



SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

From
Chief Engineer (IPC & RAC),
TGSPDCL, Corporate Office,
6-1-50, Mint Compound,
Hyderabad – 500 063.

To
The Commission Secretary,
TGERC, Vidyuth Nyantran Bhavan,
GTS Colony, Kalyan Nagar,
Hyderabad – 500 045.

Lr.No.CE(IPC&RAC)/SE/DE(RAC)/ADE-III/F.No.A-116/D.No.2707/25, Dt: 10-11-25.

Sir,

Sub: TGSPDCL - RAC – Re-filing of Power Purchase cost true up petitions of Retail supply Business for FY 2022-23, FY 2023-24 and Revenue True-up for FY 2023-24 along with petitions for condonation of delay after duly attending the remarks- Submission – Reg.

Ref:-1.Lr.No.CE(IPC&RAC)/SE(RAC)/ADE-III/F.No.A-116/D.No.252/25, Dt.17.07.25.
2. TGERC Lr. No. S/R.O.1/8-B2 D.No. 782, Dt. 29.10.2025.
3. TGERC Lr. No. S/R.O.1/9/C-9 D.No. 783, Dt. 29.10.2025.

It is to submit that, in compliance to the section 62 of the Electricity Act, 2003 for determination of Power Purchase Cost True-ups for Retail Supply Business for FY 2022-23 & FY 2023-24 in accordance with the Clause (2) of Regulation No. 1 of 2014 and Revenue True-up for Retail Supply Business for FY 2023-24 in accordance with the Telangana State Electricity Regulatory Commission Regulation No. 1 of 2023, the Licensee is re-filing the petitions for Power Purchase cost True ups for the FY 2022-23, FY 2023-24 and Revenue True-up for FY 2023-24 before the Hon'ble Commission after duly attending the remarks communicated through the above references. Hence, it is requested to place the petitions before the Hon'ble Commission to accord approval.

Encl: 1. Petitions along with condonation of delay
petitions for FY 23 & FY 24 in 6 sets.
2. 4 nos. cheques bearing nos. 613952, 613953,
613954, 613955, Dt. 10.11.25 for Rs.1,00,000/-

Yours faithfully,

Chief Engineer (IPC & RAC)
Name: K. Srinivasa Rao,
Mobile No.8712468168,
Email Id: ractsspdcl@gmail.com

copy & stuck file

*Read serial cover
10/11/2025*

Table of contents

S.No	Contents	Page No.
1	Index	1
2	Petition for Power Purchase cost True-up for FY 2022-23	2-5
3	Affidavit for Power Purchase cost True-up for FY 2022-23	6-8
4	Condonation of Delay Petition & Affidavit on Power Purchase cost True-up for FY 2022-23	9-12
5	Write up on Power Purchase cost True-up for FY 2022-23	13-21
6	Authorization letter of the signatory	22
7	Annexures: i. PP True-up Model ii. Annual Audit Report for FY 2022-23	Soft copies enclosed

**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 Southern Power Distribution Company of Telangana Limited (“TGSPDCL” or ‘the Company’ or ‘the Licensee’) as the Distribution and Retail Supply Licensee

In the matter of:

SOUTHERN 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 **SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGSPDCL)** under Section 62 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 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.
 - iii. In accordance with the Regulation 1 of 2014, the Licensee submits the Hon’ble Commission that the power purchase cost is computed by considering the minimum of actual and approved agricultural sales in the Tariff Order for FY 2022-23.

iv. The licensee has computed the Power Purchase Cost True-up for FY 2022-23 as submitted below.

FY 2022-23	Value (Rs. Crs)
Total PP-True-up of TGSPDCL	4915
Less Provisional True-up approved by the Commission	811.38
Net True up of TGSPDCL	4103.61

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 TGSPDCL and arranging payment of PP True-up amount of Rs.4103.61 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 TGSPDCL and Sri. K. Srinivasa Rao, Chief Engineer, IPC and RAC of TGSPDCL 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. Srinivasa Rao, Chief Engineer, IPC and RAC of TGSPDCL.
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 TGSPDCL and arranging payment of PP True-up amount of Rs.4103.61 Cr without passing the burden on the consumers and pass necessary orders as deemed fit.
- d) Grant suitable opportunity to TGSPDCL within a reasonable time frame to file additional material information that may be subsequently available;
- e) Consider and approve TGSPDCL'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.

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

(APPLICANT)

Through



CHIEF ENGINEER,
IPC & RAC/ TGSPDCL

Place: Hyderabad

Dated: 10.11.2025

CHIEF ENGINEER
IPC&RAC TGSPDCL
Corporate Office, 6-1-50,
Mint Compound, Hyd-500004.

**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 Southern Power Distribution Company of Telangana Limited (‘TGSPDCL’ or ‘the Company’ or ‘the Licensee’) as the Distribution and Retail Supply Licensee

In the matter of:

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

... Applicant

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

I, Sri. K. Srinivasa Rao, S/o. Late Sri K.V. Chalamaiah, aged 60 years working for gain at the Southern Power Distribution Company of Telangana Limited do solemnly affirm and say as follows:

- 1 I am the Chief Engineer, IPC & RAC of TGSPDCL, 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 Southern distribution zone in Telangana. On December 27, 2000, the Hon'ble Commission has awarded a Distribution and Retail Supply Licence to TGSPDCL effected from April 1, 2001.

- 2 I am competent and duly authorised by TGSPDCL 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 TGSPDCL 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 TGSPDCL. 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 TGSPDCL and arranging payment of PP True-up amount of Rs.4103.61 Cr without passing the burden on the consumers and pass necessary orders as deemed fit.
 - Grant suitable opportunity to TGSPDCL within a reasonable time frame to file additional material information that may be subsequently available.

- Consider and approve TGSPDCL's Power Purchase 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.



DEPONENT
CHIEF ENGINEER
IPC&RAC TGSPDCL
Corporate Office, 6-1-50,
Mint Compound, Hyd-500004.

VERIFICATION:

I, the above-named Deponent solemnly affirm at Hyderabad on this 10th 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 TGSPDCL
Corporate Office, 6-1-50,
Mint Compound, Hyd-500004.

Solemnly affirmed and signed before me.



CHIEF ENGINEER / IT
TGSPDCL, Corporate Office,
6-1-50, Mint Compound,
Hyderabad-500 004.

**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 Southern Power Distribution Company of Telangana Limited (‘TGSPDCL’ or ‘the Company’ or ‘the Licensee’) as the Distribution and Retail Supply Licensee.

In the matter of

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

As per the directions of the ERC, the due date for filing petitions was 2nd July 2025. However, the licensee was unable to file within the stipulated time resulting in a delay of 16 days. 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) Condonation of delay in filing of the Power Purchase True-up application for Retail Supply Business for the FY 2022-23 for the reasons stated above.



Petitioner

CHIEF ENGINEER
IPC&RAC TGSPDCL
Corporate Office, 6-1-50,
Mint Compound, Hyd-500004.

**BEFORE THE HONOURABLE TELANGANA ELECTRICITY REGULATORY
COMMISSION**

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

FILING NO. _____/2025

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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 Southern Power Distribution Company of Telangana Limited (‘TGSPDCL’ or ‘the Company’ or ‘the Licensee’) as the Distribution and Retail Supply Licensee.

In the matter of

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

.....Applicant

AFFIDAVIT OF APPLICANT VERIFYING THE ACCOMPANYING PETITION

I, Sri K. Srinivasa Rao, working for gain at the Southern Power Distribution Company of Telangana Limited do solemnly affirm and say as follows:

- 1) I am the Chief Engineer- IPC & RAC of Southern Power Distribution Company of Telangana Limited (TGSPDCL)
- 2) I am competent and duly authorized by TGSPDCL to affirm, swear, execute, and file this petition.
- 3) 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.


DEPOVENT

STATE OF HYDERABAD

THE STATE OF HYDERABAD

VERIFICATION

CHIEF ENGINEER
IPC&RAC TGSPDCL
Corporate Office, 6-1-50,
Mint Compound, Hyd-500004.

The above-named Deponent solemnly affirm at Hyderabad on this 10th 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.


DEPOVENT

Solemnly affirmed and signed before me.

CHIEF ENGINEER
IPC&RAC TGSPDCL
Corporate Office, 6-1-50,
Mint Compound, Hyd-500004.


CHIEF ENGINEER / IT
TGSPDCL, Corporate Office,
6-1-50, Mint Compound,
Hyderabad-500 004.

1 Power Purchase True-up for FY 2022-23

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.

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.

The Licensees in the state of Telangana purchase power from TGENCO 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.

In accordance with the Regulation 1 of 2014, the Licensee submits the Hon'ble Commission that the power purchase cost is computed by considering the minimum of actual and approved agricultural sales in the Tariff Order for FY 2022-23.

A summary of Power Purchase True up claimed by TGSPDCL, in this Petition is provided in the table below:

Year	Power Purchase True-up of TGSPDCL (in Rs. Crs)
FY 2022-23	4915
Less Provisional True Up Approved	811.38
Final True Up FY 2022-23	4103.61

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 been supplying 24hrs power to all agricultural consumers from January 1, 2018.
- The Petitioners submit that based on the 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 State of 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
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 Sale/UI/Sale/Purchase in 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 Pension bonds	0	0	1307	1307	0	0	0	0	1307	1307	0
Transmission charges	0	0	5014	5864	0	7	0	0	5014	5871	857
Miscellaneous Charges	0	0	0	879	0	486	0	1129	0	2494	2494
Total	78361	73121	19390	19040	20759	27264	0	1129	40149	47433	7285

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:

1.2.1.1 Deviations in Energy Dispatch:

- **Hydel Power:** The State of Telangana is witnessed significantly good levels of rainfall, across the state during FY 2022-23. Due to which, 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.
- **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 been 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 9,404 MUs from the Short-term market for the State of Telangana for the FY 2022-23. An additional 7,266 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.

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. 6,505 Cr. from the approved costs. The reason for such increase can be mostly attributed to the increase in per unit VC of TGENCO & 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).
- **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.

1.2.1.3 Power Purchase True-up for TGSPDCL for the FY 2022-23

- Basis the above power purchase cost incurred at the State level for the FY 2022-23, TGSPDCL is allocated its share of the Power Purchase cost in the approved ratio of 70.55 % 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 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.
- In accordance with the Regulation 1 of 2014, the Licensee submits the Hon'ble Commission that the power purchase cost is computed by considering the minimum of actual and approved agricultural sales in the Tariff Order for FY 2022-23.

Category	Energy Dispatched (MUs)		Total INR Cr. Impact		
	App	Actual	App	Actual	Diff
Genco Thermal	18983	16692	8657	8332	-325
Genco Hydel	2623	4051	939	939	0
CGS	14234	11170	5544	6245	702
APGPCL and IPPS Gas	0	0	0	0	0
NCE	5324	6017	2982	3079	97
Others	16048	10543	6345	5890	-455
Market	1532	5126	505	3349	2844

Interstate Sale/UI/Sale/Purchase in 33kV & below	-3570	-2083	-1142	-1195	-53
D-D purchase/UI	185	0	60	0	-60
Interest on Pension Bonds	0	0	922	922	0
Transmission Charges	0	0	3530	4134	604
Miscellaneous Charges	0	0	0	1563	1563
Total	55361	51516	28342	33257	4915
Provisional True Up Approved					811.38
Net True up of SPDCL					4103.61

2. Treatment of true-up

2.1 The Context

- PP 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.

2.2 Power Purchase True Up

- The Licensee has already elaborated the basis on which it claims the Power purchase true up for the FY 2022-23 in the relevant sections of this Petition.
 - The below table briefs about the Power Purchase true up for TGSPDCL

FY 2022-23	Value (Rs. Crs)
Total PP-True-up of TGSPDCL	4915
Less Provisional True-up approved by the Commission	811.38
Net True up of TGSPDCL	4103.61

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 TGSPDCL	4915
Less Provisional True-up approved by the Commission	811.38
Net True up of TGSPDCL	4103.61

- 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 TGSPDCL and arranging payment of PP True-up amount of Rs.4103.61 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.



Southern Power Distribution Company of Telangana Ltd.
(A Govt. of Telangana Undertaking)
Corporate Office : # 6-1-50, Mint Compound, Hyderabad - 500 063, (Telangana, India)
CIN No. U40109TG2000SGC034116, Website : www.tgsouthernpower.org

Date 20.08.2025

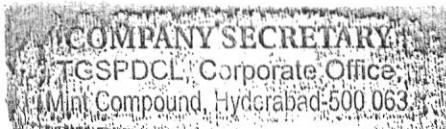
AUTHORIZATION LETTER

SUB:- AUTHORIZATION TO CHIEF ENGINEER/(IPC & RAC)/ TGSPDCL TO FILE PETITIONS/AFFIDAVITS/COUNTER AFFIDAVITS AND OTHER RELATED DOCUMENTS etc., ON BEHALF OF TGSPDCL BEFORE HON'BLE TGERC/BEFORE ANY COURT OF LAW - REG.

The Chief Engineer/IPC & RAC/TGSPDCL in his officiating capacity is Authorized for signing Vakalatnamas and filing petitions, affidavits, counter affidavits, additional filings etc., in respect of legal matters in various courts like High Courts, Civil Courts, Supreme Court etc., before regulatory authorities like TGERC, CERC, APTEL etc., on behalf of TGSPDCL in respect of cases pertaining to Fuel Cost Adjustments, ARR & tariff Filings, extension of time limit pertaining to ARR & Tariff Filings and any other Tariff / Tariff order related issues.

FOR SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

V. Anil Kumar.



V. ANIL KUMAR
COMPANY SECRETARY

