SPEED POST

OP No. 36 of 2025

FR No. 54 of 2025

ANDHRA PRADESH CENTRAL POWER DISTRIBUTION CORPORATION LIMITED
Vidyuth Nilayam
Corporate office, Beside Govt Polytechnic College, ITI Road, Vijayawada-520 008

From
The Chief General Manager,
Projects & HRD,
APCPDCL,
Vijayawada

To
The Secretary, APERC,
Vidyut Niyantrana Bhavan,
Adjacent to 220/132/33/11KV
AP Carbides SS,
Dinnedevarapadu Road,
Kurnool- 518002.

Lr.No.CGM/Projects & HRD/GM/EE/PP&RAC/DEE/RAC/CPDCL/VJA/D.No. 51 /25, Dt:19.06.2025

Sir,

Sub: APCPDCL - RAC – Filing of true-up petition for Retail Supply Business for the 4th Control Period (from FY 2020-21 to FY 2023-24) - Submitted - Reg.

-=***=-

The licensee herewith submits the true-up petition for Retail Supply Business for the 4th Control Period (from FY 2020-21 to FY 2023-24) for seeking approval/orders of the Hon'ble Commission please.

Encl:- 1) Petition in Original (6 Nos.)
2) Fee receipt for Rs.30,000/-

Andhra Pradesh Electricity Regulatory Commission * Kurnool *
1556
30 JUN 2025
1 of 6

Yours faithfully,

Chief General Manager
Projects & HRD
APCPDCL, Vijayawada
(1/2)

BEFORE THE HONOURABLE ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

At its office at Vidyut Niyantrana Bhavan, Adjacent to 220/132/33/11 KV AP Carbides Sub Station, Dinnedevarapadu Road, Kurnool - 518 002

File No. /2025
Case No. /2025

IN THE MATTER OF:

Filing of the True-Up petition for the Retail Supply Business for the 4th Control Period FY 2020-21 to FY 2023-24 under multi-year tariff principles 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" by the Andhra Pradesh Central Power Distribution Corporation Limited ('APCPDCL' or 'the Company' or 'the Licensee') as the Distribution Licensee.

AND

In the matter of :

ANDHRA PRADESH CENTRAL POWER DISTRIBUTION CORPORATION LIMITED (APCPDCL)

- Petitioner

Most respectfully submitted as under

1 This filing is made by the Distribution Licensee, ANDHRA PRADESH CENTRAL POWER DISTRIBUTION CORPORATION LIMITED (APCPDCL) under 'Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity)' Regulation No. 4 of 2005 for corrections for "uncontrollable" and "controllable" items and as well as sharing of gains/losses for the fourth control period (FY 2020-21 to FY 2023-24).

2 Introduction of Tariff Regulation based on MYT Principles - In November 2005, the Hon'ble Commission issued the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity) Regulation, 2005 ("Regulation") specifying the principles and procedures of filing the True Up.

3 This petition has been developed as per the provisions of the Regulation 4 of 2005. The following clauses of Regulation 4 of 2005 are very pertinent to this True-Up petition:

- *Clause 10.4 of the Regulation 4 of 2005 - Deals with Controllable and Uncontrollable items of ARR*
- *Clause 10.6 of the Regulation 4 of 2005 - Deals with pass-through of gains and losses on variations in "Controllable" items of ARR*
- *Clause 10.7 of the Regulation 4 of 2005 - Deals with aggregate gains and losses*
- *Clause 10.8 of the Regulation 4 of 2005 - Deals with aspects beyond the control of the licensee*

4 The Distribution Licensee is submitting the following as part of the True-Up for the fourth Control Period (FY 2020-21 to FY 2023-24):

- *Statement of Variance with Tariff Order approved figures pertain to items under Retail Supply Business for the fourth Control Period (FY2020-21 to FY 2023-24)*
- *Reasons for variations*

In the following paragraphs, the licensee provides a summary of the filings.

1. Background

1.1. Brief Description of Retail Business of the Licensee

The Hon'ble APERC in exercise of the powers conferred under section 14 of the Electricity Act 2003, granted license to M/s Andhra Pradesh Central Power Distribution Corporation Limited (APCPDCL), a company incorporated under the companies Act, 2013 to undertake Distribution of Electricity in erstwhile Krishna, Guntur and Prakasam districts of Andhra Pradesh state for 25 years with effect from 1-4-2020. Hence, APCPDCL filing true up petition for 4th Control period from FY 2020-21 to FY 2023-24. The approved figures for the FY 2020-21 were considered as per the approval accorded for the apportionment of ARR & Revenue items between APCPDCL and APSPDCL for distribution (FY 2021-24) & Retail Supply (FY 2020-21) business vide Pdgs. APERC/Secy/Tariff/ F:83/D.No 362/20 Dt 26-08-2020 and w.e.f. FY 2021-22 ARR filings have been made individually by the Discom & Hon'ble Commission issued orders accordingly.

• Retail Supply Business means the business of sale of electricity by a licensee to consumers, in accordance with the terms of the Distribution License. The business involves procurement of power, supplying power to the consumers as per the tariff determined by the Hon'ble APERC.

1.2. Filing for True-up by the Distribution Licensee

This filing is made by the Distribution Licensee, ANDHRA PRADESH CENTRAL POWER DISTRIBUTION CORPORATION LIMITED (APCPDCL) under Clause 19 of the 'Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity)' Regulation No. 4 of 2005 for variations in "controllable" items and also for sharing of gains/losses for the fourth control period (FY 2020-21 to FY 2023-24)

1.3. Current procedure of filing for True Up for a period of 4 years

This filing has been prepared as per the provisions of the above mentioned Regulation. The Licensee is submitting the following as part of the true-up filings of Retail Supply Business for the fourth Control Period (FY 2020-21 to FY 2023-24)

i. Statement of Variance with Tariff Order approved figures pertain to items under Retail Supply Business for the fourth Control Period (FY 2020-21 to FY 2023-24).

ii. Variations in Controllable items under Retail Supply Business along with reasons for variation

1.4. Relevant clauses in Regulation 4 of 2005

Clause 10 of the regulation 4 of 2005 - 'Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Wheeling and Retail Sale of Electricity)' deals with the true up mechanism for the Retail Supply Business. Some of the important clauses of the regulation are shown as exhibits below:

Exhibit A: Clause 10.4 of the regulation 4 of 2005

Controllable and Uncontrollable items of ARR:- The expenditure of the Distribution Licensee considered as "controllable" and "uncontrollable" shall be as follows:

Retail Business	
ARR Item	**"Controllable"/"Uncontrollable"**
Cost of Power Purchase	Uncontrollable

Exhibit B: Clause 10.5 of the regulation 4 of 2005

Pass-through of gains and losses on variations in "uncontrollable" items of ARR: - The Distribution Licensee shall be eligible to claim variations in "uncontrollable" items in the ARR for the year succeeding the relevant year of the Control Period depending on the availability of data as per actuals with respect to effect of uncontrollable items:

Provided that the Commission shall allow the financing cost on account of the time gap between the time when the true-up becomes due and when it is actually allowed and the corrections shall not be normally revisited

Exhibit C: Clause 10.6 of the regulation 4 of 2005

Sharing of gains and losses on variations in "controllable" items of ARR: - The Distribution Licensee in its annual filings during the Control Period shall present gains and losses for each controllable item of the Aggregate Revenue Requirement.

A statement of gain and loss against each controllable item will be presented after adjusting for any variations on account of uncontrollable factors

Exhibit D: Clause 10.7 of the regulation 4 of 2005

For the purpose of sharing gains and losses with the consumers, only aggregate gains or losses for the Control Period as a whole will be considered. The Commission will review the gains and losses for each item of the ARR and make appropriate adjustments wherever required:

Provided that for the first Control Period, insofar as the gains and losses from the Retail Supply Business of the Distribution Licensee are concerned, these will be shared with the consumers on yearly basis

Exhibit E: Clause 10.8 of the regulation 4 of 2005

Notwithstanding anything contained in this regulation, the gains or losses in the controllable items of ARR on account of factors that are beyond the control of the Distribution Licensee - force majeure -shall be passed on as an additional charge or rebate in ARR over such period as specified in the Order of the Commission

2. Summary and Approach of True-up of Retail Supply Business

2.1. Challenges faced by the Licensee with the regulation during the initial part of the control period

2.1.1. **Sales Mix:** The sales mix is dependent on many factors beyond the control of the licensee. Change in sales mix impacts Revenue Realization. Reduction in energy sales in higher revenue yielding categories like industrial and commercial lowers the revenue realization. Some of the factors impacting energy sales are GDP growth and industrialization, monsoon and weather. Higher GDP growth and industrialization increases the sale of energy to industrial consumers. The change in sales mix and corresponding reduction in revenue realization has not been factored in the regulation.

2.1.2. **Network Cost:** Regulation is silent on the change in Network Cost.

The Honourable APERC issued Regulation No.4 of 2021 (2nd amendment to Regulation No.4 of 2005) and Regulation No.2 of 2023 (4th amendment to Regulation No.4 of 2005) wherein the Power Purchase Cost, Transmission & LDC cost were allowed for pass through on quarterly / on monthly basis. The Honourable APERC has issued Regulation No.1 of 2024 (5th amendment to Regulation No.4 of 2005 on 05-02-2024 wherein the Honourable APERC has added sale of electricity to consumers, revenue from sale of electricity to consumers, interest on consumer security deposits, intra State and inter State transmission and load despatch charges to the list of uncontrollable items. Further, the sub-Clause 10.5 of the Principal Regulation was substituted with the following.

"Pass through of Gains/Losses due to variations in "uncontrollable" items of the ARR: The Distribution Licensees shall present variations in each un-controllable item with detailed reasoning. The aggregate gain/loss of the nth year in all uncontrollable items of Distribution and Retail Supply Businesses shall be pass-through in the ARR of the (n+2) year of Retail Supply Business in case the filings are done on an annual basis."

Consequent to the same, the licensee has submitted the variations in uncontrollable items of FY 2022-23 on 24-02-2024 and the Honourable APERC included the same in the Tariff Order for FY 2024-25. Further the variations in uncontrollable items for FY 2023-24 were filed along with the ARR for FY2025-26. The variations in uncontrollable items for FY 2022-23 & FY 2023-24 included in the Tariff Orders are deducted while arriving at the true-up/ true-down.

2.2. Factors for consideration in True-up

2.2.1. **Power Purchase Cost & Network Cost :** As true-up /FPPCA of power purchase cost is approved by the Honourable APERC, the actual power purchase cost is considered same as approved amount in all the years and also revenue from true-up / FPPCA is not separately indicated. Further for the years FY 2021-22 to FY 2023-24, the network cost is also considered same as approved amount as true-up is approved for these items.

2.2.2. Distribution Cost : The actual Distribution cost is taken same as approved Distribution cost because separate true-down petition was filed before the Honourable APERC.

3. Reasons for Variation in year wise Aggregate Revenue Requirement and Revenue

3.1. An Overview of all the Variations during the 4th control period

(Rs. in Crs.)

Particulars	FY 2020-21			FY 2021-22			FY 2022-23		
	Approved	Actual	variation	Approved	Actual	variation	Approved	Actual	variation
Transmission Cost	477.35	491.50	**14.15**	572.85	572.85	-	696.13	696.13	-
SLDC Charges	7.89	12.39	**4.50**	8.20	8.20	-	9.10	9.10	-
Distribution Cost	1,528.84	1,528.84	-	1,823.72	1,823.72	-	2,201.82	2,201.82	-
PGCIL Charges	406.36	140.78	**(265.58)**	346.05	346.05	-	189.40	189.40	-
ULDC Charges	1.08	3.00	**1.92**	3.46	3.46	-	1.17	1.17	-
Network and SLDC cost	**2,421.52**	**2,176.51**	**(245.01)**	**2,754.28**	**2,754.28**	-	**3,097.62**	**3,097.62**	-
Power Purchase Cost	7,210.94	7,210.94	-	6,467.80	6,467.80	-	7,253.54	7,253.54	-
Interest on CSD	79.65	51.93	**(27.72)**	50.44	51.58	**1.14**	53.71	81.15	**27.44**
Supply Margin	13.34	13.05	**(0.29)**	17.76	13.37	**(4.39)**	22.72	15.13	**(7.59)**
Other Expenses	43.82	24.10	**(19.72)**	2.74	28.98	**26.24**	5.25	58.73	**53.48**
Additional Interest on pension bonds of AP Genco order	221.65	221.65	-	222.73	222.73	-	230.53	268.44	**37.91**
Supply Cost	**7,569.40**	**7,521.67**	**(47.73)**	**6,761.47**	**6,784.46**	**22.99**	**7,565.75**	**7,676.99**	**111.24**
Adjustments pertaining to previous periods	-			-			-		
True-up for FY 2015-16	-		-	-		-	-		-
True-up for 4 years	-		-	500.55	500.55	-	-		-
Provisional true-down for FY 20-21 / Final true-down	-		-	(486.43)	(486.43)	-	(864.33)	(864.33)	-
Provisional true-down of FY 20-21 made in RSTO FY 21-22	-		-	-		-	486.43	486.43	-
True-up for FY 2019-20/ costs of FY 19-20 adjusted	(79.24)	(79.24)	-	-		-	512.04	512.04	-
Net PP Cost variations for 2 years	-			-			-		-
Aggregate Revenue Requirement	**9,911.68**	**9,618.94**	**(292.74)**	**9,529.87**	**9,552.86**	**22.99**	**10,797.51**	**10,908.75**	**111.24**
Revenue			-			-	-		
Revenue from Tariffs	8,254.58	6,877.59	**(1,376.99)**	7,661.52	7,514.32	**(147.20)**	8,178.34	8,073.13	**(105.21)**
Non Tariff Income	-		-	-		-	-	(32.07)	**(32.07)**
LPS Paid to generators	-	335.11	**335.11**	323.89	311.37	**(12.52)**	391.07	368.14	**(22.93)**
Revenue from CSS & Grid support Charges	25.17	26.79	**1.62**	48.97	26.83	**(22.14)**	29.95	21.19	**(8.76)**
Income from sale of RECs	-	-	-	-		-	-		-
Total Revenue	**8,279.75**	**7,239.49**	**(1,040.26)**	**8,034.38**	**7,852.52**	**(181.86)**	**8,599.36**	**8,430.39**	**(168.97)**
Total Revenue Gap	**1,631.93**	**2,379.44**	**747.51**	**1,495.49**	**1,700.34**	**204.85**	**2,198.15**	**2,478.36**	**280.21**
External subsidy from GoAP	1,631.93	1,631.89	**(0.04)**	1,495.49	1,495.50	**0.01**	2,198.15	1,765.07	**(433.08)**
Net Gap	-	**747.55**	**747.55**	-	**204.84**	**204.84**	-	**713.29**	**713.29**
Carrying Cost									
Net Gap at proposed tariffs			-			786.39			1,083.58
Additions			747.55			204.84			713.29
Interest rate (%)			10.39%			10.39%			10.39%
Interest			38.84			92.35			149.64
Closing balance			**786.39**			**1083.58**			**1946.51**

Particulars	FY 2023-24			Total - FY 2020-21 to FY 2023-24		
	Approved	Actual	variation	Approved	Actual	variation
Transmission Cost	817.08	817.08	-	**2,563.41**	**2,577.56**	**14.15**
SLDC Charges	17.73	17.73	-	**42.92**	**47.42**	**4.50**
Distribution Cost	2,577.28	2,577.28	-	**8,131.66**	**8,131.66**	-
PGCIL Charges	350.10	350.10	-	**1,291.91**	**1,026.33**	**(265.58)**
ULDC Charges	0.74	0.74	-	**6.45**	**8.37**	**1.92**
Network and SLDC cost	**3,762.93**	**3,762.93**	-	**12,036.35**	**11,791.34**	**(245.01)**
Power Purchase Cost	7,297.88	7,297.88	-	**28,230.16**	**28,230.16**	-
Interest on CSD	95.79	103.68	**7.89**	**279.59**	**288.34**	**8.75**
Supply Margin	25.99	19.16	**(6.83)**	**79.81**	**60.71**	**(19.10)**

Particulars	FY 2023-24			Total - FY 2020-21 to FY 2023-24		
	Approved	Actual	variation	Approved	Actual	variation
Other Expenses	4.00	35.70	31.70	55.81	147.50	91.69
Additional Interest on pension bonds of AP Genco order	238.09	472.50	234.41	913.00	1,185.32	272.32
Supply Cost	7,661.75	7,928.92	267.17	29,558.37	29,912.03	353.66
Adjustments pertaining to previous periods	-					
True-up for FY 2015-16	-		-	-	-	-
True-up for 4 years	-		-	500.55	500.55	-
Provisional true-down for FY 20-21 / Final true-down	-		-	(1,350.76)	(1,350.76)	-
Provisional true-down of FY 20-21 made in RSTO FY 21-22	-		-	486.43	486.43	-
True-up for FY 2019-20/ costs of FY 19-20 adjusted	-		-	432.80	432.80	-
Net PP Cost variations for 2 years	-					
Aggregate Revenue Requirement	11,424.68	11,691.85	267.17	41,663.74	41,772.39	108.65
Revenue						
Revenue from Tariffs	8,626.97	8,892.46	265.49	32,721.41	31,357.50	(1,363.91)
LPS Paid to generators	-	(600.52)	(600.52)	-	(632.59)	(632.59)
Non Tariff Income	440.23	454.72	14.49	1,155.19	1,469.34	314.15
Revenue from CSS & Grid support Charges	32.57	20.66	(11.91)	136.66	95.47	(41.19)
Income from sale of RECs	-	4.76	4.76	-	4.76	4.76
Total Revenue	9,099.77	8,772.09	(327.68)	34,013.26	32,927.07	(1,086.19)
Total Revenue Gap	2,324.91	2,919.76	594.85	7,650.48	8,845.32	1,194.84
External subsidy from GoAP	2,324.91	2,626.42	301.51	7,650.48	7,518.88	(131.60)
Net Gap	-	293.34	293.34	-	1,959.02	1,959.02
Carrying Cost						
Net Gap at proposed tariffs			1,946.51			
Additions			293.34			
Interest rate (%)			10.39%			
Interest			217.48			
Closing balance			2,457.33			
(n-2) uncontrollable items of FY 2022-23 (Claimed in RSTO 24-25)			607.13			
Net Closing balance			1,850.20			
Carrying cost for FY 2024-25			192.24			
Gap			2,042.43			
(n-2) uncontrollable items of FY 2023-24 (Claimed in RSTO 25-26)			51.02			
LPS Paid to generators for FY 2022-23 allowed in TO 2024-25			24.05			
LPS Paid to generators for FY 2023-24 allowed in TO 2025-26			32.07			
Total Gap			1,935.29			

3.2. Power Purchase Cost

The actual power purchase cost is considered same as approved power purchase cost as true-up / FPPCA was already approved.

3.3. The distribution cost

The distribution cost has been taken as per approved values as the licensee has already filed separate true down petition for the distribution business.

3.4. Network Cost

Variation in Network Cost (Rs.Crs)	
Particulars	**2020-21**
variation in Transmission Cost	14.15
variation in SLDC Cost	4.50
variation in PGCIL Cost	-265.58
variation in ULDC Cost	1.92
Total variation in Network Cost	**-245.01**

3.4.1. The network costs for FY 2021-22 to FY 2023-24 are shown same as approval as the true-up in case of the above costs was already factored in FPPCA petitions. APCPDCL's actual Network Cost variation for the fourth MYT Control period is Rs. -245.01 Crs.

3.4.2. In FY 2020-21, there was a change in methodology of calculation of ISTS charges due to implementation of CERC (sharing of interstate transmission charges & losses) Regulation 2020 w.e.f November' 2020. In addition to this, Govt. of A.P has surrendered the high cost bundled power from NSM Phase - II to an account of 625 MW (125 MW surrendered w.e.f 16-10-2020 and 500 MW surrendered w.e.f 18-12-2020). As a result, the actual PGCIL charges have reduced.

3.5. Other Costs

3.5.1. Variation in Interest on Consumer Security Deposit:

Variation in Interest on Consumer Security Deposit					
Particulars	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**Total**
Approved	79.65	50.44	53.71	95.79	**279.59**
Actual	51.93	51.58	81.15	103.68	**288.34**
Variation	**(27.72)**	**1.14**	**27.44**	**7.89**	**8.75**

The variation in Interest on Consumer Security Deposit is attributed to the addition of new service connections, resulting in increased security deposits. Higher energy consumption also led to increased deposit amounts. Furthermore, changes in interest rates contributed to the significant variation in interest on CSD across different years.

3.5.2. Variation in Supply Margin:

Variation in Supply Margin					
Particulars	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**Total**
Approved	13.34	17.76	22.72	25.99	**79.81**
Actual	13.05	13.37	15.13	19.16	**60.71**
Variation	**(0.29)**	**(4.39)**	**(7.59)**	**(6.83)**	**(19.10)**

The variation in supply margin is attributed to the decrease in Return on Rate Base (RRB) during the 4th Control Period, which in turn was caused by the reduction in Gross Fixed Asset (GFA) additions during the same period.

3.5.3. Variation in Other Expenses:

Variation in Other Expenses					
Particulars	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**Total**
Approved	43.82	2.74	5.25	4.00	**55.81**
Actual	24.10	28.98	58.73	35.70	**147.50**
Variation	**(19.72)**	**26.24**	**53.48**	**31.70**	**91.69**

The variation in other expenses is mainly due to the expenditure towards erection of Solar pump sets and energy efficient pump sets.

3.5.4. Variation in Addl. Interest on Pension bonds:

Variation in Addl. Interest on Pension bonds					
Particulars	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**Total**
Approved	221.65	222.73	230.53	238.09	**913.00**
Actual	221.65	222.73	268.44	472.50	**1185.32**
Variation	**0.00**	**0.00**	**37.91**	**234.41**	**272.32**

The pension liabilities have escalated due to revision of wages with effect from FY 2022-23 provisions. The pay scales of workmen & other than workmen were revised with effect from 01.04.2022 as per the memorandum of Settlement entered with Employee Unions dt 16.08.2023 and due to yearly enhancement of pension commitments.

3.5.5. Variation in Other cost:

Variation in Other Cost (Rs.Crs)					
Particulars	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**Total**
Variation in Interest on CSD	-27.72	1.14	27.44	7.89	**8.75**
Variation in Supply Margin	-0.29	-4.39	-7.59	-6.83	**-19.10**
Variation in Other Expenses	-19.72	26.24	53.48	31.70	**91.69**
Additional Interest on pension bonds of AP Genco order	0.00	0.00	37.91	234.41	**272.32**
Total Variation in Other Cost	**-47.73**	**22.99**	**111.24**	**267.17**	**353.66**

APCPDCL's other costs for the fourth MYT Control period is Rs. 1681.87 Crs. as against the Hon'ble Commission approved expenses of Rs.1328.21 Crs. resulting in a Variation of Rs. 353.66 Crs.

3.6. Variation in Revenue due to change in Avg. Revenue Realization

Variation in Revenue					
Particulars	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**Total**
Approved	8254.58	7661.52	8178.34	8626.97	**32721.41**
Actual	6877.59	7514.32	8073.13	8892.46	**31357.50**
Variation	**-1376.99**	**-147.20**	**-105.21**	**265.49**	**-1363.91**

3.6.1. APCPDCL's revenues for the fourth MYT Control period is Rs.31357.50 Crs. as against the Hon'ble Commission approved revenues of Rs.32721.41Crs. resulting in under recovery of revenues to the extent of Rs. 1363.91 Crs.

3.6.2. Two factors are responsible for the change in Revenues:

3.6.2.1. Change in Quantum of Metered Sales

- Actual metered sales was 47,983.66 MU whereas, the approved quantum of metered sales was 50,954.47 MU

3.6.2.2. Change in revenue realization from metered sales:

- The avg. revenue realization as approved by the Hon'ble Commission for the control period is Rs. 6.42/kwh, whereas the actual avg. revenue realization is Rs.6.54/kWh. Avg. revenue realization increased by Rs.0.113/kWh as compared to the approved PP Cost.

3.6.3. **Variation in Revenue due to change in Avg. Revenue Realization is as shown below:**

Avg. revenue realization is lower in FY 2020-21 & FY 2021-22 mainly because of change in sales. The sales from higher revenue yielding categories like Industrial, Commercial decreased due to Covid-19 restrictions in Industrial & Commercial establishments.

Variation in Revenue due to change in Average Revenue Realisation					
Particulars	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**Total**
Actual Metered Sales (MU) (A)	10772.99	12130.37	11948.39	13131.91	**47983.66**
Actual Revenue Realisation from Metered Sales (Rs./Kwh)	6.384	6.195	6.757	6.772	**6.535**
Approved Revenue Realisation from Metered Sales (Rs./Kwh)	6.688	6.195	6.220	6.587	**6.422**
Increase / Decrease in Revenue Realisation (Rs./Kwh) (B)	-0.304	-0.001	0.536	0.185	**0.113**
Variation in Revenue due to change in Average Revenue Realisation (Rs. Crs.) (AxB/10)	**-327.17**	**-0.76**	**640.81**	**242.69**	**555.57**

3.6.4. The total change in Revenue due to change in realization is Rs. 555.57 Crs. during the 4th control period.

3.6.5. The change in sales mix and corresponding reduction in revenue realization has not been factored in the regulation. But, Clause 10.8 of the regulation 4 of 2005 empower the Hon'ble Commission to pass on gains/losses on account of factors beyond the control of the licensee as an additional charge/rebate in ARR. Revenue shortfall, especially the change in avg. realization is beyond the control of the licensee.

3.6.6. Revenue is changed due to change in the total quantum of metered sales.

3.6.7. Variation in Revenue due to change in quantum of metered sales as shown **below (Rs.-1919.48 Crs.)**

Variation in Revenue due to change in Quantum of Sales					
Particulars	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**Total**
Actual Metered Sales (MU)	10772.99	12130.37	11948.39	13131.91	**47983.66**
Approved Metered Sales (MU)	12342.75	12366.74	13147.70	13097.30	**50954.49**
Change in Quantum of Sales (A)	-1569.76	-236.37	-1199.31	34.61	**-2970.83**
Approved Revenue Realisation from Metered Sales (Rs./Kwh) (B)	6.69	6.20	6.22	6.59	**6.42**
Variation in Revenue due to change in quantum of sales (Rs. Crs.) (AxB/10)	**-1049.82**	**-146.44**	**-746.02**	**22.80**	**-1919.48**

3.6.8. Category wise year wise sales variations (MU) for 4th Control period (FY 2020-21 to FY 2023-24) is as shown below

Category	2020-21			2021-22			2022-23		
	Approved	Actuals	Deviation	Approved	Actuals	Deviation	Approved	Actuals	Deviation
HT									
Domestic	9.58	11.71	2.13	11.99	13.16	1.17	12.99	13.56	0.57
Commercial & Others	551.24	279.82	-271.42	529.35	367.29	-162.06	377.53	481.33	103.80
Industry	2998.43	2467.40	-531.03	2870.24	3086.26	216.02	3215.67	2553.22	-662.45
Institutional	355.83	277.90	-77.93	376.87	483.70	106.83	426.23	605.48	179.25
Agriculture & Related	496.17	160.00	-336.17	107.06	70.08	-36.98	99.10	73.65	-25.45
HT Total	**4411.25**	**3196.84**	**-1214.41**	**3895.51**	**4020.49**	**124.98**	**4131.52**	**3727.23**	**-404.29**
LT									
Domestic	5136.78	5131.72	-5.06	5526.01	5337.63	-188.38	5997.81	5314.41	-683.40
Commercial & Others	986.14	781.21	-204.93	1089.62	914.63	-174.99	989.46	1065.74	76.28
Industry	535.48	458.61	-76.87	529.25	481.91	-47.34	551.83	469.51	-82.32
Institutional	379.26	291.45	-87.81	308.40	303.80	-4.60	321.04	322.59	1.55
Agriculture & Related	3023.01	2855.27	-167.74	3042.97	2951.98	-90.99	3234.89	2966.89	-268.00
Metered	893.84	905.72	11.88	1017.95	1071.92	53.97	1156.04	1048.91	-107.13
Un Metered	2129.17	1942.11	-187.06	2025.02	1880.06	-144.96	2078.85	1917.99	-160.86
LT Total	**10060.67**	**9518.26**	**-542.41**	**10496.25**	**9989.94**	**-506.31**	**11095.03**	**10139.14**	**-955.89**
Grand Total (LT+HT)	**14471.92**	**12715.10**	**-1756.82**	**14391.76**	**14010.43**	**-381.33**	**15226.55**	**13866.37**	**-1360.18**

Category	2023-24			Total (2020-21 to 2023-24)		
	Approved	Actuals	Deviation	Approved	Actuals	Deviation
HT						
Domestic	14.58	20.54	5.96	49.14	58.97	9.83
Commercial & Others	512.23	554.59	42.36	1970.35	1683.02	-287.33
Industry	3026.28	3139.11	112.83	12110.62	11245.99	-864.63
Institutional	631.88	651.98	20.10	1790.81	2019.07	228.26
Agriculture & Related	96.23	61.78	-34.45	798.56	365.51	-433.05
HT Total	**4281.20**	**4428.00**	**146.80**	**16719.48**	**15372.57**	**-1346.91**
LT						
Domestic	5685.46	5650.59	-34.87	22346.06	21434.35	-911.71
Commercial & Others	1120.76	1182.03	61.27	4185.98	3943.61	-242.37
Industry	523.25	461.80	-61.45	2139.81	1871.82	-267.99
Institutional	335.68	341.87	6.19	1344.38	1259.71	-84.67
Agriculture & Related	3113.71	3579.70	465.99	12414.58	12353.83	-60.75
Metered	1150.95	1067.62	-83.33	4218.78	4094.16	-124.62
Un Metered	1962.76	2512.08	549.32	8195.80	8252.24	56.44
LT Total	**10778.86**	**11215.99**	**437.13**	**42430.81**	**40863.32**	**-1567.49**
Grand Total (LT+HT)	**15060.06**	**15643.99**	**583.93**	**59150.29**	**56235.89**	**-2914.40**

- Consumption of F.Y 2020-21 has decreased considerably over approved due to Covid-19 restrictions in Industrial & Commercial establishments & Nonworking of public transportation systems etc.
- In FY 2021-22, Actual sales decreased by 2.65% compared to approved sales, as operations were not fully restored to normalcy post-COVID-19. However, industrial sales have since shown an uptick following relaxations and easing of restriction. Railway traction sales increased due to restoration of normalcy in public transportation systems.
- In APCPDCL's operational area, industrial sales are primarily driven by cotton spinning, Textile mills, and granite industries. However, FY 2022-23 saw a decline in activity across these sectors, leading to reduced consumption. Domestic and agriculture sales also decreased due to exceptional rainfall, contributing to the overall decline in sales
- In FY 2023-24, actual sales increased by 3.88% compared to approved sales, mainly due to a notable increase in agriculture sales. The increase in agriculture sales was driven by the El-Nino effect, which brought less rainfall and harder climatic conditions.

3.6.9. Hence, net Revenue shortfall due to change in quantum of sales is beyond the control of the licensee.

3.7. Variation in Non-Tariff Income

Variation in Non-Tariff Income (Rs.Crs)					
Particulars	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**Total**
Approved NTI	0.00	323.89	391.07	440.23	**1155.19**
Actual NTI	335.11	311.37	368.14	454.72	**1469.34**
Variation in NTI	335.11	-12.52	-22.93	14.49	**314.15**
Variation in LPS Paid to generators	0.00	0.00	-32.07	-600.52	**-632.59**
Net Variation in NTI	**335.11**	**-12.52**	**-55.00**	**-586.02**	**-318.44**

3.7.1. The Non-Tariff Income is lower by Rs.318.44 Crs during the 4th control period as compared to the approved Non-Tariff Income.

3.7.2. The Non-Tariff Income is adjusted for LPS paid to generators. The amendment Regulation dt.27-02-2024 (Regulation No.2 of 2024) has enabled deduction of LPS paid to generators.

3.7.3. The following components constitute the Non-Tariff Income:

- Recoveries from theft of power/malpractice
- Interest income from bank deposits
- Miscellaneous receipts
- R.C Fees & other items
- Delay Payment Surcharge

3.7.4. Clause 10.7 of regulation No 4 of 2005 allows the Hon'ble Commission to pass on gains/ losses on account of controllable items for the control period as a whole.

3.8. Variation due to other factors

Particulars	2020-21	2021-22	2022-23	2023-24	Total
Revenue from CSS & Grid support Charges	1.62	-22.14	-8.76	-11.91	**-41.19**
Income from sale of RECs	0.00	0.00	0.00	4.76	**4.76**
External subsidy from GoAP	-0.04	0.01	-433.08	301.51	**-131.60**
Total	**1.58**	**-22.13**	**-441.84**	**294.36**	**-168.03**

The actual subsidy from GoAP for FY 2022-23 & FY 2023-24 are different from approved subsidy due to implementation of Standard Operating Procedure issued by Ministry of Power, Govt. of India wherein it is stipulated that subsidy is to be claimed based on actual agricultural sales.

4. Revenue Gap

4.1. Summary of the total revenue gap for the retail supply business for the 4th control period is as shown below:

Total Revenue Gap (Rs.Crs)					
Particulars	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**Total**
variation in Revenue due to change in Realization	-327.17	-0.76	640.81	242.69	**555.57**
variation in Revenue due to change in Sales	-1049.82	-146.44	-746.02	22.80	**-1919.48**
variation in Non-Tariff Income	335.11	-12.52	-55.00	-586.02	**-318.44**
variation due to Other Factors	1.58	-22.13	-441.84	294.36	**-168.03**
variation in Revenue (A)	**-1040.30**	**-181.85**	**-602.05**	**-26.17**	**-1850.37**
variation in Power Purchase Cost	0.00	0.00	0.00	0.00	**0.00**
variation in Network Cost	-245.01	0.00	0.00	0.00	**-245.01**
variation in Other Cost	-47.73	22.99	111.24	267.17	**353.66**
variation in Expenditure (B)	**-292.74**	**22.99**	**111.24**	**267.17**	**108.65**
Net Revenue Gap (C)= (B) - (A)	**747.55**	**204.84**	**713.29**	**293.34**	**1959.02**

The total revenue gap for the 4th Control Period is Rs.1959.02 Crs.

5. Carrying Cost

5.1. Since the licensee can apply for a true up only after the completion of the control period, the licensee had to take short term loans to meet the revenue gap. The license has considered average of actual interest rates for the capex for the control period at 10.39%.

5.2. Such carrying cost adds up to Rs.690.54 Crs for the retail supply business during the 4th control period.

5.3. The licensee also requests the Hon'ble Commission to take into consideration the carrying cost to be incurred by the licensee in future till the complete gap mentioned is recovered.

Carrying Cost (Rs. Crs.)					
Particulars	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Carrying Cost	38.84	92.35	149.64	217.48	192.24

6. True-Up / True-down for retail Supply Business

6.1. The total true up includes the net gap, the associated carrying cost and (n-2) uncontrollable items of FY 2022-23 and FY 2023-24 claimed in the RSTO of FY 2024-25 & FY 2025-26 respectively and LPS paid to generators for the FY 2022-23 & FY 2023-24. The total true up for the retail supply business for the 4th control period is Rs.1935.29 Crs.

Particulars	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Net Gap at proposed tariffs		786.39	1083.58	1946.51
Additions	747.55	204.84	713.29	293.34
Interest rate (%)	10.39%	10.39%	10.39%	10.39%
Interest	38.84	92.35	149.64	217.48
Closing balance	**786.39**	**1083.58**	**1946.51**	**2457.33**
(n-2) uncontrollable items of FY 2022-23 (Claimed in RSTO 24-25) (B)				607.13
Net Closing balance				**1850.20**
Carrying cost for FY 2024-25				192.24
Net Gap (A)				**2042.43**
(n-2) uncontrollable items of FY 2023-24 (Claimed in RSTO 25-26) (B)				51.02
LPS Paid to generators for FY 2022-23 allowed in TO 2024-25 (C)				24.05
LPS Paid to generators for FY 2023-24 allowed in TO 2025-26 (D)				32.07
Total True-up / True-down F=A-B-C-D				**1935.29**

7. Prayer

7.1. The Petitioner (Licensee) humbly prays that the Hon'ble Commission may:

i. Approve the true-up of expenses and revenue for the Retail Supply Business for the fourth MYT Control Period (FY 2020-21 to FY 2023-24).

ii. Approve Rs. 1959.02 Crs. as the Net Gap for the Retail Supply Business for the fourth Control Period (FY 2020-21 to FY 2023-24).

iii. Approve Rs. 690.54 Crs. as the carrying cost for the Retail Supply Business for the fourth Control Period.

iv. Approve Rs. 1935.29 Crs. as the total true up for the Retail Supply Business for the fourth Control Period after deduction of amounts allowed towards variation in uncontrollable items for FY 2022-23 & FY 2023-24 and LPS amounts paid to generators during the FY 2022-23 and FY 2023-24.

v. Grant suitable opportunity to APCPDCL within a reasonable time frame to file additional material information that may be subsequently available.

vi. Pass such order as the Honourable Commission may deem fit and proper in the facts and circumstances of the case.

ANDHRA PRADESH CENTRAL POWER DISTRIBUTION CORPORATION LIMITED

(APPLICANT)

Through

Chief General Manager
Projects & HRD
APCPDCL :: Vijayawada

Chief General Manager
Projects & HRD
APCPDCL, Vijayawada

Place: Vijayawada
Date: 19-06-2025

BEFORE THE HONOURABLE ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

At its office at Vidyut Niyantrana Bhavan, Adjacent to 220/132/33/11 KV AP Carbides Sub Station, Dinnedevarapadu Road, Kurnool - 518 002

File No. /2025
Case No. /2025

IN THE MATTER OF:

Filing of the True-Up petition for the Retail Supply Business for the 4th Control Period FY 2020-21 to FY 2023-24 under multi-year tariff principles 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" by the Andhra Pradesh Central Power Distribution Corporation Limited ('APCPDCL' or 'the Company' or 'the Licensee') as the Distribution Licensee.

AND

In the matter of :

ANDHRA PRADESH CENTRAL POWER DISTRIBUTION CORPORATION LIMITED (APCPDCL)

- Petitioner

Affidavit

I, K. Linga Murthy, S/o K. Ramaiah (Late), aged about 58 years working for gain at the Andhra Pradesh Central Power Distribution Corporation Limited do solemnly affirm and say as follows:

1. I am the Chief General Manager/Projects & HRD/APCPDCL, the body corporate that has been awarded Distribution License by the Honourable Commission. I am competent and duly authorized by APCPDCL to affirm, swear, execute and file this affidavit in the present proceedings.

2. As such, I submit that I have been duly authorised by the Board of Directors of APCPDCL to submit the True-Up petition for the Retail Supply Business for the 4th Control Period from FY 2020-21 to FY 2023-24.

3. I have read and understood the contents of the accompanying petition. The statements made in the paragraphs of the accompanying application 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 General Manager
Projects & HRD
APCPDCL, Vijayawada

VERIFICATION:

I, the above named deponent do hereby verify & affirm the contents of this affidavit as true & correct.

Verified and attested at Vijayawada on this 19th day of June, 2025

DEPONENT
Chief General Manager
Projects & HRD
APCPDCL, Vijayawada

Solemnly affirmed and signed before me

COMPANY SECRETARY
APCPDCL::VIJAYAWADA

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File Upload Status

ePayOrder Number	CT00RPMZH4
Debit Status	Completed Successfully
Remarks	SBI LOC RELEASE NO 40000128
Transaction Date	18-Jun-2025

18-06-2025

Multiple Credits

URITI SUMATHI 309653.00

00000039024852825

RAMDAS AZMEERA
Authorizer 1

SPECIALISED MID CORPORATE BRANCH, VIJAYAWADA

CT00RPMZH4 SBI LOC RELEASE NO 40000128

Counterfoil Description	SBI LOC RELEASE NO 40000128
Transaction Type	Third Party Transfer

Debit Account Details

Account Number	Branch	Amount
00000039024852825	SPECIALISED MID CORPORATE BRANCH, VIJAYAWADA	309653.00

Credit Account Details

Account No. / Name	Amount	Credit Status
00000052209253030 / SHAIK RAMJAN VALI	31678.00	Success
00000034146082929 / PORANKI CHANDRA SEKHARA RAJU	172071.00	Success
00000030525755667 / NARI SUNDARA RAO	58218.00	Success
00000033888237865 / SECRETARY,APERC	30000.00	Success