

**RESPONSE TO ADDITIONAL OBJECTIONS/SUGGESTIONS OF
STAKEHOLDERSON THE FILINGS OF ADDITIONAL SURCHARGE FOR H1 OF
FY 2026 – 27**



**SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LTD.
&
NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LTD.**

1. Common Replies to Additional Queries of the FTCCI & SICMA

#	Queries	Replies
1	Section 2: Compliance to Electricity (Amendment) Rules, 2024	AS is dependent on OA sales, stranded capacity, extent of fixed costs actually incurred by the DISCOMs and is not a numerical trend. Stranded Capacity is in turn is dependent of seasonal trend and Open Access Consumer Behavior, which are outside the control of the DISCOMs. Hence, the AS cannot be fitted to the decreasing linear trend outlined by the objector. Further, the TGDISCOMs have computed AS as per the methodology finalized by Hon'ble Commission.
2	Section 3: Stranded Capacity – Inefficient Power Procurement portfolio Replies 13 to 24	<p>Short term & Medium Term power purchases are done based on seasonality and daily demand variations. But to cater to the base demand that the State might experience, TG DISCOMs have entered into Long term Power Purchase agreements with Generators. Due to excess rainfall during the monsoon season, TG DISCOMs have seen a comparatively lower power consumption, resulting in excess capacity in the system.</p> <p>As per the methodology defined by Hon'ble Commission for determining Additional surcharge, the Stranded capacity is computed based on the minimum of Backdown and Open Access capacity only, and not the excess capacity in the System.</p> <p>Hence the consumers are not burdened with fixed charges attributable to capacity rendered idle due to variability rather than Open Access migration.</p>

#	Queries	Replies
3	Section 4: Fixed Costs - Power purchase costs Replies 25 to 28	The filing for the Additional Surcharge for H1 of FY27, was done with the then available provisional fixed cost, whose audit figures have been published after the filing had been completed. The same audited figures may be updated at the time of publishing the approved Additional Surcharge for H1 of FY27.
4	Section 4: Fixed Costs - Additional Pension Liabilities and Water Charges Replies 29 to 39	Additional Pension Liabilities are statutory and unavoidable expenses arising out of legally binding service and pension regulations of employees. Water charges are paid by Hydel generators for drawing water from the reservoir owned and maintained by Irrigation Department. Hence, water charges must be included in the fixed costs. Many states consider Additional Pension Liability and Water Charges as Fixed Costs and hence by must be considered in the computation of Additional Surcharge as per the methodology determined by Hon'ble Commission.
5	Section 4: Fixed Costs - Fixed costfor YTPS- I & II Replies 40 to 44	TG DISCOMs have considered the Fixed cost as per the provisional tariff for YTPS- I & II, as per MYT Retail Supply Tariff Order, Dt. 28.10.2024.
6	Section 5:Transmission Charges Replies 45 to 47	The filing for the Additional Surcharge for H1 of FY27, was done with the then available provisional Transmission Charges whose audit figures have been published after the filing had been completed.
7	Section 5:Distribution Charges Replies 45 to 47	For computation of AS the Distribution cost attributed to the Retail Supply Business Aggregate Revenue Requirement has to be considered. Hence the objectors demand cannot be considered.