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**BEFORE THE HONOURABLE TELANGANA ELECTRICITY
REGULATORY COMMISSION**

At TGERC, Vidyut Niyantran Bhavan, GTS Colony, Hyderabad - 500 045

FILING NO._____/26

CASE NO._____/26

In the matter of

Petition for determination of Additional Surcharge to be levied on Open Access consumers for the second half (H2) of Financial Year 2026-27 as per the directions of Hon'ble Commission in its Order dated 18.09.2020 in OP No. 23 of 2020 in accordance with the provisions of the Electricity Act, 2003 and National Tariff Policy, 2016.

In the matter of

NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

.....Applicant

This application is filed for determination of Additional Surcharge (AS) to be levied on Open Access consumers for the second half (H2) of Financial Year 2026-27 as per the directions of Hon'ble Commission in its Order dated 18.09.2020 in OP No. 23 of 2020 in accordance with the provisions of the Electricity Act, 2003 and National Tariff Policy, 2016.

The applicants respectfully submit as under:

- 1. As per section 42(4) of Electricity Act, 2003 the State Regulatory Commission may specify the additional surcharge to be levied on the open access consumers to enable the licensee to recover its fixed costs arising out of its obligation to supply.**

Sec 42(4): "Where the State Commission permits a consumer or class of consumers to receive supply of electricity from a person other than the distribution licensee of his area of supply, such consumer shall be liable to pay an additional surcharge on the charges of wheeling, as may be specified by the State Commission, to meet the fixed cost of such distribution licensee arising out of his obligation to supply".

2. Further, the National Tariff Policy (NTP) Notified by Ministry of Power on 28th January, 2016 has the following provision on the Additional Surcharge

Clause 8.5.4: "The additional surcharge for obligation to supply as per section 42(4) of the Act should become applicable only if it is conclusively demonstrated that the obligation of a licensee, in terms of existing power purchase commitments, has been and continues to be stranded, or there is an unavoidable obligation and incidence to bear fixed costs consequent to such a contract. The fixed costs related to network assets would be recovered through wheeling charges".

3. 'Terms and Conditions of Open Access' Regulation No.1 of 2024 stipulates as under:

22.1(d) - Additional Surcharge-"The open access user shall also be liable to pay Additional Surcharge (AS) as may be specified by the Commission from time to time under Section 42(4) of the Act, in case open access is sought for receiving supply from a person other than distribution licensee of such consumer's area of supply, to meet the fixed cost of the distribution licensee arising out of his obligation to supply".

4. In accordance with the aforementioned statutory provisions, the Hon'ble Commission passed an Order dated 18.09.2020 in OP No. 23 of 2020 specifying the mechanism for determination of stranded capacity along with the approved methodology and terms & conditions for levy of Additional Surcharge on Open Access (OA) users in order to meet the fixed cost commitment of the distribution licensees arising out of its obligation of supply.
5. Accordingly, the licensees were directed to submit the filings for determination of AS for the 1st half of the ensuing financial year i.e., for the period from April to September of the ensuing financial year latest by 30th November of the current financial year and for the 2nd half of the ensuing financial year i.e., for the period from October to

March of the ensuing financial year latest by 31st May of the ensuing financial year.

6. The licensee hereby submits the Additional Surcharge proposals for H2 of FY2026-27 considering the actual parameters pertaining to H2 of FY2025-26 in consonance with order in OP No.23 of 2020 as follows:

i. The average stranded capacity due to OA consumers for the six months period (October 2025 to March 2026) considering 15-minute block wise data works out as 282.56MW as presented below. The block wise information is also herewith attached in soft copy.

Particular (in MW)	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Average
Available capacity	37106215.99	32143554.43	31084860.66	34273341.65	31338214.65	33668263.54	11424.82
Scheduled Capacity	22149267.65	18882111.05	24744892.63	27809289.56	26534623.44	30372009.94	8613.34
Gross (Deficit)/Surplus	14956948.35	13261443.38	6339968.03	6464052.09	4803591.21	3296253.60	2811.48
Short Term Purchases Capacity	3946849.64	2798636.45	3511761.21	4830920.76	5398018.84	9888943.44	1738.50
(Deficit)/Surplus after netting of Short Term Purchases	11031710.38	10539556.41	3867715.00	3302030.10	1770099.82	314735.74	1764.30
OA Scheduled Capacity	1199031.76	1316618.90	1325805.34	1393234.23	1315719.97	1334274.16	451.28
Stranded Capacity	1176664.86	1263788.33	960248.24	820797.29	590287.66	125112.95	282.56
Stranded Capacity arrived by considering minimum of surplus and OA scheduled capacity for each 15-min block							

- ii. The fixed charges paid to the generators are considered as per the Quarterly Audited Reports for Q3 & Q4 of FY 2025-26 is Rs. 8,436.14 Cr.
- iii. The average long term available capacity is 11,424.82 MW. The average fixed charges worked out to Rs. 0.74 Cr. per MW.
- iv. Accordingly, the fixed charges for stranded capacity of 282.56 MW works out as Rs. 208.64 Cr. (i.e. 282.56 MW X Rs. 0.74 Cr./MW).

- v. The transmission charges paid to the generators are considered as per the Quarterly Audited Reports for Q3 & Q4 of FY 2025-26 is Rs. 2177.74 Cr.
- vi. Actual energy scheduled for the period of H2 of FY 2025-26 is 44,570.89 MUs. Thus, the actual transmission charges per unit works out as Rs. 0.49 per kWh.
- vii. The distribution charges considered for Additional surcharge calculation is Rs. 0.13 per kWh, computed as per the order on Revised Aggregate Revenue Requirement (ARR) and Wheeling Tariffs for Distribution Business for FY 2025-26 Dt. 29.04.2025.
- viii. Hence, the total Transmission and Distribution charges work out to Rs. 0.62 per kWh.
- ix. Based on the above-mentioned values, the demand charges that are to be adjusted from OA consumers works out to be Rs. 130.70 Cr.
- x. Hence, the net stranded charges recoverable are Rs.77.95 Cr. which are considered for calculation of additional surcharge.
- xi. The Open Access sales of 936.26 MU other than captive transactions and Green Energy Open Access sales for the period from October'25 to March'26 is considered.
- xii. The additional surcharge per unit is computed to be Rs. 0.83 per kWh.

Accordingly, the Additional Surcharge proposed for H2 of FY 2026-27 has been tabulated below:

S. No.	Particulars	Unit	Value
{A}	Long Term Available Capacity	MW	11,424.82
{B}	Capacity stranded due to open access	MW	282.56
{C}	Fixed Charges paid	Rs. Cr.	8436.14
{D} = {C}÷{A}	Fixed Charge per MW	Rs. Cr./ MW	0.74
{E} = {D}×{B}	Fixed Charge for Stranded Capacity	Rs. Cr.	208.64
{F}	Transmission Charge Paid	Rs. Cr.	2177.74
{G}	Actual Energy Scheduled	MU	44,570.89
{H} = {F}÷{G}	Transmission Charges per unit	Rs. /kWh	0.49
{I}	Distribution Charges as per Tariff Order	Rs. /kWh	0.13
{J} = {H}+{I}	Total transmission and distribution charges per unit	Rs. /kWh	0.62
{K}	Energy consumed by OA consumers from the DISCOMs	MU	1560.99
{L} = {K}×{J}	Transmission and Distribution charges to be paid by OA consumers	Rs. Cr.	96.57
{M}	Demand Charges recovered by the DISCOMs from OA consumers	Rs. Cr.	227.27
{N} = {M}-{L}	Demand Charges to be adjusted	Rs. Cr.	130.70
{O} = {E}-{N}	Net stranded charges recoverable	Rs. Cr.	77.95
{P}	Open Access Sales	MU	936.26
{Q} = {O}÷{P}	Additional Surcharge Computed	Rs. /kWh	0.83

7. It is, therefore prayed that the Hon'ble Commission may please be accord approval to the licensee's proposal of Additional Surcharge of Rs.0.83/kWh for H2 of FY2026-27 and pass such orders as the Hon'ble Commission may deem fit and proper.

Place: Hanumakonda

Dated: 20.08.2026

Hanumanth

Petitioner

Chief Engineer
IPC & PAC, TGNPDCL
WARANGAL.

**BEFORE THE HONOURABLE TELANGANA ELECTRICITY REGULATORY
COMMISSION**

At TGERC, Vidyut Niyamtran Bhavan, GTS Colony, Hyderabad - 500 045

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Petition for determination of Additional Surcharge to be levied on Open Access consumers for the second half (H2) of Financial Year 2026-27 as per the directions of Hon'ble Commission in its Order dated 18.09.2020 in OP No. 23 of 2020 in accordance with the provisions of the Electricity Act, 2003 and National Tariff Policy, 2016.

In the matter of

NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

.....Applicant

AFFIDAVIT OF APPLICANT VERIFYING THE ACCOMPANYING PETITION.

I, K Venkata Ramana, S/o K. Ratnakar Rao, aged 58 years, Occupation: Chief Engineer (IPC&RAC), TGNPDCL, Hanumakonda, R/o Hanumakonda do solemnly affirm and say as follows:

- 1) I am Chief Engineer (IPC&RAC) of TGNPDCL, I am competent and duly authorized by TGNPDCL to affirm, swear, execute and file this petition.
- 2) I have read and understood the contents of the accompanying petition drafted pursuant to my instructions. The statements made in accompanying application now shown to me are true to the best of my knowledge derived from the official records made available to me and are based on information and advice received which I believe to be true and correct.

DEPONENT

Chief Engineer
IPC & RAC, TGNPDCL
WARANGAL

VERIFICATION.

The above named Deponent solemnly affirm at Hanumakonda on this 20th day of August, 2026 that the contents of the above Affidavit are true to best of my knowledge, no part of it is false and nothing material has been concealed there from.


DEPONENT

Chief Engineer
IPC & RAC, TGNPDCL
WARANGAL.

Solemnly affirmed and signed before me


General Manager
IPC & RAC, TGNPDCL,
Warangal.

Annexure - A

NPDCL

Note: 24 - OTHER INCOME

(Rs. In Crore)

Particulars	Quarter ended 31st March, 2025	Quarter Ended 31.12.2025	Year ended 31st March, 2025
i) Interest Earned:			
- Interest on staff loans and advances	(0.27)	(1.43)	(0.01)
- Income from deposit with banks & others	1.60	1.33	5.98
Sub Total	1.33	(0.10)	5.97
ii) Others:			
- Rebate on power purchase	20.11	4.36	0.15
- Miscellaneous receipts	(5.50)	8.29	26.86
- Deferred revenue income	53.27	45.80	154.56
Sub Total	67.88	58.45	181.57
Total	69.21	58.35	187.54

Note: 25 - POWER PURCHASE COST

(Rs. In Crore)

Particulars	Quarter ended 31st March, 2026	Quarter Ended 31.12.2025	Year ended 31st March, 2025
Fixed component	1,640.78	1,202.19	3,285.84
Variable component	2,816.13	993.04	9,420.54
Transmission & SLDC charges (STU)	141.65	141.66	1,058.16
Transmission charges (CTU)	158.23	202.49	623.43
Total	4,756.79	2,539.38	14,388.97

Note: 26 - EMPLOYEE BENEFIT EXPENSES

(Rs. In Crore)

Particulars	Quarter ended 31st March, 2026	Quarter Ended 31.12.2025	Year ended 31st March, 2025
Salaries, Dearness allowances & Other allowances	412.19	407.58	1,587.30
Salary & allowances - Directors	0.52	1.13	0.24
Remuneration to contract artisan	40.10	39.85	156.20
Medical Expenses	15.29	8.84	15.51
Earned leave encashment	(30.24)	58.87	185.80
Medical allowance - monthly	6.13	6.14	24.57
Other welfare expenses	0.80	0.70	2.14
Terminal benefits PF employer contribution joined before 01.02.1999 (Note.26.1.a)	165.01	91.26	364.64
Terminal benefits (Gratuity) - Artisans (Note.26.1.c)	(1.43)	1.56	6.20
Terminal benefits (Gratuity) - employees joined after 01.02.1999 (Note.26.1.b)	5.35	8.93	35.47
Employer contributions to EPF	29.40	28.78	109.31
Leave Travel Assistance	0.01	0.00	0.03
Misc employee cost	(11.25)	3.19	0.00
Employer contribution to EPF contract artisan	1.99	1.98	8.19
Employer contribution to ESI contract artisan	0.01	0.01	0.03
Grand Total	633.88	658.82	2,495.65
Less: Employee cost capitalised	26.87	27.43	60.12
Net Total	607.01	631.39	2,435.53

Note : 26.1.

a) Pension & Gratuity for Employees appointed before 01.02.1999:

The employees appointed before 01.02.1999 are eligible for Pension, commutation and Gratuity after retirement. The 100% liability will be discharged by TGGENCO Master Trust in case of employees retired before 01.02.1999. In case of employees retired after 01.02.1999, the liability will be discharged at 74% by TGGenco Master Trust and 26% by NPDCL Pension & Gratuity Trust as per the tripartite agreement dated 14-08-1997.

b) Gratuity for employees appointed after 01.02.1999:

The employees appointed after 01.02.1999 are eligible for Gratuity as per the provisions of Gratuity Act and liability will be discharged by TGNPDCL Gratuity Trust which has taken a Gratuity policy from LIC of India.

c) Gratuity for Artisans:

As per the standing orders issued by the Labour Department Artisans are eligible for gratuity. 100% liability will be discharged by the TGNPDCL.

d) Earned leave encashment:

All the regular employees are eligible for encashment of Earned Leave 15 days per year and maximum of 300 days at the time of retirement. The 100% liability will be discharged by the TGNPDCL.

Note : 26.2.

The G.O.Ms.No.56 dated 11.06.2021 issued by the State Government by enhancing the Gratuity limit from 0.12 Crores to 0.16 Crores is for the purpose of State Government employees. The same was adopted by TGNPDCL and considered for computing Gratuity Liability as per Actuarial valuation.

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LTD.

21 - REVENUE FROM OPERATIONS

Particulars	Q4 of 2025-26	Q3 of 2025-26	Q4 of 2024-25	2024-25
(a) Sale of energy				
LT Supply	2,731.45	2,846.30	2,656.23	12,030.19
HT Supply	5,771.65	5,503.54	5,395.76	21,370.91
Interstate Sales	139.93	178.61	56.16	309.07
Fuel Surcharge Adjustment	0.65	0.43	0.49	1.75
Tariff Subsidy	1,421.62	1,060.67	1,373.09	4,015.21
Additional Power Subsidy				246.93
Revenue grant under UDAY Scheme				2,454.77
Customer Charges	248.54	245.31	234.98	958.13
Theft of Power	106.26	13.98	9.93	39.45
Delayed Payment Surcharge - Income	1,010.16	911.84	826.56	2,875.66
A & C Penalties		0.43		0.06
(b) Other Operating Revenues				
Amortization of Consumer Contribution, Subsidies & Grants towards Property Plant and Equipment				428.53
Others - Wheeling, Unscheduled Interchange, Capacitor Surcharge etc..	59.07	23.20	8.62	28.53
Less: Electricity Duty	(58.58)	(59.60)	(17.01)	(241.31)
Total	11,430.76	10,724.71	10,544.81	44,517.88

22 - OTHER INCOME

Particulars	Q4 of 2025-26	Q3 of 2025-26	Q4 of 2024-25	2024-25
Interest Income				
Bank	98.80	58.45	1.98	8.77
Staff	0.93	0.41	0.34	1.38
Others : Interest on ED	3.87	2.91	1.29	4.98
Rent from Company's Property Plant and Equipment	0.57	2.11	0.21	0.68
Sale of Scrap	3.56	2.80	2.08	11.76
Profits from Suppliers	2.75	3.89	3.83	10.61
Other Income	51.40	28.37	273.00	397.40
Total	161.88	98.94	282.73	435.58

23 - POWER PURCHASE COST

Particulars	Q4 of 2025-26	Q3 of 2025-26	Q4 of 2024-25	2024-25
Purchase of Power - Fixed Cost	2,695.80	2,897.37	1,568.86	7,931.25
Purchase of Power - Variable Cost	7,106.42	3,651.04	5,725.16	24,157.36
Transmission Charges	712.41	821.30	901.10	3,905.28
Other Power Purchase Costs	(6.14)	(3.23)	(25.25)	16.54
Total	10,508.49	7,366.48	8,169.87	36,010.43

24 - EMPLOYEE BENEFIT EXPENSE

Particulars	Q4 of 2025-26	Q3 of 2025-26	Q4 of 2024-25	2024-25
Salaries and Incentives	560.43	590.16	571.20	2,238.39
Artisans Remuneration	104.61	103.60	103.44	401.77
Contributions to Employees Provident Fund 1952	34.88	34.59	34.34	132.13
Artisans EPF and ESI Contributions	4.98	4.97	4.98	20.10
Pension Benefits	192.73	572.03	160.22	770.95
Director's Remuneration & Allowances	0.87	0.76	0.07	0.29
Staff welfare expenses	13.02	34.73	24.16	47.75
Less: Employee Cost Capitalized	(53.06)	(32.31)	(40.72)	(116.27)
Total	858.46	1,308.53	857.69	3,495.16