

To  
The Secretary  
Telangana Electricity Regulatory Commission  
Sy.No.145-P, Vidyut Niyantran Bhavan  
Kalyan Nagar, GTS Colony, Hyderabad

August 28, 2025

Respected sir,

**Sub : Submission of objections and suggestions in IA No.24 in OP No.21 of 2025 filed by TGSPDCL and IA No.25 in OP No.22 of 2025 filed by TGNPDCL, seeking certain amendments to ToD Tariffs approved in Tariff Order of FY 2025-26 in O.P.Nos 21 & 22 of 2025**

With reference to the public notices dated 14.8.2025, we are submitting the following points on the subject proposals for the consideration of the Hon'ble Commission:

1. TGSPDCL and TGNPDCL have sought a mid-term review on ToD charges earlier proposed by them and approved by the Hon'ble Commission in the retail supply tariff order for 2025-26. They have sought amendments to ToD charges for withdrawing incentives being given during off-peak hours from 10 PM to 6 AM and continuation of ToD charges during the remaining hours to the said categories of consumers on the ground that they are purchasing costlier power to meet demand to supply to the said categories of consumers to supply from 10 PM to 6 AM and that their revenues are getting affected as a result of giving the incentive of Rs.1.50 per unit to the said categories of consumers. Within a span of about three months, after the said RSTO was issued by the Commission, that the DISCOMs have come to this conclusion shows that they did not make a proper assessment of the impact of introducing and continuing the said ToD charges. By giving the said incentives, revenues are decreasing by Rs.736.48 crores for TGSPDCL and Rs.110.4 crore for TGNPDCL, they have claimed. As such, they have sought cancellation of ToD incentives for remaining part of the current financial year. It implies that the DISCOMs want to dispense with ToD incentives in future also.
2. Before going into the issue, I would like to bring to the notice of the Hon'ble Commission again what I have submitted on this issue in my submissions on ARR and tariff proposals of the DISCOMs for the year 2025-26. In my submissions dated 20.2.2025, I have submitted to the Commission that "the DISCOMs have proposed no revision in time-of-day tariffs, thereby requested the Hon'ble Commission to continue the present time-of-day charges for the next financial year. The present ToD charges are extra by Re.1 per unit for consumption from 6 AM to 10 AM and 6 PM to 10 PM and less by Rs.1.50 per unit for consumption from 10 PM to 6 AM for the categories of consumers specified in the retail supply tariff order of the Commission. We request the Hon'ble Commission to examine the following points, among others:
  - a) If an industry is being run in three shifts of 8 hours each, there is simply no scope for it to shift its running to off peak hours. ToD cannot achieve that objective, except

imposing additional burden on such industries. Such industries are already achieving a good power factor. Power intensive and continuous process industries are already in doldrums, unable to compete, with the kind of costs of inputs, including power tariffs. What would be the impact of imposition of ToD charges on such industries, depending on the rates of ToD charges, higher during peak hours and lower during off peak hours, needs to be studied. If ToD charges impose additional burden on such industries, it will be the last straw on the camel's back.

- b) The DISCOM's proposal is based on the notification of the MoP, GoI, for specifying ToD tariffs to all consumers having a maximum demand of more than ten Kilowatt, except agricultural consumers. As such, overwhelming majority of the domestic consumers will not come under its purview. But, if MoP issues another notification later for reducing the maximum demand step by step to impose ToD tariffs on domestic consumers, and if the DISCOMs meekly follow it and if the Commission applies ToD tariffs to domestic consumers, it will penalise such consumers. Determination of tariffs is within the regulatory purview of the Commission. Therefore, notifications of the MoP, GoI, should not be the basis for imposing ToD charges. The way notifications, directions and guidelines are being issued by MoP, GoI, even with mutually contradictory stances, it is evident that the overall approach of the Modi government is to ensure undue benefits to the corporate entities in power sector and impose more and more burdens on the consumers.
- c) The tariffs for consumers having a demand of more than ten Kilowatt are already exceeding their cost of service, with a provision for cross subsidy surcharge.
- d) Depending upon nature of activity, commercial or manufacturing, and time of such activity, power is being consumed. To what extent time of consumption of power for such activities can be changed to reduce power consumption during peak hours or seasons and increase it during off peak hours or seasons, without affecting such activities and requirement of common man consumers, needs to be studied. Simply because MoP, GoI, has issued a notification, the states and their DISCOMs need not follow it mechanically, unmindful of consequences of its implementation, and the regulatory Commissions should not issue their orders mechanically.
- e) Imposition of additional burdens on industry and commerce in the form of ToD tariffs would lead to imposition of all such burdens on the consumers at large in the form of escalation of prices of commodities and services. Increase in tariffs in the form of ToD tariffs would affect purchasing power and living standards of the people at large, and, as such, they are retrogressive.
- f) The basis, as well as justification, for imposing ToD tariffs is not explained, because it only imposes additional burdens on the people at large, either directly or indirectly. Moreover, it is simply a measure to garner additional revenue for the DISCOMs; it need not be additional profit. Imposition of ToD tariffs on higher side would lead to reduction of need for subsidy to be provided by the government. ToD is a variant of cross-subsidy surcharge.

- g) Irrespective of timings of consumption of power by various categories of consumers, the entire cost from the point of generation to supply to the end consumer, including profits of generators of power, transmission and distribution utilities and umpteen taxes, cess, etc., being imposed by the GoI and state governments and innumerable charges, especially FSA charges, being allowed by regulatory Commissions to be collected from the consumers, are being imposed on the consumers at large. As such, timings of consumption of power by different categories of consumers are not affecting the interests of the generators of power and transmission and distribution utilities.
- h) Peak or off-peak consumption of power depends on requirement of power by various categories of consumers during specific hours and periods, not on any abstract principle. Hypothetically, if time of consumption varies, due to imposition of measures like ToD tariffs, so substantially that the earlier peak becomes off-peak or off-peak becomes peak, the situation would be back to square one. Of course, it is an extreme proposition.
- i) The real problem is availability of abnormal quantum of surplus power, obviously, during off-peak hours and seasons. This is a result of the irrational decisions of entering into long-term PPAs with generators of power, especially of RE, to purchase unwarranted power. This is a result of the failure of the powers-that-be to take prudent decisions to ensure a harmonious balance between fluctuating demand for power and power mix to the extent technically possible. Instead of addressing this issue, protagonists of lopsided reforms are bringing forth measures like ToD tariffs.
- j) To the extent period of consumption of power can be shifted from peak hours to off-peak hours by industries and commerce, need for backing down surplus power during off-peak hours and need for purchasing costly power in the market would come down. Both ways, it results in saving fixed charges which would otherwise have to be paid for backing down and higher costs which would otherwise have to be paid for purchasing power in the market on short-term basis. If applicable tariffs are reduced in the form of ToD tariffs to such industries and commerce, to the extent they can shift their timings of consumption of power from peak hours to off-peak hours, it would be beneficial to all consumers. It is a direct benefit to such industries and commerce in terms of reducing their power bill to the extent their consumption of power is shifted to off-peak hours to the extent practicable in technical, social and economical terms. It would be a benefit to other consumers also in the form of avoidance of need for backing down surplus power and paying fixed charges to that extent and of purchase of power in the market on short-term basis at higher prices to the possible extent. Therefore, we request the Hon'ble Commission not to impose additional burden in the form of ToD, but to confine to reducing the tariff to the consumers who shift their time of consumption from peak to off peak hours, at least, to certain extent that can be met from the savings in the form of reducing need for paying fixed charges for backing down and higher tariffs for purchasing power in the market on short-term basis. It would result in prudent management of demand and

supply and avoidance of additional burdens on the consumers in the form of FSA claims to the extent possible.

k) As per the timings specified for applicability of ToD charges, if a consumer consumes power during the 8 hours of peak demand and during the 8 hours of off peak, he can get the benefit of reduction of tariff @Rs.0.50 per unit, provided consumption of quantum of power during both the periods is equal. It is without shifting consumption of power from peak hours to off peak hours. How is the remaining period of 8 hours from 10 AM to 6 PM is treated - neither peak, nor off peak? Since ToD charges are already being implemented, its impact in terms of shifting of time of power consumption from peak hours to off peak hours, reduction of revenue to the DISCOMs on account of reducing ToD charges to consumers for consumption during off peak hours and additional revenue to the DISCOMs on account of imposing ToD charges to consumers for consumption during peak hours needs to be examined. I request the Hon'ble Commission to direct the DISCOMs to provide the information and examine the same and make it public."

3. **In my further submissions dated 25.2.2028, I have made the following points:** "For implementation of ToD charges also, smart meters may be necessary. How are the DISCOMs implementing ToD charges? If they are implementing ToD charges by installing smart meters, with a facility for metering power consumption during peak, off peak and other hours, it should be considered that ToD charges are also intended for installation of smart meters.

"We request the Hon'ble Commission to make it clear abundantly that installation of pre-paid smart meters is not mandatory and that it is left to the discretion and willingness of the consumers. We also request the Hon'ble Commission to direct the DISCOMs to give wide publicity accordingly to create awareness among the consumers at large well in advance before implementing the scheme."

4. **As incorporated in the RSTO for 2025-26, the DISCOMs have simply pointed out that** "the Licensees proposed ToD time zones for peak, off peak and incentive hours depending on the demand on the grid to clip the peak demand, thereby reducing the purchase of power from short term sources."
5. **In the RSTO, the Hon'ble Commission has observed:** "The Commission has noted the submissions of various stakeholders regarding the implementation of Time-of-Day (ToD) tariffs. The primary objective of ToD tariffs is to optimize power consumption patterns, reduce peak load demand, and shift consumption to off-peak hours, thereby ensuring better grid management and cost efficiency.

"The Commission acknowledges that a well-designed ToD tariff structure helps in flattening the load curve, which is crucial in minimizing the need for expensive power procurement during peak hours. By encouraging consumers to shift their consumption to off-peak hours through appropriate incentives, the overall power purchase costs of the DISCOMs can be reduced.

“While the current filings propose the continuation of existing ToD tariffs without modifications, the Commission directs the DISCOMs to conduct a comprehensive analysis of the existing ToD tariff structure. This analysis should consider the actual peak and off-peak load conditions, the financial implications for both consumers and utilities, and the overall impact on demand-side management. The Commission emphasizes the need for data-driven decision-making and instructs the DISCOMs to submit a detailed report in their subsequent filings, outlining potential improvements in ToD tariff structures based on real-time consumption patterns. The Commission will evaluate these findings and take decision in future tariff orders to ensure that ToD tariffs serve their intended purpose of efficient load management and grid stability while maintaining a fair balance between consumer interests and DISCOM sustainability.”

- 6. Section 62(4) of Electricity Act, 2003, says: “No tariff or part of any tariff may ordinarily be amended, more frequently than once in any financial year, except in respect of any changes expressly permitted under the terms of any fuel surcharge formula as may be specified.” The Hon’ble Commission, in the RSTO, has permitted continuation of ToD charges for the current financial year as proposed by the DISCOMs. We request the Hon’ble Commission to examine the following points, among others:**
- a) Revision of tariff in the middle of the FY is against the spirit of EA, 2003. As such, the Hon’ble Commission should have returned the subject petitions of the DISCOMs with a direction to submit their proposals on ToD in their ARR and tariff proposals for the FY 2026-27 to be submitted by the end of November, 2025.**
  - b) In their ARR and tariff proposals for 2025-26, the DISCOMs have sought consent of the Commission to their proposal to continue the ToD charges. In other words, they must have assessed the financial impact of implementation of ToD charges during pre-2025-26 period. While determining ARR and revenue gap of the DISCOMs for 2025-26, the Hon’ble Commission also must have taken into account the financial impact of ToD charges on the DISCOMs and determined tariffs, after taking into account subsidy the state government agreed to provide, to bridge the revenue gap of the DISCOMs. The RSTO dated 29.4.2025 has come into force from 1.5.2025. Within a period of just about three months, that the DISCOMs are constrained to file the subject petitions and the Hon’ble Commission has taken the same on record and issued public notice shows that something has gone haywire, while the DISCOMs have proposed continuation of ToD charges and Commission has permitted the same for 2025-26.**
  - c) For variations in overall revenue, the DISCOMs have the opportunity to collect @ 30 paise per unit per month under FSA and for making claims for true-up/true-down later as per the regulations and directions of the Hon’ble Commission. As such, are the subject petitions for the proposed changes in ToD charges within three months from the date of coming into effect of RSTO for 2025-26 appropriate?**
  - d) When the DISCOMs have proposed continuation of ToD charges for 2025-26, they must have estimated additional revenue they get from those categories of consumers from whom they have been collecting Re.1 per unit extra for power consumed by**

them during peak hours and revenue they forego by giving an incentive of Rs.1.50 per unit for power the consumers concerned consume during off-peak hours. The DISCOMs have shown loss of revenue on account of giving the said incentive to the tune of Rs.1025.10 crore for the year 2024-25, but they have avoided giving the additional revenue they are getting by collecting Re.1 per unit extra under ToD charges during peak hours. Going by the quantum of supply of power being made to those consumers during peak hours given by the DISCOMs, they must have got Rs.709.190 crore additionally by charging Re.1 per unit extra for them - Rs.73.648 crore for NPDCL and Rs.633.542 crore for SPDCL – during 2024-25. In other words, as a result of implementing ToD charges, both the DISCOMs are getting a net decrease in revenue of Rs.315.92 crore (Rs.1025.10-709.19) as per the data pertaining to 2024-25. These details were available at the time of the DISCOMs proposing continuation of ToD charges for FY 2025-26.

- e) Based on factual position for the three months from May to July, 2025, what is the net additional revenue or revenue loss to the DISCOMs as a result of implementing ToD charges?
- f) How much energy they have purchased during the said three months from costly sources to meet off-peak demand of the categories of consumers to whom ToD charges are applicable? How much is the extra expenditure they incurred for such costly purchases, exceeding the average power purchase cost per unit determined in the RSTO for 2025-26? If there is variation in cost of power purchase, the DISCOMs can recover the same under FSA by collecting 30 paise per unit per month from all categories of consumers and by making claims for true-up later for permissible balance amount of variations in expenditure under various heads. As such, the interests of the DISCOMs are protected, even without introduction of ToD charges.
- g) The purpose of introducing ToD charges apparently is to persuade consumers of the said categories to shift their timings of power consumption from peak hours to off-peak hours. How many consumers have shifted their power consumption from peak hours to off-peak hours accordingly? What is the quantum of energy consumed additionally during off-peak hours as a result of such shifting of time of consumption of power? As a result of such shifting, to what extent the DISCOMs could reduce backing down of surplus power during off-peak hours and payment of fixed charges avoided due to such reduction? What is the quantum of energy being purchased in the market and through exchanges that could be reduced to meet the reduced peak demand and savings therefrom that could be achieved?
- h) As a result of implementation of ToD charges, how many consumers of the said categories to whom ToD charges are applicable have taken new connections and their consumption pattern, i.e., how much energy they are consuming during peak hours or off-peak hours?

- i) The above data relating to FY 2024-25 and the three months from May to July, 2025, among other relevant particulars, are necessary to make an objective analysis of the pros and cons of ToD charges.
7. The deficiencies in the proposals of the DISCOMs are an outcome of mechanically following the notifications of the Government of India in the name of reforms, without making an objective assessment of the kind of consequences that would arise as a result of adopting and implementing the same and notwithstanding the fact that such notifications are not mandatory and binding on the DISCOMs and the Commission.
8. As a result of such hasty decisions, the DISCOMs are now constrained to seek withdrawal of incentives of ToD charges in a hurry. This is in contrast to their seeking condonation of delay and further extension of time for filing their petitions for true-up claims for FY 2022-23 and 2023-24 in respect of power purchase pertaining to retail supply business and getting extension. We want to point out that, though the Hon'ble Commission has directed the DISCOMs, in its order dated 2.5.2025, to file their true-up petitions for FY 2022-23 and 2023-24 within two months, i.e., by 1<sup>st</sup> July, 2025, it seems that they have not filed the petitions so far. Also, the DISCOMs have to file their true-up/true-down petitions for the year 2024-25 for their retail supply business. Pre-election political expediency of the party-in-power in the state seems to be the real reason for the avoidable delay in filing true-up petitions for the last three years for the retail supply business of the DISCOMs, despite their precarious financial condition. One can safely presume that, while the DISCOMs could not get nod from the state government to file the said petitions, they must have got permission of the government to file the subject petitions.
9. Though the Hon'ble Commission has rightly directed the DISCOMs in the RSTO for 2025-26 "to conduct a comprehensive analysis of the existing ToD tariff structure. This analysis should consider the actual peak and off-peak load conditions, the financial implications for both consumers and utilities, and the overall impact on demand-side management. The Commission emphasizes the need for data-driven decision-making and instructs the DISCOMs to submit a detailed report in their subsequent filings, outlining potential improvements in ToD tariff structures based on real-time consumption patterns. The Commission will evaluate these findings and take decision in future tariff orders to ensure that ToD tariffs serve their intended purpose of efficient load management and grid stability while maintaining a fair balance between consumer interests and DISCOM sustainability," the DISCOMs have not submitted such a comprehensive analysis and a detailed report in the subject filings. As a result, it is doubtful whether the Hon'ble Commission would be able to take decisions in future tariff orders (and in the order to be given in the subject petitions) to ensure that ToD tariffs serve their intended purpose of efficient load management and grid stability while maintaining a fair balance between consumer interests and DISCOM sustainability.
10. While requesting the Hon'ble Commission to take into consideration our submissions on ToD charges, as incorporated in our submissions on ARR and tariff

proposals for the FY 2025-26, as quoted above, among others, into consideration, we want to make it clear that any approval to the subject proposal of the DISCOMs would not maintain a fair balance between consumer interests and DISCOM sustainability, except transforming the arrangement of ToD charges into one of garnering additional revenue by continuing additional burden on the consumers of the said categories in the form of ToD charges for consumption of power during peak hours. And, the possibility of extending ToD charges to other categories of consumers in future cannot be ruled out. Additional burdens in the form of ToD charges would continue to be imposed and incentives would vanish into thin air. In other words, an additional burden of Rs. 1025.10 crore or even more per annum will continue to be imposed on the categories of HT-I (A) Industry General; HT-I (A) Poultry Farms; HT-II (A) Others; HT-II (B) Wholly Religious Places; HT-III Airports, Railway stations and Bus Stations HT-IX Electric Vehicle Charging Stations under TGSPDCL and TGNPDCL, directly, and on consumers of their products and services, indirectly.

11. The deficiencies in the subject petitions underline the need for submission of all relevant information and responses to the submissions of stakeholders, on the one hand, and holding public hearings on the same, on the other, to make the regulatory process transparent and ensure accountability. Therefore, we request the Hon'ble Commission to direct the DISCOMs to submit a comprehensive report as already directed by it and the information required, as suggested in the above-mentioned submissions, make the same public by getting the same posted in the website of the Commission and hold public hearings before taking a final decision. Or else, the Hon'ble Commission may reject the subject petitions, with a direction to the DISCOMs to make their proposals on ToD charges by submitting a comprehensive report as already directed by it, along with their petitions for ARR and tariff proposals for 2026-27.

Thanking you,

Yours sincerely,

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