

Southern Power Distribution Company of Telangana Ltd. (TGSPDCL)



Responses to Objections / Suggestions

On

ToD Amendment proposal for the year 2025-26

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1. Response to M. Venugopala Rao

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	<p>TGSPDCL and TGNPDCL have sought a mid-term review on ToD charges earlier proposed by them and approved by the Hon'ble Commission in the retail supply tariff order for 2025-26. They have sought amendments to ToD charges for withdrawing incentives being given during off-peak hours from 10 PM to 6 AM and continuation of ToD charges during the remaining hours to the said categories of consumers on the ground that they are purchasing costlier power to meet demand to supply to the said categories of consumers to supply from 10 PM to 6 AM and that their revenues are getting affected as a result of giving the incentive of Rs.1.50 per unit to the said categories of consumers. Within a span of about three months, after the said RSTO was issued by the Commission, that the DISCOMs have come to this conclusion shows that they did not make a proper assessment of the impact of introducing and continuing the said ToD charges. By giving the said incentives, revenues are decreasing by Rs.736.48 crores for TGSPDCL and Rs.110.4 crore for TGNPDCL, they have claimed. As such, they have sought cancellation of ToD incentives for remaining part of the current financial year. It implies that the DISCOMs want to dispense with ToD incentives in future also</p>	<p><i>TGDISCOMs submit that the proposed amendment to the existing Time-of-Day (ToD) tariff structure was formulated based on the differential cost of power procurement across various time blocks. The primary objective of this amendment is to optimize power purchase costs by discouraging consumption during high-cost procurement periods, thereby enhancing overall cost-efficiency and grid stability.</i></p>
2	<p>Before going into the issue, I would like to bring to the notice of the Hon'ble Commission again what I have submitted on this issue in my submissions on ARR and tariff proposals of the DISCOMs for the</p>	<p><i>We respectfully submit that the power factor maintained by industrial consumers is independent of their consumption patterns and remains unaffected by any modifications to the Time-of-Day (ToD) tariff</i></p>

	<p>year 2025-26. In my submissions dated 20.2.2025, I have submitted to the Commission that “the DISCOMs have proposed no revision in time-of-day tariffs, thereby requested the Hon’ble Commission to continue the present time-of-day charges for the next financial year. The present ToD charges are extra by Re.1 per unit for consumption from 6 AM to 10 AM and 6 PM to 10 PM and less by Rs.1.50 per unit for consumption from 10 PM to 6 AM for the categories of consumers specified in the retail supply tariff order of the Commission. We request the Hon’ble Commission to examine the following points, among others:</p> <p>If an industry is being run in three shifts of 8 hours each, there is simply no scope for it to shift its running to off peak hours. ToD cannot achieve that objective, except imposing additional burden on such industries. Such industries are already achieving a good power factor. Power intensive and continuous process industries are already in doldrums, unable to compete, with the kind of costs of inputs, including power tariffs. What would be the impact of imposition of ToD charges on such industries, depending on the rates of ToD charges, higher during peak hours and lower during off peak hours, needs to be studied. If ToD charges impose additional burden on such industries, it will be the last straw on the camel’s back –</p>	<p><i>structure. While it is acknowledged that certain industrial operations may face limitations in fully aligning their consumption with the revised ToD schedule, the proposed tariff framework is designed to motivate a shift in consumption towards hours where low cost power is available, thereby promoting more efficient utilization of the grid and reducing the the cost of costly power procurement during peak demand periods</i></p>
	<p>A. The DISCOM’s proposal is based on the notification of the MoP, GoI, for specifying ToD tariffs to all consumers having a maximum demand of more than ten Kilowatt,</p>	<p><i>The present submission by TGDISCOMs pertains solely to the proposed amendment of the Time-of-Day (ToD) tariff structure for the currently applicable categories of consumer. As and when required, TGDISCOMs will undertake a comprehensive assessment</i></p>

	<p>except agricultural consumers. As such, overwhelming majority of the domestic consumers will not come under its purview. But, if MoP issues another notification later for reducing the maximum demand step by step to impose ToD tariffs on domestic consumers, and if the DISCOMs meekly follow it and if the Commission applies ToD tariffs to domestic consumers, it will penalise such consumers. Determination of tariffs is within the regulatory purview of the Commission. Therefore, notifications of the MoP, GoI, should not be the basis for imposing ToD charges. The way notifications, directions and guidelines are being issued by MoP, GoI, even with mutually contradictory stances, it is evident that the overall approach of the Modi government is to ensure undue benefits to the corporate entities in power sector and impose more and more burdens on the consumers.</p>	<p><i>of consumption patterns across other consumer categories, evaluate the feasibility of implementation and analyse potential benefits to consumers/DISCOMs. Based on these findings and in accordance with regulatory guidance, TGDISCOMs will consider filing petitions for the extension of ToD tariffs to additional categories as and when necessitated.</i></p>
	<p>B. The tariffs for consumers having a demand of more than ten Kilowatt are already exceeding their cost of service, with a provision for cross subsidy surcharge</p>	<p><i>We would like to bring to your notice under the current petitions, the DISCOMs have not proposed addition of the above mentioned category for ToD tariffs.</i></p>
	<p>C. Depending upon nature of activity, commercial or manufacturing, and time of such activity, power is being consumed. To what extent time of consumption of power for such activities can be changed to reduce power consumption during peak hours or seasons and increase it during off peak hours or seasons, without affecting such activities and requirement of</p>	<p><i>Process-oriented industrial and commercial consumers possess inherent flexibility in their operational load profiles. Specifically, non-critical and miscellaneous loads, those not bound by stringent time constraints can be strategically rescheduled to align with Time-of-Day (ToD) tariff windows. This operational adaptability provides a viable pathway for demand-side optimization, enabling these consumers to reduce their energy costs while contributing to grid</i></p>

	<p>common man consumers, needs to be studied. Simply because MoP, GoI, has issued a notification, the states and their DISCOMs need not follow it mechanically, unmindful of consequences of its implementation, and the regulatory Commissions should not issue their orders mechanically.</p>	<p><i>stability and peak load management. We respectfully submit that the implementation of a Time-of-Day (ToD) tariff is a critical intervention to ensure the grid stability of DISCOMs by encouraging consumers to shift their consumption to periods of higher and low cost energy availability. This is particularly important incase of increasing penetration of intermittent renewable energy sources and the rising peak demand in the state, currently recorded at 5,993 MW for NPDCL and 11,017 MW for SPDCL. In this context, ToD tariffs play a vital role in maintaining grid stability and ensuring the long-term sustainability of the power sector in the state</i></p>
	<p>D. Imposition of additional burdens on industry and commerce in the form of ToD tariffs would lead to imposition of all such burdens on the consumers at large in the form of escalation of prices of commodities and services. Increase in tariffs in the form of ToD tariffs would affect purchasing power and living standards of the people at large, and, as such, they are retrogressive.</p>	<p><i>We hereby clarify that the proposed ToD tariff structure is not intend to impose of additional burden, but rather a demand-side management tool aimed at promoting more efficient and cost-effective utilization of electricity. By discouraging usage during peak demand periods — wherein power procurement costs are significantly higher, the ToD tariffs help to reduce the overall cost of power procurement for the distribution licensee and subsequently reduce the tariff burden to the consumers in the longer run. This, in turn, contributes to long-term tariff stability and enhanced grid reliability, which ultimately benefits all categories of consumers. Moreover, the ToD framework aligns with national and state-level regulatory objectives of promoting energy efficiency, reducing peak load, and integrating renewable energy sources.</i></p>
	<p>E. The basis, as well as justification, for imposing ToD tariffs is not explained, because it only imposes additional burdens on the people at large, either directly or indirectly. Moreover, it is simply a measure to garner additional revenue for the DISCOMs; it need not be additional profit. Imposition of ToD tariffs on</p>	<p><i>Time-of-Day (ToD) tariffs are not intended as a means for DISCOMs to generate additional revenue or profit. Rather, they serve as a strategic mechanism to enhance grid stability and enable cost-effective power procurement. As regulated entities, TGDISCOMs operate under frameworks that ensure any benefits arising from ToD implementation are ultimately contributing to long-term affordability</i></p>

	higher side would lead to reduction of need for subsidy to be provided by the government. ToD is a variant of cross-subsidy surcharge	<i>for the consumers and system efficiency</i>
	F. Irrespective of timings of consumption of power by various categories of consumers, the entire cost from the point of generation to supply to the end consumer, including profits of generators of power, transmission and distribution utilities and umpteen taxes, cess, etc., being imposed by the GoI and state governments and innumerable charges, especially FSA charges, being allowed by regulatory Commissions to be collected from the consumers, are being imposed on the consumers at large. As such, timings of consumption of power by different categories of consumers are not affecting the interests of the generators of power and transmission and distribution utilities	<i>TGDISCOMs procure electricity from a diverse mix of sources, including non-conventional energy that is predominantly available during day hours. This results in a time-dependent variation in power procurement costs, driven by the availability of generation during different periods of the day. While it is acknowledged that consumer consumption timings does not directly impact generators, it significantly affects DISCOMs due to its influence on power purchase expenses. Section 62(3) of the Electricity Act, 2003 empowers the Appropriate Commission to differentiate tariffs based on factors such as load factor, power factor, voltage, total consumption during a specified period, and the time at which supply is required. This legal provision supports the implementation of ToD tariffs as a legitimate and necessary tool for cost optimization and grid stability.</i>
	G. Peak or off-peak consumption of power depends on requirement of power by various categories of consumers during specific hours and periods, not on any abstract principle. Hypothetically, if time of consumption varies, due to imposition of measures like ToD tariffs, so substantially that the earlier peak becomes off-peak or off-peak becomes peak, the situation would be back to square one. Of course, it is an extreme proposition.	<i>Time-of-Day (ToD) tariffs are widely adopted globally as an effective tool to align electricity demand with generation availability across different periods of the day. This mechanism facilitates load shifting from peak to off-peak hours, wherein generation resources are more abundant, thereby helping to flatten the load curve and enhance grid efficiency. By aligning tariff structures with generation availability and cost, ToD ensures that off-peak periods remain economically attractive, preventing them from becoming new peak periods.</i>
	H. The real problem is availability of abnormal quantum of surplus power, obviously, during off-peak hours and seasons. This is a result of the irrational decisions of entering into long-	<i>We acknowledge the concern raised regarding surplus power availability due to Renewable Energy integration, but it is important to note that the integration of renewable energy into the grid is a strategic national and global priority aimed at achieving</i>

	<p>term PPAs with generators of power, especially of RE, to purchase unwarranted power. This is a result of the failure of the powers-that-be to take prudent decisions to ensure a harmonious balance between fluctuating demand for power and power mix to the extent technically possible. Instead of addressing this issue, protagonists of lopsided reforms are bringing forth measures like ToD tariffs.</p>	<p><i>sustainability, reducing carbon emissions, and enhancing energy security. Challenges do exist in balancing fluctuating demand with the generation mix, especially given the intermittent nature of renewable sources, the implementation of Time-of-Day (ToD) tariffs, is not a diversion from addressing these issues. Rather, it is a complementary measure that helps to manage demand more efficiently by incentivizing consumers to shift their usage to periods when more power is abundantly and economically available.</i></p>
	<p>I. To the extent period of consumption of power can be shifted from peak hours to off-peak hours by industries and commerce, need for backing down surplus power during off-peak hours and need for purchasing costly power in the market would come down. Both ways, it results in saving fixed charges which would otherwise have to be paid for backing down and higher costs which would otherwise have to be paid for purchasing power in the market on short-term basis. If applicable tariffs are reduced in the form of ToD tariffs to such industries and commerce, to the extent they can shift their timings of consumption of power from peak hours to off-peak hours, it would be beneficial to all consumers. It is a direct benefit to such industries and commerce in terms of reducing their power bill to the extent their consumption of power is shifted to off-peak hours to the extent practicable in technical, social and economical terms. It would be a benefit to other consumers also in the form of avoidance of need for backing down surplus power and paying fixed charges to that extent</p>	<p><i>Time-of-Day (ToD) tariffs are widely adopted globally as an effective tool to align electricity demand with generation availability across different periods of the day. It is important to note that the ToD tariff is not an additional burden, but a dynamic pricing mechanism aligned with the Electricity Act, 2003 (Section 62(3)), which allows for tariff differentiation based on time of supply. By discouraging usage of power during peak demand periods, when power procurement costs are significantly higher — ToD tariffs help to reduce the overall cost of power procurement for the distribution licensee and subsequently reduce the tariff burden to the consumers</i></p>

	<p>and of purchase of power in the market on short-term basis at higher prices to the possible extent. Therefore, we request the Hon'ble Commission not to impose additional burden in the form of ToD, but to confine to reducing the tariff to the consumers who shift their time of consumption from peak to off peak hours, at least, to certain extent that can be met from the savings in the form of reducing need for paying fixed charges for backing down and higher tariffs for purchasing power in the market on short-term basis. It would result in prudent management of demand and supply and avoidance of additional burdens on the consumers in the form of FSA claims to the extent possible.</p>	
	<p>J. As per the timings specified for applicability of ToD charges, if a consumer consumes power during the 8 hours of peak demand and during the 8 hours of off peak, he can get the benefit of reduction of tariff @Rs.0.50 per unit, provided consumption of quantum of power during both the periods is equal. It is without shifting consumption of power from peak hours to off peak hours. How is the remaining period of 8 hours from 10 AM to 6 PM is treated - neither peak, nor off peak? Since ToD charges are already being implemented, its impact in terms of shifting of time of power consumption from peak hours to off peak hours, reduction of revenue to the DISCOMs on account of reducing ToD charges to consumers for consumption during off peak</p>	<p><i>The amendments proposed in the current submission are limited to the withdrawal of incentives applicable during hours of expensive power purchase under the current ToD structure, with the objective of discouraging power procurement at elevated costs during those periods. Supporting information pertaining to the proposed amendment under the current filing has been submitted to the Hon'ble Commission. Furthermore, the block wise demand data and Hourly Energy Dispatch & Costs from all the available sources of Generation has been made publicly accessible through publication on the DISCOMs' official websites to ensure transparency and facilitate stakeholder engagement.</i></p>

	<p>hours and additional revenue to the DISCOMs on account of imposing ToD charges to consumers for consumption during peak hours needs to be examined. I request the Hon'ble Commission to direct the DISCOMs to provide the information and examine the same and make it public.” –</p>	
3	<p>In my further submissions dated 25.2.2028, I have made the following points: “For implementation of ToD charges also, smart meters may be necessary. How are the DISCOMs implementing ToD charges? If they are implementing ToD charges by installing smart meters, with a facility for metering power consumption during peak, off peak and other hours, it should be considered that ToD charges are also intended for installation of smart meters.</p> <p>“We request the Hon'ble Commission to make it clear abundantly that installation of pre-paid smart meters is not mandatory and that it is left to the discretion and willingness of the consumers. We also request the Hon'ble Commission to direct the DISCOMs to give wide publicity accordingly to create awareness among the consumers at large well in advance before implementing the scheme.”</p>	<p><i>We wish to clarify that the amendments proposed in the present petition are confined to the Time-of-Day (ToD) tariff structure applicable to the current applicable categories of consumers categories, viz., HT I(A) – Industry General, HT I(A) – Poultry Farms, HT II(A) – Others, HT II(B) – Wholly Religious Places, HT III – Airports, Railway Stations & Bus Stations, and HT IX – Electric Vehicle Charging Stations. These categories of consumers are already equipped with ToD-compliant meters, and therefore, the implementation of the proposed amendments does not necessitate the installation of Smart Meters</i></p>
4	<p>As incorporated in the RSTO for 2025-26, the DISCOMs have simply pointed out that “the Licensees proposed ToD time zones for peak, off peak and incentive hours depending on the demand on the grid to clip the peak demand, thereby reducing the purchase of power from short term</p>	<p><i>DISCOMs have observed significant electricity consumption during the 10:00 PM to 6:00 AM time window, which has often coincided with high-cost power procurement. This consumption trend has led to a misalignment between the incentivized tariff structure and the actual cost of electricity during these hours. In view of this, an amendment to the incentive mechanism applicable to this time slot</i></p>

	sources.”	<i>has been proposed, with the objective of realigning consumer behaviour with periods of cost-effective electricity.</i>
5	<p>In the RSTO, the Hon’ble Commission has observed: “The Commission has noted the submissions of various stakeholders regarding the implementation of Time-of-Day (ToD) tariffs. The primary objective of ToD tariffs is to optimize power consumption patterns, reduce peak load demand, and shift consumption to off-peak hours, thereby ensuring better grid management and cost efficiency.</p> <p>“The Commission acknowledges that a well-designed ToD tariff structure helps in flattening the load curve, which is crucial in minimizing the need for expensive power procurement during peak hours. By encouraging consumers to shift their consumption to off-peak hours through appropriate incentives, the overall power purchase costs of the DISCOMs can be reduced.</p> <p>“While the current filings propose the continuation of existing ToD tariffs without modifications, the Commission directs the DISCOMs to conduct a comprehensive analysis of the existing ToD tariff structure. This analysis should consider the actual peak and off-peak load conditions, the financial implications for both consumers and utilities, and the overall impact on demand-side management. The Commission emphasizes the need for data-driven decision-making and instructs the DISCOMs to submit a detailed report in their subsequent filings, outlining</p>	<i>The amendments proposed in the current submission are limited to the withdrawal of incentives applicable during hours of expensive power purchase under the current ToD structure, with the objective of discouraging power procurement at elevated costs during those periods. Supporting information pertaining to the proposed amendment under the current filing has been submitted to the Hon’ble Commission. Furthermore, the block wise demand data and Hourly Energy Dispatch & Costs from all the available sources of Generation has been made publicly accessible through publication on the DISCOM’s official website to ensure transparency and facilitate stakeholder engagement</i>

	<p>potential improvements in ToD tariff structures based on real-time consumption patterns. The Commission will evaluate these findings and take decision in future tariff orders to ensure that ToD tariffs serve their intended purpose of efficient load management and grid stability while maintaining a fair balance between consumer interests and DISCOM sustainability.”</p>	
6	<p>Section 62(4) of Electricity Act, 2003, says: “No tariff or part of any tariff may ordinarily be amended, more frequently than once in any financial year, except in respect of any changes expressly permitted under the terms of any fuel surcharge formula as may be specified.” The Hon’ble Commission, in the RSTO, has permitted continuation of ToD charges for the current financial year as proposed by the DISCOMs. We request the Hon’ble Commission to examine the following points, among others:</p> <p>a) Revision of tariff in the middle of the FY is against the spirit of EA, 2003. As such, the Hon’ble Commission should have returned the subject petitions of the DISCOMs with a direction to submit their proposals on ToD in their ARR and tariff proposals for the FY 2026-27 to be submitted by the end of November, 2025.</p> <p>b) In their ARR and tariff proposals for 2025-26, the DISCOMs have sought consent of the Commission to their proposal to continue the ToD charges. In other words, they must have</p>	<p><i>The DISCOMs respectfully submit that a comprehensive reassessment has been undertaken, evaluating the prevailing supply-demand dynamics, peak consumption trends, and the resultant impact on power procurement costs borne by the licensees. This analysis has highlighted the need for realignment of the existing Time-of-Day (ToD) tariff structure to better reflect the cost of electricity procurement and promote grid efficiency.</i></p> <p><i>In this context, the proposed amendment seeks to ensure both operational reliability and the sustained financial viability of the DISCOMs. It is pertinent to note that, in the preceding financial year, the DISCOMs consciously refrained from proposing any tariff increase, thereby safeguarding consumers from additional financial burden.</i></p> <p><i>In view of the above, and in accordance with the powers vested in the Hon ’ ble Commission under the applicable regulatory framework, we humbly request that the proposed first amendment to the ToD tariff be favourably considered and approved</i></p>

	<p>assessed the financial impact of implementation of ToD charges during pre-2025-26 period. While determining ARR and revenue gap of the DISCOMs for 2025-26, the Hon'ble Commission also must have taken into account the financial impact of ToD charges on the DISCOMs and determined tariffs, after taking into account subsidy the state government agreed to provide, to bridge the revenue gap of the DISCOMs. The RSTO dated 29.4.2025 has come into force from 1.5.2025. Within a period of just about three months, that the DISCOMs are constrained to file the subject petitions and the Hon'ble Commission has taken the same on record and issued public notice shows that something has gone haywire, while the DISCOMs have proposed continuation of ToD charges and Commission has permitted the same for 2025-26.</p>	
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	<p>c) For variations in overall revenue, the DISCOMs have the opportunity to collect @ 30 paise per unit per month under FSA and for making claims for true-up/true-down later as per the regulations and directions of the Hon'ble Commission. As such, are the subject petitions for the proposed changes in ToD charges within three months from the date of coming into effect of RSTO for 2025-26 appropriate?</p>	<p><i>It is respectfully submitted that reliance on Fuel Cost Adjustment (FCA) mechanisms to recover elevated power procurement costs ultimately results in the transfer of energy charge burdens to end consumers, manifesting as periodic tariff increases. In contrast, the implementation of a well-calibrated Time-of-Day (ToD) tariff structure serves as a proactive and economically efficient demand-side management tool. This not only mitigates the need for high-cost power purchases but also contributes to long-term tariff stability, thereby safeguarding consumer interests and enhancing grid efficiency.</i></p>

	<p>d) When the DISCOMs have proposed continuation of ToD charges for 2025-26, they must have estimated additional revenue they get from those categories of consumers from whom they have been collecting Re.1 per unit extra for power consumed by them during peak hours and revenue they forego by giving an incentive of Rs.1.50 per unit for power the consumers concerned consume during off-peak hours. The DISCOMs have shown loss of revenue on account of giving the said incentive to the tune of Rs.1025.10 crore for the year 2024-25, but they have avoided giving the additional revenue they are getting by collecting Re.1 per unit extra under ToD charges during peak hours. Going by the quantum of supply of power being made to those consumers during peak hours given by the DISCOMs, they must have got Rs.709.190 crore additionally by charging Re.1 per unit extra for them - Rs.73.648 crore for NPDCL and Rs.633.542 crore for SPDCL – during 2024-25. In other words, as a result of implementing ToD charges, both the DISCOMs are getting a net decrease in revenue of Rs.315.92 crore (Rs.1025.10-709.19) as per the data pertaining to 2024-25. These details were available at the time of the DISCOMs proposing continuation of ToD charges for FY 2025-26.</p>	<p><i>We wish to clarify that the reported revenue loss of ₹1,025.10 crore pertains to the disbursement of the existing incentive of ₹1.50 per unit, as detailed in the filings. It is also important to highlight that the current peak demand charges of Rs 1 per unit, collected by DISCOMs are not a source of additional revenue, but rather a recovery mechanism to offset the high cost of power procurement. Additionally, we would like to highlight that no tariff increase was proposed by the DISCOMs in the previous financial year, in a conscious effort to protect consumer interests and avoid additional financial burden. The current proposal to amend the Time-of-Day (ToD) tariff structure has been formulated in response to observed trends in elevated power purchase costs, particularly during incentivized time slots.</i></p>
	<p>e) Based on factual position for the three months from May to July, 2025, what is the net additional revenue or revenue loss to the</p>	<p>The following table summarizes the cashflows to the TGSPDCL from the current ToD structure and the net impact.</p>

DISCOMs as a result of implementing ToD charges?		Consumption in MUs April to July of FY 2025-26	TOD charges	Impact in INR crores
	Time of Day Tariffs (6 PM to 10 PM) - Peak Charges	1,220.12	1.00	122.01
	Time of Day Tariffs (6 AM to 10 AM) - Peak Charges	1,039.13	1.00	103.91
	Time of Day Tariffs (10 PM to 06 AM) - Incentives	3,318.30	-1.50	-497.74
			Net Impact to TGSPDCL	-271.82
<p>How much energy they have purchased during the said three months from costly sources to meet off-peak demand of the categories of consumers to whom ToD charges are applicable? How much is the extra expenditure they incurred for such costly purchases, exceeding the average power purchase cost per unit determined in the RSTO for 2025-26? If there is variation in cost of power purchase, the DISCOMs can recover the same under FSA by collecting 30 paise per unit per month from all categories of consumers and by making claims for true-up later for permissible balance amount of variations in expenditure under various heads. As such, the interests of the DISCOMs are protected, even without</p> <p><i>Fuel Cost Adjustment (FCA) mechanisms to recover elevated power procurement costs ultimately results in the transfer of energy charge burdens to end consumers, manifesting as periodic tariff increases. Demand-side management through Time-of-Day (ToD) tariffs enables more efficient power procurement by aligning electricity consumption with generation availability. This approach helps reduce reliance on costly purchases, thereby lowering the energy charge burden on consumers and contributing to long-term tariff affordability</i></p>				

	introduction of ToD charges.	
	<p>f) The purpose of introducing ToD charges apparently is to persuade consumers of the said categories to shift their timings of power consumption from peak hours to off-peak hours. How many consumers have shifted their power consumption from peak hours to off-peak hours accordingly? What is the quantum of energy consumed additionally during off-peak hours as a result of such shifting of time of consumption of power? As a result of such shifting, to what extent the DISCOMs could reduce backing down of surplus power during off-peak hours and payment of fixed charges avoided due to such reduction? What is the quantum of energy being purchased in the market and through exchanges that could be reduced to meet the reduced peak demand and savings therefrom that could be achieved?</p>	<p><i>While the full impact of ToD tariffs in Telangana is still being realized, the mechanism is globally recognized and nationally supported as a key demand-side management tool. TGDISCOMs are committed to refining the ToD structure, enhancing consumer awareness to maximize its benefits. The insights and data requested by the stakeholder will be part of the detailed analysis submitted in the ARR filings and future impact assessments.</i></p> <p><i>The block wise energy dispatched from the contracted sources and market purchases, backing down and hourly power purchase cost of FY 2024-25 is attached in addition to the supporting information pertaining to the proposed amendment under the current filing. Furthermore, the block wise demand data and Hourly Energy Dispatch & Costs from all the available sources of Generation has been made publicly accessible through publication on the DISCOM's official website to ensure transparency and facilitate stakeholder engagement</i></p>

- g) As a result of implementation of ToD charges, how many consumers of the said categories to whom ToD charges are applicable have taken new connections and their consumption pattern, i.e., how much energy they are consuming during peak hours or off-peak hours?
- h) The above data relating to FY 2024-25 and the three months from May to July, 2025, among other relevant particulars, are necessary to make an objective analysis of the pros and cons of ToD charges

The correlation between a new connection and ToD charges is quite low and ToD charges influence the existing consumers more to shift their consumption

Table showing Voltage wise ToD Consumption of new connections for the months of May to July of 2025 of applicable ToD Categories

Voltage Level	Category	No. of new connections			ToD Consumption (M.U)			
		May' 25	June '25	July' 25	ToD Slots	May' 25	June '25	July' 25
11 kV	HT I (A): General	29	13	24	6 PM to 10 PM	0.03	0.01	0.04
	HT I (A): Optional Category with Load up to 150 kVA	17	11	19	6 AM to 10 AM	0.02	0.01	0.03
					10 PM to 06 AM	0.06	0.02	0.13
	Poultry Farms	2		3	6 PM to 10 PM	0.00	0.00	0.05
					6 AM to 10 AM	0.00	0.00	0.05
					10 PM to 06 AM	0.00	0.00	0.16
	HT II(A):	58	30	66	6 PM to 10	0.16	0.04	0.08

			Others				PM			
							6 AM to 10 AM	0.09	0.02	0.04
							10 PM to 06 AM	0.30	0.08	0.11
			HT IX: EV Charging Stations	1	1	3	No ToD Consumption			
			HT I (A): General	1		1	6 PM to 10 PM	0.00	0.00	0.02
							6 AM to 10 AM	0.00	0.00	0.02
							10 PM to 06 AM	0.00	0.00	0.05
			Poultry Farms			1	6 PM to 10 PM	0.00	0.00	0.00
							6 AM to 10 AM	0.00	0.00	0.00
							10 PM to 06 AM	0.11	0.04	0.00
			HT II(A): Others	2	2		6 PM to 10 PM	0.05	0.02	0.00
							6 AM to 10	0.03	0.01	0.00
			33KV							

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7	The deficiencies in the proposals of the DISCOMs are an outcome of mechanically following the notifications of the Government of India in the name of reforms, without making an objective assessment of the kind of consequences that would arise as a result of adopting and implementing the same and notwithstanding the fact that such notifications are not mandatory and binding on the DISCOMs and the Commission.	<i>The submissions made by the DISCOMs in the said proposal are based on a comprehensive and holistic analysis of power purchase costs and consumption patterns. These assessments have been carried out in alignment with central regulations and policy guidelines, ensuring that the proposed measures are both technically sound and regulatory compliant</i>																																																						
8	As a result of such hasty decisions, the DISCOMs are now constrained to seek withdrawal of incentives of ToD charges in a hurry. This is in contrast to their seeking condonation of delay and further extension of time for filing their petitions for true-up claims for FY	<i>TGDISCOMs are in the process of filing the true up petitions before the Hon’ble commission.</i>																																																						

	<p>2022-23 and 2023-24 in respect of power purchase pertaining to retail supply business and getting extension. We want to point out that, though the Hon'ble Commission has directed the DISCOMs, in its order dated 2.5.2025, to file their true-up petitions for FY 2022-23 and 2023-24 within two months, i.e., by 1st July, 2025, it seems that they have not filed the petitions so far. Also, the DISCOMs have to file their true-up/true-down petitions for the year 2024-25 for their retail supply business. Pre-election political expediency of the party-in-power in the state seems to be the real reason for the avoidable delay in filing true-up petitions for the last three years for the retail supply business of the DISCOMs, despite their precarious financial condition. One can safely presume that, while the DISCOMs could not get nod from the state government to file the said petitions, they must have got permission of the government to file the subject petitions.</p>	
9	<p>Though the Hon'ble Commission has rightly directed the DISCOMs in the RSTO for 2025-26 "to conduct a comprehensive analysis of the existing ToD tariff structure. This analysis should consider the actual peak and off-peak load conditions, the financial implications for both consumers and utilities, and the overall impact on demand-side management. The Commission emphasizes the need for data-driven decision-making and instructs the DISCOMs to submit a detailed report in their subsequent filings, outlining potential improvements in ToD tariff structures based on real-time consumption patterns. The Commission will evaluate these findings and take decision in future</p>	<p><i>TGDISCOMs are currently evaluating the need for a revised Time-of-Day (ToD) tariff structure, taking into account prevailing consumption patterns. This initiative aims to optimize power procurement costs and facilitate the integration of additional renewable energy capacity into the existing grid. A comprehensive evaluation of the current Time-of-Day (ToD) structure considering prevailing supply-demand dynamics, peak and off-peak conditions, and the need for realignment along with an assessment of its technical implications in terms of Demand side Management & financial implications for both consumers and utilities, will be included in the upcoming ARR filing for FY 2026 – 27.</i></p>

	<p>tariff orders to ensure that ToD tariffs serve their intended purpose of efficient load management and grid stability while maintaining a fair balance between consumer interests and DISCOM sustainability,” the DISCOMs have not submitted such a comprehensive analysis and a detailed report in the subject filings. As a result, it is doubtful whether the Hon’ble Commission would be able to take decisions in future tariff orders (and in the order to be given in the subject petitions) to ensure that ToD tariffs serve their intended purpose of efficient load management and grid stability while maintaining a fair balance between consumer interests and DISCOM sustainability.</p>	<p><i>The block wise energy dispatched from the contracted sources and market purchases and hourly power purchase cost of FY 2024-25 is attached in addition to the supporting information pertaining to the proposed amendment under the current filing. Furthermore, the block wise demand data and Hourly Energy Dispatch & Costs from all the available sources of Generation has been made publicly accessible through publication on the DISCOM’s official website to ensure transparency and facilitate stakeholder engagement</i></p>
10	<p>While requesting the Hon’ble Commission to take into consideration our submissions on ToD charges, as incorporated in our submissions on ARR and tariff proposals for the FY 2025-26, as quoted above, among others, into consideration, we want to make it clear that any approval to the subject proposal of the DISCOMs would not maintain a fair balance between consumer interests and DISCOM sustainability, except transforming the arrangement of ToD charges into one of garnering additional revenue by continuing additional burden on the consumers of the said categories in the form of ToD charges for consumption of power during peak hours. And, the possibility of extending ToD charges to other categories of consumers in future cannot be ruled out. Additional burdens in the form of ToD charges would continue to be imposed and incentives would vanish into thin air. In other words, an additional burden of Rs. 1025.10 crore or even more per annum will continue to be</p>	<p><i>The DISCOMs ’ submissions regarding the proposed ToD tariff amendments are aimed solely at aligning consumer consumption patterns with power availability and optimizing procurement costs. During peak hours, market purchase prices can reach as high as ₹10 per unit, placing a significant financial burden on DISCOMs. The proposed ToD structure is intended to alleviate this burden by encouraging consumption during periods of economic power purchase, thereby enabling more cost-effective power procurement and ensuring affordable long-term tariffs for consumers</i></p>

	imposed on the categories of HT-I (A) Industry General; HT-I (A) Poultry Farms; HT-II (A) Others; HT-II (B) Wholly Religious Places; HT-III Airports, Railway stations and Bus Stations HT-IX Electric Vehicle Charging Stations under TGSPDCL and TGNPDCL, directly, and on consumers of their products and services, indirectly.	
11	The deficiencies in the subject petitions underline the need for submission of all relevant information and responses to the submissions of stakeholders, on the one hand, and holding public hearings on the same, on the other, to make the regulatory process transparent and ensure accountability. Therefore, we request the Hon'ble Commission to direct the DISCOMs to submit a comprehensive report as already directed by it and the information required, as suggested in the above-mentioned submissions, make the same public by getting the same posted in the website of the Commission and hold public hearings before taking a final decision. Or else, the Hon'ble Commission may reject the subject petitions, with a direction to the DISCOMs to make their proposals on ToD charges by submitting a comprehensive report as already directed by it, along with their petitions for ARR and tariff proposals for 2026-27.	<i>The block wise energy dispatched from the contracted sources and market purchases and hourly power purchase cost of FY 2024-25 is attached in addition to the supporting information pertaining to the proposed amendment under the current filing. Furthermore, the block wise demand data and Hourly Energy Dispatch & Costs from all the available sources of Generation has been made publicly accessible through publication on the DISCOM's official website to ensure transparency and facilitate stakeholder engagement.</i>

2. Response to South Indian Cement Manufacturers' Association

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	<p>Background</p> <p>The Hon'ble Commission had duly considered and approved the TOD tariff structure in the Retail Supply Tariff Order dated 29th April 2025, after conducting a public consultation process. The approved TOD rates applicable to HT consumers were as follows:</p> <p>+ ₹1.00 per unit during peak hours (6:00 am – 10:00 am and 6:00 pm – 10:00 pm)</p> <p>– ₹1.50 per unit during off-peak hours (10:00 pm – 6:00 am)</p> <p>However, through a notification dated 14th August 2025, the DISCOMs have intimated that they have filed petitions before the Hon'ble Commission seeking amendments to the TOD tariff structure by removing the off-peak rebate, while leaving the peak-hour surcharge unchanged.</p>	No Comments
2	<p>Statutory Prohibition under Section 62(4) of the Electricity Act, 2003</p> <p>Section 62(4) of the Electricity Act, 2003 provides:</p> <p><i>“No tariff or part of any tariff may ordinarily be amended, more frequently than once in any financial year, except in respect of any changes expressly permitted under the terms of any fuel surcharge formula as may be specified.”</i></p> <ul style="list-style-type: none"> The tariff for FY 2025–26 was already determined 	<p><i>The DISCOMs respectfully submit that a thorough reassessment has been conducted, taking into account current supply-demand dynamics, peak consumption patterns, and the corresponding impact on power procurement costs borne by the licensees. This analysis underscores the necessity of realigning the existing Time-of-Day (ToD) tariff structure to more accurately reflect procurement costs and enhance overall grid efficiency. Accordingly, the proposed amendment aims to safeguard operational reliability and ensure the continued financial</i></p>

	<p>and notified by the Hon'ble Commission in April 2025. The current attempt by the DISCOMs to seek a mid-year change in the tariff structure is therefore impermissible under Section 62(4).</p> <ul style="list-style-type: none"> TOD tariff is a fundamental component of tariff design and does not fall under the category of fuel surcharge adjustments. Hence, any change to it mid-financial-year is clearly beyond the scope of permissible amendments under the law. 	<p><i>sustainability of the DISCOMs in turn avoiding any additional burden on the larger consumers in long run. It is important to note that TGDISCOMs have not sought any tariff amendments in the ARR filing for FY2025–26. The Retail Supply Tariff remains unchanged from the previous year, as per the TGERC-approved order dated 29.04.2025. Therefore, this proposal for amending the ToD tariff stands as the first such submission in the current financial year, and is fully aligned with the provisions of Section 62(4) of the Electricity Act, 2003.</i></p> <p><i>In light of the above, and pursuant to the powers vested in the Hon'ble Commission under the applicable regulatory framework, we respectfully request that the proposed first amendment to the ToD tariff be considered and approved.</i></p>
3	<p>Judicial Interpretation</p> <p>It has been consistently held by Hon'ble Courts and Appellate Authorities that:</p> <ul style="list-style-type: none"> A tariff once approved and notified is meant to remain in force for the entire financial year to provide certainty and predictability to both licensees and consumers. The only exception permitted under the Act is fuel surcharge adjustment, which is a narrowly tailored mechanism. Mid-year revisions of tariff components - including TOD surcharges or rebates - have been held to be ultra vires Section 62(4) and are therefore liable to be disallowed. 	<p><i>TGDISCOMs respectfully clarify that TGDISCOMs have not sought any tariff amendments in the ARR filing for FY2025–26. The Retail Supply Tariff remains unchanged from the previous year, as per the TGERC-approved order dated 29.04.2025. This submission represents the petition by TGDISCOMs to amend the Time-of-Day (ToD) tariff, and is fully compliant with Section 62(4) of the Electricity Act, 2003.</i></p>

<p>4</p>	<p>Adverse Impact on Industry</p> <p>The current TOD tariff structure was designed to promote demand-side management (DSM) by incentivising off-peak consumption. Withdrawal of the rebate would:</p> <ul style="list-style-type: none"> • Disincentivise load shifting to night hours and defeat DSM objectives; • Result in operational and financial disruption to industries like cement that have already adjusted shift patterns and production planning based on the notified tariff; • Lead to tariff instability, affecting long-term planning, competitiveness, and investor confidence. 	<p><i>The primary objective of the proposed amendment to the existing Time-of-Day (ToD) tariff structure by TGDISCOMs is to promote effective Demand Side Management and ensure the long-term sustainability of affordable tariffs for consumers.</i></p> <p><i>TGDISCOMs have observed that the current incentivized hours often lead to power procurement at elevated rates, which ultimately translates into a higher tariff burden for consumers. To address this, the proposed amendment seeks to better align consumption patterns with the availability and cost of power—thereby enhancing grid stability and operational efficiency.</i></p> <p><i>It is important to clarify that the ToD framework is not intended to overhaul industrial load profiles entirely. Instead, it encourages a behavioural stance of shifting flexible loads to periods where procurement of power is economical and reliable. This targeted realignment will optimize power procurement and contribute to tariff stability, safeguarding consumer interests in the long run.</i></p>
<p>5</p>	<p>Regulatory Discipline and Stability</p> <p>The tariff order dated 29.04.2025 was issued after due process and public consultation. Permitting amendments mid-year:</p> <ul style="list-style-type: none"> • Would set a dangerous precedent of allowing post-notification changes; • Erodes regulatory certainty and transparency; • Undermines the sanctity of Commission orders, thereby inviting unnecessary litigation and loss of 	<p><i>TGDISCOMs respectfully submit that the proposed amendment to the Time-of-Day (ToD) tariffs is fully compliant with the provisions of Section 62(4) of the Electricity Act, 2003 and adheres to all applicable regulatory norms.</i></p> <p><i>TGDISCOMs remain committed to regulatory transparency and compliance. Far from undermining the sanctity of Commission orders, this proposal reflects a responsive approach to evolving grid realities. It is</i></p>

	consumer confidence in the regulatory process.	<i>submitted not as a precedent for arbitrary changes, but as a measured intervention grounded in statutory provisions and consumer interest. By doing so, the amendment seeks to safeguard the long-term interests of consumers by mitigating the risk of future tariff increases driven by high-cost power purchases.</i>
6	<p>Prayer</p> <p>In view of the foregoing, the South Indian Cement Manufacturers' Association (SICMA) respectfully prays that the Hon'ble Commission may:</p> <ul style="list-style-type: none"> • Reject the petition filed by the DISCOMs in IA 24 in OP 21 and IA 25 in OP 22, seeking mid-year amendments to the TOD tariff for FY 2025–26; • Uphold the sanctity of the Retail Supply Tariff Order dated 29.04.2025; • Enforce strict compliance with Section 62(4) of the Electricity Act, 2003 and the judicial precedents interpreting the same. 	<p><i>TGDISCOMs remain committed to safeguarding the long-term interests of consumers by implementing initiatives aimed at ensuring sustained tariff affordability. The current proposal submitted by TGDISCOMs—IA 24 in OP 21 and IA 25 in OP 22—seeks mid-year revisions to the Time-of-Day (ToD) tariff for FY 2025–26. This proposal is aligned with the broader objective of optimizing consumption patterns in accordance with the availability of affordable power.</i></p> <p><i>In view of the above, and in accordance with the powers vested in the Hon'ble Commission under the applicable regulatory framework, we respectfully submit that the Hon'ble Commission may consider and approve the proposed amendments to the ToD tariff.</i></p>

3. Federation of Telangana Chambers of Commerce and Industry (FTCCI),

S.No.	Summary of Objections / Suggestions	Response of the Licensee												
1	<p>Telangana discoms (TGSPDCL and TGNPDCL)(hereinafter referred to as “TG discoms”) have sought modification of TOD slabs approved by the Hon’ble Telangana Electricity Regulatory Commission (hereinafter referred to as “Hon’ble Commission”) vide Tariff Order for FY 2025-26 (ref OP No.s 21 and 22 of 2025). Hon’ble Commission by way of Tariff Order had approved the ToD slabs as under:</p> <table border="1"> <thead> <tr> <th>Descripti on</th><th>During the period</th><th>ToD Tariff over Retail Supply Energy Charges for FY 2025-26</th></tr> </thead> <tbody> <tr> <td>Peak</td><td>6 AM to 10 AM and 6 PM to 10 PM</td><td>PlusRs. 1.00/ unit</td></tr> <tr> <td>Off-peak</td><td>10 PM to 6 AM</td><td>Less Rs. 1.50/ unit</td></tr> <tr> <td>Normal</td><td>10 AM to 6 PM</td><td>NIL</td></tr> </tbody> </table> <p>Elimination of Consumer Incentives</p> <p>The TG DISCOMs have proposed the withdrawal of the existing Time-of-Day (ToD) rebate of Rs.1.50 per unit applicable during off-peak hours (10:00 PM–6:00 AM).</p>	Descripti on	During the period	ToD Tariff over Retail Supply Energy Charges for FY 2025-26	Peak	6 AM to 10 AM and 6 PM to 10 PM	PlusRs. 1.00/ unit	Off-peak	10 PM to 6 AM	Less Rs. 1.50/ unit	Normal	10 AM to 6 PM	NIL	<p><i>The primary objective of the proposed amendment to the existing Time-of-Day (ToD) tariff structure by TGDISCOMs is to promote effective Demand Side Management and ensure the long-term sustainability of affordable tariffs for consumers.</i></p> <p><i>TGDISCOMs have observed that the current incentivized hours often lead to power procurement at elevated rates, which ultimately translates into a higher tariff burden for consumers. To address this, the proposed amendment seeks to better align consumption patterns with the availability and</i></p>
Descripti on	During the period	ToD Tariff over Retail Supply Energy Charges for FY 2025-26												
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Off-peak	10 PM to 6 AM	Less Rs. 1.50/ unit												
Normal	10 AM to 6 PM	NIL												

	<p>This move would align off-peak tariffs with normal-hour charges, thereby eliminating the differential tariff signal that was originally designed to encourage load-shifting and promote night-time consumption. Such a change directly undermines the fundamental purpose of the ToD mechanism.</p>	<p><i>cost of power—thereby enhancing grid stability and operational efficiency. This targeted realignment will optimize power procurement and contribute to tariff stability, safeguarding consumer interests in the long run.</i></p>
2	<p>Arbitrary and Revenue-Oriented Approach</p> <p>The proposal appears arbitrary and primarily revenue-driven, without offering any corresponding improvement in system efficiency or demand-side management (DSM). ToD tariffs are not intended to enhance DISCOM revenues but to manage the demand-supply gap by incentivizing consumers to shift their load patterns. The Petition lacks robust data or analysis to justify how removing the rebate aligns with DSM objectives or benefits the system as a whole.</p>	<p><i>Time-of-Day (ToD) tariffs are not intended as a means for DISCOMs to generate additional revenue or profit. Rather, they serve as a useful mechanism to enhance grid stability and enable cost-effective power procurement. As regulated entities, TGDISCOMs operate under frameworks that ensure any benefits arising from ToD implementation are ultimately contributing to long-term affordability for the consumers and system efficiency.</i></p>
3	<p>Lack of Supporting Evidence and Analysis</p> <p>The Petitioner has failed to present critical evidence, such as block-wise demand and supply analysis (segregated into long-, medium-, and short-term procurement). Without such data, the Commission and consumers cannot properly assess the rationale for the proposed change. A review of the power procurement portfolio is also necessary to ensure that an optimal mix of long-, medium-, and short-term sources continues to support grid stability and consumer affordability</p>	<p><i>The block wise energy dispatched from the contracted sources and market purchases and hourly power purchase cost of FY 2024-25 is attached in addition to the supporting information pertaining to the proposed amendment under the current filing. Furthermore, the block wise demand data and Hourly Energy Dispatch & Costs from all the available sources of Generation has been made publicly accessible through publication on the DISCOM's official website to ensure transparency and facilitate stakeholder engagement</i></p>
4	<p>Market Realities and Solar Integration</p> <p>With marginal power purchase costs during solar hours</p>	<p><i>As mentioned in the previous sections, the cost of power procurement is on the higher side during the night hours due</i></p>

	<p>already crashing to sub-Rs.2/unit levels in the energy markets, there is a strong case for extending rebates during daytime to encourage higher solar consumption. Instead of eliminating the night-time incentive, ToD tariffs should be dynamically revised to support renewable integration and enhance system efficiency.</p>	<p><i>to the sustained higher demand at the State level. In order to mitigate the adverse impact of incurring higher costs of procuring power on one hand and also giving incentives on the other hand, TGDISCOMs have acted swiftly to at least stem the flow of incentives which is counter productive to both TGDISCOMs and consumers also. The present petition is a humble submission to Hon'ble TGERC for allowing the TGDISOMs to correct the anomaly.</i></p> <p><i>TGDISCOMs would be examining the aspect of offering incentives during solar hours during the course of the subsequent tariff filing.</i></p>
5	<p>Adverse Consumer and System Impact</p> <p>Withdrawing the off-peak rebate will discourage night-time usage, potentially pushing demand back into peak hours. This could aggravate load curve imbalances, increase DISCOMs' procurement costs, and burden consumers. Moreover, industries and households that have already invested in timers, automation, and EV charging infrastructure based on ToD rebates would face sunk costs, eroding trust in tariff signals and creating regulatory uncertainty.</p>	<p><i>The proposed withdrawal of nighttime rebates is aimed at encouraging consumers to shift their electricity usage to periods when power procurement is more economical. By doing so, TGDISCOMs can optimize overall procurement and reduce reliance on costly power purchases—ultimately helping to prevent future tariff increases for consumers.</i></p> <p><i>The existing tariff structure during normal and peak hours has been carefully designed to ensure that demand previously concentrated in night time hours does not migrate to peak periods, thereby maintaining grid stability.</i></p>
6	<p>Cross-Subsidy Concerns</p> <p>Since ToD slabs apply largely to HT categories, abolishing the off-peak rebate would disproportionately raise the Average Billing Rate (ABR) for industrial consumers. This would deepen cross-subsidies in the system, further straining competitiveness of industries while leaving subsidized categories unaffected. The</p>	<p><i>Under the current ToD tariff structure, the nighttime incentive has led to increased consumption during hours when power procurement costs are relatively high. This trend results in elevated overall procurement expenses for DISCOMs, which are ultimately passed on to consumers through tariff adjustments—potentially leading to future hikes.</i></p> <p><i>In contrast, the proposed amendment—which involves</i></p>

	<p>Objector therefore request the Commission to reject the proposed withdrawal and instead strengthen ToD tariffs in line with the objectives enshrined in the National Tariff Policy 2016.</p>	<p><i>withdrawing the nighttime incentive—is designed to realign consumption patterns by discouraging usage during high-cost hours. This shift will enable DISCOMs to optimize their power procurement strategy, reduce reliance on expensive sources, and maintain grid efficiency.</i></p> <p><i>By implementing this change, TGDISCOMs aim to safeguard consumers from future tariff increases driven by rising procurement costs, while simultaneously promoting a more balanced and economically sustainable grid.</i></p>
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4. Response to ITC Limited

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	<p>The DISCOMs have mentioned in the resubmissions dated 1st & 5th Aug, 2025 and 6th Aug, 2025 against their petitions 21 & 22 of 2025 that,</p> <p>a) the power purchase during 10:00 Hrs to 18:00 Hrs from costlier sources like thermal and market purchases.</p> <p>The company's objections and suggestions:</p> <p>The DISCOMs supposed to enter into PPA's for their entire annual energy requirements as approved by the Hon'ble Commission in the tariff order for FY 2025-26. So, the DISCOMs may be procuring only shortfall energy requirements and not the entire energy requirement from the open market/exchange.</p> <p>Therefore, the DISCOMs claim is partially correct for the period April to July months. Whereas, the rates in August to March months are costlier around 2 to 3 hours (i.e., around 22:00 hrs to 00:00 hrs) in a day and the rates during the remaining 5 to 6 hours in a day (i.e., around 00:00 hrs / 01:00 hrs to 10:00 hrs) are much cheaper. So, such procurements should compensate more than the cost incurred during the costly hours.</p>	<p><i>Discoms plan the long term PPA's based on the load requirement and market purchases are done to cater the shortfall energy. But due to the seasonality of the demand, the peak power requirement cannot be met in full by the contracted PPAs. During the time slots in which ToD revision is proposed i.e 22:00hrs to 06:00hrs, much of the power requirement is catered by the thermal plants.</i></p>
	<p>We would like to bring to your kind notice that, the open market/exchange (ACP) rates are much lower (around 2-4 Rs./unit) during solar hours, i.e. between 08:00 hrs to 17:00 hrs in all days in FY2024-25. The month wise trend of ACP rates for entire FY2024-25 is attached as Annex-A for your ready reference.</p>	<p><i>The power purchase cost to the Discoms is higher during the time 22:00hrs to 06:00hrs due to both market purchases and power from costlier sources like thermal (TGGENCO and CGS-Central Generating stations). The lower market purchase rates during the early morning hours in some of the months is taken into account for calculating the hourly power</i></p>

		<i>purchase cost. The higher proportion of power from costlier thermal plants has resulted in higher cost during these hours.</i>
	<p>In fact, we will appreciate the DISCOMs to consider to file the following:</p> <ol style="list-style-type: none"> 1. Revision of morning peak ToD hours to 06:00 Hrs to 08:00 Hrs instead of 06:00 Hrs to 10:00 Hrs due to availability of cheaper power from 08:00 Hrs in solar time. 2. To reduce the normal Tariff by at least \$1.00 in all categories since cheaper power is available in the solar hours. 	<i>We acknowledge the above and this is already being studied for any possibility of incentive during the solar hours</i>
	<p>The market purchase prices during the period 22:00 Hrs to 06:00 Hrs are on the higher side, whereas the licensee(s) are providing supply to certain HT categories at lower rates due to ToD Tariff.</p> <p>The company's objections and suggestions:</p> <p>The DISCOMs have not provided any data substantiating their above claim to submit the Company's objections and suggestions.</p>	<i>The data is submitted to the commission and hosted in DISCOM Website with respect to the hourly power purchase costs in which market power purchase price and quantum are also included</i>
	<p>Due to the implementation of ToD tariffs aforementioned, the licensee(s) revenues are getting affected adversely, while the cost of power purchase is on higher side.</p> <p>The company's objections and suggestions:</p> <p>The DISCOMs are supposed to procure RTC power under PPA's to meet their annual energy requirements. Even, if the energy being procured from the open market/exchange, the quantum may be nominal. Hence, it will not have any adverse impact the DISCOMs revenue. In fact, it will have positive impact on revenue instead otherwise.</p>	<i>Discoms have planned to procure power RTC based on the energy requirement. But due to the delay in the commissioning of units, the energy availability from YTPS station has come down. This resulted in lower overall energy availability due to which more power needs to be procured from market purchases.</i>
	<p>d) Submitted hourly power purchase cost in Rs./unit for FY2024-25.</p> <p>The company's objections and suggestions:</p>	<i>The hourly power purchase cost is arrived by taking weighted average of all the actual power purchases including RTC</i>

	Noted, but no relevance to the claim since the majority of the energy being procured under RTC power through PPAs	<i>power through PPAs. From the hourly power purchase cost, it is evident that the Cost/ unit for the Discoms is more during the ToD time slot 22:00hrs to 06:00hrs.</i>										
	<p>e) Submitted category wise ToD sales in MU for FY2024-25.</p> <p>The company's objections and suggestions:</p> <p>Noted. However, the DISCOMs are well aware of this data before filing the ARR for FY 2025-26. So, it should have already considered while filing the ARR for FY2025-26.</p>	<i>Discoms have reassessed the impact of ToD since there is a delay in commissioning of YTPS units, which would provide significant portion of power required during the ToD time slot 22:00hrs to 06:00hrs.</i>										
	<p>f) In view of the above, the licensee(s) are requesting the Hon'ble Commission to consider the proposal to remove the incentives allowed during the off-peak hours (10:00 PM to 06:00 AM] for the remaining part of FY 2025-26.</p> <p>The company's objections and suggestions:</p> <p>The company's objections and suggestions under SI. No. a to e above are self-explanatory. Therefore, it is requested to withdraw the proposal and may file other submissions to review at least the ToD hours.</p> <p>Suggestion for revised ToD hours</p> <table> <tr> <td>1. Off-Peak ToD Hours</td> <td>00:00 Hrs to 06:00 Hrs</td> </tr> <tr> <td>2. Peak ToD Hours</td> <td>06:00 Hrs to 08:00 Hrs</td> </tr> <tr> <td>3. Off-Peak ToD Hours</td> <td>08:00 Hrs to 17:00 Hrs</td> </tr> <tr> <td>4. Peak ToD Hours</td> <td>18:00 Hrs to 22:00 Hrs</td> </tr> <tr> <td>5. Normal Hours</td> <td>22:00 Hrs to 00:00 Hrs</td> </tr> </table> <p>2) The Hon'ble Commission has already approved energy requirement of 65,521 MU & 25,450 MU to TGSPDCL and TGNPDCL respectively in the Tariff order</p>	1. Off-Peak ToD Hours	00:00 Hrs to 06:00 Hrs	2. Peak ToD Hours	06:00 Hrs to 08:00 Hrs	3. Off-Peak ToD Hours	08:00 Hrs to 17:00 Hrs	4. Peak ToD Hours	18:00 Hrs to 22:00 Hrs	5. Normal Hours	22:00 Hrs to 00:00 Hrs	<i>The hourly rate fluctuations to the Discoms are not only due to the market purchases, but also due to the energy mix from the long term PPA sources. The per unit cost of power is different for different sources of power. Per unit cost of thermal power, which is major source during the ToD time slot 22:00hrs to 06:00hrs is higher compared to other sources like Solar, hydel power</i>
1. Off-Peak ToD Hours	00:00 Hrs to 06:00 Hrs											
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4. Peak ToD Hours	18:00 Hrs to 22:00 Hrs											
5. Normal Hours	22:00 Hrs to 00:00 Hrs											

<p>for FY2025- 26 as against their ARR filings.</p> <p>The company's objections and suggestions:</p> <p>As per the above approval by the Hon'ble Commission, both the DISCOMs should have entered into power purchase agreements under long-term, medium-term and short-term for supply of RTC power to meet their energy requirement for entire FY2025-26.</p> <p>In view of above PPAs, the hourly rate fluctuations should not impact the revenue of the DISCOMs. Unless, there is an abnormal increase in consumption during the off-peak hours (22:00 Hrs to 06:00 Hrs) Vs the consumption in FY2024-25 during the same off-peak hours.</p> <p>Therefore, it is requested to withdraw the proposals for amendment to the ToD Tariffs. Unless, the DISCOMs demonstrate the growth in the energy requirement in MU Vs the approved energy requirement in MU under tariff order for FY 2025-26.</p> <p>The Hon'ble Commission has directed the DISCOMs to procure energy from the open market/exchange on need basis in the Tariff order for FY2025-26. So, need for such procurement in the open market/exchange to be justified. If, the DISCOMs are already procuring.</p> <p>The Hon'ble Commission has also directed the DISCOMs under clause 3.18.12 of the Tariff order of FY2025-26, to submit a detailed report in their subsequent filings, outlining potential improvements in ToD tariff structures based on real-time consumption patterns for evaluating the findings and take decision in future tariff orders to ensure that ToD tariffs serve its intended purpose of efficient load management and grid stability.</p> <p>Therefore, as per the above directions of the Hon'ble Commission, the DISCOMs are requested to file their findings in the next ARR filings for FY2026-27.</p>	
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5. Response to Venkat N.K.K Independent member CGRF(Rural)

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	<p>Historical Back Drop: -</p> <p>I had submitted detailed objections during the public hearing on TGSPDCL's tariff filing for FY 2025-26, specifically opposing continuation of the ToD incentive. My submission was that extending the incentive is illogical, as the power purchase cost and demand during the 10 PM- 6 AM block do not justify such a concession.</p> <p>Despite this, TGSPDCL supported its proposal to enhance the ToD incentive to 1.50/unit, which was subsequently approved by the Hon ble Commission in the Retail Supply Tariff Order for FY 2025-26. Now, within four months, the licensees have sought a mid-term review of the ToD charges earlier proposed by them and approved by the Commission.</p>	<p><i>The DISCOMs respectfully submit that a thorough reassessment has been conducted, taking into account current supply-demand dynamics, peak consumption patterns, and the corresponding impact on power procurement costs borne by the licensees. This analysis underscores the necessity of realigning the existing Time-of-Day (ToD) tariff structure to more accurately reflect procurement costs and enhance overall grid efficiency.</i></p>
2	<p>Legal perspective</p> <p>In my view, neither the Electricity Act, 2003 nor the TGERC MYT Regulations, 2023 expressly prohibit a mid-term review of a Retail Supply Tariff Order. While the prevailing regulations mandate annual filings, a comprehensive reopening of the tariff order mid-year is neither contemplated nor desirable. However, in my opinion, a limited review, subject to the Commission's approval, is permissible in law. It is also pertinent to note that several SERCs, under their respective MYT Regulations, have provided for mid-term reviews to address uncontrollable costs, subsidy variations, or material deviations in revenue and expenditure.</p>	<p><i>The proposal for amending the ToD tariff stands as the first such submission in the current financial year, and is fully aligned with the provisions of Section 62(4) of the Electricity Act, 2003. we would like to highlight that no tariff increase was proposed by the DISCOMs in the previous financial year, in a conscious effort to protect consumer interests and avoid additional financial burden. The current proposal to amend the Time-of-Day (ToD) tariff structure has been formulated in response to observed trends in elevated power purchase costs, particularly during incentivized time slots.</i></p>

<p>3</p>	<p>Other important consideration related to TGSPDCL power purchase costs</p> <p>We have observed that TGSPDCL's power purchase payments for deemed banked units from</p> <p>open access developers, from the date of synchronization to the date of open access, under Clause 11(e) of the Telangana Solar Policy 2015 and Clauses 7 & 8 of Appendix-3 of Regulation 1 of 2017, have been inconsistently applied and misused.</p> <p>TGSPDCL contends that, in the absence of a banking agreement, a generator is not entitled to</p> <p>payments. However, both the licensees (TGSDPCL & TGNPDCL) have paid HUNDRED OF CRORES to some generators towards deemed banked units at the rate of APPC as contemplated under Regulation 1 of 2017. One such generator, DRES Limited, has filed O.P. No. 27 of 2025, which is reserved for order as per record of proceedings dated 04.08.2025, before this Hon'ble Commission regarding applicability of wheeling charges towards payments made for such deemed banked units as contemplated under Regulation 1 of 2017.</p> <p>We had submitted our grievance regarding this arbitrary approach to the Hon ble Commission and understand that TGSPDCL has been directed to furnish a report. We respectfully submit that we are hopeful the Hon'ble Commission will guide TG DISCOMS to adopt a just and equitable approach. in the broader interest of the industry.</p>	<p><i>Discoms respectfully submit that the banking and payments related to it are as per the policy and has no relation to the current amendment in ToD tariffs.</i></p>
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6. Response to MRF

S.No.	Summary of Objections / Suggestions	Response of the Licensee
1	<p>Purpose of ToD Tariff and DSM Objectives</p> <p>The Time-of-Day tariff was introduced as a Demand Side Management (DSM) tool to encourage consumers to shift their power usage to off-peak hours, thereby promoting grid stability and reducing peak demand. This objective has been successful, as many industries, including ours, have adjusted operations to night shifts in response to the rebate.</p> <p>The proposed withdrawal directly undermines these DSM objectives and may result in consumers reverting to daytime operations, thereby increasing the load during peak hours and defeating the purpose of the ToD structure.</p>	<p><i>Demand side management aims to bring the demand curve close to the supply curve. Due to the integration of renewable energy, particularly solar power, the supply availability during the day hours (10:00 hrs to 18:00 hrs) has increased. By removing the incentive during the night hours, it is expected that some of the consumption will shift from night hours(22:00Hrs to 06:00hrs) to day hours. The proposed amendment to the existing Time-of-Day (ToD) tariff structure by TGDISCOMs promotes effective Demand Side Management</i></p>
2	<p>Legitimate Expectation and Consumer Investment</p> <p>The current tariff order for FY 2025-26 clearly provides for a ₹1.50/unit rebate during the 10:00 PM to 6:00 AM period. Based on this approved structure, industries like ours have:</p> <p>Scheduled operations around night shifts</p> <ul style="list-style-type: none"> * Invested in relevant systems, equipment, and staffing * Planned our annual budgets based on the existing tariff <p>Withdrawing the rebate mid-year is unfair and disruptive. Consumers have a legitimate expectation that the tariff, once approved, will remain in force for the full control period. Sudden or unexpected changes to an already-notified tariff negatively impact businesses like ours that have made operational and financial decisions in good faith with the legitimate expectation of tariff stability at least during the control period.</p>	<p><i>The power procurement cost per unit for the Discoms during the hours 10:00 PM to 6:00 AM is higher and due to this, giving incentive to consumers during this period is adversely affecting the Discoms financial condition. As per the Section 62(4), the Hon'ble Commission is vested with the power to amend the tariff once in a financial year. A thorough reassessment has been conducted, taking into account current supply-demand dynamics, peak consumption patterns, and the corresponding impact on power procurement costs borne by the licensees. Also due to the delay in commissioning of YTPS units, which is beyond the control to the Discoms, the availability of power during the hours 10:00 PM to 6:00 AM has reduced.</i></p>

3	Tariff Stability and Non-Retrospectivity Tariff orders, once notified, act as a binding agreement between the utility and the consumer for the duration of the control period. TGSPDCL's proposal constitutes an unjustified mid-year revision and violates two key regulatory principles: <ul style="list-style-type: none"> • Tariff Stability: Ensures predictability for consumers • Non-Retrospectivity: Consumers should not be penalized for consumption decisions already made based on existing tariffs 	<i>TGDISCOMs have observed that the current incentivized hours often lead to power procurement at elevated rates, which ultimately translates into a higher tariff burden for consumers. To address this, the proposed amendment seeks to better align consumption patterns with the availability and cost of power—thereby enhancing grid stability and operational efficiency. This targeted realignment will optimize power procurement and contribute to tariff stability, safeguarding consumer interests in the long run.</i>
4	Financial Impact on MRF Limited The proposed withdrawal would result in an increased energy cost of \$1.50/unit during night-time operations. Based on our current consumption pattern, this would impose an additional monthly financial burden of \$1.07 crore, severely impacting our cost structure and operational viability.	<i>TGDISCOMs have PPA's with different power sources and the per unit cost of power is different for different sources. Discoms are purchasing power during the time period - 22:00Hrs to 06:00hrs from costlier sources like thermal and market purchases. In order to decrease the higher power purchase cost burden, it is required to shift the consumption pattern from 22:00Hrs to 06:00hrs to day hours -10:00 hrs to 18:00 hrs</i>
5	Regulatory Precedents We respectfully draw attention to similar cases before the Maharashtra Electricity Regulatory Commission (MERC), where attempts to revise or remove night-time rebates were rejected on sound regulatory grounds: <ul style="list-style-type: none"> • Order dated 28.03.2025 (MSEDCL ARR Petition) • Case No. 116 of 2008 (Order dated 17.08.2009) • Case No. 121 of 2014 (Order dated 26.06.2015) 	<i>The licensee would like to mention that as per the order dated 25 June 2025 on Case. 75 of 2025, MERC has approved the removal of night incentive in the review petition of MYT order after thorough analysis of stakeholder comments and MSEDCL replies. The commission clearly states that rebate during night hours may impact possibility of shifting load during such night hours to solar</i>

	<ul style="list-style-type: none"> • Case No. 322 of 2019 (Order dated 30.03.2020) <p>In each case, MERC ruled that such changes lacked proper justification and were inconsistent with DSM objectives and consumer interest.</p> <p>Prayer to TGSPDCL and the Hon'ble Commission</p> <p>In light of the above, we respectfully request that the Hon'ble Commission:</p> <ol style="list-style-type: none"> 1. Reject TGSPDCL's proposal to withdraw the €1.50/unit night-time rebate for HT-I consumers for FY 2025-26 2. Retain the current ToD tariff structure for the remainder of the control period without changes 3. Instruct TGSPDCL to conduct a comprehensive impact assessment and meaningful stakeholder consultation before proposing any future changes to the ToD tariff <p>We trust the Commission will act in the interest of fairness, regulatory consistency, and grid stability.</p> <p>We also confirm our intent to participate in the public hearing scheduled on 19.09.2025.</p>	<p><i>hours, when the power is available in surplus. Also, the demand pattern and supply patterns are different from one state to other and the Discoms generally propose on the penalty and incentive based on their supply availability and demand patterns.</i></p>
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7. Response to Telangana Spinning & Textile Mills Association

S.No.	Summary of Objections / Suggestions	Response of the Licensee												
1	<p>Telangana discoms (TGSPDCL and TGNPDCL)(hereinafter referred to as “TG discoms”) have sought modification of TOD slabs approved by the Hon’ble Telangana Electricity Regulatory Commission (hereinafter referred to as “Hon’ble Commission”) vide Tariff Order for FY 2025-26 (ref OP No.s 21 and 22 of 2025). Hon’ble Commission by way of Tariff Order had approved the ToD slabs as under:</p> <table border="1"> <thead> <tr> <th>Description</th><th>During the period</th><th>ToD Tariff over Retail Supply Energy Charges for FY 2025-26</th></tr> </thead> <tbody> <tr> <td>Peak</td><td>6 AM to 10 AM and 6 PM to 10 PM</td><td>PlusRs. 1.00/ unit</td></tr> <tr> <td>Off-peak</td><td>10 PM to 6 AM</td><td>Less Rs. 1.50/ unit</td></tr> <tr> <td>Normal</td><td>10 AM to 6 PM</td><td>NIL</td></tr> </tbody> </table> <p>Elimination of Consumer Incentives</p> <p>The TG DISCOMs have proposed the withdrawal of the existing Time-of-Day (ToD) rebate of Rs.1.50 per unit applicable during off-peak hours (10:00 PM–6:00 AM). This move would align off-peak tariffs with normal-hour</p>	Description	During the period	ToD Tariff over Retail Supply Energy Charges for FY 2025-26	Peak	6 AM to 10 AM and 6 PM to 10 PM	PlusRs. 1.00/ unit	Off-peak	10 PM to 6 AM	Less Rs. 1.50/ unit	Normal	10 AM to 6 PM	NIL	<p><i>The primary objective of the proposed amendment to the existing Time-of-Day (ToD) tariff structure by TGDISCOMs is to promote effective Demand Side Management and ensure the long-term sustainability of affordable tariffs for consumers.</i></p> <p><i>TGDISCOMs have observed that the current incentivized hours often lead to power procurement at elevated rates, which ultimately translates into a higher tariff burden for consumers. To address this, the proposed amendment seeks to better align consumption patterns with the availability and cost of power—thereby enhancing grid stability and</i></p>
Description	During the period	ToD Tariff over Retail Supply Energy Charges for FY 2025-26												
Peak	6 AM to 10 AM and 6 PM to 10 PM	PlusRs. 1.00/ unit												
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Normal	10 AM to 6 PM	NIL												

	charges, thereby eliminating the differential tariff signal that was originally designed to encourage load-shifting and promote night-time consumption. Such a change directly undermines the fundamental purpose of the ToD mechanism.	<i>operational efficiency. This targeted realignment will optimize power procurement and contribute to tariff stability, safeguarding consumer interests in the long run</i>
2	Arbitrary and Revenue-Oriented Approach The proposal appears arbitrary and primarily revenue-driven, without offering any corresponding improvement in system efficiency or demand-side management (DSM). ToD tariffs are not intended to enhance DISCOM revenues but to manage the demand-supply gap by incentivizing consumers to shift their load patterns. The Petition lacks robust data or analysis to justify how removing the rebate aligns with DSM objectives or benefits the system as a whole.	<i>Time-of-Day (ToD) tariffs are not intended as a means for DISCOMs to generate additional revenue or profit. Rather, they serve as a useful mechanism to enhance grid stability and enable cost-effective power procurement. As regulated entities, TGDISCOMs operate under frameworks that ensure any benefits arising from ToD implementation are ultimately contributing to long-term affordability for the consumers and system efficiency.</i>
3	Lack of Supporting Evidence and Analysis The Petitioner has failed to present critical evidence, such as block-wise demand and supply analysis (segregated into long-, medium-, and short-term procurement). Without such data, the Commission and consumers cannot properly assess the rationale for the proposed change. A review of the power procurement portfolio is also necessary to ensure that an optimal mix of long-, medium-, and short-term sources continues to support grid stability and consumer affordability	<i>The block wise energy dispatched from the contracted sources and market purchases and hourly power purchase cost of FY 2024-25 is attached in addition to the supporting information pertaining to the proposed amendment under the current filing. Furthermore, the block wise demand data and Hourly Energy Dispatch & Costs from all the available sources of Generation has been made publicly accessible through publication on the DISCOM's official website to ensure transparency and facilitate stakeholder engagement</i>
4	Market Realities and Solar Integration With marginal power purchase costs during solar hours already crashing to sub-Rs.2/unit levels in the energy	<i>As mentioned in the previous sections, the cost of power procurement is on the higher side during the night hours due to the sustained higher demand at the State level. In order to</i>

	<p>markets, there is a strong case for extending rebates during daytime to encourage higher solar consumption. Instead of eliminating the night-time incentive, ToD tariffs should be dynamically revised to support renewable integration and enhance system efficiency.</p>	<p><i>mitigate the adverse impact of incurring higher costs of procuring power on one hand and also giving incentives on the other hand, TGDISCOMs have acted swiftly to at least stem the flow of incentives which is counter productive to both TGDISCOMs and consumers also. The present petition is a humble submission to Hon'ble TGERC for allowing the TGDISOMs to correct the anomaly.</i></p> <p><i>TGDISCOMs would be examining the aspect of offering incentives during solar hours during the course of the subsequent tariff filing.</i></p>
5	<p>Adverse Consumer and System Impact</p> <p>Withdrawing the off-peak rebate will discourage night-time usage, potentially pushing demand back into peak hours. This could aggravate load curve imbalances, increase DISCOMs' procurement costs, and burden consumers. Moreover, industries and households that have already invested in timers, automation, and EV charging infrastructure based on ToD rebates would face sunk costs, eroding trust in tariff signals and creating regulatory uncertainty.</p>	<p><i>The proposed withdrawal of nighttime rebates is aimed at encouraging consumers to shift their electricity usage to periods when power procurement is more economical. By doing so, TGDISCOMs can optimize overall procurement and reduce reliance on costly power purchases—ultimately helping to prevent future tariff increases for consumers.</i></p> <p><i>The existing tariff structure during normal and peak hours has been carefully designed to ensure that demand previously concentrated in night time hours does not migrate to peak periods, thereby maintaining grid stability.</i></p>
6	<p>Cross-Subsidy Concerns</p> <p>Since ToD slabs apply largely to HT categories, abolishing the off-peak rebate would disproportionately raise the Average Billing Rate (ABR) for industrial consumers. This would deepen cross-subsidies in the system, further straining competitiveness of industries while leaving subsidized categories unaffected. The Objector therefore request the Commission to reject the</p>	<p><i>Under the current ToD tariff structure, the nighttime incentive has led to increased consumption during hours when power procurement costs are relatively high. This trend results in elevated overall procurement expenses for DISCOMs, which are ultimately passed on to consumers through tariff adjustments—potentially leading to future hikes.</i></p> <p><i>In contrast, the proposed amendment—which involves withdrawing the nighttime incentive—is designed to realign</i></p>

	<p>proposed withdrawal and instead strengthen ToD tariffs in line with the objectives enshrined in the National Tariff Policy 2016.</p>	<p><i>consumption patterns by discouraging usage during high-cost hours. This shift will enable DISCOMs to optimize their power procurement strategy, reduce reliance on expensive sources, and maintain grid efficiency.</i></p> <p><i>By implementing this change, TGDISCOMs aim to safeguard consumers from future tariff increases driven by rising procurement costs, while simultaneously promoting a more balanced and economically sustainable grid.</i></p>
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8. Response to Telangana Iron & Steel Manufacturers Association

S.No.	Summary of Objections / Suggestions	Response of the Licensee												
1	<p>Telangana discoms (TGSPDCL and TGNPDCL)(hereinafter referred to as “TG discoms”) have sought modification of TOD slabs approved by the Hon’ble Telangana Electricity Regulatory Commission (hereinafter referred to as “Hon’ble Commission”) vide Tariff Order for FY 2025-26 (ref OP No.s 21 and 22 of 2025). Hon’ble Commission by way of Tariff Order had approved the ToD slabs as under:</p> <table border="1"> <thead> <tr> <th>Description</th><th>During the period</th><th>ToD Tariff over Retail Supply Energy Charges for FY 2025-26</th></tr> </thead> <tbody> <tr> <td>Peak</td><td>6 AM to 10 AM and 6 PM to 10 PM</td><td>PlusRs. 1.00/ unit</td></tr> <tr> <td>Off-peak</td><td>10 PM to 6 AM</td><td>Less Rs. 1.50/ unit</td></tr> <tr> <td>Normal</td><td>10 AM to 6 PM</td><td>NIL</td></tr> </tbody> </table> <p>Elimination of Consumer Incentives</p> <p>The TG DISCOMs have proposed the withdrawal of the existing Time-of-Day (ToD) rebate of Rs.1.50 per unit applicable during off-peak hours (10:00 PM–6:00 AM). This move would align off-peak tariffs with normal-hour</p>	Description	During the period	ToD Tariff over Retail Supply Energy Charges for FY 2025-26	Peak	6 AM to 10 AM and 6 PM to 10 PM	PlusRs. 1.00/ unit	Off-peak	10 PM to 6 AM	Less Rs. 1.50/ unit	Normal	10 AM to 6 PM	NIL	<p><i>The primary objective of the proposed amendment to the existing Time-of-Day (ToD) tariff structure by TGDISCOMs is to promote effective Demand Side Management and ensure the long-term sustainability of affordable tariffs for consumers.</i></p> <p><i>TGDISCOMs have observed that the current incentivized hours often lead to power procurement at elevated rates, which ultimately translates into a higher tariff burden for consumers. To address this, the proposed amendment seeks to better align consumption patterns with the availability and cost of power—thereby enhancing grid stability and</i></p>
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2	Arbitrary and Revenue-Oriented Approach The proposal appears arbitrary and primarily revenue-driven, without offering any corresponding improvement in system efficiency or demand-side management (DSM). ToD tariffs are not intended to enhance DISCOM revenues but to manage the demand-supply gap by incentivizing consumers to shift their load patterns. The Petition lacks robust data or analysis to justify how removing the rebate aligns with DSM objectives or benefits the system as a whole.	<i>Time-of-Day (ToD) tariffs are not intended as a means for DISCOMs to generate additional revenue or profit. Rather, they serve as a useful mechanism to enhance grid stability and enable cost-effective power procurement. As regulated entities, TGDISCOMs operate under frameworks that ensure any benefits arising from ToD implementation are ultimately contributing to long-term affordability for the consumers and system efficiency.</i>
3	Lack of Supporting Evidence and Analysis The Petitioner has failed to present critical evidence, such as block-wise demand and supply analysis (segregated into long-, medium-, and short-term procurement). Without such data, the Commission and consumers cannot properly assess the rationale for the proposed change. A review of the power procurement portfolio is also necessary to ensure that an optimal mix of long-, medium-, and short-term sources continues to support grid stability and consumer affordability	<i>The block wise energy dispatched from the contracted sources and market purchases and hourly power purchase cost of FY 2024-25 is attached in addition to the supporting information pertaining to the proposed amendment under the current filing. Furthermore, the block wise demand data and Hourly Energy Dispatch & Costs from all the available sources of Generation has been made publicly accessible through publication on the DISCOM's official website to ensure transparency and facilitate stakeholder engagement</i>
4	Market Realities and Solar Integration With marginal power purchase costs during solar hours already crashing to sub-Rs.2/unit levels in the energy	<i>As mentioned in the previous sections, the cost of power procurement is on the higher side during the night hours due to the sustained higher demand at the State level. In order to</i>

	<p>markets, there is a strong case for extending rebates during daytime to encourage higher solar consumption. Instead of eliminating the night-time incentive, ToD tariffs should be dynamically revised to support renewable integration and enhance system efficiency.</p>	<p><i>mitigate the adverse impact of incurring higher costs of procuring power on one hand and also giving incentives on the other hand, TGDISCOMs have acted swiftly to at least stem the flow of incentives which is counter productive to both TGDISCOMs and consumers also. The present petition is a humble submission to Hon'ble TGERC for allowing the TGDISOMs to correct the anomaly.</i></p> <p><i>TGDISCOMs would be examining the aspect of offering incentives during solar hours during the course of the subsequent tariff filing.</i></p>
5	<p>Adverse Consumer and System Impact</p> <p>Withdrawing the off-peak rebate will discourage night-time usage, potentially pushing demand back into peak hours. This could aggravate load curve imbalances, increase DISCOMs' procurement costs, and burden consumers. Moreover, industries and households that have already invested in timers, automation, and EV charging infrastructure based on ToD rebates would face sunk costs, eroding trust in tariff signals and creating regulatory uncertainty.</p>	<p><i>The proposed withdrawal of nighttime rebates is aimed at encouraging consumers to shift their electricity usage to periods when power procurement is more economical. By doing so, TGDISCOMs can optimize overall procurement and reduce reliance on costly power purchases—ultimately helping to prevent future tariff increases for consumers.</i></p> <p><i>The existing tariff structure during normal and peak hours has been carefully designed to ensure that demand previously concentrated in night time hours does not migrate to peak periods, thereby maintaining grid stability.</i></p>
6	<p>Cross-Subsidy Concerns</p> <p>Since ToD slabs apply largely to HT categories, abolishing the off-peak rebate would disproportionately raise the Average Billing Rate (ABR) for industrial consumers. This would deepen cross-subsidies in the system, further straining competitiveness of industries while leaving subsidized categories unaffected. The Objector therefore request the Commission to reject the</p>	<p><i>Under the current ToD tariff structure, the nighttime incentive has led to increased consumption during hours when power procurement costs are relatively high. This trend results in elevated overall procurement expenses for DISCOMs, which are ultimately passed on to consumers through tariff adjustments—potentially leading to future hikes.</i></p> <p><i>In contrast, the proposed amendment—which involves withdrawing the nighttime incentive—is designed to realign</i></p>

	<p>proposed withdrawal and instead strengthen ToD tariffs in line with the objectives enshrined in the National Tariff Policy 2016.</p>	<p><i>consumption patterns by discouraging usage during high-cost hours. This shift will enable DISCOMs to optimize their power procurement strategy, reduce reliance on expensive sources, and maintain grid efficiency.</i></p> <p><i>By implementing this change, TGDISCOMs aim to safeguard consumers from future tariff increases driven by rising procurement costs, while simultaneously promoting a more balanced and economically sustainable grid.</i></p>
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