

May 18, 2026

To

The Secretary,
TG Electricity Regulatory Commission,
Vidyut Niyamtran Bhavan, GTS Colony, Kalyan Nagar, Hyderabad – 500 045

From

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Respected Sir

Sub: Additional Comments on the Application for Grant of License by TGRPDCL

We had submitted comments on the subject on May 01, 2026. Please find a few more comments, mainly on an alternate model for an Agriculture Power Supply Company in Telangana.

We hope that inputs from other TG DISCOMs, TG TRANSCO and Energy Department- GoTG would also be available during the public hearing.

We request you to take our submission on record, and give us an opportunity to present this during the public hearing at Hyderabad.

Thanking you,

Yours truly

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**Additional Comments by Prayas (Energy Group) on the Application
for Grant of License by TGRPDCL**

1. General comments

A category -based DISCOM has many regulatory and operational challenges and we feel that this idea needs more consideration before finalisation.

Some objections have been filed detailing the challenges, but the DISCOMs have only submitted short notes expressing No Objections. It is unfortunate that they have not analysed the implications of the formation of such a company.

If TGRPDCL is to depend on DT metering for agriculture energy accounting, many challenges are expected. As suggested in the Annexure -1, it is better to take up a pilot project before taking it up state-wide. Until DT metering stabilises, it is better to adopt feeder metering based approach to estimate agriculture consumption. This is also elaborated in Annexure 1.

2. Alternate institutional structure

If the decision is to go ahead with the formation of a separate entity for power supply to government supported consumers, we request Hon'ble TGERC to advise GoTG to reconsider the institutional structure of Rythu DISCOM, since a new DISCOM license has many regulatory and operational challenges, such as the definition of distribution, honouring USO (handling non-agriculture consumer applications to TGRPDCL or agriculture consumer applications to DISCOMs) and ensuring quality of supply & service to its consumers. These were elaborated in our earlier submission dated May 01, 2026.

It may be better that TGRPDCL has only the responsibility of power supply to specific government supported consumers (Agriculture, Lift Irrigation and Water supply schemes), with no role in construction & operation of network, and no role in metering & billing.

Alternately, a new company – say TG Rythru Power Supply Company - TGRyPSCO could be formed.

3. Suggested Framework for the Agriculture company

The framework for an Agriculture company – be it TGRPDCL or newly formed TGRyPSCO - could be as given below.

- a. TGRPDCL/TGRyPSCO (now onwards called Agriculture company) can apply to TGERC for an intra-state trading license, which could be granted after due process, under the [APERC Intra-state Trading Regulations 2005](#). This appears a good option, since

there is no provision of a Supply Company in the EAct, and formation of a new distribution licensee has many regulatory and operational challenges.

- b. GoTG can direct DISCOMs to trade low cost power to the Agriculture company - through allocation of low cost PPAs and arriving at a low BST after accounting for existing cross-subsidy support in other DISCOMs. This would be similar to the arrangement of a low BST to RESCO, or as practised with Odisha DISCOMs.
- c. GoTG can direct DISCOMs to waive the trading margin and re-imburse them the required wheeling charges & losses.
- d. DISCOMs can continue to construct and operate their respective distribution networks and be responsible for metering & billing of the all consumers, including those of the Agriculture company.
- e. DISCOMs and the Agriculture company will jointly work on energy accounting of Agriculture company's power supply to agriculture and other consumers.
- f. Agriculture company will work with support from DISCOMs to handle supply & service complaints and complaint redressal of its consumers. Thus, these consumers will get much better and focussed attention.
- g. GoTG to ensure that only the liabilities of Agriculture company consumers are allocated to it. TGGENCO dues (Rs.26,950 Cr) and part of DISCOM working capital loans (Rs.9,032 Cr) should be absorbed by GoTG. GoTG should also try to absorb part or whole of the receivables from Lift Irrigation and Water supply consumers. The Maharashtra State Government order (dated 21/04/2026) on Agriculture demerger and the formation of MSEB Solar Agro Power Limited (MSAPL) under Section 131 of the EAct has provisions for this. It has provisions of the state government writing off non-recoverable receivables from agriculture consumers, taking over government guaranteed loans and issuing long-term government securities/paper to lenders in exchange for their loans.
- h. Agriculture company will need just the required staff at the HQ and a few at local DISCOM (say SE) offices. For all field work, it could draw upon the respective DISCOM staff.
- i. Going ahead, the Agriculture company could plan measures to reduce cost of supply. This could be through measures such as solar feeders for agriculture, Virtual Net-metering for LI and Water works, Short/Medium term contracts for LI etc. Agriculture supply is 24x7, but will be good to explore possibility of aligning it with solar hours, or at least meet part of the supply through solar. LI has very high connected load (projected as nearly 10,000 MW), but operates only for a few hours in a year.
- j. Going ahead, the Agriculture company can improve agriculture consumption estimates, and take steps to reduce power consumption through efficiency measures in electricity and water use. Annexure -1 is a short note on better estimation of agriculture consumption.

Annexure 1: Better estimation of Agriculture Consumption

TG DISCOMs had used the ISI methodology, based on sample DT meter readings to estimate agriculture consumption. But a few years ago, Hon'ble TGERC suggested an alternate approach based on connected load and hours of operation. This method is now being flowed.

Since agriculture metering is not feasible, agriculture consumption can be better estimated using feeder metering or DT metering. Many states, including AP, use feeder meter data to estimate agriculture consumption.

Agriculture DT metering

In TG, when we had suggested that all Agriculture DTs should be metered and agriculture consumption should be estimated based on such meter readings, DISCOMs had responded that this could be done under RDSS. But no clear timelines or plans were provided for this. Proposed TGRPDCL plans to install smart meters on all the agriculture DTs and measure agriculture consumption based on those readings.

The progress of smart metering in India has been facing many challenges. Feeder metering coverage is nearly 100%, whereas the same cannot be said about DT or consumer metering. As per the [CEA Report on metering in the country \(as on 31/3/2025\)](#), the status of DT metering is as given in Table 1.

	India	TG
No of rural DTs Lakhs	130.85	6.24
% Metered	39%	26%

Table 1: Rural DTs and metering status (CEA report on metering 2025)

It can be seen that only 39% of the rural DTs are metered in India and only 26% in TG. As per the CEA report, near 100% rural DT metering is reported from only six states – namely Chhattisgarh, Gujarat, Kerala, Himachal, Goa and Mizoram. Smart meters are being installed on DTs, are part of RDSS, and they are expected to communicate data in an online mode. As per the [RDSS dashboard](#), only on-third of the installed meters are communicating. This may be an optimistic figure, since as per a CII report on smart metering, only 3% of the DTs are communicating. Issues with meter failures and communication failure have been reported from many states. All these show the challenges in installing smart meters on rural DTs and ensuring online data.

Therefore, in TG, if Agriculture DT metering is to be taken up, it is better to take up a pilot in one circle, to understand installation and operation issues. Lessons from the pilot can be used to take up metering for the whole state.

Feeder metering based estimation of agriculture consumption

As per the CEA metering status report, all the 10,620 rural 11 kV feeders in Telangana are reportedly metered. This data can be used to estimate agriculture consumption as described in the following paragraphs.

a. For dedicated agriculture feeders

If the feeder has only agriculture consumers, annual agriculture consumption on a feeder can be calculated as:

Agriculture consumption (MU) = Annual energy export – Energy losses on feeder, DT and LT lines

To begin with, energy losses can be calculated based on the % losses given in the approved MYT order for distribution business.

b. For mixed feeders

Agriculture consumption (MU) = Annual energy export – Energy losses on feeder, DT and LT lines – Metered sales to non-agriculture consumers

It is expected that the consumers have been properly indexed to feeder and DT, and their metered consumption is available. To begin with, energy losses can be calculated based on the % losses given in the approved MYT order for distribution business.

c. Steps for improving this method

Feeder based estimation needs to be improved to ensure that metered consumption and losses are realistic. Feeder meter data may not be available for all feeders for the whole year.

To account for all these, feeders could be grouped into a few categories (based on considerations such as length, conductor type, loading etc), and detailed studies could be taken on a selected sample from each category. This is to ensure any gaps in consumer indexing or consumer metering quality, as well as to get a realistic estimation of losses. Technical loss can be calculated based on hourly feeder loading, conductor characteristics, DT and pumpset configuration. More details on sampling feeders and method for technical loss estimation can be found in the Final report of the [Maharashtra Agriculture consumption study working group, 2020](#).

We suggest that this approach be customised for TG and adopted for agriculture consumption estimation. ==*==