

Telangana Rythu Power Distribution Company Limited (TGRPDCL)

**Responses to Objections / Suggestions
On
Licensee Application**

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Sl.No.	Name and other details of the Objector	Objection Point No.
1.	Dr. Donthi Narasimha Reddy Public Policy Expert, Hyderabad	1
2.	M Venugopala Rao Senior Journalist & Convener, Centre for Power Studies, H.No.1-100/MP/101, Monarch Prestige, Journalists' Colony, Serilingampally Mandal, Hyderabad - 500 032	11
3.	S Surya Prakasa Rao Former Director (Commercial), erstwhile APCPDCL and Former Secretary, erstwhile APERC, Flat no.105, Ashok Chandra Enclave, 11-4-660, Redhills, Hyderabad – 500004	35
4.	Sreekumar Nhalur, Prayas (Energy Group) Unit III A&B, Devgiri, Joshi Rail Museum Lane, Kothrud, Pune, Maharashtra, 411038, India	43

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Response to Dr. Donthi Narasimha Reddy		
1.	The creation of TGRPDCL represents the most structurally significant restructuring of Telangana's power distribution sector since the bifurcation of APCPDCL in 2014. Its stated objectives — bringing efficiency and transparency to electricity subsidies and relieving TGSPDCL and TGNPDCL of agricultural and water supply arrears amounting to Rs. 35,982 crores — are sound in principle and consistent with the regulatory objectives of this Commission under Section 86 of the Electricity Act, 2003. However, the Commission's decision on this licence petition will set the operational and governance framework for an entity that will: • Serve 29.08 lakh consumers, all of whom receive free or heavily subsidised electricity; • Inherit infrastructure assets valued at Rs. 4,929 crores, working capital loans of Rs. 9,032 crores, and payables to TGGENCO of Rs. 26,950 crores; • Depend entirely on timely government subsidy releases of approximately Rs. 8,000 crores annually for its financial viability; • Operate in the same geographic territory as two existing licensees, creating a unique three DISCOM structure with no precedent in Indian power regulation; and • Require active cooperation from the two incumbent licensees for asset transfer, staff deputation, power purchase reallocation, and interim data sharing — none of which has been completed as of the date of this representation.	TGRPDCL was registered as a company on 18th March 2026 and since then it is actively working on aspects to fulfil the licensee criteria and has filed the distribution licensee application on 19th March 2026. The DISCOM is currently managing key transitional activities such as power procurement allocation, asset identification based on physical network surveys etc through temporary staffing arrangements. It may also be noted that Incumbent DISCOMs have also filed for modification of licensee application and issued NOC for formation of Third DISCOM. As mentioned in the G.O.Ms.No.44, dated 17.12.2025 and TGRPDCL also reiterates that the formation of TGRPDCL is not merely a financial pass through for government subsidy payments, but also has broader agenda mentioned below— • Participation in critical infrastructure initiatives for improving power supply quality to agricultural category and other category consumers • Better energy accounting • Improving quality of power supply

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	Given this context, the Commission is respectfully submitted that the grant of a distribution license in this matter requires consideration not only of the statutory eligibility criteria under Section 14 of the Electricity Act, but also of the operational safeguards necessary to ensure that the new licensee can function as a genuine electricity distribution utility — and not merely as a financial pass through for government subsidy payments.	
2.	Capital Adequacy: The Capital Adequacy Rules, 2005 require demonstration of 30% equity on the cost of planned distribution network investment. TGRPDCL's paid-up capital is Rs.5 crores against a Rs.4,929 crore asset base. The petition navigates this by relying on the Government guarantee provision under G.O.Ms.No.4 (Point 8) and the proviso to Section 14 of the Electricity Act, 2003. While this position is legally arguable given the state government ownership structure, the Commission may consider whether it would be appropriate to note — by way of a licence condition — that TGRPDCL shall demonstrate enhanced capitalisation or committed government backed credit lines within a defined period post-licence grant, so that financial viability does not rest entirely on the Government guarantee remaining unqualified.	TGRPDCL submits that it is a fully government owned company incorporated under the Companies Act, 2013. In accordance with G.O.Ms.No.44 dated 17.12.2025, the capital adequacy requirement is met through the Government guarantee, which provides backing for the TGRPDCL financial obligations. Further, upon transfer of the identified network to TGRPDCL, the capital expenditure (CAPEX) requirements for catering to future load growth and new connections will be detailed and addressed as part of the business plan submissions, in line with regulatory requirements.
3.	Debt Financing: 'Yet to be Tied Up' The licence petition contains the following disclosure under items 20(a) and 20(b): debt financing for distribution activities is "yet to be tied up" and lenders are "yet to be tied up." This is a material disclosure for an entity that will inherit Rs. 9,032 crores in working capital loans and will need to	Based on assets and liabilities, Licensee will initiate the transfer of applicable loans. TGRPDCL will abide by conditions laid out by Hon'ble commission for grant of license.

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	pay generators of the scale of TGGENCO (Rs. 26,950 crore payable) from its first day of operation. The Commission is respectfully submitted that a licence condition requiring TGRPDCL to furnish evidence of committed credit facilities within 90 days of licence grant — failing which the Commission may review the licence — would be an appropriate safeguard.	
4.	The petition discloses that a detailed five-year business plan will be submitted within three months of licence grant, per Regulation 38.1. This means the Commission is being asked to grant a licence to an entity whose fundamental operational planning document has not been prepared. The Commission is respectfully submitted to consider requiring that the business plan, once submitted, be placed before the Commission for review and that it mandatorily address: seasonal demand forecasting, the solar deboarding roadmap, the interim data management framework, and the DTR metering procurement timeline.	TGRPDCL submits that the five-year business plan will be submitted to the Hon'ble Commission within three months of licence grant as required under "Clause 38.1 of Regulation 04 of 2016 (Distribution License Regulations). <i>Extract from regulation "38.1 Subject to other regulations notified by the Commission, the Distribution Licensee shall submit a Business Plan within three (3) months of the Distribution Licence coming in force for such period as the Commission may direct and shall update such plan annually. The Business Plan shall, inter-alia, contain (i) year wise load growth, (ii) year wise Distribution loss reduction proposal along with specific action plan, (iii) metering plan for metering interface points, (iv) treatment of previous losses, (v) cost reduction plan, and (vii) other important financial analysis or parameters.</i> <i>Provided that the existing licensees shall submit such Business Plans within three (3) months from date of notification of this Regulation."</i> The plan will comprehensively cover seasonal demand forecasting,

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		interim data-sharing arrangements with existing DISCOMs, and power purchase planning.
5.	The Board of TGRPDCL as constituted comprises directors drawn entirely from the parent DISCOMs — TGSPDCL and TGNPDCL — which will be counterparties to TGRPDCL in bilateral negotiations on wheeling charges, interface metering, asset valuations, and PPA reallocation. This creates a structural conflict of interest that, if unaddressed, may affect the fairness of bilateral settlements. The Commission may consider requiring appointment of at least two independent directors with power sector expertise as a condition of licence.	TGRPDCL submits that the current Board composition reflects the transition phase of the new entity. The directors from TGSPDCL and TGNPDCL bring deep sector expertise and knowledge of the existing distribution network, which is essential for a smooth transition. Due process will be followed for appointment of Directors. TGRPDCL also affirms that all bilateral arrangements, wheeling charges, asset valuations, and PPA reallocations will be handled in a transparent manner and will be indicated in relevant filings to Hon'ble Commission from time to time.
6.	The Commission's attention is respectfully drawn to a governance challenge that has no direct parallel in any existing Indian distribution licence framework: three electricity distribution licensees will operate concurrently in the same geographic territory, serving different consumer categories on shared physical infrastructure. This creates friction points that cannot be resolved through the standard bilateral licensee-regulator relationship: • Interface metering disputes at every transfer point between TGRPDCL's agricultural DTRs and the upstream infrastructure of TGSPDCL and TGNPDCL	TGRPDCL submits that the three-DISCOM structure has been established within the framework of the Electricity Act, 2003. During the transition period, operational coordination and Emergency outage response among the three DISCOMs will be ensured through Inter DISCOM coordination, coordination with TGSLDC.. Detailed guidelines for O&M coordination, delineating responsibilities between DISCOMs for network maintenance will be included in the business plan submission. Seasonal load management will continue to be guided by TGSLDC, which already coordinates between existing entities for effective

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	• Emergency outage response on feeders that serve both agricultural consumers (TGRPDCL's jurisdiction) and other consumer categories (TGSPDCL/TGNPDCL jurisdiction); • Seasonal power allocation conflicts during Kharif and Rabi peaks, when all three DISCOMs compete for the same pool of economical power; and • The absence of any mechanism for real-time operational coordination between three entities whose infrastructure is physically interleaved. This representation respectfully submits that the Commission consider, as part of the licence conditions or through a separate regulatory direction, the constitution of a Three-DISCOM MD Council — a standing body comprising the CMDs of TGRPDCL, TGSPDCL, TGNPDCL and TGTRANSCO — with a formal, notified mandate covering interface metering governance, seasonal load coordination, emergency response protocols, and transition milestone oversight. The detailed recommended mandate is set out in the annexed analysis (Annexure A, Section G). Without such a mechanism, the Commission will likely find itself receiving an increasing volume of bilateral disputes between the three licensees — disputes that are operationally urgent but procedurally slow to resolve through formal regulatory proceedings.	system operation. TGRPDCL will comply with any suitable structure the Hon'ble Commission may notify to ensure smooth operations and coordination with incumbent DISCOMs.
7.	Obligations of the Incumbent Licensees: A Submission on Transition Conditions The licence petition before the Commission concerns TGRPDCL alone. But TGRPDCL's ability to function as an operational licensee is entirely dependent on the timely discharge of obligations by TGSPDCL and TGNPDCL. As of the date of this representation, none of	TGRPDCL was registered as a company on 18th March 2026 and since then it is actively working on aspects to fulfil the licensee criteria and has filed the distribution licensee application on 19th March 2026. Key transition activities are underway, including power purchase allocation, employee deployment, asset transfer

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	the following have been completed: • Asset register verification and physical handover of 5.22 lakh DTRs and associated LT lines; • Transfer of consumer database records for 29.08 lakh connections; • Staff deputation of 2,000 employees; • PPA reallocation (42% share) to TGRPDCL; • Execution of a data-sharing agreement for SCADA access; • Novation of working capital loan facilities; and • Notification of a Transfer Scheme with a defined effective date. This representation respectfully submits that the Commission consider incorporating, as conditions of TGRPDCL's distribution licence, specific obligations upon the incumbent licensees with defined timelines — or, alternatively, direct the Energy Department to issue a Transfer Scheme notification with enforceable milestones before the licence takes effect. A licensee that is operationally dependent on two other licensees who have no formal obligation to assist it is a licensee that may fail not through its own inadequacy but through the inaction of others.	based on physical verification, and data-sharing arrangements with the incumbent DISCOMs. TGRPDCL will continue to coordinate with TGSPDCL and TGNPDCL to ensure that all pending transition obligations are completed in a timely and accountable manner. TGRPDCL reiterates that it will abide by instructions laid out by Hon'ble commission.
8.	The reform's central measurement mechanism — installation of smart meters (0.2S accuracy class) on all 5.22 lakh agricultural DTRs at an estimated cost of Rs.1,306 crores — has not been tendered as of the date of this petition. Given procurement, testing, and installation timelines of 12–18 months post-contract, DTR metering will not be complete before mid-2028 at the earliest. This has direct implications for consumer interest, which this Commission	TGRPDCL submits that the tender process for installing Transformer monitoring Units on DTRs to be transferred will be initiated promptly upon grant of the licence. Until it is fully deployed, TGRPDCL will continue to follow the existing energy accounting methodology and subsidy computation in coordination with incumbent DISCOMs.

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	is constitutionally mandated to protect under Section 86(1)(b) of the Electricity Act: • Subsidy computation will be based on estimated or proxy consumption for at least two years, creating a risk of over- or under-provisioning; • Distribution loss attribution between TGRPDCL and the incumbent DISCOMs will be contested in the absence of metered boundary points; and • TGRPDCL's ability to plan efficient service improvements will be constrained without consumption data. The Commission is respectfully requested to consider directing that: (a) the DTR metering tender be issued within a defined period of licence grant; (b) an interim data-sharing protocol with TGSPDCL and TGNPDCL be executed before the Transfer Scheme effective date; and (c) subsidy computation methodology for the pre-metering period be approved by the Commission in advance, to prevent disputes from arising retroactively.	
9.	The Fiscal Transparency Objective: A Submission on Subsidy Discipline A central purpose of this reform — as articulated in G.O.Ms.No.44 — is to bring transparency to the true cost of electricity subsidies. This objective is best served by a licence framework that makes the government's subsidy obligation visible, timely, and publicly reported.	TGRPDCL submits that fiscal transparency is one of the core objectives of the formation. TGRPDCL will file its Annual Revenue Requirement and tariff petitions before the Hon'ble Commission every year. This will clearly disclose revenue gap and subsidy requirements and would be available in public domain.
10.	Accordingly, this representation respectfully requests the Commission to consider the following as licence conditions or regulatory directions: 1. That TGRPDCL file with the Commission, on a monthly basis, a	Response to these objections/suggestions have been answered above

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	statement of subsidy due, subsidy received, and any shortfall — accessible in the public domain; 2. That the Annual Revenue Requirement (ARR) filings of TGSPDCL and TGNPDCL, post-separation separately disclose the residual revenue gaps previously cross-subsidised by agricultural subsidy flows, so that the Commission and the public can assess the true fiscal position of all three licensees; and 3. That TGRPDCL report annually on the number of agricultural connections transitioned to solar pumps, as a measurable indicator of progress toward the reform's primary objective of subsidy reduction In view of the foregoing, this representation respectfully requests the Honourable Commission to: 4. Grant the distribution licence to TGRPDCL subject to conditions that address: (a) capitalisation and credit line confirmation within 90 days; (b) appointment of independent directors with power sector expertise; (c) submission of a five-year business plan within three months, to be reviewed by the Commission; and (d) execution of a formal datasharing agreement with the incumbent licensees before the Transfer Scheme effective date. 5. Direct the constitution of a Three-DISCOM MD Council with a notified mandate as detailed in the annexed analysis (Annexure A, Section G), to be constituted prior to the licence taking effect. 6. Incorporate in the licence conditions specific obligations upon TGSPDCL and TGNPDCL — with defined timelines — for asset handover, consumer database transfer, staff deputation, PPA reallocation, SCADA	

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	data access, and loan novation. 7. Direct that the DTR metering tender be issued within 120 days of licence grant and approve an interim subsidy computation methodology for the pre-metering period. 8. Direct monthly public disclosure by TGRPDCL of subsidy due versus subsidy received	

Response to M. Venugopala Rao

11.	Pursuant to G.O.Ms.No.44 dated 17.12.2025 of Energy (Power I) department, government of Telangana, the subject application is filed for grant of distribution licence to the third DISCOM in the state - Telangana Rythu Power Distribution Company Limited (TRPDCL). However, the relevant contents in the G.O. are not incorporated in the subject petition. The petition and additional information submitted to the Commission confined to procedural and functional aspects relating to formation of the third DISCOM. What kind of impact formation of the third DISCOM, with transfer of assets and liabilities from the existing two DISCOMs – TGSPDCL and TGNPDCL - would have on the three DISCOMs and their consumers is not explained either in the said G.O. or the subject petition. In fact, that is the crucial aspect rather than the procedural and functional formalities. It can be taken for granted that additional information is submitted only after the Hon'ble Commission directed the authorities concerned.	TGRPDCL submits that the subject petition focuses on the procedural requirements for grant of license, as mandated by the Hon'ble Commission. The broader impact of restructuring such as financial arrangements, asset and liabilities transfer, energy accounting, and operational responsibilities is already outlined in the G.O.Ms.No.44, dated 17.12.2025 and its amendment G.O.Ms.No.8 dated 08.05.2026. This will be further detailed in subsequent Business Plan filings.
12.	In the said G.O., it is explained that “due to the gap between the Average Billing Rate (ABR) and the Average Cost of Service (ACoS), the financial position of TGDISCOMs has deteriorated over time. “This precarious financial position of the DISCOMs severely limits their ability to secure funding for developmental initiatives. It also restricts their participation in critical infrastructure programs such as the Revamped Distribution Sector Scheme (RDSS). Consequently, the DISCOMS are facing challenges to implement essential system upgrades needed to ensure reliable and quality power supply to consumers across the State.	TGRPDCL submits that the gap between ABR and ACoS is not solely due to arrears or delays in filing ARR and true-up petitions. A major structural issue is that agricultural consumption is estimated, and a significant portion of these estimates is regularly disallowed by the Hon'ble Commission. When such disallowances occur, the DISCOMs must absorb the cost, which widens the ACS–ARR gap. Government Receivables and all other arrears/ receivables are clearly indicated in financial statements of DISCOMs which are available on the DISCOM websites.

“To address the said concern and to improve the electricity supply position of the State, the Government decided to set up a Third DISCOM in the State responsible for handling electricity retailing for specific consumer categories supported by Government.” We request the Hon’ble Commission to examine the following points, among others:

A) The contention that “due to the gap between the Average Billing Rate (ABR) and the Average Cost of Service (ACoS), the financial position of TGDISCOMs has deteriorated over time” is not correct. Earlier, the previous government did not allow the DISCOMs to file their petitions for aggregate revenue requirement and tariff revision for three consecutive financial years. For the same reason, the DISCOMs could not file their petitions for true-up claims in time annually and as a result, they filed their petitions for true-up claims for a period of seven years. The Hon’ble Commission approved a true-up of Rs.9360.35 crore for the period from 2016-17 to 2021-22 and a true-up of Rs.312.65 crore towards expenses and revenue for distribution business for the 1st, 2nd and 3rd control periods. The government of Telangana gave an assurance to the Commission on 16.3.2023 that it would extend the necessary financial support to the licensees to cover the true-up amounts over a period of five years. When, in our submissions on ARR and tariff revision petitions of the DISCOMs for the FY 2026-27, we sought information as to how much amount was paid by the state government, as per its above-mentioned commitment, the DISCOMs avoided to give factual position. In the report of the Comptroller and Auditor General of India on state public sector enterprises for the period ended March, 2023, it is pointed out that “Telangana State Electricity

	Regulatory Commission (TSERC) approved (24.03.2023) ₹9,360.35 crore towards the power purchase True-ups for the period FY 2016-17 to 2021-22 and provisional true-up for 2022-23. Further, an amount of ₹312.65 crore towards true-up of expenses and revenue for distribution business for the 1st, 2nd and 3rd control periods was also approved. However, the Government of Telangana (GoT) gave an assurance (16.03.2023) to TSERC that it was committed to extend the necessary financial support to the State Power Utilities towards true-up of wheeling charges and power purchase true-ups for distribution business and retail supply business respectively over a period of 5 year. The facts pertaining to the communication regarding the form and amount of assistance pending from the GoT were not disclosed in the Notes to Financial Statements.”	
13.	B) Every year, the Hon'ble Commission is issuing retail supply tariff orders for the DISCOMs, determining their ARR and bridging their projected revenue gap with tariff revision and subsidy the state government agreed to provide. As such, gap between the Average Billing Rate (ABR) and the Average Cost of Service (ACoS) does not arise. For variations in their ARR, the Commission has been allowing the DISCOMs to recover the same under true-up claims determined by it from the consumers. This is despite the fact that the DISCOMs have not been collecting, rather, have not been allowed by the successive state government to collect, Rs.0.30 per unit per month under FSA, though the Hon'ble Commission permitted them to collect the same, without undergoing due regulatory process. With true-up claims of the DISCOMs being allowed by the Commission to the extent permissible,	TGRPDCL submits that the gap between ABR and ACoS is not solely due to arrears or delays in filing ARR and true-up petitions. A major structural issue is that agricultural consumption is estimated, and a significant portion of these estimates is regularly disallowed by the Hon'ble Commission. When such disallowances occur, the DISCOMs must absorb the cost, which widens the ACS-ARR gap. Even the True-ups are allowed to quantum of approved agricultural sales. The formation of the third DISCOM enables separate and accurate energy accounting. .

	they should not have any precarious financial position.	
14.	C) As per the said G.O., as on July 25, 2025, SPDCL and NPDCL have to collect arrears of Rs.45,398 crore from the state and central governments and their departments. In addition, dues of power consumption bills from private consumers and local bodies and dues from the state governments towards subsidy and true-up claims need to be taken into account, if they are not included in the arrears.	TGRPDCL submits that the arrears mentioned in the G.O.Ms.No.44, dated 17.12.2025 are as of 31 July 2025. As stated in the G.O., the arrears actually transferred to TGRPDCL will be based on the position on the date of transfer. Any subsidy dues or true-up amounts approved by the Hon'ble Commission after that date will also be included as per the final settlement. Complete and updated arrear details will be provided at the time of transfer so that the process remains accurate and transparent.
15.	D) It is obvious that, arrears and dues to be paid by the state and central governments, local bodies and other consumers are the real reasons for the precarious financial position of the existing DISCOMs. Therefore, to say that due to the gap between the Average Billing Rate (ABR) and the Average Cost of Service (ACoS), the financial position of TGDSCOMs has deteriorated over time is to rehash mechanically the ingenious distortions being trotted out by the protagonists of pro-corporate and anti-people reforms. If these issues are resolved effectively, the DISCOMs would come out of the red and there would be no need to form the third DISCOM as proposed to bail them out of their financial predicament. If the trend of accumulation of arrears and dues continues, formation of the proposed third DISCOM would not improve the financial position of the three DISCOMs	TGRPDCL submits that while pending dues and arrears have contributed to the financial stress of the existing DISCOMs, the gap between ABR and ACoS remains a structural challenge. The restructuring creates a major improvement by giving TGRPDCL separate energy accounting. This allows accurate measurement of power use, correct subsidy assessment, and better financial control. This clear structure also makes it easier for all three DISCOMs, including TGRPDCL, to access funding for system upgrades and central schemes.
16.	E) While arrears as on July, 2025 from lift irrigation schemes, HMWSSB and mission Bhagiratha to the tune of Rs.35,982 crore are proposed to be transferred to the third DISCOM, such arrears of Rs.6291 crore and	Assets and liabilities transfer between DISCOMs will be done in such a way that it aligns with the PPA (Power purchase allocation) and ensures financial sustainability of all three DISCOMs.

Rs.3125 crore would remain with SPDCL and NPDCL, respectively. Similarly, arrears to be paid to TGGENCO, to the tune of Rs.26,950 crore are proposed to be transferred to the third DISCOM, while such arrears of Rs.4747 crore to be paid to central generating stations, IPPs and others would remain with the existing DISCOMs. Similarly, while working capital loans of Rs.9032 crore are proposed to be transferred to the third DISCOM, such loans to the tune of Rs.36,424 crore and Rs.10,523 crore would remain with SPDCL and NPDCL, respectively. Capex loans of Rs.4251 crore and Rs.2667 crore would remain with SPDCL and NPDCL, respectively, no capex loan is proposed to be transferred to the third DISCOM. Altogether, the third DISCOM has to collect arrears from the government to the tune of Rs.35,982 crore, and it has to clear an equal amount towards liabilities of loans and payables to TGGENCO, leaving the third DISCOM without any profit or loss, with assets with a book value of Rs.4929 crore. In other words, if the government pays its arrears to the third DISCOM, the latter can clear all its liabilities and come out of precarious financial position. When will the state government clear these arrears to the new DISCOM and dues of Rs.6291 crore and Rs.3125 crore to SPDCL and NPDCL, respectively, as on July, 2025 is a million dollar question. Going by the magnitude of arrears to be cleared by the state government to the DISCOMs - 79.26% to TRPDCL and 20.74% to the existing two DISCOMs - the third DISCOM will continue to bear the brunt of precarious financial position extremely disproportionate to its requirement of power and assets and liabilities proposed to be transferred to it, depending on the priorities of the state government in clearing the dues to the three

	DISCOMs. It is all the more so, because the arrears to be collected by the third DISCOM are from the state government and dues to be paid to its instrumentality, i.e., TGGENCO. If the way successive state governments have been allowing the arrears they have to pay to the DISCOMs to get accumulated abnormally and the nature of their priorities are any indication, the financial position of the third DISCOM would continue to be more precarious than that of SPDCL and NPDCL. If such a trend continues, TGGENCO and TRPDCL will continue to be the sufferers. Since both are its instrumentalities, it will be no wonder, if the state government continues its questionable approach; it will continue to have adverse impact on the efficiency of GENCO and TRPDCL in their operation and maintenance and consequently on the service to the consumers and their employees.	
17.	F) When 42% of total energy available is going to be allocated to the third DISCOM, most of it from all thermal power stations with which the DISCOMs had PPAs in force and likely to come into force, what is the justification in transferring dues to be paid to TGGENCO entirely to TRPDCL, instead of transferring dues to all thermal power stations proportionately to all the three DISCOMs? Is TRPDCL getting its share of thermal power from the projects of TGGENCO only or from all other thermal power stations also with whom the DISCOMs had PPAs in force and likely to come into force?	PPA allocation to DISCOMs will be done as per the GO amendment G.O.Ms.No.8 dated 08.05.2026, Power purchase dues will be split between DISCOMs based on PPA allocation between the DISCOMs.
18.	G) It is announced that TRPDCL would come into operation from the 2nd June, 2026. What is the quantum of RE that can be supplied to the DISCOM from that date under KUSUM and Indira Mahila Shakti? With	The allocation of PPAs between the three Distribution companies of Telangana namely TGRPDCL, TGSPDCL and TGNPDCL is based on the latest amendment G.O.Ms No 8 dated 08.05.2026. In line with the above GO, a higher share of Renewable Energy is

	that RE, will TRPDCL in a position to meet its obligations under RPPO order in force? If not, how the DISCOM is going to fulfil its obligations under RPPO in force during the current financial year and later?	allotted to TGRPDCL and this will enable in meeting the Renewable Consumption Obligations (RCO). Further details of quantum and scheme wise allocation will be provided in the business plan that will be submitted to commission after the licensee application is approved.
19.	H) If “this precarious financial position of the DISCOMs severely limits their ability to secure funding for developmental initiatives and also restricts their participation in critical infrastructure programs such as the Revamped Distribution Sector Scheme (RDSS). Consequently, the DISCOMS are facing challenges to implement essential system upgrades needed to ensure reliable and quality power supply to consumers across the State,” it is contended in the said G.O. If that is so, after formation, the financial condition of the third DISCOM, as proposed, continues to be more precarious and it will continue to face more serious challenges to implement essential system upgrades needed to ensure reliable and quality supply of power to its consumers across the state. Unless the state government clears all its arrears to the third DISCOM, its creditworthiness cannot be established. The way the third DISCOM is proposed to be established leads to improving the creditworthiness of SPDCL and NPDCL to some extent and weakening that of TRPDCL.	TGRPDCL submits that one of the objectives is to improve the financial stability of all three DISCOMs. TGRPDCL’s revenue gap will be met through timely government subsidy releases, which will establish creditworthiness of TGRPDCL. At the same time, SPDCL and NPDCL gain financial space to access schemes like RDSS and undertake system upgrades without the burden of large unpaid subsidies.
20.	I) For the FYs 2022-23 and 2023-24, the Hon’ble Commission has approved a true-up of Rs.7635.22 crore. GoTS has requested the Commission to defer consideration of the true-up for these two years by one year and conveyed that it would communicate its position in due	TGDISCOMs request Hon’ble commission to support with the processing of the True up claims.

	course, in view of creating TRPDCL. The Commission has stated that it will decide on the manner of passing on the power purchase true-up of these two years in due course of time. In other words, neither the government has agreed to pay the true-up amounts allowed by the Commission, nor the latter has determined how the amounts should be collected. Submission of claims for true-up/down by the DISCOMs for three FYs ending with 2024-25 were submitted by them belatedly. Even after the Commission has determined permissible claims under true-up, determination of the manner of recovery of the same by the DISCOMs is also deferred. In other words, unwarranted procrastination is taking place for the DISCOMs to recover what has been due to them, thereby further precipitating their precarious financial position and increasing avoidable burden of interest or carrying cost for the period delayed.	
21.	Going by the categories of consumers whom TRPDCL is going to serve, it cannot get any revenue under cross-subsidy. As a result, the need for subsidy from the state government to fully subsidized agricultural consumers under TRPDCL would increase.	As per the GO amendment G.O.Ms.No.8 dated 08.05.2026, the allocation of PPAs between the three Distribution companies of Telangana namely TGRPDCL, TGSPDCL and TGNPDCL shall be done in such a manner that a higher share of Renewable Energy is allotted to TGRPDCL and category wise uniform tariff is maintained across the State. This will ensure that subsidy requirement for TGRPDCL doesn't increase.
22.	As pointed out in the above-mentioned G.O., the existing PPAs with the incumbent DISCOMs shall be vested with the three DISCOMS in the proportion of the energy requirement. o The share of allocation between the three DISCOMs shall be done on the proportion of Average energy consumption attributable to these DISCOMs in the last 5 years. Existing PPAs with TGGENCO, CGS, IPPs, Inter-state solar, Inter-state Hydel to	

	be split in the ratio of energy requirement. Intra-state solar and NCEs to remain with the incumbent DISCOMs as they are allocated on geographical basis. Upcoming additions in KUSUM & Indira Mahila Sakthi to be allocated to the third DISCOM for RPO compliance. Moreover, with allocation of sales of power to agriculture, lift irrigation schemes, Composite Protected Water Supply Scheme (CPWS)/ Mission Bhagiratha, Hyderabad Metropolitan Water Supply and Sewerage Board (HMWSSB) and Municipal water connections with separate DTRs (LT VI-B) to the third DISCOM, and based on sale of energy to various categories of consumers grossed up with actual losses for the last five financial years, the share of requirement of power is worked out in the said G.O. as 1,70,034 MU (45%) to SPDCL, 49,720 MU (13%) to NPDCL and 1,56,775 MU (42%) to TRPDCL. We request the Hon'ble Commission to examine the following points, among others: a) If total allocation of capacities of generation under the PPAs in force and PPAs which would come into force, with PPAs pertaining to intra-state solar and NCEs remaining with SPDCL and NPDCL on geographical basis, and allocation of upcoming capacities under KUSUM and Indira Mahila Sakthi schemes to be allocated to TRPDCL, what would be the implications and impact on maintaining a harmonious balance between fluctuating demand curve and power mix, on the one hand, and availability of surplus/deficit to each DISCOM, on the other, need to be examined.	TGRPDCL submits that the amended PPA allocation provides a balanced framework for matching each DISCOM's demand profile with an appropriate power mix. As per the GO amendment G.O.Ms.No.8 dated 08.05.2026, which pertains to amendment in PPA allocation, The allocation of PPAs between the three Distribution companies of Telangana namely TGRPDCL, TGSPDCL and TGNPDCL 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 surplus or deficit at the individual DISCOM level will be balanced through D-to-D sales or purchases/ banking arrangements
23.	b) The categories of consumers, especially agricultural consumers, being	As per the GO amendment G.O.Ms.No.8 dated 08.05.2026,

	allocated to TRPDCL do not consume power throughout the day and year. In their replies to our submissions on the ARR and tariff proposals of the DISCOMs for the FY 2026-27, the latter maintained that “agricultural sales for FY 2026-27 have been estimated based on 12 hours of daily supply and 180 operational days.” In other words, supply of power to agriculture is mostly during the day time and operational days only, notwithstanding the policy of the state government to supply it throughout the day and year free of cost. Similarly, supply of power to the remaining categories of consumers who come under TRPDCL is also time-specific. Requirement of power to lift irrigation schemes depends on availability and requirement of water. Since TRPDCL gets allocation of power proportionate to share of generation capacities of thermal power stations, not intra-state solar and NCEs, plus upcoming capacities under KUSUM and IMS schemes, it may encounter several problems and face resultant consequences.	allocation of PPAs between the three Distribution companies of Telangana namely TGRPDCL, TGSPDCL and TGNPDCL 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. It may also be noted that hydro plants are also allocated to TGRPDCL. This will enable in meeting the LIS requirements. Any remaining requirement will be met through, through D-to-D purchases, banking arrangements. This approach will ensure efficient utilization of the power mix.
24.	c) Under base-load thermal power stations, allocation of capacities to TRPDCL as proposed would lead to availability of substantial surplus power, especially during the night time and non-agricultural seasons. Unwarranted surplus power has to be backed down and fixed charges have to be paid for the same. Whether the generation capacities allocated to TRPDCL would be sufficient to meet demand of the categories of consumers concerned during specific hours of requirement also needs to be examined. Depending on demand curve and power mix, the DISCOM may be required to purchase power in the market and through exchanges, despite availability of surplus power.	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 namely TGRPDCL, TGSPDCL and TGNPDCL 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. It may also be noted that hydro plants are also allocated to TGRPDCL. This will enable in meeting the LIS requirements. Any remaining requirement will be met through, through D-to-D purchases, banking arrangements. This approach will ensure efficient utilization of the power mix.

25.	d) The difference between pattern of consumption of the categories of consumers under TRPDCL and of the remaining consumers under SPDCL and NPDCL and the proposed allocation of shares of energy to the three DISCOMs would intensify and widen the imbalance between fluctuating demand curve and power mix more in TRPDCL, with attendant adverse consequences. It may be noted that the DISCOMs have projected availability of a surplus of 11,025 MU for the FY 2026-27. Allocation of thermal power to TRPDCL, as proposed, would lead to availability of more surplus power disproportionate to its share of allocation of 42% of total energy available compared to the percentage of surplus power available to the other two DISCOMs. The higher the surplus power, the higher will be its backing down and payment of fixed charges for the same, leading to imposition of the burden of true-up claims later.	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 namely TGRPDCL, TGSPDCL and TGNPDCL 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. It may also be noted that hydro plants are also allocated to TGRPDCL. This will enable in meeting the LIS requirements. 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 allocation. This ensures efficient utilization of the power mix and avoids fixed-charge burdens and True-up claims.
26.	e) With an allocation of 42% of total energy available minus RE and NCE to TRPDCL, to what extent allocation of upcoming capacities under KUSUM and Indira Mahila Sakthi schemes to it would meet its requirements in terms of meeting its obligations under renewable power purchase obligation order also needs to be assessed. Moreover, allocation of relatively higher percentage of thermal power to TRPDCL would lead to increase in cost of service to its consumers and resultant need for increase in tariffs or subsidy from the government or both. To what extent that additional burden could be tapered off with allocation of RE under KUSUM and MS schemes to TRPDCL also needs to be assessed.	TGRPDCL submits that upcoming capacities under KUSUM and Indira Mahila Sakthi would be allocated to TGRPDCL. Also as per amended GOG.O.Ms.No.8 dated 08.05.2026, higher share of renewable energy allocation is envisaged to TGRPDCL. This will enable in complying with RCO requirements. In case of any shortfall, alternate mechanism such as buy-out price would be looked at. The detailed RCO compliance and power purchase plan will be submitted to the Hon'ble Commission as part of TGRPDCL's business plan.

27.	f) If intra-state solar and NCEs are to remain with the incumbent DISCOMs, as they are allocated on geographical basis, as contended in the said G.O., it implies that TRPDCL has no geographical basis for allocation of solar and NCEs under PPAs. Going by the reasoning of the government, as stated in the said G.O., TRPDCL cannot enter into PPAs with any intra-state solar and NCE units that may be set up in future, because they invariably fall in the geographical extent of SPDCL or NPDCL. The question of geographical basis for allocation of RE under KUSUM and MS schemes to TRPDCL also would arise. In the subject petition, it is defined that the geographical area within which TRPDCL proposes to undertake distribution is total State of Telangana. This dichotomy needs to be resolved. Allocation of RE and NCE capacities to the DISCOMs in Andhra Pradesh on geographical basis led to questionable and unwarranted imbalances. When we elaborated them during public hearings of APERC and suggested proportionate allocation of RE and NCE capacities to all the DISCOMs on par with allocation of share of thermal power, finally, GoAP made reallocations accordingly.	TGRPDCL submits as follows – The interpretation of the objector on the allocation of RE PPAs based on the GO is not quite correct. It is clarified that KUSUM and Indira Mahila Shakti Schemes is primarily aimed at empowering the farmer and women SHGs. In-line with this objective complete capacities under KUSUM and Indira Mahila Shakti would be allocated to TGRPDCL and this is clearly stated in the GO issued on 17th Dec 2025. Also as per the latest amendment GOMs No 8 dated 8th May 2026, higher share of Renewable Energy Allocation would be to TGRPCL.
28.	In the said G.O., it is stated that downstream of assets from the agricultural DTR till the end of consumption point, covering agricultural DTRs and LT lines - total DTRs of 5,22,472, with DTR capacity of 19,088 MVA having book value of Rs.2792 crore and agricultural LT lines with a length of 2,61,240 ckms having book value of Rs.2137 crore being transferred to the third DISCOM. TRPDCL will have no distribution network of its own and SPDCL and NPDCL have to levy wheeling charges to the third DISCOM for the upstream infrastructure owned, operated and	TGRPDCL submits as follows – Network assets as per GOMs No 44, dated 17th Dec 25, would be transferred to TGRPDCL from the incumbent DISCOMs (TGSPDCL & TGNPDCL). The above assets will be part of TGRPDCL book of accounts. TGRPDCL will pay the necessary wheeling charges to TGNPDCL, TGSPDCL as the case may be for usage of upstream distribution network assets (33 kV and 11 kV)

	maintained by the existing two DISCOMs as approved by TGERC, as per the said G.O. It is also proposed to install smart meters on the LT side of DTRs at an estimated cost of Rs.1306 crore to accurately account for the electricity consumption by the third DISCOM, obviously, at its cost. The cost of smart meter installation per DTR is considered as Rs.25,000/-. Depending on voltage level and length of transmission and distribution of power from the point of generation to agricultural DTR, T&D losses and charges will be relatively higher, impacting on cost of service, in addition to the cost of installation of smart meters to the DTRs. Till smart meters are installed to DTRs, disputes between TRPDCL and the existing two DISCOMs on the quantum of power supplied and drawn may arise.	as part of DISCOM operations. During the transition period until Transformer Monitoring Units (TMUs) are installed, TGDISCOMs would be following the standard energy accounting measures and Hon'ble TGERC approved methodology for assessment of agricultural sales.
29.	It is proposed in the said G.O. that the third DISCOM would require manpower of 2000, including 1000 O&M staff and artisans, 660 engineers and 340 administrative staff (accounts and P&G). It is stated in the G.O. that to encourage the employees to opt for transfer to third DISCOM, promotions are proposed to be offered. Transfer of manpower to third DISCOM for Operation & Maintenance will ensure reliable and uninterrupted supply of electricity to the subsidized category of consumers. This will also create clear demarcation of responsibilities between the incumbents and third DISCOM." It is further maintained in the G.O. that "TGDISCOMs would estimate detailed employee requirement for the new entity and also other aspects such as service conditions, transferability and seniority list for the employees to be transferred. Based on the manpower requirement for the third DISCOM, employees would be transferred from TGSPDCL, TGNPDCL, TGGENCO, TGTRANSCO to the third DISCOM. The administrative positions currently present in incumbent	TGRPDCL has launched a comprehensive employee option process, where employees are given choice to opt for TGRPDCL. Employee allocation or transfer of employees will depend on employee willingness, seniority among other criteria. Comprehensive employee option portal facilitates the employees across TRANCO, GENCO and DISCOMs in applying for a desired post at TGRPDCL. Based on the number of officers who have moved from a particular cadre to TGRPDCL, an evaluation will be made on the number of posts in that cadre that can be removed across the parent entities (TRANSCO/ GENCO./ Incumbent DISCOMs) based on the criticality of the job roles.

	DISCOMs will also be created for the third DISCOM. However, field level positions are proposed to be created based on the geographical distribution of the consumer categories under the third DISCOM. The number of staff is proposed to be employed in proportion of the network length, geographical area and number of consumers.” We request the Hon’ble Commission to examine the following points, among others: a) How many posts in four power utilities of the state government are vacant? What would be the impact on them, if their engineers and staff are transferred to the third DISCOM, without filling up the vacant posts?	
30.	b) Because of formation of the third DISCOM, the workload of TGTRANSCO would not come down. What is the justification in proposing allotment of its staff to the third DISCOM? Similar is the case with TGGENCO. Do TRANSCO and GENCO have excess staff? How is it expected that staff working in generation and transmission are fit for doing the work required for supply of power to the consumers under the third DISCOM? What would be the problems and how they are proposed to be resolved till such staff members are trained to perform their duties under TRPDCL?	Employee allocation or transfer of employees will depend on employee willingness while ensuring that the functionalities of their current utilities are not affected. Also, the staff proposed from TGTRANSCO and TGGENCO are qualified electrical engineers and have adequate experience in power sector they are in a best position to manage and operate the network. They will receive the necessary training on need basis wrt distribution business before taking up their duties and will work under proper guidance to ensure smooth operation.
31.	c) Since agricultural service connections are spreading all over the state, compared to areas with higher density of non-agricultural consumers, time required for attending to required work and areas to be covered by the O&M staff and artisans will be relatively higher. With the proposed strength of 1000 staff members, whether allotment of not more than two O&M staff members per Mandal would be sufficient for efficient maintenance to cater to the requirements of agricultural consumers is a	TGRPDCL submits that the proposed staffing plan has been designed after considering the spread of agricultural consumers, network length, and geographical conditions. The structure proposed in the G.O.Ms.No.44, dated 17.12.2025 ensures proper supervision. The 1,000 O&M staff and artisans will be allocated based on actual field requirements, TGRPDCL will ensure that no employee is overburdened, and that sufficient staff are deployed to

	big question mark. While staff of the third DISCOM would cater to the requirements of agricultural consumers in all the villages in a Mandal, the staff of SPDCL and NPDCL will continue to cater to non-agricultural consumers in all the villages in a Mandal under their respective DISCOM. Till now, staff of SPDCL or NPDCL are catering to the requirements of all categories of consumers in each Mandal. With formation of the third DISCOM on the basis of specified categories of consumers, some kind of an imbalance would take place in allocation of staff and their requirement, notwithstanding the claim that field level positions are proposed to be created based on the geographical distribution of the consumer categories under the third DISCOM. The contention that “this will also create clear demarcation of responsibilities between the incumbents and third DISCOM” is equally amusing, as if clear demarcation of responsibilities between SPDCL and NPDCL was found wanting. The staff of SPDCL/NPDCL, on the one hand, and of TRPDCL, on the other, will have to work side by side and separately in a village/area catering to the requirements of their respective categories of consumers there, contrary to the present arrangement of the same staff catering to the requirements of all categories of consumers in a village/area as allocated to them. Under the proposed arrangement, specific staff of TRPDCL/SPDCL/NPDCL will be required to cover a wider area, thereby spending more time than they are spending under the existing DISCOMs for going from one place to another. In other words, their work load per head would increase – an inefficient arrangement.	maintain reliable service to the consumers.
32.	d) The proposal that, to encourage the employees to opt for transfer to	TGRPDCL submits that the proposed promotions to employees

	third DISCOM, promotions are proposed to be offered would naturally entail additional expenditure for the third DISCOM	opting for transfer is a reasonable incentive to enable voluntary movement of staff. The cost of such promotions will be factored in TGRPDCL's employee expenses in its ARR filing, and the Commission will have full visibility over these costs.
33.	e) The contention that transfer of manpower to third DISCOM for Operation & Maintenance will ensure reliable and uninterrupted supply of electricity to the subsidized category of consumers is equally amusing, as if the same had not been ensured to the subsidized category of consumers under the existing two DISCOMs over the years.	TRPDCL submits that the mere act of transferring manpower to third discom will not ensure a more reliable power supply to consumers. The entire arrangement of having an administrative set-up including power supply arrangements from RE sources, clearly demarcated network would enable in ensuring quality power supply to consumers.
34.	The subject petition is found wanting in making it clear as to how quality or efficiency of supply of power by SPDCL and NPDCL to the categories of consumers proposed to be transferred to the third DISCOM are deficient and how can the same be improved under TRPDCL. Both the existing DISCOMs, since their inception, have been handling electricity retailing for all categories of consumers, including specific consumer categories supported by Government and now proposed to be transferred to the third DISCOM. When an objective and holistic view is taken, it is obvious that the move of the state government to create the third DISCOM in the manner in which it has proposed is ill-advised, hasty and unwarranted, creating new problems rather than solving the existing ones.	TGRPDCL would like to submit that across India, power distribution sector is facing challenges such as widening gap between the ABR (Average billing Rate) and ACoS (Average Cost of Service), higher losses, pending arrears etc. GoTG has proposed a focused approach in addressing the systemic challenges through formation of a new DISCOM to cater exclusively to agricultural consumers, government departments such as Lift Irrigation schemes etc. TGRPDCL respectfully disagrees with the opinion of the objector. The proposal is carefully planned, backed by detailed modalities set out in G.O.Ms.No.44, dated 17.12.2025 covering legal requirement and compliance, asset transfer, PPA reallocation, manpower, metering, and regulatory compliance. TGRPDCL's formation will strengthen the financial position of the incumbent DISCOMs, which will open avenues for incumbent DISCOMs to secure funding for developmental initiatives and improve quality of

		service for consumers.
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Response to S. Surya Prakasa Rao

35.	a). Universal Supply Obligation of Discoms: It is stated that the new Discom will undertake distribution and supply of electricity to a few specified consumer categories. It is not clear whether the provisions on licensing u/s 14 and duty to supply u/s 43 of the Electricity Act, 2003 enable any distribution licensee to supply electricity to selective categories of Consumers without universal obligation for supply to any person in its area of supply. To avoid legal infirmity, it may be desirable to allow the Petitioner Company to supply power to any other consumer categories in addition to the categories mentioned in the Petition, subject to compliance with the requirements specified in the General Terms and Conditions of Supply (GTCS) or in the licence conditions or otherwise, by the Hon'ble Commission.	Universal supply obligation has been mandated in Electricity Act 2003, in order to ensure no consumer is denied power supply by a Distribution licensee, citing remote conditions or infeasibility in supply of power or commercial un-attractiveness in extending power supply. USO specifically safeguards the interest of consumers in the above scenario and discourages licensees in cherry picking commercially attractive consumer categories such as – Industrial and Commercial categories. TGRPDCL will operate in accordance with licensee conditions notified by the Hon'ble Commission.
36.	Multiple Distribution Licensees: The Applicant will be a second distribution licensee in the respective areas of supply of existing Discoms and the Applicant attracts the provisions of the 6th Proviso to Sec.14 of the Electricity Act, rightly quoted by the Petitioner. Pursuant to this Proviso, Central government prescribed the requirements of Capital Adequacy etc in its Rules of 2005 as amended in 2022. The Applicant didn't state whether the requirements prescribed by the Central government are satisfied. Hon'ble Commission has to ensure compliance of these requirements before granting the licence.	In accordance with G.O.Ms.No.44, the capital adequacy requirement is met through the Government guarantee, which provides backing for the TGRPDCL financial obligations. 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.
37.	Franchisee System: Further, the Petitioner also quoted the 7th Proviso to Sec. 14 relating to supply of electricity through Franchisees. It appears the Applicant intends to engage Franchisees, but it is not expressly mentioned	TGRPDCL respectfully submits that the Franchisee system has neither been proposed in the Government Orders nor in the petitions filed before the Hon'ble Commission.

	in the application / petition. Considering the evolving stage of the new dispensation of separate Discom for selected consumer categories, it is not desirable to adopt Franchisee system without ascertaining the efficacy of the Franchisee system. I think it was not implemented in composite AP or in divided States. Hon'ble Commission may issue appropriate guidelines after study of success stories of Franchisee models if any, in other States, especially in adjoining Maharashtra State.	
38.	T & D Network: The Petitioner intends to distribute power using the existing Transmission Network of TG Transco & Distribution Network of incumbent Discoms and by developing infrastructure on need basis. The petitioner will develop a phased network expansion plan including feeders and DTRs. Apart from other functions, the Applicant also stated that dedicated feeders will be provided for agriculture wherever feasible. Petitioner stated that it will take over following distribution assets as part of its business plan for first year: a) Agriculture DTRs and downstream LT network, and b) Dedicated feeders and LT circuits of HMWSSB, CPWS and LIS, and - c). Services of Agricultural consumers, LIS, CPWS / Mission Bhagiratha, HMWSSB and Municipal water connections with separate DTRs (LT VI-B) This means that the new Discom will not own / maintain 11kv agricultural feeders already segregated. To achieve the objective efficient supply, it should necessarily own and maintain the already segregated 11 kv agricultural feeders emanating from 33 kv substations. This will also reduce the interface metering points for the purpose of accounting the energy wheeled by incumbent Discoms. This is more important,	TGRPDCL submits that the priority is to take over the network as mentioned in G.O.Ms.No.44 dated 17.12.2025. TGRPDCL will coordinate with incumbent discoms to ensure reliable supply up to the interface point. It may be noted that TGDISCOMs are giving 24 hrs power supply to agricultural consumers. Also, the feeder segregation of agricultural consumers is CAPEX intensive exercise yielding minimal benefits.

	considering the ground reality that DTR metering is vulnerable for damages even in urban areas, leave alone the DTRs in cross country. There's no rationale in opting out of this vital function/duty by the Petitioner Company in the very first year of its business. It is necessary that Hon'ble Commission takes a view on the ownership of already segregated agricultural feeders and ensure that there taken over by the Petitioner Company along with DTRs and LT circuits/services. Hon'ble Commission may also specify the treatment of mixed feeders and ensure that they shall be under the control of the incumbent Discoms till segregation of agricultural services is completed in full. Hon'ble Commission may make it clear that, notwithstanding grant of Licence to the Applicant Company, the incumbent Discoms will continue to serve all consumers on mixed feeders or elsewhere in their respective areas of supply.	
39.	Power procurement: The Petition doesn't contain the details of number of existing consumers under each of the specified categories and their existing load profiles to assess the present requirement of power. The petitioner stated that it will procure power by taking over / sharing of PPAs from incumbent Discoms and purchase from open market on need basis. However the petition doesn't contain the methodology for seeking its share from existing PPAs with TG Genco, Central Generating Stations and IPPs. Considering the fact that power purchase forms over 80% of Annual Revenue Requirement (ARR), and also the fact that the Applicant doesn't have dependable sources of Revenues from sale of power to procure power from market, it is expedient that Hon'ble Commission ensure major	As per the GO amendment G.O.Ms.No.8 dated 08.05.2026, allocation of PPAs between the three Distribution companies of Telangana namely TGRPDCL, TGSPDCL and TGNPDCL shall be done in such a manner that a higher share of Renewable Energy is allotted to TGRPDCL which will help with the RPPO. As stated in the GO, one of the key objective in allocation of PPAs would be to achieve a uniform retail supply tariffs across the state. Further details of quantum and source wise allocation will be provided in the business plan that will be submitted to commission after the licensee application is approved. Any remaining mismatch will be balanced through use of thermal power by the incumbent DISCOMs and D-to-D purchases. Backing down will occur only

	share from PPAs with TG Genco and CGS to the Applicant Company, with minimum share from IPPs.	when there is excess at the state level, not because of TGRPDCL's allocation. This ensures efficient utilization of the power mix and avoids fixed-charge burdens.
40.	Organisational Capability: While the Board of Directors is constituted with persons from Government and incumbent Discoms in G. O. Ms no. 4 dt 11-3-2026, it is stated therein that the new Discom will be staffed by deputing, recruiting and outsourcing. The Petitioner sated (para 22), that employees of incumbent Discoms will be deployed for its Company. Comments: Deputation without willingness of the employee will not be conducive for efficient functioning of the Company. Out sourcing without building up the full strength could be disastrous for a new Discom. The Petitioner didn't indicate the method of deployment, i.e, by giving options to the employees or under a Statutory Transfer Scheme. Considering the nature of activity in difficult terrain and poor financial position requiring continuous support from state government, it is unlikely that sufficient personnel from incumbent Discoms will opt for new Discom. It is also not sure whether a Statutory Transfer Scheme will meet with success. It may not be a smooth sail. The managements of APSEB / TRANSCO had to undergo great ordeal in convincing the Engineering / provincial / O&M staff while reorganizing APSEB under the Reforms Act of 1998. The management of new Discom may have to offer additional remuneration by way of special allowance to attract employees of incumbent Discoms, considering the difficult cross country terrain of network of agricultural services and other relevant factors. If the new Discom is allowed to commence its operations without adequate	The process of identifying and deploying experienced staff is underway. TGRPDCL has launched a comprehensive employee option process, where employees are given choice to opt for TGRPDCL. Employee allocation or transfer of employees will depend on employee willingness, seniority among other criteria while ensuring that the functionalities of their current utilities are not affected. Promotions are proposed as mentioned in the GO to ensure that employees joining TGRPDCL are suitably placed and motivated in taking higher responsibilities. TGRPDCL will ensure that sufficient and skilled personnel are deployed in all key functions for smooth and reliable operations.

	experienced staff, it will lead to chaos and ultimately the designated consumers will be put to grave risk. Further, if the real objective is to ensure better quality of supply to agricultural consumers, Government of Telangana may appoint a qualified farmer, familiar with Electricity matters and Agricultural issues, as Chairman of the Board of Directors. Such appointment is befitting the name of the new Discom (Rythu Discom). Hon'ble Commission may take a view and advise State Government in this matter u/s 86(2)(iii) of the Electricity Act	
41.	Distribution Infrastructure upgradation and Smart Metering: Petitioner stated about strengthening of weak networks and replacement of obsolete conductors and smart metering Infrastructure at all DTRs / interface points with incumbent Discoms in a phased manner, apart from other innovations. In this context it is suggested the new Discom may take all the proposed works under the Reformed Distribution Sector Scheme (RDSS) sponsored by Central Government. Incidentally it is reported in press recently that, the government of Telangana gave consent to implement RDSS in the State. The RDSS covers all the improvements proposed in the petition. It is a golden opportunity for the new Discom to formulate and execute schemes under RDSS to improve the quality and reliability of supply, operational efficiency in supply to agricultural consumers apart from energy loss reduction. Further, rectification of loose spans, use of bunched cables etc, will reduce the risk of electrical accidents to farmers and agricultural labourers. Regarding smart metering for agricultural consumers, it will be a colossal	TGRPDCL submits that distribution infrastructure upgradation under RDSS is a priority and TGRPDCL intends to actively participate in RDSS for improving the quality and reliability of supply to its consumers.

	wasteful / futile investment in view of free supply and since metering at all DTRs is planned, while metering for all feeders already exists at the substations. Hon'ble Commission may make specific mention in the licence conditions to focus on Distribution Infrastructure upgradation under RDSS and not to resort to individual agricultural consumer metering, to prevent consequent huge financial burden on State government by way of tariff subsidy.	
42.	Summary of Suggestions i). New Discom may be allowed to release new connections for other consumer categories also. ii). Ensure Capital Adequacy and Creditworthiness in terms of 6th Proviso of Sec.14 of the Electricity Act, 2003 iii). Franchisee system may be adopted only after the new Discom is equipped with full organizational strength iv).New Discom should take over and maintain all the already segregated 11kv agricultural feeders v).Existing Discoms shall continue to own and maintain mixed feeders till Agricultural DTRs are fully segregated and converted as dedicated agricultural feeders by the new Discom. vi). New Discom shall upgrade Distribution Infrastructure under RDSS and shall not resort to Smart Metering of individual agricultural services. vii). Major share of power from PPAs with TG Genco / CGS, and minimum share from PPAs with IPPs, may be allotted to new Discom. viii). Government may be advised to appoint a qualified farmer as Chairman of new (Rythu) Discom. ix). Staff of the new Discom may be paid additional special allowance	Responses to these objections/ suggestions have been answered above

	considering the difficult terrain of agricultural services to be served by the Discom.	
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Response to Prayas (Energy Group)

43.

It is true that there are many challenges in power supply to agriculture in Telangana. For the farmers, quality of supply & service and issues with sales estimation are challenges. For the DISCOMs, challenges include O&M of wide spread rural network with limited field staff, and uncertainties in demand due to weather change and honouring the 24- hour supply commitment. Growth of water intensive crops, in-efficiencies in pumping & irrigation and the related fall of water tables, are some natural resource management challenges. Everincreasing state subsidy burden is a matter of concern for the state government and cross subsidy contribution is a pain area for C&I consumers.

It is quite possible that no one is happy with the state of affairs in power supply to agriculture, and there is need for changing the situation. At the same time, the TG DISCOMs are in a poor state of financial health, which is deteriorating over the years.

As per GoTG's GO MS 44, of 17/12/2025, the stated objective of setting up a Agriculture DISCOM in Telangana is to address the poor financial health of existing DISCOMs, while keeping the commitment of free power to agriculture. The GO goes on to state: "To address the said concern and to improve the electricity supply position of the State, the Government decided to set up a Third DISCOM in the State responsible for handling electricity retailing for specific consumer categories supported by Government."

The said GO provides some details such as sales, consumers, PPA allocation, asset and liability transfer and staff allocation, the License application petitions provide no details. The application is limited to

As mentioned in the G.O.Ms.No.44, dated 17.12.2025 and TGRPDCL also reiterates that the formation of TGRPDCL has broader agenda mentioned below–

- Participation in critical infrastructure initiatives for improving power supply quality to agricultural category and other category consumers
- Better energy accounting
- Quality power supply

TGRPDCL submits that the five-year business plan will be submitted to the Hon'ble Commission within three months of licence grant as required under "Clause 38.1 of Regulation 04 of 2016 (Distribution License Regulations).

Extract from regulation "38.1 Subject to other regulations notified by the Commission, the Distribution Licensee shall submit a Business Plan within three (3) months of the Distribution Licence coming in force for such period as the Commission may direct and shall update such plan annually. The Business Plan shall, inter-alia, contain (i) year wise load growth, (ii) year wise Distribution loss reduction proposal along with specific action plan, (iii) metering plan for metering interface points, (iv) treatment of previous losses, (v) cost reduction plan, and (vii) other important financial analysis or parameters.

Provided that the existing licensees shall submit such Business Plans within three (3) months from date of notification of this

	providing some information as required by the DISCOM Licensing Regulations 4 of 2016. We feel that assessing the implications of setting up a third DISCOM is as (or perhaps more) important as checking the procedural requirements. The Initial Application dated 19/3/2026 and License Petition dated 6/4/2026 provide qualitative information about the third DISCOM. Point 22 (Approach and Methodology) in Schedule I of the Initial Application dated 19/3/2026 mentions that Business plan will be submitted within three months of grant of License, as specified in the License Regulations 2016. We request the TGRPDCL to provide a rough business plan, which would cover assets, staff, PPA allocation, sales estimation and expected revenue and cost requirements.	<i>Regulation.”</i> The plan will comprehensively cover assets, staff, PPA allocation, sales estimation and expected revenue and cost requirements.
44.	2.1 Definition of Distribution Section 2(19) of the EAct defines distribution system as: "distribution system" means the system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the consumers. TGRPDCL has 11 kV feeder of the existing DISCOMs at the DT end and agriculture consumer on the other, but it has no link to transmission or generation. It is not clear how the proposed TGRPDCL can be a distribution licensee, which, as per Section 2(17) of the EAct, is ...” a licensee authorised to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply.” The Distribution License Regulation 2016 Section 2.1 (11) defines distribution as: “Conveyance or wheeling of electricity by means of a distribution system.” But the distribution system is not defined in this	It may be noted that DISCOM to serve exclusively agri and allied consumer categories is a pioneering step adopted by GoTG.TGRPDCL will abide by the directions of Hon’ble Commission .

Regulations. License issued to TG DISCOMs, as available at TGERC website has a definition of distribution system in Section 2.3, and it states: "Distribution System" means any system consisting mainly of cables, service lines and overhead lines, electrical plant and meters having design voltage of 33 kV and under and shall also include any other system of higher voltage as the Commission may specifically recognise. A Distribution System shall not include any part of the Transmission System. This definition clearly indicates that the voltage levels of a distribution system is 33kV and below, but of course this applies to TGSPDCL and TGNPDCL. Electricity Rules 2005 also has a definition of Distribution System, which slightly expands the scope of the System. From a technical point of view, transmission grid is a meshed network linking generation and bulk distribution, with bi-directional power flows. Traditionally, Distribution network has been radial in nature, with single-directional flow – from substation to consumers. The practice of meshed distribution network to improve reliability in some areas, and the advent of distributed generation/storage has changed the nature of distribution. There are meshed distribution networks and some networks witness bi-directional power flows. Many high contract demand consumers (some LI consumers, for example) are connected to the transmission system, even though they remain consumers of the DISCOM. All these call for a re-look at the definition of distribution system. But as per the existing Regulatory framework, it is not clear how TGRPDCL can be designated as a distribution licensee managing a	
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	distribution system consisting of only DTs and LT lines. We request TGRPDCL and Hon'ble TGERC to clarify this point.																					
45.	Consumer mix: Consumers of TGRPDCL are drawn from a few categories, as shown in Table 1. <table><tr><th>Aspect</th><th>% of consumers</th><th>% of sales</th><th>Approx ABR</th><th>Arrears %</th></tr><tr><td>LT Agriculture</td><td>99.92</td><td>70</td><td>-</td><td>-</td></tr><tr><td>Others</td><td>0.08</td><td>30</td><td>8.5</td><td>100</td></tr><tr><td>Total (Lakh, MU, Rs/U, Cr)</td><td>29.08</td><td>35,218</td><td>5.8</td><td>35,983</td></tr></table> Table 1: Brief details of Consumer mix TGRPDCL Sources: GO dated 17/12/2025, RSTO for FY25 This data is for 2025. It can be seen that 99.92% of the consumers are LT Agriculture, with Others (Lift Irrigation, HMWSSB, CPWS/ Mission Bhagiratha and Water connections with separate DTs) forming a very small percentage. Sales to Others are significant at 30%, their Average Revenue per unit is above the Average Cost of Service and all the consumer arrears are with these Other consumers. As per the GO of 17/12/2025, arrears of Other consumers, which form 79% of the total consumer arrears are with AGRPDCL. In addition, TGRPDCL is burdened with Rs. Cr of dues to State GENCOs and Working capital burden of Rs.9,032 Cr. Thus, Rythu DISCOM has to start operation with government receivables of Rs. 35,983 Cr and Liabilities of Rs. 35,982 Cr. These figures are from 2025, and would have to be updated with latest data. LT Agriculture connections would on the LT network, whereas the Other consumers	Aspect	% of consumers	% of sales	Approx ABR	Arrears %	LT Agriculture	99.92	70	-	-	Others	0.08	30	8.5	100	Total (Lakh, MU, Rs/U, Cr)	29.08	35,218	5.8	35,983	The proposal is to transfer Agricultural consumers along with allied government consumer categories such as HMWS&SB, LIS & CPWS/ Mission Bhagiratha, and Municipal water connections with dedicated DTRs.
Aspect	% of consumers	% of sales	Approx ABR	Arrears %																		
LT Agriculture	99.92	70	-	-																		
Others	0.08	30	8.5	100																		
Total (Lakh, MU, Rs/U, Cr)	29.08	35,218	5.8	35,983																		

	would be connected to HT or EHT network. There is no explanation given on why these Other consumers are included in a Rythu DISCOM. Subsidised power supply to agriculture is a policy decision to support farmer livelihood and food security. Supply to other consumers is not subsidised, and non-payment of their bills by GoTG is not tenable. There is some clarity on handling subsidised supply to Agriculture, but no details on the pending arrears and payment issues of other consumers would be addressed. A separate solution has to be evolved to address their arrears and any future build-up of arrears. This could be arrears take over, reducing cost of supply through Virtual Net Metering etc. If such steps are not planned now, the functioning of TGRPDCL would become untenable. We request TGRPDCL to elaborate on these plans and clarify why these other consumers are proposed to be part of Rythu DISCOM and if they indeed are, what steps are planned to address their receivables and possible future receivables.	
46.	2.3 Area of supply and Universal Supply Obligation Area of operation of TGRPDCL is the whole state of Telangana. As per S 43 (1) of the EAct, a Distribution Licensee has the obligation to provide power supply to any consumer who applies for it, with all required documentation and fees (emphasis added). If this is the case, TGRPDCL cannot legally refuse connections to household consumers, industrial and commercial consumers who approach the licensee for connection. Thus, it is unclear how this licensee will continue to be a DISCOM catering to Agricultural, LIS and water works	Universal supply obligation has been mandated in Electricity Act 2003, in order to ensure no consumer is denied power supply by a Distribution licensee, citing remote conditions or infeasibility in supply of power. In the current scenario, TGRPDCL has been specifically formed to cater to power supply to all agricultural consumers and allied consumers, some of them may be located remotely and difficult to serve. TGRPDCL will operate in accordance with licensee conditions

	alone. If the area of supply is indeed not the entire state of Telangana, then a clear definition is required to be submitted before the licence is granted. In this context, we request the Commission to require TGRPDCL to clarify how it plans to meet its Universal Service Obligation.	notified by the Hon'ble Commission.
47.	2.4 Quality of Supply and Sales estimation As a distribution licensee, TGRPDCL will have to honour the Standard of Performance (SoP) Regulations of TGERC so that Quality of Supply and Service (QoS) to its consumer is ensured. The 11 kV and upstream distribution system is owned and operated by the other two DISCOMs. Hence there would be challenges in identifying a QoS problem and rectifying it. Shortage of field staff has been a recurrent issue raised in many public hearings. This could continue to be challenge to Rythu DISCOM, especially if the consumers are not in a geographically contiguous area, as is the case with the other two DISCOMs. We request TGRPDCL to clarify how it plans to ensure that SoP standards are met and faults quickly rectified. Agriculture sales estimation has been a contentious issue in Telangana. It has been clearly indicated by MoP that consumption by subsidised categories should not be assessed based on connected load and hours of use, but by suitable metering. Many SERCs have resorted to feeder-based estimation of un-metered agriculture consumption. In TG, repeated directives by Hon'ble TGERC to install meters on all agriculture DTs have not been honoured by the DISCOMs. Now, the proposal is to meter all the 5.2 lakh Agriculture DTs to estimate agriculture consumption. It is not clear if feeder metering would be used to estimate sales, until DT metering is	TGRPDCL submits that it is fully committed to complying with the Standard of Performance (SoP) Regulations notified by the Hon'ble Commission. Fault rectification on the upstream 11 kV and HT network will be coordinated through formal inter-DISCOM coordination with TGSPDCL and TGNPDCL. TGRPDCL submits that the tender process for installing Transformer Monitoring Units on agricultural DTRs will be initiated promptly upon grant of the licence. Until metering is fully deployed, TGRPDCL will continue to follow the existing energy accounting methodology and subsidy computation in coordination with the incumbent DISCOMs. Detailed information on metering will be covered in business plan.

	stabilised. We request TGRPDCL to give the year-wise, circle-wise plans for DT metering and the method for estimating agriculture sales. If the proposal is to undertake this in TOTEX mode, what would be the recurring cost that TGDPDCL will have to pay to the meter service provider?	
48.	2.5 Cross subsidy support The consumer mix in TGSPDCL and TGNPDCL is quite different, with TGSP having significant cross subsidising consumer categories whose Average Billing Rate (ABR or Average Revenue per Unit sold) is much higher than their Cost of Service (COS). LT Agriculture and some Domestic consumers are the main subsidised categories, whose ABR is far below their COS, leading to significant revenue gap. This revenue gap is part met by cross subsidy fixed by the Commission and part by state government subsidy with any the residual amount remaining as revenue gap. Our rough understanding is that the total cost of supply to LT Agriculture supply is about Rs. 17,000 Cr, and this supply is free. About 55% of this cost is met by state subsidy and remaining would be required to be met by cross subsidy (amounts to about Rs.7500 Cr). With the separation of LT Agriculture from existing DISCOMs, assuming cost and revenue structures remain the same, they would have surplus revenue, but would not be able to use it to cross subsidise agriculture supply in TGRPDCL. If some mechanism is not put in place to transfer this cross-subsidy support to TGRPDCL or the cost of supply of TGRPDCL is not substantially reduced, state subsidy requirement would increase. Cross subsidy could be transferred by way of a reduced BST for	As per the GO amendment G.O.Ms.No.8 dated 08.05.2026, allocation of PPAs between the three Distribution companies of Telangana namely TGRPDCL, TGSPDCL and TGNPDCL shall be done in such a manner that a higher share of Renewable Energy is allotted to TGRPDCL which helps reduce its overall cost of supply and category wise uniform tariff is maintained across the State. DISCOM is currently working on physical survey of network to identify the assets and once it is done all the mentioned details (assets along with capitalization plans, Estimation of O&M requirements along with employee costs, R&M requirements as well as smart metering costs, Treatment of liabilities, regulatory asset to be recovered from new DISCOM etc.) will be filed with Hon'ble commission as part of business plan which will be filed within 3 months of issuance of license.

	TGRPDCL (similar to the arrangement in place for RESCO). Cost of supply could be reduced by allocating cheap power to TGRPDCL and subsidising wheeling charges. If these steps are not taken, the state subsidy requirement of TGRDPCL would significantly increase. It is necessary to make a in-depth assessment of this aspect, as of now and in the changed situation with a new DISCOM. As the cost structures of the TGRPDCL would be different, the impact of its formation on finances and quality of supply cannot be assessed without details of the following, which we request TGRPDCL to provide: - PPA allocation or power allocation to the new DISCOM along with plans for solarisation of supply till 2035 - Assets identified for allocation to new DISCOM along with capitalisation plans till 2035 - Estimation of O&M requirements along with employee costs, R&M requirements as well as smart metering TOTEX costs, if any, - Treatment of liabilities, regulatory asset to be recovered from new DISCOM etc. We request the existing DISCOMs to provide the details of cross subsidy that is used to meet the revenue gap in the past three years. We also request them to provide detailed data in the format suggested in Table 2 for past three years	
49.	3. Suggestions Sections 14 and 15 of the EAct and TGERC Distribution License Regulations 2016 give the framework for grant of Distribution license. But as per the EAct, the scope and powers of SERC is quite broad and any decision should be taken with due consideration to the impact of the State	TGRPDCL submits that the formation of the third DISCOM directly addresses the financial health of the DISCOMs by separating subsidy dependent consumers enabling incumbent DISCOMs to improve their revenue mix, reduce their receivables burden, and access schemes like RDSS and undertake system upgrades

	power sector, consumers and environment. Hon'ble TGERC has often acted with this role as a custodian of the TG power sector. Examples include providing space for discussion on quality of supply during tariff hearings, Regulations on ex-gratia for electric accidents, and public consultations on Resource Plans. This petition for a new DISCOM could be analysed in that spirit. The two major points to be addressed are: 1. How does this step help the financial health of the existing DISCOMs? 2. How does a Rythu DISCOM help the farmers in TG? Addressing DISCOM financial health Financial health of the existing DISCOMs could be improved by a series of steps such as writing off some receivables, state government taking over their debt, improving power purchase planning, rationalising loans, ensuring timely true-up and periodic reasonable increase in tariff. Performance benchmarks could be provided to ensure that the situation does not recur.	without the burden of large unpaid subsidies.
50.	In-depth study on benefit to farmers A separate entity to manage agriculture supply could help the farmers. But that entity should not have non-agriculture consumers and certainly not inherit losses due to them. These would affect their capacity to upgrade and maintain its network. Its role could be limited to arranging cheaper power supply (so that revenue gap is reduced), address consumer grievances and promote electricity/water use efficiency. It is best if the network construction, O&M and metering is managed by the existing DISCOMs. It is important to take feedback on this issue from farmers and farmer associations.	TGRPDCL submits that its formation is specifically designed to benefit farmers by bringing focused management, dedicated energy accounting.. While the O&M of the upstream network will continue to be managed by the incumbent DISCOMs. TGRPDCL will be responsible for the network as outlined in G.O.Ms.No.44, dated 17.12.2025. This dedicated focus is expected to improve service quality for agricultural consumers. TGRPDCL submits that the five-year business plan will be

	A detailed analysis along these lines is essential before taking decisions. Sales projections, Power Purchase planning, allocation of PPAs, metering plans, cost elements, revenue structure, subsidy requirement, asset requirements, staffing plan etc should be considered for the next 3-5 years. Rough indications are given in the GO dated 17/12/2025, but that is not sufficient. It is not proper to award the license and wait for three months to get detailed plans. Other institutional options, such as making the Agriculture company a trader with only supply function could be considered.	submitted to the Hon'ble Commission within three months of licence grant as required under "Clause 38.1 of Regulation 04 of 2016 (Distribution License Regulations). Extract from regulation "38.1 <i>Subject to other regulations notified by the Commission, the Distribution Licensee shall submit a Business Plan within three (3) months of the Distribution Licence coming in force for such period as the Commission may direct and shall update such plan annually. The Business Plan shall, inter-alia, contain (i) year wise load growth, (ii) year wise Distribution loss reduction proposal along with specific action plan, (iii) metering plan for metering interface points, (iv) treatment of previous losses, (v) cost reduction plan, and (vii) other important financial analysis or parameters.</i> <i>Provided that the existing licensees shall submit such Business Plans within three (3) months from date of notification of this Regulation."</i> The Business Plan will include detailed projections on PPA allocation, metering plans, subsidy requirements, asset plans, and manpower deployment.
51.	Experience from other states Few other states – Maharashtra, Haryana and Andhra Pradesh are also at different stages of setting up a separate company for agriculture supply. The models proposed are different from that of TG, but all of them cover only agriculture consumers and many of them are feeder based. The Maharashtra proposal involves restructuring MSEDL u/s 131 of the EAct making the new Agriculture company a deemed licensee with only supply	Each state model has its own design, the common objective of creating a focused entity for agricultural and subsidised consumer supply is well-established. TGRPDCL's model, as notified in G.O.Ms.No.44, dated 17.12.2025 and subsequent amended GO G.O.Ms.No.8 dated 08.05.2026, allocates PPA with a higher share of Renewable Energy, for financial viability.

	function. It also proposes liability take over and capital support by the state government. It also allocates cheaper PPAs to the agriculture company, so as to reduce the cost of service. It is necessary to study such models, before finalising the suitable model for Telangana.	
52.	Need for fresh petition As there is lack of clarity on fundamental aspects of this petition such as the manner of meeting universal supply obligation, distribution assets of the new utility, estimated cost of supply and management of cross subsidy, power procurement allocation, the Commission should demand that these details be submitted before a decision is taken on this crucial aspect which would result in irreversible changes in the sector for at least 25 years. Commission could consider exercising its powers under Regulation 4 (4.1 and 4.2) of the Distribution Licence Regulations, 2016 to direct TGRPDCL to submit a fresh application in such form and such documents as maybe prescribed by the Commission.	TGRPDCL respectfully submits that the current petition contains all information mandated under the TGERC Distribution Licence Regulations, 2016 and satisfies the requirements under Section 14 of the Electricity Act, 2003. The aspects highlighted asset scope, cross-subsidy management, and power procurement allocation are addressed in G.O.Ms.No.44, dated 17.12.2025 and its amendment G.O.Ms.No.8 dated 08.05.2026. These aspects will be further elaborated in the Business Plan to be submitted within three months of grant of licence. . TGRPDCL is actively working on all transition activities including power purchase allocation, employee deployment, consumer and asset transfer, and data-sharing arrangements. TGRPDCL would be submitting data as may be required by the Hon'ble Commission as part of the license application process.

sd/-
Chief Engineer,
IPC&RAC,TGRPDCL.