్సీడిసిఎల్	11.01%	10.91%	10.82%	10.73%	10.64%
<p>మొ/ -  <b>ప్రధాన మరియు మేనేజింగ్ ప్రొజెక్ట్</b>  <b>టికెఎస్సీడిసిఎల్, హైదరాబాద్</b>  <b>తేదీ: 20.09.2024</b></p> <p style="text-align: right;">మొ/ -  <b>ప్రధాన మరియు మేనేజింగ్ ప్రొజెక్ట్</b>  <b>టికెఎస్సీడిసిఎల్, హైదరాబాద్</b>  <b>తేదీ: 26.09.2024</b></p>					
DIPR R.O.No. 4591-PP/CL/ADVT/1/2024-25, Dt: 25-09-2024					

Appeared in THE HINDU, DECCAN CHRONICLE and THE SIASAT DAILY (URDU) on 26.09.2024

BEFORE THE HONOURABLE TELANGANA ELECTRICITY REGULATORY COMMISSION Vidyut Nyantran Bhavan, G.T.S. Colony, Kalyan Nagar, Hyderabad- 500 045						
 <b>SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGSPDCL)</b>			 <b>NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGNPDCL)</b>			
<b>PUBLIC NOTICE</b>						
<p>Notice is hereby given, that Commission Secretary, TGERC directed the licensees to publish the corrigendum to the public notice dated 20.09.2024 immediately to the schedules I &amp; II of Aggregate Revenue Requirement (ARR) &amp; Wheeling Tariff proposals of Distribution Business for 5th Control Period i.e., FY2024-25 to FY2028-29, in O.P. No.12 of 2024 (TGSPDCL) &amp; O.P. No.13 of 2024 (TGNPDCL) as per MYT Regulation No.2 of 2023. The Revised Schedule - I &amp; II are published below.</p>						
<b>SCHEDULE - I</b>						
<b>Aggregate Revenue Requirement (ARR) for FY 2024-25 to FY 2028-29 of Distribution Business for TGSPDCL</b>						
(Figures in Rs. Crores)						
Sl.No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
1	Operation & Maintenance Expenses	3521	3795	4173	5545	5542
2	Depreciation	878	1085	1373	1712	2079
3	Interest and finance charges on Loan	481	639	875	1148	1419
4	Interest on working capital	122	138	175	201	229
5	Return on Equity	228	361	527	734	907
	<b>Total Gross ARR (A)</b>	<b>5240</b>	<b>6617</b>	<b>7723</b>	<b>9928</b>	<b>10207</b>
6	Income from Open Access charges	1	1	1	1	1
7	Non-Tariff income	138	141	144	147	100
8	Income from Other Business	0	0	0	0	0
	<b>Net Distribution ARR (B) = (A-(6+7+8))</b>	<b>5100</b>	<b>5875</b>	<b>7578</b>	<b>9780</b>	<b>10056</b>
<b>Aggregate Revenue Requirement (ARR) for FY 2024-25 to FY 2028-29 of Distribution Business for TGNPDCL</b>						
(Figures in Rs. Crores)						
Sl.No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
1	Operation & Maintenance Expenses	2627	2823	3528	3791	4075
2	Depreciation	387	482	581	711	860
3	Interest and finance charges on Loan	320	405	509	617	721
4	Interest on working capital	78	87	109	121	135
5	Return on Equity	85	142	200	270	342
	<b>Total Gross ARR (A)</b>	<b>3587</b>	<b>3919</b>	<b>4827</b>	<b>5511</b>	<b>6133</b>
6	Income from Open Access charges	8	7	9	11	12
7	Non-Tariff income	172	175	178	182	188
8	Income from Other Business	0	0	0	0	0
	<b>Net Distribution ARR (B) = (A-(6+7+8))</b>	<b>3328</b>	<b>3737</b>	<b>4733</b>	<b>5318</b>	<b>5935</b>
<b>SCHEDULE - II</b>						
<b>Wheeling Tariffs and Wheeling Losses for FY 2024-25 to FY 2028-29</b>						
Sl.No.	Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<b>Wheeling Losses</b>						
1	Wheeling Losses of TGSPDCL (Aggregate)	11.49	11.39	11.30	11.21	11.12
2	Wheeling Losses of TGNPDCL (Aggregate)	11.01	10.91	10.82	10.73	10.64
<b>Wheeling Charges</b>						
1	Wheeling charges of TGSPDCL (Aggregate) (Rs./KVA/Month)	397	428	517	581	602
2	Wheeling Charges of TGNPDCL (Aggregate) (Rs./KVA/Month)	732	790	968	1049	1128
Sr- <b>CHAIRMAN &amp; MANAGING DIRECTOR</b> Southern Power Distribution Company of Telangana Limited Place: Hyderabad Dated: 26.09.2024			Sr- <b>CHAIRMAN &amp; MANAGING DIRECTOR</b> Northern Power Distribution Company of Telangana Limited Place: Hanamankonda Dated: 26.09.2024			

**Annexure-3**  
**List of Stakeholders who submitted Written Objections/  
Suggestions**

<b>Sl. No.</b>	<b>Name and Address of the stakeholders</b>
1	Sri. M. Venugopala Rao Senior Journalist & Convener Centre for Power Studies H.No.1-100/MP/101 Monarch Prestige Journalists Colony Serilingampally Mandal Hyderabad - 500 032
2	Sri. Suresh Kumar Singhal the Federation of Telangana Chambers of Commerce and Industry (FTCCI) Federation House Federation Marg 11-6-841 Red Hills Hyderabad 500004.
3	Sri. Narendra Baldwa Telangana and Andhra Plastics Manufacturers Association (TAAPMA) 914 9th Floor Raghava Ratna Towers Chirag Ali Lane Abids Hyderabad-500001.
4	Sri. Vinod Kumar Agarwal Telangana Iron & Steel Manufacturers Association (TISMA) Regd. Office: Flat No. 101 1st Floor Satya Sarovar Apt Ghansi Bazar Near High Court Hyderabad-500002.
5	Sri. R K Agarwal Telangana Spinning & Textile Mills Association (TSTMA) Surya Towers 1st Floor Sardar Patel Road Secunderabad 500 003.
6	Sri S. Surya Prakasa Rao Former Director (Commercial) erstwhile APCPDCL and Former Secretary erstwhile APERC Flat.no.105 Ashok Chandra Enclave 11-4-660 Redhill's Hyderabad-500004 Mobile: 9392272754
7	M. Thimma Reddy Convenor Peoples- Monitoring Group on Electricity Regulation H. No. 3-4-107/1 (Plot No. 39) Radha Krishna Nagar Attapur Hyderabad -500048
8	G.R. Karunakar Plot No. 56 Lakshmi Megha Township Ragannaguda Abdullahpurmet Ranga Reddy Hyderabad -501510
9	Gundlu Chandrayya V: Nandi Vaddemanu Kijena Palle Nagar Kurnool.
10	Ramu Nallakunta Hyderabad
11	J. Sri Ranga Rao Ho.No. 503 2-2-18/18/7 DD Colony Hyderabad
12	Dr. AV Rao H.No. 12-13-483/39/1 St.No. 14 Lane-6 Nagarjuna Nagar Tarnaka Hyderabad

<b>Sl. No.</b>	<b>Name and Address of the stakeholders</b>
13	G. Vinod Kumar H.No. 16-3-V/361 Plot No. 361 Vasant Nagar Kukat Pally Hyderabad.
14	Madulaganti Sridhar Reddy 504 2-1-174 Rajputh Residency Nallakunta Hyderabad
15	M. Rajareddy 20-160/1/1 RB Nagar Shamshabad Hyderabad
16	K. Jasyantha Reddy 11-1-78/2 Bharath Nagar Siddipet
17	Panyala Venkat Reddy Sri Chakra Puram KushaiGuda
18	Gadenge Gajendar Goud Nagarkunta Shamshabad Ranga Reddy Dist
19	Satha Rao Ashok Reddy Pedda Maddanur Nagarkurnool
20	P. Narsimha Reddy Nandikindi Sadasivapet Sangareedy
21	Saniseti Swami Nandivaddimanu Banjanpalle Nagarkurnool.
22	Amber Anand Rao BrahmanPally Tadvai Kamareddy
23	Mahalakshmi Profiles Pvt Ltd Reg office: MPL House 13-6-439/1/A/111/10&11 Balaji Nagar Pillar No. 75 Mehdiapatnam Ring Road Hyderabad.
24	MPL Steel Industries Pvt Ltd Reg office: MPL House 13-6-439/1/A/111/10&11 Balaji Nagar Pillar No. 75 Mehdiapatnam Ring Road Hyderabad.
25	South Indian Cement Manufacturers Association (SICMA) Administrative office: 3rd Floor 36th Square Plot No 481 Road No. 36 Jubilee Hills Hyderabad. 5000034
26	Dilip Re-Rolling Pvt Ltd. Reg Office: 21-1-414 Rikabgunj Hyderabad-500002
27	Anand Ispat Udyog Limited Office: 5-8-363 to 365 A&B 3rd Floor Chirag Ali Lane Abid Road Hyderabad.
28	Gaurav Maheshwari Indian Energy Exchange Corporate Office: Plot No. C001/A/1 9th Floor Max Tower Sector 16B Noida UP-201301
29	Scan Energy & Power Ltd Office: B301 8-2-618/2A to C 3rd Floor Delta Seacom Road No.11 Banjara Hills Hyderabad.
30	Rayalaseema Industries India Private Ltd Sy. No. 115/2/A/2A Teegapur Village IDA Kothur Mahaboob Nagar Dist-509228

<b>Sl. No.</b>	<b>Name and Address of the stakeholders</b>
31	Magadha Village Housing Society Magadha Village CBIT(PO) Kokapet Rajendra Nagar RR District
32	P. Ananth Reddy S/o Gopal Reddy Narayanpet Mdl & Vill & Dist. Telangana
33	Kwathanpalli Ashappa S/o Balappa Narayanpet Mdl & Vill & Dist Telangana
34	T.Ramu S/o Mallappa Narayanpet Mdl & Vill & Dist Telangana
35	Jeganti srinu S/o Lingappa Narayanpet Mdl & Vill & Dist Telangana
36	Mandaram Erappa S/o M. Hanmanthu Narayanpet Mdl & Vill & Dist Telangana
37	G. Vijaya Laxmi W/o Shakar Bijjaram Vill Kosli Madl Narayanpet Dist
38	G.D.Yellappa S/o Ramulu Bijjaram Vill Kosli Madl Narayanpet Dist
39	Ganapuram Virrappa S/o Chen Basappa Bijjaram Vill Kosli Madl Narayanpet Dist
40	Kavali Virrappa Bijjaram Vill Kosli Madl Narayanpet Dist
41	Anegoni mogulaiah S/o Ramaiah Potireddy palli Vill Kosli Madl Narayanpet Dist.
42	Rajashekar Reddy S/o Trumal Reddy Potireddy palli Vill Kosli Madl Narayanpet Dist
43	Chinna venkat Reddy S/o Ananth Reddy Kadampalli Vill Kosli Madl Narayanpet Dist
44	N. Bal reddy Chennaram Vill Kosli Madl Narayanpet Dist
45	Mahesh S/o Sambaiah Bijjaram Vill Kosli Madl Narayanpet Dist
46	Ramakrishna Reddy Kosli Madl Narayanpet Dist
47	Nagulapalli Pratap Reddy S/o Mohan Reddy Kosli Madl Narayanpet Dist.
48	Chennaiah gari Saritha W/o Cjhennaiah gari Sanjay mirjapur Vill Kosli Madl Narayanpet Dist
49	A. Sangappa S/o Sambaiah Bijjaram Vill Kosli Madl Narayanpet Dist
50	Anjaiah S/o Pentappa & Akula Venkatappa S/o Thimmanna Narayanpet Dist Kosli Madl Narayanpet Dist
51	Balakrishnaiah S/o Chinnaiah Bijjaram Kosli Madl Narayanpet Dist
52	Jinkala Saiappa Potireddy palli Vill Kosli Madl Narayanpet Dist

<b>Sl. No.</b>	<b>Name and Address of the stakeholders</b>
53	Chennareddy Chennaram Vill Kosli Madl Narayanpet Dist
54	Siddagari Venkat Reddy & Sai Reddy Thimmaipally Vill Kosli Madl Narayanpet Dist
55	Gopal Reddy Potireddypalli Vill Kosli Madl Narayanpet Dist
56	Sirike krushnaiah Potireddypalli Vill Kosli Madl Narayanpet Dist
57	Prayas (Energy Group)
58	Bommeneni Ravinder Reddy, TELANGANA COTTON MILLER'S & TRADERS WELFARE ASSOCIATION, Hyderabad
59	Maduri Veda Prakash, Hon'ble General Secretary, WARANGAL CHAMBERS OF COMMERCE & INDUSTRY, Old Grain Market Area, WARANGAL-506002
60	I. Gopinath, Chief Executive Officer, South Indian Cement Manufacturers Association (SICMA), Jubilee Hills, Hyderabad - 500034,
61	K.K Protiens Pvt Ltd, Village: Ponnari, Mandal: Tamsi, Dist:Adilabad-504001
62	Sreekumar Nhalur (Prayas),Kothrud, Pune, Maharashtra, 411038
63	M. Sridhar Reddy & Others, Nallakunta, Hyderabad-500044
64	Sri Eppa Rajender,Jagitial,Vill:Dharmaram, Mondal:Korutla, Dist: Jagitial
65	Dabba Ravi, Jagitial, Vill: Jaggasagar, Mondal : Metpally, Dist : Jagitial
66	P.Vittal Reddy, Kamareddy,Vill : Chandapur, Mondal : Tadvai, Dist : Kamareddy,
67	Bandi Krishna Reddy, Vill : Kallur, Mondal : Kallur,Dist : Khammam
68	Devireddy Vittal Reddy, Kamareddy,Vill : Errapahad, Mondal :Tadvai, Dist : Kamareddy
69	Paidi Ellareddy Vill: Devayapally Mondal: Tadvai Dist.: Kamareddy
70	K.Anjanna Vill : Lingapur Mondal : Kamareddy Dist : Kamareddy
71	Komireddy Chinna Anjanna Kamareddy.Vill : Lingapur Mondal : Kamareddy
72	Lanka Venkatreddy Kupriyal Mondal : Sadashivanagar Dist : Kamareddy
73	Kommireddy Anjanna Pedda Vill : Lingapur Mondal : Kamareddy Dist : Kamareddy.
74	M.Raji Reddy Shamshabad Dist.: Rangareddy

<b>Sl. No.</b>	<b>Name and Address of the stakeholders</b>
75	D.Ramu Nallakunta Hyderabad
76	Ambira Ananda Rao Brahmanapally Mondal: Tadvai Dist.: Kamareddy Nizamabad.
77	C.V. Bhasker Rao Moosarambagh LB Nagar Hyderabad - 500068.
78	Kondela Sarareddy BKS H.No:11-1-1815 Maruti Nagar
79	Anjaveni Parsharamulu Vill:Chandrapet M:Siricilla Dist:Rajanna Siricilla
80	Sai Vekata Agro Industries Pvt. Ltd Mulkalla Mancherial
81	Oraganti Rama Krishna Vill:Siricilla M:Sirisilla Dist:Sirisilla
82	MPL Steel Industries Pvt Ltd Hyderabad
83	Mahalakshmi Profiles Pvt Ltd Hyderabad
84	Rayalaseema Industries (India) Pvt Ltd Road No.11 Banjara hills Hyderabad
85	SCAN ENERGY POWER LIMITED Hyderabad Bhubaneshwar Khodra Odisha
86	Anand ISPAT Udyog Mtd Hyderabad
87	Dilip Re-Rolling Pvt Ltd Hyderabad
88	Jeevaka Industies Pvt Ltd Hyderabad
89	L. RAMANA Hyderabad MLC Local Authorities Constituency Karimnagar Telangana
90	Biyyamkar Srinivas Dist:Sirisilla Vill:Siricilla M:Sirisilla



**Annexure-4**  
**List of Stakeholders who attended the Public Hearing held on**  
**23.10.2024 and 24.10.2024**

<b>Sl. No.</b>	<b>Name and Address of the stakeholders</b>
1	Sri. M. Venugopala Rao, Senior Journalist & Convener, Centre for Power Studies H.No.1-100/MP/101, Monarch Prestige, Journalists, Colony, Serilingampally Mandal, Hyderabad - 500 032
2	Sri. Suresh Kumar Singhal, The Federation of Telangana Chambers of Commerce and Industry (FTCCI), Federation House, Federation Marg, 11-6-841, Red Hills, Hyderabad 500004.
3	Sri. Narendra Baldwa, Telangana and Andhra Plastics Manufacturers Association (TAAPMA), 914, 9th Floor, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad-500001.
4	Sri. Vinod Kumar Agarwal Telangana Iron & Steel Manufacturers Association (TISMA) Regd. Office: Flat No. 101, 1st Floor, Satya Sarovar Apt, Ghansi Bazar, Near High Court, Hyderabad-500002.
5	Sri. R K Agarwal Telangana Spinning & Textile Mills Association (TSTMA) Surya Towers, 1st Floor, Sardar Patel Road, Secunderabad 500 003.
7	Y. CHANDRA SHEKAR RAO M.COM, LL.B., ADVOCATE, 31- SLN Colony, Hyd.Raod, Nalgonda-508001
9	K. THOURYA Chief Electrical Distrubution Engineer South Central Railway, Secundrabad
11	P. Ravi Kumar, Director Technical/ Transmission HYDERABAD METROPOLITAN WATER SUPPLY & SEWERAGE BOARD, Administartive Building, Khairatabad, Hyderabad-500004.
12	Vijay Rathod (Chief Project and Engineering Officer), GMR Hyderabad international Airport Limited, Rajiv Gandhi International Airport Limited
14	M. Thimma Reddy Convenor Peoples Monitoring Group on Electricity Regulation H. No. 3-4-107/1, (Plot No. 39), Radha Krishna Nagar, Attapur, Hyderabad 500048
15	Shashi Bhushan Kache State Co-Ordinator, Kisan Congress, #8-55, Nadiveedi, Manthani-505184, Dist: Peddapalli
20	C.V. Bhaskar Rao, 8/302, Kalyani Block, LB Nagar, Mansoorabad, Hyderabad Bhagya Nagar, Ranga Reddy.
21	D. Ramu, Nallakunta, Hyderabad
23	G. Vinod Kumar H.No. 16-3-V/361, Plot No. 361, Vasant Nagar, Kukat Pally, Hyderabad.
25	Gundlu Chandrayya, V: Nandi Vaddemanu, Kijena Palle, Nagar Kurnool.
27	K. Jasyantha Reddy, 11-1-78/2, Bharath Nagar, Siddipet
29	Madulaganti Sridhar Reddy, 504, 2-1-174, Rajputh Residency, Nallakunta, Hyderabad
37	SSR Shastri, Senior Journalist, Plot No. 21/1, Ajamabad, RTC Kalynamandapam, Baghlingampally, Hyderabad. -500020

<b>Sl. No.</b>	<b>Name and Address of the stakeholders</b>
38	Mahalakshmi Profiles Pvt Ltd Reg office: MPL House, 13-6-439/1/A/111/10&11, Balaji Nagar, Pillar No. 75, Mehdipatnam Ring Road, Hyderabad.
39	MPL Steel Industries Pvt Ltd Reg office: MPL House, 13-6-439/1/A/111/10&11, Balaji Nagar, Pillar No. 75, Mehdipatnam Ring Road, Hyderabad.
48	P.Ananth Reddy S/o Gopal Reddy, Narayanpet Mdl & Vill & Dist, Telangana
66	Anjaiah S/o Pentappa & Akula Venkatappa S/o Thimmanna Narayanpet Dist
73	PRAYAS Energy Group, Pune
76	All India Yadav Sabha
77	Telangana Solar Open Access Developers Association #8-3-224/4/A, Pt no.11&12, sy no.01, room no.412, madhura nagar, yousufguda, Hyderabad-500038
81	Sarvotham Care
82	Swami
83	Sri Kiran Kumar Vempati
84	Sri Shashidar Reddy
85	Sri CH Upendra, Advocate
86	Sri G Sathya Narayan Reddy
87	Sri K Chandraiah Goud
88	Sri Burgula Krishnaiah
89	Sri Rakesh S/o Shikhava Steel Pvt Ltd
90	Sri S Madhusudhana Reddy
91	Sri Anil Reddy Vennam
92	Sri Chanmeet Singh, AGI Greentec
93	Balachandar
94	Sri K Chinnaiah
95	Sri S Midaareddy, BKS Dist. Rangareddy
96	Sri D Ramanareddy, BKS
97	Sri Chakrapani
98	Sri G Chandraiah
99	Sri T Penta Reddy
100	Sri B Venkat Reddy
101	Sri P Krishna, Nagarkurnool
102	Sri D Tharun Kumar
103	Sri M Sivakumar, Chevella, Gundala
104	Sri K Naveen, Ushodaya Enterprises Pvt Ltd.
105	Sri Bandi Venkat Reddy, Kollapur
106	Sri Mallesh
107	Sri Katam Ailesh Kumar