



WRI INDIA

To  
The Secretary,  
Telangana Electricity Regulatory Commission  
Vidyut Niyantran Bhavan  
G.T.S. Colony, Kalyan Nagar,  
Hyderabad – 500045  
Telangana

Subject: Submission in O.P. No. 68 of 2025 pertaining to Transmission Corporation of Telangana Limited (TGTRANSCO)

Dear Sir/Madam,

We are writing to submit our comments in the matter of the True Up for FY 2024-25 and Annual Tariff for FY 2026-27 (O.P. No. 68 of 2025) of Transmission Corporation of Telangana Limited (TGTRANSCO). This submission is made with reference to the Public Notice published by the Telangana Electricity Regulatory Commission on 20th December 2025 inviting objections/suggestions/comments on this petition. Kindly find our submission enclosed with this letter.

We request the commission to take this submission on record and allow us to make further submissions in this matter, if any.

Thanking you

Sincerely,

Saumya Vaishnava

WRI India

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January 10, 2025

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# BEFORE THE TELANGANA STATE ELECTRICITY REGULATORY COMMISSION

## In the matter of True Up for FY 2024-25 and Annual Tariff for FY 2026-27 filed by Transmission Corporation of Telangana Limited (TGTRANSCO)

### Comments and suggestions on behalf of WRI India

The present submission aims to strengthen evidence-based regulatory decision-making and enhance accountability under the Multi-Year Tariff (MYT) framework. At the outset, we would like to clarify that we do not dispute the need for transmission system expansion or upgradation. However, the stated necessity of any investment cannot be a substitute for its regulatory justification, particularly when the deviations sought are of substantial magnitude.

- 1. Context: MYT Order as a regulatory baseline:** In its MYT Order for the 5th Control Period, the Commission made a specific and reasoned choice to adopt the Resource Plan-approved capital investment plan, noting that TGTRANSCO had not adequately justified deviations from it. The MYT Order records that the TGTRANSCO failed to provide sufficient scheme-level justification as required under the regulations and therefore, the Commission adopted the Resource Plan figures as the MYT baseline for FY 2024-25 to FY 2028-29. This is a crucial regulatory fact that the MYT numbers were not just provisional placeholders but were frozen as a baseline after scrutiny and seeking additional information.
- 2. Exceptional deviation sought in the petition:** In the present petition, TGTRANSCO seeks acceptance of revised estimates that show, inter alia:
  - a. FY 2026-27 capital expenditure increasing from Rs. 727.27 crore (MYT) to Rs. 4,432.61 crore, and
  - b. capitalisation increasing from Rs. 1,312.51 crore to Rs. 4,949.18 crore (See Table 1).

Table 1: CWIP, capital expenditure, and capitalization for FY25, FY26, and FY27

Particulars	2024-25			2025-26			2026-27		
	MYT Order	Apr - Mar	variation	ATP Tariff Order	Apr - Mar	Variation	MYT Order	Apr - Mar	Variation
	Approved	Audited	Estimated	Approved	Estimated	Estimated	Approved	Estimated	Estimated
Opening Capital Works in Progress	2,475.03	4,223.00	-	2,991.73	3,593.86	602.13	2,251.86	3,301.13	1,049.27
Capital Expenditure during the year	2,864.16	731.81	-2,132.35	1,029.73	1,780.02	750.29	727.27	4,432.61	3,705.34

Capitalisation during the year	2,347.46	1,360.95	-986.51	1,769.60	2,072.75	303.15	1,312.51	4,949.18	3,636.67
Closing Capital Works in Progress	2,991.73	3,593.86	-	2,251.86	3,301.13	1,049.27	1,666.62	2,784.56	1,117.94

This represents a five- to six-fold increase over the MYT-approved level within a single tariff year. We submit that such a deviation necessitates the highest level of prudence scrutiny, particularly when the licensee relies on “changed conditions” without clearly establishing why such changes were not foreseeable at the MYT stage.

3. **Phasing and timing arguments without comparative evidence:** The petition asserts that project execution was front-loaded, the timelines got compressed, and therefore, annual capex has increased. However, it does not provide a comparative phasing table showing the MYT-approved year-wise phasing versus the revised year-wise phasing. In the absence of such data, it is not possible to establish the prudence of these claims. It is our submission that the claimed rise in capex should not be approved without the petitioner submitting data and evidence to substantiate its claims.
4. **Reliance on revised estimates despite prior MYT findings:** The MYT Order records that TGTRANSCO had earlier failed to justify deviations from the Resource Plan, leading the Commission to fix conservative baselines. The present petition does not clearly establish what materially new information emerged *after* the MYT Order and why such information could not have been placed before the Commission earlier. We submit that the revision of issues already settled in the MYT Order, without new evidence, would undermine regulatory certainty and, hence, should not be allowed.
5. **Lack of clear information on capital investments undertaken:** From the current format of the petitions and TGERC orders, it is difficult to understand how projections are made and how actual capital investments are calculated. Consider FY 2024-25. In the petition for the 5th CP, TGTRANSCO projected a capital investment of Rs. 4,301 crores. In its order dated October 2024, TGERC approved Rs. 2,864 crores. In the petition for annual tariff for FY26, filed in January 2025, TGTRANSCO showed April to March figures for FY 2024-25, wherein the capital expenditure was shown as Rs. 2,179 crores. However, in the current petition, the capital investment for FY25 is given as Rs. 720 crores (See Table 2), falling short of meeting the TGERC approved investment by Rs. 2,312 crores (See Table 1).

Table 2: Capital investment and capitalization for FY 2024-25, various petitions

Source	Date	Capital Investment	Capitalization
MYT petition for 5th CP	Aug-24	4,301	4,849
TGERC MYT Order for 5th CP	Oct-24	2,864	2,347
Petition for Annual Tariff for FY26	Jan-25	2,179	2,601
Current petition	Nov-25	732	1,361

Such large variation between capital expenditure figures, in this case within 10 months, needs to be scrutinized. TGTRANSCO must also explain such a large shortfall from approved capital investment and capitalization for FY 2024-25.

- 6. RoE and filing discipline:** The MYT Order records that the Commission reduced allowable RoE for FY 2024–25 due to delayed filing and directed TGTRANSCO to adhere to timelines going forward. The present petition seeks full RoE treatment, but does not acknowledge the prior finding, demonstrate systemic improvements in compliance, or submit a directive-wise compliance statement.
- **Absence of directive-wise compliance reporting:** The MYT Order issued several procedural and behavioural directions, including on justification standards, filing discipline, and stakeholder process. The petition contains only a general assurance of compliance and does not provide a directive-wise compliance matrix. We submit that accountability under MYT requires traceable compliance, especially when significant deviations are sought.
  - **Missing tariff filing forms:** Several tariff filing forms have not been filled in. Importantly, information as per Forms 16.1 to 16.7, pertaining to capital cost approvals, have not been provided in the current petition.

To summarise, we submit that the issues raised above are not mere technicalities but are central to safeguarding the credibility of the MYT framework. Accepting such large deviations without rigorous justification risks diluting the MYT framework, weakening planning accountability, and shifting execution and forecasting risks disproportionately onto consumers.

In the interest of balanced decision-making, we submit that the Commission should consider:

- Scheme-wise post-MYT justification
- Year-wise phasing comparison between MYT and revised plans
- A structured review of past capital expenditure outcomes as well as projected investment
- Recovery aligned strictly to actual capitalisation, not projections
- Directive-wise compliance disclosure as a condition precedent
- Mandatory data requirement, such as the tariff filing forms

Such an approach would help to protect system reliability and ensure the due implementation of the MYT framework.

We submit that the Commission take the above submissions on record and allow us to make further submissions in this matter, if needed. We request to make oral submissions during public hearing.

Sincerely,

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