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From  
Chief Engineer (IPC&RAC),  
TGSPDCL, Corporate Office,  
6-1-50, 1<sup>st</sup> Floor, Mint Compound,  
Hyderabad – 500 063.

To  
The Commission Secretary,  
TGERC, Vidyut Niyantan  
Bhavan, Sy.No.145-P,  
G.T.S. Colony, Kalyan Nagar,  
Hyderabad 500 045

Lr No.CE (IPC&RAC)/DE(IPC)/F. ARR/D. No. 4417 /25-26, dt: 09 .01.2026

Sir,

Sub:- TGSPDCL – IPC & RAC – 5<sup>th</sup> Multi Year Tariff Control Period – Filings of TGTRANSCO for Annual Tariff Petition for FY 2026-27 containing ARR and revised transmission tariff proposal for FY 2026-27 and True-Up for FY 2024-25 in respect of Transmission Business and SLDC Activity – O.P. Nos. 68 & 69 of 2025 – Objections / Suggestions of TGDISCOMs – Submission – Reg.

Ref:- Public Notice issued by TGTRANSCO, dated 20.12.2025.

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With reference to the subject and the public notice cited, it is submitted that TGTRANSCO has filed O.P. Nos. 68 and 69 of 2025 before the Hon'ble Commission under the 5<sup>th</sup> Multi Year Tariff Control Period, seeking approval of the Annual Revenue Requirement (ARR) and revised transmission tariff for FY 2026-27, along with True-Up for FY 2024-25, in respect of the Transmission Business and SLDC activity.

In response thereto, the objections and suggestions of TGDISCOMs, in respect of the aforesaid filings made by TGTRANSCO are herewith submitted for the kind consideration of the Hon'ble Commission.

Further the additional objections/suggestions (if any) by TGDISCOMs on the aforesaid TGTRANSCO & SLDC filings will be submitted during the Public hearing on 23.01.2026.

Encl: As above

Yours faithfully,

Sril. B.Ravi

Chief Engineer (IPC&RAC)

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The Chief Engineer/Comml & RAC/TGTRANSCO/Vidhyut Soudha/Hyderabad  
The ED/Commercial/TGPCC/Vidhyut Soudha/Hyderabad

Copy to

The Chief Engineer/IPC&RAC/TGNPDCL

**Objections/ Suggestions/ Comments on TGTRANSCO filings on True-up for FY 2024-25 and Annual Tariffs for FY 2026-27 for Transmission Business.**

<b>S. No</b>	<b>Para No./ Ref to Petition</b>	<b>Proposal of TGTRANSCO</b>	<b>Objections/ Suggestions/ Comments</b>
1.	Page 6 & 8	b. Projected Transmission Losses (in %) for the FY 2025-26 & FY 2026-27	TGTRANSCO's projection of transmission losses at 2.46% for FY 2025-26 and 2.44% for FY 2026-27 as approved in 5 <sup>th</sup> Control Period MYT Order dt:28.10.2024 represents an unjustified upward deviation from the audited actual transmission losses of 2.30% (FY 2023-24) and 2.19% (FY 2024-25), as disclosed in the petition (p.10 & p.12). Such projections run contrary to the consistent downward trajectory observed in the past two years and lack any technical justification in the filings. Under TGERC MYT Regulation 12.1(b), variation in transmission losses is a controllable item, and Reg. 20.5(a) requires licensees to make realistic, prudent - compliant projections. Therefore, DISCOMs submits that the Commission may adopt loss projections aligned with recent audited performance.
2.	Page 17	Advance Against Depreciation (AAD)	TGTRANSCO seeks approval of Advance Against Depreciation (AAD) on the grounds that depreciation allowed under TGERC MYT Regulation 2 of 2023 is not adequate to meet loan repayment obligations. However, Regulation 28.5 explicitly provides that "depreciation allowed for each year shall be deemed equal to the loan repayment up to 75% of asset cost or actual debt component." This deeming provision already ensures full loan-repayment alignment within the depreciation framework and eliminates the need for a separate AAD mechanism. Introducing AAD despite this clause would burden the licensees resulting in tariff hike to the consumers. Therefore, DISCOMs submit that, TGTRANSCO should instead compute depreciation strictly as per Reg.28.5, supported by complete loan-repayment schedules and asset - funding ratios. And also the Hon'ble Commission is requested to deny the Advance Against Depreciation.
3.	Excel Form-4 Depreciation and Amortisation Sheet	Opening GFA	The petition and Excel Form-4 indicate an Opening Gross Fixed Asset value of Rs. 22,900.11 crore for FY 2023-24, whereas the FY 2023-24 true-up order reportedly admitted Rs. 22,865.70 crore. This difference of over Rs. 34 crores directly influences depreciation, interest on loan, and RoE computations. Under Regulation 20.5 (Financial Prudence) and Regulation 21.3 (Capital Cost), opening asset values must be consistent with Commission-admitted figures unless fully justified. In view of the above, as the petition provides no reconciliation or explanation for this difference such as restatements, or correction entries, TGDISCOMs request the Hon'ble Commission to consider opening GFA Rs. 22,865.70 crore as per the approved true-up order of 2023-24 dt:29.04.2025.

**Objections/ Suggestions/ Comments on TGTRANSCO filings on True-up  
for FY 2024-25 and Annual Tariffs for FY 2026-27 for TGSLDC.**

<b>S.No.</b>	<b>Para No./ Ref to Petition</b>	<b>Proposal of TGSLDC</b>	<b>Objections/ Suggestions/ Comments</b>
1.	Form 4	Increase in Depreciation	Depreciation rises sharply from Rs. 1.41 crore (MYT order) to Rs. 4.08 crore actual (page 11, Table-2). SLDC attributes this to reclassification of fixed assets on 01.04.2024, and depreciation on REMC-grant assets (Rs. 1.19 crore). For FY 2026-27, the depreciation claimed is Rs. 10.55 crore. TGDISCOMs request the Hon'ble Commission to direct TGSLDC to provide justification with detailed breakup on scheme-wise capital expenditure, capitalization and depreciation.
2.	Form 2.3	R&M Expenses Escalation	R&M increases from Rs. 1.59 crore to Rs. 3.31 crore, yet Form-2.3 shows that the K-factor differs significantly year-to-year, and no technical justification is provided for doubling R&M despite stable GFA. DISCOMs request SLDC to provide justification.
3.	Page 35 & 36	Implementation of SAMAST	The SAMAST scheme cost is Rs. 21.95 crore with Rs. 12.48 crore PSDF grant, Grant utilisation (actual vs booked) is not reconciled in Formats. Depreciation on grant-funded assets must not burden licensees. DISCOMs request SLDC to provide justification.