

# **NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED**



**PETITION FOR POWER PURCHASE TRUE-UP  
FOR RETAIL SUPPLY BUSINESS FOR THE  
FY 2022-23**

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**BEFORE THE HONOURABLE TELANGANA ELECTRICITY REGULATORY  
COMMISSION**

At Its Office at Vidyuth Nyantran Bhavan, Kalyan Nagar, GTS Colony,  
Hyderabad - 500 045.

**FILING NO. \_\_\_\_\_/2025  
CASE NO. \_\_\_\_\_/2025**

**In the matter of:**

**Filing of the Power Purchase True-up application for Retail Supply Business for the FY 2022-23 in accordance with the “Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation, 4 of 2005” and its first amendment Regulation 1 of 2014 (adopted by TGERC) thereof by the Northern Power Distribution Company of Telangana Limited (‘TGNPDCL’ or ‘the Company’ or ‘the Licensee’) as the Distribution and Retail Supply Licensee**

**In the matter of:**

**NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED**

... Applicant

The Applicant respectfully submits as under: -

1. Consequent to the formation of Telangana State on 02-06-2014 as per the Andhra Pradesh Reorganisation Act, 2014, a separate Telangana Electricity Regulation Commission was constituted on 03-11-2014. TGERC vide Telangana Official Gazette has issued its first regulation, Regulation No. 1 of 2014 on 10.12.2014 (Adoption of Previously Subsisting Regulations, Decisions, Directions or Orders, Licenses and Practice of Directions) wherein clause 2 states that:

*“All regulations, decisions, directions or orders, all the licences and practice directions issued by the erstwhile Andhra Pradesh Electricity Regulatory Commission (Regulatory Commission for States of Andhra Pradesh and Telangana) as in existence as on the date of the constitution of the Telangana Electricity Regulatory Commission and in force, shall mutatis-mutandis apply in relation to the stakeholders in electricity in the State of Telangana including the Commission and shall continue to have effect until duly altered, repealed or*

*amended, any of Regulation by the Commission with effect from the date of notification as per Notification issued by the Government of Telangana in G.O.Ms.No.3 Energy (Budget) Department, dt.26-07-2014 constituting the Commission.”*

2. This filing is made by the **NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGNPDCL)** under Section 62(4) of the Electricity Act 2003 for Determination of the Power Purchase True-up for the Retail Supply Business for the period **FY 2022-23** in accordance with the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation, 2005” and its first amendment Regulation 1 of 2014 thereof as adopted by TGERC vide Regulation No. 1 of 2014.
3. Accordingly, the Licensee in this filing submits the following Proposal of Power Purchase True-up **for FY 2022-23** in accordance with APERC Regulation No. 1 of 2014 as adopted by TGERC vide Regulation No. 1 of 2014:-
4. **Power Purchase True-up for FY 2022-23:**
  - i. The licensee has submitted Aggregate Revenue Requirement (ARR) and Filing for Proposed Tariff (FPT) for Retail Supply Business for FY 2022-23 and the Hon’ble Commission has issued Tariff Order for the same vide Order dated 23.03.2022.
  - ii. The licensee has computed the Power Purchase True-up for FY 2022-23 as per regulation:

| <b>FY 2022-23</b>                              | <b>Value (Rs. Crs)</b> |
|--|------------------------|
| Total PP-True-up of TGNPDCL                    | 2370                   |
| Provisional True-up approved by the Commission | -409                   |
| Net True up of TGNPDCL                         | <b>2779</b>            |

- iii. The Licensee hereby submits the Hon’ble Commission to approve the power purchase true up/down by considering minimum of annual actual and approved agricultural sales as TGNPDCL is providing 24 hours power supply to agricultural consumers since 2018 as per the directions of State Government.

**5. Treatment of True-Up:**

- i. The licensee requests the Hon'ble Commission to approve the power purchase true up for FY 2022-23.
- ii. To address a letter to the Energy Department, Government of Telangana to extend financial support to TGNPDCL and arranging payment of PP True-up amount of Rs.2779 Cr without passing the burden on the consumers and pass necessary orders as deemed fit.

6. Based on the information available, the applicant has made sincere efforts to comply with the Regulation of the Hon'ble Commission and discharge its obligations to the best of its abilities. However, should any further material information become available in the near future, the applicant reserves the right to file such additional information and consequently amend/ revise the application.

7. This filing has been discussed and approved by the Board of Directors of TGNPDCL and Sri. K. Venkata Ramana, Chief Engineer, IPC and RAC of TGNPDCL has been authorised to execute and file the said document. Accordingly, the current filing documents are signed and verified by, and backed by the affidavit of Sri. K. Venkata Ramana, Chief Engineer, IPC and RAC of TGNPDCL.

8. In the aforesaid facts and circumstances, the Applicant requests that this Hon'ble Commission may be pleased to:

- a) Admit the Power Purchase True Up Petition filed by the Licensee, in accordance with Sub clause 12.5 of APERC Regulation 1 of 2014 for the FY 2022-23.
- b) Approve the Power Purchase True Up cost as submitted in the Petition in order to recover financial losses of the licensee.
- c) To address a letter to the Energy Department, Government of Telangana to extend financial support to TGNPDCL and arranging payment of PP True-up amount of Rs.2779 Cr without passing the burden on the consumers and pass necessary orders as deemed fit.

- d) Grant suitable opportunity to TGNPDCL within a reasonable time frame to file additional material information that may be subsequently available;
- e) Consider and approve TGNPDCL's Power Purchase True-Up application including all requested regulatory treatments in the filing;
- f) Pass such order as the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.

**NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED**  
**(APPLICANT)**

Through



CHIEF ENGINEER  
IPC&RAC/TGNPDCL

Place: Hanumakonda  
Dated: 10.11.2025

**BEFORE THE HONOURABLE TELANGANA ELECTRICITY REGULATORY  
COMMISSION**

At Its Office at VidyuthNiyantanBhavan, Kalyan Nagar, GTS Colony,  
Hyderabad - 500 045.

**FILING NO. \_\_\_\_\_/2025  
CASE NO. \_\_\_\_\_/2025**

**In the matter of:**

**Filing of the Power Purchase True-up application for Retail Supply Business for the FY 2022-23 in accordance with the “Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation, 4 of 2005” and its first amendment Regulation 1 of 2014 (adopted by TGERC) thereof by the Northern Power Distribution Company of Telangana Limited (‘TGNPDCL’ or ‘the Company’ or ‘the Licensee’) as the Distribution and Retail Supply Licensee**

**In the matter of:**

**NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED**

... Applicant

**AFFIDAVIT OF APPLICANT VERIFYING THE APPLICATION ACCOMPANYING  
FILING AS PER TERMS AND CONDITIONS OF TARIFF FOR WHEELING AND  
RETAIL SALE OF ELECTRICITY**

I, K Venkata Ramana, son of Sri K. Ratnakar Rao, aged 58 years working for gain at the Northern Power Distribution Company of Telangana Limited do solemnly affirm and say as follows:

- 1 I am the Chief Engineer/IPC&RAC of TGNPDCL, the Licensee that has Licence No. 14 of 2000, vide the Hon’ble Commission’s approval in proceedings No. APERC/Secy/Engg/No.6 dt.31.3.2000, been granted the distribution and retail supply functions that Transco was authorised to conduct or carry out under the Act and the license, with respect to the business of distribution and retail supply of electricity in the Northern distribution zone in Telangana.

On December 27, 2000, the Hon'ble Commission has awarded a Distribution and Retail Supply Licence to TGNPDCL effected from April 1, 2001.

- 2 I am competent and duly authorised by TGNPDCL to affirm, swear, execute and file this affidavit in the present proceedings.
- 3 As such, I submit that I have been duly authorised by the Board of Directors of TGNPDCL to submit the Power Purchase True-up for the Retail Supply Business for the period **FY 2022-23** in accordance to the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation, 2005" and its first amendment Regulation 1 of 2014 thereof as adopted by TGERC vide Regulation No. 1 of 2014.
- 4 I submit that I have read and understood the contents of the appended application of TGNPDCL. The facts stated in the application are true to the best of my knowledge, which are derived from the official records made available and certain facts stated are based on information and advice which, I believe to be true and correct.
- 5 I submit that for the reasons, and facts stated in the appended application this Applicant pray that the Hon'ble Commission may be pleased to:
  - Admit the Power Purchase True Up Petition filed by the Licensee, in accordance with Sub clause 12.5 of APERC Regulation 1 of 2014 for the FY 2022-23.
  - Approve the Power Purchase True Up cost as submitted in the Petition in order to recover financial losses of the licensee.
  - To address a letter to the Energy Department, Government of Telangana to extend financial support to TGNPDCL and arranging payment of PP True-up amount of Rs.2779 Cr without passing the burden on the consumers and pass necessary orders as deemed fit.
  - Grant suitable opportunity to TGNPDCL within a reasonable time frame to file additional material information that may be subsequently available;
  - Consider and approve TGNPDCL's Power Purchase True-Up and Revenue True Up application including all requested regulatory treatments in the filing;

- Pass such order as the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.

*Kon.*

**DEPONENT**

**Chief Engineer**  
IPC & RAC, TGNPDCL  
WARANGAL

**VERIFICATION:**

I, the above named Deponent solemnly affirm at Hanumakonda on this 10<sup>15</sup> Day of November 2025, that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed there from.

*Kon.*

**DEPONENT**

**Chief Engineer**  
IPC & RAC, TGNPDCL  
WARANGAL.

Solemnly affirmed and signed before me.

  
**General Manager**  
IPC & RAC, TGNPDCL,  
Warangal.

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### 3.1 Power Purchase True-up for FY 2022-23

#### 3.1.1 Introduction

*Regulatory Provisions:*

Sub clause 12.5 of APERC Regulation 1 of 2014 stipulates as follows:

##### ***“12.5 True-up for Retail Supply Business***

- a. The Distribution Licensee shall include the power purchase cost variation over the previous year Power Purchase cost in the Tariff Order as expense (in the event of incurring excess cost)/rebate (in case of cost saving) in the ARR as special item with relevant details. To arrive the power purchase cost variation, the least of the following power purchase quantity is to be considered:*
  - i) Actual power purchase quantity procured by the Discoms for its consumers.*
  - ii) Power purchase quantity computed based on actual sales except LT Agriculture sales. LT Agricultural sales will be limited to Tariff Order quantity. These aggregated sales will be grossed up with approved losses for the relevant year in the MYT orders.*
- b. Since the complete information of cost actually incurred relating to previous year will not be available at the time of filing of ARR for a particular tariff year, the Licensee may include provisional cost variation for the previous year in ARR filings which will be subject to final correction by the Commission as and when final accounts for that year become available.*
- c. The Licensees shall also include in the ARR the amounts to be collected on final basis being the difference between the cost incurred based on audited annual accounts report and costs provisionally approved by the Commission in the Tariff Order for the year immediately preceding the previous year.”*

As per the Regulation, the Licensee is now filing the Power Purchase True up for FY 2022-23.

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It is to submit that the Licensees in the ARR filing for the FY 2018-19 requested the Hon'ble Commission to allow to file the provisional true-up for the FY 2017-18 & final true-up for the FY 2016-17 separately in view of high degree of uncertainty involved in estimating the truing up for FY 2017-18 due to 24 hours supply to agricultural consumers w.e.f. 01.01.2018 as well as energization of Lift Irrigation (LI) schemes.

Further, the Licensee has submitted an application to the Commission for making amendments to the Principal Regulation No. 4 of 2005 on 16.08.2017 wherein the licensee has requested the Hon'ble Commission to amend the regulation on True-up by allowing the actual agricultural sales in arriving Power Purchase cost True-ups so as to allow the DISCOMs to pass on the excess Power purchase cost in the ARR of Retail Supply Business. The matter was still under consideration by the Hon'ble Commission at that juncture.

Hence, to avoid any undue burden on the consumers, the licensees requested the Commission for filing of truing up in the ensuing year. (Ref: Pg 44 of RST for the FY 2018-19).

Eventually, the licensee had submitted the petition for ARR for Retail Supply Business for FY 2019-20, FY 2020-21 and FY2021-22 before the Hon'ble Commission dated 31.03.2021 with a request to condone the delay in filing the aforementioned petition within the stipulated timeline due to certain unavoidable situations that are beyond the control limit of the licensee viz., enforcement of Model Code of Conduct in view of elections to the Parliament, State Legislature, local bodies; non-operational of the Hon'ble commission for a certain period and further imposition of lockdown in the country in view of outbreak of pandemic COVID-19.

It is pertinent to mention that, the licensee had once again filed the petition for Amendment of Regulation No. 4 of 2005 on 30.09.2019 requesting the Hon'ble Commission for certain additions to the uncontrollable items in the ARR and modifications to the existing uncontrollable items viz., considering actual Agriculture Sales, actual T&D losses etc., for passing through the gains or losses of the licensees to cope up with the present day situations.

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In view of the aforementioned proposals, the licensee could not file the power purchase true-ups for FY2016-17 to FY2020-21 along with the filings of ARR for Retail Supply Business of the licensee for FY2019-20 to FY2021-22 dated 31.03.2021.

Eventually, the Hon'ble Commission dismissed the petition vide order in O.P.(S.R.) No.33 of 2019 dated 02.06.2021 stating that the regulation which is termed as subordinate or delegated legislation, cannot be amended or varied by invoking power either through the adjudicatory proceedings or inherent rule making power at the instance of any of the stakeholders and further opined that the submissions of the TGDISCOMs would be treated as suggestion/input as and when the Commission initiates the process of adding to or amending or varying regulation.

The licensees have submitted ARR and FPT for Retail Supply Business for FY 2022-23 and the Hon'ble Commission has issued Tariff Order for the same vide Order dated 23.03.2022

The licensees have submitted ARR and FPT for Retail Supply Business for FY 2023-24 and the Hon'ble Commission has issued Tariff Order for the same vide Order dated 24.03.2024. The commission has also approved Power Purchase true-up for the period FY 2016-17 to FY 2021-22 and provisional true-up for FY 2022-23

It is to submit that licensee requested the Hon'ble Commission for extension of time for filing Aggregate Revenue Requirement (ARR) and Tariff proposals of Retail Supply Business for FY 2024-25 from 30.11.2023 to 02.01.2024 considering the enforcement of Model Code of Conduct in Telangana state in the view of Assembly elections 2023, formal approval from the State Government for the filings was awaited and the since the approved of Resource plan was still under process.

Considering the request of the licensee, Hon'ble Commission accorded extension of time for filing of ARR and Tariff proposals of Retail Supply Business for FY 2024-25 from 30.11.2023 to 02.01.2024.

Further, the Hon'ble Commission issued Telangana State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2023 on 30.12.2023. In accordance to the said Regulations, the licensee shall file ARR and Tariff proposals on or before 31.01.2024.

The Licensee hereby submits the Hon'ble Commission to approve the power purchase true up/down by considering minimum of annual actual and approved agricultural sales as TGNPDCL is providing 24 hours power supply to agricultural consumers since 2018 as per the directions of State Government.

A summary of Power Purchase True up/(down) claimed by TGNPDCL, in this Petition is provided in the table below:

| Year                         | Power Purchase True-up/(down) of TGNPDCL<br>(in Rs. Crs) |
|------------------------------|--|
| FY 2022-23                   | 2370   |
| Provisional True Up Approved | -409   |
| Final True Up FY 2022-23     | <b>2779</b>  |

The Licensees in the state of Telangana purchase power from TGENCO generating thermal and hydro stations, Central generating stations and other sources such as, Solar and other RE sources, IPPs, viz. Singareni, Thermal Power Tech and short-term sources to meet the energy requirement of the State.

### 3.1.2 Power Purchase true-up for FY 2022-23 at the State level

- The licensees have considered the approved power purchase cost, SLDC and transmission cost for FY 2022-23 in the RST Order for arriving at the True-up for FY 2022-23.
- Further, the Licensees had started supplying 24hrs power to all agricultural consumers w.e.f. date January 1, 2018.
- The Petitioners submit that based on actuals for FY2022-23 and approved distribution losses, power purchase cost (including transmission charges) arrives at a cost of Rs. 33,257 Cr for TGSPDCL and Rs 14,176 Cr. for TGNPDCL, aggregating to Rs. 47,433 Cr for the Telangana for FY 2022-23 as shown in the table below:

| PP Cost Variation Analysis TGDISCOMS - FY23 |                         |        |                      |        |                         |        |                      |        |                      |        |      |
|---|-------------------------|--------|----------------------|--------|-------------------------|--------|----------------------|--------|----------------------|--------|------|
| Category                                    | Energy Dispatched (MUs) |        | Fixed Cost (INR Cr.) |        | Variable Cost (INR Cr.) |        | Other Cost (INR Cr.) |        | Total INR Cr. Impact |        |      |
|   | App                     | Actual | App                  | Actual | App                     | Actual | App                  | Actual | App                  | Actual | Diff |
| Genco Thermal                               | 26907                   | 23660  | 5212                 | 4416   | 7059                    | 7394   | 0                    | 0      | 12271                | 11810  | -461 |

|  |              |              |              |              |              |              |          |             |              |              |             |
|--|--------------|--------------|--------------|--------------|--------------|--------------|----------|-------------|--------------|--------------|-------------|
| Genco Hydel  | 3719         | 5742         | 1331         | 1331         | 0            | 0            | 0        | 0           | 1331         | 1331         | 0.00<br>0   |
| CGS  | 20176        | 15832        | 2112         | 2360         | 5746         | 6493         | 0        | 0           | 7858         | 8852         | 995         |
| NCE  | 7699         | 8630         | 0            | 37           | 4277         | 4331         | 0        | 0           | 4277         | 4367         | 90          |
| Others   | 22748        | 14945        | 4414         | 2847         | 4580         | 5502         | 0        | 0           | 8994         | 8349         | -645        |
| Market   | 2172         | 7266         | 0            | 0            | 716          | 4746         | 0        | 0           | 716          | 4746         | 4030        |
| Interstate<br>Sale/UI/Sale/P<br>urchase in<br>33kV & below | -5060        | -2952        | 0            | 0            | -1619        | -1694        | 0        | 0           | -1619        | -1694        | -75         |
| D-D  | 0            | 0            | 0            | 0            | 0            | 0            | 0        | 0           | 0            | 0            | 0           |
| Interest on<br>Pension bonds                               | 0            | 0            | 1307         | 1307         | 0            | 0            | 0        | 0           | 1307         | 1307         | 0           |
| Transmission<br>charges                                    | 0            | 0            | 5014         | 5864         | 0            | 7            | 0        | 0           | 5014         | 5871         | 857         |
| Miscellaneous<br>Charges                                   | 0            | 0            | 0            | 879          | 0            | 486          | 0        | 1129        | 0            | 2494         | 2494        |
| <b>Total</b>   | <b>78361</b> | <b>73121</b> | <b>19390</b> | <b>19040</b> | <b>20759</b> | <b>27264</b> | <b>0</b> | <b>1129</b> | <b>40149</b> | <b>47433</b> | <b>7285</b> |

### 3.1.2.1 Reasons for deviation in Power Purchase Quantum and cost for the State

The actual energy dispatched by the State is 7% lower (than the approved) for FY 2022-23. The reduction in dispatch is due to the lower sales recorded in FY 2022-23 especially in HT IV(A) LIS category. The detailed explanation for the same is presented below:

#### 3.1.2.1.1 Deviations in Energy Dispatch:

- **Hydel Power:** The State of Telangana is witnessed significantly higher rainfall levels, across the state during the FY 2022-23. As the recorded rainfall was high, a quantum amounting to 5,742 MUs was generated from hydel power stations during the year.
  - The actual hydel generation, thus achieved for the FY 2022-23, is 54% higher than the energy dispatch as approved by the Hon'ble Commission, which stands at 3,719 MUs.
- **Central Generating Stations (CGS):** There is lower dispatch witnessed from NTPC stations as compared to approved dispatch. This has lead to the decrease in energy received from CGS stations by 4,344 MUs (21% decrease) from the approved energy dispatch by the Hon'ble Commission. This has been considering the zero dispatch from the NTPC TSTPP Unit 1 in actual as against the approved dispatch of 3,412.84 MU.

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- **State GENCO - (Thermal):**

- There is lower dispatch witnessed from GENCO thermal stations as compared to approved dispatch. 23,660 MUs were procured from TGGENCO Thermal stations during the FY 2022-23, which is 12% lower than the approved dispatch by the Hon'ble Commission.

- **Non-Conventional Energy Sources (NCEs):**

- The Licensees are committed to procure clean and sustainable energy sources to meet the Renewable energy obligation requirement.
- The Licensees procured an additional 930 MUs from the NCES sources in FY 2022-23, amounting to a total of 8,630 MUs as against 7,699 MUs approved by the Hon'ble Commission.

- **Short term power sources:**

- It is Pertinent to mention that the state of Telangana has started supplying 24 \* 7 power to agricultural sector from January 1, 2018. This has increased the power purchase requirement for the whole FY 2022-23.
- The Licensees, after exhausting all their sources, will resort to procure power from short term market for the FY 2022-23.
- The Licensees submit that the power was procured to meet the sudden increase in power demand in the state for the FY 2022-23.
- To meet the power demand, the Licensees procured a total of 7,266 MUs from the Short-term market for the State of Telangana for the FY 2022-23. An additional 5,094 MUs were procured in addition to Commission's approval which stood at 2,172 MUs. The considerable additional short term power purchase was considering zero dispatch from NTPC TSTPP & CSPDCL.
- The Licensees submit that they would be making enormous effort to procure power from long term sources.
- In this context, the Licensees humbly requests the Hon'ble Commission to allow the Short-term power purchase quantum for the FY 2022-23.

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**3.1.2.1.2 Deviations in Power Purchase Cost:** The deviations in power purchase cost is further classified into two categories (fixed cost and variable cost) and is discussed below in detail:

- **Variations in Fixed Cost (FC):** There is an overall change in the fixed costs from the approved Rs. 19,390 Cr. to Rs. 19,040 Cr. (2% decrease from approved value) incurred by the Licensees during the FY 2022-23.
- **Variations in Variable cost (VC):** Variable Costs has increased to the tune of Rs. 6,506 Cr. from the approved costs. The reason for such increase can be mostly attributed to the increase in per unit VC of TGGENCO & CGS Thermal power stations and procurement from Short term market to meet the 24 \* 7 power supply initiative to the agricultural consumers in the state. The details have been further explained below:
  - For Thermal Stations (TGGENCO Thermal power stations, CGS, Singareni, Thermal Power Tech) at the time of issuance of order, the cost assumptions considered by the Hon'ble Commission were provisional, but due to increase in cost of Coal, Freight, Royalty and levy of Green CESS, the variable cost of thermal stations has increased. While TGGENCO recovers the deviation in actual variable cost on a quarterly basis from the licensees, the same is not passed on to the consumers by the DISCOMs.
  - **TGGENCO Thermal Stations:** The variable costs of the TGGENCO stations have increased by 5% from the approved Rs 2.62/kWh to Rs. 3.13/kWh. With the increase in power procurement from these stations, the overall Variable cost has increased to an extent of Rs. 335 Cr. for the FY 2022-23.
  - **CGS Stations:** The Variable cost has increased significantly by 13% from the approved costs by the Hon'ble Commission (from Rs. 2.85/kWh to Rs. 4.1/kWh).

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- **Other Stations (Thermal Power tech and Singareni):** For IPP – Thermal Powertech and Singareni, increase in power purchase cost is witnessed due to the increase in domestic coal prices, freight charges and forex rate variations on the imported coal component. The Variable cost has increased by 20% from the approved costs by the Hon'ble Commission (from Rs. 2.01/kWh to Rs. 3.68/kWh).
- **Transmission charges, PGCIL charges and SLDC charges:** There is an increase of around Rs. 857 Cr. (17%) in transmission charges, as compared to approved charges. While there is no increase in TGTRANSCO charges and SLDC charges as compared to approved charges, the increase in charges is entirely attributable to increase in PGCIL charges.
- **The dispatch from NCEs,** being the must-run stations has lower per unit cost of Rs.5.02/kWh from an approved cost of Rs.5.56/kWh while the dispatch quantum has exceeded the approved quantum, the overall cost has increased for the licensees to the tune of Rs. 90 Cr.
- **Short-Term Power:** As explained in the earlier sections, the Licensees has to source additional power requirement for the state by procuring power from short term sources. This has increased the power purchase costs of the Licensees by Rs. 4,030 Cr.
- The actual revenue of sale of surplus power in FY 2022-23 was higher than the approved figures (Rs. 75 Cr.) leading to decrease in true up cost claims.

#### **3.1.2.1.3 Power Purchase True-up/ True-down for TGNPDCL for the FY 2022-23**

- Basis the above power purchase cost incurred at the State level for the FY 2022-23, TGNPDCL is allocated its share of the Power Purchase cost in the approved ratio of 29.45 % and further additions for any additional energy required to meet demand.

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- It is pertinent to mention that the licensee had prayed before the Hon'ble Commission at various junctures to include the impact of supply of 24 hrs agricultural sales in the relevant regulations or review the approved sales viz., Review petition filed by the licensees on Tariff Order for FY17-18 and Petition filed for Amendment to Regulation 4 of 2005.
- However, the same has been declined by the Hon'ble Commission stating that submissions of the TGDISCOMs would be treated as suggestion/input as and when the Commission initiates the process of adding to or amending or varying regulation.
- The Licensee hereby submits the Hon'ble Commission to approve the power purchase true up/down by considering minimum of annual actual and approved agricultural sales as TGNPDCL is providing 24 hours power supply to agricultural consumers since 2018 as per the directions of State Government.
- The licensee has also computed the PP true-up/down for FY 2022-23:

| PP Cost Variation TGNPDCL - FY23   |                         |              |                      |              |             |
|--|-------------------------|--------------|----------------------|--------------|-------------|
| Category   | Energy Dispatched (MUs) |              | Total INR Cr. Impact |              |             |
|  | App                     | Actual       | App                  | Actual       | Diff        |
| Genco Thermal  | 7924                    | 6968         | 3614                 | 3478         | -136        |
| Genco Hydel  | 1095                    | 1691         | 392                  | 392          | 0           |
| CGS  | 5916                    | 4663         | 2314                 | 2607         | 293         |
| APGPCL and IPPS Gas  | 0                       | 0            | 0                    | 0            | 0           |
| NCE  | 2376                    | 2612         | 1295.06              | 1288.93      | -6          |
| Others   | 6699                    | 4401         | 2648.71              | 2459         | -190        |
| Market   | 640                     | 2140         | 211                  | 1398         | 1187        |
| Interstate<br>Sale/UI/Sale/Purchase in 33kV<br>& below                                     | -1490                   | -870         | -477                 | -499         | -22         |
| D-D purchase/UI  | -185                    | 0            | -60                  | 0            | 60          |
| Interest on Pension Bonds  | 0                       | 0            | 385                  | 385          | 0           |
| Transmission Charges   |                         |              | 1484                 | 1737         | 253         |
| Miscellaneous Charges  | 0                       | 0            | 0                    | 931          | 931         |
| <b>Total</b>   | <b>22975</b>            | <b>21605</b> | <b>11807</b>         | <b>14176</b> | <b>2370</b> |
| <b>Provisional True Up Approved<br/>by the Commission in RST<br/>order for FY 2023-24.</b> |                         |              |                      |              | <b>-409</b> |
| <b>Net True up of NPDCL</b>  |                         |              |                      |              | <b>2779</b> |

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## 3.2 Treatment of true-up

### 3.2.1 The Context

- Cost true ups are warranted as tariff filings and tariff orders are issued based on futuristic projections of various revenue and cost elements. The variations in projections and actuals should ideally be due to unforeseen changes such as new regulations (increase in Taxes /Coal CESS), natural disasters leading to higher capital investments / operating expenses and other force majeure conditions.
- Efforts should be made by all the stakeholders involved to reduce such true ups of costs in business-as-usual scenarios. Higher true up costs will have an adverse effect on both the performance of utility (as the gap has to be funded through short term sources) and customers (tariff increases to recover such gaps with carrying costs).
- This leads to reduced financial capacity of the utility to raise long term finances at competitive rates. Current true ups and the carrying costs have to be borne by customers for future energy procurement.

### 3.2.2 Power Purchase True Up/True down

- The Licensee has already elaborated the basis on which it claims the Power purchase true up/down for the FY 2022-23 in the relevant sections of this Petition.
  - The below table briefs about the Power Purchase true up/(down) for TGNPDCL by considering actual sales for agricultural consumers

| FY 2022-23                                     | Value (Rs. Crs) |
|--|-----------------|
| Total PP-True-up of TGNPDCL                    | 2370            |
| Provisional True-up approved by the Commission | -409            |
| <b>Net True up of TGNPDCL</b>                  | <b>2779</b>     |

## 3.3 Prayer

The Licensee requests the Hon'ble Regulatory Commission:

- To admit the Power Purchase True up Petition filed by the Licensee
- To approve the Power Purchase True up cost for FY 2022-23 as per the table below

| FY 2022-23                                     | Value (Rs. Crs) |
|--|-----------------|
| Total PP-True-up of TGNPDCL                    | 2370            |
| Provisional True-up approved by the Commission | -409            |
| <b>Net True up of TGNPDCL</b>                  | <b>2779</b>     |

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- To approve the deviation from the approved values for Power Purchase quantum and cost and to allow pass through of the same.
- To address a letter to the Energy Department, Government of Telangana to extend financial support to TGNPDCL and arranging payment of PP True-up amount of Rs.2779 Cr without passing the burden on the consumers and pass necessary orders as deemed fit.
- To pass any other order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.
- To condone any errors/omissions and to give opportunity to rectify the same
- To permit the Licensees to make further submissions, addition and alteration to this True-up as may be necessary from time to time.

**BEFORE THE HONOURABLE TELANGANA ELECTRICITY REGULATORY  
COMMISSION**

AT ITS OFFICE AT Vidyut Niyantan Bhavan, G.T.S. Colony, Kalyan Nagar,  
Hyderabad - 500 0045

**FILING NO. \_\_\_\_\_/2025**

**CASE NO. \_\_\_\_\_/2025**

**In the matter of**

Application for condonation of delay for Filing of the Power Purchase True-up application for Retail Supply Business for the FY 2022-23 in accordance with the "Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation, 4 of 2005" and its first amendment Regulation 1 of 2014 (adopted by TGERC) thereof by the Northern Power Distribution Company of Telangana Limited ('TGNPCL' or 'the Company' or 'the Licensee') as the Distribution and Retail Supply Licensee.

**In the matter of**

NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED  
.....Applicant

As per the directions of the ERC, the due date for filing petitions was 2<sup>nd</sup> July 2025. However, the licensee was unable to file within the stipulated time resulting in a delay of 16 days (18.07.2025) to the date of Hon'ble TGERC order for submission of petition i.e.on or before 02.07.2025. The applicant respectfully submits the reasons for delay in filing the petition are as under:

The Licensee was unable to file the Power Purchase True-up application for Retail Supply Business for the FY 2022-23 due to the below reasons:

1. The Licensee had submitted the ARR for 5th Control Period from FY 2024-25 to FY 2028-29 in September 2024 and the Hon'ble Commission had released the Tariff Order on 28.10.2024.

2. The Licensee had undertaken analysis of the tariff order released by the Hon'ble Commission and further was also developing certain proposals for the subject petition.
3. Consequent to this the licensee filed the ARR for FY 2025-26 on 28.01.2025
4. Given the interdependencies between these filings, the licensee had to prioritize the ARR submission before proceeding with the petitions for FY 2022-23.
5. Further, the licensee had requested the State Government of Telangana for approval of filing of Power Purchase True-ups of FY 2022-23 and FY 2023-24 pertaining to Retail Supply Business.
6. Enforcement of Model code of conduct regarding Biennial Election to the Telangana Legislative Council Graduates and Teachers Constituencies 2025.
7. The TGDiscoms were engaged in making the Power Supply arrangements to meet the unprecedented demand in the state of Telangana to ensure uninterrupted power supply to all the consumers.
8. In view of the above difficulties faced, the Licensee humbly submits before the Hon'ble Commission a request to condone the delay in filing the true-up petition for Power Purchase Cost for FY 2022-23.

### **Prayer**

In the aforesaid facts and circumstances, the petitioner humbly prays to the Hon'ble Commission to:

- (i) Condone the delay in filing of the Power Purchase True-up

application for Retail Supply Business for the FY 2022-23 for the reasons stated above.

*Lavita.*

Petitioner  
**Chief Engineer**  
IPC & RAC, TGNPDCL  
WARANGAL.

**BEFORE THE HONOURABLE TELANGANA ELECTRICITY REGULATORY  
COMMISSION**

AT ITS OFFICE AT Vidyut Niyantan Bhavan, G.T.S. Colony, Kalyan Nagar,  
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Application for condonation of delay for Filing of the Power Purchase True-up application for Retail Supply Business for the FY 2022-23 in accordance with the "Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation, 4 of 2005" and its first amendment Regulation 1 of 2014 (adopted by TGERC) thereof by the Northern Power Distribution Company of Telangana Limited ('TGNPDCL' or 'the Company' or 'the Licensee') as the Distribution and Retail Supply Licensee.

**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, the applicant in the above matter and 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 Affidavit drafted pursuant to my instructions. The statements made in the accompanying Affidavit now shown to me are true to 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 10<sup>th</sup> day of November, 2025 that the contents of the above Affidavit are true to 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.