D E R C

DELHI ELECTRICITY REGULATORY COMMISSION

Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi- 110017.

F.11(1825)/DERC/2020-21/

Petition No. 02/2021

In the matter of: **Petition for approval of True-up of expenses upto FY 2019-20 and Aggregate Revenue Requirement (ARR) for FY 2021-22.**

BSES Yamuna Power Limited,
Through its: **CEO**
Shakti Kiran Building,
Karkardooma,
Delhi-110 092.

...Petitioner/Licensee

Coram:
Hon'ble Shri Justice Shabihul Hasnain 'Shastri', Chairperson
Hon'ble Dr. A. K. Ambasht, Member

ORDER
(Date of Order: 30/09/2021)

M/s BSES Yamuna Power Limited (BYPL) has filed the instant Petition for approval of True-up of expenses upto FY 2019-20 and Aggregate Revenue Requirement (ARR) for FY 2021-22. The Petition was admitted by the Commission vide Order dated 19/02/2021. The Petition along with Executive summary was uploaded on the website of the Commission and publicised through advertisement in newspapers for seeking response of the stakeholders.

The comments and suggestions of the stakeholders including the submissions made during the virtual public hearing held in April, 2021 and the arguments advanced by the Petitioner have been duly considered by the Commission.

In exercise of the powers vested in the Electricity Act, 2003 and Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017, the Commission hereby passes this Tariff Order signed, dated and issued on 30/09/2021.

The Petitioner shall take immediate steps to implement this Tariff Order, so as to make the revised Tariff applicable from 01/10/2021.

This Tariff Order shall remain in force till replaced by a subsequent Tariff Order and/or is amended, reviewed or modified, in accordance with the provisions of the Electricity Act, 2003 and the Regulations made thereunder.

(Dr. A.K. Ambasht)
Member

(Justice Shabihul Hasnain 'Shastri')
Chairperson

WEAR FACE MASK WASH HANDS REGULARLY MAINTAIN SOCIAL DISTANCING

Contents

A1 INTRODUCTION

1.1 This Order relates to the Petition filed by BSES Yamuna Power Limited (BYPL) (hereinafter referred to as 'BYPL' or the 'Petitioner') for True-Up of Aggregate Revenue Requirement (ARR) for FY 2019-20 for Distribution Business in terms of Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 (hereinafter referred to as 'Tariff Regulations, 2017') and *Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2017* (hereinafter referred to as 'Business Plan Regulations, 2017') and approval of ARR & Tariff for FY 2021-22 in terms of Tariff Regulations, 2017 and *Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2019* (hereinafter referred to as 'Business Plan Regulations, 2019').

BSES YAMUNA POWER LIMITED (BYPL)

1.2 BSES Yamuna Power Limited (BYPL) is a company incorporated under Companies Act, 1956 and is engaged in the business of Distribution and Retail Supply of Electricity within its area of supply (as defined in the License) in the National Capital Territory (NCT) of Delhi.

DELHI ELECTRICITY REGULATORY COMMISSION

1.3 Delhi Electricity Regulatory Commission (hereinafter referred to as 'DERC' or the Commission') was constituted by GoNCTD on 3/03/1999 and it became operational from 10/12/1999.

1.4 The Commission's approach to Regulation is driven by the Electricity Act, 2003, the National Electricity Plan, the National Tariff Policy and the Delhi Electricity Reform Act 2000 (hereinafter referred to as 'DERA'). The Electricity Act, 2003 mandates the Commission to take measures conducive to the development and management of the electricity industry in an efficient, economic and competitive manner, which inter alia includes formulation of Tariff Regulations and Tariff determination.

STATE ADVISORY COMMITTEE MEETING

1.5 The "State Advisory Committee (SAC)" have been re-constituted and notified the same vide Gazette Notification No.F.7(37)/DERC/DS/2016-19/C.F.No.5624/253 dated 23/07/2020, comprising of Chairperson and Member of DERC, officers of the Commission and Other Members of SAC (including their nominees).

1.6 The 19th State Advisory Committee Meeting was held (virtually) on 27/08/2021. Apart from the Chairperson, Member and other senior officers of the Commission, the 19th SAC Meeting witnessed participation from Department of Power, GoNCTD, Department of Food Supplies, DMRC, BIS, SDMC, BEE, DESL, NABL, IEX, TERI, AEEE, Department of Health & Family Welfare, GoNCTD, CER, Labour Department, GoNCTD, Transport Department, GoNCTD and ICAR.

1.7 The issues which were deliberated during the meeting are as listed below:

Table 1.1: Issues Discussed in 19th State Advisory Committee Meeting

Sr. No.	Issues Discussed
a.	Tariff Petition for True up of FY 2019-20 and ARR and Tariff for FY 2021-22 for GENCOs, TRANSCO and DISCOMs
b.	Inform the State Advisory Committee with regard to DERC's order dated 15.04.2021 on release of electricity connections for residential buildings having premises within the height of 15 meters without stilt parking and 17.5 meters with stilt parking without insisting for fire clearance.

MULTI YEAR TARIFF REGULATIONS

1.8 The Commission issued Tariff Regulations, 2017 vide gazette notification dated 31/01/2017 specifying Terms and Conditions for Determination of Tariff for Distribution of Electricity under the Multi Year Tariff (MYT) framework. Further the operational norms for Distribution utilities have also been approved by the Commission in Business Plan Regulations, 2017 under Tariff Regulations, 2017 for the period FY 2017-18 to FY 2019-20, and, in Business Plan Regulations, 2019 under Tariff Regulations, 2017 for the period FY 2020-21 to FY 2022-23.

FILING OF PETITION FOR TRUE-UP OF FY 2019-20 AND ARR FOR FY 2021-22

FILING AND ACCEPTANCE OF PETITION

1.9 BYPL filed its Petitions for the approval of Truing up of Expenses upto FY 2019-20 and ARR for FY 2021-22, before the Commission on 16/12/2020 respectively.

1.10 The Commission admitted the Petitions vide its Order dated 19/02/2021 subject to clarifications / additional information, if any, which would be sought from the

Petitioner from time to time. A copy of the Admission Order dated 19/02/2021 is enclosed as Annexure I to this Order.

1.11 The complete copy of the Petition filed by the Petitioner along with additional information was uploaded on website of the Commission (www.derc.gov.in) and the Petitioner.

1.12 The Executive Summary of Tariff Petitions was also uploaded on Commission's website at www.derc.gov.in.

INTERACTION WITH THE PETITIONER AND PUBLIC HEARING

1.13 The Order has referred at numerous places about various actions taken by the "Commission". It may be mentioned for the sake of clarity, that the term "Commission" in most of the cases refers to the officers of the Commission for carrying out the due diligence on the Petition filed by the Petitioner for obtaining and analyzing information/clarifications received from the Petitioner and submitting all issues for consideration by the Commission.

1.14 The Commission relied upon the analysis conducted by various Divisions of the Commission for preparation of the Orders.

1.15 A preliminary scrutiny/analysis of the Petition submitted by the Petitioner was carried out. Additional information/clarifications were sought from the Petitioner as and when required. The Commission and the Petitioner discussed key issues raised in the Petition, which included details of Long Term & Short Term Power Purchase, Sales, Billing, Collection, Capital expenditure and capitalisation plan, allocation of expenses into Wheeling and Retail Supply Business, loss reduction trajectory, liability towards SVRS expenditure, etc.

1.16 The Commission also conducted multiple validation sessions with the Petitioner during which discrepancies in the Petition and additional information as required by the Commission were sought. Subsequently, the Petitioner submitted replies to the issues raised and provided details and documentary evidence to substantiate its claims regarding various submissions.

1.17 In relation to COVID-19, as per Order no. 40-34/2020-DM-I(A) dated 19/03/2021 issued by Ministry of Home Affairs, Government of India, indicated that after steady decline in COVID-19 cases for about 5 months, for the last few weeks, the number of COVID cases are increasing in several parts of the country. Further, Ministry of Health and Family Welfare, GoI indicated on their website that COVID-19 cases were increasing on daily basis. In view of above, the Commission decided to conduct Public Hearing Virtually, for issuance of Tariff Order related to True up of FY 2019-20 and ARR of FY 2021-22 and communicated the same through Public Notice publishing in leading newspapers and also uploaded the same on Commission's website. Alternatively, all stakeholders were given additional time-period till 20/04/2021 for submitting comments/suggestions on Tariff Petitions filed by the utilities.

1.18 The Commission scheduled a Virtual Public Hearing on Tariff Petitions for True Up of FY 2019-20 and ARR for FY 2021-22 on 15/04/2021, 16/04/2021, 19/04/2021 & 20/04/2021 to take a final view with respect to various issues concerning the principles and guidelines for Tariff determination.

1.19 A soft copy of the Petition was also made available in CD form on payment of Rs. 25/- per CD or a copy of the Petition was also made available for purchase from the respective Petitioner's head-office on working day till 20/04/2021 between 11 A.M. to 4 P.M. on payment of Rs.100/- either by cash or by demand draft/pay order.

1.20 In order to extend help to the stakeholders in understanding the ARR Petition and filing their comments, five officers of the Commission viz. Joint Director (Tariff-Engineering), Joint Director (Performance Standards & Engineering), Joint Director (Tariff-Finance), Deputy Director (Tariff-Economics) and Deputy Director (Tariff-Engineering) were nominated for discussion on the ARR Petitions. This was duly mentioned in the Public Notices published by the Commission.

1.21 The Commission received written comments from the stakeholders. The comments of the stakeholders were also forwarded to the Petitioner who, responded to the comments of the stakeholders with a copy of its replies to the Commission.

1.22 Delhi Disaster Management Authority, GoNCTD vide its Order No. F.2/07/2020/pt file III/ 381 dtd. 19/04/2021 imposed curfew, which was extended from time to time, and restricted various activities on account of COVID-19.

1.23 Thereafter, Transmission Licensee viz. DTL, Distribution Licensees viz. NDMC, BRPL, BYPL and TPDDL submitted additional information for ARR & Tariff for FY 2021-22 considering the impact of such curfew.

1.24 Accordingly, all stakeholders were given additional time-period till 29/06/2021 for submitting comments/suggestions on additional information filed by the utilities.

1.25 The issues and concerns raised by various stakeholders have been examined by the Commission. The major issues made by the stakeholders, the responses of the Petitioner thereon and the views of the Commission, have been summarized in Chapter A2.

1.26 The Commission has therefore considered the inputs/comments received from various stakeholders alongwith the due diligence conducted by the officers of the Commission in arriving at its final decision.

PUBLIC NOTICE

1.27 The Commission published Public Notice in the following newspaper on 9/03/2021 inviting comments/suggestions from stakeholders on the Tariff Petitions filed by the Petitioner latest by 26/03/2021.

(a)	Hindustan Times (English)	:	9/03/2021
(b)	The Times of India (English)	:	9/03/2021
(c)	The Hindu (English)	:	9/03/2021
(d)	The Pioneer (English)	:	9/03/2021
(e)	Navbharat Times (Hindi)	:	9/03/2021
(f)	Punjab Kesari (Hindi)	:	9/03/2021
(g)	Amar Ujala (Hindi)	:	9/03/2021
(h)	Jadid-In-Dinon (Urdu)	:	9/03/2021
(i)	Jan Ekta (Punjabi)	:	9/03/2021

1.28 Public Notice was also uploaded on Commission's website www.derc.gov.in.

1.29 The Petitioner also published a Public Notice indicating salient features of its Petition for inviting comments from the stakeholders and requesting to submit response on the Petition on or before 26/03/2021 in the following newspapers on the respective dates mentioned alongside:

(a)	Hindustan Times (English)	:	9/03/2021
(b)	Mint (English)	:	9/03/2021
(c)	Hindustan (Hindi)	:	11/03/2021
(d)	Punjabi Tribune (Punjabi)	:	11/03/2021
(e)	The Inquilab (Urdu)	:	11/03/2021

1.30 The Commission issued Public Notice in the following newspapers (on dates mentioned alongside), indicating the date and time of Virtual Public Hearing scheduled on 15/04/2021, 16/04/2021, 19/04/2021 & 20/04/2021 and extended the time period for comments by stakeholders on the Tariff Petition filed by the Petitioner latest by 20/04/2021 and also indicated the conducting of Virtual Public Hearing.

(a)	Hindustan Times (English)	:	7/04/2021
(b)	The Times of India (English)	:	7/04/2021
(c)	The Hindu (English)	:	7/04/2021
(d)	The Pioneer (English)	:	7/04/2021
(e)	Navbharat Times (Hindi)	:	7/04/2021
(f)	Punjab Kesari (Hindi)	:	7/04/2021
(g)	Amar Ujala (Hindi)	:	7/04/2021
(h)	Jadid-In-Dinon (Urdu)	:	7/04/2021
(i)	Jan Ekta (Punjabi)	:	7/04/2021

1.31 Public Notice related to process for Virtual Public Hearing (VPH) was also uploaded on Commission's website. The platform for VPH was as follows:

Dates	15/04/2021, 16/04/2021, 19/04/2021 & 20/04/2021
Timings	11:00 AM to 01:00 PM and 02:00 PM to 05:00 PM
Last date for registration	12/04/2021 at 03:00 PM
Platform	Google Meet
Email ID for Registration	dercpublichearing@gmail.com

1.32 The Utilities submitted additional information on ARR & Tariff for FY 2021-22 considering impact of curfew on account of COVID-19.

1.33 Subsequently, the Commission issued Public notice on Commission's website (www.derc.gov.in) on 24/06/2019 seeking comments/suggestions on additional information from stakeholders latest by 29/06/2021.

LAYOUT OF THE ORDER

1.34 This Order is organised into six (6) Chapters:

a) Chapter A1 provides details of the Tariff setting process and the approach of the Order.

b) Chapter A2 provides brief of the comments of various stakeholders, the Petitioner's response and views of the Commission thereon.

c) Chapter A3 provides details/analysis of the True up of FY 2019-20 and impact of past period true up based on judgement of Hon'ble Supreme Court & Hon'ble APTEL, if any, Review Order of the Commission, if any, and its directives on the matter.

d) Chapter A4 provides analysis of the Petition for determination of the Aggregate Revenue Requirement for FY 2021-22.

e) Chapter A5 provides Tariff Design / details of the determination of Wheeling and Retail Supply Tariff for all consumer categories for FY 2021-22, and the approach adopted by the Commission in its determination.

f) Chapter A6 provides details of the Directives of the Commission.

1.35 The Order contains following Annexures, which are an integral part of the Tariff Order:

a) Annexure I - Admission Order.

b) Annexure II - List of the stakeholders who submitted their comments on True-up of expense for FY 2019-20 and approval of Aggregate Revenue Requirement & Tariff for FY 2021-22.

c) Annexure III – List of Stakeholders/consumers who attended the virtual public hearing

PERFORMANCE REVIEW

1.36 Regulation 77 (3) & 77 (3)(i) of the DERC (Supply Code and Performance Standards) Regulations, 2017 stipulates as under:

"77(3) The Licensee shall furnish to the Commission, in a report as per the formats for every quarter and in a consolidated annual report for each financial year, the following information as to the Overall Standards of Performance:

(i) The level of performance achieved with reference to those specified in Schedule-II as per the format prescribed in the Commission's Orders;

1.37 The Commission has sought inputs on overall Standards of Performance for FY 2019-20 as prescribed in Schedule-II of the DERC (Supply Code and Performance Standards) Regulations, 2017. The details submitted by BYPL for FY 2019-20 are as follows:

Table 1.2: Standards of Performance for FY 2019-20

SN	Service Area	Overall Standards of Performance	Total Cases Received/ Reported (A)	Complaints Attended (B)		Standard of Performance achieved (C)%
				Within Specified Time	Beyond specified time	
1	**Power Supply Failure**					
(i)	Continuous power failure affecting individual consumer and group of consumer upto 100 connected at Low voltage supply, excluding the failure where distribution transformer requires replacement.	At least 95% calls received should be rectified within prescribed time limits	446388	443455	1837	99.34%
(ii)	Continuous power failure affecting more than 100 consumers connected at Low voltage supply excluding the failure where distribution transformer requires replacement.		7135	6982	147	97.86%
(iii)	Continuous power supply failure requiring replacement of distribution transformer.		85	85	0	100.00%
(iv)	Continuous scheduled power outages	At least 95% of cases resolved within time limit	3877	3871	6	99.85%
(v)	Replacement of burnt meter or stolen Meter		21639	21633	0	99.97%

<table>
<tr><th rowspan="2">SN</th><th rowspan="2" colspan="2">Service Area</th><th rowspan="2">Overall Standards of Performance</th><th rowspan="2">Total Cases Received/ Reported (A)</th><th colspan="2">Complaints Attended (B)</th><th rowspan="2">Standard of Performance achieved (C)%</th></tr>
<tr><th>Within Specified Time</th><th>Beyond specified time</th></tr>
<tr><td>1</td><td colspan="7">Power Supply Failure</td></tr>
<tr><td>(vi)</td><td colspan="2">Continuous power failure affecting consumers connected through High Voltage Distribution system (HVDS) and not covered under (i) & (ii) above</td><td>At least 95% calls received should be rectified within prescribed time limits</td><td>371</td><td>362</td><td>8</td><td>97.57%</td></tr>
<tr><td colspan="8">Period of Scheduled Outage</td></tr>
<tr><td rowspan="2">2</td><td>Maximum duration in a single stretch</td><td rowspan="2">At least 95% of cases resolved within time limit</td><td>3333</td><td>3333</td><td colspan="2">0</td><td>100.00%</td></tr>
<tr><td>Restoration of supply by 6:00 PM</td><td>3333</td><td>3317</td><td colspan="2">16</td><td>99.52%</td></tr>
<tr><td>3</td><td>Faults in street light maintained by the Licensee</td><td>At least 90% cases should be complied within prescribed time limits</td><td>43748</td><td>43596</td><td colspan="2">152</td><td>99.65%</td></tr>
<tr><td></td><td colspan="7">Reliability Indices</td></tr>
<tr><td></td><td></td><td></td><td colspan="2">No. of bills served during the Year</td><td colspan="2">Bills with mistakes</td><td>Standard of Performance achieved (C)%</td></tr>
</table>

SN	Service Area	Overall Standards of Performance	Total Cases Received/ Reported (A)	Complaints Attended (B)		Standard of Performance achieved (C)%
				Within Specified Time	Beyond specified time	
1	**Power Supply Failure**					
4	Percentage billing mistakes	Shall not exceed 0.2%	20684169	343		0.0017 %

APPROACH OF THE ORDER

APPROACH FOR TRUE UP OF FY 2019-20

1.38 The Commission in its Business Plan Regulations, 2017 has indicated that Regulations shall remain in force for a period of three (3) years, as follows:

> *"1(2) These Regulations, shall remain in force for a period of 3 (three) years i.e., for FY 2017-18, FY2018-19 and FY 2019-20, unless reviewed earlier."*

1.39 The Commission in its Tariff Regulations, 2017 has specified that Regulations shall be deemed to have come into effect from 1st February, 2017, as follows:

> *"(4) These Regulations shall be deemed to have come into force from 1st February, 2017 and shall remain in force till amended or repealed by the Commission. "*

1.40 Accordingly, ARR for FY 2019-20 were Trued up as per Tariff Regulations, 2017 and Business Plan Regulations, 2017.

APPROACH FOR ARR AND TARIFF FOR FY 2021-22

1.41 The Commission vide its Notification dated 31st January, 2017 issued Tariff Regulations, 2017. Further, the Commission issued Business Plan Regulations, 2019.

1.42 The Commission has evaluated ARR/ additional information submitted by the Petitioner on the basis of the provisions in Tariff Regulations, 2017 read with Business Plan Regulations, 2019 and other factors considered appropriate by the Commission as discussed hereafter.

A2 RESPONSE FROM STAKEHOLDERS

2.1 Summary of objections/suggestions from stakeholders, response of DISCOMs (viz. New Delhi Municipal Council (NDMC), BSES Rajdhani Power Limited (BRPL), Tata Power Delhi Distribution Limited (TPDDL), BSES Yamuna Power Limited (BYPL), and the Commission's view.

INTRODUCTION

2.2 Section 64(3) of the Electricity Act, 2003, stipulates that the determination of Tariff shall be as per Section 62 of the Electricity Act, 2003 for the Distribution Licensees on consideration of all objections/suggestions received from the public and the response of the DISCOMs response thereon to the objections/suggestions of stakeholders, issue a Tariff Order accepting the applications with such modifications or such conditions as applicable may be specified in the order.

2.3 The Commission has on examination the issues took into consideration the comments/ suggestions offered by the various stakeholders in their written statements and also the response of the Petitioners thereon.

2.4 The comments and the suggestions of stakeholders, and the Petitioners' replies/response thereon the summarised views of the Commission are appended under various subheads.

ISSUE 1: PUBLIC HEARING AND OBJECTION FILING PROCESS

STAKEHOLDERS' VIEW

2.5 Public hearings should be carried out effectively. In earlier occasions, the consumers have raised many concerns particularly issues of Truing up of capital expenditures, physical verification of capital assets, but the Commission is yet to consider the same.

PETITIONERS' SUBMISSION

TPDDL

2.6 This issue does not pertain to TPDDL.

BYPL

2.7 This issue does not pertain to BYPL.

BRPL

2.8 As far as the Petitioner is concerned, it duly considers and replies to the objections/ suggestions/ comments of every stakeholder, whose comments in response to the ARR Petition are forwarded by the Commission.

NDMC

2.9 This issue does not pertain to NDMC.

COMMISSION'S VIEW

2.10 The Commission endeavours to issue Tariff Orders as per provisions of the Electricity Act, 2003.

2.11 The Commission vide its Public Notice dated 1/03/2021 sought comments/suggestions on petitions for True-Up of Expenses for FY 2019-20 and Aggregate Revenue Requirement (ARR) for FY 2021-22 filed by Generating Companies, Transmission Licensee and Distribution Licensees by 26/03/2021 to take a final view on issues concerning the principles and guidelines for Tariff determination.

2.12 In relation to COVID-19, as per Order no. 40-34/2020-DM-I(A) dated 19/03/2021 issued by Ministry of Home Affairs, Government of India, indicated that after steady decline in COVID-19 cases for about 5 months, for the last few weeks, the number of COVID cases were increasing in several parts of the country. Further, Ministry of Health and Family Welfare, GoI indicated on their website that COVID-19 cases were increasing on daily basis. Accordingly, the Commission decided to conduct Public Hearing Virtually, for issuance of Tariff Order related to True up of FY 2019-20 and ARR of FY 2021-22 and communicated the same through Public Notice publishing in leading newspapers and also uploaded the same on Commission's website. Accordingly, all stakeholders were given additional time-period till 20/04/2021 for submitting comments/suggestions on Tariff Petitions filed by the utilities.

2.13 The Commission scheduled a Virtual Public Hearing on Tariff Petitions for True Up of FY 2019-20 and ARR for FY 2021-22 on 15/04/2021, 16/04/2021, 19/04/2021 & 20/04/2021 to take a final view with respect to various issues concerning the principles and guidelines for Tariff determination.

2.14 Delhi Disaster Management Authority, GoNCTD vide its Order No. F.2/07/2020/pt file III/ 381 dtd. 19/04/2021 imposed curfew, which was extended from time to time, and restricted various activities on account of COVID-19.

2.15 Thereafter, Transmission Licensee viz. DTL, Distribution Licensees viz. NDMC, BRPL, BYPL and TPDDL submitted additional information for ARR & Tariff for FY 2021-22 considering the impact of such curfew.

2.16 Accordingly, all stakeholders were given additional time-period till 29/06/2021 for submitting comments/suggestions on additional information filed by the utilities. The Commission received written comments from the stakeholders. The comments of the stakeholders were also forwarded to the Petitioner who, responded to the comments of the stakeholders with a copy of its replies to the Commission.

2.17 The Commission determines the ARR for the DISCOMs as per the provisions of the applicable Regulations. The Commission in its Tariff Order has provided the break-up of the major components considered for projecting costs of supply during FY 2021-22, like Power Purchase Cost, O&M cost, CAPEX, financing cost, the gap in True-up of FY 2019-20 and carrying cost for the regulatory assets etc. The Petitioners submitted the audited accounts to substantiate their claims. The Tariff Petitions are duly scrutinized and admitted only if found in order as per the DERC (Comprehensive Conduct of Business) Regulations, 2001. The Petitioners furnished clarifications/additional information, as and when required by the Commission. The Tariff Order is issued after prudence check of the Petitions submitted by the DISCOMs and after considering each element of cost projected in the petitions with due analysis and ensuring proper justification.

2.18 The Commission has therefore considered the inputs/comments received from various stakeholders along with the due diligence conducted by the officers of the Commission in arriving at its decision.

2.19 The Commission has engaged consultants for Capex Review & capitalization of the Discoms. External Consultants are engaged to verify the year-wise capitalization from FY 2004-05 to FY 2015-16. While verifying the year-wise capitalization, the Consultant have to examine 100% of the documents related to tendering, evaluation, purchase orders, store documents, road restoration receipts, invoice and payments etc. for all the LT, HT & EHV schemes capitalized, and comment on compliance with the competitive bidding guidelines of the Commission as well as reasonableness of costs at which equipment have been procured. Also examine procurement contracts representing 100% of the amount capitalized in miscellaneous schemes, and comment on compliance with the competitive bidding guidelines of the Commission as well as reasonableness of costs at which equipment have been procured, analyse various components of capitalization such as labour expense, material expense, A&G and employee expense, road restoration charges, IDC etc., with respect to approvals, guidelines and instructions issued by the Commission from time to time. Further Consultants has to physically verify 100% EHV, HT and LT schemes. Reports of the external consultants are in the final stage.

2.20 The Distribution Licensees (BRPL, BYPL & TPDDL) have claimed Capital Expenditure of Rs. 10,736 Cr. for the period from FY 2004-05 to FY 2015-16 against which the Commission has provisionally approved Rs. 8,930 Cr. in its previous Tariff Orders. The balance is under scrutiny before the Commission on account of physical verification by Consultants/in-house.

2.21 The Commission decided to carry out the year wise in-house review of capitalisation for DISCOMs from FY 2017-18 onward. The capitalisation for FY 2017-18 was completed and the effect of report is given in this year true-up Order for FY 2019-20. Further, as soon as year wise capitalisation is completed by the Commission, the effect of the reports will be provided in the subsequent true up orders. For 2016-17, the Commission has decided to hire external consultant for review of the capitalisation. Review of Capitalisation for TPDDL for FY 2016-17 already started by external consultants. The Commission is in process of engaging external consultant for review of Capitalisation for BRPL and BYPL for FY 2016-17 through tendering process.

ISSUE 2: BUSINESS PLAN & SOP REGULATION

STAKEHOLDERS' VIEW

2.22 The Commission rather than protecting the interest of the consumers has been working in the interest of the private DISCOMs.

2.23 There is no such enabling provision under Section 181 and 86(1) b of the Electricity Act, 2003 to make Business Plan Regulations for the private DISCOMs. The provisions of Regulations should be ceiling norms and if the DISCOMs which are achieving better than the norms then such achieving parameters must be followed as it would bring efficiency, good performance, optimum use of resources, safeguarding consumers' interest and recovery of cost of electricity in a reasonable manner.

2.24 DERC (Business Plan) Regulations, 2017 states that own consumption is considered as 0.25% of the energy billed or the actual consumption whichever is lower. Own consumption is wrongfully considered as sale. This is because the own consumption is not saleable energy and it is same as the auxiliary consumption for Generating Companies. As per definition of auxiliary consumption in the Tariff Regulations, it is found that auxiliary consumption is the quantum of energy consumed by auxiliary equipment expressed in percentage terms. Similarly, Transmission Losses for DTL is the difference between the energy injected at the Delhi state periphery and the energy injected at the DISCOMs' periphery. Applying the same principle, the Distribution Losses is measured considering the difference between the energy input and energy billed. Therefore, own consumption must be added in the Distribution Losses. The DERC Regulations are against encouraging efficiency and against the consumers' interest.

2.25 The Commission may amend the Tariff Regulations and repeal the Business Plan Regulations, 2019 before truing up of past period and determination of future tariff for FY 2021-22.

PETITIONERS' SUBMISSION

TPDDL

2.26 Formation of Regulations in accordance with the Act is the sole prerogative of the Commission. The Commission may like to decide on the same as it may deem fit.

BYPL

2.27 This issue does not pertain to BYPL.

BRPL

2.28 The stakeholder has questioned legality of framing DERC (Business Plan) Regulations, 2019 under the provisions of 181 read with Section 61 and Section 86 (1)(b) of the Electricity Act. The Petitioner being licensee of the Delhi Electricity Regulatory Commission (DERC), is legally bound by the Regulations notified by the

Commission. The Petitioner is not in a position to comment on the legality of any Regulations notified by the Commission.

2.29 It may however be noted that Commission follows a transparent public consultation process before enactment of any Regulations, duly inviting public comments and taking the same in to consideration. Therefore, the Petitioner firmly believes that the Commission strikes a balance by protecting the rights of the consumers as well as the Licensees.

2.30 It has been pointed out by the stakeholder that 'Own consumption' should not be considered as saleable energy and should not form part of the Distribution Loss of the DISCOMs. In this regard, we wish to submit that own consumption in the electricity distribution business is of the following nature:

i) Auxiliary consumption in the 66 kV /33 kV/ 11 kV substations. Such consumption is similar to the auxiliary consumption of Generating Stations.

ii) Auxiliary consumption in offices which are responsible for operation and maintenance of the Distribution network. This type of consumption is similar to the office consumption in any Generating Station or transmission Utility.

2.31 All such consumption is allowed as essential integrated activity for any Generation, Transmission or Distribution Utility.

2.32 Presently, the energy meters installed for accounting of energy consumption at the premises of the Petitioner are read and billed on monthly basis. The own consumption is billed at zero rates and accounted for accordingly in the books of the company. This process has been clarified by the Petitioner in earlier ARR filings / technical validation sessions and has been considered and accepted accordingly by the Commission in their Tariff Orders. The Petitioner has also been providing the details of own consumption at zero rate as part of its form 2.1a duly certified by statutory auditors and filed with the Commission for each year which has been taken into account by the Commission in its various Tariff Order.

2.33 It may further be noted that the methodology for accounting of energy consumption has been approved by the Commission. In this regard, the Petitioner would also like to draw attention to the relevant extract, enumerated below, from the last Tariff Order dated July 13, 2012 wherein Commission has confirmed the basic principle of availing credit at Zero rate for energy consumption in own premises.

2.34 As mentioned earlier, in the case of Generating Stations, auxiliary consumption (buildings, power plant, offices, etc.) is deducted to arrive at net saleable energy for calculation of Tariff, similarly the own consumption includes the consumption of energy on account of sub-stations, buildings and offices of the Petitioner Accordingly, availing credit at zero rate is in compliance to an accepted and approved methodology by the Hon'ble Commission.

NDMC

2.35 The stakeholder does not fall in NDMC's licensed area of supply.

COMMISSION'S VIEW

2.36 The Commission is guided by Principles of Electricity Act, 2003 and ensures to safeguard interest of consumers & ensures recovery of the cost of electricity in a reasonable manner. The relevant extract of the said Regulation is as follows:

> "61. *The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following, namely:-*
>
> *…*
>
> *(d) safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner;"*

2.37 Further, the Electricity Tariff is determined in accordance to provisions of Section 62 of Electricity Act, 2003 as stated below:

> *"62. (1) The Appropriate Commission shall determine the tariff in accordance with provisions of this Act for –*
>
> *(a) supply of electricity by a generating company to a distribution licensee:*
>
> *Provided that the Appropriate Commission may, in case of shortage of supply of electricity, fix the minimum and maximum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a generating company and a licensee or between licensees, for a period not exceeding one year to ensure reasonable prices of electricity;*
>
> *(b) transmission of electricity;*
>
> *(c) wheeling of electricity;*

(d) retail sale of electricity."

2.38 The Commission in exercise of powers conferred under Section 181 read with Section 61 and Section 86(1)(b) of the Electricity Act, 2003 (Act 36 of 2003) notified DERC (Business Plan) Regulations, 2019. The said Regulations shall remain in force for a period of 3 (three) years i.e., for FY 2020-21, FY 2021-22 and FY 2022-23, unless reviewed earlier.

2.39 A transparent public consultation process before enactment of any Regulations keeping in mind the interest of consumers of Delhi, Distribution Licensees, Transmission Licensee and GENCOs. The DERC (Business Plan) Regulations, 2019 were notified by the Commission after following due process of law, as per the Electricity Act, 2003. The draft DERC (Business Plan) Regulations, 2019 was uploaded on DERC website and stakeholders' comments were invited via public notice and comments received from the stakeholders were considered in the final Business Plan Regulations approved by the Commission. After considering the comments of all stakeholders, the Commission notified DERC (Business Plan) Regulations, 2019 on 27/12/2019. These Regulations are applicable upto FY 2022-23.

2.40 Further, the Regulation 23 (2) and 23 (3) of Business Plan Regulations, 2019 is stated below:

"(2) The Distribution Licensee shall be allowed own (Auxiliary) consumption including e-vehicle charging stations installed at Distribution Licensee offices and sub-stations, at Zero Tariff for actual recorded consumption subject to a maximum of 0.25% of total sales excluding own consumption to its retail consumers for the relevant financial year as part of O&M expenses for the relevant year:

(3) Actual recorded own (Auxiliary) consumption in excess of 0.25% of total sales excluding own consumption to its retail consumers for the relevant financial year, shall be billed at Non Domestic Tariff of respective year's Tariff Schedule and shall form part of revenue billed and collected for the same year."

Based on above, the Petitioner reports self-consumption of energy for each financial year. The Commission carries the prudence check of accounts and validates the information in line with said Regulations.

2.41 The stakeholders are requested to submit their comments at the time when Comments will be sought on draft Regulations for next Control Period. The Commission will consider their comments appropriately.

ISSUE 3: RENEWABLE PURCHASE OBLIGATION

STAKEHOLDERS' VIEW

2.42 Imposing Renewable Purchase Obligation (RPO) and purchase of Renewable Energy Certificates (REC) by DISCOMS would lead to unnecessary burden on the consumers.

2.43 Inefficient and costly power plants must be closed and some relief from RPO targets should be given to DISCOMs as they already have surplus power.

2.44 RPO compliance should be deferred/waived off/carried forward due to COVID and REC purchase should not be done by DISCOMs. DERC should stop RPO compliance through REC, and RPO compliance be achieved with actual Power Purchase only.

2.45 DISCOMs should not be allowed RPO expenses if they are not fulfilling their RPO targets.

2.46 RPO should be deferred to future when sufficient Renewable Power is available.

2.47 To promote Renewable Energy, Net-metering should be promoted instead of purchasing RECs and purchase Renewable Power from generating stations outside Delhi.

2.48 TPDDL has purchased RECs of Rs.129.56/- crore for meeting the RPO in FY 2019-20. The Commission should not burden RPO on DISCOMS, as it leads to REC purchase which ultimately burdens the consumers. This amount of REC purchase should be utilized for Tariff reduction.

2.49 RPO targets for open access consumer including those procuring only from renewable sources shall be notified in Tariff Order.

2.50 The DISCOMs may meet there RPO obligations by procuring Renewable Energy from Green Term Ahead Market (GTAM) introduced by CERC on 27/08/2020.

PETITIONERS' SUBMISSION

TPDDL

2.51 RECs procurement has been mandated as per DERC Regulations to promote Renewable Energy. The Commission has mandated the Renewable Power Purchase

Obligation on DISCOMs which are bound to fulfil the same through either procurement of Renewable Energy or through purchase of REC. However, the RPO targets of DISCOMs can be reduced considering that Renewable Energy of Open access consumers is also flowing in DISCOM periphery resulting in excess Renewable Energy (over and above RPO targets) flowing in the licensed area.

2.52 Further, due to stoppage of REC trading at exchanges since July 2020, it will not be possible for DISCOMs to comply with mandated RPO targets as RECs are not available.

2.53 With regard to Renewable Energy procurement from Green Term Ahead Market, our RPO Compliance is up to date and on track till FY 20-21. If required, the Renewable Power shall be purchased from GTAM based on requirement.

2.54 However, the RPO targets of DISCOMs can be reduced considering that Renewable Energy of Open access consumers is also flowing in DISCOM periphery resulting in excess Renewable Energy (over and above RPO targets) flowing in the licensed area. Therefore, the Commission is requested to consider this excess Renewable Energy in the RPO compliance of DISCOM.

2.55 The Commission may enhance the RPO compliance timeline for FY 20-21 from June 2021 to March 2022 as whenever trading will be restarted, the cost of REC will be very high owing to high demand and any purchase at such high cost will only impact the end consumers.

BYPL

2.56 With regard to stakeholder view on costly power, to maintain the 24x7 power supply obligation to its consumers, the Petitioner is engaged into Long Term Power Purchase Agreements. The Long Term power is procured on RTC (Round the Clock) basis. The load curve in Delhi varies from one slot to other. Hence, the shortfall is met through purchase from open market and the surplus Power is sold in the open market as per the requirement in various time blocks.

2.57 The DISCOM's are bound with the Long Term Power Purchase Agreements (PPA) which are inherent from erstwhile DVB/ Delhi Transco Limited which was transferred to DISCOMs on 31st March 2007. The Petitioner has already raised this concern for exiting the PPAs of costly plants to various forums like Central Electricity Regulatory

Commission, Appellate Tribunal for Electricity, MoP, GoI etc.

2.58 The petitioner has signed various PPAs for fulfillment of Solar and Non-Solar obligation in the coming future with Solar Energy Corporation of India (SECI) and Waste to Energy Plants of Delhi. The Petitioner is also facilitating the growth of Net Metering Connections in its area. Power from these Long Term PPAs and Net Metering sources would suffice most of the requirement of Renewable Power and a practical alternative to RECs.

2.59 BYPL meets most of the requirement from Long term purchases. However, given the seasonal and within a day variations in temperatures in Delhi, the demand for power varies widely between the peak and the off peak hours during a day and between the summer and winter months. As the demand varies hugely within a day, it becomes essential for the DISCOMs like the BYPL to prepare or arrange the power deficit. The deficit in power against the demand is arranged by means of short term power procurement through various sources like Banking, Power Exchange and other sources.

2.60 BYPL in the ARR for FY 21-22 has proposed to purchase 310 Mu power through short term sources (including exchange & GTAM).

BRPL

2.61 Purchasing RECs by DISCOMs will burden the DISCOMs and ultimately consumers with no actual power. It is always prudent to procure Renewable Energy which fulfil RPO instead of procuring REC. However, setting of RPO Targets and its associated deferment is prerogative of the Commission.

2.62 Moreover, various other States have relaxed the RPO Target in view of delayed commissioning of RE Projects and outbreak of COVID-19 pandemic. Following States have relaxed / carry forwarded the RPO Target:

i) The Punjab State Electricity Regulatory Commission (PSERC) has approved the carry forward of the shortfall in the compliance of Renewable Purchase Obligation (RPO) in FY 2019-20 to FY 2020-21.

ii) The Gujarat Electricity Regulatory Commission (GERC), in a recent ruling, directed MPSEZ Utilities Private Limited (MUPL) to make up for the past shortfall FY 2017-18 in solar RPO within the FY 2020-21.

iii) The Bihar Electricity Regulatory Commission (BERC) has approved the request of the Bihar State Power Holding Company Limited (BSPHCL) to carry forward the shortfall in its RPO for the FY 2019-20 to FY 2020-21. BERC further added that the Power Company could purchase either solar power or solar RECs to fulfil the RPO shortfall for FY 2019-20.

iv) The Rajasthan Electricity Regulatory Commission pointed out that the DISCOMs had made every effort to comply with RPO targets and had signed a sufficient number of PPAs under which the required quantum of electricity could have been obtained. The Regulatory Authority pointed out that even though the DISCOMs signed an adequate number of PPAs in the past, the generation in terms of energy was not to the expected level. Consequently, there was a shortfall in RPO compliance. The Commission noted that there was no case to initiate action against the DISCOMs or impose a penalty as they had tried their best to comply with the targets. The Commission directed the DISCOMs to assess the energy requirements more realistically in advance and sign the power purchase agreements (PPAs) accordingly in the future. It also asked the DISCOMs to make up for the RPO shortfall in the next three years.

2.63 Accordingly, it is requested that the Commission takes cognizance of various efforts made by the Petitioner in meeting the RPO Targets and all above mentioned constraints which are beyond the control of the licensees and allow carry forward/waiver of RPO Target of FY 2019-20.

2.64 As regards to stakeholder comment regarding High REC Cost, Renewable resources are limited in Delhi so the Delhi DISCOMs are bound to buy RECs (Renewable Energy Certificates) to fulfil RPO obligations.

2.65 Regarding Renewable Energy from GTAM, CERC on 27/08/2020 has approved trading of Renewable Energy in GTAM. BRPL has already procured 41 MU of Solar Power from Power Exchange within 6 months i.e. during Sept'20 to Feb'21 through GTAM. Hence, BRPL is continuously exploring the avenues of procuring actual Renewable Power.

2.66 We expect that the Commission will give due consideration to the stakeholders' comments while determining the tariffs.

NDMC

2.67 The stakeholder does not fall in NDMC's licensed area of supply.

COMMISSION'S VIEW

2.68 The Electricity Act, 2003 entrusts on the appropriate Commission the responsibility for the promotion of co-generation and generation based on Renewable Energy Sources (RES). The policy framework of the Government of India also stresses on the encouragement of Renewable Energy Sources keeping in view the need for energy security and reducing the carbon footprint. Section 86 (1) (e) of the Electricity Act 2003 states:

> *"The State Commission shall discharge the following functions:*
>
> *Promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee"*

2.69 The Commission in pursuance of the same has mandated the Renewable Purchase Obligation to be met through the purchase of energy from Renewable Energy Sources/or purchase of Renewable Energy Certificates (RECs) to ensure that RPOs are met in the most optimum manner.

2.70 Ministry of Power (MoP), GoI vide its Order dated 14/06/2018 specified the RPO targets till FY 2021-22. The Commission has considered the RPO targets (a year later targets) in DERC (Business Plan) Regulations, 2017 & DERC (Business) Plan Regulations, 2019, as specified by MoP, GoI.

2.71 The renewable power is available at competitive rates and DISCOMs are encouraged to enter long term PPAs with various Renewable Energy Generation companies. The Power Purchase Agreement with Generating Companies are valid till the term of PPA.

2.72 The Commission has promoted Net Metering in Delhi through framework of Net Metering Regulations in 2014 and issued guidelines related to Virtual Net Metering and Group Net Metering. Approximately, 207 MW of Solar Roof Top through Net Metering arrangement has been installed in Delhi.

2.73 In order to further encourage embedded Generation in the Electricity Distribution Network without any Transmission Losses (STUs & CTU) and Distribution Losses at appropriate voltage level, the Commission issued amendments to DERC (Group Net Metering and Virtual Net Metering for Renewable Energy) Guidelines, 2021 to promote Renewable Energy by including Service Line cum Development (SLD) and network augmentation in the scope of respective DISCOMs till additional capacity doesn't exceed 75 MW, 50 MW, 30 MW and 10 MW for BRPL, TPDDL, BYPL and NDMC respectively as applicable for VNM/ GNM projects.

2.74 The Commission notified DERC (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulation, 2021 wherein RPO targets for Obligated Entities (i.e. Distribution Licensees, Open Access consumers and Captive users) are specified for period from FY 2020-21 up to FY 2022-23. In the said Regulation, there is provision for treatment for surplus / shortfall of RPO compliance wherein Obligated Entity shall file Petition before the Commission for carry forward of RPO compliance in subsequent year(s), in case of genuine difficulty in complying with the targets RPO.

2.75 The DISCOMs have submitted that they have procured the Renewable Energy from power exchange in last six months through Green Term Ahead Market (GTAM). GTAM being a new product shall be explored for procuring Renewable Power. The Commission continually provides Regulatory support in exploring new products for purchase of Renewable Energy as a step in promoting clean sources of energy in the interest of consumer.

ISSUE 4: POWER PURCHASE COST

STAKEHOLDERS' VIEW

2.76 Power Generating plants in Delhi are highly polluted and expensive. Power from these costly Fossil Fuel Plants of Government should be stopped as they pollute the environment and focus should be on Renewable Energy.

2.77 Delhi Electricity Generators are giving electricity to DISCOMs at higher rates and DISCOMs are directed to purchase it. Thus, costly electricity is sold to consumers and they have to pay higher rates. The consumer interest should be considered.

2.78 DERC should work for consumers' benefit and ask Delhi Generating Companies to reduce their cost.

2.79 The Commission may consider formalizing the optimization of Power Purchase Cost by evolving appropriate procedure to consider short term market rates while finalizing the merit order of DISCOMs.

2.80 DERC Summary does not justify purchase at Rs.6/- per unit against sale at Rs.3/- per unit.

2.81 With DISCOMs' high power cost at Rs. 6.46/- against DMRC's import at Rs. 3/- and NTPC's generation at Rs. 3/- per unit, Licences should be transferred to NTPC.

2.82 Quarterly PPAC should be converted to monthly PPAC to reduce the burden of increased carrying cost in the tariff.

2.83 The Commission should not charge electricity duty in the electricity bill as various charges, surcharges are already charged by DISCOMs.

2.84 PPAC charges have increased from 4.5 % to 17 %, need some consideration.

2.85 If DISCOMs are not able to get rebate on Power Purchase Cost, the burden should not be transferred to consumers.

PETITIONER'S SUBMISSION

TPDDL

2.86 As regards to Delhi Electricity Generators giving costly power to DISCOMs, most of the current PPAs were signed by erstwhile DVB and they were reallocated to DISCOMs by the Commission. Long term PPAs are to be honoured as breach of contract cannot be done. The GENCOs have been established for giving power on long term basis and hence form an integral part of the supply value chain. Wherever possible, the Petitioner try to get the PPAs reallocated to other states through MoP, GoI. Moreover, availability of Power from other short term sources is not guaranteed and overdependence on the same can lead to power availability issues and supply disruptions. PPAs are non-negotiable, approved by SERC and governed by Regulations.

2.87 Power Purchase Cost is based on purchase from sources approved by Commission just as Retail Tariffs are decided by the Commission.

2.88 PPAC mechanism has been implemented pursuant to the statutory provisions of Electricity Act 2003 and Hon'ble APTEL directions. Now, PPAC is in place under the Commission's Tariff Regulations, 2019 which have been finalized after detailed stakeholder consultation and keeping the interests of consumers, utilities in consideration. PPAC helps to recover any increase of power purchase in timely manner and minimize the carrying cost burden on consumers.

2.89 TPDDL has taken a number of steps to reduce the burden of high cost of Power on consumer by trying to surrender costly Power, banking and purchase of Renewable Power instead of REC etc.

2.90 Further, TPDDL has also requested Commission to consider the excess Renewable Power purchased by Open Access consumers under RPO compliance of DISCOMs. This will also help us to lower the Power Purchase Cost.

2.91 As regards to stakeholder comment on cheaper power to DISCOMs, TPDDL agrees to the suggestion and it is in overall consumer interest. The Commission is requested to take up the matter with GoNCTD in the interest of consumers as the burden of fixed cost of Generating Stations is being passed in the ARR.

2.92 As regards to Cheap power should be purchased, TPDDL welcomes the suggestion and it is in overall consumer interest. Commission is requested to take up the matter with the GoNCTD in the interest of the consumers as the burden of fixed cost of generating stations is being passed in the ARR.

2.93 As regards to stakeholder comment regarding Power Generating plants in Delhi as highly polluted and expensive, TPDDL welcomes the suggestion and it is in overall consumer interest and environment. However, most of the current PPAs were signed by erstwhile DVB they were reallocated to DISCOMs by the Commission. Long Term PPAs are shall be complied as breach of contract cannot be done. The GENCOs have been established for giving Power on long term basis and hence form an integral part of the supply value chain. Wherever possible, the Petitioner tried to get the PPAs reallocated to other states through MoP, GoI. Moreover, availability of Power from other short term sources is not guaranteed and overdependence on the same can lead to Power availability issues and supply disruptions. PPAs are non-negotiable, approved by SERC and governed by Regulations.

2.94 The Petitioner also requested the Commission to help surrender the PPAs of fossil Fuel Plant whenever the plant completes its useful life of 25 years or PPAs term is completed.

2.95 Further, Cheaper power of TPDDL share has been already allocated to other DISCOMs by Commission. Cheaper power should be restored back to TPDDL in the interest of its consumers. This will not only benefit the consumers of TPDDL area but also help in improving the critical financial position of TPDDL which has deteriorated further due to Covid-19 situation.

2.96 It is pertinent to mention that the purpose of making provision of PPAC in Tariff Regulations & Business plan Regulations was to allow timely recovery of power purchase cost variation on quarterly basis. In practice it is not being implemented and mismatch between power purchase cost payment to GENCOs/ TRANSCO and corresponding non-recovery on quarterly basis is resulting into accumulation of Regulatory Assets, which is already causing major financial hardships to TPDDL.

2.97 Therefore, it is requested to consider allowing PPAC on monthly basis instead of Quarterly basis, in view of poor financial position of DISCOMs and difficulties faced by DISCOMs in order to comply recent MoP, GoI Orders and PPAs terms.

BYPL

2.98 BYPL has inherited various long term PPAs from DTL vide the Commission order dated 31.03.2007. These PPAs are long term in nature and are for a period of more than 25 yrs. No PPAs can be amended and revised unilaterally.

2.99 With regards to reduction in Power Purchase Cost, any increase/decrease in Power Purchase Cost is factored suitably by the Commission while determining the Tariff and same is sole prerogative of the Commission.

2.100 BYPL appreciate the concern raised by the Stakeholder on having cheaper power as most of the consumer residing in BYPL area are low end consumers. It is requested to kindly consider the same while determining the Tariff for FY 2021-22.

2.101 As regards to stakeholder's comment on Special dispensation for BYPL due to its unfavorable consumer mix, Tariff Regulations 2017 provides for adjustment of gap in power purchase cost by reassigning the allocation of power amongst the Distribution Licensees out of the overall power portfolio allocated to the NCT of

Delhi. In view of the low end consumer profile of BYPL and in order to Bridge the gap between Average Power Purchase Cost and Average Revenue on account of different consumer mix of all Distribution Licensees, Commission suitably re-allocate power amongst the DISCOMs to maintain uniform Tariff. This practice has been followed by the Commission including in Tariff Order for FY 2020-21 and also in previous Orders. Given the same situation prevailing even today, we request the Commission to suitably allocate power amongst DISCOMs keeping in view the winter surplus of BYPL.

2.102 As regards to the stakeholder comment on Computation of Fixed cost of Power Purchase & the projection of PLF of Generating Plant is concerned, it is submitted that the Petitioner has estimated the energy from the Generating Station for FY 2021-22 by applying Merit Order Dispatch Scheduling principle. The power availability has been estimated based upon the allocation as per last Tariff Order dated 28/08/2020 for FY 2020-21.

2.103 With regards to Power Purchase from Market/Short term & Renewable energy from GTAM, the Petitioner meets most of the requirement from Long term purchases. However, given the seasonal and within a day variations in temperatures in Delhi, the demand for Power varies widely between the peak and the off peak hours during a day and between the summer and winter months. As the demand varies hugely within a day, it becomes essential for the DISCOMs like the Petitioner to prepare/ arrange the Power deficit.

2.104 The deficit in Power against the demand is arranged by means of Short Term Power procurement through various sources like Banking, Power Exchange and other sources.

2.105 With respect to stakeholder's comment regarding costly power to DISCOMs, it is submitted that determination of Tariff is prerogative of Commission. The Section 61 (g) of Electricity Act 2003 mandates the Appropriate Commission to determine Tariff guided by the objectives that the Tariff progressively reflects the cost of supply of Electricity and also reduces cross subsidies within the specified period. The National Tariff Policy laid down the principle that Appropriate Commission may notify a roadmap such that Tariffs are brought within ± 20% of the Average Cost of Supply

(ACoS) and the road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.

2.106 Further, Power Purchase Cost is the major component of the ARR comprising 80% of the total cost, any reduction in Power Purchase Cost would result to reduction in Tariff of end consumer. Accordingly, overall interest of the consumer, the Petitioner has taken various steps for closing down /exit of PPA from such high cost and inefficient Power Stations. Further, the Petitioner has also approached various forums at both central and State level including submission of its comments on the Petitions filed by various Central /State Generating and Transmission utilities for consideration of the Regulatory Commissions.

2.107 However, DISCOM's are bound with the Long Term Power Purchase agreements (PPA) which are inherent from erstwhile DVB/ Delhi Transco Limited which was transferred to DISCOMs on 31/03/2007. The Petitioner has already raised this concern for exiting the PPAs of costly plants to various forums like Central Electricity Regulatory Commission, Appellate Tribunal for Electricity, MoP, GoI etc.

2.108 It is in the consumers overall interest that the gap between Revenue available and Revenue required to be filled by adjusting the Tariffs. It may reduce the accumulated Revenue Gap/Regulatory Assets and the Carrying Cost thereof, which otherwise would impose an additional burden on the average consumer.

2.109 As regards to stakeholder comment regarding Purchase of Renewable Power, the Petitioner has signed various PPA's for fulfilments of Solar and Non-Solar obligations in the coming future with Solar Energy Corporation of India (SECI) and Waste to Energy Plants of Delhi. The Petitioner is also facilitating the growth of Net Metering Connections in its area. Power from these long term PPA's and Net Metering sources would suffice the most of the requirement of Renewable Power and a practical alternative to RECs.

2.110 We appreciate the concern raised by the stakeholder regarding the difficulties of the BYPL serving the east Delhi consumer's. However, we would like to submit that tariff determination of any category of consumer is the sole prerogative of the Commission. Hence, we appreciate the concern raised by the Stakeholder and request the Commission to kindly consider the concern of stakeholders on time bound recovery of Regulatory Assets in this Tariff Proceedings.

2.111 We agree to suggestion of stakeholder regarding recovery of monthly PPAC instead of Quarterly PPAC. Further it is clarified that the RA surcharge is levied to recover the recognized accumulated deficit which is due to the under-approved tariff in the past by the Commission. The Pension trust surcharge is not retained by the Distribution Licensee and is being directly paid to the pension trust on a collection basis. PPAC on the other hand is the variation of Power purchase cost approved by the Commission while determining the tariff and the actual Power Purchase Cost to the distribution licensees.

BRPL

2.112 Cost of Power is market driven rate because of Long term and short term procurement of Power. Long term Power contracts are mostly done by erstwhile DVB. Rate of procurement from long term sources are determined by CERC. Short term procurement is market driven. DISCOM sale their surplus Power at market determined rate.

2.113 As regards to Stakeholder's comment on Recovery of Power Purchase , MoP, GoI has issued various communications in terms of which the DISCOMs are required to maintain adequate Payment Security mechanism for GENCOs and/or make advance payment to GENCOs otherwise power would not be scheduled to DISCOMs. Further, Delhi is a State which has both extreme summer and winter seasons, due to this the consumption of the consumers varies quickly from peak season to off-peak season. Currently, PPAC is being levied on quarterly basis and the PPAC pertaining to peak season is recovered from the consumer on the consumption of off-peak season. BYPL is bound to make payments to suppliers in terms of the applicable Regulations/PPAs. Any under recovery/deferred recovery of Power Purchase Cost would adversely affect the paying capacity of BYPL. Further, due to delay in the process of approval of PPAC beyond the specified limit of 8.75%, DISCOMs may face adverse cash flow situation. Other Regulators such as MERC has specified the limit of Suo-Moto levying of ZFAC as 20% of the variable component.

2.114 Hence, it is desirable that the Commission review the frequency of existing PPAC from quarterly to monthly. This will improve the cash flows of the DISCOMs to some extent

2.115 As regards to Stakeholder's comment on Power Purchase Cost, BRPL also contracted the Renewable Power at less than 3.0 Rs/ kWh. BRPL optimizes its Power Purchase Cost and leaves no stone unturned to reduce the cost of its consumer.

2.116 As regards to Stakeholder's comment on allocation of cheaper Power, the stakeholder has suggested that cheaper power should be reallocated to Delhi DISCOMs and this will give relief to consumers in times of COVID-19 by reduction in power purchase cost. It is observed that the observation made by the stakeholder pertains to State Generating Stations. The Commission is empowered to look into the issues pertaining to State Generating Stations.

2.117 As regards to Stakeholder's comment on Power Purchase from Market/short term, BRPL will continuously optimize its Power Purchase cost by taking competitive electricity from Power Exchange as per applicable Regulations/Order of the Commission.

2.118 The Distribution Licensees are taking all necessary steps to exit from the costly PPA's, and the comments on the matter shall be duly considered by the Commission.

2.119 Furthermore, the determination of electricity tariff to be charged from a consumer is the sole prerogative of the Commission under Section 61, 62 and 45 of the Electricity Act, 2003.

2.120 The stakeholder has submitted that costly power of state power plants should not be purchased and such generating stations with costly power should be shut down. Power should be purchased from generating stations with cheaper power. In this regard, it is that the Distribution Licensees procure most of the power from generating companies owned and/ or fully controlled by the Central Government and State Government by virtue of long term power purchase agreements which have been inherited from DTL (initially signed by M/s DTL) and assigned by the Commission as per its orders dated 31-03-2007. The power purchase cost accounts for about 80% of Annual Revenue Requirement of the Distribution Licensees and includes the cost paid for procurement of power, transmission charges, UI charges, SLDC/RLDC charges.

2.121 The stakeholder has submitted that DISOMs are directed to purchase power from

Delhi Generating Stations at high rates, due to which the consumers are made to pay for expensive power sold to them. He has further submitted that DERC should take care of the interest of consumers. It is submitted that the Distribution Licensees procure power from central generating stations and state generating stations through the long-term power purchase agreements and through short-term purchases.

2.122 It is submitted that most of the PPAs with the long term plants were done by DVB and were passed on to the Distribution Licensees of Delhi during privatization.

2.123 The Petitioner has time and again raised the issue of surrendering of costly power plants with the Commission. However, we appreciate the concern of the stakeholder and hope that your concern will be appropriately considered by the Commission.

2.124 The stakeholder has requested the Commission in the Tariff Order dated 28 /08/ 2020 has increased the pension trust surcharge to 5%. He has further submitted that the Delhi consumer is already paying the regulatory surcharge of 8% towards recovery of accumulated deficit. Thus, he has submitted that the Delhi consumers are paying the total surcharge of 13% over the required tariff. In this regard, we would like to submit that presently two separate surcharges have been allowed for two separate and specific purposes. A surcharge of 8% has been allowed for recovery of the principal component of the Regulatory Assets recognized by the Commission. The Regulatory Assets is basically the amount which is a legitimate expense of the Petitioner and is duly recognized by the Commission. However, this amount was not allowed to be recovered from tariff in past years and was funded by the Petitioner on its own. Therefore 8% surcharge is allowed to be levied by the Commission to recover the same. Removal of this surcharge would not only affect the Petitioner's ability to supply uninterrupted and quality power to its consumers but will also increase the tariffs of the consumers due to greater carrying costs.

2.125 Further, with regard to the pension trust surcharge, Tariff Order dated 31/08/ 2017, the Commission had decided to levy an additional surcharge for recovery of Pension Trust funding of erstwhile DVB Employees/Pensioners from September 2017 onwards as per the recommendation of GoNCTD vide its letter dated 26 July, 2017. The rationale given by the Commission in its Tariff Order is as under:

"2.298 The Commission vide letter dated 8/12/2016 has requested GoNCTD for conducting a forensic audit of Pension Trust for authentication of the data of pension disbursement from FY 2002-03 to till date to ascertain the actual liability of Pension Trust. The Commission has considered the amount of Rs. 693 Crore sought for FY 2017-18 by the Pension Trust on an ad-hoc basis recommended by GoNCTD vide its letter dated 26/07/2017."

The Commission revised the pension trust surcharge from 3.70% in its Tariff Order dated 31/08/2017 to 3.80% vide Tariff Order dated 28/03/2018. Thereafter, the Commission vide its tariff order dated 28/08/2020 has further revised this surcharge to 5%.

2.126 The Commission vide its Tariff Order dated 28/08/ 2020 also directed the Petitioner to deposit the actual amount collected through the said surcharge directly into a specified bank account, on a monthly basis. The relevant extract of the directive issued in this regard is extracted below:

"The above tariff rates shall be subject to following additional surcharges to be applied only on the basic Fixed Charges and Energy Charges excluding all other charges e.g., LPSC, Arrears, Electricity Tax/Duty, PPAC, load violation surcharge, etc. for the consumers of BRPL, BYPL & TPDDL:

(a) *8% towards recovery of accumulated deficit, and,*

(b) 5% towards recovery of Pension Trust Charges of erstwhile DVB Employees/ Pensioners as recommended by GoNCTD.

….

A6: DIRECTIVES

6.2 The Petitioner shall directly deposit the amount of pension trust surcharge collected from the consumer as per the tariff schedule in the following bank account, of Pension trust:

1.	*A/C No.*	*10021675545*
2.	*MICR No.*	*110002103*
3.	*Bank*	*State Bank of India*
4.	*IFSC Code*	*SBIN0004281*
5.	*Name*	*DVB-ETBF-2002*
6.	*Branch*	*Rajghat Power House, New Delhi – 110002*

…"

The Petitioner has been complying with the above directive of the Commission.

NDMC

2.127 NDMC request the Commission that no reallocation of power to be expedited without the explicit consent of NDMC.

2.128 For remaining issues, the Commission may take an appropriate view on the matter.

COMMISSION'S VIEW

2.129 As regards to Delhi Electricity Generators giving costly power to DISCOMs, APM Gas, which is cheap fuel, is currently not available to GTPS and PPS-I, which are GoNCTD Gas based Plants. Accordingly, Delhi Govt. plants are compelled to use costly R-LNG fuel and consumers are loaded with costly Power. GoNCTD has taken up this matter with Ministry of Petroleum and Natural Gas (MoPNG), GoI by requesting them to restore APM Gas availability for Delhi Gas based plants in the interest of Delhi consumers and Delhi environment.

2.130 Further, the State Electricity Generator i.e. PPCL is advised to explore options for procurement of RLNG Gas like Gas exchanges, short/ medium term contracts rather than relying on spot purchase and make their generation rate competitive.

2.131 As per MoP, GoI Guidelines dated 22/03/2021, the DISCOMs may either continue or exit the PPA after completion of the terms of PPA i.e. beyond 25 years of useful life. Subsequent to the request of DISCOMs, the Commission vide its letter dated 16/03/2021 & 7/07/2021, has requested MoP, GoI for non-scheduling of full quantum of Power from Dadri-I (756 MW) and reallocate Delhi's share to other needy states on urgent basis. Also, the DISCOMs have submitted the request for surrender of full quantum of allocated Power from Gas/ Coal based Generating Stations such as Anta Gas, Auraiya Gas & Dadri Gas, Farakka, Kahalgaon-I and Unchahar-I which have completed/ on verge of completing of their useful life. The power requirement in future will be replenished with Renewable Energy sources (including but not limited to Wind-Solar Hybrid projects) to ensure Round the Clock (RTC) Renewable Power to the consumers of Delhi.

2.132 The long term Power Purchase Agreements (PPA) are entered into by the Petitioner considering the overall average projected demand of the consumers and likely growth in the demand vis-à-vis the likely availability of Power from various sources. The surplus/shortfall in power availability arising due to difference in demand during peak hours and non-peak hours including seasonal variations are required to be sold /purchased by the Petitioner on need basis. The Commission has directed the Petitioner to optimize such short term transactions and maintain transparency in its short-term power purchases and sales.

2.133 The Commission has specified in DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, as well as in earlier Tariff Orders, that the Merit Order Dispatch principle should be adhered strictly by the Distribution Licensees in power procurement, and there is also an incentive and disincentive mechanism for sale of surplus power to maximise the revenue from the sale of surplus power. Further, as per the provision of DERC (Business Plan) Regulations, 2017 and DERC (Business Plan) Regulations, 2019, the contingency limit for the sale of power under UI mechanism shall be limited to 5% of the gross power purchased by the Distribution Licensee to bring efficiency in their scheduling of power.

2.134 The Commission has already approved various Power Purchase Agreements (PPA) entered into by the utilities for procurement of power from long term sources. The Commission has also directed the DISCOMs vide its letter dated 21/10/2009 that they should endeavour to provide uninterrupted power supply to the consumers in their respective areas. The licensees shall ensure that electricity which could not be served due to any reason what-so-ever (including maintenance schedule, break-downs, load shedding etc.) shall not exceed 1% of the total energy supplied by them in any particular month except in cases of force-majeure events which are beyond the control of the Licensees.

2.135 The Commission had projected power purchase cost net of the rebate as per the provisions of *DERC (Terms and Condition for Tariff Determination) Regulations, 2017*. The power purchase cost is allowed to the distribution licensee after considering maximum normative rebate available for each generating stations.

2.136 The provision for reallocation of power among Delhi DISCOMs has been made in DERC (Terms and Condition for Tariff Determination) Regulations, 2017 as follows:

"The gap between the average Power Purchase Cost of the power portfolio allocated and average revenue due to different consumer mix of all the distribution licensee: Provided that the Commission may adjust the gap in power purchase cost by reassigning the allocation of power amongst the distribution licensees out of the overall power portfolio allocated to the National Capital Territory of Delhi by Ministry of Power, Government of India.

2.137 The Commission invited Stakeholder Comments/ Suggestions on Draft DERC (Terms and Conditions for Determination of Tariff) (First Amendment) Regulations, 2021 and Draft DERC (Business Plan) (Second Amendment) Regulations, 2021 wherein it is proposed to recover incremental Power Procurement Cost on monthly basis, over and above the Power Procurement Cost approved in the Tariff Order of the relevant year. The Stakeholder comments on the Draft Regulation have been received by the Commission and it will be considered during finalisation of the Regulations accordingly.

2.138 The rebate on payment of bills of GENCO and Transmission Utilities is determined in accordance with Regulation 138 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, as follows:

> *" For payment of bills of the generating entity and the transmission licensee through letter of credit on presentation or through NEFT/RTGS within a period of 2 days of presentation of bills by the generating entity or the transmission licensee, a rebate of 2% shall be allowed :*
>
> *Provided that in case payments are made on any day after 2 days and within a period of 30 days of presentation of bills by the generating entity or the transmission licensee, a rebate of 1% shall be allowed."*

ISSUE 5: AT&C LOSSES

STAKEHOLDER'S VIEW

2.139 Increase in losses in DISCOMs reflect inefficiency.

2.140 Distribution Loss has been reduced significantly and should be continued.

2.141 Distribution Losses may not be applicable on DMRC for accounting of DISCOM's conventional and open access power.

2.142 The TPDDL achieved distribution loss @6.83% against 8% of target level and took TDPPL share of Rs. 47.06 Crores as incentives for the FY 2019-20 but the Commission made the illegal Business Plan Regulations in such a manner that in the next Financial Year of 2021-22 the target loss level shall be again 7.90%. There is no such logic that for the next year loss level was fixed at higher level of the loss actually achieved. It reduces the efficiency of the DISCOM and also against the consumers' interest. Similarly, the case for other DISCOMs too. Therefore, it is apprehended that the Commission made those Regulations in such a manner that the private DISCOMs are benefitted.

2.143 Bench mark should be set for loss reduction.

PETITIONER'S SUBMISSION

TPDDL

2.144 There has been a consistent decrease in losses from 53% to 6.83% and is one of the lowest in the country with same consumer profile. The benefit of such low AT&C losses is also being passed to consumers in terms of reduced Aggregate Revenue Requirement for the year.

2.145 Rebate has already been in-built in the Tariff design for any consumer drawing power at higher voltage. Rebate of 3%, 4% & 5% on the Energy Charges for supply at 11kV, 33/66 kV and 220 kV is provided according to the latest Tariff Order which is a benefit given only to EHT/HT consumers by the Commission.

2.146 TPDDL agrees with the suggestion and request the Commission to expedite the True Up of Capital Expenditure of DISCOMs.

BYPL

2.147 As regards to stakeholder's comment on Distribution loss, since the unbundling of erstwhile Delhi Vidut Board(DVB) or privatization in FY 2002, Petitioner has always focused on reduction of Distribution Losses which is evident from the aggressive loss reduction of more than 50% i.e.; from 2003 to 2020. During FY 2019-20, the Distribution Loss of Petitioner is 7.31% which is way lower than the national average. BYPL has been able to drive its business excellence journey through effective AT&C loss reduction by way of infusing automation, simplifying process and curtailing theft of the Electricity.

2.148 The issue raised by the Stakeholder regarding safety measures pertains to M/s BRPL and hence is not commented upon by BYPL.

2.149 The issue of drawing power at higher voltage and rebate thereon has already been addressed appropriately in the Tariff Order. An additional rebate of 4% for Supply at 33/66 kV has already been allowed to DMRC.

2.150 Other stakeholder's comments/ suggestions do not pertain to the BYPL.

BRPL

2.151 BRPL has been consistent in delivering high performance by meeting the performance standards prescribed by the Commission. Also, as far as efficiency is concerned, we wish to state that BRPL is frequently hailed as a textbook example of privatization model for all DISCOMs across the country and has been a pioneer is several aspects of privatization and modernization. We further take pride and feel more responsible in citing the Hon'ble Supreme Court's observations in a power crisis writ petition vide its Order dated 23/11/2012 that "the power situation in the city has improved tremendously".

2.152 The contentions raised by DMRC regarding voltage-wise Distribution Losses are wholly misconceived and denied since availing supply at higher voltages also entitles DMRC to avail voltage rebate which has been determined by the Commission to incentivize consumers availing supply at higher voltages and also to some extent compensate for higher losses at lower voltages.

2.153 As such DMRC cannot contend that it does not contribute to the Distribution Losses of BRPL since it is an embedded consumer and part of the Distribution System in terms of Rule 4 of Electricity Rules, 2005.

2.154 As regards to stakeholder's comment on T&D level targets, it is highlighted that for the purpose of unbundling/ privatization of the electricity business in Delhi, AT&C losses were the only criteria for assessing the bids submitted by various bidders. Also the Policy Directions indicated that the AT&C loss for the purpose of Tariff computation by the Commission for each DISCOM in a year shall be based on the opening AT&C loss and the reductions proposed for the year in the accepted bid of the investor selected by the Government for purchase of 51% equity in the Distribution Company. The Policy Directions also stipulate the mechanism for treatment of under-achievement and over-achievement of loss reduction with respect to the accepted bid levels and minimum levels specified by the Government.

2.155 It may also be noted that when the Petitioner took over the business in July 2002, the actual opening loss levels were higher (51.5%) than the bid opening loss levels (48.1%). Since privatization, the AT&C losses in the Petitioner's license area has been reduced from 48.1% in FY 2002-03 to the current level of losses of around 8%. This reduction has resulted in savings to the tune of thousands of crores, benefit of which has been passed to the consumers by way of significantly reduced retail electricity tariffs.

2.156 It is also pertinent to highlight that on achievement of T&D losses, the incentive allowed to the Petitioner is also shared with consumers thus, reducing their tariff burden.

NDMC

2.157 The issue does not pertain to NDMC.

COMMISSION'S VIEW

2.158 A detailed methodology for computing the target for Distribution Losses has been explained in an Explanatory Memorandum issued by the Commission for the DERC (Business Plan) Regulations 2017 and DERC (Business Plan) Regulations, 2019.

2.159 The target for Distribution losses for the control period from FY 2020 till FY 2023 is specified as Regulation 25 of DERC (Business Plan) Regulations, 2019. The amount of over achievement/under achievement on the distribution loss target shall be computed as per formula specified in the Regulation 159 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

2.160 The DISCOMs are given an incentive if the Distribution Losses are reduced below the target fixed. If the losses are more than the target fixed, the loss above the target fixed is full to the account of the DISCOMs. The targets every year are progressively decreasing and it is expected that DISCOMs will achieve them. If the DISCOMs do not achieve the target, the financial impact will be to the account of the DISCOMs alone and will get reflected in the true-up of ARR of the respective DISCOMS.

2.161 The Actual Distribution Losses of DISCOMs for FY 2019-20 is 7.30% , 7.02%, 9.50% & 6.83% for BRPL, BYPL, NDMC & TPDDL respectively as submitted during True up of the Petitions which is far below the National Average Loss Level i.e. 21.92%.

2.162 The details of actual incentive/disincentive given to the DISCOMs for over and underachievement of AT&C loss target are available in Chapter A3 (True-up of ARR) of the respective year Tariff Orders which are available at Commission website (www.derc.gov.in).

2.163 The Commission is of the view that Distribution Loss is an inherent loss in the System which can be minimized up to the technical permissible limit, whereas the losses also include the theft which can be controlled by DISCOMs.

2.164 The Distribution Losses are applicable on Open Access consumers in line with clause 8.5.1 of the Tariff Policy 2016 as stated under:

> "8.5.1 …
>
> *A consumer who is permitted open access will have to make payment to the generator, the transmission licensee whose transmission systems are used, distribution utility for the wheeling charges and, in addition, the cross-subsidy surcharge.*
>
> *… While the interest of distribution licensee needs to be protected it would be essential that this provision of the Act, which requires the open access to be introduced in a time-bound manner, is used to bring about competition in the larger interest of consumers*."

2.165 The Cross-Subsidy Surcharge and the Additional Surcharge to be levied from consumers, who are permitted open access. However, a consumer shall avail open access only if the payment of all the charges leads to a benefit to them.

2.166 The stakeholders views regarding resetting of Distribution Loss Target of Distribution Licensees will be considered appropriately for next control period and stakeholders are requested to submit their comments when sought by the Commission on the Draft Regulations for the next control period.

ISSUE 6: DISTRIBUTION INFRASTRUCTURE

STAKEHOLDERS' VIEW

2.167 Review the formation and implementation of Installation of smart meters.

2.168 Electricity network (wires) should be underground.

2.169 DISCOMs are taking up various capital works such as changing bare conductors by

Ariel bunch Cable (ABC), changing OH distribution lines and meters. The DISCOMs changed only a part of the OH conductors and meters but claimed and shown entire amount as Capitalization in their books of accounts.

2.170 Pending domestic connection will be installed with stipulated time. Pending connection cases should be solved at the earliest to avoid harassment of the consumer.

2.171 Time taking process of load reduction or new connection should be reduced and done on immediate basis by the DISCOMs as due to high fixed charges, consumers have to pay more on the bill and during this COVID-19 situation, the consumers are passing through various hardships like low production etc.

2.172 New Transformers shall be installed, Electricity wire should be underground ,LED Lights should be installed.

2.173 Land is not available for Transformers. Amendment and new Guidelines may be issued to DISCOMs for land availability for installation/ setting up new Transformers so that new electricity meter connection can be obtained in lesser period.

2.174 Instead of repairing the old street light which are 20 to 21 years old, the same may be replaced with new LED street light to reduce the Maintenance Charges.

2.175 Street light maintenance should not be given. Street light surcharge should not be charged from the consumers.

PETITIONER'S SUBMISSION

TPDDL

2.176 Queries pertain to BYPL.

BYPL

2.177 As regards to stakeholder comment on income from Street Light Maintenance, the responsibility of maintaining street light is not contained in the Distribution License of the Petitioner. The Electricity Act, 2003 does not mandate the Distribution Licensee to maintain Street Lights. Further, as per Section-42 of Delhi Municipal Corporation Act, 1957, it is the responsibility of MCD to maintain Street lighting system which is reproduced below:

> *"42. Obligatory functions of the Corporation….*
>
> *(o) the lighting, watering and cleansing of public streets and other public*

places;…

(w) the maintenance and development of the value of all properties vested in or entrusted to the management of the Corporation;"

2.178 With the unbundling and restructuring of Delhi Vidyut Board (DVB) into corporate entities and privatisation of Distribution Business, the past legacy of maintenance of public lighting was passed on to the Petitioner as matter of course, though as distribution licensee the maintenance of public lighting was not their function.

2.179 Therefore, Petitioner is maintaining Street Lights not as an obligation under Licensed Business or a part thereof but on behalf of road owning agencies, viz. MCD, NHAI, PWD in the areas comprising East and Central Delhi.

BRPL

2.180 A perusal of the Stakeholder's letter indicates that the observations made pertains to BYPL and the consumer is being served by BYPL. We therefore, would not be in the right position to address the observations of the Stakeholder.

NDMC

2.181 The party is not in NDMC area

COMMISSION'S VIEW

2.182 The installation of smart meters has been mandated in the revised National Tariff Policy dated 28/01/2016 issued by MoP, GoI. Accordingly, the Commission has accorded 'In-principle' approval to the proposal of DISCOMs for installation of Smart Meters, in phased manner.

2.183 The Central Electricity Authority (CEA) notified Measures relating to *Safety and Electric Supply Regulations, 2010* as amended from time to time. The Commission in its *DERC (Supply Code and Performance Standards) Regulations, 2017* has directed the Distribution Licensee and the consumers to follow the provision of the Safety and Electric Supply Regulations. Accordingly, the bare conductors are being replaced with the cables in a phased manner by the Distribution Licensees on case to case basis.

2.184 The domestic connections shall be installed as per procedure specified in Chapter-3 of *DERC (Supply Code and Performance Standards) Regulations, 2017*. For delay in energizing connection, the License shall be liable to pay the applicant compensation as per regulation 11 (v) of said order. Relevant clause as stated below:

> *"11 (V). In case the Licensee fails to provide the connection to an applicant within the prescribed time lines, the Licensee shall be liable to pay the applicant compensation as specified in Schedule-I of the Regulations.".*

2.185 During the prudence check, the details for capitalisation of meters on different heads were sought as per format including the replacements of meters attributable to the Distribution Licensee and the consumer.

2.186 The Regulation 24 of Business Plan Regulations, 2019 outlays the tentative Capital Investment Plan including investment on smart meters for the petitioners. The relevant clause of said Regulation is as follows:

> *" 5. The Distribution Licensee shall submit an application including details of actual Capitalisation on quarterly basis for physical verification and true up of capital cost within 1 (one) month of the completion of the relevant quarter".*
>
> *In line with said regulation, the petitioner submits the details of actual capitalization on quarterly basis."*

2.187 The formation and implementation of capitalization plan may be referred from section A3: True up upto FY 2019-20 under the head of capital expenditure and capitalization.

2.188 The Commission has considered the submission that the expenses on account of street light maintenance is separate than the normal O&M expenses. However, the contract for maintenance of the street light has been given to the Petitioner due to its distribution business. Accordingly, the Commission has considered the net amount from Street Light Maintenance as part of Non-tariff income of the Petitioner.

ISSUE 7: TRUE-UP OF PAST CLAIM UP TO 2017-18

STAKEHOLDERS' VIEW

2.189 True Up for FY 2019-20 should be completed urgently:

i) Distribution Loss Target and Collection Efficiency for FY 2019-20

ii) Rebate on Power Purchase Cost

iii) Sale of Surplus Power

iv) RPO Obligation

v) O&M Charges

vi) Retirement of Assets

vii) Legal Expenses

viii) Income from Street Light Maintenance

ix) Commission on Collecting Electricity Duty

x) ARR for FY 2019-20

2.190 It is not proper to determine O&M expenditures due to pending physical verifications of Asset and Truing up of capital expenditure (CAPEX). Had there been the Truing up of capital expenditures and physical verification of the assets, the Net Annual Revenue Requirements of the DISCOMs could have been much lesser resulting much less retail Tariff. The DISCOMs are claiming Return on capital employed on provisional capital cost and the Commission also provided it. Furthermore, O&M expenditures of the DISCOMs are also based on physical assets which are never verified. Therefore, the Tariff provided on provisional capital cost and non-verified physical assets are provisional Tariff. Under these circumstances, the Commission before taking the Tariff Petitions of DISCOMs into consideration, must True-up capital expenditures of DISCOMs.

2.191 In 2019-20, DISCOMs collection was less due to COVID-19 lockdown. DISCOMs have collected 1% less. So notional profit / notional loss will not work and notional profit should not be allowed.

PETITIONER'S SUBMISSION

TPDDL

2.192 Prudence check exercise related to Capitalisation is carried out in accordance to Business Plan Regulations,2019 wherein Distribution Licensee shall submit details of actual capitalization on quarterly basis for physical verification and True up of Capital Cost of the relevant year. Till the time prudence check of Capitalisation is completed, there must be 100% allowance of Capitalization for FY 2019-20 as per our audited books instead of current practice of 90% ad hoc. Our proposal of 100% allowances as per audit books of accounts is similar to the treatment extended to DTL.

2.193 Four issues /claims pertaining to True up of FY 2018-19 on TPDDL Tariff order dated 28/08/2020 were taken up in Review Petition dated 19/11/2020 filed under section

94 of the Electricity Act,2003. The adjudication of the same is pending before the Commission. Since these issues related to error apparent on face of records therefore, we request Commission to correct its error and consider consequential impact of all these issues in ensuing Tariff Order so that carrying cost burden on consumers minimised.

2.194 TPDDL agrees with the suggestion and request Commission to expedite the True Up of Capital Expenditure of DISCOMs.

2.195 Other Queries did not pertain to TPDDL

BYPL

2.196 The Commission in the last Tariff Order dated 28/08/2020 has partially allowed the impact of Review Order dated 13/12/2019 (in Petition No. 31 of 2018) and Petition No. 49 of 2020, stating that the impact of the pending issues is under consideration and will be allowed based on prudence check. We request the Commission to implement both Review Orders in true spirit and allow the impact in this Tariff Order. Also, Order in Review Petitions i.e. 64 of 2019 is reserved since January 2021 and yet to be given. We request that the Orders on the same may be issued and impact of the same be allowed in this Tariff order. Any further delay in allowing the impact will not be in the interest of the consumers as well the DISCOMs.

2.197 The Commission has not done final True-up of CAPEX and Capitalisation on account of pendency of the physical verification exercise for all the years since FY 2004-05 to FY 2019-20. DERC Tariff Regulations issued from time to time mandates review of actual capital investment at the end of each year of the Control Period.

2.198 Further, the Regulations provides for allowance of adjustment to depreciation and return on capital employed to be done at the end of the Control Period. However, three MYT Control periods have passed, FY 2019-20 being the last year of the third Control Period. Its being over 15 years that the DISCOM is not allowed its entitlements in terms of Return, Depreciation, Interest Cost, carrying cost, etc. in the ARR. For the period FY 2004-05 to FY 2015-16, Consultant's Report were shared for BYPL comments in December'20. On 25/01/2021, BYPL submitted its response within specified timelines. However, the Reports are pending finalization. For FY 2017-18 and FY 2018-19, Capitalisation has been disallowed on provisional basis. Verification exercise for both the years has been completed. However, the Reports are pending finalization. It is apprehended that finalisation process may take some more time. Hence, we request the Commission to allow atleast 95% of its total claim on account of Capex and Capitalisation pending finalisation of Consultants report as 100% physical verification has already taken place. This is also in line with DERC's past Tariff Orders. Moreover, this will avoid further burdening of Carrying cost on the consumers.

2.199 Other Stakeholder's comments/ suggestions do not pertain to the Petitioner/BYPL.

BRPL

2.200 The Commission in the last Tariff Order dated 28/08/2020 has partially allowed the impact of Review Order dated 13/12/2019 (in Petition No. 30 of 2018) stating that the impact of the pending issues is under consideration and will be allowed based on prudence check. We request the Commission to implement both Review Orders in true spirit and allow the impact in this Tariff Order. Order on Review Petition No. 63 of 2019 is awaited . We request that the Order in the same may be issued and impact of the same be allowed in this Tariff Order. Any further delay in allowing the impact will not be in the interest of the consumers as well the DISCOMs.

2.201 The Commission has not done final true-up of CAPEX and Capitalisation on account of pendency of the physical verification exercise for all the years since FY 2004-05 to FY 2019-20. DERC Tariff Regulations issued from time to time mandates review of actual capital investment at the end of each year of the Control Period. Further, the Regulations provides for allowance of adjustment to depreciation and Return on Capital Employed (RoCE) to be done at the end of the Control Period. However, three MYT Control periods have passed, FY 2019-20 being the last year of the third Control Period. Its being over 15 years that the DISCOM is not allowed its entitlements in terms of Return, Depreciation, Interest Cost, carrying cost, etc. in the ARR. For the period FY 2004-05 to FY 2015-16, Consultant's Report were shared for BRPL comments in January'20. On 5/04/2021, BRPL submitted its detailed response. However, the Reports are pending finalization.

For FY 2017-18 and FY 2018-19, capitalisation has been disallowed on provisional basis. Verification exercise for both the years has been completed. However, the Reports are pending finalization. It is apprehended that finalisation process may take some more time. Hence, we request the Commission to allow atleast 95% of its total claim on account of Capex and Capitalisation pending finalisation of Consultants report as 100% physical verification has already taken place. This is also in line with DERC's past Tariff Orders. Moreover, this will avoid further burdening of Carrying cost on the consumers.

2.202 We would like to state that the comment of the stakeholder pertains to another Distribution Licensee of Delhi vis-à-vis BYPL and thus we are not in a right position to respond to the same.

2.203 With regard to physical verification of assets and allowance of capitalization in provisional basis, it is respectfully submitted that the Petitioner has been requesting for True-up of Capitalization to the Commission. The stakeholder has requested the Commission for True-up of Capital Expenditure.

NDMC

2.204 Does not pertain to NDMC

COMMISSION'S VIEW

2.205 Finalization of Capital Expenditure and Capitalisation of the DISCOMs is under process. Pending completion of True up exercise for capitalisation, the Commission has approved the capitalisation on provisional basis so that the future consumers are not burdened with past costs.

2.206 The impact of various Judgements of Hon'ble APTEL & review Orders of the Commission has been appropriately considered in this Tariff Order.

ISSUE 8: REGULATORY ASSETS

STAKEHOLDER'S VIEW

2.207 Regulatory Assets of DISCOMs are created and increasing (Rs.58000 Crore). Why Regulatory Assets are increasing.

2.208 Regulatory Assets has to be wiped off.

2.209 Surcharge be increased to 12% from present 8%.

2.210 Delhi consumers are already paying 8% surcharge, Pension trust surcharge, PPAC and Interest on carrying cost to the DISCOMs.

2.211 DERC should take measures to bridge the revenue gap.

2.212 Tariff should be hiked for liquidation of Regulatory Assets, avoid their accumulation and also avoid carrying cost burden to consumers. The Commission should liquidate regulatory assets within the stipulated time period.

2.213 Recovery of Regulatory asset. DERC has approved 8% surcharge which is recovered through Electricity bill. And in future also more surcharges will be charged.

2.214 DERC should increase the 8% surcharge to 15% to clear all Regulatory Assets since it is better than paying carrying cost every year which has been paid for past 9 years.

2.215 Commission should come with plan for timely Liquidation of Regulatory Assets.

2.216 Consumers are bearing the additional burden of carrying cost on the Regulatory Asset in the Tariff, which is also very huge seeking the size of ARR of the DISCOMs. It is requested that DERC should rethink on the existing recovery mechanism and approve a methodology wherein the burden of carrying cost and Regulatory Asset would be recovered in a time bound manner.

2.217 Regulatory Assets are not being nullified and consumers are also paying interest on loans taken by DISCOMs to bridge this gap. 8% Surcharge cannot be paid endlessly. Either Govt. should pay this or appropriate mechanism should be made to clear Regulatory Assets.

PETITIONER'S SUBMISSION

TPDDL

2.218 Need for timely liquidation of the Regulatory Assets has been emphasized in the amendments to the National Tariff Policy. Even in past, DISCOMs have been advocating at various Forums for time bound recovery of Regulatory Assets.

2.219 Since last 8 years, we are struggling with past-accumulated Regulatory Assets for which no concrete liquidation plan, roadmap has been provided by the Commission. The uncertainty on recovery, liquidation of Regulatory Assets is a major cause of concern for the stakeholders, financial institutions, lenders etc. Some of the Distribution Companies in Delhi have been served with notices under Insolvency and Bankruptcy Code, 2016 by creditors seeking liquidation of their outstanding failing which resolution process will be initiated against them. Further, there are various

Judgements from APTEL for timely liquidation of Regulatory Assets. MoP, GoI vide No. 23/02/2021-R&R [257091) dated 1/04/2021 released advisory advising against creation of Regulatory assets in business as routine situation. We appeal to the Commission to take decisive steps on recognition, liquidation of Regulatory Assets for TPDDL

2.220 As regards to stakeholder comment regarding Delhi consumers paying 8% surcharge, TPDDL agrees to the suggestion. It is in overall consumer interest and Delhi Power Sector

2.221 The absence of the cost reflective tariff in the past years has resulted in creation of the Regulatory Asset and Delhi DISCOMs have already been facing problem of non-liquidation of this accumulated Revenue Gap in time bound manner creating a liquidity crunch situation. Accordingly, DRRS of 8% is levied.

2.222 The current rate of 8% Deficit Revenue Surcharge (DRS) towards liquidation of Regulatory Assets is not sufficient and considering the quantum of Regulatory Assets prevailing as of now along with the carrying cost it would take another 10 years. Whereas Tariff Policy, 2016 mandates maximum period of 7 years for Regulatory Asset recovery, which has already passed. The recent Order from MoP, GoI as mentioned above stating the immediate liquidation of Regulatory Assets and its non-creation in ordinary course of business is mandating the Commission to take corrective steps. Considering the Statute in place and current stressful position of TPDDL in sustained operations at present level in near future, we submit to the Commission, that current rate of DRS should be increased to 15%. Various scenarios on proposed enhancement in the DRS have been filed in our ARR petition for FY 2021-22, for consideration of the Commission.

2.223 There is substantial difference in Regulatory Assets recognised by Commission (Rs.1890 as on 31/03/2019) and as appearing in our books of accounts (Rs.4926 on same date). This is because of non-implementation of Orders passed by the Commission/APTEL in favour of TPDDL but not implemented in various Tariff Orders and pending True up of Capitalisation starting from FY 04-05 to 18-19. We request Commission to give effect of all such issues in ensuing Tariff Order so that we could survive in this most difficult time.

2.224 Refer our True up & Tariff Petition for FY 21-22 followed by our latest letters dated 31/03/2021 & 15/04/2021, we have submitted vide our Letter No TPDDL/REGULATORY/2020-21/03/275 dated 29/12/2020 against Physical Verification Report dtd. 11th September 2020 from M/s. Shridharan & Associates for assets created during FY 2004-05 to FY 2015-16. Approximately Rs.1300 Crores is the impact of pending recognition of capitalization under Regulatory Assets. Commission is well aware that this issue is pending since long without our faults. We have been able to provide response for all observations with supporting documents and almost all assets physically verified upto the satisfaction of Commission's appointed consultants, we request that on provisional basis, 95% of claims towards this should be allowed in ensuing tariff order and balance 5% may be trued up after completion of this exercise.

2.225 TPDDL agrees with the suggestion and in the interest of consumer and financial viability of the power sector, the tariff should be cost reflective i.e. the Tariff should be determined to recover the entire ARR requirement to avoid any creation/ accumulation of regulatory asset in a year as the funding of the regulatory asset results in carrying cost burden on the consumers.

2.226 TPDDL agrees with the suggestion and proposes hike in Surcharge to atleast 15% along with cost reflective tariff for FY 2021-22 to recover the past accumulated Revenue Gap and its carrying cost. Regulatory Assets got created due to non-cost reflective Tariff for previous years. Thus, in order to fund the Regulatory assets TPDDL is availing loans from the market and paying interest on the same to the banks/FIs. To overcome the problem of further creation of Regulatory Assets, the Commission had introduced Regulatory Surcharge of 8% so that the interest burden can be met out to save the consumers from further accumulation of interest. However, current 8% surcharge is not sufficient to recover even the interest cost of Regulatory Assets and it should be enhanced to atleast 15% with cost reflective tariff for FY 21-22 to recover the past accumulated Revenue Gap and its carrying cost.

BYPL

2.227 The Regulatory Assets is created due to non-approval of legitimate cost in the past to avoid sudden tariff shock to the consumers of Delhi. Regulatory Asset Surcharge of 8% is being levied to recover those Regulatory Assets in the phased manner.

2.228 BYPL submits that the 8% Regulatory Assets (RA) surcharge was allowed by the Commission vide order dated 13/07/2012. However, the said surcharge is not sufficient enough for time-bound recovery of the accumulated RA. Hence, we agree with the concern raised by Stakeholder to provide bailout package in order to recover the Regulatory Assets for past years as being provided to consumers of other State DISCOMs. We hope that your suggestion will be considered by the Commission and the Commission may suitably advise to the Delhi Government to take up the said matter with the Central Government as any such funding as suggested will be beneficial in the interest of consumers.

2.229 The approved RA of BYPL is Rs. 2292 Cr and there is huge unrecognised RA of Rs. 16553 Crore on account of pending implementation of APTEL Judgment, Review Petitions etc. There are various APTEL Orders in favour of DISCOMs pending implementation by the Hon'ble Commission. We request that the Commission for implementation of various APTEL judgments which are either not challenged by DERC before the Hon'ble Supreme Court or where there is no stay from Hon'ble Supreme Court and allow the impact in this Tariff Order without further delay. Due to the different consumption mix across various categories of consumers, the recovery of RA through existing Surcharge of 8% is not comparable for all DISCOMs i.e. the recovery would be slower for DISCOMs with lower revenue base would enable BYPL to recover its recognized RA in 12 Years starting from 2019-20 onwards. During FY 2020-21, COVID-19 has considerably reduced the revenue billed and thus, recovery of RA is adversely impacted. MoP, GoI in its recent communication has issued an advisory relying upon the prevailing legal provisions in the Tariff Policy and APTEL judgments (O.P. 1 of 2011) which states that the recovery of the Regulatory Asset should be time bound and within a period not exceeding three years at the most and preferably within the Control Period. Carrying cost of the Regulatory Asset should be allowed to the utilities in the ARR of the year in which the Regulatory Assets are created to avoid problem of cash flow to the Distribution Licensee.

2.230 We agree with the stakeholder's suggestion that new Regulatory Asset should not be created by adopting the cost reflective tariff. It will improve the financial sustainability of DISCOMs so that they continue to provide un-interrupted and quality power of supply to the consumers of Delhi.

2.231 Even in past, DISCOMs have been advocating at various Forums including the Commission for time-bound recovery of Regulatory Assets. It is also relevant to say that uninterrupted power supply, upgraded power system infrastructure and the quality and reliability of power supply hugely depends upon the financial health of the DISCOMs, which can only be ensured with the determination of tariff which is cost-reflective and covers all the legitimate claims of the DISCOMs.

2.232 We agree with the alternative approach of stakeholder to recover the Regulatory Assets for past years by providing one-time package as also being provided to consumers of other State DISCOMs.

2.233 As regards to stakeholder comment on accumulated gap over the years, it is submitted that the Commission determines the ARR for the DISCOMs as per the provisions of the applicable Regulations. The revenue gap is the difference between Revenue available to meet the ARR and the Aggregate Revenue Requirement. The same is to be filled by adjusting the Tariffs so as to reduce the accumulated Revenue Gap/Regulatory Assets and the Carrying Cost thereof, which otherwise would impose an additional burden on the average consumer.

2.234 We appreciate the concern raised by the stakeholder that Regulatory Assets should not be created further. BYPL from time to time has also been drawing the kind attention of the Commission regarding precarious financial crisis faced by it in the absence of cost reflective Tariff and time bound recovery of accumulated Regulatory Asset.

2.235 This huge un-recovered Regulatory Asset is detrimental to the Power Sector Reforms in the state of Delhi. Also, the accumulation of huge regulatory assets is severely impact the consumer of Delhi as it further impacts the Tariff by adding the carrying cost. Hence, the Commission should provide some remedial measures for amortization of the Regulatory Assets in a time bound manner such that it neither cripples the DISCOMs nor the consumers.

BRPL

2.236 BRPL appreciate the comments on closure of the huge accumulated Regulatory Assets till FY 2019-20 along with carrying costs. It is a matter of fact that in absence of cost reflective Tariff, huge Regulatory Assets has been created. The Commission has acknowledged the fact in past Tariff Orders and press releases that in absence of cost reflective Tariff, huge Regulatory Assets has been created. Without prejudice to the Writ Petition (C) No. 104 of 2014 filed before the Hon'ble Supreme Court of India, BRPL had requested the Commission to adjust 8% surcharge so as to ensure recovery within the time frame specified in the amortization plan submitted before the Hon'ble Supreme Court of India.

2.237 BRPL has projected the revenue requirement of Rs. 10638 Cr for FY 2021-22 and a gap of Rs 1703 Crore In this regard, we request the Commission for a cost reflective Tariff. It is submitted that the Commission's Regulations itself provide for recovery of Fixed cost through Fixed charges and variable cost through Energy Charges. Currently the ratio of the same is not adequate to reflect the intend of the Regulations. The commission in the past had tried to bridge that gap through rationalisation of Fixed Charges. We request that the Commission should review Fixed Charges and rationalise the same in order to allow a cost reflective Tariff. This will not only help improve the cash flows of the DISCOMs but will also avoid creation of RA during FY 21-22 as advised by MoP, GoI in its guidelines on Timely determination of Tariff Order and Non creation of Regulatory Assets.

2.238 Currently, the approved RA of BRPL is Rs. 3475 Crore and there is huge unrecognised RA of Rs. 24062 Crore on account of pending implementation of APTEL Judgment, Review Petitions etc. There are various APTEL Orders in favour of DISCOMs pending implementation by the Commission. We request that the Commission for implementation of various APTEL judgments which are either not challenged by DERC before the Hon'ble Supreme Court or where there is no stay from Hon'ble Supreme Court and allow the impact in this Tariff Order without further delay. MoP, GoI in its recent communication has issued an advisory relying upon the prevailing legal provisions in the Tariff Policy and APTEL judgments (O.P. 1 of 2011) which states that the recovery of the Regulatory Asset should be time bound and within a period not exceeding three years at the most and preferably within the Control Period.

Carrying cost of the Regulatory Asset should be allowed to the utilities in the ARR of the year in which the Regulatory Assets are created to avoid problem of cash flow to the Distribution Licensee.

2.239 The Commission has acknowledged the fact in past Tariff Orders and Press Releases that in absence of cost-reflective Tariff, huge Regulatory Assets has been created and has adversely affected the borrowing capacity and the credit rating of the DISCOMs.

2.240 Clause 8.2.2 of the Tariff Policy dated 6/01/2006 provides as under:

"8.2.2 The facility of a regulatory asset has been adopted by some Regulatory Commissions in the past to limit tariff impact in a particular year. This should be done only as an exception, and subject to the following guidelines:

i) Carrying cost of Regulatory Asset should be allowed to the utilities;

ii) Recovery of Regulatory Asset should be time-bound and within a period not exceeding three years at the most and preferably within control period;

iii) The use of the facility of Regulatory Asset should not be repetitive;

iv) In cases where Regulatory Asset is proposed to be adopted, it should be ensured that the return on equity should not become unreasonably low in any year so that the capability of the licensee to borrow is not adversely affected."

2.241 Furthermore, the APTEL in its Judgment dated 11/11/2011 in O.P. No. 1 of 2011 has held as under:

"65. …

(iv) In the determination of ARR/tariff, the revenue gaps ought not to be left and Regulatory Asset should not be created as a matter of course except where it is justifiable, in accordance with the Tariff Policy and the Regulations. The recovery of the Regulatory Asset should be time-bound and within a period not exceeding three years at the most and preferably within Control Period. Carrying cost of the Regulatory Asset should be allowed to the utilities in the ARR of the year in which the Regulatory Assets are created to avoid the problem of cash flow to the distribution licensee."

2.242 The rationale given by the Commission in its Tariff Order is as under:

"5.9 The revenue deficit for FY 2012-13 of the three DISCOMs is Rs 1402.32 Crore While, the accumulated revenue deficit till FY 2010-11 (along with

carrying cost) is Rs 6919 Crore Keeping in view the significant deficit with all three DISCOMs and in an attempt to make tariffs cost reflective, the Commission has decided to revise the tariff for all consumer categories in order to enable the DISCOMs to at least recover the approved revenue requirement for FY 2012-13.

5.10 For meeting carrying cost of the revenue gap till FY 2010-11 and liquidation of revenue gap, the Commission has decided to introduce a surcharge of 8% over the revised tariff."

2.243 The Commission vide its Tariff Order dated 13/07/2012 had introduced the concept of (on Fixed & Energy Charges) for liquidation of accumulated Revenue Gap.

2.244 However, the surcharge of 8% as levied is not enough to recover even the entire carrying cost on created Regulatory Assets.

2.245 We appreciate the comments on closure of the huge accumulated Regulatory Assets till FY 2018-19 along with carrying cost. Without prejudice to the Writ Petition (C) No. 104 of 2014 filed before Hon'ble Supreme Court of India, the Petitioner has requested the Commission to adjust 8% surcharge so as to ensure recovery within the time-frame specified in the amortization plan submitted before Hon'ble Supreme Court of India. Further, the Petitioner has requested the Commission to allow the carrying cost on Regulatory Assets recognized till FY 2018-19 as per directions given by Tribunal in Appeal 153 of 2009 and O.P. 1 of 2011, through a separate surcharge.

2.246 It is requested to Implement various APTEL judgments which are either not challenged by DERC before the Hon'ble Supreme Court or where there is no stay from Hon'ble Supreme Court. The Commission also issued an Order on 4/02/2021 stating that issues like relaxation in AT&C Loss targets for TPDDL and financing charges of loans to be implemented in current exercise. Same dispensation ought to be allowed for BRPL so as to maintain parity. Similarly, issues covered under review Order of BYPL issued on 11/03/2021 may also be granted to BRPL. Similar issues are also pending in current review petition of BRPL which is required to be adjudicated. Further, BRPL is also having favorable APTEL Judgments on similar issues. Accordingly, pray to the Commission to recognize Regulatory Assets. DISCOMs have taken loans from PFC for payment of outstanding dues to Delhi GENCO and

TRANSCO. One of the primary conditions for disbursement is that additional RA shall be recognized going forward on past APTEL claims.

NDMC

2.247 Regulatory Assets issue doesn't not pertain to NDMC. The Commission may decide on the same.

COMMISSION'S VIEW

2.248 Recovery of accumulated revenue gap, Regulatory Asset as envisaged in clause 8.2.2 of Tariff policy is as under:

> *"Carrying cost of Regulatory Assets should be allowed to the utilities.*
>
> *Recovery of Regulatory Assets to be time-bound and within a period not exceeding three years at the most, preferably within the control period.*
>
> *The use of the facility of Regulatory Assets should not be retrospective.*
>
> *In case when Regulatory Asset is proposed to be adopted, it should be ensured that the ROE should not become unreasonably low in any year so that the capability of a licensee to borrow is not adversely affected."*

2.249 The Appellate Tribunal for Electricity (APTEL) has also reiterated the above policy in its judgment dated 11/11/2011 (OP 1 of 2011).

2.250 The Commission in terms of the National Tariff Policy and in accordance with the APTEL judgment and has allowed carrying cost to DISCOMs. For liquidation of the past accumulated revenue gap, the Commission introduced a surcharge of 8% over the Tariff, in Tariff Order dated 13/07/2012, and has been fixing Tariff every year to a reasonable level to provide additional revenue to DISCOMs and also to reduce the burden of carrying cost on the consumers of Delhi. Desired level of dedication could not take place due to petitioner burden on account of implementation of Hon'ble APTEL Judgment and Review Orders. It will be reviewed in future Tariff Orders.

2.251 The build-up of the revenue gap commenced in 2009-10 when power purchase costs went up substantially and the rate of sale of surplus power steeply declined due to stringent frequency controls imposed by CERC.

2.252 The Tariff Order for FY 2010-11 was not issued due to court proceedings. Therefore, while the tariff increase from FY 2011-12 onwards has to some extent offset the incremental increase in revenue gap, however, cumulative revenue gap along with applicable carrying costs still remained uncovered. Thus, the formula evolved by the Commission i.e., including carrying costs in the ARR every year, for tariff determination and using 8% surcharge for liquidating the principal over time is expected to liquidate the Regulatory Assets in a reasonable period of 6 to 8 years.

2.253 The Commission has submitted before Hon'ble Supreme Court of India in Civil Appeal No. 884 of 2010 that additional surcharge of 8% shall liquidate the principal amount of the accumulated revenue gap within 6 to 8 years.

2.254 The Commission determines the ARR for the DISCOMs as per the provisions of the Tariff Regulations, 2017 along with Business Plan Regulation, 2017 and Business Plan Regulation, 2019. The Commission in its Tariff Order has provided the break-up of the major components considered for projecting costs of supply during FY 2021-22, like power purchase cost, O&M costs, CAPEX, financing cost, the gap in true-up of FY 2018-19 and carrying cost for the regulatory assets etc. This forms the basis for the projection of the gap/surplus between present requirement in terms of ARR and revenue available at existing tariff. It is in the consumer's overall interest, that the gap between these two figures is filled by determining the tariffs so as to reduce the accumulated Revenue Gap/Regulatory Assets and the Carrying Cost thereof, which otherwise would impose an additional burden on the average consumer. The Tariff Order is issued after prudence check of the Petitions submitted by the DISCOMs as per relevant Regulations.

ISSUE 9: PENSION TRUST

STAKEHOLDERS' VIEW

2.255 DERC to provide funds towards regular pension and benefits including arrears for the erstwhile DVP Pensioners/family Pensioners for the year 2021-22.

2.256 Pension Trust surcharge should be discontinued.

2.257 Giving pension to the erstwhile DVB pensioners is the responsibility of the Govt.

2.258 Pension trust account may be audited and checked.

2.259 Pension is the liability of Govt. Besides, there is no transparency in Pension Trust as they do not share their records with public or get them audited. DERC should discontinue the pension trust surcharge.

PETITIONER'S SUBMISSION

TPDDL

2.260 The Pension Trust was mandated to get an annual actuarial valuation of its corpus to ascertain its solvency on a year on year basis. Till date, Pension Trust has not conducted the actuarial valuation in terms of the statuary framework ordained for the functioning and funding of the Pension Trust.

2.261 The responsibility of Pension Trust solely lies with Delhi Govt. and it should meet the shortfall in the Trust at any stage and ensure benefits of the pensioners.

2.262 The Commission had decided to levy the Pension Trust Surcharge towards recovery of Pension Trust Charges of erstwhile DVB Employees /Pensioners as recommended by GoNCTD. We have also requested the Commission that the liability for pension fund should be borne by GoNCTD and not by consumers.

2.263 The Commission had directed the Delhi Government to have a forensic audit of the Pension Trust conducted, which has not been done till date. The responsibility solely lies with Delhi Govt. and it should meet the shortfall in the Trust at any stage and ensure benefits of the pensioners. This will ensure that electricity consumers are not directly impacted with this burden.

BYPL

2.264 The Pension Surcharge is levied towards the recovery of Pension Trust Charges of erstwhile DVB Employees/ Pensioners as recommended by GoNCTD vide its letter dated 26/07/2017. The Commission vide its Tariff Order dated 31/08/2017 has notified a surcharge of 3.70% towards the recovery of Pension Trust Charges which was subsequently modified as a surcharge of 3.80% to vide its Tariff Order dated 28/03/2018.

2.265 BYPL is complying with the aforesaid directive of the Commission by billing and collecting the Pension Surcharge for servicing the liabilities, pension of the Pension Trust.

BRPL

2.266 As per the recommendation of the GoNCTD vide its letter dated 26/07/2017, the Commission had decided to levy an additional surcharge for recovery of Pension Trust funding of erstwhile DVB employees/Pensioners from September 2017 onwards.

2.267 The Commission vide its tariff order dated 31 August, 2017 had notified a surcharge of 3.70% towards the recovery of Pension Trust Charges of erstwhile DVB Employees /Pensioners as recommended by GoNCTD, and the same was revised to 3.80% in tariff order dated 28 March, 2018. Thereafter, the Commission vide its tariff order dated 28/08/2020 has further revised this surcharge to 5%.

2.268 In terms of the directions of the Commission for conducting a forensic audit of Pension Trust for authentication of the data of pension disbursement from FY 2002-03 to till date to ascertain the actual liability of Pension Trust, the Audit has not been conducted till date..

2.269 The Commission vide its Tariff Order dated 28/08/2020 directed the Petitioner to deposit the actual amount collected through the said surcharge directly into a specified bank account, on a monthly basis. The relevant extract of the directive issued in this regard is extracted below:

"Tariff Schedule

7.The above tariff rates shall be subject to following additional surcharges to be applied only on the basic Fixed Charges and Energy Charges excluding all other charges e.g., LPSC, Arrears, Electricity Tax/Duty, PPAC, load violation surcharge, etc. for the consumers of BRPL, BYPL & TPDDL:

8% towards the recovery of an accumulated deficit, and,

3.80% towards the recovery of Pension Trust Charges of erstwhile DVB Employees/Pensioners as recommended by GoNCTD.

Directives:

6.2 The Petitioner shall directly deposit the amount of pension trust surcharge collected from the consumer as per the tariff schedule in the following bank account, of Pension trust

1	*A/C No.*	*10021675545*
2	*MICR No.*	*110002103*
3	*Bank*	*State Bank of India*
4	*IFSC Code*	*SBIN0004281*
5	*Name*	*DVB-ETBF-2002*
6	*Branch*	*Rajghat Power House, New Delhi-110002*

..."

2.270 The Petitioner has been complying with the above directive of the Commission.

NDMC

2.271 The party is not in NDMC area

COMMISSION'S VIEW

2.272 The Pension Trust was established as a part of Transfer Scheme Rules, 2001 framed under Delhi Electricity Reform Act, 2000 (DERA) and the Tripartite Agreement executed by GoNCTD with Unions of employees and Associations of officers of the erstwhile DVB. In terms of the aforesaid Rules and Tripartite Agreement, the Pension Trust was funded at the time of unbundling of the DVB by way of one lump sum payment by GoNCTD. Subsequent contributions from the date of unbundling have to be made to the Pension Trust by the successor entities of DVB. The Commission has been releasing ad-hoc payments in DTL Tariff orders from FY 2011-12 onwards up to FY 2015-16. Further, in the Tariff Order dated August'2017, the Commission has directed the DISCOM's for submitting the reconciliation statement and deposit the amount directly to the pension trust, instead of the past practice of routing it through DTL.

2.273 Section 86 of the Electricity Act, 2003, which defines functions of State Commission, does not provide for issuing Regulations of Pension Trust. The fact has also been appreciated by the Hon'ble APTEL in Appeal No. 238 of 2013 (Mahendra Gupta & Others Vs DERC), wherein it has held that "the learned State Commission has no jurisdiction to go into disputes between the Appellants and the Pension Trust with regard to release of terminal benefits in their favour. The grievances of individual employees/appellants relating to service matters relating to the terminal benefits including pension are not under the jurisdiction of the State Commission". The Commission reiterates its view that it is beyond its jurisdiction to regulate the Pension Trust or to frame Regulations in this regard.

2.274 The Commission vide letter no. F.17(44)/Engg./DERC/201213/C.F. No.3481/3320 dated 11/09/2012 has issued Statutory Advice under Section 86(2) of the Electricity Act, 2003 to Govt. of NCT of Delhi to constitute an Oversight Committee to look into the issues related to pensioners of erstwhile DVB. The subject matter is presently sub-judice before Hon'ble High Court of Delhi and the parties to the dispute should expedite the matter before the court and explore other avenues for settlement of the dispute.

2.275 The Commission has already made provision on the ad-hoc basis of Rs.150 Crore, Rs.160 Crore, Rs.400 Crore, Rs. 470 Crore, Rs. 573 Crore, Rs. 573 Crore, Rs. 694 Crore, Rs. 792 Crore , Rs. 839 Crore and Rs. 937 Crore for FY 2011-12, FY 2012-13, FY 2013-14, FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18, FY 2018-19 , FY 2019-20 and FY 2020-21 respectively in applicable Tariff Orders for passing on to the Pension Trust to avoid undue hardship to the pensioners till all issues concerned with Pension Trust are settled by the Courts/Delhi Govt.

2.276 The Commission vide letter dated 8/12/2016 and 13/7/2020 has requested GoNCTD for conducting a forensic audit of Pension Trust for authentication of the data of pension disbursement from FY 2002-03 to till date to ascertain the actual liability of Pension Trust. The Commission has considered the amount of Rs. 1506 Crore (1046 + 1380/3), sought for FY 2021-22 by the Pension Trust on an ad-hoc basis as recommended by GoNCTD vide its letter dated 18/06/2021. Rs. 1380 Crore is revision of Pension & Arrears w.e.f. 1/1/2016 which is to be disbursed in three instalments in three consecutive years in order to minimize the impact of surcharges to consumers.

2.277 The Hon'ble Supreme Court in the matter of NDPL Vs. GoNCTD & Ors. in Civil Appeal no. 4269 of 2006 (Judgment dated 3/05/2010) had inter alia held that any liability towards DVB employees and existing pensioners are the responsibility and liability of the successor utility or employer.

ISSUE 10: OPEN ACCESS

STAKEHOLDERS' VIEW

2.278 To review the steep increase in Cross-subsidy charge and exempt DMRC from its applicability. Cross-subsidy surcharge may not be applicable to DMRC in open access.

2.279 Additional surcharge should be determined based on credible data and demonstration by DISCOM that there is standard capacity on account of open access.

2.280 Suggesting to compute wheeling charge on power purchased/power input rather than the sales.

PETITIONER'S SUBMISSION

TPDDL

2.281 The generation capacity remains stranded because of consumers moving to open access. TPDDL has signed PPA's with generators for meeting the power requirement of consumers which is leading to Generating Stations being backed down/ plants scheduled to their technical minimum/ on reserve shutdown while paying their fixed cost because of consumers moving to open access. On similar lines, CTU and STU transmission charges are also stranded charges which are paid by other non-open access consumers. Further, using normative fixed cost of Generating Station for determination of Additional Surcharge will not be correct as the payments towards the same is not done on normative basis, the payment is done towards the plant availability and energy scheduled. Additionally, with increase in RPO, additional surcharge is bound to increase. Hence the methodology used by Commission is correct and needs no moderation in the same.

2.282 As regards to stakeholder's comment on Computation of Wheeling Charge, the Tariff determination and Tariff design is the sole prerogative of the Commission.

BYPL

2.283 The stakeholder has specifically raised the issue towards other DISCOM, hence the Petitioner has no submission in this regard.

2.284 The determination of Tariff or surcharge is sole prerogative of the Commission.

BRPL

2.285 The issue of applicability of Distribution Losses upon DMRC is mainly due to the following reasons:

i) DMRC is connected to the Distribution System of BRPL at various drawl points in BRPL's area of supply and as such DMRC is an embedded consumer of BRPL. DMRC takes supply of electricity from BRPL for the purposes of operating the Metro rail, metro stations and various other non-traction offices and establishments of DMRC. The total Contract Demand of DMRC from BRPL is 140 MVA.

ii) On and from 24/04/2019, DMRC, upon seeking consent from BRPL and NOC from DTL, has availed of Long-Term Open Access (LTOA) to the distribution system of BRPL to partly meet its requirements from other sources of supply. The injection point for the LTOA quantum of electricity is the 220 kV side of 220/400 kV substation of Rewa Ultra Mega Power Project and the drawl point is the distribution system of BRPL within Delhi at Eight (8) locations (sub-station/location). The total quantum of electricity sourced through LTOA by DMRC is 47.5 MW.

iii) Section 2 (19) of the Electricity Act, 2003 provides for the definition of the Distribution System as under:

"(19)"Distribution System" means the system of wires and associated facilities between the delivery points on the transmission lines or the Generating Station connection and the point of connection to the installation of the consumers".

iv) Rule 4 of the Electricity Rules, 2005 provides for the "Distribution system" to include the Transmission System which is being utilized for distribution of electricity, as under:

"4. Distribution System: The distribution system of a distribution licensee in terms of sub-section (19) of section 2 of the Act shall also include electric line, sub-station and electrical plant that are primarily maintained for the purpose of distributing electricity in the area of supply of such distribution licensee notwithstanding that such line, substation or electrical plant are high pressure cables or overhead lines or associated with such high pressure cables or overhead lines; or used incidentally for the purposes of transmitting electricity for others"

Accordingly, Distribution Losses have to be included in the calculation of the Open Access Charges.

v) In terms of Regulation 12 of DERC Open Access Regulations, DMRC being an open access customer is mandated to pay all applicable charges to BRPL including the adjustment of losses into the system, as under:

"12. Applicable Charges:

…(2). The Commission while determining the charges for open access charges to the transmission system or the distribution system, provides for adjustment of losses in the system either in terms of money or in the quantum of electricity

to be delivered at the destination, after the transmission and/or wheeling of electricity as the Commission considers to be appropriate."

vi) In view of the said Regulation, it is noteworthy to point out that the Commission by its Tariff Orders issued from time to time for BRPL, has provided for the adjustment of losses in the Distribution System which the open access customer is liable to bear. The Distribution Loss approved by Commission for FY 2018-19 and FY 2019-20 for BRPL is 1.20% loss at 33/66 kV voltage level which is precisely the voltage level at which DMRC is connected to the Distribution System of BRPL.

vii) Further, Para 6 of the Open Access Order dated 1/06/2017 issued by Commission, provides that the applicable charges for Open Access and related matters were determined, exemption from charges of Wheeling and Additional Surcharge were made applicable only in case of Renewable Power Procurement and not otherwise, as under:

"6. Quantum of Renewable Purchase Obligation (RPO):

(1) Open Access consumer shall fulfill its RPO as per DERC (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2012 as amended from time to time.

(2) Wheeling, Transmission and Additional surcharge shall not be applicable on Open Access Consumers availing energy from all renewable energy sources within or outside Delhi. Open Access consumer receiving electricity from renewable energy sources shall be exempted from the cross-subsidy surcharge to the extent of RPO:

Provided that the generators using renewable energy sources shall certify that no REC/RPO claim for this power has been made.

(3) No banking facility shall be provided for supply of electricity from renewable energy sources through Open Access."

viii) In terms of the methodology and calculation provided in the Commission Order dated 1/06/2017, Cross Subsidy Surcharge is computed after taking into consideration the Distribution Loss Value as per the stipulated formula provided therein.

ix) DMRC is continuously taking supply throughout the day and in accordance with the same it is liable to bear the Distribution Losses and the same are applicable to DMRC. The Transmission Licensee, i.e., DTL can only transmit electricity, and cannot supply electricity to DMRC, which is the mandate and function of a Distribution licensee i.e., BRPL. As such DMRC is getting supply of electricity from BRPL only and not otherwise. Therefore, the losses in the system of BRPL at the relevant voltage level have to be distributed to all consumers including DMRC as per the Tariff Orders of the Commission.

2.286 The contention of DMRC regarding the issue of Cross Subsidy Surcharge merits no response. As regards the comments on the Open Access, we restrict our comments to ARR petition only. Matters relating to Open Access have been dealt separately by the Commission.

2.287 As regards to stakeholder's comment on computation of Wheeling Charges, the issue raised is concerned with the Determination of Open Access Charges and related matters and not ARR Petition. Hence, no submission on the same, as we are confining our response to the issues relating to the present ARR Petition only.

NDMC

2.288 As regards to stakeholder comment on Wheeling charges & surcharge methodology, the Issues raised are generic in nature. Hon'ble commission may take an appropriate view.

2.289 For remaining comments, the party is not in NDMC area.

COMMISSION'S VIEW

2.290 Section 42 of the Electricity Act, 2003 provides for non-discriminatory open access to consumers as per the provisions specified by the Commission. Accordingly, the Commission has already notified Regulations for allowing open access to consumers whose contract demand is 1 MW and above. The Commission has decided to allow Transmission and Wheeling Charges, Cross Subsidy Surcharge, Additional Surcharge and other applicable charges under Open Access keeping in view the provisions of the Electricity Act, 2003, National Electricity Policy, National Tariff Policy and the Open Access Regulations of the Commission.

2.291 The Open Access Charges will be governed by Order dated 1/6/2017 , 3/9/2021 as amended from time to time.

2.292 The distribution licensee shall be compensated by consumer for permitting open access. In accordance with the methodology followed in the *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* and *DERC (Business Plan) Regulations, 2019*, the approved ARR for Wheeling and Retail Supply business is trued up during calculations of ARR.

ISSUE 11: TARIFF HIKE

STAKEHOLDERS' VIEW

2.293 Tariff should not be lower than overall cost of purchase of electricity. Tariff should be cost reflective.

2.294 Tariff should be equal to the cost of supply for Domestic category and higher for Non-domestic categories.

2.295 Industrial Tariff should not be increased due to COVID-19.

2.296 Cost Reflective Tariff should be made.

2.297 The Tariff of Commercial and Industrial consumers should not be increased due to COVID-19. Tariff of Low rate category like electric vehicle and public lighting may be increased to reduce the burden of consumers.

2.298 Public Utilities should not be given cross subsidy as they are government owned.

2.299 Commercial category Tariff is kept very high in order to reduce the Domestic Category Tariff. So instead of Commercial category, Public Utilities Tariff should be increased to give benefit to Domestic Category.

2.300 No concession or benefit should be given to the consumers consuming more than 400 units as they are in the higher income group.

2.301 Surcharge be increased to 12% from present 8%.

2.302 Consumers are paying 8% Surcharge and interest on loan year after year. To discontinue and clear them, appropriate Tariff hike is suggested.

2.303 Tariff of Domestic Consumers should not be increased due to Socio-Economic Difficulties of COVID-19.

PETITIONER'S SUBMISSION

TPDDL

2.304 In the interest of consumer and financial viability of the power sector, the Tariff should be cost-reflective i.e. the Tariff should be determined to recover the entire ARR requirement to avoid any creation/ accumulation of Regulatory Asset in a year as the funding of the Regulatory Asset results in carrying cost burden on the consumers.

Further, in addition to the recovery of entire ARR, appropriate recovery towards past accumulated Revenue Gap should be factored while deciding the electricity Tariff to be charged for next year.

2.305 Cost reflective Tariff determination by the Commission will ensure that TPDDL is able to render quality and uninterrupted power supply and other operational activities in its area of supply. The Commission while determining Distribution Tariff has to be guided by principles enshrined in Section 61 of The Electricity Act, 2003 and Tariff Policy,2016 and various judgments of APTEL. Recently MoP, GoI vide Letter No. 23/02/2021-R&R [257091) dated 1/04/2021 advised all SERC to give cost reflective Tariff.

2.306 Since last 6 years, there has not been any increase in Electricity Tariff in Delhi whereas cost of various services has gone up because of various un-controllable factors like inflation, increase in minimum wages, introduction/increase in taxes like GST impact on power distribution business etc. Our present Average cost of supply is Rs 9.21 /kWh whereas our Average Billing Rate is Rs. 7.08 / kWh.

2.307 The current Tariff structure is not cost reflective and is at variance with the provisions of Tariff Policy and Electricity Act,2003. Due to continued non cost reflective Tariff determination year on year there has been huge built up of Regulatory Assets. Regulatory Assets in case of TPDDL have already reached around 5500 crores till December 2020-21 FY.

2.308 This alarming state of affairs is owing to nominal DRS of 8% permitted for recovery in the Tariff structure which needs suitable enhancement. Therefore, we request the Commission to give due weightage to this aspect and issue Tariff Order adequate enough to cover revenue gap of Rs.1108.90 crores as submitted in our Tariff Petition for FY 21-22.

2.309 Accumulated Revenue Gap would lead to additional carrying cost burden on the consumers in addition to the financial difficulties on DISCOMs in running the business smoothly.

2.310 Need for timely liquidation of the Regulatory Assets has also been emphasized in the amendments to the National Tariff Policy. Even in past, DISCOMs have been advocating at various Forums for time bound recovery of Regulatory Assets. In the interest of the consumers and financial viability of the power sector, TPDDL agrees with the suggestion for hike in Surcharge to recover the past accumulated Revenue Gap and its carrying cost.

2.311 Other Queries didn't pertain to TPDDL.

BYPL

2.312 The Tariff Determination exercise is the sole prerogative of the Commission. Further, we appreciate the concern raised by the stakeholder that there should be cost reflective Tariff so that Regulatory Assets should not be created further. BYPL from time to time has also been drawing the kind attention of the Commission regarding precarious financial crisis faced by it in the absence of cost reflective Tariff and time bound recovery of accumulated Regulatory Asset.

2.313 Costly tariff for High usage domestic Consumer: With respect to the stakeholder responses, we would like to submit that tariff determination is sole prerogative of the Commission.

2.314 We agree to the concern raised by the stakeholder regarding the burden on consumer due to non-cost reflective Tariff and inadequate recovery of accumulated Regulated Assets. Although, 8% RA surcharge was allowed by the Commission vide order dated 13/07/2012, it is not sufficient enough for time-bound recovery of the accumulated Regulatory Assets.

2.315 As regards to stakeholder comment on Non-Cost Reflective Tariff, the Section 61 of Electricity Act 2003 mandates that while determining Tariff, the Appropriate Commission shall be guided by the objective that the Tariff progressively reflects the efficient and prudent cost of supply of Electricity. Further, the Appropriate Commission shall safeguard the interest of consumers and at the same time allow recovery of the cost of electricity in a reasonable manner. Hence, it is in the consumer's overall interest, that the gap between Revenue available and Revenue required is to be filled by adjusting the Tariffs so as to reduce the accumulated

Revenue Gap/Regulatory Assets and the Carrying Cost thereof, which otherwise would impose an additional burden on the average consumer.

2.316 Further, DERC (Terms and Conditions for Determination of Tariff) Regulations 2017, also mentions that the fixed charge should be comprising of fixed components of ARR and Energy Charge should be comprising of variable component of ARR. In this way, the consumer would be benefitted as the energy charge component of Tariff will be reduced and on the reduced energy charge consumer would save the electricity duty payable to some extent.

BRPL

2.317 BRPL has been consistent in delivering high performance by meeting the performance standards prescribed by the Commission. Also, as far as efficiency is concerned, we wish to state that BRPL is frequently hailed as a textbook example of privatization model for all DISCOMs across the country and has been a pioneer is several aspects of privatization and modernization. The Supreme Court's observed in Writ petition vide its order dated 23/11/2012 that "the power situation in the city has improved tremendously.

2.318 The stakeholder has suggested for creation of a new slab above 500 units with higher fixed tariff so that irresponsible consumers will be made to pay more for their willful excess consumption by removing slab benefits given in domestic Tariff. He has further suggested for some changes in law for encouraging electricity conservation. In this regard, DISCOMs charge consumer categories on the electricity consumed in accordance with the Tariff determined by the Commission.

2.319 For Adjustment in tariff to avoid accumulation of Regulatory Assets, the stakeholder has submitted that the 8% surcharge towards recovery of past accumulated deficit of revenue is grossly inadequate to recover accumulated dues of DISCOMs. He has further submitted that no timeframe has ever been provided for its recovery, and also, burden of carrying cost is imposed on these Regulatory Assets which is ultimately paid by consumer and all these are never ending burden on the consumers. In this regard, a surcharge of 8% have been allowed for recovery of principal component of the huge accumulated Regulatory Assets. The Petitioner is financially distressed due to accumulation of regulatory assets. The Commission vide its Tariff Order dated 13/07/2012 had introduced the concept of 8% Regulatory surcharge (on fixed & energy charges) for liquidation of accumulated Revenue Gap. However, the surcharge of 8% as levied is not enough to recover even the entire carrying cost on created Regulatory Assets.

2.320 In order to provide reliable power supply to all consumers and to meet the continuously increasing peak demand, BRPL has entered into long term Power Purchase Agreements (PPAs) with various Central Govt. /State Govt. owned Generating stations & IPPs. In addition to this, the Petitioner also purchases power from other sources such as Energy Exchanges, Bilateral & Banking arrangements etc, to meet the Energy demand/rate variations. Thus, the cumulative cost of power procurement from all these sources is applicable to all consumers of BRPL including DMRC. It is submitted that any increase in Tariff for DMRC is on account of increase in power purchase cost and other components forming part of the ARR of the distribution licensees.

2.321 As regards to stakeholder' requests to not increase Tariff of Domestic consumers, especially in light of the outbreak of the COVID-19 pandemic. The stakeholder has further pointed out that any tariff hike would aggravate the hardships of the consumers who are already dealing with the effects of the pandemic. Regarding hike in retail electricity tariffs, it is submitted that as a responsible corporate, we fully sympathize with our consumers and at all times stand at their side during this time of hardship. We as a responsible DISCOM are doing our best to ensure continued and un-interrupted power to all our consumers despite braving all odds at a time when there is an acute outbreak throughout the license area of the Petitioner.

2.322 While we understand that any increase in Retail Tariff may impose additional burden on consumers, we urge the stakeholder to appreciate that:

i) To continue providing un-interrupted power, the petitioner needs a cost reflective tariff so that it can make timely payments to generators from whom the petitioner procures power.

ii) Further, in order to ensure un-interrupted power, the petitioner needs sufficient cash flow to maintain, up-keep and upgrade its network / physical infrastructure so that the same can cater to an ever increasing load demand.

iii) The petitioner has also sought cost reflective tariff so that all other payment obligations are met in a timely manner so that the burden of carrying costs are minimized on consumers.

NDMC

2.323 The party is not in NDMC area

COMMISSION'S VIEW

2.324 Post the Tariff determination exercise, the Commission has not increased Tariff for FY 2021-22 in the existing structure providing reliable and affordable Power to the consumers of Delhi.

2.325 The Commission determines the ARR for the DISCOMs as per the provisions of the relevant Regulations. The Commission in its Tariff Order has provided the break-up of the major components considered for projecting costs of supply during FY 2021-22, like power purchase cost, O&M costs, CAPEX, financing cost, the gap in True up to FY 2019-20 and carrying cost for the Regulatory Assets etc. This forms the basis for the projection of the gap/surplus between present requirement in terms of ARR and revenue available at existing Tariff. It is in the consumer's overall interest, that the gap between these two figures is filled by adjusting the Tariffs so as to reduce the accumulated Revenue Gap/Regulatory Assets and the Carrying Cost thereof, which otherwise would impose an additional burden on the average consumer. The Tariff Order is issued after prudence check of the Petitions submitted by the DISCOMs and after considering each element of cost projected in the petitions with due analysis and ensuring proper justification.

ISSUE 12: CAG AUDIT

STAKEHOLDERS' VIEW

2.326 In the 2003-04 reports, AT&C Loss was 61.89% and in 2019-20 it was 8.65%. They are reducing. So where is the surplus and still consumers are paying higher rates. CAG audit should be done and in coming years no Tariff should be increased.

2.327 Regulatory Audit not done in this year. Properly Regulatory Audit should be done.

2.328 Need more transparency in Regulatory Audit by DERC.

2.329 Regulatory Audit should be done before Tariff Order issuance.

2.330 CAG Audit matter is pending in the Hon'ble Supreme Court since 2017 till date. It should be taken up immediately.

2.331 Forensic Audit of DISCOMs should be done.

2.332 CAG Audit matter should be taken on immediate basis.

2.333 Related Party Transaction and Physical verification of DISCOMs from 2002-20 should be done on immediate basis.

2.334 Stop one company internal selling, no internal transactions.

2.335 As regards to Related Party Transfer, DISCOM purchased certain materials from REL their sister concern for about Rs. 850 Crore and charges Rs. 1428 Crore as expenses from the Commission and when Commission wanted to know the details, the details were not furnished. But the Actual cost was less. As the related party transfer was carried out in 2004-05 after doing prudence check by the Commission, so there is no question arises for reopening of it and giving DISOMs any more money and interest

2.336 Proper audit of DISCOMs should be done and Tariff should not be increased.

PETITIONER'S SUBMISSION

TPDDL

2.337 Queries pertain to BRPL and BYPL.

BYPL

2.338 Did not provide any Comment.

BRPL

2.339 The comment of the stakeholder pertains to another Distribution Licensee of Delhi vis-à-vis BYPL and thus we are not in a right position to respond to the same.

NDMC

2.340 The party is not in NDMC area.

COMMISSION'S VIEW

2.341 The matter of CAG Audit is sub-Judice before the Hon'ble Supreme Court of India.

2.342 The audit is crucial for preventing mis-statements in the company's records and reports. The DISCOMs get their accounts audited by internal and external statutory auditors conducted under the Companies Act 2013, which forms the basis for financial submission in Tariff Petition of the Commission. The provision of financial reporting may vary from the regulatory reporting as specified by the Commission from time to time. Therefore, the Commission conducts the regulatory audit in order to refine the prudence check methodology adopted with the help of an independent CAG empaneled auditor.

2.343 The Commission was carrying out verification of Books of Accounts of Distribution Licensees, however from FY 2016-17, the Commission started Regulatory Audit for verification of Books of Accounts of Distribution Licensees through C&AG empanelled Auditor. Similarly, for FY 2019-20, Commission floated tender twice for the appointing C&AG empanelled Auditor for verification of Books of Accounts of Distribution Licensees, but the bids could not be finalized even till April '21 due to procedural and Technical issues with the tender. Apprehending problem in tender finalisation, the Commission started in-house verification of Books of Accounts for FY 2019-20 from March '21 onwards, however, decision of in-house verification instead of Regulatory Audit by C&AG empanelled Auditors, was taken in the month of June '21. If, any, variation/deficiency in the in-house verification is being noticed in future it will be dealt accordingly.

ISSUE 13: TARIFF CATEGORY

STAKEHOLDERS' VIEW

2.344 Include the activities of processing of fruits and vegetables under Agricultural Tariff and not in Industrial Tariff category in the interest of the consumers. This industry consumes large quantity of electricity in various stages to supply fruits and vegetables to end consumers like dehydration process, cold storage, freezing and storing and thermal processing etc. This will help in providing the fruits and vegetables at affordable prices also.

2.345 Processing of Vegetables & Fruits to be classified under Agricultural Tariff.

2.346 Large number of slabs need to be reduced and cross subsidy be stopped.

2.347 People belonging to low income group are the consumers of the BYPL. Therefore, BYPL have low revenue as compared to other DISCOMs. Power Purchase cost of BYPL should be decreased to benefit the consumers. Therefore, it is requested to approve different Tariff for different DISCOMs based on their profile and difficulties.

2.348 DMRC be treated as special category consumer whose Tariff is based on actual cost of supply.

2.349 Green Tariff should be implemented in Delhi also.

2.350 Creation of Residential Category high consumption (e.g. above 500 units) high Tariff slab with elimination of benefits given in slabs.

2.351 Domestic slabs should be reduced to three slabs i.e.

(i) upto 150 units

(ii) 151 to 300 units and

(iii) more than 300 units.

No subsidy should be given on more than 300 units.

2.352 Highest domestic slab should start from 500 units onwards and no slab benefits should be provided to them for motivating to reduce the consumption and be more responsible towards environment.

2.353 East Delhi has low end Domestic consumers. Accordingly, if Commission decreases the power purchase cost, DISCOMs will be able to invest more in upgrading network.

2.354 Domestic Category should have separate Tariff slabs for more than 400 units consumption without giving benefit of lower tariff of lower consumption slabs

2.355 It is requested to approve different Tariffs for different DISCOMs.

2.356 Domestic Category should have separate tariff for more than 400 units consumption and all units should be billed on this Tariff without giving benefit of lower tariff of lower consumption slabs.

2.357 The commission should determine the Tariff for Domestic consumers where consumer's having more than 400 units of consumption should not get the benefit of lower slabs and should be charged with different Tariff slabs.

2.358 No subsidy should be given to the consumers who are consuming more than 300 units.

2.359 Benefit/subsidy saved from avoiding subsidy should be given to industry and their Tariff should be reduced as industries have been subsidizing the domestic tariff till now.

2.360 In key metro cities, highest Domestic slab starts from 501 Units, while in Delhi the highest slab Starts from 1201 Units. Highest Domestic slab Tariff in other cities is more than or equal to average cost of supply however in Delhi it is lower than that. At present, high consuming Domestic consumers also get the benefit of lower Tariff according to the slabs. Consumers with more than 400 units monthly consumption should pay cost of supply as they are well off and can afford to pay.

2.361 Re-categorize the pumping load of the SDMC under the Public Utility category from the present Non-Domestic category.

2.362 Re-categorize the Community Halls, Toilet Blocks, Office Buildings and Car Parking of South DMC under Public Utilities from the present Non-Domestic category as these are used for public convenience.

2.363 Considering no contribution of DMRC in the Distribution Loss of DISCOM, DMRC Tariff may be reviewed accordingly.

2.364 DMRC be treated as special category consumer whose tariff is based on actual cost of supply.

2.365 Re-categorize the Horticulture nursery under Agriculture Category from the present Non-Domestic Category. Tariff should be charged on Domestic rates rather than Non-Domestic or temporary connection as the stakeholder is providing the houses to the Domestic consumer.

2.366 All AAYUSH Doctors Clinic should be covered under Domestic Category instead of Commercial Category.

2.367 Peak rate charges for domestic/ non-domestic, industrial, commercial categories should be given minimum reduction of 25%.

2.368 Cross Subsidy should be removed or given at the lower units i.e. upto 200 units.

2.369 Domestic Consumers are being provided cross subsidy of 69% which is against the Tariff policy resulting in Higher Tariff of Non Domestic Consumers. Tariff policy mandates that cross subsidy should be in range of +20% to -20%.

2.370 Lower income group in Juggies are misusing the electricity as they are getting subsidy on their bill and this will burden the middle class/ tax payers.

2.371 DISCOMs own consumption is at zero rate but status of electricity tax is not provided.

PETITIONER'S SUBMISSION

TPDDL

2.372 Processing of Vegetables & Fruits is not considered under agricultural Tariff and the same is in parlance with other States, especially the agriculture states of Haryana and Punjab.

2.373 With regards to reduction in slabs, any such suggestion is in overall consumers interest. Section 61(d) and 61(g) of the Electricity Act, 2003 provides that the State Regulatory Commissions should ensure the recovery of the cost of electricity in a reasonable manner such that the Tariff progressively reflects the cost of supply of electricity with elimination of cross-subsidies within the period to be specified by the Appropriate Commission.

2.374 As regards to stakeholder comment related to people belonging to low income group of BYPL, the Commission cannot decrease Power Purchase Cost for plants regulated by the CERC. Further, DISCOMs are allowed schemes based on their criticality and necessity after due prudence by DERC. Power Purchase Costs do not govern the decision for investment in such schemes. Thus, a particular area requiring new scheme, up-gradation in infrastructure, the same must be put up to Commission with data of breakdowns, poor supply, load shedding etc. for approval.

2.375 Moreover, according to the National Tariff Policy, direct subsidy by State Governments is a better way to support the poorer categories of consumers than the mechanism of cross-subsidizing the Tariff across the board. Subsidies should be targeted effectively and in transparent manner by giving direct subsidies to only needy consumers.

2.376 In key metro cities, highest Domestic slab starts from 501 Units while in Delhi the highest slab Starts from 1201 Units. Highest Domestic slab Tariff in other cities is more than or equal to average cost of supply however in Delhi, it is lower than that. At present, high consuming Domestic consumers also get the benefit of lower Tariff according to the slabs. Consumers with more than 400 units monthly consumption should pay cost of supply as they are well off and can afford to pay. The Commission has recently issued a Statutory Advice dated 19/10/2020 to the GoNCTD on reformation of slabs and subsidy implementation.

Tariff for Units >500 units should be more than ACoS- Rs. 9.21/ unit

1. As per Tariff Policy 2016, cross subsidy should not exceed by + 20% but in Delhi it is up to 43% in case of domestic customers.
2. Effectively entire domestic category is getting cross-subsidized Tariff even consumer with consumption > 1500 Units Per Month.
3. Scope of increase domestic Tariff for higher consuming households (>500 units

per month)

4. This will only impact ~10% of consumers

2.377 Regarding re-categorization of loads, Tariff determination and Tariff design for all consumer categories is the sole prerogative of the Commission.

2.378 Other queries regarding DMRC pertains to BRPL & BYPL.

BYPL

2.379 In view of the role of DMRC as a public utility service, BYPL have special consideration of maintaining the quality of power supply. BYPL endeavors to maintain the uninterrupted power supply to all its consumers including DMRC. These arrangements ensure an uninterrupted and better quality of service to consumers including DMRC. To maintain this level of quality power supply, associated costs (i.e. other than Power Purchase cost) are also borne by the Petitioner, which needs to be factored in Tariff determination for supply to DMRC and other consumers.

2.380 As regards to Stakeholder's comment regarding DMRC to be treated as special category consumer, the issue of drawing power at higher voltage and rebate thereon has already been addressed appropriately in the Tariff Order. An additional rebate of 4% for Supply at 33/66 kV has already been allowed to DMRC. Further, the determination of Tariff for all category of consumers including DMRC is the sole prerogative of Commission.

2.381 Stakeholder in its comments stated that the different tariff for consumption more than 400 units of consumption. It is submitted that Section 61 (g) of Electricity Act 2003 mandates that Appropriate Commission while determining Tariff shall be guided by the objective that the Tariff progressively reflects the cost of supply of electricity and also reduces and eliminates cross subsidies within the specified period. Accordingly, for achieving the objective, National Tariff Policy laid down the principle that the Appropriate Commission would notify a roadmap such that Tariffs are brought within ± 20% of the average cost of supply and the road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.

2.382 Regarding the large number of slabs and stopping of cross subsidy, the determination of Electricity Tariff to be charged from a consumer and Tariff categories is the sole prerogative of the Commission under Section 61, 62 and 45 of the Electricity Act, 2003. Furthermore, clause 8.3(2) of the Tariff Policy, 2016 provides as under:

> *"2. For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy."*

2.383 We agree to concern raised by the stakeholder regarding the difficulties of the BYPL serving the east Delhi consumer's however the Tariff determination of any category of consumer is the sole prerogative of the Hon'ble Commission.

2.384 In order to provide reliable power supply to all consumers and to meet the continuously increasing peak demand, BYPL has entered into long term Power Purchase Agreements (PPA's) with various Central Govt./State Govt. owned Generating Station & IPP's. In addition to this, the Petitioner also purchases from other sources such as Energy Exchanges, Bilateral & Banking etc. to meet the energy demand/rate variations. Thus the cumulative cost of power procurement from all these sources is applicable to all consumers of BYPL including DMRC.

2.385 In terms of Tariff Policy, the Tariff for any category of consumer shall be within +/- 20% of ACOS. DMRC is billed under the public utility category which is billed within the +/- 20% of ACOS and within the norm specified in Tariff Policy.

2.386 As regards to stakeholders' query regarding the determination of slab for tariff and determination of differential tariff for the consumer consuming above than 400 units, Section 61 (g) of Electricity Act 2003 mandates that Appropriate Commission while determining Tariff shall be guided by the objective that the Tariff progressively reflects the cost of supply of electricity and also reduces and eliminates cross subsidies within the specified period. Accordingly, for achieving the objective, National Tariff Policy laid down the principle that the Appropriate Commission would notify a roadmap such that Tariffs are brought within ± 20% of the average cost of supply and the road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.

2.387 Section 61 of Electricity Act 2003 mandates that while determining tariff the

Appropriate Commission shall be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity. Further, the Appropriate Commission shall safeguard the interest of consumers and at the same time allow recovery of the cost of electricity in a reasonable manner.

2.388 With respect to stakeholder comment regarding asking Generating companies to reduce cost, in terms of the provisions of the Electricity Act, 2003, determination of Electricity Tariff charged to consumers is the sole prerogative of the Commission and DISCOMs are bound to oblige the same.

BRPL

2.389 The stakeholder from their instant representation seems to suggest to the Commission to determine higher fixed rate of Tariff for domestic consumers consuming above 500 units in a month (as opposed telescopic Tariff which is prevalent for all domestic consumers under the present tariff regime). The rationale explained by the stakeholder for such a change is that consumers consuming more than 500 units in a month are economically well off and can afford such higher fixed rate tariffs and hence should not be provided the benefit of telescopic Tariffs. It is submitted that determination of Tariff and Tariff categories is the sole prerogative of the Commission under Section 61, 62 and 45 of the Electricity Act, 2003. We trust that the suggestions of the stakeholder will be appropriately considered by the Commission.

2.390 Regarding New slab for Domestic Consumption above 400 units, the stakeholder has suggested for creation of a new tariff slab for domestic consumers with consumption above 400 units. He has further submitted that such domestic consumers with consumption above 400 units should not get any benefit given in lower slabs in domestic tariff as they are high income groups. In this regard, it may kindly be noted that DISCOMs charge consumer categories on the electricity consumed in accordance with the Tariff determined by the Commission. The stakeholder's plea may be duly considered by the Commission.

2.391 As regards to Stakeholder's comment on People belonging to low income group of BYPL, the comment pertains to a different distribution licensee and hence not been replied to.

2.392 In view of the role of DMRC as a public utility service, BRPL has special consideration for maintaining quality of power supply to DMRC. BRPL endeavors to maintain the uninterrupted power supply to all its consumers including DMRC. These arrangements ensure uninterrupted and better quality of service to consumers including DMRC. To maintain this level of quality power supply, associated costs (i.e. other than Power Purchase cost) are also borne by the Petitioner, which needs to be factored in tariff determination for supply to DMRC and other consumers.

2.393 Regarding the change in Tariff Category of Pumping Stations, Tube Wells, Sewage Treatment Plant and other institutions under SDMC, the stakeholder has submitted that for the services of storm water pumping stations, tube wells and sewage treatment plant, SDMC is billed under commercial/Non-Domestic category. He has submitted that SDMC pumping stations are used for clearing storm water drains and tube wells are used for watering the plants/grass in SDMC parks, and thus, such services of SDMC are used for the benefit of general public. In this regard, he has further submitted that same nature services of storm water pumping stations, tube wells and sewage treatment plant are billed under public utility Tariff for Delhi Jal Board. Thus, he has requested that the services of storm water pumping stations, tube wells and sewage treatment plant, being used for general public, may be considered under Public Utility category in place of Non-Domestic Category.

Further, he has submitted that in states of BEST Mumbai, Bihar, Chhattisgarh, Gujarat, Himachal Pradesh, Haryana, Jharkhand, Maharashtra, Madhya Pradesh, and Uttar Pradesh, the services of pumping load have been considered under Public Utilities/ Public Water Works category and not under the Non-Domestic/Commercial category. Thus, he has submitted that SDMC is being charged more than Delhi Jal Board for providing the same services, i.e. pumping of water.

2.394 Regarding the change in Tariff Category of other institutions/assets including Community Halls, Toilet Blocks, Office Buildings, Car Parking and Horticulture Nursery, the stakeholder has submitted that for the services of Community Halls, Toilet Blocks, Office Buildings, Car Parking and Horticulture Nursery SDMC is billed under commercial/Non-Domestic category, in spite of the fact that such services are for the welfare of the community. He has further submitted that in BEST- Mumbai, facilities like Public Sanitary services, Office Building are considered under Public Services Consumer category. Also, in the States of Himachal Pradesh and Maharashtra, the horticulture is considered under Irrigation and Drinking Water Pumping Supply category.

2.395 He has submitted that since the services of Community Halls, Toilet Blocks, Office Buildings and Car Parking are used for public welfare, therefore, such services may be billed at lower Tariff of Public Utility and not under the Non-Domestic category. He has further submitted that Horticulture may be billed at lower tariff of Agriculture category. He has requested the Commission to allow lower Tariff to the services of SDMC, so that it will be able to save funds and utilize it for benefit of general public.

NDMC

2.396 Query is not related to NDMC

COMMISSION'S VIEW

2.397 The categorization of consumers in various Tariff categories by the Commission is governed by Section 62 (3) of Electricity Act, 2003 as follows:

"(3) The Appropriate Commission shall not, while determining the tariff under this Act, show undue preference to any consumer of electricity but may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required."

2.398 Various suggestions regarding re-categorization of load and slabs has been received from stakeholders. Accordingly, the details of applicable electricity tariff for various categories of consumers shall be dealt in Other Terms and Conditions of Tariff Schedule of this Tariff Order.

2.399 The Commission has noted the suggestion of stakeholder regarding Green Tariff.

2.400 The Electricity Act, 2003 provides for reduction of cross subsidies by moving the category wise Tariffs towards cost of supply. The Commission also recognizes the need for reduction of cross subsidy. However, it is equally incumbent on the Commission to keep in mind the historical perspective for the need to continue with cross-subsidy for some more time.

2.401 Providing subsidy is the prerogative of the State Government.

2.402 As per DMC (Assessment and collection of Tax on the consumption, Sale or Supply of Electricity) Bye Laws 1962, electricity tax can be levied on consumption, Sale or supply of electricity and also levies a tax on electricity generated for own consumption

2.403 The Commission is of the view that Electricity tax is levied and collected by respective DISCOMs on the basis of DMC (Assessment and collection of Tax on the consumption, Sale or Supply of Electricity) Bye Laws 1962. As the matter of applicability of Electricity Tax pertains to MCD, the same is subject to the Order of MCD.

ISSUE 14: RETURN ON EQUITY

STAKEHOLDER'S VIEW

2.404 Return on Equity as 16% is allowed till date. 16% is Post tax and 17.15% is pre tax charged. It should be given on current rate of interest (6% or 7%).

PETITIONER'S SUBMISSION

TPDDL

2.405 Did not provide any comment.

BYPL

2.406 Did not provide any comment.

BRPL

2.407 Did not provide any comment.

NDMC

2.408 Did not provide any comment.

COMMISSION'S VIEW

2.409 The return of equity post tax and pre-tax is computed as per Regulation 3 of Business Plan Regulations, 2019. The relevant extract of said Regulation is as follows:

"3. RATE OF RETURN ON EQUITY

Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for Generating Entity shall be computed at the Base Rate of 14.00% on post tax basis:

Provided that the Equity for the purpose of Return on Equity shall be lower of *the Normative Equity determined as per Regulation 63 of the DERC (Terms And Conditions For Determination of Tariff) Regulations, 2017 or Equity available as per Audited Financial Statement of the relevant year."*

2.410 The Suggestion of the stakeholder will be considered appropriately during framework of new Regulations.

ISSUE 15: FIXED CHARGE

STAKEHOLDER'S VIEW

2.411 Fixed Charges should be reviewed and reduced due to COVID-19 situation

2.412 In view of extreme situation faced by DMRC during COVID-19 lockdown period, it is requested to extend the relief given in Fixed Charges to non-domestic consumers to DMRC as well.

2.413 Fixed Charge should be rationalized and reduce upto 25%

2.414 Fixed Charges should be fixed on Maximum Demand Indicator (MDI) due to lockdown.

2.415 Fixed Charges are higher on commercial charges.

2.416 Fixed Charges should be adjusted in electricity Bill.

2.417 Fixed Charges for Commercial category upto 5 kW to 10 kW should be reduced for new small ventures.

2.418 Fixed Charges should be introduced in E.V. Charging.

2.419 During Lockdown period, Industrial consumers should be given relief by completely waiving off the Fixed Charges or one time relief may be given to them.

2.420 Waiving off the fixed charges as SDMC provides services free of cost to the consumers.

2.421 As per DERC, their total expenses are covered under Fixed Charges and Variable Charges. But as per DISCOMs statement they cover their total expenses through most of the Fixed Charges. So, it should be made clear by a Regulation that what are Fixed Charges, why it is required and the proportion of the Fixed Charges from the total expenses. It will relieve the burden of consumers as consumer base is also increasing during last two years.

PETITIONER'S SUBMISSION

TPDDL

2.422 Concept of two-part Tariff rely on premise that Fixed Cost should be recovered from Fixed Charges and Variable Charges out of Energy Charges. Commission has released an approach paper in Feb' 2018 and Niti Aayog also did study on this and recommended the same. In fact, they have appreciated the approach of Commission of Delhi and described as right step was initiated while issuing Tariff Order for FY 2018-19 increasing Fixed Charges and reducing Energy Charges. Recovery of fixed cost out of Fixed Charges is more beneficial to consumer because non-consumption will benefit them. This may motivate them for energy conservation. Fixed Charges & Energy Charges should be restored to the previous level for recovery of ARR. 61% of ARR consists of Fixed Cost whereas against that recovery of 16% only out of Fixed Charges Making current Tariff structure unsustainable. The fixed charges may be restored to the level of Tariff Order dated 28th March 2018 for FY 2018-19.

2.423 Tariff determination and Tariff design for all consumer categories is the sole prerogative of the Commission.

2.424 Other Queries pertain to BRPL.

BYPL

2.425 The COVID-19 relief was approved by the Commission during FY 2020-21. The Public utilities categories including DMRC was also eligible to avail the benefit of the relief approved by the Commission vide its order dated 7/04/2020.

2.426 In terms of the provisions of the Electricity Act, 2003, determination of electricity tariff to be charged from a category of consumer is the sole prerogative of the Commission.

2.427 The DMRC query/comment does not pertains to the petitioner.

2.428 Other Stakeholder's query/comment does not pertain to the petitioner.

BRPL

2.429 The contention of DMRC regarding relief for Fixed Charges during the COVID-19 lockdown is denied and cannot be considered. The Commission in its Tariff Order dated June 26, 2003 introduced two-part Tariff for domestic consumers, i.e., Fixed Charges and Energy Charges and abolished minimum charges and meter rent. The fixed charge in two-part Tariff represents the fixed component of charges, which is independent of consumption level and depends on the fixed cost incurred by the Utility in supplying electricity. The Fixed Cost of the utility should be recovered to a certain extent through Fixed Charges to ensure revenue stability. Hence, the Commission has determined Tariffs in a manner so that a reasonable part of the Fixed cost is recovered through a Fixed charge. The Fixed charges are usually levied on the basis of demand charges on sanctioned load or contract demand/billing demand.

2.430 When a consumer is connected to the system, the utility has to provide/allocate certain capacity of the Distribution System to serve the consumer. In addition to this, some expenses such as meter reading, billing, bill delivery, maintenance etc. are fixed in nature and independent of energy consumption. Ideally, the Fixed Charges levied on the consumer should reflect the cost of such capacity requirements of the consumer after considering the fixed cost of such system and diversity of load in the system. Also, DMRC had issued a Force Majeure Notice dated 28/04/2020 which was duly responded to by BRPL on 14/05/2020 stating that DMRC is required to make payments on account of the Fixed Charges as per the applicable Tariff Category.

2.431 It is noteworthy that for FY 2020-21, the Commission by an Order dated 7/04/2020 granted moratorium on the payment of Fixed Charges for next three billing cycles beginning from 24/03/2020 to the consumers covered under Public Utilities, Industrial and Non-Domestic Tariff Categories. The Fixed Charges accumulated over the said period were to be spread over the next three billing cycles after 30/06/2020 without any LPSC. Further, the consumers of these categories, who desired so, could have paid the Fixed Charges for the bills raised during the period starting from 24/03/2020 till 30/06/2020.

2.432 Furthermore, in terms of the Order dated 4/05/2020 passed by this Commission, BRPL had raised only provisional bills for the Fixed charges considering the energy consumption as nil. It is evident that the benefit has already been passed onto DMRC by BRPL and in view of the same, there cannot be any waiver of the Fixed Costs to DMRC.

2.433 The stakeholder has submitted that SDMC is required to pay fixed Charges on street lights and other electric connections. He has requested the Commission to waive off Fixed Charges to SDMC since it provides services to the general public without taking any charges for the same.

2.434 With regard to the above submissions of the stakeholder, it may kindly be noted that DISCOMs charge consumer categories on the Electricity consumed in accordance with the Tariff determined by the Commission. In accordance with Section 45 of the Electricity Act, 2003, the Commission is the sole authority to determine the Electricity Tariff to be charged from a certain category of consumer.

NDMC

2.435 Not related to NDMC.

COMMISSION'S VIEW

2.436 The recovery of Annual Revenue Requirement (ARR) for the supply of electricity consists of fixed charges and variable charges. Accordingly, the tariff of a distribution company for recovering the said ARR is also divided into two parts i.e. Fixed Cost and Variable Cost which it bills to the end consumers. Ideally, the fixed cost incurred by the distribution company should be recovered through fixed cost part of its tariff and similarly for variable cost. Accordingly, the tariff structure should be rational enough. Setting Fixed Costs lower than the appropriate results in issues like irrational cash inflows (more recovery during summer months because of higher variable charges and higher consumption). As the distribution company needs to pay the fixed cost to Generating Stations and Transmission Companies uniformly during the year, this erratic cash inflow makes it difficult to make timely payments to Generation Companies and Transmission Companies which derails the entire system. The Commission in its *DERC (Terms and Conditions for determination of Tariff) Regulations, 2017* has specified the components which are part of fixed charges and the variable charges separately.

2.437 In line with revised Guidelines and standards on charging infrastructure for Electric vehicles, 2021 issued by MoP, relevant clauses as stated under

"Objectives

(b) To promote affordable tariff chargeable from EV and charging station operators/ owners

...

7.1 The tariff for supply of electricity to EV public charging shall be determined by *appropriate commission in accordance with tariff policy issued under section-3 of electricity act 2003 as amended from time to time.*

7.2 Tariff applicable for domestic consumption shall be applicable for domestic charging."

Increased usage of E-Vehicles will lead to a substantial reduction in consumption of conventional fuels such as petrol and diesel and the consequential pollution. Thus, any major change in the existing Tariff methodology for charging of E-Rickshaw/ E-Vehicle is not envisaged at this stage.

2.438 The Commission in the present Tariff Schedule for FY 2021-22 has not hiked Tariff i.e. Fixed Charge and Energy Charge for any category of consumers.

ISSUE 16: TRANSMISSION LOSS AND CHARGES

STAKEHOLDER'S VIEW

2.439 DTL has submitted that BRPL, BYPL, TPDDL & NDMC have not provided bifurcation for Intra State Transmission for FY 2020-21. DTL has further requested the Commission to direct BRPL and BYPL to follow the provisions of BTPA and direct them to make payment of the outstanding amount along with surcharge.

2.440 Further, DTL has also mentioned that BRPL & BYPL shall establish the Letter of Credit (LC) to the extent of 105% of average monthly billing and to deposit all their receivable in an escrow amount from which the payment will be released to DTL.

2.441 Loss reduction programme in 2019-20. It should be comedown upto 2% after 21 years.

2.442 BRPL has claimed/mentioned different Intra-State Transmission Charges i.e. Rs. 197.88 Crore and Rs. 201.50 Crore (i.e. Rs. 197.88 Crore as rebatable amount and Rs. 3.62 Crore as non-rebatable amount) paid to DTL for FY 2019-20 against the bill raised by DTL amounting to Rs. 359.28 Crore towards wheeling charges (including. incentive/disincentive). Further for FY 2021-22, BRPL has projected an amount of Rs. 1381 Crore as Transmission charges, however, no bifurcation for Intra-State Transmission Charges is given.

2.443 BRPL in its ARR petition has considered 455.7 MU as to Intra-State Transmission Losses for FY 2019-20, however, BRPL has neither specified any percentage nor any bifurcation for Intra-State Transmission Losses, whereas as per SLDC data, the actual Intra-State Transmission Losses are 0.88% for FY 2020-21. Further for FY 2021-22, BRPL has projected Intra-State Transmission Losses as 0.90% i.e. 154 MU.

2.444 BRPL had been defaulting payment of DTL since October, 2010. The Hon'ble Supreme Court vide date 12/05/2016 has directed to BRPL to clear the 70% of the current dues. Last hearing was held on 17/07/2020. The Commission is requested to make the provision of Escrow in which BRPL has to deposit all their receivables and the payment will be released to the DTL for current as well as past dues.

2.445 BYPL has claimed Rs. 111.22 Crore (i.e. Rs. 111.22 Crore as rebatable amount) towards DTL Wheeling Charges for FY 2019-20 against the bill raised by DTL amounting to Rs. 203.85 Crore towards Wheeling Charges (including incentive/disincentive). However for FY 2021-22, BYPL has projected an amount of Rs. 231 Crore as Intra-State Transmission Charges (including SLDC).

2.446 BYPL in its ARR petition has considered 257 MU as Intra-State Transmission Losses for FY 2019-20, however, BYPL has neither specified any percentage nor any bifurcation is given for intra-State Transmission Losses, whereas as per SLDC data, the actual Intra-State Transmission Losses are 0.90%. Further for FY 2021-22, BYPL has projected Intra-State Transmission Losses as 0.92% i.e. 74 MU.

2.447 In the additional information, BYPL has again submitted 74 MU as Intra-State Transmission Losses, however the percentage has not been provided. Further, as per SLDC data, the actual Intra-State Transmission Losses is 0.88% for FY 2020-21.

2.448 BYPL had been defaulting payment of DTL since October, 2010. The Hon'ble Supreme Court vide their Order dated 12/05/2016 has directed BYPL to clear the 70% of the current dues. Last hearing was held on 17/07/2020. The Commission is requested to make the provision of Escrow in which BRPL has to deposit all their receivables and the payment will be released to the DTL for current as well as past dues.

2.449 TPDDL has claimed Rs. 275.12 Crore as DTL wheeling charges for FY 2019-20, against the bill raised by DTL amounting to Rs. 274.87 Crore towards wheeling charges (including incentive/ disincentive). Further for FY 2021-22, TPPDL has projected an amount of Rs. 287.74 Crore as DTL & SLDC charges.

2.450 In the additional information, for FY 2021-22, TPDDL has projected Rs. 437.18 Crore / Rs. 442.18 Crore as DTL and SLDC Charges, which is on higher side even in comparison to the actual wheeling charges (excluding incentive/ disincentive) of Rs. 331.26 Crore billed by DTL for FY 2020-21.

2.451 The actual Intra-State Transmission losses are 0.90% for FY 2019-20 as per SLDC data, however, TPDDL has not specified any percentage for Intra-State Transmission Losses and has considered the Intra-Sate Transmission Loss as 184.88 MU for FY 2019-20. Further, for FY 2021-22, TPDDL has projected Transmission Losses @ 3.5% of PGCIL and DTL i.e. 363.97 MU.

2.452 In the additional information, the Transmission Losses units for FY 2021-22 has been revised to 368.31 MU / 378.48 MU, however, TPDDL has neither specified any percentage nor any bifurcation is given for Intra-State Transmission Losses. Further, as per SLDC data, the actual Intra-State Transmission Losses is 0.88% for FY 2020-21.

2.453 NDMC has claimed Rs. 38.28 Crore for FY 2019-20 towards Intra-State Transmission Charges (including SLDC Charges) against the bill raised by DTL amounting to Rs. 40.14 Crore towards wheeling charges (including incentive/disincentive). Further for FY 2021-22, NDMC has projected an amount of Rs. 50.00 Crore as Intra-State Transmission Charges.

2.454 NDMC has been making short payment to DTL on account of Wheeling Charges to DTL since September, 2020. As per the directions of Hon'ble DERC in Tariff Order of DTL of FY 2020-21 dated 28/08/2020, DTL has been regularly disbursing STOA charges to NDMC in spite of NDMC making short payment to DTL. Thus, NDMC has been violating the terms and conditions of BPTA (Bulk power transmission Agreement). Despite making the short payment to DTL, NDMC is deducting rebate from the payments remitted to DTL by NDMC. The details of outstanding dues on NDMC are tabulated as under:

INR Crore

Billed Amount on account of Wheeling Charges (Billing Period Mar-20 to Feb-21)	Sum of TDS	Sum of payment received from NDMC	Sum of STOA charges	Sum of balance pending on NDMC
53.03	5.97	29.01	0.86	17.19

2.455 The actual Intra-State Transmission losses are 0.90% for FY 2019-20 as per SLDC data, however, NDMC has not specified any percentage for Intra-State Transmission Losses and has considered the Intra-Sate Transmission Loss as 14.36 MU for FY 2019-20. Further, for FY 2021-22, TPDDL has projected Transmission Losses as 0.92% i.e. 16.10 MU.

2.456 NDMC has not paid the Pension Trust bills from November, 2012 onwards, though DTL has raised the bills of Pension Trust as per the directions of DERC. According to NDMC, they are not liable to pay the Pension Trust beneficiaries of DVB. The amount not paid by NDMC is to the tune of Rs. 3.82 Crore from November, 2012 to March, 2013. It is pertinent to mention here that NDMC paid the full amount on account of Pension trust upto October, 2012.

2.457 Target for Distribution Loss for the Control Period 2020-21, 2021-22, 2022-23, for BRPL is 8.10% ,8.00%, 7.90% respectively, BYPL is 9.00%, 8.75%, & 8.5% ; for TPDDL 7.90% ,7.80% &7.70% respectively, For NDMC is 9.00%, 8.75%, 8.5% respectively. However, it is noted that the DISCOMS have already achieved lesser AT&C than the targeted loss level and took all the incentives as due under the Regulations. But in the next year, the target for Distribution Loss is considered at much higher level thereby providing higher incentives to the private DISCOMs.

PETITIONER'S SUBMISSION

2.458 Against the claim of Rs. 275.12 Crores of DTL wheeling charges, as per the bills received, DTL has raised wheeling charges amounting to Rs. 274.89 Cr for FY 2019-20. while the balance of Rs. 22.60 Lakhs of DTL SLDC Charges for the month of Feb 2020 which have been inadvertently included under the DTL-Wheeling Charges head instead of DTL-SLDC Charges head.

2.459 It is clarified that, DTL-Wheeling charges are shown as Rs. 275.12 Crores and DTL-SLDC Charges as Rs. 2.55 Crores wherein Rs. 22.60 Lakhs of DTL SLDC Charges for the month of Feb 2020 are not included in Rs. 2.55 Crores of DTL-SLDC Charges and there is no double claim.

2.460 Regarding the projected amount of Rs. 287.74 Cr for FY 21-22, we have projected the amounts by escalating the amount paid in FY 2019-20 by approximately 5%.

2.461 The losses considered for FY 2019-20 are on actual basis. Further, Inter-State Transmission Loss of 184.90 MU and Intra-State transmission loss of 92.30 MU have been submitted in our FY 19-20 True Up petition in description but inadvertently the two losses have been mentioned vice versa.

2.462 The projected transmission loss includes 0.90% DTL loss and the remaining is PGCIL losses for FY 2021-22. With respect to the losses considered in the projections as 3.5%, as per CERC Sharing of Inter State Transmission Charges and Losses Regulations, 2020, Transmission losses for ISTS are calculated on all India average basis and since the time it has come into effect, the losses on weekly basis are varying from 3.1 % to 3.9 %. Hence, the actual losses shall be on higher side only.

2.463 Moreover, DTL SLDC releases the Regional Energy Accounts (REA) in which certain information is ex-bus and certain information is at NR/Delhi periphery. Also, source wise energy received at TPDDL periphery is not made available by SLDC to ascertain the exact losses. Hence, it is requested that Delhi SLDC may kindly provide the same.

2.464 TPDDL for FY 2019-20 has claimed Rs.275.12 Crore as DTL wheeling charges, against the bill raised by DTL amounting to Rs. 274.87 Crore towards wheeling charges (including incentive/ disincentive). Further, for FY 2021-22, TPPDL has projected an amount of Rs.287.74 Crore as DTL & SLDC charges.

2.465 As per SLDC data, the actual Intra-State Transmission losses are 0.90% for FY 2019-20, however, TPDDL has not specified any percentage for Intra-State Transmission Losses and has considered the Intra-Sate Transmission Loss as 184.88 MU for FY 2019-20. Further, for FY 2021-22, TPDDL has projected Transmission Losses @ 3.5% of PGCIL and DTL i.e. 363.97 MU.

BYPL

2.466 BYPL has considered the Intra-State Transmission Charges on the basis of audited data for FY 19-20. Further, the Petitioner has applied escalation of 11%. on actual transmission charges of FY 2020-21. The escalation is based upon the analysis of DTL ARR which has an escalation of ~15% in FY20 v/s FY19 Cost and ~25% in FY21 v/s FY 20 Bill.

2.467 The Intra-state Transmission Loss during FY 2021-22 has been considered @0.92%

based on previous Tariff Order of the Commission.

2.468 BYPL is looking at all possible options/solutions to sort out the payment issues with DTL at the earliest. However, BYPL has been facing adverse financial condition since FY 2009-10 primarily on account of a non-cost reflective Tariff and absence of timely and adequate recovery of accumulated Regulatory Asset. The same has constrained the capability of BYPL to make timely payments to Generation and Transmission Utilities including DTL.

2.469 Further, the matter regarding payment to DTL is pending before Hon'ble Supreme Court. There are several disputes pending before Petitioner and DTL before various fora, including the unilateral adjustment of subsidy amounts by Delhi Government/DTL.

BRPL

2.470 Our response to the comments, suggestions and issues raised by the stakeholder on Intra-State Transmission Charges are as follows:

(i) Petitioner has shown DTL-Wheeling charges only, the Petitioner has provided DTL Wheeling and DTL SLDC Charges also. Hence, the bifurcation of DTL Charges claimed in True-up are as follows:

Sr. No.	Particulars	Amt. (Rs. Cr.)
1.	DTL- Wheeling Charges	197.88
2.	DTL – SLDC Charges	3.62
	Total	**201.50**

(ii) The SLDC charges, as approved for SLDC in their Tariff Orders, cannot be the basis for allowing the charges for BRPL as the same is contrary to the DERC (Levy and Collection of Fee and Charges by State Load Despatch Centre) Regulations, 2007 ("SLDC Regulations, 2007") and Directive of the Appellate Tribunal for Electricity in Judgment dated 11/11/2011 in O.P. No. 1 of 2011. In addition to the above, the SLDC has to act upon the directions issued by the Commission in terms of the Order dated 5/12/2013, which pertains to determination of ARR of SLDC for FY 2012-13.Commission by the said Order had directed SLDC to file separate petition for ARR for FY 2014-15.

(iii) SLDC is the apex body constituted under Section 31 of the Act, to ensure integrated operation of the power system in a State. In terms of Section 32(3) of the Act, SLDC may levy and collect such fee and charges from the generating companies and licensees engaged in intra-State transmission of electricity, as may be specified by the State Electricity Regulatory Commission, as under:

"32. Functions of State Load Despatch Centres …

(2) The State Load Despatch Centre shall-

(a) be responsible for optimum scheduling and despatch of electricity within a State, in accordance with the contracts entered into with the licensees or the generating companies operating in that State;

(b) monitor grid operations;

(c) keep accounts of the quantity of electricity transmitted through the State grid;

(d) exercise supervision and control over the intra-State transmission system; and

(e) be responsible for carrying out real time operations for grid control and despatch of electricity within the State through secure and economic operation of the State grid in accordance with the Grid Standards and the State Grid Code.

(3) The State Load Despatch Centre may levy and collect such fee and charges from the generating companies and licensees engaged in intra-State transmission of electricity as may be specified by the State Commission."

(iv) In terms of Section 32(3) of the Act, the Commission has framed the SLDC Regulations, 2007. As such, SLDC was mandated to comply with the procedure prescribed under Regulation 4 and 5 of the SLDC Regulations, 2007, for approval of its ARR for FY 2017-18, as under:

"4. Levy of SLDC Charges…

(2) For the discharge of its functions as specified in Section 32 of the Act, the annual expenses incurred by the SLDC shall be recovered from the Beneficiaries using the Intra-State transmission system.

(3) The annual charges to be recovered by the SLDC shall include the component of Return on Equity/Investments and also the following expenses: a) Employee Cost; b) Administrative and General Expenses; c) Repairs and Maintenance

Expenses; d) Depreciation; e) Advance against Depreciation; f) Interest and Finance charges; g) Interest on working capital, if any; h) Any other expenses incidental to discharging the functions of SLDC as deemed appropriate by the Commission."

(b) Regulation 5 of the SLDC Regulations, 2007 pertains to filing by the SLDC and reads as under:-

" 5. Filings by the SLDC…

(8) Based on the information furnished by SLDC and after due examination, scrutiny and consultation process, the Commission will approve the annual budget covering the expenses of the SLDC and determine the SLDC Charges.

(9) The SLDC charges so determined by the Commission shall be valid till the approval of next revision of charges.

(10) In the event of non-revision of SLDC charges during any year, any variation (shortfall or excess) in recovery of SLDC charges, shall be carried forward to the next financial year and adjusted as may be decided by the Commission.

(11) The SLDC shall submit periodic returns containing operational and cost data, as may be prescribed by the Commission.

(12) All filings and application for determination of SLDC Charges shall be made in conformity with the stipulations made in these Regulations."

2.471 As evident from the above, SLDC was mandated to file an application for Determination of SLDC Charges. Accordingly, the Commission would have then allowed the SLDC Charges, in terms of the Application filed by SLDC.

2.472 It is therefore submitted that SLDC, being a statutory authority and nodal agency, erred in complying with the procedure of seeking determination of its legitimate charges as enumerated under the SLDC Regulations, 2007 and the directions of Commission in Order dated 5/12/2013 in Petition No. 38/2012. Accordingly, the Delhi Commission ought not to determine SLDC charges on an ad-hoc basis in contradiction to the specified mode.

2.473 Regarding bifurcation of Intra- and Inter- State Transmission losses during FY 2019-20, the Commission may consider the actual data as submitted by SLDC while Truing-up of FY 2019-20. However, for FY 2021-22, BRPL has projected 0.90% of Intra-state losses based on past trends.

2.474 BRPL has been facing adverse financial condition since FY 2009-10, primarily on account of a non-cost reflective Tariff and absence of timely and adequate recovery of accumulated Regulatory Asset which had not been allowed by the Commission. The same has constrained the capability of BRPL to make timely payments to generation and Transmission utilities including DTL and has led to the accumulation of alleged overdue which has been beyond the reasonable control of BRPL and not attributable to it.

2.475 At the outset, the matter regarding alleged outstanding overdue is pending before Hon'ble Supreme Court and there are several disputes pending between the Petitioner and DTL before various fora, including the unilateral adjustment of subsidy amounts by the Delhi Government and diversion of funds earmarked for subsidy which have been wrongly allocated to DTL. This is against the mandate of Section 65 of the Electricity Act, 2003 as well as directions issued by this Commission in various Tariff Orders, that subsidy has to be paid in advance to the Petitioner, which has on the contrary been unilaterally adjusted against the alleged dues of DTL.

2.476 Hon'ble Supreme Court vide its order dated 12/05/2016 directed BRPL to make payment of only 70% of current dues. Since Nov-2017, BRPL is paying 100% of the current dues of DTL. Accounting of the Subsidy amount released by the Delhi Government to DTL (as an interim measure) is being done and its adjusted towards the current dues of DTL in order to comply with the Orders passed by the Hon'ble Supreme Court. There seems to be a divergence of views and a dispute between DTL and BRPL, relating to accounting of the subsidy amounts which DTL is not treating towards the current dues, which apart from being unlawful is also an incorrect methodology adopted by DTL.

2.477 On the contrary, since BRPL has to meet and cater to power purchase obligations in respect of the benefit of subsidy provided to its consumers, therefore the subsidy amounts have to be treated as current revenue and accounted towards payment of current dues. Accordingly, subsidy amounts unlawfully diverted has to be treated as part of BRPL's current revenue.

2.478 Accordingly, BRPL has maintained a consistent stand of accounting the diversion of subsidy amounts towards current payments of DTL. Further BRPL, has also endeavoured to make additional payments to DTL, since June 18 onwards, which is over and above and in addition to the current dues payable to DTL as per the Chart below:

Rs. Cr.

Year	Amount Paid
FY 2018-19	100.00
FY 2019-20	57.50
Total	157.50

2.479 As illustrated in the Chart above, BRPL has made payment of an additional amount of Rs.157.50 Crores over and above the current dues from June 2018 onwards to establish its bonafide and intent to pay the overdues of DTL on an ability to pay basis. The status of 70% payment of current dues as on 31/03/2021 is as follows:

Rs. Cr.

DTL	Total Dues Jan'14 to Mar'21	Payment Details									Payment %
		Subsidy Adjustment									
		Amount paid including TDS upto Mar"21	Total subsidy received in FY 15-16	Total subsidy received in FY 16-17	Total subsidy received in FY 17-18	Total subsidy received in FY 18-19	Total subsidy received in FY 19-20	Total subsidy received in FY 20-21	Total subsidy Adjustment	Total payment	
A	B	C	D	E	F	G	H	I	J=(D+E+G=H=I)	K= (C=J)	L=(K/B)
Wheeling Charges	2,317	1,023	102	145	269	173	267	211	1,168	2,191	95%

NDMC

2.480 The amount paid to DTL including SLDC charges may please be treated as Rs. 40.14 Crore as due to oversight same has been mentioned as Rs. 38.28 Crore. Accordingly, the power purchase cost, will increase by Rs. 1.86 Crore and which may be corrected as Rs. 972.89 Crore and revenue gap will now increase to Rs 137.50 Crore.

2.481 The Transmission loss considered for FY 2019-20 is matching with the figures provided by SLDC. NDMC has projected Intrastate Transmission Losses @ 0.92% for FY 2021-22. Any increase / decrease in Transmission losses will be adjusted in true up for FY 2021-22.

COMMISSION'S VIEW

2.482 The Commission determines the ARR for the DISCOMs as per the provisions of the Regulations. The Tariff Order is issued after prudence check of the Petitions submitted by the DISCOMs and after considering each element of cost projected in the petitions with due analysis and ensuring proper justification.

2.483 The Commission determines the transmission charges of DTL as per Regulations. Further, the transmission losses and availability are being considered as provided by Delhi SLDC. With regards to the dues to DTL by DISCOMs, it is pertinent to state that in case DISCOM do not pay State GENCO and DTL as per timelines mandated in the Tariff Regulations, 2017 then they are liable for LPSC as stipulated in the said Regulations. LPSC paid by DISCOMs to State GENCO and DTL is not passed through in their ARR.

2.484 A detailed methodology for computing the target for distribution losses has been explained in an explanatory memorandum issued by the Commission for the DERC (Business Plan) Regulations 2017 and DERC (Business Plan) Regulations, 2019.

2.485 Further, Directives has been issued in previous Tariff Order to DISCOMs to make timely payment of bills to all the Generating Companies and Transmission Utilities. No Late Payment Surcharge shall be allowed as a pass through in the ARR on account of delayed payments.

2.486 The DISCOMs are given an incentive if the distribution losses are reduced below the fixed target. If the losses are more than the target fixed, the loss above the target fixed is full to the account of the DISCOMs. The targets every year are progressively decreasing and it is expected that DISCOMs will achieve them. If the DISCOMs do not achieve the target, the financial impact will be to the account of the DISCOMs alone and will get reflected in the true-up of ARR of the respective DISCOMS.

ISSUE 17: GROUP HOUSING SOCIETY TARIFF CHARGES

STAKEHOLDER'S VIEW

2.487 As there is no method to calculate the individual load like total common load of the GHS, in this connection, then how will the GHS charge Fixed Charges from its individual members.

2.488 To Reduce the Fixed Charges for Single Point Delivery Supply for GHS to Rs. 50/- Per kW Per Month.

2.489 GHS have installed and are maintaining all the systems and bearing all the expenses but still the GHS is paying Fixed Charges at three times of normal domestic consumer, which is totally unjustified. Fixed charges should be abolished.

PETITIONER'S SUBMISSION

TPDDL

2.490 Single Point Delivery (SPD) connections to Group Housing Society (GHS) are sanctioned in compliance to prevailing Regulations. DISCOM charges Fixed Charges from the GHS as per provision in Tariff Order based on sanctioned load/contract demand. Calculating load of individual members as well as that of common services for charging Fixed Charges is under the purview of SPD.

2.491 The Commission has also provided the option for conversion of such single point connection to individual connection if they desire so.

2.492 TPDDL is billing all its consumers as per Tariff Order FY 20-21. Tariff determination and Tariff design for all consumer categories is the sole prerogative of the Commission.

BYPL

2.493 In terms of section 62 of the electricity Act 2003, the tariff determination for any category of consumer is the sole prerogative of the Commission. Further, the Commission in its Tariff Order dated 31/08/2019 has stated that the Single Point Delivery Supplier (Group Housing Societies) shall charge the Domestic Tariff as per slab rate of 1.1 to its Individual Members availing supply for Domestic purpose and Non Domestic Tariff for other than domestic purpose. Any Deficit/Surplus due to sum total of the billing to the Individual Members as per slab rate of tariff schedule 1.1 and the billing as per the tariff schedule 1.2 including the operational expenses of the Single Point Delivery Supplier shall be passed on to the members of the Group Housing Societies on pro rata basis of consumption.

2.494 In addition, the Commission has approved the modalities for passing on the GoNCTD's subsidy on the existing tariff to the individual members residing in the Group Housing Societies. For purpose of the same, the actual consumption recorded from the meter of the individual members of the society must be taken and audited by the CAG empaneled auditor. Hence, the individuals residing in the GHS are eligible for the subsidy approved by GoNCTD subject to the adherence to the modalities approved by the Commission.

2.495 Further in terms of Regulation 13-15 of the DERC Supply code, 2017, Commission has approved the procedure for conversion from Single point connection to individual Connection.

2.496 In BYPL area, currently three group housing societies are complying with the directions of the Commission and getting the benefit of subsidy approved by GoNCTD to the domestic consumers.

2.497 The Central Government has been launching various schemes to strengthen the financial viability of the DISCOMs. However, those schemes exclude private DISCOMs although they are also similarly placed today (Huge RA and comparatively better operational performance). We request for the Commission support in this direction that it represent before MoP, GoI for extending these supports to Delhi DISCOMs as well, which would ultimately benefit the consumers at large.

BRPL

2.498 With respect of the reduction of the Fixed charges, it is submitted that finalization of Tariff is sole prerogative of Hon'ble Commission.

2.499 Ideally the fixed cost should be recovered through fixed charges and variable cost should be recovered through energy charges of the tariff respectively.

2.500 The fixed charges as part of the Tariff are levied so as to be able to recover the fixed expenses/costs of DISCOMs. DISCOMs need to establish and maintain infrastructure and network corresponding to the Sanctioned / connected load of the Consumers to ensure uninterrupted power supply irrespective of the fact whether such load demand is actually used or not. But, the DISCOM is required to have such infrastructure in place. Same has also been approved by the Hon'ble Commission in Regulation 130 & Regulation 131 of DERC (terms & Conditions for Determination of Tariff) Regulations 2017. Extract of the same is reproduced below:-

"Regulation 130 – the Fixed Charge of the Distribution Licensee shall consist of the following components:

(a) Capacity Charges of Generating Stations as approved/ adopted by appropriate Commission;

(b) Capacity Charges of Transmission Licensee including Load Dispatch Charges Stations as approved/ adopted by the appropriate Commission;

(c) Fixed cost of Distribution Licensee:

(i) Return on Capital Employed;

(ii) Depreciation; and

(iii) Operation and Maintenance expenses.

Regulation 131 – The Variable Charge of a Distribution Licensee shall consist of the following components:

(a) Energy Charges (Power Purchase Cost excluding Capacity Charges);

(b) Trading Margin, if any,; and

(c) Open Access Charges, if any. "

2.501 Additionally, the present retail Tariff applicable in Delhi includes only a part of the fixed cost into recovery as fixed charges, whereas major portion of the fixed cost is recovered through energy charge component of the retail tariff. This kind of tariff structure leads to mismatch in the cash flow of the utilities as the Distribution Licensee have obligations to pay fixed monthly charges to GENCOs & TRASNCOs irrespective of the quantum of power procured besides their own fixed cost liabilities. As the major part of fixed cost is recovered through Energy Charges and the monthly collection on account of energy charge is dependent on sales, which varies by more than 50% due to seasonal/weather conditions i.e., sales is maximum in Summer season & minimum in Winter season, therefore there is always a mismatch between the real fixed cost liability v/s the amount collected thereof through Tariff.

2.502 While we respect the views shared by the stakeholder, it is submitted that the facts presented and interpreted by the stakeholder is not entirely correct. The fixed charges (as determined by the Commission in the last tariff order) for domestic consumers ranges from Rs.20 /kW/month to Rs. 250/kW/month depending on the sanctioned load of respective consumer. Therefore, considering the fixed charges for all domestic consumers to be Rs.50/kW/month is factually not correct.

2.503 The comparison of individual domestic connection to CGHS connection is tabulated below:

Table 2.1: Comparison for a 4 kW consumer consuming 800 units in a month

Tariff	Domestic Tariff	CGHS Tariff	Domestic Bill (Rs.)	CGHS Bill (Rs.)
Fixed charges	50.00	150.00	200	600
Energy Charges				
0-200 Units	3.00	4.50	600	900
201-400 Units	4.50	4.50	900	900
401-800 Units	6.50	4.50	2,600	1,800
801-1200 Units	7.00	4.50	-	-
1200+ Units	8.00	4.50	-	-
RA Surcharge	8.00%	8.00%	344.00	336.00
PT Surcharge	5.00%	3.80%	163.40	159.60
E Tax	5.00%	5.00%	215.00	210.00
Voltage Rebate	0.00%	-3.00%	-	-108.00
Total Bill			**5,064**	**4,818**
Average Billing Rate			**6.33**	**6.02**

It may be noted that despite higher fixed charges for a CGHS connection the total bill for a CGHS connection is lower than domestic connection. Various benefits such as a flat rate of Rs. 4.50 per unit is applicable to CGHS which is applicable for 201-400 consumption per month domestic consumer and voltage rebate of 3% is also applicable to CGHS. The DISCOMs charge consumer categories on the Electricity consumed in accordance with the Tariff determined by the Commission and that the DISCOMs cannot get involved into what CGHS charges from its consumers.

2.504 In case of CGHS societies, the fixed charges have been determined by the Commission to be Rs.150/kW/month at a flat rate. The most likely logic applied by the Commission in determining this fixed charge for CGHS is considering a mid-point between the range of Rs.20 /kW/month to Rs. 250/kW/month applicable to individual domestic consumers. This seems logical as it is safe to assume that within a CGHS society (which typically has hundreds of individual consumers) there would a mix of consumers with varying load profile which makes it logical to determine fixed charges at or around the midpoint.

2.505 The Central Government has been launching various schemes to strengthen the financial viability of the DISCOMs. However, those schemes exclude private DISCOMs although they are also similarly placed today (Huge RA and comparatively better operational performance). We request for the Hon'ble Commission support in this direction that it represent before MoP, GoI for extending these supports to Delhi DISCOMs as well which would ultimately benefit the consumers at large.

NDMC

2.506 The party is not in NDMC area

COMMISSION'S VIEW

2.507 The details of applicable electricity tariff for various categories of consumers have been dealt in Other Terms and Conditions of Tariff schedule of this Tariff Order.

2.508 Aggregate Revenue Requirement (ARR) of DISCOMs recoverable through Electricity Tariff has two parts i.e., Fixed Cost and Variable Cost. The Fixed Cost raised to DISCOMs from Generating Companies/ Transmission Companies includes Capacity Charges to Generating Companies/ Transmission Companies, Depreciation, O&M Expenses, Interest on Loan Expenses related to Infrastructure Cost of DISCOMs based on Sanctioned Load of consumers etc. and Variable Cost raised to DISCOMs from Generating Companies mainly includes Fuel cost of Generating Companies.

2.509 The Fixed Charges, as determined by the Commission mandated under Section 45 of the Electricity Act, 2003, are levied by DISCOMs so as to recover their above mentioned Fixed Costs. These Fixed Costs have to be paid uniformly to Generating Companies and Transmission Companies irrespective of electricity consumption. Any under-recovery on account of these Fixed Charges shall have severe impact on cash inflows of DISCOMs and may disturb timely payments to Generation Companies and Transmission Companies.

2.510 Further, the non-payments of Fixed Charges by consumers leads to non-payment of Fixed Cost to Generation Companies and Transmission Companies by DISCOMs. It results into creation of vicious circle and disturbs the equilibrium of the Power Sector which may lead to non-availability of 24X7 uninterrupted power supply.

2.511 If Fixed Charges are not paid by consumers, then DISCOMs will default in paying Fixed Cost to Generating & Transmission Companies and DISCOMs will also be burdened with LPSC.

2.512 The Single Point Delivery Supplier (Group Housing Societies) shall charge the Domestic tariff as per slab rate of 1.1 to its Individual Members availing supply for Domestic purpose and Non Domestic Tariff for other than domestic purpose. Any

Deficit/Surplus due to sum total of the billing to the Individual Members as per slab rate of tariff schedule 1.1 and the billing as per the tariff schedule 1.2 including the operational expenses of the Single Point Delivery Supplier shall be passed on to the members of the Group Housing Societies on pro rata basis of consumption.

2.513 Individual Domestic Consumers availing the supply at single point delivery through Group Housing Society, shall claim the benefit of subsidy, applicable if any, as per the Order of GoNCTD. Group Housing Society shall submit the details of eligible consumers with consumption details and lodge claim of subsidy on behalf of individual members from DISCOMs.

2.514 The Commission, for the ease of consumers, has uploaded on its website : Public Awareness Bulletin- 12 "*Sample Electricity Bill for the Group Housing Society*".

ISSUE 18: EV CHARGING STATION

STAKEHOLDER'S VIEW

2.515 EV Charging tariff is very low and has no fixed charges. It is used by rich people. MoP, GoI has issued directions that upper limit of this Tariff can be 1.15 times cost of supply. DERC should increase this cost of supply to avoid misuse.

2.516 Subsidy shall be removed from EV Charging Tariff.

2.517 E.V. Charging discount should not be given as it burdens the consumers.

PETITIONER'S SUBMISSION

TPDDL

2.518 Section 61 (g) of Electricity Act 2003 mandates that Appropriate Commission while determining Tariff shall be guided by the principle that the Tariff progressively reflects the cost of supply of electricity and also, reduces and eliminates cross-subsidies within a time period as decided by the Commission. Even National Tariff Policy states that tariff design shall be linked to cost of service and Tariff thereof, progressively reflects the efficient and prudent cost of supply of electricity.

2.519 Accordingly, in line with the objectives of the Electricity Act, 2003 and National Tariff Policy, tariff of EV charging should be made equal or higher than the average cost of supply in the interest of consumers

BYPL

2.520 As per the provisions of the Electricity Act, 2003, determination of Electricity Tariff of all consumers irrespective of any category is the sole prerogative of the Commission.

BRPL

2.521 The Commission vide its Tariff Order dated 31/08/2017 had introduced a new Tariff Category for charging of batteries of E-Rickshaw / E-Vehicle at Charging Stations and also held that the Tariff for charging of batteries of E-Rickshaw / E-Vehicle at premises other than at Charging Stations shall be the same as applicable for the relevant category of connection at such premises from which the E-Rickshaw / E-Vehicle is being charged.

2.522 We appreciate the suggestion of the stakeholder regarding removal of Subsidy from EV Charging Tariff. Furthermore, the determination of electricity Tariff to be charged from a consumer is the sole prerogative of the Commission under Section 61, 62 and 45 of the Electricity Act, 2003.

NDMC

2.523 The party is not in NDMC area

COMMISSION'S VIEW

2.524 Increased usage of E-Vehicles will lead to a substantial reduction in consumption of conventional fuels such as petrol and diesel and the consequential pollution. Thus, any major change in the existing tariff methodology for charging of E-Rickshaw/ E-Vehicle is not envisaged at this stage. In line with revised guidelines and standards on charging infrastructure for Electric vehicles, 2021 issued by MoP, GoI relevant clauses as stated under

> *"<u>Objectives</u>*
> *(b) To promote affordable tariff chargeable from EV and charging station operators/ owners*
> *…*
> *7.1 The tariff for supply of electricity to EV public charging shall be determined by appropriate commission in accordance with tariff policy issued under section-3 of electricity act 2003 as amended from time to time.*
> *7.2 Tariff applicable for domestic consumption shall be applicable for domestic charging."*

2.525 In order to Promote Pollution Free Transportation and Clean Environment, the

Commission has decided to continue with the existing Subsidized Tariff Rates for E-Rickshaw/E-Vehicle category.

2.526 DISCOMs should step up their enforcement activities to avoid misuse of E-vehicle charging facility. The Petitioner should make all efforts to prevent theft/pilferage of electricity by strengthening their enforcement activities without harassing honest consumers.

ISSUE 19: E-BILL & ONLINE PAYMENT

STAKEHOLDER'S VIEW

2.527 E-bill and Online payment be made mandatory as it is environment friendly.

2.528 To improve cash flow and for better revenue recovery, mandatory Online Payment for consumers above 10 kW or with bill more than Rs. 20,000/- should be done.

2.529 Cash collection more than Rs.4000/- should not be allowed because everyone has bank accounts.

2.530 To improve collection efficiency of DISCOMs and to reduce wastage of resources, online payment with bill more than Rs.25,000/- and higher sanctioned load be made mandatory.

2.531 Mandatory online payment and e-bill for consumer above 11 kW sanctioned load because it is hassle free, convenient, safe, time saving, environment friendly.

2.532 To improve cash flow and for better revenue recovery, mandatory online payment for consumers above 10 kW sanctioned load or with bill more than Rs.8000/- should be done to avoid late payment.

2.533 Online payment should be made compulsory for bill amounting to more than Rs. 10,000 or sanctioned load is more than 6kW because it is hassle free, convenient, safe, time saving, environment friendly.

2.534 E-bill be made mandatory for consumers with load 11 kW and above.

2.535 Bill amounting to more than Rs.4000 should be taken in part payment/cash as people in JJ Cluster colony don't have cheque books.

2.536 Collection efficiency is 99.5% but DISCOMs are collecting 101%.

2.537 Security should not be adjusted in the bill but directly credited in bank account of the consumer.

PETITIONER'S SUBMISSION

TPDDL

2.538 In this era of internet, DISCOMs sending paper electricity bills to lakhs of consumers every month means thousands of trees are cut every year just to send electricity bills to consumers. This wastage can be saved by sending a soft copy of the bill on email or WhatsApp. This can be made mandatory for those connections having sanctioned load of above 5 kW. These consumers, one can hope, to definitively have internet connectivity.

2.539 These consumers can as well be asked to pay bill by digital modes only like e-wallets, Net Banking, NEFT, RTGS, debit card etc. Following are the Benefits of e-payment for the consumers using it:

i) Hassle-free

ii) Safe & Secure

iii) Environment Friendly

iv) Saves Time

v) Cashback

This will help in improving collection efficiency of DISCOMs which in turn help consumer with reduced tariff burden.

BYPL

2.540 At present, any consumer of the Petitioner can request to opt for e-bill and discontinue their physical bills or may decide to continue with both formats. A numbers of consumers have already opted for e-bills and have decided to stop their physical bills. However, this is still optional for all consumers. However, while considering to make e-bills mandatory, it may also need to be considered that there may be lakhs of consumers especially in the lower economic strata, who may still lack the technical resources to access e-bills.

2.541 Making mandatory E bill and online payment is the prerogative of the Commission. However, the online payment and e-bill facility should be optional as many consumers are not well acquainted with the internet usage and may face difficulty in accessing the e-bill or payment through online mode. Additionally, as per the direction of Commission, the cash payment of electricity bills at petitioner’s counter is restricted to a limit of Rs 4000/-.

2.542 Making online payment mandatory is the prerogative of the Commission, though for ease of consumer only, as per the direction of Commission online payment system is already in place in BYPL, interested consumer can easily opt for any medium of online payment in BYPL's website and Mobile-APP.

BRPL

2.543 We hope the Commission considers making e-bill and online bill payment mandatory while issuing the Tariff Order.

2.544 The stakeholder has submitted that in order to improve cash flow and have better revenue recovery, consumers having sanctioned load above 11 kW and/or electricity bill value more than Rs. 20,000/- should mandatorily make online payments. In this regard, the Commission has directed that there will be a cash limit of Rs.4000/- while accepting billing dues from consumers. This limit is also applicable in case of recovery of all types of dues including Late Payment Surcharge (LPSC), Misuse charges, theft charges etc. The limit for accepting payment through cash by the consumers at designated scheduled commercial bank branches shall be Rs. 50,000/-. Violation of this provision shall attract penalty to the level of 10% of total cash collection exceeding the limit. No authority in the DISCOM is permitted to waive this condition pertaining to cash collection. We expect that the Commission will give due consideration to the comments.

2.545 BRPL has put in place multiple options and interfaces to enable consumer make payment online such as:

1. Payment through Unified Payment Interface (UPI) is already enabled at our web site www.bsesdelhi.com and through our authorized collection agencies.
2. Dynamic UPI QR Code - We have enabled Bharat QR Code since October 2017 and the QR code is printed on all the electricity bills regularly.
3. Debit / Credit Card – Card payments are already enabled at our collection centers as well as at Website and collection agencies.
4. Internet Banking – Internet banking payments are already enabled at our collection centers as well as at Website and collection agencies.

2.546 We have given the option to consumers to get e-Bill from application or through our website, However we cannot make it mandatory because there are some remote areas where people are not digitalized and therefore it is not feasible for them to rely upon the E-Bills. Any delay in access of the bills may further lead to delay in revenue collection. Furthermore, it is the Commission's prerogative to decide whether to make e-bills mandatory or not.

2.547 We hope that the Commission will evaluate suggestion of making various mode of digital payments mandatory for connections with higher sanctioned load.

2.548 The stakeholder has submitted that online payment of bill should be done so that generator is paid on time. However, only Jhuggi connections should be given paper bills.

2.549 As a responsible corporate entity, the BRPL is well aware of the benefits (both environmental and commercial) of sending e-bills. BRPL has also made a written representation before the Commission in the past. At present, any consumer of the Petitioner can request to opt for e-bill and discontinue their physical bills or may decide to continue with both formats. Lakhs of consumers have already opted for e-bills and have decided to stop their physical bills. However, this is still optional for all consumers. The suggestion may be duly considered by the Commission. However, while considering to make e-bills mandatory, there may be lakhs of consumers especially in the lower economic strata who may still lack the technical resources to access e-bills.

NDMC

2.550 The party is not in NDMC area

COMMISSION'S VIEW

2.551 The e-bill and online payment along with other multiple mode of payment is voluntary for customers. Consumer can pay the bill by Cash, Cheque, Demand Draft, Money Order or through electronic modes. The date of realisation of cheque or Three (3) days from the submission of cheque shall be deemed to be the date of receipt of the payment provided that the cheque is not dishonoured.

2.552 Provided that if cheque of a Consumer dishonoured for Two (2) occasions in any Financial Year, then such Consumer shall not have facility of paying electricity bill through cheque for balance period of Financial Year. Provided further that cash payment limit for each monthly bill shall not exceed Rs 5,000/- or as may be decided by the Commission from time to time.

2.553 Accordingly, the Directive has been issued regarding the Cash Collection in current Tariff Order, as follows:

> *"No payment shall be accepted by the Distribution Licensees from its consumers at its own collection centres/mobile vans in cash towards electricity bill exceeding Rs. 4,000/- except from blind consumers, for court settlement cases & payment deposited by the consumers at designated scheduled commercial bank branches upto Rs. 50,000/-. Violation of this provision shall attract penalty to the level of 10% of total cash collection exceeding the limit."*

2.554 Further, in this Tariff Order the Commission has mandatorily made the payment of monthly electricity bills of all categories of consumers except Domestic, Agriculture & Mushroom Cultivation exceeding Rs. 20,000/- digitally through various platforms like NEFT, RTGS, IMPS, Credit Card, Debit Card, Wallets (like PayTM, Google Pay) etc.

2.555 When collection exceeds the Normative target of 99.5% the benefit uptil 100% is shared between Distribution Licensee and consumer. The treatment of security deposit and its interest thereof is governed by provisions indicated in DERC (Supply Code and Performance Standards) Regulations, 2017.

STAKEHOLDER'S VIEW

2.556 Some people are using Domestic connection for Non-Domestic purpose.

2.557 Defaulters should not be given rebate benefits. Their subsidy should be stopped.

2.558 Reconciliation statements of the expenditure should be provided to the stakeholder.

2.559 In rural areas, new connection facility should be simplified.

2.560 Even after 18 years, DISCOMs are still not under RTI Act, therefore data authenticity is at stake and there is revenue gap.

2.561 DISCOMs own consumption is at zero rate but status of electricity tax is not provided.

2.562 Direct DISCOMs for tracing defaulters, they should have their details like mobile no. Aadhar and Pan Card details etc. in their records.

2.563 Strict rules to be made for tracing the defaulters.

2.564 Direct DISCOMs to take Aadhar and PAN details at the time of giving new connection to avoid harassment of honest applicants from the recovery of dues left on the premises, where a new connection is applied and also help in recovery suits filed against the actual defaulters.

2.565 Aadhar, mobile no. and PAN details be made mandatory for Application of new connection.

2.566 DERC should direct DISCOMs to keep Aadhar, mobile no. and PAN details of all consumers for tracing defaulters who have left dues thus avoiding new connection applicants to pay them.

2.567 DISCOMs to take Aadhaar, mobile no. and PAN details of all the applicants at the time of giving new connection to avoid harassment of honest applicants from the recovery of dues left on the premises where a new connection is applied and also help in recovery suits filed against the actual defaulters.

2.568 Defaulters should not be given rebate benefits. Their subsidy should be stopped.

2.569 Tariff Order should be issued on 1st April of every financial year so that one Tariff is applicable for one financial year.

2.570 DERC should issue Tariff for 5 years instead of one year like Mumbai.

2.571 Five years Tariff should be issued for better clarity and long term planning.

2.572 Public Utilities should not be given cross subsidy as they are government owned.

2.573 Hon'ble APTEL Judgments should be strictly implemented.

2.574 Compliance to Regulatory Directives to be ensured for Timely payment to Central and State Generating Stations and Transmission Utilities.

2.575 Theft cases and misuse of electricity should be carefully examined and stopped.

2.576 Un-authorized use of electricity by authorized occupant of the flat should be checked and stopped by the DISCOMs.

2.577 Effects of fumes emitted out of thermal plants in Delhi should be taken into consideration in respect of Pollution and health hazard created by it.

2.578 Direction of APTEL in various Appeals for Tariff for FY 2021-22 to be implemented.

i) Collection Efficiency and Distribution Loss Target

ii) ARR FY 2021-22

2.579 Aadhaar, mobile no. and PAN details of all the applicants at the time of giving new connection to avoid harassment of honest applicants from the recovery of dues left on the premises where a new property purchase and a new connection is applied and help in recovery suits filed against the actual defaulters

2.580 More than One Crore rupees should not be allowed for legal expenses.

2.581 While purchasing a new property, how to check and clear 20-30 years old outstanding dues.

2.582 While purchasing a land, they have to submit the scheme to DTL and network up gradation cost has been included.

2.583 As per DERC Order 2017 as amended time to time, for getting new connection 500 sq. mtr. area for transformer should be provided by the consumer earlier it was 300 sq. mtr. Now it is defined as 1000 covered area. Due to this consumers are not getting new connections. Parking area is included under covered area. This is creating problems for getting new connections as RWA don't have space to provide.

2.584 New meter should be installed on the same day, after removing the temporary meter from the new construction site. At present the new connections is provided after the gap of 8-10 days.

2.585 Meters are running fast due to neutral looping. DISCOMs are making unearned profits. Meters are doctored so that they cannot be checked.

2.586 While constructing additional floors on the existing house, sometimes the wires touches the walls of the house, as the connection was old and given at ground floor. Due to this consumer are facing problems in getting new connections.

2.587 DISCOM is refusing to give new connection and charging commercial Tariff from the consumers who are doing small business with one or two machines in their house. But as per DDA guidelines factory having 9 workers or having 11 kW meter are allowed.

2.588 Removing and Installing of Temporary connections again and again should be stopped.

2.589 Problem in getting temporary connection.

2.590 DISCOM charged for shifting of meter, it should not be charged.

PETITIONER'S SUBMISSION

TPDDL

2.591 Tariff determination and Tariff design for all consumer categories are the sole propagative of The Commission.

2.592 Electricity Tax is levied by MCD in accordance with its Delhi Municipal Corporation Act.

2.593 The Commission always does prudence check at the time of True-Up.

2.594 DISCOMs are not under RTI Act.

2.595 Sometimes outstanding dues on premises remain unrecovered due to consumer default and it is not always possible to recover without establishing the liability on the defaulter who has left the premises. Such recovery suits also take time and sometimes do not give the desired result of dues recovery as the defaulter cannot be pinned due to lack of documents that can identify him like Aadhar, Mobile no and PAN details. Whenever a consumer applies for new connection, DISCOM checks the dues on premises applied for and the applicant has to pay these dues to get the new connection. This is unnecessary burden and harassment for the applicant.

2.596 As regards to stakeholder's comment on consumer engaging in theft of Electricity, the burden of which is passed on to other consumers. Therefore, all such consumer should not get the following benefits if they engage in Payment Default of Theft of Electricity:

i) Such Consumers should be charged on Flat Tariff corresponding to Highest Slab.

ii) No TOD or Other Rebate should be provided.

iii) No Security Interest should be provided.

iv) LPSC to be charged on monthly basis.

This will help in reducing the ARR of DISCOMs and also the burden of honest paying consumers.

2.597 Legal Provisions in Electricity Act, 2003, National Tariff Policy 2016 and Appellate Tribunal for Electricity order dated 11/11/2011, provides that the State Regulatory Commissions should issue Tariff Order of the licensee before 1st April of the Tariff Year. Regarding Tariff Order to be issued on 1st April of every financial year, TPDDL agrees to the suggestion and it is in overall consumer interest and that of overall power sector.

2.598 Timely issue of tariff order not only helps DISCOMs in maintaining business financial sustainability but also help preventing the carrying cost burden on the consumers.

2.599 Further, Issue of Tariff Schedule for entire MYT period brings clarity to consumers as well DISCOMs for long term planning. Industrial and commercial consumer can estimate in advance regarding its input cost of electricity and thereby plan for future productions.

2.600 Timely release of Tariff Order is an important element for recovery of ARR. We request to release tariff order for 21-22 at the earliest so that required ARR is recovered in timely manner and on Financial Year basis. MoP,GoI vide communication no. 23/02/2021-R&R [257091) dated 1/04/2021 has released advisory in this regard. Further, appropriate and suitable provisions for this exists in Electricity Act,2003 and Tariff Policy,2016.

2.601 TPDDL agrees that 5 years Tariff should be issued. It is in overall consumer interest and Delhi Power Sector.

2.602 Fixed charges as part of Tariff is levied so as to be able to cover the fixed expenses / costs of DISCOMs. DISCOMs need to establish and maintain infrastructure and network corresponding to the Sanctioned / connected load of the Consumers to ensure uninterrupted power supply irrespective of the fact whether such load demand is actually used or not but the DISCOM is required to have such infrastructure in place.

BYPL

2.603 The issue raised by the Stakeholder regarding safety measures pertains to M/s BRPL and hence is not commented upon by BYPL.

2.604 With respect to the stakeholder responses on Costly Tariff for High usage domestic Consumer, it is submitted that Tariff determination is sole prerogative of the Commission. We request the Commission to consider the comments of the Stakeholder.

2.605 We would like to say that theft issue applies to the entire service sector (e.g. water, telephone, railways, road transport, etc.), Taxes (e.g. Income tax, Custom and Excise, Sales Tax, VAT, property Tax, etc.). The electricity sector cannot be isolated from this menace. Carrying out more load shedding in high loss/theft area will not be appropriate as the honest consumers in these areas will also suffer without being at fault. BYPL is making efforts to prevent theft of electricity by strengthening their enforcement activities without harassing the honest paying consumers.

2.606 Given this background control of power theft needs active participation and support from all the stakeholders including Government, public representatives, Citizens, RWAs and NGOs reinforced with effective legal and enforcement framework

2.607 BYPL is providing new connections as per the Regulation 11 of DERC (Supply Code and Performance Standards) Regulations, 2017. All processes regarding documentations of the consumers, dues transfers are being followed with respect to these regulations only.

2.608 Regarding the issue of paying dues due to nonpayment of previous dishonest consumer, it is submitted that this issue of honest vs. dishonest consumer equally applies to the entire service sector (e.g. water, telephone, railways, road transport, etc.). The electricity sector cannot be isolated from this menace.

2.609 BYPL provide new connections as per the Regulation 11 of DERC (Supply Code and Performance Standards) Regulations, 2017. All processes regarding documentations of the consumers, dues transfers are being followed with respect to these regulations only.

2.610 With respect to the stakeholder comment on Defaulting consumers should not be given rebate benefits, the subsidy is approved by the GoNCTD in terms of section 65 of the Electricity Act 2003. Currently, there is no differentiation in providing subsidy benefit on the basis of honest consumers and defaulting consumers. Any eligible consumer whose consumption falls under the criteria specified by the GoNCTD is getting the benefit of subsidy. We appreciate the concern raised by the stakeholder on exclusion of subsidy benefit to defaulting consumers as on one hand such consumers are getting the subsidy benefit and on other hand they are burdening the honest consumers in Tariff. Also, the subsidy is the prerogative of the State Government.

2.611 We appreciate the concern raised by the stakeholder w.r.t. finalization of tariff and issuance of Tariff Order at the beginning of the Financial year i.e. 1/04/2021. Further, we would like to submit that the as per section 63 of Electricity Act, 03 finalization of tariff is sole prerogative of the Commission.

2.612 Regarding the concern raised by the stakeholder w.r.t. the tariff finalization of 5 years, As per section 63 of Electricity Act, 2003, finalization of tariff is prerogative of the Commission.

2.613 Regarding no subsidy disbursal for consumption of more than 300 units, the mechanism of the subsidy disbursal is under the purview of the Delhi Government and determination of Tariff is sole prerogative of Commission.

2.614 With respect to the finalization of Tariff and Cross subsidy, the section 61 (g) of Electricity Act 2003 mandates that Appropriate Commission while determining Tariff shall be guided by the objective that the Tariff progressively reflects the cost of supply of electricity and also reduces and eliminates cross subsidies within the specified period. Accordingly, for achieving the objective, National Tariff Policy laid down the principle that the Appropriate Commission would notify a roadmap such that tariffs are brought within ± 20% of the average cost of supply and the road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.

2.615 The issue of cross subsidy stems from the historical Tariff trends and with its prerogative to determine Tariffs, the Commission has been working towards removing this shortcoming. However, the Commission is bound to avoid tariff shocks for domestic, low income and agricultural consumers and therefore the work of eliminating cross subsidies is still in progress

2.616 Regarding Petitioner's claim for implementation of APTEL Judgments and past period claims, it is submitted that, only after detailed deliberation on the issues, the APTEL vide its various judgments has issued specific directions to the Commission which the Commission is legally bound to implement. Accordingly, the Petitioner in its Petition has prayed for implementation of various Judgments passed by the APTEL and allowance of its entitlement in the Tariff Order.

2.617 As regards to stakeholder's comment on Compliance to Regulatory Directives, response is as follows

i) Timely payment to Central and State Generating Stations and Transmission Utilities: The matters pertaining to payment to Generating Stations and Transmission Utilities are presently sub-judice before Hon'ble Supreme Court in the matter of W.P. 105 of 2014 and APTEL in the matter of Appeal Nos. 27, 28 & 32 of 2014. Without prejudice to the Petitioner's submissions made in this matter, it is submitted that BYPL endeavor to make timely payment to Central and State GENCOs and Transmission Utilities against current dues in compliance the Hon'ble Supreme Court's Order dated 23/03/2014 and has been apprising the Commission of the same from time to time.

ii) Direction of APTEL in various Appeals: Timely Implementation of APTEL orders by the Commission is in overall consumer interest as it will prevent additional carrying cost burden on consumers. The APTEL has observed in its judgments that its judgment/ orders are to be implemented promptly, in cases, where its judgments have been passed and no stay order has been granted by Hon'ble Supreme Court. Even the mere pendency of an appeal against APTEL judgment is not an excuse for its delay in implementation or non-implementation.

iii) Only after detailed deliberation on the issues, APTEL vide its various judgments has issued specific directions to the Commission which the Commission is legally bound to implement. Accordingly, the it is prayed to implement various Judgments passed by the APTEL and allowance of its entitlement in the Tariff Order.

2.618 Further, the issue wise detailed submissions along with computation of financial impact are provided in Chapter 3B of the ARR/True-up Petition which is not reiterated for the sake of brevity.

2.619 As regards to stakeholder comment on Collection Efficiency and Distribution Loss Target, the incentive due to overachievement of Collection efficiency target, it is submitted that the Petitioner computes the incentive sharing mechanism on account of overachievement w.r.t. Collection Efficiency target as per DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

2.620 As regards the stakeholder's comment on Collection efficiency target to be fixed at 100% and revision in Distribution Loss target, it is submitted that the Collection Efficiency of 99.50% and Distribution Loss target for the control period has been specified by the Commission after considering contentions, submission and suggestions by the stakeholders. Further, the Commission may revise/relax/review the said targets/norms specified in the Business Plan Regulations, 2019 in view of Force Majeure conditions.

2.621 As regards the stakeholder's comment ARR FY 2021-22, It is submitted that the projection of all the expenses and revenue for FY 2021-22 is based on the principles and methodology specified in the Tariff regulations, 2017 in line with the operational parameters/performances specified in Business Plan regulations, 2019. Any relaxation/revision/modification in targets/norms as provided in the aforesaid Regulations may be done by the Commission in view of Force Majeure conditions.

2.622 Further, all assumptions/ considerations while projecting the expenses and revenue are explained in detail in the Petitioner's submissions made before the Commission.

2.623 Further with respect to the stakeholder comment regarding difficulties faced by the BYPL as serving in the east Delhi & reduction of power purchase cost, it is submitted that BYPL has also taken various steps for closing down /exit of PPA from such high cost and inefficient power stations. Further, the Petitioner has also approached various forums at both central and State level including submission of its comments on the Petitions filed by various Central /State Generating and Transmission utilities for consideration of the Regulatory Commissions.

2.624 Further determination of any category and slab of the tariff is the sole prerogative of the Commission.

BRPL

2.625 There is no link between information and revenue gap every year. The Commission regularly seeks various data/ information and published publically every year, hence data authenticity has no relevance as all the data exist in public domain.

2.626 Regarding reported CA No. to detect electricity misuse by Domestic category for non-domestic purpose, the suggestion of penal amount realization from such consumer is highly appreciated.

2.627 BRPL will take each and every possible steps to check misuse of electricity supply by some dishonest consumers.

2.628 We appreciate your concern relating to reduction in global warming.

2.629 As regards to stakeholder comment on consumers engaged in theft of Electricity or payment defaulters be disallowed the benefits of lower slabs in Domestic category and be charged only on the highest slab of Domestic category, BRPL will take each and every possible survey and steps in order to check misuse of electricity supply being taken up by some dishonest and irresponsible consumers. Also, DISCOMs charge consumer categories on the electricity consumed in accordance with the Tariff determined by the Commission. The stakeholder's plea may be duly considered by the Commission.

2.630 As regards to stakeholder comment on Tracing of payment defaulters and DISCOMs may be directed to keep details like Mobile no., Aadhar details or PAN card details in their records, BRPL agrees that dishonest consumers like those not paying their dues on time or those who resort to the unauthorized use of electricity pose an undue burden on honest consumers. BRPL has a dedicated team of enforcement professionals whose sole aim is to reduce and arrest loss occurring due to theft / unauthorized use of electricity. Our technical, as well as commercial losses, have been drastically reduced from over 50% at the time privatization to about 8.58% at present. The benefit of such a drastic reduction in losses has directly benefited honest consumers by way of reduced Tariff burden.

2.631 The set of identification documents/address proofs that the Petitioner can collect/demand from consumers are mandated by the provisions of the DERC Supply Code Regulations. As per the prevailing norms, both PAN and Aadhar card are accepted but are not mandatory. The Petitioner is not at the liberty to decide which documents may be sought from consumers applying for new connections. However, we trust that suggestions will be duly considered by the Commission.

2.632 As regards to stakeholder comment on issue of recovery of pending dues against any specific property/ premises and the DISCOM's insistence of recovery of such dues from the new owner, we understand the stakeholder' viewpoints. However, in this regard it may also be noted that electricity dues are statutory in nature under the Electricity Act. Under the provisions of the Supply Code Regulations, Regulation 19 sub-regulation (3) and (4) deals with generation of final bill and no-dues certificate. The excerpt of the said regulation is reproduced below:

"19. Termination of Agreement: -

…(3) In all cases of termination of Agreement under sub-regulation (2) (ii), the Licensee shall arrange for special meter reading, at a mutually acceptable date and prepare final bill. Such bill shall be stamped as final bill. The agreement shall be terminated only on payment of final bill.

(4) On receipt of the payment of the final bill, the Licensee shall issue receipt with Final Bill stamped on it. This receipt shall be treated as "No dues certificate". "

2.633 The above regulation, clearly imparts a duty upon an existing consumer to terminate his existing connection by requesting a special reading and generation of the final bill. This bill, in itself serves the purpose of a 'No dues certificate'. It is always advisable for any person acquiring any property to obtain the original no dues certificate / final bill from the seller of such property. Adhering to this process will not only ensure that the said premises are free from all electricity related dues, but at the same time will greatly ease the process of getting a new connection by the new owner.

2.634 From the above, it is also clear that the onus of due-diligence is clearly on the person acquiring / buying a property / premise and not on the DISCOM. It therefore, would not be justified that the DISCOM is mandated to track down any previous owner for recovery of any pending dues.

2.635 Regarding issue multiyear Tariff for five years instead of annual tariff determination, Regulation 11 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 provides as under:

"11. The Distribution Licensee shall submit Annual Tariff Petition, at least one hundred and fifty (150) days prior to the end of the relevant Financial Year which shall contain:"

Furthermore, Section 64(3)(a) of the Electricity Act, 2003 provides as under:

"Section 64 (Procedure for Tariff Order):

(3) The Appropriate Commission shall, within one hundred and twenty days from receipt of an application under sub-section (1) and after considering all suggestions and objections received from the public,-

(a) issue a tariff order accepting the application with such modifications or such

conditions as may be specified in that order;"

A conjoint reading of the above two provisions clearly indicates that the Commission should come out with a Tariff Order by March.

2.636 Further, it is submitted that the determination of electricity Tariff to be charged from a certain category of consumer is the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003. we trust the same shall be duly considered by the Commission itself.

NDMC

2.637 NDMC is taking prompt action against defaulters.

2.638 The party is not in NDMC.

COMMISSION'S VIEW

2.639 The new and existing connections shall be as per procedure specified in Chapter-3 of *DERC (Supply Code and Performance Standards) Regulations, 2017*. The said Regulation shall be applicable for New and existing connections, agreement, metering, billing and payment, disconnection and reconnection, Unauthorised use, theft, Complaint handling procedure and overall standards of performance.

2.640 The Commission exercises prudence check on the expenses that are incurred or allowed to be incurred by the Utilities for approval of O&M expenses during a control period. O&M expenses are a controllable parameter in terms of *DERC (Terms & conditions for Determination of Tariff) Regulations, 2017*, and any surplus or deficit on account of O&M expenses shall be to the account of the Licensee and shall not be trued up in the ARR.

2.641 The Commission while determining the norms for O&M expenses in its Business Plan Regulations, 2017 has not considered the legal expenses as it shall be allowed based on prudence check in true up of ARR for the relevant year.

A3 TRUE UP FOR FY 2019-20

BACKGROUND

3.1 The True up of FY 2019-20 shall be considered in accordance with the provisions of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* and *DERC (Business Plan) Regulations, 2017*.

3.2 The Commission was carrying out verification of Books of Accounts of Distribution Licensees, however from FY 2016-17, the Commission started Regulatory Audit for verification of Books of Accounts of Distribution Licensees through C&AG empanelled Auditor. Similarly, for FY 2019-20, Commission floated tender twice for the appointing C&AG empanelled Auditor for verification of Books of Accounts of Distribution Licensees, but the bids could not be finalized even till April '21 due to procedural and Technical issues with the tender. Apprehending problem in tender finalisation, the Commission started in-house verification of Books of Accounts for FY 2019-20 from March '21 onwards, however, decision of in-house verification instead of Regulatory Audit by C&AG empanelled Auditors, was taken in the month of June '21. If, any, variation/deficiency in the in-house verification is being noticed in future it will be dealt accordingly.

3.3 The Commission has conducted various prudence check sessions with the Petitioner for True-up of various parameters of ARR for FY 2019-20 submitted in the Petition. Wherever required clarifications were sought on various issues from the Petitioner in accordance with the applicable principles laid down under the DERC (Terms and Conditions for Determination of Tariff) Regulations 2017, DERC (Business Plan) Regulations, 2017 and with respect to the Books of Accounts of the Petitioner maintained as per Companies Act. The Commission has considered all information submitted by the Petitioner as part of Tariff Petition, Audited Accounts for past years, response to queries raised during discussions and also considered the stakeholder's submission during Virtual Public Hearing process and those submitted in written for finalization of the Tariff Order as per the principle laid down under DERC (Terms and Conditions for Determination of Tariff) Regulations 2017 and DERC (Business Plan) Regulations, 2017.

PRIOR PERIOD ISSUES

3.4 The Petitioner, as part of the Petition filed before the Commission had submitted its claim on the following issues as tabulated below:

Table 3. 1: Directions of Hon'ble APTEL given in various Judgments

Sr. No	Issue	Date of Judgment	Direction to the Hon'ble Commission
1.	Deferment of Capitalisation based on EI Certificate	October 6/30, 2009 (Appeal No. 36/37 of 2008)	To allow the capitalisation based on Electrical Inspector (EI) Application plus 15 days
		March 2, 2015 (Appeal No. 178 of 2012)	To conduct physical verification of assets and complete exercise within 6 months
		September 30, 2019 (Appeal No. 246 of 2014)	Issue of capitalisation is required to be re-examined by the Commission in consideration of all facts and figures and is required to be allowed on actual basis in line with Regulations.
2.	Disallowance of REL Purchases	October 6/30, 2009 (Appeal No. 36/37 of 2008)	To allow the impact based on comparison with NDPL prices
		March 2, 2015 (Appeal No. 178 of 2012)	To provide all the data for comparison within a month of receipt of requirement by the Petitioner
3.	Working Capital	May 31, 2011 (Appeal No. 52 of 2008)	To consider the working capital in debt-equity ratio of 70:30
		November 28, 2014 (Appeal No. 61 of 2012)	Implement the directions in letter and spirit
		March 2, 2015 (Appeal No. 177 of 2012)	Implement the directions in letter and spirit
4.	Repayment of loans	November 28, 2014 (Appeal No. 62 of 2012)	To consider repayment of loans while computing WACC
		March 2, 2015 (Appeal No. 178 of 2012)	To consider repayment of loans while computing WACC
5.	Cost of Debt	October 6/30, 2009 (Appeal No. 36/37 of 2008)	True-up rate of interest of loans based on variation in SBI PLR
		November 28, 2014 (Appeal No. 62 of 2012)	To true-up the rate of interest as SBI PLR has varied by more than +/-1%
		February 10, 2015 (Appeal No. 171 of 2012)	To true-up the rate of interest pertaining to working capital loans from FY 13 to FY 15 based on actuals.
		March 2, 2015 (Appeal No. 178 of 2012)	To true-up the rate of interest as SBI PLR has varied by more than +/-1%
6.	Re-casting of means of finance based on actual consumer contribution capitalised	February 23, 2015 (Appeal No. 110 of 2014)	Matter remanded giving liberty to the DISCOMs to furnish the accounts showing that the excess amount of consumer contribution has been duly considered in ARR from FY 03 onwards in reducing Retail Supply Tariffs.
		May 15, 2017 (Appeal No. 104 of 2017)	Direct to follow instructions given in Judgment dated February 23, 2015
7.	Revision in Distribution Loss	October 6/30, 2009 (Appeal No. 36/37 of 2008)	To re-determine the Loss Targets for FY 2008 to FY 2010

Sr. No	Issue	Date of Judgment	Direction to the Hon'ble Commission
	targets for FY 2008 to FY 2010	November 28, 2014 (Appeal No. 62 of 2012)	To implement the judgment in the Appeal 36 of 2008
		March 2, 2015 (Appeal No. 178 of 2012)	To implement the judgment in the Appeal 36 of 2008 and the Appeal 61/62 Judgment
8.	Computation of AT&C Loss for FY 2009-10	November 28, 2014 (Appeal No. 62 of 2012)	To recomputed the AT&C losses for FY 2009-10 using actual kWh figures as recorded in Para-4.8 of the Impugned order
9.	AT&C Loss for FY 2011-12	November 28, 2014 (Appeal No. 62 of 2012)	To consider the AT&C Loss target for FY 2011-12 as per letter dated March 8, 2011
10.	Non-Revision of AT&C Loss for 2nd MYT Period	March 2, 2015 (Appeal No. 178 of 2012)	To refix the AT&C loss targets for FY 2012-13 to 2014-15 based on the revised targets for FY 2011-12 as directed in Appeal 62 judgment.
11.	Lower rates of carrying cost	July 30, 2010 (Appeal No. 153 of 2009)	To allow the carrying cost in debt-equity ratio of 70:30 by considering prime lending rates
		November 28, 2014 (Appeal No. 62 of 2012)	To allow the carrying cost in debt-equity ratio of 70:30 by considering prime lending rates
		March 2, 2015 (Appeal No. 178 of 2012)	To allow the carrying cost in debt-equity ratio of 70:30 by considering market lending rates
12.	Financing cost of LPSC based on SBI PLR	March 2, 2015 (Appeal No. 178 of 2012)	To allow LPSC at prevalent market lending rates
13.	Efficiency factor for FY 11	March 2, 2015 (Appeal No. 178 of 2012)	To allow the impact on account of arbitrary determination of efficiency factor for FY 2010-11

Table 3. 2: Impact as claimed on account of implementation of Hon'ble APTEL judgments

Sr. No	Particulars	Principal	Interest	Total
1.	EIC Deferment and Physical Verification	1565	3917	5482
2.	REL Disallowance			
3.	Correction in quantum and funding of Working Capital (WC)			
4.	Consideration of repayment of loan			
5.	True-up of Interest rates of debt			
6.	Correction of Consumer Contribution			
6A.	Net-worth computations			
7.	Revision in Distribution Loss targets for FY 2007-08 to FY 2009-10	70	271	341
8.	Computation of AT&C Loss for FY 2009-10	21	66	87
9.	AT&C loss for FY 2011-12	95	208	304
10.	Non-revision of AT&C Loss for second MYT Period	464	591	1056
11.	Carrying cost to be allowed in debt-equity ratio of 70:30	1494	209	1704
12.	Financing cost of LPSC based on SBI PLR	22	65	87
13.	Efficiency factor for FY 2010-11	11	28	39

Sr. No	Particulars	Principal	Interest	Total
	Total	**3743**	**5357**	**9100**

Table 3. 3: Amount as claimed under Review petitions before the Commission:

Sr. No	Particulars	Principal	Interest	Total
A.	**Review Petition No. 31 of 2018**			
1.	Write Back of Miscellaneous Provisions	238	598	835
2.	Disallowance of PP Cost on MOD basis during FY 14	27	38	65
	Sub-total	**265**	**636**	**901**
B.	**Review Petition No. 64 of 2019**			
1.	Carrying cost on Anta, Auraiya and Dadri Gas Stations	69	21	89
2.	Advance Against Depreciation	286	782	1068
3.	Erroneous computation of deemed revenue in excess of 1% cap on billing during FY 2017-18	4	2	5
4.	Net Metering during FY 2017-18	0.3	0.1	0.4
	Sub-total	**358**	**804**	**1162**
C.	**Review Petition in respect of TO dated 28.08.2020**			
1.	Error in computation of carrying cost at Table-3.6 of Tariff Order	64	9	73
	Sub-total	**64**	**9**	**73**
	Total	**687**	**1449**	**2136**

Table 3. 4: List of various Appeals pending adjudication before APTEL

Sr. No	Years in subject	Date of Tariff Order	Appeal Number
1.	Truing-up of FY 12 and ARR and Tariff of FY 14	31.07.2013	265of 2013
2.	Truing-up of FY 13 and ARR and Tariff of FY 15	23.07.2014	236 of 2014
3.	Truing-up of FY 14 and ARR and Tariff of FY 16	29.09.2015	290 of 2015
4.	Truing-up of FY 15 and FY 16 and ARR and Tariff of FY 18	31.08.2017	70& 71 of 2018
5.	Truing-up of FY 17 and ARR and Tariff of FY 19	28.03.2018	214 of 2018
6.	Truing-up of FY 18 and ARR and Tariff of FY 20	31.07.2019	105 of 2020
7.	Truing-up of FY 19 and ARR and Tariff of FY 21	28.08.2020	Limitation period of filing appeal from date of receipt of certified copy yet not over

Table 3. 5: Impact of various appeals pending before Hon'ble APTEL as claimed:

Sr. No	Particulars	Pending in Appeal	Principal	Interest	Total
1	**Power Purchase Cost**				
1.1	Disallowance of Trading Margin	265 of 2013/ 236 of 2014	3	5	8
1.2	Disallowance of Fixed charges for regulated power	All appeals	298	363	661
1.3	Consideration of normative rebate during truing-up	All appeals except 265 of 2013	404	355	759
1.4	Disallowance of Power Purchase cost on account of Overlapping in banking transactions	290 of 2015	4	4	8
1.5	RPO Penalty upto FY 17-18	70 & 71 of 2018, 214 of 2018 & 105 of 2020	37	21	58
1.6	Disallowance of Power Purchase Cost on account of disposal of surplus power in UI for FY 14 and FY 15	290 of 2015, 70 & 71 of 2018, 214 of 2018	19	23	41
	Sub-total		**764**	**771**	**1535**
2	**O&M Expenses**				
2.1	Disallowance of R&M Expense- FY 05	214 of 2018	28	166	194
2.2	Disallowance of R&M Expenses during 1st and 2nd control period	All Appeals	37	74	111
2.3	Increase in employee expenses corresponding to increase in consumer base	All Appeals	55	179	234
2.4	Disallowance of GST contrary to regulations	105 of 2020	35	10	46
2.5	Minimum wages Disallowance	105 of 2020	31	12	42
2.6	Legal Fees Disallowance	105 of 2020	24	7	31
	Sub-total		**210**	**448**	**658**
3	Truing-up of Income-tax	All Appeals	263	432	694
4	**Others**				
4.1	Non-consideration of Bank Charges	All Appeals	138	230	368
4.2	Loss due to Retirement of Asset	All Appeals	64	76	140
4.3	Erroneous method of calculation of carrying cost	All Appeals except 266 of 2013	125	108	233
4.4	Interest on funding of carrying cost	290 of 2015	0	22	22
4.5	Impact of Truing up of 11 Months	All Appeals	164	526	690
4.6	Approach for Truing-up of FY 17	70 & 71 of 2018	87	51	138

Sr. No	Particulars	Pending in Appeal	Principal	Interest	Total
	Sub-total		**577**	**1014**	**1591**
5	**Non-Tariff Income**				
5.1	Consideration of Commission on ED	All Appeals	35	25	60
5.2	Income from street light maintenance charges	All Appeals	103	205	308
5.3	Consideration of revenue from Sale of scrap as NTI	All Appeals	25	25	50
5.4	Financing cost of LPSC considered in NTI	All Appeals	43	37	79
	Sub-total		**206**	**291**	**497**
6	**Revenue**				
6.1	Bad debts written off not considered	All Appeals	23	42	65
6.2	Disallowance of Monthly billing rebate in ARR	290 of 2015, 70 & 71 of 2018	34	33	67
6.3	Erroneous treatment of the sales on zero billing	290 of 2015	58	153	211
	Sub-Total		**115**	**228**	**343**
7	**Total**		**2135**	**3183**	**5318**

Commission Analysis

3.5 During the proceedings of tariff determination, Hon'ble APTEL vide its Order dated 07.06.2021 on IA 860 of 2021 in Appeal no. 236 of 2014 has adjudged as follows:

"According to the learned Counsel for the Appellant, the issues referred to the instant applications which are enumerated therein are already covered by judgments/orders of this Tribunal, and having heard learned counsel for both the parties, we dispose of these appeals, partly, directing the Respondent Commission to follow the directions of the Tribunal on these 15 issues as held by us in Appeal No. 246 of 2014 judgment dated 30.09.2019 and Appeal no. 213 of 2018, if these is no stay order on the judgments of the Tribunal by the Hon'ble Supreme Court of India. We, further direct the Respondent Commission to consider these issues on the tariff which has to be determined for the Appellants herein the current tariff proceedings pending before the Commission."

3.6 The issues as enlisted with the judgment in IA 860 of 2021 are as follows:

Table 3. 6: Petitioner Submission in IA 860/2021

Sr. No.	Particulars	Principal	Carrying Cost	Total
1	Non revision of AT&C loss Targets for FY 12 to FY 17	649	712	1361
2	Retrospective application of MYT Regulations while computing working capital	408	537	945
3	Rate of interest for working capital to be allowed on SBI PLR for calculation of WACC			
4	Rate of interest on long term loans			
5	Consideration of erroneous rate of depreciation			
6	Non consideration of repayment of loan in D/E ratio			
7	Syndicate fees/Bank charges	91	93	184
8	Normative Self Consumption	0	0	0
9	Financing Cost of LPSC	22	48	71
10	Disallowance of trading margin	3	4	7
11	Overestimation of sale of surplus power	**Cash Flow Issues. Hence no financial impact**		
12	Non – Revision of PPAC formulae			
13	Enforcement: Actual Units billed and amount billed not considered	**Decided against Distribution Licensees**		
14	Erroneous method of calculation of carrying cost			
15	Erroneous reduction of additional UI Charges			
	Total	**1173**	**1395**	**2568**

3.7 The Commission has filed an Appeal before Hon'ble Supreme Court against the Order of Hon'ble APTEL dated 07.06.2021. However, no stay has been granted by the Apex Court in this regard. Issues at Sr. No. 11 & 12 are cash flows and issues at Sr. Nos. 13,14 & 15 have been decided against Distribution Licensees, therefore, no impact has been considered for these issues. Accordingly, the Commission has provisionally allowed the claim of the Petitioner on the issues as follows:

Revision of AT&C Loss Trajectory for FY 2011-12 and FY 2012-13 to FY 201-17

3.8 Hon'ble APTEL in its judgment dated 28.11.2014, has ruled as follows:

"72. In the light of above discussions, we direct the Delhi Commission to refix the AT&C loss levels for the FY 2011-12 as per its letter dated 8.3.2011 and give consequential relief to the Appellants. The issue is decided in favour of the Appellants."

3.9 Further, in Judgment dated 02.03.2015 in Appeal No. 178 of 2012, Hon'ble APTEL adjudged as follows:

"30.13 As regards BYPL, the AT&C target for FY 2011-12 has to be refixed as per the directions given in the judgment in Appeal no. 61 of 2012. When the target level for FY

2011-12 has to be refixed, the AT&C loss targets for FY 2012-13 to 2014-15 have also to be refixed by the State Commission accordingly."

3.10 In view of the above directions and no grant of stay from the Hon'ble Supreme Court, the Commission has provisionally revised the AT&C Loss Trajectory of the Petitioner for FY 2011-12, FY 2012-13 and FY 2013-14 and the additional incentive thereon is computed as follows:

Table 3. 7: Commission Approved AT&C Loss for FY 2011-12 to FY 2013-14

Sr. No	Particulars	UoM	FY 2011-12			FY 2012-13			FY 2013-14		
			Original	TO dt 31.07.13	Revised	Original	TO dt 23.07.14	Revised	Original	TO dt 29.09.15	Revised
A	AT&C Loss	%	18.00%	22.07%	21.00%	16.82%	21.14%	18.83%	15.66%	22.19%	16.67%
B	Under achievement	%		4.07%	1.07%		4.32%	2.31%		6.53%	5.52%
C	Energy Input	MU	6203.23	6203.23	6203.23	6332.82	6332.82	6332.82	6577.38	6577.38	6577.38
D	Units realised	MU	5086.65	4834	4900.55	5267.64	4994.08	5140.14	5547.36	5118.03	5481.15
E	Average Billing Rate	Rs./U	5.11	5.11	5.11	6.31	6.31	6.31	6.85	6.85	6.85
F	Amount realised	Rs. Cr.	2598.97	2469.88	2504.18	3325.27	3152.58	3243.43	3800.63	3506.48	3754.59
G	Total financial impact	Rs. Cr.		-129.09	- 34.30		-172.69	- 90.85		-294.15	- 248.11
H	**Impact allowed**	**Rs. Cr.**			**94.79**			**81.84**			**46.04**

REVISION IN RATE OF DEPRECIATION (AS PER JUDGMENT IN APPEAL NO 246 OF 2014)

3.11 The Commission has provisionally considered the depreciation rate applicable to the Petitioner based on the Depreciation Schedule as MYT Regulations 2011 as follows:

Table 3. 8: Revised depreciation for 2nd MYT Control Period (Rs. Cr.)

Sr .No.	Particulars	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
A	Average GFA net of Consumer contribution for Depreciation	1779.82	1843.34	1999.66	2199.27	2398.88
B	Average depreciation rate	3.03%	4.07%	3.80%	3.79%	3.96%
C	Depreciation	53.93	75.00	75.99	83.35	95.00
D	Revised Depreciation rate as per Order	3.80%	3.80%	3.81%	3.81%	3.83%
E	Revised Depreciation	67.63	70.05	76.19	83.79	91.88
F	To be allowed/(Recovered)	13.70	-4.95	0.20	0.44	-3.12

COMPUTATION OF WORKING CAPITAL (AS PER JUDGMENT IN APPEAL NO. 246 OF 2014)

3.12 Hon'ble APTEL in this judgment dated 30.09.2019 in Appeal 246 of 2014 adjudged that *"it is* *not in dispute that in accordance with the terms of Tariff Regulations, the working capital has to be 100% funded by debt and, accordingly, the Commission carried out computations relating to debt and equity component of working capital after reducing the amount of working capital funded by equity in the prior period….”*

3.13 Based on the above judgment, the Commission re-examined the matter and observed that the Commission had provided funding towards working capital requirement by utilizing depreciation during the policy Direction period.

3.14 Return on Capital Employed (RoCE) on the RRBi includes working capital and the fixed assets. The financing of RRB and working capital was in the debt-equity ratio, of 70:30 to the Licensees upto FY 2011-12. Thereafter, the Working Capital was 100% debt funded.

3.15 Working capital funding being short term in nature is allowed to the Licensee until the dues are recovered from its consumers to pay its operating expenses such as power purchase coast and Operational & Maintenance expenses. By such means, the excess depreciation utilized towards funding of the working capital during policy direction period has already been realized by the Petitioner in the same year itself.

3.16 Thus the Petitioner’s submission that the Commission did not allow Equity infusion in the Working Capital during FY 2007-08 to FY 2011-12 is misconceived. The Petitioner has been earning the RoCE on the Working Capital on the value that includes the opening balance of Working Capital that was financed through utilization of depreciation. If no Equity or Debt was provided to the Petitioner, the Petitioner is not entitled to the return as RoCE on such component of working capital during the 1st MYT Control period.

3.17 The Commission has already allowed the Debt-Equity financing of the Working Capital Requirement for the 1st MYT Control period (2007-08 to 2011-12) and thereafter, Debt financing for the 2nd Control period (2012-13 to 2016-17) in accordance with the applicable MYT Regulations.

3.18 Further, during the examination of the issue, it has come to notice that there is an inadvertent error in computing the RoCE of the Petitioner during FY 2012-13 and FY 2013-14. The Commission now rectifies the same in accordance with the applicable MYT Regulations, 2011.

Working Capital Requirement	FY 2012-13	FY 2013-14
Annual Revenue Requirement	3138.59	3556.68
Receivables equivalent to 2 months average billing	523.10	592.78
Power Purchase Expenses	3,444.59	3,634.43
Power Purchase Expenses - 1 month	287.05	302.87
Total WC	236.05	289.91
Change in WC	79.58	53.86

Computation of ROCE	FY 2012-13	FY 2013-14
RRB Opening Balance	1,275.68	1,258.76
Addition in Net Fixed Assets	(16.92)	41.45
Investments Capitalised during the year	*23.33*	*140.32*
Depreciation during the year	*53.93*	*75.00*
Accumulated Depreciation on Decapitalised Assets	*23.12*	*-*
Consumer Contribution during the year	*9.44*	*27.16*
RRB Closing Balance	1,258.76	1,300.21
RRB i	1,267.22	1,279.49
30% RRBi as Equity	380.17	383.85
70% RRBi as Debt	887.05	895.64
Actual Equity including free reserve	393.56	395.92
Equity now considered for WACC (min of normative equity and actual equity)	380.17	383.85
Debt - Bal. fig.	887.05	895.64
Additional Re as incentive	0.63%	2.88%
re	16%	16%
Rd	9.54%	9.89%
WACC	11.23%	11.43%
RoCE	164.83	174.92
ROCE allowed in earlier Tariff orders	168.82	179.38
To be Allowed/(Recovered)	(3.99)	(4.46)

SYNDICATION FEE/BANK CHARGES

3.19 The Petitioner in its Petition has claimed Rs. 91 Cr towards Syndication fee/bank charges for the second MYT Control period (FY 2012-13 to FY 2016-17). The Commission sought additional information to verify their claims and observed that the claim by the Petitioner was higher than their earlier submission.

3.20 Further, in accordance with Regulation 5.6 of MYT Regulation 2011,

> *"5.6 Return on Capital Employed (RoCE) shall be used to provide a return to the Distribution Licensee, and shall cover all financing costs, without providing separate allowances for interest on loans and interest on working capital."*

3.21 The Commission has already trued-up the interest cost and has allowed RoCE to the Petitioner in accordance with the applicable Regulations. The Petitioner may establish its claim to the Commission giving its reasons for the variance from submission as forming part of the Petition and subsequent submissions before the Commission. Further, the Petitioner may establish that the interest cost as approved by the Commission while projecting the interest rates for the 2nd MYT Control period did not include such fees/charges as being claimed by the

Petitioner over and above the RoCE as per Regulation 5.6 of MYT Regulations 2011.

PHYSICAL VERIFICATION OF CAPITALIZATION FOR FY 2017-18

3.22 The Commission completed the Physical Verification for capitalization of Assets for FY 2017-18 and shared its findings with the Petitioner. Based on submissions of the Petitioner, the Commission has firmed up the capitalization for FY 2017-18 as revised it as under:

Table 3. 9 Commission Approved Physical Verification for Capitalization of Assets for FY 2017-18

Particulars	Amount (Rs. Cr.)
Total Capitalisation as per financial statements	346.99
Disallowances for FY 2017-18	
Assets not found during Physical verification	0.0021
EIC	0.06
Opex nature of work covered under capex	-
Excess Labour Charges	-
Time over run (Excess IDC)	0.36
Cost Over run	-
Excess Meter Cost capitalized	3.10
Disallowance on account of 7th pay revision provision	5.67
Disallowances for FY 2017-18	9.20
Capitalisation to be considered for FY 2017-18	337.79

3.23 Accordingly, the impact thereof in the ARR of the Petitioner for FY 2017-18 and FY 2018-19 is as follows:

Table 3. 10 Commission Approved Physical Verification for Capitalization of Assets for FY 2017-18

Particulars	Approved vide TO dated 31/07/2019	Now Approved	Impact
Power Purchase Cost (including transmission charges)	3298.64	3298.64	0.00
O&M expenses	626.34	626.36	0.02
Other expenses/ statutory levies	43.64	43.64	0.00
Depreciation	136.80	137.55	0.75
Return on capital employed	312.34	313.49	1.15
Income Tax	10.14	10.14	0.00
Less: Non-Tariff Income	99.05	99.05	0.00
Aggregate Revenue Requirement	**4328.85**	**4,330.78**	**1.92**
Reversal of penalty on account of Regulation 24 (4) (a)	**0.40**	**0.26**	**0.14**
Net Impact allowed			**2.06**

Table 3. 11 Commission Approved Physical Verification for Capitalization of Assets for FY 2018-19

Particulars	Approved vide Order dated 28/08/2020	Now Approved	Impact
Power Purchase Cost (including transmission charges)	3,282.63	3,282.63	-
O&M expenses	683.63	683.63	-
Other expenses/ statutory levies	32.87	32.87	-
Depreciation	146.59	148.07	1.47
Return on capital employed	330.11	333.29	3.18
Income Tax	10.46	10.46	-
Less- Non Tariff Income	112.06	112.06	-
Less: Income from Open Access			
Aggregate Revenue Requirement	**4,374.23**	**4,378.88**	**4.65**

IMPACT OF REVIEW ORDER DATED 13/12/2019

Write back of miscellaneous provisions

3.24 The Commission has examined the issue in depth and had sought certain information from the Petitioner regarding its claim relating to write back of miscellaneous provisions since policy direction period.

3.25 The Petitioner made certain additional submissions on 27.09.2021 which are under scrutiny by the Commission since Commission through it's Affidavit Dt. 03.09.2021 in Original Petition No.12 of 2021 stated that it is endeavouring to issue the Tariff Order for FY 2021-22 not later than 30/09/2021. Since, the information submitted by BYPL was quite delayed to be prudently verified before 30/09/2021. There was hardly any time left for the Commission to examine and verify the authenticity of the data furnished by the DISCOMs, as the Commission was committed to issue the Tariff Order for FY 2021-22 before 30/09/2021.

3.26 Until the final disposal of the issue by the Commission based on the additional submissions made by the Petitioner, the Commission has provisionally considered the write back of miscellaneous provisions pertaining to O&M Expense provisions relating to reversal on provisions on O&M expenses and retirement of assets.

3.27 Accordingly, the Commission has partly approved the write back of miscellaneous expenses provisions to be reduced from the Non-Tariff Income of the Petitioner as follows:

Financial Year	Reversal of Provision against O&M expenses	Reversal of Provision for Retirement of Assets	Total
2012-13	1.93		1.93
2013-14	5.74		5.74
2014-15	2.97	1.54	4.51
2015-16	0.98	0.93	1.91
2016-17	1.55		1.55
Total	**13.17**	**2.47**	**15.64**

IMPACT OF REVIEW ORDER DATED 11/03/2021

3.28 The Commission rectifies its error in computation of Carrying Cost upto FY 2017-18 and has added Rs. 56.40 Cr. to the closing balance of past period true up to arrive at the Opening balance of Rs. 800.15 Cr. (743.75+56.40) for FY 2018-19.

IMPACT OF REVIEW ORDER DATED 18/06/2021
OMISSION TO CONSIDER SALES ON ACCOUNT OF NET METERING FOR FY 2017-18

3.29 The Commission observed in its Review order dated 18.06.2021 that *"the methodology adopted for Net metering for True up of FY 2017-18 in Tariff Order dated 31/07/2019 shall be rectified in line with the methodology indicated above in Tariff Order dated 28/08/2020"*. Accordingly, the Commission allows Rs. 0.23 Cr to the Petitioner for FY 2017-18.

Table 3. 12 Commission Approved Impact of Net Metering for FY 2017-18

Sr. No	Particulars	As approved by the Commission
A	Distribution Loss Target in Previous Year	12.90%
B	Distribution Loss Target in current Year	13.00%
C	Actual Distribution Loss	10.66%
D	50% of (previous year target- Current Year target)	0.05%
E	Distribution Loss target-50% of (previous year target- Current Year target)	12.95%
F	Energy Input Requirement as per Distribution Loss Target (MU)	7,484.93
G	Actual Energy Input (MU)	7,288.60
H	Saving in Energy Required (MU)	
I	Average Power Purchase Cost (Rs./Unit)	4.52
J	Total Incentive (Rs. Cr.)	77.28
K	Petitioner's Share (Rs. Cr.)	
L	Petitioner Share 1 of incentive (less than Loss Target-50%*(PYT-CYT) (Rs. Cr.)	0.55

Sr. No	Particulars	As approved by the Commission
M	Petitioner Share 2 of incentive (up to Loss Target-50%*(PYT-CYT) (Rs. Cr.)	50.42
N	Total Incentive to Petitioner (Rs. Cr.)	50.97
O	Incentive to Consumer (Rs. Cr.)	26.31
P	Total Incentive already Allowed vide Tariff Order dated 31/07/2019	50.74
Q	**Additional incentive allowed**	**0.23**

ERRONEOUS COMPUTATION OF DEEMED REVENUE IN EXCESS OF 1% CAP ON BILLING ADJUSTMENTS DURING FY 2017-18

3.30 The Commission examined the issue and decided in its Review Order dated 18.06.2021 that the treatment for true up of sales after considering 1% adjustment of FY 2017-18, shall be without considering the impact of Contra Entries, Open Access and Provisional Billing as considered for FY 2018-19 and that the same shall be revised. Accordingly, the Commission allows Rs. 2.29 Cr to the Petitioner towards ARR for FY 2017-18, as follows:

Table 3. 13 Commission Approved Impact of deemed revenue in excess of 1% cap on billing adjustments during FY 2017-18

Sr. No.	Particulars	UoM	As per Tariff order dated 31/07/2019	As per Review order dated 18/06/2021
1	Energy Input	MU	7,289.47	7,289.47
2	Units Billed to Consumers	MU	6,511.89	6,506.41
3	Distribution Loss	%	10.67%	10.74%
4	Distribution Loss Target	%	13.00%	13.00%
5	50% of Previous year target	%	0.05%	0.05%
6	Distribution Loss target-50% of (PY target- CY target)	%	12.95%	12.95%
7	Avg. Power Purchase Cost	Rs./unit	4.52	4.52
8	Overachievement or Underachievement	Rs. Cr.	76.94	74.46
9	Petitioner Share 1 of incentive (less than Loss Target-50%*(PYT-CYT)	Rs. Cr.	0.55	0.55
10	Petitioner Share 2 of incentive (up to Loss Target-50%*(PYT-CYT)	Rs. Cr.	50.19	48.54
11	Petitioner Share	Rs. Cr.	50.74	49.09
12	Revenue Billed	Rs. Cr.	4,713.56	4,709.60
13	Revenue Collected	Rs. Cr.	4,728.89	4,728.89

Sr. No.	Particulars	UoM	As per Tariff order dated 31/07/2019	As per Review order dated 18/06/2021
14	Collection Efficiency	%	100.33%	100.41%
15	Target Collection Efficiency	%	99.50%	99.50%
16	Collection over and above the target till 100 %	Rs. Cr.	11.78	11.77
17	Collection over and above the target above 100 %	Rs. Cr.	15.33	19.29
18	Total Incentive Collection efficiency	Rs. Cr.	27.11	31.1
19	Total Incentive Collection efficiency & Distribution Loss	Rs. Cr.	**77.85**	**80.15**
	Total Impact allowed			**2.29**

Consideration of Advance Against Depreciation upto FY 2016-17

3.31 The Commission during the tariff proceedings of March 2018 Tariff Order had received the submission of the Petitioner on the actual loans and repayments thereof relating to the capex loans for the purpose of determination of the claim of Advance against depreciation.

3.32 The submission of the Petitioner was subject to verification and thus the claim of the Petitioner could not be concluded at that point of time. Later, during the course of proceedings of the review petition, the Petitioner submitted its entire loan portfolio including the terms loans actually availed and the repayment thereof which was at huge variance from the data submitted during Tariff proceedings of March, 2018 Tariff Order.

3.33 The Commission is of the view that the information pertaining to past period should not have changed.

3.34 The Commission, has therefore, considered the claim of the Petitioner based on the submissions in Petition 69 of 2017 and has allowed the AAD to the petitioner as follows:

Table 3. 14 Commission Approved Advance Against Depreciation upto FY 2016-17 (Rs. Cr.)

Particulars	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
1/10 of opening loan (A)	72.10	90.20	100.60	109.00	112.70	109.70	88.40	94.10	105.30	105.30		
Debt repayment for capex loans (B)	21.00	100.50	138.60	246.70	162.30	166.70	218.30	194.90	201.50	115.39		
Minimum of A&B	21.00	90.20	100.60	109.00	112.70	109.70	88.40	94.10	105.30	105.30		
Depreciation as per respective true up	51.65	43.57	51.98	57.73	62.09	53.93	75.02	75.99	83.35	95.00	136.80	146.59
Excess of Min(A,B) over Depreciation	-30.65	46.63	48.62	51.27	50.61	55.77	13.38	18.11	21.95	10.30		
Cumulative repayment (C)	395.40	495.90	634.50	881.20	1,043.50	1,210.20	1,428.50	1,623.40	1,824.90	1,940.29		

Particulars	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Cumulative depreciation (D)	249.80	293.37	345.35	403.08	465.17	519.10	594.12	670.11	753.46	848.46		
Excess of (C) over (D)	145.60	202.53	289.15	478.12	578.33	691.10	834.38	953.29	1,071.44	1,091.83		
AAD	-	46.63	48.62	51.27	50.61	55.77	13.38	18.11	21.95	10.30		
Revision in RRB due to AAD												
RRB Opening	614.03	959.72	1,185.59	1,245.84	1,251.32	1,235.02	1,241.91	1,320.53	1,549.84	1,767.97	1,858.60	1,946.97
Change in investments	205.44	204.64	72.72	37.80	-14.29	-72.69	24.76	121.73	126.05	109.63	112.35	123.02
Investment capitalised	268.17	314.30	197.76	208.58	106.56	23.33	140.32	224.99	215.98	217.51	281.15	275.57
depreciation (incl AAD)	51.65	90.20	100.60	109.00	112.70	109.70	88.40	94.10	105.30	105.30	136.80	146.59
Accum. Dep on Decap assets	0.76	0.47	0.44	0.31	2.36	23.12	-	16.35	31.62	15.44	19.4	13.09
Consumer contribution	11.84	19.93	24.88	62.09	10.51	9.44	27.16	25.51	16.25	18.02	51.40	19.05
Change in Working capital	140.25	21.23	-12.47	-32.32	-2.01	79.58	53.86	107.58	92.08	-19.00	-23.98	8.90
RRB closing	959.72	1,185.59	1,245.84	1,251.32	1,235.02	1,241.91	1,320.53	1,549.84	1,767.97	1,858.60	1,946.97	2,078.89
RRBi	857.00	1,083.27	1,209.48	1,232.42	1,242.16	1,278.25	1,308.15	1,488.97	1,704.94	1,803.78	1,890.79	2,017.38
WACC determined	9.30%	9.57%	9.89%	10.34%	12.72%	11.23%	11.43%	11.52%	11.54%	11.62%	14.23%	14.22%
Revised RoCE	79.70	103.67	119.62	127.43	158.00	143.55	149.52	171.53	196.75	209.60	269.06	286.87
RoCE earlier approved	79.69	105.90	126.61	139.86	179.91	168.83	179.40	203.59	231.23	242.50	312.34	330.11
Allowed/(Recovery) in RoCE	0.01	-2.23	-6.99	-12.43	-21.91	-25.28	-29.88	-32.06	-34.48	-32.90	-43.28	-43.24

APPEAL 271 OF 2013 - RELATED PARTY TRADING MARGIN

3.35 Since, the Commission provisionally disallowed the Related Party Trading Margin to the Petitioner in it's Tariff Order dtd. 31/07/2013, therefore, Hon'ble APTEL in it's judgment in Appeal No. 271/2013 has ruled as follows:

"13.2) Since the learned Delhi Commission has given clear liberty and clearly provided that the trading margin is provisionally disallowed but the same would be considered in the final true up. We hope the learned Delhi Commission would consider the same at the final truing up stage, hence, in view of this we do not find any perversity in the Impugned Order and this issue is decided against the appellant."

3.36 Thereafter, the Commission in it's Tariff Orders dtd. 23/07/2014 & 29/09/2015 had disallowed related party Trading Margin for all Distribution Licensees and has even issued directive in it's Tariff Orders to avoid any transactions related to purchase/sale of power with their related parties. Relevant Extracts are as follows:

Tariff Order 23/07/2014

"3.95 The Commission in its Tariff order dated July 31, 2013 has already decided that trading margin paid to related party or transaction through IEX will not be allowed and will be restricted to annual fee for IEX. Accordingly, only the annual fee has been allowed to the Petitioner under miscellaneous expenditure.

...

6.10. The Commission directs the Petitioner to avoid any transactions related to purchase/sale of power with their related parties. The Commission will not approve any transaction for purchase/sale of power where open tendering process has not been followed. If any purchases/sales of power are effected through agent/middleman or a trader other than the power exchange(s), then any trading margin paid to such agents/middleman or trader will also not be admissible."

Tariff Order 29/09/2015

"3.299 The Petitioner has purchased 25.99 MU and sold 423.19 MU through IEX, engaging Reliance Energy Trading Limited (RETL) which is a related party and also paid trading margin of Rs. 0.05 Crore on purchase of energy @ Rs.0.0195 per unit and a trading margin of Rs. 0.80 Crore on sale of power @ Rs.0.019 per unit to RETL. The Petitioner has also paid an additional amount of Rs. 1.00 lakh to RETL as client membership fee which is trading on their behalf on IEX. The Commission in accordance with the above directive has decided to disallow this expenditure of Rs. 0.86 Crore."

3.37 Related Party Trading Margin was provisionally disallowed in Tariff Order dated 31/07/2013 but was disallowed in totality in future Tariff Orders dated 23/07/2014 and 29/05/2015. Further, as indicated above, the Commission in its Tariff Order dated 23/07/2014 has also issued direction to all Distribution Licensees in Delhi to avoid any transactions related to purchase/ sale of power with their related parties.

3.38 Since, Hon'ble APTEL has not provided any specific direction, based on merits to the Commission in 271/2013, the directive related to avoid related party transaction has yet not been set aside by the APTEL and the judgment against appeal for Tariff Order 29/09/2015 is still sub-judice, therefore the Commission has not taken further decision in this matter.

Issue No. 8 - Normative Self-Consumption

3.39 Hon'ble APTEL in it's Order dtd. 7/06/2021 & 5/07/2021 has directed to implement this issue for BRPL & BYPL. This issue has been decided only for TPDDL by APTEL in judgement in Appeal No. 246/2014 dtd. 30/09/2019 against Impugned Tariff Order dtd. 23/07/2014.

3.40 In the Tariff Order dtd. 23/07/2014, the Commission for TPDDL restricted the self-consumption to 11.34 MU against normative self-consumption of 16.58 MU since actual own consumption is less than the normative own consumption.

3.41 However, in case of BYPL, in Tariff Order dtd. 23/07/2014, the Commission considered normative self-consumption of 11.96 MU since actual own consumption of 52.48 MU was more than the normative own consumption. Since the self-consumption is controllable, hence, the Commission disallowed 40.52 MU being excess on consumption at the average billing rate of Rs.9.57 per unit for FY 2012-13.

3.42 In the said Appeal of 246/2014, TPDDL was claiming that as it's actual self-consumption was less than the normative consumption so normative consumption was to be allowed by the Commission. But, APTEL has ruled that the Commission has rightly considered the actual own consumption instead of consumption on normative basis as actual consumption was less than normative consumption.

3.43 Therefore, even if an issue has been decided for TPDDL, the same issue has different treatment in case of BYPL, so no impact has been considered for the same.

3.44 The Petitioner vide it's letter dated 16/04/2021 informed the Commission that they had paid and amount of Rs. 22.59 Cr. to Pension Trust and have prayed for Carrying Cost of Rs. 1.58 Cr. It is observed that earlier the Petitioner defaulted in payment to Pension Trust of Rs. 22.59 Cr., accordingly, the Commission in it's Tariff Order dtd. 28/08/2020 levied penalty of Rs. 1.14 Cr. The Commission is of the view that since petitioner defaulted in timely payment to Pension Trust, which is against the directive, therefore, penalty is not reversed and amount of Rs. 22.59 Cr. is provided in Regulatory Asset dealt in Chp 5 of this Order.

3.45 Hon'ble APTEL in it's Order 31st August 2021 in Appeal No. 05 of 2019 & IA No. 55 of 2021 and Appeal No. 06 of 2019 & IA No. 54 of 2021, under para 135 has stated that *the Commission will call upon the DISCOMs to furnish data in a specified format within one week of the passing of the order by this Tribunal. The data, inter alia, would consist of an Auditor Certificate clearly stating the Consumer wise Consumer Contribution received every year, spent during every year on Capital Investment activities (showing the break-up of assets capitalised and amount lying in WIP), balance at the end of every year and total for all consumers matching with Balance Sheet, Relevant Schedules and Tariff Orders. The DISCOMs shall submit this data within a period of two weeks thereafter. The Commission, thereafter, in compliance with the judgment dated 23.02.2015 will consider the information submitted by the DISCOMs and will provide the unspent Consumer Contribution to be refunded by the DISCOMs as an expenditure in the subsequent Tariff Order as directed by the Tribunal, which will be recovered through Tariff and will thereafter be refunded to the identified consumers by DISCOMs within the same Financial Year.*

3.46 The Commission has directed the DISCOMs to submit the data. BRPL and BYPL have submitted the data on 22/09/2021. TPDDL has not submitted the data and has requested to extend the timeline for submission of the data up to 31/10/2021. The Commission through it's Affidavit Dt. 03.09.2021 in Original Petition No.12 of 2021 stated that it is endeavouring to issue the Tariff Order for FY 2021-22 not later than 30/09/2021. Since, the information submitted by BRPL and BYPL was quite delayed to be prudently verified before 30/09/2021, there was hardly any time left for the Commission to examine and verify the authenticity of the data furnished by the DISCOMs, as the Commission was committed to issue the Tariff Order for FY 2021-22 before 30/09/2021. Accordingly, the Commission decided to consider the same in the subsequent Tariff Order so as to comply with the directions of Hon'ble APTEL.

TRUING UP OF INTEREST RATE OF LOANS

3.47 The Commission has already addressed this issue in Tariff Order dated 29/09/2015 and further reiterated the implementation of the said issue in Tariff Order dated 31/08/2017 & 28/03/2018. The said issue was adjudged by the Hon'ble APTEL in Appeal no. 61-62 of 2012 and 177-178 of 2012. However, the Commission had filed a clarificatory appeal before Hon'ble APTEL which was dismissed by the Hon'ble APTEL on 31/10/2017.

3.48 The Commission has filed the Appeals before Hon'ble Supreme Court on the issue and no stay has been granted by the Apex Court.

3.49 In view of direction of the Hon'ble APTEL in IA 860-861 of 2021, the Commission has re-visited the interest of loans as trued up and has observed that SBI PLR as on 1st April of every financial year has not deviated from FY 2007-08 to FY 2010-11 by more than 1% on either side from the SBI PLR as on 1/04/2007, ie. the basis which the norms for the interest rates have been set in the Feb 2008 Tariff Order as re-produced below:

"4.221 For outstanding loans as on 1 April 2007, the Commission has considered the repayment schedule and interest rate as discussed in the truing up section above. For DPCL loan (refinanced through IDBI), repayment schedule and interest rate has been considered as per loan agreement submitted by the petitioner. The Commission has also analysed the terms & conditions of the loans taken by the Petitioner in FY 07. The Commission has noticed that the Petitioner has managed to procure funds in the range of 1.75% to 4.75% below PLR. Thus, for the Control Period the Commission has considered that the Petitioner would be able to raise funds at 2.75% below SBI PLR (currently 12.25%)."

3.50 The Commission had determined the interest rate trajectory for the loans at 2.75% lesser that the SBI PLR rate of 12.25% for the Licensee as on 1/04/2007, at 9.50%. The Petitioner has been claiming that the movement of the SBI PLR be considered on the weighted average basis. The Commission is of the view that while the targets were set by the Commission based on the SBI PLR at 12.25% as on 1/04/2007 and not the weighted average SBI PLR for FY 2006-07 at 11.08%, any movement in the interest rate has to be compared with the interest rate as considered on 1/04/2007 and not the weighted average rate.

3.51 Consideration of weighted average rate of interest as claimed by the Petitioner for the purpose of determining the movement in the interest rate is not justified as the trajectory set in Feb 2008 Tariff Order would have otherwise been determined at 11.08%-2.75% which comes out to be 8.33% and not 9.50%.

3.52 Accordingly, the Commission maintains that the movement in SBI PLR as considered in the true up of the interest on loans has been appropriately addressed in accordance with the applicable MYT Regulations also substantiated in the Feb 2008 Tariff Order, in its earlier Tariff Orders.

IMPACT OF MERIT ORDER DESPATCH FY 2013-14

3.53 The Commission in its Tariff Order dated 28/08/2020 provisionally reversed 50% penalty for Merit Order Despatch violations for FY 2013-14 and also mentioned that the Commission has sought Plant wise, month wise and data wise violations for FY 2012-13 and FY 2013-14 from Delhi SLDC which was still awaited.

3.54 Delhi SLDC expressed it's inability to provide the information Plant wise, month wise and data wise violations for FY 2012-13. Accordingly, the Commission vide its letter dated 5/07/2021 requested NRLDC to provide Slot-wise information for the Power Purchase Quantum - Actual Schedule vis-à-vis Minimum Technical Limit for all plants supplying power to Delhi for FY 2012-13. The Commission also requested Indian Energy Exchange Ltd. (IEX) to provide DISCOM-wise and Slot-wise power sold alongwith settlement price for FY 2012-13. The Commission vide its email dated 21/09/2021 again requested NRLDC to submit the said information. Since the information is still awaited from NRLDC, the issue will be considered in subsequent Tariff Order.

3.55 In view of above, the Commission approves the impact of Past period along with Carrying Cost as follows:

Table 3. 15 Commission Approved Impact of Prior Period Issues (Rs. Cr.)

Sr. No.	Particulars	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
1	Opening Balance		0.01	47.11	96.98	149.37	301.07	463.31	540.46	589.85	643.76	690.15	800.15
2	Impact of Review Petition Order dated 11.03.2021 - Carrying Cost. Impact considered in Opening of FY 2018-19												-
3	Impact on account of Revision of AT&C loss Trajectory - APTEL ORDER 7/06/2021					94.79	81.84	46.04	-	-	-		
4	Impact of Review Petition Order dated 18.06.2021 - AAD	0.01	44.40	41.63	38.84	28.70	30.49	(16.50)	(13.95)	(12.53)	(22.60)	(43.28)	(43.24)
5	Impact on account of Write-back provisions	-	-	-	-	-	1.93	5.74	4.51	1.91	1.55		
6	Impact on account of Merit Order Despatch							-					
7	Impact of Review Petition Order dated 18.06.2021 - Net metering											0.23	
8	Impact of Review Petition Order dated 18.06.2021 - 1% Adjustments											2.29	
9	Depreciation as per 246/2014 - APTEL ORDER 7/06/2021					-	13.70	(4.95)	0.20	0.44	(3.12)		
10	Working Capital						(3.99)	(4.46)					
11	Physical verification FY 2017-18 CAPEX											2.06	4.65
12	**Total (Principal Amount)**	**0.01**	**44.40**	**41.63**	**38.84**	**123.49**	**123.98**	**25.86**	**(9.24)**	**(10.18)**	**(24.16)**	**(38.70)**	**(38.59)**
13	Rate of Carrying Cost	10.90%	12.17%	12.13%	11.64%	13.36%	10.54%	10.77%	10.94%	10.96%	11.17%	13.76%	13.77%
14	Carrying Cost	0.00	2.70	8.24	13.55	28.21	38.27	51.29	58.62	64.09	70.56	92.30	107.52
15	**Closing amount**	**0.01**	**47.11**	**96.98**	**149.37**	**301.07**	**463.31**	**540.46**	**589.85**	**643.76**	**690.15**	**743.75**	**869.09**

Note: *FY 2018-19 Opening Balance factors Rs. 56.40 Cr. as an impact of Carrying Cost decided in Review Order dtd. 11/03/2021*

ENERGY SALES

PETITIONER SUBMISSION

3.56 The Petitioner has submitted that the actual energy sales during FY 2019-20 was 6657.62 MU (*including sales on account of Enforcement and net metering connections*) as follows:

Table 3. 16: Petitioner Submission - Category-wise energy sales for FY 2019-20 (MU)

Sr. No	Category	Total
A	**Domestic**	**4,057**
A.1	Domestic other than A2, A3 & A4	3,946
A.2	Single Delivery Point on 11 KV CGHS	21
A.3	11 KV Worship/Hospital	74
A.4	DVB Staff	16
B	**Non-Domestic**	**1,737**
B.1	Non-Domestic Billed upto July 2019	664
	Non-Domestic upto 3 KVA Billed w.e.f. Aug 2019	207
B.2	Non-Domestic Above 3 KVA Billed w.e.f. Aug 2019	865
C	**Industrial**	**373**
D	**Agriculture & Mushroom Cultivation**	**0**
F	**Public utilities**	**392**
F.1	Public Lighting (Metered)	69
F.2	Public Lighting (Un-Metered)	24
F.3	DJB	150
F.4	DMRC	150
G	Temporary Supply	52
H	Advertisement & Hoardings	0
I	Self-consumption	13
J	Enforcement	13
K	E Vehicle at LT	16
L	Net Metering Connection	3
Total		6,658

3.57 **Enforcement Sale:** The Petitioner submits that in its Order dated 26/08/2011 in the True-up for FY 2008-09 and FY 2009-10 and ARR for FY 2011-12, the Commission had reduced the MU in relation to Enforcement Sale by dividing the enforcement collection by twice the average billing rate instead of single ABR. The approach adopted by the Commission in its said order dated 26/08/2011 was upheld by the Hon'ble ATE in Judgment dated 28/11/2014 (Appeal No. 61and 62 of 2012) inter-alia as under:

"58. In view of the above discussions the issue is decided as under:

…

2) The Commission has adopted correct approach for computing MU on account of enforcement

…"

3.58 The Petitioner has preferred a Civil Appeal Nos. 4323 & 4324 of 2015 before the Hon'ble Supreme Court from the aforesaid Judgment of the Hon'ble ATE dated 28/11/2014 (Appeal 61 & 62 of 2012). Without pre-judice to its afore stated Appeal, and without admitting or waiving any of its contentions against the said Judgment dated 28/11/2014 or the Commission's Order dated 26/08/2011 in so far as the decision on enforcement sales are concerned, the Petitioner has computed the enforcement revenue as per the approach of the Commission and is shown in the table below:

Table 3. 17: Petitioner Submission - Enforcement during FY 2019-20

Sr. No.	Particulars	Total
A	Total Units Billed excl. enforcement (MU)	6,644
B	Total Amount Billed excl. enforcement *(Rs. Cr)	4,871
C	ABR* (Rs./kWh)	7.33
D	Twice of average billing rate (Rs./kWh)	14.66
E	Enforcement Collected* (Rs. Cr)	20
F	Units Billed on account of enforcement	13

3.59 **Own Consumption:** The Petitioner submits that this includes energy sales towards self-consumption in its establishment i.e. its offices, call centres, sub-stations, etc. There is a mandatory direction by the Hon'ble APTEL in its judgment dated 02/03/2015 to inter alia arrive at the quantum of self-consumption based on the actual figure. The Hon'ble ATE in Judgment dated 02/03/2015 (Appeal No. 178 of 2012) ruled as under:

"25.5 This issue has also been dealt by us in Appeal no. 195 of 2013 filed by a consumer and the Tribunal decided as under:

"We feel that the Appellant should have installed meters for self-consumption in all its offices, call centres, sub-stations, etc. The Respondent no.2 does not need specific instructions for the same. When

the Respondent no.2 is including self-consumption in its energy sale figures, then it was legally bound to supply electricity for gross consumption only through correct meters. We feel that the State Commission should have allowed self-consumption only to the extent of actual consumption for metered installations. The formula proposed by the Respondent no. 2 for calculating own consumption in its installations is for calculating energy consumption for consumers in case of faulty meters. Accordingly, we direct the State Commission to re-determine the self-consumption based on the metered data only. We also do not feel that this would result in change in procedure in true up with respect to the MYT order dated 23.02.2008. In the MYT order the consumption is based on the projections. In the MYT order the State Commission has not approved that the self-consumption would not be metered and would only be assessed by a formula considering the load, number of days/hours, load factor, etc."

3.60 Regulation 23 (2) of *DERC (Business Plan) Regulations, 2017*:

"The Distribution Licensees shall be allowed own (Auxiliary) consumption, at Zero Tariff for actual recorded consumption subject to a maximum of 0.25% of total sales to its retail consumers for the relevant financial year as part of O&M expenses for the relevant year."

3.61 The Petitioner has submitted that as per Regulation 23(2) of *DERC (Business Plan) Regulations 2017*, the Own consumption of the Petitioner for FY 2019-20 is within the specified normative limit. Further, the Hon'ble ATE has directed the Commission to allow the actual self-consumption. Accordingly, the units billed in the Petitioner's own office buildings during FY 2019-20 is 13.29 MU.

Table 3. 18: Petitioner Submission - Self consumption Normative v/s actual for FY 2019-20

Sr. No.	Particulars	Units (MU)
A	Units Billed Excluding Self consumption	6,644.33
B	Self-Consumption on Normative basis 0.25% of A	16.61
C	Actual Self consumption claimed by Petitioner	13.29

COMMISSION ANALYSIS

3.62 The Commission during the prudence check sessions has validated the billing database and verified the category-wise sales data from the Petitioner's SAP system with the books of accounts for FY 2019-20. The Commission observed as follows:

OWN CONSUMPTION

3.63 Regulations 23(2) and 23(3) of *DERC (Business Plan) Regulation, 2017* state as under;

> *"23(2) The Distribution Licensees shall be allowed own (Auxiliary) consumption, at Zero Tariff for actual recorded consumption subject to a maximum of 0.25% of total sales to its retail consumers for the relevant financial year as part of O&M expenses for the relevant year."*
>
> *"23(3) Actual recorded own (Auxiliary) consumption in excess of 0.25% of total sales to its retail consumers for the relevant financial year, shall be billed at Non Domestic Tariff of respective year's Tariff Schedule and shall form part of revenue billed and revenue collected for the same year."*

3.64 The Petitioner has reported actual self-consumption of energy as 13.29 MU which is lower than the normative self-consumption computed at 16.60 MU. It is observed from the submitted monthly Form-2.1(a) of the Petitioner, that self-consumption is to the tune of 1 MU/month through-out the year. However, there is a positive adjustment of 2.62 MU in the month of December, 2019, clarification on which was sought vide email dated 10/04/2021. Petitioner vide email dated 12/04/2021 submitted that the meters installed at BYPL's offices/grid/substations/workshops are the same meters installed at consumer's site and hence, all the problems pertaining to metering and billing arising in consumer metering and their adjustment (except of Direct theft/Metering tempering) may also occur in case of Self consumption category. As per direction 6.10 n. of the Commission's Tariff Order dated 31/07/2019, DISCOMs are directed to bill own/self-consumption every month. The Petitioner has not provided any satisfactory explanation related to positive adjustment of 2.62 MU considered in the month of December, 2019, therefore, the same has been reduced n the Actual Self-Consumption of 13.29 MU as claimed by the Petitioner.

ENFORCEMENT SALES

3.65 Regulation 5(10) of *DERC (Terms and Conditions for Determination of Tariff Regulations) 2017* states that *"any units assessed and billed on account of theft shall only be considered in the year of its realization as specified in Section 126(6) of the Act."*

3.66 Section 126(6) of *Electricity Act 2003* states that "*the assessment shall be made at a rate equal to twice the tariff rates applicable for relevant category of services*".

3.67 The Petitioner has submitted 13.31 MU on account of enforcement sales based on annual revenue realised on account of enforcement as Rs. 19.53 Cr. During Prudence check session, the Commission sought category wise revenue collected on account of enforcement. Based on the information submitted by the Petitioner the Units Billed on account of enforcement is calculated by dividing the said amount by twice its category wise Average Billing Rate (ABR) available in the Audited Form-2.1(a), as follows:

Table 3. 19: Commission Approved - Enforcement Sales for FY 2019-20

Sr. No.	Particulars	Amount Collected (Rs. Cr.)	ABR (Rs./kWh)	Twice ABR (Rs./kWh)	Units (MU)
1	Domestic	6.69	5.01	10.01	6.68
2	Non-Domestic	11.33	11.91	23.82	4.76
3	Industrial	1.48	10.42	20.83	0.71
4	E-Vehicle	0.04	4.99	9.98	0.04
	Total				**12.19**

3.68 Accordingly, the Commission has considered the enforcement units as 12.19 MU to arrive at the Trued-up Sales for FY 2019-20.

NET METERING

3.69 The Commission in its Tariff Order dated 28/08/2020 for True-up of FY 2018-19 has decided the treatment of Net Metering as follows:

3.70 During prudence check session for True up of FY 2019-20, the methodology for treatment of consumption through Net Metering arrangement was discussed with the Distribution Licensees. The Commission observed that since Net Metering consumers are connected to the network of Distribution Licensees, mainly at LT level, therefore the treatment followed by Distribution Licensees to consider the consumption through Net Metering in Sales is not correct. Net Metering consumers are not new category of consumers, they are existing consumers opting Net Metering arrangement through bidirectional feature i.e., they can export as well import with the Distribution Licensee Grid. Considering their consumption in sales leads to factoring such consumption for Distribution Loss computation which is technically not correct as these Net Metering consumers are embedded in Distribution Licensee Grid itself.

3.71 Further, Regulation 9 of Delhi Electricity Regulatory Commission (Net Metering for Renewable Energy) Regulations, 2014 stipulates

"(7) At the end of the each Financial Year, any net energy credits, which remain unadjusted, shall be paid for by the distribution licensee to the consumers as per the rates notified by the Commission from time to time."

3.72 In view of above, the Commission has considered net energy credits which remain unadjusted during end of FY 2019-20 as per Average Power Purchase Cost of the Petitioner in the Power Purchase cost.

ADJUSTMENT IN BILLING BY MORE THAN 1%

3.73 The Commission issued a directive 6.8 in Tariff Order dated 31/08/2017 which states:

"6.8. The Commission directs the Petitioner to restrict the adjustment in units billed on account of delay in meter reading, raising of long duration provisional bills etc. to a maximum of 1% of total units billed."

3.74 During True-up of FY 2018-19, the Commission in it's Tariff Order dated 28/08/2020 had deliberated the issue of the adjustment in billing by more than 1% considering various aspects like Contra Entries/Invoice Reversals, Provisional Billing, Open Access and other adjustments as follows:

"3.76. The Commission conducted prudence check session with the Petitioner on 29/07/2020 related to compliance of the above mentioned directive. Further, based on the data submitted by the Petitioner on 11/08/2020, it was observed that adjustments are mainly on account of following heads:

i) Bills raised in system but not served to consumers (Contra Entries)

ii) Bills on account of provisional meter reading

iii) Bills raised to Open Access Consumers *iv) Other adjustments*

3.77. Contra entries are entries which are posted and are subsequently reversed in the SAP billing system in FY 2019-20. The Petitioner has numerous contra entries aggregating to 85.56 MU.

3.78. Based on the submission of the Petitioner, it is observed that there are 3 main reasons due to which such entries are posted.

i) ***Multi-meter Consumers on Single Contract Account -*** *There are consumers who are having multiple power injection points and are metered at multiple points but are billed on a single Contract Account. This is done in order to comply to he directive billed to bill such consumers on simultaneous maximum demand. In such cases, each meter records independent MDI and energy consumption simultaneously. In preparation of bills in the SAP system the billing system billing consumption is added arithmetically and the MDI is required to be maintained simultaneously for all the meters against one CA number to raises the bill. The contra entries are created on account of following:*

a) MDI as recorded in the individual meters against the particular Consumer Account get added. Such bills are reversed and the correct bill is raised on simultaneous MDI as per the direction of the Commission.

b) To capture meter reading data of the balance meters when reading of one or more of the multi-meters is missing in AMR reading data.

Such Contra Entries are in the case of Government consumers viz. DMRC (12.68 MU), DJB (32.92 MU) and others (2.36 MU), where there are multiple meters. All three put together accounts for 56.05% of total contra entries.

ii) Post audit check – done in compliance with STQC audit and subsequent directive of the Commission – *In the SAP system of the Licensee there is no scope to delete any entry once it is made. In case any correction or alteration is required in the individual consumer account while preparation of the bill, the previous entry passed in the system is required to be reversed and new entry is passed in the system for serving correct bill to the consumer. However, to obviate the chances of erroneous billing and in the interest of the consumers, several precautions have been inbuilt in to the billing software. Some of those precautions were built in pursuant to the directive of the Commission following various billing audit including the once carried out by STQC during the period of December, 2005 to May, 2006 and later in FY 2008-09. Hence, certain precautions are built in to the system for certain preset checks to* *identify abnormal billing or meter reading, change in tariff category on account of consumers; application/Commission's Order etc. to ensure error free billing to our consumers. The contra entry under the Post Audit Checks aggregates to 30.31 MU which is 35.43% of total Contra Entries. Out of this, 19.91 MU are for Government consumers and 10.40 MU for private consumers.*

iii) ***Processing of name change / transfer of connection requests -*** *During normal course of business, the Petitioner gets thousands of name change / transfer of connection requests from consumers during a financial year. Regulation 17 (1) of the Supply Code Regulations prescribes the procedure that needs to be adopted for executing such name change requests. Sub-regulation (iii) of Regulation 17 (a) reads as under:*

"(iii) The request for transfer of connection shall not be accepted unless all recoverable dues in respect of the concerned connection are fully paid:

Provided that once connection is transferred, no dues / arrears shall be recovered from the new consumer."

In compliance of the aforesaid Regulation and in order to ascertain the total recoverable dues at the time of name change, a special reading is undertaken subsequent to which a final bill is generated. In order to effect the name change, a new CA number needs to be generated. However, the SAP system will allow the new CA to be generated only when the final bill generated is nullified by passing a contra entry. As a result, the Licensee is required to pass such contra entries in compliance of the Provisions of the Supply Code. The aggregate amount of contra entries passed while preparing the final bill is 7.30 MU, which is almost 8.53% of the total contra entries

3.79. Further, the Petitioner has submitted the replies to the Commission's queries that Contra entries do not form part of billing and none of these invoices are ever served to consumers. Further, no payments were received against such invoices.

3.80. From the conjoint reading to Regulations 30 (10) & (11) of DERC (Supply Code and Performance Standards) Regulations, 2017, it is observed that the licensee may raise provisional billing for 2 months after which the consumer may refuse to make the payment until the bill on actual meter reading is raised by the licensee. The Regulations 30 (10) & (11) states as under:

"10) In case, for any reason, to be specifically recorded, the meter is not read/ recorded during a billing cycle, the Licensee shall prepare a provisional bill based

on the consumption during the corresponding period in the previous year when readings were taken:

Provided that if the consumption during the corresponding period in the previous year is not available, the Licensee shall take average consumption of preceding three billing cycles or the lesser period when readings were taken.

(11) If the provisional billing continues for more than one consecutive billing cycle, the consumer may refuse to pay the payment until bill is raised by the licensee as per actual meter reading.

3.81 In view of above and based on the information submitted by the Petitioner including quarterly Form 2.1 (a), the Commission has not considered Contra Entries (being counter entries), adjustments related to Open Access consumers and Provisional Billing less than 2 months as adjustments in Units Billed. However, other adjustments submitted by the Petitioner have been considered without sign change (gross) as adjustments indicate total adjustments without +/- nature. Accordingly, the adjustments related to adjustment in units billed, in line with abovementioned directive is as follows…:

3.82 Based on the above prudence check, the Commission considers the adjustment in sales for the Petitioner at 1.52% for FY 2018-19 and the effect of adjustment in excess of 1% has been considered as deemed sales and deemed revenue billed of the Petitioner as follows:

Table 3. 20: *Effect of 1% adjustment*

Particulars	Units (MU)
Deemed Units for Adjustment Beyond 1%	*34.82*
ABR	*7.54*
Deemed Revenue Billed	*26.25*

3.75 Based on the above findings during True up of FY 2018-19, the Commission in its Tariff Order dated 28/08/2020 revised the said directive as follows:

"6.8 The Commission directs the Petitioner to restrict the adjustment in units billed on account of delay in meter reading, raising of long duration provisional bills etc. to a maximum of 1% of total units billed. The adjustment in units billed shall be considered on a yearly basis. Further, the adjustment of Contra Entry, adjustment for Open Access consumers and adjustment on account of Provisional Billing related to period till two (2) months shall not be form the part of adjustment in units billed.

Further, also the real adjustments/other adjustments shall be considered without sign change i.e. such adjustments either resulting into increase in revenue billed or decreased into revenue billed shall be considered on gross basis rather than net basis.”

3.76 In view of above, the Commission during prudence check sessions analysed the Billing dump, live SAP, quarterly Form 2.1(a) and has not considered the Contra Entries (being counter entries), adjustments related to Open Access consumers and Provisional Billing less than 2 months as adjustments in Units Billed. However, other adjustments submitted by the Petitioner have been considered without sign change (gross) as adjustments indicate total adjustments without +/- nature. Accordingly, the adjustments related to adjustments in Units Billed is as follows:

Table 3. 21: Adjustment Sales in Units for FY 2019-20 (MU)

Particulars	Gross Sales	2.1a (Total Adjustment)	Contra Entry	Provisional to Actual billing						Other Adjustment			% Adj (Total)	% Adj. Adding + & - both (excluding Contra, Open Access & 2 months Provisional)
				Within a month		Within a Quarter	More than Quarter but within a Year	More than a Year	Open Access					
	A	B	C	D	E	F	G	H	I	J	K	L(Net)	(B/A)	(F+G+H-J+K)/A
Quarter-1	1853.07	(47.1)	(24.7)	(2.4)	(9.0)	(0.3)	(0.3)	(0.1)	(7.2)	4.9	(8.1)	(3.2)	(2.54)	-0.74%
Quarter-2	2287.52	(44.2)	(9.5)	(3.2)	(7.5)	(0.6)	(0.4)	(0.2)	(11.5)	1.2	(12.6)	(11.4)	(1.93)	-0.65%
Quarter-3	1410.97	(19.7)	(5.8)	(1.3)	(6.5)	(2.1)	(1.8)	(0.1)	(0.2)	3.8	(5.7)	(2.0)	(1.40)	-0.95%
Quarter-4	1241.20	(24.1)	(4.4)	(1.3)	(5.4)	(2.2)	(6.2)	(0.1)	(1.2)	1.5	(5.0)	(3.5)	(1.94)	-1.20%
Annual	**6792.77**	**(135.2)**	**(44.4)**	**(8.1)**	**(28.5)**	**(5.2)**	**(8.6)**	**(0.5)**	**(20.0)**	**11.4**	**(31.4)**	**(20.0)**	**(1.99)**	**-0.84%**

3.77 It is observed that the Adjustment Sales in units for FY 2019-20 is within the permissible limit of 1% of total units billed.

3.78 Based on the findings indicated in paras above, the Commission considers the Trued-up Sales for FY 2019-20 as follows:

Table 3. 22: Commission Approved - Trued up Sales FY 2019-20 (MU)

Sr. No.	Consumer Category	As per Petitioner	As per Commission
1	Domestic	4057.24	4057.24
2	Non Domestic	1736.70	1736.70
3	Industrial	372.89	372.89
4	Agriculture & Mushroom Cultivation	0.22	0.22
5	Public Lighting	92.63	92.63
6	Delhi Jal Board (DJB)	149.51	149.50
7	DMRC	150.36	150.36
8	Temporary Supply	52.20	52.20
9	Advertisement and Hoardings	0.04	0.04
10	Charging Stations for E-Vehicle	16.15	16.15
11	Self Consumption	13.29	10.67
12	Enforcement	13.31	12.19
13	Net Metering	3.07	-
Total		**6657.62**	**6650.80**

DISTRIBUTION LOSS AND COLLECTION EFFICIENCY FOR FY 2019-20

PETITIONER SUBMISSION

3.79 The Petitioner has submitted that the Energy Input considered by the Petitioner for arriving at the distribution loss is net of energy input on account of open access consumers and arriving at a level of 7178.63 MU for FY 2019-20 as under:

Table 3. 23: **Energy Input considered for the purpose of calculation of Distribution Loss**

Particulars	Figures
Energy Input as per SLDC	7,291.09
Less: Energy Input on account of Open Access	112.46
Net Energy input consider for calculation of distribution loss	**7,178.63**

3.80 The revenue billed by the Petitioner for the purpose of computation of AT&C losses during FY 2019-20 is as under:

Table 3. 24: Petitioner Submission - Revenue Billed for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	FY 2019-20
A	Total Revenue Billed	5,649.34
B	Less Net metering Sale (Grossed up)	1.31
C	Less: Electricity Tax Billed	199.00
D	Less: 8% RA surcharge Billed	380.07
E	Less: 3.80% Pension Surcharge	180.07
F	**Revenue Billed for AT&C True up**	**4,888.89**

3.81 The Revenue Collected considered for the purpose of computation of AT&C losses during FY 2019-20 is tabulated below:

Table 3. 25: Petitioner Submission - Revenue Collected for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	FY 2019-20
A	Total Revenue Collected	5,587.19
B	Less: Net metering (Grossed up)	1.31
C	Less: LPSC	16.55
D	Less: Electricity Tax	196.71
E	Less: 8% RA Surcharge	376.65
F	Less: 3.70% Pension Surcharge	178.16
G	Net revenue Collected	4,817.81

3.82 Accordingly, the Petitioner has computed Distribution Loss, Collection Efficiency and AT&C Loss for FY 2019-20 which is tabulated below:

Table 3. 26: Petitioner Submission - Distribution loss for FY 2019-20

Sr. No.	Particulars	UoM	Figure
A	Energy Input	MU	7,178.63
B	Energy Billed	MU	6,654.54

Sr. No.	Particulars	UoM	Figure
C	Distribution loss	%	7.30%

3.83 The Petitioner has submitted that in terms of Regulation 159 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* and Regulation 25(4) of *DERC (Business Plan) Regulations 2017*, the impact of overachievement of Distribution Loss target as submitted by the Petitioner is as under:

Table 3. 27: Petitioner Submission - Financial Impact of Overachievement of Distribution Loss target for FY 2019-20

Sr. No.	Particulars	UoM	Figure
A	Energy Purchased at distribution Periphery	MU	7,178.63
B	Distribution Loss target for previous Year i.e. FY 2019-20	%	11.69%
C	Distribution Loss target for Current Year i.e. FY 2019-20	%	10.50%
D	Loss target - 50%*(previous year target - current year target)	%	9.91%
E	Actual Distribution loss for FY 2019-20	%	7.30%
F	Average Power Purchase cost for FY 2019-20	Rs/KWh	5.13
E	Total Financial Impact on account of overachievement of Distribution Loss Target	Rs. Cr.	117.82
F	Impact of Financial benefit to be retained by the Petitioner	Rs. Cr.	71.24
F	Impact of Financial benefit to be passed on to the consumer	Rs. Cr.	46.58

3.84 Further, the Petitioner has submitted that in the month of March 2020, Government of India and GoNCTD has imposed lockdown to certain activities and from 22/03/2020 onwards strict lockdown was imposed to all activities except for the essential activities. BRPL vide its letter dated 24/03/2020 requested the Commission to consider the above situation as a force majeure event and specifically requested to relax the targets for collection efficiency for FY 2019-20. The Commission vide its letter dated 08/07/2020 declared the lockdown situation as a force majeure event and mentioned that the collection efficiency for FY 2019-20 may be considered at the time of true up of FY 2019-20. Keeping in view the pandemic situation, which has adversely impacted BRPL's collections for the month of March'2020, collection efficiency for the month of March'2020 be considered as average collection efficiency of the past 2 years, to arrive at FY 2019-20 collection efficiency achievement for computation of collection efficiency for the financial year. The Petitioner has computed the Collection

Efficiency for FY 2019-20 and accordingly calculated the over achievement in Collection Efficiency for FY 2019-20 tabulated as follows:

Table 3. 28: Calculation of Collection Efficiency for FY 2019-20

Monthly Collection Efficiency for Past 2 years			
Month	**Net Billed Amount (Crs.)**	**Net Collected Amount (Crs.)**	**Collection Efficiency (CE) for the month (%)**
March' 18	303.48	448.21	147.69%
March' 19	298.37	478.62	160.41%
March' 20	257.75	302.76	117.46%
Average CE for the month of March for last 2 years			154.00%
Shortfall due to COVID-19 in March'20 wrt Average			-36.53%
% impact on CE			-1.93%
Actual Collection Efficiency for FY 2019-20			98.55%
Prayer to Hon'ble Commission for consideration of Collection Efficiency for FY 2019-20			**100.47%**

Table 3. 29: Petitioner Submission - Overachievement of Collection efficiency target for FY 2019-20

Sr. No.	Particulars	UoM	figures
A	Amount Billed	Rs. Cr.	4,888.89
B	Amount Collected	Rs. Cr.	4,817.81
C	Actual Collection Efficiency	%	98.55%
D	Collection efficiency Prayed to be considered (impact of Force Majeure event)	%	100.47%
E	Collection Efficiency Target	%	99.50%
F	Total Financial Impact (Incentive) on account of overachievement of Collection efficiency Target	Rs. Cr.	47.42
G	Incentive Petitioner Share	Rs. Cr.	35.20
H	Incentive Consumers Share	Rs. Cr.	12.22

COMMISSION ANALYSIS

ENERGY INPUT

3.85 The Petitioner submitted its Energy Input at DISCOMs periphery as 7,178.63 MU. The Commission vide its Letter No. F.3(634)/Tariff-Engg./DERC/2020-21/6936/2664 dated 5/03/2021 directed Delhi SLDC and Distribution Licensees to submit Joint Signed Statement for Energy Input (net of Open Access and Net Metering if any), Station Wise Power Procurement, Short Term Transactions – Exchange, Bilateral, Banking etc., Additional UI Charges and Sustain Deviation Charges for the purpose of True up of FY 2019-20. Accordingly, the SLDC vide its email dated 10/03/2021 has submitted the said joint statement. It was observed from this statement that Petitioner's consumption based on Special Energy Meter (SEM) data was 7,290.83 MU including Open Access schedule of 115.72 MU.

3.86 In case of self-generation from solar plant, 0.26 MU has been considered in Energy Input submitted by SLDC. Therefore, no additional units on account of self-generation need to be adjusted from the Energy input.

3.87 In case of net metering, the Commission observed that the net metering is embedded generation and that there shall be no distribution loss on account of such energy and has accordingly not considered any energy from net metering consumed by the Consumers directly in the Energy input of the Petitioner.

3.88 Accordingly, the energy input of the Petitioner is as follows:

Table 3. 30: Commission Approved - Energy Input approved for FY 2019-20 (MU)

Sr. No.	Particulars	Petitioner submission	Commission approved
A	SLDC- Total Input Based on SEM Data	7291.09	7,290.83
B	BYPL Rooftop Solar injection	0.00	0.26
C	Energy Input from Net Metering	0.00	3.07
D	Energy Input from Open Access	112.46	115.72
	Actual Input (A+B+C-D)	**7178.63**	**7,178.45**

DISTRIBUTION LOSS

3.89 Regulation 25(1) of *DERC (Business Plan) Regulations, 2017* specifies the Distribution Loss Targets for FY 2019-2020 as follows:

Table 3. 31: Commission Approved - Distribution Loss targets for FY 2019-20

DISTRIBUTION LICENSEE	FY 2019-20
BYPL	10.50%

3.90 Regulation 159 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* states,

"159. The Financial impact on account of over achievement or under achievement of distribution loss target shall be computed as under:

Incentive or penalty = Q1(L1-L2)*P*10^6*
Where,

Q1 = Actual Quantum of energy Purchased at Distribution periphery.
L1 = Distribution Loss Target in %
L2 = Actual Distribution Loss in %
P = Trued up Average Power Purchase Cost (APPC) per unit at distribution periphery in (Rs./KWh)."

3.91 Regulation 25(2) of D*ERC (Business Plan) Regulations, 2017* states "*The amount for Overachievement/Underachievement on account of Distribution Loss target shall be computed as per the formula specified in the Regulation 159 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee."*

3.92 Accordingly, the financial impact of over achievement or under achievement on account of Distribution Loss target has been determined in accordance with the Regulation 159 of *DERC (Terms and Condition for Determination of Tariff) Regulations, 2017* as follows:

Table 3. 32: Commission Approved - Actual Distribution Loss for FY 2019-20

Sr. No.	Particulars	UoM	Petitioner submission	As approved	Ref.
A	Energy Input	MU	7,178.63	7,178.45	Table 3.31
B	Energy Billed	MU	6654.54	6,650.80	Table 3.23
C	Actual Distribution Loss Level	%	7.30%	7.35%	(A-B)/A
D	Targeted Distribution Loss Level	%	10.50%	10.50%	As per BPR 2017
E	Average Power Purchase Cost	Rs./kWh	5.13	5.05	Table 3.45
F	Financial Impact of Overachievement or Underachievement	Rs. Cr.	117.82	114.27	A*(D-C)*E/10

3.93 Regulation 25(4) of *DERC (Business Plan) Regulations 2017* states,

"Any financial impact due to Overachievement on account of Distribution Loss target by the distribution licensee for the relevant year shall be shared between the Distribution Licensee and Consumers as follows:

i. in case actual Distribution Loss is between the loss target and loss target minus [50%(Previous Year Target-Current Year Target)] for the relevant year shall be shared in the ratio of 2/3rd to Consumers and 1/3rd to the Distribution Licensee;*

ii. in case actual Distribution Loss is less than loss target minus [50%(Previous Year Target-Current Year Target)] for the relevant year shall be shared in the ratio of 1/3rd to Consumers and 2/3rd to the Distribution Licensee."*

3.94 For the computation of incentive sharing in true spirit under Regulation 25(4)(i) of *DERC (Business Plan) Regulations, 2017*, the Commission has considered the absolute value of difference of previous year target and current year target. Accordingly, as per the Regulation 25(4) of *DERC (Business Plan) Regulations 2017,* the sharing of the financial impact of over achievement on account of distribution loss target has been computed as follows:

Table 3. 33: Commission Approved - Incentive/Dis-incentive for Distribution Loss for FY 2019-20

Sr. No.	Particulars	UoM	Petitioner submission	As approved	Ref.
A	Distribution Loss Target in previous Year	%	11.69%	11.69%	As per BPR 2017, 25(4)
B	Distribution Loss Target in Current Year	%	10.50%	10.50%	As per BPR 2017, 25(4)
C	Actual Distribution Loss	%	7.30%	7.35%	Table 3.33
D	50% of (previous year target - current year target)	%	0.60%	0.60%	50%*(A-B)
E	Distribution loss target - 50% of (previous year target - current year target)	%	9.91%	9.91%	B-D
F	Actual Energy Input at Distribution periphery	MU	7,178.63	7,178.45	Table 3.33
G	Average Power purchase Cost	Rs/KWh	5.13	5.05	Table 3.59
H	**Total Incentive**	**Rs. Cr**	**117.82**	**114.27**	**(B-C)*F*G/10**
I	Petitioner Share 1 of incentive (less than Loss Target-50%*(PYT-CYT)	Rs. Cr	7.30	7.20	(B-E)*F*G/ 10*(1/3)
J	Petitioner Share 2 of incentive (up to Loss Target-50%*(PYT-CYT)	Rs. Cr	63.94	61.79	(E-C)*F*G/ 10*(2/3)
K	**Total Incentive to Petitioner**	Rs. Cr	**71.24**	**68.99**	I+J
L	Incentive to Consumer	Rs. Cr	46.58	45.29	(B-E)*F*G/ 10*(2/3)+(E-C)*F*G/ 10*(1/3)

REVENUE BILLED

3.95 During the prudence check sessions, the Commission has verified the Revenue billed by the Petitioner from the Audited 2.1(a), SAP and Audited Books of Accounts (Note 63) for FY 2019-20 and accordingly, the same is approved as follows:

Table 3. 34: Commission Approved - Revenue Billed trued up for FY 2019-20 (Rs. Cr.)

Sr. No.	Consumer Category	Petitioner Submission	Commission Approved
1	Domestic	2031.61	2031.61
2	Non Domestic	2068.22	2068.22
3	Industrial	388.39	388.39
4	Agriculture & Mushroom Cultivation	0.09	0.09
5	Public Lighting	81.02	81.02
6	Delhi Jal Board(DJB)	121.36	121.35
7	DMRC	110.41	110.41
8	Temporary Supply	60.00	60.00
9	Advertisement and Hoardings	0.05	0.05
10	Charging Stations for E-Vehicle	8.06	8.06
11	Self-Consumption	0.16	0.16
12	Enforcement	19.53	19.53
13	Net Metering	1.31	1.31
Total		**4890.20**	**4890.20**
Add:			
14	Electricity Duty	199.00	199.00
15	RA Surcharge	380.07	380.07
16	Pension Trust Surcharge	180.07	180.07
17	**Gross Amount Billed**	**5649.34**	**5649.34**

REVENUE COLLECTED

3.96 During the prudence check sessions, the Commission verified the Revenue Collected by the Petitioner from the Audited Form 2.1 (a), SAP and Audited Books of Accounts for FY 2019-20 and the Revenue Collected as approved by the Commission, after reducing the amount collected under Net Metering since its treatment is provided for excess energy credits as per Net Metering Regulations, 2014 specified in paras above in Power Purchase Cost only, is as under:

Table 3. 35: Commission Approved - Revenue Collected for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	As per Petitioner	As per Commission	Ref
A	Actual Revenue realized including Electricity duty/tax, LPSC, Regulatory Surcharge, Pension trust surcharge	5,587.19	5,587.19	Note 63 of Annual Audited

Sr. No.	Particulars	As per Petitioner	As per Commission	Ref
B	Less: LPSC	16.55	16.55	Accounts for FY 2019-20
C	Less: Electricity Tax	196.71	196.71	
D	Less: 8% RA Surcharge	376.65	376.65	
E	Less: 3.80% Pension Surcharge	178.16	178.16	
F	Less: Net Metering (Grossed up)	1.31	1.31	
G	Less:- Advance From Consumers	-	-	
H	**Net Revenue Realised**	**4,817.81**	**4817.81**	**A-B-C-D-E-F**

COLLECTION EFFICIENCY

3.97 Regulation 163 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* states:

> *"163. The financial impact on account of over or under achievement of collection efficiency targets shall be computed as under:-*
>
> *Incentive or penalty = (C1 – C2) * Ab*
>
> *Where,*
>
> *C1 = Actual Collection Efficiency in % =[Ar/Ab]*100*
>
> *Ar = Actual amount collected excluding electricity duty, late payment surcharge, any other surcharge in Rs. Cr.;*
>
> *Ab = Actual Amount Billed excluding Electricity Duty, LPSC and any other surcharges in Rs Cr.*
>
> *C2 = Target Collection Efficiency in %*

3.98 Regulation 164 of *DERC (Terms and Conditions for Determination of Tariff) Regulations 2017* states:

> *"Any financial impact on account of underachievement less than the target and overachievement above 100%with respect to Collection Efficiency targets shall be to the Licensee's account:*
>
> *Provided that any financial impact on account of over achievement over and above the target and limited to100% with respect to Collection Efficiency targets shall be shared as per the mechanism indicated in the Business Plan Regulations of the Control Period."*

3.99 Regulation 26 of *DERC (Business Plan) Regulations 2017* states:

"26. TARGET FOR COLLECTION EFFICIENCY

(1) The targets for Collection Efficiency for FY2017-18 to FY2019-20 of the Distribution Licensees shall be 99.50%.

(2) The financial impact on account of Collection Efficiency target shall be computed as per the formula specified in Regulation 163 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee.

(3) The financial impact on account of over-achievement in terms of Regulation 164 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee, from 99.50% to 100% shall be shared equally between Consumers and the Distribution Licensees."

3.100 The Commission observes that Distribution Licensees have sought impact on account of lockdown due to COVID-19 in FY 2019-20 for the period from 24th March to 31st March, 2020. The impact sought is on account of deemed collection during such period which even results into incentive on account of collection efficiency. However, for the purpose of computation of Revenue (Gap)/Surplus, the Distribution Licensees have considered actual revenue collected.

3.101 Under-collection on account of COVID-19 during last week of March, 2020 is only deferred in FY 2020-21. The Commission vide its email dated 20/03/2021 sought information regarding the actual amount collected during FY 2020-21 out of amount claimed as deemed collection during FY 2019-20. However, BRPL and BYPL did not submit the requisite information. Further, TPDDL vide its email dated 27/03/2021 submitted that they have collected Rs. 70.63 Cr. out of deemed collection in FY 2020-21, however, TPDDL has submitted that the data extracted is based on the clearing report and CA-wise extraction is not possible. Therefore, it is noted that Distribution Licensees have not provided actual amount collected during FY 2020-21 out of amount claimed as deemed collection during FY 2019-20.

3.102 The Commission considering the impact of lockdown for the period from 24th March, 2020 to 31st March, 2020, which has impacted consumers in an un-precedent manner, is of the view that in order to maintain balance between the stakeholders due to the impact of COVID-19, it is judicious to exercise the Power of Relaxation under

Regulation 172 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and Regulation 37 of DERC (Business Plan) Regulations, 2017 and not to True-up Collection Efficiency. Accordingly, no incentive or penalty on account of over/under achievement on account of collection efficiency has been considered and allowed Actual O&M expenses and Actual Power Purchase Rebate for FY 2019-20.

CASH COLLECTION EXCEEDING Rs. 4,000/-

3.103 As per the directive of the Commission *"No payment shall be accepted by the Distribution Licensees from its consumers at its own collection centres/mobile vans in cash towards electricity bill exceeding Rs. 4000/- except from blind consumers, for court settlement cases & payment deposited by the consumers at designated schedule commercial bank branches upto Rs. 50,000/-. Violation of this provisions shall attract penalty to the level of 10% of total cash collection exceeding the limit."*

3.104 The Commission has analysed the data submitted for cash collection during FY 2019-20 and it is observed that cash collections above Rs. 4,000/- which are on account of court settlement cases which is permitted as per the directive.

POWER PURCHASE QUANTUM

PETITIONER SUBMISSION

3.105 The Petitioner submitted that almost 70% of the power is purchased from generating companies owned and/ or fully controlled by the Central Government and State Government by virtue of long term power purchase agreements which have been inherited from DTL (initially signed by M/s DTL) and assigned by the Commission as per its Orders dated 31/03/2007.

3.106 The summary of actual power purchase quantum procured by the Petitioner during FY 2019-20 is as follows.

Table 3. 36: Petitioner Submission - Power Purchase Quantum for FY 2019-20 (MU)

Sr. No.	Particulars	Submission	Remarks/ Ref.
A	Power Purchase:		
I	Gross Power Purchase Quantum	8938	
Ii	Power sold to other sources	1502	
Iii	Net Power Purchase	7435	i-ii
B	Transmission Loss:		

I	Inter-State Transmission Loss	257	
Ii	Intra-State Transmission Loss		
Iii	Total transmission loss	257	
C	Net power available after Transmission Loss*	7179	A-B

Net of 'net metering'

LONG TERM POWER PURCHASE QUANTUM

PETITIONER SUBMISSION

3.107 The Petitioner has submitted the plant-wise power purchase quantum as follows:

Table 3. 37: Petitioner Submission - Power Purchase Quantum Station wise-FY 2019-20 (MU)

Sr. No.	Stations	Total Generation	Energy received at Delhi Periphery	Petitioner Share
		MU	MU	MU
Central Sector Generating Stations (CSGS)				
A	**NTPC**	*	*	
I	Anta Gas			2
Ii	Auraiya Gas			6
Iii	Dadri Gas			24
Iv	Dadri – I			167
V	Dadri – II			643
Vi	Farakka			27
Vii	Kahalgaon – I			73
Viii	Kahalgaon – II			236
Ix	Rihand – I			0
X	Rihand – II			218
Xi	Rihand – III			419
Xii	Singrauli			479
Xiii	Unchahar – I			31
Xiv	Unchahar – II			62
Xv	Unchahar – III			41
Xvi	Aravali Jhajjar			63
	Sub Total			**2490**
B	**NHPC**			
I	BAIRASIUL P S			9
Ii	SALAL P S			113
Iii	CHAMERA I P S			53
Iv	TANAKPUR P S			14
V	URI P S			93
Vi	DHAULIGANGA PS			43
Vii	CHAMERA - II PS			41
Viii	DULHASTI PS			66
Ix	SEWA-II			21
X	CHAMERA - III PS			34
Xi	URI II			59

Sr. No.	Stations	Total Generation	Energy received at Delhi Periphery	Petitioner Share
		MU	MU	MU
Xii	PARBATI-III			22
Xiii	NHPC Regulation credit			0
	Sub Total			**567**
C	**THDC**			
I	Tehri HEP			0
Ii	Koteshwar			0
	Sub Total			**0**
D	**DVC**			
I	Mejia Units -6 (LT-4)			154
Ii	DVC Chandrapur 7 & 8 (LT-3)			476
Iii	Mejia Units -7			573
	Sub Total			**1203**
E	**NPCIL**			
I	NAPS			0
Ii	RAPP			105
	Sub Total			**105**
F	**SJVNL**			
I	Naptha-Jhakri			178
	Sub Total			**178**
G	**Others**			
I	Tala HEP			20
Ii	Sasan UMPP			2503
	Sub Total			**2523**
H	**Total CSGS**			**7067**
Delhi Generating Stations				
I	BTPS	*	*	0
Ii	Rajghat			-1
Iii	Gas Turbine			35
Iv	Pragati – I			234
V	Pragati -III, BAWANA			663
	Sub Total			**931**
Renewables				
I	**SECI**			**42**
Ii	**EDWPCL**			**13**
Iii	**Delhi MSW**			**29**
	Grand Total			**8081**

**Total generation and energy received at Delhi periphery is to be received from SLDC.*

SHORT TERM POWER PURCHASE QUANTUM
PETITIONER SUBMISSION

3.108 During FY 2019-20, the Petitioner has procured a total of 856 MU through Bilateral/Banking/Intrastate/UI under short term purchase. The summary of source wise details of short term power purchase is tabulated below:

Table 3. 38: Petitioner Submission - Short Term Power Purchase Quantum

Sr. No.	Particulars	FY 2017-18		FY 2018-19		FY 2019-20	
		Energy (MU)	(%)	Energy (MU)	(%)	Energy (MU)	(%)
A	Bilateral	27	3%	1	0.1%	5	1%
B	Banking	805	83%	1019	96%	754	88%
C	Exchange	69	7%	8	1%	79	9%
D	Intra-State	10	1%	5	0.4%	0	0%
E	UI	59	7%	31	3%	18	2%
F	**Total**	**970**		**1064**		**856**	

SHORT TERM POWER SALES QUANTUM
PETITIONER SUBMISSION

3.109 During FY 2019-20, the Petitioner has sold a total of 1502 MU under short term sale through Bilateral/Banking/Intrastate/UI mode. The summary of source wise details of sale of surplus power is tabulated below:

Table 3. 39: Petitioner Submission - Short Term Power Sales Quantum

Sr. No.	Particulars	FY 2017-18		FY 2018-19		FY 2019-20	
		Energy (MU)	(%)	Energy (MU)	(%)	Energy (MU)	(%)
A	Bilateral	18	2%	77	3%	107	7%
B	Banking	867	74%	1157	46%	816	54%
C	Exchange	275	24%	1245	50%	551	37%
D	Intra-State	1	0%	3	0%	0	0%
E	UI	6	1%	7	0%	28	2%
F	**Total**	**1168.3**		**2489.2**		**1502.4**	

COMMISSION ANALYSIS

3.110 The Commission in its Tariff Order dated 31/07/2019 has approved gross power purchase quantum of 7,562 MU from Long Term Sources including Central and State Sector Generating Stations for FY 2019-20.

3.111 The Commission vide its Letter dated 5/03/2020 directed DISCOMs and Delhi SLDC to verify the figures of Long-Term Power Purchase and Short Term Power purchase/sale for Delhi DISCOMs and submit a joint report to the Commission. The said joint signed statement source wise Long Term Power Purchase and Short-Term Power purchase/sale was submitted by the Petitioner.

3.112 The Commission observed that there still exist deviation in the Power Purchase Quantum submitted by Delhi DISCOMs and that submitted by SLDC to the Commission due to peripheral mismatches i.e., for few plants. The Petitioner has considered the power at Northern periphery whereas SLDC has considered at DTL periphery. During Prudence check, the DISCOMs submitted that the Power Purchase quantum is considered based on the units actually billed to them by the Generators. Due to the differential reporting of the energy by SLDC and the DISCOMs, the Commission considered the units actually billed by the Generators to the DISCOMs for the purpose of arriving at Power Purchase quantum.

3.113 The Petitioner submitted during the Prudence check that the power generated through Self generation is already added in the power purchase quantum for FY 2019-20.

3.114 Further, the Commission has considered net energy credits as per Regulation 9 of *Delhi Electricity Regulatory Commission (Net Metering for Renewable Energy) Regulations, 2014,* discussed above in Sales section of this Order.

3.115 Based on the audited Power Purchase Certificate and submission of SLDC, the Power Purchase Quantum of the Petitioner is trued-up for FY 2019-20 as follows:

Table 3. 40: Commission Approved - Power Purchase Quantum (MU)

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Petitioner Submission</th><th>Commission Approved</th><th>Reference</th></tr>
<tr><td></td><td>Power Purchase Quantum</td><td></td><td></td><td></td></tr>
<tr><td>I</td><td>Long Term Power Purchase</td><td>8081.0</td><td>8,081.26</td><td></td></tr>
<tr><td>II</td><td>Short Term Power Purchase</td><td rowspan="2">856.0</td><td>102.76</td><td></td></tr>
<tr><td>III</td><td>Banking Import</td><td>753.50</td><td></td></tr>
<tr><td>IV</td><td>Other Input (Net Metering / Self Generation)</td><td></td><td>3.07</td><td></td></tr>
<tr><td>A</td><td>Gross Power Purchase Quantum</td><td>8,938.00</td><td>8,940.59</td><td>(I+II+III+IV)</td></tr>
<tr><td>V</td><td>Banking Export</td><td rowspan="2">1502.00</td><td>815.70</td><td></td></tr>
<tr><td>VI</td><td>Short Term Sale</td><td>686.67</td><td></td></tr>
<tr><td>B</td><td>Net Power Purchase Quantum</td><td>7,435.00</td><td>7,438.22</td><td>(I+II+III+IV-V-VI)</td></tr>
<tr><td>C</td><td>Transmission Loss</td><td>257.00</td><td>259.77</td><td></td></tr>
<tr><td>D</td><td>Total Power</td><td>7,179.0</td><td>7,178.45</td><td></td></tr>
</table>

POWER PURCHASE COST

PETITIONER SUBMISSION

3.116 The power purchase cost claimed by the Petitioner based on the auditor's certificate during FY 2019-20 is tabulated below:

Table 3. 41: Petitioner Submission - Power Purchase Cost for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	Submission
A	Power Purchase Cost	
i	Gross Power Purchase Cost	3,587.58
ii	Power sold to other sources	522.26
iii	Net Power Purchase Cost	3,065.32
B	Transmission Charges	
i	Inter-state transmission charges	446.62
ii	Intra-state transmission charges	111.22
iii	Other Transmission/OA charges	66.59
iv	Total Transmission charges	624.43
C	Rebate	
i	Power Purchase Rebate	7.27
ii	Rebate on Transmission Charges	
iii	Total rebate	7.27
D	Add: Net Metering	1.77
	Add: Self Generation (BYPL Roof Top Solar)	0.14
E	Net Power Purchase Cost including Transmission charges net of rebate	3,684.39
G	Incentive on short term Sale	1.51
H	Total Power purchase including incentive	3685.39

3.117 Based on the above submissions, the Petitioner has considered the gross power purchase cost of Rs. 3852 Cr. during FY 2019-20 is as follows:

Table 3. 42: Petitioner Submission - Gross Power Purchase Cost before rebate during FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	FY 2019-20
A	Audited Gross Power Purchase Cost (Before Rebate)	
i	Purchase of Energy	3227.7
ii	Transmission cost	624.4
B	Total Gross Power Purchase Cost excluding LPSC (i+ii)	**3852**

3.118 The reconciliation of the Power cost as per Audited accounts in the break-up of the same as per requirement by the Commission is submitted in the following reconciliation Table:

Table 3. 43: Reconciliation of Power Purchase Cost (Rs. Cr.)

Sr. No.	Particulars	FY 2019-20
A	Long Term Power Purchase	3189
B	Short Term Power Purchase	399
C	Less: Banking Sale	355
D	Total	3231
E	Transmission cost	624
F	Less: Rebate	7
G	Add: Net Metering	2
H	Add: Self Generation (at BYPL Roof Top)*	0.1
I	Total Gross Power Purchase Cost excluding LPSC and rebate	3852

** Self Generation @ Rs 5.36/unit vide DERC Order dated 26/02/18*

LONG TERM SOURCES

PETITIONER SUBMISSION

3.119 The Petitioner has considered the total cost on account of long term sources during FY 2019-20 which includes the following:

- All Power Purchase cost including fixed cost, variable cost, arrears, other charges etc. as scheduling of power is controlled by SLDC.
- Fixed Cost paid to the Generator during FY 2019-20 on account of Regulated Power has been considered.
- Gain on Regulated Power is also claimed separately that needs to be passed to be utility.

3.120 The Petitioner has submitted the details of station-wise power purchase cost during FY 2019-20 is as follows:

Table 3. 44: Petitioner Submission - Power Purchase Cost Station wise for FY 2019-20

Sr. No.	Stations	Petitioner Share	Fixed Charge	Variable Charge	Other Charges	Arrears	Total Charges	Average Rate	Remarks / Ref
		MU	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs./ kWh	
1	2	3	4	5	6	7	8	9	10
Central Sector Generating Stations (CSGS)									
A	**NTPC**								
I	Anta Gas	2	6	1	0	0	6	29.05	
Ii	Auraiya Gas	6	8	2	0	-1	10	16.75	
iii	Dadri Gas	24	10	8	3	-2	19	7.80	
iv	Dadri – I	167	40	69	2	-6	105	6.33	
v	Dadri – II	643	163	240	8	-7	404	6.28	
vi	Farakka	27	3	7	1	1	12	4.51	
vii	Kahalgaon – I	73	9	16	0	0	25	3.40	
viii	Kahalgaon – II	236	30	49	0	-1	79	3.33	
ix	Rihand – I	0	0	0	0	-1	-1		
x	Rihand – II	218	16	30	0	0	45	2.06	
xi	Rihand – III	419	54	56	2	-1	111	2.64	
xii	Singrauli	479	34	66	0	-2	98	2.04	
xiii	Unchahar – I	31	4	11	0	-1	15	4.82	

Sr. No.	Stations	Petitioner Share	Fixed Charge	Variable Charge	Other Charges	Arrears	Total Charges	Average Rate	Remarks / Ref
		MU	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs./ kWh	
1	2	3	4	5	6	7	8	9	10
xiv	Unchahar – II	62	8	22	0	0	30	4.80	
xv	Unchahar – III	41	7	14	0	0	21	5.09	
xvi	Aravali Jhajjar	63	77	24	6	-3	103	16.41	
xvii	Aravali-Credit	0	0	0	0	0	0		
	Sub Total	**2490**	**469**	**614**	**24**	**-26**	**1080**	**4.34**	
B	**NHPC**								
i	BAIRASIUL P S	9	1	1	2	1	5	5.24	
ii	SALAL P S	113	8	7	6	3	25	2.19	
iii	CHAMERA I P S	53	4	6	0	1	10	1.99	
iv	TANAKPUR P S	14	3	2	0	0	5	3.80	
v	URI P S	93	7	8	1	3	19	2.06	
vi	DHAULIGANGA PS	43	6	5	0	2	12	2.90	
vii	CHAMERA - II PS	41	3	4	0	0	8	1.89	
viii	DULHASTI PS	66	15	17	1	4	37	5.63	
ix	SEWA-II	21	6	5	0	0	11	5.14	
x	CHAMERA - III PS	34	7	7	0	0	14	4.17	
xi	URI II	59	11	11	1	2	25	4.26	
xii	PARBATI-III	22	10	3	0	0	13	5.88	
	NHPC Regulation credit	0	0	0	0	0	0		
	Sub Total	**567**	**81**	**76**	**10**	**17**	**185**	3.26	
C	**THDC**								
i	Tehri HEP	0	0	0	0	0	0		
ii	Koteshwar	0	0	0	0	0	0		
	Sub Total	**0**	**0**	**0**	**0**	**0**	**0**		
D	**DVC**								
i	Mejia Units -6 (LT-4)	154	24	46	0	1	71	4.63	
ii	DVC Chandrapur 7 & 8 (LT-3)	476	81	111	0	0	193	4.04	
iii	Mejia Units -7	573	97	163	0	3	263	4.59	
	DVC Credit from Regulated power					0	0		
	Sub Total	**1203**	**202**	**320**	**0**	**4**	**527**	4.38	
E	**NPCIL**								
i	NAPS	0	0	0	0	0	0		
ii	RAPP	105	0	41	1	1	44	4.17	
	Sub Total	**105**	**0**	**41**	**1**	**1**	**44**	**4.17**	
F	**SJVNL**								
i	Naptha-Jhakri	178	21	21	0	2	43	2.43	

Sr. No.	Stations	Petitioner Share	Fixed Charge	Variable Charge	Other Charges	Arrears	Total Charges	Average Rate	Remarks / Ref
		MU	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs./ kWh	
1	2	3	4	5	6	7	8	9	10
	SJVNL Credit	0	0	0		0	0		
	Sub Total	**178**	**21**	**21**	**0**	**2**	**43**	2.43	
G	**Others**								
i	Tala HEP	20	0	4	0	0	4	2.16	
ii	Sasan UMPP	2503	36	288	27	10	362.0	1.45	
	Sub Total	**2523**	**36**	**292**	**27**	**10**	**366**	**1.45**	
H	**Total CSGS**	**7067**	**809**	**1365**	**62**	**8**	**2245**	**3.18**	(A+B+C+D+E+F+G)
I. Delhi Generating Stations									
i	BTPS	0	0	0	0	-13	-13		
ii	IP Station	0	0	0	0	31	31		
iii	Rajghat	-1	0	0	0	6	5		
iv	Gas Turbine	35	13	17	0	-1	28	8.18	
v	Pragati – I	234	25	130	0	2	156	6.68	
vi	Pragati -III, BAWANA	663	236	249	0	200	685	10.33	
	Sub Total	**931**	**273**	**396**	**0**	**224**	**893**	**9.60**	
Renewables									
I	**SECI**	**42**	**0**	**23**	**0**	0	23	5.46	
Ii	**EDWPCL**	**13**	**0**	**4**	**0**	0	4	3.27	
iii	**Delhi MSW**	**29**	**0**	**20**	**0**	0	20	7.03	
	Reactive etc.						**3.4**		
K	**Grand Total**	**8081**	**1082**	**1809**	**62**	**233**	**3189**	**3.95**	**(H+I+J)**

COMMISSION ANALYSIS

3.121 The Commission, in its Tariff Order dated 31/07/2019 had projected the Power Purchase cost at Rs. 3,271 Cr.

3.122 The Commission during the prudence check sessions has verified all the invoices raised by Generating Stations consisting of Capacity Charges (Fixed Charges), Energy Charges (Variable Charges) and other charges for FY 2019-20 as submitted in the Petition and Audited Power Purchase Certificate.

3.123 Accordingly, the long-term power purchase cost as considered by the Commission for true up is as follows:

Table 3. 45: Commission Approved - Long Term Power Purchase Cost for FY 2019-20

Sr. No.	Particulars	Quantum (MU)	Amount (Rs. Cr.)
1	Long Term Sources (Other Than Renewable)	8,081.26	3189.04
1a	NTPC	2,427.62	964.70
1b	NHPC	567.46	184.69
1c	Others	5,086.18	2,036.30

SHORT TERM POWER PURCHASE

PETITIONER SUBMISSION

3.124 The Petitioner has submitted the source-wise details of short term power purchase cost during FY 2019-20 as follows:

Table 3. 46: Petitioner Submission - Short Term Power Purchase Cost

Sr. No.	Particulars	FY 2017-18		FY 2018-19		FY 2019-20	
		Rate per unit	Amount	Rate per unit	Amount	Rate per unit	Amount
		(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)
A	Bilateral	3.33	9.0	3.58	0.40	4.07	2
B	Banking	3.98	320.6	4.24	432.4	4.71	355
C	Exchange	4.37	37.1	4.32	3.4	4.06	32
D	Intra-State	2.18	2.1	2.57	1.2	1.39	0.01
E	UI	3.34	19.8	5.12	16.0	4.90	9
F	Total	4.01	388.6	4.26	453.4	4.65	398.5

COMMISSION ANALYSIS

3.125 The Commission in its Tariff Order dated 31/08/2017 has directed the Petitioner as follows:

> *"6.10k. The Distribution licensee is directed to take necessary steps to restrict the cost of power procured through Short Term contracts at Rs.5 per kWh. Further in case of Short Term power purchase at a rate higher than the above ceiling rate (of Rs.5 per kWh), the impact of such purchase on total Short Term power purchase shall not exceed 10 Paise /kWh during the financial year. In case the cost of power proposed to be procured exceeds the above limits, this may be brought to the notice of the Commission within 24 hours detailing the reasons or exceptional circumstances under which this has been done. The Commission reserves the right to restrict allowance to the permissible limit if proper justification is not provided."*

3.126 The Commission has examined the Short-Term Power Purchase Transactions and found that the Petitioner has not violated the above mentioned directive.

CONTINGENCY LIMIT OF 5% ON UI SALE

PETITIONER SUBMISSION

3.127 The Petitioner has submitted that as per Business Plan Regulations 2017, the Hon'ble Commission has defined a contingency limit on UI. Relevant extract is shown below:

> ***"28. CONTINGENCY LIMIT FOR SALE OF POWER THROUGH DEVIATION SETTLEMENT MECHANISM (UNSCHEDULED INTERCHANGE CHARGES)***
>
> *(1) The Contingency Limit for disposing off of Power through Deviation Settlement Mechanism in terms of the Regulation 152 (c) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2017-18 to FY 2019-20 of the Distribution Licensees shall be 5% of Net Power Procured by the Distribution Licensee for the relevant month."*

3.128 Petitioner has submitted that Petitioner is well within the limits during the FY 2019-20 as defined by the Commission in Business Plan Regulations, 2017.

COMMISSION ANALYSIS

3.129 Regulation 28 of *DERC (Business Plan) Regulations, 2017* stipulates,

> *"28(1)The Contingency Limit for disposing off of Power through Deviation Settlement Mechanism in terms of the Regulation 152 (c) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2017-18 to FY 2019-20 of the Distribution Licensees shall be 5% of Net Power Procured by the Distribution Licensee for the relevant month."*
>
> *"28(2)In case the Distribution Licensee disposes off more than 5% of the net Power procured by the Licensee for the relevant month through Deviation Settlement Mechanism (Unscheduled Interchange Charges) than the rate of realisation through UI shall be considered at the average rate of power purchase/sale through exchange during same month for Delhi region."*

3.130 With respect to the contingency limit of UI sale, Commission vide its email dated 23/03/2021 directed SLDC to provide the DISCOM-wise and month-wise Sale of Power through Deviation Settlement Mechanism (Unscheduled Interchange Charges) for FY 2019-20. SLDC (vide email dated 25/03/2021) has submitted the same and it is observed from the submitted data that such UI sale have been within the limits of contingency of 5% of Net Power Purchase. The month wise details of the same is as under:

Table 3. 47: Details of Contingency limit @ 5% (MU)

Month	Gross Power Purchase	Sales of Power	Net Power Purchase	UI Sale
Apr-19	680.17	53.31	626.86	(5.77)
May-19	834.72	64.58	770.13	(4.45)
Jun-19	924.93	64.75	860.18	(2.84)
Jul-19	893.45	30.24	863.21	(1.51)
Aug-19	815.10	8.26	806.84	(1.13)
Sep-19	806.32	15.45	790.87	(3.26)
Oct-19	618.32	64.69	553.63	(5.27)
Nov-19	639.59	216.23	423.36	(4.19)
Dec-19	709.13	249.15	459.98	(0.34)
Jan-20	682.57	203.65	478.93	(1.84)
Feb-20	644.33	232.01	412.32	(1.82)
Mar-20	688.90	300.05	388.85	(1.82)
Total	**8,937.52**	**1,502.37**	**7,435.15**	**(34.24)**
UI Sale (%)				**0.46%**

3.131 Accordingly, no impact on account of Contingency Limit is considered for FY 2019-20 by the Commission.

ADDITIONAL UI CHARGES

3.132 The Commission observed from the statement submitted by SLDC that the Petitioner has been levied penalty under Additional Deviation Settlement and Sustain Deviation for FY 2019-20 amounting to Rs. 3.95 Cr. and Rs. 1.46 Cr. respectively in accordance with the CERC Regulations.

3.133 Since, the Petitioner has not submitted any certificate from SLDC, as mandated in the Regulation stipulated above, therefore, the Commission has disallowed the Additional Deviation Settlement Mechanism (ADSM) (Unscheduled Interchange) Charges and Sustain Deviation Charges (SDC) of Rs. 3.95 Cr. and Rs. 1.46 Cr. respectively for FY 2019-20 and considered Rs. 3.95 Cr. and Rs. 1.46 Cr. as provided by SLDC, as penalty for ADSM and SDC for FY 2019-20.

3.134 **Banking Transactions:** The Commission has analysed the Banking Transactions made by the Petitioner for FY 2019-20. Regulation 121 (3) of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 specifies that the Normative cost of banking transaction is considered at the rate of average power purchase cost of the portfolio of the distribution licensee read as follows:

"While approving the cost of power purchase, the Commission shall determine the quantum of power to be purchased considering:

1. *Availability of Generating Stations which may be based on Load Generation Balance Report published by Central Electricity Authority (CEA) for relevant Financial Year;*
2. *Principles of merit order schedule and dispatch based on the ranking of all approved sources of supply in the order of their variable cost of power purchase on monthly basis;*
3. *Normative cost of banking transaction at the rate of Average Power Purchase Cost of the portfolio of the Distribution Licensee;*
4. *The gap between Average Power Purchase Cost of the power portfolio allocated and average revenue due to different consumer mix of all the distribution licensee:*

   Provided that the Commission may adjust the gap in Power Purchase Cost by reassigning the allocation of power amongst the Distribution Licensees out of the overall power portfolio allocated to the National Capital Territory of Delhi by Ministry of Power, Government of India."

3.135 Further, the Commission vide its letter dated 16/11/2018 provided clarification to DISCOMs that Normative Cost of Banking Transactions shall be weighted average rate of all long-term sources considering only Variable Cost for the relevant year. Relevant extract of the Commission's letter dated 16/11/2018 is as follows:

"……that the normative cost of Banking transactions shall be weighted average rate of all long-term sources considering only variable cost for the relevant year. Further, the sample calculation for incentive on sale of surplus power is annexed herewith."

3.136 During the prudence check sessions and further scrutiny of the information submitted by the Petitioner, it is observed that the Petitioner has not considered the Variable Cost for the relevant year for evaluating the normative cost of Banking transactions for FY 2019-20 & FY 2018-19 as mandated in above mentioned letter.

3.137 It is pertinent to state that when Delhi Distribution Licensee is in Surplus, then they Bank their Surplus Energy to those entities (especially outside Delhi) which are in power deficit. This Surplus Banked power is out of the Long Term sources of Delhi Distribution Licensee whose Fixed Cost is borne by them, however, the power not being put to use in Delhi is being Banked to other Deficit State. Accordingly, the Commission vide its letter dated 16/11/2018, has considered the Variable Cost of Weighted Average Rate of all Long-Term Sources as the Normative Cost of Banking Transactions.

3.138 Further, it is pertinent to state that the Banking Transactions are revenue neutral in nature i.e., the variable cost considered for Forward Banking & Reverse Banking leads to no impact in Power Purchase Cost since the Forward Banking & Reverse Banking transactions spill over to multiple years after considering the impact of Banking Return Ratio. The concept of revenue neutral in Banking transactions has also been endorsed by Hon'ble APTEL in Appeal No. 14 of 2012, wherein Hon'ble APTEL rejected the claim of the Distribution Licensee related to Financing Cost incurred in relation to Power Banking, as follows:

> *"113. The learned Counsel for the Delhi Commission submits that the Banking contracts have to be revenue neutral in nature and hence if power has been bought under "banking arrangement", then the same power will be sold back by the utility with 4% extra power. This extra power that is sold at the rate at which it had bought power at the first place serves like the financing cost of the power banked. Hence, no additional funding cost for banked power has been allowed.*
>
> *…*
>
> *117. Thus, the licensee looses carrying cost for Rs 40 Cr. However, in order to make banking arrangements tariff neutral some element of interest is also added. Accordingly, the utility which had banked energy would get 4%*

additional energy at the time of return to offset the carrying cost for the banked energy…

..

118. Thus the Licensee gets Rs 1.6 Cr extra as Notional cost of additional energy received to offset the carrying costs. Accordingly, the issue is decided against the Appellant."

3.139 In view of above and taking the cognizance of the above stated Clarification letter dated 16/11/2018 on *DERC Tariff Regulations, 2017* and *DERC (Business Plan) Regulations, 2017*, the Commission has revised the Normative Cost of Banking transactions i.e., considering Variable Cost of Weighted Average Rate of all Long-Term Sources for FY 2018-19 and FY 2019-20 as follows:

Table 3. 48: Revised working of Normative Cost of Banking Transactions

Particulars	UoM	FY 2018-19	FY 2019-20
Banking Export - As per True-up Order	MU	(1,156.78)	(815.70)
Banking Import - As per True-up Order	MU	1019.01	753.50
Banking Export Rate- As per Petitioner	Rs. /kWh	3.78	4.35
Banking Import Rate- As per Petitioner	Rs. /kWh	4.24	4.71
Banking Export - As per True-up Order	Rs. Cr.	(437.26)	(354.51)
Banking - Import - As per True-up Order	Rs. Cr.	432.37	355.27
Net Banking (Import - Export)	MU	(137.77)	(62.20)
Normative Cost on Banking i.e., Variable Cost of weighted average rate of all long-term sources - as per Clarification issued vide DERC letter dated 16/11/2018 on DERC Tariff Regulations, 2017 and BPR, 2017	Rs. /kWh	2.30	2.23
Net Normative Cost / (Sale) to be allowed	Rs. Cr.	(31.72)	(13.88)
Net Cost / (Sale) approved	Rs. Cr.	(4.89)	
Differential Cost / (Sale) approved	Rs. Cr.	**(26.82)**	**(13.88)**
Total Normative Cost of Banking approved	Rs. Cr.		**(40.70)**

MERIT ORDER DESPATCH, SALE OF SURPLUS POWER AND INCENTIVE THEREON

PETITIONER SUBMISSION

3.140 The Petitioner has submitted that scheduling is being done by SLDC and DISCOMs have no control over backing-down of the costly power plants. There should be no disallowance for MOD on the following points:

a) SLDC has clearly intimated that scheduling of central generating stations and other inter-state generating stations is controlled by RLDC and hence

DISCOM wise scheduling is not possible.

b) The availability of Plants is beyond the control of DISCOMs and the actual availability of Plants differs from the projections. The monthly MOD submitted by the DISCOMs is based on past Month ECR which may not be valid on real time basis.

c) Further, in line with the CERC (IEGC) 4th amendment 2016 Regulation, as quoted below:

"The CGS or ISGS may be directed by concerned RLDC to operate its unit(s) at or above the technical minimum but below the normative plant availability factor on account of grid security or due to the fewer schedules given by the beneficiaries and it is further stated that where the CGS or ISGS, whose tariff is either determined or adopted by the Commission, is directed by the concerned RLDC to operate below normative plant availability factor but at or above technical minimum, the CGS or ISGS may be compensated depending on the average unit loading duly taking into account the forced outages, planned outages, PLF, generation at generator terminal, energy sent out ex-bus, number of start-stop, secondary fuel oil consumption and auxiliary energy consumption, in due consideration of actual and normative operating parameters of station heat rate, auxiliary energy consumption and secondary fuel oil consumption etc. on monthly basis duly supported by relevant data verified by RLDC or SLDC, as the case may be………………

In case of coal / lignite based generating stations, following station heat rate degradation or actual heat rate, whichever is lower, shall be considered for the purpose of compensation:

Sr. No.	Unit loading as a % of Installed Capacity of the Unit	Increase in SHR (for supercritical units) (%)	Increase in SHR (for sub-critical units) (%)
1.	85-100	Nil	Nil
2.	75-84.99	1.25	2.25
3.	65-74.99	2	4
4.	55.64.99	3	6

Compensation for the Station Heat Rate and Auxiliary Energy Consumption shall be worked out in terms of energy charges."

d) Operation of Plant is not under the control of DISCOMs, and Delhi DISCOMs allocation is around 10%-20% in significant number of Plants. Since allocation of these Plants are on shared basis and operation of the same is on the basis of aggregation of demand and keeping into account the Grid Security, therefore, the decision of actual operation/availability of plant is not under control of the DISCOMs.

e) And, there are various instances where forced Scheduling is done to maintain Grid security and the same was submitted to the Commission vide letter dated 13/04/2018.

3.141 The Petitioner put its all-out efforts to maximize the revenue through sale of surplus power. However, the Petitioner has realized the revenue of Rs. 522 Crore from sale of surplus power during FY 2019-20.

3.142 The Petitioner put the source-wise details of revenue realized through sale of surplus energy during FY 2019-20 are tabulated below:

Table 3. 49: Petitioner Submission - Revenue from Short term power sales

Sr. No.	Particulars	FY 2017-18		FY 2018-19		FY 2019-20	
		Rate per unit	Amount	Rate per unit	Amount	Rate per unit	Amount
		(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)
A	Bilateral	3.65	6.6	4.92	38.0	3.20	34
B	Banking	3.58	310.5	3.78	437.6	4.35	355
C	Exchange	3.08	84.8	3.73	464.5	2.40	132
D	Intra-State	2.17	0.3	2.50	0.7	1.53	0.04
E	UI	0.87	0.5	5.44	-3.9	0.39	1

3.143 The Petitioner has requested the Commission to consider the revenue on account of sale of surplus power while approving the net power purchase cost as submitted in the above table.

3.144 In addition to Regulations, the Petitioner has referred to the Commission letter dated 16/11/2018 issuing a clarification regarding the computation of incentive. While the Petitioner submits not to be in agreement to the said methodology, without prejudice to its rights, the Petitioner has claimed its entitlements on similar methodology as stated in the clarifactory letter. Accordingly, the petitioner has claimed an incentive as follows:

Table 3. 50: Petitioner Submission - Incentive on sale of surplus power (Rs. Cr.)

Sr. No.	Particulars	Amount
1	Total Incentive earned	4.52
2	DISCOM Share (1/3rd as per BPR 2017)	1.51

**Excludes banking incentive; same will be submitted additionally*

COMMISSION ANALYSIS

3.145 Regulation 121 of *DERC (Terms and Conditions for determination of Tariff) Regulations 2017*, stipulates that *while approving the cost of power purchase, the Commission shall determine the quantum of power to be purchased considering the principles of merit order schedule and despatch based on ranking of all approved sources of supply in the order of their variable cost of power purchase on monthly basis*.

3.146 As per the above mentioned Regulation, the Petitioner is required to procure the power in an economical manner following the principle of Merit Order Dispatch which is an integral part of this process. As per Merit Order Dispatch principle, the plants are stacked in least cost approach of their Variable Cost. The demand is then met through stations in ascending order of their Variable Cost subject to various technical constraints and the balance power though available from the left over stations after meeting the required demand, are thus not scheduled. Such balance power as available from the left over stations could have been backed down considering Technical Constraints or kept under reserve shutdown and such surplus costly power could have been avoided.

3.147 The Commission further observes that it has directed SLDC vide its letter dated 21/11/2013 to implement DISCOM-wise scheduling in Delhi based on the request of the Distribution Licensees.

3.148 The Commission has excluded various power stations form Merit Order Dispatch principle which have must run status like Nuclear & Hydro, State GENCOs which are considered in the islanding scheme of Delhi and Eastern Region Plants where there is time delay in revision of schedule.

3.149 Regulation 123 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* states, *"123.To promote economical procurement of power as well as maximizing revenue from Sale of Surplus Power the distribution licensee shall ensure the cost benefit for rate of sale of surplus power in the relevant slots through Banking, Bilateral and Power Exchange transactions other than the forced scheduling, as certified by the SLDC, in comparison with the next higher variable cost of the generating stations from which power is surplus after meeting the demand of power in it's area of supply;"*

3.150 Further, *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* Regulation 165 states,

"165. Any financial impact of over realisation on account sale of Surplus Power as, specified in Regulation 123 of these Regulations, shall be adjusted as per the mechanism indicated in the (Business Plan) Regulations of the control period:

Provided that any financial impact of under realisation on account sale of Surplus Power as specified in Regulation 123 of these Regulations shall be to the account of distribution licensee."

3.151 Further, *DERC (Business Plan) Regulations 2017* Regulation 29 defines the incentive sharing mechanism as follows:

"29. INCENTIVE SHARING MECHANISM FOR SALE RATE OF SURPLUS POWER

(1) The computation of incentive for Sale Rate of Surplus Power in terms of the Regulation 165 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2017-18 to FY 2019-20 of the Distribution Licensees shall be as follows:

i. The variable cost of the generating station for which power is surplus and required to be sold through Power Exchanges shall be considered as the previous month's billed variable cost of such generating station.

ii. The variable cost of the generating station for which power is surplus and required to be sold through Banking and Bilateral arrangements shall be considered as the previous month's billed variable cost of such generating station prevalent at the date of entering into such contracts.

iii. The incentive shall be the product of Rate difference (Actual Sale Rate-Variable Cost) and Quantum of Power actually sold.

(2) The incentive computed under sub-clause (1) above shall be shared between the Consumers and the Distribution Licensees in the following prescribed manner: -

i. The incentive realisation upto 100% recovery of Average Fixed Cost per unit of all Generating sources of relevant year, projected by the Commission in the relevant Tariff Order, prorated to actual sale of Surplus Power shall be shared in the ratio of 2/3rd to the Consumers and 1/3rd to the Distribution Licensees.

ii. The incentive realisation above 100% recovery of Average Fixed Cost per unit of all Generating sources of relevant year, projected by the Commission in the relevant Tariff Order, prorated to actual sale of Surplus Power shall be shared in the ratio of 1/3rd to the Consumers and 2/3rd to the Distribution Licensees."

3.152 The Commission vide its letter dated 16/11/2018, in respect of clarification sought by the Petitioner for rate of Banking transaction and mechanism for incentive of surplus power as per various provisions of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* and *DERC (Business Plan) Regulations, 2017,* has clarified as under:

"the normative cost of banking transactions shall be weighted average rate of all long term sources considering only variable cost for the relevant year. Further the sample calculation for incentive on sale of surplus power is annexed herewith."

3.153 The Commission through the above referred letter dated 16/11/2018 clarified by way of sample calculation, the computation of the incentive on a monthly basis in line with the Regulation 165 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.*

3.154 Further, it is observed that the Petitioner has not submitted the month-wise data of sale on account on banking transactions, the same has not been considered while computing the incentive/(dis-incentive) on sale of surplus power. Accordingly, the methodology followed by the Commission is as per the above letter of the Commission and whenever there was a surplus sale of power, such surplus sale of power has been considered from the station having higher variable cost as lower variable cost stations must have been used first for the consumers.

3.155 Further, in the cases where the sale rate of surplus power was excess of power purchase cost of high variable cost station, that case only was considered for the calculation of Incentive on surplus power.

3.156 For the purpose of calculation of cost of higher variable cost station, ECR of previous month has been considered which is as per Regulation 29 of Business Plan Regulations, 2017. Accordingly, Dis-Incentive on sale of surplus power in line with the Regulation and the clarification issued by the Commission for FY 2019-20 as follows:

Table 3. 51: Commission Approved - Dis-Incentive on sale of Surplus Power (Rs. Cr.)

Months	Commission Approved		
	Exchange	Bilateral	Intrastate/IDT
Apr-19	-2.58	-	-0.19
May-19	-	-	-
Jun-19	-	-	-
Jul-19	-	-	-
Aug-19	-	-	-
Sep-19	-	-	-
Oct-19	-6.79	-	-0.81
Nov-19	2.37	-	3.83
Dec-19	-0.41	-	2.09
Jan-20	-1.35	-	0.79
Feb-20	1.42	-	1.93
Mar-20	-2.09	-	0.61
Total	**-9.43**	**-**	**8.25**
Net Dis-Incentive			**-1.18**

3.157 The Dis-incentive of Rs. 1.18 Cr. has been considered by the Commission in Revenue towards ARR in True-up of FY 2019-20.

TRANSMISSION CHARGES

PETITIONER SUBMISSION

3.158 The Petitioner has submitted the Transmission charges for FY 2019-20 as follows:

Table 3. 52: Petitioner Submission - Transmission Charges (Rs. Cr.)

Sr. No.	Particulars	Submission
	Transmission Charges	
I	Power Grid Corp. of India Ltd.	437.0
Ii	Delhi Transco Ltd. Wheeling Charges	111.2
Iii	Other Transmission etc.*	10.6

Sr. No.	Particulars	Submission
Iv	Open Access Charges etc.	65.6
V	Total Transmission charges	624.4

** BBMB, DVC, SECI, NTPC & Others*

COMMISSION ANALYSIS

3.159 The Commission has verified the Transmission charges from the books of accounts and bills raised by various parties. Accordingly, the Commission allows the total transmission charges of Rs. 627.78 Cr. for FY 2019-20 as follows:

Table 3. 53: Commission Approved - Transmission Charges (Rs. Cr.)

Particulars	Amount
Transmission Charges	
Power Grid Corp. of India Ltd.	436.96
Delhi Transco Ltd. Wheeling Charges	111.22
Delhi Transco Ltd. SLDC Charges	2.06
Bhakra Beas Management Board	0.07
Damodar Valley Corporation	1.32
NTPC Ltd.	4.26
Solar Energy Corporation of India	1.96
SubTotal (A)	**557.84**
Open Access Charges (B)	65.63
Other Payments (NRLDC Charges POSOCO and reactive energy charges) (C)	4.31
Total (A+B+C)	**627.78**

REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES

PETITIONER SUBMISSION

3.160 The Petitioner has submitted that the Commission vide letter dated June 5, 2014 specified the format for submission of details of rebate on power purchase and transmission charges. As regards the long term generating and transmission companies charges, rebate is not allowed on interest charges and other billing items which are in nature of reimbursement, such as Income Tax, Other Taxes, Cess, Duties etc. Rebate is generally allowed on all other billing items. The rebate on power purchase and Transmission Charges is tabulated as follow:

Table 3. 54: Petitioner Submission - Rebatable and Non Rebatable amount FY 2019-20 (Rs. Cr.)

Sr. No.	Party/Company	Rebatable Amount	Non-Rebatable Amount	Actual Rebate Claimed
1	NTPC	969	(4)	0.12
2	NHPC	161	23	0.89

Sr. No.	Party/Company	Rebatable Amount	Non-Rebatable Amount	Actual Rebate Claimed
3	Nuclear	42	2	
4	SJVNL	41	3	0.30
5	THDC	0	-	
6	Tala HEP	4	-	0.02
7	DVC	527	0	
8	Power stations in Delhi			
8.1	PPCL	841	-	
8.2	IPGCL	64	-	
9	ARAVALI	105	(2)	
10	SASAN	327	35	4.96
11	SECI	-	23	
12	EDWPCPL	4	-	0.10
13	DMSWSL	20	-	0.40
A	Total Long Term Purchase	3,107.05	78.64	6.79
11	Short Term Purchase	-		
12	Short Term sale	-		
13	Transmission Charges			
13.1	Power Grid Corp. of India Ltd.	436.96	-	0
13.2	Delhi Transco Ltd.	111.22	-	-
13.3	Bhakra Beas Management Board		0	-
13.4	NTPC	4	-	-
13.5	Arawali Power Company Private Ltd.	-	-	-
13.6	Damodar Valley Corporation	1		-
13.7	SECI		2	
13.8	DTL Pension Trust		-	
B	Total Transmission Charges	554	2	0
C	Total	3,661	81	7.27

3.161 The Petitioner has submitted that the normative rebate ought not be applied at the time of truing-up due to the following reasons:

a) The normative rebate cannot be considered at the stage of true-up. In any event, the deduction of a normative rebate assuming a maximum of 1.5% - 2% of the power purchase cost is ex-facie in contravention of Hon'ble Tribunal's Judgment in Appeal No. 153 of 2009 which expressly restricted such a deduction to 1% of the power purchase cost.

b) A similar issue is pending before Hon'ble Tribunal in Appeal No. 235-236 of

2014. Further, in true-up proceedings for FY 2015-16, the Petitioner has again raised the issue before the Commission, vide its letter dated 18/08/2017.

c) The Petitioner vide letter dated April 8, 2015 submitted a number of reasons as to why the normative rebate ought not to be considered.

d) The Hon'ble ATE in Judgment dated March 2, 2015 (Appeal 177 of 2012) has again confirmed the Judgment dated July 30, 2010 (Appeal 153 of 2009) and directed that normative rebate of upto 1% can be considered as per the norms specified for working capital in DERC Tariff Regulations, 2011 which means that actual rebate is to be considered and if actual rebate availed exceeds 1% then 1% is to be considered. Relevant extracts are reproduced below:

"6.1 According to the Appellant, the State Commission has acted contrary to the findings of this Tribunal in Appeal no. 142 of 2009 wherein the Tribunal directed to consider rebate upto 1% as non-tariff income from the total rebate of 2% on power purchase.

6.2 According to Shri Pradeep Misra, Learned Counsel for the State Commission this issue is pending consideration in Appeal no. 14 of 2012 wherein the judgment has been reserved. The State Commission has made detailed submissions in Appeal no. 14 of 2012. The Learned Counsel reiterated the detailed submissions made in Appeal no. 14 of 2012.

6.3 The Tribunal in Appeal no. 14 of 2012 on 28.11.2013 reiterated the view taken by this Tribunal in Appeal no. 153 of 2009. This Tribunal in Appeal no. 153 of 2009. Decided as under: "The second issue relates to the deduction of rebate due to the early payment of the power purchase cost from the ARR. The Appellant, through its efficient management, has paid all the bills immediately on raising of the bills by the generating company and, therefore, it has to be allowed a rebate of 2 per cent. Therefore, there is no justifiable reason for the State Commission to reduce the power purchase cost by rebate earned by the Appellant. The normative working capital provides for power purchase cost for one *month. Therefore, rebate of 1 per cent available for payment of power purchase bill within one month should be considered as non-Tariff income and to that extent benefit of 1 per cent rebate goes to reducing the ARR of the Appellant. The rebate earned on early payment of power purchase cost cannot be deducted from the power purchase cost and rebate earned* ***only upto 1 per cent alone*** *can be treated as par of the non-Tariff income. Therefore, treating the rebate income for deduction from the power purchase cost is contrary to the MYT Regulations. As such this issue is answered in favour of the Appellant." The Tribunal in Appeal no.142 of 2009 reiterated the above decision of the Tribunal."* ***(Emphasis added)***

e) The concept of normative rebate is based on assumptions that the system is perfect and business as usual as under:

i. There is no creation of Regulatory Asset. However, there is an accumulated figure of Rs. 2292 Cr. upto FY 2018-19 as Regulatory Asset (as per Tariff Order dated 28/08/2020);

ii. Various APTEL's judgments are yet to be given effect to by this Commission entitling cash flow to the Petitioner.

iii. There is no major variation in power purchase cost.

In fact, to the best of the knowledge of the Petitioner, in no other state any DISCOM has been able to avail maximum normative rebate when aforesaid conditions are not met.

3.162 The Petitioner could not make payment of bills to any generating company and transmission licensee through letter of credit on presentation.

3.163 Further, the Petitioner also has to pay LPSC to the generators which is not allowed by Commission and where there is a difference in the rate of LPSC charges (18%) vis-a-vis rate of funding & carrying cost resulting in further adverse financial to the Petitioner.

3.164 The Petitioner requested the Commission to consider the actual rebate on power purchase and Transmission Charges during FY 2019-20.

COMMISSION ANALYSIS

3.165 In previous section of this Tariff Order, it has been mentioned that the Commission has considered Actual Rebate on account of Power Purchase Cost, O&M Expenses and Collection Efficiency considering the impact of lockdown due to COVID-19. Accordingly, the Commission has considered the Actual Rebate of Rs. 7.27Cr. for FY 2019-20.

RENEWABLE PURCHASE OBLIGATION (RPO)

PETITIONER SUBMISSION

3.166 The Petitioner has submitted target vis-à-vis actual purchase for Renewable Purchase Obligation for FY 2019-20 is tabulated as follows:

Table 3. 55: Petitioner Submission - Details of RPO (FY 2019-20)

Sr. No.	Particulars	Solar	Non-Solar	Total	Reference
I	Sales (MU)			6658	Actual Sales
Ii	Hydro Purchases (MU)			765	
Iii	Base for RPO (MU)			5892	i-ii
Iv	RPO Target (%)	6.75%	10.25%	17%	
V	**RPO target (MU)**	**398**	**604**	**1,002**	**iii * iv**
	RPO met				
Vi	*EDWPCL*		13		
Vii	*DMSW*		29		
Viii	*SECI*	42			
Ix	*Self-Generation*	0.3			
X	*Solar roof-top gross generation from Net metering consumer**	19			
Xi	*REC*				
Xii	*Open Access*				
Xiii	**Sub-Total - RPO met**	**61**	**42**		
xiv	**Shortfall (MU)**	**337**	**562**	**913**	**v-xiii**

3.167 The Petitioner has submitted that they are making consistent efforts for the last few years to procure renewable energy to meet RPO as specified by the Commission. As on 31st March, 2020, the Petitioner had successfully issued 526 net metering connections for a cumulative capacity of 22 MW solar rooftop projects developed by individual developers.

3.168 The Petitioner is looking at all possible options/solutions to avail renewable power and meet the RPO targets but as Commission is aware that BYPL has been facing adverse financial condition since FY 2009-10 primarily on account of a non-cost reflective Tariff and absence of adequate recovery of accumulated Regulatory Asset. The same has constrained the capability of BYPL to purchase power from renewable sources. Further, there is shortfall in the cost allowed by Commission in tariff on account of non-availability of Rebate and short term power purchase cost in the ARR. Additionally, BYPL also has to pay LPSC @ 18% p.a. to the generators which is not allowed by Commission and is allowed mere 8% on regulatory assets. This contradiction and negative differential rate of interest has gravely prejudiced the Petitioner.

3.169 The Petitioner has filed appeal against the Commission's order dated 11/06/2018 in Petition No. 31 of 2015 and 01 of 2018 in the matter of waiver/deferment of RPO compliance. This appeal is pending for adjudication before Hon'ble APTEL.

3.170 Further, the Petitioner has signed various PPA's for fulfilments of Solar and Non-Solar obligations in the coming future. The details are shown hereunder:

Table 3. 56: Petitioner Submission - Details of upcoming Firm Renewable sources

Sr. No.	Particular/ Description		BYPL-Allocation (MW)	BYPL- Date of Signing of PPA	COD/ Expected COD
1	SECI	SECI-Solar_Rajasthan	150	02/08/2018	June'21
		SECI-Solar_Rajasthan	150	17/06/2019	Partially commissioned balance April'22
		SECI - existing	20	27/02/2015	
		Solar Sub Total	**320**		
		SECI-Wind_Gujrat	50	03/04/2018	Partially Commissioned
		SECI-Wind_TN	100	26/06/2018	
		SECI-Wind_Gujarat	100	16/01/2019	June'21
		Wind Sub Total	**250**		
		Total	**570**		
2	SDMC	Tehkhand-Okhla		20/11/2018	Mar'21

3.171 The Petitioner has submitted that some of the plants covered under these PPAs have partially commissioned and remaining shall start operating from FY 2021-22 onwards and shall be meeting RPO targets in future, therefore, the Petitioner requested that the Commission takes cognizance of the various efforts made by the Petitioner in meeting the RPO Targets and to kindly carry forward to the next control period or waive off the shortfall in meeting the RPO for FY 2019-20 in view of the limited availability of RE power and other factors beyond the control of the licensee, as proposed in the Business Plan submitted on 21/10/2019 for the next Control Period filed before the Commission.

COMMISSION ANALYSIS

3.172 Regulation 27 of *DERC (Business Plan) Regulations 2017* states,

"27. TARGET FOR RENEWABLE PURCHASE OBLIGATION
The targets for Renewable Purchase Obligation (RPO) in terms of Regulation 124 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 of a Distribution Licensee from FY 2017-18 to FY 2019-20 shall be computed as a percentage of total sale of power to its retail consumers in its area of supply excluding procurement of hydro power. The target for Renewable Purchase Obligation shall be as follows:

Sr. No.	*Distribution Licensee*	*2017-18*	*2018-19*	*2019-20*
1	*Solar Target (Minimum)*	*2.75%*	*4.75%*	*6.75%*
2	*Total*	*11.50%*	*14.25%*	*17.00%*

3.173 Regulation 27(5) of DERC (Business Plan) Regulations 2017 states that non compliance of the RPO targets shall attract penalty @10% of the weighted average floor price of solar and non solar renewable energy certificate, as specified by CERC for the relevant year, for quantum of shortfall in RPO.

3.174 Regulation 27(6) of DERC (Business Plan) Regulations 2017 states that amount of penalty imposed on the distribution licensee due to non compliance of the RPO targets shall be reduced from the ARR during the true up of the relevant financial year in terms of Regulation 124 of DERC (Terms and Conditions of Determination of Tariff) Regulations 2017.

3.175 It is observed that Petitioner has purchased 765.19 MU power from Hydro Stations which is to be excluded from total MU billed for the purpose of calculation of MU to achieve the RPO targets.

3.176 Accordingly, the Petitioner's RPO targets and penalty on account of non-fulfilment of RPO targets for FY 2019-20 has been computed as follows, which is reduced from power purchase cost as per above stipulated Regulation:

Table 3. 57: Commission Approved - Penalty on account of non-fulfilment of RPO targets for FY 2019-20

Sr. No.	Particulars	UoM	Details		
1	Total Consumption	MU			6,650.80
2	Purchase from Hydro Power	MU			765.19
3	Consumption excluding hydro power	MU			5,885.61
	RPO Obligation		Solar	Non-Solar	Total
4	Actual RPO for FY 2019-20	%	6.75%	10.25%	17.00%
5	Actual RPO for FY 2019-20	MU	397.28	603.27	1,000.55
6	RPO Met	MU	60.86	42.33	103.19
i	*SECI*	*MU*	*41.56*	-	*41.56*
ii	*Self Generation*	*MU*	*0.30*	-	*0.30*
iii	*Net-Metering roof-top*	*MU*	*19.00*	-	*19.00*
iv	*EDWPCPL*	*MU*	-	*13.46*	*13.46*
v	*DMSW*	*MU*	-	*28.87*	*28.87*
7	*REC Purchased*	*MU*	-	-	-
8	Balance Obligation	MU	336.42	560.95	897.37
9	Floor price	Rs./kWh			1.00
10	**RPO Penalty @ 10% REC at Floor Price (Rs. Cr.)**				**8.97**

TOTAL POWER PURCHASE COST

COMMISSION ANALYSIS

3.177 Based on the above submissions, the Commission approves the power purchase cost for the Petitioner for FY 2019-20 as follows:

Table 3. 58: Commission Approved - Trued-up Power purchase cost for FY 2019-20 (Rs.Cr.)

Sr. No.	Particulars	As per Petitioner	As per Commission	Reference
A	Power Purchase Cost			
I	Long Term Power Purchase	3,189.04	3,185.69	
II	Net Metering & Roof Top	1.91	1.55	
III	Short Term Power Purchase	398.54	43.27	
IV	Banking Import			
	Gross Power Purchase Cost	**3,589.49**	**3230.51**	**(I+II+III+IV)**
V	Banking Export	354.51		
VI	Short Term Sale	167.75	167.75	

Sr. No.	Particulars	As per Petitioner	As per Commission	Reference
VII	Normative Cost on Banking Transactions		(40.70)	
	Net Power Purchase Cost	**3,067.23**	**3,022.05**	**(I+II+III+IV-V-VI)**
B	**Transmission Charges**			
I	Transmission Charges	624.43	557.84	
II	Open Access Charges		65.63	
III	Other Charges including Reactive Charges		4.31	
	Total Transmission Loss/Charges	**624.00**	**627.78**	**(i+ii+iii)**
C	**Penalty : Additional UI**		3.95	
	Penalty: Sustain Deviation		1.46	
D	**Rebate**		-	
I	Rebate on Power Purchase	7.27	7.27	
II	Rebate on Transmission Charges		-	
	Total rebate	**7.27**	**7.27**	
	Less: RPO penalty		**8.97**	
	Incentive on Short Term Sale	**1.51**	**-**	
E	**Net Power Purchase including Transmission Loss/ Charges net of Rebate**	**3685.39**	**3,628.18**	**(A+B-C-D)**
F	**MU**	**7,179.00**	**7,178.4**	
	Per Unit Power Purchase Cost (Rs/kWh)	**5.13**	**5.05**	**(F*10) / G**

OPERATION AND MAINTENANCE (O&M) EXPENSES

PETITIONER SUBMISSION

3.178 The Petitioner has submitted that the normative O&M expenses for FY 2019-20 are computed by applying the approved per unit rates for FY 2019-20 on the actual line length and power transformation capacity added for FY 2019-20.

3.179 The Petitioner has accordingly computed the normative O&M expenses for FY 2019-20 as follows:

Table 3. 59: Petitioner Submission - O&M Expenses for FY 2019-20 (Rs. Cr.)

Particulars	Capacity as on 31.03.2020	O&M expenses per unit		O&M expenses
66 kV Line (ckt. km)	225	Rs. Lakh/ckt. km	4.931	11.1
33 kV Line (ckt. km)	394	Rs. Lakh/ckt. km	4.931	19.4
11kV Line (ckt. km)	2953	Rs. Lakh/ckt. km	2.071	61.2
LT Line system (ckt. km)	5560	Rs. Lakh/Ckt. km	9.247	514.1
66/11 kV Grid S/s (MVA)	1765	Rs. Lakh/MVA	1.166	20.6
33/11 kV Grid S/s (MVA)	2056	Rs. Lakh/MVA	1.166	24.0
11/0.415 kV DT (MVA)	3455	Rs. Lakh/MVA	2.561	88.5
Total				**738.8**

3.180 The Petitioner requested the Commission to allow the normative O&M expenses of Rs. 738.8 Cr. during FY 2019-20 as submitted in the above table as per the *DERC (Business Plan) Regulation, 2017*.

ADDITIONAL O&M EXPENSES

PETITIONER SUBMISSION

3.181 The Petitioner has sought the item-wise claims on account of additional O&M expenses which are uncontrollable in nature and not covered in the above mentioned normative O&M expenses. The claims are in line with Regulation 87 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* stated as follows:

> *"87…….Provided further that the water charges, statutory levy and taxes under O&M expenses if indicated separately in the audited financial statement shall not form part of Normative O&M expenses."*

3.182 The additional O&M expenses claimed as a part of truing-up requirement for FY 2019-20 are tabulated as follows:

Table 3. 60: Petitioner Submission - Additional O&M Expenses (Rs. Cr.)

Sr. No.	Particulars	Amount (Rs. Cr.)
1	Arrears paid on account of 7th Pay Commission revision	62.7
2	Impact of Revision in Minimum Wages	31.0
3	GST Charges	23.5
4	Legal Expenses	19.1
5	Loss on Sale of Retired Assets	17.7
6	Property Tax	1.2
7	Water Charges	0.2
8	SMS Charges & Short Code Expenses	0.5
9	Ombudsman Fees	0.1
10	DSM charges	0.8
	Total	156.7

LOSS ON SALE OF RETIRED ASSETS

PETITIONER SUBMISSION

3.183 The Petitioner has referred the Regulation 45 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* which states as under:

"45. Loss or Gain due to de-capitalisation of asset based on the directions of the Commission due to technological obsolescence, wear & tear etc. or due to change in law or force majeure, which cannot be re-used, shall be adjusted in the ARR of the Utility in the relevant year."

3.184 In view of the above regulations and as per the methodology provided in Tariff Regulations, 2017, the Petitioner claims Rs. 17.67 Crores for retirement of assets.

ARREARS PAID ON ACCOUNT OF 7TH PAY COMMISSION

PETITIONER SUBMISSION

3.1 The Petitioner has submitted that a Wage Revision Committee was constituted by the GoNCTD vide office memorandum bearing No. F.11(62)/2015/Power/271 dated January 25, 2016 to examine and recommend to the Government the Pay Revision for the employees. Such recommendations become applicable on the Petitioner as per the tripartite agreement. The Committee had given recommendation vide order no DTL/108/04/2017-HR(Policy) /101 dated July 28, 2017 for payment of Interim Relief (IR) to the eligible employees at the rate of 2.57 times of Basic pay + Grade Pay w.e.f. January 01, 2016. Accordingly, the Petitioner disbursed payment of Rs. 44.30 Crore as interim relief during FY 2019-20.

3.185 Further, the Petitioner has provided Rs. 18.36 Crore towards Leave Salary Contribution & Pension Contribution corresponding to the interim relief shown as under:

Table 3. 61:: Petitioner Submission - 7th Pay Commission Impact (Rs. Cr.)

Sr. No.	Particular	Amount
1	Interim relief paid during FY 2019-20	44.30
2	Leave Salary Contribution & Pension Contribution corresponding to the interim relief	18.36
Total		62.66

3.186 The Petitioner has requested the Commission to allow an impact of Rs. 62.66 Cr. on account of payment of interim relief of 7th Pay Commission.

IMPACT OF REVISION IN MINIMUM WAGES

PETITIONER SUBMISSION

3.187 The Petitioner has submitted that GoNCTD vide Notification No. F. Addl.LC/Lab/MW/ 2016/4859 dated March 3, 2017 has notified the revised minimum wages effective from date of notification. Accordingly, the Petitioner has intimated the Commission for Notification No. F. Addl.LC/Lab/MW/2016/4859 dated 3rd March 2017. Accordingly, the Petitioner has paid expenses related to manpower based contract which have an incremental effect of minimum wages of Rs. 27.8 Cr. for FY 2017-18.

3.188 As the said Gazette Notification was issued only on 03/03/2017, it could not have been factored into account by the Commission while notifying the DERC Tariff Regulations, 2017 as the normative O&M expenses were premised on the data provided by the Petitioner till FY 2015-16. Further, there has been an unprecedented increase of 37% in the Minimum Wages vis-à-vis 5.61% escalation being allowed by the Commission.

3.189 The Petitioner has referred the Regulation 23 (4) of DERC (Business Plan) Regulation, 2017 states as under:

> *"23…*
>
> *(4) Impact of any statutory Pay revision on employee's cost as may be applicable on case to case basis shall be considered separately, based on actual payment made by the Distribution Licensees and shall be allowed by the Commission after prudence check at the time of true up of ARR for the relevant financial year.*

3.190 In view of the above, the Petitioner has paid Rs. 30.97 Crore (after escalating 5.61% on Rs. 27.8 Cr. paid on incremental basis in FY 2017-18) on account of impact of revision in minimum wages during FY 2019-20. The Petitioner requested the Commission to allow the same.

WATER CHARGES

PETITIONER SUBMISSION

3.191 The Petitioner has submitted that the Regulation 87 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* stated as under:

> *"87……. Provided further that the water charges, statutory levy and taxes under O&M expenses if indicated separately in the audited financial statement shall not form part of Normative O&M expenses."*

3.192 In accordance with the above regulation, the water charges paid by the Petitioner during FY 2019-20 are Rs. 0.23 Cr. and requested the Commission to allow the same.

PROPERTY TAX

PETITIONER SUBMISSION

3.193 The Petitioner has submitted that the Hon'ble Supreme Court has passed the judgement on 10/08/2016 in the case of M/s TPDDL and held that whosoever has a right to let out premises is liable to pay tax. Further, it has remanded the matter to Deputy Assessor and Collector of Municipal Corporation of Delhi, to determine the same. As the Petitioner has a right to let out premises as per the approval of Commission, it has been decided to resolve the issue by availing Amnesty Scheme, which allowed payment of Property Tax without interest and penalty. The Petitioner has accordingly paid the Property Tax amounting Rs. 1.18 Cr. in FY 2019-20 and requested the Commission to allow the same as a part of additional O&M expenses.

GST CHARGES

PETITIONER SUBMISSION

3.194 The Petitioner stated that with effect from July 01, 2017, the Petitioner was required to pay GST (@18%) instead of service tax (12% to 15%). Further, as per the circular no. 34/8/2018 – GST, there are few services that are provided by the Petitioner to consumer which are now deemed as GST taxable services. However, the GST rate is 18% which is marginally higher than the service tax rate.

3.195 It is further submitted that any addition/deletion or new enactment of statutory levy is totally uncontrollable in the hands of the Petitioner and is required to abide by the same. The said amendment has impacted the Petitioner due to introduction of GST charges.

3.196 Accordingly, the GST charges paid by the Petitioner during FY 2019-20 are Rs. 49.91 Cr. The differential amount of Rs. 20.18 Cr. on account of impact of GST as tabulated below:

Table 3. 62**: Petitioner Submission - Incremental GST charges (Rs. Cr.)**

Sr. No.	Particulars	FY 15- 16	FY 16- 17	FY 17-18	FY 18-19	FY 19-20
1	Total Service Tax paid during FY 16	21.2				
2	Escalation Factor		5.61%	5.61%	5.61%	5.61%
3	Service tax		22.39	23.65	24.97	26.40
5	GST paid during FY 2019-20					49.91

Sr. No.	Particulars	FY 15- 16	FY 16- 17	FY 17-18	FY 18-19	FY 19-20
6	Net Impact (GST)					23.51

3.197 The Petitioner has requested the Commission to allow the aforesaid expenses while truing up the expenses for FY 2019-20.

SMS CHARGES

PETITIONER SUBMISSION

3.198 The Petitioner has submitted that the Commission vide its letter ref no. F.17(47)/Engg/DERC/2014-15/C.F 4741/3682 dated 13/01/2016 issued the directives to send the SMS to consumer on various occasions. The Petitioner complied with the said directives and hence, incurred an amount of Rs. 0.45 Crore in FY 2019-20.

3.199 Since, the Commission vide its Letter No. F.17(47)/Engg/DERC/2014- 15/4741/2352 dated 21/02/2017 directed all DISCOMs to implement short code '1912' toll free services for electricity grievances in Delhi. These expenses are incurred as per the directions of the Commission and are over and above the normative expenses. Accordingly, the Petitioner incurred Rs. 0.05 Crore on account of Short Code expenses as a part of additional expenses in FY 2019-20.

LEGAL EXPENSES

PETITIONER SUBMISSION

3.200 The Petitioner has submitted that the Commission has provided the treatment of Legal Expenses at Para 43 of its Explanatory Memorandum as follows:

> *"(43) The Commission has not considered the expenditure incurred on account of legal fee. Further, the Commission is of the view that legal expenses incurred on cases filed against the decisions of the Commission in any of the Courts and Forums shall not be allowed as pass through in the ARR. The legal expenses incurred on cases other than aforesaid, shall be claimed by the DISCOMs in Tariff petitions which may be allowed separately after prudence check in true-up order for respective year."*

3.201 The Petitioner has mentioned that distribution business is a regulated business under the aegis of this Commission and the right to avail a statutory remedy is also a right guaranteed under Article 14 and 19 of the Constitution. The right to do business under Article 19 (1) (g) includes the right to avail of statutory legal remedies to protect and safeguard the business which is part and parcel of the right to do business. Moreover, the Electricity Act, 2003, allows the Petitioner the right to avail its statutory remedies under section 111 and other applicable provisions. Therefore, actual legal expenses without any distinction should be allowed as an expense in the ARR.

3.202 Out of the total expenses, merely 0.25 Cr. pertains towards filling the appeal against the orders including the Tariff orders to protect the stakeholder's interest. The legal expenses incurred by the Petitioner related to enforcement cases which were in favour of the Petitioner amounts to Rs. 3.4 Cr. The category wise total legal expenses amounting to Rs. 19.1 Cr.

3.203 Accordingly, the Petitioner requested the Commission to allow the legal expenses as over and above the normative O&M expenses.

OMBUDSMAN FEES

PETITIONER SUBMISSION

3.204 The Petitioner has submitted that as per the directions of the Commission, the Petitioner has incurred an expenditure related to Ombudsman fees of Rs. 0.18 Cr. for the year FY 2019-20. Accordingly, the Petitioner is claiming incremental ombudsman expenses of Rs. 0.05 Cr. (Actual paid - Rs. 0.18 Cr. minus normative cost of Rs. 0.13 Cr.).

DSM CHARGES AND OTHER STATUTORY EXPENSES

PETITIONER SUBMISSION

3.205 The Petitioner has submitted an application for implementation of DSM based Energy Efficient Air Conditioner program in Delhi under DSM programme. Considering the calculation of cost benefit analysis for AC Replacement Scheme, the Commission approved the said scheme for DSM based Energy Efficient Air Conditioner program in Delhi. The Commission has also clarified on the expenses to be incurred on account of the said scheme in its Order dated 18/05/2018 stated as under:

"vi. Expenses in ARR:

The expenses on account of floating tender, hiring of implementation agency, administrative costs and the rebate cost along with interest thereon are allowed additionally in the Annual Revenue Requirement (ARR) of the petitioner to be recovered under the head of Demand Side Management (DSM) budget or any other head."

3.206 The rebate under DSM AC Replacement schemes in FY 2019-20 is Rs. 0.80 Cr.

COMMISSION ANALYSIS

3.207 In The Commission in its Tariff Order dated 31/07/2019 allowed O&M Expense of Rs 637 Cr for FY 2019-20 based on network capacity projection of the Petitioner. The Petitioner has submitted the actual network capacity as on 31/03/2020 and claimed towards the O&M expenses Rs.738.8 Cr.

3.208 The Commission has provisionally allowed the capitalisation up to FY 2019-20 as discussed in relevant section of this Tariff Order.

3.209 The Commission provisionally considers 90% of the incremental capitalisation during the Financial Year and the normative O&M for FY 2019-20 for the petitioner comes to Rs. 734.94 Cr subject to finalization of Capitalisation.

3.210 The Commission also examined the Audited Financial Statement for FY 2019-20 of the Petitioner and observed as follows:

a. The total O&M Expense including provisions as reported in the Annual Financial Statement of the petitioner for FY 2019-20 is Rs. 708.55 Cr.

b. The Commission has not considered expenses on account of credit impairment, retirement of fixed assets, slow moving inventory, credit impairment, and loss on sale booked under A&G Expense by the petitioner amounting to Rs 32.27 Cr (4.68+0.86+9.06+17.67)

c. The Commission has further not considered the adjustment on account of provision for LSPC and considered adjustment on account of provision for LSPC towards capitalisation amounting to Rs 16.38 Cr. ((18.36)+ 1.98)

d. The net O&M Expense actually incurred by the Petitioner comes to Rs. 659.90 Cr. after deducting such provisions.

3.211 COVID-19 pandemic and subsequent lockdown has impacted everyone in an unprecedented manner and the Commission in view to maintain balance between the stakeholders while dispensing essential commodity like electricity exercises its power to relax the provision under Regulation 172 of Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 and Regulation 37 of DERC (Business Plan) Regulations, 2017.

3.212 Accordingly, the Commission has considered the O&M expenses on actual basis based on the audited financial statements and has have balanced to safeguard the interest of the consumers and the DISCOMs by allowing the actual O&M Expenses incurred by the Petitioner in the ARR for FY 2019-20, as follows:

Table 3. 63: Commission Approved - Actual O&M Expenses for FY 2019-20 (Rs Cr)

Sr. No.	Particulars	Amount
A	As per Annual Audited Accounts for FY 2019-20	
i.	Employee Expenses (incl. OCI)	347.85
ii.	A&G Expenses	199.62
iii.	R&M Expenses	128.81
	Sub total	**676.28**
B	Adj. on account of Provision for LSPC	(18.36)
C	Adj. on account of Provision for LSPC towards capitalisation	1.98
D	Adjustment on O&M on account of generation business	-
E	**Actual O&M expenses - Distribution business**	**659.90**

CAPITAL EXPENDITURE AND CAPITALISATION

PETITIONER SUBMISSION

3.213 The Petitioner has submitted that they have considered the Closing GFA for FY 2018-19 as opening GFA for FY 2019-20. The actual capitalization and de-capitalisation as per the Audited Accounts for FY 2019-20 has been considered to derive the closing balance of GFA as follows:

Table3. 64: Petitioner Submission - Gross Fixed Assets for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	FY 2019-20
A	Opening GFA	3743.56
B	Capitalisation during the year	247.20
C	De-capitalisation	40.77
D	Closing GFA	3949.98
E	Average GFA	3846.77

FUNDING OF CAPITALISATION

PETITIONER SUBMISSION

3.214 The Petitioner has submitted that during FY 2019-20, they have capitalised Rs.247.20 Cr. which includes Rs. 40.77 Cr. and Rs. 17.02 Crore on account of De-capitalisation and Consumer Contribution capitalised respectively during the year. The Petitioner has sought financing of Capitalisation (net of de-capitalisation and consumer contribution) through debt and equity in the ratio of 30:70 as under:

Table 3. 65: Petitioner Submission - Capitalisation Funding for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	FY 2019-20	Remarks/ Ref.
A	Total Capitalisation	247.20	
B	De-capitalisation	40.77	
C	Consumer Contribution	17.02	Note 25 of the Audited Accounts
D	**Balance Capitalisation**	**189.41**	**A-B-C**
E	Debt	132.58	70% of D
F	Equity	56.82	30% of D

COMMISSION ANALYSIS

3.215 Regulation 24 of *DERC (Business Plan) Regulations 2017* determines the tentative Capital Investment Plan for the Petitioner as follows:

Table 3. 66: Commission Approved - Capitalization Cost (Rs. Cr.)

Sr. No.	Particulars	FY 2019-20
A.	Capitalisation	349
B.	Smart Meter	64
C.	Less: Deposit Work	12
D.	Total	401

3.216 The Commission has conducted the in-house physical verification for FY 2017-18 as detailed in the previous section of the instant Order. Based on the same, Commission has revised the opening balance of Gross Fixed Assets of the Petitioner as Rs. 3368.42 Cr. for FY 2019-20.

3.217 Further, Commission is currently in the process of finalization of capitalisation and physical verification of the assets for FY 2019-20 and due to pending finalization of capitalization, the Commission has provisionally considered the capitalisation as submitted by the Petitioner after removing the provisions made and capitalised on account of 7th Pay Commission amounting to Rs. 1.98 Cr. The Commission has accordingly allowed the Capitalisation for FY 2019-20 on a provisional basis as follows:

Table 3. 67: Provisionally Approved Capitalization for FY 2019-20 (Rs. Cr.)

Particulars	FY 2019-20
Capitalization as per Audited Accounts	247.21
Less: provisions on account of 7th Pay Commission	1.98
Net Additions	**245.23**

Table 3. 68: Provisionally Approved Capitalization upto FY 2019-20 (Rs. Cr.)

Particulars	Petitioner submission	Approved
Provisional Trued up opening balance of Gross Fixed Assets	3,743.56	3,368.42
Add- Capitalization during the year	247.20	245.23
Less- Retirement/ De-capitalization for the year	40.77	40.77
Closing balance of Gross Fixed Assets	3,949.99	3,572.88
Average Gross Fixed Assets	3,846.77	3,470.65

CONSUMER CONTRIBUTION AND GRANT

PETITIONER SUBMISSION

3.218 The Petitioner has submitted average consumer contribution and grants for FY 2019-20 is as follows:

Table 3. 69: Petitioner Submission - Consumer contribution for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	FY 2019-20
A	Opening Balance	305.83
B	Additions during the year	17.02
C	Closing Balance	322.85
D	**Average Consumer Contribution**	**314.34**

Table 3. 70: Petitioner Submission - Grants (Rs. Cr.)

Sr. No.	Particulars	FY 2019-20	Remarks/ Ref.
A	Opening Balance	16.22	
B	Additions during the year	-	
C	Closing Balance	16.22	A+B
D	**Average Grants**	**16.22**	**(A+C)/2**

COMMISSION ANALYSIS

3.219 The Commission has considered the Closing Balance of Consumer Contribution and Grants from the Tariff Order dated 28/08/2020 as approved for FY 2018-19 as Opening Balance of Consumer Contribution and Grants for FY 2019-20. The Commission has provisionally considered the additions towards Consumer Contribution and Grants during the year based on the audited financials of the Petitioner.

3.220 Accordingly, the addition to the Consumer Contribution/Grants for the year have been considered as follows:

Table 3. 71: Commission Approved - Consumer Contribution/Grants (Rs. Cr.)

Sr. No.	Particulars	Petitioner submission	Commission approved	Ref.
A	Opening Balance	305.83	354.82	Table 3.62 of TO dated 28/08/2020
B	Capitalized during the year	17.02	17.02	
C	Closing Balance	322.85	371.84	A+B
D	Average	314.34	363.33	(A+C)/2

DEPRECIATION

PETITIONER SUBMISSION

3.221 The Petitioner has submitted that for the purpose of computing depreciation for True-up of FY 2019-20, the Petitioner has followed the same methodology as considered by the Commission in the past i.e. the average rate of Depreciation based on the Audited Accounts of the Petitioner has been applied on the average GFA net of consumer contribution and grants. The average rate of Depreciation for FY 2019-20 based on the Audited Accounts of the Petitioner is tabulated below:

Table 3. 72: Petitioner Submission - Average rate of Depreciation for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	Actual
A	Opening GFA as per audited accounts	3714.15
B	Closing GFA as per audited accounts	3920.57
C	Average of GFA	3817.36
D	Depreciation as per Audited Accounts	193.58
E	Average depreciation rate	5.07%

3.222 The depreciation has been computed in the audited accounts based on the schedule of depreciation rates given in DERC Tariff Regulations, 2017. In audited accounts, the depreciation has been computed based on life of assets as specified in the Regulations. In case the Commission desires the computation in support of depreciation on assets appearing in audited accounts, the same can be provided.

3.223 The Petitioner has calculated the allowable depreciation after excluding consumer contribution and Grants from the Gross Fixed Assets as under:

Table 3. 73: Petitioner Submission - Depreciation for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	FY 2019-20
A	Average GFA	3846.77
B	Average Consumer Contribution and Grants	314.34
C	Average assets net of consumer contribution & Grants	3532.42
D	Average rate of depreciation	5.07%
E	Depreciation	179.13

3.224 The cumulative depreciation on fixed assets at the end of FY 2019-20 is tabulated as under:

Table 3. 74: Petitioner Submission - Cumulative Depreciation upto 2019-20 (Rs. Cr.)

Sr. No.	Particulars	FY 2019-20
A	Opening balance of cumulative depreciation	1329.3
B	Additions during the year	179.13
C	Closing balance of cumulative depreciation	1508.43

3.225 Accordingly, the depreciation has been utilised for repayment of loan as under:

Table 3. 75: Utilisation of Depreciation for FY 2019-20 (Rs. Crore)

Sr. No.	Particulars	FY 2019-20
A	Depreciation	179.13
B	Depreciation utilised for debt repayment	179.13

COMMISSION ANALYSIS

3.226 Regulations 78 to 83 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* stipulates the provisions of Depreciation for the FY 2017-18 as follows:

> *"78. Annual Depreciation shall be computed based on Straight Line Method for each class of asset as specified in Appendix-1 of these Regulations.*
> *79. The base value for the purpose of depreciation shall be the capital cost of the asset approved by the Commission. Depreciation shall be chargeable from the first year of commercial operation and in case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.*

80. The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset:
Provided that any depreciation disallowed on account of lower availability of the generating station or generating unit or transmission system as the case may be, shall not be allowed to be recovered at a later stage during the useful life and the extended life.
81. Land other than the land held under lease shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.
82. In case of existing assets, the balance depreciable value as on 1st April of any financial year shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31st March of the preceding financial year from the gross depreciable value of the assets.
83. The Depreciation for Life extension projects/scheme shall be allowed in the manner as indicated in Regulation 51 of these Regulations."

3.227 The Commission continues to apply the rate of depreciation at 5.07% for FY 2019-20 on provisional basis as per the audited financial statements of the Petitioner. Accordingly, depreciation on the assets capitalised provisionally is as computed below:

Table 3. 76: Commission Approved - Depreciation for FY 2019-20 (Rs. Cr.)

Sr.No.	Particulars	Petitioner Submission	Commission Approved
A.	Average of Fixed Assets	3,846.77	3,470.65
B.	Average Consumer Contribution	314.34	363.33
C.	Average Fixed Assest (net of consumer contribution & grant)	3,532.43	3,107.32
D.	Average depreciation rate	5.07%	5.07%
E.	**Allowable Depreciation**	**179.13**	**157.54**

3.228 The Commission has considered the opening balance of accumulated depreciation as Rs. 1065.52 Cr. which is the closing balance for FY 2018-19 after considering physical verification impact as detailed in previous section of this Tariff Order. Accordingly, the accumulated depreciation is for FY 2019-20 is as follows:

Table 3. 77: Commission Approved - Accumulated Depreciation (Rs. Cr.)

Sr. No.	Particulars	Petitioner Submission	Commission Approved	Ref.
A.	Opening balance of cumulative depreciation	1329.3	1065.52	Table 3.70 of TO 28/08/2020 + Physical verification for FY 2017-18
B.	AAD allowed for past period		316.64	Past Period Sheet
C.	Additions during the year	179.13	157.54	Table 3.77
D.	Depreciation towards assets retired		-	
E.	Closing balance of cumulative depreciation	1,508.43	1539.70	A+B+C-D

WORKING CAPITAL

PETITIONER SUBMISSION

3.229 The Petitioner has submitted Working Capital Requirement for FY 2019-20 for Truing Up of FY 2019-20 as follows:

Table 3. 78: Petitioner Submission - Working Capital Requirement (Rs. Cr.)

Sr. No.	Particulars	FY 2019-20
A	Annual Revenues from Tariff & Charges	5090.7
A1	Receivables equivalent to two months average	848.4
B	Power Purchase Expenses	3684.4
B1	Less: 1/12th of power purchase expenses	307.0
C	Working Capital	541.4
D	Opening Working Capital	496.3
E	Change in Working Capital	45.1

COMMISSION ANALYSIS

3.230 Regulation 84(4) of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* stipulates the working capital determination for Distribution Licensee as follows:

"84. The Commission shall calculate the Working Capital requirement for:

(4) Distribution Licensee as follows:

(i) Working capital for wheeling business of electricity shall consist of ARR for two months of Wheeling Charges.

(ii) Working capital for Retail Supply business of electricity shall consist of:

(a) ARR for two months for retail supply business of electricity;

(b) Less: Net Power Purchase costs for one month;

(c) Less: Transmission charges for one month; and"

3.231 The Commission has computed the Working Capital considering the net power purchase cost including transmission charges and ARR as approved in the truing up for FY 2019-20 as follows:

Table 3. 79: Commission Approved - Working Capital for FY 2019-20 (Rs. Cr.)

Sr. No	Particulars	As per Petitioner	As per Commission	Ref.
A	ARR	5,090.66	4,684.48	Table 3.100
A1	Receivables equivalent to two month ARR	848.44	780.75	A/6
B	Power Purchase Expenses	3,684.39	3,628.18	
B1	Less: 1/12th of power purchase expenses	307.03	302.35	B/12
C	Total Working Capital	541.41	478.40	A1-B1
D	Opening Working Capital	496.30	455.49	TO Aug.2020
E	**Change in Working Capital**	**45.11**	**22.91**	**D-E**

REGULATED RATE BASE

PETITIONER SUBMISSION

3.232 The Petitioner has submitted Regulated Rate Base (RRB) for FY 2019-20 as follows:

Table 3. 80: Petitioner Submission - Regulated Rate Base for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	FY 2019-20
A.	RRB Opening	2,549.24
B.	ΔAB (Change in Capital Investments)	30.62
C.	Investments Capitalized	206.43
D.	Depreciation	179.13
E.	Add: Depreciation on De-capitalised Assets	20.35
F.	Consumer Contribution	17.02
G.	Change in WC	45.10
H.	RRB Closing	2,624.94
I.	RRB (i)	2,609.62

COMMISSION ANALYSIS

3.233 Regulation 65 to 70 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* stipulates as under:

"65. Return on Capital Employed shall be used to provide a return to the Utility, and shall cover all financing costs except expenses for availing the loans, without providing separate allowances for interest on loans and interest on working capital.

66. The Regulated Rate Base (RRB) shall be used to calculate the total capital employed which shall include the Original Cost of Fixed Assets (OCFA) and Working Capital. Capital work in progress (CWIP) shall not form part of the RRB.

Accumulated Depreciation, Consumer Contribution, Capital Subsidies / Grants shall be deducted in arriving at the RRB.

67. The RRB shall be determined for each year of the Control Period at the beginning of the Control Period based on the approved capital investment plan with corresponding capitalisation schedule and normative working capital.

68. The Regulated Rate Base for the ith year of the Control Period shall be computed in the following manner:

RRBi = RRB i-1 + ΔABi /2 + ΔWCi;

Where,

"i" is the ith year of the Control Period;

RRBi: Average Regulated Rate Base for the ith year of the Control Period;

ΔWCi: Change in working capital requirement in the ith year of the Control Period from (i-1)th year;

ΔABi: Change in the Capital Investment in the ith year of the Control Period;

This component shall be arrived as follows:

ΔABi = Invi – Di – CCi - Reti;

Where,

Invi: Investments projected to be capitalised during the ith year of the Control Period

and approved;

Di: Amount set aside or written off on account of Depreciation of fixed assets for the ith year of the Control Period;

CCi: Consumer Contributions, capital subsidy / grant pertaining to the ΔABi and capital grants/subsidies received during ith year of the Control Period for construction of service lines or creation of fixed assets;

Reti: Amount of fixed asset on account of Retirement/ Decapitalisation during ith Year;

RRB i-1: Closing Regulated Rate Base for the Financial Year preceding the ith year of the Control period. For the first year of the Control Period, Closing RRB i-1 shall be the

Opening Regulated Rate Base for the Base Year i.e. RRBO;

RRBO = OCFAO – ADO – CCO+ WCO;

Where;

OCFAO: Original Cost of Fixed Assets at the end of the Base Year;

ADO: Amounts written off or set aside on account of depreciation of fixed assets pertaining to the regulated business at the end of the Base Year;
CCO: Total contributions pertaining to the OCFAo, made by the consumers, capital subsidy /grants towards the cost of construction of distribution/service lines by the Distribution Licensee and also includes the capital grants/subsidies received for this purpose;

WCO: working capital requirement in the (i-1)th year of the Control Period.
Return on Capital Employed (RoCE) for the year "i" shall be computed in the following manner:

RoCE=WACCi RRBi*

Where,
WACCi is the Weighted Average Cost of Capital for each year of the Control Period;
RRBi – Average Regulated Rate Base for the ith year of the Control Period.

70. The WACC for each year of the Control Period shall be computed at the start of the Control Period in the following manner:

$$\text{WACC} = \left[\frac{D}{D+E}\right] * r_d + \left[\frac{E}{D+E}\right] * r_e$$

Where,
***D** is the amount of Debt derived as per these Regulations;*
***E** is the amount of Equity derived as per these Regulations;*
Where equity employed is in excess of 30% of the capital employed, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as notional loan. The amount of equity in excess of 30% treated as notional loan. The interest rate on excess equity shall be the weighted average rate of interest on the actual loans of the Licensee for the respective years. Where actual equity employed is less than 30%, the actual equity and debt shall be considered;

Provided that the Working capital shall be considered 100% debt financed forthe calculation of WACC;
***Rd** is the Cost of Debt;*
Re is the Return on Equity."

3.234 Accordingly, the Commission approves the RRB for FY 2019-20 as follows:

Table 3. 81: Commission Approved - RRB for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	As per Petitioner	As per Commission	Ref.
A	Opening Original Cost of Fixed Assets ($OCFA_o$)	3,743.56	3,368.42	Table 3.69
B	Opening Accumulated depreciation (ADo)	1329.3	1,382.16	Table 3.78 (A+B)
C	Opening consumer contributions received (Cco)	305.83	354.82	Table 3.72
D	Opening Working capital (WCo)	496.30	455.49	Table 3.80
E	Opening RRB (RRBo)	2,549.24	2,404.66	Table 3.74 of TO 28/08/2020 and physical verification impact
F	Investment capitalised during the year (INVi)	206.43	204.46	Table 3.69
G	Depreciation during the year (Di)	179.13	157.54	Table 3.77
H	Depreciation on decapitalised assets during the year	20.35	20.35	As per Petitioner
I	Consumer contribution during the year (Cci)	17.02	17.02	Table 3.72
J	Fixed assets retired/decapitalised during the year (Reti)		40.77	Table 3.69
K	Change in capital investment (ΔABi)	30.62	9.48	(F-G+H-I-J)
L	Change in working capital during the year (ΔWci)	45.10	22.91	Table 3.80
M	RRB Closing	2,624.94	2,437.05	E+K+L
N	RRBi	**2,609.62**	**2,432.31**	E+K/2+L

RATE OF INTEREST ON LOAN, WEIGHTED AVERAGE COST OF CAPITAL (WACC), ROCE

PETITIONER SUBMISSION

3.235 The Petitioner has referred Regulation 85 & 86 of *DERC (Terms & conditions for Determination of Tariff) Regulations, 2017* states as under:

> *"**INTEREST ON WORKING CAPITAL***
>
> *85. Rate of Interest On Working Capital shall be considered as the bank rate as on 1st April of the year plus margin as specified by the Commission for the Control Period and shall be trued up on the basis of prevailing bank rate as on 1st April of the respective financial year:*

Provided that the rate of interest availed through open tendering process (Competitive Bidding) among Scheduled Banks, Financial Institutions etc., shall not be trued up.

86. Interest on working capital shall be payable on normative basis notwithstanding that the Utility has availed any loan for the working capital."

3.236 Accordingly, the rate of interest on working capital loans have been considered on normative basis tabulated as under:

Table 3. 82: Rate of Interest on Working Capital (%)

Sr. No.	Particulars	Rate
A	Margin for the Control Period	6.14%
B	SBI MCLR as on 01.04.2019*	8.55%
C	Total	14.69%
D	**Rate of Interest for WC in FY 2019-20**	**14.00%**

** SBI MCLR Rate*

3.237 The Petitioner has considered 14% as the rate of interest on working capital for FY 2019-20.

3.238 The Petitioner has referred Regulation 77 of Tariff Regulation, 2017 states that:

"77. The rate of interest on loan shall be based on weighted average rate of interest for actual loan portfolio subject to the maximum of bank rate as on 1st April of the year plus the margin as approved by the Commission in the Business Plan Regulations for a Control Period

Provided that in no case the rate of interest on loan shall exceed approved rate of return on equity"

3.239 The Petitioner has referred Regulation 22 of *DERC (Business Plan) Regulations, 2017* states as under:

"22. MARGIN FOR RATE OF INTEREST ON LOAN

(1) Margin for rate of interest for the Control Period in terms of Regulation 4(2) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee shall be allowed as the difference in weighted

average rate of interest on actual loan as on 1st April 2017 and 1 (one) year Marginal Cost of Fund based Lending Rate (MCLR) of SBI as on 1st April 2017:

Provided that the rate of interest on loan (MCLR plus Margin) shall not exceed approved base rate of return on equity for wheeling business i.e., 14.00%."

3.240 The Petitioner has submitted that the rate of interest on term loan is equivalent to minimum of (i) approved base rate of RoE of 14.00%, (ii) rate of interest of 12.47% w.r.t actual loan portfolio during FY 2019-20, and (iii) Bank Rate of 7.75% as on April 1, 2019 plus margin for rate of interest on loan of 6.14% as per *DERC (Business Plan) Regulations, 2017, summarised as under:*

Table 3. 83: Petitioner Submission - Weighted Average Interest Rate on Loan (%)

Sr. No.	Particulars	FY 2019-20
A	Closing Balance of Debt	1400.32
B	Closing Debt at 100% Working Capital	541.60
C	Closing Balance of CAPEX Loan	858.72
D	Rate of Interest on Loan*	12.47%
E	Rate of Interest on Working Capital	14.00%
F	Blended Rate of Interest on Loan	13.06%

3.241 Accordingly, the Petitioner requested the Commission to approve the rate of interest on loan (rd) as 13.06% for FY 2019-20.

3.242 The Petitioner has further referred *Regulation 4 of DERC Business Plan Regulations, 2017* as under:

"4. TAX ON RETURN ON EQUITY

The base rate of Return on Equity as allowed by the Commission under Regulation 3, shall be grossed up with the Minimum Alternate Tax or Effective Tax Rate of the respective financial year in terms of Regulation 72 and 73 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, as per the following formula:

Rate of Return on Equity= 14/[(100-Tax Rate)/100]

where, Tax Rate is Minimum Alternate Tax (MAT) or Effective Tax Rate, as the case may be."

3.243 In line with the above Regulation, the grossed-up return on equity is 19.39% as income tax rate on MAT basis is 17.47%. Thus, the computation of WACC is as under:

Table 3. 84:Weighted Average Cost of Capital (WACC) (Rs. Cr.)

Sr. No.	Particulars	FY 2019-20
A	Average Equity	1207.11
B	Average Debt	1379.32
C	Return on Equity	16.00%
D	Income Tax Rate	17.47%
E	Grossed up Return on Equity	19.39%
F	Rate of Interest	13.06%
G	Weighted average cost of Capital	16.01%

3.244 The Petitioner has computed RoCE for FY 2019-20 is as under:

Table 3. 85: Petitoiner Submission - RoCE for FY 2019-20 (Rs. Cr.)

Particulars	FY 2019-20
Weighted Average Cost of Capital (WACC)	16.01%
RRB (i)	2,609.6
RoCE	417.9

3.245 The Petitioner requested the Commission to allow RoCE based on the above computations.

COMMISSION ANALYSIS

3.246 Regulation 22 of the *DERC (Business Plan) Regulations, 2017* stipulates the margin for rate of interest on loan as follows:

> ***"22. MARGIN FOR RATE OF INTEREST ON LOAN***
>
> *(1) Margin for rate of interest for the Control Period in terms of Regulation 4(2) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee shall be allowed as the difference in weighted average rate of interest on actual loan as on 1st April 2017 and 1 (one) year Marginal Cost of Fund based Lending Rate (MCLR) of SBI as on 1st April 2017:*
>
> *Provided that the rate of interest on loan (MCLR plus Margin) shall not exceed approved base rate of return on equity for wheeling business i.e., 14.00%.*
>
> *(2) The Distribution Licensees shall follow transparent mechanism to avail Loans and, to the extent possible, shall endeavour to invite open tender for availing Loans."*

3.247 Accordingly, the WACC, ROCE as approved by the Commission for the Petitioner is as follows:

Table 3. 86: Commission Approved - WACC and ROCE for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	As per Petitioner	As per Commission	Reference
A	RRBi	2609.62	2,432.31	Table 3.86
B	Opening Equity for net Capitalisation (limited to 30%)		489.43	
C	Closing Equity limiting to 30% of net capitalization		492.28	
D	Average Equity for net Capitalisation (limited to 30%)	1207.11	490.85	
E	Opening Debt at 70% of net capitalization		1,142.01	
F	Closing Debt at 70% of net capitalization		1,148.64	
G	Average Debt at 70% of net capitalisation	1379.32	1,145.33	
H	Debt at 100% of working capital		478.40	
I	Debt- balancing figure		1,941.45	
J	Rate of return on equity (re)	16.00%	16.00%	As per Regulation
K	Rate of debt (rd) on capitalization		12.33%	
L	Rate of debt (rd) on working Capital		12.58%	
M	Rate of interest on debt(rd)	13.06%	12.41%	
N	WACC	16.01%	13.13%	
O	**RoCE**	**417.90**	**319.41**	A*O

INCOME TAX

COMMISSION ANALYSIS

3.248 The Commission based on the submitted data, note 44 of the Audited Annual Books of Accounts for FY 2019-20 and DERC Tariff Regulations, 2017 has computed the income tax for FY 2019-20 as follows:

Table 3. 87: Commission Approved - Income tax for FY 2019-20 (Rs. Cr.)

Sr. No.	Income Tax	Approved
A	Average Equity for Capitalisation (limited to 30%) (Rs. Cr.)	490.85
B	Rate of return (re) (%)	16%
C	Return on equity (Rs. Cr.)	78.54
D	Effective Income Tax Rate (%)	17.47%
F	Return on equity including income tax (Rs. Cr.)	95.16
G	Tax (Rs. Cr.)	16.63
H	Actual Tax Paid (Rs. Cr.) – Note 44 of Audited Accounts	43.71
I	Tax allowed (Rs. Cr.)	16.63

NON-TARIFF INCOME

PETITIONER SUBMISSION

3.249 The Petitioner has submitted the Non-Tariff Income during FY 2019-20 tabulated as under:

Table 3. 88: Petitioner Submission - Non-Tariff Income submitted for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	Amount (Rs. Cr.)
A	Other Operating Income	69.08
B	Other Income	33.19
I	**Total Income as per Accounts**	**102.27**
C	Add: Interest on CSD	27.42
D	Add: Differential in SLD	(2.54)
II	**Total Other Income**	**127.15**
	Less: Income from other business	
E	Street Light Maintenance Charges	2.61
III	**Net Income to be considered**	**124.54**
F	Less: LPSC	16.55
G	Less: Short term gain	9.04
H	Less: Transfer from Consumer contribution for capital works	17.53
I	Less: Bad debts recovered	2.10
J	Less: Commission on collection of Electricity Duty	5.90
	Net Non-Tariff Income	**73.42**

COMMISSION ANALYSIS

3.250 Regulation 94 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* states,

"94. The Utility shall submit forecast of Non-Tariff Income to the Commission, in such form as may be stipulated by the Commission from time to time, whose tentative list is as follows:

(i) Income from rent of land or buildings;
(ii) Net Income from sale of de-capitalised assets;
(iii) Net Income from sale of scrap;
(iv) Income from statutory investments;
(v) Net Interest on delayed or deferred payment on bills;
(vi) Interest on advances to suppliers/contractors;
(vii) Rental from staff quarters;
(viii) Rental from contractors;
(ix) Income from Investment of consumer security deposit;
(x) Income from hire charges from contactors and others, etc."

3.251 The Commission has trued up the Non-tariff Income in accordance with the Regulation as above.

INTEREST ON CONSUMER SECURITY DEPOSIT

PETITIONER SUBMISSION

3.252 The Petitioner has submitted to consider the rate of Carrying cost for computing the interest on Consumer Security Deposit. Hence the difference of normative interest on CSD and that booked in the Audited Accounts has been submitted by the Petitioner in NTI as under:

Table 3. 89: Petitioner Submission - Interest on Consumer Security Deposit (Rs. Cr.)

Sr. No.	Particulars	FY 2019-20
A	Opening Balance of CSD	466.99
B	Closing Balance of CSD	506.95
C	Average Balance	486.97
D	Interest Rate	14%
E	Interest on CSD	68.18
F	Interest booked in Audited Accounts	40.76
G	Net Interest to be considered	27.42

COMMISSION ANALYSIS

3.253 The Commission has verified the Consumer Security Deposit with the Petitioner from the Audited financial statements for FY 2019-20. Further, it is observed from the Note 23 and Note 32 of Audited financial statements for FY 2019-20, the Consumer Security Deposit have been bifurcated by the Petitioner under two heads i.e. other financial liabilities – non-current and other financial liabilities – current. The Commission has considered the amount of Consumer Security Deposit depicting under both the heads of the liabilities as the interest is to be paid on total liability towards the Consumer Security Deposit laying under current and non-current financial liability.

3.254 The Commission has considered the working capital interest rate for FY 2019-20 as trued-up as 12.58% for the purpose of determining normative interest on consumer security deposit.

3.255 The actual amount of interest paid to the Consumers comes to Rs. 40.76 Cr. as per audited financial statements. Accordingly, the difference in the normative interest income and the actual interest booked as expense for FY 2019-20 is being considered as part of the Non Tariff Income of the Petitioner as follows:

Table 3. 90: Commission Approved - Consumer Security Deposit for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	Petitioner submission	Commission approved	Ref.
A	Opening Balance of Consumer Security Deposit	466.99	466.99	Note 23 and 32 of Annual Audited Accounts for FY 2019-20
B	Closing Balance of Consumer Security Deposit	506.95	506.95	
C	Average Balance of Consumer Security Deposit	486.97	486.97	(A+B)/2
D	Working Capital Interest Rate	14%	12.58%	Table
E	Normative amount of Interest	68.18	61.26	C*D
F	Actual Amount of Interest	40.76	40.76	Note 23 (point-iii) of Annual Audited Accounts for FY 2019-20
G	**Difference to be additionally offered as NTI**	**27.42**	**20.50**	**E-F**

DIFFERENCE ON ACCOUNT OF SERVICE LINE DEVELOPMENT (SLD) CHARGES

PETITIONER SUBMISSION

3.256 The Petitioner has submitted the difference on account of Service Line (SLD) Charges and mentioned that the Commission in Tariff Order dated September 29, 2015 ruled as under:

> *"3.355 The Commission has observed from the audited financial statements (Note 8) that the service line charge received from the consumers amounting to Rs.23.76 Crore is remained unadjusted and kept in deposit account. These service line charges are collected from the consumers and by deferring and not treating as nontariff income will inflate the ARR by the same extent which tantamount to collection of the same from the consumers again through tariffs."*

3.257 The Petitioner has challenged the aforesaid issue before Hon'ble ATE in Appeal 290 of 2015 which is pending. Without pre-judice to the contentions in the Appeal, the Petitioner has added the difference between the SLD Charges received during FY 2019-20 that appearing in the Other Income in the Audited Accounts for the purpose of computation of Non-Tariff Income as under:

Table 3. 91:Petitioner Submission - Difference on account of SLD (Rs. Cr.)

Sr. No.	Particulars	FY 2019-20	Remarks
1	Received during the year	19.85	Note 24 Service Line Deposits
2	SLD Appearing in Other Income	22.39	
3	Difference Considered	(2.54)	

COMMISSION ANALYSIS

3.258 The Commission has been considering the SLD charges on receipt basis as part of the Non Tariff income of the Petitioner.

3.259 The Commission verified the audited financial statements and observed that the accounting treatment of the Petitioner continues to amortise the SLD over a period of three years. However, without pre-judice to the contentions in the Appeal 290 of 2015, the Petitioner has offered the SLD on receipt basis. Accordingly, the Commission has considered an amount of Rs. (2.54) Cr. as income from SLD and made part of Non-Tariff Income as under:

Table 3. 92: Commission Approved - Difference on account of SLD (Rs. Cr.)

Sr. No.	Particulars	Petitioner submission	Commission approved
A	Receipt on account of Service Line charges	19.85	19.85
B	Amortized and transferred to Profit & Loss	22.39	22.39
C	Addition to NTI	**(2.54)**	**(2.54)**

LATE PAYMENT SURCHARGE

PETITIONER SUBMISSION

3.260 The Petitioner has submitted that it levied LPSC @ 1.5% per month on flat basis till FY 2012-13. The Commission was therefore allowing only financing cost of LPSC to the Petitioner by computing the principal amount (LPSC divided by 18% (12 x 1.5%) and allowing carrying cost on the principal amount. The difference between the amount of LPSC and the interest on principal amount was passed on the consumers by way of NTI.

3.261 The Petitioner has submitted that based on the representation of Foundation of Rubber & Polymer Manufacturers, the Commission vide letter dated December 13, 2012 communicated that LPSC should be charged proportional to the number of days of delay in receiving payment from the consumers by the Petitioner. The Commission in Tariff Order dated September 29, 2015 again directed the Petitioner to charge LPSC proportionate to the number of days of delay in receiving the payment from the consumers of the DISCOMs.

3.262 The Petitioner requested the Commission to allow the entire LPSC instead of financing cost of LPSC during FY 2019-20 as the Petitioner charged LPSC proportionate to the number of days of delay and not on flat basis. The methodology of charging LPSC proportionate to the number of days of delay leads to recovery of only financing cost of LPSC for the delay in payment and not on flat basis. However, the Commission without referring to its' direction for change in charging of LPSC continued with the earlier methodology which was utilised for computation of financing of LPSC till FY 2012-13. Such treatment has actually resulted in allowance of financing cost of LPSC at much lower rate.

3.263 The Petitioner has further submitted that the concept of financing cost of LPSC was introduced by the Commission in Tariff Order dated August 26, 2011 as LPSC was considered as a part of revenue realisation for the purpose of computation of AT&C Loss as per Clause-4.7 (c) of DERC Tariff Regulations, 2007. As per DERC Tariff Regulations, 2011, the methodology of computation of revenue realisation for the purpose of computation of AT&C Loss has been changed and LPSC is no longer being included as a part of revenue realisation for computation of AT&C Loss from FY 2012-13 onwards. Since the methodology for computation of AT&C Loss has been changed, the Petitioner ought to be allowed entire LPSC instead of financing cost of LPSC.

3.264 The Petitioner has also submitted that concept of financing cost of LPSC is based on the principle that the Petitioner will fund the amount delayed through loans whereas, it is practically not possible to arrange for the funding of such delayed payment as the Petitioner does not know in advance as to which consumer will pay the bill on deadline and which consumers will not pay the bill on deadline. The process of raising loans for funding any expenditure is time taking process and therefore, in case of any default on part of consumers to pay electricity bills in time, the Petitioner has to face the following penalties:

a) **Penalty on account of under-achievement of AT&C Loss:** In case of any under-achievement of AT&C Loss, the Commission levies penalty on the

Petitioner irrespective of the fact that the default in collection efficiency is on account of consumers.

b) **Penalty in repayment of Loans:** In present scenario, the Petitioner is not operating in business as usual situation. Apart from normal capex loan and working capital loan, the Petitioner is required to fund huge amount of regulatory assets and the revenue gap during the year on account of variation between the estimated ARR and actual ARR. In such a situation any default in payment of billed amount put financial constraints on the ability of the Petitioner to efficiently discharge its debt obligations. As a result the Petitioner has to face penalty on account of delay in repayment of loans which is not being passed in the ARR.

c) **Penalty by Generators:** Generators levy penalty of 1.5% per month in case of non-payment of dues within time.

3.265 The Petitioner stated that such treatment of the Commission has tantamount to discrimination between Gencos, Transcos and DISCOMs which is depicted as under:

Table 3. 93: Petitioner Submission - Differential treatment of LPSC between Utilities

Sr. No.	Particulars	Delhi Gencos and Transcos	Delhi DISCOMs
1	Before FY 2013-14	• LPSC @ 1.5% per month; • LPSC collected allowed to Gencos and Transcos irrespective of actual cost of financing delay in payment; • Therefore LPSC not considered as Non-Tariff Income.	• LPSC @ 1.5% per month; • Only financing cost of delayed payment by computing principal amount, i.e., LPSC Collected/ 18% allowed to DISCOMs; • Difference between LPSC collected and financing cost of delayed payment considered as NTI.
2	From FY 2013-14	• Same treatment continued.	• LPSC @ 1.5% proportional to number of days of delay; • Same formulae for computing principal amount despite of change in treatment;

3.266 The Petitioner requested the Commission to allow entire LPSC of Rs. 16.55 Cr. during FY 2019-20 to be retained by the Petitioner as the same merely meets the financing cost of delay in payment.

COMMISSION ANALYSIS

3.267 Regulation 94 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* states,

> *"94. The Utility shall submit forecast of Non-Tariff Income to the Commission, in such form as may be stipulated by the Commission from time to time, whose tentative list is as follows:*
>
> *...*
>
> *(v) Net Interest on delayed or deferred payment on bills;*
>
> *..."*

3.268 The Commission during the prudence check has verified and trued up the working capital interest rate at 12.58%. Accordingly, the Commission has considered the net interest on delayed or deferred payment on bills as Non-Tariff Income of the Petitioner as follows:

Table 3. 94: Commission Approved - Financing Cost of LPSC (Rs. Cr.)

Sr. No.	Particular	As approved	Ref.
A	LPSC earned	16.55	Note 36 of Annual Audited Accounts for FY 2019-20
B	Late payment surcharge rate as per Regulations (%)	18%	
C	Principal Amount	91.94	A/B
D	Normative Interest Rate	12.58%	Working Capital Rate
E	Financing Cost	11.57	C*D

SHORT TERM GAIN

PETITIONER SUBMISSION

3.269 The Petitioner referred Commission's Tariff Order dated August 31, 2017 has ruled as under:

> *"3.544 The Petitioner has submitted that Short Term gain is on account of interest received on fixed deposits maintained by the Petitioner as margins kept with the funding agency for loans availed. Therefore, the Commission is of the*

view that interest on these fixed deposits should be allowed to be reduced from the Non-Tariff Income ………. "

3.270 Accordingly, the Petitioner requested the Commission to allow the Petitioner to retain the income of Rs. 9.04 Cr. on account of interest received on fixed deposits during FY 2019-20 and reduce the same from the Non-Tariff Income.

COMMISSION ANALYSIS

3.271 Regulation 94 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* stipulates that income from statutory investments will form part of Non tariff Income.

3.272 As short term investments with the banks are not considered towards financing of Capitalization and Regulatory Asset funding, accordingly, the Commission allows the income from such investments amounting to Rs. 9.04 Cr. to be reduced from Non-Tariff Income.

TRANSFER FROM CONSUMER CONTRIBUTION AND CAPITAL WORKS

PETITIONER SUBMISSION

3.273 The Petitioner has submitted that the Commission in Tariff Order dated July 31, 2019 has allowed transfer from consumer contribution for capital works to be reduced from NTI for FY 2017-18 on the ground that the consumer contribution is not considered for calculation of depreciation and RoCE and the Petitioner is making book adjustments in compliance of accounting standards and has no impact on the cash flows. Therefore, amount transferred from Consumer contribution and capital works are allowed to be reduced from Non-Tariff Income.

3.274 Accordingly, the Petitioner requested to reduce the amount of Rs. 17.53 Crores from the Non-Tariff Income during FY 2019-20.

COMMISSION ANALYSIS

3.275 The Commission is of the view that the consumer contribution is not considered for calculation of depreciation and RoCE and the Petitioner is making book adjustments in compliance of accounting standards and has no impact on cash flows. Therefore, amount transferred from Consumer contribution and capital works are allowed to be reduced from Non-Tariff Income.

INCOME ON ACCOUNT OF BAD DEBTS RECOVERED

PETITIONER SUBMISSION

3.276 The Petitioner referred the Commission's Tariff Order dated August 31, 2017 ruled as under:

> *"3.552 The Petitioner has submitted that any amount recovered as bad debts is an energy income which is required to be included in the amount collected during the year as the same is received against the amount billed in the previous years. The amount billed and collected in previous years has already been considered for the purpose of AT&C loss calculation during respective years. It is observed that the amount recovered from the bad debts written off by the Petitioner is part of total collection for the relevant year has also been indicated under the head 'other income' in the audited financial statement of FY 2014-15 and FY 2015-16. Therefore, the Income on account of bad debts recovered are reduced from Non Tariff Income."*

3.277 Accordingly, the Petitioner requested the Commission not to consider Rs. 2.10 Cr. of income recovered on account of bad debts as Non Tariff Income during FY 2019-20.

COMMISSION ANALYSIS

3.278 The amount billed and collected in previous years has already been considered for the purpose of AT&C loss calculation during respective years. It is observed that the amount recovered from the bad debts written off by the Petitioner is part of total collection for the relevant year has also been indicated under the head 'other income'. Therefore, the income on account of bad debts recovered amounting to Rs. 2.10 Cr. is reduced from Non Tariff Income.

COMMISSION ON ELECTRICITY DUTY

PETITIONER SUBMISSION

3.279 The Petitioner has submitted that as an agent on behalf of Municipal Corporation of

Delhi (MCD), collects and pays to the MCD the Electricity Duty. For undertaking this activity, there is incidence of use of assets and facilities of the licensed business towards collection of the Electricity Duty. As such this collection activity is a separate business and optimally utilizes the assets of the Petitioner. Section-51 of the 2003 Act, as well as, Delhi Electricity Regulatory Commission (Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee) Regulations, 2005 permits the Petitioner to engage in any other business for optimal utilization of its assets.

3.280 The Petitioner has further submitted that MCD pays commission to the Petitioner for collecting Electricity Duty on its behalf. This commission paid by MCD is purely Other Business within Section-51 of the 2003 Act, as well as, Delhi Electricity Regulatory Commission (Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee) Regulations, 2005 and accordingly the same would apply to the aforesaid amount earned by the Petitioner as the commission paid by MCD. For undertaking the activity of collection of Electricity Duty, the Petitioner has expended certain expenses towards incentivizing the existing manpower, engaging additional and external collection agencies which are included in the actual employee expenses.

3.281 Further, the Petitioner has to perform in-house operations also for which the Petitioner is required to incur additional O&M Expenses. Some of these in-house activities involve maintenance of records regarding Electricity Duty (Amount of Electricity Billed, Collected, Outstanding, Paid to GoNCTD etc.), cash-handling activities, interaction with GoNCTD, etc. which involves cost. The Petitioner incurs security and conveyance expenses towards transfer of money. Additionally, the Petitioner has also engaged various collection agencies for which the Petitioner has to pay service charges for such engagement. All these expenses are not being allowed by Commission since O&M Expenses are allowed on a normative basis. It is further submitted that the commission of Electricity Duty is being provided as compensation in lieu of the Petitioner's efforts in collecting and accounting and other services rendered by the Petitioner to GoNCTD. It is submitted that if GoNCTD were to perform such similar activity, it would have involved costs. The Petitioner has reduced the efforts on behalf of GoNCTD, required for collection of Electricity Duty in terms of manpower and other Expenses. It is submitted that the income earned as commission on collection of Electricity Duty ought to be utilized to defray the additional expenses incurred by the Petitioner while undertaking such activities.

3.282 The Petitioner in its Petition for Truing-up of FY 2014-15, Review of FY 2015-16 and Multi-Year ARR from FY 2016-17 to FY 2020-21 and Tariff of FY 2016-17, had submitted that it has to incur additional O&M expenses and other in-house activities involving maintenance of records, cash handling activities, etc., which involve costs. Since these expenses incurred are not being separately allowed by the Commission, the entire income earned through this activity ought not to be reduced from the ARR by treating it as non-tariff income. However, the Commission in the Order has treated the entire income earned on the aforesaid activity as part of non-tariff income and reduced the ARR of the Petitioner in contravention of its very own 2005 Regulations.

3.283 The Petitioner submitted that simply because the electricity duty is collected along with the electricity bills, that does not mean that the activity of collecting, managing and accounting for the electricity duty, do not attract the incidence of any expenses. For example, if in future, the Petitioner were to engage in another business i.e., to collect water supply bills or telephone bills or gas utility bills, it cannot be said that because the Petitioner collects these amounts along with its electricity bills, these other businesses are distribution functions of the Petitioner or no separate expenses are required for carrying out these other businesses.

3.284 The collection of electricity duty by the Petitioner is not a licensed activity. The responsibility for collection of electricity duty does not fall upon the licensee either under Section 12 of EA, 2003, nor under the license granted to the Petitioner by the Commission. It is an activity carried out by the Petitioner as a part of the legacy inherited by it from the erstwhile DVB. Even the erstwhile DVB carried out such functions, not as a part of its function of distribution of electricity, but under a statutory mandate of Section 3 of the Delhi Municipal Corporation (Assessment and Collection of Tax on the Consumption, sale or supply of electricity) Bye laws 1962 (“Bye Laws”). Hence, the activity of collection of electricity duty has nothing whatsoever to do with the functions of a distribution licensee under EA, 2003. Since such function is carried out using the assets of the distribution business, such function is clearly attributable to an 'other business' under Section 51 of EA, 2003.

3.285 The income/commission which is earned by the Petitioner has no connection whatsoever to the ARR of the Petitioner or to the licensed business. As such, this income/commission can never be categorised as non-tariff income. This is particularly so when Regulation 4.7(c) of the MYT Regulations, 2011 clearly provides that the collection of electricity duty will not be taken into account in computing the Collection Efficiency. If the revenue realisation from the collection of electricity duty does not add to the revenue collection for the purpose of 'Collection Efficiency', the income/commission on such collection earned by the Petitioner cannot form a part of the ARR as Non-Tariff income.

3.286 Therefore, the commission received on account of collection of Electricity Duty i.e., Rs. 5.90 Crore ought to be deducted from Non-Tariff Income.

COMMISSION ANALYSIS

3.287 The Commission is of the view that collection of electricity duty is not a separate function/job and electricity duty is collected along with electricity bills as normal collection of electricity dues billed by the Petitioner. Therefore, the Petitioner's submission that there is extra cost on account of collection of electricity duty is neither indicated in the audited financial statement nor justified. Accordingly, amount on account of Commission on Electricity Duty has not considered in Non-Tariff Income.

INCOME FROM OTHER BUSINESS

PETITIONER SUBMISSION

3.288 The Petitioner has submitted that the Commission in its Order dated 06/10/2006 in Petition No. 4 of 2005 filed by NDPL has stated that the DISCOM's LT Poles can be used for laying the cable TV network and such usage can be done by way of an agreement between the cable operator and the Licensee for generating revenue. The relevant extract of the Order is reiterated as below:

> *"29. The Commission is therefore, of the opinion that the poles other than the Central Verge and the HT Poles can be used for laying the cable TV network and such usage can be done by way of an agreement between the cable operator*

and the Licensee. Any revenue generated thereto shall be subject to the Regulations made by the Commission on the Treatment of Income from Other Business.”

3.289 The Petitioner had earned total income of Rs. 1.49 Cr. during FY 2019-20 on account of rent from the cable operators for using BYPL LT poles for laying their cables/set up. It is further clarified that Proper agreements have been executed between BYPL and the operator for such usage in terms of the above Order of the Commission.

3.290 Accordingly, the Petitioner has proposed to share the other income during FY 2019-20 as follows:

Table 3. 95:Petitioner Submission - Other Business Income for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	Total Income	Consumer's Share	Petitioner’s Share
A	Pole Rental Income	3.72	2.23	1.49
B	Total	3.72	2.23	1.49

COMMISSION ANALYSIS

3.291 Regulation 5(5)(a) of DERC (Treatment of Income from other businesses of Transmission Licensee and Distribution Licensee) first Amendment Regulation, 2017 states that where the Licensee utilises the assets and facilities of the Licenses business for Other business, the Licensee shall retain 40% of the net revenue from such business and pass on remaining 60% of the net revenue to the regulated business.

3.292 Accordingly, the Commission has considered 40% share to be retained by the Petitioner and accordingly Rs. 1.49 Cr. has been allowed to be reduced from NTI.

INCOME FROM ADVANCES FROM CONSUMERS

COMMISSION ANALYSIS

3.293 It is observed that the Petitioner had claimed the advances received from consumers as revenue collected as discussed in earlier sections. As deliberated in Order dated 28/08/2020, the Commission is of the view that the advance available with the Petitioner is a liability and may have to be returned to the Consumer in case not billed in future. The Commission further sought the monthly advance balances available with the Petitioner. It was observed that the advances opening and closing balances for the financial year were higher than the average monthly balance with the petitioner on such account. Accordingly, the Commission considered the financing cost based on the working capital interest rate on the monthly average balances held with the petitioner at Rs. 7.37 Cr. to be reduced from the Non-tariff income of the Petitioner.

Table 3. 96: Commission Approved - Interest rate for the computation of financing cost

As on	31-Mar-19	30-Apr-19	31-May-19	30-Jun-19	31-Jul-19	31-Aug-19	30-Sep-19	31-Oct-19	30-Nov-19	31-Dec-19	31-Jan-20	29-Feb-20	31-Mar-20	Total
Actual amount collected as advance		19.19	17.05	16.04	17.26	13.69	13.24	14.01	13.83	14.33	14.12	14.52	25.06	
SD release		9.30	8.37	7.97	7.79	7.72	7.66	7.64	7.62	7.66	7.66	7.66	26.05	
Interest on SD		27.18	25.02	23.95	23.10	22.79	22.57	22.40	22.25	22.18	22.00	21.92	21.85	
Movement Adjustment		0.78	0.81	0.81	0.85	0.87	0.92	0.93	0.96	0.98	0.99	1.02	1.03	
Dues transfer		4.86	4.87	4.54	4.47	4.54	4.44	4.35	4.35	4.34	4.24	4.17	4.99	
Billing/ final billing		0.48	0.63	1.03	0.93	0.71	1.12	1.07	1.10	1.27	1.36	1.35	0.50	
Other reasons		2.80	2.73	2.65	2.67	2.74	2.75	2.79	2.81	2.79	2.80	2.80	2.89	
Total	103.91	64.59	59.48	56.99	57.07	53.06	52.70	53.19	52.92	53.55	53.17	53.44	82.37	
Monthly average		84.25	62.04	58.24	57.03	55.07	52.88	52.95	53.06	53.24	53.36	53.31	67.91	
Monthly Interest	12.58%	0.88	0.65	0.61	0.60	0.58	0.55	0.56	0.56	0.56	0.56	0.56	0.71	**7.37**

3.295 Thus, The Non-tariff income approved by the Commission for FY 2019-20 is as follows:

Table 3. 97: Commission Approved - Non Tariff Income for FY 2019-20 (Rs. Cr.)

Sr. No	Particulars	Petitioner's Submission	As per Commission	Reference
A	Other Operating Revenue	69.08	69.08	Note 36 and 37 of Annual Audited Accounts for FY 2019-20
B	Other Income	33.19	33.19	
C	**Total other income**	**102.27**	**102.27**	
D	Add: Interest from CSD	27.42	20.50	Table 3.91
E	Add: Income on SLD	(2.54)	(2.54)	Table 3.93
F	**Add: Income from Advance from Consumers**		**7.37**	**Table 3.82**
G	**Total Income for computation of NTI**	**127.15**	**127.60**	**C+D+EF**
H	Street Light Maintenance Charges	2.61	-	
I	Pole Income	-	1.49	
J	**Net Income for computation of NTI**	**124.54**	**126.11**	**G-I**
K	Less: LPSC	16.55	11.57	Table 3.95
L	Less: Write-back of misc. provisions	-	-	
M	Less: Short term gain	9.04	9.04	
N	Less: Transfer from Consumer contribution for capital works	17.53	17.53	
O	Less: Bad debts recovered	2.10	2.10	
P	Less: Incentive towards Street Light	-	-	
Q	Less: Collection charges on ED	5.90	-	
R	**Net NTI**	**73.42**	**85.87**	**J-sum(K:Q)**

INCOME FROM OPEN ACCESS

PETITIONER SUBMISSION

3.296 The Petitioner has submitted income of Rs. 11.31 Cr. recovered as Open Access Charges during FY 2019-20 has been considered for offsetting the revenue (gap)/ surplus for the year.

COMMISSION ANALYSIS

3.297 The income from Open Access is accordingly considered at Rs. 11.31 Cr. towards reducing the ARR for the Petitioner.

AGGREGATE REVENUE REQUIREMENT FOR TRUING-UP OF FY 2019-20

PETITIONER SUBMISSION

3.298 The Petitioner has submitted the Annual Revenue Requirement for FY 2019-20 sought for True-up is as follows:

Table 3. 98:Petitioner Submission - Aggregate Revenue Requirement for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	FY 2019-20
A	Purchase of power including Transmission and SLDC Charges& Incentives	3684.39
B	O&M Expenses	738.79
C	Additional O&M Expenses	156.67
D	Depreciation	179.13
E	Return on Capital Employed (RoCE)	417.91
F	Sub-total	5176.88
G	Less: Non-Tariff Income	73.42
H	Less: Income from other business	1.49
I	Less: Income from Open Access	11.31
J	Aggregate Revenue Requirement	5090.66

COMMISSION ANALYSIS

3.299 Based on the above computations, the Commission approves the Aggregate Revenue Requirement for FY 2019-20 as follows:

Table 3. 99: Commission Approved - Aggregate Revenue Requirement for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	As per Petitioner	As per Commission	Ref.
A	Power Purchase (including Trans. & SLDC Charges & Incentives)	3,684.39	3,628.18	Table 3.59
B	O&M Expenses	738.79	659.90	Table 3.64
C	Additional O&M Expenses	156.67		
D	Depreciation	179.13	157.54	Table 3.77
E	RoCE/ Finance Charges	417.91	319.41	Table 3.87
F	Income tax		16.63	Table 3.88
G	**Sub-total**	**5,176.88**	**4,781.66**	**Sum(A:F)**
H	Less: NTI	73.42	85.87	Table 3.98
I	Less: Income from Open Access	11.31	11.31	
J	Less: Income from Other Business	1.49	-	
K	**Aggregate Revenue Requirement (ARR)**	**5,090.66**	**4,684.48**	**G-H-I-J**

REVENUE AVAILABLE TOWARDS ARR

PETITIONER SUBMISSION

3.300 The Petitioner has submitted the revenue available towards ARR is as follows:

Table 3. 100:Petitioner Submission - Revenue available towards ARR (Rs. Cr.)

Sr. No.	Particulars	FY 2019-20	Reference/ Remark
A	Total Revenue Collected	4817.81	Net of LPSC, Etax, 3.70% Pension Surcharge and 8% RA Surcharge
B	Less: Amount to be retained by Petitioner on account of overachievement of Distribution Loss Targets	71.28	
C	Less: Amount to be retained by Petitioner on account of Overachievement of Collection Efficiency Targets	35.20	
D	Less: Incentive on sale of Surplus power	1.51	
E	Less: Carrying Cost	228.00	
F	**Revenue available towards ARR**	**4,481.83**	**A-B-C-D**

COMMISSION ANALYSIS

3.301 The Commission has computed the Revenue available towards ARR as follows:

Table 3. 101:Commission Approved - Revenue Available towards ARR for FY 2019-20 (Rs. Cr.)

Sr. No	Particulars	As per Petitioner	As per Commission	Reference/ Remark
A	Actual Revenue realised excluding Electricity duty, LPSC, Regulatory Surcharge, Pension trust surcharge	4,817.81	4,817.81	Table 3.36
	Less:-			
B	Carrying Cost	228.00	-	
C	Incentive/(Penalty) on account of overachievement of Distribution Loss Targets	71.28	68.99	Table 3.34
D	Incentive/(Penalty) on sale of surplus power	1.51	(1.18)	Table 3.52
E	Incentive/(Penalty) on account of overachievement of Collection Efficiency Targets	35.20	-	
	Add:-			
F	**Revenue available towards ARR**	**4,481.83**	**4,750.01**	**A-C-D**

REVENUE (GAP)/ SURPLUS

PETITIONER SUBMISSION

3.302 The Petitioner has submitted the Revenue Gap/Surplus during FY 2019-20 is tabulated as under:

Table 3. 102: Petitioner Submission - Revenue (Gap)/Surplus for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	FY 2019-20
A	Aggregate Revenue Requirement (ARR)	5090.66
B	Revenue available towards ARR	4481.83
C	Revenue (Gap)/Surplus	(608.83)

COMMISSION ANALYSIS

3.303 The Revenue Surplus/ (Gap) after true up of ARR for FY 2019-20 is as follows:

Table 3. 103: Commission Approved – Revenue Surplus/(Gap) towards ARR for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	Petitioner Submission	Commission Approved	Reference
A	ARR For FY 2019-20	5,090.66	4,684.48	Table 3.100
B	Revenue Available Towards ARR	4,481.83	4,750.01	Table 3.102
C	**Revenue (Gap)/Surplus**	608.83	65.53	B-A

A4 ANALYSIS OF AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2021-22

INTRODUCTION

4.1 As per Regulation 3 of *Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017,* the Commission has notified *Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2019* which contains the following parameters applicable for the Control Period (FY 2020-21 to FY 2022-23):

(1) Rate of Return on Equity

(2) Margin for Rate of Interest on Loan

(3) Operation and Maintenance Expenses

(4) Capital Investment Plan

(5) Mechanism for sharing of incentive-disincentive

(6) Allocation of overhead expenses incurred on account of Administrative Expenditure out of Operation and Maintenance Expenses for creation of Capital Asset

(7) Generating Norms:

(a) Gross Station Heat Rate

(b) Plant Availability Factor

(c) Secondary Fuel oil consumption

(d) Auxiliary Consumption and

(e) Plant Load Factor

(8) Transmission Norms:

(a) Annual Transmission System Availability;

(b) Annual Voltage Wise Availability;

(9) Distribution Norms:

(a) Distribution Loss Target

(b) Collection Efficiency Target

(c) Targets for Solar and Non Solar RPO

(d) Contingency limit for Sale through Deviation Settlement Mechanism (Unscheduled Interchange) transactions

(e) Ratio of various components of Aggregate Revenue Requirement (ARR) for segregation of ARR into Retail Supply and Wheeling Business.

4.2 The Petitioner has filed the Petition for determination of ARR for FY 2021-22. The Commission has analysed the same as required under the *Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017* along with DERC (Business Plan) Regulations, 2019.

4.3 In the process of ARR determination, the Commission held several prudence check sessions to validate the information submitted by the Petitioner and wherever required sought clarification on various issues. The Commission has considered all information submitted by the Petitioner as part of Tariff Petition, Audited Accounts for past years, response to queries raised during discussions and also during the Public Hearing for determination of ARR and Tariff for FY 2021-22.

4.4 Due to second wave of COVID-19 Petitioner has submitted revised projections for FY 2021-22 which were also uploaded on website and comments from stakeholders were sought.

4.5 This chapter contains detailed analysis of the Petition and additional information submitted by the Petitioner and the various parameters approved by the Commission for determination of ARR for FY 2021-22.

ENERGY SALES

PETITIONER'S SUBMISSION-ORIGINAL PETITION

4.6 The Petitioner has submitted that, Projections for ensuing year (FY 2021-22) are done on the basis of certain assumptions which are outlined below:

(a) Energy Sales to various consumer categories is projected on the basis of Past Year Compounded Annual Growth Rate (CAGR).

(b) Distribution Loss and Collection Efficiency are projected in accordance with the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and the target specified in Regulation 25 and 26 of the Business Plan Regulations, 2019 respectively.

(c) Power Purchase Quantum to be purchased is projected on the basis of energy Sales and T&D Loss projected for the ensuing year. Various Power Purchase Agreements/ Contracts are taken into consideration while projecting power purchase quantum.

(d) Power Purchase Cost is projected on the basis of bills raised by various Generating companies based on Orders issued by Hon'ble CERC or DERC based upon the applicability.

(e) Operation and Maintenance Expenses are projected based on the methodology specified by the Hon'ble Commission in Regulation 23 of the DERC Business Plan Regulations, 2019.

(f) Capital expenditure related expenses are projected on the basis of capital expenditure approved by the Hon'ble Commission for ensuing year in Regulation 24 of the DERC Business Plan Regulations, 2019. The various expenses linked to Capital expenditure are accordingly projected based on the methodology specified by the Hon'ble Commission in the Tariff Regulations 2017 and Business Plan Regulations 2019.

4.7 For projection of Sales for FY 2021-22, following approach is adopted by the Petitioner:

(a) Step 1 - Firstly, Petitioner has considered the Adjusted Trend Analysis Method which could have been considered in case of normal scenario i.e. without the impact of COVID19 and lockdown.

(b) Step 2 - After projecting the sales in Step 1 the consumer categories were identified and factoring was done to the extent where activities were affected post unlock period till October 2020 and accordingly adjusted in sales of, 11 kV Worship/Hospital Non Domestic, Industrial and DMRC categories which was mainly affected due to COVID-19.

(c) Step 3 – for projecting the sales for FY 2021-22, the category wise sales projected in Step 1 is compared with Step 2, considering the base year as FY 2019-20 as FY 2020-21 is exceptionally an abnormal year due to COVID-19 lockdown in peak consumption period.

4.8 Further petitioner has submitted that the Adjusted Trend Analysis Method, namely the Compound Annual Growth Rate (CAGR) and, accordingly, Compound Annual Growth Rates (CAGRs) have been calculated from the past figures for each category, corresponding to different lengths of time in the past six years, along with the year on year growth rates from FY 2014-15 to FY 2019-20. The category-wise actual Sales for the period FY 2014-15 to FY 2019-20 is as follows:

Table 4. 1: Petitioner Submission: Sales from FY 2014-15 to FY 2019-20 (MU)

Sr. No.	Category	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
A	Domestic	3,004	3,180	3,517	3,756	3,838	4,057
A.1	Domestic (other than A2 to A4)	2,888	3,067	3,405	3,640	3,723	3,946
A.2	CGHS	17	16	17	19	21	21
A.3	11 KV Worship/Hospital	74	73	75	77	75	74
A.4	DVB Staff	26	23	20	20	19	16
B	Non Domestic	1,639	1,708	1,772	1,882	1,791	1,737
B.1	Non Domestic LT	1,276	1,345	1,405	1,501	1,467	1,412
B.2	Non Domestic HT	362	363	367	381	325	324
C	Industrial	282	284	277	310	374	373
C.1	Industrial LT	247	248	241	267	289	289
C.2	Industrial HT	35	36	35	44	85	84
D	Agriculture	0	0	0	0	0	0
E	Public Utilities	403	425	464	472	425	392
E.1	Public Lighting	101	114	145	119	104	93
E.2	DJB LT	10	11	11	12	12	13
E.3	DJB HT	130	137	131	135	137	137
E.4	DMRC	161	164	177	207	171	150
F	Temporary Supply	39	41	46	45	46	52
G	Advertisement & Hoardings	1	1	1	1	0	0
H	E Vehicle	-	-	-	0	7	16
I	Self-consumption	16	13	16	16	15	13
J	Enforcement	21	24	23	20	14	13
K	Others	-	0	0	1	2	3
Total		**5,405**	**5,676**	**6,115**	**6,504**	**6,514**	**6,658**

4.9 The Petitioner has submitted the category-wise CAGR for various consumer categories, as follows:

Table 4. 2: Petitioner Submission: 5 Years CAGR (%)

Sr. No.	Category	5 yrs	4 yrs	3 yrs	2 yrs	1 yr	Growth Considered
A	Domestic	6.20%	6.28%	4.88%	3.93%	5.70%	
A.1	Domestic (other than A2 to A4)	6.44%	6.50%	5.04%	4.12%	5.98%	4.12%
A.2	CGHS	4.90%	6.27%	6.97%	4.18%	-2.10%	4.18%
A.3	11 kV Worship/Hospital	0.09%	0.18%	-0.48%	-2.14%	-1.32%	0.18%
A.4	DVB Staff	-8.66%	-8.35%	-6.00%	-9.30%	-13.40%	0.00%
B	Non Domestic	1.17%	0.42%	-0.66%	-3.93%	-3.06%	
B.1	Non Domestic LT	2.04%	1.24%	0.18%	-2.99%	-3.71%	-2.99%
B.2	Non Domestic HT	-2.19%	-2.78%	-4.03%	-7.70%	-0.10%	-7.70%
C	Industrial	5.71%	7.03%	10.48%	9.63%	-0.40%	
C.1	Industrial LT	3.17%	3.86%	6.22%	4.10%	-0.02%	0.00%
C.2	Industrial HT	18.96%	23.71%	33.42%	38.77%	-1.70%	0.00%
D	Agriculture	0.23%	-4.25%	-2.88%	-9.33%	-5.89%	0.00%
E	Public Utilities	-0.51%	-1.98%	-5.42%	-8.84%	-7.59%	
E.1	Public Lighting	-1.74%	-5.08%	-13.94%	-11.67%	-10.84%	-11.67%
E.2	DJB LT	4.61%	4.74%	5.81%	4.21%	2.05%	4.21%
E.3	DJB HT	0.96%	0.00%	1.39%	0.54%	-0.06%	0.54%
E.4	DMRC	-1.37%	-2.11%	-5.22%	-14.67%	-12.32%	-14.67%
F	Temporary Supply	6.03%	5.94%	4.38%	7.44%	14.40%	0.00%
G	Advertisement & Hoardings	-40.23%	-50.82%	-61.64%	-74.20%	-36.37%	0.00%
H	E Vehicle				568.80%	124.56%	10.00%
I	Self-consumption	-4.06%	1.27%	-5.13%	-8.60%	-14.26%	0.25% of Sales
J	Enforcement	-8.68%	-13.47%	-16.57%	-18.89%	-4.66%	0.00%
K	Others		188.67%	102.71%	90.33%	61.91%	0.00%

4.10 The Petitioner has submitted the category wise number of consumers and total connected load for FY 2014-15 to FY 2019-20, as follows:

Table 4. 3: Petitioner Submission: Number of consumers from FY 2014-15 to FY 2019-20

Sr. No.	Category	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
A	Domestic	10,84,188	11,44,581	11,94,989	12,49,570	12,88,536	13,31,796
A.1	Domestic (other than A2 to A4)	10,77,264	11,39,603	11,89,946	12,44,638	12,83,735	13,28,152

Sr. No.	Category	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
A.2	CGHS	17	17	17	18	18	17
A.3	11 KV Worship/Hospital	29	31	33	33	31	30
A.4	DVB Staff	6,878	4,930	4,993	4,881	4,752	3,597
B	Non Domestic	3,50,820	3,62,433	3,73,450	3,86,590	3,83,911	3,85,348
B.1	Non Domestic LT	3,50,542	3,62,141	3,73,164	3,86,302	3,83,633	3,85,069
B.2	Non Domestic HT	278	292	286	288	278	279
C	Industrial	8,021	7,836	7,730	7,648	7,555	7,568
C.1	Industrial LT	8,001	7,817	7,713	7,628	7,520	7,532
C.2	Industrial HT	20	19	17	20	35	36
D	Agriculture	52	51	47	45	43	42
E	Public Utilities	4,302	4,405	4,477	4,579	4,790	5,052
E.1	Public Lighting	3,482	3,598	3,638	3,689	3,835	3,896
E.2	DJB LT	750	737	770	819	883	1,084
E.3	DJB HT	69	69	68	69	69	69
E.4	DMRC	1	1	1	2	3	3
F	Temporary Supply	-	-	-	-	-	-
G	Advertisement & Hoardings	286	357	339	285	344	348
H	E Vehicle				119	552	790
I	Self-consumption	3	10	12	14	3	192
J	Enforcement	-					
K	Others						
Total		**14,47,672**	**15,19,673**	**15,81,044**	**16,48,850**	**16,85,734**	**17,31,136**

Table 4. 4: Petitioner Submission: Total connected load (MW/MVA)for FY 2014-15 to FY 2019-20

Sr. No.	Category	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
A	Domestic	3,359	3,720	3,746	2,678	2,799	2,927
A.1	Domestic (other than A2 to A4)	3,279	3,645	3,669	2,601	2,728	2,863
A.2	CGHS	16	16	16	17	11	10
A.3	11 KV Worship/Hospital	40	41	44	44	44	43
A.4	DVB Staff	24	17	17	17	15	12
B	Non Domestic	1,621	1,708	1,683	1,700	1,647	1,626
B.1	Non Domestic LT	1,381	1,470	1,469	1,488	1,448	1,430
B.2	Non Domestic HT	240	237	214	212	199	197
C	Industrial	184	183	179	179	215	215
C.1	Industrial LT	164	163	160	159	180	180
C.2	Industrial HT	20	20	19	20	35	35
D	Agriculture	0	0	0	0	0	0
E	Public Utilities	133	137	140	146	164	193

Sr. No.	Category	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
E.1	Public Lighting	31	33	33	33	46	43
E.2	DJB LT	11	11	11	12	13	14
E.3	DJB HT	69	71	71	72	74	74
E.4	DMRC	21	21	25	28	31	62
F	Temporary Supply	-	-	-	-	-	-
G	Advertisement & Hoardings	1	1	1	1	1	1
H	E Vehicle				0	3	6
I	Self-consumption	0	0	0	0	0	6
J	Enforcement	-					
K	Others						
Total		**5,299**	**5,748**	**5,749**	**4,705**	**4,828**	**4,974**

4.11 The Petitioner has submitted that during the exercise for forecasting of Energy Sales for the FY 2021-22, the Petitioner has considered the actual Sales till FY 2019-20. However, in order to forecast energy sales for FY 2021-22. The CAGR of various years is computed, considering FY 2018-19 as base year. The CAGR of various year obtained is then analysed for further projection. However, solely relying on annual CAGR is not sufficient. Certain categories show abnormal growth rates due to various reasons such as:

i) New category introduced like E-Rickshaws for which data for past years is not available.

ii) Certain consumers / categories show no or very less consumption due to opting of Open Access.

iii) Cross-migration of consumers from one category to another, etc.

iv) Tendency of consumers to opt for multiple connections for deriving benefits of subsidy.

4.12 Such outliers have been manually identified and appropriate growth rates have been applied to these categories so that the overall trend matches with the actual growth.

4.13 The Petitioner has applied the above growth rates on the actual category wise sales of FY 2019-20 to estimate energy sales during FY 2021-22 (including the factoring of drop in consumption of categories due to COVID-19) as tabulated below:

Table 4. 5: Petitioner Submission: Projected Sales (MU) for FY 2021-22

Sr. No.	Category	Actual Sales during FY 2019-20	Growth rate Considered	CAGR/ Growth rate	Projected Sales FY 2021-22	Drop in consumption due to COVID-19	Estimated sales for FY 2021-22
A	**Domestic**	**4,057**			**4,221**		**4,203**
A.1	Domestic (other than A2 to A4)	3,946	4.12%	2 yrs	4,108		4,108
A.2	CGHS	21	4.18%	2 yrs	22		22
A.3	11 KV Worship/Hospital	74	0.18%	4 yrs	74	30%, 25%, 20% & 15% decline in Q1, Q2, Q3 & Q4 respectively	57
A.4	DVB Staff	16	0.00%	nil	16		16
B	**Non Domestic**	**1,737**			**1,669**		**1,415**
B.1	Non Domestic LT	1,412	-2.99%	2 yrs	1,370	20%, 15%, 10% & 5% decline in Q1, Q2, Q3 & Q4 respectively	1,186
B.2	Non Domestic HT	324	-7.70%	2 yrs	299	30%, 25%, 20% & 15% decline in Q1, Q2, Q3 & Q4 respectively	229
C	**Industrial**	**373**			**373**		**355**
C.1	Industrial LT	289	0.00%	Nil	289	3%, 2.5%, 2% & 1.5% decline in Q1, Q2, Q3 & Q4 respectively	282
C.2	Industrial HT	84	0.00%	Nil	84	20%, 15%, 10% & 5% decline in Q1, Q2, Q3 & Q4 respectively	73
D	Agriculture	0	0.00%	Nil	0		0
E	**Public Utilities**	**392**			**361**		**286**
E.1	Public Lighting	93	-11.67%	2yrs	82		82
E.2	DJB LT	13	4.21%	2yrs	13		13
E.3	DJB HT	137	0.54%	2yrs	137		137
E.4	DMRC	150	-14.67%	2yrs	128	75%, 60%, 50% & 40% decline in Q1, Q2, Q3 & Q4 respectively	53
F	Temporary Supply	52	0.00%	Nil	52		52
G	Advertisement & Hoardings	0	0.00%	Nil	0		0
H	E Vehicle	16	10.00%	assumed	18		18

Sr. No.	Category	Actual Sales during FY 2019-20	Growth rate Considered	CAGR/ Growth rate	Projected Sales FY 2021-22	Drop in consumption due to COVID-19	Estimated sales for FY 2021-22
I	Self-consumption	13	0.25% of sales		17		16
J	Enforcement	13	0.00%	Nil	13		13
K	Others	3	0.00%	Nil	3		3
Total		**6,658**			**6,727**		**6,362**

PETITIONER'S SUBMISSION- ADDITIONAL INFORMATION:

4.14 The petitioner has submitted that from the month of April 2021 there has been unprecedented and steep surge of the Second wave of the Novel Corona Virus 2019 (COVID-19) pandemic ("Second Wave"). The NCT of Delhi has been one of the worst affected States by the Second Wave. The rapid pace and deadly virulence at which the virus has spread in the Second Wave is an unprecedented and unforeseen situation. The situation has escalated and developed in the last 10-15 days only and there has been a pervasive surge in the cases in April, situation more dismal and catastrophic from even last year. This is unlike anything that anyone has witnessed so far.

4.15 On account of the above, financials and the ARR projections for FY 2021-2022 have been severely impacted / are likely to be further severely impacted in the future and there has been/ is also inter-alia an impact on:

(a) Billing.

(b) Bill Distribution

(c) Collections

(d) Power purchase

(e) Collection efficiency.

(f) Estimation and Projection of Revenue

(g) T&D losses owing to reduction in demand at EHT and HT level.

(h) CAPEX and OPEX Projections.

(i) Payment Obligations.

(j) Payments and ad hoc expenditure to meet emerging exigencies and COVID protocols for workforce and processes.

4.16 Based on above, the Petitioner has submitted the additional information vide its letter dated 05/05/2021 wherein they have mentioned the impact on account of 2nd Wave of COVID-19 and revised the Sales, Power Purchase, and other related parameters and revised its ARR for FY 2021-22 from Rs. 5370 Cr. (Petition) to Rs. 5294 Cr. (Additional information) and increased the Revenue Gap for FY 2021-22 from Rs. 1148 Cr. to Rs. 1945 Cr.. The Category wise revised projections of Sales is as follows:

Table 4. 5: Petitioner Submission: Revised Projected Sales (MU) for FY 2021-22

Sr. No.	Category	Revised Projected Sales Post 2nd Wave COVID
1	Domestic	4,203
2	Non-Domestic	1,099
3	Industrial	286
4	Agriculture	0.22
5	Public Utilities including DMRC,PL & DJB	286
6	Advertisement	0.04
7	Temporary supply	47
8	E-Vehicle on SPD	16
9	Others	29
a	*Self-Consumption*	*16*
b	*Enforcement*	*13*
c	*Net Metering*	*0*
Total		**5967**

COMMISSION ANALYSIS

4.17 It is observed that the Petitioner has forecasted Energy Sales of 6362 MU in their Petition and revised the Energy Sales to 5967 MU vide their additional information submitted on account of impact of second wave of COVID-19, tabulated as follows:

Table 4. 6: Commission Analysis: Petitioner Sales for FY 2021-22 (Pre and Post COVID)

Sr. No.	Category	Sales Pre COVID	Sales Post COVID
1	Domestic	4,203	4,203
2	Non Domestic	1,415	1,099
3	Industrial	355	286
4	Agriculture	0.22	0.22
5	Public Utilities	286	286
6	Adv. And Hoarding	0.04	0.04
7	Temporary Supply	52	47
8	E Vehicle	18	16
9	Others*	32	29
Total		**6,362**	**5,967**

**Others includes Self-consumption, Enforcement & Net-Metering*

4.18 For forecasting sales of FY 2021-22 with better accuracy, the Commission has divided the FY 2021-22, into 2 halves (H1 & H2) where H1 represents the period from Apr'21 to Sept.' 21 and H2 represents the period from Oct.'21 to Mar.'22. Such splitting of a Financial Year provides more accurate projections since it factors seasonal variations during Summer season which is the period from April to September. The Sales of Domestic, Non-Domestic and Industrial consumer categories during the season will follow the specific pattern during past financial years as this season has maximum sales owing to use of heavy electricity consumption equipment like Air Conditioning (ACs). The period of second half i.e. H2 represents Oct.'21 to Mar.'22 and is a lean period in terms of sales.

4.19 Due to the impact of 2nd wave of COVID 19, H1 sales is further sub-divided into 2 parts- First part comprises of April and May (actual sales) and second part comprises of June' 21 to Sept' 21 (based on single CAGR). Such, sub-division of H1 is done in order to arrive at more accurate projection of sales.

4.20 It is observed that the impact of second wave of COVID 19 was majorly in the months of April and May 2021 that too in Domestic, Non Domestic and Industrial category of consumers. The petitioner was directed to submit actual sales for April and May for FY 2019-20, FY 2020-21 and FY 2021-22. The details submitted by the Petitioner is tabulated below:

Table 4. 7: Petitioner submission: Actual sales for April and May FY 2019-20 to FY 2021-22

Sr. No.	Category	2019-20		2020-21		2021-22	
		April	May	April	May	April	May
1	Domestic	244	385	247	364	252	317
2	Non Domestic	129	168	108	-61	84	77
3	Industrial	30	31	17	-1	15	14
	Total	**403**	**584**	**372**	**302**	**351**	**408**

4.21 It is observed that the impact of lockdown on account of 2nd wave of COVID 19 is majorly in the month of April'21 and May'21. It is further observed from the table above that the sales of April and May during FY 2019-20, FY 2020-21 and FY2021-22 have no similar trend. Therefore, actual sales for the month of Apr'21 and May'21 have been considered for major categories i.e. Domestic, Non domestic and Industrial category.

4.22 For DMRC and DJB the Commission has considered the sales based on their submissions. However, for DMRC the impact of lockdown on account of second wave of COVID 19 has been considered by factoring reduction of one month of sale from the total sales as submitted by them.

4.23 The sales during the balance period of H1 i.e. June 2021 to September 2021 is forecasted considering appropriate category wise CAGR, discussed in subsequent paras, over FY 2019-20 as the base year since it is the recovery period of second wave of COVID -19.

4.24 The sales during H2 part of the year i.e. October 2021 to March 2022 is forecasted considering appropriate category wise CAGR, over FY 2020-21 as the base year since it is a normal period.

4.25 The Commission sought H1 and H2 sales of past years from the Petitioner and based on the same has computed 5 years CAGR for H1 for the period FY 2014-15 to FY 2019-20 and 5 years CAGR for H2 for the period FY 2015-16 to FY 2020-21. The Commission after computation of various half yearly CAGRs has projected sales for H1 FY 2021-22 and H2

FY 2021-22. The total projected sales for FY 2021-22 are then computed by summing up half yearly projected sales of FY 2021-22.

4.26 The category wise H1 sales from FY 2014-15 to FY 2020-21 and H2 sales from FY 2014-15 to FY 2020-21 are indicated in the tables as follows:

Table 4. 8: Actual H1 Sales for FY 2014-15 to FY 2020-21 (MU)

Sr. No.	Category	FY15	FY16	FY17	FY18	FY19	FY20	FY21
1	Domestic including 11KV and staff	1806	1926	2200	2347	2475	2,556	2,392
2	Non-Domestic	930	966	1032	1072	1058	1,027	558
3	Industrial	148	147	151	158	184	202	130
4	Agriculture & Mushroom	0	0	0	0	0	0	0
5	Public Utilities	214	208	224	230	194	214	122
6	DIAL	0	0	0	0	0	-	-
7	Adv. & Hoardings	0	0	0	0	0	0	0
8	Temporary Supply	21	22	26	24	25	29	22
9	E-Vehicle on Single Delivery Point	0	0	0	0	2	7	4
10	Others	16	18	15	15	13	13	7
a	Enforcement	10	12	10	8	6	7	
b	Own Consumption	6	6	5	7	6	6	
	Total	**3137**	**3287**	**3648**	**3846**	**3950**	**4,049**	**3,236**

** Other includes Enforcement & Own Consumption*

Table 4. 9: Actual H2 Sales for FY 2014-15 to FY 2020-21 (MU)

Sr. No.	Category	FY15	FY16	FY17	FY18	FY19	FY 20	FY 21
1	Domestic including 11KV and staff	1198	1254	1317	1410	1364	1501	1,571
2	Non-Domestic	709	741	740	810	734	709	663
3	Industrial	134	138	125	152	191	170	188
4	Agriculture & Mushroom	0	0	0	0	0	0	0
5	Public Utilities	188	217	240	242	231	179	163
6	DIAL	0	0	0	0	0	0	-
7	Adv. & Hoardings	0	0	0	0	0	0	0
8	Temporary Supply	18	20	20	21	20	23	24

Sr. No.	Category	FY15	FY16	FY17	FY18	FY19	FY 20	FY 21
9	E-Vehicle on Single Delivery Point	0	0	0	0	5	9	9
10	Others	21	19	24	22	19		11
a	Enforcement	11	12	13	12	8	7	7
b	Own Consumption	10	7	10	9	9	7	4
c	Net Metering	0	0	0	1	2	3	
	Total	**2268**	**2390**	**2467**	**2658**	**2563**	**2608**	**2,629**

** Other includes Enforcement, Own Consumption & Net Metering*

4.27 The category-wise CAGR of H1 sales for 1 year to 5 years (FY 2014-15 to FY 2019-20) and H2 sales for 1 year to 5 years (FY 2015-16 to FY 2020-21) is shown in the tables as follows:

Table 4. 10: Various H1 Sales CAGR (FY 2014-15 to FY 2019-20) (%)

Sr. No.	Category	5 year CAGR	4 year CAGR	3 year CAGR	2 year CAGR	1 year CAGR
1	Domestic including 11KV and staff	7.20%	7.33%	5.14%	4.37%	3.30%
2	Non-Domestic	2.00%	1.54%	-0.15%	-2.10%	-2.88%
3	Industrial	6.42%	8.40%	10.25%	13.23%	10.17%
4	Agriculture & Mushroom	2.44%	-3.83%	-0.76%	-6.18%	-7.85%
5	Public Utilities	-0.05%	0.70%	-1.51%	-3.68%	10.28%
6	DIAL					
7	Adv. & Hoardings	-42.22%	-52.46%	-63.00%	-74.65%	-60.38%
8	Temporary Supply	6.47%	7.74%	4.55%	10.20%	15.43%
9	E-Vehicle on Single Delivery Point					232.81%
10	Others	-4.46%	-7.12%	-4.83%	-6.10%	4.70%
a	Enforcement	-7.50%	-12.75%	-11.61%	-9.26%	10.28%
b	Own Consumption	-0.44%	1.65%	5.41%	-2.35%	-0.64%

Sr. No.	Category	5 year CAGR	4 year CAGR	3 year CAGR	2 year CAGR	1 year CAGR
c	Net Metering					

**Other includes Enforcement & Own Consumption*

Table 4. 11: Various H2Sales CAGR (FY 2015-16 to FY 2020-21) (%)

Sr. No.	Category	5 year CAGR	4 year CAGR	3 year CAGR	2 year CAGR	1 year CAGR
1	Domestic including 11KV and staff	4.61%	4.50%	3.68%	7.34%	4.69%
2	Non-Domestic	-2.22%	-2.71%	-6.46%	-4.96%	-6.58%
3	Industrial	6.50%	10.72%	7.35%	-0.57%	10.58%
4	Agriculture & Mushroom	5.65%	7.64%	6.24%	25.07%	60.75%
5	Public Utilities	-5.58%	-9.22%	-12.31%	-15.95%	-8.74%
7	Adv. & Hoardings	-44.25%	-52.55%	-61.69%	-2.86%	-17.70%
8	Temporary Supply	4.16%	4.48%	4.61%	9.19%	5.41%
9	E-Vehicle on Single Delivery Point	-	-	188.28%	29.61%	-7.52%
10	Others	-10.73%	-18.05%	-21.60%	-24.77%	-37.13%
a	Enforcement	-10.98%	-15.33%	-17.51%	-7.16%	-2.76%
b	Own Consumption	-10.17%	-21.19%	-24.93%	-34.46%	-43.62%
c	Net Metering	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%

** Enforcement, Own Consumption & Net Metering*

4.28 The sales to be projected for FY 2021-22 for Domestic, Non-Domestic and Industrial Consumers have been split into 3 (three) Sections as under:

i) H1 Sales- Apr'21 and May'21

ii) H1 Sales- June'21 to Sep'21

iii) H2 Sales- Oct'21 to Mar'22

DOMESTIC, NON DOMESTIC AND INDUSTRIAL CONSUMER

i) **H1 Sales- (Apr'21 and May'21)** - Actual sales for Domestic, Non-Domestic and Industrial Consumers as submitted by the Petitioner has been considered. Accordingly, the sales for Apr'21 and May'21 are approved as under:

Table 4. 12: Commission Approved: H1 Sales FY 2021-22 (Apr'21 and May'21) (MU)

Sr. No.	Category	Sales	
		Apr '21	May '21
1	Domestic including 11kV and staff	252	317
2	Non-Domestic	84	77
3	Industrial	15	14
Total			**759**

ii) **H1 Sales- (June'21 to Sep'21)-** Sales for the month of June'21 to Sep'21 (H1) have been projected by the Commission by considering the sales of FY 2019-20 during corresponding H1 period and also keeping in mind the impact of COVID-19 applying single growth. Thereafter, the sales is proportionately reduced to 4 months since April'21 and May'21 have been considered on actual. Accordingly, approved sales for the Petitioner for June'21 to Sep'21 are as under:

Table 4. 13: Commission Approved: H1 Sales June'21 to Sep'21 FY 2021-22 (MU)

Sr. No.	Category	CAGR	Rate	Sales
1	Domestic including 11kV and staff	4 year	7.33%	2744
2	Non-Domestic	4 year	1.54%	1043
3	Industrial	2 year	13.23%	229
Total				**4016**

i) **H2 Sales- (Oct'21 to Mar'22)**– – Actual sales of FY 2020-21 have been considered to arrive at the sales of H2 FY 2021-22 by applying single growth rate.

Table 4. 14: Commission Approved: H2 Sales FY 2021-22 (MU)

Sr. No.	Category	Sales FY 2020-21 Oct'20 to Mar'21	CAGR	Rate	Sales
1	Domestic including 11kV and staff	1571	4 year	4.50%	1642
2	Non-Domestic	663	4 year	-2.71%	645
3	Industrial	188	3 year	7.35%	202
Total		**2422**			**2489**

PUBLIC UTILITIES

DELHI METRO RAIL CORPORATION (DMRC) & DELHI JAL BOARD (DJB)

4.29 The Commission vide its letter dtd. 5/03/2021 Ref No. F.3(634)/Tariff-Engg./DERC/2020-21/6936/2664 sought sales from DMRC, DJB for FY 2021-22.

4.30 Accordingly, sales of 166 MU was submitted by DMRC via letter dtd. 24/03/2021 Ref No. DMRC/Elect/Plg/DEC/ARR. Further, the Commission analysed the same and considered the sale of 145 MU for 11 months only as Delhi Metro was closed for 1 month during the 2nd wave of COVID 19 and the sales has been reduced proportionately for 11 months.

4.31 The Delhi Jal Board has submitted the sales of 181 MU for FY 2021-22 via letter dtd. 8/04/2021 Ref No. DJB/Dy.Dir(F&A)-I/1254 which has been considered by the Commission for projection of sales for the FY 2021-22.

PUBLIC LIGHTING

4.32 For Public Lighting 3 years CAGR @-1.51% on sales H1 of FY 2019-20 and 3 years CAGR @-12.31% on H2 sales of FY2020-21 has been considered by the Commission for projection sales of 76MU for FY2021-22.

4.33 Accordingly, the Commission has considered the total sales of 390MU (314+76) under Public utility category.

4.34 **Agriculture and Mushroom:** For agricultural and Mushroom Cultivation the Commission has considered the sales of 0.27 MU for FY 2021-22 based on 3 years CAGR @ -0.01% on H1 sales of FY2019-20 sales and H2 sales of FY2020-21.

4.35 **Advertisement and Hoarding:** The Commission has considered the sales of 0.04MU under Advertisement and Hoarding category as submitted by the petitioner.

4.36 **Temporary supply:** The Commission has considered the sales based on CAGR@ 4.55% and 1.76% on sales of FY2019-20 and FY2020-21 and accordingly, projecting the sales of 55MU under temporary supply for FY 2021-22.

4.37 **Electric Vehicles:** The sales for charging station of Electric Vehicles category has been considered at 16 MU as submitted by the Petitioner.

4.38 **Others:** Under this category, it includes Enforcement, Own Consumption and Net Metering. The Commission has considered the H1 sales of FY2019-20 and H2 sales of FY 2020-21 for projecting the sales of 24 MU under others category for FY 2021-22.

4.39 In view of above, the sales projected for the Petitioner for FY 2021-22 is as follows:

Table 4. 15: Commission Approved: Projected Sales for FY 2021-22(MU)

Sr. No.	Category	DISCOM Submission - post 2nd Wave COVID	Commission Approved Sales		
			H1	H1	H1+H2
1	Domestic including 11KV and staff	4203	2744	1642	4041
2	Non-Domestic	1099	1043	645	1501
3	Industrial	286	229	202	385
4	Agriculture & Mushroom	0.00	0	0	0
5	Public Utilities	286			390
6	Adv. & Hoardings	0	0	0	0
7	Temporary Supply	47	31	25	55
8	E-Vehicle on Single Delivery Point	16	7	9	16
9	Others	29	13	11	24
a	Enforcement	13	7	7	14
b	Own Consumption	16	6	4	10
Total		**5966**			**6411**

** Other includes Enforcement, Own consumption and Net Metering*

ESTIMATED REVENUE FOR FY 2021-22 AT EXISTING TARIFF

PETITIONER'S SUBMISSION

4.40 The Petitioner has submitted that the Methodology adopted for projection of Revenue from existing Tariff is as follows:

a) Sales have been divided among sub-categories on monthly basis based on Form-2.1a (actual) of FY 2020-21.

b) Number of Consumers and Connected Load (MW) for various sub-categories has been divided in the ratio of actual sanctioned load and actual number of consumers during FY 2020-21.

c) The fixed charges and energy charges as approved by the Commission vide Tariff Schedule dated 28th August, 2020 has been considered for calculation of revenue from existing tariff.

d) For the sub-categories where the energy charges have been specified in Rs/kVAh, the Petitioner has considered actual monthly power factor as per Form 2.1a of FY 2020-21.

e) The above methodology in general has been utilised for estimation of revenue from existing tariff for all consumer categories.

4.41 The Petitioner has estimated the revenue on account of sales to various consumer categories during FY 2021-22 as follows:

Table 4. 16: Petitioner submission: Revenue estimated during FY 2021-22 (Rs. Cr.)

Sr. No.	Category	Total Revenue Billed
A	Domestic	1,891
B	Non Domestic	1,400
C	Industrial	294
D	Agriculture	0.08
E	Public Utilities	197
F	Temporary Supply	52
G	Advertisement	0.23
H	Temporary	48
I	Charging Stations	7
K	Enforcement	18
Total		**3,907**

Sr. No.	Category	Total Revenue Billed
Total Collection @ 85.71%		**3,349**

4.42 The Petitioner has projected the category wise number of consumers considering the month on month growth in number of consumer during the previous year i.e. FY 2019-20. The same growth is applied on the closing category wise number of consumer for October 2020 on monthly basis.

4.43 The Petitioner has submitted the category wise projected sanctioned load by considering its monthly growth in previous year i.e. FY 2019-20. The same growth is applied on the category wise sanctioned load for the month of Oct'20 on monthly basis.

4.44 The Petitioner has projected number of consumers, sanctioned load and energy sales (including the impact of COVID-19 and lockdown) during FY 2020-21 as under:

Table 4. 17: Petitioner Submission: Projected number of consumers, sanctioned load and sales for FY 2021-22 (Original submission)

Sr. No.	Category	No. of consumer	Sanctioned Load (MW)	Sales (MU)
A	Domestic	14,04,177	2,994	4,203
B	Non Domestic	3,86,370	1,531	1,415
C	Industrial	7,508	209	355
D	Agriculture	40	0	0
E	Public Utilities	5,896	179	286
F	Temporary Supply	8,868	31	52
G	Advertisement & Hoardings	334	1	0
H	E Vehicle	1,255	9	18
I	Self-consumption	-	-	16
J	Enforcement	-	-	13
K	Net Metering	-	-	3
Total		**18,14,447**	**4,954**	**6,362**

Table 4. 18: Petitioner Submission: Projected number of consumers, sanctioned load and sales for FY 2021-22 (Revised submission)

Sr. No.	Category	No. of consumer	Sanctioned Load (MW)	Sales (MU)
A	Domestic	14,04,177	2,994	4,203
B	Non Domestic	3,86,370	1,531	1,099
C	Industrial	7,508	209	286
D	Agriculture	40	0	0.22
E	Public Utilities	5,896	179	286
F	Temporary Supply	8,868	31	47
G	Advertisement & Hoardings	334	1	0.04
H	E Vehicle	1,255	9	16
I	Self-consumption	0	0	16
J	Enforcement	0	0	13
Total		**18,14,447**	**4,954**	**5,967**

4.45 The Petitioner requested the Commission to consider the above submissions for estimation of sales, connected load and number of consumers during FY 2021-22.

COMMISSION ANALYSIS

4.46 As per the two-part tariff principle followed in the NCT of Delhi, the tariff for each category consists of fixed/demand charges as well as energy charges. The fixed/ demand charges are specified for different categories as a fixed amount per kW/ kVA of sanctioned load per month. The energy charges, on the other hand, are always usage-based and are specified as per unit of electricity consumed.

4.47 For Domestic consumers, the revenue from fixed charges is calculated by multiplying the corresponding fixed charge with the sanctioned load. For calculation of revenue from energy charges, the actual usage is multiplied by the applicable tariff category slab.

4.48 For Non-Domestic, Industrial and Public Utilities, revenue from fixed charges is calculated by multiplying the fixed charge of each tariff slab with the sanctioned load of that tariff category, while revenue from energy charges is calculated by multiplying the energy charges specified for each tariff category with the energy consumption projected for that tariff category.

4.49 The Commission has analysed the past trend since FY 2014-15 till FY 2020-21 and the impact of COVID-19 pandemic for projecting category wise Sanctioned Load and Consumers. The Commission also sought actual closing category wise Consumers for FY 2020-21. Based on the past years trend, closing of category wise consumers till FY 2020-21 and the numbers as projected by the Petitioner in its Petition, the Commission has considered Sanctioned Load and Consumers for FY 2021-22. The Sales for FY 2021-22 have been considered as projected by the Commission in the earlier section of this Tariff Order. Accordingly, the Commission has estimated the following total revenue to be billed in FY 2021-22 as per Existing Tariff Schedule approved in Tariff Order dated 28/08/2020:

Table 4. 19: Commission Approved: Revenue estimated at Existing Tariff for FY 2021-22 (Rs. Cr.)

Sr. No.	Category	Fixed Charges	Energy Charges	Total Revenue
1	Domestic	181.91	1,637.46	1,819.37
2	Non-Domestic	475.20	1,234.03	1,709.23
3	Industrial	64.20	298.05	362.25
4	Agriculture & Mushroom	0.05	0.04	0.09
5	Public Utilities	56.10	243.47	299.57
6	Advertisement and hoarding	0.30	0.03	0.33
7	Temporary	3.78	61.00	64.77
8	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	0.00	7.20	7.20
9	Others*	0.00	18.00	18.00
10	Total	781.53	3,499.27	4,280.81
11	Revenue @ 99.50% Collection Efficiency			4,259.40

** Misuse, Theft & own-consumption*

DISTRIBUTION LOSS AND COLLECTION EFFICIENCY TARGET

PETITIONER'S SUBMISSION

4.50 The Petitioner has stated that the Regulation-25 (1) of *DERC (Business Plan) Regulations, 2019* specifies the Distribution Loss Target from FY 2020-21 to FY 2022-23 as under:

"25. TARGET FOR DISTRIBUTION LOSS

(1) The Distribution Loss target in terms of Regulation 4(9)(a) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution licensees shall be as follows:

Table 4. 20: Target for Distribution Loss for the Control Period

Sr. No.	*Distribution Licensee*	*2020-21*	*2021-22*	*2022-23*
1	*BSES Rajdhani Power Limited*	*8.10%*	*8.00%*	*7.90%*
2	*BSES Yamuna Power Limited*	*9.00%*	*8.75%*	*8.50%*
3	*Tata Power Delhi distribution Limited*	*7.90%*	*7.80%*	*7.70%*
4	*New Delhi Municipal Council*	*9.00%*	*8.75%*	*8.50%*

4.51 The Petitioner has submitted that the Commission in its Business Plan Regulations, 2019 approved stringent distribution loss trajectory as compared to Distribution Loss trajectory proposed by the Petitioner in its Business Plan. As against the distribution loss of 9.79% for FY 2021-22 proposed by the Petitioner in its Business Plan, the Commission has approved the Distribution Loss of 9.00% for FY 2021-22.

4.52 The Petitioner has submitted that the consumption mix of HT/EHT Connections is dropped by 3%. It is pertinent to mention that these consumers are billed at a distribution loss of around 1.5% or lower and hence contributes in Distribution loss maintenance of the Petitioner. This would have an adverse impact of 0.13% on the Distribution loss of the Petitioner. Hence, Petitioner would like to request the Commission to kindly revise the distribution loss target for FY 2021-22 from 8.75% to 8.88% seeking the adverse impact of change in consumption mix which is mainly due to COVID19. However, for the purpose of calculation of ARR, Petitioner has considered distribution loss target of 8.75% as approved by the Commission in Business Plan Regulation 2019.

4.53 The Petitioner has considered collection efficiency target of 99.50% for FY 2021-22 as approved by the Commission in Business Plan Regulation 2019.

COMMISSION ANALYSIS

4.54 The Commission has fixed the targets for Distribution Loss and Collection Efficiency in its Business Plan Regulations, 2019 as 8.75% and 99.50% respectively for FY 2021-22. The Commission observes that complete lockdown period is limited to initial few months only during which collection may get affected. The same may only defer the process of collection, which can be gradually recovered at later stages with phase wise unlocking being done by MHA. Accordingly, the Commission has considered the specified targets for Distribution Loss and Collection Efficiency for computation of Energy Requirement & projected Revenue for FY 2021-22 for the Petitioner as per Business Plan Regulations, 2019.

4.55 The Commission has computed the energy requirement at the Distribution Periphery of the Petitioner for FY 2021-22, considering the sales approved for FY 2021-22 and Distribution Loss of 8.75 %. The approved energy requirement for FY 2021-22 is summarized in the table as follows:

Table 4. 21: Commission Approved: Energy requirement for FY 2021-22

Sr. No.	Particulars	MoU	Amount	Ref.
A	Energy Sales	MU	6410.64	
B	Distribution Loss	MU	614.72	C-A
		%	8.75%	
C	Energy Requirement	MU	7025.36	((A/(1-B)) *100)

POWER PURCHASE QUANTUM AND COST

PETITIONER'S SUBMISSION

4.56 The Petitioner sources the power through mix of long term and short term sources to meet the demand in its licensed area. The power procured under long term PPAs from thermal and hydro power plants forms the bulk of the power purchase by the Petitioner.

4.57 The power procurement through Long term sources include Central Generating Stations which are owned by Central Government, State Generating Stations which are owned by State Government, IPP and JVs. The deficit in power against the demand is arranged by means of short term power procurement through various sources like Banking, Power

Exchange and other sources. The Petitioner has been assigned the share based on the PPAs which have been inherited from Delhi Transco Limited. The allocation of power within Delhi is being done by the Commission.

4.58 The forecast of Power Availability has been projected from existing long-term sources and from new sources for which the Petitioner has executed the PPAs and are expected to be operational during FY 2021-22. The Petitioner also considered solar energy available from the existing Rooftop sources as well as forecasted to be installed in BYPL Area.

4.59 The energy estimated to be available during FY 2021-22 is tabulated as under:

Table 4. 22: Petitioner Submission: Energy Purchase during FY 2021-22

Sr. No.	Stations	Installed Capacity	Firm & un-allocated share of Delhi		Share Allocation to Petitioner		Petitioner Share
		(MW)	(%)	(MW)	(%)	(MW)	(MU)
A	NTPC						
1	Anta Gas Power Project	419	10.50%	44	2.67%	11	9
2	Auraiya Gas Power Station	663	10.86%	72	2.76%	18	12
3	Badarpur Thermal Power Station						
4	Dadri Gas Power Station	830	10.96%	91	2.78%	23	17
5	Feroze Gandhi Unchahar TPS 1	420	5.71%	643	1.45%	6	30
6	Feroze Gandhi Unchahar TPS 2	420	11.19%	47	2.84%	12	56
7	Feroze Gandhi Unchahar TPS 3	210	13.81%	29	3.51%	7	38
8	FarakkaStps	1600	1.39%	22	0.35%	6	46
9	Kahalgaon Thermal Power Station 1	840	6.07%	51	1.54%	13	95
10	Kahalgaon Thermal Power Station 2	1500	10.49%	157	2.66%	40	288
11	National Capital Thermal Power						0

Sr. No.	Stations	Installed Capacity	Firm & un-allocated share of Delhi		Share Allocation to Petitioner		Petitioner Share
		(MW)	(%)	(MW)	(%)	(MW)	(MU)
12	Dadri TPS-II	980	74.52%	730	17.91%	175	520
13	Rihand Thermal Power Station 1	1000			0		0
14	Rihand Thermal Power Station 2	1000	12.60%	126	3.20%	32	242
15	Rihand Thermal Power Station 3	1000	13.19%	108	5.37%	54	360
16	Singrauli STPS	2000	7.50%	150	3.72%	74	551
	Sub Total	**12882**		**2270**		**472**	**2264**
B.	NHPC Ltd.						
1	Bairasiul	180	11.00%	20	2.79%	5	22
2	Salal	690	11.62%	80	2.95%	20	91
3	Tanakpur	120	12.81%	15	3.25%	3	15
4	Chamera I	540	7.90%	43	2.01%	11	33
5	Uri	480	11.04%	53	2.80%	13	73
6	Chamera – II	300	13.33%	40	3.39%	10	51
7	Chamera - III	231	12.73%	29	3.23%	7	35
8	Dhauliganga	280	13.21%	37	3.36%	9	38
9	Dulhasti	390	12.83%	50	3.26%	13	62
10	Sewa-II	120	13.33%	16	3.39%	4	18
11	Uri II	240	13.45%	32	3.41%	8	38
12	Parbati-III	520	12.73%	66	3.23%	17	63
	Sub Total	**4091**		**481**		**122**	**539**
C.	NPCI Ltd.						
1	Nuclear Power Corp. of India Ltd. Narora	440	10.68%	47	0.00%	-	0
2	Nuclear Power Corp. of India Ltd. Kota UNIT - 5&6 RAPP	440	12.69%	56	3.22%	14	119
	Sub Total	**880**		**103**		**14**	**119**
D.	SJVN Ltd.						

Sr. No.	Stations	Installed Capacity	Firm & un-allocated share of Delhi		Share Allocation to Petitioner		Petitioner Share
		(MW)	(%)	(MW)	(%)	(MW)	(MU)
1	Satluj Jal Vidyut Nigam Ltd.-NathpaJhakri	1500	9.47%	142	2.41%	36	159
2	SJVNL Regulation credit						
	Sub Total	**1500**		**142**		**36**	**159**
E	Damodar Valley Corporation						
1	Mejia Units 6	250	40.00%	100	10.16%	25	144
2	CTPS 7 & 8	500	60.00%	300	15.24%	76	398
3	MTPS 7	500	22.23%	111	22.23%	111	638
	Sub Total	1250		511		212	1180
F	Power stations in Delhi						
1	Indraprastha Power Generation Co.Ltd. RPH	135	100.00%	135	0.00%	0	
2	Indraprastha Power Generation Co.Ltd. GT	282	100.00%	281	8.6%	23	69
3	Pragati Power Corp.Ltd. Pragati I	330	100.00%	330	16.2%	53	231
4	Pragati Power Corp.Ltd. Pragati III (Bawana)	1371	80.00%	1097	6.00%	82	306
Sub Total		**2118.2**		**746**		**159**	**606**
G	Aravali Power Corporation Ltd – Jhajjar	1500	46.20%	693	4.61%	69	74
H	Sasan	3960	11.25%	446	8.89%	352	2485
I	Renewable						
i	SECI- existing	20			100.00%	20	42
ii	SECI-Solar (Kilraj)	50			100%	50	105
iii	SECI- Wind- Alfanar Energy Private Ltd	300			16.67%	50	149
iv	Self Generation						0.2
iv	MSW	24	100.00%	24	23.92%	6	30

Sr. No.	Stations	Installed Capacity	Firm & un-allocated share of Delhi		Share Allocation to Petitioner		Petitioner Share
		(MW)	(%)	(MW)	(%)	(MW)	(MU)
J	Tala	1020	2.94%	30	0.75%	8	29
K. New Sources							
1	EDEN Renewables Cite Pvt Ltd	300			16.67%	50	88
2	SBSR Power Cleantech Eleven	300			33.33%	100	158
3	SECI- Wind (SitacKabini Renewables Pvt Ltd)	300			33.33%	100	248
4	ACME Solar Holdings Ltd	600			16.67%	100	18
5	Mytrah Energy (India) Private Ltd	300			33.33%	100	0
6	SDMC	25				5.83	21
	TOTAL QUANTUM FROM FIRM SOURCES (MU)						**8313**

POWER PURCHASE COST

4.60 The Petitioner has estimated the power purchase cost corresponding to the quantum from power plants as listed above in the following manner:

A) ISGS Thermal Stations:

i) Annual fixed Charges (AFC) have been considered as per the petition filed by respective Central Generating station in Hon'ble CERC.

ii) Variable Cost (VC) has been considered equivalent to actual variable cost upto YTM Oct'20.

B) State Generating Stations:

i) Annual fixed Charges (AFC) have been considered as per actual Fixed Cost of FY 2020-21.

ii) Variable Cost (VC) has been considered equivalent to variable cost as per actual YTM Oct'20.

C) RE Sources:

The cost of procurement from, SECI Solar, SECI Wind and Non Solar stations and have been considered as per the PPAs/ PSA's signed and/or billed, as the case may be.

D) New Generating Stations:

The Cost of power from new stations have been considered as indicated by various generating stations in respective PSA and as per cost of similar stations.

E) Arrears

Majority of Central Generating station have filed their respective True up petitions for FY 14-19 and ARR of FY 19-24 before the Hon'ble CERC. The orders of the same are expected to be pronounced shortly in Q-4 of FY 20-21 and 1st half of FY 21-22. Accordingly, a conservative amount of Rs. 363 Cr. (NTPC- Rs 106 Cr, DVC – Rs 234 Cr., APCPL- Rs 8 Cr., NHPC & SJVNL- Rs 8 Cr. respectively) has been estimated towards past Arrears during FY 2021-22. The same will have huge bearing on the overall power purchase cost of the Petitioner.

4.61 The petitioner has submitted the projected power purchase cost during FY 2021-22 as under:

Table 4. 23: Petitioner Submission: Power Purchase Cost proposed for FY 2021-22

Sr. No.	Stations	Petitioner Share (MU)	Fixed Charges Rs Cr	Variable Charge Rs Cr	Total Charges Rs Cr	Average Rate Rs/unit
A	**NTPC**					
1	Anta Gas Power Project	9	5	3	8	8.72
2	Auraiya Gas Power Station	12	11	4	15	12.41
3	Badarpur Thermal Power Station	0	0	0	0	
4	Dadri Gas Power Station	17	9	8	17	10.00
5	Feroze Gandhi Unchahar TPS 1	30	4	10	14	4.62
6	Feroze Gandhi Unchahar TPS 2	56	9	18	27	4.86

Sr. No.	Stations	Petitioner Share (MU)	Fixed Charges Rs Cr	Variable Charge Rs Cr	Total Charges Rs Cr	Average Rate Rs/unit
7	Feroze Gandhi Unchahar TPS 3	38	6	12	18	4.83
8	FarakkaStps	46	4	13	17	3.58
9	Kahalgaon Thermal Power Station 1	95	11	22	33	3.46
10	Kahalgaon Thermal Power Station 2	288	30	63	93	3.22
11	National Capital Thermal Power	0	0	0	0	
12	Dadri TPS-II	520	188	195	383	7.36
13	Rihand Thermal Power Station 1	0	0	0	0	
14	Rihand Thermal Power Station 2	242	17	33	50	2.08
15	Rihand Thermal Power Station 3	360	57	53	110	3.05
16	Singrauli STPS	551	38	78	116	2.10
	Sub Total	**2264**	**390**	**510**	**900**	**3.97**
B.	**NHPC Ltd.**					
1	Bairasiul	22	2	2	5	2.07
2	Salal	91	9	17	26	2.82
3	Tanakpur	15	4	3	7	4.68
4	Chamera I	33	4	4	8	2.30
5	Uri	73	8	9	17	2.37
6	Chamera – II	51	6	6	12	2.36
7	Chamera – III	35	8	8	16	4.52
8	Dhauliganga	38	4	5	9	2.26
9	Dulhasti	62	14	18	32	5.11
10	Sewa-II	18	5	5	11	5.89
11	Uri II	38	11	13	24	6.41
12	Parbati-III	63	6	9	15	2.38
	Sub Total	**539**	**82**	**98**	**180**	**3.35**
C.	**NPCL Ltd.**					
1	Nuclear Power Corp. of India Ltd. Narora	0	0.00	0.00	0.00	0.00
2	Nuclear Power Corp. of India Ltd. Kota UNIT - 5&6 RAPP	119	0	46	46	3.86
	Sub Total	**119**	**0.00**	**45.73**	**45.73**	**3.86**
D.	**SJVN Ltd.**					
1	Satluj Jal Vidyut Nigam Ltd.-NathpaJhakri	159	23	20	43	2.73
2	SJVNL Regulation credit	0	0.00	0.00	0.00	0.00
	Sub Total	**159**	**23.25**	**20.13**	**43.38**	**2.73**
E	Damodar Valley Corporation					
1	Mejia Units 6	144	24	43	66	4.62

Sr. No.	Stations	Petitioner Share	Fixed Charges	Variable Charge	Total Charges	Average Rate
		(MU)	Rs Cr	Rs Cr	Rs Cr	Rs/unit
2	CTPS 7 & 8	398	102	102	204	5.11
3	MTPS 7	638	134	175	309	4.84
	Sub Total	**1180**	**259**	**320**	**579**	**4.91**
F	**Power stations in Delhi**					
1	Indraprastha Power Generation Co.Ltd. RPH	0	0.00	0.00	0.00	
2	Indraprastha Power Generation Co.Ltd. GT	69	13	21	34	4.93
3	Pragati Power Corp.Ltd. Pragati I	231	25	82	106	4.61
4	Pragati Power Corp.Ltd. Pragati III (Bawana)	306	139	78	216	7.07
	Sub Total	**606**	**176**	**181**	**357**	**5.89**
G	**Aravali Power Corporation Ltd – Jhajjar**	**74**	**88**	**30**	**118**	**16.00**
H	**Sasan**	**2485**	**42**	**318**	**359.84**	**1.45**
I	Renewable					
i	SECI- existing	42	0	25	25	5.92
ii	SECI-Solar (Kilraj)	105	0.00	27	27	2.61
iii	SECI- Wind- Alfanar Energy Private Ltd	149		38	38	2.52
iv	Self Generation	0		0.00	0	5.36
v	MSW	30	0	21	21	7.03
J.	**Tala**	**29**	**0**	**6**	**6**	**2.16**
K. New Sources						
I	EDEN Renewables Cite Pvt Ltd	88	0	23	23.38	2.67
ii	SBSR Power Cleantech Eleven	158		42	42	2.68
iii	SECI- Wind (SitacKabini Renewables Pvt Ltd)	248	0	70	70	2.84
iv	ACME Solar Holdings Ltd	18	0	4	4	2.51
V	Mytrah Energy (India) Private Ltd	0				
vi	SDMC	21	0	9	9	4.30
L	**Arrears**		363		363	
TOTAL QUANTUM FROM FIRM SOURCES		**8313**	**1424**	**1788**	**3212**	**3.86**

COMMISSION ANALYSIS

4.62 Power purchase cost is the single largest component of ARR of a Distribution Company. The estimate of power purchase cost has been carried out based on the optimum method of procuring power from the generating stations.

4.63 Delhi has a firm allocated share in Central Sector Generating Stations (CSGS), State Generating Stations (SGS) and other stations. The Commission has considered allocation of firm power to Delhi based on various allocation Orders issued by Northern Region Power Committee. Further, the allocation to Delhi is split in to DISCOMs based on Order available on SLDC website, which has been prepared in line with the Assignment Orders/Re-allocation Orders issued by Commission from time to time.

4.64 The Commission sought DISCOM wise power purchase quantum from various sources by SLDC considering actual for Apr'21 & May'21 and rest projection. SLDC submitted the same to the Commission.

4.65 The distribution of unallocated quota from the various plants varies from time to time and is based on power requirement and power shortage in different States. Therefore, the Commission has not considered any power from the unallocated quota for FY 2021-22.

4.66 The Commission has revised the allocation of power from PPS-III, Bawana in line with Regulation 121(4) of the *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* w.e.f. 00:00 Hrs 1st Oct 2021 till 00:00 Hrs 31st March 2022, based on the following reasons:

a) Bridging the gap between Average Power Purchase Cost of the Power Portfolio allocated & Average Revenue due to different consumer mix of all Distribution Licensees.

b) NDMC Petition for approval of power requirement to the tune of 142 MW from Teesta-III, which has not been materialized till date, the fact that 125 MW of allocation of power from Badarpur Thermal Power Station (BTPS) has been discontinued to NDMC due to closure of BTPS and to avoid load shedding in their VIP areas serving critical loads

Table 4. 24: Commission Analysis: Re-allocation of PPS-III Bawana Power Plant among Delhi Distribution Licensees

Power Plant	BRPL		BYPL		TPDDL		NDMC	
	Present Allocation	Revised Allocation	Present Allocation	Revised Allocation	Present Allocation	Revised Allocation	Present Allocation	Revised Allocation
PPS-III, Bawana	38.91%	38.91%	22.50%	19.50%	27.19%	27.19%	9.12%	12.12%

4.67 The Commission has also examined the quantum of power purchase proposed by the Petitioner from various generating stations and based on the above discussions, the availability of power to the Petitioner from Central, State and other Generating Stations is approved as follows:

Table 4. 25: Commission Approved: Energy available to Petitioner from Central and State Generating Stations and other Generating Stations for FY 2021-22

Station	Plant Capacity	Delhi's Share (%)	Delhi's Share (MW)	Petitioner's Share (%)	Petitioner's Share (MW)	Petitioner's Share (MU)
NTPC						
FARAKKA	1600	**1.39%**	22	25.40%	5.65	27
KAHALGAON STAGE-I	840	**6.07%**	51	25.40%	12.95	73
NCPP - DADRI	840	**90.00%**	756	8.17%	61.77	0
RIHAND –I	1000	10.00%	100	0.00%	0.00	0
RIHAND –II	1000	12.60%	126	25.40%	32.00	197
Rihand-III	1000	13.19%	132	40.74%	53.74	395
SINGRAULI	2000	7.50%	150	49.56%	74.34	480
UNCHAHAR-I	420	**5.71%**	24	25.40%	6.09	34
UNCHAHAR-II	420	11.19%	47	25.40%	11.94	65
UNCHAHAR-III	210	13.81%	29	25.40%	7.37	41
KAHALGAON STAGE-II	1500	10.49%	157	25.40%	39.97	257
DADRI EXTENSION	980	74.24%	728	24.03%	174.83	541
Aravali Power Corporation Ltd	1500	46.20%	693	9.99%	69.23	32
ANTA GAS	419	**10.50%**	44	25.40%	11.17	9
AURAIYA GAS	663	**10.86%**	72	25.40%	18.30	12
DADRI GAS	830	10.96%	91	25.40%	23.10	17
NTPC Total	**15222**		**3222**		**602**	**2182**
NHPC						

Station	Plant Capacity	Delhi's Share (%)	Delhi's Share (MW)	Petitioner's Share (%)	Petitioner's Share (MW)	Petitioner's Share (MU)
BAIRASUIL	180	11.00%	20	25.40%	5.03	12
CHAMERA-I	540	7.90%	43	25.40%	10.84	43
CHAMERA-II	300	13.33%	40	25.40%	10.16	36
CHAMERA-III	231	12.73%	29	25.40%	7.47	34
DHAULIGANGA	280	13.21%	37	25.40%	9.39	42
DULHASTI	390	12.83%	50	25.40%	12.71	66
SALAL	690	11.62%	80	25.40%	20.37	98
TANAKPUR	94	12.81%	12	25.40%	3.07	17
URI	480	11.04%	53	25.40%	13.46	81
SEWA-II	120	13.33%	16	25.40%	4.06	15
Uri-II	240	13.45%	32	25.40%	8.20	54
Parbati III	520	12.73%	66	25.40%	16.81	25
NHPC Total	**4065**		**479**		**122**	**522**
THDC						
TEHRI HEP	1000	6.30%	63	0.00%	0.00	0
KOTESHWAR	400	9.86%	39	0.00%	0.00	0
SJVNL						
NJPC (SJVNL)	1500	9.47%	142	25.40%	36.08	157
DVC						
Mejia Unit-6	250	40.00%	100	25.40%	25.40	127
Mejia Unit-7	500	23.80%	119	100.00%	119.00	617
Chandrapur (Ext.-7 and 8)	500	60.00%	300	25.40%	76.20	368
OTHERS CSGS						
Haryana CLP Jhajjar	1320	9.39%	124	0.00%	0.00	0
MPL DVC	1050	26.76%	281	0.00%	0.00	0
TALA	1020	2.94%	30	25.40%	7.62	29
Sasan	3960	11.25%	446	69.83%	311.08	2488
Tuticurin Wind			50			
SECI Solar Rajasthan			60		20.00	39
Suryakanta HEP			14			
Nanti HEP			11			
SEISPPL			180			
Taranda HEP			13			
Singrauli HEP	8	19.13%	2	0.00%	0.00	

Station	Plant Capacity	Delhi's Share (%)	Delhi's Share (MW)	Petitioner's Share (%)	Petitioner's Share (MW)	Petitioner's Share (MU)
SECI Wind Alfanar					50.00	149
SECI - Azure & Eden						88
SECI SBSR Power Cleantech Elevn Pvt. Ltd.						158
Sub Total (SJVNL+DVC+THDC+Others CSGS)	**11508**		**1974**		**645.38**	**4219**
NUCLEAR						
RAPS - 5 & 6	440	12.69%	56	25.40%	14.18	100
NPCIL - NAPS	440	10.68%	47	0.00%	0.00	
Nuclear Total	**880**		**103**		**14.18**	**100**
SGS						
GAS TURBINE	270	100%	90	22.74%	20.47	148
Pragati -I	330	100%	330	16.07%	53.03	229
PRAGATI-III, BAWANA	1371.2	80%	1097	22.50%	246.82	637
TOWMCL	13	97.15%	12.63	0.00%	0.00	0
MSW Bawana	24	100%	24	23.90%	5.74	29
Tata Solar	2	100%	2			
SGS Total	**2008**		**1555.19**		**326.05**	**1042**
TOTAL PURCHASE FROM LONG TERM	**33684**		**7332**		**1710**	**8065**

4.68 The following methodology has been adopted by the Commission for estimation of Power Purchase Cost for FY 2021-22:

a) The Commission has considered Fixed Cost for most of the generating stations as approved by Central Electricity Regulatory Commission (CERC) in its relevant Tariff Orders for various generating stations of NTPC, NHPC, THDC, SJVNL, NPCIL and DVC. For rest of the Stations, the Fixed as billed to the DISCOMs, in Q1FY22 has been the basis for projecting Fixed Cost for FY 2021-22.

b) The Energy Charge Rate (ECR) for most the Generating Stations has been considered on the basis of Actual ECR billed in Q1FY22.

c) The Energy Charge Rate and Fixed Charges of State Generating Stations have been considered as approved by the Commission in the respective Tariff Orders for FY 2021-22 has been considered based on Q1 of FY 2021-22.

d) The impact to the tune of 40% as Arrears related to the Petitions filed by various Central Sector Generating Stations before CERC has also been considered in order to mitigate the impact of PPAC to the end consumer.

e) The impact of re-allocation of PPS-III Bawana has been considered through proportionate reduction in Fixed Cost and Variable Cost from 1st October 2021 to 31st March 2022.

4.69 Based on the above, the Total Power Purchase Cost for FY 2021-22, approved by the Commission for the Petitioner is summarised as follows:

Table 4. 26:Commission Approved: Power Purchase Cost for FY 2021-22

Station	Energy (MU)	Fixed Cost (Rs Cr)	Arrears (Cr.)	Variable Cost (Rs Cr)	Total Cost (Rs Cr)	Avg. Rate (Rs/ kWh)
NTPC						
FARAKKA	27	3.26	0.54	7.74	11.55	4.29
KAHALGAON STAGE-I	73	9.31	1.32	16.94	27.57	3.76
NCPP - DADRI	0	36.47	0.00	0.00	36.47	
RIHAND –I	0	0.00	0.00	0.00	0.00	
RIHAND –II	197	15.89	1.24	26.61	43.74	2.22
Rihand-III	395	54.77	3.92	54.55	113.23	2.86
SINGRAULI	480	33.70	4.76	70.59	109.05	2.27
UNCHAHAR-I	34	4.09	0.80	10.76	15.65	4.65
UNCHAHAR-II	65	7.31	1.24	21.15	29.70	4.54
UNCHAHAR-III	41	6.27	0.97	13.26	20.50	4.95
KAHALGAON STAGE-II	257	30.63	1.62	56.50	88.75	3.46
DADRI EXTENSION	541	164.95	14.80	170.99	350.74	6.48
Aravali Power Corporation Ltd	32	78.90	3.62	10.13	92.65	28.90
ANTA GAS	9	5.82	0.80	2.88	9.50	10.96
AURAIYA GAS	12	8.53	4.61	5.08	18.22	14.71
DADRI GAS	17	9.77	2.16	4.96	16.90	9.77
NTPC Total	**2182**	**469.65**	**42.42**	472.15	**984.21**	**4.51**

Station	Energy (MU)	Fixed Cost (Rs Cr)	Arrears (Cr.)	Variable Cost (Rs Cr)	Total Cost (Rs Cr)	Avg. Rate (Rs/ kWh)
NHPC						
BAIRASUIL	12	1.93	0.00	1.11	3.04	2.52
CHAMERA-I	43	3.31	0.00	4.92	8.24	1.91
CHAMERA-II	36	4.44	0.00	3.62	8.06	2.22
CHAMERA-III	34	6.54	0.00	6.65	13.19	3.91
DHAULIGANGA	42	4.02	0.00	5.10	9.12	2.18
DULHASTI	66	14.85	0.00	18.25	33.11	4.99
SALAL	98	4.88	0.00	6.02	10.90	1.11
TANAKPUR	17	2.11	0.00	2.78	4.89	2.90
URI	81	5.19	0.00	6.62	11.81	1.46
SEWA-II	15	3.18	0.00	3.17	6.36	4.34
Uri-II	54	7.83	0.00	11.49	19.32	3.58
Parbati III	25	8.40	0.00	3.86	12.26	4.89
NHPC Total	**522**	**66.69**	**0.00**	73.61	**140.29**	**2.69**
THDC						
TEHRI HEP	0	0.00	0.00	0.00	0.00	
KOTESHWAR	0	0.00	0.00	0.00	0.00	
SJVNL						
NJPC (SJVNL)	157	16.18	0.00	17.90	34.09	2.17
DVC						
Mejia Unit-6	127	24.07	10.74	37.38	72.19	5.70
Mejia Unit-7	617	121.28	56.66	170.80	348.74	5.66
Chandrapur (Ext.-7 and 8)	368	80.86	35.36	93.92	210.14	5.71
OTHERS CSGS						
Haryana CLP Jhajjar	0	0.00	0.00	0.00	0.00	
MPL DVC	0	0.00	0.00	0.00	0.00	
TALA	29		0.00	6.24	6.24	2.16
Sasan	2488	35.58	0.00	286.12	321.69	1.29
Tuticurin Wind			0.00	0.00	0.00	
SECI Solar Rajasthan	39		0.00	21.24	21.24	5.50
Suryakanta HEP			0.00	0.00	0.00	
Nanti HEP			0.00	0.00	0.00	
SEISPPL			0.00	0.00	0.00	
Taranda HEP			0.00	0.00	0.00	

Station	Energy (MU)	Fixed Cost (Rs Cr)	Arrears (Cr.)	Variable Cost (Rs Cr)	Total Cost (Rs Cr)	Avg. Rate (Rs/ kWh)
Singrauli HEP			0.00	0.00	0.00	
SECI Wind Alfanar	149		0.00	37.49	37.49	
SECI - Azure & Eden	88			23.41	23.41	
SECI SBSR Power Cleantech Elevn Pvt. Ltd.	158			42.34	42.34	
Sub Total (SJVNL+DVC+THDC+Others CSGS)	**4219**	**277.97**	**102.76**	**736.84**	**1117.57**	**2.65**
NUCLEAR						
RAPS - 5 & 6	100		0.00	37.28	37.28	3.73
NPCIL - NAPS			0.00	0.00	0.00	
Nuclear Total	**100**	**0.00**	**0.00**	**37.28**	**37.28**	**3.73**
SGS						
GAS TURBINE	148	12.12	0.00	32.52	44.63	3.01
Pragati -I	229	24.56	0.00	143.40	167.97	7.35
PRAGATI-III, BAWANA	637	220.05	13.82	105.82	339.69	5.33
TOWMCL	0	0.00	0.00	0.00	0.00	
MSW Bawana	29	0.00	0.00	20.21	20.21	7.03
Tata Solar		0.00	0.00	0.00	0.00	
SGS Total	**1042**	**256.73**	**13.82**	**301.95**	**572.50**	**5.49**
TOTAL PURCHASE FROM LONG TERM	**8065**	**1071**	**159**	**1622**	**2852**	**3.54**

RENEWABLE PURCHASE OBLIGATION (RPO)

PETITIONER'S SUBMISSION

4.70 Regulation 27 of DERC (Business Plan) Regulations, 2019 specifies the target for Renewable Purchase Obligation from FY 2020-21 to FY 2022-22 as under:

"27. TARGET FOR RENEWABLE PURCHASE OBLIGATION

(1) The targets for Renewable Purchase Obligation (RPO) in terms of Regulation 124 of the DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 of a Distribution Licensee from FY 2020-21 to FY 2022-23 shall be computed as a percentage of total sale of power to its retail consumers in its area of supply excluding procurement of hydro power. The target for RPO shall be met through purchase of power The target for RPO shall be met through purchase of power from various Renewable Energy sources or purchase of Renewable

*Energy Certificates ('**REC**') or combination of both, and shall be as follows:*

Sr. No.	Distribution Licensee	2020-21	2021-22	2022-23
1	Non Solar Target	10.25%	10.25%	10.50%
2	Solar Target	7.25%	8.75%	10.50%
3	Total	17.50%	19.00%	21.00%

"

4.71 With respect to the RPO Targets mentioned in the *DERC (Business Plan) Regulations, 2019,* the following are proposed:

4.72 The Petitioner had proposed that the RPO targets be set in such a way that the Petitioner may meet its targets with the help of tied up sources. Further, any excess energy procured from Renewable Energy Sources during these years can be utilised to meet the previous year's shortfall of achieving RPO target. In addition, the low RE Potential of Delhi and unavailability of real estate within and around New Delhi has led to very little development of RE Generation near the State.

4.73 Also, there has been various external factors which might affect the Petitioner to comply with RPO Targets like COVID, delay in SCOD by RE developers, halt in REC trading and other factors, which are beyond the control of Petitioner. Hence, we request the Commission to relax the RPO Targets.

4.74 However, considering the RPO Targets mentioned in the Business Plan Regulations, 2019, it is submitted that for computing the cost to purchase REC, the Petitioner has considered forbearance price keeping in view shortfall of RECs in the market where buy bids have been significantly higher than the sell bids. Further, due to higher RPO targets specified by various Commissions it can be fairly assumed that the prices of REC will move towards forbearance price. The Petitioner therefore requests the Commission that if the Petitioner is expected to meet RPO it ought to be allowed the cost of purchasing RECs at forbearance price.

4.75 Accordingly, the cost of REC Purchase for meeting solar RPO during FY 2021-22 as under:

Table 4. 27: Renewable Purchase for meeting Solar RPO during FY 2021-22

Sr. No.	Particulars	UoM	FY 2021-22
A	Energy Sales (excl. Hydro)	MU	5635
B	RPO target – Solar	%	8.75%
C	RPO target – Solar	MU	493
D	Availability from SECI, Net Metering Rooftop	MU	456
E	Required to be met through RECs	MU	37
F	REC rates	Rs./kWh	1.12
G	Cost for REC purchase	Rs. Crore	4

4.76 The Petitioner has arrangements for purchasing Non-solar power from Delhi based plants such as DMSW, SDMC. In addition to the existing sources the Petitioner has executed PPAs with Renewable Energy Developer through SECI, for Wind Power.

4.77 Accordingly, the cost of REC Purchase for meeting Non-Solar RPO during FY 2021-22 as under:

Table 4. 28:Renewable Purchase for meeting Non-Solar RPO during FY 2021-22

Sr. No.	Particulars	UoM	FY 2021-22
A	Energy Sales (excl. Hydro)	MU	5635
B	RPO target - Non-Solar	%	10.25%
C	RPO target - Non-Solar	MU	578
D	Availability from EDWPCL & MSW	MU	448
E	Required to be met through RECs	MU	129
F	REC rates	Rs./kWh	1.12
G	Cost for REC purchase	Rs. Cr.	14

COMMISSION ANALYSIS

4.78 The Commission has notified the DERC (Business Plan) Regulations, 2019 as amended from time to time, for three years i.e., FY 2020-21, FY 2021-22 and FY 2022-23. In the said Regulations, the Commission has specified RPO targets for the petitioner indicated in the table as follows:

Table 4. 29: Commission Approved: Targets for Renewable Purchase Obligation

Sr. No.	Particulars	FY 2021-22
1	Solar	8.75%
2	Non Solar	10.25%

Sr. No.	Particulars	FY 2021-22
3	HPO	0.18%
4	Total	19.18%

4.79 As per the above said DERC (Business Plan) Regulations, 2019, the Distribution companies have to purchase 19.18% of total Energy Sales approved by the Commission during FY 2021-22 from Renewable Energy Sources.

4.80 The Commission based on the inputs received from Delhi SLDC regarding the energy availability from renewable energy projects, based on the projects commissioned or anticipated to be commissioned shortly has observed that the entire renewable energy projected by the Petitioner to meet its RPO obligations may not be available during FY 2021-22.

4.81 Based on the sales approved, the Petitioner has to purchase a minimum of 1,612 MU from renewable energy sources for FY 2021-22 indicated in the table as follows:

Table 4. 30: Commission Approved: Renewable Energy to be procured

Sr. No	Power Source	% RPO Approved in Regulations, 2021	Approved Energy Sales net of LHP purchase (MU)	Renewable Energy to be procured (MU)
1	Solar	8.75%	5702	498.95
2	Non Solar	10.25%		584.48
3	HPO	0.18%		10.26
4	Total	19.18%		1093.69

4.82 The Commission further observed that if total requirement for RPO compliance is more than the quantum of power available to the Petitioner from various Renewable Energy sources, then as per DERC (Business Plan) Regulations, 2019, the balance shortfall has to met with Renewable Energy Certificates.

4.83 CERC vide its Order dated 17/06/2020 has fixed Floor Price and Forbearance Price for Solar and Non Solar RECs as indicated in the table below:

Table 4. 31: Fixed Floor Price and Forbearance Price for Solar and Non-solar RECs proposed by CERC

Sr. No.	Particulars	Floor Price	Forbearance Price
1	Non-Solar	0	Rs. 1000/MWh
2	Solar	0	Rs. 1000/MWh

4.84 The Commission observed that DISCOMs of Delhi, even after bidding at forbearance price, could not purchase RECs in certain months in the last year. Accordingly, the Commission has considered Rs. 500/MWh, which is the average of REC floor and forbearance price as prescribed by CERC, for RECs for the Petitioner for FY 2021-22. The Commission has also considered GST of 12% on the floor price of solar and non-solar RECs, which makes the effective rate of REC as Rs 0.56/ kWh.

4.85 Accordingly, the Power Purchase Cost allowed by the Commission towards RPO compliance is indicated in the table as follows:

Table 4. 32: Commission Approved: Power Purchase Cost towards RPO compliance

Sr. No.	Sources of Renewable Energy	Quantity to be Purchased (MU)	(Rs/kWh)	Total Cost (Rs. Crore)
SOLAR				
	Own Solar	0.00	7.25	0.00
	SECI Solar Rajasthan	38.62	5.50	21.24
	SEISPPL	0.00	3.96	0.00
	SECI - Azure & Eden	88.00	2.66	23.41
	SECI SBSR Power Cleantech Elevn Pvt. Ltd.	158.00	2.68	42.34
	Balance Solar Energy to be purchased	214.33	0.56	12.00
	Sub Total	**498.95**		**99.00**
NON SOLAR				
	TOWMCL	-	-	-
	MSW Bawana	28.75	7.03	20.21
	East Delhi MSW	-	-	0.00
	Suryakanta HEP	-	-	0.00
	Nanti HEP	-	-	0.00
	Taranda HEP	-	-	0.00
	Singrauli HEP	-	-	0.00
	Tuticurin Wind	-	-	0.00
	SECI WIND ALFANAR	148.78	2.51	37.34

Sr. No.	Sources of Renewable Energy	Quantity to be Purchased (MU)	(Rs/kWh)	Total Cost (Rs. Crore)
	Balance Non Solar RECs to be purchased	**406.95**	**0.56**	**22.79**
	Sub Total	**584.48**		**80.34**
	HPO	**10.26**	**3.54**	**3.63**
	TOTAL RPO	**1093.69**		**182.97**

COST OF POWER FROM OTHER SOURCES

SHORT TERM PURCHASE AND SALE

PETITIONER'S SUBMISSION

4.86 The Petitioner has projected the energy requirement and energy availability as mentioned in Para 2.7.4. The deficit thus observed has been considered to be met through short term purchases as under:

Table 4. 33: Month wise energy requirement and availability during FY 2021-22 (MU)

Station	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	Total
Short Term Purchase	0	74	87	72	36	41							310
Short Term Sale	19	39	54	50	93	36	92	219	190	163	157	259	1,372

** Short term Purchase are assumed to meet the monthly demand & supply scenarios.*

4.87 The Petitioner has considered the aforesaid energy to be met through short -term procurement in FY 2021-22. The Petitioner also propose to procure short term renewable power through GTAM. For the purpose of short term purchase cost, the average rate of Rs. 3.50/kWh has been considered in accordance with the weighted average rate actualized from exchange till YTM Oct'20.

4.88 Accordingly, the power purchase cost through Short term sources for FY 2021-22 is tabulated below:

Table 4. 34: Short term power purchase for FY 2021-22

Sr. No	Source	Energy Purchased (MU)	Cost per Unit (Rs./unit)	Total Cost (Rs.Cr.)
1	Short Term Purchase	310	3.50	108.6

COMMISSION ANALYSIS

4.89 It is observed that the Petitioner is in surplus of around 826.76 MU for FY 2021-22 as indicated in Energy Balance Table approved by the Commission. The impact of banking transactions has not been considered for the preparation of Energy Balance for FY 2021-22 as the energy through Return Banking will be off-set through Forward Banking met through Long term sources approved by the Commission.

4.90 The Commission observes that majority of Short Term Transactions, other than Banking, takes place at Indian Energy Exchange by Delhi DISCOMs, therefore, for FY 2020-21 the following was noted for N2 region at IEX:

Table 4. 35: Average Rate for Short term Power Purchase/Sale for FY 2021-22

Summary	Purchase Bid (MWh)	Sell Bid (MWh)	MCV (MWh)	Cleared Volume (MWh)	Final Scheduled Volume (MWh)	MCP (Rs/MWh)
Total	70288069.51	116955647.17	60448086.48	60416101.63	60415939.13	-
Max	17820.00	26703.85	12954.48	12944.88	12944.88	8456.93
Min	2513.28	6218.93	2513.28	2513.28	2513.28	713.29
Average	8023.75	13351.10	6900.47	6896.82	6896.80	2818.77

4.91 In view of above, the Commission has considered Rs. 2.82/kWh from above table, which is Average Rate of FY 2020-21 as Short Term Purchase & Sale, wherever applicable, for FY 2021-22.

TRANSMISSION LOSS AND CHARGES

PETITIONER'S SUBMISSION

INTRA-STATE TRANSMISSION

4.92 The Petitioner has submitted that the intra-state Transmission Loss during FY 2021-22 has been considered @ 0.92% based on previous Tariff Order of the Commission.

4.93 The Petitioner has considered the Intra-State Transmission Charges during FY 2021-22 as per actual of FY 2021-22 and by applying the escalation of 11%. The escalation is based upon the analysis of DTL ARR which has an escalation in (FY20 v/s FY19 Cost ~15% and FY21 v/s FY 20 Bill ~25%).

INTER-STATE TRANSMISSION

4.94 The Petitioner has considered inter-state transmission losses as 3.4% based on past and present trend and recent available Orders.

4.95 The Inter-State Transmission charges during FY 2021-22 is projected as per the YTM Nov'20 and applying an escalation of 11%, similar escalation is seen during FY 2020-21 over FY 2019-20.

4.96 The Petitioner projected the Intra-State and Inter-State Transmission losses and Charges for FY 2021-22 as under:

Table 4. 36: Petitioner Submission: Transmission loss, charges for FY 2021-22

Sr. No.	Particulars	FY 2021-22
A	Transmission losses (MU)	
i	Inter-State Transmission	206
ii	Intra-State Transmission	74
iii	Total Transmission losses (MU)	280
B	Transmission Charges (Rs. Crore)	
i	Inter-State Transmission	510
ii	Intra-State Transmission (including SLDC)	231
iii	Others	26
iv	**Total Transmission Charges (Rs. Crore)**	**766**

COMMISSION ANALYSIS

4.97 The Petitioner has submitted actual Transmission Charges for availing Transmission Services for FY 2019-20. The Commission has considered the same for Inter State Transmission Charges. The Intra-State Transmission Charges has been considered based on DTL Order for FY 2021-22.

4.98 The Commission has considered Inter-State transmission losses @ 2% based on the latest bills furnished by the DISCOMs and Intra-state transmission losses @ 0.92%, as approved in DTL Order for FY 2021-22, for computation of transmission losses for FY 2021-22.

4.99 In view of above, the Inter-State and Intra-State Transmission Losses and Transmission Charges as approved by the Commission for FY 2021-22 are indicated in the table as follows:

Table 4.37:Commission Approved: Inter-State and Intra-State Transmission Losses and Transmission Charges for FY 2021-22

Sr. No.	Particulars	Approved
A	**Transmission losses (MU)**	
1	Inter-State Transmission (PGCIL)	140.46
2	Intra-State Transmission (DTL)	72.91
	Total Transmission Losses (MU)	**213.37**
B	**Transmission Charges (Rs Crore)**	
1	Inter-State Transmission (PGCIL)	436.96
2	Intra-State Transmission (DTL)	242.84
3	Other Transmission Charges	7.60
4	SLDC Charges	2.25
C	**Total Transmission Charges (Rs. Cr.)**	**689.65**

ENERGY BALANCE

PETITIONER'S SUBMISSON

4.100 The Energy balance submitted by the Petitioner for FY 2021-22 is summarised as under:

Table 4.38: Petitioner Submission: Energy Balance during FY 2021-22

Sr. No.	Particulars	Quantity (MU)
1	Power Purchase @Exbus-FIRM	8,313
2	Inter-State Losses	206
3	Power Available at Delhi Periphery	8,108
4	Intra-state Loss & Charges (Including SLDC charges)	74
5	Power Available to DISCOM	8,034
6	Short term requirement at DISCOM Periphery	310
7	Total Available	8,344
8	Sales	5,967
9	Distribution Loss	572
10	Energy Requirement at Distribution Periphery	6,539
	Total Sale of Surplus	1,805

SALE OF SURPLUS POWER

4.101 The Petitioner has considered the aforesaid excess energy to be sold through short term sale during FY 2021-22. For the purpose of short term purchase cost, the average rate of Rs. 2.3/kWh has been considered in accordance with the weighted average Short term rate actualized from till YTM Oct'20. Accordingly, the estimated short term sale for FY 2021-22 is tabulated below:

Table 4.39: Petitioner Submission: Revenue from sale of surplus power during FY 2021-22

Sr. No.	Source	Energy Sale (MU)	Cost per Unit (Rs./unit)	Total Cost (Rs.Cr.)
1	Short Term Sale	1,372	2.3	322

COMMISSION ANALYSIS

4.102 The energy balance submitted by the Petitioner is summarised in the table as follows:

Table 4. 40:Commission Approved: Energy Balance for FY 2021-22

Sr. No.	Particulars	Unit	FY 2021-22
Energy Availability			
1	Total energy available (Excluding SGS)	MU	7023.04
2	Inter-State Transmission Losses	%	2.00%
		MU	140.46
3	Energy available from SGS excl. generation in own distribution network	MU	1042.45
4	Energy available at State Transmission Periphery (1-2+3)	MU	7925.03
5	Intra-State Transmission Losses	%	0.92%
6		MU	72.91
7	Net Energy available at the distribution periphery	MU	7852.12
Energy Requirement			
8	Energy Sales	MU	6410.64
9	Distribution loss	%	8.75%
		MU	614.72
10	Energy requirement at distribution periphery	MU	7025.36
11	**Surplus/ (Gap) energy (7-10)**	**MU**	**826.76**

REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES
PETITIONER'S SUBMISSION

4.103 The Petitioner has submitted that the actual rebate to be availed in FY 2021-22 depends on the Tariff determined by the Commission, RA recovery allowed and consequent available cash with the Petitioner.

4.104 The concept of normative rebate is based on assumptions that the system is perfect and business as usual as under:

i) There is no creation of Regulatory Asset;
ii) Various APTEL's judgments are yet to be given effect to by this Commission entitling cash flow to the Petitioner;
iii) There is no major variation in power purchase cost.
iv) In fact, to the best of the knowledge of the Petitioner, in no other State any DISCOM has been able to avail maximum normative rebate when aforesaid conditions are not met.

4.105 The Petitioner has submitted that they could not make payment of bills to any generating company and transmission licensee through letter of credit on presentation.

4.106 Additionally, the Petitioner also has to pay LPSC to the generators which is not allowed by the Commission.

4.107 Without prejudice to the above, the Petitioner has estimated rebate on power purchase and Transmission Charges during FY 2021-22 as per The Tariff Regulations, 2017.

4.108 In accordance with above, the Petitioner has considered receiving rebate on power purchase cost from generating stations and Transmission Charges during FY 2021-22 based on the following assumptions:

i) 1.5% normative rebate on power purchased from Central Generating Stations
ii) 2% normative rebate on power purchased from State Generating Stations
iii) 2.5% normative rebate on power purchased from NPCIL
iv) 1.5% normative rebate on Inter-State Transmission Charges

v) 2% normative rebate on Intra-State Transmission Charges

COMMISSION ANALYSIS

4.109 Regulation119 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 states as follows:

> *"119. Distribution Licensee shall be allowed to recover the net cost of power purchase from long term sources whose PPAs are approved by the Commission, assuming maximum normative rebate available from each source, for supply to consumers."*

4.110 The Commission observed that CERC in its CERC (Terms and Conditions of Tariff), Regulations, 2019 has considered the rebate as under:

> *"58. Rebate. (1) For payment of bills of the generating company and the transmission licensee through letter of credit on presentation or through National Electronic Fund Transfer (NEFT) or Real Time Gross Settlement (RTGS) payment mode within a period of 5 days of presentation of bills by the generating company or the transmission licensee, a rebate of 1.50% shall be allowed."*

4.111 Regulation 138 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* states as under:

> *"138 For payment of bills of the generating entity and the transmission licensee through letter of credit on presentation or through NEFT/RTGS within a period of 2 days of presentation of bills by the generating entity or the transmission licensee, a rebate of 2% shall be allowed."*

4.112 The Commission observed that from the PPA signed by the Petitioner with NPCIL, a rebate of 2.5% is allowed on timely payment and accordingly the same has been considered.

4.113 The Commission has not considered any rebate on power procured through SECI in line with the arrangement between the Petitioner and SECI.

4.114 Accordingly, the Commission has considered applicable rebates % for FY 2021-22 on the rebateable amount for FY 2019-20 and approves the rebate of Rs. 60.43 Cr.

TOTAL POWER PURCHASE COST

PETITIONER'S SUBMISSION

4.115 The total long term power purchase cost during FY 2021-22 is tabulated below:

Table 4. 41:Petitioner Submission: Total Power Purchase Cost for FY 2021-22

Sr. No.	Stations	Gross Power Purchase (MU)	Average Rate (Rs./ kWh)	Total Cost (Rs.Cr.)
A	**NTPC**			
1	Anta Gas Power Project	9	8.72	7.9
2	Auraiya Gas Power Station	12	12.41	14.7
3	Badarpur Thermal Power Station	0	0.00	0.0
4	Dadri Gas Power Station	17	10.00	16.6
5	Feroze Gandhi Unchahar TPS 1	30	4.62	13.9
6	Feroze Gandhi Unchahar TPS 2	56	4.86	27.5
7	Feroze Gandhi Unchahar TPS 3	38	4.83	18.3
8	FarakkaStps	46	3.58	16.6
9	Kahalgaon Thermal Power Station 1	95	3.46	32.8
10	Kahalgaon Thermal Power Station 2	288	3.22	92.9
11	National Capital Thermal Power	0		0.0
12	Dadri TPS-II	520	7.36	382.77
13	Rihand Thermal Power Station 1	0	0.00	0.00
14	Rihand Thermal Power Station 2	242	2.08	50.27
15	Rihand Thermal Power Station 3	360	3.05	109.97
16	Singrauli STPS	551	2.10	115.66
	Sub Total	**2,264**	**3.97**	**900**
B.	**NHPC Ltd.**			
1	Bairasiul	22	2.07	4.51
2	Salal	91	2.82	25.65
4	Tanakpur	15	4.68	6.91
3	Chamera I	33	2.30	7.69
5	Uri	73	2.37	17.21
7	Chamera – II	51	2.36	11.99
9	Chamera – III	35	4.52	15.90
6	Dhauliganga	38	2.26	8.61
8	Dulhasti	62	5.11	31.78
12	Sewa-II	18	5.89	10.64
10	Uri II	38	6.41	24.46
11	Parbati-III	63	2.38	15.09
	Sub Total	**539**	**3.35**	**180**
C.	**NPCI Ltd.**			
1	Nuclear Power Corp. of India Ltd. Narora	0	0.00	0.00
2	Nuclear Power Corp. of India Ltd. Kota UNIT - 5&6 RAPP	119	3.86	45.73
	Sub Total	**119**	**3.86**	**45.73**

Sr. No.	Stations	Gross Power Purchase	Average Rate	Total Cost
		(MU)	(Rs./ kWh)	(Rs.Cr.)
D.	**SJVN Ltd.**			
1	Satluj Jal Vidyut Nigam Ltd.- NathpaJhakri	159	2.73	43.38
	Sub Total	**159**	**2.73**	**43.38**
E.	**Solar Roof Top**			
F.	**Damodar Valley Corporation**			
1	Mejia Units 6	144	4.62	66
2	CTPS 7 & 8	398	5.11	204
3	MTPS 7	638	4.91	309
	Sub Total	1,180	15	579
G.	**Power stations in Delhi**			-
1	Indraprastha Power Generation Co.Ltd. RPH	0	0.00	0.00
2	Indraprastha Power Generation Co.Ltd. GT	69	4.93	34.11
3	Pragati Power Corp.Ltd. Pragati I	231	4.61	106.47
4	Pragati Power Corp.Ltd. Pragati III (Bawana)	306	7.07	216.45
	Sub Total	606	5.89	357.04
H.	**Aravali Power Corporation Ltd – Jhajjar**	74	16.00	117.58
I.	**Sasan**	2485	1.45	359.8
J.	**Renewables**	-		-
I	SECI- existing	42	5.92	25
Ii	SECI-Solar (Kilraj)	105	2.61	27
Iii	SECI- Wind- Alfanar Energy Private Ltd	149	2.52	38
Iv	Self Generation	0	5.36	0
V	MSW	30	7.03	21
K	**Tala**	**29**	**2.16**	**6**
L- New Sources				
I	EDEN Renewables Cite Pvt Ltd	88	2.67	23.38
Ii	SBSR Power Cleantech Eleven	158	2.68	42.30
Iii	SECI- Wind (SitacKabini Renewables Pvt Ltd)	248	2.84	70.45
Iv	ACME Solar Holdings Ltd	18	2.51	4.48
V	Mytrah Energy (India) Private Ltd	0	0.00	0.00
Vi	SDMC	21	4.30	8.92
M	Arrears			363
TOTAL QUANTUM FROM FIRM SOURCES		**8,313**	**3.86**	**3,212**

4.116 Accordingly, the Petitioner submitted the power purchase cost net of rebate for FY 2021-22 works out to Rs. 3721 Cr. tabulated as under:

Table 4. 42: Petitioner Submission: Quantum of Power and Net Power Purchase Cost for FY 2021-22

Sr. No.	Source	Quantity (MU)	Amount (Rs. Crore)	Average Cost (Rs./ kWh)
A	Power Purchase from CSGS	7,656	2,825	**3.69**
B	Inter-State Loss & Charges	206	510	
C	Cost towards REC		19	
D	**Power Available at Delhi Periphery**	**7,450**	**3,354**	**4.49**
E	Power Purchase from SGS*	658	387	**5.89**
F	Intra-State Losses & Charges including SLDC Charges	74	257	
G	Shortfall to be met at DISCOM Periphery	310	109	**3.50**
H	Total Power available to DISCOM	8,344	4,098	**4.91**
I	Sales	5,967		
J	Distribution Loss	572		
K	Less: Normative rebate		63	
L	**Required power for the DISCOM**	**6,539**	**3,624**	**5.54**
M	Total Sale of Surplus Power	1,805	410	2.3

** includes SGS and State Renewable etc.*

COMMISSION ANALYSIS

4.117 Based on the analysis above, the total power purchase cost approved for FY 2021-22 is as follows:

Table 4. 43:Commission Approved: Power Purchase Cost for FY 2021-22 22

Sr. No.	Particulars	Approved		
		Quantity (MU)	Amount (Rs. Crore)	Average cost (Rs./kWh)
1	Power Purchase from stations outside Delhi	7023.04	2279.36	**3.25**
2	PGCIL Losses & Charges	140.46	444.56	
3	Power Purchase from SGS	1042.45	572.50	**5.49**
4	Cost towards Renewable Energy Certificates (RECs) and HPO		38.42	
5	**Power Available at Delhi Periphery (cost excluding RECs & HPO)**	**7925.03**	**3296.42**	**4.16**
6	DTL Loss & Charges including SLDC charges	72.91	245.09	
7	TPDDL Own Solar/ TOWMCL	0.00	0.00	
8	Power Purchase Rebate based on FY 2019-20 Normative rebate on Rebateable Amount		60.43	
9	PPCL & IPGCL - Impact of Appeal No. 284/2015*		27.81	
10	**Power Available to DISCOM**	**7,852.12**	**3508.90**	**4.47**

Sr. No.	Particulars	Approved		
		Quantity (MU)	Amount (Rs. Crore)	Average cost (Rs./kWh)
11	Sales	6410.64		
12	Distribution Loss	**614.72**		
13	**Net Power Purchase cost including Transmission charges and RECs + HPO**	**7025.36**	**3314.27**	**4.72**
14	**Net Surplus Power / (Shortfall)**	**826.76**	**233.04**	**2.82**

* **Note:** The computation of impact of Appeal No. 284/2015 is provided in Tariff Orders of IPGCL & PPCL. Since, the amount is provided to the Petitioner in it's Power Purchase Cost for FY 2021-22 recoverable through Tariff, therefore, Petitioner is directed to make timely payment to this effect also.

POWER PURCHASE COST ADJUSTMENT CHARGES (PPAC)

COMMISSION ANALYSIS

4.118 As per Regulation 135 of the *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017,* the Commission has to specify the detailed formula for PPAC in the Tariff Order for the relevant year.

4.119 Further, as per Regulation 134 of the *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* only Price of Fuel from long term sources of Generation, Variation in Fixed Cost on account of Regulatory Orders from long term sources of Generation and Variation in Transmission Charges shall be allowed to be recovered in PPAC. The relevant Regulation is as follows:

"134. The Distribution Licensee shall be allowed to recover the incremental Power Procurement Cost on quarterly basis, over and above the Power Procurement Cost approved in the Tariff Order of the relevant year, incurred due to the following:

(a) Variation in Price of Fuel from long term sources of Generation;

(b)Variation in Fixed Cost on account of Regulatory Orders from long term sources of Generation;

(c) Variation in Transmission Charges."

4.120 Accordingly, the Commission has specified the PPAC formula for FY 2021-22 by considering the base Power Purchase Cost from various generating stations over which any increase has to be taken for the purpose of PPAC during FY 2021-22 indicated as follows:

Power Purchase Cost Adjustment (PPAC) formula

$$\text{PPAC for nth Qtr. (\%)} = \frac{A\text{-}B)*C + (D\text{-}E)}{\{Z * (1\text{-} \frac{\text{Distribution losses in \%}}{100})\} * ABR}$$

Where,

A = Total units procured in (n-1)th Qtr (in kWh) from power stations having long term PPAs – (To be taken from the bills of the GENCOs issued to distribution licensees)

B = Proportionate bulk sale of power from Power stations having long term PPAs in (n-1)th Qtr (in kWh)

$$= \frac{\text{Total bulk sale in (n-1)th Qtr (in kWh)} * A}{\text{Gross Power Purchase including short term power in (n-1)th Qtr (in kWh)}}$$

Total bulk sale and gross power purchase in (n-1)th Qtr to be taken from provisional accounts to be issued by SLDC by the 10th of each month.

C = Actual average Power Purchase Cost (PPC) from power stations having long term PPAs in (n-1)th Qtr (Rs./ kWh) – Projected average Power Purchase Cost (PPC) from power stations having long term PPAs (Rs./ kWh) (from tariff order)

D = Actual Transmission Charges paid in the (n-1)th Qtr

E = Base Cost of Transmission Charges for (n-1)th Qtr = (Approved Transmission Charges/4)

Z = [{Actual Power purchased from Central Generating Stations having long term PPA in (n-1)th Qtr (in kWh)*(1 – $\frac{\text{INTERSTATE TRANSMISSION LICENSEE losses in \%}}{}$) + Power from Delhi GENCOs

100
(in kWh)}*(1 – Intra state losses in %) – B] in kWh
100

ABR = Average Billing Rate for the year (to be taken from the Tariff Order)

Distribution Losses (in %) = Target Distribution Losses (from Tariff Order)

INTER STATE TRANSMISSION LICENSEE Losses = 100* Approved INTER STATE TRANSMISSION LICENSEE losses in Tariff Order (kWh) / Approved long term power purchase from central generating stations having long term PPA in the Tariff Order (kWh)

(in %) DTL Losses (in %) = 100 * Approved DTL Losses (from the Tariff Order) Power / available at Delhi periphery (from energy balance table tariff order)

4.121 The Commission has specified the methodology for recovery of PPAC in DERC (Business Plan) Regulations, 2017 as follows:

"The mechanism for recovery of Power Purchase Cost Adjustment Charges (PPAC) in terms of the Regulation 134 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2017-18 to FY 2020-21 of the Distribution Licensees shall be as follows:

(1) The Commission shall specify the detailed formula for computation of PPAC in the Tariff Order for the relevant year.

(2) The Distribution Licensee shall compute the PPAC for any quarter as per the specified formula for the relevant year:

Provided that a quarter refers to one-fourth of a year i.e., January, February and March (Q1); April, May and June (Q2); July, August and September (Q3); and October, November and December (Q4).

(3) The PPAC computation of any quarter shall be equally spread and adjusted over subsequent quarter only:

Provided that the Commission may allow to carry forward PPAC to more than one quarter in order to avoid the tariff shock for consumers in terms of Regulation 136 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

(4) The treatment of PPAC computation as per the specified formula shall be as follows:

(a)in case PPAC does not exceed 5% for any quarter, the Distribution Licensee may levy PPAC at 90% of computed PPAC with prior intimation to the Commission without going through the regulatory proceedings.

(b) in case PPAC exceeds 5% for any quarter, the Distribution Licensee may levy PPAC of 4.50% without going through the regulatory proceedings and shall file an application for prior approval of the Commission for the differential PPAC claim (Actual PPAC % – 4.50%).

(5) The Distribution Licensee shall upload the computation of PPAC on its website before the same is levied to the consumers' electricity bills.

(6) Revenue billed on account of PPAC by the Distribution Licensee, without going through the regulatory proceedings, shall be trued up along-with the Power Purchase Cost of the relevant year and no Carrying Cost shall be allowed due to under-recovery of revenue for the same year.

(7) Revenue billed on account of PPAC by the Distribution Licensee, without going through the regulatory proceedings, shall be trued up along-with the Power Purchase Cost of the relevant year and Carrying Cost shall be recovered at 1.20 times of interest rate on the excess revenue recovered for the same year."

4.122 PPAC on quarterly basis shall be charged as per the following:

(a) The PPAC will be charged to all categories of consumers.

(b) The weighted average base cost as approved in this Tariff shall be **Rs. 3.54/kWh.**

(c) The distribution licensee shall submit to the Commission the details in respect of changes in power purchase cost of plants having long term PPAs, as listed above for (n-1)th quarter. Further, Auditor's Certificate indicating plant-wise details of fixed charges, variable charges, other charges and units purchased from each plant having long term PPAs, as listed above, for (n-1)th quarter and actual transmission charges for (n-1)th quarter shall be furnished along with the proposal of PPAC surcharge submitted for the Commission's approval. Further, similar information in respect of current bills shall also be furnished in the Auditor's certificate.

(d) The percentage of PPAC will be rounded off to two decimal places.

(e) The percentage increase on account of PPAC will be applied as a surcharge on the total energy and fixed charges (excluding short term arrears, LPSC, Electricity Duty etc.) billed to a consumer of the utility. Further, PPAC surcharge shall not be levied on the 8% surcharge and also the 8% surcharge towards recovery of past accumulated deficit shall not to be levied on PPAC.

(f) The bill format shall clearly identify the PPAC percentage and amount of PPAC billed as separate entries.

(g) This PPAC formula shall remain applicable till it is reviewed, revised or otherwise amended.

OPERATION AND MAINTENANCE (O&M) EXPENSES
PETITIONER'S SUBMISSION

4.123 The Petitioner has considered the actual capacity till 31.03.2020 as submitted in the True Up for FY 2019-20 and added the projected capacity addition for FY 2020-21 and FY 2021-22 as submitted in its Business Plan on November 11, 2019.

4.124 The Petitioner has applied the approved per unit rates specified for FY 2021-22 in DERC Business Plan Regulations, 2019 on the average capacity of line length and power transformation capacity as submitted for FY 2021-22 in the Business Plan Petition.

4.125 Regulation-23 of DERC Business Plan Regulations, 2019 states as under:

*"**23. Operation and Maintenance Expenses***

(1) Normative Operation and Maintenance Expenses in terms of Regulation 4(3) and Regulation 92 of the DERC (Terms and Conditions for determination of Tariff) Regulations, 2019 for the Distribution Licensees shall be follows:

Table 9: O&M Expenses for BYPL for the Control Period

Particulars	***Unit***	***2020-21***	***2021-22***	***2022-23***
66 kV Line	*Rs. Lakh/ Ckt. Km*	*4.857*	*5.043*	*5.236*
33 kV Line	*Rs. Lakh/ Ckt. Km*	*4.857*	*5.043*	*5.236*
11 kV Line	*Rs. Lakh/ Ckt. Km*	*2.036*	*2.114*	*2.195*
LT lines system	*Rs. Lakh/ Ckt. Km*	*9.173*	*9.524*	*9.89*
66/11 kV Grid S/s	*Rs. Lakh/ Ckt. Km*	*1.157*	*1.201*	*1.247*
33/11 kV Grid S/s	*Rs. Lakh/ Ckt. Km*	*1.157*	*1.201*	*1.247*
11/0.415 kV DT	*Rs. Lakh/ Ckt. Km*	*2.534*	*2.631*	*2.732*

The Distribution Licensee shall be allowed O&M expenses for a particular financial year of the control period by multiplying the norms for O&M expenses of that particular year with the respective average network capacity during the financial year i.e. (average of network capacity at start of Financial year and network capacity at the end of Financial year)

..."

4.126 The Petitioner has computed the normative O&M expenses for FY 2021-22 as below:

Table 4. 44: Petitioner Submission: O&M Expenses during FY 2021-22

Particulars	**Average Capacity for FY 2021-22**	**O&M expenses per unit**		**O&M expenses**
66 kV Line (ckt km)	254	Rs. Lakh/ckt. km	5.043	13
33 kV Line (ckt km)	448	Rs. Lakh/ckt. km	5.043	23
11kV Line (ckt km)	3036	Rs. Lakh/ckt. km	2.114	64
LT Line system (ckt km)	5729	Rs. Lakh/Ckt. km	9.524	546
66/11 kV Grid S/s (MVA)	1878	Rs. Lakh/MVA	1.201	23
33/11 kV Grid S/s (MVA)	2230	Rs. Lakh/MVA	1.201	27
11/0.415 kV DT (MVA)	3620	Rs. Lakh/MVA	2.631	95
Total O&M Expenses				**790 Lacs**

4.127 The Petitioner requested the Commission to allow the normative O&M Expenses as above while approving the ARR for FY 2021-22.

COMMISSION ANALYSIS

4.128 The Commission at Regulation 23 of DERC (Business Plan) Regulations, 2019 has notified norms for Operation and Maintenance Expenses for FY 2021-22 in terms of Regulation 4(3) of DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 as follows:

"23. Operation and Maintenance Expenses

(1) Normative Operation and Maintenance Expenses in terms of Regulation 4(3) and Regulation 92 of the DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 for the Distribution Licensees shall be follows:

Table 8: O&M Expenses for TPDDL for the Control Period

Particulars	*Unit*	*2020-21*	*2021-22*	*2022-23*
66 kV Line	*Rs. Lakh/ Ckt. Km*	*4.857*	*5.043*	*5.236*
33 kV Line	*Rs. Lakh/ Ckt. Km*	*4.857*	*5.043*	*5.236*
11 kV Line	*Rs. Lakh/ Ckt. Km*	*2.036*	*2.114*	*2.195*
LT lines system	*Rs. Lakh/ Ckt. Km*	*9.173*	*9.524*	*9.89*
66/11 kV Grid S/s	*Rs. Lakh/ Ckt. Km*	*1.157*	*1.201*	*1.247*
33/11 kV Grid S/s	*Rs. Lakh/ Ckt. Km*	*1.157*	*1.201*	*1.247*
11/0.415 kV DT	*Rs. Lakh/ Ckt. Km*	*2.534*	*2.631*	*2.732*

... "

(2) The Distribution Licenses shall be allowed own (Auxiliary) consumption, at zero tariff for actual recorded consumption subject to a maximum of 0.25% of total sales to its retail consumers for the relevant financial year as part of O&M expenses for the relevant year.

(3) Actual recorded own (Auxiliary) consumption in excess of 0.25% of total sales to its retail consumers for the relevant financial year, shall be billed at Non Domestic Tariff of respective year's Tariff schedule and shall form part of revenue billed and collected for the same year.

(4) Impact of any Statutory Pay revision on employee's cost as may be applicable on case to case basis shall be considered separately, based on actual payment made by the Distribution Licensees and shall be allowed by the Commission after prudence check at the time of true up of ARR for the relevant financial year."

4.129 The Commission has considered 100% of the network capacity as on 31/03/2020 and 80% of the projected addition for FY 2021-22 and has provisionally allowed O&M expenses of the Petitioner. The true-up of O&M expenses shall be as per actual network capacity.

4.130 On the basis of network and financial details submitted by the Petitioner, the Commission has determined O&M Expenses for FY 2021-22 as follows:

Table 4. 45: Commission Approved: O&M Expenses for FY 2021-22 (Rs. Cr.)

<table>
<tr><th rowspan="2">NETWORK</th><th rowspan="2">Network Capacity as on 01/04/2020</th><th rowspan="2">Projected Addition during FY 2020-21</th><th rowspan="2">Projected Addition during FY 2021-22</th><th rowspan="2">Closing Network Capacity</th><th colspan="2">Norms as per BPR, 2017</th><th colspan="3">Commission Approved</th></tr>
<tr><th>Units</th><th>Rate/ Unit</th><th>Average Network Capacity</th><th>Unit Rate (Rs./Unit)</th><th>Rs. Cr.</th></tr>
<tr><td>66 kV Line (kms)</td><td rowspan="2">615</td><td rowspan="2">4</td><td rowspan="2">20</td><td rowspan="2">639</td><td>Rs. Lakh/Ckt. Km</td><td rowspan="2">5.043</td><td rowspan="2">629</td><td rowspan="2">5.043</td><td rowspan="2">31.74</td></tr>
<tr><td>33 kV Line (kms)</td><td>Rs. Lakh/Ckt. Km</td></tr>
<tr><td>11 kV Line (kms)</td><td>2931</td><td>61</td><td>46</td><td>3038</td><td>Rs. Lakh/Ckt. Km</td><td>2.114</td><td>3015</td><td>2.114</td><td>63.74</td></tr>
<tr><td>LT Lines system (kms)</td><td>5532</td><td>52</td><td>93</td><td>5677</td><td>Rs. Lakh/Ckt. Km</td><td>9.524</td><td>5631</td><td>9.524</td><td>536.25</td></tr>
<tr><td>66/11 kV Grid sub-station (MVA)</td><td rowspan="2">3798</td><td>27</td><td>149</td><td>3974</td><td>Rs. Lakh/MVA</td><td rowspan="2">1.201</td><td rowspan="2">3900</td><td rowspan="2">1.201</td><td rowspan="2">46.84</td></tr>
<tr><td>33/11 kV Grid sub-station (MVA)</td><td></td><td></td><td></td><td>Rs. Lakh/MVA</td></tr>
<tr><td>11/0.4 kV DT (MVA)</td><td>3438</td><td>98</td><td>90</td><td>3626</td><td>Rs. Lakh/MVA</td><td>2.631</td><td>3581</td><td>2.631</td><td>94.22</td></tr>
<tr><td>Total</td><td colspan="9">772.79</td></tr>
</table>

CAPITAL EXPENDITURE AND CAPITALISATION

PETITIONER'S SUBMISSION

4.131 The Petitioner has referred the Regulation-24 (1) of DERC Business Plan Regulations, 2019 states as under:

"24. Capital Investment Plan

(1) The tentative Capital Investment Plan in terms of Regulation 4 (4) of the DERC (terms and conditions for determination of tariff) Regulations, 2017 for the Distribution Licensee shall be as follows:

Table 13: Capitalisation for BYPL for the Control Period (in Rs. Cr.)

Particulars	*2020-21*	*2021-22*	*2022-23*	*Total*
Capitalization	*375*	*397*	*428*	*1200*
Smart Meter	*33*	*33*	*35*	*101*
Less: Deposit Work	*36*	*48*	*69*	*153*
Total	*372*	*382*	*394*	*1148*

..”

4.132 The Petitioner has projected the gross capitalisation of Rs. 430 Crore during FY 2021-22 as approved by the Commission in the *Business Plan Regulations*, 2019.

Table 4. 46: Petitioner Submission: Capitalisation for FY 2021-22 (in Rs. Cr.)

Sr. No.	Particulars	Approved in Business Plan Regulations	Submission
A	Capitalization	430*	430*

** Gross amount including consumer contribution for deposit works*

COMMISSION ANALYSIS

4.133 The Commission has taken cognizance of the situation arisen due to COVID-19 pandemic which may have affected mobilisation/availability of resources such as equipment, materials, supplies, labour, etc. which will impact the commissioning of new projects/ schemes. The Commission is of the view that the impact of COVID-19 pandemic may lead to reduction of around 20% in projected Capitalisation of the projects. Accordingly, the Commission has considered the asset capitalization for FY 2021-22 by reducing the amount as projected by the Petitioner by 20%.

4.134 The Commission has considered the gross capitalisation of Rs. 344 Cr. including Consumer Contribution for Rs. 16.62 Cr. during FY 2021-22.

CONSUMER CONTRIBUTION & GRANTS

PETITIONER'S SUBMISSION

4.135 The Petitioner has considered actual Consumer contribution capitalized upto FY 2019-20 and for FY 2020-21 & FY 2021-22 as approved by the Commission in the *Business Plan Regulations, 2017 and Business Plan Regulations,* 2019 respectively tabulated as under:

Table 4. 47: Petitioner Submission: Consumer Contribution Capitalized for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	FY 2021-22	Remarks/Ref.
A	Consumer Contribution & Grants capitalized upto FY 2019-20	323	
B	Consumer Contribution Capitalized for FY 2020-21	36	B.P Regulations, 2019
C	Opening Balance of Consumer Contribution capitalized for FY 2021-22	359	A+B
D	Consumer Contribution Capitalized for FY 2021-22	48	B.P Regulations, 2019
E	Closing Consumer Contribution and Grants for FY 2021-22	407	C+D
F	Average Consumer Contribution and Grants	383	(C+E)/2

COMMISSION ANALYSIS

4.136 The Commission has projected the capitalization of Consumer Contribution during FY 2021-22 amounting to Rs. 13.62 Cr. Accordingly, the Consumer Contribution used for means of finance for FY 2021-22 based on true up of ARR upto FY 2019-20 is as follows:

Table 4. 48:Commission Approved: Consumer Contribution Capitalized (Rs. Cr.)

Sr. No	Particulars	FY 2021-22	Ref.
A	Opening Balance	407.84	
B	Capitalized during the year	13.62	
C	Closing Balance	421.46	(A+B)
D	Average Cumulative Capitalized Consumer Contribution	414.65	(A+C)/2

DEPRECIATION

PETITIONER'S SUBMISSION

4.137 The Petitioner has submitted that the Commission in its Tariff Regulations 2017 has specified the rates and methodology for computation of depreciation from FY 2018-19 onwards. Further, the Petitioner has considered the rate of depreciation during FY 2021-22 and FY 2022-23 as per books of accounts and derived the average rate of depreciation as under:

Table 4. 49: Petitioner Submission: Computation of rate of Depreciation for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Amount
1	Opening GFA for FY 2019-20 as per Audited Accounts (Rs. Cr.)	3,714.2
2	Closing GFA for FY 2019-20 as per Audited Accounts (Rs. Cr.)	3,920.6
3	Average GFA as per Books of Accounts (Rs. Cr.)	3,817.4
4	Depreciation as per Audited Accounts	193.6
5	Average rate of depreciation	5.07%

4.138 Accordingly, the depreciation for FY 2021-22 is calculated as follows:

Table 4. 50: Petitioner Submission: Depreciation for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Amount	Remarks/Ref.
A	Opening GFA for FY 2021-22	3950	
B	Addition during FY 2021-22	408	Business Plan Regulation, 2017
C	Opening GFA for FY 2021-22	4358	A+B
D	Additions during the year	430	Business Plan Regulation, 2019
E	Closing GFA for FY 2021-22	4788	C+E
F	Average GFA	4573	Average(C,F)
G	Less: Average Consumer Contribution	383	Table 1.25
H	Average GFA net of CC	4190	G-H
I	Average rate of depreciation	5.07%	Table 1.26
J	Depreciation for FY 2021-22	212	I*J
K	Opening Accumulated Depreciation for FY 21-22	1702	
L	Closing Accumulated Depreciation for FY 21-22	1914	K+L

4.139 The Petitioner requested the Commission to allow the depreciation as computed above in the ARR.

COMMISSION ANALYSIS

4.140 The Commission has provisionally considered the rate of depreciation for FY 2021-22 as approved for FY 2019-20 and approved depreciation as follows:

Table 4.51: Commission Approved: Depreciation for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	Amount
A	Closing GFA for FY 2019-20	3572.88

Sr. No.	Particulars	Amount
B	Additions projected during FY 2020-21	243.75
C	Opening GFA	3816.63
D	Net Additions to Asset during the year	344.00
E	Closing GFA	4160.63
F	Average GFA	3988.63
G	Less: Average Consumer Contribution	414.65
H	Average GFA net of CC	3573.98
I	Average rate of depreciation	5.07%
J	**Depreciation**	**181.20**

WORKING CAPITAL

PETITIONER'S SUBMISSION

4.141 The Petitioner has computed the working capital requirement for FY 2021-22 as per Regulation 84 (4) of *Tariff Regulations*, 2017 as below:

Table 4. 52: Petitioner Submission: Working Capital for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Amount
A	Annual Revenue Requirement	5,293
B	Receivables equivalent to 2 months average billing	882
C	Net Power Purchase expenses	3,624
D	Power purchase expenses for 1 Month	302
E	Total Working Capital	580
F	Opening Working Capital	426
G	Change in WC	154

4.142 The Petitioner requested the Commission to consider the working capital as stated above while computation of ARR.

COMMISSION ANALYSIS

4.143 The Commission has computed the working capital requirement for the Petitioner as per Regulation 84 (4) *Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017*. The relevant extract of the Regulation is as follows:

"84. The Commission shall calculate the Working Capital requirement for:

(4) Distribution Licensee as follows:

(i) Working capital for wheeling business of electricity shall consist of ARR for two months of Wheeling Charges.

(ii) Working Capital for Retail Supply business of electricity shall consist of:

(a) ARR for two months for retail supply business of electricity;

(b) Less: Net Power Purchase costs for one month;

(c) Less: Transmission charges for one month: "

4.144 Accordingly Working Capital requirement has been computed for FY 2021-22. The change in Working Capital has been considered from the Working Capital for FY 2019-20 as determined in Tariff Order dated 28/08/2020 as follows:

Table 4.53:Commission Approved: Working Capital for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved	Ref.
A	ARR	4461.43	
B	Receivables equivalent to 2 months of ARR	743.57	(A/12*2)
C	Power Purchase expenses including Transmission Charges	3314.27	
D	Less: 1/12th of Power Purchase Expenses	276.19	(C/12*1)
E	Total Working Capital	467.38	(B-D)
F	Opening Working Capital	529.00	To Aug 2020
G	Change in Working Capital	(61.62)	

MEANS OF FINANCE FOR REGULATED RATE BASE, RoCE, WACC

PETITIONER'S SUBMISSION

4.145 The Petitioner has computed the RRB for FY 2021-22 tabulated as follows:

Table 4.54: Petitioner Submission: Regulated Rate Base for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Amount	Remarks
A	Opening GFA	4358	
B	Opening Accumulated Depreciation incl. AAD	1899	
C	Opening Consumer Contribution	359	
D	Opening Working Capital	426	
E	Accumulated Depreciation on De-capitalised Assets	162	
F	Opening RRB	2688	(A-B-C+D+E)
G	Change in Capital Investment during the year	85	(H-I-J)/2
H	Net Capitalisation	430	

Sr. No.	Particulars	Amount	Remarks
I	Depreciation	212	
J	Consumer Contribution	48	
K	Change in Working Capital	154	
L	Regulated Rate Base - Closing	3012	(F+H-I-J+K)
M	RRB (i)	2927	(F+G+K)

EQUITY AND DEBT

4.146 The Petitioner has considered the Equity and Debt upto FY 2021-22 has been considered based on the closing equity and debt upto FY 2019-20 and addition during FY 20120-21 and FY 2021-22 based on capitalization net of consumer contribution in the ratio of 30:70 respectively.

4.147 Working capital has been considered entirely debt financed in accordance with Regulation 70 of Tariff Regulations, 2017.

4.148 Debt repayment during the year has been considered as 1/10th of the opening balance.

4.149 Accordingly, the average equity and average debt for FY 2021-22 is tabulated as follows:

Table 4. 55: Petitioner Submission: Equity and Debt for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Amount	Remarks/Ref
Equity			
A	Closing Balance upto FY 2019-20	1236	
B	Addition during FY 2021-22	112	30% of net capitalisation
C	Opening Balance for FY 2021-22	1347	A+B
D	Addition during FY 2021-22	115	30% of net capitalisation
E	Closing Balance for FY 2021-22	1462	C+D
Debt			
F	Closing Balance upto FY 2019-20	1401	
G	Addition during FY 2021-22	145	i+ii
i	*Capex*	*260*	70% of net capitalisation
ii	*Working Capital*	*-116*	
H	Repayment	140	1/10 * F
I	Opening Balance for FY 2021-22	1405	F+G-H
J	Addition during FY 2021-22	421	i+ii
i	*Capex*	267	70% of net capitalisation
ii	*Working Capital*	154	
K	Repayment	141	1/10 * I
L	Closing Balance for FY 2021-22	1686	I+J-K

WEIGHTED AVERAGE COST OF CAPITAL

4.150 The Petitioner has submitted that in terms of Regulation 77 of DERC Tariff Regulations, 2017, interest on loan shall be based on weighted average rate of interest for actual loan portfolio subject to maximum of bank rate as on 1st April of the year plus margin as approved by the Commission in Business Plan Regulations for the Control Period.

4.151 Further, as per the Business Plan Regulations, 2019 for FY 2021-22, the margin for the control period is limited to 4.25%. Further, the SBI MCLR rate as on 01.04.2020 is 7.75%. Therefore, the interest on loan which has been considered for FY 2021-22 is shown as under:

Table 4. 56: Weighted Average Interest Rate on Loan (%)

Particulars	Rate
Margin for the control period	4.25%
SBI MCLR AS ON 01.04.2020	7.75%
Total	12.00%
Rate of Interest for FY 2021-22	12.00%

4.152 Accordingly, the Petitioner requests the Commission to approve the rate of interest on loan (rd) as 12.00% for FY 2021-22.

4.153 Rate of return on equity has been considered as 16%. Accordingly, the grossed up Rate of Return on Equity has been considered based on MAT rate basis (MAT Tax – 17.47% including Surcharge and Education Cess Tax) which comes out to be 19.39%.

4.154 The Petitioner has computed the Weighted Average Cost of Capital (WACC) during FY 2021-22 tabulated as under:

Table 4. 57: Petitioner Submission: Weighted Average Cost of Capital (WACC) for FY 2021-22

Sr. No.	Particulars	Amt (Cr.)
A	Equity	1,404
B	Debt	1,546
C	Return on Equity	16.00%
D	Income Tax Rate	17.47%
E	Grossed up Return on Equity	19.39%
F	Rate of Interest	12.00%
G	Weighted average cost of Capital	15.52%

4.155 The Petitioner requested the Commission to consider the WACC for FY 2021-22 as stated above while computation of ARR.

RETURN ON CAPITAL EMPLOYED (ROCE)

PETITIONER'S SUBMISSION

4.156 The Petitioner has computed RoCE for FY 2021-22 as under:

Table 4. 58: Petitioner Submission: RoCE for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Submission
A	WACC	15.52%
B	RRB (i)	2,927
C	RoCE	454

COMMISSION ANALYSIS

4.157 The Commission has considered normative debt-equity ratio of 70:30 on the asset capitalised after utilizing the consumer contribution as specified in *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017*. The relevant extract is as follows:

"25. The Capital Cost of a new project or scheme shall include the following:

(1) The expenditure incurred or projected to be incurred up to the date of commercial operation of the project or scheme as approved by the Commission;

(2) Interest during construction and financing charges, on the loans being equal to debt as per financing excluding however the equity deployment, provided however the equity deployment shall not exceed 30% of the capital cost and in case equity is deployed in excess of 30% the excess shall be deemed to be a debt or notional loan;

(3) Capitalized initial spares subject to the ceiling rates specified by the Commission;

(4) Expenditure on account of additional capitalization determined in accordance with these Regulations;

(5) Adjustment of revenue on account of sale of infirm power by Generating Entity in excess of fuel cost prior to the COD as specified under

these Regulations; and

(6) Adjustment of any revenue earned by the Utility, including by using the assets, before COD.

26. The Capital cost of an existing project or scheme shall include the following:

(1) The trued-up capital cost excluding liability admitted by the Commission;

(2) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these Regulation; and

(3) Expenditure on account of renovation and modernisation as admitted by the Commission in accordance with these Regulations.

27. The capital cost incurred or projected to be incurred on account of any applicable PAT (Perform, Achieve and Trade) scheme of Government of India will be considered by the Commission on case to case basis and shall include:

(1) Cost of plan proposed by developer in conformity with norms of PAT Scheme; and

(2) Sharing of the benefits accrued on account of PAT Scheme.

28. The cost for the following shall be excluded or removed from the capital cost of the existing and new project or scheme as detailed out in Regulations 44 to 48 in these Regulations:

(1) The assets forming part of the project or scheme, but not in use;

(2) De-capitalized or retired asset.

29. Any grant or contribution or facility or financial support received by the Utility from the Central and/or State Government, any statutory body, authority, consumer or any other person, whether in cash or kind, for execution of the project or scheme, which does not involve any servicing of debt or equity or otherwise carry any liability of payment or repayment or charges shall be excluded from the Capital Cost for the purpose of computation of interest on loan, return on equity and depreciation."

4.158 As per the above Regulations, equity shall not exceed 30% of the total funding requirement for capitalization.

4.159 Regulation 70 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* specifies that the Working Capital shall be considered 100% debt financed for the calculation of WACC. Accordingly, the requirement of debt and equity has been computed as follows:

Table 4. 59: Commission Approved: RRB (Rs. Cr.)

Sr. No.	Particulars	Amount	Ref.
A	Opening Original Cost of Fixed Assets ($OCFA_o$)	3816.63	
B	Opening Accumulated depreciation (ADo)	1746.70	
C	Opening consumer contributions received (CCo)	407.84	
D	Opening Working capital (WCo)	529.00	
E	Opening RRB (RRBo)	2,191.09	
F	Investment capitalised during the year (INVi)	344.00	
G	Depreciation during the year (Di)	181.20	
H	Depreciation on decapitalised assets during the year	-	
I	Consumer contribution during the year (CCi)	13.62	
J	Fixed assets retired/decapitalised during the year (Reti)	-	
K	Change in capital investment (ΔABi)	149.18	(F-G+H-I-J)
L	Change in working capital during the year (ΔWCi)	(61.61)	
M	RRB Closing	2,278.66	E+K+L
N	**RRBi**	**2,204.06**	

4.160 Regulation 77 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* stipulates,

"The rate of interest on loan shall be based on weighted average rate of interest for actual loan portfolio subject to the maximum of bank rate as on 1st April of the year plus the margin as approved by the Commission in the Business Plan Regulations for a Control Period:

Provided that in no case the rate of interest on loan shall exceed approved rate of return on equity:

Provided further that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:

Provided also that if the Utility does not have actual loan then the rate of interest shall be considered at the bank rate plus margin, as specified by the Commission in the Business Plan Regulations, for the notional loan of the relevant control period:

Provided also that the loan availed through open tendering process (Competitive Bidding) among Scheduled Banks, Financial Institutions etc., shall be considered at the rate discovered through open tendering process."

4.161 The Commission has approved Rate of Return on Equity computed at base rate of 14% on post tax basis for Wheeling Business and base rate of 2% on post tax basis for the retail business of the Petitioner in its *DERC (Business Plan) Regulations, 2017*.

4.162 The Commission in *Business Plan Regulations, 2019* has specified the Margin with respect to Interest Rate for FY 2021-22for the Petitioner as follows:

"22. MARGIN FOR RATE OF INTEREST ON LOAN

(1) The rate of interest on loan for a financial year shall be Marginal Cost of Fund based Lending Rate (MCLR) of SBI as on 1st April of that financial year plus the Margin. The Margin, in terms of Regulation 4(2) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Transmission Licensee, is allowed as the difference between the weighted average rate of interest on actual loan portfolio and the MCLR as on 1st April of that financial year:

Provided that the Margin shall not exceed 5.00%, 4.25% and 3.50% for the first, second and third year of the control period, respectively:

Provided further that the rate of interest on loan (MCLR plus Margin) in any case shall not exceed approved base rate of return on equity i.e. 14.00%."

4.163 The Commission has considered the MCLR as on 1/04/2021 and the actual loan portfolio of FY 2019-20 for the Petitioner. Further, it was observed that the Margin (Difference between Weighted Average Interest on Loan and MCLR) is in within ceiling of 4.25% for all loans viz. CAPEX, Working Capital and Others. Accordingly, the Commission has considered the Rate of Interest of Actual Loan Portfolio of FY 2019-20 for the Petitioner as follows:

Table 4. 60: Commission Approved: Rate of interest on loan

Expense head	Rate of Interest
Capitalisation	11.25%
Working Capital	11.25%
Revenue Gap	11.25%

4.164 The weighted average rate of interest on loan for the purpose of debt available for capital expenditure and Working capital is computed at 11.25%. The Commission has considered effective Income Tax Rate as approved in true-up for FY 2019-20. Accordingly, the Weighted Average Cost of Capital (WACC) has been considered for FY 2021-22 by the Commission follows:

Table 4. 61: Commission Approved: Weighted Average Cost of Capital (WACC) for FY 2021-22 (Rs.Cr)

Sr. No.	Particulars	Approved by the Commission	Reference
A	RRBi	2204.06	
B	Opening Equity for Capitalisation (limited to 30%)	498.63	
C	Closing Equity limiting to 30% of net capitalisation	543.38	
D	Average Equity for Capitalisation (limited to 30%)	521.00	
E	Opening Debt at 70% of net capitalisation	1163.46	
F	Closing Debt at 70% of net capitalisation	1267.89	
G	Avg Debt at 70% of net capitalisation	1215.68	
H	Debt at 100% of working capital	467.38	
I	Debt- balancing figure	1683.06	
J	Rate of return on equity (re)	16%	
	Income tax rate	17.47%	As approved in FY 2019-20
	Grossed Up RoE	19.39%	
K	Rate of debt (rd) on capitalisation	11.25%	
L	Rate of debt (rd) on working Capital	11.25%	
M	Rate of interest on debt(rd) Blended	11.25%	

Sr. No.	Particulars	Approved by the Commission	Reference
N	WACC	13.17%	
O	**RoCE**	**290.35**	**A*N**

4.165 The Commission approves RoCE based on RRB (i) and WACC as follows:

Table 4. 62:Commission Approved: Return on Capital Employed (Rs. Cr.)

Sr. No.	Particulars	Approved
A	RRB (i)	2204.06
B	WACC	13.17%
C	RoCE	290.35

NON-TARIFF INCOME

PETITIONER'S SUBMISSION

4.166 The Petitioner has submitted that the Non-Tariff Income during FY 2021-22 has been considered same as submitted for FY 2019-20 i.e. Rs. 73 Cr.

COMMISSION ANALYSIS

4.167 The Commission has considered the Non-Tariff Income approved for FY 2019-20 for projecting Non-Tariff Income of the Petitioner for FY 2021-22 of Rs. 97 Cr.

CARRYING COST ON REVENUE GAP

PETITIONER'S SUBMISSION

4.168 The Petitioner has referred the Judgment of Hon'ble ATE in dated July 30, 2010 (Appeal 153 of 2009) ruled as under:

"47. The State Commission, instead of applying the principle of allowing the prevalent market rate for debt for the carrying cost, has allowed the rate of 9% on the strength of the Tribunal judgment even though the present interest rate has increased significantly. As pointed out by the Counsel for the Petitioner, the State Commission in the earlier case had decided tariff on 09.06.2004 and that on commercial borrowings an interest rate of 9% had been applied considering the then prevalent prime lending rates. Therefore, the State Commission before fixing the rate of carrying cost, has to find out the actual interest rate as per the prevailing lending rates. Admittedly, this has not been done.

51. ….

Therefore, the State Commission should have allowed the carrying cost at the prevailing market lending rate for the carrying cost so that the efficiency of the distribution company is not affected.

…..

Therefore, the fixation of 9% carrying cost, in our view, is not appropriate. Therefore, the State Commission is hereby directed to reconsider the rate of carrying cost at the prevailing market rate and the carrying cost also to be allowed in the debt/ equity of 70:30.

58. …

(iv) The next issue is relating to the inadequate lower rate of 9% for the allowance of the carrying cost. The carrying cost is allowed based on the financial principle that whenever the recovery of the cost is to be deferred, the financing of the gap in cash flow arranged by the distribution company from lenders and/or promoters and/or accrual and/or internal accrual has to be paid for by way of carrying cost. The carrying cost is a legitimate expense. Therefore, the recovery of such carrying cost is a legitimate expectation of the distribution company. The State Commission instead of applying the principle of PLR for the carrying cost has wrongly allowed the rate of 9% which is not the prevalent market lending rate. Admittedly, the prevalent market lending rate was higher than the rate fixed by the State Commission in the tariff order. Therefore, the State Commission is directed to reconsider the rate of carrying cost at the prevalent market rate keeping in view the prevailing Prime Lending Rate. "

4.169 As per the above ruling, the carrying cost ought to be allowed in debt equity ratio of 70:30 with SBI PLR as rate of interest and 16% as return on equity. Accordingly, the Petitioner has recomputed the rate of carrying cost from FY 2007-08 to FY 2019-20 as under:

Table 4. 63: Petitioner Submission: Rate of Carrying Cost

Sr. No.	Particulars	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
1	Rate of Interest	12.69%	12.79%	11.87%	12.26%	14.40%	14.61%	14.58%	14.75%	14.29%	14.05%	14.00%	14.00%	14.00%
2	Return on Equity	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	14%	14%	14%
3	Carrying cost	13.68%	13.75%	13.11%	13.38%	14.88%	15.03%	15.01%	15.13%	14.80%	14.64%	14.00%	14.00%	14.00%

4.170 The Petitioner has calculated the carrying cost during FY 2021-22 by applying rate of 13.34%.

COMMISSION ANALYSIS

4.171 Regulation 2(16) of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 states the following:

"Carrying Cost Rate" means the weighted average rate of interest for funding of Regulatory Asset/accumulated Revenue Gap through debt and equity in an appropriate ratio, as specified by the Commission in the relevant Orders"

4.172 The Commission has approved Return on Equity in terms of Regulation 2(16) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for computation of weighted average rate of interest for funding of Regulatory Asset/accumulated Revenue Gap through debt and equity shall be considered at 14.00% on pre-tax basis in its Business Plan Regulations, 2019.

4.173 Accordingly, the Commission has computed Carrying Cost based on weighted average cost of rate of return on equity for equity as follows:

Table 4. 64:Commission Approved: Carrying Cost for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved
A	**Opening Revenue Gap**	(2,585.92)
B	Revenue Surplus/(Gap)	11.56
C	Recovery of Revenue Gap via 8% Surcharge	340.75
D	Closing Revenue Gap	(2,233.61)
E	Average Revenue Gap	(2,409.77)
F	Rate of Carrying Cost	11.63%
G	Carrying Cost Amount	(280.15)
H	Closing Revenue Gap	(2,513.76)

4.174 It is observed that the Petitioner has filed the following Petition before the Commission claiming differential PPAC of a quarter of FY 2021-22, as follows:

Sr. No.	Particulars	Differential PPAC Claimed
1	Petition No. 49/2020 – Q1FY22	2.37%
	Total	**2.37%**

4.175 The Commission has provisionally subsumed the tentative impact to the tune of 80% in ARR of FY 2021-22 for differential claim of 2.37% of above mentioned Petitions amounting to Rs. 18.40 Cr. which is subject to true up and difference, if any, will be allowed with Carrying Cost.

4.176 The Petitioner has levied various PPAC in FY 2021-22 (till Sept.'21) as per provisions of *DERC (Business Plan), Regulations, 2019* and Commission's letter dtd. 9/04/2021 whose expected revenue recovered is around Rs. 512.14 Cr., which has been considered in FY 2021-22 revenue projection. This is subject to true-up and difference, if any, will be adjusted with Carrying Cost.

AGGREGATE REVENUE REQUIREMENT

PETITIONER'S SUBMISSION

4.177 The Petitioner has projected the ARR of Rs. 5294 Cr. for FY 2021-22 as under:

Table 4. 65:Revised Aggregate Revenue Requirement for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Submission
A	Power Purchase Cost including Transmission Charges	3,624
B	O&M Expenses	790
C	Additional O&M Expenses	285
D	Depreciation	212
E	Return on Capital Employed (RoCE)	454
F	Less: Non-Tariff income	72
G	**Aggregate Revenue Requirement excl. Carrying Cost on RA**	**5,294**

COMMISSION ANALYSIS

4.178 The ARR based on various component as approved by the Commission for FY 2021-22 is summarised as under:

Table 4. 66:Commission Approved: ARR for Wheeling and Retail Business for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	As Approved
A	Power Purchase Cost (including Transmission Charges)	3314.27
B	O&M expenses	772.79
C	Other expenses/ statutory levies	-
D	Depreciation	181.20
E	Return on Capital Employed (RoCE)	290.35
F	Less- Non-Tariff Income	97.18
G	**Aggregate Revenue Requirement**	**4461.43**
H	Carrying Cost	280.15
I	**Gross ARR**	**4741.58**

ALLOCATION FOR WHEELING AND RETAIL BUSINESS

PETITIONER'S SUBMISSION

4.179 The Petitioner has submitted that the ARR estimated during FY 2021-22 has been allocated into wheeling and retail business in the ratios approved by the Commission in

Business Plan Regulations, 2019 is as under:

Table 4. 67: Petitioner Submission: Allocation for wheeling and retail business - FY 2021-22 (Rs. Cr.)

Particulars	Wheeling	Retail
Cost of Power Procurement	0	3721
Operation and Maintenance expenses	654	401
Depreciation	172	40
Return on Capital Employed	327	127
Less: Non-Tariff Income	11	62
Aggregate Revenue Requirement	1143	4227

REVENUE (GAP)/ SURPLUS FOR FY 2021-22

4.180 The Petitioner has calculated the Revenue Gap for FY 2021-22 as follows:

Table 4. 68: Petitioner Submission: Revenue (Gap) for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Submission
A	Aggregate Revenue requirement for the year	5,294
B	Revenue available for the year	3,349
C	Revenue (Gap)/ Surplus for the year	**(1945)**

COMMISSON'S ANALYSIS

4.181 Based on the allocation of different expenses in accordance with the methodology followed in the *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* and *DERC (Business Plan) Regulations, 2019*, the approved ARR for Wheeling and Retail Supply business of the Petitioner is indicated in the table as follows:

Table 4. 69: ARR for Wheeling Business for FY 2021-22 (Rs. Cr.)

Sr.No.	Wheeling Business	Approved
A	Operation & Maintenance Costs	479.13
B	Depreciation	146.77
C	Return on Capital Employed	209.05
D	Carrying Cost	35.29
E	Non-Tariff Income	14.58
F	**Aggregate Revenue Requirement (ARR)**	855.67

Table 4. 70: ARR for Retail Business for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved
A	Power Purchase Cost (including Transmission Charges)	3314.27
B	O&M expenses	293.66
C	Other expenses/ statutory levies	-
D	Depreciation	34.43
E	Return on capital employed	81.30
F	Less- Non Tariff Income	82.61
G	Carrying Cost	244.86
H	**Gross ARR**	**3885.91**

4.182 The Commission has calculated the Revenue Surplus/(Gap) at Existing Tariff for FY 2021-22 as follows:

Table 4. 71: Summary of Projected ARR, Revenue at revised tariff, net Revenue Gap / Surplus for FY 2021-22

Sr. No.	Particulars	Amount (Rs. Cr.)
A	ARR	4461.43
B	Carrying Cost for FY 2021-22	280.15
C	PPAC Cost Subsumed	18.40
D	Revised ARR	4759.98
E	Revenue at Revised Tariff	4259.40
F	Revenue from PPAC	512.14
G	Total Revenue	4771.54
H	**Revenue (Gap)/ Surplus**	**11.56**

A5 TARIFF DESIGN

COMPONENTS OF TARIFF DESIGN

5.1 The Commission has considered the following components for designing Tariff of the Distribution Licensees.

a. Consolidated Revenue (Gap)/Surplus.
b. Cost of service
c. Cross-subsidization in Tariff Structure

CONSOLIDATED REVENUE (GAP)/SURPLUS

REVENUE (GAP)/SURPLUS TILL FY 2019-20

5.2 The Revenue (Gap)/Surplus upto FY 2019-20 is summarised in the table as follows:

Table 5. 1: Revenue (Gap)/Surplus of BRPL till FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	TO dated 28/08/2020 upto FY 2018-19	FY 2019-20	Remarks
A	Opening Balance of Revenue (Gap) / Surplus	(3,979)	(3,474.79)	
B	Impact of Past Period True Up	(135)	(479.48)	
C	Revenue Requirement for the year	8,733	9,576.91	
D	Revenue realized	9,125	9,095.27	
E	(Gap) / Surplus for the year	391	(481.64)	D-C
F	8% Surcharge for the year	721	728.87	
G	Net (Gap)/Surplus	1,113	247.23	E+F
H	Rate of Carrying Cost	13.32%	12.59%	
I	Amount of Carrying Cost	(474)	(482.41)	{A+B+(G)/2}*H
J	Closing Balance of (Gap)/Surplus	**(3,475)**	**(4,189.46)**	A+B+G+I

Table 5. 2: Revenue (Gap)/Surplus of BYPL till FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	TO dated 28/08/2020 upto FY 2018-19	FY 2019-20	Remarks
A	Opening Balance of Revenue (Gap) / Surplus	(2,677)	(2,292.00)	
B	Impact of Past Period True Up	(169)	(869.09)	
C	Revenue Requirement for the year	4,374	4,684.48	
D	Revenue realized	4,877	4,750.01	
E	(Gap) / Surplus for the year	503	65.53	
F	8% Surcharge for the year	382	376.65	
G	Net (Gap)/Surplus	885	442.18	D+E

Sr. No.	Particulars	TO dated 28/08/2020 upto FY 2018-19	FY 2019-20	Remarks
H	Rate of Carrying Cost	13.77%	12.57%	
I	Amount of Carrying Cost	(331)	(369.42)	{A+B+(G)/2}*H
J	Pension Trust Deficit for FY 2017-18		(22.59)	
K	**Closing Balance of (Gap)/Surplus**	**(2,292)**	**(3,110.92)**	**A+B+G+I+J**

Table 5. 3: Revenue (Gap)/Surplus of TPDDL till FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	TO dated 28/08/2020 upto FY 2018-19	FY 2019-20	Remarks
A	Opening Revenue (Gap) / Surplus	(2,254)	(1,890.00)	
B	Impact of Prior Period (Since the start of FY)	(28)	142.08	
C	Revenue Requirement for the year	6,778	7,452.28	
D	Revenue realized	6,832	7,073.29	
E	(Gap) / Surplus for the year	54	(378.98)	D-C
F	8% Surcharge for the year	540	534.60	
G	Net (Gap)/Surplus	594	155.62	F+E
H	Rate of Carrying Cost	10.13%	10.21%	
I	Amount of carrying cost	(201)	(170.51)	{A+B+(G)/2}*H
J	**Closing Balance of (Gap)/Surplus**	**(1,890)**	**(1,762.81)**	**A+B+G+I**

5.3 The Revenue Gap upto FY 2019-20 as determined by the Commission is indicated as follows:

Table 5. 4: Revenue (Gap)/Surplus of three DISCOMS till FY 2019-20 (Rs. Cr.)

Particulars	Up to FY 2019-20
BRPL	(4,189.46)
BYPL	(3,110.92)
TPDDL	(1,762.81)
Total	(9,063.19)

REVENUE (GAP)/SURPLUS FOR FY 2021-22 AT EXISTING / REVISED TARIFF

5.4 Since, the Commission has not revised Tariff for FY 2021-22, therefore, the summary of Revenue Billed at Existing/Revised Tariff excluding 8% Surcharge, for FY 2021-22 is as follows:

Table 5. 5: Revenue at Existing / Revised Tariffs of BRPL for FY 2021-22 (Rs. Cr.)

Sr. No.	Category	Fixed Charges	Energy Charges	Total Revenue
A.	Domestic	475	3,373	3,848
B.	Non-Domestic	745	2,240	2,985
C.	Industrial	87	380	467
D.	Agriculture & Mushroom	4	4	8
E.	Public Utilities	101	554	655
F.	DIAL	15	149	164
G.	Advertisement and hoarding	1	1	1
H.	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	-	24	24
I.	Others*	14	201	215
J.	Total	1443	6924	8367
K.	**Revenue @ 99.50% Collection Efficiency**			**8,325**

** includes Temporary Supply, Misuse/Theft, Own Consumption*

Table 5. 6: Revenue at Existing / Revised Tariffs of BYPL for FY 2021-22 (Rs. Cr.)

Sr. No.	Category	Fixed Charges	Energy Charges	Total Revenue
A.	Domestic	182	1,637	1,819
B.	Non-Domestic	475	1,234	1,709
C.	Industrial	64	298	362
D.	Agriculture & Mushroom	0	0	0
E.	Public Utilities	56	243	300
F.	DIAL	-	-	-
G.	Advertisement and hoarding	0	0	0
H.	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	-	7	7
I.	Others*	4	79	83
J.	Total	782	3499	4281
K.	**Revenue @ 99.50% Collection Efficiency**			**4,259**

** includes Temporary Supply, Misuse/Theft, Own Consumption*

Table 5. 7: Revenue at Existing / Revised Tariffs of TPDDL for FY 2021-22 (Rs. Cr.)

Sr. No.	Category	Fixed Charges	Energy Charges	Total Revenue
A.	Domestic	198	1,767	1,965
B.	Non-Domestic	375	1,192	1,567
C.	Industrial	420	1,982	2,402
D.	Agriculture & Mushroom	5	3	8
E.	Public Utilities	77	342	419
F.	DIAL	-	-	-
G.	Advertisement and hoarding	0	0	0

Sr. No.	Category	Fixed Charges	Energy Charges	Total Revenue
H.	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	-	13	13
I.	Others*	13	89	102
J.	Total	1088	5388	6476
K.	**Revenue @ 99.50% Collection Efficiency**			**6,444**

** includes Temporary Supply, Misuse/Theft, Own Consumption*

5.5 The Commission has decided to continue with the existing Surcharge at 8% on the Tariff for liquidating the Regulatory Assets in line with proposed road map and this 8% Surcharge is estimated to result in an additional revenue as follows:

Table 5. 8: Revenue from 8% Surcharge for FY 2021-22 (Rs. Cr.)

Particulars	Amount
BRPL	666
BYPL	341
TPDDL	516
Total	1,522

5.6 Summary of ARR, Revenue at Existing / Revised Tariff, Net Revenue (Gap) / Surplus for FY 2021-22 is as follows:

Table 5. 9: ARR, Revenue at Existing / Revised Tariff, net Revenue (Gap)/Surplus for FY 2021-22 (Rs. Cr.)

Particulars	BRPL	BYPL	TPDDL
ARR for FY 2021-22 (A)	8814.59	4461.43	6939.44
Carrying Cost for FY 2021-22 (B)	366.16	280.15	92.25
PPAC Cost Subsumed of various Quarters of FY 2020-21 & FY 2021-22 (C)	242.80	18.40	13.69
Revised ARR for FY 2021-22 (D=A+B+C)	9423.55	4759.98	7045.38
Revenue at Existing / Revised Tariff (E)	8325.13	4259.40	6443.76
Revenue from PPAC in FY 2021-22 (F)	1116.30	512.14	626.57
Total Revenue (G=D+E)	9441.43	4771.54	7070.33
Revenue (Gap) / Surplus (G-D)	**17.88**	**11.56**	**24.95**

COST OF SERVICE MODEL

5.7 While determining the revenue requirement, various sectors of services, viz. generation, transmission and the distribution costs contribute to the total cost of service. The relative burden of constituent consumer categories is assessed and on the basis of the cost imposed on the system, it is decided as to how much share is due to which category of consumers. Although, it shall be equitable to have the embedded cost in designing the tariff for different consumer categories, it calls for a detailed database of allocated costs. Such allocations in the determination of embedded cost are done on the basis of following factors:

(a) Voltage of supply;

(b) Power factor;

(c) Load factor;

(d) Time of use of electricity;

(e) Quantity of electricity consumed,

(f) Distribution Loss

(g) Collection Efficiency etc.

5.8 The approach adopted by the Commission for determining the cost of supply for different voltage levels has been described in the following paragraphs.

5.9 The approved ARR of the Wheeling and Retail Supply business is allocated to different voltage levels and the same has been considered along with the energy sales to the respective voltage level to arrive at the per unit Wheeling charge and Retail Supply Charge for that voltage level as per the detailed methodology discussed in following paragraphs.

The Commission has, thereafter, grossed up the Energy Sales (MU) at the specific voltage level with the respective Distribution Losses (%) at that level to arrive at the Energy Input (MU) for that level. Since, the Petitioner has not submitted complete details of voltage wise losses, therefore, the Commission has considered the Distribution Losses at various voltage levels after prorating this year's overall Distribution Loss Target on last year's overall Distribution Loss Target and the voltage wise Distribution Losses submitted by the Auditors in Energy Audit of respective Distribution Licensees. The summary of the voltage wise Distribution Losses considered by the Commission are as follows:

Table 5. 10: Distribution Loss for FY 2021-22 (%)

Particulars	BRPL	BYPL	TPDDL
Loss above 66 kV level	0.00%	0.00%	0.00%
Loss at 33/66 kV level	1.01%	0.48%	0.77%
Loss at 11 kV level	2.21%	1.78%	2.60%
Loss at LT level	9.41%	9.69%	8.56%

5.10 The summary of Energy Input (MU) for the respective voltage levels are shown as follows:

Table 5. 11: Approved Energy Input for FY 2021-22 (MU)

Particulars	BRPL	BYPL	TPDDL
Input for 66 kV level	-	-	97
Input for 33/66 kV level	555	132	27
Input for 11 kV level	1,754	486	1,007
Input for LT level	11,128	6,407	8,852
Total	**13,437**	**7,025**	**9,983**

5.11 The Wheeling ARR for the year has been apportioned in proportion of the Energy Input at different voltage levels. The wheeling cost allocated to different voltage levels is tabulated as follows:

Table 5. 12: Wheeling cost for different voltages for FY 2021-22 (Rs. Cr.)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level	-	-	10
At 33/66 kV level	58	16	3
At 11 kV level	182	59	100
At LT level	1,154	780	877
Total	**1,394**	**856**	**989**

5.12 Based on the Energy Sales at the respective voltage levels, the Commission has determined Wheeling Charge per unit for different voltages for FY 2021-22 as follows:

Table 5. 13: Wheeling Charges for FY 2021-22 (Rs/Unit)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level	-	-	0.991

Particulars	BRPL	BYPL	TPDDL
At 33/66 kV level	1.048	1.224	0.998
At 11 kV level	1.061	1.240	1.017
At LT level	1.143	1.345	1.083
Average	1.128	1.335	1.074

ALLOCATION OF RETAIL SUPPLY ARR

5.13 The Commission has allocated the Retail Supply ARR in the ratio of Energy Input determined above for different voltage levels. The Commission has thereafter, determined the Retail Supply charge for a particular voltage level by considering Energy Sales at that voltage level. The summary of Retail supply ARR Allocation to different voltage levels for FY 2021-22 is given as follows:

Table 5. 14: Retail Supply Cost for different voltages for FY 2021-22 (Rs. Cr.)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level	-	-	59
At 33/66 kV level	321	73	17
At 11 kV level	1,016	269	609
At LT level	6,449	3,544	5,358
Total	**7,787**	**3,886**	**6,043**

5.14 Based on the Energy Sales at the respective voltage levels, the Commission has determined Retail Supply Charges per unit for different voltages for FY 2021-22 as follows:

Table 5. 15: Retail Supply Charges at different voltages for FY 2021-22 (Rs/Unit)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level	-	-	6.053
At 33/66 kV level	5.854	5.558	6.100
At 11 kV level	5.926	5.632	6.214
At LT level	6.387	6.109	6.615
Average	**6.299**	**6.062**	**6.565**

5.15 The DISCOM-wise Cost of Supply determined by the Commission for the different voltage levels is shown as follows:

Table 5. 16: Cost of Supply for BRPL (Rs. /Unit)

Particulars	Wheeling	Retail Supply	Total
Above 66 kV level	-	-	-
At 33/66 kV level	1.05	5.85	6.90

Particulars	Wheeling	Retail Supply	Total
At 11 kV level	1.06	5.93	6.99
At LT level	1.14	6.39	7.53
Average	**1.13**	**6.30**	**7.43**

Table 5. 17: Cost of Supply for BYPL (Rs./Unit)

Particulars	Wheeling	Retail Supply	Total
Above 66 kV level	-	-	-
At 33/66 kV level	1.22	5.56	6.78
At 11 kV level	1.24	5.63	6.87
At LT level	1.35	6.11	7.45
Average	**1.33**	**6.06**	**7.40**

Table 5. 18: Cost of Supply for TPDDL (Rs. /Unit)

Particulars	Wheeling	Retail Supply	Total
Above 66 kV level	0.99	6.05	7.04
At 33/66 kV level	1.00	6.10	7.10
At 11 kV level	1.02	6.21	7.23
At LT level	1.08	6.62	7.70
Average	**1.07**	**6.56**	**7.64**

CROSS-SUBSIDISATION IN TARIFF STRUCTURE

5.16 The Electricity Act, 2003 provides for reduction of cross subsidies by moving the category wise tariffs towards cost of supply. The Commission also recognizes the need for reduction of cross subsidy. However, it is equally incumbent on the Commission to keep in mind the historical perspective for the need to continue with cross-subsidy for some more time.

5.17 Regarding Cross subsidy, Clause 8.3 of the National Tariff Policy 2016 states as follows:

"8.3 Tariff design: Linkage of tariffs to cost of service

It has been widely recognised that rational and economic pricing of electricity can be one of the major tools for energy conservation and sustainable use of ground water resources.

In terms of the Section 61(g) of the Act, the Appropriate Commission shall be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity. The State Governments can give subsidy to the extent they consider appropriate as per the provisions of section 65 of the Act. Direct subsidy is a *better way to support the poorer categories of consumers than the mechanism of cross subsidizing the tariff across the board. Subsidies should be targeted effectively and in transparent manner. As a substitute of cross subsidies, the State Government has the option of raising resources through mechanism of electricity duty and giving direct subsidies to only needy consumers. This is a better way of targeting subsidies effectively.*

Accordingly, the following principles would be adopted:

1. Consumers below poverty line who consume below a specified level, as prescribed in the National Electricity Policy may receive a special support through cross subsidy. Tariffs for such designated group of consumers will be at least 50% of the average cost of supply.

2. For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.

3. While fixing tariff for agricultural use, the imperatives of the need of using ground water resources in a sustainable manner would also need to be kept in mind in addition to the average cost of supply. Tariff for agricultural use may be set at different levels for different parts of a state depending on the condition of the ground water table to prevent excessive depletion of ground water. Section 62 (3) of the Act provides that geographical position of any area could be one of the criteria for tariff differentiation. A higher level of subsidy could be considered to support poorer farmers of the region where adverse ground water table condition requires larger quantity of electricity for irrigation purposes subject to suitable restrictions to ensure maintenance of ground water levels and sustainable ground water usage.

4. Extent of subsidy for different categories of consumers can be decided by the State Government keeping in view various relevant aspects. But provision of free electricity *is not desirable as it encourages wasteful consumption of electricity. Besides in most cases, lowering of water table in turn creating avoidable problem of water shortage for irrigation and drinking water for later generations. It is also likely to lead to rapid rise in demand of electricity putting severe strain on the distribution network thus adversely affecting the quality of supply of power. Therefore, it is necessary that reasonable level of user charges is levied. The subsidized rates of electricity should be permitted only up to a pre-identified level of consumption beyond which tariffs reflecting efficient cost of service should be charged from consumers. If the State Government wants to reimburse even part of this cost of electricity to poor category of consumers the amount can be paid in cash or any other suitable way. Use of prepaid meters can also facilitate this transfer of subsidy to such consumers.*

5. Metering of supply to agricultural/rural consumers can be achieved in a consumer friendly way and in effective manner by management of local distribution in rural areas through commercial arrangement with franchisees with involvement of panchayat institutions, user associations, cooperative societies etc. Use of smart meters may be encouraged as a cost effective option for metering in cases of "limited use consumers" who are eligible for subsidized electricity.

5.18 In line with the above provision of the National Tariff Policy states that any consumer desirous of getting subsidized Tariff shall approach the State Government and if the request for subsidy is found justified, the State Government may give subsidy to that class of consumers so that these consumers get Electricity at concessional Tariff.

5.19 At present, there are number of consumer classes e.g. some slabs of Domestic Consumers, Agriculture and Mushroom Cultivation, Government Schools/Colleges, Hospitals, etc. which are being cross subsidized by other Consumers.

5.20 The Commission is of the view that ideally the Electricity Tariff for all categories of Consumers should be fixed on cost to serve basis. However, in view of the high level of prevailing Regulatory Assets and the liquidation plan submitted before the Hon'ble Supreme Court of India, the Commission has continued with a policy of subsidizing some of the consumers below the Cost of Supply.

5.21 The Commission has computed category-wise Revenue based on latest available data of Sales Mix, Consumers and Sanctioned Load provided by the Petitioner. The DISCOM-wise Ratio of ABR to Average Cost of Supply and category-wise Tariff approved for FY 2021-22 is indicated in the table as follows:

Table 5. 19: Ratio of ABR to ACOS of BRPL approved for FY 2021-22

Sr. No.	Category	ACoS	ABR at Revised Tariff	ABR at Revised Tariff to ACoS (%)
A.	Domestic	7.43	4.90	66%
B.	Non- Domestic	7.43	11.24	151%
C.	Industrial	7.43	9.53	128%
D.	Agriculture	7.43	3.20	43%
E.	Public Utilities	7.43	7.39	99%
F.	DIAL	7.43	8.20	110%
G.	E-Vehicle Charging Stations	7.43	4.50	61%

Table 5. 20: Ratio of ABR to ACOS of BYPL approved for FY 2021-22

Sr. No.	Category	ACoS	ABR at Revised Tariff	ABR at Revised Tariff to ACoS (%)
A.	Domestic	7.40	4.50	61%
B.	Non- Domestic	7.40	11.39	154%
C.	Industrial	7.40	9.42	127%
D.	Agriculture	7.40	3.18	43%

Sr. No.	Category	ACoS	ABR at Revised Tariff	ABR at Revised Tariff to ACoS (%)
E.	Public Utilities	7.40	7.69	104%
F.	E-Vehicle Charging Stations	7.40	4.50	61%

Table 5. 21: Ratio of ABR to ACOS of TPDDL approved for FY 2021-22

Sr. No.	Category	ACoS	ABR at Revised Tariff	ABR at Revised Tariff to ACoS (%)
A.	Domestic	7.64	4.35	57%
B.	Non- Domestic	7.64	10.90	143%
C.	Industrial	7.64	9.39	123%
D.	Agriculture	7.64	4.30	56%
E.	Public Utilities	7.64	7.65	100%
F.	E-Vehicle Charging Stations	7.64	4.50	59%

TARIFF STRUCTURE

DOMESTIC TARIFF

5.22 Domestic Tariff is applicable for power consumption of Residential Consumers, Hostels of recognized/aided Educational Institutions and staircase lighting in Residential Flats, Compound Lighting, Lifts and Water pumps or drinking water supply and Fire-fighting equipment, etc. bonafide Domestic use in farm houses, etc. as per the Tariff Schedule.

5.23 In case the consumption of the Cattle/ Dairy Farms and Dhobi Ghat across Delhi exceeds 1000 units in a month, the total consumption including the first 1000 units shall be charged Non-Domestic rates as applicable to the consumers falling under the Non-Domestic category.

5.24 The Consumers running Small Commercial Establishments including Paying Guest from their households having sanctioned load upto 5kW under domestic category, shall be charged as per the Domestic Category.

5.25 The Commission in its Tariff Order dated June 26, 2003 introduced Two-part Tariff for Domestic Consumers, i.e., Fixed Charges and Energy Charges and abolished minimum charges and meter rent. The fixed charge in Two-part Tariff represents the Fixed component of charges, which is independent of consumption level and depends on the Fixed Cost incurred by the Utility in supplying electricity.

NON-DOMESTIC TARIFF

5.26 The Commission has sub-categorized Non-Domestic as consumers with sanctioned load upto 3kVA and above 3kVA. Wherever, sanctioned load/contract demand is in kW, the kVA shall be calculated on basis of Actual Power Factor of the consumer, for the relevant billing cycle and in case on non-availability of actual Power Factor, the Power Factor shall be considered as unity for sanctioned load/contract demand upto 10kW/11kVA.

INDUSTRIAL TARIFF

5.27 The consumers under Industry Category shall be charged on kVAh basis. Wherever, sanctioned load/contract demand is in kW, the kVA shall be calculated on basis of actual power factor of the consumer, for the relevant billing cycle and in case on non-availability of actual Power Factor, the Power Factor shall be considered as unity for sanctioned load/contract demand upto 10kW/11kVA.

5.28 The Commission has extended the scope of Industrial tariff to Hospitals (other than that covered in Domestic Category) including lighting, heating and cooling load.

AGRICULTURE

5.29 The Consumers having sanctioned load up to 20 kW for tube wells for irrigation, threshing and kutti-cutting in conjunction with pumping load for irrigation purposes and lighting load for bonafide use in Kothra are under Agriculture Category.

MUSHROOM CULTIVATION

5.30 This category is applicable to consumers who are engaged in mushroom cultivation and processing having sanctioned load upto 100kW.

PUBLIC UTILITIES

5.31 Following categories are covered under Public Utilities which provide public services:

a. **DELHI JAL BOARD**: Available to DJB for pumping load & Water Treatment Plants.

b. **RAILWAY TRACTION**: Available for Indian Railways for Traction load.

c. **DELHI METRO RAIL CORPORATION** : Available to Delhi Metro Rail Corporation (DMRC) for traction load.

d. **PUBLIC LIGHTING**: Street lighting, Signals & Blinkers

- All street lighting consumers including MCD, DDA, PWD/CPWD, Slums depts./ DSIIDC /MES / GHS etc.
- Traffic signals and blinkers of Traffic Police

- Unmetered Public Lighting shall be charged Energy Charge Rate at 1.10 times of applicable Tariff.

DELHI INTERNATIONAL AIRPORT LIMITED (DIAL)

5.32 The Commission has decided to give DIAL a tariff which shall be higher than that of Public Utilities as it is providing essential services to all consumers including the lowest strata of the society but lesser than that of Non Domestic consumers. The commercial load at DIAL premises shall be metered and billed separately as per the relevant tariff category.

ADVERTISEMENT AND HOARDINGS

5.33 The Commission, in its Tariff Order dated July 31, 2013 had created a separate category to cover the consumption for the advertisements and Hoardings. This category will be applicable for supply of electricity for lighting external advertisements, external hoardings and displays at departments stores, malls, multiplexes, theatres, clubs, hotels, bus shelters, Railway/Metro Stations, Airport and shall be separately metered and charged at the tariff applicable for "Advertisements and Hoardings‟ category, except such displays which are for the purpose of indicating/displaying the name and other details of the shop, commercial premises itself. Such use of electricity shall be covered under the prevailing tariff for such shops or commercial premises.

TEMPORARY SUPPLY

5.34 The Commission does not propose any major change in the existing Tariff methodology for temporary supply as mentioned in the Tariff Schedule.

CHARGING OF E-RICKSHAW/ E-VEHICLE

5.35 The Commission does not propose any major change in the existing tariff methodology for Charging of E-Rickshaw/ E-Vehicle as mentioned in the Tariff Schedule.

a. **<u>Charging Stations for E-Rickshaw/ E-Vehicle on Single Point Delivery</u>**: Available to charging stations as per the provisions of *DERC (Supply Code and Performance*

Standards) Regulations, 2017.

b. Tariff applicable for charging of batteries of E-Rickshaw / E-Vehicle at premises other than at Charging Stations meant for the purpose shall be the same as applicable for the relevant category of connection at such premises from which the E-Rickshaw / E-Vehicle is being charged.

5.36 Tariff for charging stations for E-Rickshaw/E-vehicle on single point delivery as notified in this Tariff Schedule shall be applicable for charging of batteries at swapping facilities provided that such swapping facilities are exclusively used for swapping of batteries of E-Rickshaw/E-Vehicle only. A separate electricity connection shall be taken by the applicant for other associated purposes such as office of EV Charging station, public amenities, consumption of other equipment etc. The applicant shall ensure the separate metering arrangement for such purposes. Tariff as applicable to Non-Domestic category shall be applicable to the same.

VOLTAGE DISCOUNT

5.37 The Commission has promoted voltage linked Tariff, irrespective of load of the consumer, the Tariff for consumption at higher voltages will be entitled to voltage discount, which will encourage consumers to opt for HT connections particularly for higher loads.

5.38 The consumers availing supply on 11 kV, 33 kV/66 kV and 220 kV will be entitled for rebate of 3%, 4% and 5% respectively on the applicable energy charges.

TIME OF DAY (TOD) TARIFF

5.39 It is observed that the cost of power purchase during peak hours is quite high. Time of Day (ToD) Tariff is an important Demand Side management (DSM) measure to flatten the load curve and avoid such high cost peaking power purchases. Accordingly, the Commission had introduced Time of Day (ToD) Tariff wherein peak hour consumption is charged at higher rates which reflect the higher cost of power purchase during peak hours. At the same time, a rebate is being offered on consumption during off-peak hours. This is also meant to incentivise consumers to shift a portion of their loads from peak time to off-peak time, thereby improving the system load factor and flatten the load curve. The ToD Tariff is aimed at optimizing the cost of power purchase, which constitutes over 80% of the Tariff charged from the consumers. It also assumes importance in the context of propagating and implementing DSM and achieving energy efficiency. This is important in Delhi situation where wide variations in load especially in summer causes problem of shortages during Peak hours and surplus during Off peak hours.

5.40 Introduction of higher peak hour Tariff would initially generate additional revenue which would compensate for the reduction in revenue on account of lower Tariff during off-peak hours.

5.41 In the long run, this would provide signals to the consumers to reduce load during peak hours and, wherever possible, shift this consumption to off-peak hours. Any loss of revenue to the utility on account of shifting of load from peak to off-peak hours in the long run would by and large get compensated by way of reduction of off-peak surplus to the extent of increase in off-peak demand.

5.42 The ToD Tariff would thus have immediate as well as long term benefits for both, consumers as well as the utility and contribute towards controlling the rise in power purchase costs.

5.43 The Commission in its MYT Order for second Control Period dated July 13, 2012 had decided to introduce ToD Tariff on a pilot basis for large industrial and non domestic consumers (300 kW and above). This was targeted to the consumer segment which has capacity to bear a higher burden for peak hour consumption and also at least partly (if not fully) offset the impact of this increase through higher off-peak consumption at lower rates. The Commission, as a progressive step in this direction and to further encourage demand shift from peak hours to off-peak hours, had decided to lower the applicability limit for ToD Tariff.

5.44 In the Tariff order dated July 31, 2013, the Time of Day (ToD) Tariff# - ToD Tariff was made applicable on all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) is 100kW / 108 kVA and above.

5.45 In the Tariff order dated July 23, 2014, the Time of Day (ToD) Tariff# - ToD Tariff was made applicable on all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) is 50kW / 54 kVA and above. Also Optional TOD tariff was made available for all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) was between 25kW/27kVA to 50kW/54kVA.

5.46 In the Tariff Order dated March 28, 2018, the Commission decided the Time of Day (ToD) Tariff as follows:

a. ToD tariff shall be applicable on all consumers (other than Domestic) whose sanctioned load/MDI (whichever is higher) is 10kW/11kVA and above.
b. Optional for all other three phase (3ø) connections including Domestic connections. If the consumer who has opted for ToD, the charges for up-gradation of meters, if any, shall be borne by respective consumers.
c. The Commission retained the Rebate during the Off Peak hours and Peak hours Surcharge at 20%. Optional ToD Consumers have the option to move back to non-ToD regime only once within one Financial Year.
d. For other than Peak and Off-Peak hours normal Energy Charges shall be applicable.

5.47 The Commission in Tariff Order dated 31/07/2019 continued with the TOD Tariff as specified in Tarff Order dated 28/03/2018. In this Tariff Order also, the Commission has decided to retain existing TOD Tariff.

TARIFF SCHEDULE FOR FY 2021-22

<table>
<tr><th>Sr. No.</th><th>CATEGORY</th><th>FIXED CHARGES</th><th colspan="5">ENERGY CHARGES</th></tr>
<tr><td>1</td><td colspan="7">DOMESTIC</td></tr>
<tr><td>1.1</td><td colspan="2">INDIVIDUAL CONNECTIONS</td><td>0-200 Units</td><td>201-400 Units</td><td>401-800 Units</td><td>801-1200 Units</td><td>>1200 Units</td></tr>
<tr><td>A</td><td>Upto 2 kW</td><td>20 Rs./kW/month</td><td rowspan="5">3.00 Rs./kWh</td><td rowspan="5">4.50 Rs./kWh</td><td rowspan="5">6.50 Rs./kWh</td><td rowspan="5">7.00 Rs./kWh</td><td rowspan="5">8.00 Rs./kWh</td></tr>
<tr><td>B</td><td>> 2kW and ≤ 5 kW</td><td>50 Rs./kW/month</td></tr>
<tr><td>C</td><td>> 5kW and ≤ 15 kW</td><td>100 Rs./kW/month</td></tr>
<tr><td>D</td><td>>15kW and ≤ 25 kW</td><td>200 Rs./kW/month</td></tr>
<tr><td>E</td><td>> 25kW</td><td>250 Rs./kW/month</td></tr>
<tr><td>1.2</td><td>Single Point Delivery Supply for GHS</td><td>150 Rs./kW/month</td><td colspan="5">4.50 Rs./kWh</td></tr>
<tr><td>2</td><td colspan="7">NON-DOMESTIC</td></tr>
<tr><td>2.1</td><td>Upto 3kVA</td><td>250 Rs./kVA/month</td><td colspan="5">6.00 Rs./kVAh</td></tr>
<tr><td>2.2</td><td>Above 3kVA</td><td>250 Rs./kVA/month</td><td colspan="5">8.50 Rs./kVAh</td></tr>
<tr><td>3</td><td>INDUSTRIAL</td><td>250 Rs./kVA/month</td><td colspan="5">7.75 Rs./kVAh</td></tr>
<tr><td>4</td><td>AGRICULTURE</td><td>125 Rs./kW/month</td><td colspan="5">1.50 Rs./kWh</td></tr>
<tr><td>5</td><td>MUSHROOM CULTIVATION</td><td>200 Rs./kW/month</td><td colspan="5">3.50 Rs./kWh</td></tr>
<tr><td>6</td><td>PUBLIC UTILITIES</td><td>250 Rs./kVA/month</td><td colspan="5">6.25 Rs./kVAh</td></tr>
<tr><td>7</td><td>DELHI INTERNATIONAL AIRPORT LTD. (DIAL)</td><td>250 Rs./kVA/month</td><td colspan="5">7.75 Rs./kVAh</td></tr>
<tr><td>8</td><td>ADVERTISEMENT & HOARDINGS</td><td>250 Rs./kVA/month</td><td colspan="5">8.50 Rs./kVAh</td></tr>
<tr><td>9</td><td colspan="7">TEMPORARY SUPPLY</td></tr>
<tr><td>9.1</td><td>Domestic Connections including Group Housing Societies</td><td>Same rate as that of relevant category</td><td colspan="5">Same as that of relevant category without any temporary surcharge</td></tr>
<tr><td>9.2</td><td>For threshers during the threshing season</td><td>Electricity Tax of MCD : Rs. 270 per connection per month</td><td colspan="5">Flat rate of Rs. 5,400 per month</td></tr>
<tr><td>9.3</td><td>All other connections including construction projects</td><td>Same rate as that of the relevant category</td><td colspan="5">1.30 times of the relevant category of tariff</td></tr>
<tr><td>10</td><td colspan="7">CHARGING STATIONS FOR E-RICKSHAW/E-VEHICLE ON SINGLE POINT DELIVERY/ SWAPPING OF BATTERIES</td></tr>
<tr><td>10.1</td><td>Supply at LT</td><td>-</td><td colspan="5">4.50 Rs./kWh</td></tr>
<tr><td>10.2</td><td>Supply at HT</td><td>-</td><td colspan="5">4.00 Rs./kVAh</td></tr>
</table>

Notes:

1. For Domestic category of consumers, Fixed Charges shall be levied on Sanctioned Load or Contract Demand as the case may be.

2. For all categories other than Domestic, Fixed Charges are to be levied based on Billing Demand per kW/kVA. Where the Maximum Demand (MD), as defined in *DERC (Supply Code and Performance Standards) Regulations, 2017*, reading exceeds sanctioned load/contract demand, a surcharge of 30% shall be levied on the Fixed Charges corresponding to excess load in kW/kVA for such billing cycle only. Wherever, sanctioned Load/Contract Demand is in kW/HP, the kVA shall be calculated on basis of actual Power Factor of the consumer, for the relevant billing cycle and in case of non-availability of actual Power Factor, the Power Factor shall be considered as unity for Sanctioned Load/Contract Demand upto 10kW/11kVA.

3. **<u>Time of Day (ToD) Tariff</u>**

   a. ToD tariff shall be applicable on all consumers (other than Domestic) whose sanctioned load/MDI (whichever is higher) is 10kW/11kVA and above.

   b. Optional for all other three phase (3ø) connections including Domestic connections. If the consumer who has opted for ToD, the charges for up-gradation of meters, if any, shall be borne by respective consumers.

   c. The Commission has decided to retain the Rebate during the Off Peak hours and Peak hours Surcharge at 20%. Optional ToD Consumers will have the option to move back to non-ToD regime only once within one Financial Year. For other than Peak and Off-Peak hours normal Energy Charges shall be applicable.

   d. The Commission has retained the time slots for Peak and Off-Peak hours as follows:

MONTHS	PEAK HOURS (HRS)	SURCHARGE ON ENERGY CHARGES	OFF-PEAK HOURS (HRS)	REBATE ON ENERGY CHARGES
May - September	1400– 1700 & 2200 – 0100	20%	0400 – 1000	20%

4. Rebate of 3%, 4% & 5% on the Energy Charges for supply at 11kV, 33/66 kV and 220 kV shall be applicable.

5. Maintenance Charges on Street Lights, wherever maintained by DISCOMs, shall be payable @ Rs. 84/light point/month and material cost at the rate of Rs. 19/light point/month as per the Commission's Order dated 22nd September 2009 in addition to the specified tariff. These

charges are exclusive of applicable taxes and duties.

6. The valid Factory Licence shall be mandatory for applicability of Tariff under Industrial category:

   Provided that in case where the Factory Licence has expired and its renewal application is pending with the concerned authority, the DISCOMs shall bill such consumers as per Tariff applicable under Non Domestic category;

   Provided further that on renewal of the Factory Licence, the DISCOMs shall adjust the bills of such consumers as per applicable Tariff under Industrial category from the effective date of renewal of such Licence.

   {**Explanation –** The Factory License for the purpose of applicability of industrial tariff shall mean the license or permission or authorisation or any other document issued or granted by Directorate of Industries or Ministry of Micro, Small and Medium Enterprises or MCD or any other Central or State Government Agency, as applicable, for running an Industry or Factory in respective field of operation.}

7. The above Tariff Rates shall be subject to following Additional Surcharges to be applied only on the basic Fixed Charges and Energy Charges excluding all other charges e.g., LPSC, Arrears, Electricity Tax/Duty, PPAC, Load Violation Surcharge, etc. for the consumers of BRPL, BYPL & TPDDL:
   (a) 8% towards recovery of accumulated deficit, and,
   (b) 7% towards recovery of Pension Trust Charges of erstwhile DVB Employees/ Pensioners as recommended by GoNCTD.

8. The Distribution Licensee shall levy PPAC after considering relevant ToD Rebate/Surcharge on energy charges applicable to the consumers.
9. For consumers availing supply through prepayment meters, the additional rebate of 1% shall be applicable on the basic Energy Charges, Fixed Charges and all other charges on the applicable tariff.
10. The Single Point Delivery Supplier (Group Housing Societies) shall charge the Domestic tariff

as per slab rate of 1.1 to its Individual Members availing supply for Domestic purpose and Non Domestic Tariff for other than domestic purpose. Any Deficit/Surplus due to sum total of the billing to the Individual Members as per slab rate of tariff schedule 1.1 and the billing as per the tariff schedule 1.2 including the operational expenses of the Single Point Delivery Supplier shall be passed on to the members of the Group Housing Societies on pro rata basis of consumption.

11. Individual Domestic Consumers availing the supply at single point delivery through Group Housing Society, shall claim the benefit of subsidy, applicable if any, as per the Order of GoNCTD. Group Housing Society shall submit the details of eligible consumers with consumption details and lodge claim of subsidy on behalf of individual members from DISCOMs.
12. The Single Point Delivery Supplier availing supply at HT & above shall charge the tariff to its LT consumers and in addition shall be entitled to charge an extra upto 5% of the bill amount to cover losses and all its expenses.
13. The Commercial Consumers of DMRC and DIAL who have sanctioned load above 215 kVA but served at LT (415 Volts) shall be charged the tariff applicable to Non-domestic LT (NDLT) category greater than 140kW/150kVA (415 Volts).
14. The rates stipulated in the Schedule are exclusive of electricity duty and other taxes and charges, as levied from time to time by the Government or any other competent authority, which are payable extra.
15. In the event of the electricity bill rendered by the Distribution licensee, not being paid in full within the due date specified on the bill, a Late Payment Surcharge (LPSC) @ 18% per annum shall be levied. The LPSC shall be charged for the number of days of delay in receiving payment from the consumer by the Distribution Licensee, until the payment is made in full without prejudice to the right of the licensee to disconnect the supply after due date, in the event of non-payment in accordance with Section 56 of Electricity Act, 2003. This will also apply to temporary connections and enforcement cases, where payment of final bill amount after adjustment of amount as per directions of the Court and deposit, is not made by due date.

16. No payment shall be accepted by the Distribution Licensees from its consumers at its own collection centres/mobile vans in cash towards electricity bill exceeding Rs. 4,000/- except from blind consumers, for court settlement cases & payment deposited by the consumers at designated scheduled commercial bank branches upto Rs. 50,000/-. Violation of this provision shall attract penalty to the level of 10% of total cash collection exceeding the limit.
17. The payment of monthly electricity bills of all categories of consumers except Domestic, Agriculture & Mushroom Cultivation exceeding Rs. 20,000/- shall be paid Digitally through various platforms like NEFT, RTGS, IMPS, Credit Card, Debit Card, Wallets (like PayTM, Google Pay) etc.
18. Wherever the Fixed or Energy Charges are specified in Rs. per kVAh, for the purpose of billing, the kVAh as read from the meter in the relevant billing cycle shall be used.

OTHER TERMS AND CONDITIONS

1. **DOMESTIC CATEGORY**

1.1 Domestic Lighting, Fan and Power (Single Point Delivery and Separate Delivery Points/Meters)

Available to following:

a. Residential Consumers.
b. Hostels of recognized/aided institutions which are being funded more than 90% by Municipal Corporation of Delhi or Government of the NCT of Delhi or any other Government/local bodies [local bodies include NDMC and MCDs (North, South & East)].
c. Staircase lighting in residential flats separately metered.
d. Compound lighting, lifts and water pumps etc., for drinking water supply and fire-fighting equipment in residential complexes, if separately metered.
e. In Group Housing Societies etc. for bonafide use of lighting/fan and power, subject to the provision that the supply is at single point delivery for combined lighting/fan & power.
f. Dispensary/ Hospitals/ Public Libraries/ School/ College/ Working Women's Hostel/ Charitable homes run and funded by more than 90% by Municipal Corporation of Delhi or Government of the NCT of Delhi or any other Government/local bodies.

g. Small Health Centres including Mohalla Clinics approved by the Department of Health, Government of NCT of Delhi for providing charitable services only.
h. Recognized Centres for welfare of blind, deaf and dumb, spastic children, physically handicapped persons, mentally retarded persons, as approved by the Government of NCT of Delhi and other Government.
i. Public parks except temporary use for any other purpose.
j. Bed and Breakfast Establishments (Residential Premises) registered u/s 3 of the National Capital Territory of Delhi (Incredible India) Bed and Breakfast Establishments (Registration & Regulations) Act, 2007.
k. Places of Worship.
l. Cheshire homes/Orphanage.
m. Shelter Homes (including Night Shelters) approved by Delhi Urban Shelter Improvement Board, GoNCTD.
n. Electric Crematoriums.
o. Gaushala Registered under GoNCTD.
p. Professionals i.e. individuals engaged in those activities involving services based on professional skills, viz Doctor, Psychologist, Physiotherapist, Lawyer, Architect, Chartered Accountant, Company Secretary, Cost & Works Accountant, Engineer, Town Planner, Media Professional and Documentary Film Maker may utilize the domestic connection at their residence for carrying out their professional work in the nature of consultancy without attracting Non-Domestic tariff for the electricity consumed, provided that the area used for professional activity does not exceed the area permitted to be used for such activity in residential area under the Master Plan for Delhi, 2021 (MPD-2021), which as per MPD-2021 is permissible on any one floor only but restricted to less than 50% of the permissible or sanctioned FAR whichever is less on that plot or dwelling unit.
q. Available, for loads up to 21 kW, to farm houses for bonafide domestic self use.
r. The consumers (owner, tenant or occupier of premises) running small commercial establishments including Paying Guest from their households (houses under Domestic Category) having sanctioned load upto 5kW under Domestic Category, shall be charged

Domestic Tariff.

s. Cattle Farms/ Dairy Farms/ Dhobi Ghat with a total consumption of not more than 1000 units/month.

1.2 Domestic Connection on Single Point Delivery

Same as 1.1 - For GHS flats and for individuals having sanctioned load above 100 kW/108kVA Group Housing Society (GHS) shall mean a residential complex owned/managed by a Group Housing Society registered with Registrar, Cooperative Societies, Delhi / registered under Societies Act, 1860 and for sake of brevity the definition shall include residential complex developed by a Developer and approved by appropriate authority.

2. **NON-DOMESTIC**

Available to all consumers for lighting, fan & heating/cooling power appliances in all Non-Domestic establishments as defined below:

a. Hostels/Schools/Colleges/Paying Guests (other than that covered under Domestic Category)
b. Auditoriums, Lawyer Chambers in Court Complexes, nursing homes/diagnostic Centres other than those run by Municipal Corporation of Delhi or the Government of NCT of Delhi (other than that covered under domestic category).
c. Railways (other than traction), Hotels and Restaurants
d. Cinemas
e. Banks/Petrol pumps including CNG stations
f. All other establishments, i.e., shops, chemists, tailors, washing, dyeing, drycleaner, beauty salon, florist, etc. which do not come under the Factories Act.
g. Fisheries, piggeries, poultry farms, floriculture, horticulture, plant nursery
h. Farm houses being used for commercial activity
i. DMRC for its commercial activities other than traction.
j. DIAL for commercial activities other than aviation activities.
k. Ice-cream parlours
l. Single Point Delivery for Commercial Complexes supply at 11 kV or above

m. Pumping loads of DDA/MCD
n. Supply to Delhi Metro Rail Corporation (DMRC) Ltd. for their on-going construction projects etc. and for commercial purposes other than traction.
o. Any other category of consumers not specified/covered in any other category in this Schedule.

3. **INDUSTRIAL**

Available to Industrial consumers & Hospitals (other than that covered in Domestic Category) including lighting, heating and cooling load.

4. **AGRICULTURE**

Available for load up to 20 kW for tube wells for irrigation, threshing, cultivation and kutti-cutting in conjunction with pumping load for irrigation purposes and lighting load for bonafide use in Kothra.

5. **MUSHROOM CULTIVATION**

Available for load upto 100 kW for mushroom growing/cultivation.

6. **PUBLIC UTILITIES**

a. **DELHI JAL BOARD**: Available to DJB for pumping load & Water Treatment Plants.
b. **RAILWAY TRACTION:** Available for Indian Railways for Traction Load.
c. **DELHI METRO RAIL CORPORATION:** Available to Delhi Metro Rail Corporation (DMRC) for Traction Load
d. **PUBLIC LIGHTING:** Street Lighting, Signals & Blinkers

- All street lighting consumers including MCD, DDA, PWD, CPWD, Slums depts., DSIIDC, MES, GHS etc.
- Traffic signals and blinkers of Traffic Police
- Unmetered Public Lighting shall be charged Energy Charge Rate at 1.10 times of applicable Tariff.

7. **DELHI INTERNATIONAL AIRPORT LIMITED:** Available to DIAL for Aviation activities.

8. **ADVERTISEMENT & HOARDINGS:** Electricity for Lighting External Advertisements, External Hoardings and Displays at Departmental Stores, Malls, Multiplexes, Theatres, Clubs, Hotels, Bus Shelters, Railway/Metro Stations, Airport which shall be separately metered and charged at the Tariff applicable for *"Advertisements and Hoardings"* category, except such displays which are for the purpose of indicating/displaying the name and other details of the shop, commercial premises itself. Such use of electricity shall be covered under the prevailing tariff for such shops or commercial premises.

9. **TEMPORARY SUPPLY**

   a. Available as Temporary Connection under the respective category
   b. Domestic Tariff without Temporary Surcharge shall be applicable for Religious functions of traditional and established characters like Ramlila, Dussehra, Diwali, Holi, Dandiya, Janmashtami, Nirankari Sant Samagam, Gurupurb, Durga Puja, Eid, Christmas celebrations, Easter, Pageants and cultural activities like NCC camps, scouts & guides camps etc.

10. **CHARGING OF E-RICKSHAW/ E-VEHICLE/ SWAPPING OF BATTERIES**

   c. **Charging Stations for E-Rickshaw/ E-Vehicle on Single Point Delivery:** Available to Charging Stations as per the provisions of *DERC (Supply Code and Performance Standards) Regulations, 2017*.
   d. **Tariff applicable for charging of batteries of E-Rickshaw / E-Vehicle** at premises other than at Charging Stations meant for the purpose shall be the same as applicable for the relevant category of connection at such premises from which the E-Rickshaw / E-Vehicle is being charged.
   e. Tariff for charging stations for E-Rickshaw/E-vehicle on single point delivery as notified in this Tariff Schedule shall be applicable for charging of batteries at swapping facilities provided that such swapping facilities are exclusively used for swapping of batteries of E-Rickshaw/E-Vehicle only. A separate electricity connection shall be taken by the applicant for other associated purposes such as office of EV Charging station, public amenities, consumption of other equipment etc. The applicant shall ensure the separate metering arrangement for such purposes. Tariff as applicable to Non-Domestic category shall be

applicable to the same.

INTERPRETATION/CLARIFICATION

In case of doubt or anomaly, if any, in the applicability of Tariff or in any other respect, the matter will be referred to the Commission and Commission's decision thereon shall be final and binding.

A6 DIRECTIVES

6.1 The Commission directs the Petitioner to make timely payment of bills to all the Generating Companies and Transmission Utilities. No Late Payment Surcharge shall be allowed as a pass through in the ARR on account of delayed payments.

6.2 The Petitioner shall directly deposit the amount of pension trust surcharge collected from the consumer as per the tariff schedule in the following bank account, of Pension trust:

1	A/C No.	10021675545
2	MICR No.	110002103
3	Bank	State Bank of India
4	IFSC Code	SBIN0004281
5	Name	DVB-ETBF-2002
6	Branch	Rajghat Power House, New Delhi – 110002

6.3 The Commission directs the Pension Trust to intimate the total amount collected through Pension Trust surcharge on quarterly basis by 15th day of end of each quarter.

6.4 If the Petitioner purchases any expensive power to meet the demand during any time zone for which cheaper power has been regulated due to non-payment of dues, in such an eventuality, the cost of such expensive power purchases shall be restricted to the variable cost of regulated cheaper power to that extent at the time of true up.

6.5 In case the power is regulated by DTL/Interstate Transmission Licensee due to non-payment of their dues, in such case the transmission charges borne by the Petitioner shall also not be allowed.

6.6 The Commission vide its letter No. F.17(47)/Engg./DERC/2009-10/CF No. 2147/2956 dated 21/10/2009 has directed the Petitioner to ensure availability of power supply for meeting the demand. The Petitioner shall ensure that the electricity which could not be served due to any reason what-so-ever, shall not exceed 1% of the total energy supplied in units (kWh) in any particular month except in the case of force-majeure events which are beyond the control of the Petitioner as per the provisions of above referred letter dated 21/10/2009.

6.7 It is directed that the Petitioner shall not accept payment from its consumers at its own collection centres/mobile vans in cash towards electricity bill exceeding Rs 4,000/- except from blind consumers and for court settlement cases or any other cases specifically permitted by the Commission. The limit for accepting payment through cash by the consumers at designated scheduled commercial bank branches shall be Rs. 50,000/-. Violation of this directive shall attract penalty to the level of 10% of total Cash collection exceeding these limits.

6.8 The Commission directs the Petitioner to restrict the adjustment in units billed on account of delay in meter reading, raising of long duration provisional bills etc. to a maximum of 1% of total units billed. The adjustment in units billed shall be considered on a yearly basis. Further, the adjustment of Contra Entry, adjustment for Open Access consumers and adjustment on account of Provisional Billing related to period till two (2) months shall not be form the part of adjustment in units billed. Further, also the real adjustments/other adjustments shall be considered without sign change i.e. such adjustments either resulting into increase in revenue billed or decreased into revenue billed shall be considered on gross basis rather than net basis.

6.9 The Commission directs the Petitioner to submit the statement of interest on all types of loans availed from various Banks/Financial institutions on an annual basis at the end of every Financial year. This statement shall be duly supported by certificates from every lending Bank/Financial institution for each loan, certifying the following:

- Opening balance of loan
- Loan disbursed during the year
- Repayment during the year
- Interest rates as applicable in accordance with the terms of sanction
- Additional interest if any levied on account of non-creation of required charge/not providing required security
- Interest charges levied and paid
- Penal charges levied and paid
- Processing charges and/or fees of any other kind as levied and paid as per the terms of sanction

6.10 This Statement and Certificate shall be submitted within 60 days from the end of the Financial Year.

6.11 The Commission further directs the Petitioner:

a. To provide the information to the consumer through SMS on various items such as scheduled power outages, unscheduled power outages, Bill Amount, Due date and Maximum Demand during the month, etc. as directed by the Commission from time to time.

b. To maintain toll free number for registration of electricity grievances and to submit the quarterly report.

c. To conduct a safety audit and submit a compliance report within three months of the Tariff Order;

d. To carry out preventive maintenance as per schedule;

e. To submit the information in respect of Form 2.1 (a) as per revised format issued by the Commission to the utilities on monthly basis latest by 21st day of the following month;

f. To submit the annual energy audit report in respect of their network at HT level and above.

g. To submit compliance report related to the findings of the Energy Audit conducted by the Commission within 30 days from the issuance of this Tariff Order.

h. To submit the Auditor's certificate in respect of Form 2.1(a) on quarterly basis within the next quarter bifurcating the adjustment in sales as stipulated in directive 6.8 above;

i. To submit the details of network capacity as per the particulars specified for determination of O&M expenses on quarterly basis by the end of next month;

j. To incorporate the following information in the annual audited financial statements:-

i. Category-wise Revenue billed and collected,

ii. Category-wise breakup of regulatory and pension trust surcharge billed and collected,

iii. Category-wise PPAC billed and collected,

iv. Category- wise Electricity Duty billed and collected,

v. Category-wise subsidy passed on to the consumers during the financial year, if any,

vi. Category-wise details of the surcharge billed on account of ToD,

vii. Category-wise details of the rebate given on account of ToD,

viii. Street light incentive and material charges for street light maintenance,

ix. Direct expenses of other business,

x. Revenue billed on account of Own Consumption,

xi. Revenue collected on account of enforcement/theft cases,

k. To submit annual auditor certificate in respect of power purchase details of the previous year by 30th July of the next financial year considering normative rate of Banking Transactions as approved by the Commission. The power purchase invoices received upto April month of the next financial year but pertaining to the previous year only will be considered towards power purchase cost of the said financial year;

l. To submit the reconciliation statement in respect of power purchase cost/Transmission cost on a quarterly basis with respective Generation/ Transmission companies;

m. To submit the status and validity of power purchase agreements on quarterly basis within 15 days of end of each quarter;

n. To strictly adhere to the guidelines on short-term power purchase/sale of power issued by the Commission from time to time and to take necessary steps to restrict the cost of power procured through short term contracts, except trading through Power Exchange & IDT, at Rs.5/kWh. In case the cost of power proposed to be procured exceeds the above ceiling limit, this may be brought to the notice of the Commission within 24 hours detailing the reasons or exceptional circumstances under which this has been done. In the absence of proper justification towards short term power purchase at a rate higher than the above ceiling rate (of Rs.5/kWh), the Commission reserves the right to restrict allowance of impact of such purchase on total short term power purchase not exceeding 10 Paisa/kWh during the financial year.

o. To raise the bills for their own consumption of all their installations including offices at zero tariff to the extent of the normative self-consumption approved by the Commission and exceeding the normative limit of self-consumption at Non-Domestic tariff for actual consumption recorded every month.

p. To submit the quarterly progress reports for the capital expenditure schemes being implemented within 15 days of the end of each quarter.

q. To submit the actual details of capitalization for each quarter for the year within one month of the end of the quarter for consideration of the Commission. All information regarding capitalization of assets shall be furnished in the formats prescribed by the Commission, along with the requisite statutory clearances/certificates of the appropriate authority/ Electrical Inspector, etc. as applicable.

r. To submit the status of installation of smart meters on quarterly basis within 15 days of end of each quarter.

s. To submit the status of compliance of Renewable Purchase Obligation (RPO) on quarterly basis within 15 days of end of each quarter.

6.12 Save and except the penalty as specifically provided in these directives, in all other cases, the punishment for non-compliance of directions of the Commission shall be dealt as per the Section 142 of the Electricity Act, 2003.

DELHI ELECTRICITY REGULATORY COMMISSION

Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi- 110017.

F.11(1825)/DERC/2020-21/

Petition No. 02/2021

In the matter of: **Petition for approval of True-up of expenses upto FY 2019-20 and Aggregate Revenue Requirement (ARR) for FY 2021-22.**

BSES Yamuna Power Limited,
Through its: **CEO**
Shakti Kiran Building,
Karkardooma,
Delhi-110 092. **...Petitioner/Licensee**

Coram:
Hon'ble Sh. Justice S S Chauhan, Chairperson
Hon'ble Sh. A. K. Ambasht, Member

Appearance:

Mr. Buddy A Ranganadhan, Adv.

INTERIM ORDER
(Date of Hearing: 16.02.2021)
(Date of Order: 19.02.2021)

1. The Counsel for the Petitioner states that the instant Petition has been filed by M/s. BSES Yamuna Power Ltd. (BYPL) for approval of True-up of expenses upto FY 2019-20 and Aggregate Revenue Requirement (ARR) for FY 2021-22.

2. The Petition has been scrutinised and found generally in order as per the DERC Comprehensive (Conduct of Business) Regulations, 2001.

3. The Petition is admitted. Further, the Petitioner shall furnish clarifications/ additional information, if and when required by the Commission.

(A.K. Ambasht)
Member

(Justice S S Chauhan)
Chairperson

Annexure-II

LIST OF RESPONSES RECEIVED FROM STAKEHOLDERS ON TRUE UP OF EXPENSES FOR FY 2019-20 AND AGGREGATE REVENUE REQUIREMENT (ARR) AND TARIFF FOR FY 2021-22

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
1.	1	The Midland Fruit and Vegetable products (India) Pvt. Ltd	Jumbo House, Dr Jha Marg, Near Okhla Rly Station, Okhla Industrial Area, Phase III New Delhi 110 020	Industrial	DISCOMS	05/03/2021
2.	2	Jumbo International	Jumbo House, Dr Jha Marg, Near Okhla Rly Station, Okhla Industrial Area, Phase III New Delhi 110 020	Industrial	DISCOMS	05/03/2021
3.	3	Sh. B.S. Sachdev President	Elderly Peoples Forum, Varishth Nagrik Manoranjan Kendra, Ist Floor, C-4 Block, Keshav Puram, Delhi 110 035	RWA	DISCOMS	15/03/2021
4.	4	Sh. S.R. Abrol	L-2, 91B, DDA, LIG, Kalkaji New Delhi	Domestic	DISCOMS	17/03/2021
5.	5	Ms. Neeta Gupta	Sector 14-Extension, Rohini Delhi 110 085	Domestic	DISCOMs	24/03/2021
6.	6	Sh. Vipin Gupta	A-17, Antriksh Apartments, Sector 14-Extension- Rohini Delhi 110 085	Domestic	DISCOMs	21/03/2021
7.	7	Sh. Deepak Suri	A1-3 Near Moti Nagar Metro Station, Moti Nagar, New Delhi	Domestic	DISCOMs	25/03/2021
8.	8	Sh. Suresh Kumar	E-20A Moti Nagar, Delhi	Domestic	DISCOMs	25/03/2021
9.	9	Sh. Nitin Sehgal	H.No. 69 Blk DF, Pitampura Delhi	Domestic	DISCOMs	25/03/2021
10.	10	Sh. Kawaljeet Singh	H.No. 122, Sector-1 Avantika Rohini, New Delhi	Domestic	DISCOMs	25/03/2021
11.	11	Sh. Sunil Kumar	Mukherjee Nagar, Delhi	Domestic	DISCOMs	25/03/2021
12.	12	Sh. Dinesh Singh	GF, House No. 54, Pkt 5 Sector-6, Rohini, Delhi	Domestic	DISCOMs	25/03/2021
13.	13	Sh. Subhash Suri	Blk FD, H. No. 79 Pitampura, Delhi	Domestic	DISCOMs	25/03/2021
14.	14 14 A 14 B 14 C	Sh. Pankaj Gupta General Manager/ Tr./O&M	Delhi Metro Rail Corporation Ltd.	Govt.	BRPL BYPL TPDDL NDMC	25/03/2021
15.	15	Sh. Ashish Dikshit	H. No. 09, Block –JD Pitampura 110 034	Domestic	DISCOMs	30/03/2021

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
16.	16	Sh. Janak Singh	Plot No. 65, 3rd Floor, Block-D, Ashok Vihar Phase I Delhi 110 052	Domestic	DISCOMs	26/03/2021
17.	17	Ms. Lata Jain	House No. 110, First Floor, Gali No. 9 Andha Mugal Pratap Nagar, Delhi 110 007	Domestic	DISCOMs	26/03/2021
18.	18	Sh. Arun Kumar	Plot No. 22, Third Floor Karol Bagh, Block No. D New Rohtak Road,	Domestic	TPDDL	26/03/2021
19.	19	Ms. Jaspreet Kaur	HNo. 13, Block –C, PH-3, Near Laxmi Bai College Ashok Vihar, 110 052	Domestic	DISCOMs	26/03/2021
20.	20	Sh. Jagdish Goel	Plot No. 41, Block E, Near Kali Maa Mandir Shakti Nagar Exten. Delhi 110 052	Domestic	DISCOMs	26/03/2021
21.	21	Sh. Jogendra Behera VP (Market Design & Economics) IEX	Okit Bi, C-001/A/1, 9th Floor, Max Towers, Sector 16B, Noida UP 201 301	Industrial	DISCOMs	30/03/2021
22.	22	Ms. Mansi Kapoor	FF, House No. 264, Near Dispensary, Mangolpur Khurd New Delhi	Domestic	DISCOMs	30/03/2021
23.	23	Sh. Amrit Lal	GF, Blk-DP/175, Pitampura 110 034	Domestic	DISCOMs	30/03/2021
24.	24	Sh. Amar Gupta	126/223, First Floor, Block –F, Nr. Natraj Cinema Moti Nagar, New Delhi	Domestic	DISCOMs	30/03/2021
25.	25 25A 25B	Sh. Bharat Kumar Bhadawat Head (Regulatory, Legal and PM)	Tata Power Delhi Distribution Ltd NDPL House, Hudson Lines, Kingsway Camp, Delhi 110 009	Licensee	IPGCL PPCL DTL	26/03/2021
26.	26 26A 26B 26C	Sh. K.M. Lal General Manager (C&RA)	Delhi Transco Ltd. Shakti Sadan, Kotla Road, New Delhi 110 002	Govt.	BRPL BYPL TPDDL DTL	30/03/3021
27.	27	Sh. Manoj Taneja	House No. 59/257 Sarai Rohila Delhi 110 035	Domestic	DISCOMs	31/03/2021
28.	28	Sh. Arvind Rastogi	House No. 105, 1st Floor, Block-D Sarai Basti Sari Rohila Near Usha Mata Mandir Delhi 110 035	Domestic	TPDDL	31/03/2021

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
29.	29	Sh. Bhram Pal	Flat No. 7, 3rd Floor Pkt-B Sector 28 Near Shahbad Dairy Rohini 110 042	Domestic	DISCOMs	31/03/2021
30.	30	Sh. Ashish Kumar	House No. 21/89 Block –D, Shahbad Dairy New Delhi	Domestic	DISCOMs	31/03/2021
31.	31	Ms. Neetu Chopra	House No. 2233, Plot No. 35, 3rd Floor, Ganeshpura Tri Nagar Near Tota Ram Bazar Delhi 110 035	Domestic	DISCOMs	31/03/2021
32.	32	Sh. Ramesh Yadav	Housne No. 2344, Near Aggarwal Nursing Home Onkar Nagar, Tri Nagar 110035	Domestic	DISCOMs	05/04/2021
33.	33	Sh. Ravinder	BR-124, 3rd Floor SFS Flats, Shalimar Bagh, Delhi 110 088	Domestic	DISCOMs	05/04/2021
34.	34	Sh. Jagdish	Flat No. 93, Ground Floor, Landmark Near, Bhagwan Mahavir Hospital, Pitampura	Domestic	TPDDL	05/04/2021
35.	35	Sh. Sandeep Agarwal	House No. 89, 3rd Floor, Block-AC Shalimar Bagh, Near Shiv park 110 088	Domestic	DISCOMs	05/04/2021
36.	36	Sh. Chander Shekar	House No. 166, Block RN Shalimar Bagh West 110 088	Domestic	DISCOMs	05/04/2021
37.	37	Sh. Sunil Kumar	House No. 56, 3rd Floor Kewal Park Extn. Opp Azadpur Subzi Mandi	Domestic	DISCOMs	05/04/2021
38.	38	Sh. Mohan Lal	H.No.66, Block-DR Pitampura, Delhi-110034	Domestic	DISCOMs	05/04/2021
39.	39	Sh. Syed Khalid Anwar General Secretary	Pension Fighters, 14A, Shivam Enclave, Jhilmil Colony, Shahdara-110034	Pension Trust	DISCOMs	26/03/2021
40.	40	Sh. Naresh Kumar	GF, H.NO.92, Block F, Pkt, 29, Sec.3, Rohini, Delhi-110085	Domestic	DISCOMs	12/04/2021
41.	41	Sh. Raj Mohan	H.No. 67, New Lawrence Road, Narang Colony, Tri Nagar-110035	Domestic	DISCOMs	12/04/2021
42.	42	Sh. Rohit Jha	H.No. C-8, Back portion, 3rd floor, Block-C, Kewal Park Extension-110033	Industrial	DISCOMs	12/04/2021
43.	43	Sh. Raj Chaurasia	H.No 17, Pkt.19, Sector, 24 Rohini-110085	Domestic	DISCOMs	12/04/2021
44.	44	Sh. Sachin Singhal	H.No.20, Block-1, Phase-2, Ashok Vihar-110052	Domestic	DISCOMs	12/04/2021

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
45.	45	Sh. Anurag Gupta	First Floor, Flat No.27, Block -PQ, Pitampura Delhi	Domestic	DISCOMs	12/04/2021
46.	46	Sh Manmohan Bansal	H.No.23, Block-15, Shakti Nagar, Delhi-110007	Domestic	DISCOMs	12/04/2021
47.	47	Sh. Sanjay Chawla	Plot No.12, Third ground floor, Gurunanak Road Block-D, Adarsh Nagar, Near Mukundpur Metro Station -110033	Domestic	DISCOMs	12/04/2021
48.	48	Sh. Paramjeet Singh	KH-4451, Jeevan Park, Siraspur, Delhi-110042	Domestic	DISCOMs	12/04/2021
49.	49	Sh. Pankaj Mathur	H.No.27, 2nd floor, Keshavpuram Indl. Area, Lawrence Road-110035	Domestic	DISCOMs	12/04/2021
50.	50	Sh. Abhinav Sinha	Flat No.727 C, Block 10 Sec-3, Near Fire Station Sec.3, DSIDC, Bawana-110039	Domestic	DISCOMs	12/04/2021
51.	51	Sh. Kailash Sachdev	H.No.A-45, Back Portion, 3rd floor, Kalyan Vihar-110009	Domestic	DISCOMs	12/04/2021
52.	52	Sh. Prabhu Dayal	F.No.22, PKt. 2, Sec, 6, DDA, Narela, Delhi-110040	Domestic	DISCOMs	12/04/2021
53.	53	Ms. Gurpreet Kaur	H.No.12 , Block-AC, Shalimar Bagh East-110088	Domestic	DISCOMs	12/04/2021
54.	54	Sh. Sanjeev Gupta, President	Jan Samaj Seva Samiti P-Block, 1779, Jhandwalan Chowk, Gali No. 17, Baljeet Nagar New Delhi	RWA	DISCOMs	15/04/2021
55.	55	Sh. Jagdish Khetarpal Vice President	RWA , D2 Block, Janakpuri, New Delhi-110058	RWA	DISCOMs	02/04/2021
56.	56	Sh. Rajesh Aggarwal, Gen Secretary	Shahdara Residents Welfare Association Regd	RWA	DISCOMs	13.04.2021
57.	57	Sh. A.K.Dutta	H.No. 222, Pkt. E, Mayur Vihar, Phase-II, Delhi-110091	Domestic	DISCOMs	15/04/2021
58.	58 58 A 58 B 58 C 58 D 58 E	Ms. Preeti, Jt.Secretary	Jan Kalyan Samiti, Vir Sewa Mandir Building, 4674/21, Ansari Road, Daryaganj, New Delhi-110002	RWA	DISCOMs	19/04/2021
59.	59	Sh. Sumer Chand Gupta, Secretary	RWA, Ghas Mandi Ahata Kidara Pahari Dhiraj, 4570 GF, Gali Nathan Singh, Pahari Dhiraj, Delhi-110006	RWA	DISCOMs	19/04/2021

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
60.	60	Sh. Saurabh Gandhi Gen. Secretary	RWA, United Residents of Delhi, C-6/7 Rana Pratap Bagh, Delhi-110007	RWA	DISCOMs	19/04/2021
61.	61	Sh. K. Muraleedharan Nair Hon. Secretary	Kaveri co-operative Group Housing Society Ltd. Plot No.4, Sector-6 Dwarka Phase-I, New Delhi-110075	RWA	DISCOMs	19/04/2021
62.	62	Sh.Pawan Kumar Jain Gen. Secretary	Pahadi Dheeraj Kapda Committee, 4460, New Cloth Market, Sadar Bazar Delhi-110006	RWA	DISCOMs	19/04/2021
63.	63	Sh. Parsuram Rawat President	RWA, I-10, Street No.10, Brahampuri, Delhi-110053	RWA	DISCOMs	19/04/2021
64.	64	Sh. Kunwar Pratap Singh President	Bhajanpura Jan Sehyog Sabha, D-408, Street No.9 D, Bhajanpura, Delhi-110053	Domestic	DISCOMs	19/04/2021
65.	65 65 A	Sh. Kapil Verma Vice President	RWA, 276-B, LIG Flats, Dilshad Garden, Delhi-110095	RWA	DISCOMs	19/04/2021
66.	66	Sh. Bhopal Singh Jatav Member	RWA, H-16/830, Bapa Nagar, Pyare Lal Marg, Karol Bagh< New Delhi-110005	RWA	DISCOMs	18/04/2021
67.	67	Sh. Ajay Malhotra Executive Member	RWA, E-221, West Patel Nagar, New Delhi-110008	RWA	DISCOMs	18/04/2021
68.	68	Sh. Pal Sharma	RWA, Jan Sudhar Parishad Delhi, Vijay Marg, Gali No.2, Baba Balaknath Mandir, Baljeet Nagar, New Delhi-110008	RWA	DISCOMs	18/04/2021
69.	69	Sh. Kaushar Khan Gen. Secretary	General Secy. ,RWA F-10, Gali No.1, Shastri Park, Delhi-110053	RWA	DISCOMs	19/04/2021
70.	70	Sh. Rajiv Narang Executive Engineer	SDMC, M.C. Priminary School, Policy Colony, Hauz Khas, New Delhi-110016	Govt.	DISCOMs	19/04/2021
71.	71	Sh. D.K. Bhandari President	President, Awasiya Kalyan Samiti, Dilshad Garden, Pocket J & K , (Flat no. 1-A to 204-D) Dilshad Garden, Delhi-110095	RWA	DISCOMs	19/04/2021
72.	72 72 A	Sh. Sunil Kumar President	68A, Pocket SG Dilshad Garden, Delhi 110 095	RWA	DISCOMs	07/06/2021
73.	73 73 A 73 B 73 C 73 D 73 E	Sh. Yogesh Jain General Secretary	Federation of RWA of Daryaganj Keynote House 4525A, 7/33, Ansari Road, Darya Ganj, New Delhi 110 002 yogpreet@gmail.com	RWA	DISCOMs	19/04/2021

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
74.	74	Sh. Shashi Goyal DGM	BSES Rajdhani Power Ltd. BSES Bhawan, Nehru Place, New Delhi 10 019	Licensee	Generation & transmission	29/06/2021
75.	75	Sh. Bharat Kumar Bhadawat Head (Regulatory, Legal and PM)	Tata Power Delhi Distribution Ltd NDPL House, Hudson Lines, Kingsway Camp, Delhi 110 009	Licensee	Generation & Transmission	29/06/2021
76.	76 76 A 76 B 76 C	Sh. K.M. Lal General Manager (C&RA)	Delhi Transco Ltd. Shakti Sadan, Kotla Road, New Delhi 110 002	Govt.	BRPL BYPL TPDDL NDMC	29/06/2021

Annexure-III

STAKEHOLDERS WHO HAVE ATTENDED THE VIRTUAL PUBLIC HEARING FOR THE PETITION FILED BY DISCOMs, GENCOs, AND TRANSCO ON THE APPROVAL PETITION FOR TRUING UP OF EXPENSES UPTO FY 2019-20 AND ANNUAL TARIFF PETITION FOR FY 2021-22

Sr. No.	Name	Organization
1	Sh. Bharat Kumar Bhadawat	TPDDL
2	Sh. N. P. Bhargava	Jumbo International
		The Midland Fruit and Vegetable Products
3	Sh. J. K. Gupta	Domestic/ RWA
4	Sh. Balram Chawla	RWA North West District
5	Sh. Lalit Chopra	NDMC
6	Dr. Gauri Shankar	Domestic consumer
7	Ms. Sarla Rani	Jan Kalyan Sewa Samiti
8	Sh. Satvir Singh Rana	RWA
9	Sh. Brij Mohan Verma	RWA Adarsh Welfare
10	Sh. Vijay Kumar Dabas	Domestic/ Non-Domestic
11	Sh. Pawan Kaushik	RWA Hargovind Vihar
12	Sh. Raj Kumar Garg	RWA Krishan Vihar
13	Dr. Kunal Tanwar	RWA
14	Sh. Pradeep Kumar	RWA
15	Sh. Sant Kumar Shukla	RWA Kirari Extension
16	Sh. Mukesh Aggarwal	RWA Lake Area
17	Sh. Gursharan Singh	Baba Banda Singh Bahudar Committee
18	Sh. Harish Bither	Domestic Consumer/ RWA
19	Sh. R. K. Gupta	RWA
20	Sh. Tej Pal Singh	RWA
21	Sh. Vijay Singh	TPDDL
22	Dr. Rajesh Sood	RWA
23	Sh. P.S. Grover	Domestic Consumer
24	Ms. Kusum Sharma	Kaatyani Mahila Shakti Welfare
25	Sh. P. S. Gaira	TPDDL
26	Sh. Hari Bhardwaj	Senior Citizen Welfare Association Narela
27	Sh. R. K. Gulati	RWA Keshav Puram
28	Sh. Manmohan Negi	RWA Pratap Vihar Part 1
29	Sh. Chandrakant Shrivas	DMRC
31	Sh. Rajeev Kumar	Bawana Manufactureres Welfare Association
32	Sh. Ashish Garg	Narela Industrial Complex Welfare Association
33	Sh. Keshav Mohan Lal	DTL
34	Dr. Rajendra Kumar Yadav	IPGCL & PPCL
35	Er. Sundeep Gaur	NDMC
36	Er. P. K. Shokeen	NDMC
37	Sh.R. K. Mamgain	NDMC
38	Sh. Naveen Bhardwaj	NDMC

Sr. No.	Name	Organization
39	Sh. Mahesh Kumar Mittal	NDMC
40	Er. Sudeep	NDMC
41	Er. Khushboo Sharma	NDMC
42	Sh. C M Jain	NDMC
43	Sh. Akshaya Arora	NDMC
44	Sh. Piyush Jain	WRI
45	Dr. Pradeep Kumar	Examining Body for Para-Medical Training for Bhartiya Chikitsa, Govt. of Delhi
46	Sh. Hemant Sachdeva	Unity Groups
47	Sh. Subhash Vashisht Sh. Suresh Elwadhi	Foundation of Rubber & Polymer Manufacturers (FORM)
48	Sh. Rajul Agarwal	BYPL
49	Ms. Prachi Jain	BYPL
50	Sh. Abhishek Shrivastava	BYPL
51	Sh. Vikas Dixit	BYPL
52	Sh. Sameer Singh	BYPL
53	Sh. Brajesh Kumar	BYPL
54	Sh. Garima Belwal	BYPL
55	Ms. Vinita Vishwakarma	BYPL
56	Sh. Ravi Shandilya	BRPL
57	Sh. Vineet Wasan	Domestic Consumer
58	Sh. Arindam Das	BRPL
59	Ms. Monika Dhyani	BRPL
60	Sh. Abhishek Mahapatra	BRPL
61	Sh. Gaurav Thapan	BRPL
62	Sh. Mayank Ahlawat	BRPL
63	Sh. Vishnu Kumar	BRPL
64	Sh. Deepak Shankar	BRPL
65	Sh. Megha Bajpeyi	BRPL
66	Sh. Prashant Dua	BRPL
67	Sh. Pal Sharma	Jansudhar Parishad (RWS)
68	Sh. Digbijay Narayan Majhi	BRPL
69	Sh. Dipankar Majumdar	BRPL
70	Sh. Rajesh Doshi	BRPL
71	Sh. R. K. Jagdish	RWA
72	Ms. Anita Prasad	RWA
73	Sh. Rajiv Verma	RWA
74	Sh. R. L. Dhawan	RWA
75	Sh. Asit Tyagi	BRPL
76	Sh. Surendra Yadav	BRPL
77	Sh. Varun Chandel	BRPL
78	Sh. Vineet Sikka	BRPL
79	Sh. Harmeet Singh	RWA Koshish
80	Sh. Shobhit Dhar	BRPL

Sr. No.	Name	Organization
81	Sh. Saurabh Gandhi	RWA
82	Sh. Sanjay Srivastav	BRPL
83	Sh. A. K. Dutta	RWA
84	Sh. Nalin Tripathi	URD
85	Sh. Himanshu Chauhan	BRPL
86	Sh. Hemanta Madhab Sharma	Domestic Consumer
87	Dr. Arun Kumar	DRGSA
88	Sh. Satyawan Singh	Future Enterprise (BA TPDDL)
89	Ms. Kamlesh Yadav	BRPL
90	Sh. Shashi Goyal	BRPL
91	Sh. Kanishk Khettarpal	BRPL
92	Sh. D.M Narang	RWA
93	Ms. Neena Narang	RWA
94	Ms. Manisha Kumari	Domestic Consumer
95	Sh. Satveer Singh	Domestic Consumer
96	CA Sanjay Gupta	RWA
97	Sh. Rajiv Kakria	RWA
98	Sh. Rajan Asthana	RWA
99	Sh. Kapil Verma	RWA
100	Sh. Pawan Gaur	RWA
101	Sh. D.K. Bhandari	RWA
102	Sh. R.K. Soni	RWA
103	Sh. Satbir Bansal	RWA
104	Azhar Hussain	RWA
105	Dr. O.P. Dhingam	RWA
106	Sh. B.B. Tiwari	RWA
107	Sh. Prannav Khanna	Domestic Consumer
108	Sh. Rajiv Narang	SDMC
109	Sh. Vikas Jain	SDMC
110	Sh. Rizwan Ahmed Ansari	SDMC