

**BEFORE THE HONOURABLE TELANGANA STATE ELECTRICITY  
REGULATORY COMMISSION, HYDERABAD**

**IN THE MATTER OF:**

**O.P. No. 68 of 2025** TGTRANSCO – True-Up for FY 2024-25 & Determination of Transmission Tariff for FY 2026-27

**O.P. No. 69 of 2025** SLDC – True-Up for FY 2024-25 & Determination of SLDC Charges for FY 2026-27

**AND IN THE MATTER OF:**

**Objections and Suggestions filed by:**  
**Sri R. V. Subba Rao,**  
(Consumer / Interested Stakeholder)

**1. General Observations**

1.1 The filings of TGTRANSCO and SLDC have been examined from a consumer interest perspective, with specific emphasis on tariff stability, prudence of capital expenditure, and compliance with Commission directions.

1.2 The Objector submits that while the Licensees claim moderation in Aggregate Revenue Requirement (ARR), several inefficiencies and non-compliances are sought to be passed through to consumers, leading to potential tariff shock in FY 2026-27.

**2. Para-wise Objections on True-Up for FY 2024-25**

*(O.P. No. 68 of 2025 – Transmission)*

**2.1 Return on Equity (RoE)**

**Licensee's Claim:**

RoE of ₹541.41 Crores at 14% (post-tax).

**Objection:**

The Commission had earlier imposed a 3.5% reduction in RoE on account of delayed filing. The present claim ignores this regulatory penalty.

**Submission:**

Allowing the full 14% RoE would burden consumers with approximately ₹109 Crores and dilute regulatory discipline.

**RoE shall be restricted to 10.5% strictly as per Commission directions.**

## **2.2 O&M Expenses**

**Licensee's Claim:**

Actual O&M expenses of ₹1,135.02 Crores against approved ₹1,299.52 Crores.

**Objection:**

O&M is a controllable expense. Savings must be shared with consumers as per regulatory principles.

**Submission:**

The Licensee shall demonstrate that savings are due to efficiency gains and not deferred maintenance.

**At least 60% of controllable savings shall be passed on to consumers.**

## **2.3 Depreciation and Interest on Loan**

**Observation:**

Significant under-utilization of approved capital expenditure is evident from:

- Depreciation shortfall of ₹275.75 Crores
- Interest shortfall of ₹196.82 Crores

**Objection:**

These variances indicate failure to commission approved projects on time.

**Submission:**

Consumers shall not bear future tariff burdens arising from historical non-performance.

## **2.4 Aggregate Revenue Requirement (ARR) Surplus**

**Finding:**

True-Up results in a surplus of ₹535.34 Crores.

**Submission:**

The surplus shall be mandatorily adjusted in FY 2026-27 tariffs to directly benefit consumers.

### **3. Para-wise Objections on Capital Expenditure**

*(FY 2026-27 – O.P. No. 68 of 2025)*

#### **3.1 Quantum of Proposed CapEx**

**Licensee's Proposal:**

Capitalisation of ₹4,114.05 Crores in FY 2026-27.

**Objection:**

The proposal is nearly four times the actual capitalization achieved in FY 2024-25 and is not supported by historical execution capability.

**Submission:**

CapEx approval shall be restricted to realistic levels consistent with past performance, pending submission of credible execution evidence.

#### **3.2 Absence of Detailed Project Reports (DPRs)**

**Objection:**

The CapEx proposal is presented in aggregated form without scheme-wise DPRs, timelines, or land acquisition status.

**Submission:**

- DPRs for all schemes exceeding ₹50 Crores shall be submitted
- Implementation schedules with target CODs shall be furnished before approval

#### **3.3 Cost–Benefit Justification**

**Objection:**

Large investments in 220/132 kV and 400 kV systems are not supported by quantifiable consumer benefits.

**Submission:**

Scheme-wise Cost–Benefit Analysis shall be submitted indicating:

- Loss reduction (MUs)
- Voltage improvement
- Load relief (MW)

## **4. Lift Irrigation Schemes (LIS)**

### **4.1 Socialization of LIS Costs**

**Licensee's Claim:**

₹779.74 Crores towards LIS-related transmission works included in ARR.

**Objection:**

LIS assets are seasonal and under-utilized. Their costs are being recovered from general consumers, violating the “beneficiary pays” principle.

**Submission:**

- LIS-specific assets shall be segregated
- Utilization factors shall be disclosed
- O&M and capital costs shall be recovered directly from the beneficiary department

## **5. SLDC Charges & Manpower**

*(O.P. No. 69 of 2025)*

### **5.1 Employee Cost Escalation**

**Objection:**

Despite increasing automation, employee costs are projected to rise.

**Submission:**

- Benchmark employee cost per substation against peer utilities
- Restrict SLDC recruitment to essential technical roles only

## **6. Strategic Planning Deficit**

**Objection:**

The filings lack alignment with a long-term transmission perspective plan.

**Submission:**

TGTRANSCO shall submit a Long-Term Transmission Plan (2025-2030) aligned with load growth projections and identifying stranded asset risks.

## **7. Summary of Prayers**

The Objector respectfully prays that the Hon'ble Commission may:

1. Disallow 14% post-tax RoE and enforce the 3.5% penalty
2. Adjust the FY 2024-25 surplus of ₹535.34 Crores in FY 2026-27 tariffs
3. Cap FY 2026-27 CapEx at 50% of the proposed amount pending DPRs
4. Segregate and directly recover LIS costs from beneficiaries
5. Ensure efficiency gains are shared with consumers

# **COVERING LETTER**

**From:**

Sri R. V. Subba Rao

**To:**

**The Secretary**

Telangana State Electricity Regulatory Commission  
Hyderabad

**Subject: Submission of Objections & Suggestions – O.P. Nos. 68 & 69 of 2025 of TGTRANSCO**

**Respected Sir,**

I, Sri R. V. Subba Rao, submit herewith my objections and suggestions on the petitions filed by TGTRANSCO and SLDC in O.P. Nos. 68 and 69 of 2025.

The objections are filed in the interest of consumers and focus on tariff prudence, regulatory compliance, and prevention of undue tariff burden.

I request the Hon'ble Commission to kindly consider the submissions made herein.

**Yours faithfully,**



**R. V. Subba Rao**

Date: 10.01.2026

Place: Hyderabad

### **VERIFICATION**

I, Sri R. V. Subba Rao, do hereby verify that the contents of the above objections and suggestions are true and correct to the best of my knowledge and belief and nothing material has been concealed therefrom.

**Verified at Hyderabad on this 10th day of January 2026.**



**R. V. Subba Rao**

## **AFFIDAVIT**

I, Sri R. V. Subba Rao, S/o Chalamaiah, aged 50 years, resident of Hyderabad, do hereby solemnly affirm and state as follows:

1. I am the Objector in the above proceedings and am well acquainted with the facts of the case.
2. The statements made in the accompanying objections are true and correct to the best of my knowledge and belief.
3. No part of the same is false and nothing material has been concealed.

**Solemnly affirmed at Hyderabad on this 10<sup>th</sup> day of January 2026.**

*(Deponent)*



**R. V. Subba Rao**

Before me,  
(Signature of Notary / Oath Commissioner)