Southern Power Distribution Company of Telangana Limited
#6-1-50, Corporate Office, Mint Compound, Hyderabad 500 063
Phone No.(040) 2343 1008 Fax Nos.(040) 2343 1395/1452
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From	To
Chief Engineer (IPC &RAC),	The Commission Secretary,
TGSPDCL, Corporate Office,	TGERC,Vidyuth Niyantran Bhavan,
6-1-50, Mint Compound,	GTS Colony, Kalyan Nagar,
Hyderabad – 500 063.	Hyderabad – 500 045.

Lr.No.CE(IPC&RAC)/SE(IPC&RAC)/AO(RAC)/F.No.ARR 26-27/D.No.4518/25,Dt: -01-2026

Sir,

Sub: TGSPDCL – Responses to the objections raised by the objectors in the matter of filings of True-up for FY 2024-25 and Revised Aggregate Revenue Requirement for Distribution Business for FY 2026-27as per MYT Regulation No.2 of 2023 in O.P. Nos. 70 of 2025 & 72 of 2025 – Information Submission - Reg

* * *

The Licensee is herewith submitting the replies to the objections raised by the objectors in the matter of filings of True-up for FY 2024-25 and Revised Aggregate Revenue Requirement for Distribution Business for FY 2026-27 as per MYT Regulation No.2 of 2023 before the Hon'ble Commission for information.

Encl: Replies to the objections

Yours faithfully,

Chief Engineer (IPC &RAC)
Name: B.Ravi
Mobile No.8712468147,
Email Id: ractsspdcl@gmail.com

Southern Power Distribution Company of Telangana Ltd. (TGSPDCL)

Responses to Objections / Suggestions

On

True-up for FY 2024-25

And ARR for Distribution Business

and determining of wheeling tariffs for

FY2026-27

INDEX

1. **Response to M. Timma Reddy**

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1.	For the FY 2024-25, as a part of the true up filings, TGSPDCL is claiming 20.18% higher ARR than allowed by the Commission. It is claiming 51.17% higher depreciation and 48.29% higher interest on working capital. Similarly, TGNPDCL is claiming 6.06% higher ARR, 30.60% higher depreciation, 34.02% higher interest on long-term loans and 41.38% higher interest on working capital. As the expenditures claimed by TGDISCOMs deviate significantly from the approval given by the Commission these claims shall be subjected to critical scrutiny.	The variations in ARR and cost components are primarily due to actual audited expenditures incurred during FY 2024-25, which differ from projections made in the MYT Order. As per Regulation 6.2(e), true-up petitions allow recovery of legitimate costs subject to prudence check. **The increase in depreciation, interest on loans, and return on equity in actuals, as compared to the amounts approved by the Hon'ble Commission, is on account of a higher asset base as per the books of accounts for FY 2024-25. The increase in the asset base is primarily due to capitalization of assets commissioned during the year pursuant to completion of ongoing capital works undertaken to meet growth in demand and statutory service obligations.** by Hon'ble Commission, which is and interest is attributable to capitalisation and loan drawals for approved schemes.We request the Commission to consider these variations as per the true-up mechanism provided in the MYT Regulations, 2023 (2 of 2023).
2.	While TGSPDCL is claiming 78.67% higher expenditure under return on equity (RoE) TGNPDCL is claiming 110.71% higher expenditure under RoE during the FY 2024-25. TGDISCOMs are claiming	The variation arises **on account of a higher asset base as per the books of accounts for FY 2024-25 due to capitalization of assets commissioned during the year as compared to the expenditure approved by the Hon'ble Commission** and also the RoE has been

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	higher RoE than allowed by the Commission in the Order dated 28-10-2024 on ARR and Wheeling Tariff for Distribution Business for Control Period FY 2024-25 to FY 2028-29.	considered at 11%. Further, TGSPDCL has claimed a RoE of 16% based on Regulation 29.2(e), which permits a base RoE of 14% with an additional incentive of up to 2% linked to compliance with the Standards of Performance (SoP). The additional Return on Equity (RoE) claimed reflects our sustained efforts toward improving service quality and operational efficiency. We request the Hon'ble Commission to approve the claim in accordance with the performance-linked incentive provisions.
3.	The Commission in its Order reduced the RoE for the FY 2024-25 to 11% for delay in filing ARR and tariff proposals (para 4.6.8). The same rate shall be maintained. Allowing the TGDISCOMs claim amounts to condoning this delay.	While there was a delay in filing ARR and tariff proposals, it was due to complexities in data segregation and compliance with new MYT formats. The delay was not intentional and occurred during the transition to the 5th Control Period.We request the Commission to consider this context and allow the RoE as claimed, as the delay did not impact consumer service delivery.
4.	TGDISCOMs are claiming 2% higher RoE for achieving standards of performance (SoP). TGDISCOMs' claims on SoP cannot be accepted. Their claims related to achieving SoP needs to be verified on the ground. Their claims related to achieving SoP shall be subjected to third party scrutiny. We request the Commission not to approve	The additional 2% RoE claimed is in accordance with Regulation 29.2(e), which incentivizes licensees for achieving SoP. We have implemented measures to improve reliability, reduce interruptions, and enhance consumer grievance redressal. We request the Commission to approve our claim.

<table>
<tr><th>S.No.</th><th>Summary of Objections / Suggestions</th><th>Response of the Licensee</th></tr>
<tr><td></td><td>higher RoE claimed by TGDISCOMs.</td><td></td></tr>
<tr><td>5.</td><td>Frequently we come across news about arrest of TGDISCOMs staff by Anti Corruption Bureau (ACB) for indulging in corrupt practices. These facts deny TGDISCOMs' claims about achieving SoP. We request the Commission to direct TGDISCOMs to provide details regarding their staff arrested by ACB and action taken against them.</td><td>Isolated incidents reported in the media do not reflect the overall performance of TGSPDCL. We have robust internal vigilance mechanisms and take disciplinary action against erring staff.
We request the Commission to consider performance metrics and audited compliance reports rather than anecdotal reports. The details of the action taken against erring staff for FY 2024-25 and FY 2025-26 are provided in the Annexure - I</td></tr>
<tr><td>6.</td><td>Distribution ARR for FY 2026-27 (Rs. in Cr)
<table>
<tr><th>Particulars</th><th>Approved (Rs.CR)</th><th>Revised (Rs.CR)</th><th>Increase %</th></tr>
<tr><td>O&M Charges</td><td>3,653.41</td><td>4,072</td><td>11.47</td></tr>
<tr><td>Depreciation</td><td>670.55</td><td>1,034</td><td>54.10</td></tr>
<tr><td>Interest and finance charges on loans</td><td>553.87</td><td>840</td><td>51.62</td></tr>
<tr><td>Interest on working capital</td><td>102.51</td><td>150</td><td>45.63</td></tr>
<tr><td>Return on equity</td><td>314.37</td><td>434</td><td>38.22</td></tr>
<tr><td>Impact True up 2024-25</td><td></td><td>545</td><td></td></tr>
<tr><td>Non-tariff income</td><td>159.75</td><td>532</td><td></td></tr>
<tr><td>Income from Open Access</td><td>1.28</td><td>1.20</td><td></td></tr>
<tr><td>Distribution ARR</td><td>5,133.68</td><td>6,542</td><td></td></tr>
</table></td><td>The Hon'ble Commission has approved O&M expenses by applying escalation on the average of the true-up expenses for theimmediate preceding control period, and this is further escalated for 3 years as per clause No. 81 of Regulation No. 2 of 2023. However, the approved amount so derived is lower than the actual expenditure incurred during FY 2023-24.O&M cost escalation is based on CPI/WPI indices in accordance with Regulation 81.3 based on actuals for FY 2024-25. This revision is primarily on account of actual employee cost, repairs & maintenance activities, and administrative expenses, projected based on CPI/WPI.</td></tr>
<tr><td>7.</td><td>The Commission had issued the MYT Wheeling tariff order for distribution business related to 5th control period on 28th October 2024. In that order the Commission had approved distribution business ARR</td><td>The Hon'ble Commission has approved Employee cost for FY 2024-25 by applying escalation on the average of the true-up expenses for the immediate preceding control period, and this is further escalated for 3 years as per clause No. 81 of Regulation No. 2 of 2023.</td></tr>
</table>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	for each year of the 5th control period. TGDISCOMs in their present filings have claimed that in accordance to the regulation, the DISCOMs have computed the ARR of Distribution business against each cost element based on the Distribution MYT Tariff Order for 5th Control Period as approved by Hon'ble TGERC. But there is wide variation between the distribution ARR approved by the Commission for the FY 2026-27 as a part of 5th Control Period wheeling tariff order and the present filings by the TGDISCOMs. At the same time TGDISCOMs did not provide reasons for the variations in expenditure and income figures. In the case of TGNPDCL while the Commission had approved Rs. 3,525.84 crore in the ARR for FY 2026-27 the DISCOM is claiming Rs. 4,391 crore. Similarly, in the case of TGSPDCL while the Commission had approved Rs. 5,133.68 crore the DISCOM is claiming Rs. 6,542 crore. Even after taking in to account the impact of true up for FY 2024-25 TGDISCOMs' claims are higher than that approved by the Commission.	However, the approved amount so derived is lower than the actual expenditure incurred during FY 2023-24 due to non consideration of terminal benefits paid to the employees retired on superannuation of the employees of the licensees. The increase in depreciation, interest on working capital and return on equity is due to variation in asset base considered by Hon'ble Commission is lower againt actuals as per book of accounts for FY 2024-25. The revised ARR for FY 2026-27 is computed based on actual cost trends, inflation, and capital investment requirements.We request the Commission to consider these variations as we have filed our submission in accordance with MYT Regulations, 2023 (2 of 2023).
8.	In the case of TGSPDCL revised claims on O&M	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	charges are higher by 11.47%, on depreciation higher by 54.10%, on interest on long term loans higher by 51.62%, on interest on working capital higher by 45.63% and on return on equity higher than 38.22%. Similarly, in the case of TGNPDCL revised claims on O&M charges are higher by 5.19%, on depreciation higher by 44.07%, on interest on working capital higher by 40.85% and on return on equity higher than 15.18%. Given this wide deviation TGDISCOMs' claims related to distribution ARR for the year 2026-27 shall be thoroughly scrutinised.	
9.	In the present filings for the FY 2026-27 while TGNPDCL has proposed a rate of interest of 10.76% on loans, TGSPDCL has proposed a rate of interest of 9.97%. These rates of interest are higher than those claimed during the 4th control period. As such TGDISCOMs' proposed rates of interest for the FY 2026-27 need to be brought down. TGDISCOMs may be advised to go in for swapping of loans to bring down interest burden	The proposed interest rates reflect prevailing market conditions and actual loan portfolio. The TGSPDCL submits that the projected interest on loan for FY 2026-27 has been computed based on the weighted average interest rate, considering the mix of existing loans, the applicable interest rates on new loans, and the scheduled repayment obligations, the resulting weighted average projected interest rate works out to 9.97% for FY 2026-27.We request the Commission to consider these variations in accordance with MYT Regulations, 2023 (2 of 2023). We have submitted detailed computation sheets to the Hon'ble Commission.
10.	As a part of distribution business ARR for FY 2026-27	The additional 2% RoE claimed is in accordance with Regulation

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	TGDISCOMs are claiming return on equity of 16%. This includes 14% towards regular return on equity and 2% for achieving Standards of Performance (SoP). The Commission in its Order dated 28-10-2024 on ARR and Wheeling Tariff for Distribution Business for Control Period FY 2024-25 to FY 2028-29 adopted 14% as return on equity. The same shall be applied to present application of TGDISCOMs for the FY 2026-27.	29.2(e), which incentivizes licensees for achieving SoP.We have implemented measures to improve reliability, reduce interruptions, and enhance consumer grievance redressal. In view of the above, licensee is confident in achieving the SoP. We request the Commission to allow this claim.
11.	This additional 2% towards return on equity may be allowed after completion of the FY if DISCOMs achieve the target SoP. TGDISCOMs' claims on achieving SoP needs to be thoroughly scrutinized by the Commission or shall be subjected to third party verification. Electricity consumers in the state are at the receiving end. TGDISCOMs' claims on achieving SoP do not reflect the ground reality. We often come across news reports of DISCOM staff being arrested by Anti Corruption Branch (ACB) for their corrupt practices. But these arrests represent just tip of an iceberg and the rot runs deep. Arrested DISCOM staff are initially suspended and reinstated after 6 months,	TGSPDCL respectfully submit that the additional 2% RoE linked to Standards of Performance (SoP), as provided under Regulation 29.2(e), should not be deferred entirely to the true-up stage. If this component is allowed only during true-up, DISCOMs will lose revenue through wheeling charges because the higher RoE will not be factored into the wheeling tariff computation for the year. This creates a structural disadvantage despite compliance with SoP targets. TGDISCOMs have implemented robust measures to meet SoP requirements, including reliability improvements, timely consumer service delivery, and safety initiatives. We therefore request the Hon'ble Commission to consider allowing the additional 2% RoE provisionally in the ARR, subject to post-year verification, so that wheeling charges reflect the correct cost structure and

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	without any punishment. We request the Commission to direct TGDISCOMs file details of the DISCOM staff arrested by ACB during the FYs 2024-25 and 2025-26 and action taken on these staff. Electricity consumers in the state deserve better service.	DISCOMs are not penalized for timely compliance.We have robust internal vigilance mechanisms and take disciplinary action against erring staff. The details of the same for FY 2024-25 and FY 2025-26 are provided in the Annexure - I
12.	TGSPDCL mentioned that it will be spending Rs. 176 Crore towards AT&C loss reduction during the ensuing financial year. TGNPDCL will be spending Rs. 9 Crore under the same heading. Past experience shows that there was not much improvement on this front. Given zero or negative returns this expenditure on AT&C loss reduction shall not be allowed.	TGSPDCL submits that the proposed AT&C loss reduction expenditure is aimed at addressing both technical and commercial loss drivers through targeted interventions. The program includes deployment of DT metering and feeder analytics, installation of metering for high-risk consumers along with AMI pilots, preventive patrols and theft deterrence measures in identified hotspots, and service wire and pillar box rehabilitation in dense urban localities. Performance will be monitored through feeder-wise loss baselines compared to post-implementation results, comprehensive energy audits segregating HT and LT losses, and revenue protection outcomes. We request the Hon'ble Commisison to approve the investments made by TGSPDCL.
13.	TGDISCOMs' expenditure on capital and other expenditure shall be prudent and taken up through transparent bidding process. It has to be seen that bid terms are not drafted to benefit a select few vendors. There were also instances of spending more than	All procurements follow transparent e-tendering, competitive bidding in accordance with Regulation 2 of 2023 and specification-driven evaluation (IS/IEC compliance, conductor class, insulation thickness, fire-retardant properties, installation accessories, warranty).

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	necessary leading to higher capital expenditure. According to a news report published in Namaste Telangana on 10th October 2025 while bid rate for cable per meter was Rs. 3,019 TGSPDCL spent Rs. 5,200 per meter.	
14.	TGSPDCL proposed converting overhead lines in to underground cables in Hyderabad for reliable and safe electricity distribution at a total estimated cost of Rs. 14,725 Crore. The DISCOM proposes to spend Rs. 4,725 Crore on this during the FY 2026-27. In the write up it was stated that details were provided in Annexure-III (para.2.3). But no Annexure-III was provided as a part of the petition.	The approval letter from GoTGon conversion of overhead 33 kV, 11 kV and LT lines to underground cables willbe submittedto Hon'ble Commission. The same was submitted to Hon'ble TGERC
15.	Underground cable work is also described as an aesthetic exercise, to improve the looks of Hyderabad city. Will there be any financial support from GHMC or GoTG for the proposed underground cable work?	The underground cabling works are initiated for reliability. The Government has issued G.O. directing the DISCOM to meet the Project cost through Internal Funding or through External Borrowings. The DISCOM is in the process of getting loans.
16.	Underground cable works are being rushed through in the background of electrical accidents involving overhead lines during the month of August 2025. In the background of these accidents overhead internet and TV cables were removed from electric poles.	Pole rental charges are already accounted as Non-Tariff Income in the Retail Supply and Wheeling business in accordance with Clause 82&90 of MYT Regulations, 2023 (2 of 2023).

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	During this exercise some cable operators claimed that they have paid service charges for using electric poles to hang the cables. We would like to know whether income from this source is included under non-tariff income.	

2. **Response to Cellular Operators Association ofIndia (COAI)**

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1.	We note from the Public Notice that the proposed wheeling charges for LT categoryconsumers have been fixed at Rs. 767/kvA/month for Southern Power DistributionCompany of Telangana Limited and Rs. 1,196/kvA/month for Northern Power DistributionCompany of Telangana Limited. The proposed levels represent a substantial increase inthe fixed cost burden on open access consumers. Such high wheeling charges, whenapplied uniformly, significantly escalate the overall cost of power procurement, particularlyfor consumers with geographically dispersed loads and round-the-clock operationalrequirements, such as the telecom sector. The impact is further magnified for consumerssourcing power under the Green Energy Open Access mechanism, where additionalstatutory charges already apply, thereby rendering renewable power procurementfinancially unattractive despite its environmental benefits.	The proposed wheeling charges of Rs. 767/kVA/month for TGSPDCL and Rs. 1,196/kVA/month for TGNPDCL. These charges are determined strictly in accordance with the TGERC Multi-Year Tariff (MYT) Regulations, which mandate recovery of distribution network costs based on voltage level and cost causation principles, not on the source of energy. The approach considered by the Hon'ble Commission in its MYT order for 5th Control Period is shown below: *"4.13.4 Further, Clause 79.2 of Regulation No. 2 of 2023, clearly specifies that theWheeling Charges shall be determined separately for LT voltage, 11 kVvoltage, and 33 kV voltage.* *4.13.5 In accordance with Clause 79.2 of Regulation No. 2 of 2023, the Commissionhas computed the Wheeling Charges for the Control period i.e. FY2024-25 toFY2028-29.* • *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 kVand 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 byconsidering the voltage wise demands in the ratio on actuals availablewith the Commission and approved losses as per*

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		Resource Plan Orderdated 29.12.2023; • *The voltage wise wheeling charges have been computed by dividing theapportioned ARR at each voltage level by the demand at that voltagelevel."* The distribution network must maintain capacity to serve contracted demand irrespective of whether the consumer procures power from conventional or renewable sources. Therefore, the methodology adopted by the Commission—fixed wheeling charges linked to kVA demand—is cost-reflective and consistent with regulatory framework.
2.	We respectfully submit that Green Energy sourced power, by its very nature, has lowerplant load factor and efficiency as compared to conventional sources, owing to intermittencyand variability of renewable generation. Applying uniform wheeling charges without accounting for these inherent characteristics makes Green Energy Open Access (GEOA)economically unviable for consumers for the telecom sector, which is othenrvise committedto increasing renewable energy adoption in line with national sustainability goals.	While we acknowledge that renewable energy has inherent intermittency and lower PLF, these characteristics affect generation economics, not network cost drivers. The network remains obligated to provide the same level of readiness and reliability for all users including open access users. Differentiating wheeling charges based on generation source, which is contrary to the principles of non-discrimination and cost reflectivity in the MYT framework.
3.	In view of the above, we strongly urge to define and	The MYT Regulations and Commission's past orders do not envisage a

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	notify a separate and rational wheelingcharges per unit specifically for Green Energy sourced power. Without such differentiation,the high wheeling charges per unit will negate the intended benefits of GEOA anddiscourage telecom sector from transitioning to renewable energy, thereby underminingboth environmental objectives and policy intent.	separate wheeling charge for green energy or a shift from capacity-based charges (Rs. /kVA/month) to energy-based charges (Rs. /kWh). The abstact of Clause 79.2 of Regulation 2 of 2023 id provided below: *"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."* However, we respectfully submits that TGSPDCL's filing for FY 2026–27 has also provided wheeling charges expressed in Rs. /kWh in addition to the standard Rs. /kVA/month structure.
4.	We therefore request you to kindly consider Clur concerns and provide appropriate relief byrescribing a separate, lower wheeling charge framework for Green Energy sourced power,so as to ensure long-term viability of GEOA and promote sustainable energy	The Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022 provide certainty on applicable charges—transmission, wheeling, CSS, and standby—but do not mandate concessional wheeling charges for renewable energy. *"9. Charges to be levied for Open Access.– (1) The charges to be*

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	usage byessential service sectors such as telecommunications. We respectfully pray to notify a separate wheeling charge for Green Energysoureed power, considering its inherent intermittency and lower efficiency ordefine wheeling charge per unit (Rs/kwh) so as to ensure the viability of GreenEnergy Open Access and promote renewable energy adoption.	*levied on Green Energy Open Access consumers shall be as follows:-* *(a) Transmission charges;* *(b)Wheeling charges;* *(c) Cross subsidy Surcharge;* *(d)Standby charges wherever applicable; and* *(e)No other charges except the charges above, shall be levied"* Thus, the current approach is fully compliant withElectricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022.TGDISCOMs respectfully submit that COAI's request for a separate or wheeling charges for green energy, does not align with the TGERC MYT framework or GEOA Rules. We request the Commission to consider the same methodology as defined in Regulation 2 of 2023 for determination of wheeling charges

3. **Response to Sri M. Venugopal Rao, Senior Journalist & Convener, Centre for Power Studies**

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1.	The Hon'ble Commission has issued public notices on the following 15 petitions, inviting objections and suggestions from interested public. The last dates for filing objections and suggestions range from the 1st to 12th January, 2026. The petitions are in 17 volumes running into nearly 2000 pages. The following are the petitions: 1. True-up for 1st year of 5th Control Period i.e., FY 2024-25 vide O.P.No.70 of 2025 of TGSPDCL and vide O.P.No.71 of 2025 of TGNPDCL 2. Revised ARR and tariff proposal for FY 2026-27 vide O.P.No.72 of 2025 of TGSPDCL and vide O.P.No.73 of 2025 of TGNPDCL.Last date for filing objections and suggestions in both the petitions is 12.1.2026 3. ARR proposed and revised transmission tariff and charges for FY 2026-27 and True up for FY 2024-25 for transmission business vide O.P.No.68 of 2025. 4. ARR proposed and revised SLDC charges for FY 2026-27 and True up for FY 2024-25 for SLDC Activity vide O.P.No.69 of 2025.Last date for filing objections and suggestions in both the petitions is 10.1.2026	Under the purview of Hon'ble Commission.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	5. Filings made by SCCL in the matter of Annual tariff for FY 2026-27 containingARR and Revised tariff proposal for FY 2026-27 and True-Up for FY 2024-25 vide O.P.No.64 of 2025 in respect of 2X600 MW Singareni Thermal Power Plant.Last date for receiving Comments/Suggestions: 10.1.2026 6. Filings made by TGGENCO in the matter of Annual tariff for FY 2026-27 containing ARR and Revised tariff proposal for FY 2026-27 and True-Up for FY 2024-25 vide O.P.No.67 of 2025 in respect of Generation Business. Last date for receiving Comments/Suggestions: 10.1.2026. 7. Filings made by TGNPDCL vide O.P.No. 66 of 2025 and TGSPDCL vide O.P.No. 65 of 2025 in the matter of determination of Additional Surcharge for H1 of FY 2026-27.Last date for receiving comments/suggestions: is 9.01.2026 8. Filings made by TGGENCO in the matter of determination of Capital Cost and Provisional Tariff in respect of the following: a. Unit-2 (800MW) of YTPS for the period from FY 2024-25 to FY 2028-29 vide O.P.No.77 of 2025. b. Unit-1 (800MW) of YTPS for the period from FY 2025-26 to FY 2028-29 vide O.P.No.76 of 2025.Last date for receiving	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	comments/suggestions: 9.01.2026 9. Filings made by TGGENCO in the matter of Approval of Additional Capital Cost in respect of the following: a. New Conveying System and Construction of Space frame structure raw coal storage shed at BTPS vide O.P.No.74 of 2025. b. Construction of Quarters at KTPS-VII Stage vide O.P 78 of 2025. c. Raising of Additional Ash Pond bunds at KTPS V&VI Stages vide O.P.No.75 of 2025.Last date for receiving comments/suggestions: 9.1.2026 10. Commission invites comments and suggestions in the matter of consent to procure a share of 800 MW from the 2400 MW (3X800 MW) of Telangana Super Thermal Power Station (Telangana STPP) Stage-II instead of procurement of 800 MW exclusively from one unit and approval to the draft PPA signed by TGDISCOMs with NTPC for procurement of a share of 800 MW power from 2400 MW (3x800 MW) Telangana STPP Stage-II for a period of 25 years vide I.A.No.39 of 2025 in O. P. No.31 of 2025.Last date for receiving comments/suggestions: 1.1.2026 Needless to say, it is impossible to study all the above-	

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	mentioned petitions in detail, analyse and prepare comprehensive submissions simultaneously within the time stipulated by the Commission. Preoccupied with other pressing engagements and preparation of submissions on ARR and tariff revision proposals of APDISCOMs for the FY 2026-27 till the end of last year, could not even examine the above-mentioned 15 petitions. From the 5th to 10th of this month, I will be held up in unavoidable family attention. As the Hon'ble Commission is aware, serious objectors participating in the regulatory process on issues like the said 15 petitions in larger public interest can literally be counted on fingertips, as experience has been confirming. We had earlier experience of facing a similar situation and in view of no extension of time granted, we could not file detailed submissions. We request the Hon'ble Commission to extend time for filing detailed submissions till 25th of this month, especially in IA No.39 in OP No.31 of 2025 and OP Nos.76 and 77 of 2025 and OP Nos.70, 71, 72 and 73.	

4. **Response to Power Foundation of India (PFI)**

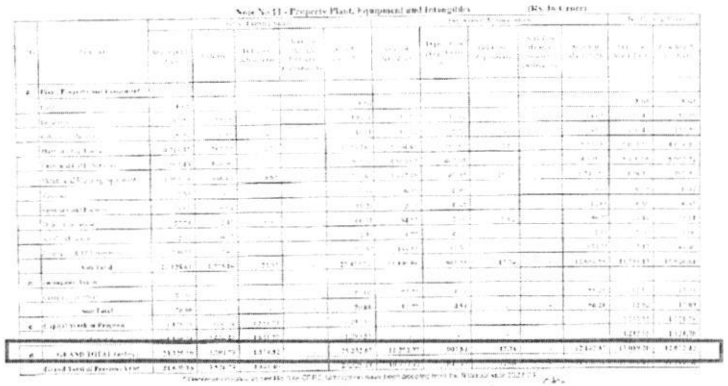
S.No.	Summary of Objections / Suggestions	Response of the Licensee
1.	Power Foundation of India (PFI) is a Policy Research & Advocacy entity, registered as a society under the aegis of Ministry of Power, Government of India. PFI is supported by leading Central Power Sector Organizations to undertake evidence-based policy research and facilitate informed decision making by the Regulators, Ministry and other concerned stakeholders. PFI has been a party in the process of Distribution Tariff determination. For last financial year Petitions related to True-up FY 2023-24 and ARR FY 2025-26, PFI had submitted its comments/suggestions to various SERCs of Maharashtra, Andhra Pradesh, Punjab, Telangana, Madhya Pradesh, Rajasthan, Uttar Pradesh, Tamil Nadu, Uttarakhand and have also presented our comments/suggestions before Hon'ble Commission in Public Hearing. This year also we intent to file comments / suggestions on True-up FY 2024-25 and ARR FY 2026-27. However, due to voluminous data and less time period provided by TGERC we request time extension of 10 days after Last Date to enable us to submit our comments on Tariff	Under the purview of Hon'ble Commission.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	Petitions. An extension would allow for a more comprehensive and high-quality analysis and response, which we believe is in the public interest and will aid the Commission in its determination of Tariff. We greatly appreciate your understanding and kind consideration of this request.	
TGSPDCL True-Up Petition FY 2024-25 forDistribution Wheeling Business		
1.	**A. SEPARATE AUDITED ACCOUNTS - WHEELING & RETAIL SUPPLY BUSINESS** 4) PFI has observed that TG DISCOMs file separate True-Up Petitions for Distribution Wheeling & Retail Supply Business. However, segmental reporting for these two businesses is not present in the Audited Accounts of TG DISCOMs. Relevant extract from the Audited Accounts is as follows. *"Note: 38 Segment reporting (AS-17) is not applicable since distribution and retail supply of power comprises primary and reportable segment."* 5) Regulation 77 of TGERC (Multi Year Tariff) Regulations, 2023 clearly states that separate accounts need to be maintained for Distribution & Retail Supply Busines. *"77 Separation of Accounts of Distribution Licensee 77.1 Every distribution licensee shall maintain separate accounting records for the Wheeling Business and Retail Supply Business and shall prepare an Allocation Statement to enable the*	TGSPDCL respectfully submits that we are preparing Annual Accounts in accordanc with Indian Accounting Standards and the same is being segregated for the Distribution Wheeling Business and Retail Supply Business in full compliance with the MYT formats notified by the Hon'ble Commission.The Hon'ble Commission has prescribed an Allocation Matrix under Regulation 77 to be used in cases where complete accounting segregation has not yet been achieved. In line with this, TGSPDCL has been adopting the Allocation Matrix exactly as directed by the Hon'ble TSERC, ensuring full regulatory compliance.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	Commission to determine the Tariff separately for: *(a) Distribution Wheeling Business;* *(b) Retail Supply of electricity:* *Provided that in case complete accounting segregation has not been done between the Wheeling Business and Retail Supply Business of the distribution licensee, the Aggregate Revenue Requirement of the distribution licensee shall be apportioned between the Wheeling Business and Retail Supply Business in accordance with the following Allocation Matrix.."* 6) TG DISCOMs have been using pre-defined ratios as per Regulation 77 of TGERC MYT Regulations 2023, for allocating costs between the two businesses, but these ratios are based on assumptions and do not represent the true picture. Such usage of predefined ratios without splitting the costs & revenue into Wheeling & Retail Business leads to non-scientific & non-transparent allocation of costs & revenue to the two businesses. **7) Open Access, which is one of the main pillars to promote competition in the electricity sector, as mandated u/s 42 of the Electricity Act, 2003 (Act) requires determination of Wheeling Charges. These Charges can not be ascertained in an accurate and transparent manner until separate audited accounts are maintained.**	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	8) Further, Section 42 of draft Electricity (Amendment) Bill, 2025 states that it is the duty of a distribution licensee to provide non-discriminatory open access of its network to other distribution licensees. Relevant extract is as follows: "*Section 42 (Duties of distribution licensee and open access)* *(1) It shall be the duty of a distribution licensee to:* *(a) ensure an efficient, co-ordinated and economicdistribution network in his areaof supply;* (b) provide non-discriminatory open access to his network to otherdistribution licensees in their areas of supply on payment of wheelingcharges; (c) supply electricity in accordance with the provisions of this Act, and (d) develop and maintain distribution system, as required, avoiding duplication, as may be specified by the Appropriate Commission." 9) Also, Section 14 of draft *Electricity (Amendment) Bill, 2025* allows multipledistribution licensees in the same area using shared network. The amendment isproposed to be done in 6th proviso, which is as follows. ***"Section 14. (Grant of licence):*** *The Appropriate Commission may, on an application made to it under section 15,grant a license to any person -* *(a) to transmit electricity as a transmission licensee; or*	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	(b) to distribute electricity as a distribution licensee; or *(c) to undertake trading in electricity as an electricity trader,* *in any area as may be specified in the license:* . *Provided also that the Appropriate Commission may grant a license to two or morepersons for distribution of electricity "through their own* ***or shared*** *distribution system within the same area* ***in accordance with the framework as specifiedby the Commission****", subject to the conditions that the applicant for grant oflicense within the same area shall, without prejudice to the otherconditions orrequirements under this Act, comply with the additional requirements [relating tothe capital adequacy, credit-worthiness, or code of conduct] as may be prescribedby the Central Government, and no such applicant, who complies with all therequirements for grant of license, shall be refused grant of license on the groundthat there already exists a licensee in the same area for the same purpose."* 10) In view of above, it can be seen that separate accounts are required for promotingcompetition and improving efficiency and transparency in the two businesses (Distribution Wheeling & Retail Supply). **Accordingly, PFI requests the Hon'bleCommission to direct TGSPDCL toprovide audited accounts separately**	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	for Distribution Wheeling & Retail Supply Business and file revised True-Up Petitions.	
2.	**B. DEPRECIATION** 12) TGSPDCL has claimed Rs. 1,034 Cr. of Depreciation in FY 2024-25, detailedcalculations for which have not been provided. However, as per Note 11 of theAudited Accounts of TGSPDCL, the retired Assets in FY 2024-25 are worth Rs. 17.74Cr. So, the net Depreciation for TGSPDCL for FY 2024-25 should be after reducingthe impact of Retired Assets.  Further, as per the Regulatory Provisions, Depreciation on assets funded byconsumer/user contributions shall not be allowed in the Aggregate RevenueRequirement of the DISCOM. Relevant extract of Regulations 26 of Regulation No. 2of 2023 *(Telangana State Electricity Regulatory Commission (Multi Year Tariff)Regulation, 2023)* is as follows: ***"26 Consumer Contribution, Deposit Work, Grant and***	The depreciation amount considered here does not include fully depreciated assets, the fully depreciated assets are net off while calculating the Return on Equity and Interest on loan components. The licensee has considered the depreciation on assets funded through consumer contributions as Deferred Revenue Income under non-tariff income (NTI). Since the Net ARR i.e., the Gross ARR minus the NTI is considered for the purpose of computation of wheeling charges, the licensee prays that the Hon'ble Commission may consider the depreciation figures as filed by the licensee.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	Capital Subsidy ... *26.2 The expenses on such capital works shall be treated as follows:-* ... ***(c) provisions related to depreciation, as specified in clause 28, shall notbe applicable to the extent of such financial support received;"*** 14) TGSPDCL has submitted that Depreciation amount claimed by them includesamortised depreciation on Consumer Contribution Assets of Rs. 429 Cr. however thishas not been adjusted and gross Depreciation has been claimed. The amortiseddecpreciation on Consumer Contribution Assets is instead considered as part of Non-Tariff Income by TGSPDCL, referred to as Deferred Revenue Income. 15) PFI submits that Depreciation of Consumer Contributed Assets can not becategorized as "Income". Moreover, while calculating the Interest & Finance ChargesTGSPDCL considers the Gross Depreciation (Depreciation including Depreciation onConsumer Contributed Assets) & equates it to Repayment of Loan. 16) There are three key means of financing Assets – (i) funded through ARR, (ii) ConsumerContribution & (iii) Government Grants. Assets which are finance through	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	ConsumerContribution are handled by the DISCOM on behalf of the consumers and can not beused for claiming Depreciation. 17) Nearly all State Electricity Regulatory Commissions adjust the amortised depreciationof consumer contributed assets in the gross depreciation and do not treat it as Non- Tariff Income.Relevant extract from *Delhi Electricity Regulatory Commission (Terms and Conditions* *for Determination of Tariff) Regulations, 2017* is as follows. *"29.* ***Any grant or contribution or facility or financial support received by theUtility from the Central and/or State Government, any statutory body,authority, consumer or any other person****, whether in cash or kind, for execution ofthe project or scheme, which does not involve any servicing of debt or equity orotherwise carry any liability of payment or repayment or charges* ***shall be excludedfrom the Capital Cost for the purpose of computation of interest on loan, returnon equity and depreciation.****"* Relevant extract from *Haryana Electricity Regulatory Commission (Terms andConditions for Determination of Tariff for Generation, Transmission, Wheeling andDistribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2024* isas follows. *"18. CAPITAL COST*	

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	. . *(8)The amount of any contribution made by the consumers, open access consumers andGovernment subsidy towards works for connection to the distribution system ortransmission system of the distribution /transmission licensee, shall be deducted fromthe original cost of the project for the purpose of calculating the amount under debt andequity under these Regulations."* 18) **Accordingly, PFI requests the Hon'ble TGERC to approve Depreciation for FY2024-25 for Distribution Business of TGSPDCL taking into account the RetiredAssets and the impact of Assets funded by Consumer Contribution or throughany Capital subsidy or Grant. In any case, the allowed Depreciation for TGSPDCLfor FY 2024-25 should not be more than Rs. 363 Cr. The difference between theclaimed Depreciation of Rs. 1034 Cr. and Rs. 363 Cr. proposed by PFI shouldnot be passed on to the consumers at large through ARR and should be borneby the Govt. of Telangana in the form of subsidy.**	
3.	**C. INTEREST & FINANCE CHARGES** 19) As submitted above, TGSPDCL has calculated theInterest and Finance Chargesconsidering GrossDepreciation (i.e.	We have adopted the same methodology applied by the Hon'ble Commission in the MYT Order for computing interest on loan, including the treatment of depreciation, which serves as the normative loan

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	Depreciation including Depreciation onConsumer Contributed Assets) which is against the Regulatory Provisions. 20) Further, Opening Balance of Normative Loan has been considered as per auditedaccounts and not as per Regulatory Provisions. FY 2024-25 is the first year of the 5th Control Period (FY 2024-25 to FY 2028-29) and the Hon'ble TGERC, in DistributionWheeling MYT Order dated28/10/2024 had calculated the Opening Normative Loanfor FY 2024-25 based on the Closing Normative Loan at the end of FY 2024-25.Relevant extract from the said Order is as follows. *"4.7.3 The Commission has determined the opening loan base for FY2024-25 bytaking the approved Gross Fixed Assets (GFA) as on 01.04.2024, adjusted foraccumulated depreciation, consumer contributions, and grants, andapportioning it based on a debt-equity ratio of 75:25. Additionally, in accordancewith Clause 27.1 of Regulation No. 2 of 2023, the Commission has applied thesame 75:25 debt-equity ratio to the approved capitalisation during the year, netof consumer contributions and grants, to calculate the loan addition for eachyear of the Control Period"* 21) Accordingly, PFI has recomputed the Interest & Finance Charges after consideringthe Opening Balance of Normative Loan for FY 2024-25 same as Closing Balance ofNormative Loan for FY 2023-24 & deduction of Depreciation on	repayment as per Regulation 31.3. Specifically, the depreciation considered for loan repayment is exactly as recognised in the ARR computation framework approved by the Commission, including the Commission-prescribed handling of consumercontributionfunded assets.

<table>
<tr><th>S.No.</th><th>Summary of Objections / Suggestions</th><th>Response of the Licensee</th></tr>
<tr><td></td><td>ConsumerContributed Assets from Gross Depreciation.
(Rs. Cr.)
<table>
<tr><th>Particulars</th><th>Claimed by TGSPDCL</th><th>PFI Working</th><th>Difference</th></tr>
<tr><td>Opening Balance of Normative Loan</td><td>5546</td><td>4222</td><td></td></tr>
<tr><td>Receipt of New Loans (exc. Consumer contribution)</td><td>834</td><td>834</td><td></td></tr>
<tr><td>Repayment of loan (Dep. Adjusted for CC)</td><td>809</td><td>363</td><td></td></tr>
<tr><td>Equity portion of GFA of fully depreciated assets</td><td>3</td><td>3</td><td></td></tr>
<tr><td>Closing Balance of Normative Loan</td><td>5575</td><td>4696</td><td></td></tr>
<tr><td>Average Balance of Normative Loan</td><td>5560</td><td>4459</td><td></td></tr>
<tr><td>Rate of Interest</td><td>9.60%</td><td>9.60%</td><td></td></tr>
<tr><td>Interest & Finance Charges</td><td>534</td><td>428</td><td>(106)</td></tr>
</table>
22) PFI request Hon'ble TGERC to consider reducing Interest & Finance Chargesclaimed by TGSPDCL by Rs. 106 Cr. The same should be borne by the Govt. ofTelangana in the form of subsidy.</td><td></td></tr>
<tr><td>4.</td><td>D. OTHER EXPENDITURE
23) TGSPDCL has claimed Rs. 25.60 Cr. as Other Expenditure for FY 2024-25. Suchother expenditure includes Rs. 20.18 Cr. of compensation/ ex-gratia amount paid toElectrical Accidents.
24) It is pertinent to note that all penalties and compensation payable by the DISCOM toany party for failure to meet any Standards of Performance or for damages, as aconsequence of the orders of the Commission, Courts, Consumer GrievanceRedressal Forum, and Ombudsman, etc., should not be allowed to be recoveredthrough the Aggregate Revenue Requirement.
25) PFI submits that Section 57 (2) and Section 59 (1) of the Act focus on two key pointsi.e., Compensation and Furnishing</td><td>Our claim includes (a) statutory and ex-gratia payments arising from force-majeure/public safety events not attributable to the utility; and (b) amounts mandated under lawful directions where no fault of the licensee is established.According to the guidelines of the Hon'ble Commission of Proceedings No. TSERC/Secy/86 of 2015, Dt:28-12-2015, para no.3 is extracted as below.
"After careful consideration of the information submitted and issues raised by the DISCOMs, the Commission hereby enhances the ex-gratia sum payable, as a safety measure, in the case of a fatal accident resulting in death of a non-departmental person and / or of an animal owing to electrocution and other issues connected therewith are dealt hereunder."
Therefore, TGSPDCL is paying the compensation/ex-gratia amount to every Electrical accident to non-departmental person and / or of an</td></tr>
</table>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	Case-wise information. Relevant sections are as follows: *"Section 57. (Consumer Protection: Standards of performance of licensee):* *(1) The Appropriate Commission may, after consultation with the licensees and personslikely to be affected, specify standards of performance of a licensee or a class oflicensees.* *(2) If a licensee fails to meet the standards specified under sub-section (1), withoutprejudice to any penalty which may be imposed or prosecution be initiated, he shall beliable to pay such compensation to the person affected as may be determined by theAppropriate Commission:* *Provided that before determination of compensation, the concerned licensee shall begiven a reasonable opportunity of being heard...."* *Section 59. (Information with respect to levels of performance):* *(1) Every licensee shall, within the period specified by the Appropriate Commission,furnish to the Commission the following information, namely:-* *(a) the level of performance achieved under sub-section (1) of the section 57;* *(b) the number of cases in which compensation was made under subsection (2) ofsection 57 and the aggregate amount of the compensation."*	animal with Department fault or without Department fault in every year and this expenditure is booked under compensations account under A&G expenses in the licensee books of accounts. The details of the same are already being submitted to the Hon'ble Commission.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	26) Conjoint reading of Section 57 & Section 59 leads to the conclusion that DISCOMs need to submit case-by-case details to the Commission and the Commission willdetermine the compensation only after going through the merits of each case. 27) Further, Hon'ble APTEL vide its Judgment dated 27/09/2012 in Appeal No.141 of2012 provided clarification of Section 57(2) stating that SERCs will determinecompensation on a case-by-case basis after analyzing the failure in meeting standardof performance and other details, relevant extract from said judgement is as follows: *"Section 57(2) provides for a case-by-case determination of compensation. Suchcompensation has to be paid to the affected person. This will make it clear that theState Commission will have to determine on the basis of allegation that a particularstandard of performance had been violated, as to how and what extent the person hasbeen affected due to such violation."* 28) PFI observes that TGSPDCL has not submitted any details or reference ofcommunications forwarded to the Hon'ble Commission w.r.t. electrical accidents andaction taken and have only claimed the compensation amount in the Petition. **29) In view of above, PFI proposes the Hon'ble Commission to direct DISCOMs tosubmit case-by-case**	

<table>
<tr><th>S.No.</th><th>Summary of Objections / Suggestions</th><th>Response of the Licensee</th></tr>
<tr><td></td><td>reason of accident and allow pass through of compensationonly in cases where the reason is not attributable to the DISCOM.</td><td></td></tr>
<tr><td>5.</td><td>E. SUMMARY OF TRUE-UP FY 2024-25
30) As stipulated above, summary of PFI Comments on True-up of FY 2024-25 forTGSPDCL Distribution Wheeling Business is as follows, Hon'ble Commission isrequested to kindly consider the same.
<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Claimed by DISCOM</th><th>Proposed by PFI</th><th>Difference</th></tr>
<tr><td>1</td><td>Operation & Maintenance (O&M) Expenses (6a+6b+6c)</td><td>4025</td><td>4025</td><td>0</td></tr>
<tr><td>1a</td><td>Employee Expenses</td><td>3611</td><td>3611</td><td></td></tr>
<tr><td>1b</td><td>Administrative & General (A&G) Expenses</td><td>201</td><td>201</td><td></td></tr>
<tr><td>1c</td><td>Repair & Maintenance (R&M) Expenses</td><td>213</td><td>213</td><td></td></tr>
<tr><td>2</td><td>Return on Equity</td><td>302</td><td>302</td><td>0</td></tr>
<tr><td>3</td><td>Interest on Loan</td><td>534</td><td>428</td><td>(106)</td></tr>
<tr><td>5a</td><td>Over and above normative</td><td></td><td>106</td><td></td></tr>
<tr><td>4</td><td>Interest on Working Capital</td><td>126</td><td>126</td><td>0</td></tr>
<tr><td>5</td><td>Depreciation</td><td>809</td><td>363</td><td>(446)</td></tr>
<tr><td>5a</td><td>Impact of Decapitalization</td><td></td><td>18</td><td></td></tr>
<tr><td>5b</td><td>Amortized Depreciation from Consumer Contributed Assets</td><td></td><td>429</td><td></td></tr>
<tr><td>6</td><td>Other Costs</td><td>26</td><td>5</td><td>(20)</td></tr>
<tr><td>6a</td><td>Less: Comp. for Electrical accident on account of reasons attributable to DISCOM</td><td></td><td>20</td><td></td></tr>
<tr><td>7</td><td>Aggregate Revenue Requirement (ARR)</td><td>5,822</td><td>5,250</td><td>(572)</td></tr>
<tr><td>8</td><td>Less: Non-Tariff Income</td><td>570</td><td>142</td><td>429</td></tr>
<tr><td>8a</td><td>Less: Amortized Depreciation from Consumer Contributed Assets</td><td></td><td>429</td><td></td></tr>
<tr><td>9</td><td>Less: Other Income</td><td>17</td><td>17</td><td></td></tr>
<tr><td>10</td><td>Net ARR</td><td>5,235</td><td>5,091</td><td></td></tr>
<tr><td>11</td><td>Revenue from Sale of Power</td><td>4690</td><td>4690</td><td>0</td></tr>
<tr><td>2</td><td>Revenue (Gap)/Surplus</td><td>(545)</td><td>(401)</td><td>(144)</td></tr>
</table>
In view of above, elements of ARR which are not as per</td><td>The replies related to Depreciation, Interest on Loans, and other expenditure are provided in the above related sections. Therefore, it is requested to that the Hon'ble Commission to kindly approve the figures as per filings and methodology followed by TGDISCOMs.</td></tr>
</table>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	Regulatory provisions maynot be passed on to the consumers, rather it should be borne by Govt. of Telangana in the form of subsidy. **Accordingly, the revised subsidy is of Rs. 4,159 Cr. insteadof booked subsidy of Rs. 4,015 Cr. for FY 2024-25 which should be paid by Govt.of Telangana to TGSPDCL.**	
TGSPDCL ARR Petition FY 2026-27 for DistributionWheeling Business		
6.	**A. DEPRECIATION** 31) TGSPDCL has claimed Depreciation pertaining to FY 2026-27 for Distribution Business including the Depreciation on Consumer Contributed Assets. However, as per the Regulatory Provisions, Depreciation on assets funded by consumer/user contributions shall not be allowed in the revenue requirement of the DISCOM. Relevant extract of Regulations 26 of Regulation No. 2 of 2023 *(Telangana State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2023)* is as follows: *"26 Consumer Contribution, Deposit Work, Grant and Capital Subsidy* *...* *26.2 The expenses on such capital works shall be treated as follows:-* *...* *(c) provisions related to depreciation, as specified in clause 28, shall notbe applicable to the extent of such financial support*	The licensee has considered the depreciation on assets funded through consumer contributions as Deferred Revenue Income under non-tariff income (NTI). Since the Net ARR i.e., the Gross ARR minus the NTI is considered for the purpose of computation of wheeling charges, the licensee prays that the Hon'ble Commission may consider the depreciation figures as filed by the licensee.

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	received;" 32) **TGSPDCL has claimed Rs. 384 Cr. of Depreciation through ConsumerContribution. Accordingly, PFI requests the Hon'ble TGERC to reduce theDepreciation as claimed by TGSPDCL for FY 2026-27 by Rs. 384 Cr. consideringthe impact of Depreciation on Assets funded by Consumer Contribution. Thedifference of Rs. 384 Cr. should be borne by the Govt. of Telangana in the form ofsubsidy.**	
7.	**B. REVISED RETURN ON EQUITY (RoE)** 33) TGSPDCL in ARR Petition has claimed 16% RoE including additional 2% RoE forperformance towards meeting Standards of Performance (SOP) for FY 2026-27. PFI hasobserved that as per the applicable Regulatory provisions, RoE is to be allowed at 14%and additional RoE up to 2% which is linked to Licensee's performance towards meetingSOP is to be allowed at the time of True-Up provided the DISCOM has met overall SOPas specified by the Hon'ble TGERC. In this regard, relevant extract of *Telangana StateElectricity Regulatory Commission (Multi Year Tariff) Regulation, 2023)* is as follows: *29 Return on Equity* *29.2 Return on Equity shall be computed at the following base rates:* ..... *(e) Distribution licensee: Base Return on Equity of 14% and*	TGSPDCL have claimed additional 2% ROE indicating that we are well positioned to meet the standard of performance and have therefore factored it in their ROE computations for FY 2025-26.The Standard of Performance is determined on various parameters or service area such as Normal fuse-off calls, line breakdowns, distribution transformer failure, period of scheduled outage, street light faults and continuity indices. In each of the above-mentioned areas, TGSPDCL have carried out extensive work in terms of improving the response time of 1912, carrying out scheduled and regular maintenance activities as part of summer action plan preparedness, launching of Emergency Response Team Vehicles to quickly turnaround/ restore normalcy. Hence, TGDiscoms claim of additional 2% ROE in the ROE computation is valid and justified and it humbly prays to the Hon'ble Commission to kindly approve the computations as per its filings

<table>
<tr><th>S.No.</th><th>Summary of Objections / Suggestions</th><th>Response of the Licensee</th></tr>
<tr><td></td><td>additional Return on Equity up to 2% linked to Licensee's performance towards meeting standards ofperformance:
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.
34) In view of above, PFI has recomputed the RoE pertaining to FY 2026-27 based on applicable Regulatory principles, as tabulated below:
<table>
<tr><th>Particulars</th><th>Claimed by TGSPDCL</th><th>PFI Working</th><th>Difference</th></tr>
<tr><td>Regulatory Equity at the beginning of the year</td><td>2192</td><td>2192</td><td></td></tr>
<tr><td>Capitalization during the year</td><td>7209</td><td>7209</td><td></td></tr>
<tr><td>Equity portion of capitalization during the year</td><td>1802</td><td>1802</td><td></td></tr>
<tr><td>Equity portion of fully depreciated assets (incremental)</td><td>163</td><td>163</td><td></td></tr>
<tr><td>Regulatory Equity at the end of the year</td><td>3831</td><td>3831</td><td></td></tr>
<tr><td>Rate of Return on Equity</td><td></td><td></td><td></td></tr>
<tr><td>Base rate of Return on Equity</td><td>16%</td><td>14%</td><td></td></tr>
<tr><td>Effective Income Tax rate</td><td>0%</td><td>0%</td><td></td></tr>
<tr><td>Rate of Return on Equity</td><td>16%</td><td>14%</td><td></td></tr>
<tr><td>Return on Equity Computation</td><td></td><td></td><td></td></tr>
<tr><td>Return on Regulatory Equity at the beginning of the year</td><td>351</td><td>307</td><td></td></tr>
<tr><td>Return on Regulatory Equity addition during the year</td><td>131</td><td>115</td><td></td></tr>
<tr><td>Total Return on Equity</td><td>482</td><td>422</td><td></td></tr>
<tr><td>Total Return on Equity to Distribution business (90%)</td><td>434</td><td>379</td><td>(54)</td></tr>
</table>
35) In view of above, PFI submits before the Hon'ble TGERC to consider PFI workingas shown above for RoE and kindly reduce Rs. 54 Cr. from RoE claimed byTGSPDCL for FY 2026-27. The difference of Rs. 54 Cr. should be borne by the Govt.of Telangana in the form of Subsidy.</td><td>Hence it is requested before the Hon'ble Commission to kindly approve the Rate of Return considered for calculation of Return on Equity by TGSPDCL.</td></tr>
<tr><td>8.</td><td>A. SUMMARY OF ARR FY 2026-27
1) As stipulated above, summary of PFI Comments on ARR of</td><td>The replies related to Depreciation, Interest on Loans, and other expenditure are provided in the above related sections. Therefore, it</td></tr>
</table>

<table>
<tr><th>S.No.</th><th>Summary of Objections / Suggestions</th><th>Response of the Licensee</th></tr>
<tr><td></td><td>FY 2026-27 for TGSPDCLDistribution WheelingBusiness is as follows, Hon'ble Commission is requested tokindly consider the same.
<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Claimed by DISCOM</th><th>Proposed by PFI</th><th>Difference</th></tr>
<tr><td>1</td><td>Operation & Maintenance (O&M) Expenses (1a+1b+1c)</td><td>4072</td><td>4072</td><td>0</td></tr>
<tr><td>1a</td><td>Employee Expenses</td><td>3638</td><td>3638</td><td></td></tr>
<tr><td>1b</td><td>Administrative & General (A&G) Expenses</td><td>199</td><td>199</td><td></td></tr>
<tr><td>1c</td><td>Repair & Maintenance (R&M) Expenses</td><td>235</td><td>235</td><td></td></tr>
<tr><td>2</td><td>Return on Equity (RoE)</td><td>434</td><td>380</td><td>(54)</td></tr>
<tr><td>2a</td><td>Less: Additional 2% RoE on account of SOP</td><td></td><td>54</td><td></td></tr>
<tr><td>3</td><td>Interest on Loan</td><td>840</td><td>840</td><td>0</td></tr>
<tr><td>4</td><td>Interest on Working Capital</td><td>150</td><td>150</td><td>0</td></tr>
<tr><td>5</td><td>Depreciation</td><td>1034</td><td>650</td><td>(384)</td></tr>
<tr><td>5b</td><td>Amortized Depreciation from Consumer Contributed Assets</td><td></td><td>384</td><td></td></tr>
<tr><td>6</td><td>Aggregate Revenue Requirement (ARR)</td><td>6,530</td><td>6,092</td><td>(438)</td></tr>
<tr><td>7</td><td>Less: Non-Tariff Income</td><td>532</td><td>532</td><td>0</td></tr>
<tr><td>8</td><td>Other Income</td><td>1</td><td>1</td><td></td></tr>
<tr><td>9</td><td>Net ARR</td><td>5,996</td><td>5,558</td><td>(438)</td></tr>
</table>
In view of above, elements of ARR which are not as per Regulatory provisions may not be passed on to the consumers, rather it should be borne by Govt. of Telangana in the form of subsidy. Accordingly, the subsidy to be decided by Govt. of Telangana forFY 2026-27 should include Rs. 438 Cr. additionally.</td><td>is requested to that the Hon'ble Commission to kindly approve the figures as per filings and methodology followed by TGDISCOMs.</td></tr>
<tr><td>9.</td><td>B. O&M EXPENSES EFFICENCY FACTOR
36) PFI has observed that as per TGERC (Multi Year Tariff) Regulations, 2023, Operations & Maintenance Expenses calculation does not take into account any efficiency factor. Relevant extract from the said Regulations is as follows.
"81 Operation and Maintenance Expenses
81.1 The O&M expenses for distribution licensee shall comprise of:</td><td>TGSPDCL respectfully submits that we are strictly following the same O&M computation methodology adopted by the Hon'ble Commission in the MYT Order and as prescribed in Regulation 81 of the TSERC MYT Regulations, 2023.
Since the Hon'ble Commission has not notified any efficiency factor under the current Regulation, TGSPDCL has applied O&M costs exactly as per the methodology approved and adopted by the Commission.</td></tr>
</table>

S.No.	Summary of Objections / Suggestions	Response of the Licensee
	• *Employee cost including unfunded past liabilities of pension and gratuity;* • *Repairs and Maintenance (R&M) expenses; and* • *Administrative and Generation (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&Mn = EMPn + R&Mn + A&Gn* *Where,* • *O&Mn – Operation and Maintenance expense for the nth year;* • *EMPn – Employee Costs for the nth year;* • *R&Mn – Repair and Maintenance Costs for the nth year;* • *A&Gn – Administrative and General Costs for the nth year;* *81.3 The above components shall be computed in the manner specified below:* *EMPn = (EMPn-1) x (CPI Inflation);* *R&Mn = K x (GFAn) x (WPI Inflation) and* *A&Gn = (A&Gn-1) x (WPI Inflation)"* 37) It is submitted that under a performance based regulatory regime, regulated entities are incentivized to improve their efficiency level. This improved efficiency is expected to decrease the costs and hence many State Electricity Regulatory Commissions, like Delhi & Haryana, have incorporated an efficiency factor in the calculation of O&M Expenses.	If, in future, the Hon'ble Commission introduces an efficiency factor through Regulations or Orders, TGSPDCL will fully comply. For the current control period, we humbly request that the O&M method already notified and adopted by the Hon'ble Commission be continued.

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	Relevant extract from *HERC (Terms and Conditions for Determination of Tariff forGeneration, Transmission, Wheeling and Distribution & Retail Supply under Multi YearTariff Framework) Regulations, 2024* is as follows. *"47.3. Operation and maintenance expensesThe actual audited Employee cost (excluding terminal liabilities) and A&G expenses forthe financial year preceding the base year, subject to prudence check, shall be escalatedat the escalation factor of 5.47% to arrive at theEmployee cost (excluding terminalliabilities) and A&G expenses for the base year of the control period. The O&M expensesfor the nth year of the control period shall be approved based on the formula given below:* *O&Mn = (R&Mn+EMPn+A&Gn)* (1-Xn)+Terminal Liabilities* *Where,* *•R&Mn – Repair and maintenance costs of the transmission licensee for the nth year;* • EMPn – Employee costs of the transmission licensee for the nth year excluding terminal liabilities; • A&Gn – Administrative and general costs of the transmission licensee for the nth year; . . (c) Xn is an efficiency factor for nth yearXn will be calculated by	

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	the Commission by analyzing the change in the totaloperating expenditure i.e. expenditure before depreciation, interest and taxes (i)Per unit of circuit km over last three years; and (ii) Per unit of transformationcapacity over last three years. The Value of Xn will be determined by theCommission in the MYT order for the control period..." 38) Further, Honble APTEL in its judgement dated 31/05/2011 in Appeal No. 52 of 2008has upheld the concept of Efficiency Factor in O&M expenses in the case of TPDDL, asfollows. "60. The last issue is erroneous computation of efficiency factor. .. 64. Since O&M expenses of the Appellant were compared with the similar urbandistribution companies in other States, the Commission found the expenses of theAppellant were on the higher side and therefore MYT Regulations were framed to bringthe requisite efficiency in the system. According to the Commission, the Commission is ofthe opinion that O &M expenses trajectory for the Control Period shall be decided on thebasis of annual efficiency improvement factor and as such O&M cost of the Appellant ison the higher side.... 65. In view of the above reasoning's, the State Commission was constrained from allowingthem to continue to operate in such a manner and pass on the higher costs to theconsumers. The increase in the O&M cost is supplemented by the increase in	

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	theefficiency level and cost of saving/cost of reductions/other economies beingavailable to the Appellant. Therefore, there is no merit in this contention raisedby the Appellant. 66. The Learned Counsel for the Appellant has relied on the findings of the Tribunal in itsjudgment dated 29.9.2010 in Appeal No. 28 of 2008 in the matter of Delhi Transco Ltd.vs. DERC and Others wherein in paragraph 25 of thejudgment the Tribunal set aside theorder of the State Commission in respect of efficiency factor for Delhi Transco decided bythe State Commission on ad-hoc basis without any benchmarking or any analysis andidentification of area of efficiency. However, in the present case the State Commissionhas compared the O&M expenses of the Appellant with other utilities and givena reasoned order. Thus, the findings of the Tribunal in Appeal No. 28 of 2008 willnot apply to the present case. Accordingly, this issue is answered as against theAppellant." 39) Therefore, **PFI requests Hon'ble TGERC to approve O&M Expenses only after incorporating an appropriate efficiency factor.**	

5. **Response to SEI Sriram Power Private Limited - Greenko**

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1.	**Violationof Multi-Year Tariff (MYT) Principle** • The MYT framework under Regulatiori. No. 2 of 2023 is designed to provide tariff certaintyand avoid frequent revisions. Any mid-period upward revision undermines the verypurpose of MYT. • TGSPDCL has proposed Rs. 6,542crore. However, the approved ARR for FY 2026-27 isalready set at: TGSPDCL: Rs. 5,133.68 crore. Almost 25% rise in ARR sought by theTGSPDCL. • Any increase beyond this would be contrary to the Commission's own order and theprinciples of regulatory consistency.	TGSPDCL respectfully submits that there is no violation of the MYT principle under TSERC (Multi-Year Tariff) Regulation, 2023 (Regulation No. 2 of 2023). In accordance with clause 6.2 (e) of Regulation 2 of 2023 requires the distribution licensee to file, for every year after the first year of the Control Period, an annual petition containing the true-up of the previous year and the revised Aggregate Revenue Requirement (ARR) for the ensuing year, along with the revised tariff and charges. Further, the MYT framework mandates that the Commission shall determine the ARR and tariff for each year of the Control Period separately, and also provides for the treatment of controllable and uncontrollable variables. Therefore, submission of a revised ARR for FY 2026-27 is not a mid-period revision but a statutory obligation under the MYT mechanism. The ARR approved in the original MYT Order serves only as a baseline projection, and the Regulation does not freeze the ARR; instead, it anticipates annual updates based on actual capitalisation, O&M norms, true-up impacts, and other permissible adjustments. Hence, the proposal of ARR of Rs. 6,542crore does not contravene the MYT

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		Order nor undermine regulatory consistency, as it has been filed strictly in accordance with the provisions of Regulation No. 2 of 2023.
2.	**Unrealistic Capital Expenditure Plan** • TGSPDCL has proposed a total capital expenditure of 7,508 crores for FY 2026-27, amassive increase from previous years. • While infrastructure investment is necessary, the scale and pace of proposed spendingespeciallyon projects such as underground cabling in TCUR (Rs. 14,725 crores totat Rs. 4,725crores in FY27)are disproportionate and lack proper phasing or cost-benefit justification. • The Commission in its MYT Order 28.10.2024, has already deferred the Smart MeterCapex due to lack of proper justification and government approval. • In the absence of new, approved capital investments, there is no basis for revising ARRupwards. The Capital Investment Plan approved by the Commission for FY 2024-29 is finaland binding. • Such rapid capital infusion will inevitably lead to	TGSPDCL respectfully submits that the additional capital expenditure proposed for FY 2026-27 has not been made unilaterally nor in deviation from the MYT framework, but only after obtaining the necessary approval from the Government of Telangana. The revised capex plan, including the additional works proposed for FY 2026-27, has been taken up strictly in accordance with Government approval vide G.O. No. 43 dated 29.12.2025. The capital expenditure forming part of the ARR will also be subject to the Hon'ble Commission's prudence check, including evaluation of justification, phasing and actual capitalisation, as per Regulations 7.1–7.6 and 21.3 under the MYT framework. Hence, TGSPDCL is strictly adhering to the regulatory requirements and submitted its revised capex plan fro FY 2026-27 for undertaking additional capex for approval from Hon'ble Commission.

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	higher wheeling charges, which areultimately passed on to consumers.	
3.	**Excessive Wheeling Charge Hike** • The proposed wheeling charges for LT consumers stand at Rs. 767.27 /kV A/month forlong/medium-term open access-an exorbitant rate that will cripple small and mediumenterprises. • For 11 kV consumers, the proposed rate is Rs. 275.33/kVA/ month, and for 33 kVconsumers, Rs. 94.18/kVA/month, all representing steep increases. • Short-term charges are also disproportionately high: Rs. 1.0656/kVA/hr for LT, which willdiscourage short-term power transactions and market flexibility. • Wheeling Charges for FY 2026-27 are already set at:46.47/kVA/month (33kV), Rs. 189.16/kVA/month (11 kV), Rs. 625.13/kVA/month(LT) • Any further increase would distort the cost-reflective tariff design and unfairly burdenhigher-voltage consumers.	The proposed wheeling charges are determined strictly in accordance with the TGERC Multi-Year Tariff (MYT) Regulations, which mandate recovery of distribution network costs based on voltage level and cost causation principles, not on the source of energy. The approach considered by the Hon'ble Commission in its MYT order for 5th Control Period is shown below: *"4.13.4 Further, Clause 79.2 of Regulation No. 2 of 2023, clearly specifies that theWheeling Charges shall be determined separately for LT voltage, 11 kVvoltage, and 33 kV voltage.* *4.13.5 In accordance with Clause 79.2 of Regulation No. 2 of 2023, the Commissionhas computed the Wheeling Charges for the Control period i.e. FY2024-25 toFY2028-29.* • *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 kVand 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 byconsidering the voltage wise demands in the ratio on*

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		actuals availablewith the Commission and approved losses as per Resource Plan Orderdated 29.12.2023; • *The voltage wise wheeling charges have been computed by dividing theapportioned ARR at each voltage level by the demand at that voltagelevel."* Therefore, we request the Hon'ble Commission to approve the charges as per the filing made by TGSPDCL
4.	**Adverse Impact on Open Access and Renewable Energy** • High wheeling charges disincentivize open access and discourage renewable energyintegration. • Any increase would derail the state's energy transition goals and violate nationalrenewable energy policies	While we acknowledge that renewable energy has inherent intermittency and lower PLF, these characteristics affect generation economics, not network cost drivers. The network remains obligated to provide the same level of readiness and reliability for all users including open access users. Differentiating wheeling charges based on generation source, which is contrary to the principles of non-discrimination and cost reflectivity in the MYT framework.
5.	**Inflated O&M and Employee Costs** • O&M expenses are projected at Rs. 4,072 crores for distribution business (90% of total), withemployee costs alone at Rs. 4,042 crores. • These figures reflect an unsustainable growth in administrative and employee expenses,which are not adequately linked to efficiency improvements	TGSPDCL respectfully submits that the O&M cost projections for FY 2026-27 have been computed strictly in accordance with the TSERC (MYT) Regulation, 2023 (Regulation No. 2 of 2023) and therefore cannot be considered inflated or arbitrary. As mandated under Regulation 81.2–81.3, Employee Costs, A&G Costs and R&M Costs are required to be computed using the normative formulas specified therein—namely, Employee Cost = previous year cost × CPI inflation,

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	or performance metrics. • The Commission has already recomputed O&M expenses as per Regulation No. 2 of 2023,rejecting DISCOMs' inflated claims in its Order dated 28.10.2024. • Employee expenses were capped using CPI-based escalation, not arbitrary percentages. • Any further increase in O&M without audited actuals would be contrary to theCommission's own analysis.	A&G Cost = previous year cost × WPI inflation, and R&M Cost = K × GFA × WPI inflation, where the "K-factor" is fixed by the Hon'ble Commission in the approved MYT Order. Further, Regulation 81.5 explicitly prohibits provisioning and allows only actual audited expenses at the time of true-up, ensuring that no excess O&M is admittedIn line with these provisions, TGSPDCL has adopted the Commission-determined base O&M values, the inflation indices prescribed under the Regulation, and the K-factor approved by TSERC, without applying any additional or discretionary escalations. Accordingly, the O&M figures filed by TGSPDCL fully comply with the MYT framework and may be considered by the Hon'ble Commission.
6.	**High Return on Equity (RoE) Expectation** • TGSPDCL expects a 16% RoE, including a performance-linked additional 2%, withoutdemonstraating commensurate improvement in service quality, reliability, or loss reduction. • This expectation places an undue financial burden on consumers without guaranteeingbetter services. • The Commission earlier reduced RoE for FY 2024-25 from 14% to 11% due to delayedfiling. Allowing	TGSPDCL have claimed additional 2% ROE indicating that we are well positioned to meet the standard of performance and have therefore factored it in their ROE computations for FY 2025-26.The Standard of Performance is determined on various parameters or service area such as Normal fuse-off calls, line breakdowns, distribution transformer failure, period of scheduled outage, street light faults and continuity indices. In each of the above-mentioned areas, TGSPDCL have carried out extensive work in terms of improving the response time of 1912, carrying out scheduled and regular maintenance activities as part of summer action plan preparedness, launching of Emergency Response Team Vehicles to quickly turnaround/ restore normalcy. Hence, TGSPDCL's claim of additional 2% ROE in the ROE computation is valid and justified and it

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	an increase now would reward inefficiency.	humbly prays to the Hon'ble Commission to kindly approve the computations as per its filings. While there was a delay in filing ARR and tariff proposals, it was due to complexities in data segregation and compliance with new MYT formats. The delay was not intentional and occurred during the transition to the 5th Control Period. We request the Commission to consider this context and allow the RoE as claimed, as the delay did not impact consumer service delivery.Hence it is requested before the Hon'ble Commission to kindly approve the Rate of Return considered for calculation of Return on Equity by TGSPDCL.
7.	**Lack of Consumer Consultation and Transparency** • The filing appears to have been prepared without meaningful stakeholder consultation. • Key assumptions regarding load growth, loss levels, and cost projections are notsubstantiated with transparent data or sensitivity analysis.	TGSPDCL respectfully submits that the allegation of lack of transparency or stakeholder consultation is factually incorrect, as the filing process has been undertaken strictly in accordance with the TSERC (MYT) Regulation, 2023. In compliance with Regulation 9.5, TGSPDCL has published the required public notice in widely circulated newspapers inviting suggestions and objections from all stakeholders and has made the complete petition, along with supporting data, available on its official website in a searchable and downloadable format for public access. Further, as mandated under Regulations 9.4–9.7, all relevant details, assumptions and computations have been provided to enable meaningful stakeholder review, and the Hon'ble Commission has already scheduled the public hearing, where all objectors, including the present one, will

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		have an opportunity to be heard before issuance of the final Order. Accordingly, the filing has been carried out in a transparent, consultative and regulationcompliant manner.
8.	**Adverse Impact on Industrial and Commercial Competitiveness** • High wheeling charges will increase the cost of doing business in Telangana, especially forenergy-intensive industries. • This may lead to migration of industries to states with lower wheeling costs, resulting ineconomic and employment losses.	TGSPDCL respectfully submits that the wheeling charges proposed in the ARR have been determined strictly on a cost-reflective basis, as required under the TSERC (MYT) Regulation, 2023 (Regulation No. 2 of 2023), and are therefore essential for ensuring the adequate maintenance, reliability, and readiness of the distribution network. The Regulation mandates that the ARR of the Distribution Wheeling Business must recover the prudently approved costs of operating, maintaining, and strengthening the network (Reg. 79.1) and that voltage-wise wheeling charges must reflect the actual cost of service. Accordingly, the concern regarding adverse impact on competitiveness is misplaced, as a reliable and well-maintained network is fundamental to industrial productivity and economic growth.
9.	**Legal and Regulatory Violations** • Section 61 of Elecfricity Act, 2003 mandates that tariffs shall be reasonable and h·ansparent. • Regulation No. 2 of 2023 does not permit mid-period upward revision without exceptionalcircumstances.	TGSPDCL respectfully submits that there is no violation of Section 61 of the Electricity Act, 2003 or the TSERC (MYT) Regulation, 2023 (Regulation No. 2 of 2023), as alleged by the Objector. The MYT framework expressly requires the distribution licensee to file annual petitions after the first year of the Control Period, including true-up of the previous year and the revised ARR for the ensuing year, and

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	• The proposed increase is not supported by any change in law, force majeure, or unforeseenexigency.	mandates that the Commission shall determine the ARR and tariff for each year separately. Therefore, the ARR proposal for FY 2026-27 is not a mid-period revision but a mandatory annual filing under the Regulation. Accordingly, TGSPDCL affirms that it has strictly adhered to Regulation No. 2 of 2023 and that the allegation of legal or regulatory violation is without merit.
10.	**Prayers/ Relief Sought** We pray that this Hon'ble Commission may be pleased to: • Review and Rationalize Capex Plans - Ensure capital expenditure is phased, need-based,and aligned with realistic demand projections. • Moderate Wheeling Charges - Recompute charges based on prudence-checked costs,avoiding over-recovery. • Cap O&M and Employee Costs - Link allowable expenses to performance benchmarks andefficiency gains. • Reduce RoE Expectation - Align RoE with actual performance and sectoral benchmarks. • Ensure Transparency and Stakeholder Participation - Conduct public hearings and	TGSPDCL respectfully submits that it is strictly adhering to the Electricity Act, 2003 and the TSERC (Multi-Year Tariff) Regulation, 2023 (Regulation No. 2 of 2023) in every aspect of its filings—including annual true-up and revised ARR (Reg. 5.2(e), 6.2(e)), prudence-based treatment of controllable/uncontrollable items (Reg. 12–14), capital-investment approval and capitalisation safeguards (Reg. 7.1–7.11, 21.3), normative O&M methodology (Reg. 81.2–81.5), RoE framework (Reg. 29.2(e)), voltage-wise, cost-reflective wheeling charges (Reg. 77.1, 79.1–79.2), and the full transparency and public-consultation process (Reg. 9.4–9.7); accordingly, the Hon'ble Commission may note that the allegations are baseless and without merit under Regulation 2 of 2023

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	seekobjections before approving the ARR. • Protect Consumer Interests - Ensure that any tariff increase is minimat justified, andaccompanied by service quality improvements. • Reject the petitions for increase in ARR and Wheeling Charges for FY 2026-27..	