



TELANGANA ELECTRICITY REGULATORY COMMISSION

‘Vidyut Niyantran Bhavan’ G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045

I.A. No. 8 of 2025

In

O.P. No. 16 & 17 of 2024

Dated 14.10.2026

Present

Dr. Justice Devaraju Nagarjun, Chairman
Sri. Raghu Kancharla, Member Technical
Sri. Cherukuri Srinivasa Rao, Member Finance

Between:

Northern Power Distribution Company of Telangana Limited,
Corporate Office, Vidyuth Bhavan,
Hanumakonda, Warangal

...Petitioner

AND

1. M/s Singareni Collieries Company Limited
The General Manager (E & M), (PHs & Ws),
SCCL, Kothagudem - 507101.
2. M/s. Heavy Water Plant,
P.O, Gouthamnagar, Aswapuram,
Bhadradi Kothagudem -507116.
3. M/s. Kesoram Cements Limited,
613 to 616, White House,
Block - 111, 6th floor, 6 – 3 – 1192 / 1 / 1,
Hyderabad.
Substituted as – M/s Ultra Tech Cements vide order dated 04.08.2025 in I. A. No. 23
of 2025.
4. M/s. Orient Cements Limited,
H. No. 5 – 9 – 22 / 57 / D, 2nd, 3rd and 4th Floor,
G P Birla Centre, Adarsh Nagar,
Hyderabad - 500063.

5. M/s. Luxmi Tulasi Agro Paper Limited
Main Road, Aswaraopeta, Kothagudem – 507301.
6. M/s. Nava Limited
Navabharat Chambers, 6 – 3 – 1109 / 1, 3rd Floor,
Raj Bhavan Road, Somajiguda, Hyderabad - 500 082.
7. M/s. ITC Limited,
ITC paperboards Limited & speciality division,
ITC bhadrachalam House, 106, sardar Patel Road,
Secundrabad-500003.
8. M/s. Sirpur Paper Mills Limited
H No. 5 – 9 – 22 / 1 / 1,
1st Floor, Opp New MLA Quarters Gate,
Adarsh Nagar, Hyderabad-500063.
9. M/s. Gayatri Sugars Limited,
B2, 2nd Floor, 6 – 3 - 1090,
TSR Tower, Raj Bhavan Road,
Somajiguda, Hyderabad -500082.
10. M/s. Ramagundam Fertilizer & Chemical Limited,
Ramagundam Fertilizer City,
FCI X Road, Ramagundem
Peddapalli District-505210.
11. M/s. Kakatiya Cement Sugar & Industries Limited
1 – 10 – 140 / 1, Gurukrupa, Ashoknagar, Hyderabad-500020
12. M/s. Valens Molecules Private Limited,
202, SV's Classic residency, 6 – 3 – 853 / 2,
Ameerpet, HYD-16.
13. M/s. Hyderabad Institute of Oncology Private Limited.
8 - 2 – 293 / 82 / L / 276 A, MLA Colony,
Road No.12, Banjara Hills, Hyderabad - 500034. ...Respondents

The petition has come up for hearing on 12.03.2025, 08.04.2025, 25.04.2025, 27.05.2025, 12.06.2025, 04.07.2025, 04.08.2025, 09.09.2025, 15.10.2025, 30.10.2025. Learned Counsel N. Sreedhar Reddy appearing for the petitioner is present 12.03.2025, 08.04.2025, 25.04.2025, 27.05.2025, 12.06.2025, 04.07.2025, 04.08.2025, 09.09.2025, 15.10.2025, 30.10.2025,

ORDER

The present petition is filed by Northern Power Distribution Company of Telangana Limited (here in after called as TGNPDCL) seeking clarification on levy of Grid Support

Charges for Co-located load of the Captive Power Plants for the FY 2024-25 in Retail Supply Tariff Order for FY 2024-25 issued by this Commission on 28.10.2024.

PETITIONERS SUBMISSIONS:

1. This Commission has passed the Retail Supply Tariff Orders (RSTO) for FY 2024-25 on 28.10.2024 approving the levy of Grid Support Charges @ Rs. 16.32/kW/Month. TGNPDCL has filed this petition seeking to clarify the sentence/phrase at per para 6.16.7 of the RSTO order dated 28.10.2024, which runs as under,

"The GSC will be applicable only on Captive Power Plants (CPPs) and the levy shall be limited to only the power consumed by the co-located load"

2. The TGNPDCL has also referred to following parts of the order passed by this Commission in O. P. Nos. 80 & 81 of 2022 dated 27.03.2024.

"4.1.11 Hon'ble APTEL order dated 14.12.2023 in Appeal No.228 of 2022 & I. A. No. 1962 of 2023, I. A. No. 722 of 2022, I. A. No. 1014 of 2023 states that GSC cannot be levied on the entire installed capacity as that would mean levying GSC even for the capacity which is sold to 3rd parties."

"4.1.12 Hence, in view of the above the Commission is of the considered view that GSC can be levied on captive power plants and the levy shall be limited to only the power consumed by the co-located load."

According to petitioner above shall mean GSC shall be limited to the power consumed by the co- located load only that is installed capacity of plant - energy sold to 3rd parties / exported to grid for their captive use.

3. The TGNPDCL stated that further in the RSTO FY 2024-25 which become applicable from 01.11.2024 it is stated that

"GSC shall be limited to only the power consumed by the co-located load";

due to which the Petitioner states that some of the consumers may interpret as energy consumed by co-located load instead of capacity of the co-located plant which may lead to litigation while implementing the order.

4. The TGNPDCL stated that the Hon'ble APTEL order dated 14.12.2023 in Appeal No. 228 of 2022 and Appeal No. 391 of 2023 against the impugned order of APERC has set aside the GSC for non-co-located captive power plants but not for co-located captive plants.

Keeping in view of the above APTEL Judgement, the Hon'ble APERC in its Tariff Order for the FY 2024-25 dated 11th March 2024, levied GSC as follows.

"The parallel operation / grid support charges are to be applied to the total installed capacity of the generators connected to the Grid duly deducting the OA capacity or the PPA capacity if any with the DISCOMS."

5. The Petitioner stated that the Hon'ble APTEL relied on order dated 01.06.2011 issued by the Hon'ble GERC while passing the order dated 14.12.2023 in Appeal No. 228 of 2022 and Appeal No. 391 of 2023. The relevant paragraph is extracted as follows.

"13.15 We have cautiously and carefully gone through the reasoning recorded by the Gujarat Electricity Regulatory. Commission, in its order, dated 1.6.2011, in Petition No. 256 of 2003 and 867 of 2006 where the Gujarat Commission has dealt with the issue of applicability of POCs. According to the Gujarat Commission, if the CPPs are situated at different places and part load of the consumer is connected at the place of CPP and part load receiving power through open access from it is situated at a different place, the part load which is situated at the CPP premises is only eligible for levy of parallel operation charges as they receive services form the grid. While the load/consuming unit situated at another place and getting. power generated from CPP by wheeling / transmission through open access power wheeled is equated with a consumer without CPP. Hence, for such quantity of from CPP, no POC is leviable."

6. The Petitioner stated that it is evident that the co-located load for applicability of GSC shall be total installed capacity of captive power plant (CPP) less OA capacity for third party wheeling / captive wheeling.

7. For the ongoing facts and circumstances, the Petitioner has requested the Commission to pass orders by clarification for levying GSC on the co- located load of the captive power plant with effect from 01.11.2024.

8. Upon admitting the petition, this Commission has recognised that it is necessary to hear all the affected parties and directed the Petitioner / TGNPDCL on 12.03.2025 to submit the list of stake holders for providing an opportunity of being heard. Pursuant to the directions of the Commission, the Petitioner has submitted the list of all the affected parties consisting of 13 entities which was filed on 17.03.2025. Thereafter, on issuance of notice to

all the stake holders, the parties have appeared and filed their respective counter affidavits as stated below.

9. Out of 13 entities, Respondent No. 3 M/s Ultra Tech Cements Ltd, Respondent No. 4 M/s Orient Cements Limited, Respondent No. 5, M/s Sri Luxmi Tulasi Agro Paper Limited, Respondent No.6 M/s Nava Limited, Respondent No. 10 M/s Ramagundam Fertilizer and Chemicals Limited, Respondent No.11 M/s Kakatiya Cement Sugar & Industries Limited have filed their respective Counter affidavits specifying their stand in the above petition while other respondents chose not file any reply / counter affidavit.

COUNTER FILED BY RESPONDENT NO. 3

10. The respondent No. 3 has filed a counter affidavit and stated that pursuant to the passing of the Hon'ble Supreme Court's Judgment in the matter of Transmission Corporation of Andhra Pradesh Limited. v. Rain Calcining Limited. & Others. reported in 2021 (13) SCC 674 (Rain Calcining Judgment), Telangana DISCOMs filed their retail supply tariff filings for FY 2022 - 23, proposing levy of GSC considering the methodology adopted in erstwhile Ld. Andhra Pradesh Electricity Regulatory Commission (APERC) vide its order dated 08.02.2002 as under:

“Persons operating Captive Power Plants (CPPs) in parallel with T.S. Grid have to pay 'Grid Support Charges' for FY 2022-23 on the difference between the capacity of CPP in kVA and the contracted Maximum Demand in kVA with Licensee and all other sources of supply, at a rate equal to 50% of the prevailing demand charge for HT Consumers. In case of CPPs exporting firm power to TSTRANSCO, the capacity, which is dedicated to such export, will also be additionally subtracted from the CPP capacity.”

11. The respondent No. 3 stated that on 23.03.2022, the Commission has passed an order in O. P. No. 58 and 59 of 2021 and referred the matter qua levy of GSC to the Grid Coordination Committee (GCC) for a detailed study on the issue of parallel operation of CPPs and consequent levy of GSC. Pursuant thereto, the Commission issued a letter to GCC to conduct a detailed study and submit its report on or before 30.05.2022, which was extended upto 30.07.2022. On 05.08.2022, GCC submitted its report to the Commission. Since the report was incomplete, Commission vide its letter dated 16.09.2022, directed to GCC to submit its final report with specific recommendation on levy of GSC duly proposing

the methodology for calculation of GSC to the Commission on or before 30.09.2022, which was subsequently extended upto 30.10.2022.

12. The respondent No. 3 stated that on 28.12.2022, GCC submitted its final report to the Commission. Thereafter, the Telangana DISCOMs filed their retail supply tariff filings for FY 2023-24, proposing levy of GSC on all generators who do not have any PPA for full / partial capacity with Telangana DISCOMs. Telangana DISCOMs proposed levy of GSC as follows:

"....Grid Support Charges = Total Installed Capacity X Rate of GSC.

Rate of GSC (Rs. / kW /month):

- i) The parallel operation/grid support charges are to be applied to the 4 (g) total installed capacity of the generators connected to the Grid.*
- ii) Conventional generators shall pay Rs. 50 / kW/month.*
- iii) Renewable Energy plants including Waste Heat Recovery (WHR) plants, the plants based on municipal solid waste and the co-gen plants shall pay Rs. 25 / kW / month.*
- iv) Rooftop solar plants under net metering/gross metering policy shall pay Rs. 15 / kW / month.*
- v) Co-gen sugar mills shall pay charges of Rs. 25 / kW / month, for a period of four (4) months or actual operation period whichever is higher.*
- vi) These charges shall not be applicable when the plants are under shutdown for any reason and when such shutdown period exceeds two (2) months.*
- vii) To the extent of PPA capacities of the generators with TSDISCOMS shall be exempted from payment of these charges...."*

13. The respondent No. 3 stated that on 24.03.2023, this Commission has passed an order in O. P. No. 81 of 2022 to OP No. 95 of 2022, which again referred the matter to GCC for undertaking detailed analysis since the distribution licensees proposed a different methodology and applicability as was proposed by them in their earlier RST for FY 2022 - 23 for which GCC has already submitted its final report on 28.12.2022 Pursuant thereto, the Commission issued a letter dated 10.05.2023 directing GCC to submit its detailed report on

or before 15.06.2023, which was extended upto 16.08.2023. On 07.10.2023, GCC submitted its final report to the Commission.

14. The respondent stated that further DISCOMs filed O. P. No. 80 and 81 of 2022, seeking determination of GSC for FY 2023-24. By its order dated 27.03.2024 in O. P. No. 80 and 81 of 2022, the Commission passed the following

- (i) The Grid provides various ancillary services to the captive users whereas these captive users are reducing their contract demand with the distribution licensees. This reduction in Contract Demand leads to reduction / loss of revenue of the distribution licensees.
- (ii) It is observed from the GCC report that the GSC is calculated by including the Artisans cost in the R & M cost. However, as per the Hon'ble Appellate Tribunal's Judgment, parallel operation of the generators will affect the grid equipment which in turn will affect the R & M cost of the transmission licensee and distribution licensees. Thus, the Commission is of the view that the Artisans' cost should not be considered for arriving GSC. In view of the above, the Commission has computed the GSC of Rs.15.50 / kW / month by considering the total generation capacity connected to Telangana grid as on end of 31.03.2023 and actual R & M charges TSTRANSCO and TSDISCOMs.
- (iii) As regards the capacity on which GSC can be levied, it was stated that Hon'ble Appellate Tribunal in its Judgment dated 14.12.2023 in Appeal No. 228 of 2022 & I. A. No. 1962 of 2023, I. A. No.722 of 2022, I. A. No.1014 of 2023 states that GSC cannot be levied on the entire installed capacity as that would mean levying GSC even for the capacity which is sold to 3rd parties. Hence, in view of the above, GSC can be levied on captive power plants and the levy shall be limited to only the power consumed by the co-located load.
- (iv) Direction issued to the distribution licensees to file petition for determination of GSC for FY 2024-25 onwards duly following the methodology approved in the instant orders. Thereafter, O P No. 16 of 2024 and 17 of 2024 was filed by Telangana Distribution Licensees for seeking determination of retail supply tariff for FY 2024-25. Amongst others, the distribution licensees sought a levy of Grid Support Charges at the rate of Rs. 19 / kw / month. On 28.10.2024, the

Commission passed an order, holding that GSC of Rs. 16.32 / kw / month be applicable on co-located captive power plants.

15. The respondent No. 3 stated that once an order is passed, this Commission becomes functus officio. The doctrine of functus officio gives effect to the principle of finality. Once a decision has been rendered, it is not open to the court / quasi-judicial body to revisit the decision and amend, correct, clarify, or reverse it, unless the statute provides for power to review/ recall / modify / clarify the order in certain limited circumstances. It is noteworthy that, clause 32 of the Telangana State Electricity Regulatory Commission (Conduct of Business) Regulations, 2015 (Conduct of Business Regulations) provides that the Commission has the power to review its orders within a period of 75 days from the date of the passing of the order.

16. The respondent No. 3 stated that by way of the present application, the Petitioner is essentially seeking review of the order dated 28.10.2024. The said application has been filed after passing of 75 days. Hence, the present application cannot be considered since; (a) Case of review of an order has not been made out; and (b) the same has been filed beyond the period of 75 days and no application for condonation of delay has been filed. In view of the above submissions, it is stated that the present application ought to be dismissed.

Re. Without prejudice to above, no need for any clarification

17. The respondent No. 3 without prejudice to the above submissions. that, assuming without admitting the present application is merely seeking a clarification, it is stated that the order dated 28.10.2024 is clear and there is no need for providing any clarification as sought by the Petitioner. The said order at paragraphs 6.16.6 and 6.16.7, confirms that the GSC at rate of Rs. 16.32 / kW / month be payable and the payment ought to be restricted to 'power consumed by the co-located load'.

18. The respondent stated that the expression 'power consumed by the co-located load' cannot be linked to the installed capacity of the co-located captive generating plants since the same would be arbitrary and having no nexus between the support obtained by a captive user and levy imposed on the captive user. It is stated that, a consumer may have a contract demand / plant load depending upon its requirement of redundancy and reliability. However, the same does not affect the requirement on the grid, which is based on usage only. Capacity and configuration of a CPP is decided on the requirement of the industrial process in terms of

reliability, redundancy and spatial requirement. In any case, the support from the grid: (a) cannot exceed the actual load requirement; and (b) capacity of the transmission line. Therefore, at no given point of time a captive user can receive support, from the grid corresponding to the installed capacity of the CPP.

19. The respondent stated Without prejudice to the fact that this Commission does not have the jurisdiction to levy GSC, levy of GSC, at best and at the highest, can be restricted to the load/ support received by the captive user from the grid.

20. It is further stated that UTCL has the following protective equipment at the plant in question:

Sl. No	Feeder Name	Relay Details		Remarks
		Make	Type	
132 KV Sub station				
1	Grid Paralleling Panel	SIEMENS	7RW 600	Voltage & Frequency Protection
2	Main Decoupling Relay	C&S	MRN2	Grid Islanding Relay -Vector Surge, df/dt, dv/dt, UN, ON Protections

21. The respondent stated that the reliance placed by the Petitioner of the Hon'ble Tribunal's Judgment dated 14.12.2023 in Appeal No. 228 of 2022 and batch is misconceived and does not apply in the facts of the instant case. For the above reasons the respondent stated that there is no merit in the application filed by the Petitioner and the same is ought to be dismissed.

COUNTER FILED BY RESPONDENT NO.4

22. The respondent No. 4 stated that the Petitioner is not a party in O. P. No.16 of 2024 and I. A. No. 15 of 2024 and I. A. No. 22 of 2024 which was filed by TGSPDCL, and as such cannot seek clarification with regard to the retail supply tariff in so far as TGSPDCL is concerned. As such, the Petitioner can seek adjudication of present application only to the extent of O. P. No. 17 of 2024.

23. The respondent No. 4 stated that the issue of GSC discussed in the RSTO in O. P. Nos. 16 and 17 of 2024 flows from the Order dated 27.03.2024 in O. P. Nos. 80 and 81 of 2022. The said Order dated 27.03.2024 has now become final. Having accepted the same, the Petitioner cannot now, under the guise of a clarification to the RSTO, seek to modify the

findings in the order dated 27.03.2024, and can at most, seek a clarification on the methodology to be adopted to calculate the power consumed by the co-located load.

24. The respondent stated that the relief in the present application does not specify what clarification is specifically being sought in relation to GSC and as such, the answering respondent is not in a position to respond unless the specific clarification being sought is made clear by the Petitioner. The following submissions are made on the basis of the letter dated 29.11.2024 submitted by the Petitioner to this Commission.

25. The respondent stated that it manufactures cement and paper in its manufacturing unit. As it is a continuous process industry, the answering respondent has established a CPP of 50 MW (2 x 25 MW) in the year 2012. Excess power generated, if any, is sold through a trading licensee to energy exchanges.

26. The respondent stated that the Commission in its order dated 27.03.2024 O. P. No. 80 and 81 of 2022 has observed as follows:

"4.1.9 Co-located captive plants: The Hon'ble APTEL in its order dated 08.10.2015 in Appeal No.167 of 2014 held that GSC can only be levied on the CPPs which are inter-connected with their load and the utility grid by a point of common coupling.

-We further hold that the impugned petition, being Petition No.52 / 2013, is in reality, and letter and spirit, a clarificatory petition which cannot be said to be time barred. We further hold that the POCs can only be levied on the CPPs which are inter-connected with their load and the utility grid by a point of common coupling. Since, the Tawa Plant of the Appellant / petitioner is not inter-connected with its load / consumer and the utility grid by a point of common coupling, and hence, the POCs cannot be levied on the Tawa Plant of the Appellant".

Provided that GSC cannot be levied on:

A. Captive Power Plants (both Renewable and Conventional) which are not co-located.

B. IPPs (both Renewable and Conventional).

C. Solar Roof Top plants.

D. Generators which have PPAs with TSDISCOMS

4.1.11 Hon'ble APTEL order dated 14.12.2023 in Appeal No. 228 of 2022 & I. A. No. 1962 of 2023, I. A. No. 722 of 2022, I. A. No. 1014 of 2023 states that GSC cannot be

levied on the entire installed capacity as that would mean levying GSC even for the capacity which is sold to 3rd parties.

4.1.12 Hence, in view of the above the Commission is of the considered view that GSC can be levied on captive power plants and the levy shall be limited to only the power consumed by the co-located load."

27. The respondent stated that in the RSTO for FY 2024-25, while considering the Hon'ble APTEL's judgement in Appeal No. 228 /2022 and 391 / 2023, as well as the order in O. P. Nos. 80 and 81 of 2022, the Commission has held the following.

"6.16.7 The GSC will be applicable only on Captive Power Plants (CPPs) and the levy shall be limited to only the power consumed by the co-located load.

6.16.8 The GSC is not applicable for the following:

- a. Captive Power Plants (both Renewable and Conventional) which are not co-located.*
- b. IPPs (both Renewable and Conventional).*
- c. Solar Roof Top plants*
- d. Generators which have PPAs with TGDISCOMS"*

28. The respondent stated that the above orders are clear that GSC can be imposed only on the power consumed by the co-located load, that is excluding both, power exported to the grid as well as auxiliary consumption of the CPP. Auxiliary consumption also requires to be excluded as the power generated by the CPP is consumed within the CPP itself. Such power neither derives any benefit from the grid, nor does it affect the grid in any manner.

29. The respondent stated that the regular calibration test results are also taken in the presence of the officials of the Petitioner and TGTRANSCO. The meter readings can be verified by the Petitioner from time to time to check the actual consumption from the CPP. As such, there can be no difficulty in obtaining the actual power consumption of the answering respondent. The copies of calibration certificates of the respondent's generation and auxiliary meters are filed in support of the claim of this respondent

30. The respondent stated that in view of the foregoing submissions prays that the Commission may clarify that the Petitioner is at liberty to obtain the meter readings of the CPP, insofar as this respondent is concerned and subject to compliance and pass necessary orders.

COUNTER FILED BY RESPONDENT Nos.5, 6 & 11

31. The respondent Nos. 5, 6 and 11 have stated that in an identical counter affidavit that the tariff order dated 28.10.2024, issued by the Commission for the retail supply tariff for the financial year 2024 - 25, is clear and specific in its terms, especially regarding the levy of GSC and there is no confusion or ambiguity in the order that would require the Commission to exercise its powers under section 94 (2) of the Electricity Act, 2003 (Act, 2003).

32. The respondents Nos. 5, 6 and 11 have stated that the Commission's tariff order dated 28.10.2024 clearly states that GSC of ₹. 16.32 / kW / month are to be applied only on the actual power used by the co-located load of CPPs. The order specify that GSC is not applicable for:

- a. CPP (renewable or conventional) that are not co- located;
- b. IPPs conventional; both renewable and
- c. Solar Rooftop Plants; and
- d. Generators that already have power purchase agreements (PPAs) with DISCOMs.

33. The respondent Nos. 5, 6 and 11 have stated that the present application is a disguised attempt to seek review of binding tariff order dated 28.10.2024. However, the Petitioner has neither filed it under section 94 (1) (f) of the Act, 2003 nor met the legal grounds required for review. Therefore, such an attempt disguised as a 'clarification' should be rejected outright.

34. The respondent Nos. 5, 6 and 11 have stated that in earlier order dated 27.03.2024 in O. P. Nos. 80 and 81 of 2022 the Commission clearly stated that GSC can be levied only on the actual power consumed by co-located load, and not on the installed capacity. This legal position has remained consistent. The respondent Nos. 5, 6 and 11 have stated that if the Petitioner is aggrieved by the tariff order, it has a statutory right of appeal under section 111 of the Act, 2003 before the Hon'ble Appellate Tribunal for Electricity (APTEL). Since the Petitioner has not used this statutory remedy, they cannot now avoid the requisite appeal process by filing this application under the guise of seeking a clarification.

35. The respondent Nos. 5, 6 and 11 have stated that the apprehension expressed by the Petitioner regarding potential future litigation or confusion is purely speculative. The stakeholders, including the answering respondents, have already understood and are implementing the tariff order in its present form without any difficulty. As such, the present

application amounts to an indirect challenge to the tariff order and should be dismissed as an abuse of the process of law. The respondent Nos. 5, 6 and 11 have stated that in view of the above submissions prays this Commission to dismiss the present interlocutory application.

36. In addition to the above submission the respondent No. 5,6,10 & 11 have also stated that the attempt of the Petitioner to reinterpret 'power consumed by co-located load' as 'installed capacity minus exports' is stated to be a deliberate distortion of the order and amounts to rearguing the merits of the order itself, which is impermissible. Further the respondent No. 5 has stated that the Petitioner's attempt to import reasoning or methodology from other State Commissions is not tenable in law, as each Regulatory Commission functions independently within its own jurisdiction under the Act, 2003, further states that the Petitioner is essentially seeking to reopen and reinterpret the clear findings of the Commission under the guise of a "clarification".

37. In addition to the above submission the respondent No. 11 being M/s. Kakatiya Cement and Sugar Industries has stated that it runs a cogenerating plant which is seasonal as it operates only during the cane crushing season, further it is stated that the power purchase agreement of the above stated unit has expired on 11.04.2022. Also, due to the Low availability of cane during the year 2023 - 2024 the industry ran for only 52 days and for the year 2024 - 2025 it was in operation for 22 days only. For the upcoming crushing season 2025 - 2026 the respondent expects to crush for only 10 days approximately. Hence the Petitioner's prayer to levy GSC on installed capacity throughout the year in the review petition as against the actual power used will cause serious financial implications for the company. during the non-crushing period the sugar and cogeneration operations of the 16.7 MW T. G. Set will be completely shut down till commencement of further crushing operations and hence not connected to grid during the off-season period. Accordingly, levying GSC based on installed capacity is irrational and inequitable. It is stated that GSC may be levied only on the actual power used as reflected in the Commission's order dated 28.10.2024.

COUNTER FILED BY RESPONDENT NO.10

38. The respondent No.10 has filed a similar counter affidavit to that of Respondents Nos.5,6 and 11. Further in addition to the submissions of the respondents of 5,6 and 11, the respondent No.10 stated that the levy of GSC based on actual consumption of power by the co-located load from the grid is more rational method and an equitable approach than

charging on the basis of installed capacity of the generating plant. As the very premise of the GSC is to compensate the grid for the technical and reliable support and fault-level management which arises only to the extent of actual power draw or consumption in synchronization with the grid.

39. It is also stated by the respondent No. 10 that the installed capacity being a static parameter, does not reflect the extent or frequency of such interaction with the grid and therefore cannot form a reasonable basis for levy. Further computation based on actual consumption inherently accounts for period when the plant is under seasonal or planned breakdown maintenance shutdowns, during which there is no parallel operation or reliance on grid support. In such incidents, grid support charges shall not be levied. Charging on installed capacity in such circumstances results in an artificial and unjustified burden unconnected with the benefit derived from the grid.

POINTS FOR CONSIDERATION

40. Upon consideration of the material on record and the submissions of the parties, the following points arise for consideration:

Issue No. 1: Whether the present Interlocutory Application is maintainable as an application for clarification, or is in substance an application for review barred by the doctrine of *functus officio* and by the period prescribed for review.

Issue No. 2: What is the meaning of the expression “the levy shall be limited to only the power consumed by the co-located load” in para 6.16.7, and what is the quantum on which Grid Support Charges are leviable.

Issue No. 3: Whether the Petitioner is precluded from seeking a clarification of para 6.16.7 by reason of not having been a party to O.P. No. 16 of 2024, and the extent to which the clarification operates.

Issue No. 4: The period for which the clarification operates.

ISSUE NO. 1: MAINTAINABILITY

41. Respondent No. 3 submits that the Commission became *functus officio* upon passing the Order and that clause 32 of the Conduct of Business Regulations, 2015 permits review within seventy-five days, and that the application, being in substance a review, is beyond that period of limitation and unaccompanied by any application for condonation of delay. Respondents No. 5, 6, 10 and 11 submit that it is a disguised review filed without invoking Section 94(1)(f) of the Electricity Act, 2003 and without any ground for review, that the

remedy lay in an appeal under Section 111, and that the apprehension of litigation is speculative. Respondent No. 10 adds that the power to clarify extends only to errors apparent on the face of the record. Respondent No. 4 submits that the findings in the Order dated 27.03.2024 in O.P. Nos. 80 and 81 of 2022 have become final and cannot be modified under the guise of a clarification.

42. The Order dated 28.10.2024 was not carried in appeal and has attained finality. The question that arises for consideration is whether the present application merely seeks clarification of the meaning and scope of a direction already issued by the Commission or, in substance, seeks reconsideration, alteration or modification of the findings recorded in the said Order. A review involves reconsideration of a concluded decision on grounds permissible in law, whereas a clarification is confined to explaining or removing ambiguity in an existing finding or direction, without altering its substance, enlarging its scope or introducing any fresh determination. The limitation prescribed for a review does not govern an application of the latter description. The Hon'ble Appellate Tribunal for Electricity has so held in its order dated 08.10.2015 in Appeal No. 167 of 2014, extracted at para 4.1.9 of the Order dated 27.03.2024:

“We further hold that the impugned petition, being Petition No.52/2013, is in reality, and letter and spirit, a clarificatory petition which cannot be said to be time barred.”

43. The Petitioner is not questioning the legality of levy, the rate approved at para 6.16.6, or the exclusions at para 6.16.8. The difficulty of NPDCL is confined to ascertaining the quantum of power to which the approved rate of Grid Support Charges is to be applied. The Petitioner reads para 6.16.7 as referring to the capacity of the plant net of capacity supplied to third parties and committed under Power Purchase Agreements; Respondent No. 4 reads it as referring to energy, net of exports and of auxiliary consumption; Respondent No. 10 reads it as the actual drawl of power in synchronisation with the grid; and Respondent No. 11 as the actual power used. These are four interpretations advanced by parties each of whom describes the provision as unambiguous. It is also observed that the Order dated 28.10.2024 contains no separate discussion on the scope of para 6.16.7, the reasoning being contained in the earlier Order dated 27.03.2024.

44. The plea that the application is an abuse of process cannot be accepted in the face of the Commission's own communication. The Petitioner raised the question by letter dated 29.11.2024. By letter dated 17.01.2025 the Commission informed it that the clarification

could not be considered by correspondence and that the licensee has to approach the Commission through a proper petition or application by following the Conduct of Business Regulations and the applicable fee regulations. The application was filed pursuant to that communication and upon payment of the prescribed fee.

45. The remedy under Section 111 of the Act is available to a person aggrieved by a decision. The Petitioner is not aggrieved by the determination. It accepts the levy and the rate and seeks to give effect to them. An appeal does not lie against a difficulty in implementation.

46. The application invokes Section 94(2) of the Act, which relates to interim orders and is not the source of the power to declare the meaning of a final order. That power is incidental and ancillary to the power to make the order and inheres in the authority which made it. The invocation of an inapposite provision does not defeat an application which the Commission is otherwise competent to entertain, the substance of the relief and not its label being determinative.

47. In answering this application, the Commission does not reconsider its decision to levy Grid Support Charges, does not alter the rate approved, and does not disturb the exclusions at para 6.16.8. The submission of Respondent No. 3 that the Commission lacks jurisdiction to levy the charge, and the submission of Respondent No. 10 that a levy on actual consumption would be a more equitable levy, are for that reason outside the scope of this proceeding.

48. In the present case, the Petitioner seeks clarification of the expression “the levy shall be limited to only the power consumed by the co-located load” contained in Para 6.16.7 of the Order dated 28.10.2024. The Commission is therefore required to examine whether the meaning of the said expression can be ascertained from the language of the Order, read in the context of the findings and reasons recorded therein, without reopening the issue of liability to Grid Support Charges or modifying the basis on which such charges were directed to be levied. As the clarification sought for is only to explain the existing direction and its application, without altering the substantive determination, the application would fall within the permissible scope of clarification.

49. The clarification sought is confined to resolving the ambiguity concerning the quantum of power to which the approved rate of Grid Support Charges is applicable, without

seeking reconsideration or alteration of the substantive findings or directions contained in the original Order. Consequently, neither the doctrine of functus officio nor the limitation prescribed for filing an application for review operates as a bar to entertaining the present application.

50. The Commission accordingly holds that petition is maintainable for clarification and does not amount to an application for review. Issue No. 1 is answered accordingly.

ISSUE NO. 2: MEANING OF PARA 6.16.7 AND THE CHARGEABLE QUANTUM

51. The petitioner TGNPDCL sought for clarification of para 6.16.7. In order to clarify and interpret para 6.16.7, the entire order in O.P. No 16 & 17 of 2024 dated 28.10.2024 has to be read as a whole.

52. The Commission has considered the submission of Respondent No. 10 that grid support is availed only to the extent of the power actually drawn in synchronisation with the grid, and that installed capacity, being a static parameter, does not reflect the extent of interaction with the grid. The premise cannot be accepted. The obligations which the levy compensates arise from the existence of a live and synchronised interconnection and not from the quantum drawn on a given day. So long as a co-located plant remains interconnected and capable of parallel operation, the licensee must maintain at the point of common coupling the voltage and frequency reference, the system strength and fault level and the protection coordination necessary for that plant, and keep capacity available to substitute its output upon an outage. Those obligations are discharged continuously and do not begin and end with the generation of the plant. It is for that reason that the rate is derived from Repairs and Maintenance expenditure, which is incurred to keep the network available, and not from the cost of energy. The service compensated is availability, and availability is a function of capacity

53. According to the petitioner, ongoing through the para 6.16.7 of the order, some of the consumers may likely to interpret the sentence / phrase “GSC shall be limited to only the power consumed by the co-located load” as energy consumed by a co-located load instead of capacity of the co-located plant. Therefore, the petitioner sought for a clarification as to whether the sentence above would mean as the energy consumed by co-located load or capacity of the co-located plant. As per para 6.16.6 the Commission approved Grid Support Charges of Rs. 16.32 per kW per month. The kilowatt is a unit of capacity and the kilowatt

hour the unit of energy. A charge expressed in rupees per kilowatt per month is a charge upon a capacity. Had the charge been intended upon the energy consumed by the co-located load it would necessarily have been expressed in rupees per kilowatt hour. Therefore, on going through the order the interpretation of the Commission is clear that the levy shall be rupees per kilowatt per month upon the capacity of the co-located captive power plant.

54. The other indication of the mind of the Commission in respect of favour of above interpretation is that table 6-41 of the Order dated 28.10.2024 shows that the Commission took the approved Repairs and Maintenance expenses of TGSPDCL, TGNPDCL and TGTRANSCO aggregating Rs. 443.84 crore, apportioned that sum over the contracted capacity of 22,668.34 MW connected to the Telangana grid, and reduced the result to a monthly figure, yielding Rs. 16.32 per kW per month. The same method was followed in Table 3-39 of the Retail Supply Tariff Order for FY 2025-26 dated 29.04.2025, where approved expenses of Rs. 492.81 crore were apportioned over a contracted capacity of 22,221.58 MW to yield Rs. 18.48 per kW per month. In each case the denominator is a capacity, a rate derived by apportioning an annual cost over a capacity base can be recovered only by application to a capacity. If applied instead to the energy consumed by the co-located load, it would bear no relation to the cost apportioned and would not answer the computation from which it was produced.

55. Considering the above discussions, it is clear that the intention of the Commission was to levy the Grid Support Charges with reference to the capacity of the co-located captive power plant and the expression in para 6.16.7 identifying the portion of that capacity which is chargeable. Having clarified the expression mentioned in Para 6.16.7 of order dated 28.10.2024, the other aspect to be considered by this Commission is whether Grid Support Charges have to be levied on the entire capacity of the co-located captive power plant or it has to be levied on the capacity of the co-located captive power plant excluding the capacity supplied to third parties through open access.

56. On going through carefully the orders passed by this Commission in O. P. No. 16 & 17 of 2024 dated 28.10.2024, this Commission has observed that the methodology for levy of Grid Support Charges was mentioned in the order dated 27.03.2024 in O. P. No. 80 & 81 of 2022, the said order have become final.

57. This Commission has gone through the orders passed in O. P. No. 80 & 81 of 2022 dated 27.03.2024 at Para 4.1.11, while discussing in respect of the capacity of the Grid Support Charges has to be levied, the Commission has referred to the orders of the Hon'ble APTEL dated 14.12.2023 in Appeal No. 228 of 2022 & I. A. No. 1962 of 2023, I. A. No. 722 of 2022, I. A. No. 1014 of 2023 wherein the Hon'ble APTEL has observed that Grid Support Charges cannot be levied on the entire installed capacity as that would mean levying of grid support charges even on the capacity which is sold to the third party. Therefore, since this Commission has considered the orders passed by the Hon'ble APTEL as referred above, the intention of the Commission while passing the orders in O. P. No. 16 & 17 of 2024 is clear that the grid support charges have to be levied only in respect of installed capacity of the co-located power excluding the capacity supplied to third party.

58. The submission of Respondent No. 4 that auxiliary consumption must be excluded does not arise on the construction adopted. What is excluded is capacity committed elsewhere, namely to third parties through Open Access and to a distribution licensee under a Power Purchase Agreement. Auxiliary consumption is met from the very capacity which remains interconnected, and its exclusion would reduce a capacity by reference to a quantum of energy. For the same reason it is unnecessary to resolve the difference between that Respondent, which has filed the particulars and calibration certificates of its meters and says its actual consumption is readily ascertainable, and the Petitioner, which says in its letter dated 29.11.2024 that co-located consumption lies behind the interface meters and that the generator side meters belong to the consumer and are not read or tested by the licensee. On the construction adopted the chargeable quantum is ascertainable from the installed capacity of the plant as commissioned and from the Open Access and Power Purchase Agreement records of the licensee, and does not depend upon meters behind the point of supply.

59. In view of the above, the Commission clarifies that the expression “the levy shall be limited to only the power consumed by the co-located load” in para 6.16.7 refers to the capacity of the co-located Captive Power Plant which serves the co-located load, and that the quantum on which Grid Support Charges are leviable, referred to as the chargeable capacity, shall be computed as follows:

Chargeable Capacity = Installed Capacity of the co-located Captive Power Plant, less capacity supplied to third parties through Open Access, less capacity committed under a Power Purchase Agreement with a distribution licensee.

60. For the avoidance of doubt, the deduction on account of Open Access is confined to capacity of the plant exported or supplied to third parties through Open Access, being capacity in respect of which transmission charges, wheeling charges and other applicable charges are borne in relation to such supply. It does not extend to power imported by the owner of the plant through Open Access for its own consumption, such import involving no outflow of the capacity of the plant and attracting no Open Access charge referable to that capacity.

61. The plea of Respondents No 10 & 11 relating to periods of shut down does not call for a separate explanation as, paragraph 52 sufficiently answers it. Grid Support Charges are leviable for the period during which the plant remains interconnected with the grid, and not for a period during which it remains completely shut down and electrically isolated from the grid, subject to verification by the licensee.

62. In view of the foregoing, the expression “the levy shall be limited to only the power consumed by the co-located load” in para 6.16.7 refers to the installed capacity of the co-located captive power plant, excluding the capacity supplied to third parties through open access and capacity committed under the power purchase agreement with the distribution licensee. Issue no 2 is answered accordingly.

ISSUE NO. 3: LOCUS AND THE EXTENT TO WHICH THE CLARIFICATION OPERATES

63. Respondent No. 4 has submitted that the petitioner TGNPDCL is not a party in O. P. No. 16 of 2024, I. A. No. 15 of 2024 and I. A. No. 22 of 2024, which were filed by TGSPDCL and thereby the petitioner cannot seek the clarification of the order dated 28.10.2024 in so far as TGSPDCL is concerned and submitted further that TGNPDCL can seek the adjudication of the present application only in so far as O. P. No. 17 of 2024. The petitioner TGNPDCL has filed O. P. No. 17 of 2024 along with connected I. As and similarly the TGSPDCL has filed O. P. No. 16 of 2024 along with connected I. As seeking to determine RST for the FY 2024-25. In normal course, these two petitions should have been disposed of by way of separate orders. However, since the subject matter and issues involved and the objections raised are common in both the O. Ps, as per the practice, this Commission has clubbed both these petitions and disposed of by way of common order dated 28.10.2024.

64. The petitioner has sought for clarification in respect of a sentence or phrase at para 6.16.7 of common order dated 28.10.2024. The petitioner did not specifically plead to seek clarification either in respect of TGNPDCL or in respect of TGSPDCL area. Nevertheless, once a clarification is given in respect of common order, it applies to all the geographical areas in respect of both the companies for which the tariff order operates. The petitioner did not seek for clarification in respect of TGSPDCL. In particular, the objection of Respondent No. 4 that the petitioner cannot seek any clarification in respect of tariff order in O. P. No. 16 of 2024 pertaining to TGSPDCL is only speculative and cannot be sustained.

65. The nature of the exercise must also be kept in view. The determination of retail supply tariff under Section 62 of the Act is legislative in character, operating upon a class and not upon named persons, and a declaration of the meaning of such a provision partakes of the same character. What it requires is the consultative process under Section 64, which was gone through before the Order dated 28.10.2024 by public notice and public hearing at which objections on Grid Support Charges were received and dealt with. The Commission was therefore not obliged to issue individual notice in this application. It nevertheless declined by its proceedings dated 12.03.2025 to clarify without hearing the stakeholders, directed the Petitioner to furnish a list of the necessary parties, and caused notice to be issued to all of them, and those Respondents have been heard. That course was adopted by way of abundant caution and the conclusions in this Order do not depend upon it. It is further observed that para 3.20.21 of the Retail Supply Tariff Order for FY 2025-26 dated 29.04.2025, which operates in both areas of supply, records that the present application is pending and that the position obtaining under the Order dated 27.03.2024 shall continue until it is disposed of. Stakeholders throughout the State were thus put on notice of this proceeding and of the fact that the position would abide its outcome.

66. The petitioner sought for a clarification with regard to appropriate interpretation of para 6.16.7 of the RSTO for FY 2024-25 dated 28.10.2024. A clarification attaches to the provision / phrase which was clarified and not to the party who invites it, and the para being a single provision of a common order it bears the same meaning wherever it operates. It would be inconsistent and legally untenable to assign different meanings to the same provision of a common Order merely because it operates in the respective areas of supply of different distribution licensees. A provision forming part of a common Order must receive a uniform interpretation and application, unless the Order itself expressly provides otherwise.

67. The clarification being given through this order is addressed to the two distribution licensees, both of whom are bound by the Orders and directions issued by the Commission. No independent or fresh direction is issued against any captive user under the present Order. The liability of a co-located Captive Power Plant to pay Grid Support Charges, as well as the extent of such liability, was already determined under Para 6.16.7 of the Retail Supply Tariff Order for FY 2024-25 dated 28.10.2024. The present Order merely clarifies the meaning and scope of the said para and neither creates any new liability nor enlarges or modifies the liability already determined thereunder. Consequently, the rights and obligations of captive users remain governed by Para 6.16.7 as originally framed. It is further made clear that any person who is aggrieved by the application of this clarification to its particular circumstances shall be at liberty to seek appropriate relief before the appropriate forum, in accordance with law of the land.

68. In view of the above, the objection that the Petitioner cannot seek a clarification in so far as TGSPDCL is concerned is rejected. Issue No. 3 is answered accordingly.

ISSUE NO. 4: PERIOD FOR WHICH THE CLARIFICATION OPERATES

69. The Order dated 28.10.2024 came into effect from 01.11.2024 and the Petitioner has sought the clarification from that date.

70. Para 6.16.7 has since operated in three stages. It operated under the Order dated 28.10.2024 up to 31.03.2025. By interim order dated 28.03.2025 in O.P. Nos. 21 and 22 of 2025 the Commission extended the retail supply tariff, the cross-subsidy surcharge and the grid support charges determined by that Order from 01.04.2025 until a fresh order. The fresh order is the Retail Supply Tariff Order for FY 2025-26 dated 29.04.2025 in O.P. No. 22 of 2025, which carried the same expression forward, approved Grid Support Charges at Rs. 18.48 per kW per month, and recorded at para 3.20.21 that the present application is pending and that the orders passed in O.P. Nos. 80 and 81 of 2022 shall continue until it is disposed of. The clarification concerns the quantum to which the rate for the year is applied, that rate being Rs. 16.32 per kW per month for FY 2024-25 and Rs. 18.48 per kW per month for FY 2025-26.

71. In the Retail Supply Tariff Order for FY 2026-27 dated 30.03.2026 the Commission has not carried the expression forward and has prescribed the chargeable capacity in express terms. The question raised in this application therefore does not arise for any period governed

by that Order. A clarification declares the meaning which a provision has always borne and does not introduce a new provision from the date of its issue. The clarification issued under Issue No. 2 accordingly governs the levy for the period from 01.11.2024 up to and including 31.03.2026, that is to say para 6.16.7 of the Order dated 28.10.2024 for the period up to 31.03.2025, the same provision as extended by the interim order dated 28.03.2025 in O.P. Nos. 21 and 22 of 2025 for the period from 01.04.2025 to 30.04.2025, and para 3.20.21 read with para 3.20.22 of the Order dated 29.04.2025 in O.P. No. 22 of 2025 for the period from 01.05.2025 to 31.03.2026, and for no period thereafter.

72. The divergence in understanding arose from the language of the Order and not from any default on the part of the licensees or of the captive users. The Commission accordingly considers it appropriate that any consequential adjustment in the assessments already made for the said period be carried out without interest and without any charge in the nature of a penalty, and be spread over the ensuing billing cycles. Issue No. 4 is answered accordingly.

IN THE RESULT

73. In the result, the Commission orders as follows:

- i. The Interlocutory Application is maintainable as an application for clarification of para 6.16.7 of the Retail Supply Tariff Order dated 28.10.2024 and does not amount to an application for review. The objections founded upon the doctrine of *functus officio*, upon the period prescribed for review, and upon the availability of an appeal under Section 111 of the Electricity Act, 2003 are rejected.
- ii. The expression “the levy shall be limited to only the power consumed by the co-located load” refers to the capacity of the co-located Captive Power Plant which serves the co-located load. The chargeable capacity shall be computed as the installed capacity of the co-located Captive Power Plant, less the capacity supplied to third parties through Open Access, less the capacity committed under a Power Purchase Agreement with a distribution licensee. The deduction on account of Open Access shall not extend to power imported by the owner of the plant through Open Access for its own consumption.
- iii. The clarification of para 6.16.7 of order dated 28.10.2024 given under 73 (ii) of this order applies not only to TGNPDCL but also to TGSPDCL as the TGSPDCL is also party to the order dated 28.10.2024 in O.P. No. 16 of 2024

& I.A. No 15 of 2024 & I.A. No 22 of 2024, O.P. No 17 of 2024, I.A. No 16 of 2024 & I.A. No 21 of 2024.

- iv. This clarification governs the levy of Grid Support Charges for the period from 01.11.2024 up to and including 31.03.2026, namely para 6.16.7 of the Retail Supply Tariff Order dated 28.10.2024 for the period up to 31.03.2025, the same provision as extended by the interim order dated 28.03.2025 in O.P. Nos. 21 and 22 of 2025 for the period from 01.04.2025 to 30.04.2025, and para 3.20.21 read with para 3.20.22 of the Retail Supply Tariff Order dated 29.04.2025 in O.P. No. 22 of 2025 for the period from 01.05.2025 to 31.03.2026.
- v. The distribution licensees shall assess and levy Grid Support Charges for the said period in accordance with this Order. Any consequential adjustment shall be effected without interest and without any charge in the nature of a penalty, and shall be spread over the ensuing billing cycles.
- vi. The Interlocutory Application is disposed of in the above terms. There shall be no order as to costs.

This Order is typed to dictation, corrected and signed on this 14th the day of October 2026.

Sd/-

Cherukuri Srinivasa Rao
Member (Finance)

Sd/-

Raghu Kancharla
Member (Technical)

Sd/-

Dr. Justice Devaraju Nagarjun
Chairman

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