

**NORTHERN POWER DISTRIBUTION
COMPANY OF TELANGANA LIMITED**



**PETITION FOR POWER PURCHASE TRUE-UP
FOR RETAIL SUPPLY BUSINESS FOR THE
FY 2024-25**

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**BEFORE THE HONOURABLE TELANGANA ELECTRICITY REGULATORY
COMMISSION**

At Its Office at Vidyuth Niyantan 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 FY 2024-25 and Revenue True Up for FY 2024-25 in accordance with Telangana State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2 of 2023 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 State 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Commission and shall continue to have effect until duly altered, repealed or amended, any of Regulation by the Commission with effect from the date of notification as per Notification issued by the Government of Telangana in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 and Revenue True-Up for Retail Supply Business for the period **FY 2024-25** in accordance with Telangana State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2 of 2023.
3. Accordingly, the Licensee in this filing submits the following Proposal of Power Purchase True-up **for FY 2024-25** and Revenue True-Up/Down for **FY 2024-25** in accordance with TGERC MYT Regulation 2 of 2023
4. **Power Purchase True-up for FY 2024-25:**
 - i. The licensee has submitted ARR and FPT for Retail Supply Business for FY 2024-25 and the Hon'ble Commission has issued Tariff Order for the same vide Order dated 28.10.2024.
 - ii. The Licensee herewith submits the Power Purchase True-up arrived for FY 2024-25 considering minimum of approved and actual 24x7 Agricultural consumption.

FY 2024-25	Value (Rs. Crs)
Approved Power Purchase Cost	12,726
Actual Power Purchase Cost (Considering minimum of approved and actual agricultural sales)	13,391
Net True Up for TGNPDCL	665

- iii. The licensee has also computed the Power purchase True-up for FY 2024-25 by taking actual agricultural sales.

FY 2024-25	Value (Rs. Crs)
Approved Power Purchase Cost	12,726
Actual Power Purchase Cost (Considering actual agricultural sales)	13,922

FY 2024-25	Value (Rs. Crs)
Net True Up for TGNDCL	1,196

iv. The Licensee hereby submits the Hon'ble Commission to approve the power purchase true up by actual agricultural sales as TGNDCL is providing 24 hours power supply to agricultural consumers since 2018 as per the directions of State Government.

5. Revenue True-Up /Down for FY 2024-25

i. Licensee has computed Revenue True-down for FY 2024-25 in accordance with the TGERC Regulation 2 of 2023.

FY 2024-25	(Rs. Cr)
Approved Revenue (LT)	3588.21
Approved Revenue (HT)	5,481.72
Non-Tariff Income	69.67
Total Approved Revenue (LT + HT)	9,139.59
Actual Revenue (LT)	4,118.57
Actual Revenue (HT)	5,550.66
Non-Tariff Income	73.33
Total Actual Revenue (LT + HT)	9,742.56
Total True Up(+)/ True Down(-)	-602.97

6. Treatment of True-Up/down:

- The licensee requests the Hon'ble Commission to approve the power purchase true up for FY 2024-25.
- In accordance with the provision in clause 13.3(d) of Regulation No. 2 of 2023, which stipulates that claims arising from failure to pass on FCA charges within the prescribed timelines shall not be allowed, the DISCOM respectfully submits that it is not claiming the Power Purchase True-up amount for the FY2024-25 and accordingly pass necessary orders.

- iii. The licensee requests the Hon'ble Commission to approve the Revenue True Up for FY 2024-25.
- 7. 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.
- 8. 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.
- 9. 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 and Revenue True Up Petition filed by the Licensee, in accordance with TGERC MYT Regulation 2 of 2023 for the FY 2024-25.
 - b) Approve the Power Purchase True-up cost as submitted in the Petition and DISCOM is not claiming the Power Purchase True-up amount for the FY2024-25 and accordingly pass necessary orders.
 - c) Approve the Revenue True Up/down as submitted in the Petition.
 - 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 and Revenue True Up/ Down 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

HanuP.

CHIEF ENGINEER
IPC&RAC/TGNPDCL

Place: Hanumakonda
Dated: 29.11.2025.

**BEFORE THE HONOURABLE TELANGANA ELECTRICITY REGULATORY
COMMISSION**

At Its Office at Vidyuth Niyantan 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 FY 2024-25 and Revenue True Up for FY 2024-25 in accordance with Telangana State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2 of 2023 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 Northern Power Distribution Company of Telangana (TGNPDCL).
- 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 and Revenue True-Up for Retail Supply Business for the period **FY 2024-25** in accordance with Telangana State Electricity Regulatory Commission (Multi Year Tariff) Regulation, 2 of 2023.

- 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 and Revenue True Up Petition filed by the Licensee, in accordance with TGERC MYT Regulation 2 of 2023 for the FY 2024-25.
 - Approve the Power Purchase True Up cost as submitted in the Petition.
 - **DISCOM is not claiming the Power Purchase True-up amount for the FY2024-25** and accordingly pass necessary orders.
 - Approve the Revenue True Up as submitted in the Petition.
 - 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/Down 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.

Hanu P.

DEPONENT
Chief Engineer
IPC & RAC, TGNPDCL
WARANGAL.

VERIFICATION:

I, the above named Deponent solemnly affirm at Hanumakonda on this 29th 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.

Neer P.

DEPONENT
Chief Engineer
IPC & RAC, TGNPDCL
WARANGAL.

Solemnly affirmed and signed before me.

Ch
General Manager
IPC & RAC, TGNPDCL,
Warangal.

3.1 Power Purchase True up for FY 2024-25

3.1.1 Introduction

Regulatory Provisions:

Sub clause 13.11 (c) of Regulation 2 of 2023 states that:

“The distribution licensee, after completion of audited annual accounts, shall file the true up petition for passing through of gains and losses by claiming variations in “uncontrollable” items in the ARR for the year and also submit details of FCA charges already passed on to the consumers along with the true up petition to the Commission. In case of failure of distribution licensee in filing of true ups of uncontrollable items, the distribution licensee shall not claim the FCA charges in the consumers bill till the true-up petitions for claiming the variations in uncontrollable items are filed”.

Further, Sub clause 12.2 of Regulation 2 of 2023 states that:

“The “uncontrollable factors” shall comprise the following factors, which were beyond the control of, and could not be mitigated by the Petitioner, as determined by the Commission:

- (a) Force Majeure events;
- (b) Change in law;
- (c) Variation in fuel cost on account of variation in price of primary and/or secondary fuel prices;
- (d) Variation in sales;
- (e) ***Variation in the cost of power purchase due to variation in the rate of power purchase, subject to clauses in the power purchase agreement or arrangement approved by the Commission;***
- (f) Variation in inter-State Transmission Charges and losses;
- (g) Variation in intra-State transmission losses for distribution licensee;
- (h) Variation in market interest rates for long-term loan;
- (i) Variation in income tax rates;
- (j) Variation in freight rates;

(k) Revenue from sale of power from consumers.

Therefore, in accordance with the above regulations, the Licensee is now filing for the true up of the following:

- i. Power purchase cost **true up** for FY 2024-25

The licensees have submitted Aggregate Revenue Requirement (ARR) and FPT for Retail Supply Business for FY 2024-25 and the Hon'ble Commission has issued Tariff Order on 28.10.2024 with effect from 01.11.2024 to 31.03.2025 until this tariff order the DISCOMs followed Tariff order for FY 2023-24 from 01.04.2024 to 31.10.2024 issued on 24.03.2023.

3.1.2 Power Purchase True up for the FY 2024-25 at the State level

- The Licensees in the state of Telangana purchase power from TGGENCO 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.
- The licensees have considered the approved energy quantum, power purchase cost, SLDC and transmission cost for April to October as per FY 2023-24 tariff order and November to March as per FY 2024-25 tariff order.
- Further, the Licensees had started supplying 24 hrs power to all agricultural consumers w.e.f. January 1, 2018.
- The Licensee has computed the actual Power Purchase cost by grossing up the sales i.e., actual metered sales plus agriculture sales (either approved agriculture sales or assessed agriculture sales whichever is less) with approved transmission and distribution losses in the relevant MYT Transmission and Wheeling tariff orders.
- The Petitioners submit that based on actuals for FY 2024-25 and approved distribution losses, power purchase cost (including transmission charges) arrives at a cost of Rs. 33,619 Cr for TGSPDCL and Rs 13,391 Cr. for TGNPDCL, aggregating to Rs. 47,009 Cr. for the Telangana for FY 2024-25 as shown in the table below:

PP Cost Variation Analysis TG DISCOMS - FY25											
Category	Energy Dispatched (MUs)		Fixed Cost (Rs Cr)		Variable Cost (Rs Cr)		Other Cost (Rs Cr)		Total Impact (Rs Cr)		
	Appr.	Actual	Appr.	Actual	Appr.	Actual	Appr.	Actual	Appr.	Actual	Diff
Genco Thermal	28,816	17,960	4,698	3,855	8,773	6,757	-	-	13,471	10,612	(2,859)
Genco Hydel	6,854	5,047	1,132	1,029	-	-	-	-	1,132	1,029	(102)
CGS	21,959	18,248	3,105	3,615	7,380	6,630	-	-	10,485	10,244	(241)
NCE	11,707	11,751	-	-	5,063	5,267	-	-	5,063	5,267	204
Others	16,354	9,494	3,187	1,677	4,688	3,066	-	-	7,875	4,742	(3,132)
Market	3,198	20,870	-	-	1,268	8,483	-	-	1,268	8,483	7,216
Interstate Sale/UI/Sale/Purchase in 33kV & below	(4,484)	(774)	-	-	(1,585)	(438)	-	-	(1,585)	(438)	1,147
D-D	-	-	-	-	-	-	-	-	-	-	-
Additional Pension Liability	-	-	-		-	-	1,388	1,251	1,388	1,251	(137)
Transmission charges	-	-	5,419	5,618	-	-	-	-	5,419	5,618	199
Miscellaneous Charges (Water charges, UI-SRPC/ Deviation charges, Reactive charges, Wheeling KPTCL charges, Reactive KPTCL charges)	-	-	-	33	-	(16)	-	182	-	200	200
Total	84,403	82,595	17,540	15,827	25,587	29,749	1,388	1,434	44,515	47,009	2,494.1

3.1.2.1 Reasons for deviation in Power Purchase Quantum and Cost for the State:

The actual energy dispatched by the State is 2% lower (than the approved) for FY 2024-25. The detailed explanation for the same is presented below:

3.1.2.1.1 Deviations in Energy Dispatch:

- Hydel Power:** The state witnessed considerably lower generation from Hydel Power Stations. The state witnessed an actual generation of 5,047 MUs as against 6,854 MUs approved.
- Central Generating Stations (CGS):** The Central Generating Stations too witnessed a shortfall of 3,711 MUs, thereby recording a reduction of 17% in generation, due to power purchase cost optimization through market purchases.
- State GENCO - (Thermal):** There is lower dispatch witnessed from GENCO thermal stations as compared to approved dispatch. 17,960 MUs were dispatched from TGGENCO Thermal stations during the FY 2024-25, which is 38% lower than

the approved dispatch by the Hon'ble Commission. The lower dispatch is attributed to the delay in commissioning of the YTPS plant, resulting in only 411 MUs being dispatched against the approved quantum of 2,629 MUs.

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

- The Licensees are committed to procure clean and sustainable energy sources to meet the Renewable energy obligation requirement. Licensees were able to procure approved energy quantum.

- **Others:**

- Even Although CSPDCL ranks higher in the merit order dispatch based on variable cost, no power has been dispatched from it in FY 2024–25 against the approved quantum. Also, no power has been dispatched from SEIL-2 against its approved quantum.

- **Short term power sources:**

- It is Pertinent to mention that the state of Telangana had started supplying 24*7 power to agricultural sector from January 1, 2018. This has increased the power purchase requirement for the whole FY 2024-25.
- The Licensees, after exhausting all their sources, had resorted to procure power from short term market for the FY 2024-25. The Licensees submit that the power was procured to meet the sudden increase in power demand in the state for the FY 2024-25.
- To meet the power demand, the Licensees procured a total of 20,870 MUs from the Short-term market for the State of Telangana for the FY 2024-25. An additional 17,672 MUs were procured in addition to Commission's approval which stood at 3,198 MUs. The considerable additional short term power purchase was considering zero dispatch from SEIL-2 & 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 2024-25.

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. 17,540 Cr. to Rs. 15,827 Cr. (10% decrease from approved value) incurred by the Licensees during the FY 2024-25.
- **Variations in Variable cost (VC):** Variable Costs has increased to the tune of Rs. 4,162 Cr. from the approved costs. The details have been further explained below:
 - **TGGENCO Thermal Stations:** The variable costs of the TGGENCO stations have increased from the approved value Rs 3.04/kWh to Rs. 3.76/kWh.

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 DISCOM.

With the decrease in quantum of power procurement from these stations, the overall Variable cost has decreased to an extent of Rs. 2,016 Cr for the FY 2024-25.
 - **CGS Stations:** The Variable cost has increased from the approved costs by the Hon'ble Commission (from Rs. 3.36/kWh to Rs. 3.63/kWh).
 - **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 significantly from the costs approved by the Hon'ble Commission (from Rs. 2.87/kWh to Rs. 3.23/kWh).
- **Transmission charges, PGCIL charges and SLDC charges:** There is an increase of around Rs. 196 Cr. in PGCIL charges, and 3 Cr. in SLDC Charges as compared to approved charges.

- The **dispatch from NCEs**, being the must-run stations has a per unit cost of Rs.4.48/kWh vis-à-vis approved cost of Rs.4.33/kWh. This has led to an increase in the cost by Rs 204 Cr.
- **Short-Term Power:** As explained in the earlier sections, the Licensees had 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. 7,216 Cr.

3.1.3 Power Purchase True up/ True-down for TGNPDCL for FY 2024-25

- Basis the above power purchase cost incurred at the State level for the FY 2024-25, 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.
- 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.
- 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 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.

PP Cost Variation TGNPDCL - FY25 (Minimum of Actual or Approved Agricultural Sales)					
Category	Energy Dispatched (MUs)		Total Impact (INR Cr)		
	App	Actual	App	Actual	Diff
Genco Thermal	8486	5289	3967	3125	-842
Genco Hydel	2018	1486	333	303	-30
CGS	6467	5374	3088	3017	-71
NCE	3571	3442	1527	1519	-7
Others	4816	2796	2319	1397	-922
Market	1699	6146	373	2498	2125
Interstate Sale/UI/Sale/ Purchase in 33kV & below	-1590	-228	-467	-129	338
D-D purchase/UI	-1250	0	-424	0	424
Additional Pension Liability	0	0	409	368	-40

PP Cost Variation TGNPDCL - FY25 (Minimum of Actual or Approved Agricultural Sales)					
Transmission Charges	0	0	1600	1662	61
Miscellaneous Charges (Water charges, UI-SRPC/ Deviation charges, Reactive charges, Wheeling KPTCL charges, Reactive KPTCL charges)	0	0	0	-370	-370
Total	24218	24305	12726	13391	664.6

- 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.
- The licensee once again requests the Hon'ble Commission to approve the power purchase true up/down without limiting the Agricultural sales to the minimum of Approved or Actual Sales as it is providing 24 hours power supply to agricultural consumers from 2018.
- The licensee has also computed the PP true up/down for FY 2024-25 by taking actual agricultural sales which is tabulated below:

PP Cost Variation TGNPDCL - FY25 (actual agricultural sales)					
Category	Energy Dispatched (MUs)		Total Impact (INR Cr)		
	App	Actual	App	Actual	Diff
Genco Thermal	8486	6360	3967	3584	-383
Genco Hydel	2018	1486	333	303	-30
CGS	6467	5539	3088	3089	2
NCE	3571	3442	1527	1519	-7
Others	4816	2796	2319	1397	-922
Market	1699	6146	373	2498	2125
Interstate Sale/UI/Sale/ Purchase in 33kV & below	-1590	-228	-467	-129	338
D-D purchase/UI	-1250	0	-424	0	424
Additional Pension Liability	0	0	409	368	-40
Transmission Charges	0	0	1600	1662	61
Miscellaneous Charges (Water charges, UI-SRPC/ Deviation charges, Reactive charges, Wheeling KPTCL charges, Reactive KPTCL charges)	0	0	0	-370	-370
Total	24218	25541	12726	13922	1195.8

3.1.4 Treatment of True up

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 ups 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.

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 2024-25 in the relevant sections of this Petition.
- The below table briefs about the Power Purchase true up/(down) for TGNPDCL by considering minimum of approved and actual sales for agricultural consumers:

FY 2024-25	Value (Rs. Crs)
Approved Power Purchase Cost	12,726
Actual Power Purchase Cost (Considering minimum of approved and actual agricultural sales)	13,391
Power Purchase True Up for TGNPDCL	665

- The below table briefs about the Power Purchase true up/(down) for TGNPDCL by considering actual sales for agricultural consumers:

FY 2024-25	Value (Rs. Crs)
Approved Power Purchase Cost	12,726
Actual Power Purchase Cost (Considering actual agricultural sales)	13,922
Power Purchase True Up for TGNPDCL	1,196

- The difference between the Power Purchase True Up considering minimum of approved and actual sales for agricultural consumers vis-à-vis considering actual sales for agricultural consumers have been summarized below:

FY 2024-25	Value (Rs. Crs)
Net True up considering minimum of approved and actuals	665
Net True up considering actuals	1,196
Difference (loss) arising due to increased cost in meeting agricultural demand	531

- It is pertinent to note that the licensee is facing a loss as shown in the table above due to purchase of additional energy in order to meet the unanticipated demand from agricultural consumers, which the licensee requests the Hon'ble Commission to approve so that the licensee is not financially burdened unnecessarily.

3.1.5 Prayer

The Licensee requests the Hon'ble Regulatory Commission:

- To admit the Power Purchase true up Petition filed by the Licensee.
- 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.
- To approve the Power Purchase True up cost for FY 2024-25 by considering actual sales for agricultural consumers as per the table below:

FY 2024-25	Value (Rs. Crs)
Approved Power Purchase Cost	12,726
Actual Power Purchase Cost (Considering actual agricultural sales)	13,922
Power Purchase True Up for TGNPDCL	1,196

- In accordance with the provision in clause 13.3(d) of Regulation No. 2 of 2023, which stipulates that claims arising from failure to pass on FCA charges within the prescribed timelines shall not be allowed, the DISCOM respectfully submits that **it is not claiming the Power Purchase True-up amount for the FY2024-25** and accordingly pass necessary orders

3.2 Revenue True-up/ down

3.2.1 Introduction

Regulatory Provisions:

Sub clause 13.11 (c) of Regulation 2 of 2023 states that:

"The distribution licensee, after completion of audited annual accounts, shall file the true up petition for passing through of gains and losses by claiming variations in "uncontrollable" items in the ARR for the year and also submit details of FCA charges already passed on to the consumers along with the true up petition to the Commission. In case of failure of distribution licensee in filing of true ups of uncontrollable items, the distribution licensee shall not claim the FCA charges in the consumers bill till the true-up petitions for claiming the variations in uncontrollable items are filed".

Further, Sub clause 12.2 of Regulation 2 of 2023 states that:

"The "uncontrollable factors" shall comprise the following factors, which were beyond the control of, and could not be mitigated by the Petitioner, as determined by the Commission:

- (a) Force Majeure events;
- (b) Change in law;
- (c) Variation in fuel cost on account of variation in price of primary and/or secondary fuel prices;
- (d) Variation in sales;
- (e) Variation in the cost of power purchase due to variation in the rate of power purchase, subject to clauses in the power purchase agreement or arrangement approved by the Commission;
- (f) Variation in inter-State Transmission Charges and losses;
- (g) Variation in intra-State transmission losses for distribution licensee;
- (h) Variation in market interest rates for long-term loan;

(i) Variation in income tax rates;

(j) Variation in freight rates;

(k) Revenue from sale of power from consumers.

Therefore, in accordance with the above clauses of Regulation 2 of 2023, the Licensee is now filing for the true Up of the following:

i. Revenue True-up/down for FY 2024-25

3.2.2 Revenue True-up/ down for the FY 2024-25

As per Tariff order of FY 2024-25, the Hon'ble commission had determined the revenue for TGNPDCL at reference tariffs. The table below summarizes the comparison between actual revenue realized by the licensee vis-à-vis revenue approved at reference tariffs for LT Consumers

Category	Particulars	Approved Revenue (Rs Cr)	Actual Revenue (Rs Cr)	True Up (-) True Down(+) (Rs Cr)
A	B	C	D	E = C - D
LT-I	Domestic	1985.33	2,229.19	-243.86
LT-II	Non-Domestic/Commercial	1024.63	1,203.86	-179.24
LT-III	Industrial	186.13	272.76	-86.63
LT-IV	Cottage Industries	4.3	4.21	0.09
LT-V	Agricultural	50.51	49.9	0.61
LT-VI	Street Lighting & PWS	266.7	274.13	-7.43
LT-VII	General Purpose	56.08	62.47	-6.39
LT-VIII	Temporary Supply	13.82	21.82	-7.99
LT-IX	Electric Vehicle Charging Stations	0.71	0.24	0.47
Total		3588.21	4118.57	-530.36

The table below summarizes the comparison between actual revenue realized by the licensee vis-à-vis revenue approved at reference tariffs for HT Consumers

Category	Particulars	Approved Revenue (Rs Cr)	Actual Revenue (Rs Cr)	True Up (Rs Cr)
A	B	C	D	E = C - D
HT-I	Industrial & Ferro Alloys	1,834.03	2,005.44	-171.41
HT-II	Non-Industrial/ Others	270.55	321.28	-50.73
HT-III	Airport, Railway stations, Bus etc.	8.32	8.34	-0.03
HT-IV	Irrigation & CPWS	2,370.46	2,084.92	285.54

Category	Particulars	Approved Revenue (Rs Cr)	Actual Revenue (Rs Cr)	True Up (Rs Cr)
A	B	C	D	E = C - D
HT-V	Rail Traction & HMR	386.92	430.95	-44.04
HT-VI	Residential Colonies	104.9	120.55	-15.65
HT-VII	Temp. Supply	43.92	35.96	7.95
HT-VIII	RESCO	461.88	537.92	-76.04
HT-IX	EVCS	0.75	5.30	-4.55
Total		5,481.72	5,550.66	-68.95

The below table briefs about the Revenue True up for TGNPDCL:

FY 2024-25	(Rs. Cr)
Approved Revenue (LT)	3588.21
Approved Revenue (HT)	5,481.72
Non- Tariff Income	69.67
Total Approved Revenue (LT + HT)	9,139.59
Actual Revenue (LT)	4,118.57
Actual Revenue (HT)	5,550.66
Non- Tariff Income	73.33
Total Actual Revenue (LT + HT)	9,742.56
Total True Up(+)/ True Down(-)	-602.97

The licensee requests the Hon'ble Commission to approve the Revenue True up/ down for FY 2024-25 of **Rs. 602.97 Cr.**

3.2.3 Treatment of True up/down

The Context

- Revenue true ups are warranted as tariff filings and tariff orders are issued based on futuristic projections of various revenue 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 revenue in business-as-usual scenarios. Higher true ups 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.

Revenue True up/down

- The Licensee has already elaborated the basis on which it claims the Revenue true up for the FY 2024-25 in the relevant sections of this Petition.

The below table briefs about the Revenue true up/down for TGNPDCL:

FY 2024-25	(Rs. Cr)
Approved Revenue (LT)	3588.21
Approved Revenue (HT)	5,481.72
Non- Tariff Income	69.67
Total Approved Revenue (LT + HT)	9,139.59
Actual Revenue (LT)	4,118.57
Actual Revenue (HT)	5,550.66
Non- Tariff Income	73.33
Total Actual Revenue (LT + HT)	9,742.56
Total True Up(+)/ True Down(-)	-602.97

3.2.4 Prayer

The Licensee requests the Hon'ble Regulatory Commission:

- To approve the Revenue True up/down as follows for the FY 2024-25

FY 2024-25	(Rs. Cr)
Approved Revenue (LT)	3588.21
Approved Revenue (HT)	5,481.72
Non- Tariff Income	69.67
Total Approved Revenue (LT + HT)	9,139.59
Actual Revenue (LT)	4,118.57
Actual Revenue (HT)	5,550.66
Non- Tariff Income	73.33
Total Actual Revenue (LT + HT)	9,742.56
Total True Up(+)/ True Down(-)	-602.97

- 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.