

The Secretary

Telangana State Electricity Regulatory Commission

S.No.145, Vidyut Niyantran Bhavan

GTS Colony, Hyderabad 500 045

May 18, 2026

Respected sir,

Sub : Additional submissions in OP No.11 of 2026 in the matter of application for grant of distribution licence to Telangana Rythu Power Distribution Company Limited

Further to our submissions dated 25.4.2026 and 5.5.2026, we are submitting the following additional points on the subject issue for the consideration of the Hon'ble Commission:

- 1. Either in G.O. Ms.No.44 dated 17.12.205, or in the subject petition, details pertaining to the present financial position of TGSPDCL and TGNPDCL are not given. How the proposed arrangement of forming the third DISCOM, TGRPDCL, would improve the financial condition of the three DISCOMs is also not explained. In their responses to our submissions on their annual performance review of their distribution business for 2023-24 and for the 4th control period, etc., TGDISCOMs gave their accumulated losses for their retail supply business as shown below:**

SPDCL showed a cumulative loss of Rs.47,239.15 crore at the end of FY 2023-24 - up to 2019 Rs.24362.30 crore, Rs.4933.41 crore for 2019-20, Rs.4245.96 crore for 2020-21, Rs.629.80 crore for 2021-22, Rs.8147.48 crore for 2022-23 and Rs. 4909.53 crore for 2023-24.

NPDCL showed an accumulated loss of Rs.20,036.92 crore up to FY 2023-24.

Both the DISCOMs explained that the huge losses incurred by them are mainly due to increase in power purchase cost for extension of uninterrupted quality power supply to the consumers to meet the rapid load growth. SPDCL informed that it has to receive the arrears from the government department service connections towards energy drawl. NPDCL claimed that the cumulative loss will be overcome by getting the grants or schemes from the government as additional support.

Regarding arrears, as on 30.9.2024, the DISCOMs showed accumulated arrears to be collected to the tune of Rs.30,777.65 crore. Both the DISCOMs did not show arrears to be collected from the departments of the government and local bodies separately.

That the accumulated losses and arrears to be collected by the DISCOMs reached an astronomical figure of Rs.98,053.72 crore confirms the lukewarm approach and

failure of the government during the last more than one decade to take remedial measures in time and adequately and nurse the DISCOMs back to financial health. This ever-intensifying precarious position of the DISCOMs also confirms the limitations and deficiencies of the regulatory role of the Commission in terms of law and practice.

2. In their ARR submissions for the FY 2026-27, the DISCOMs have shown arrears of consumers over Rs.50,000 pending for over six months as hereunder:

DISCOM	As on 31.3.2025	As on 30.9.2025
SPDCL	Rs.20463.81 cr	24186.83 cr.
NPDCL	15507.72	17968.45
Total	35971.53	42155.28

Within a span of six months, the arrears to be collected by the DISCOMs increased by Rs.6183.75 crore or by 17.19%. Within a span of one year from 30.9.2024, the arrears of both the DISCOMs increased by Rs.11,377.63 crore from Rs..30,777.65 crore to Rs.42155.28 crore or 37%. Despite the claimed efforts of the DISCOMs to collect arrears from the consumers, the trend of increasing arrears is alarming.

3. How the financial position of the TGDISCOMs has been changing since the inception of the state of Telangana needs to be examined and analysed, especially, in view of the concern expressed in the said G.O. by the present government. I request the Hon'ble Commission to direct the authorities concerned to provide details relating to the latest

- a) accumulated losses of the DISCOMs
- b) accumulated arrears to be collected from the consumers
- c) accumulated arrears to be collected from the state and central governments and their departments and utilities and local bodies
- d) accumulated subsidy and true-up amounts to be paid by the state government
- e) Accumulated dues to be paid by the DISCOMs to TGGENCO and other generators and suppliers of power, and TGTRANSCO and PGCIL, and
- f) accumulated dues of loans to be cleared by the DISCOMs.

On earlier occasions, the DISCOMs did not provide the above-mentioned information sought by us. Nor did the Commission direct them to provide the same.

4. As a result of faulty and questionable policies, decisions and actions of the central and state governments, as well as deficiencies in the performance of power utilities, burdens of tariff hikes and true-up claims on the consumers, despite hefty subsidies being provided by the state governments, have been increasing. Nearly 78% of ARR of the DISCOMs in Telangana is on account of cost of power purchase. Reluctant to make an honest and objective reappraisal of the reform process and unwilling to correct their questionable policies, based on experience, with no financial support from the GoI to the states, and state government unable to redeem its commitments to provide required financial assistance being committed by it as per its policy decisions, diversionary tactics are being adopted. Formation of the

proposed third DISCOM is a part of such tactics. In this entire process, the regulatory role of SERC has its failures and limitations. Since we have been articulating all such issues and what is to be done during the regulatory process of successive SERCs over the years, here, we are not going again into what corrective measures should be taken by the governments.

- 5. Am enclosing a copy of a paper submitted by me in the workshop on “TGRPDCL (Rythu DISCOM) in Telangana: Issues and Challenges” organised on 17.5.2026 at Centre for Economic and Social Studies by People’s Monitoring Group on Electricity Regulation & Centre for Power Studies. I request the Commission to treat it as a part of my submissions on the subject issue, as it gives a consolidated picture of my submissions, including the submissions already made in writing.**

Thanking you,

Yours sincerely,

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Encl: A paper on implications of formation of TGRPDCL