

**TELANGANA ELECTRICITY REGULATORY COMMISSION**

**REGULATION NO. 05 OF 2026**

**TELANGANA ELECTRICITY REGULATORY COMMISSION  
(MULTI YEAR TARIFF) FIRST AMENDMENT REGULATION, 2026**

**No. TGERC/Secy/D.No.405/2026**

**Dated: 03.06.2026**

**Introduction**

The Telangana Electricity Regulatory Commission (TGERC) notified the *Telangana Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2023* (Regulation No. 2 of 2023), hereinafter referred to as the *Principal Regulation*, on 30.12.2023 in the official gazette of Telangana. The Principal Regulation specifies the terms and conditions for determination of Aggregate Revenue Requirement (ARR), Tariff for Generating Companies, Transmission Licensees, Distribution Licensees, Deemed Distribution Licensees, Distribution/Retail Supply Utilities exempted from licence, and the State Load Despatch Centre (SLDC), with effect from 01.04.2024.

During the hearings on the ARR petitions, the TGDISCOMs and several stakeholders submitted that certain provisions of the Principal Regulation, particularly those relating to Fuel Cost Adjustment (FCA) were leading to operational challenges, financial stress, and difficulties in recovering legitimate costs. It was submitted that the restriction on allowing FCA claims beyond the prescribed timelines was resulting in substantial unrecovered fuel cost variations, thereby impacting the financial viability of the DISCOMs. The Commission also noted that these provisions, in effect, prevented appropriate consideration of actual fuel cost variations

during true-up, which is contrary to the very purpose and framework of the multi-year tariff regime.

Further the TGTRANSCO has requested the Commission for enhancement of threshold limit for the works to be executed through Tariff Based Competitive Bidding. The Commission has examined the submissions and considered it appropriate to provide flexibility for implementation of important transmission projects and works requiring urgent execution, in the interest of reliable power supply and timely development of transmission infrastructure in the State.

Accordingly, in exercise of the powers conferred under Section 181 read with Sections 61 and 62 of the Electricity Act, 2003 (36 of 2003), and all other enabling powers, the Commission hereby makes the following first Amendment to the Telangana Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2023 namely:

**1. Short title, Extent and Commencement:**

- a. This Regulation shall be called the Telangana Electricity Regulatory Commission (Multi Year Tariff) First Amendment Regulation, 2026.
- b. This Regulation extends to the whole of Telangana State.
- c. This Regulation shall come into force with effect from date of its publication in the Gazette of Telangana.

**2. The first para of Clause 9.5 of Principal Regulation shall be substituted with the following:**

The Petitioner shall, publish a Public Notice in at least One (1) English, One (1) Telugu and One (1) Urdu language daily newspapers having wide circulation in the area to which the Petition pertains, outlining the proposed Tariff, and such other relevant matters, inviting suggestions and objections from the public:

**3. Clause 10.2 of Principal Regulation shall be substituted with the following:**

The Distribution Licensee shall publish the Retail Supply Tariff approved by the Commission in at least One (1) English, One (1) Telugu and One (1) Urdu language daily newspapers having wide circulation in its Licence area, provide the approved Tariff schedule on its internet website, and make available for sale a booklet containing such Tariff to any person upon payment of reasonable reproduction charges.

**4. Clause 13.3 (b) of Principal Regulation shall be substituted with the following:**

The maximum amount of FCA charges that can be levied on the consumers without the prior approval of the Commission is Rs.0.30 per unit (in kWh), whether such charges are positive or negative. Any amount exceeding such limit shall be adjusted during the process of pass-through of gains and losses on account of variations in uncontrollable items of the ARR for that year.

**5. Clause 13.3 (c) of Principal Regulation shall be substituted with the following:**

FCA charges shall be passed on to all categories of consumers except LT-V Agricultural consumers. The distribution licensee shall claim the FCA charges of LT-V Agricultural consumers from the Government of Telangana.

**6. Clause 13.3 (d) of Principal Regulation shall be substituted with the following:**

In the event of failure of distribution licensees to pass through the FCA charges within the timelines, such claims shall be allowed only in the process of passing through of gains and losses on account of variations in uncontrollable items of the ARR.

**7. Clause 13.4 of Principal Regulation shall be substituted with the following:**

The distribution licensee shall determine the per unit (in kWh) FCA charges recoverable from consumers on the basis of formula as given below:

$FCA_{EHT} = (PPC_{act} - PPC_{app}) / (1 - L_{EHT})$  for EHT consumers;

$FCA_{33\text{ kV}} = (PPC_{act} - PPC_{app}) / (1 - L_{33\text{ kV}})$  for 33 kV consumers;

$FCA_{11\text{ kV}} = (PPC_{act} - PPC_{app}) / (1 - L_{11\text{ kV}})$  for 11 kV consumers;

$FCA_{LT} = (PPC_{act} - PPC_{app}) / (1 - L_{LT})$  for Low Tension consumers;

Where,

$FCA_{EHT}$  = FCA in Rupees per unit to be levied on consumers availing power supply at a voltage level of 132 kV and above;

$FCA_{33\text{ kV}}$  = FCA in Rupees per unit to be levied on consumers availing power supply at a voltage level of 33 kV;

$FCA_{11\text{ kV}}$  = FCA in Rupees per unit to be levied on consumers availing power supply at a voltage level of 11 kV;

$FCA_{LT}$  = FCA in Rupees per unit to be levied on consumers availing power supply at Low Tension (230 Volt at Single Phase and 415 Volt at 3-Phase);

$PPC_{act}$  = Actual average power purchase cost including actual inter-State transmission charges for the month in Rs/unit and is worked out by using the formula:

$(TPPC_{act} \text{ in million rupees}) / (TPPU_{act} \text{ in MU});$

Where,

$TPPC_{act}$  = Actual Total Power Purchase Cost (with actual fixed cost) from approved sources including actual interstate transmission charges corresponding to  $TPPU_{act}$ ;

$TPPU_{act}$  = Actual Total Power Purchase Units ( $TPPU_{act}$ ) shall be arrived by grossing up the approved distribution and transmission losses on the actual metered sales plus agriculture sales (either approved agriculture sales or assessed agriculture sales whichever is less);

|                      |                                                                                                                              |
|----------------------|------------------------------------------------------------------------------------------------------------------------------|
| $PPC_{app} =$        | Approved average power purchase cost including interstate transmission charges for the month as per tariff order in Rs/unit; |
| $L_{EHT} =$          | Transmission losses percentage at 132 kV level and above as approved in relevant tariff orders;                              |
| $L_{33\text{ kV}} =$ | Transmission and Distribution (T&D) losses percentage up to 33 kV level as approved in relevant tariff orders;               |
| $L_{11\text{ kV}} =$ | T&D losses percentage up to 11 kV level as approved in relevant tariff orders;                                               |
| $L_{LT} =$           | T&D losses percentage up to LT level as approved in relevant tariff orders;                                                  |

**8. Clause 13.7 of Principal Regulation shall be substituted with the following:**

For arriving the actual power purchase cost, actual fixed cost paid to each generating station, shall be considered.

**9. Clause 13.8 of Principal Regulation shall be substituted with the following:**

The distribution licensee shall compute the monthly FCA charges as per the procedure mentioned in this Regulation and publish on the official websites of the Licensee duly displaying the FCA charges within 45 days after completion of the particular month which shall remain on the website till passing through of gains and losses on variations in uncontrollable items of ARR of particular year is completed. Simultaneously the same shall be intimated to the Commission through letter. Beyond 45 days, such claims shall be allowed only at the time of pass-through of gains and losses on account of variations in uncontrollable items of the ARR for that year.

**10. Clause 13.9(c) of Principal Regulation is deleted**

**11. Clause 13.10 of Principal Regulation is deleted**

**12. Clause 13.11 of Principal Regulation shall be substituted with the following:**

The distribution licensee, after completion of audited annual accounts, shall file the true up petition for passing through of gains and losses by claiming variations in “uncontrollable” items in the ARR for the year and also submit details of FCA charges already passed on to the consumers along with the true up petition to the Commission. The detailed computations of FCA charges and supporting documents shall be submitted to the Commission, on the following:

- FCA charges passed on to the consumers up to Rs. 0.30 per unit (in kWh) (positive or negative)
- FCA charges to be passed on to the consumers over and above Rs. 0.30 per unit (in kWh) (positive or negative)
- FCA charges not passed on to the consumers (positive or negative)

**13. Clause 13.12 of Principal Regulation shall be substituted with the following:**

Timelines: The distribution licensee shall compute the FCA charges of N<sup>th</sup> month, display the FCA charges on the official websites of distribution licensee by 15<sup>th</sup> of (N+2<sup>nd</sup>) month. The FCA charges calculated for N<sup>th</sup> month shall be levied on the units (in kWh) consumed during (N+2<sup>nd</sup>) month and shall be included in bills to be issued in (N+3<sup>rd</sup>) month and submit the information of FCA charges calculations on monthly basis to the Commission for information.

**14. The following Proviso shall be added under Clause 68.3 of Principal Regulation**

Provided that the State Government may give exemption from Tariff Based Competitive Bidding to specific project/projects of importance and works required to be executed in urgent situations (on a case-to-case basis) subject to the provisions of clause 7 of principal regulation. The Transmission Licensee while submitting the investment proposals shall enclose the copy of exemption given by the State Government.

**(BY ORDER OF THE COMMISSION)**

Date: 03.06.2026  
Place: Hyderabad

V.RAMCHANDER  
Commission Secretary