

Formation of TGRPDCL - An Unwarranted Exercise

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The move of the government of Telangana to create a third DISCOM exclusively for specified categories of consumers has become controversial, leading to questioning the reasons and purpose for which it is being set up, without receiving any support from different categories of consumers, especially, from the farming community, primarily, for whom it is supposed to be intended. That the authorities are constrained to file a caveat in the High Court of Telangana on this issue, making 45 unions and associations of employees of the power utilities of the state government, is an indication of the seriousness of opposition to formation of the third DISCOM and how the government wants to proceed ahead with its move.

Pursuant to G.O.Ms.No.44 dated 17.12.2025 of Energy (Power I) department, government of Telangana, an application is filed before Telangana Electricity Regulatory Commission (TGERC) for grant of distribution license to the third DISCOM in the state - Telangana Rythu Power Distribution Company Limited (TGRPDCL). 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. 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 petition and whether any additional benefit would accrue to different categories of consumers or the DISCOMs or the state government. In fact, that is the crucial aspect rather than the procedural and functional formalities.

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.

“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 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 TRS 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. TGERC 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.”

Every year, TGERC 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, after taking into account other revenue like non-tariff income. 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 governments to collect, Rs.0.30 per unit per month under Fuel Surcharge Adjustment, though TGERC 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, they should not have any precarious financial position.

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 government towards subsidy and true-up claims need to be taken into account, if they are not included in the arrears.

Reasons for precarious financial position of DISCOMs

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 TGDISCOMs 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.

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 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. Presuming that 42% of power from TGGENCO is being allocated to TGRPDCL, the rationale in transferring the accumulated dues to be paid by the DISCOMs to the third DISCOM is questionable. 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. Depending on the purpose for which working capital loans are being apportioned to the three DISCOMs, such an apportionment to each DISCOM needs to be explained. While 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 former 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. Whether dues to be collected and paid by SPDCL and NPDCL are allocated to maintain equilibrium between the two, as in the case of TGRPDCL, needs to be explained.

Dues from the state government to the three DISCOMs include subsidy, true-up claims for power supplied to agriculture, and CC bills. Dues of Rs.7084 crore have to be cleared by HMWSSB to SPDCL/TGRPDCL. While implementing free supply of drinking water to

domestic consumers, as decided by the state government, HMWSSB has to get dues from the government. Unable to get such dues from the government, financial condition of HMWSSB also continues to be precarious. In the RSTO for FY 2026-27, TGERC has pointed out that “Stakeholder requested the Commission to continue the concessional Tariff at the rate of Rs. 4.95 paise per kVAH on par with HMRL for the FY 2025-26 onwards on perpetual basis to HMWSSB and also requested to extend the HMRL tariff to the pump houses, STP stations and all office buildings of HMWSSB. The stakeholder further submitted that in line with the orders of the Commission, since FY 2022-23, the Telangana Government sanctioning subvention amounts to HMWSSB payable to TGDISCOMs, however TGSPDCL raising power bills for HMWSSB under HT Cat-I (A) instead of HT Cat-V (B) due to non-release of subvention amount by the State Government. The stakeholder mentioned that the Government of Telangana vide letters dated 30.06.2022 & 06.03.2023 has issued directions to the Commission under section 108 of the Electricity Act 2003 to issue the CC bills to HMWSSB under HT-V (B) duly assuring to release the subvention amount for the past and future period and compensate DISCOMs suitably and also mentioned that HMWSSB requested the Government of Telangana vide their letter dt. 01.01.2026 to issue directions for restoration of concessional tariff to HMWSSB.

“The Licensee submitted that the Commission in its Order dated 22.10.2022 has expressly held that “Therefore, there shall be no further determination or decision or creation of a separate category of tariff for HMWSSB for FY 2022-23 except extending the applicability of the tariff determined for HMRL for FY 2022-23 to HMWSSB and such extension and applicability of the tariff is subject to the subvention commitment being agreed to and extended from time to time by the Government.” Further, any concessional tariff can be considered only upon a firm subvention commitment from the Government of Telangana. Due to non-release of the sanctioned subvention amount by the State Government, the differential revenue corresponding to the concessional tariff has not been realized by TGDISCOMs. In view of the above and in compliance with tariff orders, TGSPDCL has been raising power bills to HMWSSB under normal HT I(A) instead of HT-V(B) concessional tariff, to avoid revenue shortfall and financial strain on the utility. DISCOMs submitted that the concessional tariff under HT Category-V(B) can be extended prospectively upon receipt of the eligible subvention amount from the State Government along with necessary budgetary support and requested to continue the existing tariff structure for HMWSSB.

“The Commission reiterates the settled position as laid down in the Order dated 22.10.2022 in I.A. No. 54 of 2022 in O.P. Nos. 58 & 59 of 2021, wherein the concessional tariff applicable to HMRL was extended to HMWSSB subject to the condition that the Government of Telangana provides the required subvention in a timely manner. The Commission had also clearly held that no separate tariff category for HMWSSB would be created and that such concessional treatment is contingent upon the continued commitment of subvention by the State Government. In line with the Commission’s earlier orders, the request for continuation of concessional tariff or

creation of a separate tariff category for HMWSSB is not considered at this stage. The existing tariff applicable as per the prevailing tariff order shall continue until the requisite subvention is provided in accordance with Section 65 of the Electricity Act, 2003. In addition to this, after formation of TGRPDCL, the stakeholder may approach the Commission for consideration. (pp 199-201).” **Here, too, resolution to the problem rests with willingness of the state government to continue and implement its commitment of the said subvention. Till then, HMWSSB and TGRPDCL will continue to be entangled in such problems.**

Since DISCOMs are not clearing their dues to TGGENCO, the latter is unable to clear its dues to Singareni Collieries Company Limited for the coal being supplied. TGGENCO is in a helpless condition, even when SCCL is supplying coal of grade which is inferior to the grade of coal allocated to the former. Accumulation of dues from the state government to the DISCOMs over the years to an abnormal level, coupled with its failure to direct the DISCOMs to collect dues from non-governmental consumers strictly in time and as per the terms of supply, is the root cause of the precarious financial condition of the DISCOMs. There is no proposal or indication as to when the government and its utilities would release their dues to the DISCOMs with carrying cost or interest. With such a lackadaisical approach, the concern expressed by the state government in the said G.O. does not carry conviction to bail out the DISCOMs from their precarious financial position. The government is trying futilely to camouflage its continuing failures of commission and omission responsible for the financial distress of the DISCOMs, with its misleading 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,” as if creation of the third DISCOM for specified categories of consumers were the solution for the same. The irresponsibility of successive state governments is responsible for the continuing and burgeoning financial predicament of the DISCOMs.

When will the state government clear its dues to DISCOMs?

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 TGRPDCL 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

TGRPDCL will continue to be the sufferers. Since both are its instrumentalities, it will be no wonder, if the state government continues its questionable approach of not clearing its dues to the DISCOMs, especially, TGRPDCL; it will continue to have adverse impact on the efficiency of GENCO and TGRPDCL in their operation and maintenance and consequently on the service to the consumers and their employees.

For the failures of successive governments to release dues to the DISCOMs and the latter's failure to collect dues from other non-governmental consumers, and unable to make payments to generators and suppliers of power in time, claims for late payment surcharge running into hundreds of crores of rupees are being made by the DISCOMs every year, requesting the Commission to allow the same to be collected from the consumers. Similarly, claims of the DISCOMs for fuel surcharge adjustment are being allowed by the Commission to the extent it considers them permissible. When true-up claims of the DISCOMs are allowed by the Commission, as permitted, the DISCOMs can collect the same from their consumers. For free supply of power to agriculture, TGRPDCL will have to collect the permitted true-up amounts from the state government, or, rather it will have to wait till the government pays the same. Here, again, need for timely payment by the government comes to the fore.

Postponement of collection of true-up amounts adds to financial distress

For the FYs 2022-23 and 2023-24, TGERC 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 course, in view of creating TGRPDCL. 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.

That TGERC has accepted request of GoTS to defer consideration of a true-up of Rs.7635.22 crore approved for the FYs 2022-23 and 2023-24 by one year shows how creation of the third DISCOM is being used to create new problems to the DISCOMs and consumers. It is not explained as to how creation of the third DISCOM would come in the way of recovery of the approved true-up amount from the consumers and GoTS and why deferment of it by one year is required and justified. SPDCL and NPDCL can recover the approved true-up amounts from the consumers, as decided by the Commission, and from the GoTS for free supply of power to agricultural consumers till the third DISCOM

becomes operational. Thereafter, TGRPDCL has to raise bills for consumption of power every month by its consumers and include the true-up amounts applicable every month in the CC bills till the true-up amount due is recovered from the consumers and to be recovered from GoTS. If GoTS agrees to provide the total true-up amount, the same can be recovered from it by all the three DISCOMs. The strange approach of deferring recovery of the already overdue true-up amounts approved by the Commission by one year goes against the apparent concern expressed in the said G.O. by GoTS about the precarious financial condition of the DISCOMs. Who should bear the carrying cost for the approved true-up amounts for the period of avoidable delay? While deferring collection of true-up amounts for the FYs 2022-23 and 2023-24, TGERC has passed on the true-down amount of Rs.798.87 crore for 2024-25 in the ARR of 2026-27, i.e., adjusted for reducing revenue gap of the DISCOMs thereby reducing the need for subsidy from the state government to that extent. TGERC should have directed the DISCOMs to refund the true-down amount to the consumers by reducing the same in the monthly CC bills.

Imbalances in power mix, consumer mix and CoS of TGRPDCL

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 TGRPDCL 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?

It is announced that TGRPDCL 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 that RE, will TGRPDCL in a position to meet its obligations under RPPO order in force? If not, how is the DISCOM going to fulfil its obligations under RPPO in force during the current financial year and later?

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 TGRPDCL. This arrangement creates unwarranted imbalance in consumer mix - agricultural consumers with need for highest subsidy being transferred to TGRPDCL, on the one hand, and no cross-subsidizing categories of consumers being transferred to it, on the other. In the RSTO for 2026-27, TGERC has observed that “the formation of this third entity (TGRPDCL) will alter the consumer mix and energy requirements, impacting the ARR, Revenue Gaps and subsidy allocations for existing TGDISCOMs. Accordingly, the Commission intends to examine the rationalisation of tariffs at appropriate time, while duly safeguarding the interests of all DISCOMs and consumers.”

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 TGRPDCL, 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.

For the FY 2026-27, in the RSTO, TGERC has determined total cost of power purchase of 95866.73 MU as Rs.49230.02 crore, with average cost of Rs.5.14 per unit. It includes a total cost of Rs.6575.95 crore for purchasing NCE of 16525.08 MU, with an average cost of Rs.3.98 per unit. The cost of non-NCE of 79341.65 MU works out to Rs.42654.07 crore, with an average cost of Rs.5.38 per unit. As a result, allotment of NCE based on location of the NCE plants plus thermal power to SPDCL and NPDCL and allotment of thermal power to TGRPDCL leads to avoidable imbalance in allotment of average cost of power purchase - relatively lower cost power to the existing two DISCOMs and higher cost power to TGRPDCL. When actual allocation of power to the three DISCOMs is finalized, accurate picture of avoidable imbalance can be worked out. Obviously, it results in imbalance in average cost of power purchase between the three DISCOMs, with higher cost of service, as well as higher fixed charges to be paid for backing down surplus thermal power, to the categories of consumers under TGRPDCL and higher subsidy to be provided by the state government.

The categories of consumers, especially agricultural consumers, being allocated to TGRPDCL 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 an average daily operation time of 12 hours and 10 hours for TGSPDCL and TGNPDCL respectively and 180 operational days. TGERC has also considered the same in the RSTO for 2026-27. 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 TGRPDCL is also time-specific. Requirement of power to lift irrigation schemes depends on availability and requirement of water. Since TGRPDCL 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.

With allocation of 42% of available power to TGRPDCL, will the same pattern continue when it comes to allocation of power from new thermal power stations with whom the DISCOMs would enter into PPAs, irrespective of requirement of the third DISCOM? Such a mechanical approach may lead to availability of more surplus power to TGRPDCL, backing down the same and paying fixed charges for it.

If geographical location is the basis for allotment of intra-state solar power to the DISCOMs, and if TGRPDCL has to depend on inter-state solar power, the burden of inter-state transmission charges and losses will be disproportionately higher on it in view of the irrational and imbalanced GNA regulations and orders of the Central Electricity Regulatory Commission. Whether the 18 solar power plants proposed to be set up in the state would be allocated to TGRPDCL is not clear.

Burdens of surplus power and its backing down

Under base-load thermal power stations, allocation of capacities to TGRPDCL 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 TGRPDCL 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.

The difference between pattern of consumption of the categories of consumers under TGRPDCL 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 TGRPDCL, on the one hand, and imbalance in its consumer mix, on the other, 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 TGRPDCL, 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 on the consumers later.

In the RSTO for FY 2026-27, TGERC has observed that “with regard to surplus power and its sale, the Commission agrees that the ability to realize remunerative prices in the market is uncertain and dependent on prevailing conditions. Therefore, projections of revenue from sale of surplus power must be made conservatively. The Commission also reiterates that fixed cost liabilities arising from long-term PPAs are unavoidable to an extent; however, creation of persistent surplus leading to backing down and additional financial burden on consumers is not desirable. The TGDISCOMs are advised to align their long-term procurement planning more closely with realistic demand projections so as to minimize such situations” (Pp 77&78).

With an allocation of 42% of total energy available minus intra-state RE and NCE to TGRPDCL, 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 (RPPO) order also needs to be assessed. Moreover, allocation of relatively higher percentage of thermal power to TGRPDCL 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 IMS schemes to TGRPDCL also needs to be assessed.

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 TGRPDCL 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., TGRPDCL 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 IMS schemes to TGRPDCL also would arise. In the petition, it is defined that the geographical area within which TGRPDCL 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.

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. TGRPDCL 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 maintained by the existing two DISCOMs as approved by TGERC, as per the said G.O.

Composite Protected Water Supply Scheme (CPWS), Hyderabad Metropolitan Water Supply and Sewerage Board (HMWSSB) and Municipal water connections with separate DTRs (LT VI-B) are not farmer-oriented. They cater to the needs of all sections of people. All these schemes are run by entities of the state government/local bodies and depend on subsidy/concealed cross subsidy. Allocation of these schemes to TGRPDCL makes Rythu DISCOM a misnomer. It should be treated as subsidy DISCOM.

Equity adequacy and creditworthiness

In the annexure to G.O.Ms.No.44 dated 17.12.2025, it is stated that “the third DISCOM for Telangana shall be incorporated under the provisions of Electricity Act 2003 which permits two or more licensees to operate in a same area under Section 14. The abstract of the said section is as follows: “Provided also that the Appropriate Commission may grant a licence to two or more persons for distribution of electricity through their own distribution system within the same area, subject to the conditions that the applicant for grant of licence within the same area shall, without prejudice to the other conditions or requirements under this Act, comply with the additional requirements (relating to the capital adequacy, credit-worthiness, or code of conduct) as may be prescribed by the Central Government, and no such applicant, who complies with all the requirements for grant of licence, shall be refused grant of licence on the ground that there already exists a licensee in the same area for the same purpose.” **Further, it is stated that “the credit worthiness requirements are defined by The Distribution of Electricity License (Additional Requirements of Capital Adequacy, credit worthiness & code of conduct) rules 2005. (1) The appropriate commission shall, upon the receipt of an application for grant of license for distribution of electricity under sub-section (1) of section 15 of the Electricity Act, 2003, decide the requirement of capital investment for distribution network after hearing the applicant and keeping in view of the size of the area of supply and the service obligation with that area in terms of section 43. (2) The applicant for grant of license shall be required to satisfy the Appropriate Commission that on a norm of 30% equity on cost of investment as determined under sub-rule (1), he including the promoters, in case the applicant is a company, would be in a position to make available resources for such equity of the project on the basis of net worth and generation of internal resources of his business including of promoters in the preceding three years after excluding his other committed investments.”**

“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 temporarily and weakening that of TGRPDCL.

Regarding the norm of 30% equity on cost of investment, the book value of assets being transferred to the third DISCOM is shown as Rs.4929 crore, whereas the entire capex loan of Rs.6918 crore and working capital loan of Rs.9032 crore out of Rs.55,979 crore of the existing two DISCOMs are proposed to be transferred to TGRPDCL. Receivables from the government of Rs.35,982 crore to the third DISCOM are equivalent to loans of Rs.9032 crore plus dues to be paid by TGRPDCL to generators of power, i.e., TGGENCO, of Rs.26,950 crore, as proposed in the said G.O. How does TGRPDCL provide 30% of equity on cost of investment, with an authorized share capital of just Rs.5 crore? What is the creditworthiness of TGRPDCL to get new loans under the proposed arrangement? Regarding mobilisation of funds for the third DISCOM, it is simply “yet to be tied up.”

Loss of cross-subsidy to TGRPDCL

Going by the categories of consumers whom TGRPDCL 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 TGRPDCL would increase. Sale of power to agriculture in the state for the FY 2026-27 is determined as 23,193 MU and cost of service to LT-V agriculture as Rs.8.99 per unit, in the RSTO issued by the Commission. Cost for LT agriculture works out to Rs.20,851 crore out of which Rs.12,181.21 crore is being provided as subsidy by the state government. That apart, out of a sum of Rs.1105.91 crore treated by the Commission as regulatory asset, the share of agriculture is shown as Rs.960.29 crore, in the RSTO for 2026-27. In other words, cross subsidy to LT agriculture works out to Rs.9630.29 crore (Rs.8670 cr + 960.29 cr). There may be some variations, if any other factors like the estimated revenue from LT agriculture of Rs.118.42 crores are already not taken into account. In this connection, it may be noted that, in the RSTO for the current financial year, TGERC has pointed out that a sum of Rs.3386.22 crore is due from the state government towards subsidy committed by the latter for the period from 2015-16 to 2023-24. “The Commission has considered the amount of Rs. 3,386.22 crores to be spread over 5 years from FY 2026-27 to FY 2030-31 along with carrying cost,” in the RSTO for 2026-27. TGERC has further stated that “the Commission has determined the Cross subsidy and CSS in accordance with the formula and principles specified under the National Tariff Policy.” While TGERC is showing revenue to the DISCOMs through subsidy from the government, cross subsidy surcharge and additional surcharge, it is not showing revenue accruing under cross subsidy and how it is adjusted to reduce tariffs of which categories of consumers.

The suggestion to transfer cross subsidy, in one form or another, from the existing DISCOMs to TGRPDCL has no legal sanctity. Cross subsidy is being determined by the Commission as a measure of redistributive social justice and to reduce revenue gap of the DISCOMs and tariff for specific categories of consumers of the same DISCOM, after

adjusting subsidy the state governments agrees to provide. There is no practice of transferring cross subsidy from one DISCOM to another. Cross subsidy is specifically intended to reduce tariff burden to subsidized consumers of the same DISCOM partly. The implication of transfer of cross subsidy from the existing DISCOMs to the third DISCOM makes the very formation of the latter itself questionable. By implication, it confirms that the consumer mix of TGRPDCL, as proposed under the said G.O., is imbalanced. Without agricultural consumers under the existing DISCOMs, how TGERC would determine cross subsidy and to which categories of their subsidized consumers or whether it would eliminate or reduce cross subsidy drastically, as has been proposed by the government of India, thereby giving a go-by to the principle of redistributive social justice, is to be seen.

Where private DISCOMs, without any social responsibility to serve subsidized categories of consumers, are allowed, there is no transfer of cross subsidy from a private DISCOM to the subsidized consumers of the DISCOMs of the state government concerned. Giving an imbalanced advantage to a new DISCOM, here, TGRPDCL, in the form of transfer of cross subsidy from the existing two DISCOMs, to reduce cost of service of categories of consumers subsidized fully or partly of the third DISCOM would lead to increase in cost of service for various categories of consumers under the existing DISCOMs, on the one hand, and reduce the subsidy to be provided by the state government to subsidized categories of consumers under the third DISCOM as per its policy decision. In other words, it would lead to consumers of existing DISCOMs cross-subsidizing consumers of specific categories under the third DISCOM. Such a questionable and imbalanced approach and similar suggestions proposed by protagonists of reforms on earlier occasions did not find favour with even the governments and ERCs forcing pro-corporate and anti-consumer reforms down the line and could not be materialized.

Arrangement of RESCO is redundant and it covers a wide range of issues, not just cross subsidy and subsidy from the government to its consumers through the DISCOM concerned. Petition No.08 of 2026 filed by TGNPDCL, amending its distribution license by extending its services to all the consumers of Co-operative Electric Supply Society Limited (CESS), as directed by TGERC, is already pending before the latter. It shows the need for dispensing with a separate entity like CESS or RESCO. When such is the case, formation of TGRPDCL goes against such an approach.

Other problems

There is no mention of transfer of land, offices, vehicles, inventory, etc., to the third DISCOM from the present two DISCOMs.

Apportionment of distribution losses to TGRPDCL, without its own distribution network, up to the point of agricultural DTRs may turn out to be problematic, leading to disputes, especially when SPDCL and NPDCL fail to achieve the targets of reduction of distribution

losses fixed by the Commission in its MYT orders. Moreover, the Commission may have to determine targets for reduction of line losses to TGRPDCL separately from the point of its agricultural DTRs to the points of consumption. In the RSTO for FY 2026-27, TGERC has observed that “Commission (has) also taken note of the concerns raised by the stakeholders regarding the credibility of loss levels in the absence of comprehensive metering, particularly in the agricultural segment. The continued reliance on estimated unmetered consumption introduces uncertainty in energy accounting and creates scope for misclassification between actual losses and agricultural sales. While the TGDISCOMs have stated that estimation is based on approved methodologies, the Commission emphasizes that improvement in metering infrastructure is critical for accurate assessment of both consumption and losses. With regard to the issue of sharing of controllable losses true-up exercise is carried out by considering the loss trajectories approved in the MYT order.” (pp70-71)

While working out fuel surcharge adjustment (FSA) and true-up claims, apportionment of additional cost of purchases in the market and through exchanges also may become problematic, leading to disputes. If such additional power is purchased to meet demand of non-agricultural consumers of SPDCL and NPDCL, proportionate apportionment of such additional cost, exceeding the average cost of power purchased determined by the Commission in the retail supply tariff order, to per unit of power supplied to TGRPDCL within the limits of availability of power determined by the Commission in the RSTO to work out true-up claim per unit of all the DISCOMs would become questionable.

For the FY 2026-27, the DISCOMs have projected requirement of short-term purchases of 11,641 MU. How much would be the requirement of short-term purchases for TGRPDCL, going by the pattern of consumption of the categories of consumers being allocated to it?

Despite the claimed efforts of the DISCOMs, as directed by the Commission, for consensus with the farmers for peak load management, i.e., shifting their timings of consumption from peak to off peak hours, they could not achieve any tangible results. Will formation of the third DISCOM facilitate such a consensus?

Smart meters to DTRs may not be required

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, disputes between TGRPDCL and the existing two DISCOMs on the quantum of power supplied and drawn may arise.

For fixing smart meters to DTRs to be owned and maintained by TGRPDCL, apart from mobilising funds for the same, whether fixing of smart meters to DTRs is required is in the

realm of uncertainty, going by the divergent views expressed by the DISCOMs. In their replies to our submissions on the ARR and tariff proposals of the DISCOMs for the FY 2026-27, they have pointed out that “along with pursuance for participation in RDSS, the TGDISCOMs are examining the option of providing DTR-level metering, and once implemented, it will enable more accurate assessment of consumption patterns.” **At the same time, the DISCOMs have also pointed out that** all the feeders in both the DISCOMs were already equipped with meters. Segregation under RDSS, when taken up, can assess agricultural consumption with feeder meter data, without fixing meters to agricultural DTRs. **When the third DISCOM comes into operation, segregation of feeders for agricultural and non-agricultural consumers is inevitable. In such a situation, when feeders are equipped with meters, fixing meters to agricultural DTRs would not be required to measure power supplied to the third DISCOM, as the meters fixed to feeders would be sufficient to measure the same. If fixing of meters to agricultural DTRs is required to measure power being supplied to TGRPDCL, it would turn out to be avoidable expenditure additionally.**

In the RSTO for FY 2026-27, TGERC has stated that “TGDISCOMs have filed petitions for proposal for installation of smart meters for new services. The same will be considered by the Commission separately.” **TGERC has further stated that** “on agricultural consumption, the Commission acknowledges the inherent challenges in estimating unmetered sales, particularly in a system with a large share of agricultural load supplied under subsidized tariffs and has taken note that such an approach is sensitive to assumptions and may lead to over- or under-estimation. The absence of universal metering, especially at DTR level, continues to be a significant limitation in accurate energy accounting. The Commission also takes note of the concerns regarding continued reliance on unmetered agricultural consumption. Considering the Government of Telangana approving establishment of third DISCOM in addition to the existing TGSPDCL and TGNPDCL in the state vide G.O.Ms.No. 44 dated 17.12.2025, matters relating to agricultural sales will be dealt subsequently. (pp 60-61)

Inadequate manpower and increase in work load

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 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.”

How many posts in the 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?

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 TGRPDCL?

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 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 areas of operation. Till now, staff of SPDCL or NPDCL are catering to the requirements of all categories of consumers in each Mandal or specified area. 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 TGRPDCL, on the other, will have to work side by side and separately in a village/Mandal/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 villageMandal//area as allocated to them. Under the proposed arrangement, specific staff of TGRPDCL/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.

The proposal that, to encourage the employees to opt for transfer to third DISCOM, promotions are proposed to be offered **would naturally entail additional expenditure for the third DISCOM. Anyway, employees need to be given promotions in normal course, irrespective of their preference to continue to be employees of which DISCOM or other power entities of the state government.**

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.**

In the additional information dated 6.4.2026 submitted to TGERC, a number of measures are proposed to be taken under TGRPDCL (point Nos.21 to 23) - conducting detailed load forecasting considering agricultural demand, LIS demand, seasonal variations, rural growth, developing a phased network expansion plan including feeders, and distribution transformers, adopting GIS-based mapping for asset planning and management, ensure compliance with ERC regulations, CEA standards, safety norms, install high-efficiency distribution transformers with appropriate capacity, providing dedicated feeders for agriculture where feasible, deploying smart metering infrastructure for all distribution transformers and at interface points with existing DISCOMs in a phased manner, enabling digital platforms for consumer services, strengthening of weak networks and replacement of obsolete conductors, regular energy audits at feeder and transformer levels, promoting distributed renewable energy such as solar pumps and rooftop solar, facilitating net metering and grid connectivity for decentralized generation, align with state and national renewable energy policies, ensuring uninterrupted power supply with defined reliability standards, conducting awareness programs for energy conservation and safe usage, establishing robust accounting and auditing systems, ensuring timely tariff filing and compliance with ERC regulations, optimize power procurement costs through competitive sourcing, adhering to all license conditions, standards of performance and reporting requirements, submitting periodic reports to ERC, expanding distribution network to achieve universal access within the licensed area, upgrade infrastructure to meet growing demand, reduce technical losses to below regulatory benchmarks, advanced SCADA and distribution management systems across the network, achieving high reliability indices (SAIDI/SAIFI) improvements, scaling up solarisation of agricultural distribution transformers, promoting energy-efficient pump sets by adopting DSM measures, continuous training of staff on modern technologies and safety practices, adoption of best practices in utility management, etc.

Any measures that need to be taken to improve quality of supply and efficiency in operation by the third DISCOM are being, proposed to be, and can be, taken under the present two DISCOMs. In other words, it is implementation of required measures that would improve quality and efficiency in supplying power to the specified consumers proposed to be apportioned to the third DISCOM, not formation of the latter. It is stated in

the additional information that “Rythu DISCOM is committed to delivering reliable, affordable, and sustainable electricity distribution services. Through a combination of modern technology, efficient management practices, and a strong consumer focus, the company aims to transform rural power distribution and support agricultural productivity and economic growth.” The very fact that it is maintained in the additional information that “it is proposed that the employees from Southern Power Distribution Company of Telangana (TGSPDCL) & Northern Power Distribution Company (TGNPDCL) are deployed for Telangana Rythu Power Distribution Company Limited (TGRPDCL). With the above, TGRPDCL attains adequate organizational & managerial capabilities required for DISCOM operation” confirms that all these are being, and can be, achieved by SPDCL and NPDCL themselves in a phased manner, without formation of TGRPDCL, in view of the fact that specified categories of consumers, employees, share in total availability of power and areas of operation, with existing network, are proposed to be transferred from SPDCL and NPDCL to TGRPDCL.

Does the government prohibit SPDCL and NPDCL from giving new connections to agricultural consumers and other categories of consumers proposed to be transferred to the third DISCOM as and when such consumers come into existence afresh in the areas of operation of the two DISCOMs?

If the reasoning of the government in creating a new DISCOM based on specified categories of consumers is accepted, will it be extended and applied to new private DISCOMs that may come up in the future by allowing them to cater to specific categories of consumers of their choice, thereby facilitating cherry-picking?

If the reasoning of the government in creating a new DISCOM based on specific categories of consumers is accepted, will it be extended and applied to create new DISCOMs to cater to specific categories of consumers like HT industries and commercial, LT domestic, and other categories of consumers?

Section 43 of the Electricity Act, 2003, says: “every distribution licensee, shall, on an application by the owner or occupier of any premises, give supply of electricity to such premises, within one month after receipt of the application requiring such supply.” Category-wise compartmentalization of distribution area for the purpose of giving distribution licence goes contrary to this provision and gives a go-by to the obligation of a distribution licensee to supply electricity to the premises of the applicants concerned within its area operation, irrespective of the category under which applicants come. If an agricultural extent being served by the third DISCOM transforms into a residential or commercial or industrial area later, within the present area of operation of the third DISCOM, which distribution licensee should give service connections to such new categories of consumers and how would power to such consumers be supplied?

Experimentation for allowing private DISCOMs, without their own distribution network

The third DISCOM, admittedly, does not have its own distribution network within the same area of the existing DISCOMs and depends on the distribution network of SPDCL

and NPDCL for distribution of power up to its DTRs from the points of generation by paying wheeling charges determined by the Commission. The move of the state government to form the third DISCOM on the basis of specified categories of consumers, not on geographical basis, is an experimentation to ascertain how private DISCOMs can be allowed and facilitated for cherry-picking, without their own distribution network. As is well known, the Modi government at the centre is moving in the direction of allowing private power distribution companies in the areas of operation of the DISCOMs of the state governments. Creation of a DISCOM exclusively to cater to specific categories of consumers would facilitate cherry-picking by prospective private DISCOMs, without any responsibility to serve agricultural consumers and other subsidized consumers, and affecting the interests of the DISCOMs of the state governments, and consumers and employees of the DISCOMs in several ways.

Since SPDCL and NPDCL cannot oppose the decision of the state government, having already passed resolutions by their boards of directors to issue no objection certificate in favour of TGRPDCL for applying to TGERC for grant of a distribution licence for supply of power to the categories of consumers specified in the said G.O., with SPDCL stating that “the issuance of such No Objection Certificate shall not adversely affect the Company’s existing operations, rights, or obligations under its current distribution license.” It is doubtful whether SPDCL and NPDCL would articulate their concerns, if any, on the formation of the third DISCOM. It is obvious that it is a political decision of the government to create the third DISCOM.

Proposal for setting up TGRPDCL should be withdrawn

The 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 TGRPDCL. 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.

Formation of a third DISCOM based on specified categories of consumers is bristling with new problems. It is a duplicity with avoidable additional expenditure and without any additional benefit either to the government, or the DISCOMs, or consumers, or employees. Since supply of power to agriculture is free of cost, it may appear that it does not matter to agricultural consumers whether power is supplied by the existing DISCOMs or TGRPDCL. The location of agricultural pump sets does not change, simply because a third DISCOM is formed. Quality of service to agricultural consumers depends on robust financial condition of the DISCOMs and the required measures they take, whether they are served by the existing DISCOMs or TGRPDCL. Creation of TGRPDCL will not foster any competition. It is like administering a wrong medicine to the identified ailment based on a

wrong diagnosis. License to TGRPDCL should not be a “licence to kill,” or, rather, a license to hara-kiri.

Considering the pros and cons of formation of the third DISCOM, as proposed, with cons outweighing pros, the state government should withdraw its proposal. TGERC should reject distribution licence to TGRPDCL. If it cannot reject distribution license to TGRPDCL, the Commission should give a piece of reasoned advice to the state government to re-examine its decision to form the third DISCOM and return the petition.

(Paper presented at a workshop on “TGRPDCL (Rythu DISCOM) in Telangana: Issues and Challenges” organised on 17.5.2026 at Centre for Economic and Social Studies by People’s Monitoring Group on Electricity Regulation & Centre for Power Studies)
