TELANGANA ELECTRICITY REGULATORY COMMISSION

VIDYUT NIYANTRAN BHAVAN, G.T.S. COLONY, KALYAN NAGAR, HYDERABAD 500 045

ORDER

ON

DETERMINATION

OF

ADDITIONAL SURCHARGE (AS)

TO BE LEVIED ON

OPEN ACCESS (OA) CONSUMERS

FOR THE

SECOND HALF (H2)

OF

FY 2026-27

30.10.2026

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TELANGANA ELECTRICITY REGULATORY COMMISSION

VIDYUT NIYANTRAN BHAVAN, G.T.S. COLONY, KALYAN NAGAR, HYDERABAD 500 045

Dated 30.10.2026

Present

Dr. Justice Devaraju Nagarjun, Chairman
Sri. Raghu Kancharla, Member (Technical)

O.P. No. 28 of 2026 for H2 of FY 2026-27
Southern Power Distribution Company of Telangana Limited (TGSPDCL)

O.P. No.29 of 2026 for H2 of FY 2026-27
Northern Power Distribution Company of Telangana Limited (TGNPDCL)

... Applicants

The Southern Power Distribution Company of Telangana Limited (TGSPDCL) and the Northern Power Distribution Company of Telangana Limited (TGNPDCL) (together referred to as "Applicants" or "TGDISCOMs") filed petitions for determination of Additional Surcharge (AS) to be levied on Open Access (OA) consumers for the second half (H2) of FY 2026-27 (2nd Half period from 01.10.2026 to 31.03.2027) as per the directions of the Commission in its Order dated 18.09.2020 in O.P.No.23 of 2020 in accordance with the provisions of the Electricity Act, 2003 and Tariff Policy, 2016.

2. The Commission, in exercise of its powers under the Electricity Act, 2003 passed the present common order after considering petitioners submissions, suggestions/ comments/ objections of the stakeholders, responses of petitioners on issues that were raised during the Public Hearing dated 27.10.2026, and all other relevant material placed on record before the Commission.

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CHAPTER-1 : INTRODUCTION

1.1 BACKGROUND

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

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

a) Mechanism for Demonstration of Stranded Capacity

i) The 15-minute time-block data of available capacity and scheduled capacity of all generating stations having long term PPAs with the Discoms, and the scheduled capacity of OA consumers of six months period is to be taken.

ii) In case of hydel generating stations, the scheduled capacity is to be treated as available capacity in that time block.

iii) The lower of the surplus capacity (i.e., available capacity less scheduled capacity) and capacity scheduled by OA consumers is to be considered as stranded capacity for the 15-minute time block.

iv) Accordingly, the average stranded capacity for six-month period due to open access has to be arrived.

b) Approved Methodology for Computation of Additional Surcharge

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

Sl. No.	Description	Unit
{A}	Long term available capacity	MW
{B}	Capacity stranded due to OA	MW
{C}	Fixed Charges paid	Rs. Crore
{D}={C}÷{A}	Fixed Charges per MW	Rs. Crore/MW
{E}={D}x{B}	Fixed Charges for stranded capacity	Rs. Crore

Sl. No.	Description	Unit
{F}	Transmission charges paid	Rs. Crore
{G}	Actual Energy scheduled	MU
{H}={F}÷{G}	Transmission charges per unit	Rs./kWh
{I}	Distribution charges as per Tariff Order	Rs./kWh
{J}={H}+{I}	Total transmission and distribution charges per unit	Rs./kWh
{K}	Energy consumed by OA consumers from the Discoms	MU
{L}={K}x{J}	Transmission and distribution charges paid by OA consumers	Rs. Crore
{M}	Demand charges recovered by the Discoms from OA consumers	Rs. Crore
{N}={M}-{L}	Demand charges to be adjusted	Rs. Crore
{O}={E}-{N}	Net stranded charges recoverable	Rs. Crore
{P}	OA sales	MU
{Q}={O}÷{P}	Additional Surcharge	Rs./kWh

c) <u>Terms & Conditions for levy of Additional Surcharge on OA Users</u>

i) The AS determined by the Commission shall be applicable to the consumers of the TGDISCOMs who avail power through OA from any source other than their respective TGDISCOMs.

ii) The AS shall be levied on the quantum of electricity scheduled by such consumers.

iii) The AS shall not be levied on such OA consumers for their captive consumption to the extent of OA availed for wheeling of power from their own CPPs.

iv) Exemption from payment of AS for the eligible OA consumers shall be as per the Government policy in force. The TGDISCOMs may take up the issue of making good of the revenue loss due to such exemption with the State Government for proper relief."

1.2 STATUTORY PROVISIONS, REGULATORY PROVISIONS & COMMISSION'S DIRECTIVES

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

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

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

b) ***Section 42(4) of the Electricity Act 2003 stipulates as under***:

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

c) ***Clause 22.1(d) of 'Terms and Conditions of Open Access' Regulation No.1 of 2024 stipulates as under***:

22.1(d) Additional Surcharge

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

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

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

recovered through wheeling charges.

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

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

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

TGDISCOMs are directed in their future additional surcharge filings -

a) *to reflect the stranded capacity after netting of short-term purchases, if any, in the corresponding time-block;*

b) *to reflect the distribution charges for HT network (other than LT network) i.e., 11 kV and 33 kV;*

c) *to exclude demand charge recovery portion of LT network from total demand charges recovered from OA consumers while computing the additional surcharge.*

d) *henceforth the petitions should be accompanied with the quarterly balance sheets and the computations should be reconciled with the audited accounts.*

e) *to separately indicate the variation in fixed cost for the period from Apr'23 to Sep'23, if any, in the ensuing filings of additional surcharge, and to submit the detailed justification for variation in fixed charges. The Commission shall take a view on considering the same based on the submissions.*

1.3 PRESENT PETITION

1.3.1 In accordance with the above-mentioned provisions, the TGDISCOMs have filed petitions for determination of Additional Surcharge for H2 of FY 2026-27 (from 01.10.2026 to 31.03.2027) on 22.08.2026.

1.4 ADMISSION OF PETITION

1.4.1 In compliance with the regulations, Suo Moto Order dated 18.09.2020 in O.P.No.23 of

2020 and directions issued in order dated 15.03.2024 for H1 of 2024-25, both TGSPDCL and TGNPDCL have filed separate Petitions for determination of Additional Surcharge for H2 of FY 2026-27 (from 01.10.2026 to 31.03.2027). These petitions were scrutinised and found to be in order as required under the Conduct of Business Regulations No.2 of 2015, thereby, Commission has admitted the petitions and the same were taken on record by assigning the following Original Petition (OP) numbers:

- O.P.No.28 of 2026 for TGSPDCL for H2 of FY 2026-27
- O.P.No.29 of 2026 for TGNPDCL for H2 of FY 2026-27

1.5 REGULATORY PROCESS

1.5.1 TGDISCOMs, as directed by the Commission, published the Public Notice (Annexure-I) in two (2) Telugu, two (2) English and One (1) Urdu daily newspapers on 25.09.2026 to inform the general public about the TGDISCOMs filings before the Commission for determination of Additional Surcharge for H2 of FY 2026-27.

1.5.2 The filings along with supporting material were made available by the TGDISCOMs to the public at large including all the stakeholders. The filings and supporting material were also hosted on the websites of the TGDISCOMs as well as on the website of the Commission, inviting the objections/suggestions, if any, on the filings may be filed on or before 16.10.2026.

1.5.3 It was also mentioned in the Public Notice that the Commission intends to conduct a Public Hearing in the Court Hall of TGERC at Hyderabad on 27.10.2026 from 11:00 hours onwards.

1.6 RESPONSE TO PUBLIC NOTICE

1.6.1 In response to the Public Notice, objections/suggestions were received from five (5) nos. stakeholders.

1.7 PUBLIC HEARING

1.7.1 The Commission conducted the Public Hearing in the Court Hall of TGERC (‘Vidyut Niyantran Bhavan’, G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045), on 27.10.2026 from 11:00 AM onwards. During the Public Hearing, the TGDISCOMs submitted a brief presentation on their filings. Four objectors were present in the public hearing, out

of whom one objector has presented the submissions before the Commission. TGDISCOMs responded to the objections/submissions made by the stakeholders on the issues raised by the Commission during the Public Hearing.

CHAPTER-2 : SUMMARY OF FILINGS

2.1 ADDITIONAL SURCHARGE FOR H2 OF FY 2026-27

2.1.1 TGDISCOMs have relied on Section 42(4) of the Electricity Act, 2003, clause 22.1(d) of Regulation No.1 of 2024 on Open Access, clause 8.5.4 of Tariff Policy 2016, the Commission Order dated 18.09.2020 in O.P.No.23 of 2020 specifying the mechanism for determination of stranded capacity along with the approved methodology and terms & conditions for levy of Additional Surcharge on Open Access users in order to meet the fixed cost commitment of the distribution licensees arising out of its obligation by considering the actual parameters pertaining to H2 of FY 2025-26.

2.2 STRANDED CAPACITY

2.2.1 The average stranded capacity due to Open Access consumers for the six (6) month period (01.10.2025 to 31.03.2026) considering the 15-minute block wise data works out as 282.56 MW as detailed below:

Table 2-1:Average Stranded Capacity due to Open Access consumers for the period (01.10.2025 – 31.03.2026)

Particulars (in MW)	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Average
Available Capacity	37106215.99	32143554.43	31084860.66	34273341.65	31338214.65	33668263.54	11424.82
Scheduled Capacity	22149267.65	18882111.05	24744892.63	27809289.56	26534623.44	30372009.94	8613.34
Gross (Deficit) /Surplus	14956948.35	13261443.38	6339968.03	6464052.09	4803591.21	3296253.60	2811.48
Short-Term Purchases	3946849.64	2798636.45	3511761.21	4830920.76	5398018.84	9888943.44	1738.50
(Deficit)/Surplus after netting of Short-Term Purchases	11031710.38	10539556.41	3867715.00	3302030.10	1770099.82	314735.74	1764.30
OA Scheduled Capacity	1199031.76	1316618.90	1325805.34	1393234.23	1315719.97	1334274.16	451.28
Stranded Capacity	**1176664.86**	**1263788.33**	**960248.24**	**820797.29**	**590287.66**	**125112.95**	**282.56**
Stranded capacity arrived by considering minimum of surplus and OA scheduled capacity for each 15 min-block							

2.2.2 Six months Average (Weighted Average) is worked out by converting 15- minute time-block data to MW i.e., by dividing six months average values by (4x24x30.5) where 4 is four 15-minute time-blocks, 24 is 24 hours per day and 30.5 is average days for six months period from 01.10.2025 to 31.03.2026.

2.3 FIXED CHARGES FOR STRANDED CAPACITY

2.3.1 The fixed charges paid by the TGDISOMS to the generators for H2 of FY 2025- 26 is Rs.8436.14 Crores and the average long-term available capacity is 11,424.82 MW. Thus, the average fixed charges work out to Rs. 0.74 crores per MW. Accordingly, the fixed charges for stranded capacity of 282.56 MW work out as Rs.208.64 Crores (i.e., 282.56 MW x Rs.0.74 crore/MW).

2.4 TRANSMISSION CHARGES AND SCHEDULED ENERGY

2.4.1 The transmission charges paid by TGDISCOMs for H2 of FY 2025-26 are Rs.2177.74 Crores and scheduled energy for that period is 44,570.89 MU. Thus, the actual transmission cost per unit works out to Rs. 0.49/kWh.

2.5 WHEELING CHARGES FOR HT NETWORK

2.5.1 The HT distribution wheeling charges as approved by the Commission for FY 2025-26 is Rs.0.13 per kWh. Hence, the total transmission and distribution (T&D) costs work out to Rs.0.62/kWh.

2.6 DEMAND CHARGES

2.6.1 Based on the above-mentioned values, the demand charges that are to be adjusted/(recovered) from Open Access consumers works out to Rs.130.70 Crores.

2.7 NET STRANDED CHARGES

2.7.1 The net stranded charges of Rs.77.95 Crores are considered for calculation of Additional Surcharge.

2.8 OPEN ACCESS SALES

2.8.1 The projected Open Access sales for H2 of FY 2026-27 is considered to be same as that of Open Access sales other than captive and green energy open access sales recorded for H2 of FY 2025-26 i.e.,936.26 MU.

2.9 ADDITIONAL SURCHARGE FOR H2 OF FY 2026-27

2.9.1 The Additional Surcharge is computed to be Rs.0.83/kWh as follows.

Table 2-2: Additional Surcharge claimed for H2 of FY 2026-27

Sl. No.	Description	Unit	Value
{A}	Long term available capacity	MW	11424.82
{B}	Capacity stranded due to Open Access	MW	282.56
{C}	Fixed Charges paid	Rs. Crore	8436.14
{D}={C}÷{A}	Fixed Charges per MW	Rs. Crore/MW	0.74
{E}={D}x{B}	Fixed Charges for stranded capacity	Rs. Crore	208.64
{F}	Transmission charges paid	Rs. Crore	2177.74
{G}	Actual Energy scheduled	MU	44570.89
{H}={F}÷{G}	Transmission charges per unit	Rs. /kWh	0.49
{I}	Distribution charges as per Tariff Order	Rs. /kWh	0.13
{J}={H}+{I}	Total transmission and distribution charges per unit	Rs. /kWh	0.62
{K}	Energy consumed by OA consumers from the TGDISCOMs	MU	1560.99
{L}={K}x{J}	Transmission and distribution charges to be paid by OA consumers	Rs. Crore	96.57
{M}	Demand charges recovered by the TGDISCOMs from OA consumers	Rs. Crore	227.27
{N}={M}-{L}	Demand charges to be adjusted	Rs. Crore	130.70
{O}={E}-{N}	Net stranded charges recoverable	Rs. Crore	77.95
{P}	Open Access sales	MU	936.26
{Q}={O}÷{P}	**Additional Surcharge Computed**	**Rs. /kWh**	**0.83**

2.9.2 TGDISCOMs requested the Commission to approve the Additional Surcharge of Rs.0.83 per kWh for H2 of FY 2026-27.

2.10 VARIATION IN FIXED CHARGES

2.10.1 TGDISCOMs further submitted that the fixed charges paid for H2 of FY 2025-26 as claimed in the present filings are provisional in nature and are subject to variations in final audited accounts. The TGDISCOMs requested to consider any variation in fixed charges in the ensuing filings of Additional Surcharge as and when the final audited accounts are available.

CHAPTER-3 : ISSUES RAISED BY STAKEHOLDERS, RESPONSES OF APPLICANTS AND COMMISSION'S ANALYSIS & FINDINGS

3.1 OBJECTIONS/SUGGESTIONS MADE ON FILINGS

3.1.1 In response to the Public Notice issued by TGDISCOMs Five (5) stakeholders have filed objections/suggestions on the filings for determination of Additional Surcharge for H2 of FY 2026-27. TGDISCOMs as directed by the Commission have filed replies on the objections/suggestions received from the stakeholders. For the sake of clarity, the objections/ suggestions raised by the stakeholders and responses of the Applicants have been consolidated and summarized issue-wise. The Commission has considered all the objections/suggestions of the stakeholders made in writing as well as also through oral submissions made during the Public Hearing held on 27.10.2026 and the responses of the Applicants.

3.2 STATUTORY PROVISIONS

Stakeholders' Submissions

3.2.1 The stakeholders have submitted that based on Section 42 (4) of the Electricity Act, Clause 22 of TGERC (Terms and Conditions of Open Access) Regulation, 2024 [Regulation No.1 of 2024] and National Tariff Policy 2016 (Para 8.5.4) the Commission, in exercise of its powers, approved the methodology for computation of Additional Surcharge by way of Order dated 18.09.2020 in O.P No. 23 of 2020. It is observed that, in O.P. No. 28 & 29 of 2026, the Petitioners have deviated from the methodology approved by the Commission in the AS Order and its past orders.

3.2.2 As per the Order dated 10.03.2026 in O.P.No.65 and 66 of 2025 (AS H1 Order), the AS currently applicable for H1 of FY 2026-27 has been determined at Rs. 0.13/unit.

3.2.3 Stakeholders have submitted that given rising electricity costs and the ESG expectations on industry, Open Access should be facilitated. Industrial consumers have a flatter and largely fixed load curve, which improves capacity utilisation and lowers the cost of service for the utilities, and they cross-subsidise other consumers. All consumers availing Open Access through a captive generating plant are exempt from surcharge under Section 42(2) of the Act. A levy of Additional Surcharge further deters industrial consumers from availing Open Access.

3.2.4 Clause 8.5.4 of the Tariff Policy, 2016 permits AS only if it is conclusively demonstrated that the obligation of the licensee to supply, in terms of the existing power purchase commitments, has been continuously stranded, or there is an unavoidable obligation and incidence to bear fixed costs consequent to such a contract. The nexus between the OA and the stranded capacity has to be demonstrated in terms of quantum, date and time. The petitions do not demonstrate this nexus for the large part of the "OA scheduled capacity" they rely on.

3.2.5 The Electricity (Amendment) Rules, 2024 (10.01.2024) provide that the AS shall not be more than the per unit fixed cost of power purchase of the distribution licensee, shall be linearly reduced so as to be eliminated within four years for a person availing OA. AS shall not be applicable for OA consumers to the extent of the contract demand maintained with the distribution licensee, and shall be applicable only for OA consumers who are or have been consumers of the distribution licensee. The legislative intent is a continuous reducing trajectory leading to elimination of AS. The Commission determined NIL for H2 FY26 and Rs. 0.13/kWh for H1 FY27, a claim of Rs. 0.83/kWh runs counter to that trajectory. The petitions do not state how the proviso on contract demand and the four-year linear reduction have been given effect to.

3.2.6 Rule 13 of the Electricity Rules, 2005 (as amended in 2022) caps the surcharge under Section 42(2) at 20% of the average cost of supply and the Commission in its Order dated 22.03.2022 (H1 FY23) itself recognised that an AS significantly higher than the prevailing level could hinder the promotion of competition that the Act advocates, and moderated it. The same balancing is warranted.

3.2.7 A consumer with a contract demand of 2,500 kVA at 60% load factor cannot, after paying minimum demand charges, CSS and an AS of this order, source power through OA at an advantage, the claim therefore makes Open Access an illusion, contrary to Sections 42, 61(c), (g) and (i) of the Act and the National Electricity Policy.

3.2.8 Stakeholders have submitted that as per Notification dated 10.01.2024, the Ministry of Power, Government of India, issued the Electricity (Amendment) Rules, 2024 the intent of open access is to foster competition, reduce electricity costs for high-load consumers and promote a clear, market-driven energy environment.

3.2.9 It is emphasized that, under Section 42(2) of the Electricity Act, 2003, open access is a statutory right enabling eligible consumers to procure power from alternative

suppliers while using the existing transmission and distribution network.

3.2.10 Accordingly, the legislative intent has been to ensure a reduction in the level of surcharges (both CSS and AS). In accordance with the Rules, AS should follow a continuously declining trajectory, leading to its elimination within 4 years.

Table: Additional Surcharge approved over the past years

Period	Additional surcharge
FY 2021-22 – H_1	0.52
FY 2021-22 – H_2	0.96
FY 2022-23 – H_1	1.15
FY 2022-23 – H_2	1.38
FY 2023-24 – H_1	0.39
FY 2023-24 – H_2	0.39
FY 2024-25 – H_1	1.40
FY 2024-25 – H_2	1.09
FY 2025-26 – H_1	1.45
FY 2025-26 – H_2	NIL
FY 2026-27 – H_1	0.13
FY 2026-27 – H_2	0.83 (claimed)

3.2.11 The AS determined in preceding years does not appear to follow a consistent trend. The Commission has been determining AS in accordance with the AS Order. Nevertheless, AS was determined to be NIL during H2 of FY 2025-26 and Rs. 0.13 per unit during H1 of FY 2026-27.

3.2.12 In view of the Rules providing for the progressive reduction and eventual elimination of AS, it is submitted that AS ought to be determined at NIL for the ensuing control period (or, at worst, maintained at the currently applicable Rs. 0.13 per unit). It is not disputed that the State has recently witnessed a significant increase in the offtake of green energy under captive mode, particularly following the promulgation of GEOA Regulations by the Commission. This has resulted in increased offtake of green power through Open Access/captive mode. Open Access consumers have benefited from lower AS levels over the past 1 year (NIL during H2 of FY 2025-26 and Rs. 0.13 per unit during H1 of FY 2026-27), while captive consumption continues to enjoy a statutory exemption. Retaining a zero AS would enable consumers and generators to participate in a more competitive power market, thereby supporting a competitive industrial landscape, especially for industries directly dependent on electricity for

production. Such an approach aligns with the statutory objective under the Act.

3.2.13 Stakeholder submitted that it is evident that in successive filings the TGDISCOMs have claimed values that the Commission has had to reduce materially (H1 FY27: Rs. 0.59 claimed against Rs. 0.13 determined; H2 FY26: determined as NIL). The present claim of Rs. 0.83/kWh, more than six times the value determined for the immediately preceding period on similar parameters, requires rigorous verification. The onus of establishing the claim rests with the TGDISCOMs.

TGDISCOMs Replies

3.2.14 TGDISCOMs have replied that:

a) Every parameter, from the long-term available capacity to the Additional Surcharge, has been computed exactly as per Order dated 18.09.2020 in O.P. No. 23 of 2020 and the subsequent directions of the Commission.

b) Stranded capacity is the lower of the surplus (after netting short-term purchases in the same block) and the Open Access schedule in each of the 17,472 fifteen-minute blocks of Oct'25–Mar'26; hydel and non-conventional energy availability is taken equal to schedule.

c) Only high tension (11 kV & 33 kV) distribution charges are considered, the low-tension portion of demand charges is excluded, and the distribution share of demand charges is taken at 25.77% as adopted by the Commission at para 3.9.7 of Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025.

d) Fixed and transmission charges are taken as per the quarterly audited accounts, as directed in Directive (d) of TGERC Order dated 15.03.2024 in O.P. Nos. 39 & 40 of 2023.

e) TGDISCOMs facilitate Open Access, Average Open Access scheduled capacity rose from 219.57 MW (Apr–Sep'25) to 451.28 MW (Oct'25– Mar'26), and chargeable Open Access sales from 451.21 million units to 936.26 million units.

f) Captive consumption, to the extent of Open Access from the consumer's own captive generating plant, is already not charged Additional Surcharge, as per Order dated 18.09.2020 in O.P. No. 23 of 2020.

g) Additional Surcharge under Section 42(4) of the Electricity Act, 2003 is

compensatory, not a deterrent. It recovers the fixed cost of power purchase commitments left stranded by Open Access, which would otherwise be borne by the consumers who remain with the TGDISCOMs.

h) Load profile and cross-subsidy are matters of retail tariff and cross subsidy surcharge, outside the scope of Additional Surcharge determination.

3.2.15 With reference to Clause 8.5.4 of the Tariff Policy, it is submitted that:

a) The same submission was made for H1 of FY 2026-27 and the Commission in Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025 held that "there appears to be continuous stranded capacity which qualifies for imposing Additional Surcharge".

b) The nexus in quantum, date and time is demonstrated block by block. In each of the 17,472 fifteen-minute blocks of Oct'25–Mar'26, stranded capacity is the lower of the surplus (after netting short-term purchases in the same block) and the Open Access schedule of that block. It can never exceed the capacity actually scheduled by Open Access consumers in that block.

3.2.16 With reference to Electricity (Amendment) Rules, 2024, it is submitted that:

a) The Rules cap Additional Surcharge at the per-unit fixed cost of power purchase. The fixed charges of Rs. 8,436.14 crore over 44,570.89 million units work out to about Rs. 1.89/kWh; the Additional Surcharge claimed (Rs. 0.83/kWh) is well within the cap.

b) The exemption to the extent of contract demand is already given effect, demand charges recovered from Open Access consumers (Rs. 227.27 crore) are set off before arriving at the net stranded charges recoverable.

c) Additional Surcharge depends on the stranded capacity, fixed charges and Open Access sales of each six months and is not a numerical trend (para 3.12.8 of TGERC Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025). It was NIL for H2 FY 2025-26 because the demand-charge adjustment exceeded the stranded fixed charges and Rs. 0.13/kWh for H1 FY 2026-27 because the net stranded charges were only Rs. 6.04 crore.

d) Open Access has grown sharply; average Open Access scheduled capacity rose

from 219.57 MW (Apr–Sep'25) to 451.28 MW (Oct'25–Mar'26) and chargeable Open Access sales from 451.21 million units to 936.26 million units. Fixing Additional Surcharge at NIL would shift the stranded fixed cost onto the consumers who remain with the TGDISCOMs.

3.2.17 With reference to Rule 13 of the Electricity Rules, 2005 (as amended in 2022), it is submitted that

a) The cap of 20% of the average cost of supply applies to the cross-subsidy surcharge under Section 42(2). Additional Surcharge is levied under Section 42(4); its ceiling under the Electricity (Amendment) Rules, 2024 is the per-unit fixed cost of power purchase (about Rs. 1.89/kWh), and the claim is within it.

b) The Commission determines Additional Surcharge for each half-year on the facts of that period, as per Order dated 18.09.2020 in O.P. No. 23 of 2020. TGDISCOMs have computed it strictly in that manner.

3.2.18 Regarding a consumer with a contract demand of 2,500 kVA at 60% load factor cannot, after paying minimum demand charges, CSS and an AS of this order, source power through OA at an advantage, the claim therefore makes Open Access an illusion, contrary to Sections 42, 61(c), (g) and (i) of the Act and the National Electricity Policy TGDISCOMs have submitted the following:

a) Whether Open Access is cheaper for a consumer depends mainly on market prices, which are outside the scope of this determination.

b) Section 42(4) of the Electricity Act, 2003 provides for Additional Surcharge precisely so that the fixed cost of capacity stranded by Open Access is not shifted onto other consumers. The demand charges the consumer pays on its contract demand are already credited to Open Access consumers in the computation.

c) Open Access continues to grow under the present framework: chargeable Open Access sales rose from 451.21 million units (Apr–Sep'25) to 936.26 million units (Oct'25–Mar'26).

d) The reductions in H1 FY 2026-27 arose from adopting the audited accounts and the corrected distribution share of demand charges (25.77%). Both are already adopted in the present petition.

e) The present claim is higher because the inputs are higher, not because the method differs, stranded capacity 282.56 MW against 161.61 MW approved for H1 FY 2026-27; - fixed charges per MW Rs. 0.738 crore against Rs. 0.595 crore, with Yadadri Thermal Power Station's fixed charges for the full six months, hence net stranded charges recoverable of Rs. 77.95 crore against Rs. 6.04 crore.

f) Every input is supported by the block-wise data and the quarterly audited accounts filed with the petition.

Commission's Analysis and Findings

3.2.19 The Commission has gone through the filings and observed that the Discoms have arrived at the stranded capacity and calculated the Additional Surcharge for H2 of 2026-27 as per the methodology approved by the Commission in its order dated 18.09.2020 in O.P.No.23 of 2020 and the subsequent modifications done by the Commission.

3.2.20 In the present petitions, TGDISCOMs have submitted that stranded capacity has been determined for each of the 17,472 fifteen-minute time blocks during October 2025 to March 2026 by considering the lower of the surplus available capacity, after netting short-term purchases in the respective time block, and the Open Access scheduled capacity in that time block. The Commission observes that the above methodology is consistent with the methodology approved in its Order dated 18.09.2020 in O.P. No. 23 of 2020. The Commission, therefore, does not find merit in the stakeholder's contention that a direct nexus between the source of power procured by Open Access consumers and the individual power purchase commitments of TGDISCOMs is required to be demonstrated.

3.2.21 The Additional Surcharge of Rs. 0.82/kWh is within the ceiling of the per-unit fixed cost of power purchase under the Electricity (Amendment) Rules, 2024. Demand Charges recovered on contract demand are credited in full against the stranded fixed charges, and the levy is restricted to consumers of TGDISCOMs. The linear reduction under the Rules is linked to continued availment by the same person from the date of grant of open access. Open Access in the State is availed mainly on the short-term grants, each of which is a fresh grant. The Commission, therefore, does not find that any modification of the determination is called for, and the contentions are answered accordingly. The Commission also observes that the variation in Additional Surcharge between successive periods, including NIL for H2 of FY 2025-26 and Rs. 0.13/kWh for

H1 of FY 2026-27, does not, by itself, preclude determination of a higher amount for the subsequent period, as the same depends upon the stranded capacity, fixed charges and Open Access sales pertaining to the respective period, as also observed in its Order dated 10.03.2026 in O.P. Nos. 65 and 66 of 2025.

3.2.22 The Commission has considered the submissions of the stakeholders and the reply of TGDISCOMs. The Commission observes that the 20% ceiling prescribed under Rule 13 of the Electricity Rules, 2005, as amended in 2022, is applicable to the Cross-Subsidy Surcharge under Section 42(2) of the Act and is not directly applicable to the Additional Surcharge leviable under Section 42(4).

3.2.23 The Commission observes that the economic viability of Open Access depends on various factors, including market prices and applicable transmission, wheeling and surcharge components, and cannot be assessed solely on the basis of the Additional Surcharge proposed in the present petitions. At the same time, the levy of Additional Surcharge under Section 42(4) of the Electricity Act, 2003, is intended to recover the legitimate fixed costs arising from stranded capacity and to prevent the same from being passed on to other consumers. The Commission notes the submission of TGDISCOMs that demand charges recovered from Open Access consumers have been adjusted in the computation and that Open Access sales have increased during the relevant period.

3.2.24 The Commission observed that due to seasonal variation in demand and supply in the State, the stranded capacity is not the same in the two halves of the Financial Year. The Fixed charges paid by the Discoms for the second half 2025-26 is more than the first half due to new TGGENCO plants YTPS I and II which are fully operational for the second half of 2025-26. And due to which the value of Additional Surcharge for second half of a financial year is also not the same as that of the second half of the year.

3.3 IMPACT ON INDUSTRY

Stakeholders' Submissions

3.3.1 Stakeholder submitted that the effect on industry has been quantified from the Discoms' own volumes and from the Verification Sheet:

Measure	Value	Basis
AS claimed	Rs. 0.83/kWh	Petitions
AS determined by the Commission for H1 FY27	Rs. 0.13/kWh	Order dated 10.03.2026

Measure	Value	Basis
Measure	Value	Basis
AS applicable during the data period Oct-25 to Mar-26 (H2 FY26)	NIL	Commission's AS trend table
AS as per Regulations (Verification Sheet)	Rs. 0.047/kWh	AS_Per_Regulation, {Q}
OA sales (excluding captive) in Oct-25 to Mar-26	1,007.69 MU	Annexure C (936.26 inter-state + 71.43 intra-state third-party)
Burden on OA consumers if Rs. 0.83/kWh is levied	Rs. 77.95 Cr as claimed; Rs. 83.6 Cr on 1,007.69 MU	0.83 x volume
Burden at the H1 FY27 level of Rs. 0.13/kWh	about Rs. 13 Cr	0.13 x 1,007.69 MU

3.3.2 For an individual HT consumer, take 2,400 kVA recorded demand at 60% load factor (the example used in earlier submissions) and, assuming 0.90 power factor, consumption of about 9.46 lakh kWh a month. At Rs. 0.83/kWh the AS is about Rs. 7.9 lakh per month (about Rs. 47 lakh per half-year), against about Rs. 1.2 lakh at Rs. 0.13/kWh and about Rs. 0.45 lakh at the Rs. 0.047/kWh arrived at in the Verification Sheet. This is over and above the cross-subsidy surcharge and the demand charges the consumer continues to pay on its contract demand.

3.3.3 The data also shows how industry responds to AS. In the six months of NIL AS, OA sales (excluding captive) were 1,007.69 MU, against 451.21 MU in the half-year approved at Rs. 0.13/kWh (H1 FY27). A levy of Rs. 0.83/kWh, resting on exempt captive capacity, would reverse this and drive consumers back to the Discoms' supply. The Rules' intent of a reducing trajectory leading to elimination of AS would be defeated.

Directive	TGSPDCL	TGNPDCL	FTCCI observation
(a) Net short-term purchases block-wise	Applied (combined model)	Applied (combined model)	**Applied; but sale of power netted (281 MW avg) and availability on a different basis from schedule – see 1(b), 1(c)**
(b) Distribution charge for 11/33 kV only	Hard-coded Rs. 1,159.54 Cr	Same	**Source not given; OA revenue added to ARR – see 3**
(c) Exclude LT-network recovery from {M}	Applied (25.77% / 84.79%)	Applied	**Consistent with H1 FY27 Order**
(d) Reconcile with quarterly audited accounts	Accounts furnished; no reconciliation with station-wise bills	Accounts furnished; no reconciliation	**Differences of Rs. 948.28 Cr (fixed) and Rs. 260.49 Cr (transmission) unexplained**
(e) Indicate and justify variation in fixed cost	Not provided	Not provided	**Fixed cost per MW up 24% over H1 FY27 approved; no justification**

Verification of the data in the petitions against the accounts and supporting documents

3.3.4 The stakeholder has checked each input of the petitions against the quarterly financial statements and the supporting data supplied. The result:

Item	Per petition	Supporting document in the filing	Status
{A} Long-term available capacity (MW)	11424.82	Discoms' 15-minute block files (Oct-25 to Mar-26) and day-ahead DC files by station	
{B} Stranded capacity (MW)	282.56	Block files	
OA scheduled capacity - captive 201.97 MW (MW)	201.97	Captive and Third Party Data.xlsx (Captive-SP 101.8, Captive-NP 100.2)	
OA scheduled capacity - IEX/exchange 204.95, bilaterals 32.64, third party 11.71 MW (MW)	249.3	DAM / G-DAM / RTM portfolio files; bilateral (REMC / ITC) files; third-party sheet	
Sale of power netted from schedule (avg 281.09 MW) (MW)	281.09	Block files (sale rows); Block Wise Sales Data folder	
Backdown / NCE / CGS / SEIL data	-	Backdown, NCEs Data, CGS and SEIL folders	
{C} Fixed charges paid (Rs Cr)	8436.14	Quarterly financial statements: TGSPDCL Note 23, TGNPDCL Note 25 (Q3 and Q4 FY26)	
{F} Transmission charges paid (Rs Cr)	2177.74	Notes 23 and 25 (SPDCL 821.30 + 712.41; NPDCL STU 141.66 + 141.65, CTU 202.49 + 158.23)	
{G} Actual energy scheduled (MU)	44570.89	None. Hard-coded in the model (cell labelled "Actual scheduled capacity for H2 FY 2025-26")	NO supporting document
{I} Distribution charge (Rs/kWh) (Rs/kWh)	0.1301	Model inputs: ARR SPDCL 4,862.54 and NPDCL 2,760.27 Cr (sheet cites the "fourth MYT / Revised ARR order"; order not supplied); HT cost 1,159.54 Cr hard-coded	NO supporting document
{K} NPDCL energy from DISCOM (MU)	2178.89	HTDATA_SINCE_Oct 25 - NPDCL final.xlsx (20 consumers x 6 months)	
{K} SPDCL energy - service-wise rows (MU)	1123.38	Annexure C, service-wise sheet (511 consumer-month rows)	
{K} SPDCL energy - added block (MU)	219.72	None. Linked to an "Export Worksheet" that is not supplied	NO supporting document
{M} NPDCL demand charges (Rs Cr)	51.22	NPDCL HT data (normal 49.09 + penal 2.13)	
{M} SPDCL demand charges - service-wise rows (Rs Cr)	208.58	Annexure C, service-wise sheet (normal 207.81 + penal 0.77)	
{M} SPDCL demand charges - added block (Rs Cr)	31.03	None. Linked to an "Export Worksheet" that is not supplied	NO supporting document
LT-network adjustment: 25.77% and 84.80%	0.2577	RST cost allocation (Demand-D 7,644.85 / total 29,663.41 Cr) - RST order not supplied; matches Commission's corrections in H1 FY27	

Item	Per petition	Supporting document in the filing	Status
		Order (25.77%, 84.79%)	
{P} OA sales (MU)	936.26	Annexure C, OA Sales H2 (inter-state/IEX third party)	
Captive OA sales (billed) vs captive schedule (MU)	56.92	Annexure C vs Captive-SP/NP schedules (201.97 MW x 4,368 h)	
Arithmetic of {D},{E},{H},{J},{L},{N},{O},{Q} (Rs/kWh)	0.83	Recomputed in AS_Computation (Case 0)	

3.3.5 Three inputs have no supporting document at all: {G} (44,570.89 MU, a hard-coded figure that could not be reproduced – the nearest reconstruction from the block data is 45,216.8 MU), the HT distribution cost and ARR inputs behind {I}, and the SPDCL block added from the external workbook. The financial statements supplied are CA-stamped quarterly statements; the petitions do not state that they are audited, as Directive (d) requires. Where a figure is marked NOT SUPPORTED and requested to direct the Discoms to produce the supporting document before the figure is relied on.

3.3.6 Stakeholder submitted that they examined both petitions (TGSPDCL and TGNPDCL), the combined model of the Discoms, the monthly 15-minute block files, the Annexure-C OA sales and service-wise demand charge data, the Captive and Third-Party schedule data, the station-wise fixed/variable charges file, the HT consumer data supplied for TGNPDCL, and the audited quarterly financials. The Discoms' model has been reproduced in full, and a supporting calculation workbook in the Table-5 format of the AS Order is submitted along with these comments. It is found that the arithmetic of the Discoms' formula reproduces (Rs. 0.833/kWh); the defects lie in what has been counted in the inputs, and in data that has not been disclosed.

3.3.7 Both petitions are identical in content and are filed on a combined basis; neither Discom has furnished a separate computation, separate stranded capacity or separate {K}, {M} and {P} for its own area, although the Commission's directive (d) and the Rules referred to above are Discom-specific. The stakeholder has therefore examined the TGSPDCL and TGNPDCL data separately wherever the supplied data allows, and listed the gaps in each.

TGDISCOMs Replies

3.3.8 TGDISCOMs submitted following:

a) Additional Surcharge recovers only the fixed cost of capacity actually stranded by

Open Access. If it is not recovered from Open Access consumers, it falls through the Aggregate Revenue Requirement on all other consumers, including domestic and agricultural consumers (Reg. 86.1(n) of Regulation No. 2 of 2023).

b) The rise in Open Access sales the Objector cites (451.21 to 1,007.69 million units) shows that Open Access is growing and leaving more contracted capacity idle. That is exactly the cost the levy compensates.

c) The illustration for an individual consumer uses the Objector's assumed Rs. 0.047/kWh, which rests on removing captive capacity from the stranded capacity, contrary to para 3.4.13 of TGERC Order dated 29.04.2025 in O.P. Nos. 28 & 29 of 2024.

d) The actual energy scheduled is not a hard-coded figure. It is the total energy purchased (45,798.66 million units) net of the sale of power (1,227.79 million units).

e) The distribution cost inputs are the net Aggregate Revenue Requirement of the two Discoms in TGERC Order dated 29.04.2025 on Revised Aggregate Revenue Requirement and Wheeling Tariffs for FY 2025-26 in O.P. Nos. 1 & 3 of 2025 and 31 of 2024 (TGSPDCL) and O.P. Nos. 2 & 4 of 2025 and 32 of 2024 (TGNPDCL), plus their Open Access revenue. Half of the total is Rs. 3,813.60 crore, the figure adopted by the Commission at para 3.7.2 of Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025.

f) The 219.72 million units added for TGSPDCL is the energy drawn by its 16 in-house captive consumers, taken from TGSPDCL's billing data of in-house captive services.

g) The financial statements furnished are the Quarterly Audited Accounts Reports for Q3 and Q4 of FY 2025-26, and the revised petition states so. The Commission relied on the same quarterly audited accounts for H1 at para 3.6.15 of Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025.

h) TGSPDCL and TGNPDCL have filed separate petitions (O.P. Nos. 28 & 29 of 2026).

i) Power is purchased for both Discoms by TGPCC from a common pool of long-

term power purchase agreements. The availability, the schedules and hence the stranded capacity are therefore State-level. The Commission has determined a single Additional Surcharge for both Discoms on the combined data in every Order, including Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025.

j) The Discom-wise data (Open Access energy and demand charges, and fixed and transmission charges in Note 23 of TGSPDCL and Note 25 of TGNPDCL) is part of the filing and the stakeholder has itself used it Discom by Discom.

Commission's Analysis and Findings

3.3.9 The Commission has gone through the submissions of the stakeholders and TGDISCOMs.

3.3.10 The Commission has observed the actual stranded capacity of the Discoms is 1764.28 MW after netting of the short-term purchases made by the Discoms. The capacity availed by the consumers under open access is 451.28 MW including captive and green energy open access. Further Commission has observed that consumers have availed open access during all the 17,472 time-blocks of H_2 of 2025-26.

3.3.11 The Commission has arrived the stranded capacity attributable by open access consumers as 282.56 MW by considering the total open access sales in line with the methodology approved by the Commission in O.P No. 23 of 2020 and subsequent changes made by the Commission.

3.3.12 Further demand charges collected from all the open access consumers including captive open access and green energy open access consumers also considered in demand charges to be adjusted for arriving at the net stranded charges for balancing the interest of open access consumers as per the methodology.

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

3.4 GENERAL ISSUES

Stakeholder submission

Data availability

3.4.1 Stakeholder has submitted that it has been able to verify the Discoms' arithmetic only because the monthly block files were supplied. The following required data has not been furnished, or is unclear, and requests the Commission to direct the Discoms to place it on record and to allow stakeholders to comment on it before the AS is determined:

A. Applicable to both TGSPDCL and TGNPDCL

- A separate computation for each Discom ({B}, {K}, {M}, {P} and fixed/transmission charges); both petitions are identical and combined.
- Source and basis of {G} = 44,570.89 MU, and its tie to the energy purchased.
- Reconciliation of the fixed charges (Rs. 8,436.14 Cr) and transmission charges (Rs. 2,177.74 Cr) in the financial statements to the station-wise bills (Rs. 7,487.86 Cr and Rs. 1,917.25 Cr), and the station-wise variation in fixed cost (Directive (e)).
- Derivation of the HT-network distribution cost (Rs. 1,159.54 Cr) and the reason why OA revenue was added to the ARR.
- Station-wise block-wise availability on day-ahead and revised declared capacity, the backdown quantities, and the sale-of-power quantities, and the treatment of each in the schedule.
- Category- and consumer-wise OA schedules (captive / intra-state third-party / IEX / bilateral), and a reconciliation of scheduled OA units to billed OA units and to {P}; Annexure C is not given Discom-wise.
- Treatment of the contract-demand proviso and the four-year linear reduction under the Electricity (Amendment) Rules, 2024, and the list of OA consumers who are not consumers of the concerned Discom.
- Explanation of the increase in OA scheduled capacity from 93.75 MW (H1 FY26 petition) to 451.28 MW, and of the green-energy OA exemption, if any, in {P}.

B. TGSPDCL

- The "Export Worksheet" (external workbook) from which 219.72 MU and Rs. 31.03 Cr have been added to {K} and {M}.
- Captive schedule of 101.8 MW (about 445 MU for six months) against the captive OA sales of 56.92 MU in Annexure C (both Discoms together): the consumer-wise captive energy, and why the in-house captive list of 16 consumers contains only two consumers that appear in the service-wise sheet.
- March 2026 service-wise data (38 consumers against 87–98 in other months; intra-state units nil against 25.40 MU in Annexure C).
- The definition of OA_KVAH, TP_KVAH and INTRASTATE_KVAH in the service-wise data (in the rows having both third-party and intra-state units, OA_KVAH 4.31 MU is less than TP_KVAH 5.32 MU, so OA_KVAH does not include TP_KVAH).

C. TGNPDCL

- Billing and OA data for the nine captive consumers listed (BKM163, BKM169, BKM180, BPL098, KMM1173, KMR053, MCL127, MCL151, MCL166): they are not in the HT data supplied, although the TGNPDCL captive schedule is 100.2 MW on average (about 438 MU for six months).
- The reason for including four consumers with nil OA (BKM001, BKM013, PDL002, PDL250) in {K} and {M}, and the status of ITC (BKM011) (OA consumer and in-house captive consumer with 10.60 MU of inter-state OA).
- The nature of the 101.73 MU of intra-state OA of 16 consumers, predominantly Singareni collieries, whether drawn from SCCL's own plants (captive/own-use) or from third parties; and the OA settlement sheet which the HT data note says contains the OA kVA, which has not been supplied.
- The OA_KVAH column in the TGNPDCL data includes intra-state and inter-state units, whereas the TGSPDCL data keeps these separate; the Discoms should adopt a common definition.

Additional Surcharge Levy on Industries in current scenario

3.4.2 As can be seen currently, there is acute shortage of power across country and all the

states as well as consumers are struggling to arrange power form the next 6 months, with prices going much above the ceiling rates of Rs 10/kWh and Rs 20/kWh in DAM & HPDAM markets.

3.4.3 It is to further state, that in such a scenario, the stranded capacity of Discoms cannot be attributed to open access consumers alone, rather to shortage of supply in the country. Hence, it can be clearly said, that levying Additional Surcharge at this scenario will further burden all the consumers of the state.

3.4.4 Accordingly, the stakeholder prayed to the Commission, not to levy additional surcharge on the consumers in such a scenario.

Compliance with the Commission's directives:

3.4.5 (a) Net short-term purchases block-wise: Applied; but sale of power netted (281 MW avg) and availability on a different basis from schedule.

(b) Distribution charge for 11/33 kV only: Hard-coded Rs. 1,159.54 Cr; source not given; OA revenue added to ARR.

(c) Exclude LT-network recovery from {M}: Applied (25.77% / 84.79%); consistent with H1 FY27 Order.

(d) Reconcile with quarterly audited accounts: Accounts furnished; no reconciliation with station-wise bills; differences of Rs. 948.28 Cr (fixed) and Rs. 260.49 Cr (transmission) unexplained.

(e) Indicate and justify variation in fixed cost: Not provided; fixed cost per MW up 24% over H1 FY27 approved; no justification.

TGDISCOMs Replies

Data availability

3.4.6 TGDISCOMs submitted the following

a) The Objector states that it could verify the arithmetic because the block-wise files were supplied. The block-wise data, the quarterly audited accounts and the annexures have been filed and hosted on the websites.

b) On the items common to both Discoms:

- Separate computation: power is purchased for both Discoms by TGPCC from a common pool of long-term power purchase agreements, so availability, schedules and stranded capacity are State-level. The Discom-wise energy, demand charges and fixed and transmission charges are in the filing.

- Actual energy scheduled: the total energy purchased (45,798.66 million units) net of the sale of power (1,227.79 million units).

- Fixed and transmission charges: the differences from the provisional statement are timing and audit (fixed Rs. 283.40 crore + Rs. 664.89 crore; transmission Rs. 169.76 crore + Rs. 90.73 crore).

- High tension distribution cost: from TGERC Order dated 29.04.2025 on Revised Aggregate Revenue Requirement and Wheeling Tariffs for FY 2025-26 in O.P. Nos. 1 & 3 of 2025 and 31 of 2024 (TGSPDCL) and O.P. Nos. 2 & 4 of 2025 and 32 of 2024 (TGNPDCL); the Open Access revenue is added back because it was deducted to arrive at the net Aggregate Revenue Requirement.

- Availability, backdown and sale of power: in the block-wise data filed, treated as reviewed at para 3.3.30 of TGERC Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025. - Open Access schedules by category are in the block-wise data. The Open Access sales annexure is furnished separately for each Discom; the TGNPDCL sales are all captive.

- Contract demand: the demand charges recovered from Open Access consumers (Rs. 227.27 crore) are set off. The fouryear reduction applies to each person from the date of grant of that person's Open Access.

- Increase in Open Access schedule: average Open Access scheduled capacity rose from 219.57 MW (Apr–Sep'25) to 451.28 MW (Oct'25–Mar'26) with the growth of Open Access. Green Energy Open Access sales are excluded from the Open Access sales, which are the sales other than captive transactions and Green Energy Open Access sales.

c) On the TGSPDCL items:

- The 219.72 million units is the energy of TGSPDCL's 16 in-house captive consumers, from its billing data of in-house captive services.

- The captive schedule and the captive Open Access sales measure different things. The schedule is the capacity scheduled for captive wheeling in each block, as recorded by the State Load Despatch Centre; the annexure gives the captive Open Access sales. Stranded capacity is computed on the total Open Access schedule, as the methodology requires, and in no block can it exceed that schedule.

d) On the TGNPDCL items:

- The nine captive service connections listed are in the TGNPDCL HT data supplied, in its list of captive generators.

- The intra-State Open Access of Singareni collieries is captive, from its own generation; the TGNPDCL Open Access sales show all intra-State Open Access as captive.

- The inter-State Open Access of ITC (BKM011), 10.60 million units, is captive; it is the captive inter-State line of the TGNPDCL Open Access sales.

- These items concern the billing data of individual consumers availing Open Access. That data enters the computation only through the energy consumed and demand charges recovered, where each consumer included adds to the credit given to Open Access consumers. It does not affect the stranded capacity, which is computed on the block-wise Open Access schedules.

Additional Surcharge Levy on Industries in current scenario

3.4.7 Additional Surcharge for H2 of FY 2026-27 is determined on the actual data of Oct'25–Mar'26, as per TGERC Order dated 18.09.2020 in O.P. No. 23 of 2020. Market conditions today do not change the fixed charges paid or the capacity stranded in that period, which is demonstrated block by block.

Compliance with the Commission's directives:

3.4.8 Short-term purchases are netted block-wise, as the Objector accepts. The sale of power and the availability on declared capacity are treated as reviewed by the Commission at para 3.3.30 of TGERC Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025.

3.4.9 Only high tension (11 kV and 33 kV) distribution charges are considered. Half of the distribution cost (Rs. 3,813.60 crore) is the figure adopted by the Commission at para 3.7.2 of TGERC Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025, and the high-

tension cost is taken from TGERC Order dated 29.04.2025 on Revised Aggregate Revenue Requirement and Wheeling Tariffs for FY 2025-26 in O.P. Nos. 1 & 3 of 2025 and 31 of 2024 (TGSPDCL) and O.P. Nos. 2 & 4 of 2025 and 32 of 2024 (TGNPDCL).

3.4.10 The low-tension portion of demand charges is excluded at 25.77% and 84.80%, as the Objector accepts.

3.4.11 The quarterly audited accounts are furnished and the computation follows them. The difference from the provisional station-wise statement is timing and audit: fixed charges Rs. 948.29 crore = Rs. 283.40 crore timing + Rs. 664.89 crore on audit; transmission charges Rs. 260.49 crore = Rs. 169.76 crore timing + Rs. 90.73 crore on audit.

3.4.12 The variation in fixed cost is set out in the revised petition (Rs. 7,771.25 crore to Rs. 8,436.14 crore, an increase of Rs. 664.89 crore on audit). The rise per MW reflects the fixed charges of both Yadadri Thermal Power Stations for all six months after their commercial operation on 25.01.2025 and 12.07.2025.

Commission's Analysis and Findings

3.4.13 The Commission has taken note of the objections/suggestions of the stakeholders.

3.5 LONG TERM AVAILABILITY

TGDISCOMs filings:

3.5.1 TGDISCOMs have submitted the long-term available capacity of 11,424.82 MW in their filings.

Commission's Analysis and Findings:

3.5.2 On prudence check of the filings of the Discoms in respect of long-term availability it is observed that the Discoms availability of NCE others plants shown in the Filings is not matching with the actual 15 minutes block wise availability of H2 of 2025-26. The Commission has considered the actual 15 minutes block wise availability of H2 of 2025-26 of NCE others plants. The Commission approved the long-term available capacity by taking average of the 15-minute time block data for entire 6 months' period as 11431.77 MW against 11424.82 MW filed by TGDISCOMs.

3.6 CAPACITY STRANDED

TGDISCOMs filings:

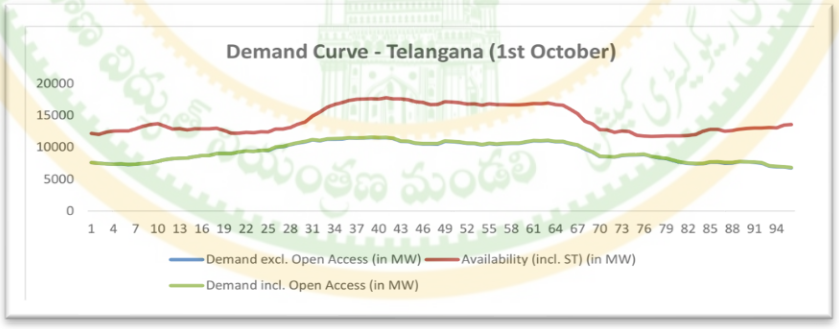
3.6.1 TGDISCOMs have submitted the stranded capacity due to open access as 282.56 MW in their filings.

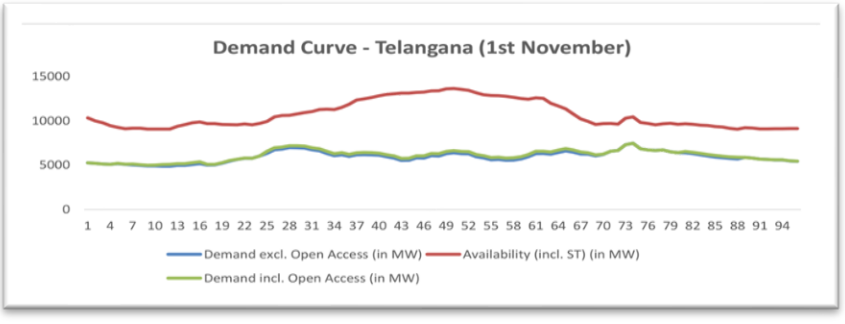
Stakeholders' Submissions

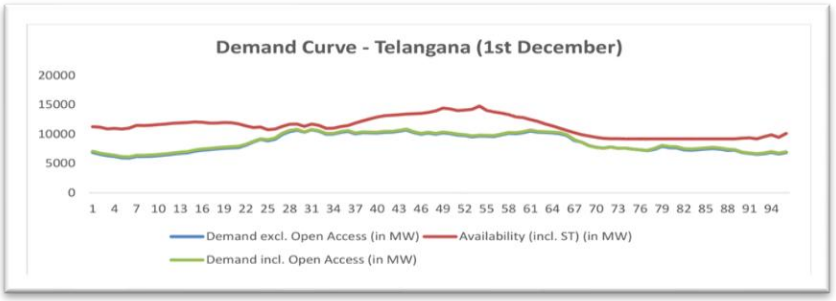
3.6.2 Stakeholders have submitted that, Section 42(4) of Electricity Act 2003 permits the DISCOMs to collect the Additional Surcharge as specified by the SERC to meet its fixed cost arising out of its obligation to supply, but such a claim is not unfettered, and is circumscribed by Clause 8.5.4 of National Tariff Policy, 2016.

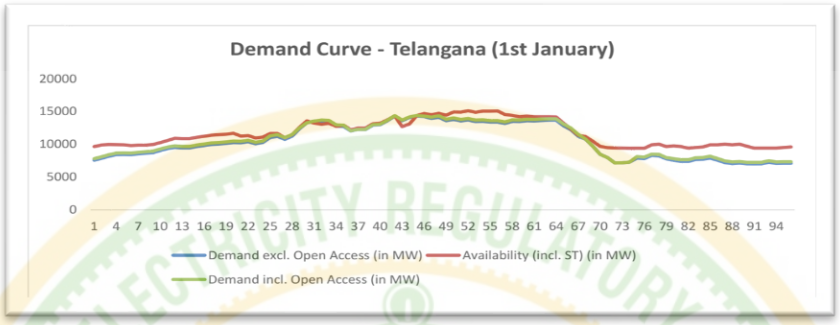
3.6.3 The stakeholder emphasized on the phrase conclusively demonstrated and continues to be stranded. The Petitioner has not conclusively demonstrated as to how the migration to Open Access left the long term tied up capacity continued to be stranded. Rather, the Petitioners continue to apply the methodology specified by the Commission in the AS Order.

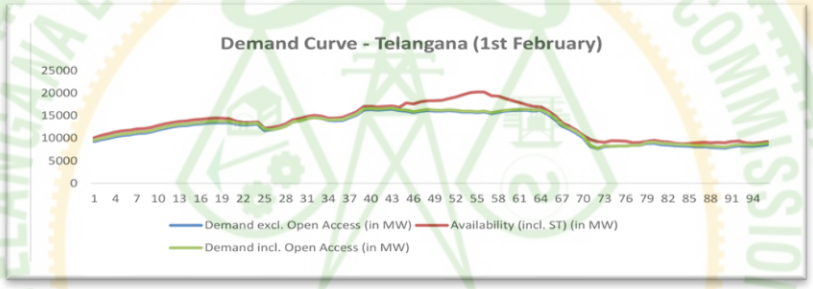
3.6.4 The Petitioner states that it has tied up significant long-term renewable energy capacity in its portfolio, leading to excess availability during solar hours and resulting in such capacity being stranded. To illustrate this, a sample analysis of Telangana's daily demand profile is set out below (daily demand on the 1st day of each month of H2.

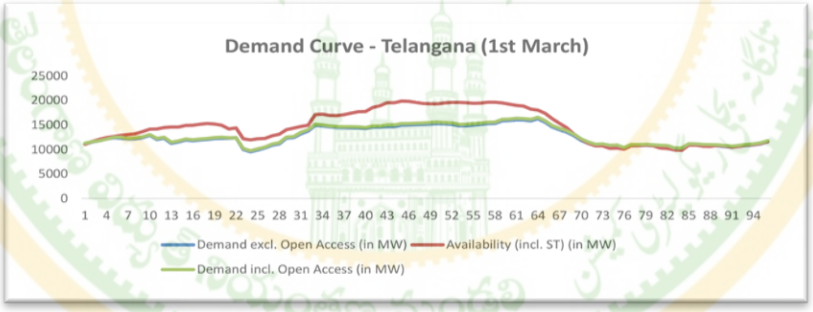










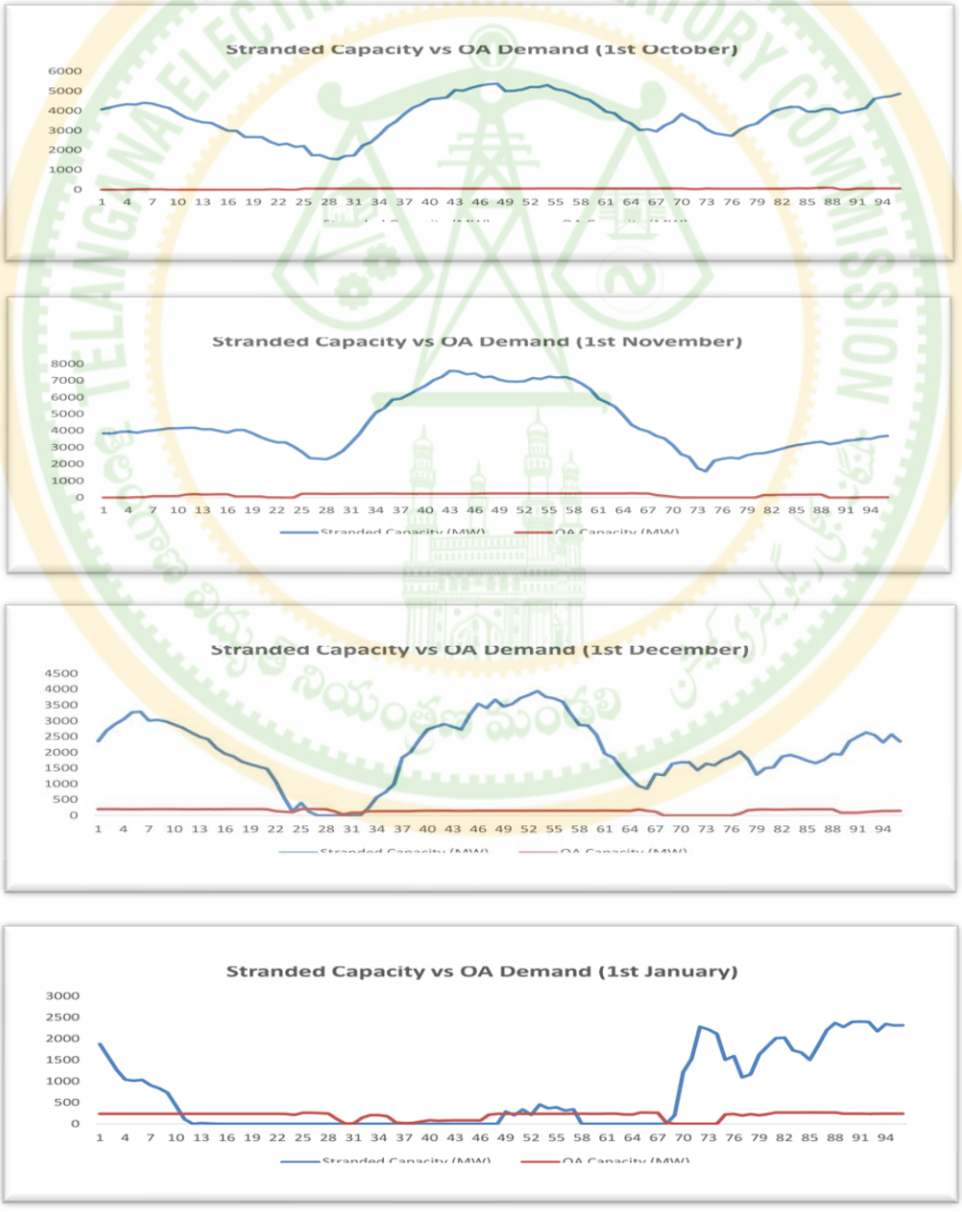


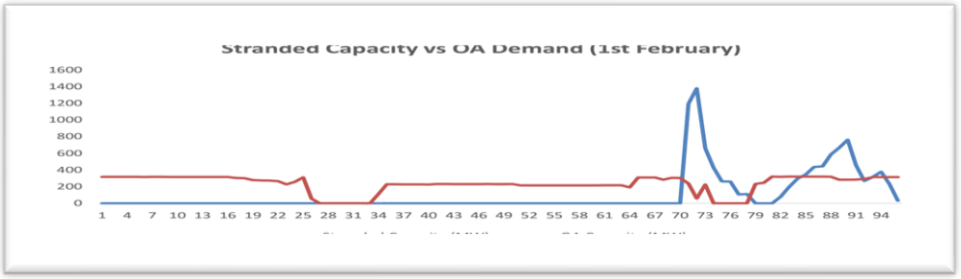
- The submissions in support of the Demand curves are a)available capacity with TG Discoms (including short-term procurement) is significantly higher than demand during most months of H2 b)The daytime bulge in the demand curve indicates that surplus RE power is being fed into the grid c) Demand during the Oct–Dec months declines, resulting in a much greater variation in the demand-supply gap, whereas demand picks up during January–March d)Demand from Open Access does not appear to bridge the variation between demand and supply.

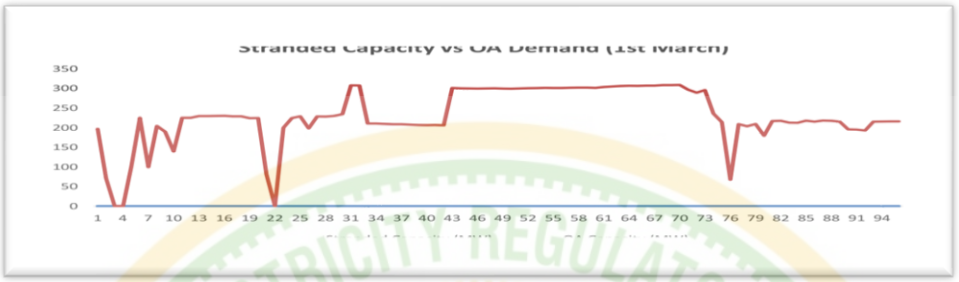
3.6.5 Except for January and February, the power-procurement portfolio remains highly skewed and warrants a structural realignment of the LT:MT:ST capacity mix. During

January–March, the quantum of stranded capacity is comparable to Open Access demand. This appears to be an incidental outcome of surplus capacity (including short-term tie-ups) being absorbed by increased seasonal demand, rather than the result of deliberate optimisation. In contrast, during October–December, the variation between stranded capacity and OA demand is significantly higher. This indicates inefficiencies in portfolio planning and highlights the need for a calibrated rebalancing of long, medium and short-term procurement to avoid persistent over-contracting and under-utilisation.

3.6.6 A like-for-like comparison of stranded capacity and Open Access demand, illustrating the above contention, is shown below:







3.6.7 As observed, particularly during October–December, the pronounced bulge during solar hours reflects surplus RE injection into the grid, resulting in conventional capacity remaining idle or stranded during most months. During January–March, demand picks up, with almost the entire energy quantum being absorbed by agricultural consumption. Accordingly, the capacity may remain unutilised for reasons other than migration of consumers to Open Access, including the intermittency of RE, with surplus during solar hours and significant seasonal variations in demand.

3.6.8 To serve such volatile demand, a carefully curated mix of LT:MT:ST in the supply portfolio is essential. While supply-side considerations remain relevant, there also appears to be a case for introducing seasonal tariffs in the retail schedule.

3.6.9 Based on the above charts and illustrations, which show significant stranded capacity for 3 months and very little stranded capacity for the remaining 3 months, it cannot be conclusively established that the stranded capacity is attributable to consumers migrating to Open Access/captive mode.

3.6.10 In this context, while the methodology prescribed by the Commission treats stranded capacity as the lower of (i) surplus capacity (available capacity minus scheduled capacity) and (ii) capacity scheduled by OA consumers, it overlooks two critical aspects: first, deficiencies in DISCOMs' power-procurement planning, including the ability to match seasonal demand variability; and second, the impact of RE intermittency, which may displace and strand long-term tied-up capacity. Consequently, the present approach attributes stranding to OA consumers without

adequately accounting for portfolio design and RE-driven operational constraints.

3.6.11 Notably, a significant quantum of RE power has been added, or is proposed to be added, to the TG Discoms' portfolio in recent years. For illustration, the Commission, in the RST Order for FY 2022-23, approved 7699.34 MUs of NCE (RE) power, whereas for FY 2026-27, the Commission approved 16,525.08 MUs towards RE procurement.

3.6.12 Excessive RE injection during solar hours may materially contribute to long-term capacity remaining stranded. Accordingly, it is submitted that loading the cost of such idle capacity onto consumers does not justify treating it as capacity that 'has been and continues to be stranded' under the National Tariff Policy, 2016. Stranding arising from RE intermittency and procurement planning choices should not, by itself, justify recovery of long-term capacity charges from consumers.

3.6.13 Notably, while RE intermittency may contribute to capacity stranding, its impact is not factored into the AS computation, as RE power does not carry a fixed-cost recovery obligation in the same manner as conventional generation. Therefore, the fixed costs considered for AS computation should be appropriately adjusted to account for the displacement effect of RE power, so that consumers are not burdened with costs arising from RE-induced stranding of conventional capacity rather than Open Access migration.

Captive:

3.6.14 The stakeholders have submitted that the petitioners have claimed stranded capacity of 282.56 MW, stated to have been computed in accordance with the methodology prescribed by the Commission in the AS Order, based on demand and supply data for the period October to March 2026.

3.6.15 The TGDISCOMs have computed stranded capacity on the basis of idle capacity, treating OA and captive consumption on the same footing.

3.6.16 It is submitted that stranded capacity may arise when consumers migrate from the Discoms to an alternative source of supply, whether their own generation or a third party. While AS may be levied on Open Access consumers under Section 42(4) of the Act, captive consumers are stated to have a statutory exemption from payment of surcharge under Section 39(2)(d)(ii) of the Act.

3.6.17 In their petitions, the TG Discoms have considered stranded capacity arising from both captive and OA consumption. To demonstrate the difference, stranded capacity arising from Open Access and captive consumption is 282.56 MW, whereas stranded capacity attributable only to Open Access consumption is 108.55 MW for the period October 25 – March 2026. Notably, the figure of 108.55 MW is based on the methodology prescribed by the Commission in the AS Order.

3.6.18 In effect, stranded capacity arising from consumers migrating to captive consumption is being charged to Open Access consumers, even though captive consumers enjoy a statutory waiver.

3.6.19 While captive consumption was insignificant in the initial years, it has increased significantly in recent years. To compare stranded capacity arising from OA and captive consumption with that attributable to Open Access consumption, it is observed that Open Access consumers account for less than half of the stranded capacity. A month-on-month comparison of stranded capacity for these categories is shown below:

Table 2: Comparison of Stranded capacity arising due to OA and OA + Captive consumption

Stranded capacity arising out of	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Average
Open Access + Captive (MW)	395.38	424.66	322.66	275.81	198.35	42.04	282.56
Open Access (MW)	154.73	177.33	115.18	145.05	45.00	-	108.55

3.6.20 Similar issue was raised during the proceedings for determination of AS for H1 of FY 2025-26 (refer to the Commission's Order dated 29.04.2025), wherein the Commission observed as follows:

"3.4.8 TGDISCOMs have computed the Stranded capacity by considering 15 min block wise data, day-wise/month-wise and thereafter 6 months average as per the methodology approved by the Commission. The calculations have already been submitted by the Licensees to the Commission and are hosted in the respective websites of TGDISCOMs and TGERC

3.4.9 Though Captive Power Plant (CPP) and GEOA are exempted for levy of AS, they contribute to stranded capacity and hence are considered for AS computations."

Commission's Analysis and Findings

With reference to stranded capacity due to captive open access the extract of the

Commission's order dated 29.04.2025 is as follows:

"3.4.13 One of the objections raised by the stakeholders is that since CPP and GEOA consumers are exempted from levy of AS, the capacity stranded on account of captive consumption and also on account of purchase of electricity by GEOA consumers shall also be exempted for calculating quantum of stranded capacity. The TGDISCOMs on the other hand while objecting to the said submissions have mentioned that in case if this electricity stranded on account of captive consumption and also on account of purchase of electricity by GEOA consumers is not considered, the finances of the TGDISCOMs will be affected adversely. The Commission having considered both the views, is of the opinion that the methodology standardized by this Commission for calculation of stranded capacity does not permit for exclusion of the electricity on account of captive consumption and also GEOA consumers. Therefore, though the objection raised appears to be reasonable, still same will be considered whenever an occasion comes to revisit the procedure in respect of calculation of stranded capacity. Therefore, the request of the stakeholders for the time being is hereby rejected."

In response to the TG Discoms' submission that they would loose revenue due to stranded capacity attributable to captive consumers, the Commission observed that the consumers' objection appeared reasonable. However, the Commission defers consideration of the objection until the methodology is reviewed.

3.6.21 In these circumstances, the question arises whether TGERC may adopt a corrected methodology for determining stranded capacity in future AS orders, where the existing methodology considers the combined impact of Open Access and captive consumers.

Correction of Methodology

3.6.22 It is submitted that the present submission does not seek revision, reopening or retrospective alteration of any previously determined AS. Rather, it seeks the adoption of a legally appropriate methodology in a subsequent determination, having regard to an issue already raised before and acknowledged by the Commission.

3.6.23 As discussed above, in its order dated 29.04.2025 determining AS for H1 of FY 2025-26, the Commission has recorded the DISCOMs' position that captive power plant (CPP) and Green Energy Open Access (GEOA) consumers, although exempt from AS, contribute to stranded capacity and are therefore included in its computation. In a

subsequent determination, the Commission may examine whether this approach is consistent with the statutory basis for levying AS and the principle that the surcharge must be attributable to stranded capacity arising from Open Access.

3.6.24 The Supreme Court in BSES Rajdhani Power Ltd. v. Delhi Electricity Regulatory Commission, (2023) 4 SCC 788, held that a concluded tariff determination cannot be retrospectively altered under the guise of truing-up. The judgment protects the finality of past determinations; it does not establish that a regulator must perpetuate an erroneous methodology indefinitely in future proceedings.

3.6.25 Accordingly, where the Commission identifies a defect in the existing methodology, it may consider adopting a corrected methodology for a subsequent determination, subject to the Electricity Act, 2003, applicable regulations, procedural requirements and the need for a reasoned order. Such prospective application does not, by itself, amount to reopening an earlier order. 38.Section 42(4) of the Electricity Act, 2003 provides for AS to meet fixed costs arising from a distribution licensee's obligation to supply electricity. The methodology should therefore establish a rational nexus between the stranded capacity for which recovery is sought and the Open Access consumers against whom AS is levied.

3.6.26 Where captive consumers are statutorily exempt from AS, their contribution to the distribution licensee's stranded capacity should not, without a reasoned statutory and methodological justification, automatically be transferred to non-exempt OA consumers. The Commission should distinguish between the physical contribution of different consumer categories to capacity surplus and the capacity that may lawfully be attributed to OA for AS recovery.

3.6.27 The stakeholder has requested to adopt, in the current AS determination (H2 of FY 2026-27), a methodology that considers only stranded capacity appropriately attributable to eligible OA consumers, excluding capacity attributable to exempt captive consumption to the extent legally warranted. This would constitute a prospective correction of the methodology, consistent with the Commission's acknowledged need to revisit the issue, without disturbing any past AS determination.

Cross-subsidisation in Surcharge Computation:

3.6.28 As discussed above, Section 42(4) of the Act provides for the levy of AS to meet the fixed costs of a distribution licensee arising from its obligation to supply electricity.

The underlying objective is to address the unavoidable fixed-cost liability that may remain with the distribution licensee when consumers procure electricity through Open Access instead of taking supply from the distribution licensee.

3.6.29 However, the computation of AS must distinguish between consumers procuring electricity through chargeable Open Access and consumers meeting their requirements through qualifying captive generation, who are statutorily exempt from AS. Capacity rendered surplus on account of these two categories should not be aggregated indiscriminately when determining stranded capacity attributable to chargeable Open Access consumers.

3.6.30 Qualifying captive consumers are exempt from AS under Section 42(4), as upheld by the Supreme Court in Maharashtra State Electricity Distribution Co. Ltd. v. JSW Steel Ltd., Civil Appeal Nos. 5074–5075 of 2019, decided on 10.12.2021. Consequently, although captive consumers may contribute to a reduction in the distribution licensee's demand, their migration should not automatically increase the stranded-capacity burden recoverable from consumers who remain liable to pay AS. Such an approach would extend the statutory language beyond its intended scope, as the objective is to promote captive generation. The statutory exemption should not be used to impose a surcharge automatically on other consumers, thereby discouraging them from procuring power through OA.

3.6.31 The distinction is also consistent with the principle laid down by the Appellate Tribunal for Electricity in Birla Textile Mills & Ors. v. Himachal Pradesh Electricity Regulatory Commission, Appeal No. 154 of 2016 and batch, decided on 09.08.2019. The Tribunal emphasised the need to identify capacity stranded as a consequence of Open Access transactions, rather than treating the entire surplus capacity of the distribution licensee as stranded capacity attributable to Open Access. Although the Commission does not treat the entire surplus capacity as stranded, it is submitted that capacity attributable to captive consumption also needs to be identified separately.

3.6.32 Accordingly, the stranded capacity considered for computation of AS should be restricted to capacity demonstrably attributable to chargeable Open Access consumers. Capacity rendered surplus on account of captive consumption should be identified separately and should not be loaded onto chargeable Open Access consumers merely because captive consumers are exempt from the surcharge.

3.6.33 The TGDISCOMs have argued that they would lose revenue. However, the TG Discoms' ARR is trued up periodically. Any residual fixed-cost liability associated with stranded capacity attributable to captive consumers should be examined through the applicable true-up framework, subject to the relevant regulatory provisions and prudence review. The possibility of recovery through true-up should not, by itself, justify transferring the burden to OA consumers. The stakeholder has referred to the relevant provisions of the MYT Regulations 2023 (Regulation No. 2 of 2023), which include receipts from AS, as part of ARR.

3.6.34 Based on the above, any alleged under-recovery by the Discoms is addressed through the true-up of ARR, which takes into account receipts on account of Additional Surcharge.

Illustration:

a) Consider a Distribution Licensee having fixed-cost commitments corresponding to 100 MW of power-purchase capacity. Following a reduction in demand, 20 MW becomes stranded due to consumers migrating to alternative sources of supply. Of this, 10 MW is attributable to consumers procuring power through chargeable open access and the remaining 10 MW to consumers shifting to qualifying captive generation.

b) For simplicity, assume that the fixed costs associated with the stranded capacity is Rs. 1 crore per MW per year and that the entire cost associated with the identified stranded capacity is otherwise admissible for consideration.

Table 3: Illustration of excess burden borne by OA consumers due to excess stranded capacity consideration

Particulars	OA-only approach	OA + captive approach
Capacity stranded due to chargeable OA consumers	10 MW	10 MW
Capacity stranded due to captive consumers	Excluded	10 MW
Total capacity considered for AS computation	10 MW	20 MW
Fixed cost considered for AS computation	Rs. 10 crore	Rs. 20 crore
Increase in cost base due to captive capacity	—	Rs. 10 crore
Increase in cost base (%)	—	100%

c) Under the OA-only approach, the stranded fixed cost considered for AS is Rs. 10 crore. If the capacity attributable to captive consumers is also included, the cost base doubles to Rs. 20 crore, notwithstanding that the additional 10 MW relates to consumers who are statutorily exempt from payment of AS.

d) The financial burden on chargeable open-access consumers would therefore

increase by Rs. 10 crore solely because of the inclusion of capacity associated with captive consumers. Such an approach risks transferring the cost consequences of captive migration to a different category of consumers without establishing why those costs should be recoverable from them under Section 42(4).

e) The illustration is intended to demonstrate the effect of the competing methodologies. Actual AS would depend on the applicable regulations, admissible fixed costs, the relevant period, and the prescribed computation methodology.

3.6.35 Stakeholder submitted that The TGDISCOMs have claimed a stranded capacity of 282.56 MW on a long-term availability of 11,424.82 MW. It has rebuilt the figure from the 15-minute block data of all six months (17,472 blocks, with no intermediate averaging) and the Discoms' stranded capacity reproduces exactly. The fault lies in the inputs:

a) Captive schedules have been counted as "OA scheduled capacity". The OA scheduled capacity of 451.28 MW comprises IEX/exchange 204.95 MW, intra-state captive 201.97 MW, intra-state third party 11.71 MW and bilaterals 32.64 MW. The captive component (TGSPDCL 101.8 MW and TGNPDCL 100.2 MW, as per the Discoms' own Captive-SP and Captive-NP schedules) is 44% of the claimed stranded capacity. Under the AS Order (T&C) iii) AS is not leviable on captive consumption to the extent of OA from own CPPs, and the Discoms themselves exclude captive sales from {P}. Capacity that is not chargeable cannot be counted as stranded capacity and then recovered from the other OA consumers. The Commission's principle in the H1 FY27 Order, that captive OA sales are excluded, applies equally to the capacity side. With captive removed, the stranded capacity is 158.04 MW, not 282.56 MW.

MW (6-month block average)	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Average
Net surplus after ST netting (as filed)	3,706.89	3,659.57	1,299.64	1,109.55	658.52	105.76	1,764.30
OA scheduled, all categories (as filed)	402.90	457.16	445.50	468.16	489.48	448.34	451.28
of which captive intra-state	190.04	212.90	206.41	202.65	200.27	199.75	201.97
Stranded capacity as filed	395.38	438.82	322.66	275.81	219.60	42.04	282.56
Stranded capacity, captive excluded (Verification Sheet)	208.58	234.45	176.79	163.28	138.99	26.80	158.04

b) Availability and schedule are on different footings. Availability {A} has been taken from the day-ahead declared capacity, whereas the schedule has been built from the

revised declared capacity less backdown. The reductions between the day-ahead and the revised declared capacity (average 122 MW for thermal stations in this period) are thereby treated as available surplus, and increase the stranded capacity. The availability should be on the same basis as the schedule. The Verification Sheet has retained {A} as filed (11,424.82 MW), so that this item remains in the Discoms' favour, and the Discoms should explain the basis adopted.

c) An average of 281 MW of sale of power has been netted off the scheduled capacity, which enlarges the surplus. The H1 FY27 Order records that the scheduled capacity includes the revised delivery schedule, sale of power and backdown capacity. The Discoms must explain how netting sale of power from the schedule is consistent with that finding. The stakeholder has not adjusted for this item in its computation and requests that the Discoms furnish the block-wise sale of power, station wise, and the corresponding treatment.

d) Where the schedule exceeds availability (URS power), the surplus is to be taken as nil; the Discoms should confirm that this has been done block-wise.

e) The OA scheduled capacity has increased from 93.75 MW in the H1 FY26 petition to 451.28 MW in this petition, and the OA sales used for {P} (936.26 MU) have also risen steeply over H1 FY27 (451.21 MU). The Discoms have not given the consumer-wise or category-wise schedules to explain this increase, or to establish the nexus required by Clause 8.5.4 of the Tariff Policy.

Consideration of OA Sales:

3.6.36 Stakeholders have submitted that while the TGDISCOMs consider stranded capacity attributable to both Open Access and captive consumption when computing AS, they propose to recover the entire stranded cost through Open Access sales alone, excluding captive sales, based on actual data for the corresponding period of the previous year. This asymmetric treatment effectively shifts the cost burden associated with the statutory exemption granted to qualifying captive consumers onto chargeable Open Access consumers. It disproportionately burdens one class of consumers with costs arising, in part, from another class that is statutorily exempt from the levy, raising concerns regarding equitable cost allocation and consistency with the underlying principles of Section 42 of the Electricity Act, 2003.

TGDISCOMs Replies

3.6.37 TGDISCOMs have submitted the following

a) The same submissions were made for H1 of FY 2026-27 (paras 3.3.2–3.3.12 of TGERC Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025). The Commission held that "there appears to be continuous stranded capacity which qualifies for imposing Additional Surcharge" (para 3.3.29 of Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025).

b) The procurement of power by consumers through open access is irregular, non-uniform and not on RTC basis. Hence, objection to conclusively demonstrate stranded capacity on account of open access is not tenable. The said contentions do not correctly appreciate the basis and purpose of determination of additional surcharge.

c) Stranded capacity is demonstrated on all 17,472 fifteen-minute blocks of the six months, and the block-wise data is filed and hosted on the websites. The stakeholder's charts cover only 6 of the 182 days.

d) The methodology already protects Open Access consumers from surplus arising from portfolio, seasonal variations and renewable energy intermittency factors. Average surplus after netting short-term purchases was 1,764.30 MW, but only the 282.56 MW matched by the Open Access schedule is claimed; the fixed cost of the balance about 1,481.74 MW is not loaded on Open Access consumers (para 3.3.28 of Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025).

e) Short-term purchases (1,738.50 MW average) are netted block-wise. Hydel and non-conventional energy availability is taken equal to schedule in every block, so renewable energy adds nothing to the surplus and carries no fixed charge in the fixed charges paid; the renewable energy adjustment sought is already built in.

f) Stranded capacity can never exceed the Open Access schedule in a block. The Oct–Dec "stranded capacity" series (axes up to 4,500–8,000 MW) is in fact the surplus: on 01.10.2025 the highest stranded capacity in any block was 497 MW while gross surplus reached 6,791 MW.

g) The Distribution Licensee has planned and contracted its power procurement

capacity based on the projected demand and statutory obligation to maintain adequate power supply for its consumers.

h) The tie-ups were made as per resource/procurement plans approved by the Commission, renewable energy procurement (16,525.08 million units approved for FY 2026-27) is a statutory obligation and renewable energy is must-run.

i) The TGERC Order dated 18.09.2020 in O.P. No. 23 of 2020 requires stranded capacity to be computed on the total Open Access schedule. The Commission has held, at para 3.4.13 of TGERC Order dated 29.04.2025 in O.P. Nos. 28 & 29 of 2024, that "the methodology standardized by this Commission for calculation of stranded capacity does not permit for exclusion of the electricity on account of captive consumption and also Green Energy Open Access consumers" and rejected the request. TGDISCOMs are bound to file as per the methodology in force.

j) The captive exemption is an exemption from payment, not a finding that capacity is not stranded. TGDISCOMs remain liable for the full fixed charges of the power purchase agreements whoever's migration leaves the capacity idle.

k) The treatment is symmetric. The energy drawn from the Discoms and the demand charges paid by captive users are included in the energy consumed and demand charges recovered from Open Access consumers (for TGSPDCL, its 16 in-house captive consumers drew 219.72 million units in Oct'25– Mar'26). Those demand charges are credited against the stranded cost and reduce the Additional Surcharge payable by the other Open Access consumers.

l) Additional Surcharge receipts are deducted from the Aggregate Revenue Requirement (Reg. 86.1(n) of Regulation No. 2 of 2023). Excluding the captive-related cost from Additional Surcharge would load it on the retail tariff of all other consumers through true-up, which is exactly what Section 42(4) prevents. The Objector's illustration shows who pays, not that the cost disappears.

m) The available capacity is the capacity declared by the generating stations under the power purchase agreements, and the scheduled capacity includes the revised delivery schedule, sale of power and backdown capacity. The Commission examined this very basis at para 3.3.30 of TGERC Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025 and approved the stranded capacity as claimed (para 3.3.31).

n) The Objector has retained the long-term available capacity as filed (11,424.82 MW); the point does not change its own computation.

o) Power sold in the market is long-term capacity not required by the consumers of the TGDISCOMs, sold during surplus blocks to reduce the cost of that surplus. The realisation is passed on to all consumers through the Aggregate Revenue Requirement. The schedule for the Discoms' own consumers is therefore net of the sale.

p) This is the treatment the Commission reviewed at para 3.3.30 of TGERC Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025 ("scheduled capacity includes revised delivery schedule, sale of power, backdown capacity") before approving the stranded capacity.

q) The block-wise sale of power is part of the block-wise data filed, as the Objector notes.

r) Confirmed: where the schedule exceeds the availability because un-requisitioned surplus power is allotted, the surplus is taken as nil in that block, as recorded at para 3.3.30 of TGERC Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025.

s) Open Access sales exclude captive and Green Energy Open Access volumes because those volumes are not chargeable. Dividing the net stranded charges recoverable by the chargeable sales is inherent in a per-unit levy designed to recover those charges.

t) Including exempt units in the Open Access sales would only ensure that part of the stranded cost is never recovered from anyone liable to pay it and ultimately passed on to the consumers who are not into open access and meeting their entire energy requirement from DISCOMs.

u) The Open Access schedules are the block-wise schedules for each category (exchange, bilateral, intra-State captive and third party).

v) The increase reflects the growth of Open Access itself: average Open Access scheduled capacity rose from 219.57 MW (Apr–Sep'25) to 451.28 MW (Oct'25–Mar'26), and chargeable Open Access sales from 451.21 million units to 936.26 million units.

w) The nexus is established block by block: in each of the 17,472 blocks, stranded capacity is the lower of the surplus and the Open Access schedule of that block, so it can never exceed the capacity actually scheduled by Open Access consumers.

Commission's Analysis and Findings

Demonstration of stranded capacity:

3.6.38 Stakeholders have raised their objections to the proposal of the Discoms with reference to clause 8.5.4 of National Tariff Policy, 2016, stating that Additional surcharge should become applicable only if it is conclusively demonstrated that capacity is continuously stranded. Discoms on the other hand have submitted that they have conclusively demonstrated the existence of stranded generation capacity by undertaking a detailed and granular analysis based on 15-minute time-block data.

3.6.39 The Commission notes the submission of the TGDISCOMs that Open Access is availed irregularly and not on a round-the-clock basis. Where consumers opt for Open Access intermittently, stranding cannot be uniform or uninterrupted, and insisting on such continuity would defeat the purpose of Section 42(4). The licensee nonetheless pays the full fixed charges and must keep capacity available for these consumers. The requirement of clause 8.5.4 of the Tariff Policy is met by demonstrating stranding over the period. The TGDISCOMs have done so for each of the 17,472 time-blocks of October 2025 to March 2026, and the contention of the stakeholders is therefore not accepted.

3.6.40 From the availability and demand curves submitted by the stakeholder, the Commission has observed that the stranded capacity is more during the solar hours of the day compared to non-solar hours. This is mainly due to the increase in solar generation integration into the grid. The Commission has also observed from stranded capacity vs open access demand curves that the open access demand during the solar hours is high. This is mainly due to increase in open access consumption from the solar generators and low market prices in the exchange. It is observed that the gap between demand and supply is also varying seasonally. The gap is widened in the months of October to December and gap is narrowed during the months of January, February and March which is mainly due to increase demand more particularly of agriculture consumers.

3.6.41 As per the methodology specified by the Commission in its order dated 18.09.2020 in O.P.No.23 of 2020, the Commission has restricted the stranded capacity to the open

access quantum in each time block while arriving the stranded capacity for H2 of 2025-26. The Commission observed that the average open access capacity availed by the open access consumers in the second half of 2025-26 is 451.28 MW. Even though the net surplus is 1764.28 MW and the open access capacity is 451.28 MW the stranded capacity considered for determining the Additional Surcharge is 282.56 MW only. So, the Commission has ensured that entire cost of stranded power is not passed on to the open access consumers.

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

Captive Open Access:

3.6.43 The Commission has examined the objections raised by the stakeholders and replies of the petitioners. The Commission has verified the data and observed that the total open access sales including the captive open access and green energy open Access of both Discoms during H2 of 2025-26 are 1064.61 MU out of which captive sales are 56.92 MU and green energy open access sales are 71.43 MU. So, the balance 936.26 MU are considered for levying the Additional Surcharge.

3.6.44 The Commission upon reviewing the 15-minute time- block data from Oct'25 to Mar'26, observed the following:

a) TGDISCOMs followed the approved methodology i.e., averaged the 15- minutes time-block data over the entire six-months period.

b) In certain 15-minute time block periods, the scheduled capacity is more than the available capacity due to allotment of Un-Requisitioned Surplus (URS) power i.e., reserve capacity in a generating station viz., Central Generating Stations (CGS) that has not been requisitioned and is allotted to the Telangana State. As such for

arriving Gross (Deficit)/Surplus during those 15-minute time block periods (i.e., difference between available capacity and scheduled capacity) is considered as Nil. Scheduled capacity is arrived by considering the revised delivery schedule, sale of power, backdown capacity.

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

3.6.45 Based on the above observations, the Commission approves the stranded capacity due to Open Access as 282.56 MW as claimed and detailed as below:

Table 3-1: Approved Stranded Capacity

Particulars (in MW)	Time- Block wise calculations	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Six Months Average
Available Capacity	A	37064203.17	32160675.67	31114635.71	34298309.52	31385975.50	33712060.40	11431.77
Scheduled Capacity	B	22107446.85	18899326.70	24757028.84	27789796.46	26540728.37	30247584.61	8604.73
Gross(Deficit)/ Surplus	C=A-B	14956756.32	13261348.97	6357606.87	6508513.06	4845247.13	3464475.79	2827.03
Short-Term power considered for netting off	D	3925237.97	2721886.97	2489891.87	3206482.95	3075147.31	3149740.05	1062.75
(Deficit)/Surplus after netting of Short-Term Purchases	E=C-D	11031518.35	10539462.00	3867715.00	3302030.10	1770099.82	314735.74	1764.28
OA Scheduled Capacity	F	1199031.76	1316618.90	1325805.34	1393234.23	1315719.97	1334274.16	451.28
Stranded Capacity	G=Minimum of E and F	1176664.86	1263788.33	960248.24	820797.29	590287.66	125112.95	282.56

- ***Six months Average (Weighted Average) is worked out by converting 15-minute time- block data to MW i.e., by dividing six months average values by (4*24*30.33) where 4 is four 15-minute time-blocks, 24 is 24 hours per day and 30.33 is average days for six months period from 01.10.2025 to 31.03.2026.***
- ***All the figures are derived based on 15-minute time block wise data***

Capacity stranded on account of captive consumption:

3.6.46 The stakeholders have sought exclusion of capacity stranded on account of captive consumption, since captive users are exempt from payment of Additional Surcharge. The Commission, having considered this contention along with its observations at para 3.4.13 of the Order dated 29.04.2025 in O.P. Nos. 28 & 29 of 2024, does not find it necessary to modify the methodology, for the following reasons:

a) Under Section 42(4) of the Act, the fixed cost arising from supply taken outside the licensee is to be met by Open Access consumers. Capacity excluded from the computation does not cease to be a cost. It would pass through the Aggregate

Revenue Requirement to the consumers who take their entire supply from the TGDISCOMs, which the provision is intended to prevent.

b) The exemption to captive users is from payment, not from stranding. The licensee bears the full fixed charges whichever category of Open Access idles the capacity.

c) The methodology already protects Open Access consumers. Stranded capacity is capped at the Open Access schedule in each time block, so only 282.56 MW of the net surplus of 1,764.28 MW is attributed to Open Access. The demand charges of all Open Access consumers, including captive users, are credited against the stranded fixed charges.

d) The Additional Surcharge so computed is in any case subject to the ceiling of the per-unit fixed cost of power purchase under the Electricity (Amendment) Rules, 2024, and to para 5.8.3 of the National Electricity Policy, which requires that the surcharge not become so onerous as to eliminate competition. Inclusion of captive capacity cannot, therefore, result in an abnormal levy on Open Access consumers.

3.6.47 The contention is therefore not accepted and stranded capacity is computed on the total Open Access schedule.

3.7 FIXED CHARGES FOR STRANDED CAPACITY

TGDISCOMs filings

3.7.1 TGDISCOMs have claimed the fixed charges paid to the generators as per the Quarterly Audited Reports for Q3 & Q4 of FY 2025-26 as Rs. 8,436.14 Crore.

Stakeholders' Submissions

3.7.2 The stakeholders have submitted that the Petitioners have claimed Power Purchase (Fixed Costs) of Rs. 8436 Crore for the period October 2025 to March 2026, based on the quarterly accounts for the said period. Likewise, the Petitioners have claimed transmission costs (intra-state and inter-state) of Rs. 2,178 Crore, based on the quarterly accounts for the said period.

3.7.3 At the outset, there is a significant mismatch between the figures shown in the accounts and the breakdown of Power Purchase (Fixed) Costs and Transmission Costs submitted by the Petitioner in the FC VC 2025-26 Up to March'26 (Provisional)-TGPPCC 30-04-2026 –Mail data sheet. The table below summarises the deviation:

Table 4: Deviation in Charges paid as per Accounts vs Data sheet

SN	Particulars	Unit	Accounts	Data sheets	Variation
1	Fixed Charges paid	Rs. crore	8,436.14	7,487.85	12.5%
2	Transmission charges paid	Rs. crore	2,177.74	1,917.25	13.6%

3.7.4 It is undisputed that the Commission has previously determined AS based on costs indicated in the accounts. However, this does not automatically mean that all costs booked in the accounts are admissible for AS determination. The Petitioner should therefore be directed to submit a detailed reconciliation statement explaining the variation between the accounts and the data sheets.

3.7.5 Notwithstanding the mismatch in costs noted above, the costs indicated in the accounts should not be adopted directly for determining AS. For illustration, the fixed charges paid during H1 of FY 2025-26 were Rs. 6454 Crore, indicating that the current claim based on the Accounts is around 31% higher than in the previous half-year. The trend in previous years also indicates that fixed charges paid during H2 were comparable to those paid during H1 of the same year. However, H2 of FY 2026-27 appears to be an outlier.

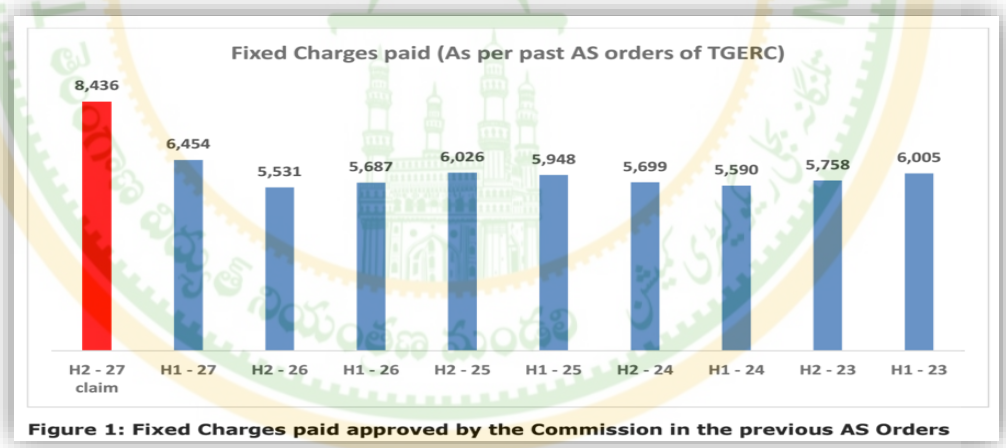


Figure 1: Fixed Charges paid approved by the Commission in the previous AS Orders

3.7.6 While the TG Discoms have relied on the note titled POWER PURCHASE COST in the respective accounts, it is not discernible whether these costs have actually been paid by the TG Discoms. For instance, the note titled TRADE PAYABLES in the accounts for Q4 of FY 2025-26 shows that payables to Power Purchase Creditors increased by Rs. 2,940 Crore (Rs. 31,665 Crore from 28,725 Crore). The Petitioner should explain this significant increase in detail. If power-purchase costs have merely been booked in the accounts and have not actually been paid, they should be considered

when discharged. Undischarged power-purchase liabilities should not be loaded onto consumers.

3.7.7 Another stakeholder submitted that

a) The station-wise fixed charges for October 2025 to March 2026 in the TGPPCC file (CGS Rs. 1,723.38 Cr, SEIL Rs. 146.08 Cr, TGGENCO Rs. 4,942.01 Cr, Singareni Rs. 676.39 Cr, total Rs. 7,487.86 Cr) are lower than the accounts by Rs. 948.28 Cr (12.7%). Directive (d) requires reconciliation with the audited accounts. No reconciliation has been furnished.

b) The fixed charge per MW rises to Rs. 0.738 Cr/MW against Rs. 0.595 Cr/MW approved for H1 FY27 (a 24% increase), and no justification of the variation in fixed cost has been provided, contrary to Directive (e). The stakeholder requested that the variation be explained, station by station.

c) It is requested that the Commission conduct a prudence check of the fixed charges to ensure that no cost relating to stations that are not part of the long-term PPA availability {A} is loaded to {C}.

3.7.8 The stakeholders have submitted that captive migration may result in surplus capacity does not, by itself, establish that the corresponding fixed costs should be recovered through AS from chargeable open-access consumers. The computation must establish both the admissibility of the fixed costs and their proper attribution to the transactions giving rise to the surcharge liability.

3.7.9 Including captive attributable capacity in the surcharge computation would effectively enlarge the cost pool borne by chargeable open-access consumers on account of a category of consumers that Parliament has exempted from the levy. Unless supported by a clear statutory or regulatory basis and a reasoned allocation methodology, such treatment would raise concerns regarding equitable cost allocation and the proper application of Section 42(4).

3.7.10 Further, the Distribution Licensee may have surplus capacity for several reasons, including demand variations, procurement decisions and migration to different supply arrangements. The principle in Birla Textile Mills supports the need to distinguish capacity stranded on account of open access from surplus capacity arising for other reasons. A transparent computation should therefore separately identify the capacity

and fixed costs attributable to chargeable open-access transactions, captive consumption and other causes, while ensuring that the same fixed costs are not recovered more than once through different tariff or surcharge mechanisms.

3.7.11 The proposed approach does not affect recovery of reasonable costs of the distribution licensee that are admissible under the applicable framework (the MYT Regulations have an enabling feature). Rather, it seeks to ensure that AS is computed on a defensible cost base and that costs associated with exempt captive consumption are not automatically transferred to chargeable Open Access consumers.

Additional Pension Liabilities:

3.7.12 The stakeholder has submitted that in addition to the mismatch in fixed costs noted above, the petitioners argue that the Additional Pension Liabilities do not pertain to TGGENCO but were transferred to TGGENCO following the unbundling of the erstwhile Andhra Pradesh. The petitioners also relied on the order dated 24.03.2003 of the erstwhile APERC in O.P.No.402 of 2002.

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

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

3.7.15 Allowing recovery of interest on pension bonds from consumers effectively penalises

them for historical failures of the erstwhile APSEB and the Government. Further, the tripartite agreement envisages that the Government should assume these pension liabilities.

3.7.16 The Commission has directed the petitioners on multiple occasions to take up the matter with the State Government. However, pending the Government's assumption of this responsibility, the Commission has been admitting such expenses as a pass-through in tariff. Vide order dated 29.04.2025 in the matter of Retail Supply Tariff determination for FY 2025-26.

3.7.17 In a similar manner, to the objections raised during the proceedings for AS determination for H1 of FY 2026-27, the following was observed by the Commission:

"Commission's Analysis and Findings:

3.4.20 The Commission has gone through the submissions of both the stake holder and the Discoms. The Commission has directed TGGenco on multiple occasions to take up the matter of additional pension liabilities with State Govt. However, in the absence of a clear outcome on the matter, the Commission approves the additional pension liabilities which are to be borne by the TGGENCO as per the first transfer scheme and water charges paid by Hydel generators for drawing water form part of the fixed costs of the TGGENCO stations even though they are shown separately."

3.7.18 As noted above, the Commission has observed that the State Government's reluctance to assume these liabilities does not absolve it of its obligations. However, permitting recovery of such liabilities through tariff, solely to protect the financial interests of the utilities and without regard to the statutory framework, places an undue burden on consumers, who are made to absorb costs through no fault of their own.

3.7.19 A similar issue has arisen in Karnataka and the Ld. KERC did not allow these liabilities to be passed through to retail consumers, despite the State Government's attempt to amend the transfer scheme by Government Order. Relevant extracts from the Ld. KERC Order dated 12.05.2023 (Tariff Order for FY 2023-24) are reproduced below:

"Commission's Analysis and Decision:

P & G Contributions payable by Government: The Commission notes that at the time of filing the APR application by KPTCL dated 30.11.2022, for revision of transmission

tariff for FY24, the Government was expected to pay the P & G contribution as per the existing Rules. The decision to claim the same in retail supply tariff was based on the Government Order dated 15.11.2022, which was not supported by any Rules.

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

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

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

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

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

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

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

3.7.20 According to publicly available information, the above finding of the Ld. KERC has not been stayed by any court. In view of this, the stakeholder submitted that Additional Pension Liabilities should not be allowed as a pass-through in fixed costs.

3.7.21 It is also worth noting that Additional Pension Liabilities do not form part of the Annual Fixed Cost approved by the Commission under the Multi Year Tariff Regulation, 2023.Such expenses are allowed to be recovered in full without being linked to the operational performance of TGGENCO. Therefore, the Additional Pension Liabilities claimed by the petitioners as part of fixed costs do not necessarily qualify as fixed costs of the distribution licensee arising from its obligation to supply under the Act.

Water Charges:

3.7.22 The stakeholder has submitted that in previous proceedings, the petitioners claimed water charges as part of fixed charges. Such charges do not fall within the scope of Annual Fixed Charges admissible under the applicable Tariff Regulations and should not be included in fixed costs solely on the basis of their accounting classification. Since water charges are incurred to meet the operational requirements of the generating station and are contingent upon its operation, they should be examined separately from fixed charges. Although the MYT Regulations, 2023 are silent on the treatment of water charges, the CERC Tariff Regulations, 2024 provide a relevant reference by permitting recovery of water charges at actuals, subject to prudence check, over and above the approved Annual Fixed Charges.

3.7.23 In the absence of specific details regarding water charges in the Petitioner's claim and pending submission of a detailed break-up of the claimed fixed charges, the stakeholder apprehends that such charges may have been included under the fixed cost component of power-purchase costs in accordance with prevailing accounting practices. The admissibility of such charges should not be determined solely on the basis of their accounting classification as fixed costs.

3.7.24 Additionally, the petitioners have not provided detailed break-up of fixed costs that are one-time in nature or fall outside the scope of Annual Fixed Charges, such as Late Payment Surcharge or otherwise. The Commission is therefore requested to exclude such exceptional expenses while approving fixed costs for the purposes of AS determination.

3.7.25 It is submitted that the lower of the costs indicated in the data sheet and accounts, less the applicable deductions proposed above, should be considered for determining admissible Power Purchase Costs (Fixed Costs). As per the stakeholder's submissions, admissible fixed costs should not exceed Rs. 7,487 Crore.

Table 5: Admissible Fixed charges as per Objector's assessment

(all figures in Rs. Crore)

SN.	Particulars	Unit	Petitioner's Claim	Admissible as per Objector's assessment
1	Power Purchase (Fixed Charges)	Rs. crore	8,436.14	7,487.85
2	Transmission charges	Rs. crore	2,177.74	1,917.25

TGDISCOMs Replies

3.7.26 Regarding a detailed reconciliation statement explaining the variation between the accounts and the data sheets, TGDISCOMs submitted the following

a) The data sheet is TGPCC's provisional statement prepared before the audit of the fourth quarter of FY 2025-26. The petition adopts the audited accounts, as directed by the Commission (Directive (d) of Order dated 15.03.2024 in O.P. Nos. 39 & 40 of 2023) and as consistently done in TGERC Order dated 27.09.2025 in O.P. Nos. 38 & 39 of 2025 (para 3.6.1) and Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025 (paras 3.4.20 and 3.6.15).

b) In H1 FY 2026-27 the stakeholder argued that the audited fixed costs (Rs. 6,453.73 crore) must be considered instead of the provisional (Rs. 6,737.11 crore), and the Commission accepted it. The same basis must apply to H2.

c) Reconciliation for FY 2025-26 (Rs. crore):

- Fixed charges: provisional: H1 6,737.13 + H2 7,487.85 = 14,224.98;
  audited: H1 6,453.73 + H2 8,436.14 = 14,889.87.
-Transmission charges: provisional: H1 2,098.39 + H2 1,917.25 = 4,015.64;
  audited: H1 1,928.63 + H2 2,177.74 = 4,106.37.

d) The H2 fixed-charge difference of Rs. 948.29 crore = Rs. 283.40 crore placed in H1 in the provisional statement but booked in H2 in the audited accounts (already excluded from the H1 Additional Surcharge) + Rs. 664.89 crore increase on audit, as stated in the petition. Transmission: Rs. 169.76 crore + Rs. 90.73 crore = Rs.

260.49 crore. Taking provisional H2 after audited H1 would leave these costs out of both halves.

3.7.27 Regarding increased claims with respect to previous six months, TGDISCOMs submitted the following

a) The increase reflects the change in portfolio. The Yadadri Thermal Power Stations achieved commercial operation date on 25.01.2025 and 12.07.2025 (para 3.4.20 of Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025); H2 of FY 2025-26 is the first half with fixed charges of both stations for all six months.

b) Even in the provisional statement, Yadadri Thermal Power Station fixed charges rose from Rs. 717.20 crore (H1) to Rs. 1,254.39 crore (H2) and Kothagudem Thermal Power Station Stage VII from Rs. 538.88 crore to Rs. 667.25 crore. The balance is the H1/H2 timing difference and year-end audit adjustments explained above.

c) As held by the Commission, Yadadri Thermal Power Station fixed charges will be adjusted in future Additional Surcharge determinations once its capital cost and tariff are determined.

3.7.28 Further stated that the "fixed charges paid" have always been taken on the basis of the audited accounts for the period, as in Orders dated 27.09.2025 in O.P. Nos. 38 & 39 of 2025 (para 3.6.1) and dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025 (paras 3.4.20 and 3.6.15).

3.7.29 Further TGDISCOMs stated that the power purchase cost reflected in the audited financial statements is recognised in accordance with the applicable accounting principles and is supported by the relevant power purchase invoices, bills raised by generating companies and other power suppliers, and the corresponding accounting records. Further, there is a fundamental distinction between recognition of the cost of electricity procured and the timing of settlement of the corresponding liability. The fact that an invoice remains outstanding as on the reporting date does not render the underlying power purchase cost unreal, inadmissible or unrelated to the supply of electricity to consumers.

3.7.30 Further, stated that:

a) The fixed charges are taken as per the Quarterly Audited Accounts Reports for Q3 and Q4 of FY 2025-26, as stated in the revised petition and as directed by the Commission (Directive (d) of Order dated 15.03.2024 in O.P. Nos. 39 & 40 of 2023) and as consistently done in Order dated 27.09.2025 in O.P. Nos. 38 & 39 of 2025 (para 3.6.1) and Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025 (paras 3.4.20 and 3.6.15).

b) The TGPCC station-wise statement is provisional and was prepared before the audit of the fourth quarter. Reconciliation for FY 2025-26 (Rs. crore): - provisional: H1 6,737.13 + H2 7,487.85 = 14,224.98; - audited accounts: H1 6,453.73 + H2 8,436.14 = 14,889.87.

c) The H2 difference of Rs. 948.29 crore is Rs. 283.40 crore placed in H1 in the provisional statement but booked in H2 in the audited accounts (already excluded from the H1 Additional Surcharge), plus Rs. 664.89 crore increase on audit, as stated in the petition.

d) The fixed charges per MW rise because of the change in portfolio. The Yadadri Thermal Power Stations achieved commercial operation on 25.01.2025 and 12.07.2025 (para 3.4.20 of Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025); H2 of FY 2025-26 is the first half with fixed charges of both stations for all six months.

e) Even in the provisional statement, Yadadri Thermal Power Station fixed charges rose from Rs. 717.20 crore (H1) to Rs. 1,254.39 crore (H2) and Kothagudem Thermal Power Station Stage VII from Rs. 538.88 crore to Rs. 667.25 crore. The balance is the H1/H2 timing difference and the increase on audit.

f) The fixed charges are those of the same long-term stations whose availability makes up the long-term available capacity (TGGENCO thermal and hydel, central generating stations, Singareni and Sembcorp). Non-conventional energy is purchased at a single-part tariff and carries no fixed charge.

Additional Pension Liabilities:

3.7.31 The TGDISCOMs have submitted the following regarding considering the additional pension liabilities:

a) The same objection was raised for H1 of FY 2026- 27. The additional pension liabilities which are to be borne by the TGGENCO as per the first transfer scheme" form part of the fixed cost of TGGENCO stations.

b) These are statutory and unavoidable liabilities billed by TGGENCO under the power purchase agreements, which TGDISCOMs are bound to pay; hence a fixed cost arising out of the obligation to supply.

c) The Order dated 12.05.2023 of the Karnataka Electricity Regulatory Commission turned on Rule 4(13)(1) of the Karnataka transfer Rules, 2002, which expressly placed the liability on the State Government. There is no such rule in Telangana, here the first transfer scheme placed it on the successor utilities.

d) The stakeholder's own "admissible" figure of Rs. 7,487.85 crore includes Rs. 744.73 crore of interest on pension bonds and Rs. 16.82 crore of water charges.

Water Charges:

3.7.32 The TGDISCOMs have submitted the following regarding the water charges:

a) Water charges are paid by TGGENCO hydel stations to the Irrigation Department for drawing water from reservoirs owned and maintained by it. The Commission held that they "form part of the fixed cost of the TGGENCO stations even though they are shown separately" (para 3.4.20 of TGERC Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025).

b) Regulation 36(6) of the Central Electricity Regulatory Commission Tariff Regulations, 2024 allows water charges within operation and maintenance expenses, which are a component of the annual fixed (capacity) charge. The amount for H2 FY 2025-26 is Rs. 16.82 crore.

3.7.33 Further, TGDISCOMs replied that the fixed charges consist of the capacity charges billed under the power purchase agreements, interest on pension bonds and hydel water charges. Late payment surcharge and other one-time items are not claimed.

3.7.34 TGDISCOMs replied the following

a) The objection is denied. The stakeholder's assessment combines a stranded capacity of 108.55 MW that is contrary to the methodology and cannot be reproduced from the data, with provisional costs superseded by the audited accounts. The negative

figure is only the result of these two substitutions.

b) The petition computes every parameter strictly as per Order dated 18.09.2020 in O.P. No. 23 of 2020 on audited data: net stranded charges of Rs. 77.95 crore and Additional Surcharge of Rs. 0.83/kWh on Open Access sales of 936.26 million units.

c) TGDISCOMs request the Commission to reject the objections and determine the Additional Surcharge for H2 of FY 2026-27 at Rs. 0.83/kWh as claimed.

Commission's Analysis and Findings

3.7.35 The Commission has gone through the submissions of both the stake holder and the Discoms. The Commission has directed TGGenco on multiple occasions to take up the matter of additional pension liabilities with State Govt. However, in the absence of a clear outcome on the matter, the Commission approves the additional pension liabilities which are to be borne by the TGGENCO as per the first transfer scheme and water charges paid by Hydel generators for drawing water form part of the fixed cost of the TGGENCO stations even though they are shown separately. The Commission has allowed the fixed cost of YTPS stations provisionally in the Retail Supply Tariff Order for FY 2025-26 and CODs of YTPS I&II stations have been achieved on 12-07-2025 and 25-01-2025. The energy is being dispatched from these two stations of YTPS and fixed costs paid by the Discoms as per the Retail Supply Tariff Order for FY 2025-26 need to be considered for determination of Additional Surcharge for H2 of 2026-27. Further after verifying the annual audited accounts submitted by both TGSPDCL & TGNPDCL, the Commission has considered the fixed charges of Rs 8489.63 crore as against the claim of Rs 8436.14 crore for determination of Additional Surcharge for H2 of 2026-27. Fixed Cost of Power Purchase cost paid by TGSPDCL and TGNPDCL for FY 2025-26 as per Annual Accounts of both the Discoms is Rs 14,943.36 crore (Rs 10,546.66 crore by TGSPDCL and Rs 4396.70 crore by TGNPDCL) whereas the fixed cost considered for H1 of 2025-26 in determination of Additional Surcharge for H1 of 2026-27 was Rs 6453.73 crore. The power purchase Fixed Cost for H2 of 2025-26 is arrived at Rs 8489.63 crore (Rs 14,943.36 crore -Rs 6453.73 crore) by deducting the cost considered for H1of 2025-26 from the total cost of FY 2025-26. The long- term available capacity is considered as 11,431.77 MW, resulting in average fixed charges of Rs.0.743 crore/MW. Accordingly, the fixed charges for stranded capacity of 282.56

MW have been computed as Rs.209.84 crore (i.e,.282.56 MW x Rs.0.743 crore/MW).

3.8 TRANSMISSION AND DISTRIBUTION CHARGES PAYABLE BY OPEN ACCESS CONSUMERS

TGDISCOMs filings

3.8.1 TGDISCOMs have claimed the transmission charges of Rs.2177.74 Crores as per the Quarterly Audited Reports for Q3 & Q4 of FY 2025-26.

3.8.2 The Actual energy scheduled for the period of H2 of FY 2025-26 is 44,570.89 MUs. Thus, the actual transmission charges per unit works out as Rs. 0.49 per kWh.

3.8.3 The distribution charges considered for Additional surcharge calculation is Rs. 0.13 per kWh, computed as per the order on Revised Aggregate Revenue Requirement (ARR) and Wheeling Tariffs for Distribution Business for FY 2025-26 Dt. 29.04.2025.

Stakeholder's submissions:

3.8.4 Regarding transmission & Distribution charges stakeholder submitted that Transmission charges of Rs. 2,177.74 Cr tie to the accounts (TGSPDCL Rs. 821.30 Cr and Rs. 712.41 Cr; TGNPDCL Rs. 141.66 Cr, Rs. 141.65 Cr, CTU Rs. 202.49 Cr and Rs. 158.23 Cr), but exceed the station-wise transmission bills of Rs. 1,917.25 Cr (PGCIL POC, non-POC, POSOCO/SRLDC, TGTRANSCO transmission and SLDC) by Rs. 260.49 Cr, with no reconciliation. The transmission charge per unit is Rs. 0.489/kWh against Rs. 0.460/kWh approved for H1 FY27.

3.8.5 The source of {G} = 44,570.89 MU ("actual energy scheduled") has not been furnished, it should be tied to the energy purchased in the accounts.

3.8.6 The distribution charge {I} has been derived from a hard- coded HT-network distribution cost of Rs. 1,159.54 Cr whose source is not stated, and the model adds "revenue from open access" (Rs. 1.19 Cr and Rs. 3.19 Cr) to the ARR whereas the Commission's method deducts non-tariff income. The resulting Rs. 0.1301/kWh is lower than the Rs. 0.1382/kWh adopted by the Commission for H1 FY27. The stakeholder has requested that the Commission adopt the HT distribution charge as per the approved MYT/ARR order and direct the Discoms to give the derivation.

TGDISCOMs Replies:

3.8.7 Regarding transmission charges, TGDISCOMs replied the following

a) Transmission charges are taken as per the same audited accounts. Provisional H1 2,098.39 + H2 1,917.25 = 4,015.64; audited accounts H1 1,928.63 + H2 2,177.74 = 4,106.37 (Rs. crore). The H2 difference of Rs. 260.49 crore is Rs. 169.76 crore plus Rs. 90.73 crore on audit. The higher per-unit charge (Rs. 0.489/kWh) follows from it.

b) The actual energy scheduled for H2 of FY 2025- 26 is the total energy purchased, net of the sale of power, as submitted in the petition (45,798.66 million units purchased as per the TGPCC power purchase statement for Oct'25–Mar'26; 1,227.MU sold as per the block-wise sale of power filed). It ties to the energy purchased.

c) Half of the distribution cost (Rs. 3,813.60 crore) is exactly the figure adopted by the Commission at para 3.7.2 of TGERC Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025. It is half of the net Aggregate Revenue Requirement of the two Discoms (Rs. 4,862.54 crore and Rs. 2,760.27 crore, TGERC Order dated 29.04.2025 on Revised Aggregate Revenue Requirement and Wheeling Tariffs for FY 2025-26 in O.P. Nos. 1 & 3 of 2025 and 31 of 2024 (TGSPDCL) and O.P. Nos. 2 & 4 of 2025 and 32 of 2024 (TGNPDCL)) plus their Open Access revenue (Rs. 1.19 crore and Rs. 3.19 crore).

d) The Open Access revenue is added back because it was deducted to arrive at the net Aggregate Revenue Requirement. The network serves both retail and Open Access users, so the cost of the network is the net requirement plus the part recovered from Open Access.

e) The high tension (11 kV and 33 kV) distribution cost is the cost approved by the Commission in the same Order, as adopted at para 3.7.2 of Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025; it is not an unsourced figure.

f) The distribution charge per unit is lower than in H1 (Rs. 0.1301 against Rs. 0.1382/kWh) only because the same half-year cost is spread over more energy scheduled (44,570.89 against 41,965.33 million units).

Commission's Analysis and Findings

3.8.8 The Commission after prudent check and after examining annual audited accounts submitted by both TGSPDCL & TGNPDCL, has revised the Transmission charges paid by TGDISCOMs for H2 of FY 2025-26 to Rs.2192.85 crores as against the claim of Rs.2177.74 crores Transmission charges paid by TGSPDCL and TGNPDCL for FY 2025-26 as per Annual Accounts of both the Discoms is Rs 4121.48 Cr (Rs 2899.86 Cr by TGSPDCL and Rs 1221.62 Cr by TGNPDCL) whereas the transmission charges considered for H1 of 2025-26 in determination of Additional Surcharge for H1 of 2026-27 was Rs 1928.63 Cr. The transmission charges for H2 of 2025-26 is arrived at Rs 2192.85 Cr (Rs 4121.48 Cr-Rs 1928.63 cr) by deducting the cost considered for H1of 2025-26 from the total cost of FY 2025-26.

3.8.9 The Commission considered the scheduled energy as 45,798.66 MU as against 44,570.89 MU as per the data submitted by TGDISCOMs. Accordingly, the transmission charges per unit have been worked out as Rs.0.48/kWh.

3.8.10 The Commission has considered the HT distribution cost of 2025-26 approved in the Order dt. 29.04.2025 for Revised ARR and Wheeling Tariff for FY 2025-26 as Rs 1159.94 crores for H2 of 2025-26 in arriving the Distribution Charges of HT network as Rs 0.1266/kWh and the computations are shown below:

Table 3-2:Approved Distribution Charges

Description	Referred as	Particulars
Half (½) of the Distribution cost as per Revised Wheeling Tariff Order for FY 2025-26 by considering ARR less NTI	(a)	Rs.3813.60 crore
Actual Energy Scheduled for H2 of FY 2025-26	(b)	45798.66 MU
Total Distribution charges as per Tariff Order	(c)=a/b	Rs.0.833/kWh
Distribution charges other than LT (i.e., 11 kV and 33 kV) as per Revised Wheeling Tariff Order for FY 2025-26	(d)	Rs.1159.94 crore
Percentage of other than LT distribution cost (i.e., for 11 kV and 33 kV) in total distribution cost as per Revised Wheeling Tariff Order for FY 2025-26	(e)=(½xd)/a	15.21%
Distribution charges as per Tariff Order considered by Commission for AS calculation	(f)=e*c	Rs.0.1266/kWh

3.9 TRANSMISSION AND DISTRIBUTION CHARGES PAYABLE BY OPEN ACCESS CONSUMERS

TGDISCOMs filings

3.9.1 The TGDISCOMs have filed the total transmission and distribution charges per unit as Rs.0.62/kWh and energy consumed by open access consumers from the Discoms as 1560.99 MU.

3.9.2 The TGDISCOMs have claimed Rs 96.57 Crore as transmission and Distribution charges payable by open access consumers.

Commission's Analysis and Findings

3.9.3 The Commission, having considered the Transmission charges per unit as Rs.0.48/kWh and Distribution charges per unit as Rs.0.1266/kWh has arrived at the total transmission and distribution charges per unit as Rs.0.61/kWh.

3.9.4 The Commission after verifying the data furnished by TGDISCOMs has considered 1560.99 MU as claimed towards the energy consumption by Open Access consumers from the TGDISCOMs.

3.9.5 Considering the above, the transmission and distribution charges payable by the Open Access consumers as works out to Rs.94.51 crore.

3.10 DEMAND CHARGES RECOVERED BY TGDISCOMS FROM OA CONSUMERS

TGDISCOMs filings

3.10.1 TGDISCOMs have filed demand charges recovered by the Discoms from open access consumers as Rs 227.27 Crore by excluding the revenue recovery pertaining to LT network from total demand charges recovered from Open Access consumers.

Stakeholders' Submissions

3.10.2 Stakeholder submitted that {K} (1,560.99 MU) and the demand charges (Rs. 290.83 Cr before the LT-network adjustment; Rs. 227.27 Cr after it, using the same percentages as the Commission corrected in the H1 FY27 Order, i.e. 25.77% and 84.79%) are built up from the two Discoms' own data as follows:

Discom	Energy from DISCOM (MU)	Demand charges (Rs. Cr)	Basis
TGNPDCL	217.89	51.22	HT consumer data (20 consumers x 6 months), incl. penal demand charges Rs. 2.13 Cr
TGSPDCL – service-wise rows	1,123.38	208.58	Annexure C, 511 consumer-month rows (102 consumers)
TGSPDCL – added from an external workbook	219.72	31.03	Cell link to an "Export Worksheet" that has not been supplied
Total	1,560.99	290.83	

a) TGSPDCL's figures include an addition of 219.72 MU and Rs. 31.03 Cr (14.1% of {K}) taken from a workbook that is not part of the filing. These figures cannot be verified and must be supported by consumer-wise data.

b) TGNPDCL's HT data lists 20 consumers, of which four (BKM001, BKM013, PDL002, PDL250 – all on the Discom's in-house captive consumers list) show no OA units in any of the six months. The petition does not explain on what basis their consumption and demand charges form part of OA consumers' {K} and {M}. The list also shows ITC (BKM011), appearing both as an OA consumer and as an in-house captive consumer, with 10.60 MU of inter-state OA, and the nature of this OA (captive or third-party) is not stated. Penal demand charges (Rs. 2.13 Cr for TGNPDCL; Rs. 0.77 Cr for TGSPDCL) are included in {M}; the Discoms should confirm that penal charges are treated consistently.

c) The same consumers must feed {K}, {M} and {P}. {K} and {M} include consumers with intra-state OA (captive and third-party), while {P} (936.26 MU) contains only inter-state/IEX third-party sales and omits the 71.43 MU of intra-state third-party sales shown in Annexure C.

d) The service-wise data for March 2026 has only 38 consumer rows against 87–98 rows in every other month, and shows nil intra-state units for March whereas Annexure C reports 25.40 MU of intra-state OA for the same month. The Discoms should confirm that the March data is complete.

TGDISCOMs Replies

3.10.3 TGDISCOMs submitted that:

a) The 219.72 million units added for TGSPDCL is the energy drawn from TGSPDCL during Oct'25– Mar'26 by its 16 in-house captive consumers, with their demand charges. It is taken from TGSPDCL's billing data of in-house captive services. It is not an unsupported figure.

b) Including these consumers credits their demand charges to Open Access consumers and reduces the Additional Surcharge; the Objector itself notes that excluding them raises it.

c) The energy and demand charges cover all consumers availing Open Access, including captive users. The stranded capacity is computed on the total Open Access schedule, so the cost side and the credit side cover the same consumers. Open Access sales cover only the chargeable sales (para 3.11.1 of Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025).

d) Penal demand charges are demand charges recovered from Open Access consumers and are included for both Discoms alike, as the Objector's own figures show. Their inclusion reduces the Additional Surcharge.

e) The energy consumed and demand charges are taken from each Discom's billing data for the consumers availing Open Access in the period. Including any consumer adds to the demand charges credited to Open Access consumers and lowers the Additional Surcharge; the Objector itself notes that removing the four TGNPDCL consumers is against its interest.

Commission's Analysis and Findings

3.10.4 The Commission has heard the rival submissions by both the stake holders and the petitioners. The Commission has scrutinised the data submitted by the petitioners and observed that the TGSPDCL has collected demand charges of Rs 239.61Crores including the penal demand charges towards consumption of 1393.10 MU by the open access consumers including captive and inhouse captive access consumers. TGNPDCL has collected demand charges of Rs 51.22 Crores including the penal demand charges towards consumption of 217.89 MU by from the open access consumers including captive and inhouse captive access consumers.

3.10.5 From the data submitted it is observed that the total demand charges recovered by the TGDISCOMs from Open Access consumers amounts to Rs.290.83 Crores as per the claim. After prudent check, the Commission has considered the net demand charges as Rs. 227.27 Crore by excluding the demand charges recovery portion of LT network cost as detailed in Table below:

Table 3-3:Net Demand Charges Recovered by TGDISCOMs from Open Access Consumers

Total Demand charges recovered	A	Rs 290.83 Crore
Distribution Cost recovery percentage in demand charges as per Tariff Order values	B=25.77%*A	Rs 74.95 Crore
LT Network cost recovery percentage in Distribution Cost	C=84.79%*B	Rs 63.55 Crore
Net demand charges (excl LT network cost recovery) considered in AS calculations	D=A-C	Rs 227.27 Crore

3.10.6 The demand charges to be adjusted as worked out by the Commission is Rs.132.77 Crore (i.e., Rs.227.27 Crore – Rs.94.51 Crore).

3.11 NET STRANDED CHARGES:

TGDISCOMs filings

3.11.1 TGDISCOMs have filed the net stranded charges recoverable from the open access consumers as Rs 77.95 crore.

Commission's Analysis and Findings

3.11.2 The Commission as per the calculations mentioned above as arrived at the net stranded charges recoverable as Rs.77.07 crore (i.e., Rs.209.84 crore – Rs.132.77 crore).

3.12 OPEN ACCESS SALES

TGDISCOMs filings

3.12.1 The TGDISCOMs have claimed the Open Access sales of 936.26 MU pertaining to Open Access other than captive transactions and after excluding the Green Energy Open Access for the period from 01.10.2025 to 31.03.2026.

Stakeholders' Submissions

3.12.2 Another stakeholder submitted that the Discoms have taken {P} as 936.26 MU, being only the IEX/inter-state third-party OA units. Annexure-C itself shows OA sales excluding captive as 1,007.69 MU (936.26 MU IEX/inter-state and 71.43 MU intra-state third-party). The Commission excludes only captive and green energy OA from {P}. Since the AS is recovered on the units of all AS-liable OA, the denominator is understated by 71.43 MU (7.1%). Further, the OA units in the billing data (TGSPDCL 657.20 MU OA_KVAH plus 279.06 MU third-party and 102.97 MU intra-state; TGNPDCL 112.33 MU OA_KVAH) do not reconcile with the Annexure C totals

(1,064.61 MU), and the same column definitions are not used in the two Discoms' files (OA_KVAH includes intra-state units in the TGNPDCL file but not in the TGSPDCL file). The Discoms must reconcile billed OA units with scheduled OA units and with {P}.

TGDISCOMs Replies

3.12.3 The TGDISCOMs submitted that

a) Open Access sales are the chargeable Open Access sales, i.e. excluding captive and Green Energy Open Access. This is the basis claimed and accepted for H1 at paras 3.11.1 and 3.11.2 of Order dated 10.03.2026 in O.P. Nos. 65 & 66 of 2025.

b) The petition considers Open Access sales of 936.26 million units "other than captive transactions and Green Energy Open Access sales" for Oct'25–Mar'26. The balance of the intra-State third-party units in the annexure is excluded on that basis, as Green Energy Open Access sales, which are not chargeable.

c) Billed units are kVAh recorded at the consumer's meter and include drawal from the Discom, while Open Access sales are the scheduled energy. The two are not expected to match.

Commission's Analysis and Findings

3.12.4 The Commission after verifying the data submitted by TGDISCOMs has considered the Open Access sales as 936.26 MU as claimed.

3.13 ADDITIONAL SURCHARGE FOR H_2 OF FY 2026-27

Stakeholders' Submissions

3.13.1 One of the stakeholders has submitted that based on the data available on record the allowable AS for H2 of FY 2026-27 is computed as NIL since there is no case for levying AS on Open Access consumers in the State, as the net stranded-capacity charges are negative.

3.13.2 Another stakeholder has worked out the allowable AS for H2 of FY 2026-27 as Rs. 0.047 per kWh, and submitted the following

a) Only the inputs that depart from the Commission's methodology or from the data supplied have been changed (i) the captive schedule is removed from the

stranded capacity ({B}: 282.56 MW to 158.04 MW), since AS is not levied on captive consumption to the extent of OA from own CPPs; (ii) {P} includes the 71.43 MU of intra-state third-party OA sales shown in Annexure C; (iii) {K} and {M} are restricted to consumers who actually availed OA, by removing the four TGNPDCL consumers with nil OA, using TGNPDCL's own data (TGSPDCL data is not used for TGNPDCL); and (iv) the TGSPDCL addition of 219.72 MU and Rs. 31.03 Cr, for which no data is supplied, is excluded. The fixed and transmission charges are the figures in the Discoms' quarterly financial statements, and {G} and the distribution charge are retained as filed, although {G} is not supported by any document.

b) The result is that {O} is only Rs. 4.75 Cr and the AS is Rs. 0.047/kWh, against Rs. 0.83/kWh claimed, and below the Rs. 0.13/kWh determined for H1 FY27. If the Discoms substantiate the TGSPDCL addition of 219.72 MU / Rs. 31.03 Cr with consumer-wise data, {O} turns negative and no AS is leviable. The AS is within the ceiling of the per unit fixed cost of power purchase (Rs. 1.89/kWh, being {C}/{G}). The Verification Sheet follows the Discoms' own treatment of sale of power and backdown in the schedule, while the green-energy OA exemption in {P}, the contract-demand proviso and the four-year linear reduction under the Rules could not be applied for want of data; the proviso and the linear reduction, if applied, would reduce the AS further.

c) In effect the claim recovers from third-party OA consumers the fixed cost of capacity scheduled for exempt captive users. Month-wise, the captive-attributable part of the claimed stranded capacity is:

MW	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Average
Stranded capacity as filed	395.38	438.82	322.66	275.81	219.60	42.04	282.56
Stranded capacity, captive excluded	208.58	234.45	176.79	163.28	138.99	26.80	158.04
Attributable to captive	186.80	204.37	145.87	112.53	80.61	15.24	124.52
Captive share of filed stranded capacity	47%	47%	45%	41%	37%	36%	44%

TGDISCOMs Replies

3.13.3 TGDISCOMs replied the following

a) The objection is denied. The stakeholder accepted the arithmetic and the block-wise stranded capacity. Its lower figure comes only from changing inputs against the methodology:

-removing captive schedules from stranded capacity, which the methodology does

not permit (para 3.4.13 of Order dated 29.04.2025 in O.P. Nos. 28 & 29 of 2024);

-adding 71.43 million units to Open Access sales, although the petition excludes them as Green Energy Open Access sales, which are not chargeable;

-removing the 219.72 million units of TGSPDCL's 16 in-house captive consumers, which are taken from TGSPDCL's billing data of in-house captive services.

b) The stakeholder's own note shows the inconsistency. It removes captive capacity from the stranded capacity but, if the TGSPDCL captive consumers are restored, keeps their demand charges as a credit. Removing the cost of captive capacity while crediting the captive users' demand charges is what turns the net stranded charges negative.

c) The comparison of 151.6 MW covered by demand charges with 282.56 MW only shows that the stranded capacity exceeds what the demand charges already recover. That is the reason Additional Surcharge is leviable.

d) The petition computes every parameter strictly as per Order dated 18.09.2020 in O.P. No. 23 of 2020: net stranded charges of Rs. 77.95 crore and Additional Surcharge of Rs. 0.83/kWh on Open Access sales of 936.26 million units.

Commission's Analysis and Findings

3.13.4 The Commission has gone through the submissions of the stakeholders and TGDISCOMs.

3.13.5 The Commission has observed the actual stranded capacity of the Discoms is 1764.28 MW after netting of the short-term purchases made by the Discoms. The capacity availed by the consumers under open access is 451.28 MW including captive and green energy open access. Further Commission has observed that consumers have availed open access during all the 17,472 time-blocks of H2 of 2025-26.

3.13.6 The Commission has arrived the stranded capacity attributable by open access consumers as 282.56 MW by considering the total open access sales in line with the methodology approved by the Commission in O.P No. 23 of 2020 and subsequent changes made by the Commission.

3.13.7 Further demand charges collected from all the open access consumers including captive open access and green energy open access consumers also considered in demand charges to be adjusted for arriving at the net stranded charges for balancing the

interest of open access consumers as per the methodology.

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

3.13.9 The Commission, based on the above parameters has computed the Additional Surcharge of Rs. 0.82 /kWh as shown in table below;

Table 3-4:Additional Surcharge computed by the Commission

Sl. No.	Particulars	Unit	Claimed	Approved
{A}	Long term available capacity	MW	11,424.82	11,431.77
{B}	Capacity stranded due to open access	MW	282.56	282.56
{C}	Fixed Charges paid	Rs. in Crore	8,436.14	8,489.63
{D}={C}÷{A}	Fixed Charges per MW	Rs. in Crore/MW	0.738	0.743
{E}={D}x{B}	Fixed Charges for stranded capacity	Rs. in Crore	208.64	209.84
{F}	Transmission charges paid	Rs. in Crore	2,177.74	2,192.85
{G}	Actual Energy scheduled	MU	44,570.89	45,798.66
{H}={F}÷{G}	Transmission charges per unit	Rs. /kWh	0.49	0.48
{I}	Distribution charges as per Tariff Order	Rs. /kWh	0.1301	0.1266
{J}={H}+{I}	Total transmission and distribution charges per unit	Rs. /kWh	0.62	0.61
{K}	Energy consumed by open access consumers from the TGDISCOMs	MU	1,560.99	1,560.99
{L}={K}x{J}	Transmission and distribution charges payable by open access consumers	Rs. in Crore	96.57	94.51
{M}	Demand charges recovered by the TGDISCOMs from open access consumers	Rs. in Crore	227.27	227.27
{N}={M}-{L}	Demand charges to be adjusted	Rs. in Crore	130.70	132.77
{O}={E}-{N}	Net stranded charges recoverable	Rs. in Crore	77.95	77.07
{P}	Open Access sales	MU	936.26	936.26
{Q}={O}÷{P}	**Additional Surcharge**	**Rs. /kWh**	**0.83**	**0.82**

3.13.10 Vide letter dated 27.10.2026 TGDISCOMs have requested the Commission (a) to issue the final order on these petitions on or before 31.10.2026 so as to enable the TGDISCOMs to implement the approved Additional Surcharge and (b) to permit them to levy and recover the Additional Surcharge as determined by the Commission from

OA consumers for the balance period of 5 months from 01.11.2026 to 31.03.2027. They further submitted that determination of AS would facilitate recovery of legitimate stranded capacity related costs and avoid accumulation of unrecovered revenue during the remaining period of FY 2026-27.

3.13.11 The Commission notes that in terms of Para (52) of Suo Moto Order dated 18.09.2020 in O.P.No.23 of 2020, TGDISCOMs should have filed petitions for determination of AS or the 2nd half of the ensuing financial year *i.e.,* for the period from October to March of the ensuing financial year latest by 31st May of the ensuing financial year. However, the TGDISCOMs have filed their petitions on 22.08.2026.

3.13.12 In this regard, the Commission is of the considered view that the Open Access consumers should not bear the consequences of this delay. Accordingly, no recovery is permitted for October 2026, and the stranded charges determined for the six-month period shall not be recovered within the shorter period. The TGDISCOMs are, however, permitted to levy and recover the Additional Surcharge as determined by the Commission from OA consumers for the balance period of 5 months from 01.11.2026 to 31.03.2027.

3.13.13 Accordingly, the Additional Surcharge for H2 of FY 2026-27 is determined as Rs 0.82/kWh and the TGDISCOMs shall levy and recover the same from 01.11.2026 to 31.03.2027.

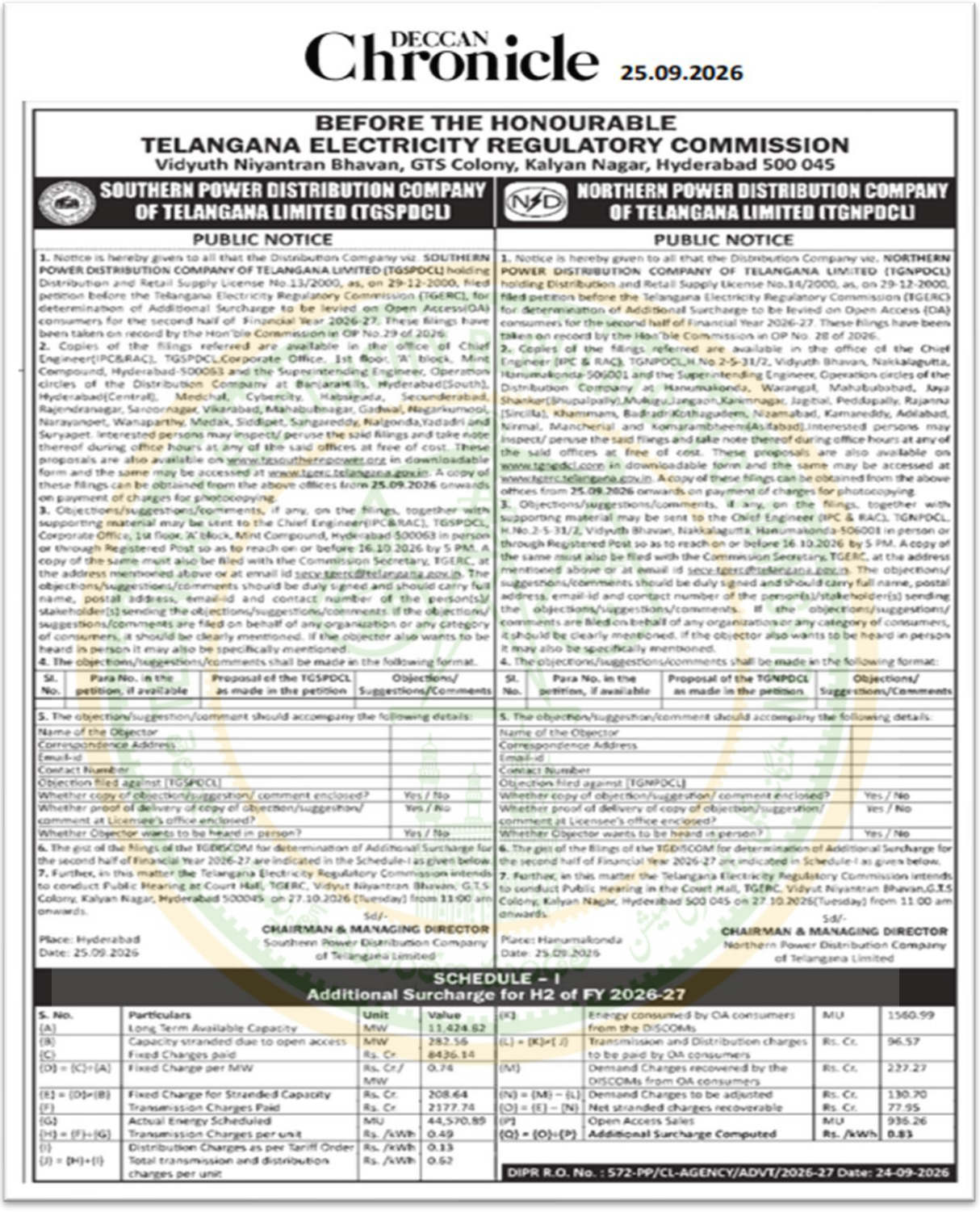
This Order is typed to dictation, corrected and signed on this the 30th day of October 2026.

Sd/-	Sd/-
Raghu Kancharla	Dr. Justice Devaraju Nagarjun
Member (Technical)	Chairman

//CERTIFIED COPY//

Annexure-I Public Notice

Paper clippings that appeared in The Deccan Chronicle on 25.09.2026



DECCAN Chronicle 25.09.2026

BEFORE THE HONOURABLE TELANGANA ELECTRICITY REGULATORY COMMISSION

Vidyuth Niyantran Bhavan, GTS Colony, Kalyan Nagar, Hyderabad 500 045

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGSPDCL)

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 petition before the Telangana Electricity Regulatory Commission (TGERC), for determination of Additional Surcharge to be levied on Open Access(OA) consumers for the second half of Financial Year 2026-27. These filings have been taken on record by the Hon'ble Commission in OP No.29 of 2026.
2. Copies of the filings referred are available in the office of Chief Engineer(IPC&RAC), TGSPDCL,Corporate Office, 1st floor, 'A' block, Mint Compound, Hyderabad-500063 and the Superintending Engineer, Operation circles of the Distribution Company at Banjara Hills, Hyderabad(South), Hyderabad(Central), Medchal, Cybercity, Habsiguda, Secunderabad, Rajendranagar, Saroornagar, Vikarabad, Mahabubnagar, Gadwal, Nagarkurnool, Narayanpet, Wanaparthy, Medak, Siddipet, Sangareddy, Nalgonda,Yadadri and Suryapet. Interested persons may inspect/ peruse the said filings and take note thereof during office hours at any of the said offices at free of cost. These proposals are also available on www.tgsouthernpower.org in downloadable form and the same may be accessed at www.tgerc.telangana.gov.in. A copy of these filings can be obtained from the above offices from 25.09.2026 onwards on payment of charges for photocopying.
3. Objections/suggestions/comments, if any, on the filings, together with supporting material may be sent to the Chief Engineer(IPC&RAC), TGSPDCL, Corporate Office, 1st floor, 'A' block, Mint Compound, Hyderabad-500063 in person or through Registered Post so as to reach on or before 16.10.2026 by 5 PM. A copy of the same must also be filed with the Commission Secretary, TGERC, at the address mentioned above or at email id secy-tgerc@telangana.gov.in. The objections/suggestions/comments should be duly signed and should carry full name, postal address, email-id and contact number of the person(s)/ stakeholder(s) sending the objections/suggestions/comments. If the objections/ suggestions/comments 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.
4. The objections/suggestions/comments shall be made in the following format.

Sl. No.	Para No. in the petition, if available	Proposal of the TGSPDCL as made in the petition	Objections/ Suggestions/Comments

5. The objection/suggestion/comment should accompany the following details:

Name of the Objector	
Correspondence Address	
Email-id	
Contact Number	
Objection filed against (TGSPDCL)	
Whether copy of objection/suggestion/ comment enclosed?	Yes / No
Whether proof of delivery of copy of objection/suggestion/ comment at Licensee's office enclosed?	Yes / No
Whether Objector wants to be heard in person?	Yes / No

6. The gist of the filings of the TGDISCOM for determination of Additional Surcharge for the second half of Financial Year 2026-27 are indicated in the Schedule-I as given below.
7. Further, in this matter the Telangana Electricity Regulatory Commission intends to conduct Public Hearing at Court Hall, TGERC, Vidyut Niyantran Bhavan, G.T.S Colony, Kalyan Nagar, Hyderabad 500045 on 27.10.2026 (Tuesday) from 11:00 am onwards.

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

Place: Hyderabad
Date: 25.09.2026

NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGNPDCL)

PUBLIC NOTICE

1. Notice is hereby given to all that the Distribution Company viz. NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGNPDCL) holding Distribution and Retail Supply License No.14/2000, as, on 29-12-2000, filed petition before the Telangana Electricity Regulatory Commission (TGERC) for determination of Additional Surcharge to be levied on Open Access (OA) consumers for the second half of Financial Year 2026-27. These filings have been taken on record by the Hon'ble Commission in OP No. 28 of 2026.
2. Copies of the filings referred are available in the office of the Chief Engineer (IPC & RAC), TGNPDCL,H.No.2-5-31/2, Vidyuth Bhavan, Nakkalagutta, Hanumakonda-506001 and the Superintending Engineer, Operation circles of the Distribution Company at Hanumakonda, Warangal, Mahububabad, Jaya Shanker(Bhupalpally),Mulugu,Jangaon,Karimnagar, Jagtial, Peddapally, Rajanna (Sircilla), Khammam, Badradri Kothagudem, Nizamabad, Kamareddy, Adilabad, Nirmal, Mancherial and Komarambheem(Asifabad).Interested persons may inspect/ peruse the said filings and take note thereof during office hours at any of the said offices at free of cost. These proposals are also available on www.tgnpdcl.com in downloadable form and the same may be accessed at www.tgerc.telangana.gov.in. A copy of these filings can be obtained from the above offices from 25.09.2026 onwards on payment of charges for photocopying.
3. Objections/suggestions/comments, if any, on the filings, together with supporting material may be sent to the Chief Engineer (IPC & RAC), TGNPDCL, H.No.2-5-31/2, Vidyuth Bhavan, Nakkalagutta, Hanumakonda-506001 in person or through Registered Post so as to reach on or before 16.10.2026 by 5 PM. A copy of the same must also be filed with the Commission Secretary, TGERC, at the address mentioned above or at email id secy-tgerc@telangana.gov.in. The objections/ suggestions/comments should be duly signed and should carry full name, postal address, email-id and contact number of the person(s)/stakeholder(s) sending the objections/suggestions/comments. If the objections/suggestions/ comments are filed on behalf of any organizations 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.
4. The objections/suggestions/comments shall be made in the following format:

Sl. No.	Para No. in the petition, if available	Proposal of the TGNPDCL as made in the petition	Objections/ Suggestions/Comments

5. The objection/suggestion/comment should accompany the following details.

Name of the Objector	
Correspondence Address	
Email-id	
Contact Number	
Objection filed against (TGNPDCL)	
Whether copy of objection/suggestion/ comment enclosed?	Yes / No
Whether proof of delivery of copy of objection/suggestion/ comment at Licensee's office enclosed?	Yes / No
Whether Objector wants to be heard in person?	Yes / No

6. The gist of the filings of the TGDISCOM for determination of Additional Surcharge for the second half of Financial Year 2026-27 are indicated in Schedule-I as given below.
7. Further, in this matter the Telangana Electricity Regulatory Commission intends to conduct Public Hearing in the Court Hall, TGERC, Vidyut Niyantran Bhavan,G.T.S Colony, Kalyan Nagar, Hyderabad 500 045 on 27.10.2026(Tuesday) from 11.00 am onwards.

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

Place: Hanumakonda
Date: 25.09.2026

SCHEDULE – I
Additional Surcharge for H2 of FY 2026-27

S. No.	Particulars	Unit	Value				
(A)	Long Term Available Capacity	MW	11,424.62	(K)	Energy consumed by OA consumers from the DISCOMs	MU	1560.99
(B)	Capacity stranded due to open access	MW	282.56	(L) = (K)*(J)	Transmission and Distribution charges to be paid by OA consumers	Rs. Cr.	96.57
(C)	Fixed Charges paid	Rs. Cr	8436.14				
(D) = (C)÷(A)	Fixed Charge per MW	Rs. Cr./ MW	0.74	(M)	Demand Charges recovered by the DISCOMs from OA consumers	Rs. Cr.	227.27
(E) = (D)*(B)	Fixed Charge for Stranded Capacity	Rs. Cr.	208.64	(N) = (M) – (L)	Demand Charges to be adjusted	Rs. Cr.	130.70
(F)	Transmission Charges Paid	Rs. Cr	2177.74	(O) = (E) – (N)	Net stranded charges recoverable	Rs. Cr.	77.95
(G)	Actual Energy Scheduled	MU	44,570.89	(P)	Open Access Sales	MU	936.26
(H) = (F)÷(G)	Transmission Charges per unit	Rs. /kWh	0.49	(Q) = (O)÷(P)	Additional Surcharge Computed	Rs. /kWh	0.83
(I)	Distribution Charges as per Tariff Order	Rs. /kWh	0.13				
(J) = (H)+(I)	Total transmission and distribution charges per unit	Rs. /kWh	0.62				

DIPR R.O. No. : 572-PP/CL-AGENCY/ADVT/2026-27 Date: 24-09-2026

Paper clippings that appeared in the Eenadu on 25.09.2026

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epaper.eenadu.net

గౌరవ తెలంగాణ విద్యుత్ నియంత్రణ్ మండలి వారి సమక్షంలో

విద్యుత్ నియంత్రణ్ భవన్, జి.టి.ఎస్ కాలని, కళ్యాణ్ నగర్, హైదరాబాద్ – 500045

దక్షిణ తెలంగాణ విద్యుత్ పంపిణీ సంస్థ (టీజీఎస్పీడీసీఎల్)

బహిరంగ ప్రకటన

1. దక్షిణ తెలంగాణ విద్యుత్ పంపిణీ సంస్థ (టీజీఎస్పీడీసీఎల్) పరిధిలోని వారందరికీ తెలియజేయునది ఏమనగా ప్రభుత్వ యాజమాన్యంలోని దక్షిణ్‌పవర్ పరిమిత రిజిస్టర్ కార్యాలయం ఖైరతాబాద్, హైదరాబాద్-500063 మరియు బంజారాహిల్స్ హైదరాబాద్ (సా), హైదరాబాద్ (గ్రామీణ), మేడ్చల్, సైబర్ సిటీ, పాత్రికేయనగర్, సరూర్ నగర్, మిర్యాలగూడ, మహబూబ్ నగర్, గద్వాల్, నాగర్ కర్నూల్, వికారాబాద్ జిల్లా, వనపర్తి మెయిన్, సిద్దిపేట, సంగారెడ్డి, నల్గొండ, యాదాద్రి మరియు సూర్యాపేట ఆపరేషన్ సర్కిల్‌లో ఉన్న సూపరింటెండింగ్ ఇంజినీర్, కార్యాలయంలో అందుబాటులో ఉన్నాయి. ఈ ప్రతిపాదనలు www.tgsouthernpower.org లో డౌన్‌లోడ్ చేసుకోగలరు. ప్రత్యామ్నాయంగా అందుబాటులో ఉన్నాయి. మరియు www.tgerc.telangana.gov.in లో కూడా అందుబాటులో ఉన్నాయి. ఆసక్తిగల వ్యక్తులు పైన పేర్కొన్న రాజధాని పట్టణాల్లోని వివిధ కార్యాలయాల వద్ద కార్యాలయ పని వేళల్లో ఉచితంగా పరిశీలించవచ్చును. ఈ రాజధాని ప్రతిపాదనలు 25.09.2026 నుండి పై కార్యాలయాల నుండి ప్రోరోకాపీ ఛార్జీల చెల్లింపుపై పొందవచ్చు.
2. పైన పేర్కొన్న రాజధాని ప్రతిపాదనలు 25.09.2026 నుండి పై కార్యాలయాల నుండి ప్రోరోకాపీ ఛార్జీల చెల్లింపుపై పొందవచ్చు.
3. అభ్యంతరాలు/ సూచనలు/ అభిప్రాయాలు, ఏవైనా ఉంటే, ఆధారపు సరిపడ్డ రాజధాని ప్రతిపాదనలపై సహేతుక మెటీరియల్‌తో పాటు, దీని జనరల్ మేనేజర్ (ఆపరేషన్స్), గారికి, ప్రధాన కార్యాలయం (టీజీఎస్పీడీసీఎల్) ఇంటర్‌కాంప్లెక్స్ ఆఫీస్, సైబర్ సిటీ, మాదాపూర్ కాంపౌండ్, హైదరాబాద్-500081 చిరునామాకు లేదా రిజిస్టర్డ్ పోస్ట్ ద్వారా 16.10.2026 సాయంత్రం 5 గంటల లోపు అందేలాగు. దాని కాపీని పైన పేర్కొన్న రిజనాలలో లేదా ఇమెయిల్ ఐడి secy-tgerc@telangana.gov.in ద్వారా కమిషన్ సెక్రటరీ, TGERC వారికి కూడా సమర్పించాలి. అభ్యంతరాలు/ సూచనలు/ అభిప్రాయాలు నివేదించేటప్పుడు వారి సంతకము(లు) మరియు పూర్తి పేరు, పోస్టల్ చిరునామా, ఇమెయిల్ ఐడి మరియు సంప్రదింపు నంబర్ తప్పనిసరిగా పొందుపర్చగలరు. ఎవైనా సంస్థ లేదా వినియోగదారుల వర్గం తరపున అభ్యంతరాలు/ సూచనలు/ అభిప్రాయాలు రాజధాని ప్రతిపాదనలు పంపినచో ప్రత్యేకంగా పేర్కొనవలెను. అభ్యంతరదారు(లు) పేర్కొనగా వినిమించనందుకు ప్రత్యేకంగా పేర్కొనవలెను.
4. అభ్యంతరాలు/సూచనలు/అభిప్రాయాలు ఈ క్రింది ఫార్మాట్‌లో సమర్పించాలి.

క్రమ సంఖ్య	ఫిబవరీలోని పేరా నం. అందుబాటులో ఉంటే	TGSPDCL ఫిబవరీలో కోసిన ప్రతిపాదన	అభ్యంతరాలు/ సూచనలు/ అభిప్రాయాలు

5. అభ్యంతరాలు/ సూచనలు/ అభిప్రాయాలు ఈ క్రింది వివరాలతో పాటు ఉండాలి.

అభ్యంతరం తెలిపిన పేరా నెం.	
వర్తింపజేస్తున్న చిరునామా	
ఫోన్/మొబైల్-ఐడి	
సంప్రదింపు నంబర్	
(TGSPDCL)పై అభ్యంతరం రాలు చేయబడింది	
అభ్యంతరాలు/ సూచనలు/ అభిప్రాయాలు కాపీ ఇవ్వబడింది?	అవును/లేదు
అభ్యంతరాలు/ సూచనలు/ అభిప్రాయాలు కాపీని ప్రత్యేకంగా కార్యాలయంలో అందుబాటులో ఉంచాలి?	అవును/లేదు
అభ్యంతరదారుడు స్వయంగా తన వాదన వినిపించాలనుకుంటున్నారా/ లేదా	అవును/లేదు

6. ఆర్థిక సంవత్సరం 2026-27 యొక్క రెండవ అర్ధభాగానికి H2 కొరకు అదనపు సర్‌ఛార్జీని నిర్ణయించడం కోసం TGDISCOM సమర్పించిన రాజధాని యొక్క సారాంశం దిగువ షెడ్యూల్-Iలో పొందుపరచబడింది.
7. ఈ విషయంలో, తెలంగాణ విద్యుత్ నియంత్రణ మండలి వారు తేదీ, 27.10.2026 (మంగళవారం) ఉదయం 11.00 గంటల నుండి కోర్ట్ హాల్, తెలంగాణ విద్యుత్ నియంత్రణ్ మండలి, జి.టి.ఎస్ కాలని, కళ్యాణ్ నగర్ హైదరాబాద్-500045లో బహిరంగ విచారణ నిర్వహించాలని భావిస్తోంది.

స్థలం: హైదరాబాద్ సం/- ఛైర్మన్ మరియు మేనేజింగ్ డైరెక్టర్,
తేదీ: 25.09.2026 టీజీఎస్పీడీసీఎల్, హైదరాబాద్

ఉత్తర తెలంగాణ విద్యుత్ పంపిణీ సంస్థ (టీజీఎన్పీడీసీఎల్)

బహిరంగ ప్రకటన

1. ఉత్తర తెలంగాణ విద్యుత్ పంపిణీ సంస్థ (టీజీఎన్పీడీసీఎల్) పరిధిలోని వారందరికీ తెలియజేయునది ఏమనగా ప్రభుత్వ యాజమాన్యంలోని దక్షిణ్‌పవర్ పరిమిత రిజిస్టర్ కార్యాలయం, హనుమకొండ (టీజీఎన్పీడీసీఎల్, ఐడీ నెం.2-6-31/2, విద్యుత్ భవన్, నక్కలగుట్ట, హనుమకొండ-506001) మరియు వరంగల్, హనుమకొండ, మహబూబాబాద్, జనగాం, భూపాలపల్లి, ములుగు, జయశంకర్ భూపాలపల్లి, భద్రాద్రి కొత్తగూడెం, ఆదిలాబాద్, నిర్మల్, మంచిర్యాల మరియు కొమరంభీం (ఆసిఫాబాద్) ఆపరేషన్ సర్కిల్‌లలో ఉన్న సూపరింటెండింగ్ ఇంజినీర్, కార్యాలయంలో అందుబాటులో ఉన్నాయి. ఈ ప్రతిపాదనలు www.tgnpdcl.com లో డౌన్‌లోడ్ చేసుకోగలరు. ప్రత్యామ్నాయంగా అందుబాటులో ఉన్నాయి మరియు www.tgerc.telangana.gov.in లో కూడా అందుబాటులో ఉన్నాయి. ఆసక్తిగల వ్యక్తులు పైన పేర్కొన్న రాజధాని పట్టణాల్లోని వివిధ కార్యాలయాల వద్ద కార్యాలయ పని వేళల్లో ఉచితంగా పరిశీలించవచ్చును. ఈ రాజధాని ప్రతిపాదనలు 25.09.2026 నుండి పై కార్యాలయాల నుండి ప్రోరోకాపీ ఛార్జీల చెల్లింపుపై పొందవచ్చు.
2. పైన పేర్కొన్న రాజధాని ప్రతిపాదనలు 25.09.2026 నుండి పై కార్యాలయాల నుండి ప్రోరోకాపీ ఛార్జీల చెల్లింపుపై పొందవచ్చు.
3. అభ్యంతరాలు/ సూచనలు/ అభిప్రాయాలు, ఏవైనా ఉంటే, ఆధారపు సరిపడ్డ రాజధాని ప్రతిపాదనలపై సహేతుక మెటీరియల్‌తో పాటు, దీని జనరల్ మేనేజర్ (ఆపరేషన్స్), గారికి, ప్రధాన కార్యాలయం, హనుమకొండ (టీజీఎన్పీడీసీఎల్, ఐడీనెం.2-6-31/2, విద్యుత్ భవన్, నక్కలగుట్ట, హనుమకొండ-506001) చిరునామాకు లేదా రిజిస్టర్డ్ పోస్ట్ ద్వారా 16.10.2026 సాయంత్రం 5 గంటల లోపు అందేలాగు. దాని కాపీని పైన పేర్కొన్న రిజనాలలో లేదా ఇమెయిల్ ఐడి secy-tgerc@telangana.gov.in ద్వారా కమిషన్ సెక్రటరీ, TGERC వారికి కూడా సమర్పించాలి. అభ్యంతరాలు/ సూచనలు/ అభిప్రాయాలు నివేదించేటప్పుడు వారి సంతకము(లు) మరియు పూర్తి పేరు, పోస్టల్ చిరునామా, ఇమెయిల్ ఐడి మరియు సంప్రదింపు నంబర్ తప్పనిసరిగా పొందుపర్చగలరు. ఎవైనా సంస్థ లేదా వినియోగదారుల వర్గం తరపున అభ్యంతరాలు/ సూచనలు/ అభిప్రాయాలు రాలు పంపినచో ప్రత్యేకంగా పేర్కొనవలెను. అభ్యంతరదారు(లు) పేర్కొనగా వినిమించనందుకు ప్రత్యేకంగా పేర్కొనవలెను.
4. అభ్యంతరాలు/ సూచనలు/ అభిప్రాయాలు ఈ క్రింది ఫార్మాట్‌లో సమర్పించాలి.

క్రమ సంఖ్య	ఫిబవరీలోని పేరా నం. అందుబాటులో ఉంటే	TGNPDCL ఫిబవరీలో కోసిన ప్రతిపాదన	అభ్యంతరాలు/ సూచనలు/ అభిప్రాయాలు

5. అభ్యంతరాలు/ సూచనలు/ అభిప్రాయాలు ఈ క్రింది వివరాలతో పాటు ఉండాలి.

అభ్యంతరం తెలిపిన పేరా నెం.	
వర్తింపజేస్తున్న చిరునామా	
ఫోన్/మొబైల్-ఐడి	
సంప్రదింపు నంబర్	
(TGNPDCL)పై అభ్యంతరం రాలు చేయబడింది	
అభ్యంతరాలు/ సూచనలు/ అభిప్రాయాలు కాపీ ఇవ్వబడింది?	అవును/లేదు
అభ్యంతరాలు/ సూచనలు/ అభిప్రాయాలు కాపీని ప్రత్యేకంగా కార్యాలయంలో అందుబాటులో ఉంచాలి?	అవును/లేదు
అభ్యంతరదారుడు స్వయంగా తన వాదన వినిపించాలనుకుంటున్నారా/ లేదా	అవును/లేదు

6. ఆర్థిక సంవత్సరం 2026-27 యొక్క రెండవ అర్ధభాగానికి H2 కొరకు అదనపు సర్‌ఛార్జీని నిర్ణయించడం కోసం TGDISCOM సమర్పించిన రాజధాని యొక్క సారాంశం దిగువ షెడ్యూల్-Iలో పొందుపరచబడింది.
7. ఈ విషయంలో, తెలంగాణ విద్యుత్ నియంత్రణ మండలి వారు తేదీ, 27.10.2026 (మంగళవారం) ఉదయం 11.00 గంటల నుండి కోర్ట్ హాల్, తెలంగాణ విద్యుత్ నియంత్రణ్ మండలి, జి.టి.ఎస్ కాలని, కళ్యాణ్ నగర్ హైదరాబాద్-500045లో బహిరంగ విచారణ నిర్వహించాలని భావిస్తోంది.

స్థలం: హనుమకొండ సం/- ఛైర్మన్ మరియు మేనేజింగ్ డైరెక్టర్
తేదీ: 25.09.2026 టీజీఎన్పీడీసీఎల్, హనుమకొండ

షెడ్యూల్-I

ఆర్థిక సంవత్సరం 2026-27 రెండవ అర్ధభాగానికి (H2) కోసం అదనపు సర్‌ఛార్జీ

క్రమ సంఖ్య	వివరాలు	యూనిట్	విలువ
(A)	రీస్టరాబుల్ సామర్థ్య అవసర	మి.యా.	11,424.82
(B)	ఓపెన్ యాక్సెస్ కారణంగా క్లైంచబడే సామర్థ్యం	మి.యా.	282.56
(C)	చెల్లించిన స్థిర ఛార్జీలు	రూ కోట్లలో	8436.14
(D)=(C)÷(A)	స్థిర ఛార్జీ/ మె.వా.	రూ కోట్లలో/మె.వా.	0.74
(E)=(D)x(B)	క్లైంచబడే సామర్థ్యం కొరకు స్థిర ఛార్జీలు	రూ కోట్లలో	208.64
(F)	చెల్లించిన ట్రాన్స్‌మిషన్ ఛార్జీలు	రూ కోట్లలో	2177.74
(G)	వాస్తవ మెయిన్లో విద్యుత్	మి.యూ.	44,570.89
(H)=(F)÷(G)	ట్రాన్స్‌మిషన్ ఛార్జీలు/ యూనిట్	రూ /kWh	0.49
(I)	ఆర్‌ఇ అర్థర్ ప్రకారం పంపిణీ ఛార్జీలు	రూ /kWh	0.13
(J)=(H)+(I)	మొత్తం ట్రాన్స్‌మిషన్ మరియు డిస్ట్రిబ్యూషన్ ఛార్జీలు/ యూనిట్	రూ/ kWh	0.62
(K)	DISCOMs మరి ఓపెన్ యాక్సెస్ వినియోగదారులు చెల్లించాల్సిన ట్రాన్స్‌మిషన్ మరియు డిస్ట్రిబ్యూషన్ ఛార్జీలు	మి.యూ.	1560.99
(L)=(K)x(J)	ఓపెన్ యాక్సెస్ వినియోగదారులు చెల్లించాల్సిన ట్రాన్స్‌మిషన్ మరియు డిస్ట్రిబ్యూషన్ ఛార్జీలు	రూ కోట్లలో	96.57
(M)	ఓపెన్ యాక్సెస్ వినియోగదారుల నుండి DISCOMలు వసూలు చేసిన డిమాండ్ ఛార్జీలు	రూ కోట్లలో	227.27
(N)=(M)-(L)	సర్దుబాటు చేయాల్సిన డిమాండ్ ఛార్జీలు	రూ కోట్లలో	130.70
(O)=(E)-(N)	వసూలు చేయవలసిన నికర క్లైంయిడ్ ఛార్జీలు	రూ కోట్లలో	77.95
(P)	ఓపెన్ యాక్సెస్ అమ్మకాలు	మి.యూ.	936.26
(Q)=(O)÷(P)	అదనపు సర్‌ఛార్జీ	Rs./ kWh	0.83

DPR R.O. No.10561-PP/CL/ADVT/2026-27 Dt. 24-9-2026

Paper clippings that appeared in The Munsil Daily on 25.09.2026

روزنامہ منصف حیدرآباد
THE MUNSIF DAILY, HYDERABAD.
25.09.2026

BEFORE THE HONOURABLE TELANGANA ELECTRICITY REGULATORY COMMISSION

Vidyuth Niyantran Bhavan, GTS Colony, Kalyan Nagar, Hyderabad 500 045

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGSPDCL)

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 petition before the Telangana Electricity Regulatory Commission (TGERC), for determination of Additional Surcharge to be levied on Open Access(OA) consumers for the second half of Financial Year 2026-27. These filings have been taken on record by the Hon'ble Commission in OP No.29 of 2026.

2. Copies of the filings referred are available in the office of Chief Engineer(IPC&RAC), TGSPDCL,Corporate Office, 1st floor, 'A' block, Mint Compound, Hyderabad-500063 and the Superintending Engineer, Operation circles of the Distribution Company at BanjaraHills, Hyderabad(South), Hyderabad(Central), Medchal, Cybercity, Habsiguda, Secunderabad, Rajendranagar, Saroornagar, Vikarabad, Mahabubnagar, Gadwal, Nagarkurnool, Narayanpet, Wanaparthy, Medak, Siddipet, Sangareddy, Nalgonda,Yadadri and Suryapet. Interested persons may inspect/ peruse the said filings and take note thereof during office hours at any of the said offices at free of cost. These proposals are also available on www.tgsouthernpower.org in downloadable form and the same may be accessed at www.tserc.telangana.gov.in. A copy of these filings can be obtained from the above offices from **25.09.2026** onwards on payment of charges for photocopying.

3. Objections/suggestions/comments, if any, on the filings, together with supporting material may be sent to the Chief Engineer(IPC&RAC), TGSPDCL, Corporate Office, 1st floor, 'A' block, Mint Compound, Hyderabad-500063 in person or through Registered Post so as to reach on or before 16.10.2026 by 5 PM. A copy of the same must also be filed with the Commission Secretary, TGERC, at the address mentioned above or at email id secy-tserc@telangana.gov.in. The objections/suggestions/comments should be duly signed and should carry full name, postal address, email-id and contact number of the person(s)/ stakeholder(s) sending the objections/suggestions/comments. If the objections/ suggestions/comments 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.

4. The objections/suggestions/comments shall be made in the following format.

Sl. No.	Para No. in the petition, if available	Proposal of the TGSPDCL as made in the petition	Objections/ Suggestions/Comments

5. The objection/suggestion/comment should accompany the following details:

Name of the Objector	
Correspondence Address	
Email-id	
Contact Number	
Objection filed against [TGSPDCL]	
Whether copy of objection/suggestion/ comment enclosed?	Yes / No
Whether proof of delivery of copy of objection/suggestion/ comment at Licensee's office enclosed?	Yes / No
Whether Objector wants to be heard in person?	Yes / No

6. The gist of the filings of the TGDISCOM for determination of Additional Surcharge for the second half of Financial Year 2026-27 are indicated in the Schedule-I as given below.

7. Further, in this matter the Telangana Electricity Regulatory Commission intends to conduct Public Hearing at Court Hall, TGERC, Vidyut Niyantran Bhavan, G.T.S. Colony, Kalyan Nagar, Hyderabad 500045 on 27.10.2026 (Tuesday) from 11.00 am onwards.

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

Place: Hyderabad
Date: 25.09.2026

NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGNPDCL)

PUBLIC NOTICE

1. Notice is hereby given to all that the Distribution Company viz. **NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGNPDCL)** holding Distribution and Retail Supply License No.14/2000, as, on 29-12-2000, filed petition before the Telangana Electricity Regulatory Commission (TGERC) for determination of Additional Surcharge to be levied on Open Access (OA) consumers for the second half of Financial Year 2026-27. These filings have been taken on record by the Hon'ble Commission in OP No. 28 of 2026.

2. Copies of the filings referred are available in the office of the Chief Engineer (IPC & RAC), TGNPDCL,H.No.2-5-31/2, Vidyuth Bhavan, Nakkalagutta, Hanumakonda-506001 and the Superintending Engineer, Operation circles of the Distribution Company at Hanumakonda, Warangal, Mahabubabad, Jaya Shanker(Bhupalpally),Mulugu,Jangaon,Karimnagar, Jagitial, Peddapally, Rajanna (Sircilla), Khammam, BadradriKothagudem, Nizamabad, Kamareddy, Adilabad, Nirmal, Mancherial and Komarambheem(Asifabad).Interested persons may inspect/ peruse the said filings and take note thereof during office hours at any of the said offices at free of cost. These proposals are also available on www.tgnpdcl.com in downloadable form and the same may be accessed at www.tserc.telangana.gov.in. A copy of these filings can be obtained from the above offices from **25.09.2026** onwards on payment of charges for photocopying.

3. Objections/suggestions/comments, if any, on the filings, together with supporting material may be sent to the Chief Engineer (IPC & RAC), TGNPDCL, H.No.2-5-31/2, Vidyuth Bhavan, Nakkalagutta, Hanumakonda-506001 in person or through Registered Post so as to reach on or before 16.10.2026 by 5 PM. A copy of the same must also be filed with the Commission Secretary, TGERC, at the address mentioned above or at email id secy-tserc@telangana.gov.in. The objections/ suggestions/comments should be duly signed and should carry full name, postal address, email-id and contact number of the person(s)/stakeholder(s) sending the objections/suggestions/comments. If the objections/suggestions/ comments 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.

4. The objections/suggestions/comments shall be made in the following format:

Sl. No.	Para No. in the petition, if available	Proposal of the TGNPDCL as made in the petition	Objections/ Suggestions/Comments

5. The objection/suggestion/comment should accompany the following details:

Name of the Objector	
Correspondence Address	
Email-id	
Contact Number	
Objection filed against [TGNPDCL]	
Whether copy of objection/suggestion/ comment enclosed?	Yes / No
Whether proof of delivery of copy of objection/suggestion/ comment at Licensee's office enclosed?	Yes / No
Whether Objector wants to be heard in person?	Yes / No

6. The gist of the filings of the TGDISCOM for determination of Additional Surcharge for the second half of Financial Year 2026-27 are indicated in Schedule-I as given below.

7. Further, in this matter the Telangana Electricity Regulatory Commission intends to conduct Public Hearing in the Court Hall, TGERC, Vidyut Niyantran Bhavan,G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045 on 27.10.2026(Tuesday) from 11.00 am onwards.

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

Place: Hanumakonda
Date: 25.09.2026

SCHEDULE – I
Additional Surcharge for H2 of FY 2026-27

S. No.	Particulars	Unit	Value				
(A)	Long Term Available Capacity	MW	11,424.82	(K)	Energy consumed by OA consumers from the DISCOMs	MU	1560.99
(B)	Capacity stranded due to open access	MW	282.56	(L) = (K)×(J)	Transmission and Distribution charges to be paid by OA consumers	Rs. Cr.	96.57
(C)	Fixed Charges paid	Rs. Cr.	8436.14	(M)	Demand Charges recovered by the DISCOMs from OA consumers	Rs. Cr.	227.27
(D) = (C)÷(A)	Fixed Charge per MW	Rs. Cr./ MW	0.74	(N) = (M) – (L)	Demand Charges to be adjusted	Rs. Cr.	130.70
(E) = (D)×(B)	Fixed Charge for Stranded Capacity	Rs. Cr.	208.64	(O) = (E) – (N)	Net stranded charges recoverable	Rs. Cr.	77.95
(F)	Transmission Charges Paid	Rs. Cr.	2177.74	(P)	Open Access Sales	MU	936.26
(G)	Actual Energy Scheduled	MU	44,570.89	**(Q) = (O)÷(P)**	**Additional Surcharge Computed**	**Rs. /kWh**	**0.83**
(H) = (F)÷(G)	Transmission Charges per unit	Rs. /kWh	0.49				
(I)	Distribution Charges as per Tariff Order	Rs. /kWh	0.13				
(J) = (H)+(I)	Total transmission and distribution charges per unit	Rs. /kWh	0.62				

DIPR R.O. No. : 572-PP/CL-AGENCY/ADVT/2026-27 Date: 24-09-2026

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

Sl. No	Name and address of the stakeholder	Date of submission of the objections
1	I. Gopinath, Chief Executive Officer, SICMA Administrative Office: 3rd Floor, 36th Square, Plot no. 481, Road no. 36, Jubilee Hills, Hyderabad - 500034, Telangana, India	16-10-2026
2	AGI Greenpac Ltd. Division - Glaspac, Glass Factory Road, Off Motinagar Hyderabad Telangana 500018	16-10-2026
3	Telangana Spinning and Textile Mills Association	16-10-2026
4	Telangana Iron and Steel Manufacture Association	16-10-2026
5	The Federation of Telangana Chambers of Commerce and Industry	16-10-2026

Annexure-III: List of Stakeholders who participated in Public Hearing held on 27.10.2026

Sl. No	Name and address of the stakeholder
1	The Federation of Telangana Chambers of Commerce and Industry Representative on behalf of Telangana Spinning and Textile Mills Association and Telangana Iron & Steel Mills Association
2	AGI Greenpac Ltd. Division - Glaspac, Glass Factory Road, Off Motinagar Hyderabad Telangana 500018