



The Federation of Telangana Chambers of Commerce and Industry

ISO 9001:2015

Empowering Industry, Commerce & Trade
Registered under the Companies Act, 1956

REGD OFFICE : 11-6-841, Federation House, Federation Marg, Red Hills, Hyderabad - 500004, Telangana, India. Tel : 91-40-23395515, 16, 17 e-Mail : info@ftcci.in ; Website : www.ftcci.in

CIN U91110TG1964NPL001030

R. Ravi Kumar
President

K K Maheshwari
Senior Vice President

Srinivas Garimella
Vice President

FTCCI/2025-26/Energy/244

Date: 12.01.2026

The Secretary,
TGERC
Vidut Nyantran Bhavan, Sy.No.145-P,
G.T.S. Colony, Kalyan Nagar,
Hyderabad

Dear Sir,

Sub: Preliminary objections/Comments on the petition filed by TGENCO in the matter of True-Up for FY 2024-25 and ARR FY 2026-27

Referring to the subject, please find enclosed the **preliminary objections/comments** on the petition filed in the matter of True-Up for FY 2024-25 and ARR FY 2026-27 vide O.P.No.67 of 2025 by TGENCO.

We request the **Hon'ble Commission** to **condone the delay** caused due to paucity of time and intervening holidays, consider the preliminary objections/comments submitted herein, and permit us to submit detailed objections / comments at the time of public hearing.

Thanking you.

Yours Sincerely,
(for FTCCI)



T. Sujatha
Sr. Director



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Preliminary Objections on the Petition Filed by TGGenco for True-Up of FY 2024-25 and ARR for FY 2026-27

True up for FY 2024-25:

- 1. Non-Filing of True-Up Petition for FY 2023-24:** TGGenco has not filed the True-Up Petition for FY 2023-24 despite audited accounts being available, in violation of MYT Regulations, 2019 and 2024. The Petition should therefore be rejected at the very outset.
- 2. GFA Additions/ Additional Capitalization Should Not Be Considered:** Additions to GFA for FY 2024-25 shall not be considered at this stage and should be examined only after completion of the True-Up for FY 2023-24. The approval of additional capitalization for FY 2024-25 must be made strictly contingent upon regulatory determination of the additional capitalization for FY 2023-24 so as to ensure continuity and prevent distortion of the True-Up framework.
- 3. Improper Claim of O&M Expenses:** O&M expenses under True-Up must be examined and allowed strictly on normative basis in accordance with the MYT Regulations. However, TGGenco has inappropriately claimed variations based on actual expenditure.
- 4. Plant-Wise Information to be Furnished:** To ensure that the optimum costs are only allowed as a pass through, TGGenco should be directed to submit the following:
 - Station-wise manpower deployment, total manpower cost, cost per MW, benchmark manpower norms and costs of NTPC/NHPC/CEA, and initiatives for optimal manpower utilization.
 - Station-wise Specific Heat Rate (SHR) and Secondary Fuel Oil Consumption as approved by TSERC vis-à-vis actuals, including excess coal and secondary oil consumption and financial impact.
 - Station-wise landed cost of coal including basic rate, premium, freight component, and cost per tonne.

Non-Compliance of Regulatory provisions (Cl. 46.5 (8th Proviso)): As per Regulation 46.5 (8th proviso) of the MYT Regulations, TGGENCO is

mandated to publish, on a monthly and rolling 3-month basis, on its website:

- i. GCV parameters,
 - ii. price of fuel including domestic coal, imported coal, e-auction coal,
 - iii. blending ratio of imported coal with domestic coal, and
 - iv. proportion of e-auction coal used.
- TGGENCO has failed to comply with this mandatory disclosure requirement. Non-publication of these critical parameters defeats transparency.
- d. Station-wise Auxiliary Energy Consumption as approved vs. actuals along with financial impact due higher auxiliary consumption, noting that SCCL coal is significantly costlier than CIL coal and directly impacts consumer tariff.
 - e. Copies of correspondence with SCCL/coal suppliers regarding reduction in coal price, responses received, and details of any escalation made to the State Government regarding exorbitant coal pricing and action taken thereon.
 - f. Since energy cost per unit of TGGENCO stations is significantly higher than NTPC/STPP stations, TGGENCO must submit measures adopted to reduce generation cost.

In view of the above, relaxation of normative parameters cannot be permitted in the absence of extraordinary and regulatorily recognized circumstances. Accordingly, no claim relating to relaxation in SHR, auxiliary consumption, specific oil consumption, or any associated cost impact should be allowed.

5. **Revised RoE Claim Impermissible:** Rate of RoE once determined in MYT Order cannot be revised as the MYT Order is expected to draw the norms. Further, since no tax has actually been paid during the YF 2024-25 (Current tax is NIL) as per accounts, tax on RoE shall be Nil, consistent with MYT Regulations.
6. **Mismatch in NTI:** Net Tariff Income claimed does not reconcile with audited financials and remains unsubstantiated.
7. **Additional Pension Liability Not Admissible:** Despite clear directions from the Hon'ble Commission in the plethora of Orders to seek pension related contributions from Govt. of Telangana, the Utilities have been seeking recovery of the same through Tariff imposing additional burden of Rs. 1669 Crore.
8. **Water Charges Require Prudence Review:** Water consumption charges should be limited to the normative levels prescribed by MoEF&CC, and TGGenco should furnish details of actual specific water consumption to enable regulatory prudence.

ARR/ Tariff for FY 2026-27

9. **Unexplained O&M Increase for FY 2026-27:** Increase in projected O&M, especially citing pay revision, is unsubstantiated and must be limited to normative levels.
10. **Income Tax Cannot Be Provided on Projection Basis:** MYT framework does not allow projected tax; only actual tax paid may be considered.
11. **ECR projection:** In addition, owing to revision in GST and related taxes, the TGGenco has proposed reduction in coal cost by Rs. 600 / MT. Despite being the case, the utility has projected the increase in Per unit energy charge (ECR) from certain gencos as under:

Genco	Existing FY 2025-26 (Rs. / unit)	Proposed FY 2026-27 (Rs. / unit)
KTPS VI	3.74	3.853
BTPS	3.34	3.677

Additionally, despite the normalization of coal cost in recent times (reduced import dependency), the ECR claimed is on higher side that needs attention of the TGERC.

Further, the Objector seeks liberty to advance additional submissions (if any) on the instant Petition at the time of Public hearing.

For The Federation of Telangana Chambers of Commerce and Industry (FTCCI),



Place: Hyderabad
Date: 12.01.2026

T Sujatha
Sr. Director, FTCCI