

Objections on filings of TG GENCO in OP No. 67 of 2025 before the Hon'ble TGERC

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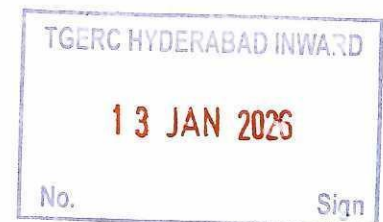
I.Gopinath <ceo@sicma.in>

10 January 2026 at 13:44

To: secy-tserc@telangana.gov.in

Cc: ce.com@tggenco.com, com.se1@tggenco.com, Sangam Asati <sangam@mercadosemi.in>, ramandeep@mercadosemi.in, Bhushan Rastogi <bhushan@mercadosemi.in>, SICMA INFO <info@sicma.in>

To,
The Secretary
Telangana Electricity Regulatory Commission
Kalyan Nagar
Hyderabad - 5000038



Dear Sir,

We write with reference to the notifications issued in connection with the proposals for **True-Up for FY 2024-25 and Annual Tariff for FY 2026-27** filed by **TG GENCO** in respect of their Generation Business in **OP no. 67 of 2025** before the Hon'ble Telangana Electricity Regulatory Commission.

On behalf of the **South Indian Cement Manufacturers' Association**, as stakeholders in the power sector, we are filing herewith our **Preliminary Objections** against the said filing of TG GENCO.

We **request the Hon'ble Commission to consider the objections filed by us** and permit the undersigned and/or our consultants, Mercados Energy Markets India Pvt Ltd., to participate/make additional submissions/produce additional details and documentations during the course of the Public Hearing(s) as scheduled.

Further, we request for an **opportunity to be heard during the Public Hearings**, preferably in **Hybrid** mode, to enable us to effectively place our concerns before the Hon'ble Commission.

Yours faithfully
Gopinath Injeti
Chief Executive Officer
South Indian Cement Manufacturers' Association

Copy to: Chief Engineer, Coal & Commercial, TG GENCO, Room#255, Vidyut Soudha, Khairatabad, Hyderabad - 500082



Injeti Gopinath | CEO

SOUTH INDIAN CEMENT MANUFACTURERS' ASSOCIATION

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Preliminary Objections on the Filings of TG GENCO

in OP No. 67 of 2025

Before the Hon'ble Telangana Electricity Regulatory Commission

In the matter of:

True-Up for FY 2024–25 and Annual Tariff for FY 2026–27 containing ARR and Revised Tariff Proposal for FY 2026–27, in respect of their GENERATION BUSINESS

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 the MYT Regulations, 2019 and 2024. The Petition should therefore be rejected at the very outset.

2. GFA Additions / Additional Capitalisation 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 capitalisation for FY 2024–25 must be made strictly contingent upon regulatory determination of the additional capitalisation 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 a 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 only optimum costs are allowed as a pass-through, TGGENCO should be directed to submit the following:

- a. Station-wise manpower deployment, total manpower cost, cost per MW, benchmark manpower norms and costs of NTPC / NHPC / CEA, and initiatives for optimal manpower utilisation.
- b. 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 the financial impact.
- c. Station-wise landed cost of coal, including basic rate, premium, freight component, and cost per tonne.

Non-Compliance with Regulatory Provisions (Clause 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 three-month basis, on its website:

- i. GCV parameters,
- ii. Price of fuel including domestic coal, imported coal and 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 versus actuals, along with the financial impact due to 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 the 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 recognised 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

The rate of RoE, once determined in the MYT Order, cannot be revised, as the MYT Order is expected to draw the norms. Further, since no tax has actually been paid during FY 2024–25 (current tax is NIL) as per accounts, tax on RoE shall be NIL, consistent with the MYT Regulations.

6. Mismatch in NTI

The Net Tariff Income claimed does not reconcile with the audited financials and remains unsubstantiated.

7. Additional Pension Liability Not Admissible

Despite clear directions from the Hon'ble Commission in a plethora of Orders to seek pension-related contributions from the Government of Telangana, the Utilities have been seeking recovery of the same through tariff, imposing an additional burden of ₹1,669 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

The 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 a Projection Basis

The MYT framework does not allow projected tax; only actual tax paid may be considered.

11. ECR Projection

Owing to the revision in GST and related taxes, TGGENCO has proposed a reduction in coal cost by ₹600 per MT. Despite this, the utility has projected an increase in per-unit energy charge (ECR) from certain GENCOs, as under:

GENCO	Existing FY 2025-26 (₹/unit)	Proposed FY 2026-27 (₹/unit)
KTPS-VI	3.74	3.853
BTPS	3.34	3.677

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

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

**For SOUTH INDIAN CEMENT
MANUFACTURERS' ASSOCIATION**



Authorised Signatory

I. Gopinath

**Chief Executive Officer
(OBJECTOR)**

Date: 10th January 2026

Place: Hyderabad