


Observations of TGDISCOMs:

Comments on "TGTRANSCO filings for True up Analysis of Performance for FY 2023-24 of 4th Multiyear Tariff Control Period as per Regulation 5 of 2005"

1. The Commission is requested to allow Rs. 39.72 crores paid by TGTransco as Income Tax on profits for the financial year 2023-24, as per the Income Tax Return, under Section 115JB of the Income Tax Act, 1961, in accordance with the Minimum Alternative Tax (MAT) provisions.
2. It is requested that the Commission direct TGTransco to either pay carrying costs to the DISCOMs for the delay in adjusting true-down claims or promptly repay the amount to the DISCOMs upon issuance of the orders on Transco's annual performance review.
3. TGTransco has claimed a decrease in Non-Tariff Income (NTI) without providing clarification for the reduction in its filings. The Hon'ble Commission may consider allowing the NTI after conducting a prudent review.
4. There is a huge deviation in RoCE amount from the approved values in MYT to an extent of Rs. -581.60 Crs on the one hand. On the other hand, it was observed that the decrease in the depreciation amount claimed is not comparable as such. Hence, it is prayed to allow the depreciation claimed after prudent check.
5. It is observed that the works proposed to be taken up by TGTRANSCO during FY 2023-24 are not executed as per the schedule, as such the interest during construction (IDC) will be increased. TGTRANSCO may be directed to provide justification for delay in execution for works. The Hon'ble commission is prayed to allow the IDC as per the justification provided by TGTRANSCO for delay and after prudent check.


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**Comments on “ARR of Transmission Business and Transmission Tariff
& Charges for FY 2025-26”**

It has been observed that while there is a decrease in expenses such as O&M expenses, depreciation, interest and finance charges on loans and interest on working capital, there is a significant increase in the Return on Equity (RoE) in the ARR for the FY 2024-25. The Hon'ble TGERC is requested to allow the RoE only after a prudent review.

Other Observations of TGDISCOMs:

- Hon'ble CERC have considered O&M expenses and Interest on working capital only, to arrive at the transmission charges for the lines whose life is more than 25 years considering the useful life of transmission lines as 25 years.

In view of the above TGERC is requested to adopt the same methodology for the intra- state lines for which the life is more than 25 years and for the length of the line which is to be considered as intra-state partially and partially inter-state (for which CERC has already adopted the said methodology) for which the life is more than 25 years.


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