

BEFORE THE TELANGANA ELECTRICITY REGULATORY COMMISSION

Vidyut Niyamtran Bhavan, GTS Colony, Kalyan Nagar, Hyderabad – 500 045

OBJECTION AND REPRESENTATION

In the matter of the application filed by Telangana Southern Power Distribution Company Limited (TGSPDCL) under Section 18 of the Electricity Act, 2003 for amendment of its distribution licence — O.P. No. 15 of 2026;

and the connected applications of Northern Power Distribution Company of Telangana Limited (TGNPDCL) under Section 18 for amendment of its distribution licence __ O.P. No. 14 of 2026.

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PART I — NATURE AND SCOPE OF THIS OBJECTION

This objection is filed in response to the public notice issued by this Hon'ble Commission inviting comments, objections, and suggestions on the above applications.

The applications seek, in combination, to amend the distribution licences of TGSPDCL and TGNPDCL so as to remove from their licence obligations the agricultural, lift-irrigation, CPWS/Mission Bhagiratha, HMWSSB, and LT-VI-B municipal water-supply consumer categories, and to grant TGRPDCL a distribution licence confined to those very categories across the entire State.

The objector does not dispute the State's policy goal of improving electricity supply to agricultural and allied consumers. The objection is to the legal mechanism chosen, which is challenged on the following grounds, set out in order of strength:

- Ground I (Statutory) — Section 18 of the Electricity Act, 2003 affords no power to excise a class of consumers from a licensee's obligations; what is proposed is, in substance, a partial surrender of licence unknown to the Act.
- Ground II (Statutory) — The Government's own order grounds the third DISCOM in the parallel-licensing proviso to Section 14 and in the Capital Adequacy Rules, 2005, yet the entity proposed satisfies the discipline of neither; the scheme is internally self-contradictory. The premise that Section 131 permits restructuring of distribution through a transfer scheme, and that the Section 18 applications can give it effect, is separately answered in Part IV-A.
- Ground III (Statutory) — The Universal Service Obligation under Section 43 is area-based, person-centric, and indivisible; consumer categories are instruments of tariff under Sections 61–62, not filters on the duty to supply.
- Ground IV (Operational and Financial) — Category-based ownership of a shared physical network strands the incumbent licensees without infrastructure where they still bear the supply duty, forcing avoidable capital expenditure that is loaded on

either the DISCOM or the consumer — thereby defeating the very financial rationale on which the restructuring is premised.

- Ground V (Constitutional) — The classification of consumers by category, for the purpose of supply obligation, bears no rational nexus to the stated object and is therefore arbitrary under Article 14 of the Constitution;
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PART II — STATEMENT OF FACTS

- That the State of Telangana is served by two distribution licensees — TGSPDCL for 15 districts and TGNPDCL for 18 districts — each holding a distribution licence regulated by this Hon'ble Commission, and each presently bound to supply every consumer within its area of supply irrespective of category.
- That by G.O. Ms. No. 44 dated 17.12.2025 the Government of Telangana approved the formation of a third DISCOM, and by G.O. Ms. No. 4 dated 11.03.2026 incorporated Telangana Rythu Power Distribution Company Limited (TGRPDCL), the “Rythu DISCOM”, confined to agriculture, lift-irrigation schemes (LIS), CPWS/Mission Bhagiratha, HMWSSB, and LT-VI-B municipal water-supply connections across the entire State.
- That TGRPDCL is incorporated with an initial paid-up share capital of merely Rs. 5 crore (50,00,000 equity shares of Rs. 10 each), to be contributed equally by TGSPDCL and TGNPDCL on behalf of the Government of Telangana.
- That, on the Government's own figures in the Annexure to G.O. Ms. No. 44, the consumer base proposed to be transferred to TGRPDCL is approximately 29,08,138 connections (of which approximately 29,05,779 are agricultural) — the single largest body of consumers under any DISCOM in the State — to be served by an entity capitalised at Rs. 5 crore.
- That, on the same figures, the restructuring contemplates vesting in TGRPDCL distribution-network assets of approximately Rs. 4,929 crore, government-receivable arrears of approximately Rs. 35,982 crore, loans of approximately Rs. 9,032 crore, and payables to State generators of approximately Rs. 26,950 crore — assets and liabilities of the order of tens of thousands of crores vested in a company whose paid-up equity is Rs. 5 crore.
- That, as recorded in G.O. Ms. No. 4, TGRPDCL is to share its Chairman and Managing Director and a majority of its Directors with the incumbent DISCOMs (the Directors being drawn from TGSPDCL and TGNPDCL), so that TGRPDCL is not an independent, arm's-length licensee but an entity governed by the very licensees from whom the consumers are being carved out.
- That the Annexure to G.O. Ms. No. 44 expressly founds the formation of the third DISCOM on the proviso to Section 14 of the Electricity Act, 2003 (parallel licensing in the same area) and on the Distribution of Electricity Licence (Additional Requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005, read with Section 12 of Regulation 4 of 2016.
- That the same Annexure targets commencement of TGRPDCL's operations from 1 April 2026, with the segregation of assets, liabilities, and consumers to be carried

out by the incumbent DISCOMs — that is, the operational transfer is set to proceed in parallel with, and not subsequent to, the grant of statutory licence approval by this Hon'ble Commission, and indeed ahead of the close of the present objection process.

- That this Hon'ble Commission has invited objections and suggestions, and the objector files this representation in response thereto.

PART III — GROUND I: SECTION 18 DOES NOT PERMIT EXCISION OF A CONSUMER CLASS

- That Section 18 of the Electricity Act, 2003 empowers this Commission to amend the terms and conditions of a distribution licence, including the area of supply. Its office is to modify the geographical or operational incidents of a licence.
- That the amendments sought by TGSPDCL and TGNPDCL are of a different character altogether: they do not modify an area or a term, but remove an entire class of consumers from the scope of the licence. That is not an “amendment” of licence conditions — it is, in substance, a partial surrender of the licence in respect of a class of persons.
- That the Electricity Act, 2003 contains no provision — in Section 18 or elsewhere — for partial surrender of a licence with respect to a consumer category. A power that the Act does not confer cannot be assumed by re-labelling a surrender as an “amendment.”
- That the precedents relied upon historically (the 2014 bifurcation reassignment and the 2017 amendment of the licence of erstwhile APCPDCL/TSSPDCL) were amendments of area and name — the licensee continued to owe the full obligation to every consumer in its area. None of them excised a consumer class. They are therefore no authority for what is now proposed.
- That accordingly the Section 18 applications of TGSPDCL and TGNPDCL travel beyond the scope of that provision and are liable to be rejected on this ground alone.

PART IV — GROUND II: THE SECTION 14 / CAPITAL-ADEQUACY SELF-CONTRADICTION

- That the proviso to Section 14 of the Electricity Act, 2003 permits this Commission to license two or more persons for distribution within the same area through their own distribution systems. It is on this proviso that the Government's own Annexure to G.O. Ms. No. 44 expressly founds the third DISCOM.
- That a parallel licensee under the proviso to Section 14 must be capable of serving any person within the area of supply — the proviso contemplates competing full-

service licensees, not a licensee restricted to a chosen class of consumers. A category-restricted entity is therefore not a parallel licensee within the meaning of Section 14 at all.

- That this exposes a self-contradiction at the heart of the scheme. If TGRPDCL is to be created under Section 14, it must be capable of serving every person in the area and cannot be confined to agriculture and allied loads. If, on the other hand, the consumers are to be carved out of the incumbents' licences under Section 18, then Section 18 affords no power to excise a class. The applicants invoke Section 14 to build the new entity and Section 18 to dismantle the existing licences — while complying with the discipline of neither.
- That the Government's Annexure further invokes the Distribution of Electricity Licence (Additional Requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005, and Section 12 of Regulation 4 of 2016, which require an applicant for a parallel licence to satisfy this Commission of a norm of 30% equity on the cost of investment in the distribution network, and of creditworthiness assessed on net worth and internal resource generation.
- That an entity with paid-up equity of Rs. 5 crore, into which network assets of approximately Rs. 4,929 crore and liabilities of the order of Rs. 36,000 crore are to be vested, manifestly cannot satisfy the 30% equity norm or the creditworthiness requirement. The bare claim of "compliance" in the Government's own table is unsupported by any financial data, and is itself a ground on which the licence may be refused.

PART IV-A — SECTION 131 DOES NOT SUPPORT THE PROPOSED RESTRUCTURING, AND THE SECTION 18 APPLICATIONS CANNOT GIVE IT EFFECT

The proposed Telangana Rythu Power Distribution Company Limited rests on the premise that Section 131 of the Electricity Act, 2003 permits the restructuring of distribution through a statutory transfer scheme, and that a consumer class may thereby be reassigned to a new licensee. The present applications of TGSPDCL and TGNPDCL under Section 18 are the device by which the incumbents seek to amend their licences to exclude agricultural and allied consumers and so give effect to that scheme. The objector respectfully submits that this premise is unsustainable: the licensing framework of the Act is area-based; Section 131, read harmoniously with Sections 14, 15 and 43, does not authorise the carving out of a consumer class from an existing licensed territory; the Act already provides a lawful route for operational specialisation that preserves the licensing structure; and Section 18 affords no power to effect the excision now sought. The burden of establishing statutory competence remains, throughout, on the applicants.

IV-A.1 — Distribution Licensing Under the Act Is Area-Based; a Consumer-Class-Exclusive Licensee Is Unknown to the Act

- That Section 14 permits the grant of a licence to distribute electricity “in any area as may be specified”, and Section 15 requires the specification of the area of supply. The whole architecture of distribution licensing is territorial: licences are granted for an area; the distribution-system and Consumer Grievance Redressal obligations under Section 42 attach to the area; and the duty to supply under Section 43 operates within the area.
- That the Act nowhere creates or recognises a consumer-class-exclusive distribution licensee — a licensee confined to a chosen category of consumers — operating within another licensee’s existing territorial area. The structure proposed is therefore not a new administrative arrangement within the statutory scheme; it is a category of licence unknown to the statute. A licence the Act does not contemplate cannot be conferred by relabelling a transfer scheme.

IV-A.2 — Section 43 Continues to Bind the Incumbents, and the Scheme Creates an Unresolved Overlapping Obligation

- That Section 43 imposes a mandatory, universal, consumer-facing duty on every distribution licensee to supply any applicant within its area of supply. The obligation is statutory, not merely contractual or administrative, and it attaches to the licensed area.
- That the licences of TGSPDCL and TGNPDCL have neither been revoked nor validly modified to exclude agricultural consumers from their territorial areas. Until and unless this Commission lawfully amends those licences, the incumbents remain the area licensees, and agricultural consumers within those areas continue to fall within the ambit of Section 43 as against the incumbents.
- That the proposed arrangement therefore produces a legal contradiction: TGRPDCL is to supply agricultural consumers, while the incumbents remain statutory area licensees for the same territory and the same consumers. The same agricultural consumer could lawfully invoke Section 43 against both entities, and the Act contains no mechanism to resolve such overlapping obligations. The applicants’ reliance on a licence that “stands deemed to be amended” by force of the transfer scheme is itself an admission that, absent a valid amendment, the Section 43 duty of the incumbents does not lift — and, as shown in Part III and in IV-A.6 below, that amendment cannot be made under Section 18.

IV-A.3 — Section 131 Must Be Read Harmoniously With Sections 14, 15 and 43, and Does Not Authorise Consumer-Class Fragmentation

- That Section 131 enables transfer schemes relating to undertakings, assets, liabilities and personnel during restructuring. It nowhere provides that existing Section 43 obligations cease automatically, that consumer-licensee relationships stand extinguished, or that a consumer class may be carved out of an existing licensed territory for separate licensing. A transfer scheme cannot be read in isolation from Sections 14, 15 and 43, which together constitute the core architecture of distribution licensing.

- That, historically, Section 131 facilitated the unbundling of State Electricity Boards into successor entities operating in defined areas and functions — a territorial and functional restructuring. The present proposal is fundamentally different in kind. It does not transfer a distribution area from one licensee to another. The same geographical area, the same feeder network, and the same consumers continue under the existing territorial licences; what is proposed to be separated is not an “area” but a “consumer class” carved out from within an existing licensed territory.
- That, the Act containing no provision recognising consumer-class-based fragmentation of an existing distribution area, Section 131 must be read harmoniously with the area-based framework of Sections 14, 15, 42 and 43. It cannot be construed as introducing a new species of consumer-class-exclusive overlay licensee operating within a territory already covered by existing licences.

IV-A.4 — Parliament Has Already Provided a Lawful Route for Operational Specialisation: the Franchise

- That Parliament has expressly enabled specialised operational management through the franchise mechanism (the franchisee being defined in Section 2(27), and a distribution licensee being permitted, with prior intimation to this Commission, to engage a franchisee within its area of supply.
- That under a franchise arrangement the original DISCOM continues as the statutory licensee, the Section 43 obligation remains legally coherent, operational management may nonetheless be segregated, and a ring-fenced, dedicated administration of agricultural supply remains fully achievable. The existence of this express mechanism is significant: Parliament consciously enabled operational specialisation without fragmenting the statutory licensing structure.
- That the present proposal seeks to achieve through a new licence what the Act already permits through the franchise route — but without the statutory coherence the franchise preserves. Where a lawful, coherent route exists, a construction that fragments the licensing structure to reach the same operational end ought not to be adopted. (This is distinct from, and additional to, the requirement under the proviso permitting parallel licensees in the same area that any such licensee be capable of serving every person in the area and satisfy the capital-adequacy discipline, addressed in Part IV.)

IV-A.5 — The Proposed Interpretation Has No Principled Limit

- That if consumer-class-exclusive licensing within an existing territory were treated as permissible under Sections 14 and 131, there would be no principled basis on which to refuse future applications for HT-industrial-only licences, commercial-consumer-only licences, or urban high-revenue-consumer-only licences across existing DISCOM territories.
- That such cherry-picking of consumer classes would dismantle the cross-subsidy architecture of the Act and is plainly inconsistent with its structure. A construction of Sections 14, 15, 43 and 131 that leads to so unprincipled a result must be rejected,

and this Commission’s licensing jurisdiction must remain anchored to the territorial licensing structure enacted by Parliament.

IV-A.6 — On the Present Facts the “Allocated USO” Rationale Fails, and Section 18 Cannot Effect the Excision

- That it may be said that the Universal Service Obligation is not diluted but merely “allocated”, one category to each company. That reasoning holds only where the distribution network remains unified in the incumbent’s hands and the new company is a retail supplier riding on the incumbent’s wires, so that supply stays physically seamless and the “allocation” is no more than a billing layer over a single, intact network.
- That the present scheme is the opposite. On the Government’s own asset tables in the Annexure to G.O. Ms. No. 44, the agricultural distribution network itself — the Agri DTRs (of the order of Rs. 2,792 crore) and the LT lines (of the order of Rs. 2,137 crore), together approximately Rs. 4,929 crore — is to be vested in TGRPDCL. The network is thus fragmented by consumer category, the incumbent that retains the duty to serve non-agricultural consumers on a shared or pure-agricultural feeder is divested of the means to do so, and supply ceases to be seamless. The “allocated USO” rationale, true only of a unified-network model, is false of this network-splitting model, which produces instead the stranded incumbent and avoidable cost of Part VI and the jurisdictional vacuum of Part VII.
- That, finally, the Section 18 applications cannot supply what the scheme lacks. Section 18 permits the amendment of the terms, conditions, and area of a licence; it does not permit the excision of a consumer class (Part III). What Section 18 cannot grant directly cannot be achieved indirectly by a “deemed” amendment said to flow from a transfer scheme. And if it be urged that the scheme requires no approval of this Commission, the corollary is fatal: a scheme needing no approval cannot, of itself, amend a licence, for the amendment of licences is a function reserved to this Commission under Sections 16 and 18. Either way, the carve-out fails.

PART V — GROUND III: THE UNIVERSAL SERVICE OBLIGATION UNDER SECTION 43 IS INDIVISIBLE

V.1 — The Language of Section 43

That Section 43 of the Electricity Act, 2003 — “Duty to supply on request” — provides that every distribution licensee shall, on an application by the owner or occupier of any premises, give supply of electricity to those premises within the period prescribed.

That the operative words of Section 43 are:

- a. “Shall” — mandatory, absolute, admitting no discretion.
- b. “Owner or occupier of any premises” — any person at any premises, with no category filter whatsoever.

- c. “Give supply of electricity” — the obligation is of supply itself, not of supply to a chosen category.
- That the obligation thus attaches to every person within the area of supply, irrespective of consumer category. Had the legislature intended the duty to operate category-wise, it would have said so; it did not.
- That Section 43, by sub-section (3), provides that a licensee failing to supply within the prescribed period shall be liable to a penalty which may extend to one thousand rupees for each day of default — reflecting that the duty is enforceable and non-negotiable

V.2 — Categories Are Tariff Tools, Not Supply Filters

- That consumer categories under the Act are creatures of tariff determination under Sections 61 and 62. Their purpose is to operationalise cross-subsidy — to answer what a consumer pays — not whether a consumer receives supply.
- That categories therefore operate downstream, at metering and billing, not upstream at the point of connection and supply obligation. To permit a category to govern the supply obligation is to let a billing tool override a supply duty, inverting the architecture of the Act.
- That supply is physically indivisible: a unit of electricity on a feeder does not distinguish the agricultural pump from the household at its end. The physical indivisibility of supply is mirrored in the legal indivisibility of the obligation under Section 43.
- That by seeking to amend their licences to exclude agricultural and allied consumers, TGSPDCL and TGNPDCL attempt to convert a tariff classification into a supply-eligibility barrier — contrary to the scheme and language of Section 43.

PART VI — GROUND IV: THE SCHEME STRANDS THE INCUMBENT WITHOUT INFRASTRUCTURE AND MANUFACTURES AVOIDABLE CAPITAL COST

This ground does not depend on any contested question of statutory interpretation. It rests on the physical structure of the distribution network and on simple cost arithmetic, and it demonstrates that the restructuring defeats the very object the Government states for it.

VI.1 — The Root Cause: Splitting Ownership of a Shared Network

- That, after the proposed transfer, the agricultural distribution assets — the DTRs and LT lines, and on a purely agricultural feeder the 11kV line and feeder bay as well — will belong to TGRPDCL, while the obligation to supply every non-agricultural consumer (domestic, commercial, industrial — Categories I, II and others) will continue to rest on TGSPDCL / TGNPDCL.
- That the incumbent licensee will thus continue to bear the supply obligation at locations where it has been divested of the very infrastructure required to discharge

it. The duty remains; the means have been transferred away. This is the structural defect from which the cost burden, set out below, inevitably follows.

VI.2 — Case 1: Mixed Feeder — a New Category-I/II Connection on Farm Land

- That on a mixed feeder serving both agricultural and non-agricultural loads, where a person applies for a domestic (Category-I) or commercial (Category-II) connection on or near farm land, the incumbent DISCOM — which alone may serve that load — will find the DTR and LT line at that location owned by TGRPDCL.
- That the incumbent cannot draw the new connection from TGRPDCL's transformer, and must therefore lay its own additional infrastructure to reach a consumer who, before the split, was served from shared assets already in place. The carve-up creates infrastructure that was never previously required.

VI.3 — Case 2: Pure Agricultural Feeder — a Non-Agricultural Load Arises

- That on a purely agricultural feeder, the entire feeder including the 11kV line will belong to TGRPDCL. Should any non-agricultural load arise in that pocket, the incumbent will have no infrastructure there at all, and will be obliged to run a separate 11kV line from the source substation — a substantial capital item — solely as a consequence of the ownership split.

VI.4 — The Cost Falls on the DISCOM or the Consumer — and Either Way Defeats the Rationale

- That in both cases the avoidable cost is borne in one of two ways, by reference to the line length under the applicable General Terms and Conditions of Supply / estimate *Where the line required exceeds the prescribed distance (taken in practice to be of the order of one kilometre), the capital cost is passed to the applicant as service-line / development charges — so the consumer, including the very agricultural consumer the “Rythu DISCOM” is said to benefit, is burdened with a charge that would never have arisen under unified area-based supply.*
- *Where the line required is below that distance, the cost is borne by the licensee — so the incumbent (or TGRPDCL) absorbs unrecovered capital expenditure, worsening the financial position of the DISCOMs.*
- That this is a pincer from which the scheme cannot escape. G.O. Ms. No. 44 premises the formation of the third DISCOM on the deteriorating finances of the DISCOMs arising from the gap between Average Billing Rate and Average Cost of Service. Yet the mechanism chosen adds avoidable capital expenditure — loaded on either the DISCOM or the consumer — and therefore worsens the very problem it claims to solve.
- That a restructuring whose chosen means defeat its own stated object cannot be said to be a reasonable or rational exercise of regulatory power, and this consideration is independently fatal to the applications and squarely relevant to the Article 14 analysis in Part VIII.

PART VII — GROUND IV (CONTINUED): FRAGMENTATION OF THE SUPPLY OBLIGATION AND THE JURISDICTIONAL VACUUM

The same root cause — splitting ownership of a shared network by consumer category — produces a second consequence in law: situations in which a consumer holds a Section 43 right but no licensee can be identified as bound to honour it. This is the “jurisdictional vacuum.”

- That after the amendment no single licensee will be capable of discharging the complete Section 43 obligation within its area: TGSPDCL and TGNPDCL will serve all categories except agriculture and allied, and TGRPDCL only agriculture and allied. The obligation will exist in fragments across entities but be whole in none.

Illustrative cases in which no licensee owns the obligation:

- *The converting farmer — an agricultural consumer sets up a cold-storage unit needing a commercial connection at the same premises: TGRPDCL cannot serve the commercial load; the incumbent has been divested of the agricultural assets at that point.*
- *The rural domestic applicant — a new household in a pocket where only TGRPDCL has infrastructure: TGRPDCL’s licence does not extend to domestic consumers; the incumbent has no assets there.*
- *The penalty vacuum — a consumer denied supply seeks the Section 43(3) penalty: each licensee points to the other, and the statutory remedy is rendered unenforceable.*
- That this fragmentation cannot be cured by inter-licensee arrangements: the Section 43 duty is statutory and personal to each licensee, it cannot be discharged by contractual delegation, the consumer’s right runs against a specific licensee, and the Act provides no mechanism for shared or apportioned obligation.

PART VIII — GROUND V: ARTICLE 14 — ARBITRARY CLASSIFICATION WITHOUT RATIONAL NEXUS

- That Article 14 of the Constitution forbids arbitrary State action and permits classification only where there is (a) an intelligible differentia and (b) a rational nexus between that differentia and the object sought to be achieved. Failure of either limb is fatal (*E.P. Royappa v. State of Tamil Nadu*, (1974) 4 SCC 3).
- That the proposed restructuring classifies consumers in the same area, on the same feeder, by consumer category — agricultural and allied on the one hand, all others on the other — and assigns them to different licensees with materially different financial standing and accountability.

Consumer class	Assigned licensee	Accountability and financial backing
Domestic / Commercial / Industrial	TGSPDCL / TGNPDCL	Established licensee; proven infrastructure and regulatory record
Agricultural / Water supply	TGRPDCL	New entity; Rs. 5 crore equity; shared management; dependent on State support

- That the claimed differentia — consumer category — exists in the Act solely for tariff determination and has no bearing on the right to supply. A classification built on a tariff tool has no rational nexus to the object of universal, non-discriminatory supply, and fails Article 14 at the second limb.
- That the want of rational nexus is demonstrated, not merely asserted: as shown in Part VI, the chosen mechanism adds avoidable capital cost and can worsen DISCOM finances, defeating the stated object of relieving those finances. A means that frustrates its own object cannot bear a rational nexus to it.
- That the differential treatment cannot be defended as the price of genuine independence, for TGRPDCL is not independent: on the Government's own order it shares its Chairman and Managing Director and a majority of its Directors with the incumbents and is capitalised by them. The agricultural consumer is moved from a financially stable licensee to an under-capitalised entity controlled by the same management — losing financial standing and infrastructure ownership while gaining none of the benefits of independence. A classification that worsens one class's position while conferring no countervailing benefit is the paradigm of arbitrariness condemned by Article 14.
- That the agricultural consumer is reassigned compulsorily, without consent and without individual hearing, to a less secure licensee — reinforcing the arbitrariness of the classification.

PART IX — THE TRANSFER IS PROCEEDING AHEAD OF STATUTORY APPROVAL

- That the Annexure to G.O. Ms. No. 44 targets commencement of TGRPDCL's operations from 1 April 2026 and directs the incumbent DISCOMs to carry out the segregation of assets, liabilities, and consumers — a timeline that precedes, and is independent of, any determination by this Commission, and that runs ahead of the close of the present objection process itself.
- That if the operational transfer is permitted to proceed before the licence applications are heard and decided, the statutory process under the Electricity Act, 2003 will be reduced to a post-facto formality, and the fragmentation described in

Part VII will become entrenched and practically irreversible before this Commission has ruled.

PART X — WHAT A COMPLIANT RESTRUCTURING WOULD REQUIRE

The objector does not oppose dedicated attention to agricultural supply. Any restructuring, however, must at a minimum satisfy the following to be lawful:

- Every licensee must remain capable of serving any person in its area of supply, so that no consumer at any time falls into a jurisdictional vacuum.
 - TGSPDCL and TGNPDCL must retain a concurrent Section 43 obligation toward agricultural and allied consumers as a statutory safety net, so that every consumer always has an identifiable, accountable licensee.
 - If TGRPDCL is to be licensed at all under the proviso to Section 14, it must be licensed as a full-service area licensee capable of serving any person — not as a category-restricted entity.
 - The incremental segregation cost (the additional 11kV lines, DTRs, and interface metering identified in Part VI) must be quantified and its incidence (consumer versus DISCOM) disclosed before any licence is granted.
 - TGRPDCL's financial viability must be demonstrated by independent assessment satisfying the 30% equity and creditworthiness norms, not asserted; and Consumer Grievance Redressal Forums and the Electricity Ombudsman for the transferred consumers must be operational before, not after, any transfer.
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PART XI — PRAYERS

In the premises, the objector respectfully prays that this Hon'ble Commission be pleased to:

Prayer A — On Section 18

Reject the applications of TGSPDCL and TGNPDCL under Section 18 of the Electricity Act, 2003, on the ground that Section 18 affords no power to excise a class of consumers from a licensee's obligations and that what is sought is, in substance, a partial surrender of licence unknown to the Act.

Prayer B — On the Section 14 / Capital-Adequacy Contradiction

Hold that a category-restricted entity cannot be licensed under the proviso to Section 14, which requires a parallel licensee capable of serving any person in the area; and that TGRPDCL, with paid-up equity of Rs. 5 crore against liabilities of the order of tens of thousands of crores, does not satisfy the 30% equity and creditworthiness requirements of the Capital Adequacy Rules, 2005 and Section 12 of Regulation 4 of 2016.

Prayer B-A — On Section 131

Hold that Section 131 of the Electricity Act, 2003 affords no foundation for the proposed restructuring: a statutory transfer scheme is subordinate to the Act and cannot achieve what Sections 14, 16 and 18 reserve to this Commission, nor dilute the duty imposed by Section 43; that the carve-out of a consumer class requires a licence amendment which Section 18 does not permit, and cannot be effected by a \u201Cdeemed\u201D amendment said to flow from a transfer scheme; and that the contention that the obligation is merely \u201Callocated\u201D and not diluted is unavailable here, because the present scheme transfers the distribution network itself to TGRPDCL and so fragments supply physically, rather than leaving a unified network in the incumbent\u2019s hands. Further hold that any approval of a co-ordinate authority sanctioning a differently-structured, retail-only restructuring is distinguishable and non-binding, and is no authority for the network-splitting, category-restricted scheme now proposed.

Prayer C — On Section 43

Declare that the Universal Service Obligation under Section 43 is area-based, person-centric, and indivisible, attaching to every person within the area of supply irrespective of consumer category; and that consumer categories are instruments of tariff under Sections 61–62, not filters on the duty to supply.

Prayer D — On Avoidable Cost and Disclosure

Direct that the applicants quantify and place on record the incremental capital cost of network segregation arising from the proposed category-based ownership — including additional 11kV lines, DTRs, and interface metering — together with its incidence as between the consumer and the DISCOM; and decline to approve a restructuring whose chosen mechanism adds avoidable cost and worsens the financial position it is said to remedy.

Prayer E — On Article 14

Declare that the classification of consumers by category for the purpose of supply obligation has no rational nexus to the object of universal electricity supply, and is arbitrary and violative of Article 14 of the Constitution of India.

Prayer F — On Concurrent Obligation

Direct that TGSPDCL and TGNPDCL shall retain their concurrent and undiminished obligations under Section 43 toward all consumers, including agricultural consumers, within their respective areas of supply, as a statutory safeguard, notwithstanding any licence granted to TGRPDCL.

Prayer G — On Financial Viability and Grievance Redressal

Direct that no licence be granted to TGRPDCL and no transfer of consumers, assets, or liabilities be effected until TGRPDCL demonstrates financial viability by independent assessment, and until Consumer Grievance Redressal Forums and the Electricity Ombudsman for the transferred consumers are fully constituted and operational.

Prayer H — On Premature Transfer

Direct that no transfer of consumers, assets, or liabilities, and no commencement of operations by TGRPDCL, shall take place unless and until the licence applications are heard and decided on merits by this Hon'ble Commission.

Prayer I — General

Pass such further orders as this Hon'ble Commission may deem fit in the interest of consumers and in consonance with the Electricity Act, 2003 and the Constitution of India.

Respectfully submitted,

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Date: 22 June 2026