

Telangana Rythu Power Distribution Company Limited (TGRPDCL)

Responses to Objections / Suggestions

On

Licensee Application

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Response to Sri.M.Venugopala Rao garu(Additional 1)		
1.	The third DISCOM, admittedly, does not have its own distribution network within the same area of the existing DISCOMs and depends on the distribution network of SPDCL and NPDCL for distribution of power up to its DTRs from the points of generation by paying wheeling charges determined by the Commission.	TGRPDCL submits that it will pay the applicable wheeling charges, as determined by the Commission, to the incumbent DISCOMs for use of their infrastructure.
2.	Does the government prohibit SPDCL and NPDCL from giving new connections to agricultural consumers and other categories of consumers proposed to be transferred to the third DISCOM as and when such consumers come into existence afresh in the areas of operation of the two DISCOMs?	As per G.O.Ms. No. 44 dated 17 th Dec 2025, the third DISCOM is designated to cater to the specified consumer categories. Other category consumers will continue to be served by the incumbent discoms
3.	If the reasoning of the government in creating a new DISCOM based on specified categories of consumers is accepted, will it be extended and applied to new private DISCOMs that may come up in the future by allowing them to cater to specific categories of consumers of their choice.	TGRPDCL submits that the concern needs to be viewed in the broader context of ongoing power sector reforms aimed at improving service quality and financial sustainability of DISCOMs. The creation of a new DISCOM to exclusively serve agricultural and other priority category consumers is a reform-oriented measure intended to ensure reliable and quality power supply to these categories while strengthening the overall financial position of utilities. This initiative is not indicative of any move toward privatization. The point raised by the objector of allowing a private DISCOM to

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		cater to specific categories of consumers of their choice amounts to 'cherry picking'. This is against the provisions of Electricity Act
4.	If the reasoning of the government in creating a new DISCOM based on specific categories of consumers is accepted, will it be extended and applied to create new DISCOMs to cater to specific categories of consumers like HT industries and commercial, LT domestic, and other categories of consumers?	TGRPDCL submits that the mandate given to TGRPDCL is to serve agriculture and other priority category consumers. Majority of such agriculture consumers are in rural areas, including remote areas. This would entail longer network length and techno-commercial challenges in serving the consumers. This is one of the pioneering reform measures proposed to improve the service quality to agricultural and other priority category consumers. All other categories of consumers will continue to be served by the incumbent discoms.
5.	Section 43 of the Electricity Act, 2003, says: "every distribution licensee, shall, on an application by the owner or occupier of any premises, give supply of electricity to such premises, within one month after receipt of the application requiring such supply." Category-wise compartmentalization of distribution area for the purpose of giving distribution licence goes contrary to this provision and gives a go-by to the obligation of a distribution licensee to supply electricity to the premises of the applicants concerned within its area operation, irrespective of the category under which applicants come. If an agricultural extent being served by the third DISCOM transforms into a residential or commercial or industrial area later, within the present area of operation of the third DISCOM, which distribution licensee should give service connections to such new	TGRPDCL would be serving agriculture and other priority category services outlined in the GO. All other services including new connections would be catered by the incumbent DISCOMs.

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	categories of consumers and how would power to such consumers be supplied?	
6.	Regarding the norm of 30% equity on cost of investment, the book value of assets being transferred to the third DISCOM is shown as Rs.4929 crore, whereas the entire capex loan of Rs.6918 crore and working capital loan of Rs.9032 crore out of Rs.55,979 crore of the existing two DISCOMs are proposed to be transferred to TGRPDCL. Receivables from the government of Rs.35,982 crore to the third DISCOM are equivalent to loans of Rs.9032 crore plus dues to be paid by TGRPDCL to generators of power, i.e., TGGENCO, of Rs.26,950crore, as proposed in the said G.O. How does TGRPDCL provide 30% of equity on cost of investment? What is the creditworthiness of TGRPDCL to get new loans under the proposed arrangement? Regarding mobilisation of funds, it is simply “yet to be tied up.”	Only DTRs and downstream infrastructure is being transferred to TGRPDCL. CAPEX requirements for meeting the new connection growth would be detailed as part of business plan submission. The government may infuse additional equity on need basis for operations of TGRPDCL.
7.	Dues from the State Government to DISCOMs include subsidy, agriculture power true-up claims, and CC bills. HMWSSB alone owes ₹7084 crore to SPDCL/TGRPDCL, but its finances are strained due to pending government dues for free drinking water supply. This has created a chain effect, with DISCOMs unable to pay TGGENCO, and TGGENCO unable to clear dues to SCCL for coal supply. The core issue is the large accumulation of unpaid government dues and poor recovery. There is no proposal or indication as to when the government and its utilities would release their dues to the DISCOMs with carrying cost or interest. With	The proposed reform measure is aimed at addressing the concerns pointed out by the objector. By having a focused approach on the key issues, appropriate solutions would be evolved to address the concerns.

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	such a lackadaisical approach, the concern expressed by the state government in the said G.O. does not carry conviction to bail out the DISCOMs from their precarious financial position. The government is trying futilely to camouflage its failures of commission and omission responsible for the financial distress of the DISCOMs. The irresponsibility of successive state governments is responsible for the continuing and burgeoning financial predicament of the DISCOMs.	
8.	For the failures of successive governments to release dues to the DISCOMs and the latter's failure to collect dues from other non-governmental consumers, and unable to make payments to generators and suppliers of power in time, claims for late payment surcharge running into hundreds of crores of rupees are being made by the DISCOMs every year, requesting the Commission to allow the same to be collected from the consumers. Similarly, claims of the DISCOMs for fuel surcharge adjustment are being allowed by the Commission to the extent it considers them permissible. When true-up claims of the DISCOMs are allowed by the Commission, as permitted, the DISCOMs can collect the same from their consumers. For free supply of power to agriculture, TGRPDCL will have to collect the permitted true-up amounts from the state government, or, rather it will have to wait till the government pays the same. Here, again, need for timely payment by the government comes to the fore.	Financial sustainability would through timely receipt of subsidies and government dues.
9.	That the Hon'ble Commission has accepted request of GoTS to defer consideration of a true-up of Rs.7635.22 crore approved for the FYs 2022-23 and 2023-24 by one year, in view of creating TGRPDCL, shows how	True-ups would be filed as per the regulatory provisions of Hon'ble TGERC.

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	creation of the third DISCOM is being used to create new problems to the DISCOMs and consumers. It is not explained as to how creation of the third DISCOM would come in the way of recovery of the approved true-up amount from the consumers and GoTS and why deferment of it by one year is required and justified. SPDCL and NPDCL can recover the approved true-up amounts from the consumers, as decided by the Commission, and from the GoTS for free supply of power to agricultural consumers till the third DISCOM becomes operationalized. Thereafter, TGRPDCL has to raise bills for consumption of power every month by its consumers and include the true-up amounts applicable every month in the CC bills till the true-up amount due is recovered from the consumers and to be recovered from GoTS. If GoTS agrees to provide the total true-up amount, the same can be recovered from it by all the three DISCOMs. The strange approach of deferring recovery of the already overdue true-up amounts approved by the Commission by one year goes against the apparent concern expressed in the said G.O. by GoTS about the precarious financial condition of the DISCOMs. Who should bear the carrying cost for the approved true-up amounts for the period of avoidable delay?	Since the formation of TGRPDCL is structurally altering the sales mix of DISCOMs, clear view of the true-ups of each discom would be available after the segregation proposed.
10.	For fixing smart meters to DTRs to be owned and maintained by TGRPDCL, a capital investment of Rs.1306 crore is proposed. Apart from mobilising funds for the same, whether fixing of smart meters to DTRs is required is in the realm of uncertainty, going by the divergent views expressed by the DISCOMs. In their replies to our submissions on the	The proposal for DTR-level smart metering is driven by the need for more accurate and granular energy accounting, especially since the proportion of dedicated agricultural feeders in Telangana is relatively low

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	ARR and tariff proposals of the DISCOMs for the FY 2026-27, they have pointed out that “along with pursuance for participation in RDSS, the TGDISCOMs are examining the option of providing DTR-level metering, and once implemented, it will enable more accurate assessment of consumption patterns.” At the same time, the DISCOMs have also pointed out that all the feeders in both the DISCOMs were already equipped with meters. Segregation under RDSS, when taken up, can assess agricultural consumption with feeder meter data, without fixing meters to agricultural DTRs. When the third DISCOM comes into operation, segregation of feeders for agricultural and non-agricultural consumers is inevitable. In such a situation, when feeders are equipped with meters, fixing meters to agricultural DTRs would not be required to measure power supplied to the third DISCOM, as the meters fixed to feeders would be sufficient to measure the same.	
11.	With allocation of 42% of available power to TGRPDCL, will the same pattern continue when it comes to allocation of power from new thermal power stations with whom the DISCOMs would enter into PPAs, irrespective of requirement of the third DISCOM? Such a mechanical approach may lead to availability of more surplus power to TGRPDCL, backing down the same and paying fixed charges for it.	As per the latest GO, G.O.Ms.No.8 dated 08.05.2026, the allocation of PPAs between the three Distribution companies of Telangana shall be done in such a manner that a higher share of Renewable Energy is allotted to TGRPDCL since the demand profile of consumers transferred to TGRPDCL also aligns with the generation pattern of Renewable Energy sources. Any remaining requirement will be met through, through D-to-D purchases, banking arrangements. This approach will ensure efficient utilization of the power mix. Backing down will occur only when there is excess at the state level, not because of TGRPDCL's

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		allocation. This ensures efficient utilization of the power mix and avoids fixed-charge burdens and True-up claims.
12.	Apportionment of distribution losses to TGRPDCL, without its own distribution network, up to the point of agricultural DTRs may turn out to be problematic, leading to disputes, especially when SPDCL and NPDCL fail to achieve the targets of reduction of distribution losses fixed by the Commission in its MYT orders. Moreover, the Commission may have to determine targets for reduction of line losses to TGRPDCL separately from the point of its agricultural DTRs to the points of consumption	Distribution loss computations for TGRPDCL will be carried out strictly in accordance with the established methodologies and regulations prescribed by TGERC, ensuring consistency and transparency. Further, all DISCOMs will make efforts to achieve the loss reduction targets set by TGERC under the MYT framework.
13.	While working out FSA and true-up claims, apportionment of additional cost of purchases in the market and through exchanges also may become problematic, leading to disputes. If such additional power is purchased to meet demand of non-agricultural consumers of SPDCL and NPDCL, proportionate apportionment of such additional cost to per unit of power supplied to TGRPDCL within the limits of availability of power determined by the Commission in the retail supply tariff order to work out true-up claim per unit of all the DISCOMs would become questionable. For the FY 2026-27, the DISCOMs have projected requirement of short-term purchases of 11,641 MU. How much would be the requirement of short-term purchases for TGRPDCL, going by the pattern of consumption of the categories of consumers being allotted to it? Despite the claimed efforts of the ISCOMs, as directed by the Commission, for consensus with the farmers for peak load management, i.e., shifting their timings of consumption from peak to off peak hours, they could not achieve any tangible results. Will formation	As per the latest GO, G.O.Ms.No.8 dated 08.05.2026, the allocation of PPAs between the three Distribution companies of Telangana shall be done in such a manner that a higher share of Renewable Energy is allotted to TGRPDCL since the demand profile of consumers transferred to TGRPDCL also aligns with the generation pattern of Renewable Energy sources. Any remaining requirement will be met through, through D-to-D purchases, banking arrangements. The apportionment of such power procurement costs, including FSA and true-up, will follow the same established methodology and regulatory framework already in use, and is therefore not expected to create any new issues.

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	of the third DISCOM facilitate such consensus?	
14.	There is no mention of transfer of land, offices, vehicles, inventory, etc., to the third DISCOM from the present two DISCOMs.	Major asset bifurcation has already been outlined in the G.O. The transfer of other operational assets such as land, offices, vehicles, and inventory will be addressed as part of the detailed business plan for TGRPDCL.
15.	If geographical location is the basis for allotment of intra-state solar power to the DISCOMs, and if TGRPDCL has to depend on inter-state solar power, the burden of inter-state transmission charges and losses will be disproportionately higher on it in view of the irrational and imbalanced GNA regulations and orders of the Central Electricity Regulatory Commission. Whether the 18 solar power plants proposed to be set up in the state would be allocated to TGRPDCL is not clear.	TGRPDCL submits that the landed cost of power at Telangana State periphery need to be considered as a metric rather than focusing on GNA charges alone.
16.	In the additional information dated 06.04.2026, several measures are proposed for TGRPDCL, including load forecasting, network expansion, GIS-based planning, DTR metering, smart infrastructure, loss reduction, renewable integration, and improved reliability and compliance. These are standard measures already being implemented or can be implemented by existing DISCOMs (SPDCL and NPDCL) in a phased manner. The proposal to deploy staff from SPDCL and NPDCL to TGRPDCL further indicates that required capabilities already exist within current DISCOMs. Since consumers, staff, network, and resources are being reallocated from existing DISCOMs, the improvement in efficiency and quality depends on implementation of these measures rather than formation of a new	TGRPDCL submits that the proposed measures can indeed be implemented within the existing DISCOM framework in a phased manner, the formation of TGRPDCL is aimed at strengthening the overall financial viability of the three DISCOMs and enabling better focus on specific consumer segments. By restructuring operations, the new DISCOM is expected to improve access to critical infrastructure initiatives and funding programs, thereby enhancing its operational performance.

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	DISCOM.	
17.	Petition No.08 of 2026 filed by TGNPDCL, amending its distribution licence extending its services to all the consumers of Co-operative Electric Supply Society Limited (CESS), as directed by the Hon'ble Commission, is already pending before the latter. It shows the need for dispensing with a separate entity like CESS. When such is the case, formation of TGRPDCL goes against such an approach.	Based on the current state of operations in CESS, decision was taken by GoTG to merge it with TGNPDCL in the interest of service delivery to consumers. Additionally, it may be noted that both the merger of CESS with TGNPDCL and the creation of TGRPDCL are driven by a common objective i.e., ensuring reliable and quality power supply to consumers.
18.	Since SPDCL and NPDCL cannot oppose the decision of the state government, having already passed resolutions by their boards of directors to issue no objection certificate in favour of TGRPDCL for applying to TGERC for grant of a distribution licence for the categories of consumers specified in the said G.O., with SPDCL stating that “the issuance of such No Objection Certificate shall not adversely affect the Company’s existing operations, rights, or obligations under its current distribution license.” It is doubtful whether SPDCL and NPDCL would articulate their concerns, if any, on the formation of the third DISCOM. It is obvious that it is a political decision of the government to create the third DISCOM, as proposed in the said G.O.	TGRPDCL submits that the formation of a separate DISCOM for agricultural consumers is part of a broader structural reform aimed at improving service quality, transparency, and financial sustainability of the power sector. In this context, SPDCL and NPDCL have aligned with these objectives and have provided their No Objection Certificates accordingly, supporting the initiative as part of the overall reform process.
19.	Formation of a third DISCOM based on specified categories of consumers, without its own distribution network, will be bristling with new problems. It is a duplicity with avoidable additional expenditure and without any additional benefit. It will not foster any competition. It is like administering a	Wherever possible, existing infrastructure, manpower, and systems will be utilized through infrastructure sharing agreements. This will avoid additional cost burden.

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	wrong medicine to the identified ailment based on a wrong diagnosis. Considering the pros and cons of formation of the third DISCOM, as proposed, we request the Hon'ble Commission to reject distribution licence to the same. If it cannot reject distribution licence to TGRPDCL, we request the Commission to give a piece of reasoned advice to the state government to re-examine its decision to form the third DISCOM and return the petition.	The formation of TGRPDCL is a considered policy initiative and part of broader structural reforms aimed at improving service quality, transparency, and financial sustainability of DISCOMs. The proposal is subject to detailed scrutiny by the Hon'ble Commission, which will ensure that the interests of consumers and the DISCOMs are duly safeguarded.
Response to Sri. S. Surya Prakasa Rao garu (Additional 1)		
20.	Thank you for the replies on my suggestions in response to the public notice for grant of distribution licence to TGRPDCL. However, I am surprised to note that TGRPDCL doesn't recognise the importance of segregation of Agricultural feeders at 33/11 kV substations. In item 4, it is stated that segregation of feeders is CAPEX intensive with minimal benefits and that 24 hours supply is being given to agricultural consumers. This contention of minimal benefits is grossly misconceived and is highly detrimental to the very objective of providing efficient and quality supply to agricultural consumers for which the TGRPDCL is formed. I hope that Hon'ble Commission will make appropriate provisions in the licence conditions on segregation of Agricultural feeders.	Before taking up any feeder segregation activity, a detailed cost benefit analysis needs to be done. TGRPDCL submits that the Hon'ble commission may consider such assessment before passing order.

