# DELHI ELECTRICITY REGULATORY COMMISSION

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

F.11(1827)/DERC/2020-21/

**Petition No. 03/2021**

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

Tata Power Delhi Distribution Limited,
Through its: **Managing Director**
Sub-Station Building, Hudson Lines,
Kingsway Camp,
Delhi 110 009

**...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 Tata Power Delhi Distribution Ltd. (TPDDL) has filed the instant Petition for approval of True up of 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

Page 1 of 1

## LIST OF ABBREVIATIONS

| Abbreviation | Explanation |
|---|---|
| ARR | Aggregate Revenue Requirement |
| A&G | Administrative and General |
| AAD | Advance Against Depreciation |
| ABT | Availability Based Tariff |
| ACD | Advance Consumption Deposit |
| AEEE | Alliance for an Energy Efficient Economy |
| AMR | Automated Meter Reading |
| APDRP | Accelerated Power Development and Reforms Program |
| AT&C | Aggregate Technical and Commercial |
| ATE | Appellate Tribunal for Electricity |
| BEE | Bureau of Energy Efficiency |
| BEST | Brihanmumbai Electric Supply and Transport |
| BHEL | Bharat Heavy Electricals Limited |
| BIS | Bureau of Indian Standards |
| BPTA | Bulk Power Transmission Agreement |
| BRPL | BSES Rajdhani Power Limited |
| BST | Bulk Supply Tariff |
| BTPS | Badarpur Thermal Power Station |
| BYPL | BSES Yamuna Power Limited |
| CAGR | Compounded Annual Growth Rate |
| CCGT | Combined Cycle Gas Turbine |
| CEA | Central Electricity Authority |
| CER | Centre for Energy Regulation |
| CERC | Central Electricity Regulatory Commission |
| CFL | Compact Fluorescent Lamp |
| CGHS | Cooperative Group Housing Societies |
| CGS | Central Generating Stations |
| CIC | Central Information Commission |
| CISF | Central Industrial Security Force |
| CoS | Cost of Supply |
| CPI | Consumer Price Index |
| CPRI | Central Power Research Institute |
| CPSUs | Central Power Sector Utilities |
| COVID | Corona Virus Disease |
| CSGS | Central Sector Generating Stations |
| CWIP | Capital Work in Progress |
| DA | Dearness Allowance |
| DDA | Delhi Development Authority |
| DERA | Delhi Electricity Reform Act |
| DERC | Delhi Electricity Regulatory Commission |

| Abbreviation | Explanation |
|---|---|
| DESL | Development Environergy Services Limited |
| DIAL | Delhi International Airport Limited |
| DISCOMs | Distribution Companies (BRPL, BYPL, TPDDL & NDMC) |
| DMRC | Delhi Metro Rail Corporation |
| DPCL | Delhi Power Company Limited |
| DTL | Delhi Transco Limited |
| DVB | Delhi Vidyut Board |
| DVC | Damodar Valley Corporation |
| EHV | Extra High Voltage |
| EPS | Electric Power Survey |
| FBT | Fringe Benefit Tax |
| FPA | Fuel Price Adjustment |
| GFA | Gross Fixed Assets |
| GIS | Geographical Information System |
| GoNCTD | Government of National Capital Territory of Delhi |
| GTPS | Gas Turbine Power Station |
| HEP | Hydro Electric Power |
| HPSEB | Himachal Pradesh State Electricity Board |
| HRA | House Rent Allowance |
| HT | High Tension |
| HVDS | High Voltage Distribution System |
| ICAR | Indian Agricultural Research Institute |
| IDC | Interest During Construction |
| IEX | Indian Energy Exchange |
| IGI Airport | Indira Gandhi International Airport |
| IPGCL | Indraprastha Power Generation Company Limited |
| JJ Cluster | Jhugghi Jhopadi Cluster |
| KSEB | Kerala State Electricity Board |
| LED | Light Emitting Diode |
| LIP | Large Industrial Power |
| LT | Low Tension |
| LVDS | Low Voltage Distribution System |
| MCD | Municipal Corporation of Delhi |
| MES | Military Engineering Service |
| MLHT | Mixed Load High Tension |
| MMC | Monthly Minimum Charge |
| MoP | Ministry of Power |
| MTNL | Mahanagar Telephone Nigam Limited |
| MU | Million Units |
| MYT | Multi Year Tariff |
| NABL | National Accreditation Board for Testing and Calibration of Laboratories |
| NAPS | Narora Atomic Power Station |

| Abbreviation | Explanation |
|---|---|
| NCT | National Capital Territory |
| NCTPS | National Capital Thermal Power Station |
| NDLT | Non Domestic Low Tension |
| NDMC | New Delhi Municipal Council |
| NEP | National Electricity Policy |
| NGO | Non Government Organisation |
| NHPC | National Hydroelectric Power Corporation |
| NPCIL | Nuclear Power Corporation of India Limited |
| NRPC | Northern Regional Power Committee |
| NTI | Non-Tariff Income |
| NTP | National Tariff Policy |
| O&M | Operations and Maintenance |
| OCFA | Original Cost of Fixed Assets |
| PGCIL | Power Grid Corporation of India |
| PLF | Plant Load Factor |
| PLR | Prime Lending Rate |
| PPA | Power Purchase Agreement / Power Purchase Adjustment |
| PPCL | Pragati Power Corporation Limited |
| PTC | Power Trading Corporation |
| PWD | Public Works Department |
| R&M | Repair and Maintenance |
| RAPS | Rajasthan Atomic Power Station |
| REA | Regional Energy Account |
| RoCE | Return on Capital Employed |
| ROE | Return on Equity |
| RRB | Regulated Rate Base |
| RTI | Right to Information |
| RWA | Resident Welfare Associations |
| SBI | State Bank of India |
| SDMC | South Delhi Municipal Corporation |
| SERC | State Electricity Regulatory Commission |
| SIP | Small Industrial Power |
| SJVNL | Satluj Jal Vidyut Nigam Limited |
| SLDC | State Load Despatch Centre |
| SPD | Single Point Delivery |
| SPUs | State Power Utilities |
| SVRS | Special Voluntary Retirement Scheme |
| TERI | The Energy and Resources Institute |
| THDC | Tehri Hydro Development Corporation |
| ToD | Time of Day |
| TOWMCL | Timarpur Okhla Waste Management Company (P) Limited |
| TPDDL | Tata Power Delhi Distribution Limited |

| Abbreviation | Explanation |
|---|---|
| TPS | Thermal Power Station |
| UI | Unscheduled Interchange |
| UoM | Unit of Measurement |
| WACC | Weighted Average Cost of Capital |
| WC | Working Capital |
| WPI | Wholesale Price Index |

## A1: INTRODUCTION

1.1 This Order relates to the Petition filed by Tata Power Delhi Distribution Limited (TPDDL) (hereinafter referred to as 'TPDDL' 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').

### TATA POWER DELHI DISTRIBUTION LIMITED (TPDDL)

1.2 Tata Power Delhi Distribution Limited (TPDDL) is a company incorporated under the 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 TPDDL 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 22/12/2020 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 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 the 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 were increasing in several parts of the country. Further, Ministry of Health and Family Welfare, GoI indicated on their website that COVID-19 cases are 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. Accordingly, 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 (Performance Standards & Engineering), Joint Director (Tariff-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) | The Times of India (English) | : | 9/03/2021 |
| (b) | The Indian Express (English) | : | 9/03/2021 |
| (c) | Navbharat Times (Hindi) | : | 10/03/2021 |
| (d) | Sahafat (Urdu) | : | 11/03/2021 |
| (e) | Qaumi Patrika (Punjabi) | : | 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 & 20/04/2021and 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 TPDDL for FY 2019-20 are as follows:

**Table 1.2: Standards of Performance for FY 2019-20**

| Performance Standard for FY 19-20 | | | | | | |
|---|---|---|---|---|---|---|
| **Sr. No.** | **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 under Schedule-1 | 339119 | 338935 | 184 | 99.95 |
| (ii) | Continuous power failure affecting more than 100 consumer connected at Low voltage supply excluding the failure where distribution transformer requires replacement. | | 138633 | 138113 | 520 | 99.62 |
| (iii) | Continuous power supply failure requiring replacement of distribution transformer. | | 1199 | 1187 | 12 | 99.00 |
| (iv) | Continuous power failure affecting consumers connected through High Voltage Distribution System (HVDS) and not covered under (i) & (ii) above | | 81277 | 81142 | 135 | 99.83 |

| Performance Standard for FY 19-20 | | | | | | |
|---|---|---|---|---|---|---|
| **Sr. No.** | **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** | |
| (v) | Continuous scheduled power outages | At least 95 % of cases resolved within Time Limit | 12489 | 12364 | 125 | 99.00 |
| (vi) | Replacement of burnt meter or stolen meter | | 7156 | 7156 | 0 | 100.00 |
| | **Period of scheduled outage** | | | | | |
| 2 | Maximum duration in a single stretch | At least 95% of cases resolved within time limit | 8163 | 8163 | 0 | 100 |
| | Restoration of supply by 6:00 PM | | 8321 | 8266 | 55 | 99.34 |
| 3 | Faults in street light maintained by the License | At least 90% cases should be complied within prescribed time limits | 165831 | 165609 | 222 | 99.87 |
| **Reliability Indices** | | | | | | |
| 4 | SAIFI | To be laid down by the Commission based on the targets proposed by the Licensees | 2.267 | | | |
| | SAIDI | | 1.64 | | | |
| | CAIDI | | 1 | | | |
| 5 | Frequency Variation | To maintain supply frequency within range as per IEGC | 0 | 0 | 0 | - |
| 6 | Voltage Imbalance | Maximum of 3% at point of commencement of supply | 0 | 0 | 0 | - |
| 7 | Percentage Billing Mistakes | Shall not exceed 0.2% | 7050 | 6409 | 5 | 0.03 |

## 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. 11$^{th}$ 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 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

*"<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."*

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:

a. 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** |

b. 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.

c. 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."*

d. 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:

| 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.

**ISSUE 20: MISCELLANEOUS**

**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**

**A. IMPLEMENTATION OF THE ORDER OF HON'BLE APTEL DATED 26/07/2021 IN THE MATTER OF EP NO. 5 OF 2021 IN APPEAL NO.246 OF 2014.**

3.4 Hon'ble APTEL, in EP 5 of 2021 vide its Order dated 26.07.2021 directed the Commission to consider its judgment dated 30.09.2019 in Appeal no. 246 of 2014 pertaining to the following issues in the current tariff proceedings without fail:

**Table 3. 1: issues in EP 5/2021**

| Sr. No. | Issue (Respective issue no. in 246 of 2014) |
|---|---|
| 1 | Re-determination of AT&C loss trajectory (Issue no. 1) |
| 2 | Double deduction of additional misuse units from the trued-up sales of FY 2010-11 (Issue no. 7) |
| 3 | Wrongful re-opening of tariff orders relating to FY 2004 - 05 to FY 2009-10. (Issue no. 8) |
| 4 | Disallowance of other expenses (Issue no. 9) |
| 5 | Wrongful Computation of Advance Against Depreciation (Issue no. 25) |
| 6 | Non implementation of direction of this Hon'ble Tribunal in relation to notional loans (Issue no. 26) |
| 7 | Erroneous computation of equity capital (Issue no. 28) |
| 8 | Disallowance of capital expenditure made during the year 2012-13 (Issue no. 30) |
| 9 | Erroneous computation of means of financing assets capitalized (Issue no. 31) |
| 10 | Erroneous allowance of depreciation rate (Issue no. 32) |
| 11 | Overestimation of sale rate for surplus power for FY 14-15 (Issue no. 37) |
| 12 | Allowance of carrying cost relating to issues raised in the present appeal (Issue no. 38) |

3.5 The Commission has filed a Civil Appeal 1762 of 2020 before Hon'ble Supreme Court against the judgment of Hon'ble APTEL which covers following issues:

**Table 3. 2: Issues in Civil Appeal 1762/2020**

| Sr.No. | Issue (Respective issue no. in 246 of 2014) |
|---|---|
| 1. | Re-determination of AT&C loss trajectory (Issue no. 1) |
| 2. | Wrongful re-opening of tariff orders relating to FY 2004 - 05 to FY 2009-10 (Issue no. 8) |
| 3. | Disallowance of other expenses (Issue no. 9) |

3.6 Since there is no stay in the said Appeal before Hon'ble Supreme Court and that Hon'ble APTEL has directed the Commission to implement the judgment in Appeal no. 246 of 2014, the Commission has considered the prayers of the Petitioner, subject to the outcome of the judgment of Hon'ble Supreme Court of the said Civil Appeal.

**ISSUE 1: RE-DETERMINATION OF AT&C LOSS TRAJECTORY**

**PETITIONER SUBMISSION**

3.7 In the Tariff Order dated 23.07.2014 passed by this Hon'ble Commission, while allowing the truing up of AT&C overachievement incentive for FY 2012-13 (1st year of the 2nd MYT control period) the Base year Target AT&C Loss Level was changed to 15.325% against the earlier AT&C target of 13% % as per Judgment dated 28.11.2013 passed in Appeal No. 14 of 2012. However, the Commission did not change the loss level trajectory for 2nd MYT control period, which was approved based on base year AT&C Target Level of 13% for FY 2011-12.

3.8 Aggrieved by the above treatment of not-revising the AT&C Targets for 2nd MYT control period, Tata Power- DDL has raised this issue before the Hon'ble APTEL in Appeal No. 246 of 2014 as Issue no. 1. By Judgment dated 30.09.2019 passed in Appeal No. 246 of 2014, this issue has been decided by the Hon'ble APTEL in favour of the Petitioner.

*Relevant extracts of the Judgment are reproduced below:*

*"12.4.1 Having regard to the submissions of learned counsel for the Appellant and learned counsel for the Respondent Commission, we note that the various aspects relating to the fixation of AT&C loss trajectory and O&M charges on actual/normative basis have been duly deliberated by this Tribunal in its judgment dated 28.11.2013 in Appeal No. 14 of 2012. Subsequently, in compliance to the said judgment, the State Commission has determined AT&C loss as well as OM expenditure on normative basis for the FY 2011-12. However, as alleged by the Appellant, the same principle has not been followed for the subsequent period i.e. FY 2012-13 to FY 2014-15. We find force in the submissions of learned counsel for the Appellant that once a principle or methodology for determining the AT&C loss trajectory or O&M charges are decided, the same should be enforced for subsequent periods also taking the previous base year for which these matters stand settled. In the instant case, the base year was FY 2011-12 for which AT&C loss trajectory as well as O&M charges have been reworked out based on normative basis. It is not in dispute that the Appellant has been able to reduce AT&C loss for FY 2012-13 and also earned incentive towards the same. However, we are of the opinion that a methodology once finalized should not be altered in such a way that it renders ultimate disadvantage to the Distribution Licensee as in the present case.*

*12.4.2 In view of these facts, the AT&C loss trajectory beyond FY 2011-12 is required to be revised by considering the principle laid down by this Tribunal in Appeal No.14 of 2012 and, subsequently, followed by the Respondent Commission in its MYT order. Accordingly, we decide this issue in favour of the Appellant."*

3.9 Commission had preferred a Civil Appeal bearing No. 1762 of 2020 titled "DERC vs. TPDDL" against the Order dated 30.09.2019 passed by the Hon'ble Tribunal in Appeal No. 246 of 2014. Along with the Appeal, an Application seeking stay was also filed. The Hon'ble Supreme Court on 20.02.2020 was pleased to admit the said Civil Appeal. However, the Hon'ble Supreme Court did not grant any stay against the operation of the Judgment dated 30.09.2019. As such, the Judgment dated 30.09.2019 is still in operation.

3.10 This Issue was also challenged by the Appellant in Appeal No. 213 of 2018 filed against the Tariff Order dated 28.03.2018 (Issue No. 16 in that Appeal) whereby by Order dated 11.03.2020 the Hon'ble APTEL had directed Commission to allow the impact of the aforesaid issue in the Tariff Proceedings for the current year. However, the same was not done and therefore, the Hon'ble APTEL again by Order dated 26.11.2020 has directed the Commission to comply with the directions of the Hon'ble APTEL.

3.11 Thus, in line with the Hon'ble APTEL Judgment dated 30.09.2019 in Appeal No. 246 of 2014 and Orders dated 11.03.2020 and 26.11.2020 passed in Appeal No. 213 of 2018, the Petitioner is re-computing the AT&C overachievement incentive based on the revised AT&C Target as follows:

**Table 3. 3: Revised Computation of Billed Sales & AT&C overachievement incentive**

| Particulars | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|---|---|---|---|---|---|---|
| AT&C Target as considered by Hon'ble Commission in the true up orders | 15.33% | 12.50% | 12.00% | 11.50% | 11.00% | 11.00% |
| Revised AT&C Target – based on APTEL Judgment | | 14.83% | 14.33% | 13.83% | 13.33% | 13.33% |
| AT&C Loss Actual | | 10.73% | 10.56% | 10.42% | 9.37% | 9.09% |
| Trued up overachievement incentive – "A" | | 0.63% | 2.89% | 2.16% | 3.26% | 3.82% |

| Particulars | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|---|---|---|---|---|---|---|
| Revised Overachievement Incentive – "B" | | 8.19% | 7.54% | 6.81% | 7.91% | 8.47% |
| Additional overachievement incentive (%) required to be considered for the purpose of computation of Incentive C= (B-A)*30% Share towards Equity | | 2.27% | 1.40% | 1.40% | 1.40% | 1.40% |
| RRB (i) – D | | 2,231.48 | 2,282.00 | 2,378.57 | 2,558.01 | 2,638.41 |
| Additional overachievement incentive = D*C (Rs Cr) | | 50.62 | 31.83 | 33.18 | 35.68 | 36.81 |

3.12 The petitioner requests the Commission to revise the AT&C loss level trajectory and allow the additional overachievement incentive to Tata power-DDL along with carrying costs.

**COMMISSION ANALYSIS**

3.13 Hon'ble APTEL in Judgment dated 30.09.2019 in Appeal 246 of 2014 adjudicated as follows:

*"12.3.1 Learned counsel for the Appellant while indicating the AT&C loss level for FY 2011-12, FY 2012-13 to 2014-15 submitted that the first control period was extended by one year i.e. FY 2011-12 by the Respondent Commission. However, while extending such control period, the AT&C loss target level was fixed at 13% based on actual loss levels but the O&M charges were fixed on normative basis.*

*12.3.2 Learned counsel was quick to point out that this Tribunal by its Judgment dated 28.11.2013 in Appeal No. 14 of 2012 held that the approach adopted by the Commission by determining the AT&C loss level on actual basis and O&M charges on normative basis is incorrect. Accordingly, the Respondent Commission in the impugned order re-determined the AT&C loss target for year 2011-12 at 15.325% instead of 13% that was originally allowed in the tariff order dated 26.08.2011. However, while re-working the AT&C loss target for FY 2011-12 from 13% to 15.325%, the Respondent Commission has failed to rework the AT&C loss trajectory for second control period after considering the correction for FY 2011-12 from 13% to 15.325%. Learned counsel* *vehemently submitted that in view of these facts, if the base figure for FY 2011-12 changes, the figures for the subsequent years are also bound to change but the Respondent Commission has merely changed the figure for FY 2011-12 without implementing this Tribunal's directions in true spirit for subsequent periods. Regarding the contention of the Commission that since the actual AT&C loss of the Appellant was lower than the normative the actual should be allowed, learned counsel submitted that such averments on the part of the Respondent Commission are contrary to the directions of this Tribunal in Appeal No. 14 of 2012.*

*12.3.3 Further, on the submission of the Commission dated 19.02.2019 indicating that the Appellant had not challenged the second Order on this count, learned counsel emphasis that there is no need to the Appellant to challenge the second order because a change to the first order would automatically entail a change to the second order.*

*12.3.4 Per-contra, learned counsel for the Respondent Commission submitted that as per directions of this Tribunal AT&C Loss Trajectory for FY 2011-12 was changed by the Commission to 15.325% and the Appellant contends that the AT&C Loss Trajectory for subsequent years i.e. 2012-13 to 2014-15 ought to have been revised by the Commission on the same principles. In fact, in line with the directions of this Tribunal that AT&C Loss for FY 2011-12 was revised on normative basis as 15.325% in place of 13% which was taken on actual basis.*

*12.3.5 Learned counsel pointed out that the appellant has not raised this issue in Appeal No.171 of 2012 against the MYT order dated 13.07.2012 wherein various targets were fixed for FY 2012-13, 2013-14 & 2014-15 as 12.50%, 12% and 11.50% respectively.*

*12.3.6 Learned counsel highlighted that the true up exercise of AT&C loss for FY 2012-13 has been completed in tariff order dated 23.07.2014 and the Appellant has earned incentive towards overachievement in AT&C loss reduction target. Subsequently, AT&C loss target fixed for FY 2012-13 was 12.50% whereas actual AT&C loss during the same* *period has been approved at 10.73%, as such, the Appellant's submission regarding high level of normative reduction in AT&C loss level is not justified.*

*12.3.7 Learned counsel for the Respondent Commission, further, submitted that against the judgment of this Tribunal dated 28.11.2013 in Appeal No. 14 of 2012, a Civil Appeal No. 5845 of 2014 has been filed before the Hon'ble Supreme Court wherein this issue has also been challenged and the same is pending before the Hon'ble Supreme Court. In the light these facts, the target for AT&C loss have not been considered for a revision in the interest of consumers otherwise tariff would be higher.*

*12.4 Our findings:*

*12.4.1 Having regard to the submissions of learned counsel for the Appellant and learned counsel for the Respondent Commission, we note that the various aspects relating to the fixation of AT&C loss trajectory and O&M charges on actual/normative basis have been duly deliberated by this Tribunal in its judgment dated 28.11.2013 in Appeal No. 14 of 2012. Subsequently, in compliance to the said judgment, the State Commission has determined AT&C loss as well as OM expenditure on normative basis for the FY 2011-12. However, as alleged by the Appellant, the same principle has not been followed for the subsequent period i.e. FY 2012-13 to FY 2014-15. We find force in the submissions of learned counsel for the Appellant that once a principle or methodology for determining the AT&C loss trajectory or O&M charges are decided, the same should be enforced for subsequent periods also taking the previous base year for which these matters stand settled. In the instant case, the base year was FY 2011-12 for which AT&C loss trajectory as well as O&M charges have been reworked out based on normative basis. It is not in dispute that the Appellant has been able to reduce AT&C loss for FY 2012-13 and also earned incentive towards the same. However, we are of the opinion that a methodology once finalized should not be altered in such a way that it renders ultimate disadvantage to the Distribution Licensee as in the present case.*

*12.4.2 In view of these facts, the AT&C loss trajectory beyond FY 2011-12 is required to be revised by considering the principle laid down by this Tribunal in Appeal No.14 of 2012 and, subsequently, followed by the Respondent Commission in its MYT order. Accordingly, we decide this issue in favour of the Appellant."*

3.14 The Commission had revised the AT&C Loss targets for FY 2011-12 in its tariff order dated 23.07.2014 as an outcome of the judgment of Hon'ble APTEL in Appeal no. 14 of 2012. The AT&C Loss targets were revised based on the trajectory set for the first MYT Control period as determined in the MYT Order dated 23.08.2008. Accordingly, the AT&C loss targets were revised from 13% to 15.325% as the O&M Expenses were allowed on the normative basis as followed in the first MYT Control period. The said issue is also appealed before Hon'ble Supreme Court in Civil Appeal No. 5845 of 2014 and is pending adjudication.

3.15 Since the issue was sub-judice, the Commission deferred the implementation of the judgment in its tariff order dated 28.08.2020. The Petitioner proceeded with the Execution Petition 05 of 2021 subsequent to tariff order dated 28.08.2020.

3.16 Hon'ble APTEL vide its order dated 06.01.2021 in Appeal No. 213 of 2018, IA No. 498 of 2020 and IA No. 1615 of 2020 granted four weeks' time to place on record the compliance order complying with their directions including on the issue of re-determination of AT&C Loss Trajectory to which the Commission submitted before the Hon'ble APTEL vide its Order dated 04.02.2021 as follows:

*23. As per judgement of Hon'ble APTEL in Appeal No. 246/2014, principles of MYT & Appeal No. 14/2012 have to be followed and AT&C loss trajectory beyond FY 2011-12 is required to be revised. Accordingly, in compliance of the Hon'ble APTEL directions in its judgment in Appeal No. 246 of 2014, the AT&C Losses for the period from FY 2013-14 to FY 2016-17 is revised by considering 0.5% reduction, as per 2nd MYT Order, over the revised AT&C Loss of FY 2011-12 i.e., 15.325% (approved in Tariff Order dtd. 23/07/2014). The Petitioner has also claimed the financial impact of revision in AT&C Loss trajectory till FY 2016-17 in its True up Petition for FY 2019-20. The financial impact on account of revision in AT&C Loss trajectory shall be provided in subsequent Tariff Order which will be subject to the decision of Hon'ble Supreme Court of India in various Civil Appeals filed by the Commission.*

3.17 Hon'ble APTEL issued its Judgement in EP 5 of 2021 on 26.07.2021 directing the Commission to consider the issues favoring the Petitioner in its judgment in Appeal 246 of 2014 by way of Execution Petition 5 of 2021 since the issues held in favour of the Petitioner have not been modified or stayed by the Hon'ble Supreme Court in spite of Civil Appeal being filed by the Commission.

3.18 The Commission modified its Compliance order dated 4/02/2021 by way of an Order dated 29.09.2021 and revised the reduction in AT&C Loss trajectory by 0.87% instead of 0.50% with reasons detailed in the said Order.

3.19 Accordingly, the Commission has revised the AT&C Loss trajectory as follows:

| FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2016-17 |
|---|---|---|---|---|---|
| 15.325% | 14.46% | 13.60% | 12.73% | 11.87% | 11.00% |

3.20 The additional financial impact on account of revision of AT&C Loss trajectory is as follows:

**Table 3. 4: Additional financial impact on account of revision of AT&C Loss trajectory**

| Sr. No. | As earlier approved (in respective Tariff orders) | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2016-17 |
|---|---|---|---|---|---|---|
| A | RRBi | 2,231.48 | 2,282.00 | 2,378.57 | 2,558.01 | 2,638.41 |
| B | RoE | 16% | 16% | 16% | 16% | 16% |
| C | Additional Incentive earlier allowed | 0.63% | 2.88% | 2.16% | 3.26% | 3.82% |
| D | Rd | 9.97% | 10.12% | 10.25% | 10.40% | 10.40% |
| E | WACC | 11.97% | 12.75% | 12.62% | 13.06% | 13.23% |
| F | RoCE | 267.04 | 290.91 | 300.25 | 334.02 | 348.96 |
| | **Now Approved** | | | | | |
| G | RRBi | 2,231.48 | 2,282.00 | 2,378.57 | 2,558.01 | 2,638.41 |
| H | RoE | 16% | 16% | 16% | 16% | 16% |
| I | Additional Incentive as per APTEL Order | 4.31% | 3.51% | 2.67% | 2.88% | 2.21% |
| J | Rd | 9.97% | 10.12% | 10.25% | 10.40% | 10.40% |
| K | WACC | 13.07% | 12.94% | 12.78% | 12.95% | 12.74% |
| L | RoCE | 291.71 | 295.21 | 303.89 | 331.14 | 336.20 |
| **M** | **To be Allowed/ (Recovered)** | **24.67** | **4.30** | **3.64** | **(2.88)** | **(12.76)** |

3.21 In accordance with the principles as laid down in the relevant Tariff Regulations and Judgment in Appeal no. 14 of 2012, further emphasized in judgment in Appeal no. 246 of 2014, the treatment for O&M expenses and the AT&C loss trajectory should be either normative or based on actual performance.

3.22 In view of implementation of the Judgment in Appeal no. 246 of 2014, the Commission has also revisited the O&M expenses as earlier re-determined by the Commission in view of the judgment in Appeal no. 171 of 2012 in its tariff order dated 29.09.2015 to bring them to normative basis in accordance with the directions of Hon'ble APTEL.

3.23 Accordingly, the Commission has revised the O&M expenses for FY 2012-13 to FY 2016-17 with the norms as applied in the first MYT Control period considering the escalation in Employee and A&G Expenses at 8% per annum and the k factor at 2.81% for the purpose of computation of the R&M expenses, as follows:

**Table 3. 5: Revised the O&M expenses for *FY 2012-13 to FY 2016-17***

| Particulars | FY 2011-12 (Base year) | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2016-17 |
|---|---|---|---|---|---|---|
| Employee Expenses (Net of Capitalisation) | 189.40 | 204.55 | 220.92 | 238.59 | 257.68 | 278.29 |
| A&G Expenses | 39.57 | 42.74 | 46.15 | 49.85 | 53.83 | 58.14 |
| R&M Expenses | 84.40 | 92.92 | 97.36 | 102.21 | 110.64 | 120.00 |
| Total O&M Expenses now approved | 313.37 | 340.21 | 364.43 | 390.65 | 422.15 | 456.43 |
| O&M Already approved in Tariff orders | | 392.67 | 415.05 | 440.41 | 475.61 | 534.95 |
| To be allowed/(recovered) | | (52.46) | (50.62) | (49.76) | (53.46) | (78.52) |

**ISSUE 2: DOUBLE DEDUCTION OF ADDITIONAL MISUSE UNITS FROM THE TRUED-UP SALES OF FY 2010-11**

**PETITIONER SUBMISSION**

3.24 While allowing the truing up of AT&C overachievement incentive for FY 2010-11, additional units on account of Misuse was reduced twice, resulting into lower allowance of AT&C incentive. The Petitioner has raised this issue before APTEL in Appeal 246 of 2014 as issue no. 7 and the Hon'ble APTEL agreed with TPDDL's contentions and decided the issue in favour of TPDDL as under:

*"10.4.1… In the light of this factual matrix, the State Commission is directed to consider the additional misused units as 11.82 MUs only and re-compute the sales for FY 2010-11 and corresponding AT&C incentive also. Hence, we decide this issue in favour of the Appellant."*

3.25 Based on the above submission, the Petitioner is re-computing the Billed Sales, AT&C overachievement incentive for FY 2010-11 as follows.

**Table 3. 6: Revised Computation of Billed Sales & AT&C overachievement incentive**

| Particulars | Target | Trued up | Revised sought for trued up |
|---|---|---|---|
| Units Billed (MU) | | 6,342.09 | 6,342.09 |
| Add- Adjustment for misuse units | | | 11.82 |
| Units Billed (MU) for AT&C purpose | | 6,342.09 | 6,353.91 |
| Energy Input (MU) | | 7,305.68 | 7,305.68 |
| Amount Billed (Rs. Cr.) | | 2,970.32 | 2,970.32 |
| Average Billing Rate (Rs. Unit) | | 4.68 | 4.67 |
| Amount Collected (Rs. Cr) | | 2,937.38 | 2,937.38 |
| Units Realized (MU) | | 6,271.76 | 6,283.45 |
| AT&C Actual | 17% | 14.15% | 13.99% |
| Over achievement | | 2.85% | 3.01% |
| Total benefit on account overachievement beyond Target level (Y - X) | | 97.44 | 102.72 |
| Benefit on account of over achievement for min AT&C loss reduction level upto 2% to be shared in the ratio of 50:50 between the Petitioner and Consumers | | 68.43 | 68.31 |
| Benefit on account of over achievement for min AT&C loss reduction level to be retained by the Petitioner | | 29.00 | 34.42 |
| Benefits passed on in ARR to the Consumers | | 34.22 | 34.15 |
| Total incentive to the Petitioner | | 63.22 | 68.57 |
| Differential amount sought for revised trued up | | | 5.35 |

3.26 Against the above submissions, the Commission in its Tariff order dated 28.08.20 for FY 2020-21 has observed that *"the matter is very old and the Commission has already conducted prudence check for FY 2010-11, therefore, in line with directions of the Hon'ble APTEL, the Petitioner is directed to establish the actual category wise misused units from their billing dump as claimed by them."*

3.27 The Petitioner would like to reiterate that the issue of misuse pertains to inadvertently considering the single information twice, has been upheld and decided the issue is favour of the Petitioner. Thus, the Commission is to rectify the apparent error in the true up order based on the relevant information which has already been part/ annexures of the Tariff Appeal.

3.28 Therefore, in view of the above submissions, fact and figures, the Hon'ble Commission is requested to kindly allow the additional overachievement incentive of Rs 5.35 Cr to Tata power-DDL along with carrying costs.

**COMMISSION ANALYSIS**

3.29 The Commission had considered the additional misuse units of 11.82 MU based on the additional submission by the Petitioner during the proceedings of True Up for FY 2010-11. The Petitioner has been praying that such units reported were inadvertently considered as additional and thus resulted in being deducted twice.

3.30 In view of the judgment of Hon'ble APTEL, the Commission considers the Petitioner's submission and allows the additional over achievement incentive of Rs. 5.34 Cr. to the Petitioner, as follows:

**Table 3. 7: Commission Approved AT&C Loss for FY 2010-11**

| Particulars | Target | Trued up | Revised Trued up |
|---|---|---|---|
| Units Billed (MU) | | 6,342.09 | 6,342.09 |
| Add- Adjustment for misuse units | | | 11.81 |
| Units Billed (MU) for AT&C purpose | | 6,342.09 | 6,353.90 |
| Energy Input (MU) | | 7,305.68 | 7,305.68 |
| Amount Billed (Rs. Cr.) | | 2,970.32 | 2,970.32 |
| Average Billing Rate (Rs. Unit) | | 4.68 | 4.67 |
| Amount Collected (Rs. Cr) | | 2,937.38 | 2,937.38 |
| Units Realized (MU) | | 6,271.76 | 6,283.44 |
| AT&C Actual | 17% | 14.15% | 13.99% |
| Over achievement | | 2.85% | 3.01% |
| Total benefit on account overachievement beyond Target level (Rs Cr) | | 97.44 | 102.72 |
| Benefit on account of over achievement for min AT&C loss reduction level upto 2% to be shared in the ratio of 50:50 between the Petitioner and Consumers (Rs Cr) | | 68.43 | 68.31 |
| Benefit on account of over achievement for min AT&C loss reduction level to be retained by the Petitioner (Rs Cr) | | 29.00 | 34.41 |
| Benefits passed on in ARR to the Consumers (Rs Cr) | | 34.22 | 34.15 |
| Total incentive to the Petitioner (Rs Cr) | | 63.22 | 68.56 |
| **Differential amount allowed (Rs Cr)** | | | **5.34** |

**ISSUE 3: WRONGFUL RE-OPENING OF TARIFF ORDERS RELATING TO FY 2004 - 05 TO FY 2009-10**

**PETITIONER SUBMISSION**

3.31 Commission in its true up order dated July 2014 had reduced AT&C overachievement incentive from FY 05 to FY 10 by reopening the tariff orders which have already attained finality in respect to allowance of AT&C overachievement incentive. Relevant extract of Tariff Order for FY 2014-15 is reproduced below:

**Table 3. 8: Summary of Misuse units**

| Particulars | FY 05 | FY 06 | FY 07 | FY 08 | FY 09 | FY 10 |
|---|---|---|---|---|---|---|
| Over Achievement | 3.40% | 6.33% | 5.12% | 3.47% | 3.61% | 3.52% |
| Misuse Units reported (MU) | | | | 25.07 | 12.98 | 15.18 |
| Misuse Units (MU) | 53.17 | 41.39 | 32.21 | 25.07 | 12.98 | 15.18 |
| AT&C Loss reduction incentive | 38.32 | 81.69 | 71.50 | 49.86 | 52.86 | 56.64 |
| **Reduction in AT&C due to Misuse (Rs. Crore)** | **(10.41)** | **(8.73)** | **(7.42)** | **(5.76)** | **(3.03)** | **(3.47)** |

3.32 Aggrieved by the above disallowance, the issue was challenged before the Hon'ble APTEL in Appeal 246 of 2014 as issue no. 8 and the Hon'ble APTEL has decided the issue in favour of the Petitioner as under:

*"15.4.2. …………….*

*In view of these facts, we are of the opinion that when final true up for previous years have been completed and final orders passed by the Commission, which have attained finality, cannot be reopened for re-examination. We, therefore, decide this issue in favour of the Appellant that trued up matters/ orders cannot be reopened or reexamined /reconsidered."*

3.33 Based on above submission, the Petitioner is requesting to the Commission to reverse back the disallowance made in Tariff Order for 2014-15 and allow the amounts along with carrying costs as there is no stay available against the order of the Hon'ble APTEL.

**COMMISSION ANALYSIS**

3.34 This issue pertains to adjustment of misused units while truing up the Sale of Energy for the period FY 2004-05 to 2010-11. During the true up of Sale of Energy for FY 2010-11, the Commission had inquired about the methodology adopted by the Petitioner to record sales against cases of misuse of energy. The Petitioner informed the Commission that MU recorded as sales while preparing form 2.1 (a) against cases of misuse were not the actual MU billed but derived by dividing the amount billed against misuse of energy by average billing rate for misuse category (i.e. if a domestic category consumer is booked for non-domestic misuse, in Form 2.1 (a), units shown will be amount billed to the consumer divided by average billing rate of non-domestic category). The Commission noted, with concern, the methodology adopted by the Petitioner, as it was inflating the energy billed shown in form 2.1 (a) in case of misuse of energy and asked for an explanation for the same.

3.35 The officers of the Petitioner submitted that the practice is being followed by the Petitioner since FY 2002-03. Also, they could not provide any explanation/justification for adoption of this methodology on their part. The Commission directed the Petitioner to submit the actual units billed under misuse of energy cases and units considered by the Petitioner in form 2.1 (a) for FY 2010-11.

3.36 The Commission analysed the information submitted by the Petitioner and the methodology using which the Petitioner arrived at additional misuse units was inconsistent and varied from case to case. The observations on the issue were recorded in detail in the Tariff Order dated 13th July 2012. The Petitioner was directed to provide the information to the Commission for the actual misuse units and misuse units considered in Form 2.1 (a) for FY 2002-03 – FY 2009-10. The petitioner provided the information for FY 2007-08 to FY 2009-10 without any back up data for support. The Commission directed the Petitioner to submit details of actual misuse units and misuse units considered in Form 2.1 (a) by the Petitioner along with the backup data for FY 2002-03 - FY 2010-11 within 2 months of issuance of this Tariff Order.

3.37 The Commission in its Order dated 13th July 2012 in its para 3.50 also stated that with regards to the period prior to FY 2010-11, the Commission shall revise AT&C Losses for FY 2002-03 - FY 2009-10 after incorporating the changes due to misuse units and the corresponding incentive/penalty.

3.38 Based on the above direction in its subsequent Tariff Order dated 31st July 2013, the Commission of the said matter stated that the matter was under examination and that the decision will be taken on merits.

3.39 After having given ample opportunities to the Petitioner, the Commission, in its Tariff Order dated July 2014, observed as follows:

*3.156 In view of the above, the Commission directed the Petitioner to submit the misuse data from FY 2002-03 to FY 2009-10, whereas, the Petitioner was able to submit the misuse data* *from FY 2007-08 to FY 2010-11 only. The Petitioner has further submitted that due to migration of the billing data base, the data regarding misuse units pertaining to FY 2002-03 to FY 2006-07 is not available.*

*3.157 The Commission observed that the Tariff schedule applicable during FY 2002-03 has specifically provided a misuse category with specific rates. Therefore, it appears that the question of enhancing the misuse units did not arise. In FY 2003-04, the misuse units category was abolished vide order dated 26.06.2003 by the Commission. In June 2003, the Electricity Act became applicable and assessment period – three months immediately preceding the date of inspection in case of domestic and agricultural services and period of six months for other categories and @1.5 times the category for which it was used. However, TPDDL vide its letter dated May 21, 2013 has indicated that this methodology of enhancing units has been following from FY 2004-05. The Commission has analyzed the submission of the Petitioner regarding the misuse units for FY 2007-08 to FY 2009-10 and arrived at the growth rate in the additional misuse units between FY 2007-08 to FY 2010-11 by 28.48%. In view of non-submission of actual misuse units pertaining to FY 2002-03 to FY 2006- 07, the Commission considered to extrapolate the additional misused units to determine the misuse units for FY 2004-05 to FY 2006-07. Accordingly, the Commission has decided to reduce the incentive for over achievement of AT&C loss targets from FY 2004-05 to FY 2009-10 with the impact due to additional Misuse units for FY 2007-08 to FY 2009-10 as submitted by the Petitioner and the extrapolated units for FY 2004-05 to FY 2006-07. In case the Petitioner is able to furnish the actual data related to misused units for the period FY 2004-05 to FY 2006-07, the Commission shall take an appropriate view. The summary of misuse units for FY 2004-05 to FY 2009-10 and the recovery of incentive due to these additional misuse units is as shown below:*

**Table 3. 9: Summary of Misuse units**

| *Particulars* | *FY 05* | *FY 06* | *FY 07* | *FY 08* | *FY 09* | *FY 10* |
|---|---|---|---|---|---|---|
| *Over achievement* | *3.40%* | *6.33%* | *5.12%* | *3.47%* | *3.61%* | *3.52%* |
| *Misuse Units reported (MU)* | | | | *25.07* | *12.98* | *15.18* |
| *Misuse Units (MU)* | *53.17* | *41.39* | *32.21* | *25.07* | *12.98* | *15.18* |
| *AT&C Loss reduction incentive* | *38.32* | *81.69* | *71.50* | *49.86* | *52.86* | *56.64* |
| *Reduction in AT&C due to Misuse (Rs. Crore)* | *(10.41)* | *(8.73)* | *(7.42)* | *(5.76)* | *(3.03)* | *(3.47)* |

3.40 The matter was challenged before Hon'ble APTEL by the Petitioner under Appeal 246 of 2014 wherein the judgment on the matter was pronounced as follows:

> *"15.4.1 We have critically analyzed the rival contentions of both the parties regarding reopening of tariff orders relating to quantum of misused units for the past periods i.e. FY 2002-03 to FY 2009-10. We are inclined to accept the submissions of the learned counsel for the Appellant that true up of all the matters pertaining to past periods has been considered by the Respondent Commission for reopening and re-truing up relating to quantum of misused units is in contravention of the settled principles of law. While taking note of the findings in various judgments of this Tribunal as relied upon by the learned counsel for the Appellant, it is crystal clear that once the Commission has trued up the facts and figures projected by the Appellant for year to year basis and passed the final orders there is no scope for reopening of the trued up matters for reconsideration of any aspect by devising any new methodology or any new principle whatsoever.*
>
> *15.4.2 We do not find any force in the submissions of learned counsel for the Respondent Commission that as the Appellant has not challenged the observations of the Commission contained in MYT order dated 13.07.2012 in Appeal No. 171 of 2012, it cannot challenge the same in the present appeal. However, to meet the end of justice, the Appellant needs to be given an opportunity to challenge any issue which deprives it any benefit legally entitled for or otherwise renders it to an un-advantageous position as the case may be. In view of these facts, we are of the opinion that when final true up for previous years have been completed and final orders passed by the Commission, which have attained finality, cannot be reopened for re-examination. We, therefore, decide this issue in favour of the Appellant that trued up matters/ orders cannot be reopened or re-examined /reconsidered.*

3.41 The Commission has appealed before Hon'ble Supreme Court against the said judgment. In view of no stay on the said matter from the Hon'ble Supreme Court, and in view of the direction of Hon'ble APTEL in EP 05 of 2021, dated 26.07.2021, the Commission provisionally allows the additional incentive in AT&C losses for the respective years as follows:

**Table 3. 10: Reversal of reduction in AT&C due to Misuse**

| Particulars | FY 05 | FY 06 | FY 07 | FY 08 | FY 09 | FY 10 |
|---|---|---|---|---|---|---|
| Reversal of reduction in AT&C due to Misuse (Rs. Crore) | 10.41 | 8.73 | 7.42 | 5.76 | 3.03 | 3.47 |

**ISSUE 4: DISALLOWANCE OF OTHER EXPENSES (FINANCING CHARGES, LC CHARGES, COST OF AUDITOR CERTIFICATE, CREDIT RATINGS AND INCREASE IN RATE OF SERVICE TAX )**

**PETITIONER SUBMISSION**

3.42 While truing up for FY 2012-13 in the Tariff Order dated 23.07.2014, the Commission has not considered legitimate claims as per table below of the Petitioner. This unfair disallowance was challenged before the Hon'ble APTEL in Appeal 246 of 2014. It is worth to mention that these expenses are uncontrollable in the hands of Petitioner and are done in the interest of the consumers. The same did not form part of and were not considered while preparing the estimates of the normative expenses. Hence, the Petitioner had sought for impact of these expenses over and above the normative expenses.

3.43 Considering the submission made by the Petitioner before the Hon'ble APTEL, the Hon'ble APTEL agreed with TPDDL contentions and decided the said issues in favour of TPDDL by Judgment dated 30.09.2019 in Appeal No. 246 of 2014 titled "TPDDL vs. DERC". Relevant extracts of the Judgment are given below:

*" 16.3.1 Learned counsel for the Appellant submitted that the Respondent Commission had disallowed various uncontrollable expenses while truing up for FY 2012-13 despite the fact that these expenses were related to change in law and change in charges levied by the bank / financial institutions.* ***These uncontrollable expenses broadly include change in service tax rate, service tax under reverse charge mechanism, financing charges, increase in LC charges, cost of auditor certificate, credit rating fees, etc****.*

*….*

*16.4.1 We have carefully gone through the rival submissions of learned counsel for the Appellant and learned counsel for the Respondent Commission and also taken note of the findings of this Tribunal in its judgment dated 10.02.2015 in Appeal No. 171 of 2012. It is not in dispute that the Appellant has actually incurred various* *expenses as claimed by it in the petition which the State Commission has disallowed while truing up for FY 2012-13 giving reasoning that these expenses are controllable. It is, however, seen that many of the expenses so claimed by the Appellant are in the category of uncontrollable in nature and need to be looked into by the Commission by adopting a judicious approach instead of disallowing all of them in totality. This Tribunal in its judgment dated 10.2.2015 in Appeal no. 171 of 2012 has held that enhancement in expenses due to reasons beyond the control of the utility, such as statutory obligations are uncontrollable in nature and, therefore, ought to be allowed.*

…

*16.4.3 It is relevant to note that change in law relating to statutory levies cannot be envisaged by the Licensee or the Respondent Commission at the time of the MYT Order and, thus, cannot be considered as part of the normative increase in expenses by the Respondent Commission. It is also noticed that apart from expenses incurred due to change in law, there are certain other expenses which have been incurred for the reasons not attributable to the Appellant but in the interest of consumers (such as credit rating fee) and if such expenses were not incurred by the Appellant, it would have burdened the consumers with higher interest, consequential higher tariff, carrying cost etc. As the judgment of this Tribunal dated 10.02.2015 has been challenged by the Respondent Commission before the Hon'ble Apex Court and no stay has been granted against the operation of the said judgment, we are of the considered view that pending decision of the Hon'ble Apex Court the various claims of the Appellant regarding statutory fee/charges should be looked into by the Respondent Commission afresh duly considering some of them as controllable and others as uncontrollable in the interest of justice and equity. Accordingly, we decide this issue in favour of the Appellant."*

3.44 The Issues were also challenged by the Appellant in Appeal No. 213 of 2018 filed against the Tariff Order dated 28.03.2018 (Issue Nos. 1 and 9 in that Appeal) in respect of FY 2016-17 (i.e., the Financial year for which True Up is under challenge) whereby by Order dated 11.03.2020, the Hon'ble APTEL had directed the Commission to allow the impact of the aforesaid issues in the Tariff Proceedings for the current year. The same was not done and therefore, the Hon'ble APTEL again by Order dated 26.11.2020 has directed the Commission to comply with the directions of the Hon'ble APTEL.

3.45 Thus, in line with the Hon'ble APTEL Judgment dated 30.09.2019 in Appeal No. 246 of 2014 and Order dated 11.03.2020 and 26.11.2020 passed in Appeal No. 213 of 2018, the Petitioner seeks the following claims for entire 2nd MYT Control period along with carrying costs.

**Table 3. 11: Additional O&M Expenses**

| Particulars | FY 13 | FY 14 | FY 15 | FY 16 | *FY 17 |
|---|---|---|---|---|---|
| Change in Service Tax Rate | 1.96 | 2.67 | 3.03 | 5.45 | 7.18 |
| Service Tax under Reverse charge mechanism | 0.31 | 1.50 | 0.67 | 3.44 | 4.44 |
| Cost of Auditor Certificate | 0.07 | 0.09 | | | |
| Financing charges | 0.40 | 1.04 | 0.70 | 0.48 | 0.21 |
| Increase in LC charges | 0.73 | 0.59 | | | |
| Credit rating fees | 0.13 | 0.22 | | | |
| **Total – Rs Cr.** | **3.60** | **6.11** | **4.40** | **9.37** | **11.83** |

**COMMISSION ANALYSIS**

3.46 Hon'ble APTEL vide its judgement dated 30/09/2019 in Appeal No.246 of 2014 has directed the Commission as follows:

*"16.4 Our findings:*

*16.4.1 We have carefully gone through the rival submissions of learned counsel for the Appellant and learned counsel for the Respondent Commission and also taken note of the findings of this Tribunal in its judgment dated 10.02.2015 in Appeal No. 171 of 2012. It is not in dispute that the Appellant has actually incurred various expenses as claimed by it in the petition which the State Commission has disallowed while truing up for FY 2012-13 giving reasoning that these expenses are controllable. It is, however, seen that many of the expenses so claimed by the Appellant are in the category of uncontrollable in nature and need to be looked into by the Commission by adopting a judicious approach instead of disallowing all of them in totality. This Tribunal in its judgment dated 10.2.2015 in Appeal no. 171 of 2012 has held that enhancement in expenses due to reasons beyond the control of the utility, such as* *statutory obligations are uncontrollable in nature and, therefore, ought to be allowed.*

*16.4.2 We also take note of the provisions under Tariff Regulation 5.6 which specifies that the RoCE should cover all financing cost but financing cost incurred for obtaining the loans has not at all been factored in the cost of debt.*

*16.4.3 It is relevant to note that change in law relating to statutory levies cannot be envisaged by the Licensee or the Respondent Commission at the time of the MYT Order and, thus, cannot be considered as part of the normative increase in expenses by the Respondent Commission. It is also noticed that apart from expenses incurred due to change in law, there are certain other expenses which have been incurred for the reasons not attributable to the Appellant but in the interest of consumers (such as credit rating fee) and if such expenses were not incurred by the Appellant, it would have burdened the consumers with higher interest, consequential higher tariff, carrying cost etc. As the judgment of this Tribunal dated 10.02.2015 has been challenged by the Respondent Commission before the Hon'ble Apex Court and no stay has been granted against the operation of the said judgment, we are of the considered view that pending decision of the Hon'ble Apex Court the various claims of the Appellant regarding statutory fee/charges should be looked into by the Respondent Commission afresh duly considering some of them as controllable and others as uncontrollable in the interest of justice and equity. Accordingly, we decide this issue in favour of the Appellant.*

3.47 This issue is presently under Civil Appeal 1762 of 2020 before Hon'ble Supreme Court and no stay has been granted. The Commission is of the view that the tariff order have reasons justified for disallowing such expenses as the same were controllable in nature and O&M Expenses are to be provided on normative basis. In Appeal No. 14 of 2012 vide order dated 30.11.2014 Hon'ble Tribunal had already disallowed various such expenses.

3.48 The Commission is of the view that claim of the Petitioner on various subheads of other expenses as claimed cannot be reviewed on a case to case basis as the O&M cost is considered as a packaged cost under the performance based regulatory regime. The

Commission has exercised its prudence in reviewing the costs during the true up of respective years and has considered some of the elements to be uncontrollable and allowed the same to the DISCOM. By giving this opportunity, the Petitioner has construed it to be its right to claim the other expenses as LC Charges, Credit rating cost, Audit Costs, finance charges service tax levy etc. as uncontrollable, these costs are routine costs of the business and not considerable as extra ordinary that be treated uncontrollable.

3.49 Further, in case of the claim of the Service Tax, the Commission observed that there is already a judgement dated 29/07/2016 passed by the Hon'ble High Court of Delhi in W.P. (C) No. 2203 of 2012 in the matter of TPDDL vs. DERC, on this issue. Since, as per said judgment the stand of DERC has been upheld the compliance Order dated 04/02/2021 cannot be at variance. It is a settled principle that in case of conflict between the view of a constitutional Court and statutory Tribunal, the opinion of the constitutional Court will be given preference. Accordingly, we feel duty bound to implement the direction and views given in this case by the Hon'ble High Court of Delhi. In view of the above the Commission modified the Compliance order in accordance with the above findings and has not considered the claims on change in service tax rate and service tax under reverse charge mechanism.

3.50 However, as far as Financing Charges for FY 2016-17 are concerned, the same has been implemented in line with the direction of the Hon'ble APTEL in its judgment dated 30/09/2019 in Appeal No. 246/2014, which is subject to outcome of the Civil Appeal filed before Hon'ble Supreme Court of India.

**ISSUE 5: WRONGFUL COMPUTATION OF ADVANCE AGAINST DEPRECIATION**

**COMMISSION ANALYSIS**

3.51 The issue on advance against depreciation has not been prayed by the Petitioner in its Petition. Further, the advance against depreciation is subject to finalization of capitalization of the Petitioner. Once, the Capitalisation is firmed up, the AAD shall also be reviewed accordingly.

**ISSUE 6: NON-IMPLEMENTATION OF DIRECTION OF THIS TRIBUNAL IN RELATION TO NOTIONAL LOANS**

**PETITIONER SUBMISSION**

3.52 To implement the Hon'ble APTEL Judgment in Appeal 246 of 2014 of issue no. 26 in relation to consideration of interest rate for notional loans, the Petitioner had submitted claim of Rs 0.64 Cr for FY 2006-07 while sought true up of FY 2012-13. The Commission did not considered the above submissions of TPDDL. Thus, TPDDL had again raised the issue before the Hon'ble APTEL in Appeal no 246 of 2014. The Hon'ble APTEL by Judgment dated 30.09.2019 decided the issue again in favour of TPDDL and directed as under:

*"9.4.2 In view of these facts, we find force in the submissions of learned counsel for the Appellant that the Respondent Commission has not correctly applied the ratio laid down by this Tribunal in above two judgments. It is crystal clear that the Commission was required to allow interest rate on notional loan at market rate at the time of induction of notional loan and not weighted average of the SBI PLR during the year. The Respondent Commission is accordingly directed to adopt the findings and directions of this Tribunal in the aforesaid judgments in letter and spirit. Accordingly, this issue is decided in favour of the Appellant."*

*Based on above submission, the Petitioner in its ARR Petition No. 03 of 2020 requested to the Hon'ble Commission to allow amount of Rs 0.64 Cr. However, the Commission in its latest Tariff Order dated 28.08.2020 had sought additional information" ………… the Petitioner is directed to provide the actual loan portfolio held by in the immediately preceding year".*

3.53 Since the judgement says to allow interest rate on notional loans at market rate, the Petitioner again reiterate that Interest rate for notional loan should be considered based on the market rate for that respective year and not based on the actual loan portfolio for the preceding year.

**COMMISSION ANALYSIS**

3.54 Hon'ble APTEL in its judgment dated 30th Sep 2019 in Appeal no. 246 of 2014, has directed the Commission to allow the Petitioner the interest rate on the notional loan at market rate at the time of induction of notional loan and not the weighted average rate of the SBI

PLR during the year. The said issue has been earlier dealt by Hon'ble APTEL under Appeal 52 of 2008 and Appeal 14 of 2012 also. Relevant extracts of the judgments are as below.

3.55 Hon'ble APTEL in Appeal No.52 of 2008 adjudged

> *"the Commission is directed to allow interest on notional loan for this particular year based on market related interest rate prevailing in that year ie. Either the interest rate approved in FY 2004-05 already adjusted for change in the SBI PLR or 9.20% pa based on the loan obtained by the Appellant".*

3.56 Hon'ble APTEL in Appeal 14 of 2012 adjudged,

> *"13. The above directions with observations do not mean that the Delhi Commission should adopt the weighted average of the SBI Prime Lending Rate during the year. What it actually mean to us is that interest rate of notional loan should be market rate at the time of the induction of the notional loan.*
>
> *14. This direction given by this Tribunal in Appeal No. 52 of 2008 should apply and should be given full effect in each year by allowing interest amount of notional loan based on the market related interest rate prevailing in that year."*

3.57 In view of the above directions, the Commission in its Tariff order dated July 2014 concluded on the matter as below:

> *"3.98 The judgment dated 28.11.2013 in Appeal no. 14 of 2012 does not direct the Commission to adopt weighted average of the SBI PLR. As per the direction of Hon'ble APTEL, the Commission has considered the rate of interest prevalent in the financial year. The Petitioner has not availed any additional loan during FY 2006-07 and the interest on existing loan has not been revised in FY 2006-07. Therefore, the Commission considered the interest rate in respect of notional loan based on the actual interest rate availed by the Petitioner during FY 2006-07."*

3.58 In view of the EP 05 of 2021, the Commission has again reviewed the matter and has observed as follows:

3.59 During Policy direction period, the interest on loan was trued up considering the debt portfolio of the Licensee. In such portfolio, the Licensee either had a notional loan or the actual loan availed to finance its capital investments. The Commission during the true up of FY 2006-07 observed that the Licensee continued with certain amount of financing as notional loan. In case of notional loan, there is no actual induction of the loan in that year. However, based on the borrowing capacity of the Licensee, the Commission had decided the interest rate on such notional loan, in case of TPDDL being 8.5%. It is observed that during FY 2006-07, TPDDL raised additional loan from various banks to repay its loans transferred from DVB under the transfer scheme. The Commission, in its Tariff Order dated February 2008 has considered the re-structuring of loan of TPDDL after availing the actual loan from the banks as under:

**Table 3. 12: Interest rate for actual loans for FY 2006-07 as availed by TPDDL**

| Institution | Loan Amount (Rs. Cr) | RoI |
|---|---:|---:|
| IDFC | 276.00 | 9.20% |
| IDBI | 176.00 | 9.00% |
| SBS | 50.00 | 8.90% |
| SBM | 50.00 | 8.90% |

3.60 The weighted average interest rate for actual loans of TPDDL for FY 2006-07 as trued up works out to be 9.08% with maximum loan at the rate of 9.20%.

3.61 The Commission in its Tariff Order dated August 2011 in Table 24 has re-computed the notional loan for FY 2006-07 as Rs. 151.30 Cr.

3.62 Hon'ble APTEL has directed the Commission to allow interest on notional loan for this particular year based on market related interest rate prevailing in that year i.e. either the interest rate approved in FY 2004-05 already adjusted for change in the SBI PLR or 9.20% p.a. based on the loan obtained by the Appellant.

3.63 Accordingly, the Commission in compliance of the direction of Hon'ble APTEL has considered the interest rate for notional loan for FY 2006-07 at 9.20% during the said financial year.

3.64 Thus, the incremental impact of the same is as below:

**Table 3. 13: Commission Approved Additional Interest Cost for FY 2006-07**

| Sr.No. | Particulars | Amount (Rs. Cr) | Reference |
|---|---|---|---|
| A | Notional Loan for FY 2006-07 | 151.30 | Table 24 of Aug'11 TO |
| B | Interest Rate earlier approved | 8.50% | |

| Sr.No. | Particulars | Amount (Rs. Cr) | Reference |
|---|---|---|---|
| C | Revised Interest Rate | 9.20% | |
| D | Additional Interest Cost | 0.53 | A*(C-B)/2 |

## ISSUE 7: ERRONEOUS COMPUTATION OF WORKING CAPITAL

### PETITIONER SUBMISSION

3.65 There is no claim by the Petitioner in its Petition for the issue relating to Erroneous computation of Working Capital in its Petition filed for True up of FY 2019-20 and ARR for FY 2021-22. Later, by way of email dated 21.06.2021, the Petitioner submitted that the Commission allowed only Rs. 54.42 Crores as equity component for financing of the working capital upto the end of the first control period. Therefore, the Commission should have restricted re-computation of the equity component of working capital for beginning of the second control period by deducting Rs 54.42 Crores only and not Rs 70.37 Crores from the equity of TPDDL for the purpose of computation WACC and ROCE when the same has not been allowed as equity in earlier years. And the claim in respect of the same is Rs. 1.91 Cr for FY 2012-13.

### COMMISSION ANALYSIS

3.66 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. However, as per the Appellant, the Commission could have only deducted an amount of Rs. 54.42 crores, which was added as equity component by the Appellant during FY 2007-08 to 2011-12 to finance the working capital."*

3.67 Based on the above judgment, the Commission re-examined the matter and observed that the Commission had provided funding of Rs 53.15 Cr towards working capital requirement by utilizing depreciation of Rs 15.37 Cr in FY03, Rs 18.21 Cr in FY04 and Rs 19.57 Cr in FY 05.

3.68 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.

3.69 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.

3.70 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 53.15 Cr 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.

3.71 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.

3.72 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 | 4,446.04 | 4,979.01 |
| Receivables equivalent to 2 months average billing | 741.01 | 829.84 |
| Power Purchase Expenses | 3,975.07 | 4,253.05 |
| Power Purchase Expenses - 1 month | 331.26 | 354.42 |
| Total WC | 409.75 | 475.41 |
| Change in WC | 125.05 | 65.66 |

**Table 3. 14: Revised RoCE for FY 2012-13 & FY 2013-14**

| Computation of ROCE | FY 2012-13 | FY 2013-14 |
|---|---|---|
| RRB Opening Balance | 2,106.12 | 2,231.80 |
| Addition in Net Fixed Assets | 0.63 | (30.91) |
| *Investments Capitalised during the year* | *157.96* | *172.62* |

| Computation of ROCE | FY 2012-13 | FY 2013-14 |
|---|---|---|
| *Depreciation during the year* | *110.71* | *113.53* |
| *Consumer Contribution during the year* | *46.62* | *90.00* |
| Change in WC | 125.05 | 65.66 |
| RRB Closing Balance | 2,231.80 | 2,266.55 |
| RRB i | 2,231.49 | 2,282.01 |
| | | |
| 30% RRBi as Equity | 546.52 | 541.98 |
| 70% RRBi as Debt | 1,684.97 | 1,740.03 |
| | | |
| Additional Re as incentive | 0.63% | 2.88% |
| re | 16% | 16% |
| Rd | 9.97% | 10.12% |
| WACC | 11.60% | 12.20% |
| RoCE | 258.86 | 278.42 |
| ROCE allowed in earlier Tariff orders | 267.04 | 290.91 |
| To be Allowed/(Recovered) | (8.08) | (12.49) |

## ISSUE 8 & 9: DISALLOWANCE OF CAPITAL EXPENDITURE MADE DURING THE YEAR 2012-13 AND ERRONEOUS COMPUTATION OF MEANS OF FINANCING ASSETS CAPITALIZED

### COMMISSION ANALYSIS

3.73 The final true up of Capitalisation in under process. Once, the Capitalisation is firmed up, the consequential impact of means of financing shall also be reviewed accordingly.

## ISSUE 10: ERRONEOUS ALLOWANCE OF DEPRECIATION RATE

### COMMISSION ANALYSIS

3.74 The Commission has revised the depreciation rate in accordance with the Depreciation Schedule Appendix I of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017. Accordingly, the revised depreciation rate for FY 2012-13 to FY 2016-17 is arrived as follows:

**Table 3. 15: Revised depreciation rate for FY 2012-13 to FY 2016-17**

| 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 | 3037.34 | 3134.32 | 3281.58 | 3495.69 | 3751.08 |
| B | Average depreciation rate | 3.60% | 3.62% | 3.91% | 3.91% | 3.91% |
| C | Depreciation | 110.71 | 113.53 | 128.31 | 136.68 | 146.67 |
| D | Revised Depreciation rate as per Order | 3.77% | 3.79% | 3.80% | 3.82% | 3.84% |
| E | Revised Depreciation | 114.51 | 118.79 | 124.70 | 133.54 | 144.04 |

| Sr .No | Particulars | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2016-17 |
|---|---|---|---|---|---|---|
| F | Difference (E-C) | 3.80 | 5.26 | (3.61) | (3.15) | (2.63) |

**ISSUE 11: OVER-ESTIMATION OF SALE RATE FOR SURPLUS POWER FOR FY 2014-15**

**COMMISSION ANALYSIS**

3.75 The period under prayer is already over and the power purchase cost has been appropriately Trued up by the Commission in Tariff Order dated 31.08.2017.

**ISSUE 12: ALLOWANCE OF CARRYING COST RELATING TO ISSUES RAISED IN THE PRESENT APPEAL**

**COMMISSION ANALYSIS**

3.76 The Commission has considered all issues of the Petitioner along with suitable carrying costs.

**B. IMPLEMENTATION OF EP NO. 9 OF 2016 IN APPEAL NO. 171 OF 2012 DTD. 28/02/2020 FOOD AND CHILDREN EDUCATION ALLOWANCE**

**PETITIONER SUBMISSION**

3.77 The petitioner has claimed an amount of Rs. 3.16 Cr and Rs. 3.75 Cr towards FY 2010-11 & FY 2011-12 respectively in view of the judgment of Hon'ble APTEL in Appeal no. 171 of 2012.

**COMMISSION ANALYSIS**

3.78 The said issue is pending adjudication before Hon'ble Supreme Court in Civil Appeal No. 2929 of 2020 and no stay has been granted.

3.79 In view of the Execution Petition 06 of 2019, the Commission allows Rs. 3.16 Cr for FY 2010-11 and Rs. 2.20 Cr. for FY 2011-12 as subject to outcome of the Appeal before the Apex Court, based on the judgment in Appeal No. 171 of 2012, whose relevant extract are as follows, wherein for FY 2010-11 an amount of Rs. 0.91 Cr. and 2.25 Cr. was mentioned pertaining to Food & Children Allowance respectively.

"

*3. The first issue is regarding non allowance of food allowance for FRSR Structure Employees inspite of their binding service conditions, for FY 2010-11.*

*….*

*Therefore, the Appellant had claimed a total of Rs. 1.30 crores out of which Rs. 0.39 crores was allowed on normative basis, hence additional* ***Rs. 0.91 crores needs to be allowed in FY 2010-11.***

*….*

*4.The second issue is regarding non-allowance of Children Education Allowance for FRSR Structure Employees for FY 2010-11 inspite of their binding service conditions.*

*….*

*The Appellant has incurred Rs****. 2.25 crores during FY 2010-1****1 on account of increase in Children Education Allowance over and above the amount paid in base year i.e. FY 2006-07.*

*…*

*Therefore, on the same analogy as made for allowance of increase due to food allowance under paragraph 3.7 the increase in expenditure of the Appellant due to increase in Children Education Allowance from Rs. 40/- p.m. per child to Rs. 1,000/- p.m. per child has to be allowed with carrying cost. Accordingly, directed."*

3.80 For FY 2011-12, the Commission in it's Tariff Order dtd. 31/07/2013, as follows, has indicated the amount claimed by the Petitioner which has now been considered based on the directions in EP 9/2016:

*" The Petitioner has claimed an amount of Rs. 0.79 crore towards incremental increase in the food allowances during FY 2011-12 based on the increase in food allowance allowed by DTL vide its circular dated 15.04.2010.*

*…*

*The Petitioner has incurred Rs. 1.41 crore during FY 2011-2 on account of increase in Children Education Allowance over and above the amount paid in base year i.e., FY 2006-07 vide Government of India notification dated September 2, 2008. "*

## C. IMPLEMENTATION OF COMPLIANCE ORDER DTD. 4/02/2021

3.81 The issue related to AT&C Loss till FY 2016-17 and Other Expenses (Service Tax & Financing Charges) have been dealt in earlier section of this Order under EP 5/2021 directions of Hon'ble APTEL.

### POWER PURCHASE COST OF OWN SOLAR GENERATION PLANTS

3.82 The findings of Hon'ble APTEL in Appeal no. 82 of 2015, 136 of 2015, 274 of 2015, 285 of 2015 & 58 of 2016 are as follows:

> *"11.3 We have analyzed the submissions of the learned counsel for the Appellant and the learned counsel for the Respondent Commission and it is manifest that the State Commission is in fact adopted an adhoc piece-meal approach for determination of tariff for solar projects of the Appellant, namely, calculating tariff for first two years based on the project's cost and other applicable norms and decided to grant tariff at APCC for the balance period i.e. 23 years. We, thus opine that the decision of the State Commission to bifurcate the useful life of the project for determination of tariff in 2 and 23 years, does not appear appropriate. As per the settled norms as well as relevant regulations, the tariff is required to be determined for the entire period of useful life of the projects i.e. 25 years. Whatsoever may be the reason, we are unable to accept the stand of the State Commission in this regard, as brought out in the Impugned Order. In fact, the State Commission ought to have applied the judicious approach for arriving at the levelised tariff for the entire life of the solar projects based on the actual/audited cost of the projects with application of other associated norms for computation of project wise tariff. In view of these facts, we hold that the Impugned Order of the State Commission suffers from legal infirmity and perversity to the extent of the facts mentioned above."*

3.83 The said judgment was appealed before Hon'ble Supreme Court vide Civil Appeal 9522-9526 of 2019 and is pending adjudication. In view of no stay granted therein and on the basis of Compliance order dtd. 4/02/2021, the Commission has provisionally allowed the claim of the Petitioner subject to outcome of the Supreme Court judgment, as follows:

**Table 3. 16: Commission Approved Power Purchase Cost of Own Solar**

Rs Lakhs

| Plant Name | FY 11 | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 | FY 18 | Total |
|---|---|---|---|---|---|---|---|---|---|
| 1 MW KPM | (12.45) | (42.30) | (36.35) | (116.18) | 89.43 | 79.07 | (120.05) | (110.37) | (269.20) |
| CENNET (25 kWp) | (0.27) | (0.91) | (1.03) | (3.82) | 0.55 | 0.41 | (3.77) | (3.47) | (12.30) |
| Narela DSIDC II Grid (60 kWp) | - | (1.54) | (2.35) | (7.20) | 3.23 | 2.35 | (4.64) | (6.21) | (16.36) |
| GTK (25 kWp) | - | (2.27) | (4.42) | - | 0.28 | 0.28 | (3.40) | (3.54) | (13.07) |
| Total | (12.72) | (47.03) | (44.15) | (127.19) | 93.49 | 82.12 | (131.86) | (123.58) | (310.92) |

**For FY 2018-19:**

| Power Purchase cost from Solar Plants for FY 18-19 | | | | |
|---|---|---|---|---|
| **Plant** | **Units Billed (A)** | **Rate (B)** | **Total Amount for FY 18-19 Rs Cr (C=A*B)** | **Net amount for FY 18-19 after adjustment Rs. Cr** |
| Phoot Khurd | 61925 | 6.71 | 0.042 | 0.043 |
| | 2297 | 6.48 | 0.001 | |
| CENNET | 18786 | 15.15 | 0.028 | 0.036 |
| | 5228 | 14.55 | 0.008 | |
| Keshavpuram | 852467 | 11.85 | 1.010 | 1.544 |
| | 467861 | 11.40 | 0.533 | |
| A7 Narela | 53537 | 6.67 | 0.036 | 0.051 |
| | 22990 | 6.46 | 0.015 | |
| Bawana | 3975 | 7.01 | 0.003 | 0.042 |
| | 57455 | 6.77 | 0.039 | |
| DSIDC II grid | 25332 | 13.82 | 0.035 | 0.079 |
| | 33412 | 13.27 | 0.044 | |
| GTK | 16934 | 16.04 | 0.027 | 0.049 |
| | 14512 | 15.39 | 0.022 | |
| RG - 2 | 28562.00 | 7.70 | 0.022 | 0.022 |
| | 92.00 | 7.44 | 0.000 | |
| RG - 24 | 31540.00 | 7.70 | 0.024 | 0.024 |
| | 106.00 | 7.44 | 0.000 | |
| RG - 5 | 263036 | 8.11 | 0.213 | 0.214 |
| | 948 | 7.83 | 0.001 | |
| RG - 22 | 55214 | 7.18 | 0.040 | 0.040 |
| | 192.00 | 6.94 | 0.000 | |
| RG - 23 | 60483.00 | 7.43 | 0.045 | 0.045 |
| | 220.00 | 7.18 | 0.000 | |
| Total | | | | 2.19 |
| Already allowed by Commission Rs Cr | | | | 1.10 |
| Balance amount to be allowed for FY 18-19 Rs Cr | | | | 1.08 |

## D. REVIEW ORDER DTD 7/01/2021

3.84 The Commission has considered the income tax attributable to the Consumer share on such net Income from Other Business Income while computing the Non-Tariff Income for FY 2017-18 based on the notice issued on 2/09/2021 and allows Rs.1.24 Cr to be reduced from the Non-tariff income for FY 2017-18.

3.85 The Commission observed an inadvertent error while arriving at the depreciation to be allowed in the ARR of the Petitioner and rectifies the same by allowing Rs. 51.78 Cr in FY 2017-18.

3.86 Normative O&M expenses of FY 2017-18 based on amount of disallowance of EI based capitalization has been considered in Physical Verification of FY 2017-18, so no separate impact has been provided.

## E. REVIEW ORDER DTD 23/09/2021

3.87 An amount of Rs. 3.60 Cr. is provided for incentive for reduction of Distribution Loss issue for FY 2018-19, as follows:

**Table 3. 17: Commission Approved Additional Incentive for Distribution Loss for FY 2018-19**

| Particulars | UoM | As per Petitioner | As per Commission |
|---|---|---|---|
| Distribution Loss Target in previous Year | % | 8.38% | 8.38% |
| Distribution Loss Target in Current Year | % | 8.19% | 8.19% |
| Actual Distribution Loss | % | 7.93% | 7.90% |
| 50% of (previous year target - current year target) | % | 0.09% | 0.09% |
| Distribution loss target - 50% of (previous year target - current year target) | % | 8.10% | 8.10% |
| Actual Energy Input at Distribution periphery | MU | 9,631.15 | 9,628.06 |
| Average Power purchase Cost | Rs/KWh | 5.91 | 5.80 |
| **Total Incentive** | **Rs. Cr** | **14.79** | **16.10** |
| Petitioner Share 1 of incentive (less than Loss Target-50%*(PYT-CYT) | Rs. Cr | | 1.7690 |
| Petitioner Share 2 of incentive (up to Loss Target-50%*(PYT-CYT) | Rs. Cr | | 7.1972 |
| **Total Incentive to Petitioner** | Rs. Cr | **7.96** | **8.97** |
| Incentive to Consumer | Rs. Cr | | 7.14 |
| Incentive to Petitioner - Already Allowed | Rs. Cr | | 5.37 |
| **Additional Incentive to be allowed** | **Rs. Cr** | | **3.60** |

3.88 An amount of Rs. 0.11 Cr. has been Interest on Consumer Security Deposit (CSD) for FY 2018-19 issue considering CSD under both current and non-current liabilities as per Annual Audited Accounts for FY 2018-19 as follows:

**Table 3. 18: Commission Approved Consumer Security Deposit for FY 2018-19**

| Particulars | As per Petitioner | Approved |
|---|---|---|
| Opening Balance Of Consumer Security Deposit | 552.81 | 611.07 |
| Closing Balance of Consumer Security Deposit | 625.38 | 682.74 |
| Average Balance Of Consumer Security Deposit | 589.09 | 646.90 |
| Working Capital Interest Rate | 8.09% | 8.09% |
| Normative amount of Interest | 47.66 | 52.33 |
| Actual Amount of Interest | 52.45 | 52.45 |
| Difference to be additionally offered | (4.79) | (0.11) |

3.89 7$^{th}$ Pay Commission Amount of Rs. 3.30 Cr. for FY 2018-19 has been allowed as follows:

**Table 3. 19: Commission Approved Impact of 7$^{th}$ Pay Commission for FY 2018-19**

| Impact of 7th Pay Commission_ FY 2018-19 | |
|---|---|
| Total Amount | 32.97 |
| Amount Capitalized | 3.30 |
| Amount booked under employee expenses (net of capitalization) | 29.67 |
| Amount Allowed by Commission - TO 28/08/2020 | 26.37 |
| **Differential amount allowed** | **3.30** |

3.90 As detailed in Review Order dated 23/09/2021, an amount of Rs. 72.54 Cr. w.r.t. REC cost for FY 2018-19 has been allowed.

3.91 The Commission observed an inadvertent error while arriving at the Carrying Cost for FY 2013-14 to FY 2017-18. Accordingly, differential amount of Rs. 8.14 Cr. has been added in the Opening balance of FY 2018-19.

## F. PHYSICAL VERIFICATION OF CAPITALISATION FOR FY 2017-18

3.92 The Commission completed the Physical Verification for capitalization of Assets for FY 2017-18 and shared its findings with the Petitioner vide letter dated 12/07/2019. TPDDL furnished its comments on 2/08/2019 providing clarification with respect to the findings. A meeting was held with TPDDL on further disallowances on 04/03/2020 and TPDDL further made additional submissions on 19/03/2020 and 19/04/2020.

Based on the above, the Commission has firmed up the capitalization for FY 2017-18 as revised it as under:

| Particulars | Amount (Rs. Cr.) |
|---|---|
| Total Capitalisation as per financial statements | 479.34 |
| Disallowances for FY 2017-18 | |
| Assets not found during Physical verification | 0.0039 |
| Opex nature of work covered under capex | 0.055 |
| RR Charges (on behalf of GST) | 0.70 |
| Schemes EIC stated not required, but major electrical equipment | 39.85 (To be capitalized in FY 2018-19) |
| EIC (not provided against schemes) | |
| EIC (for schemes where EIC date is after 31.03.2018) | |
| Excess Labour charge | - |
| Time over run (Excess IDC) | 0.16 |
| Cost Over run | - |
| Excess A&G Expenses | - |
| Excess Meter Cost capitalized | - |
| Disallowance on account of 7th pay revision provision | 1.60 |
| Disallowances for FY 2017-18 | 42.37 |
| Capitalisation to be considered for FY 2017-18 | 436.97 |

3.93 Accordingly, the impact thereof in the ARR of the Petitioner for FY 2017-18 and FY 2018-19 is as follows:

| Particulars | Petitioner submission | Approved (FY 2017-18) |
|---|---|---|
| Provisional Trued up opening balance of Gross Fixed Assets (net of Retirement) | 4675.31 | 4675.30 |
| Add- Capitalization during the year | 479.34 | 436.97 |
| Less- Retirement/ De-capitalization for the year | 80.16 | 80.16 |
| Closing balance of Gross Fixed Assets | 5074.49 | 5032.11 |
| Average Gross Fixed Assets (Net of Retirement of Assets) | 4,874.90 | 4,853.70 |

**Table 3. 20: Summary of Aggregate Revenue Requirement (FY 2017-18) Rs. Cr.**

| Particulars | Now Revised | Approved in TO 31/07/2019 | Impact |
|---|---|---|---|
| Power Purchase Cost (including transmission charges) | 4769.60 | 4769.60 | 0.00 |
| Prior Period obligation on REC Met | 292.41 | 292.41 | 0.00 |
| O&M expenses | 643.75 | 642.58 | 1.17 |
| Other expenses/ statutory levies | 63.24 | 63.24 | 0.00 |
| Depreciation | 150.32 | 148.38 | 1.94 |
| Loss on retirement of assets | 0.01 | 0.01 | 0.00 |
| Return on capital employed | 323.62 | 319.31 | 4.31 |
| Income Tax | 36.74 | 36.17 | 0.57 |

**Table 3. 20: Summary of Aggregate Revenue Requirement (FY 2017-18) Rs. Cr.**

| Particulars | Now Revised | Approved in TO 31/07/2019 | Impact |
|---|---|---|---|
| Carrying cost | | | 0.00 |
| Less- Non Tariff Income | 110.50 | 110.50 | 0.00 |
| **Aggregate Revenue Requirement** | **6,169.20** | **6161.22** | **7.98** |
| **Reversal on account of Penalty of Reg. 24(4)(a) of DERC BPR 2017** | | | **0.31** |
| **Net Impact of Physical Verification of Assets for FY 2017-18** | | | **8.29** |

**Table 3. 21: Summary of Aggregate Revenue Requirement (FY 2018-19) (Rs. Cr)**

| Particulars | Now Revised | Approved in TO 28/08/2020 | Impact |
|---|---|---|---|
| Power Purchase Cost (including transmission charges) | 5,588.19 | 5,588.19 | - |
| O&M expenses | 696.55 | 696.55 | - |
| Other expenses/ statutory levies | 28.29 | 28.29 | - |
| Depreciation | 219.92 | 216.05 | 3.87 |
| Loss on retirement of assets | | | - |
| Return on capital employed | 341.25 | 333.11 | 8.14 |
| Income Tax | 38.46 | 37.39 | 1.07 |
| Less- Non Tariff Income | 121.10 | 121.10 | - |
| Less- Interest from Consumer Security Deposit | | | - |
| Less- Income from Non Energy Business | | | - |
| Less- Income from Open Access | | | - |
| Aggregate Revenue Requirement | 6,791.56 | 6,778.49 | 13.07 |
| **Net Impact of Physical Verification of Assets for FY 2018-19** | | | **13.07** |

## G. <u>Hon'ble APTEL Order dtd. 3/09/2021 in Appeal No. 301/2015</u>

3.94 In para 2 of the Hon'ble APTEL in it's Order dtd. 3/09/2021 in Appeal No. 301/2015, the Petitioner has mentioned following judgments which has yet not been implemented by the Commission:

a. Appeal 171/2012 judgment dated 10.02.2015
b. Appeal 271/2013 judgment dated 20.07.2016
c. Appeal 246/2014 judgment 30.09.2019
d. Appeal(s) batch 82/2015 dated 16.04.2019
e. Order dated 9.04.2021 in Appeal 213/2018

As detailed above, in this section, the Commission has implemented the judgments of Hon'ble APTEL at Sr. Nos. c, d, & e.

3.95 A meeting was held with the Petitioner, on various issues which were to be implemented on 21/09/2021 in the office of the Commission. The Petitioner vide it's email dtd. 22/09/2021 submitted following issues for Sr. Nos. a & b above i.e., Appeal 171/2012 and Appeal 271/2013

a) Non implementation of judgement of Appeal 171 of 2012 with respect to computation of 'k' factor for 2nd Control Period → Appeal 171/2012

b) Wrongful disallowance of Trading Margin paid to TPTCL → Appeal 271/2013

**APPEAL 171 OF 2012 - 'K' FACTOR**

3.96 The Petitioner did not submit any claim on the issue in its original petition for true up of FY 2019-20 and ARR for FY 2021-22. However, vide in view of compliance of various orders of Hon'ble APTEL, the Petitioner submitted that the k factor may be revised as follows:

| Particulars | FY 07-08 | FY 08-09 | FY 09-10 | FY 10-11 | FY 11-12 |
|---|---|---|---|---|---|
| Opening GFA (Rs Cr) | 1,997.32 | 2,160.36 | 2,598.06 | 2,916.66 | 3,482.56 |
| Total R&M Expenses (Rs Cr) | 57.2 | 66.36 | 77.27 | 85.26 | 87.21 |
| k Factor (on approved GFA) | 2.86% | 3.07% | 2.97% | 2.92% | 2.50% |
| **Average k factor for 5 years** | **2.87%** | | | | |

**COMMISSION ANALYSIS**

3.97 Hon'ble APTEL in its judgment dated 10.02.2015 in Appeal 171 of 2012 adjudged as follows:

*"11.4 …. the 'K' factor for the control period has to be recalculated on the basis of 'K' factor for the FY 2007-08 to 2011-12."*

3.98 In accordance with the directions of Hon'ble APTEL, the 'k' factor for the MYT Control period, if revised, comes to 2.648% instead of 2.61%.

3.99 The Commission, in view of the judgment in Appeal 246 of 2014 on the direction to revise the AT&C Trajectory for the 2nd Control period on normative basis on the principles as laid down in Appeal 14 of 2012 has already revised the 'k' factor to 2.81% which is higher than

2.648% and detailed in issue 1 herewith in Prior Period Section. Thus, no further revision in this regard is required and that the issue stands addressed.

**APPEAL 271 OF 2013 - RELATED PARTY TRADING MARGIN**

3.100 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."*

3.101 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**

*3.86 The Commission observed that during FY 2012-13, the Petitioner has procured power through its related party i.e. M/s TPTCL and paid trading margin amounting to Rs. 0.74 Crore for short term purchases/sales. The Commission has decided to disallow the trading margin paid to related party.*

**…**

*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**

*3.317 The Commission observed that during FY 2013-14, the Petitioner has procured power through its related party i.e., M/s. TPTCL and paid trading margin amounting* *to Rs. 0.57 Crore for short term purchases/sales. The Commission has decided to disallow the trading margin paid to related party in line with earlier Tariff Orders.*

3.102 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.

3.103 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.

**INCENTIVE ON REFINANCING OF LOAN FOR FY 2017-18 AND FY 2018-19**

3.104 During the Prudence Check Session for 2019-20 held with the petitioner on 22nd March 2021, the petitioner was asked to explain on their claim of benefit on account of Refinance and the basis of the same. When the Petitioner explained the same, prima facie, it came to the knowledge of the Commission that, what the Petitioner has agreed with the various Bankers on various loans is not Refinancing and it is a mere Resetting. Hence the Petitioner was directed to justify their claim related to incentive on account of refinancing of loan by way of submitting Details of period wise change in interest rates, clearly showing the MCLR and spread (loan wise) both pre Refinance and after Refinance; Copies of the loan agreements with the respective Banks for such refinancing; In case of refinancing is done from the same Bank, the copies of the previous agreements as well.

These details were required to be submitted from 2016-17 considering the fact that the Regulation for Refinancing was first introduced in Tariff Regulations. 2017 and becoming effective from FY 2017-18. Subsequently the Petitioner submitted the complete details of the various loans for the year 2019-20 as well as for 2016-17, 2017-18 & 2018-19 and claimed that they have done Refinancing in majority of the loans. The complete loan details, year wise Capex as well as Other than Capex loans for the year 2016-17 to 2019-

20 has been analyzed by the Commission. It is observed that many of the loans active during the FY 2019-20 are existing from 2016-17.

From the details as submitted by the Petitioner, it is observed that the Loan portfolio consists of majority of loans with floating rate of interest with reset clause and these loans were held even before the notification of the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017, wherein for the first time, the Commission introduced in Regulation71, allowing the incentive on account of refinancing of loan. Further, these loans are linked with MCLR rates besides there is also an element of spread.

It is pertinent to state that in the recent times, the interest rates in the debt market (MCLR) have come down gradually due to various economic forces prevailing in the market, which in turn has brought down the interest rates of the Petitioner also without any effort from the Petitioner side. However, the Petitioner has claimed incentive on account of Refinance considering such reduction in interest induced by reduction in MCLR. The details of MCLR for the past prevailing years are provided separately.

In terms of Regulations 71 of the DERC (Terms and Conditions of determination of Tariff) Regulations, 2017.

The Utility shall make every effort to refinance the loan so as to reduce the cost of financing, the net saving in ARR due to such reduced financing cost shall be shared with the consumers in the manner as specified in the Business Plan Regulations specified by the Commission.

In terms of Regulations 31 of the DERC Business Plan Regulations, 2017

1. The incentive due to lower rate of interest on account of re-financing of loan in terms of Regulation 71 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2017-18 to FY 2019-20 of the Distribution Licensee shall be computed as the product of total quantum of loan availed and difference of weighted average rate of interest on actual loans versus margin of 2.00% plus (+) SBI MCLR.
2. The incentive on account of re-financing of loan computed as per sub clause (1) above shall be shared equally between the Consumers and the Distribution Licensee.

The petitioner is holding a basket of various loans which are floating interest rate loans invariably arranged from various banks under which the floating interest rate resets at regular intervals periodically. These interest rates based on the MCLR supplemented with the spreads which are extended by the bankers based on the credit ratings of the petitioner. As such the interest rates of the individual loans resets at periodical intervals as per the agreement and the spread is adjusted (increased or decreased) to determine the total rate of interest. As such the change in interest rates are on account of the periodical resetting of the loan as per the individual loan agreement and this is a normal resetting of loan which is routine and periodical throughout the loan period. In Contrast. Refinancing is a one-time affair, where the existing loan is replaced with a totally new and cheaper loan and through a new agreement.

3.105 It is inferred from the claim and further submissions made by the petitioner, the loan portfolio consists of loans which are existing for the past several years even from before 01.04.2017 and the respective agreements have been entered into with the bankers originally as Floating rate loans with periodical resetting. It is not any new loan drawn in replacement of existing loans subsequent to the Tariff Regulations 2017. Further these loans are linked with MCLR rates and in addition there is an element of spread according to the credit rating of the borrower. This spread increases or decreases based on the market forces such as liquidity. It could be seen from the following table, the SBI MCLR rates have gradually fallen but for a small period in between.

| Date | 1 Year | Date | | Date | 1 Year | Date | 1 Year | Date | 1 Year |
|---|---|---|---|---|---|---|---|---|---|
| *10.02.2021* | *7* | *10.02.2020* | *7.85* | *10.02.2019* | *8.55* | *01.02.2018* | *7.95* | *01.02.2017* | *8* |
| *10.01.2021* | *7* | *10.01.2020* | *7.9* | *10.01.2019* | *8.55* | *01.01.2018* | *7.95* | *01.01.2017* | *8* |
| *10.12.2020* | *7* | *10.12.2019* | *7.9* | *10.12.2018* | *8.55* | *01.12.2017* | *7.95* | *01.12.2016* | *8.9* |
| *10.11.2020* | *7* | *10.11.2019* | *8* | *01.11.2018* | *8.5* | *01.11.2017* | *7.95* | *01.11.2016* | *8.9* |
| *10.10.2020* | *7* | *10.10.2019* | *8.05* | *01.10.2018* | *8.5* | *01.10.2017* | *8* | *01.10.2016* | *9.05* |
| *10.09.2020* | *7* | *10.09.2019* | *8.15* | *01.09.2018* | *8.45* | *01.09.2017* | *8* | *01.09.2016* | *9.1* |
| *10.08.2020* | *7* | *10.08.2019* | *8.25* | *01.08.2018* | *8.25* | *01.08.2017* | *8* | *01.08.2016* | *9.1* |
| *10.07.2020* | *7* | *10.07.2019* | *8.4* | *01.07.2018* | *8.25* | *01.07.2017* | *8* | *01.07.2016* | *9.15* |
| *10.06.2020* | *7* | *10.06.2019* | *8.45* | *01.06.2018* | *8.25* | *01.06.2017* | *8* | *01.06.2016* | *9.15* |
| *10.05.2020* | *7.25* | *10.05.2019* | *8.45* | *01.05.2018* | *8.15* | *01.05.2017* | *8* | *01.05.2016* | *9.15* |
| *10.04.2020* | *7.4* | *10.04.2019* | *8.5* | *01.04.2018* | *8.15* | *01.04.2017* | *8* | *01.04.2016* | *9.2* |
| *10.03.2020* | *7.75* | *10.03.2019* | *8.55* | *01.03.2018* | *8.15* | *01.03.2017* | *8* | | |

3.106 As such the interest rates have come down generally in the case of the Petitioner also based on the MCLR Rates and the petitioner has not made any special efforts to bring down the interest rates. In the Tariff Regulations it has been categorically specified that "The Utility shall make every effort to refinance the loan so as to reduce the cost of financing". The Tariff Regulations nowhere mentions about Resetting of the loan.

3.107 As the Petitioner had claimed the incentive for Refinancing during true up of FY 2017-18 and FY 2018-19 as well and was allowed by the Commission, the Commission issued a Notice on 02nd Sep, 2021 to the Petitioner wherein the Petitioner was directed as state below.

*Whereas, Regulation 71 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates that the Utilities shall make every effort to refinance the loan so as to reduce the cost of financing and the net saving in ARR due to such reduced financing cost shall be shared with the consumers in the manner as specified in the Business Plan Regulations specified the Commission.*

*Whereas, Regulation 31(2) of DERC (Business Plan) Regulations, 2017 stipulates that the incentive on account of re-financing of loan shall be shared equally between the consumers and the distribution licensee.*

*Whereas, it has been observed that the TPDDL has not refinanced the loan to reduce the cost of finance during FY 2017-18 and FY 2018-19. The interest rate has been lower on account of reset at its own.*

*Whereas the Commission has allowed the incentive to TPDDL on refinancing of loan in the true-up of Aggregate Revenue Requirement (ARR) for FY 2017-18 and true-up of ARR for FY 2018-19.*

*You are hereby directed to submit the reply, whether TPDDL has refinanced the loan during FY 2017-18 and FY 2018-19 or it was reset at its own and if it was reset, why not the incentive allowed in FY 2017-18 and in FY 2018-19 on refinancing of loan be withdrawn.*

3.108 Consequent to the said Notice, the petitioner submitted their reply vide their letter dtd. 09th Sep 2021 stating that "TPDDL has been resorting to refinancing of the debt repayment with new loans". But neither they have substantiated the same with their actual loan portfolio along with nature of loans explaining where all they have refinanced nor they have denied that they have not adopted Resetting. In real situation as explained in the Table as stated previously, the loan portfolio of the petitioner is consisting maximum of loans with floating rate with resetting conditions and the interest rates have come down generally based on the MCLR Rates. The reduction in interest rate is not on account of any specific efforts taken by the petitioner.

3.109 Based on the above observations and explanations and based on the situation as specified in Regulation 71, there is no reduction of cost of financing out of special effort to refinance the loan made by the petitioner. As the petitioner has made only a resetting and that too it had happened periodically as per the loan agreement entered into much before, the Commission is disallowing the incentive on account of refinancing of loan for True-up for FY 2017-18 and FY 2018-19 as stated below.

**Table 3. 22: Incentive on Refinancing disallowed (Rs Cr)**

| Sr. No | Truing up Year | Incentive Amount (Rs. Cr.) |
|---|---|---|
| 1. | 2017-18 | 19.66 |
| 2. | 2018-19 | 33.52 |

3.110 Further, the Commission directs the Petitioner henceforth to claim incentive on account of refinancing of loan, only when it is actually refinancing of loan and not otherwise.

## Table 3. 23: : Loan Portfolio for the Period FY 2016-17 to FY 2019-20

| | | | | | | | | | Financial Year 2016-17 |
|---|---|---|---|---|---|---|---|---|---|
| Sl. No | Name of Lender | Loan Account No | Date of Agreement | Petitioner's Submission | Commission Analysis | Base rate | MCLR | Spread | Effective rate |
| **Loan details - Capex Distribution Loans** | | | | | | | | | |
| 1 | Allahabad Bank | 50045781954 | 31.12.2016 | Refinance with same bank | Restting : Reference : Letter No.ND/GP/Adv/2016-17/028 dt. 10.03.2017 | 9.70% | | 0.00% | 9.70% |
| | | | | | | 8.60% | 0.85% | 9.45% | |
| 2 | Allahabad Bank | 50057351778 | 25.03.2017 | Refinance with same bank | Resetting : Reference : Letter No. ND/GP/Adv/2016-17/028 dt. 10.03.2017 | 9.70% | | 0.25% | 9.95% |
| | | | | | | | 8.60% | 0.85% | 9.45% |
| 3 | Canara Bank | 1098773000058 | 29.08.2016 | Refinance with same bank | Resetting: Reference: Letter No.CR/TPDDL/394/2016 DT. 16.09.2016 | 9.65% | | 0.15% | 9.80% |
| | | | | | | | 9.35% | 0.30% | 9.65% |
| 4 | Canara Bank | 1098773000065 | 19.06.2016 | Refinance with same bank | Resetting: Reference: Letter No.CR/TPDDL/373/2016 DT. 30.06.2016 | 9.65% | | 0.15% | 9.80% |
| | | | | | | | 9.35% | 0.30% | 9.65% |
| 5 | Canara Bank | 1098773000069 | 01.04.2016 | Refinance with same bank | Resetting: Reference: Letter No.CR/TPDDL/331/2016 DT. 13.05.2016 | 9.65% | | 0.35% | 10.00% |
| | | | | | | | 9.45% | 0.20% | 9.65% |
| 6 | Canara Bank | 1098773000071 | | | New Loan | | 9.15% | 0.30% | 9.45% |
| 7 | IDFC First Bank | FRTL000666 | | | Loan closed | | | | 10.90% |
| 8 | IDFC First Bank | FRTL001644 | 28.12.2016 | Refinance with same bank | Resetting: Reference: Letter DT. 20.12.2016 | | | | 10.75% |
| | | | | | | | 9.15% | 0.15% | 9.30% |
| 9 | IDFC First Bank | FRTL001645 | 15.12.2016 | Refinance with same bank | Resetting: Reference: Letter DT. 20.12.2016 | | | | 10.75% |
| | | | | | | | 9.15% | 0.15% | 9.30% |
| 10 | IDFC First Bank | 10000000517<br>10003976790 | | | | | 8.75% | 0.15% | 8.90% |
| 11 | Indian Bank | 6516945241 | | | New Loan | | 8.60% | 0.15% | 8.75% |
| 12 | Punjab & Sind Bank | 00401200039940 | 29.09.2016 | Refinance with same bank | | 9.75% | | 0.50% | 10.25% |
| | | | | | | | 9.60% | 0.00% | 9.60% |
| 13 | Punjab & Sind Bank | 00401200039993 | 19.11.2016 | Refinance with same bank | Resetting: Ref Letter dt. 23.02.2017 | 9.75% | | 0.50% | 10.25% |
| | | | | | | | 9.55% | 0.00% | 9.55% |
| 14 | Punjab & Sind Bank | 00401200041664 | 23.02.2017 | Refinance with same bank | Resetting: Ref Letter dt. 15.04.2016 | 9.75% | | 0.25% | 10.00% |
| | | | | | Resetting: Ref Letter dt. 23.02.2017 | | 8.75% | 0.00% | 8.75% |
| 15 | State Bank of India | 64147314538 | 08.08.2016 | Refinance with same bank | Resetting: Reference: Letter No.CAB/AMT--I/TPDDL/16-17 DT. 27.02.16 | 9.65% | | 0.25% | 9.90% |
| | | | | | | | 9.50% | 0.15% | 9.65% |
| 16 | State Bank of India | 66005956845 | | Loan closed on 15.10.2016 | Loan closed | | | | 9.53% |
| 17 | Union Bank of India | 497806390000794 | 18.05.2016 | Refinance with same bank | Resetting: Reference: Letter No.IFB:DEL:1126:16-17 DT. 01.08.2016 | 9.60% | | 0.50% | 10.10% |
| | | | | | | | 9.45% | 0.35% | 9.80% |
| 18 | Union Bank of India | 497806390000832 | | | | 9.30% | | 0.50% | 9.80% |
| **Loan details -Other than capex (Long Term)** | | | | | | | | | |
| 1 | Aditya Birla Finance Company Limited-ABFL | 200999130935 | 30.06.2016 | Refinance with same bank | Resetting: Reference: Letter No.ABFL/PSFG/000739 DT. 22.06.2016 | | | | 10.50% |
| | | | | | | | | | 9.80% |
| 2 | Allahabad Bank | 50181695730 | 06.12.2016 | Refinance with same bank | Reference : Letter No.ND/GP/Adv/2016-17/028 dt. 10.03.2017 | 9.70% | | 0.25% | 9.95% |
| | | | | | | | 8.60% | 0.85% | 9.45% |
| 3 | Canara Bank | 1098741000308 | 29.09.2016 | | | 9.65% | | 0.35% | 10.00% |

**Financial Year 2016-17**

| Sl. No | Name of Lender | Loan Account No | Date of Agreement | Petitioner's Submission | Commission Analysis | Base rate | MCLR | Spread | Effective rate |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Refinance with same bank | Resetting: Reference: Letter No.CR/TPDDL/394/2016 DT. 16.09.2016 | | 9.35% | 0.50% | 9.85% |
| 4 | Canara Bank | 1098773000064 | 19.06.2016 | Refinance with same bank | Resetting: Reference: Letter No.CR/TPDDL/373/2016 DT. 30.06.2016 | 9.65% | | 0.15% | 9.80% |
| | | | | | | | 9.35% | 0.30% | 9.65% |
| 5 | Canara Bank | 1098773000070 | 01.04.2016 | Refinance with same bank | Resetting: Reference: Letter No.CR/TPDDL/331/2016 DT. 13.05.2016 | 9.65% | | 0.35% | 10.00% |
| | | | | | | | 9.45% | 0.20% | 9.65% |
| 6 | Dena Bank | 123957031014 | | | Loan closed | | | | 11.10% |
| 7 | Dena Bank | 123957031028 | 30.04.2016 | Refinance with same bank | Reference : Letter No. DB/CBBDEL/OFFICE/080/2016-17 DT. 01.09.2016 | 9.70% | | 0.55% | 10.25% |
| | | | | | | | 9.60% | 0.10% | 9.70% |
| 8 | IDFC First Bank | FRTL001519 10023460446 | 30.11.2016 | Refinance with same bank | Resetting: Reference: Letter DT. 20.12.2016 | | | | 10.75% |
| | | | | | | | 9.10% | 0.35% | 9.45% |
| 9 | IDFC First Bank | 10000000517 10003976665 | | | New Loan | | 8.50% | 0.35% | 8.85% |
| 10 | Indian Bank | 6516963065 | | | New Loan | | 8.60% | 0.15% | 8.75% |
| 11 | Karnataka Bank Limited | 5497001600026301 | 31.05.2016 | Refinance with same bank | Resetting: Reference Letter no.: KBL/DEL/ROH/PF157 /3/OR2096/2016-17 DT. 20.12.2016 | 10.25% | | 0.00% | 10.25% |
| | | | | | | | 9.20% | 0.45% | 9.65% |
| 12 | Punjab & Sind Bank | 00401200041532 | 30.06.2016 | Refinance with same bank | | 9.75% | | 0.25% | 10.00% |
| | | | | | | | 9.65% | 0.00% | 9.65% |
| 13 | Punjab & Sind Bank | 401200041396 | 28.06.2016 | Refinance with same bank | Resetting: Ref Letter dt. 15.04.2016 | 9.75% | | 0.25% | 10.00% |
| | | | 18.03.2017 | Refinance with same bank | Resetting: Ref Letter dt. 23.02.2017 | | 9.65% | 0.00% | 9.65% |
| | | | | | | | 8.75% | 0.00% | 8.75% |
| 14 | Punjab & Sind Bank | 00401200041609 | 28.06.2016 | Refinance with same bank | Resetting: Ref Letterdt. 15.04.2016 | 9.75% | | 0.00% | 9.75% |
| | | | | | | | 9.65% | 0.00% | 9.65% |
| 15 | Punjab & Sind Bank | 00401200041665 | 23.02.2017 | Refinance with same bank | Resetting: Ref Letterdt. 23.02.2017 | 9.70% | | 0.25% | 9.95% |
| | | | | | | | 8.75% | 0.00% | 8.75% |
| 16 | Syndicate Bank | 50883170000140 | 25.06.2016 | Refinance with same bank | Resetting: Reference Letter No.: 758/5088/TPDDL/SAN/2016 DT. 03.08.2016 | 9.60% | | 0.15% | 9.75% |
| | | | | | | | 9.55% | 0.10% | 9.65% |

**Financial Year 2017-18**

| Sl. No. | Name of Lender | Loan Account No | Date of Agreement | Petitioner's Submission | Commission Analysis | MCLR | Spread | Effective |
|---|---|---|---|---|---|---|---|---|
| **Loan details - Capex Distribution Loans** | | | | | | | | |
| 1 | Allahabad Bank | 50045781954 | 27.07.2017 | | | 9.00% | 0.45% | **9.45%** |

**Financial Year 2017-18**

| Sl. No. | Name of Lender | Loan Account No | Date of Agreement | Petitioner's Submission | Commission Analysis | MCLR | Spread | Effective |
|---|---|---|---|---|---|---|---|---|
| | | | 31.12.2017 | Refinance with same bank | Resetting: Letter Reference:br/ND/Gpark/2017-18/57 dt.05.07.2017 | 8.50% | 0.00% | **8.50%** |
| 2 | Allahabad Bank | 50057351778 | 27.07.2017 | Refinance with same bank | Resetting: Letter Reference:br/ND/Gpark/2017-18/57 dt.05.07.2017 | 8.60% | 0.85% | **9.45%** |
| | | | 25.03.2018 | | | 8.50% | 0.00% | **8.50%** |
| 3 | Canara Bank | 1098773000058 | 29.08.2017 | Refinance with same bank | Resetting: Letter Reference:CR/TDPPL/604/2017 DT. 06.11.2017 | 9.35% | 0.30% | **9.65%** |
| | | | | Loan closed on 01.07.2017 | Loan closed | 8.50% | 0.00% | **8.50%** |
| 4 | Canara Bank | 1098773000065 | 19.06.2017 | Refinance with same bank | Resetting: Letter Reference:CR/TDPPL/404/2017 DT. 05/07/2017 | 9.35% | 0.30% | **9.65%** |
| | | | | | | 8.40% | 0.30% | **8.70%** |
| | | | | | Resetting: Letter Reference:br/ND/Gpark/2017-18/57 dt.05.07.2017 | 8.40% | 0.15% | **8.55%** |
| 5 | Canara Bank | 1098773000069 | 01.04.2017 | Refinance with same bank | Resetting: Letter Reference:CR/TDPPL/104/2017 DT. 04/04/2017 | 9.45% | 0.20% | **9.65%** |
| | | | | | | 8.55% | 0.20% | **8.75%** |
| 6 | Canara Bank | 1098773000071 | 01.07.2017 | Refinance with same bank | Resetting: Letter Reference:CR/TDPPL/405/2017 DT. 05/07/2017 | 9.15% | 0.30% | **9.45%** |
| | | | | | | 9.15% | 0.00% | **9.15%** |
| | | | 26.12.2017 | Refinance with same bank | Resetting: Letter Reference:CR/TDPPL/990/2018 DT. 06/01/2018 | 8.30% | 0.00% | **8.30%** |
| 7 | IDFC Bank Ltd | FRTL001644 (Tranche 1 of Rs. 25 CR.) | 28.12.2017 | Refinance with same bank | Resetting: Letter Reference: dt. 01.06.2018 | 9.15% | 0.15% | **9.30%** |
| | | | | | | 8.50% | 0.00% | **8.50%** |
| 8 | IDFC Bank Ltd | FRTL001644 (Tranche 2 of Rs. 30 CR.) | 28.12.2017 | Refinance with same bank | | 9.15% | 0.15% | **9.30%** |
| | | | | | | 8.50% | 0.00% | **8.50%** |
| 9 | IDFC Bank Ltd | FRTL001644 (Tranche 3 of Rs. 50 CR.) | 28.12.2017 | Refinance with same bank | | 9.15% | 0.15% | **9.30%** |
| | | | | | | 8.50% | 0.00% | **8.50%** |
| 10 | IDFC Bank Ltd | FRTL001645 (Tranche 4 of Rs. 70 CR.) | 15.12.2017 | Refinance with same bank | Resetting: Ref: dt. 18.01.2018 | 9.15% | 0.15% | **9.30%** |
| | | | | | | 8.50% | 0.00% | **8.50%** |
| 11 | IDFC Bank Ltd | 10000000517 10003976790 | 23.03.2018 | Refinance with same bank | | 8.75% | 0.15% | **8.90%** |
| 12 | Indian Bank | 6516945241 | 31.03.2018 | Refinance with same bank | Resetting: Letter Reference: IB/NDM/CRM3/15.03/2018-19 dt. 10.04.2018 | 8.60% | 0.15% | **8.75%** |
| | | | | | | 8.25% | 0.15% | **8.40%** |
| 13 | Punjab & Sind Bank | 401200039940 | 29.09.2017 | Refinance with same bank | Resetting: Letter Reference: Letter dt 11.12.2017 | 9.60% | 0.00% | **9.60%** |
| | | | | | | 8.55% | 0.00% | **8.55%** |
| 14 | Punjab & Sind Bank | 401200039993 | 19.11.2017 | Refinance with same bank | Resetting: Letter Reference: Letter dt 11.12.2017 | 9.55% | 0.00% | **9.55%** |
| | | | | | | 8.40% | 0.00% | **8.40%** |
| 15 | Punjab & Sind Bank | 401200041664 | 23.02.2018 | Refinance with same bank | Resetting: Letter Reference: Letter dt 28.02.2019 | 8.75% | 0.00% | **8.75%** |

| | | | | | | | | Financial Year 2017-18 |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of Lender | Loan Account No | Date of Agreement | Petitioner's Submission | Commission Analysis | MCLR | Spread | Effective |
| 16 | State Bank of India | 64147314538 | 08.08.2017 | Refinance with same bank | Resetting: Letter Reference: CAG/AMT-4//484 dt 23.03.2018 | 9.50% | 0.15% | **9.65%** |
| | | | 20.02.2018 | | | 7.95% | 0.45% | **8.40%** |
| 17 | Union Bank of India | 497806390000794 | 18.05.2017 | Refinance with same bank | Resetting: Letter Reference: IFB:DEL:1355:16-17 DT. 18.05.2017 | 9.45% | 0.35% | **9.80%** |
| | | | | | Resetting: Letter Reference: IFB:DEL:1377:17 DT. 23.08.2017 | 8.50% | 0.35% | **8.85%** |
| 18 | Union Bank of India | 497806390000832 | 01.04.2017 | Refinance with same bank | Resetting: Letter Reference: IFB:DEL:1355:16-17 DT. 18.05.2017 | 9.30% | 0.50% | **9.80%** |
| | | | | | | 9.20% | 0.50% | **9.70%** |
| | | | | | Resetting: Letter Reference: IFB:DEL:1377:17 DT. 23.08.2017 | 8.50% | 0.35% | **8.85%** |
| **Loan details -Other than capex (Long Term)** | | | | | | | | |
| 1 | Aditya Birla Finance Company Limited | 200999130935 | 30.06.2017 | Refinance with same bank | Resetting: Letter Reference:ABFL/PSFG/0001074 DT. 04.08.2017 | 9.80% | 0.00% | **9.80%** |
| | | | | | | 8.80% | 0.15% | **8.95%** |
| | | | | | | 8.65% | 0.00% | **8.65%** |
| 2 | Allahabad Bank | 50181695730 | 27.07.2017 | Refinance with same bank | Resetting: Letter Reference:br/ND/Gpark/2017-18/57 dt.05.07.2017 | 8.60% | 0.85% | **9.45%** |
| | | | | | | 8.50% | 0.00% | **8.50%** |
| 3 | Axis bank | 915030039791179/ 917060076143492 | 06.12.2018 | refinance with same bank | New Loan -Refinancing: Letter ref: AXIB/CO/CRG/SCG/AB/2017-18/25986 DT 02.11.2017 | 8.25% | 0.05% | **8.30%** |
| 4 | Canara Bank | 1098741000308 | | Loan closed on 01.07.2017 | Loan closed | 9.35% | 0.50% | **9.85%** |
| 5 | Canara Bank | 1098773000064 | 19.06.2017 | Refinance with same bank | Resetting: Letter Reference:CR/TDPPL/404/2017 DT. 05/07/2017 | 9.35% | 0.30% | **9.65%** |
| | | | | | | 8.40% | 0.30% | **8.70%** |
| | | | | | | 8.40% | 0.15% | **8.55%** |
| 6 | Canara Bank | 1098773000070 | 01.04.2017 | Refinance with same bank | Resetting: Letter Reference:CR/TDPPL/104/2017 DT. 04/04/2017 | 9.45% | 0.20% | **9.65%** |
| | | | | | | 8.45% | 0.20% | **8.65%** |
| 7 | Canara Bank | 1098773000075 1098773000076 | | refinanced syndicate bank loan with axis 275 cr & canara bank on 14.11.2017 | New Loan refinanced with syndicate bank | 8.30% | 0.00% | **8.30%** |
| 8 | Dena Bank | 123957031028 | | closed on 15.04.2017 | Loan closed | 9.60% | 0.10% | **9.70%** |
| 9 | Dena Bank/ Bank of Baroda | 123957031086 | | | New Loan | 9.60% | 0.10% | **9.70%** |
| 10 | IDFC First Bank | FRTL001519 10023460446 | 31.05.2017 | Refinance with same bank | Ref: Letter dt. 15.06.2017 | 9.10% | 0.35% | **9.45%** |
| | | | | | | 8.35% | 0.35% | **8.70%** |
| | | | 30.11.2017 | Refinance with same bank | Ref: Letter dt. 18.01.2018 | 8.50% | 0.00% | **8.50%** |
| | | | 29.12.2017 | | | 8.50% | 0.00% | **8.50%** |
| 11 | IDFC First Bank | 10000000517/ 10003976665 (Tranche 1 of Rs. 20 Cr.) | 23.09.2017 | Refinance with same bank | Resetting: Letter Reference: dt 11.10.2017 | 8.50% | 0.35% | **8.85%** |
| | | | | | | 8.35% | 0.35% | **8.70%** |
| | | | | | Ref: Letter dt. 18.01.2018 | 8.50% | 0.00% | **8.50%** |

**Financial Year 2017-18**

| Sl. No. | Name of Lender | Loan Account No | Date of Agreement | Petitioner's Submission | Commission Analysis | MCLR | Spread | Effective |
|---|---|---|---|---|---|---|---|---|
| 12 | IDFC First Bank | 10017105343 (Tranche 2 of Rs. 30 Cr.) | | | Resetting: Letter Reference:IDFCBANK/CAD/DEL/SL/2017-18/497 dt 26.02.2018 | 8.35% | 0.00% | **8.35%** |
| 13 | Indian Bank | 651696065 | 31.03.2018 | Refinance with same bank | Resetting: Letter Reference: IB/NDM/CRM3/15.03/2018-19 dt. 10.04.2018 | 8.60% | 0.15% | **8.75%** |
| | | | | | | 8.25% | 0.15% | **8.40%** |
| 14 | Karnataka Bank | 5497001600026300/ 301 | 31.05.2017 | Refinance with same bank | Resetting: Letter Reference: KBL/DEL/ROH/PF157/3/OR/567/2017-18 dt. 30.06.2017 | 9.20% | 0.45% | **9.65%** |
| | | | | | | 8.90% | 0.00% | **8.90%** |
| | | | | | | 8.90% | 0.00% | **8.90%** |
| 15 | Punjab and Sind Bank | 401200041532 | 30.06.2017 | Refinance with same bank | Resetting: Letter Reference: Letter dt 11.12.2017 | 9.65% | 0.00% | **9.65%** |
| | | | | | | 8.75% | 0.00% | **8.75%** |
| 16 | Punjab and Sind Bank | 401200041396 | | | Resetting: Letter Reference: Letter dt 11.12.2017 | 8.75% | 0.00% | **8.75%** |
| 17 | Punjab and Sind Bank | 401200041609 | 08.05.2017 | Refinance with same bank | Resetting: Letter Reference: Letter dt 11.12.2017 | 9.65% | 0.00% | **9.65%** |
| | | | | | | 8.75% | | **8.75%** |
| 18 | Punjab and Sind Bank | 401200041665 | 23.02.2018 | Refinance with same bank | Resetting: Letter Reference: Letter dt 28.02.2019 | 8.75% | 0.00% | **8.75%** |
| 19 | Syndicate Bank | 50883170000140 | 14.11.2017 | Refinance with Axis bank | Resetting: Letter Reference: 031/5088/TPDDL/SAN/2017-18 Letter dt 22/09/2017 | 9.55% | 0.10% | **9.65%** |
| | | | 14.11.2017 | Refinance with canara bank | | 8.75% | 0.00% | **8.75%** |

**Financial Year 2018-19**

| Sl. No. | Name of Lender | Loan Account No | Date of Agreement | Petitioner's Submission | Commission Analysis | MCLR | Spread | Effective rate |
|---|---|---|---|---|---|---|---|---|
| **Loan details - Capex Distribution Loans** | | | | | | | | |
| 1 | Allahabad Bank | 50045781954 | | | Resetting Letter Ref:GRENPARK/ADV/2018/86 dt 17.04.2018 | 8.25% | 0.25% | 8.50% |
| 2 | Allahabad Bank | 50057351778 | | | Resetting Letter Ref:GRENPARK/ADV/2018/86 dt 17.04.2018 | 8.25% | 0.25% | 8.50% |
| 3 | Canara Bank | 1098773000065 | 19.06.2018 | refinance with same bank | Resetting- Letter Ref: CR/TPDDL/873/2018 dt 01.09.2018 | 8.40% | 0.15% | 8.55% |
| | | | | | | 8.50% | 0.00% | 8.50% |
| 4 | Canara Bank | 1098773000069 | 01.04.2018 | refinance with same bank | Resetting- Letter Ref: CR/TPDDL/165/2018 dt. 09.05.2018 | 8.45% | 0.20% | 8.65% |
| | | | | | | 8.40% | 0.00% | 8.40% |
| 5 | Canara Bank | 1098773000071 | 26.12.2018 | refinance with same bank | Resetting- Letter Ref: CR/TPDDL/604/2019 dt 17.01.2019 | 8.30% | 0.00% | 8.30% |
| | | | | | | 8.70% | 0.00% | 8.70% |
| 6 | HDFC Bank | 003LN06182120001 | 20.07.2018 | | new loan | 8.40% | 0.10% | 8.50% |
| 7 | HDFC Bank | 003LN06182120003 | | | new loan | 8.40% | 0.10% | 8.50% |
| 8 | HDFC Bank | 003LN06182260001 | | | new loan | 8.40% | 0.10% | 8.50% |
| 9 | HDFC Bank | 572LN06183260002 | | | new loan | 8.70% | 0.10% | 8.80% |

| | | | | | | | | Financial Year 2018-19 |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of Lender | Loan Account No | Date of Agreement | Petitioner's Submission | Commission Analysis | MCLR | Spread | Effective rate |
| 10 | HDFC Bank | 572LN06190050006 | | | new loan | 8.70% | 0.10% | 8.80% |
| 11 | IDFC First Bank | FRTL001644 | 30.11.2018 | refinance with same bank | Resetting Letter dated December 28,2018 | 8.50% | 0.00% | 8.50% |
| 12 | IDFC First Bank | FRTL001644 | 30.11.2018 | refinance with same bank | Resetting Letter dated December 28,2018 | 8.50% | 0.00% | 8.50% |
| 13 | IDFC First Bank | FRTL001644 | 30.11.2018 | refinance with same bank | Resetting Letter dated December 28,2018 | 8.50% | 0.00% | 8.50% |
| 14 | IDFC First Bank | FRTL001645 | 30.11.2018 | refinance with same bank | Resetting Letter dated December 28,2018 | 8.50% | 0.00% | 8.50% |
| 15 | IDFC First Bank | 10000000517 10003976790 | 23.06.2018 | refinance with same bank | Resetting Letter dated July 5,2018 | 8.40% | 0.10% | 8.50% |
| | | | | | Resetting: Ref Letter dated 28.12.2018 | 8.50% | 0.00% | 8.50% |
| | | | 23.09.2018 | | Resetting: Ref Letter dated 28.12.2018 | 8.65% | 0.00% | 8.65% |
| | | | 23.12.2018 | | Resetting: Ref Letter dated March 25, 2019 | 8.75% | 0.00% | 8.75% |
| | | | 23.03.2019 | | | 8.80% | 0.00% | 8.80% |
| 16 | Indian Bank | 6516945241 | 31.03.2019 | refinance with same bank | Resetting Letter Ref: IB/NDM/178/2018-19 DT 30.05.2019 | 8.25% | 0.15% | 8.40% |
| | | | | | | 8.65% | 0.15% | 8.80% |
| 17 | Punjab & Sind Bank | 401200039940 | 29.09.2018 | refinance with same bank | Resetting Letter Ref: DT 18.10.2018 | 8.55% | 0.00% | 8.55% |
| | | | | | | 8.80% | 0.00% | 8.80% |
| 18 | Punjab & Sind Bank | 00401200039993 | 19.11.2018 | refinance with same bank | Resetting Letter Ref: DT 29.11.18 | 8.40% | 0.00% | 8.40% |
| | | | | | | 8.80% | 0.00% | 8.80% |
| 19 | Punjab & Sind Bank | 00401200041664 | 23.02.2019 | refinance with same bank | Resetting Letter Ref: DT 28.02.2019 | 8.40% | 0.00% | 8.40% |
| | | | | | | 8.85% | 0.00% | 8.85% |
| 20 | Punjab national Bank | 225400IC09911168 | 23.10.2018 | | new loan | 8.50% | 0.10% | 8.60% |
| 21 | State Bank of India | 64147314538 | 08.08.2018 | refinance with same bank | Resetting Letter Ref: CAG/AMT-3/2018-19/100 DT 27.08.2018 | 7.95% | 0.45% | 8.40% |
| | | | | | | 8.25% | 0.25% | 8.50% |
| 22 | Union Bank of India | 497806390000794 | 18.05.2018 | refinance with same bank | Resetting Letter Ref:IFB:TPDDCL:1421:18 DT 13.06.2018 | 8.50% | 0.35% | 8.85% |
| | | | | | | 8.35% | 0.35% | 8.70% |
| 23 | Union Bank of India | 497806390000832 | 01.04.2018 | refinance with same bank | Resetting Letter Ref:IFB:TPDDCL:1421:18 DT 13.06.2018 | 8.50% | 0.35% | 8.85% |
| | | | | | | 8.35% | 0.35% | 8.70% |
| **Loan details -Other than capex (Long Term)** | | | | | | | | |
| 1 | ABFL- Aditya Birla Capital | 200999130935 | | Prepaid | Loan closed: Letter Ref:ABFL/PSFG/0001487 dt 29.06.2018 | | | 8.65% |
| 2 | Allahabad Bank | 50181695730 | | | Resetting Letter Ref:GRENPARK/ADV/2018/86 dt 17.04.2018 | 8.25% | 0.25% | 8.50% |
| 3 | Axis Bank | 917060076043492 | 14.11.2018 | refinance with same bank | Resetting Letter Ref:AXISB/CO/CRG/SCG/2018-19/27090 dt 22.11.18 | 8.25% | 0.05% | 8.30% |
| | | | | | | 8.75% | 0.05% | 8.80% |
| 4 | Canara Bank | 1098773000064 | 19.06.2018 | refinance with same bank | Resetting- Letter Ref: CR/TPDDL/873/2018 dt 01.09.2018 | 8.40% | 0.15% | 8.55% |
| | | | | | | 8.50% | 0.00% | 8.50% |
| 5 | Canara Bank | 1098773000070 | 01.04.2018 | | | 8.45% | 0.20% | 8.65% |

**Financial Year 2018-19**

| Sl. No. | Name of Lender | Loan Account No | Date of Agreement | Petitioner's Submission | Commission Analysis | MCLR | Spread | Effective rate |
|---|---|---|---|---|---|---|---|---|
| | | | | refinance with same bank | Resetting- Letter Ref: CR/TPDDL/165/2018 dt. 09.05.2018 | 8.40% | 0.00% | 8.40% |
| 6 | Canara Bank | 1098773000076 | 14.11.2018 | refinance with same bank | Resetting- Letter Ref: CR/TPDDL/604/2019 dt 17.01.2019 | 8.30% | 0.00% | 8.30% |
| | | | | | | 8.70% | 0.00% | 8.70% |
| 7 | Dena Bank/ Bank of baroda | 123957031086 | 27.02.2019 | refinance with same bank | Resetting- Letter Ref: DB/CBBDEL/TPDDL/245/2018-19 dt 21.02.2019 | 8.30% | 0.00% | 8.30% |
| | | | | | | 8.80% | 0.00% | 8.80% |
| 8 | HDFC Bank | 572LN06182780003 | | | new loan | 8.60% | 0.10% | 8.70% |
| 9 | HDFC Bank | 572LN06183260001 | | | new loan | 8.70% | 0.10% | 8.80% |
| 10 | HDFC Bank | 572LN06190670003 | | | new loan | 8.75% | 0.10% | 8.85% |
| 11 | HDFC Bank | 572LN06190670004 | | | new loan | 8.75% | 0.10% | 8.85% |
| 12 | IDFC First Bank | FRTL001519<br>10023460446 | 30.11.2018 | refinance with same bank | Resetting Letter dated December 28,2018 | 8.50% | 0.00% | 8.50% |
| | | | | | Resetting Letter dated December 28,2018 | 8.95% | 0.10% | 9.05% |
| 13 | IDFC First Bank | 10000000517<br>10003976665 | 23.09.2018 | refinance with same bank | Resetting- Letter Dt. Oct 29,2018 | 8.50% | 0.00% | 8.50% |
| | | | 07.03.2019 | | | 9.00% | 0.00% | 9.00% |
| | | | | | | 9.10% | 0.00% | 9.10% |
| 14 | IDFC First Bank | 10017105343 | 07.09.2018 | refinance with same bank | Resetting- Ref. Letter Dt. Sept 10,2018 | 8.35% | 0.00% | 8.35% |
| | | | | | Resetting- Ref Letter Dt. Mar 11, 2019 | 8.70% | 0.00% | 8.70% |
| 15 | Indian Bank | 6516963065 | 31.03.2019 | refinance with same bank | Resetting Letter Ref: IB/NDM/178/2018-19 DT 30.05.2019 | 8.25% | 0.15% | 8.40% |
| | | | | | | 8.65% | 0.15% | 8.80% |
| 16 | Karnataka Bank Limited | 5497001600026300/ 301 | 31.05.2018 | refinance with same bank | Loan prepaid | 8.90% | 0.00% | 8.90% |
| | | | | Prepaid | | 8.80% | 0.00% | 8.80% |
| 17 | Punjab & Sind Bank | 00401200041532 | 30.06.2018 | refinance with same bank | Resetting Letter DT. 07.07.2018 | 8.75% | 0.00% | 8.75% |
| | | | | | | 8.60% | 0.00% | 8.60% |
| 18 | Punjab & Sind Bank | 401200041396 | 18.03.2019 | refinance with same bank | Resetting Letter Ref: DT 07.07.2018 | 8.40% | 0.00% | 8.40% |
| | | | | | Resetting Letter Ref: DT 19.03.2019 | 8.85% | 0.00% | 8.85% |
| 19 | Punjab & Sind Bank | 00401200041609 | 08.05.2018 | refinance with same bank | Resetting Letter DT. 07.07.2018 | 8.75% | 0.00% | 8.75% |
| | | | | | | 8.50% | 0.00% | 8.50% |
| 20 | Punjab & Sind Bank | 00401200041665 | 23.02.2019 | refinance with same bank | Resetting Letter Ref: DT 28.02.2019 | 8.40% | 0.00% | 8.40% |
| | | | | | | 8.85% | 0.00% | 8.85% |

**Financial Year 2019-20**

| Sl. No. | Name of Lender | Loan Account No | Date of Agreement | Petitioner's Submission | Commission Analysis | MCLR | Spread | Effective rate |
|---|---|---|---|---|---|---|---|---|
| **Loan details - Capex Distribution Loans** | | | | | | | | |
| 1 | Allahabad Bank | 50045781954 | 06.11.2019 | refinance with same bank | Resetting ref:LCB/ND/TPDDL/2019-20/SL-1196 DT 23.12.2019 | 8.25% | 0.25% | 8.50% |
| | | | | | | 8.35% | 0.10% | 8.45% |
| 2 | Allahabad Bank | 50057351778 | 06.11.2019 | refinance with same bank | Resetting ref:LCB/ND/TPDDL/2019-20/SL-1196 DT 23.12.2019 | 8.25% | 0.25% | 8.50% |
| | | | | | | 8.35% | 0.10% | 8.45% |

| | | | | | | | | Financial Year 2019-20 |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of Lender | Loan Account No | Date of Agreement | Petitioner's Submission | Commission Analysis | MCLR | Spread | Effective rate |
| 3 | Allahabad Bank | 50512269651 | 03.02.2020 | New Loan | New loan Ref: LCB/ND/TPDDL/2019-20/1004 DT 07.11.2019 | 8.30% | 0.10% | 8.40% |
| 4 | Canara Bank | 1098773000065 | 19.06.2019 | refinance with same bank | Resetting ref:CR/TPDDL/1200/2019 DT 26.12.2019 | 8.50% | 0.00% | 8.50% |
| | | | | | | 8.70% | 0.00% | 8.70% |
| 5 | Canara Bank | 1098773000069 | 01.04.2019 | refinance with same bank | Resetting : Ref: CR/TPDDL/RESET/1052/2019 DT 13.06.2019 | 8.40% | 0.00% | 8.40% |
| | | | | | | 8.65% | 0.00% | 8.65% |
| 6 | Canara Bank | 1098773000071 | 26.12.2019 | refinance with same bank | Resetting: Ref Letter No.:CR/TPDDL/RESET/INT/2020 DT. 11.12.2020 | 8.70% | 0.00% | 8.70% |
| | | | | | | 8.35% | 0.00% | 8.35% |
| 7 | HDFC Bank | 003LN06182120003 | 31.07.2019 | refinance with same bank | Resetting ref: DT 10.12.2019 | 8.40% | 0.10% | 8.50% |
| | | | | | | 8.70% | 0.10% | 8.80% |
| 8 | HDFC Bank | 003LN06182120001 | 31.07.2019 | refinance with same bank | Resetting ref: DT 10.12.2019 | 8.40% | 0.10% | 8.50% |
| | | | | | | 8.70% | 0.10% | 8.80% |
| 9 | HDFC Bank | 003LN06182260001 | 31.07.2019 | refinance with same bank | Resetting ref: DT 10.12.2019 | 8.40% | 0.10% | 8.50% |
| | | | | | | 8.70% | 0.10% | 8.80% |
| 10 | HDFC Bank | 572LN06183260002 | 22.11.2019 | refinance with same bank | Resetting ref: DT 10.12.2019 | 8.70% | 0.10% | 8.80% |
| | | | | | | 8.30% | 0.10% | 8.40% |
| 11 | HDFC Bank | 572LN06190050006 | 22.11.2019 | refinance with same bank | Resetting ref: DT 10.12.2019 | 8.70% | 0.10% | 8.80% |
| | | | | | | 8.30% | 0.10% | 8.40% |
| 12 | HDFC Bank | 572LN06192150001 | 03.08.2019 | | New loan | 8.70% | 0.10% | 8.80% |
| 13 | HDFC Bank | 572LN06192950001 | 03.08.2019 | | New loan | 8.35% | 0.10% | 8.45% |
| 14 | HDFC Bank | 572LN06200100001 | 03.08.2019 | | New loan | 8.15% | 0.10% | 8.25% |
| 15 | HDFC Bank | 572LN06200410004 | 03.08.2019 | | New loan | 8.15% | 0.10% | 8.25% |
| 16 | IDFC First Bank | 10000000517 | 23.06.2019 | refinance with same bank | | 8.80% | 0.00% | 8.80% |
| | | 10003976790 | 03.08.2019 | | Resetting, Ref No: dt June24,2019 AND refinance with HDFC bank on 30th Sept 2019 | 9.15% | 0.00% | 9.15% |
| | | | | | | 8.70% | 0.10% | 8.80% |
| 17 | Indian Bank | 6516945241 | 31.03.2020 | refinance with same bank | Resetting ref:IB/CB/L286/2019-30 DT. 28.04.2020 | 8.65% | 0.15% | 8.80% |
| | | | | | | 8.25% | 0.15% | 8.40% |
| 18 | Punjab national Bank | 225400IC09911168 | 22.11.2019 | refinance with same bank | Resetting ref: mail dt.November 26,2019 | 8.50% | 0.10% | 8.60% |
| | | | | | | 8.15% | 0.25% | 8.40% |
| 19 | Punjab & Sind Bank | 00401200039940 | | | Loan ends on 14.07.19 | 8.80% | 0.00% | 8.80% |
| 20 | Punjab & Sind Bank | 00401200039993 | | | Loan ends on 14.07.19 | 8.80% | 0.00% | 8.80% |
| 21 | Punjab & Sind Bank | 401200041664 | 23.02.2020 | refinance with same bank | Resetting ref: DT 25.02.2020 | 8.85% | 0.00% | 8.85% |
| | | | | | Resetting ref: DT 25.02.2020 | 8.45% | 0.00% | 8.45% |
| 22 | State Bank of India | 64147314538 | 08.08.2019 | refinance with same bank | Resetting ref:CAG/AMT-3/2019-20/220 DT 26.08.2019 | 8.25% | 0.25% | 8.50% |
| | | | | | | 8.40% | 0.25% | 8.65% |
| 23 | State Bank of India | 38664086823 | | | new loan | 8.40% | 0.15% | 8.55% |
| 24 | Union Bank of India | 497806390000794 | 19.05.2019 | refinance with same bank | Resetting ref:IFB:DEL:TPDDL:2019-20 DT 04.10.2019 | 8.35% | 0.35% | 8.70% |
| | | | 01.10.2019 | | | 8.60% | 0.35% | 8.95% |
| | | | | Loan repaid on 15th Jan | | 8.60% | 0.20% | 8.80% |
| 25 | Union Bank of India | 497806390000832 | 01.04.2019 | refinance with same bank | Resetting ref:IFB:DEL:TPDDL:2019-20 DT 04.10.2019 | 8.35% | 0.35% | 8.70% |
| | | | | | | 8.60% | 0.35% | 8.95% |
| | | | 01.10.2019 | | | 8.60% | 0.20% | 8.80% |

Financial Year 2019-20

| Sl. No. | Name of Lender | Loan Account No | Date of Agreement | Petitioner's Submission | Commission Analysis | MCLR | Spread | Effective rate |
|---|---|---|---|---|---|---|---|---|
| **Loan details -Other than capex (Long Term)** | | | | | | | | |
| 1 | Allahabad Bank | 50181695730 | 06.11.2019 | refinance with same bank | Resetting ref:LCB/ND/TPDDL/2019-20/SL-1196 DT 23.12.2019 | 8.25% | 0.25% | 8.50% |
| | | | | | | 8.35% | 0.10% | 8.45% |
| 2 | Allahabad Bank | 50512280744 | 03.02.2020 | New Loan | New loan Ref: LCB/ND/TPDDL/2019-20/1004 DT 07.11.2019 | 8.30% | 0.10% | 8.40% |
| 3 | Axis Bank | 917060076043492 | 14.11.2019 | refinance with same bank | Resetting: Ref: Axis/CO/crg/scg/ST/2019-20/111 dt 13.11.2019 | 8.75% | 0.05% | 8.80% |
| | | | | Refinance in place of IDBI First Bank on 28.06.19 | | 8.35% | 0.05% | 8.40% |
| 4 | Axis Bank | 919060049973946 | 28.12.2019 | refinance with same bank | Resetting: Ref: Axis/CO/crg/scg/ak/2019-20/935 dt 26.12.2019 | 8.65% | 0.25% | 8.90% |
| | | | | | | 8.10% | 0.10% | 8.20% |
| 5 | Canara Bank | 1098773000064 | | | Resetting : Ref: CR/TPDDL/RESET/1052/2019 DT 13.06.2019 | 8.50% | 0.00% | 8.50% |
| 6 | Canara Bank | 1098773000070 | 01.04.2019 | refinance with same bank | Resetting : Ref: CR/TPDDL/RESET/1052/2019 DT 13.06.2019 | 8.40% | 0.00% | 8.40% |
| | | | | | | 8.65% | 0.00% | 8.65% |
| 7 | Canara Bank | 1098773000076 | 14.11.2019 | refinance with same bank | Resetting : Ref: CR/TPDDL/SAN/1252/2020 DT 28.01.2020 | 8.70% | 0.00% | 8.70% |
| | | | | | | 0.00% | 8.35% | 8.35% |
| 8 | Dena Bank/ Bank of baroda | 123957031086 | 27.02.2020 | refinance with same bank | Resetting Ref:INDEL/23/ADV/TATA2019-20/313 Dt 17.02.2020 | 8.80% | 0.00% | 8.80% |
| | | | | | | 8.15% | 0.00% | 8.15% |
| 9 | HDFC Bank | 572LN06182780003 | 05.10.2019 | refinance with same bank | Resetting ref: DT 10.12.2019 | 8.60% | 0.10% | 8.70% |
| | | | | | | 8.45% | 0.10% | 8.55% |
| 10 | HDFC Bank | 572LN06183260001 | 22.11.2019 | refinance with same bank | Resetting ref: DT 10.12.2019 | 8.70% | 0.10% | 8.80% |
| | | | | | | 8.30% | 0.10% | 8.40% |
| 11 | HDFC Bank | 572LN06190670003 | 05.10.2019 | refinance with same bank | Resetting ref: DT 10.12.2019 | 8.75% | 0.10% | 8.85% |
| | | | | | | 8.45% | 0.10% | 8.55% |
| 12 | HDFC Bank | 572LN06190670004 | 22.11.2019 | refinance with same bank | Resetting ref: DT 10.12.2019 | 8.75% | 0.10% | 8.85% |
| | | | | | | 8.30% | 0.10% | 8.40% |
| 13 | HDFC Bank | 572LN06191000003 | 22.11.2019 | refinance with same bank | Resetting ref: DT 10.12.2019 | 8.70% | 0.10% | 8.80% |
| | | | | | | 8.30% | 0.10% | 8.40% |
| 14 | HDFC Bank | 572LN06191160001 | 22.11.2019 | refinance with same bank | Resetting ref: DT 10.12.2019 | 8.70% | 0.10% | 8.80% |
| | | | | | | 8.30% | 0.10% | 8.40% |
| 15 | HDFC Bank | 572LN06192730003 | | | new loan: Refinance in place of IDFC First Bank Loan@ 8.55% on 30.09.2019 | 8.45% | 0.10% | 8.55% |
| 16 | HDFC Bank | 572LN06200900003 | | | new loan | 8.15% | 0.10% | 8.25% |
| 17 | IDFC First Bank | FRTL001519<br>10023460446 | 28.06.2019 | refinance with Axis Bank | Refinance with Axis Bank at 8.9% on 28.06.19 | 8.95% | 0.10% | 9.05% |
| | | | | | | 8.65% | 0.25% | 8.90% |
| 18 | IDFC First Bank | 10000000517<br>10003976665 | 30.09.2019 | refinance with HDFC Bank | Refinance with HDFC Loan@ 8.55% on 30.09.2019 | 9.10% | 0.00% | 9.10% |
| | | | | | | 8.45% | 0.10% | 8.55% |
| 19 | IDFC First Bank | 10017105343 | 30.09.2019 | refinance with HDFC Bank | Refinance with HDFC Loan@ 8.55% on 30.09.2019 | 9.00% | 0.00% | 9.00% |
| | | | | | | 8.45% | 0.10% | 8.55% |
| 20 | Indian Bank | 6516963065 | 31.03.2019 | | Resetting ref:IB/CB/L286/2019-30 DT. 28.04.2020 | 8.65% | 0.15% | 8.80% |
| 21 | Punjab & Sind Bank | 00401200041532 | 30.06.2019 | refinance with same bank | Resetting ref: DT 08.07.2019 | 8.60% | 0.00% | 8.60% |

| Sl. No. | Name of Lender | Loan Account No | Date of Agreement | Petitioner's Submission | Commission Analysis | MCLR | Spread | Effective rate |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | **Financial Year 2019-20** |
| | | | | | | 8.75% | 0.00% | 8.75% |
| 22 | Punjab & Sind Bank | 401200041396 | 18.03.2020 | refinance with same bank | Resetting ref: DT19.03.2020 | 8.85% | 0.00% | 8.85% |
| | | | | | Resetting ref Letter : DT19.03.2020 | 8.35% | 0.00% | 8.35% |
| 23 | Punjab & Sind Bank | 00401200041609 | 08.05.2019 | refinance with same bank | Resetting ref: DT 09.05.2019 | 8.50% | 0.00% | 8.50% |
| | | | | | | 8.80% | 0.00% | 8.80% |
| 24 | Punjab & Sind Bank | 00401200041665 | 23.02.2020 | refinance with same bank | Resetting ref: DT 25.02.2020 | 8.85% | 0.00% | 8.85% |
| | | | | | | 8.45% | 0.00% | 8.45% |

**MERIT ORDER DESPATCH FY 2013-14**

3.111 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.

3.112 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.

**RITHALA POWER PURCHASE COST**

3.113 With regards to Rithala Combined Cycle Power Plant, TPDDL (erstwhile "NDPL") vide its letter dated 11/06/2007 had submitted a proposal for temporarily setting-up of a Generation Power Plant in Rithala to Government of National Capital Territory of Delhi (GoNCTD). Subsequently, GoNCTD vide its letter dated 16/07/2007 recommended TPDDL's proposal for installation of Rithala Power Plant on temporary basis for five to six years, so that then present exigency and future power needs of Delhi could be met efficiently based on projected deficit in Delhi. Further, TPDDL vide its letter dated 24/07/2007 to DDA has also sought approval to use available land to temporarily set up 90 MW generation facility at Rohini. DDA vide its letter dated 23/11/2007 granted NOC to TPDDL to temporarily set up 90 MW generation facility at Rohini.

3.114 As indicated above, the permission to setup Rithala Power Plant was granted by GoNCTD for a period of 5-6 years only. Accordingly, the Commission restricted the depreciation of the plant for this period only as there was no need of the plant beyond this period. Further, TPDDL had procured 2nd hand power plant from China for installation at Rithala site through negotiation without following transparent, competitive, fair and reasonable procedure of inviting tenders for procurement of equipment as specified in Clause No. 10.5 of the Licence condition and further, no trial run was conducted in China before importing the same to India and no Guarantee Clause has been incorporated in the Contract for performance after it is installed in India. Accordingly, after benchmarking the cost from similarly placed plant, the Commission vide its Order dated 31/08/2017 determined the fixed cost of the Rithala plant as Rs. 197.70 Crore after considering the certain site specific expenses.

3.115 Based on the above facts, the Commission in its Order dated 11/11/2019 disposed-off the Petition 51 of 2017 relating to true up of expenses for FY 2010-11 to FY 2016-17 and ARR for FY 2017-18 for 94.8 MW Rithala Combined Cycle Power Plant. However, the Petitioner has filed an appeal before Hon'ble APTEL against this Order of the Commission and has sought revision of Depreciation in the said Appeal.

3.116 The Commission in its Order dated 11/11/2019 observed that the useful life for six years cannot be considered as the Commission in its Order dated 31/08/2017 has determined the useful life of Rithala Power Plant as 15 years based on the Certificates issued by various agencies appointed by TPDDL itself. The Plant thus, has useful life of 15 years and it can be used for a period of six years only based upon the genesis of its setup as a temporary generation project indicated in the para above.

3.117 It is pertinent to state that various line items in the ARR of Rithala Power Plant in Order dtd. 11/11/2019 pertaining to Fixed Cost recovery are as follows:

i. O&M Expenses
ii. Depreciation
iii. Advance Against Depreciation
iv. Return on Equity/Return on Capital Employed (*for FY 2017-18*)
v. Interest on Working Capital
vi. Interest on Loan

3.118 Since the issue of Depreciation is sub-judice before the Hon'ble APTEL, therefore, the ARR, if approved, will be provisional in nature because the impact of depreciation is on other parameters also like Interest on Working Capital and Return on Equity.

3.119 Interest on Working Capital is an iterative calculation which includes two months of receivables (Capacity Charges and Energy Charges). Such two months receivables include depreciation, which is challenged by TPDDL before APTEL. Therefore, unless and until the depreciation is finalised, interest on working capital will also be provisional in nature.

3.120 Further, Return on Capital Employed for FY 2017-18 is based on Net Fixed Assets concept i.e., Gross Fixed Assets minus Depreciation. So, any change in Depreciation will also change Return on Capital Employed for the period as well. As the matter is sub-judice in the said appeal, the claim of the Petitioner shall be considered appropriately as deemed fit by the Commission, subject to outcome of the said Appeal.

3.121 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."*

3.122 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. 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.

3.123 In view of above the Impact of Prior Period issues along-with Carrying Cost is as follows:

## Table 3. 24: Commission Approved: Prior Period Impact (Rs. Cr.)

| Particulars | FY 2004-05 | FY 2005-06 | FY 2006-07 | 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Opening Balance | | 10.88 | 20.98 | 31.18 | 40.55 | 48.34 | 56.90 | 71.91 | 83.51 | 60.18 | 13.05 | (38.34) | (106.42) | (217.23) | (186.43) |
| **Provisional IMPACT OF DERC COMPLIANCE ORDER dtd. 04/02/2021 based on Hon'ble APTEL's directions subject to outcome of judgement of Hon'ble Surpreme of India and EP 5/2021** | | | | | | | | | | | | | | | |
| *Financing Charges* | | | | | | | | | 0.40 | 1.04 | 0.70 | 0.48 | 0.21 | | |
| *Increase in rate of Service Tax* | | | | | | | | | 0 | 0 | 0 | 0 | 0 | | |
| *Service Tax under Reverse charge mechanism* | | | | | | | | | 0 | 0 | 0 | 0 | 0 | | |
| **Revision of AT & C loss Trajectory for 2nd MYT Period** | | | | | | | | | 24.67 | 4.30 | 3.64 | (2.88) | (12.76) | | |
| **Power Purchase Cost of Four Solar Own Generating Stations** | | | | | | | 0.13 | 0.47 | 0.44 | 1.27 | (0.93) | (0.82) | 1.32 | 1.24 | 1.08 |
| **Direction of Hon'ble APTEL judgemnet in Appeal No. 246/2014 - Related to Notional Loans** | | | 0.53 | | | | | | | | | | | | |
| **Direction of Hon'ble APTEL judgemnet in Appeal No. 246/2014 -Double Deduction of Additional Misuse Units from the Trued up Sales of FY 2010-11** | | | | | | | 5.34 | | | | | | | | |
| **Refinacing of Loan** | | | | | | | | | | | | | | (19.66) | (33.52) |
| **Impact of Merit Order Despatch for FY 2013-14** | | | | | | | | | | - | | | | | |
| **O&M Expenses due to implementation of Appeal No. 14/2012** | | | | | | | | | (52.46) | (50.62) | (49.76) | (53.46) | (78.52) | | |
| **Working Capital** | | | | | | | | | (8.18) | (12.49) | | | - | | |
| **Wrongfull Opening of Tariff Orders** | 10.41 | 8.73 | 7.42 | 5.76 | 3.03 | 3.47 | | | | | | | | | |
| **Depreciation as per 246/2014** | | | | | | | | 0.00 | 3.80 | 5.26 | -3.61 | -3.15 | -2.63 | | |
| **Impact of Review Order dtd. 7/01/2021 on Tariff Order dtd. 31/07/2019** | | | | | | | | | | | | | | | |
| Income Tax on Net Income from Other Business Income while computing the Non-Tariff Income for FY 2017-18 | | | | | | | | | | | | | | 1.24 | |
| Depreciation net of Retirement of Assets | | | | | | | | | | | | | | 51.78 | |
| Normative O&M expenses of FY 2017-18 based on amount of disallowance of EI based capitalization has been considered in PV of FY 2017-18 whose impact has been provided as indicated in this table so no impact considered here | | | | | | | | | | | | | | - | |
| **Impact of EP No.09 of 2016 in A. No. 171 of 2012 dtd. 28/02/2020 based on Hon'ble APTEL's directions subject to outcome of judgement of Hon'ble Surpreme of India** | | | | | | | | | | | | | | | |
| *Food and Children Allowance* | | | | | | | 3.16 | 2.20 | | | | | | | |
| **IMPACT REVIEW ORDER dtd 23/09/2021, Impact of issue related to Carrying Cost considered in Opening of FY 2018-19** | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | 79.55 |
| Physical verification FY 2017-18 CAPEX | | | | | | | | | | | | | | 8.29 | 13.07 |
| Total (Principal for the Year) | 10.41 | 8.73 | 7.95 | 5.76 | 3.03 | 3.47 | 8.63 | 2.67 | (31.33) | (51.23) | (49.96) | (59.83) | (92.38) | 42.89 | 60.18 |
| Rate of Carrying Cost | 9.00% | 9.00% | 9.00% | 10.61% | 11.32% | 10.17% | 10.41% | 12.20% | 11.78% | 11.88% | 11.98% | 12.08% | 12.08% | 10.33% | 10.13% |
| Carrying Cost | 0.47 | 1.37 | 2.25 | 3.61 | 4.76 | 5.09 | 6.37 | 8.94 | 7.99 | 4.11 | (1.43) | (8.25) | (18.43) | (20.22) | (15.84) |
| Closing amount | 10.88 | 20.98 | 31.18 | 40.55 | 48.34 | 56.90 | 71.91 | 83.51 | 60.18 | 13.05 | (38.34) | (106.42) | (217.23) | (194.57) | (142.08) |

Note: FY 2018-19 Opening Balance factors Rs. 8.14 Cr. as an impact of Carrying Cost decided in review Order dtd. 23/09/2021

### ENERGY SALES

### PETITIONER SUBMISSION

3.124 The Petitioner has submitted the actual billed 9,086 MU as sale of energy against the projected billed sale of energy of 9,495 MU for FY 2019-20. The Petitioner has submitted the summary of the category wise projected energy sale and actual energy billed as follows:

**Table 3. 25: Petitioner Submission - Category wise Energy Sale (Projected vis-à-vis Actual) for FY 2019-20**

| Sr. No. | Category | Projected Billed Sale of Energy | Total Number of consumers and sanctioned load | | Net Units Sold |
|---|---|---|---|---|---|
| | | MU | MW | No. | MU |
| 1 | Domestic | 4299 | 3,078 | 1472465 | 4321 |
| 2 | Non-Domestic | 1595 | 1,273 | 231081 | 1552 |
| 3 | Industrial | 2660 | 1,370 | 30737 | 2497 |
| 4 | Agriculture | 19 | 30 | 4257 | 15 |
| 5 | Public Utilities | 815 | 297 | 5909 | 580 |
| 6 | Advertisement & Hoardings | 1 | 1 | 248 | 0.4 |
| 7 | Temporary Supply | 64 | 40 | 16831 | 59 |
| 8 | Charging Stations for E-Rickshaw/ E-Vehicle on Single Delivery Point | 7 | 5 | 625 | 18 |
| 9 | Others | 37 | 27 | 3900 | 43 |
| | Grand Total | 9,495 | 6,119 | 1766053 | 9,086 |

3.125 Own consumption: The Petitioner has submitted actual consumption of 12.75 MU towards own consumption against the normative own consumption of 22.68 MU for the purpose of truing up of FY 2019-20.

### COMMISSION ANALYSIS

3.126 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

3.127 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."*

3.128 The Petitioner has reported actual self-consumption of energy as 12.75 MU which was lower than the normative self-consumption computed at 22.68 MU [*0.25% x (9085.73 MU – 12.75 MU)]*.

**ENFORCEMENT SALES**

3.129 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."*

3.130 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*".

3.131 The Petitioner has submitted 11.63 MU on account of enforcement sales based on annual revenue realised on account of enforcement as Rs. 16.41 Cr.

3.132 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. 26: Enforcement Collection and Units assessed during FY 2019-20**

| Sr. No. | Category | Revenue Collected (Rs. Cr.) | ABR | 2xABR | Units Assessed (MU) |
|---|---|---|---|---|---|
| 1 | Domestic | 12.01 | 6.09 | 12.17 | 9.87 |
| 2 | Non-Domestic | 3.24 | 13.61 | 27.22 | 1.19 |
| 3 | Industrial | 0.97 | 11.88 | 23.76 | 0.41 |

| Sr. No. | Category | Revenue Collected (Rs. Cr.) | ABR | 2xABR | Units Assessed (MU) |
|---|---|---|---|---|---|
| 4 | Agriculture & Mushroom Cultivation | 0.11 | 5.59 | 11.18 | 0.10 |
| 5 | Charging Stations for E-Vehicle | 0.08 | 6.05 | 12.10 | 0.07 |
| | Amount Collected | 16.41 | | | 11.63 |

3.133 Accordingly, the Commission has considered the enforcement units as 11.63 MU to arrive at the Trued-up sales for FY 2019-20.

**ADJUSTMENT IN BILLING BY MORE THAN 1%**

3.134 The Commission issued a directive 6.8 in Tariff Order dated 31/08/2017 which states 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."*

3.135 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:

*"3.38 The Commission conducted prudence check session with the Petitioner and sought reply related to the compliance of the above mentioned directive. The Petitioner was directed to submit information related to adjustments, split into Contra Entries/invoices reversals, adjustments due to provisional billing (split into 1 month, 2 month, quarterly more than quarter, one year more than one year) and adjustments related to Open Access.*

*3.39 Further, the Petitioner vide its email dated 10/08/2020 replied to the queries raised by the Commission. Further, the Commission sought from the Petitioner details relating invoices reversal in their system. The Petitioner has submitted as follows:*

*a) Sometime due to Human Error or Consumer Site Condition, the Invoice served to consumer get generated wrong mainly due to incorrect reading. Tata Power-DDL has system based checks to prevent wrong cases and such case are stopped before issuing the Invoice however minuscule number of cases get released and* *wrong invoice is served to the consumer.*

*b) Such wrong served invoice are identified either on next reading cycle or through Customer Complaint. In any case, reading is re-verified from the consumer site for Authentication.*

*c) Once it is established that invoice served to consumer is wrong, then that wrong invoice is reversed and a new invoice is generated on correct reading.*

*d) Any Payment received from the consumer if any is adjusted against the consumer new correct invoice.*

*e) Such incorrect Invoice, which are reversed, are called invoice reversal. The billed amount and units against such reversal invoice are subtracted from the from Gross Units /Amount of Form 2.1 (a) to give correct reflection.*

*3.40 Further, the Petitioner has submitted that these invoices pertain to billing and they were served to consumers. Further, there were instances where consumer had paid, but such payments are adjusted in the revised invoices generated. Accordingly, the Commission considered such invoice reversal amounting to around 59 MU for computation of adjustments.*

*3.41 In view of above and based on the submission by the Petitioner, the Commission has considered invoices in reversal, provisional billing less than 2 months as adjustment in unit billed and other adjustments submitted by the Petitioner. Accordingly, the Commission observed that the adjustments in the case of Petitioner works out to 0.94% which is less than 1% .......”*

3.136 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.”*

3.137 In line with 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. 27: 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 2 months | 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 | 2433.34 | (4.2) | 7.0 | (0) | (0.1) | (1.2) | (2.1) | (0.5) | (0) | 0 | (0.3) | (0.3) | (0.17) | -0.17% |
| Quarter-2 | 3026.06 | (5.7) | 95.4 | (0) | (0.2) | (1.7) | (1.8) | (0.4) | (0) | 0 | (1.5) | (1.5) | (0.19) | -0.18% |
| Quarter-3 | 2173.11 | (10.3) | 192.4 | (0) | (0.2) | (1.6) | (1.9) | (05) | (0) | 0 | (6.2) | (6.2) | (0.47) | -0.47% |
| Quarter-4 | 1736.95 | (3.5) | 16.3 | (0) | (0.0) | (0.7) | (1.3) | (0.6) | (0) | 0 | (0.9) | (0.9) | (0.20) | -0.20% |
| **Annual** | **9369.46** | **(23.7)** | **311.1** | **(0)** | **(0.5)** | **(5.1)** | **(7.0)** | **(2.1)** | **(0)** | **0** | **(8.9)** | **(8.9)** | **(0.25)** | **-0.25%** |

3.138 It is observed that the Adjustment Sales in units for FY 2019-20 is within the permissible limit of 1% of total units billed.

3.139 Based on the findings indicated in paras above, the Commission considers the Trued up sales for FY 2019-20 as follows:

**Table 3. 28: Commission Approved - Trued Up sales FY 2019-20 (MU)**

<table>
<tr><th>Sr. No.</th><th>Category</th><th>Petitioner Submission</th><th>Commission Approved</th></tr>
<tr><td>1</td><td>Domestic</td><td>4321</td><td>4321.09</td></tr>
<tr><td>2</td><td>Non-Domestic</td><td>1552</td><td>1552.30</td></tr>
<tr><td>3</td><td>Industrial</td><td>2497</td><td>2496.57</td></tr>
<tr><td>4</td><td>Agriculture</td><td>15</td><td>15.03</td></tr>
<tr><td>5</td><td>Public Utilities</td><td>580</td><td>579.90</td></tr>
<tr><td>6</td><td>Advertisement & Hoardings</td><td>0.4</td><td>0.38</td></tr>
<tr><td>7</td><td>Temporary Supply</td><td>59</td><td>59.39</td></tr>
<tr><td>8</td><td>E Charging Stations</td><td>18</td><td>18.25</td></tr>
<tr><td>9</td><td>Enforcement</td><td rowspan="3">43</td><td>11.63</td></tr>
<tr><td>10</td><td>Own Consumption</td><td>12.75</td></tr>
<tr><td>11</td><td>Others (incl Staff, Misuse & other adjustments)</td><td>18.43</td></tr>
<tr><td></td><td>Grand Total</td><td>9086</td><td>9085.73</td></tr>
</table>

## DISTRIBUTION LOSS AND COLLECTION EFFICIENCY FOR FY 2019-20

### PETITIONER SUBMISSION

3.140 The Petitioner has submitted to have achieved actual Distribution loss level of 6.83% for FY 2019-20 as under:

**Table 3. 29 Petitioner Submission - Distribution Loss & Overachievement for FY 2019-20**

| Sr. No. | Particulars | MU |
|---|---|---|
| A | Input | 9751.72 |
| B | Billed Units | 9085.73 |
| C | Actual Distribution Loss Level | 6.83% |
| D | Target Distribution Loss Level | 8.00% |
| E | Overachievement/(Underachievement) | 1.17% |

3.141 The Petitioner has considered previous year loss target at 8.19% for the purpose of computation of sharing of incentive as follows:

**Table 3. 30 : Petitioner Submission - Actual Distribution loss level for FY 2019-20**

| Sr. No. | Particulars | MU |
|---|---|---|
| A | Previous year target | 8.19% |
| B | Target Distribution Loss Level | 8.00% |
| C | Actual Distribution Loss Level | 6.83% |

3.142 Accordingly, the Petitioner has considered the incentive on account of reduction in Distribution Loss level as follows:

**Table 3. 31: Petitioner Submission - Incentive on account of reduction in Distribution Loss Level**

| Sr. No. | Particulars | MU |
|---|---|---|
| A | Billed Sales | 9,085.73 |
| B | Actual Distribution Loss Level | 6.83% |
| C | Target Distribution Loss Level | 8.00% |
| D | Actual Input @ actual distribution loss level | 9,751.72 |
| E | Desired Input @ Target distribution loss level | 9865.87 |
| F | Saving in Input (MU) due to lower distribution loss level | 114.15 |
| G | Average Power Purchase Cost (Rs/ kWh) | 6.46 |
| H | Total over achievement Incentive (Rs Cr) | 73.74 |
| I | TPDDL Share (Rs Cr) - 2/3$^{rd}$ of Overachievement incentive | 47.06 |

## COLLECTION EFFICIENCY AND OVERACHIEVEMENT INCENTIVE FOR FY 2019-20

3.143 The Petitioner has referred the Regulation 10 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* and submitted the Collection efficiency as follows:

**Table 3. 32: Petitioner Submission - Revenue Billed for FY 2019-20 (Rs. Cr.)**

| Sr. No. | Particular | Amount |
|---|---|---|
| A | Total Revenue Billed as per Form2.1a | 8,336.70 |
| B | Less- Electricity Tax | 309.52 |
| C | Less- 8% Deficit Revenue Recovery Surcharge | 538.48 |
| D | Less- Pension Trust Surcharge of 3.80% | 255.72 |
| E | Net Revenue Billed | 7,232.97 |

3.144 The Petitioner has submitted revenue realized at an amount of Rs. 8,243.39 Cr. against the total revenue billed of Rs. 8,336.70 Cr. The Revenue collected is computed as follows:

**Table 3. 33: Petitioner Submission - Revenue collected for FY 2019-20 (Rs. Cr.)**

| Sr. No. | Particular | Amount |
|---|---|---|
| A | Total Revenue Realized | 8243.39 |
| B | Less: Electricity Tax | 299.88 |
| C | Less: 8% Deficit Revenue Recovery Surcharge | 534.60 |
| D | Less: Pension Trust Surcharge | 253.75 |
| E | Revenue Collected for Collection Efficiency | 7155.16 |

3.145 In the month of March’20, there was global crisis and the entire world including India was under the grip of the deadly disease. The Central & State Government in order to contain the spread of novel corona virus had issued several precautionary measures and advisories most important being social distancing and also ordered a nationwide lockdown/shutdown w.e.f. 23$^{rd}$ March, 2020 which was continued in phases manner.

3.146 It is worth to mention that it is an admitted position that the collection efficiency of the Petitioner is adversely impacted in this Covid-19 period. The complete lockdown in the Month of March’20 end created uncertainty in mind of people about future. Thereby consumers stopped paying their dues which were already billed before 24$^{th}$ March’20 to retain their liquidity for future requirements.

3.147 The following table depicts the shortfall in collection which is mainly attributable to the lockdown announced by the Government of India in last week of March'20:

**Table 3. 34 : Shortfall in collection due to lockdown announced by the Government of India in the last week of March, 2020**

| FY 17-18 | | | FY 18-19 | | | FY 19-20 | | |
|---|---|---|---|---|---|---|---|---|
| Particulars | Collected Amount | Month vs Total Collection (%) | Particulars | Collected Amount | Month vs Total Collection (%) | Particulars | Collected Amount | Month vs Total Collection (%) |
| Apr-17 | 408.19 | 6% | Apr-18 | 427.53 | 5% | Apr-19 | 509.86 | 6% |
| May-17 | 554.22 | 8% | May-18 | 633.38 | 8% | May-19 | 700.05 | 8% |
| Jun-17 | 702.21 | 10% | Jun-18 | 755.93 | 9% | Jun-19 | 751.37 | 9% |
| Jul-17 | 719.28 | 10% | Jul-18 | 805.53 | 10% | Jul-19 | 843.93 | 10% |
| Aug-17 | 731.40 | 10% | Aug-18 | 819.83 | 10% | Aug-19 | 807.13 | 10% |
| Sep-17 | 729.95 | 10% | Sep-18 | 791.49 | 10% | Sep-19 | 838.80 | 10% |
| Oct-17 | 671.15 | 9% | Oct-18 | 731.41 | 9% | Oct-19 | 778.99 | 9% |
| Nov-17 | 626.41 | 8% | Nov-18 | 644.29 | 8% | Nov-19 | 730.89 | 9% |
| Dec-17 | 611.27 | 8% | Dec-18 | 586.55 | 7% | Dec-19 | 626.18 | 8% |
| Jan-18 | 522.93 | 7% | Jan-19 | 578.20 | 7% | Jan-20 | 602.08 | 7% |
| Feb-18 | 519.62 | 7% | Feb-19 | 570.32 | 7% | Feb-20 | 587.89 | 7% |
| April- Feb | 6796.63 | 92% | April- Feb | 7344.48 | 92% | April- Feb | 7777.18 | 94% |
| Mar-18 | 580.01 | 8% | Mar-19 | 629.43 | 8% | Mar-20 | 466.21 | 6% |
| 1st-24th March'18 | 332.18 | 5% | 1st-24th March'19 | 391.17 | 5% | 1st-24th March'20 | 373.45 | 5% |
| 25th- 31st March'18 | 247.83 | 3% | 25th- 31st March'19 | 238.26 | 3% | 25th- 31st March'20 | 92.76 | 1% (Dip of 2%) |
| April- March – Actual | 7376.64 | 100% | April-March | 7973.90 | 100% | April-March | 8243.39 | 100% |

3.148 From the above table it is evident that the trend of collection throughout the year (i.e. upto 24th March every year, means before the announcement made for lockdown in FY 2019-20) is same for all the three year i.e. FY 2017-18, FY 2018-19 and FY 2019-20 except that there is dip of 2% in collection from 25th March, 20 to 31st March, 20 i.e. the first lockdown announced due to COVID-19. Thus, the unprecedented upheaval caused by COVID-19 has affected normal performance of the Petitioner in its collection and also putting strain on cash flow position of the Petitioner.

3.149 Actual collection efficiency for FY 2017-18, FY 2018-19 and FY 2019-20 till 24th March is as following:

**Table 3. 35: Actual Collection Efficiency for FY 2017-18, FY 2018-19 & FY 2019-20**

| Particulars | FY 20 17-18 | | FY 2018-19 | | FY 2019-20 | |
|---|---|---|---|---|---|---|
| | Billed Amount | Collected Amount | Billed Amount | Collected Amount | Billed Amount | Collected Amount |
| 1st April to 24th March (Rs Cr) | 7361.83 | 7128.81 | 7962.03 | 7735.65 | 8335.52 | 8150.63 |
| Collection Efficiency for 1st April to 24th March | 96.83% | | 97.16% | | 97.78% | |
| Collection Efficiency for full year | 99.79% | | 100.01% | | 100.65% (would have been considering the trend) | |

3.150 From the above table it is evident that the actual collection efficiency from 1st April to 24th March is FY 2019-20 is best if compared from last two years. Thus, in case of normal scenario collection efficiency of the Petitioner would have crossed 100% in FY 2019-20. But unfortunately due to COVID-19 crisis it dipped severely towards the end of March, 20.

3.151 Further, based on last two years trend, it can be seen that collection in month of March is in the range of 110%-120% of billed amount. Thus, considering the same for month of March, 20 assuming pandemic was not there, the Petitioner would have collected additional Rs. 73.78 Cr. (i.e. Billed amount for March, 20 Rs. 490.90*110% = Minimum expected collection of Rs 539.99 Cr for March, 2020 would have been collected).

**Table 3. 36 : Petitioner Submission - Deemed Collection for the lockdown period**

| Particulars | FY 2019-20 |
|---|---|
| Billed Amount of March'20 (Rs Cr) – A | 490.90 |
| Collection Efficiency for March based on last 2 years trend – B | 110% |
| Amount Collected for March'20 (Rs Cr) – C =(A*B) | 539.99 |
| Actual Amount Collected (Rs Cr) – D | 466.21 |
| Amount would have been Collected (Rs Cr) – E = (C-D) | 73.78 |
| **Net Collected would have been collected (Net of E Tax, DRS & PT)** | **64.04** |

3.152 Out of expected collection of Rs 539.99 Cr, Rs 466.21 Cr were collected and balance Rs 73.78 Cr is assumed as deemed collection. For the purpose of computation of collection efficiency and incentive net collection of Rs 64.04 Cr is considered. Thus, after considering additional deemed collection the Petitioner's collection efficiency for FY 2019-20 comes to 99.81% (As shown in table below) and the same is considered to compute the collection efficiency incentive.

3.153 Accordingly, computation of collection efficiency and corresponding incentive has been submitted by the Petitioner as follows:

**Table 3. 37: Petitioner Submission - Collection Efficiency and Incentive for FY 2019-20**

| Sr. No. | Particular | UoM | Amount |
|---|---|---|---|
| A | Amount Billed | (Rs Cr) | 7,232.97 |
| B | Amount Collected | (Rs Cr) | 7,155.16 |
| C | Deemed Collection | (Rs Cr) | 64.04 |
| D | Collection Efficiency | % | 99.81% |
| E | Target collection efficiency | % | 99.50% |
| F | Amount of Collection over and above 99.50% target | (Rs Cr) | 22.39 |
| G | Sharing of Incentive | | |
| | DISCOMs (50% upto 100% and 100% beyond 100% collection) | (Rs Cr) | 11.19 |
| | Consumers (50% upto 100% collection) | (Rs Cr) | 11.19 |

**COMMISSION ANALYSIS**

**ENERGY INPUT**

3.154 The Petitioner submitted its Energy Input at DISCOMs periphery at 9751.72 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 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 11/03/2021 has submitted the said joint statement. It was observed from this statement that Petitioner's consumption based on Special Energy Meter (SEM) data was 9790.57 MU including Open Access schedule of 45.67 MU.

3.155 In case of Net Metering, the Commission observed that the energy from net metering is for 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.

3.156 Accordingly, the Energy Input of the Petitioner is as follows:

**Table 3. 38: Commission Approved - Energy Input for FY 2019-20 (MU)**

| Sr. No. | Particulars | Petitioner submission | As approved |
|---|---|---|---|
| A | SLDC- Total Input Based on SEM Data | 9751.72 | 9790.57 |

| Sr. No. | Particulars | Petitioner submission | As approved |
|---|---|---|---|
| B | Less: Open Access consumer | | 45.67 |
| C | Add: Solar Generation | | 2.02 |
| D | Add: Provisional adjustment in UI Bills | | - |
| E | Add: Net Metering Bills | | - |
| F | Total Input Available for consumption by TPDDL Consumers | | 9746.92 |

**DISTRIBUTION LOSS**

3.157 Regulation 25(1) of *DERC (Business Plan) Regulations 2017* specifies the Distribution Loss Targets for FY 2019-20 as follows:

**Table 3. 39: Distribution Loss target for FY 2019-20 as per DERC (Business Plan) Regulations, 2017**

| DISTRIBUTION LICENSEE | FY 2019-20 |
|---|---|
| TPDDL | 8.00% |

3.158 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)."*

3.159 Regulation 25(2) of *DERC (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.*"

3.160 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* is as follows:

**Table 3. 40: Commission Approved - Distribution Loss and its financial impact for FY 2019-20**

| Sr. No. | Particulars | UoM | As per Petitioner | As per Commission | Ref |
|---|---|---|---|---|---|
| A | Energy Input | MU | 9,751.72 | 9,746.92 | Table 3.38 |
| B | Energy Billed | MU | 9085.73 | 9,085.73 | Table 3.28 |
| C | Actual Distribution Loss Level | % | 6.83% | 6.78% | (A-B)/A |
| D | Targeted Distribution Loss Level | % | 8.00% | 8.00% | As per BPR, 2017 |
| E | Average Power Purchase Cost | Rs./Unit | 6.46 | 6.29 | Table 3.66 |
| F | Financial Impact of Overachievement or Underachievement | Rs. Cr. | 73.74 | 74.63 | A*(D-C)*E/10 |

3.161 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."*

3.162 In accordance with the Regulation25(4) of *DERC (Business Plan) Regulations 2017*, the sharing of the financial impact of over achievement or under achievement of distribution loss target has been computed as follows:

**Table 3. 41: Commission Approved - Incentive/ Dis-incentive for Distribution Loss**

| Sr. No. | Particulars | UoM | As per Petitioner | As per Commission | Remarks |
|---|---|---|---|---|---|
| A | Distribution Loss Target in previous Year | % | 8.19% | 8.19% | As per BPR 2017, 25(4) |
| B | Distribution Loss Target in Current Year | % | 8.00% | 8.00% | As per BPR 2017, 25(4) |
| C | Actual Distribution Loss | % | 6.83% | 6.78% | Table 3.40 |
| D | 50% of (previous year target - current year target) | % | 0.09% | 0.09% | 50%*(A-B) |
| E | Distribution loss target - 50% of (previous year target - current year target) | % | 7.91% | 7.91% | B-D |
| F | Actual Energy Input at Distribution periphery | MU | 9,751.72 | 9,746.92 | Table 3.40 |
| G | Average Power purchase Cost | Rs/KWh | 6.46 | 6.29 | Table 3.66 |
| H | Total Incentive | Rs. Cr | 73.74 | 74.63 | (B-C)*F*G/10 |
| I | Petitioner Share 1 of incentive (less than Loss Target-50%*(PYT-CYT) | Rs. Cr | 1.99 | 1.94 | (B-E)*F*G/ 10*(1/3) |
| J | Petitioner Share 2 of incentive (up to Loss Target-50%*(PYT-CYT) | Rs. Cr | 45.17 | 45.87 | (E-C)*F*G/ 10*(2/3) |
| K | Total Incentive to Petitioner | Rs. Cr | 47.17 | 47.81 | I+J |
| L | Incentive to Consumer | Rs. Cr | 26.58 | 26.82 | (B-E)*F*G/ 10*(2/3)+(E-C)*F*G/10*(1/ 3) |

**REVENUE BILLED**

3.163 During the prudence check sessions, the Commission has verified the Revenue billed by the Petitioner from Audited Form-2.1(a), SAP and Audited Books of Accounts (Note - 40.1).

3.164 Further, it was observed from the Audited Form-2.1(a) of the Petitioner that during the months of Nov., 2019, Dec., 2019 and Jan., 2020, major adjustment on account of PPAC amounting to Rs. 99.59 Cr., Rs. 24.50 Cr. and Rs. 3.54 Cr. was done by the Petitioner. The Commission vide its Email dated 23/03/2021 sought the clarification/reasons for such major adjustments done by the Petitioner during the said month. Petitioner vide its email dated 23/03/2021 submitted that such adjustment was done based on the based on the Commission's Order dated

29/08/2019 and 11/10/2019 in Petition Nos. 35 of 2019 and 47 of 2019 respectively, filed for levy of differential PPAC. Relevant extract of the email as follows:

*"In accordance to both the orders for PPAC charge IT department developed a system for logical and effective implementation of both the differential PPAC percentages as approved by DERC. Accordingly, after successful trial & testing of logic the Retro Adjustment JE's for differential 3.56% and 7.05% have been passed in the month of Nov-19 and Dec-19 to all the consumer with billing period from 17.05.2019 to 16.08.2019 and 17.08.2019 to 16.11.2019 respectively."*

3.165 It is observed that from the email of the that the Petitioner has implemented the above Orders retrospectively so as to attain the benefit of higher sale of the summer months. The PPAC said Orders were issued in the month of August and October which were to be implemented prospectively rather retrospectively. This issue has been observed only in the case of Petitioner and not in other Distribution Licensees billing. Also, no Regulations mandate retrospective billing. The PPAC Order dated 29/08/2019 implementation pertains to the period from Sep. to Nov., 2019 and PPAC Order dated 11/10/2019 implementation pertains to the period from mid of Oct., 2019 to mid of Jan. 2020. Therefore, the tentative impact computed on account of PPAC over-billing by the Petitioner is as follows which will have minor variation when calculated on daily basis by the Petitioner:

**Table 3. 42: PPAC Over-Billing for FY 2019-20 (Rs. Cr.)**

| Sr. No. | Months | Fixed Charges | Energy Charges | PPAC @ 3.56% | PPAC @ 7.05% | PPAC @ 3.56% | PPAC @ 7.05% |
|---|---|---|---|---|---|---|---|
| | | | | Petitioner | | Commission | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| A | May, 2019 | 127.71 | 496.96 | 11.12 | | | |
| B | June, 2019 | 122.12 | 531.52 | 23.27 | | | |
| C | Jul., 2019 | 126.26 | 588.99 | 25.46 | | | |
| D | Aug., 2019 | 108.88 | 547.10 | 11.68 | 23.12 | | |
| E | Sept., 2019 | 98.78 | 581.31 | | 47.95 | 24.21 | |
| F | Oct., 2019 | 90.63 | 456.49 | | 38.57 | 19.48 | 19.29 |
| G | Nov., 2019 | 93.49 | 386.00 | | 17.07 | 16.90 | 33.80 |
| H | Dec., 2019 | 96.31 | 363.14 | | | | 32.39 |
| I | Jan., 2020 | 95.74 | 397.90 | | | | 17.40 |
| J | **Total** | | | **71.53** | **126.54** | **60.76** | **102.88** |
| K | Total Amount billed by the Petitioner (5+6) | | | 198.07 | | | |
| L | Amount to be billed as per Orders (7+8) | | | 163.64 | | | |

| Sr. No. | Months | Fixed Charges | Energy Charges | PPAC @ 3.56% | PPAC @ 7.05% | PPAC @ 3.56% | PPAC @ 7.05% |
|---|---|---|---|---|---|---|---|
| | | | | Petitioner | | Commission | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| M | **Additional amount billed (K-L)** | | | | | | **34.43** |

3.166 In view of above, the Commission has reduced the Revenue billed and Revenue collected by the Petitioner for an amount of Rs. 34.43 Cr. The Petitioner is directed to refund the actual amount over-billed to the Consumers and also deposit excess subsidy claimed from GoNCTD on account of such over-billing within 3 months from the date of issuance of this Order and submit the compliance report, indicating CA-wise amount refund, to the Commission.

3.167 Accordingly, Commission has approved the Revenue Billed for FY 2019-20 as follows:

**Table 3. 43: Commission Approved - Revenue Billed for FY 2019-20 (Rs. Cr.)**

| Sr. No. | Category | Petitioner Submission | As Approved |
|---|---|---|---|
| A | Domestic | 2276.96 | 2276.96 |
| B | Non-Domestic | 1837.97 | 1837.97 |
| C | Industrial | 2570.33 | 2570.33 |
| D | Agriculture | 7.48 | 7.48 |
| E | Public Utilities | 460.18 | 460.18 |
| I | Advertisement & Hoardings | 0.50 | 0.50 |
| J | E-Rickshaw/Charging Stations | 9.49 | 9.49 |
| K | Temporary Supply | 53.53 | 53.53 |
| L | Others (incl. Enforcement) | 26.16 | 26.14 |
| M | Open Access Charges | (9.62) | (9.62) |
| N | Over Billing of PPAC | - | (34.43) |
| O | **Net Billing** | **7232.97** | **7198.54** |
| P | Electricity Duty | 309.52 | 309.52 |
| Q | RA Surcharge | 538.49 | 538.48 |
| R | PT Surcharge | 255.72 | 255.72 |
| S | **Gross Amount Billed** | **8336.70** | **8302.26** |

**REVENUE COLLECTED**

3.168 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 (*Note – 40.2*) and the Revenue Collected as approved by the Commission is as under:

**Table 3. 44: Commission Approved - Revenue Collected for FY 2019-20 (Rs. Cr.)**

| Sr. No. | Particulars | Petitioner submission | As approved |
|---|---|---|---|
| A | Actual Revenue realized including Electricity duty, LPSC, Regulatory Surcharge, Pension trust surcharge | 8243.39 | 8243.39 |
| B | Less: | | |
| | *Electricity Duty* | *299.88* | *299.88* |
| | *Regulatory Surcharge* | *534.60* | *534.60* |
| | *Pension Trust Surcharge* | *253.75* | *253.75* |
| | *Over Billing of PPAC* | - | *34.43* |
| C | Actual Revenue realized excluding Electricity duty, LPSC, Regulatory Surcharge, Pension Trust Surcharge | 7155.16 | 7120.73 |

**COLLECTION EFFICIENCY**

3.169 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 %*

3.170 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."*

3.171 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."*

3.172 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.

3.173 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.

3.174 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 BEYOND 4000/-**

3.175 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."*

3.176 During prudence check, the Commission observed collection of cash beyond 4000/- amounting to Rs. 0.16 Cr. in contravention to the directive of the Commission. The Commission accordingly penalised the Petitioner by levying 10% of such collection as penalty in the Revenue available towards ARR of the Petitioner.

**POWER PURCHASE QUANTUM**

**PETITIONER SUBMISSION**

3.177 The Petitioner has submitted that it has purchased 10,533 MU during FY 2019-20, out of which 504.10 MU of surplus energy was sold as short term sale of surplus power.

3.178 Deducting the Inter-State transmission loss of 184.90 MU and Intra-State transmission loss of 92.30 MU, the Petitioner has submitted a net power purchase quantum of 9,751.72 MU (excluding Open Access quantum consumed by Open Access consumers) delivered at its distribution periphery.

3.179 The summary of power purchase quantum for FY 2019-20 as per Auditor certificate is given below:

**Table 3. 45: Petitioner Submission - Power Purchase Quantum for FY 2019-20 (MU)**

| Sr. No. | Particulars | Actual Power Purchase | Remarks /Ref |
|---|---|---|---|
| A | Power Purchase: | | |
| I | Power Purchase Quantum | 8179.10 | |
| Ii | Short Term Power Purchase quantum | 2353.90 | |

| Sr. No. | Particulars | Actual Power Purchase | Remarks /Ref |
|---|---|---|---|
| iii | Short term sale of Power | (504.10) | |
| | Sub-total Power Purchase | 10028.80 | (i+ii+iii) |
| B | Transmission Loss: | | |
| I | Inter-State Transmission Loss | (184.88) | |
| ii | Intra-State Transmission Loss | (92.30) | |
| | Sub-total Total Transmission Loss | (277.18) | (i+ii) |
| C | Net Power Available after Transmission Loss | 9,751.72 | (A+B) |

**LONG TERM POWER PURCHASE QUANTUM**

**PETITIONER SUBMISSION**

3.180 The Petitioner has submitted that the Commission has projected energy purchase of 10,430 MU for FY 2019-20. During the year, the Petitioner has purchased 8179 MU from long term sources.

**Table 3. 46: Petitioner Submission - Energy Purchased (MU) from Long Term Sources during FY 2019-20**

| Sr. No. | Particulars | Energy Projected | Energy Actuals | Difference |
|---|---|---|---|---|
| A | NTPC | | | |
| | Anta Gas Power Station | 4.00 | 3.20 | (0.80) |
| | Auraiya Gas Power Station | 3.00 | 12.10 | 9.10 |
| | Dadri Gas Power Station | 18.00 | 40.20 | 22.20 |
| | FARAKKA | 41.00 | 38.10 | (2.90) |
| | KAHALGAON – I | 92.00 | 92.90 | 0.90 |
| | NCPP – DADRI | 37.00 | 24.00 | (13.00) |
| | RIHAND – I | 215.00 | 205.70 | (9.30) |
| | RIHAND – II | 296.00 | 267.00 | (29.00) |
| | SINGRAULI | 337.00 | 312.30 | (24.70) |
| | UNCHAHAR – I | 42.00 | 31.50 | (10.50) |
| | UNCHAHAR – II | 80.00 | 62.10 | (17.90) |
| | UNCHAHAR – III | 55.00 | 41.20 | (13.80) |
| | KAHALGAON – II | 300.00 | 307.40 | 7.40 |
| | DADRI EXTENSION | 35.00 | 28.80 | (6.20) |
| | ARAVALI | 2,598.00 | 545.20 | (2,052.80) |
| | **Sub-Total NTPC** | **4,153.00** | **2,011.70** | **(2,141.30)** |
| B | NHPC | | | |
| | BAIRA SIUL | 4.00 | 10.80 | 6.80 |
| | CHAMERA – I | 60.00 | 63.70 | 3.70 |
| | CHAMERA – II | 61.00 | 49.90 | (11.10) |
| | CHAMERA – III | 41.00 | 40.60 | (0.40) |
| | DHAULIGANGA | 47.00 | 56.50 | 9.50 |
| | DULHASTI | 83.00 | 75.10 | (7.90) |
| | Parbati – III | 26.00 | 26.60 | 0.60 |

| Sr. No. | Particulars | Energy Projected | Energy Actuals | Difference |
|---|---|---|---|---|
| | SALAL | | - | - |
| | SEWA –II | 21.00 | 25.80 | 4.80 |
| | TANAKPUR | 14.00 | 17.80 | 3.80 |
| | URI | 85.00 | 112.10 | 27.10 |
| | Uri – II | 55.00 | 71.40 | 16.40 |
| | **Sub-Total NHPC** | **497.00** | **550.30** | **53.30** |
| C | NCPP | | | - |
| | RAPS – 5 & 6 | 118.00 | 127.60 | 9.60 |
| | NPCIL – NAPS | 109.00 | 112.20 | 3.20 |
| | **Sub-Total Nuclear** | **227.00** | **239.80** | **12.80** |
| D | Other Stations | | | - |
| | MPL | 1,948.00 | 1,825.30 | (122.70) |
| | Haryana CLP Jhajjar (LT-5) | 592.00 | 521.80 | (70.20) |
| | DVC Chandrapur (Ext. 7 & 8) | 658.00 | 597.50 | (60.50) |
| | Mejia unit – 6 | 179.00 | 144.40 | (34.60) |
| | Sasan UMPP | 407.00 | 441.50 | 34.50 |
| | KOTESHWAR HEP | 38.00 | 36.00 | (2.00) |
| | TEHRI HEP | 63.00 | 58.50 | (4.50) |
| | Nathpa Jhakri HP | 200.00 | 207.90 | 7.90 |
| | Tala HEP | 32.00 | 24.30 | (7.70) |
| | **Others Total** | **4,117.00** | **3,857.20** | **(259.80)** |
| E | State Generating Stations | | | - |
| | BTPS | | | - |
| | GTPS | 171.00 | 134.60 | (36.40) |
| | Pragati – I | 323.00 | 296.00 | (27.00) |
| | Pragati – III | 761.00 | 797.20 | 36.20 |
| | Rajghat Power House | | -0.20 | (0.20) |
| | Rithala CCPP | | - | - |
| | **SGS Total** | **1,255.00** | **1,227.60** | **(27.40)** |
| F | RENEWABLE ENERGY | | | - |
| | Net metering | | 0.82 | 0.82 |
| | SOLAR (SECI) | 38.00 | 42.08 | 4.08 |
| | Own Solar | 2.00 | 2.04 | 0.04 |
| | DMSWSL | 29.00 | 35.27 | 6.27 |
| | EDWPCL | | | |
| | TOWMCL | 54.00 | 49.88 | (4.12) |
| | SHEPL | 48.00 | 49.00 | 1.00 |
| | Singrauli Small Hydro | 6.00 | 2.50 | (3.50) |
| | **Renewable Total** | **177.00** | **181.59** | **4.59** |
| G | New Stations added during the year | | | - |
| | SEI Solarvan | | 20.66 | |
| | SEI Sooraj | | 16.52 | |
| | SEI Sunshine | | 22.39 | |
| | NHPPL | | 47.70 | 47.70 |
| | THPPL | | 3.60 | 3.60 |
| | **Sub total** | **-** | **110.87** | **51.30** |

| Sr. No. | Particulars | Energy Projected | Energy Actuals | Difference |
|---|---|---|---|---|
| | **Grand Total** | **10,426.00** | **8,179.06** | **(2,246.94)** |

** MU scheduled to the petitioner in FY 2019-20 as per invoices. Figures fetched from Audited Power Purchase Certificate Annexure A-3*

**SHORT TERM POWER PURCHASE QUANTUM**

**PETITIONER SUBMISSION**

3.181 The Petitioner has submitted that 2,353.90 MU have been purchased through bilateral/exchange/UI/Intrastate/Banking as short-term power purchase. Out of 2,353.90 MU the Petitioner has received back 723.10 MU of banking and purchased 4.20 MU through UI, 465.80 MU through Bilateral, 89.70 MU through intra state purchase and balance 1071.10 MU through Exchange mode. A summary of source wise short term power purchase from various sources from FY 2017-18 onwards is submitted as follows:

**Table 3. 47: Petitioner Submission - Details of Short term Power Purchase**

| Sr. No. | Particulars | FY 2017-18 | | FY 2018-19 | | FY 2019-20* | |
|---|---|---|---|---|---|---|---|
| | | Energy (MU) | (%) | Energy (MU) | (%) | Energy (MU) | (%) |
| A | Bilateral | 0 | 0% | 0.00 | 0% | 465.80 | 20% |
| B | Banking | 449.02 | 70% | 852.65 | 78% | 723.10 | 31% |
| C | Exchange | 133.98 | 21% | 138.98 | 13% | 1071.10 | 46% |
| D | Intra state | 3.85 | 1% | 34.75 | 3% | 89.70 | 4% |
| E | UI | 50.43 | 8% | 68.36 | 6% | 4.20 | 0% |
| F | Total | 637.28 | 100% | 1,094.74 | 100% | 2,353.90 | 100% |

*Figures fetched from Audited Power Purchase Certificate Annexure A-3

**SHORT TERM POWER SALES QUANTUM**

**PETITIONER SUBMISSION**

3.182 The Petitioner has submitted to have sold 504.10 MU of surplus energy against the project sale of surplus power at 119 MU for the FY 2019-20.

3.183 The Petitioner has submitted to execute such sale of surplus power as follows:

**Table 3. 48: Petitioner Submission - Details of Short term Power Sales**

| Sr. No. | Particulars | FY 2017-18 | | FY 2018-19 | | FY 2019-20* | |
|---|---|---|---|---|---|---|---|
| | | Energy (MU) | (%) | Energy (MU) | (%) | Energy (MU) | (%) |
| A | Bilateral | 18.48 | 1% | 201.97 | 10% | 10.90 | 2% |
| B | Banking | 904.17 | 55% | 701.39 | 34% | 198.40 | 39% |
| C | Exchange | 609.76 | 37% | 1081.87 | 52% | 134.80 | 27% |
| D | Intra state | 44.03 | 3% | 43.80 | 2% | 22.60 | 4% |
| E | UI | 71.59 | 4% | 57.34 | 3% | 137.40 | 27% |

| Sr. No. | Particulars | FY 2017-18 | | FY 2018-19 | | FY 2019-20* | |
|---|---|---|---|---|---|---|---|
| | | Energy (MU) | (%) | Energy (MU) | (%) | Energy (MU) | (%) |
| F | Total | 1,648.03 | 100% | 2,086.36 | 100% | 504.10 | 100% |

*Figures fetched from Audited Power Purchase Certificate Annexure A-3

**COMMISSION ANALYSIS**

3.184 The Commission in its Tariff Order dated 31/07/2019 has approved Gross Power Purchase Quantum of 10,321 MU from all sources including Central and State Sector Generating Stations for FY 2019-20.

3.185 The Commission vide its letter dated 5/03/2021 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.

3.186 The Commission observed that there still exists deviation in the Power Purchase Quantum submitted by the Petitioner and that submitted by SLDC to the Commission for few plants due to peripheral mismatches. 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.

3.187 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. 49: Commission Approved -Power Purchase Quantum (MU)**

| Sr. No. | Particulars | Petitioner Submission | Commission Approved |
|---|---|---|---|
| A | Power Purchase: | | |
| I | Gross Power Purchase | 10,538.78 | 10,538.78 |
| A | Long Term Sources (Other Than Renewables) | 7,892.53 | 7,869.55 |
| B | Renewables Sources (long Term) | 292.37 | 292.37 |
| C | Short Term Sources except Banking | 2,353.89 | 2,353.89 |
| II | Less: Power sold to other sources except Banking | 504.06 | 504.06 |
| III | **Net Power Purchase** | **10,034.73** | **10,034.73** |

## POWER PURCHASE COST

### PETITIONER SUBMISSION

3.188 The Petitioner has submitted the net Energy Balance for FY 2019-20 as under:

**Table 3. 50: Petitioner Submission - Power Purchase Cost for FY 2019-20**

| Particulars | As per the Commission | | | As per the Petitioner | | |
|---|---|---|---|---|---|---|
| | MU | (Rs Cr) | Rs/kWh | MU | (Rs Cr) | Rs/kWh |
| Power Purchase from CSGS | 8,994.00 | 3,835.00 | 4.26 | 6,658.97 | 3,367.96 | 5.06 |
| Short Term Power Purchase | | | | 2,353.92 | 761.85 | 3.24 |
| Power Purchase – Delhi Gencos | 1255.00 | 837.00 | 6.67 | 1227.68 | 1169.14 | 9.52 |
| RPO Obligations | 439.00 | 215.00 | | 292.37 | 122.63 | 4.19 |
| Cost of REC certificate – towards RPO compliance FY 18-19 & FY 19- 20 | | 122.00 | | | 157.31 | |
| Gross Power Purchase Cost | 10,688.00 | 5,009.00 | 4.69 | 10,532.93 | 5,578.89 | 5.30 |
| Add: Transmission Charges | | | | | | |
| PGCIL charges | 154 | 481 | | 277.16 | 627.69 | |
| DTL charges *(including Pension Trust)* | 97 | 264 | | | 150.48 | |
| Other transmission charges | | | | | 142.06 | |
| Less: Surplus Power sold / Banked / UI sales | 119 | 45 | 3.78 | 504.06 | 141.42 | 2.81 |
| Power Purchase Cost (Audited) | 10,318.00 | 5,709.00 | 5.53 | 9,751.72 | 6,357.70 | 6.52 |
| Less- Net Normative Rebate on power purchase | | 91 | | | -69.08 | |
| Less- Rebate on account of Transmission charges | | | | | -14.41 | |
| Less- Rithala Impact | | | | | 2.16 | |

| Particulars | As per the Commission | | | As per the Petitioner | | |
|---|---|---|---|---|---|---|
| | MU | (Rs Cr) | Rs/kWh | MU | (Rs Cr) | Rs/kWh |
| Less- TPDDL Solar adjustment | | | | | 7.89 | |
| Add-Incentive on Sale of Surplus Power | | | | | 6.88 | |
| Add- Normative additional units of power Banking @ 2.90/unit | | | | | 8.11 | |
| Net Power Purchase Cost | 10,318.00 | 5,618.00 | 5.44 | 9,751.72 | 6,299.25 | 6.46 |

3.189 The Petitioner has incurred gross power purchase cost of Rs. 5579 Cr (including cost of RE Certificates) for the gross power purchase quantum of 10,532.9 MUs in FY 2019-20 from all sources including intra-state, bilateral, UI and exchange. The revenue of Rs. 141.24 Cr on account of sale of 504.10 MU of surplus energy through bilateral, intra-state, UI and exchange has been adjusted against the gross power purchase cost.

3.190 The Petitioner has also incurred Transmission Charges of Rs. 920.23 Cr.

**Table 3. 51: Petitioner Submission - Power Purchase Cost - Central Generating Station wise for FY 2019-20**

| Sr. No | Particulars | Energy (MU) | Total Charges (Rs. Cr.) | Avg. Rate (Rs./ kWh) | Energy (MU) | Fixed Charges (Rs. Cr.) | Variable Charges (Rs. Cr.) | Other Charges (Rs. Cr.) | Total Charges including PY arrears (Rs. Cr.) | Avg. Rate (Rs./ kWh) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Approved In ARR | | | Sought for Trued up | | | | | |
| A | **NTPC** | | | | | | | | | |
| | Anta Gas Power Station | 4 | 9 | 19.49 | 3.24 | 5.84 | 1.17 | -0.36 | 6.65 | 20.54 |
| | Auraiya Gas Power Station | 3 | 12 | 36.28 | 12.05 | 10.42 | 4.75 | 0.63 | 15.79 | 13.10 |
| | Badarpur Thermal Power Station | | | | - | 3.06 | -10.53 | -6.02 | -13.50 | - |
| | Dadri Gas Power Station | 18 | 18 | 10.07 | 40.20 | 10.26 | 15.11 | 1.46 | 26.83 | 6.68 |
| | Farakka Super Thermal Power Station | 41 | 14 | 3.36 | 38.11 | 3.74 | 10.79 | -0.10 | 14.43 | 3.79 |
| | Feroze Gandhi Unchahar TPS 1 | 42 | 18 | 4.32 | 31.46 | 5.12 | 10.69 | 0.19 | 16.00 | 5.08 |
| | Feroze Gandhi Unchahar TPS 2 | 80 | 35 | 4.37 | 62.10 | 9.19 | 21.45 | 0.93 | 31.56 | 5.08 |
| | Feroze Gandhi Unchahar TPS 3 | 55 | 25 | 4.61 | 41.19 | 7.69 | 14.11 | 0.60 | 22.39 | 5.44 |
| | Feroze Gandhi Unchahar TPS 4 | | | | - | 0.05 | - | 0.03 | 0.08 | - |
| | Kahalgaon STPS 1 | 92 | 32 | 3.50 | 92.90 | 10.73 | 20.74 | -0.01 | 31.46 | 3.39 |
| | Kahalgaon STPS 2 | 300 | 102 | 3.38 | 307.36 | 36.00 | 64.63 | -0.09 | 100.54 | 3.27 |

| Sr. No | Particulars | Energy (MU) | Total Charges (Rs. Cr.) | Avg. Rate (Rs./ kWh) | Energy (MU) | Fixed Charges (Rs. Cr.) | Variable Charges (Rs. Cr.) | Other Charges (Rs. Cr.) | Total Charges including PY arrears (Rs. Cr.) | Avg. Rate (Rs./ kWh) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Approved In ARR | | | Sought for Trued up | | | | | |
| | Koldam Hydro Power Station | | | | - | - | - | 0.00 | 0.00 | |
| | National Capital Therm Pwr - Dadri 1 | 37 | 19 | 5.10 | 23.96 | 7.12 | 9.54 | -3.77 | 12.89 | 5.38 |
| | National Capital Therm Pwr - Dadri 2 | 35 | 21 | 5.91 | 28.78 | 8.49 | 10.31 | -0.74 | 18.06 | 6.27 |
| | Rihand Super Therm Pwr Stn 1 | 215 | 47 | 2.19 | 205.69 | 17.85 | 27.93 | -1.37 | 44.41 | 2.16 |
| | Rihand Super Therm Pwr Stn 2 | 296 | 59 | 2 | 266.97 | 18.99 | 36.08 | -0.17 | 54.91 | 2.06 |
| | Rihand Super Therm Pwr Stn 3 | | | | - | -0.00 | - | -0.09 | -0.09 | |
| | Singrauli Super Thermal Power Station | 337 | 69 | 2.04 | 312.31 | 20.89 | 43.24 | -0.83 | 63.30 | 2.03 |
| | Talcher Super Thermal Power Station | | | | - | - | - | 0.00 | - | |
| | **NTPC Total** | **1,555.00** | **480.00** | **3.09** | **1,466.30** | **175.42** | **280.01** | **-9.70** | **445.72** | **3.04** |
| B | **APCPL** | | | | | | | | | |
| | Aravali Jhajjar | 2598 | 1544 | 5.94 | 545.23 | 651.75 | 211.29 | 45.29 | 908.33 | 16.66 |
| | **APCPL Total** | **2,598.00** | **1,544.00** | **5.94** | **545.20** | **651.75** | **211.29** | **45.30** | **908.33** | **16.66** |
| C | **NHPC** | | | | | | | | | |
| | Bairasiul | 4 | 2 | 5.35 | 10.77 | 0.87 | 1.00 | 2.20 | 4.07 | 3.78 |
| | Chamera-I | 60 | 11 | 1.81 | 63.70 | 4.84 | 7.30 | 0.51 | 12.65 | 1.99 |
| | Chamera-II | 61 | 11 | 1.88 | 49.87 | 3.76 | 5.05 | 0.33 | 9.14 | 1.83 |
| | Chamera-III | 41 | 16 | 3.85 | 40.64 | 9.07 | 8.51 | -0.16 | 17.42 | 4.29 |
| | Dhauliganga | 47 | 10 | 2.24 | 56.54 | 8.04 | 8.20 | -0.15 | 16.10 | 2.85 |
| | Dulhasti | 83 | 41 | 4.88 | 75.13 | 17.21 | 19.34 | 5.59 | 42.14 | 5.61 |
| | NHPC Water Charges | | | | - | - | - | 6.50 | 6.50 | |
| | Parbati-III | 26 | 13 | 5.11 | 26.60 | 27.91 | -10.92 | -0.98 | 16.00 | 6.02 |
| | Salal | | | | | | | - | - | - |
| | Sewa-II | 21 | 9 | 4.38 | 25.81 | 7.08 | 6.26 | 0.27 | 13.61 | 5.27 |
| | Tanakpur | 14 | 4 | 3.05 | 17.82 | 3.53 | 2.68 | 0.18 | 6.39 | 3.59 |
| | Uri | 85 | 13 | 1.55 | 112.14 | 9.09 | 9.30 | 4.61 | 23.00 | 2.05 |
| | Uri-II | 55 | 22 | 4.06 | 71.39 | 13.75 | 12.91 | 3.41 | 30.07 | 4.21 |
| | **NHPC Total** | **497.00** | **152.00** | **3.06** | **550.40** | **105.15** | **69.64** | **22.30** | **197.10** | **3.58** |
| D | **SJVN** | | | | | | | | | |
| | Nathpa Jhakri | 200 | 45 | 2.22 | 207.90 | 26.03 | 23.69 | 1.30 | 51.02 | 2.45 |
| | **SJVN Total** | **200.00** | **45.00** | **2.22** | **207.90** | **26.03** | **23.69** | **1.30** | **51.02** | **2.45** |
| E | **THDC** | | | | | | | | | |
| | THEP (Koteshwar) | 38 | 16 | 4.14 | 35.98 | 8.98 | 8.23 | 0.04 | 17.25 | 4.79 |
| | THEP (Tehri) | 63 | 25 | 3.91 | 58.49 | 13.46 | 16.02 | 0.00 | 29.49 | 5.04 |
| | **THDC Total** | **101.00** | **41.00** | **4.06** | **94.50** | **22.44** | **24.25** | **0.00** | **46.74** | **4.95** |
| F | **CLP** | | | | | | | | | |
| | CLP Jhajjar | 592 | 299 | 5.04 | 521.85 | 92.85 | 189.49 | 5.67 | 288.01 | 5.52 |
| | **CLP Total** | **592.00** | **299.00** | **5.04** | **521.80** | **92.85** | **189.49** | **5.70** | **288.01** | **5.52** |
| G | **MPL** | | | | | | | | | |
| | Maithon Power | 1948 | 822 | 4.22 | 1,825.29 | 372.31 | 489.21 | 94.73 | 956.25 | 5.24 |
| | **MPL Total** | **1,948.00** | **822.00** | **4.22** | **1,825.30** | **372.31** | **489.21** | **94.70** | **956.25** | **5.24** |
| H | **DVC** | | | | | | | | | |

| Sr. No | Particulars | Energy (MU) | Total Charges (Rs. Cr.) | Avg. Rate (Rs./ kWh) | Energy (MU) | Fixed Charges (Rs. Cr.) | Variable Charges (Rs. Cr.) | Other Charges (Rs. Cr.) | Total Charges including PY arrears (Rs. Cr.) | Avg. Rate (Rs./ kWh) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Approved In ARR | | | Sought for Trued up | | | | | |
| | Chandrapura Thermal Power Station - Unit 7 & 8 | 658 | 229 | 3.48 | 597.50 | 97.67 | 140.31 | - | 237.98 | 3.98 |
| | Mejia Thermal Power Station - Unit 6 | 179 | 84 | 4.72 | 144.42 | 29.07 | 44.16 | - | 73.23 | 5.07 |
| | **DVC Total** | **837.00** | **313.00** | **3.74** | **741.90** | **126.74** | **184.47** | **0.00** | **311.21** | **4.19** |
| I | **NPCIL** | | | | | | | | | |
| | NAPS Unit 1 & 2 | 118 | 46 | 3.93 | 112.18 | - | 33.51 | 2.60 | 36.11 | 3.22 |
| | RAPS Unit 5 & 6 | 109 | 32 | 2.97 | 127.58 | - | 50.03 | 2.22 | 52.25 | 4.10 |
| | **NPCIL Total** | **227.00** | **78.00** | **3.44** | **239.80** | **-** | **83.54** | **4.80** | **88.36** | **3.68** |
| J | **Sasan** | | | | | | | | | |
| | Sasan UMPP | 407 | 54 | 1.33 | 441.48 | 6.40 | 50.73 | 12.84 | 69.96 | 1.58 |
| | **Sasan Total** | **407.00** | **54.00** | **1.33** | **441.50** | **6.40** | **50.73** | **12.80** | **69.96** | **1.58** |
| K | **Tala HEP** | | | | | | | | | |
| | Tala HEP | 32 | 7 | 2.16 | 24.32 | - | 5.25 | - | 5.25 | 2.16 |
| | **Tala HEP Total** | **32.00** | **7.00** | **2.16** | **24.30** | **-** | **5.25** | **-** | **5.25** | **2.16** |
| | **Grand Total** | **8,994.00** | **3,835.00** | **4.26** | **6,658.97** | **1,579.10** | **1,611.60** | **177.30** | **3,367.96** | **5.06** |

## IMPACT OF OTHER ADJUSTMENTS

## PETITIONER SUBMISSION

3.191 The Petitioner has submitted that follows:

**a) Negative Power Purchase cost of Rithala Power Plant for FY 2019-20 of Rs 2.16 Cr.**

The Petitioner has mentioned that in FY 2019-20, an adjustment entry related to previous years for Rs. (2.16) Cr. has been passed in its books of accounts. The said amount is reflected in Table 3.19, which already forms part of Audited Power Purchase Cost for FY 2019-20.

The Commission had already issued separate True up Tariff Order for Rithala on 11th Nov, 2019, hence, for the purpose of Truing up of FY 2019-20, the said amount is excluded from the total power purchase cost of FY 2019-20.

**b) Negative Power Purchase cost of TPDDL Solar Power Generation for FY 2019-20 of Rs. 7.89 Cr.**

The Petitioner would like to mention that in FY 2019-20, an adjustment entry related to previous years for Rs. (7.89) Cr. has been passed in the books of accounts for redetermination of tariff in line with the Hon'ble APTEL judgement in Appeal 82 of 2015 dated 16th April'19. Also, for FY 19-20 the cost of TPDDL Solar Power

Generation Plant was Rs 2.39 Cr, hence net amount of Rs. (5.50) Cr. forms part of Audited Power Purchase Cost for FY 2019-20.

Thus, Rs. (7.89) Cr. amount is excluded from the total power purchase cost of FY 2019-20.

**c) REC Purchase of Rs. 20.07 Cr for RPO Compliance of FY2019-20 Purchased in FY 2019-20.**

The Petitioner would like to mention that for FY 2019-20, the total REC purchase for meeting RPO compliance was Rs.156.32 Cr. For the same the Petitioner had created provision for Rs. 134.40 Cr in FY2019-20. Thus, the balance cost of Rs. 20.07 Cr is booked in FY 19-20.

Thus, Rs. 20.07 Cr pertaining to FY2019-20 REC purchase is not excluded from total power purchase cost of FY 2019-20 and it is requested to the Commission to allow the same as part of FY 2019-20 power purchase cost.

3.192 Based on all above submissions, the net energy balance for FY 2019-20 submitted by the Petitioner is as under:

**Table 3. 52: Petitioner Submission - Power Purchase Cost for FY 2019-20**

| Particulars | As per the Commission | | | As per the Petitioner | | |
|---|---|---|---|---|---|---|
| | MU | (Rs Cr) | Rs/kWh | MU | (Rs Cr) | Rs/ kWh |
| Power Purchase from CSGS | 8,994.00 | 3,835.00 | 4.26 | 6,658.97 | 3,367.96 | 5.06 |
| Short Term Power Purchase | | | | 2,353.92 | 761.85 | 3.24 |
| Power Purchase – Delhi Gencos | 1255.00 | 837.00 | 6.67 | 1227.68 | 1169.14 | 9.52 |
| RPO Obligations | 439.00 | 215.00 | | 292.37 | 122.63 | 4.19 |
| Cost of REC certificate – towards RPO compliance FY 18-19 & FY 19- 20 | | 122.00 | | | 157.31 | |
| Gross Power Purchase Cost | 10,688.00 | 5,009.00 | 4.69 | 10,532.93 | 5,578.89 | 5.30 |
| Add: Transmission Charges | | | | | | |
| PGCIL charges | 154 | 481 | | 277.16 | 627.69 | |
| DTL charges *(including Pension Trust)* | 97 | 264 | | | 150.48 | |

<table>
<tr><th rowspan="2">Particulars</th><th colspan="3">As per the Commission</th><th colspan="3">As per the Petitioner</th></tr>
<tr><th>MU</th><th>(Rs Cr)</th><th>Rs/kWh</th><th>MU</th><th>(Rs Cr)</th><th>Rs/ kWh</th></tr>
<tr><td>Other transmission charges</td><td></td><td></td><td></td><td></td><td>142.06</td><td></td></tr>
<tr><td>Less: Surplus Power sold / Banked / UI sales</td><td>119</td><td>45</td><td>3.78</td><td>504.06</td><td>141.42</td><td>2.81</td></tr>
<tr><td>Power Purchase Cost (Audited)</td><td>10,318.00</td><td>5,709.00</td><td>5.53</td><td>9,751.72</td><td>6,357.70</td><td>6.52</td></tr>
<tr><td>Less- Net Normative Rebate on power purchase</td><td></td><td rowspan="2">91</td><td></td><td></td><td>-69.08</td><td></td></tr>
<tr><td>Less- Rebate on account of Transmission charges</td><td></td><td></td><td></td><td>-14.41</td><td></td></tr>
<tr><td>Less- Rithala Impact</td><td></td><td></td><td></td><td></td><td>2.16</td><td></td></tr>
<tr><td>Less- TPDDL Solar adjustment</td><td></td><td></td><td></td><td></td><td>7.89</td><td></td></tr>
<tr><td>Add-Incentive on Sale of Surplus Power</td><td></td><td></td><td></td><td></td><td>6.88</td><td></td></tr>
<tr><td>Add- Normative additional units of power Banking @ 2.90/unit</td><td></td><td></td><td></td><td></td><td>8.11</td><td></td></tr>
<tr><td>Net Power Purchase Cost</td><td>10,318.00</td><td>5,618.00</td><td>5.44</td><td>9,751.72</td><td>6,299.25</td><td>6.46</td></tr>
</table>

**COMMISSION ANALYSIS**

3.193 The Commission, in its Tariff Order dated 31/07/2019 had projected the Long-term Power Purchase Cost as Rs. 5,619 Cr.

3.194 The Commission during the prudence check sessions has verified 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.

**ARREARS OF MAITHON POWER LTD.**

3.195 With regards to expenses of Maithon Power Ltd., the Commission in its Tariff Order dated 28/08/2020 decided not to consider provisionally an amount of Rs. 25 Cr. pertaining to Maithon Power Ltd., as follows:

> *"4.205 The Commission observed that for Q1-Q4 FY 2019-20, the cumulative unrecovered PPAC for BRPL, BYPL, TPPDDL and NDMC is around Rs.1317 Cr for which the Distribution Licensees have approached the Commission vide Petitions. Certain Expenses out of the said amount may need further detailed scrutiny before considering to be allowed. The same is detailed here under: With regards to expenses of Maithon Power Ltd., CERC while revising the tariff for the period 2011-14 and determination of tariff for 2014-19 in respect of Maithon Power Ltd. vide Order dated 01/10/2019 included an LD amount of Rs 160 Cr in the capital cost of the said project while referring to CERC Order dated 17/07/2019 wherein the matter of LD was detailed out. In the said Order, CERC, based on the submissions of the relevant station, observed that spares worth Rs 84 Cr were provided by BHEL free of cost for the relevant station. CERC further directed to furnish the year wise details of the free spares received at the time of revision of tariff based on truing-up for FY 2014-19. Relevant extracts are as follows:*
>
> > *"The Petitioner in its additional submissions dated 15.4.2019 has submitted that the spares worth worth ₹ 84 crore provided by BHEL relates to performance failure during operations period as one time settlement and has no correlation with the LD amount of ₹ 144.50 crore for delay in commissioning the project. It has also stated that no part of spares worth ₹ 84 crore have ever been claimed by Petitioner either under initial spares in capital cost or as additional capitalisation thereafter. We however direct the Petitioner to furnish the year-wise details of the free spares received from BHEL at the time of revision of tariff based on truing-up exercise for the period 2014-19 period."*
>
> *Accordingly, the Commission has provisionally decided not to consider the part sum of Rs. 25 Cr. pertaining to Maithon Power Ltd. raised to TPDDL, as the same is considered to be linked to decision on spares by CERC on a later date.*

3.196 During verification of Power Purchase bills of FY 2019-20, it was observed that TPDDL had considered this amount of Rs. 25 Cr., which has already been disallowed as indicated above, in its Power Purchase Cost.

3.197 Taking the cognizance of Tariff Order dated 28/08/2020 and that the Petitioner has not submitted any further decision of CERC in the matter, the cost related to arrears of Maithon Power Ltd. of Rs. 25 Cr. has been disallowed by the Commission while computing the Trued-Up Power Purchase Cost for FY 2019-20.

**OWN SOLAR AND RITHALA POWER PLANT**

3.198 During verification of Power Purchase bills of FY 2019-20, it was observed that TPDDL- G had raised negative invoices of Rs. 2.16 Cr. and Rs. 7.89 Cr. related to Rithala and Own Solar. However, TPDDL in its True-up Petition has added-up this cost to arrive at Net Power Purchase Cost, thereby nullifying the impact of negative invoices of Rs. 2.16 Cr. and Rs. 7.89 Cr. The Commission has considered the impact of such negative invoices to arrive at Net Power Purchase Cost and has accordingly reduced the Power Purchase Cost to this extent.

**SHORT TERM POWER PURCHASE**

**DETAILS OF SHORT TERM POWER PURCHASE**

**PETITIONER SUBMISSION**

3.199 The Petitioner has submitted to have procured 2353.92 MU through Exchange/UI/Intrastate/ Banking under short-term power purchase as follows:

**Table 3. 53: Petitioner Submission - Short term Power Purchase**

| Sr. No. | Short Term Purchase | Units (MU) | Rate per Unit | Amount (Rs Cr) |
|---|---|---|---|---|
| A | IDT Purchase | 89.72 | 3.12 | 27.99 |
| B | IEX Purchase | 1071.08 | 3.13 | 335.39 |
| C | Banking Purchase | 723.06 | 2.64 | 190.69 |
| D | DSM Purchase | 4.22 | 6.47 | 2.73 |
| E | Bilateral Purchase | 465.84 | 4.40 | 205.05 |
| F | Short Term Purchase Total | 2353.92 | 3.24 | 761.85 |

3.200 **Banking Transactions:** The Petitioner submitted that while banking the units with the other utility, the transaction is recorded at normative cost say Rs 2.75/unit. At the time of return of the said banked units along with extra unit if any, recorded the transactions equal to the value recorded at the time on inception of transaction, thus, not considering the impact of additional units, which are reimbursed by the other utility towards cost of funding the time lag between the payment to generator and sale of actual units. For example: If the utility has banked 100 MUs then for the purpose of recording the transaction in books of accounts, it has considered notional value of Rs. 40 Cr. (i.e. 100 MUs * Rs 4/unit). At the time of return of those banked units the other utility has returned 104 MUs. However in order to nullify the said transaction for accounting purpose the original utility has kept the value Rs 40 Cr. by reducing the notional rate of Rs 4/unit to Rs. 3.84/unit in its books of account. As the statutory auditor has certified the power purchase cost based on books of account, hence, has certified return of banked units of 723.10 MUs @ reducing cost of Rs 2.64/unit against the notional cost of Rs 2.75 /unit.

3.201 Therefore, for the purpose of truing up of banking transaction, the Petitioner has sought return of banking transaction at notional rate of Rs. 2.75 per unit. Impact of the same is shown as under:

**Table 3. 54: Petitioner Submission - Details of Short term Power Purchase through banking**

| Short Term Purchase | MOU | Units (MU) | Amount (Rs Cr) |
|---|---|---|---|
| Banking Purchase/refund | MUs | 723.10 | 190.69 |
| Rate Considered | Rs./unit | | 2.64 |
| Notional Rate to be considered | Rs./unit | | 2.75 |
| Additional Impact to be computed for the purpose of ARR | Rs.Cr. | | 8.11 |

**COMMISSION ANALYSIS**

3.202 The Commission in its Tariff Order dated 31/07/2019 had directed the Petitioner as follows:

> *"6.10m. 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."*

3.203 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**

**COMMISSION ANALYSIS**

3.204 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."*

3.205 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. 55: Details of Contingency limit @ 5% (MU)**

| Month | Gross Power Purchase | Sales of Power | Net Power Purchase | UI Sale-SLDC |
|---|---|---|---|---|
| Apr-19 | 916.12 | (78.95) | 837.18 | (10.73) |
| May-19 | 1,028.79 | (22.70) | 1,006.09 | (12.99) |
| Jun-19 | 1,147.14 | (30.13) | 1,117.02 | (15.79) |
| Jul-19 | 1,127.62 | (15.88) | 1,111.74 | (16.65) |
| Aug-19 | 1,115.84 | (46.26) | 1,069.58 | (15.39) |
| Sep-19 | 1,063.36 | (9.75) | 1,053.61 | (22.12) |
| Oct-19 | 773.10 | (1.73) | 771.36 | (12.42) |
| Nov-19 | 634.41 | (12.73) | 621.67 | (9.98) |
| Dec-19 | 696.76 | (4.38) | 692.38 | (11.36) |
| Jan-20 | 730.95 | (11.77) | 719.19 | (9.48) |
| Feb-20 | 683.01 | (59.63) | 623.37 | (9.15) |
| Mar-20 | 615.82 | (72.76) | 543.06 | (13.09) |
| **Total** | **10,532.93** | **(366.67)** | **10,166.26** | **(159.16)** |

| Month | Gross Power Purchase | Sales of Power | Net Power Purchase | UI Sale-SLDC |
|---|---|---|---|---|
| UI Sale (%) | | | | 1.57% |

3.206 Accordingly, no impact on account of Contingency Limit in considered for FY 2019-20 by the Commission.

**ADDITIONAL UI CHARGES AND SUSTAINED DEVIATION CHARGES:**

3.207 The third proviso of Regulation 152 (c) of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates as follows:*

*"Provided that any Additional/Penal Deviation Settlement Mechanism (Unscheduled Interchange) Charges other than forced scheduling of power as certified by SLDC paid by the Distribution Licensee shall not be allowed in Power Purchase Cost"*

3.208 Further, 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. 3.76 Cr. and Rs. 3.27 Cr. respectively in accordance with the CERC Regulations.

3.209 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) and considered Rs. 3.76 Cr. and Rs. 3.27 Cr., as provided by SLDC, penalty for ADSM and SDC for FY 2019-20.

3.210 **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."*

3.211 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."*

3.212 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.

3.213 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.

3.214 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."*

3.215 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. 56: Revised working of Normative Cost of Banking Transactions**

| Particulars | UoM | FY 2018-19 | FY 2019-20 |
|---|---|---|---|
| Banking Export - As per True-up Order | MU | (701.39) | (198.37) |
| Banking Import - As per True-up Order | MU | 852.65 | 723.06 |
| Banking Export Rate- As per Petitioner | Rs. /kWh | 2.89 | 2.75 |

| Particulars | UoM | FY 2018-19 | FY 2019-20 |
|---|---|---|---|
| Banking Import Rate- As per Petitioner | Rs. /kWh | 3.94 | 2.64 |
| Banking Export - As per True-up Order | Rs. Cr. | (202.85) | (54.50) |
| Banking - Import - As per True-up Order | Rs. Cr. | 336.06 | 190.69 |
| Net Banking (Import - Export) | MU | 151.26 | 524.69 |
| 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 | 2.90 | 2.97 |
| Net Normative Cost / (Sale) to be allowed | Rs. Cr. | 43.86 | 155.63 |
| Net Cost / (Sale) approved | Rs. Cr. | 133.21 | |
| **Differential Cost / (Sale) approved** | **Rs. Cr.** | **(89.35)** | **155.63** |
| **Total Normative Cost of Banking approved** | **Rs. Cr.** | | **66.28** |

**DETAILS OF SHORT TERM SURPLUS POWER SALE**

**PETITIONER SUBMISSION**

3.216 The Petitioner has sold 504.05 MU at the average rate of Rs 2.81 per unit during the year. The source wise summary of sale of surplus power during the FY 2019-20 is as under:

**Table 3. 57: Petitioner Submission - Details of Short term Power Sales**

| Sr. No. | Particulars | FY 2019-20 | | |
|---|---|---|---|---|
| | | Units (MU) | Rate per Unit | Amount (Rs Cr) |
| A | IDT Sale | 22.57 | 4.63 | 10.46 |
| B | IEX Sale | 134.82 | 3.72 | 50.09 |
| C | Banking Sale | 198.37 | 2.75 | 54.50 |
| D | Bilateral sale | 10.91 | 4.57 | 4.99 |
| E | DSM Sale | 137.38 | 1.56 | 21.38 |
| F | Short Term Sale Total | 504.06 | 2.81 | 141.42 |

**TRANSMISSION CHARGES**

**PETITIONER SUBMISSION**

3.217 The Petitioner has submitted to incur the transmission charges of Rs. 920.23 Cr. The party wise breakup of the transmission charges is given in the table below:

**Table 3. 58: Petitioner Submission Transmission charges for FY 2019-20**

| Sr. No. | Name of Station-Particulars / Party Name | Amount Rs Cr |
|---|---|---|
| **A** | **PGCIL TRANSMISSION CHARGES** | |
| | PGCIL POC BILL-Power Grid Corporation of India Ltd. | 461.17 |
| | PGCIL POC BILL 3 | 148.28 |
| | PGCIL Non PoC | 18.24 |
| **B** | **DTL/ SLDC TRANSMISSION CHARGES** | |
| | DTL-Wheeling Charges | 275.12 |
| | DTL-NRLDC Charges | 1.31 |
| | DTL-Application Charges | 0.10 |

| Sr. No. | Name of Station-Particulars / Party Name | Amount Rs Cr |
|---|---|---|
| | DTL-Reactive Energy Charges | 7.35 |
| | DTL-SLDC Charges | 2.55 |
| | DTL-STOA Credit | -135.95 |
| C | **OTHER TRANSMISSION CHARGES** | |
| | Banking Purchase STOA | 33.12 |
| | Banking Sale STOA | 7.00 |
| | BBMB Charges | 0.43 |
| | Bilateral purchase STOA | 24.97 |
| | Bilateral sale STOA | 0.36 |
| | Chandrapura Thermal Power Station - Unit 7 & 8 Tx Charges | 1.56 |
| | CLP Jhajjhar Tx charges | -0.01 |
| | IEX Purchase STOA | 46.46 |
| | IEX Sale STOA | 4.73 |
| | Maithon Power Tx Charges | 0.38 |
| | Mejia Thermal Power Station - Unit 6 Tx Charges | 0.20 |
| | NAPS Unit 1 & 2 NRLDC | 0.00 |
| | NHPPL- Transmission | 3.80 |
| | NTPC TRANSMISSION Charges | 0.21 |
| | SECI- SLDC | 0.03 |
| | SECI- Transmission | 1.97 |
| | SHEPL- Transmission | 6.21 |
| | THEP (Koteshwar)- NRLDC Charges | 0.01 |
| | THEP (Tehri)-NRLDC Charges | 0.01 |
| | CLP Jhajjar Tx Charges | 7.71 |
| | SEI- Transmission | 2.03 |
| | THPPL- Transmission | 0.87 |
| | RAPS Unit 5 & 6 NRLDC | 0.01 |
| | **Grand Total** | **920.23** |

**COMMISSION ANALYSIS**

3.218 The Commission has verified the Transmission Charges incurred during FY 2019-20 from the books of accounts and bills raised to the Petitioner. Accordingly, the Commission allows the Total Transmission Charges of Rs. 920.24 Cr. for FY 2019-20 as follows:

**Table 3. 59: Commission Approved - Transmission Charges (Rs. Cr.)**

| Particulars | Amount |
|---|---|
| Inter-state Transmission Charges | 627.68 |
| Intra-state Transmission Charges | 150.48 |
| Other Transmission Charges | 142.08 |
| Total Transmission Charges | 920.24 |

**REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES**

**PETITIONER SUBMISSION**

3.219 The Petitioner has submitted that the Commission in its Tariff Determination Regulations, 2017 has specified that

*"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."*

3.220 The Commission in its Tariff Order FY 2019-20 has considered 2% and 1.50% normative rebate and approved power purchase cost net of rebate. Following the same principle of normative rebate of 2% and 1.50%, the Petitioner has computed net normative rebate.

3.221 The Petitioner has computed net normative rebate of Rs.83.49 Cr. as follows:

**Table 3. 60: Petitioner Submission - Normative Rebate for FY 2019-20 (Rs. Cr.)**

| Sr. No. | Vendor | Maximum Normative Rebate (in %) | Rebate able Amt | Rebateble Amt. (not availed due to COVID 19) | Amount offered as normative rebate |
|---|---|---|---|---|---|
| A | Towards Power Purchase | | | | |
| 1 | APCPL | 1.50% | 928.88 | 64.54 | 12.97 |
| 2 | DTL (LT) | 2.00% | 138.95 | | 5.50 |
| 3 | DVC | 1.50% | 312.82 | 54.13 | 3.88 |
| 4 | DMSWSL | 2.00% | 24.80 | | 0.50 |
| 5 | KEIPL | 2.00% | 204.97 | | 4.10 |
| 6 | IPGCL | 2.00% | 136.75 | 20.91 | 2.32 |
| 7 | NHPC | 1.50% | 175.06 | 21.55 | 2.30 |
| 8 | NHPPL | 1.50% | 20.50 | | 0.31 |
| 9 | NPCIL | 2.50% | 85.92 | 12.89 | 1.83 |
| 10 | NTPC | 1.50% | 449.96 | 40.17 | 6.15 |
| 11 | PGCIL * | 1.50% | 607.68 | 65.49 | 8.91 |
| 12 | PPCL I | 2.00% | 194.77 | 28.40 | 3.33 |
| 13 | PPCL III | 1.50% | 839.78 | 174.46 | 9.98 |
| 14 | PTC | 0.01paisa/KWh | 5.25 | | 0.02 |
| 15 | SASAN | 1.50% | 57.67 | | 0.87 |
| 16 | SEI SUNSHINE | 1.50% | 8.86 | | 0.13 |
| 17 | SEI SOLARVANA | 1.50% | 8.18 | | 0.12 |
| 18 | SEI SOORAJ | 1.50% | 6.54 | | 0.10 |
| 19 | SJVNL | 1.50% | 48.50 | | 0.73 |
| 20 | SHEPL | 1.50% | 18.62 | | 0.28 |
| 21 | TARANDA HYDRO | 1.50% | 1.53 | | 0.02 |
| 22 | THDC | 1.50% | 46.76 | 6.87 | 0.60 |
| 23 | TOWMCL | 2.00% | 32.03 | | 0.64 |

| Sr. No. | Vendor | Maximum Normative Rebate (in %) | Rebate able Amt | Rebateble Amt. (not availed due to COVID 19) | Amount offered as normative rebate |
|---|---|---|---|---|---|
| 24 | TPTCL | 1.50% | 1275.78 | 74.28 | 18.02 |
| | Total (A) | | 5630.56 | 563.70 | 83.59 |
| | Towards Sale of Power | | | | |
| 1 | GMR | 2.00% | 4.99 | | 0.10 |
| | Total (B) | | 4.99 | | 0.10 |
| | Grand Total (A)-(B) | | 5625.57 | 563.70 | 83.49 |

**COMMISSION ANALYSIS**

3.222 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. 83.59 Cr. for FY 2019-20.

**INCENTIVE ON SALE OF SURPLUS POWER**

**PETITIONER SUBMISSION**

3.223 The Petitioner has referred the Commission's *Business Plan Regulations, 2017* on the Incentive on Sale of surplus Power as under:

*"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."*

3.224 Accordingly, the Petitioner requested the Commission for doing true up of the incentive of Rs. 6.88 Cr as per MYT Regulations, 2017. Due to very voluminous data, information for slot wise computation of incentive amount would be shared the Commission during the course of prudence check.

3.225 The Petitioner further stated that in order to meet RPO obligations an amount of Rs. 157.3 Cr. has been incurred towards purchase of RE certificates. The Petitioner has clubbed the said amount in the normal Power Purchase Cost of FY 2019-20. Thus, arrived at total audited Power Purchase Cost of Rs. 6,358 Cr. for FY 2019-20. It is worth to mention that certain GST bills pertaining to REC purchase are pending and will be claimed as and when the Petitioner receives them.

**COMMISSION ANALYSIS**

3.226 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*.

3.227 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.

3.228 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.

3.229 The Commission has excluded various power stations form Merit Order Despatch 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.

3.230 As per 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;"*

3.231 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."*

3.232 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."*

3.233 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."*

3.234 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*.

3.235 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.

3.236 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.

3.237 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.

3.238 Accordingly, incentive/(dis-incentive) on sale of surplus power in line with the Regulation and the clarification issued by the Commission is as follows:

**Table 3. 61: Commission Approved – Dis-incentive on sale of surplus power for FY 2019-20 (Rs. Cr.)**

| Months | As approved by the Commission | | |
|---|---|---|---|
| | Exchange | Bilateral | Intrastate/IDT |
| Apr-19 | - | - | - |
| May-19 | - | - | - |
| Jun-19 | - | - | - |
| Jul-19 | - | - | - |
| Aug-19 | - | - | - |
| Sep-19 | - | - | - |
| Oct-19 | - | - | - |
| Nov-19 | - | - | - |
| Dec-19 | - | - | - |
| Jan-20 | - | - | - |
| Feb-20 | -0.27 | - | - |
| Mar-20 | -0.09 | - | - |
| **Total** | **-0.36** | **-** | **-** |
| **Total** | | **-0.36** | |

3.239 The dis-incentive of Rs. 0.36 Cr. has been considered by the Commission in Revenue towards ARR in True up of FY 2019-20.

## RENEWABLE PURCHASE OBLIGATION

## PETITIONER SUBMISSION

3.240 The Petitioner has referred the Commission's notification dated 01st Oct. 2012 mandated that all the obligated entities have to meet certain specified percentage of energy through renewable energy. Accordingly, the status of Renewable Power obligation for FY 2019-20 as submitted by the Petitioner is as follows:

**Table 3. 62: Petitioner Submission - RPO obligations for FY 2019-20**

| Particulars | RPO requirement for FY 19-20* | | |
|---|---|---|---|
| | Solar | Non Solar | Total (Rs. Cr.) |
| Total Billed Sales | | | 9,085.73 |
| Less- units from Hydro | | | 877.12 |
| Balance Billed sales to be met through RPO obligation | | | 8,208.61 |
| RPO obligation (%) | 6.75% | 10.25% | 17.00% |
| A. Total RPO to be met – MU | 554 | 841 | 1395 |
| B. RPO to be met through Tied up Quantum-MU | 127 | 188 | 315 |
| a) Gross Generation (Rooftop Solar) | 23.34 | | |
| b) Sun Edison | 59.56 | | |
| c) SECI Solar | 42.06 | | |
| d) TPDDL Own Solar | 2.04 | | |
| e) TOWMCL | | 49.88 | |
| f) DMSWSL | | 35.27 | |
| g) SHEPL (Surya Kanta Small Hydro) | | 48.98 | |
| h) NHPPL (Nanti Small Hydro) | | 47.69 | |
| i) THPPL (Taranda Small Hydro) | | 3.56 | |
| j) Singrauli Small Hydro | | 2.50 | |
| C. Non Solar RPO met through tied up quantum (HPSEB) – MU | | 287 | 287 |
| D. Shortfall of RPO obligation – MU | 427 | 366 | 793 |
| E. REC purchased – MU | 225 | 294 | 519 |
| F. Adjustment done from Q1 FY 2020-21 | 202 | 72 | 274 |
| G. Balance to be met from the short term physical power received during FY 2020-21 – MU | 0 | 0 | 0.00 |
| Balance REC yet to be purchased – MU | 0 | 0 | 0 |
| H. REC purchased (corresponding to 225 MU Solar and 294 Mu Non-Solar) - Rs. Crs. | 61.01 | 68.55 | 129.56 |
| I. Provision created in FY 19-20 for purchase of RE certificates – Rs Cr. | | | 8.62 |

**COMMISSION ANALYSIS**

3.241 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%* |

3.242 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.

3.243 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 true up of the relevant financial year in terms of Regulation 124 of *DERC (Terms and Conditions of Determination of Tariff) Regulations, 2017*.

3.244 During the prudence check session, it is observed that the Petitioner has even considered the energy procured during Quarter-1 of FY 2020-21 towards compliance of RPO FY 2019-20. However, as per the *DERC (Business Plan) Regulations, 2017*, only option available to compensate the shortfall in meeting the total RPO targets in any Financial Year is by way of purchasing Renewable Energy Certificate in Quarter-1 of the subsequent past financial year. Relevant extract of BPR 2017 is as follows:

> *"27.2 Provided further that the Distribution Licensee may purchase Renewable Energy Certificate ('REC') for any shortfall in meeting their total RPO targets for any financial year within three months from the date of completion of the relevant financial year"*

3.245 The Petitioner should be well aware of the fact that the Energy procured in Quarter-1 of FY 2020-21 has met the consumer demand for FY 2020-21, then how such energy can be considered as part of RPO compliance for FY 2019-20. Taking the cognizance of terms and conditions of Tariff Regulations, 2017 and DERC BPR 2017, the Commission has not considered the physical Renewable Energy procured in Quarter-1 of FY 2020-21 for RPO compliance of FY 2019-20.

3.246 Further, it is observed that Petitioner has purchased 877.12 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.

## COST OF RENEWABLE ENERGY CERTIFICATE (REC)

3.247 The Commission extended the period of RPO compliance for FY 2018-19 till Sept. 2019 as indicated in Para 3.132 of Tariff Order dated 28/08/2020. Subsequently, Commission vide Review Order dated 23/09/2021 has allowed the cost of REC upto Sept. 2019 for RPO compliance of FY 2018-19 amounting to Rs. 72.54 Cr. as detailed in Prior Period Section of this Order.

3.248 It is observed that the Petitioner has considered an amount of Rs. 157.31 Cr. w.r.t. RE Certificates for FY 2019-20. On query from the Commission, the Petitioner vide its Email dated 24/03/2021 submitted month-wise REC purchase for RPO compliance of FY 2019-20 from October, 2019 to March, 2020 which has been considered by the Commission as follows:

**Table 3. 63: Commission Approved - REC Purchased by the Petitioner from Oct., 2019 to Mar., 2020**

| Exchange | Date | Certificate Traded | Amount (Rs.) |
|---|---|---|---|
| PXIL | 30-10-19 | 3690 | 6906204 |
| PXIL | 30-10-19 | 13000 | 24424400 |
| IEX | 30-10-19 | 12000 | 22459200 |
| PXIL | 27-11-19 | 10000 | 20956000 |
| IEX | 27-11-19 | 20000 | 40792000 |
| PXIL | 26-12-19 | 15000 | 32274000 |
| IEX | 26-12-19 | 20000 | 45272000 |
| IEX | 26-12-19 | 480 | 1595328 |
| PXIL | 29-1-20 | 60000 | 142536000 |
| IEX | 29-1-20 | 140000 | 348264000 |
| IEX | 26-2-20 | 225000 | 610110000 |
| **Total Amount (Rs. Cr.)** | | | **129.56** |

**Table 3. 64: Commission Approved - Month-wise REC purchased for FY 2019-20**

| Months | Solar | | Non-Solar | |
|---|---|---|---|---|
| | REC (MU) | Amount (Cr.) | REC (MU) | Amount (Cr.) |
| Oct., 2019 | | | 28690 | 5.38 |
| Nov., 2019 | | | 30000 | 6.17 |
| Dec., 2019 | | | 35480 | 7.91 |
| Jan., 2020 | | | 200000 | 49.08 |

| Months | Solar | | Non-Solar | |
|---|---|---|---|---|
| | REC (MU) | Amount (Cr.) | REC (MU) | Amount (Cr.) |
| Feb., 2020 | 225000 | 61.01 | - | - |
| Mar., 2020 | - | - | - | - |
| **Total** | **225000** | **61.01** | **294170** | **68.55** |

3.249 Accordingly, Commission has considered an amount of Rs. 129.56 Cr. as cost of REC for FY 2019-20.

3.250 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 Regulations:

**Table 3. 65: Commission Approved - Compliance of RPO targets for FY 2019-20**

| Particulars | Commission Approved | | |
|---|---|---|---|
| Total Sales to Retail Consumers (MU) | | | 9,085.73 |
| Solar Units Generated via Net Metering | | | 0.00 |
| Purchase from Hydro Power (MU) | | | 877.12 |
| Sales net of hydro power (MU) | | | 8,208.61 |
| | **Solar** | **Non Solar** | **Total** |
| **RPO Obligation (%)** | **6.75%** | **10.25%** | **17.00%** |
| A. Total RPO to be met - MU | 554.08 | 841.38 | 1,395.46 |
| B. RPO to be met through Tied up Quantum- MU | 127 | 475 | 602 |
| a) Gross Generation (Rooftop Solar) | 23.34 | | |
| *b) Sun Edison* | 59.56 | | |
| *c) SECI Solar* | 42.06 | | |
| *d) TPDDL Own Solar* | 2.04 | | |
| *e) TOWMCL* | | 49.88 | |
| *f) DMSWSL* | | 35.27 | |
| *g) SHEPL (Surya Kanta Small Hydro)* | | 48.98 | |
| *h) NHPPL (Nanti Small Hydro)* | | 47.69 | |
| *i) THPPL (Taranda Small Hydro)* | | 3.56 | |
| *i) Singrauli Small Hydro* | | 2.50 | |
| C. Non Solar RPO met through tied up quantum (HPSEB) – MU | | 287.00 | |
| D. Shortfall of RPO obligation – MU | 427.08 | 366.50 | 793.58 |
| E. REC purchased – MU | 225.00 | 294.00 | 519.00 |
| F. Adjustment done from Q1 FY 2020-21 | - | - | - |
| G. Balance to be met from the short term physical power received during FY 2020-21 – MU | | | |
| Balance REC yet to be purchased – MU | | | |

| Particulars | Commission Approved | | |
|---|---|---|---|
| H. REC purchased (corresponding to 225 Mus Solar and 294 Mus Non-Solar) - Rs. Crs. | | | |
| I. Provision created in FY 19-20 for purchase of RE certificates – Rs Cr. | | | |
| K. Shortfall | 202.08 | 72.50 | 274.58 |
| **L. RPO Penalty @ 10% of Non-Complied REC @ Rs.1/Unit (Rs. Cr.)** | | | **2.75** |

**TRUED UP POWER PURCHASE COST**

3.251 Based on the above, the Commission approves the power purchase cost for the Petitioner for FY 2019-20 as follows:

**Table 3. 66: Commission Approved - Power Purchase Cost for FY 2019-20**

| Sr. No. | Particulars | Petitioner submission | | As Approved | |
|---|---|---|---|---|---|
| | | Quantum (MU) | Amount (Rs. Cr.) | Quantum (MU) | Amount (Rs. Cr.) |
| **A** | **Power Purchase:** | | | | |
| i | Gross Power Purchase | 10532.93 | 5,578.89 | 10,538.78 | 5,360.45 |
| a | Long Term Sources (Other Than Renewables) | 7886.64 | 4,537.10 | 7,869.55 | 4,537.10 |
| b | Renewables Sources (long Term) | 292.37 | 122.63 | 292.37 | 122.63 |
| c | Adjustment on account of Own Generation Solar Plants | | | | |
| d | RE Certificates | | 157.31 | | 129.56 |
| e | Short Term Sources except Banking | 2353.92 | 761.85 | 2,353.89 | 571.16 |
| ii | Less: Power sold to other sources except Banking | 504.06 | 141.42 | 504.06 | 86.93 |
| f | Normative Cost of Banking | | | | 66.28 |
| iii | **Net Power Purchase** | **10028.87** | **5437.47** | **10,034.73** | **5,339.80** |
| B | Transmission Loss: | | | | |
| i | Inter-State Transmission Loss & Charges | | 627.69 | | 627.68 |
| ii | Intra-State Transmission Loss & Charges | 277.16 | 150.48 | 277.18 | 150.48 |
| iii | Other Transmission Charges | | 142.06 | | 142.08 |
| iv | **Total Transmission Loss & Charges** | **277.18** | **920.23** | **277.18** | **920.24** |
| C | **Net power available after Transmission Loss** | **9,751.72** | **6,357.70** | **9,757.55** | **6,260.04** |
| **D** | **Rebate** | | | | |
| i | Power Purchase | | 69.08 | | 69.08 |

| Sr. No. | Particulars | Petitioner submission | | As Approved | |
|---|---|---|---|---|---|
| | | Quantum (MU) | Amount (Rs. Cr.) | Quantum (MU) | Amount (Rs. Cr.) |
| ii | Transmission Cost | | 14.41 | | 14.41 |
| iii | Total Rebate | | **83.49** | | **83.49** |
| **E** | **Less Adjustments:** | | | | |
| a | Rithala Impact | | | | - |
| b | TPDDL Solar Adjustment | | | | - |
| c | Additional UI Penalty | | | | 3.76 |
| d | Sustain Deviation Penalty | | | | 3.27 |
| e | RPO Penalty | | | | 2.75 |
| f | Maithon Arrears | | | | 25.00 |
| **F** | **Add:** | | | | |
| **a** | Rithala Impact | | 2.16 | | **-** |
| **b** | TPDDL Solar Adjustment | | 7.89 | | **-** |
| c | Incentive on sale of surplus power | | 6.88 | | - |
| d | Normative Additional units of power banking @ 2.90/unit | | 8.11 | | - |
| **G** | **Net PPC** | **9,751.72** | **6,299.25** | **9,757.55** | **6141.78** |
| **H** | **Avg Power Purchase cost (Rs./kWh)** | | **6.46** | | **6.29** |

## OPERATION AND MAINTENANCE (O&M EXPENSES)

## PETITIONER SUBMISSION

3.252 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.

3.253 The Petitioner has accordingly computed the normative O&M expenses for FY 2019-20 as follows:

**Table 3. 67: Petitioner Submission - Normative O&M Expenses for FY 2019-20 (Rs. Cr.)**

| Sr. No. | Particulars | Unit | 2019-20 | Capacity | Capacity as on 31/03/2020 | Amount |
|---|---|---|---|---|---|---|
| A | 66 kV Line | Rs. Lakh/ckt.km | 3.678 | Ckt.km | 540.08 | 41.67 |
| B | 33 kV Line | Rs. Lakh/ckt.km | 3.678 | Ckt.km | 592.89 | |
| C | 11 kV Line | Rs. Lakh/ckt.km | 0.961 | Ckt.km | 6,868.28 | 66.00 |
| D | LT Line System | Rs. Lakh/ckt.km | 7.107 | Ckt.km | 7,292.75 | 518.30 |
| E | 66/11 kV Grid S/s | Rs. Lakh/MVA | 1.034 | MVA | 2986.5 | 51.12 |
| F | 33/11 kV Grid S/s | Rs. Lakh/MVA | 1.034 | MVA | 1957 | |

| Sr. No. | Particulars | Unit | 2019-20 | Capacity | Capacity as on 31/03/2020 | Amount |
|---|---|---|---|---|---|---|
| G | 11/0.415 kV DT | Rs. Lakh/MVA | 1.479 | MVA | 6102.30 | 90.25 |
| **H** | **Total** | | | | | **767.34** |

3.254 The Petitioner has requested the Commission to allow the normative O&M expenses of Rs. 767.34 Cr. during FY 2019-20 as submitted in the above table as per the *DERC (Business Plan) Regulations, 2017*.

**ADDITIONAL O&M EXPENSES**

**PETITIONER SUBMISSION**

3.255 The Petitioner is seeking Rs. 118.34 Cr additionally on account of O&M expenses for FY 2019-20 towards statutory levies/uncontrollable factors, change in law, minimum wages etc. as follows:

**Table 3. 68: Petitioner Submission - Summary of Additional O&M Expenses (Rs. Cr.)**

| Sr. No. | Nature | Amount |
|---|---|---|
| | *Additional O&M Expenses* | |
| A | Licensee fees | 0.08 |
| B | Property Tax | 1.98 |
| C | Land Licensee fees | 8.36 |
| D | Impact of GST | 11.11 |
| E | Impact of Minimum wages | 23.13 |
| F | Interim Relief towards- 7th Pay Commission- FRSR | 37.56 |
| G | Provisional impact of LSC/PSC- 7th Pay Commission- FRSR | 13.94 |
| H | Legal Expenses | 14.95 |
| I | Financing Charges | 1.66 |
| J | PRI Lines | 1.19 |
| K | SMS Charges | 1.12 |
| L | CETP Charges | 0.10 |
| M | Additional LC charges | 0.32 |
| N | Adoption of Tariff Petition in four SECI Petitions before the CERC | 1.00 |
| O | Insurance | 1.83 |
| | **Total** | **118.34** |

**LICENCE FEES**

**PETITIONER SUBMISSION**

3.256 The Petitioner has submitted as per clause 12.1, of the Distribution and Retail Supply License, the Petitioner is required to pay annually 0.05% of amount billed of previous year as license fees to the Commission. Since the same is linked to sales which is uncontrollable and is trued up, the license fee too needs to be trued up.

**Table 3. 69: License fee for FY 2019-20 (Rs. Cr.)**

| Sr. No. | Licensee fees Computation | Amount |
|---|---|---|
| A | Billed Sale for Previous Year - as per P&L accounts | 7,430.53 |
| B | License fee @ 0.05% based on billed sale of previous year | 3.72 |
| C | Allowed on Normative basis (considered growth + escalation) | 3.64 |
| D | Differential amount now sought | 0.08 |

3.257 The Petitioner has submitted the additional amount spent on this account of Rs. 0.08Cr. may be allowed as part of ARR for FY 2019-20.

**LAND LICENSEE FEES TOWARDS GRID**
**PETITIONER SUBMISSION**

3.258 The Petitioner has submitted that the license fee is applicable as per the rates decided by GoNCTD for using Land to construct new grids/ substations for the purpose of serving the need/growth of consumers. Every year the Petitioner has to pay licensee fee to GoNCTD for all its grids/sub-stations. During FY 2019-20, the Petitioner has incurred an amount of Rs.11.42 Cr. towards land licensee fee on yearly basis. This land license fee is payable based on area of grids/sub-stations multiply with the specified rates, thus, it is in the nature of statutory levies and uncontrollable in the hands of the Petitioner.

3.259 The license fee is applicable as per the rates decided by GoNCTD for using Land. During FY 2019-20, the Petitioner has booked an amount Rs. 11.42 Cr. Toward land licensee fee which is uncontrollable in the hands of the Petitioner, thus, needs to be trued up on actual basis.

3.260 Further, Proviso of Regulation 87 of the *Tariff Regulations, 2017*, clearly states that

> *"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."*

**Table 3. 70: Petitioner Submission - Land License Fee (Rs Cr.)**

| Sr. No. | Particulars | Amount |
|---|---|---|
| A | Amount as per Audited Financial Statement | 11.42 |
| B | Allowed on Normative basis (considered growth + escalation) | 3.06 |
| C | Balance amount to be realized | **8.36** |

3.261 The Petitioner has requested the Commission to allow differential amount of Rs. 8.36 Cr. towards Land licensee fee, as the same is uncontrollable and statutory in nature.

**INTERIM RELIEF FOR FRSR EMPLOYEES**

**PETITIONER SUBMISSION**

3.262 The Petitioner has submitted to have paid an interim payment of Rs. 37.56 Cr towards to FRSR employees (net of 10% capitalization) in order to comply with the recommendations of Wage Revision Committee for disbursement of Interim Relief w.e.f. 01/01/2016 and for payment of other allowance w.e.f. 01/07/2017, which has been approved by the Govt. of NCT of Delhi, Department of Power vide their Order No. F.11 (62)/2015/Power/Pt-I/2116 dated 26/07/2017. In addition to above, the petitioner has made a corresponding provision of Rs. 13.94 Cr. (net of 10% capitalization) for increase in FRSR employees towards their leave salary contribution and pension contribution.

3.263 Based on above submission, the Petitioner has sought provisional impact of 7$^{th}$ Pay Commission as follows:

**Table 3. 71: Provisional impact of 7$^{th}$ Pay Commission**

| Particulars | Amount Rs Cr. |
|---|---|
| Interim Relief towards- 7th Pay Commission- FRSR | 37.56 |
| Provisional impact of LSC/PSC- 7th Pay Commission- FRSR | 13.94 |
| Total | 51.50 |

**IMPACT OF GST**

**PETITIONER SUBMISSION**

3.264 The Petitioner has referred Regulation 87 of Tariff Regulations' 2017 for 3rd MYT Control Period provides that:

> *"Provided further that the water charges, statutory levy and taxes under O&M expense if indicated separately in the audited financial statement shall not form part of normative O&M expenses."*

3.265 In reference to above Regulation, the Petitioner submitted the Goods & Services Tax, that came into effect from 01/07/2017 by subsuming the Service Tax and Other

Acts, thus falls under the definition of Change in Law and any financial impact if any has to be allowed to DISCOM on actual basis.

3.266 Definition of Change in law as per Regulation 2(18) of the DERC Tariff Regulations, 2017 as under:

*(18) "Change In Law" means occurrence of any of the following events:*

*(a) Enactment, bringing into effect or promulgation of any new Indian law; or*

*(b) adoption, amendment, modification, repeal or re-enactment of any existing Indian law; or*

*(c) change in interpretation or application of any Indian law by a Competent Court, Tribunal or Indian Governmental Instrumentality which is the final authority under law for such interpretation or application; or*

*(d) change by any competent authority in any condition or covenant of any consent or clearances or approval or license available or obtained for the project; or*

*(e) coming into force or change in any bilateral or multilateral agreement/treaty between the Government of India and any other Sovereign Government/s or international convention or protocol having implication for the generating station or the transmission system regulated under these Regulations;*

3.267 The Petitioner has submitted that the GST is to be considered as a new enactment because it is altogether a different Law having its different rules, regulations and guidance. Due to this change in law, Rate of Indirect Tax for most of the services availed by Utilities has been increased to 18% from the earlier rate of 15%. Due to this increase in rate there has been an additional impact on the Landed cost of various services availed by DISOCMS to run its business efficiently & effectively, therefore, any financial impact of the same has to be considered by this Commission.

3.268 It is further clarified that GST is a Statutory Tax/levy, therefore, applicability of which cannot be avoided by any utility and hence the impact of which cannot be controlled by the Petitioner, thus, it is covered under the proviso of Regulation 87 which provides as under:

*"Provided further that the water charges, statutory levy and taxes under O&M expense if indicated separately in the audited financial statement shall not form part of normative O&M expenses."*

3.269 CERC has already recognized the enactment of GST Act as Change in Law and allowed Genco's/Transco's to claim additional financial impact of change in tax rate on normative O&M expenses from the Petitioner.

3.270 Based on above submission and considering its statutory nature, the Petitioner requested the Commission to consider the incremental impact of the GST for Rs.11.11 Cr. for FY 2019-20 on account of change in law event as computed below:

**Table 3. 72: Impact of GST**

| Nature of tax | Taxes |
|---|---|
| For Financial Year 2019-20 (A) | |
| GST/ ST Amount in Rs Cr – A (As per Audited Certificate to be provided during Prudence Check) | Rs 37.23 Cr. |
| For Financial Year 2016-17 (B) | |
| Service tax | Rs. 19.84 Cr. |
| Further , adjusted for the following impact | |
| (i) Impact of escalation for three years | 5.61% |
| (ii) Impact of network growth for three years | 11.77% |
| Normative amount of Taxes allowed – B | Rs. 26.12 Cr |
| Incremental Impact (A-B) | Rs. 11.11 Cr. |

**MINIMUM WAGES IMPACT**

**PETITIONER SUBMISSION**

3.271 The Petitioner has submitted that during the FY 2019-20, the Petitioner has incurred an amount of Rs 23.13 Cr. towards the impact of increase in the Minimum Wages as announced by the Delhi Government vide Delhi Gazette Notification No. 85 dated 03/03/2017. As the said Gazette Notification was issued only on 03/03/2017, thus, 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 and there has been an unprecedented increase of 37%% in the Minimum Wages as opposed to the ~5.61% escalation being allowed by the Commission resulting into practical difficulties to honour service contract by the Vendors. Comparative Chart showing Year on Year increase in Minimum Wages Rates since FY 2012-13 onwards is given below:

**Table 3.73: Comparative table showing annually increase in Minimum Wages**

| Category | Apr-12 | Apr-13 | Apr-14 | Apr-15 | Apr-16 |
|---|---|---|---|---|---|
| Unskilled | 7020 | 7722 | 8554 | 9048 | 9568 |

| Category | Apr-12 | Apr-13 | Apr-14 | Apr-15 | Apr-16 |
|---|---|---|---|---|---|
| Semi Skilled | 7748 | 8528 | 9438 | 10010 | 10582 |
| Skilled | 8528 | 9386 | 10374 | 10998 | 11622 |
| Non – Matriculates | 7748 | 8528 | 9,438 | 10,010 | 10,582 |
| Matriculates but Non Graduates | 8528 | 9386 | 10,374 | 10,998 | 11,622 |
| Graduates & Above | 9282 | 10218 | 11,310 | 11,986 | 12,662 |
| | | | | | |
| Un Skilled (%) increase | | 10% | 11% | 6% | 6% |
| Semi Skilled (%) increase | | 10% | 11% | 6% | 6% |
| Skilled (%) increase | | 10% | 11% | 6% | 6% |
| Non - Matriculates (%) increase | | 10% | 11% | 6% | 6% |
| Matriculates but Non Graduates (%) increase | | 10% | 11% | 6% | 6% |
| Graduates & Above (%) increase | | 10% | 11% | 6% | 6% |

**Table 3. 74: Unprecedented increase of 37% especially in March 2017 against the normal annual increase**

| Particulars | | Unskilled | | Semi Skilled | | Skilled | | Non - Matriculates | | Matriculates but Non Graduates | | Graduates & Above | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sr. No. | Dates of revision | Amount | % Increase | Amount | % Increase | Amount | % Increase | Amount | % Increase | Amount | % Increase | Amount | % Increase |
| 1 | 1st Apr'14 | 8,554 | | 9,438 | | 10,374 | | 9,438 | | 10,374 | | 11,310 | |
| 2 | 1st Oct'14 | 8,632 | 0.91 | 9,542 | 1.10 | 10,478 | 1.00 | 9,542 | 1.10 | 10,478 | 1.00 | 11,414 | 0.92 |
| 3 | 1st Apr'15 | 9,048 | | 10,010 | | 10,998 | | 10,010 | | 10,998 | | 11,986 | |
| 4 | 1st Oct'15 | 9,178 | 1.44 | 10,140 | 1.30 | 11,154 | 1.42 | 10,140 | 1.30 | 11,154 | 1.42 | 12,142 | 1.30 |
| 5 | 1st Apr'16 | 9,568 | | 10,582 | | 11,622 | | 10,582 | | 11,622 | | 12,662 | |
| 6 | 1st Oct'16 | 9,724 | 1.63 | 10,764 | 1.72 | 11,830 | 1.79 | 10,764 | 1.72 | 11,830 | 1.79 | 12,870 | 1.64 |
| 7 | 3rd Mar'17 | 13,350 | 37.29 | 14,698 | 36.55 | 16,182 | 36.79 | 14,698 | 36.55 | 16,182 | 36.79 | 17,604 | 36.7 |
| 8 | 1st Apr'17 | 13,584 | 1.75 | 14,958 | 1.77 | 16,468 | 1.77 | 14,958 | 1.77 | 16,468 | 1.77 | 17916 | 1.77 |

3.272 It is further clarified by the Petitioner that it is a statutory levy. Govt of NCT has increased the minimum wages by approx. 37% in addition to the normative increase allowed in usual course and thus, resulting into increase in O&M expenses for DISCOMS. Hence, the incremental impact has to be allowed additionally over and above the normative O&M Expenses being it is statutory in nature and cannot be controlled.

3.273 It is note worth to mention that proviso of Regulation 87 of Tariff Regulations, 2017 states that

> *"Provided further that the water charges, statutory levy and taxes under O&M expense if indicated separately in the audited financial statement shall not form part of normative O&M expenses."*

3.274 Based on above submissions, the Petitioner requested to consider and allow the impact of unprecedented increase in minimum wages of Rs. 23.13 Cr. on actual basis.

**FINANCING CHARGES**

**PETITIONER SUBMISSION**

3.275 The Petitioner has referred to Regulation 87 of Tariff Regulations, 2017 which specify that *"The Utilities shall be allowed Operation and Maintenance expenses on normative basis including expenses for raising the loan for funding of Working Capital and Regulatory Asset as specified by the Commission in the Business Plan Regulations for the respective Control Period:"*

3.276 The Petitioner submitted that financing charges towards raising of loans for funding of working capital and Regulatory assets are never formed part of base year normative expenses. Thus, the Petitioner has claimed the financing charges of Rs.1.66 Cr on actual basis.

**PROPERTY TAX**

**PETITIONER SUBMISSION**

3.277 The Petitioner has submitted that they have been subjected to and held liable for payment of property tax in respect of properties which were transferred to it as licensee through Delhi Electricity Reforms Act-Transfer Scheme Rules 2001, after a protracted legal battle.

3.278 The Petitioner has submitted the Commission in its Tariff Order dated 31/07/2019 had agreed on the submission made by the Petitioner to allow the Property tax, as this expense is not a part of base year expenses, therefore, to be allowed over and above the normative O&M expenses.

3.279 North MCD has issued assessment order of property tax for FY 2019-20 which was paid by the Petitioner. The amount of property tax paid is shown as under:

**Table 3. 75: Petitioner Submission - Property Tax for FY 2019-20 (Rs Cr)**

| Financial Year | Amount |
|---|---|
| For FY 2019-20 | 1.98 |
| Total Property Tax paid | 1.98 |

3.280 The Petitioner has requested the Commission to allow an amount of Rs 1.98 Cr. towards property tax based on actuals as the same is not a part of normative O&M Expenses.

**SMS CHARGES**

**PETITIONER SUBMISSION**

3.281 The Petitioner has submitted that the Commission vide its letter dated 13/01/2016 had issued directive to send the SMS to consumer on various occasions. In order to comply the said directive, the Petitioner has incurred an amount of Rs 1.32 Cr toward SMS charges in FY 2019-20. The said expenses are incurred on the direction of the Commission therefore it is requested to allow the same as a part of other expenses.

3.282 As these expenses are not factored while computing the normative O&M expenses for FY 2019-20, hence the Petitioner is requesting to the Commission to allow Rs.1.12 Cr (without GST) over and above the normative O&M Expenses.

**PRI LINES**

**PETITIONER SUBMISSION**

3.283 The Commission vide its letter dated 07/04/2017 has directed to enhance PRI Lines and clearly specified that any additional expense if done it shall be allowed additionally over and above the normative O&M expenses. During the FY 2019-20, the Petitioner has incurred an amount of Rs. 1.41 Cr. (including GST) towards PRI Lines. Therefore, it is requested to the Commission to allow Rs 1.19 Cr. additionally (without GST) over and above normative O&M Expenses.

**LEGAL EXPENSES**

**PETITIONER SUBMISSION**

3.284 The Petitioner has submitted that while fixing the normative O&M expenses, the Commission has not considered Legal Expense of the DISCOMs. Further in SOR, the Commission has specified that it shall allow the legal expense on actual basis after making a prudence check on legal expenses.

3.285 During the FY 2019-20, the Petitioner has incurred an amount of Rs. 14.95 Cr. (net of BD Expenses) under the head Legal and Professional Expenses. Given below is the sub- head wise bifurcation of aforesaid Legal and Professional Expenses as under:

**Table 3. 76: Petitioner Submission - Legal Expenses for FY 2019-20(Rs Cr)**

| Sr. No. | Particulars | Amount |
|---|---|---|
| A | Auditor Expenses | 0.77 |
| B | Other Misc. Legal Exp. | 0.01 |
| C | Consultancy Services -Domestic | (0.08) |
| D | Professional Charges | 2.73 |
| E | Advocate Fee | 11.46 |
| F | Litigation Expenses - Compensation charges | 0.06 |
| G | Foreign Consultancy expenses | (0.00) |
| | **Total** | **14.95** |

3.286 The Petitioner requested the Commission to allow Rs 14.95 Cr. towards Legal and Professional Fees.

**COMMON EFFLUENT TREATMENT CHARGES (CETP Charges)**

**PETITIONER SUBMISSION**

3.287 The Petitioner has submitted that DSIDC has raised demand of Rs. 7.86 Cr towards non-payment of Maintenance charges and CETP (Common effluent treatment charges) against 5 premises occupied by the Petitioner under DSIDC jurisdiction. Out of 5 plots, 2 are vacant plots held since DVB period having no operations at all, 2 are grid substations which are unmanned and dedicatedly cater to the entire industrial area while 1 grid cum zonal office is situated from which only domestic sewage is being discharged and no industrial effluent is generated. The Petitioner has challenged the said impugned demand raised by DSIDC & filed writ petition before the Hon'ble High Court WP (C) 2157 of 2019. The court was pleased to grant stay against the total demand raised by DSIDC. For FY 2019-20 payment of Rs 0.10 Cr has been made by the Petitioner in regard.

3.288 Therefore, the Petitioner requested the Commission to take cognizance of the facts as above, and in case later on it is found/ decided that these demands are payable, the commission is requested to allow in ARR as additional expense along with any interest or penalty if payable and for FY 2019-20 it is requested to the Commission to allow Rs 0.10 Cr towards CETP Charges. It is clarified that CETP charges are in the nature of statutory charges which are not forming part of base year normative expenses, hence need to be allowed on actual basis over and above normative O&M Expenses.

**FILING FEE TOWARDS ADOPTION OF 4 SECI TARIFF PETITIONS FILED BY TPDDL WITH CERC**

**PETITIONER SUBMISSION**

3.289 The Petitioner has submitted that petition (P. No. 19 of 2019,) has been filed by the Petitioner before the Commission on 23.07.2018 for approval of PSA dated 17.07.2018 (for 50 MW wind power) with SECI and seeking adoption of tariff and trading margin for Tranche-IV for 50 MW vide Petition No. 19 of 2019.

3.290 The Commission vide order dated 18.02.2019 approved the PSA dated 17.07.2018 between SECI and Tata Power-DDL. However, the prayer to adopt the tariff of Rs. 2.52/kWh under Section 63 of the Electricity Act, 2003, was not granted by the Commission on the pretext that the same was being beyond its jurisdiction.

3.291 Based on the above decision, the Petitioner on 03.05.2019 filed petition (P. No. 162/AT/2019) in Hon'ble CERC for adoption of tariff i.e. a fixed levelized tariff i.e. Rs. 2.59/ kWh (including trading margin of Rs. 0.07/kWh) in terms of Section 63 of the Electricity Act, 2003 and paid filing fees of Rs 25 lakhs per petition as per the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012.

3.292 Similarly, Petition no 24 of 2019, 38 of 2018 and 25 of 2019 was also filed by the Petitioner before the Commission and similar finding were given. Based on this decision the Petitioner filed P. No. 160/AT/2019, 161/AT/2019 and 187/AT/2019 in Hon'le CERC for adoption of Tariff.

3.293 The Petitioner requested to the Commission to allow Rs 1.00 Cr towards filing for Adoption of 4 SECI Tariff Petitions with the Hon'ble CERC.

**ADDITIONAL INCREASE IN LC CHARGES DUE TO CERC/DERC GUIDELINES**

**PETITIONER SUBMISSION**

3.294 The Petitioner has referred that in order to comply with DERC own direction and as per the Circular of Ministry of Power of GoI dated 28th June, 2019, (i.e. NLDC and RLDC were directed to follow in accordance with Section 28 (3) (a), that they shall despatch power only after it is intimated by the Generating Company and/Distribution Companies that adequate Letter of Credit (LC), as Payment Security Mechanism, for the desired quantum of power has been opened and copies made available to the concerned Generating Company) the Petitioner had to opened new LCs resulted into additional expenses of Rs 0.32 Cr.

3.295 The Petitioner requested the Commission to allow Rs 0.32 Cr. towards additional increase in LC charges for FY 2019-20.

**ADDITIONAL CLAIM TOWARDS INSURANCE PREMIUM**

**PETITIONER SUBMISSION**

3.296 The Petitioner has submitted that during the FY 2019-20, the Petitioner has incurred Insurance premium of Rs 6.31 Crores which is higher by 23% over the previous year. The reason for significant increase in Insurance premium was on account of the huge under-writing losses suffered by the Insurance industry which were further aggravated by a series of natural disasters like Kashmir Floods (2014), Chennai Floods (2015), Mumbai & Gujarat Floods (2017), Kerala Floods (2018 & 2019), Odisha Floods (2019), Bihar Floods (2019), Karnataka Floods (2019).

3.297 The Petitioner further stated that with effect from 1st January 2020 GIC Re has upward revised the minimum rates for Fire Lightening Explosion (FLEXA) risk, Machinery Break Down (MBD) risk for Industrial All Risk (IAR) policy meaning thereby that two companies with similar business would pay the same premium rate irrespective of their individual claims experience and best industry practices followed by them. Thus, introduction of minimum FLEXA and MBD rates resulted into extra premium for the Petitioner.

3.298 Insurance companies rely on GIC Re for reinsurance support before accepting the risk. GIC Re increased the rates for this policy too like they have for all other occupancies.

3.299 The factors responsible for increase in premium cost were necessitated by the increasing under-writing losses of insurance companies and these changes were compulsorily adopted by all insurers. This increase in premium rates was beyond the Petitioner's control in spite of following the best industry practices.

3.300 The Petitioner requested the Commission to allow the increase or Rs 1.83 Crores in Insurance Claim over and above the normative level of O&M expenses.

**COMMISSION ANALYSIS**

3.301 The Commission in its Tariff Order dated 31/07/2019 allowed O&M Expense of Rs 672 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.767.34 Cr.

3.302 The Commission has provisionally allowed the capitalisation up to FY 2019-20 as discussed in para earlier.

3.303 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. 762.46 Cr subject to finalization of Capitalisation.

3.304 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. 819.09 Cr.
b. The Commission has not considered expenses on account of BD allowance and BD write off booked under A&G Expense by the petitioner amounting to Rs.16.18 Cr (12.18+4.00).
c. The Commission has further not considered the adjustment on account of provision for LSPC and adjustment on O&M on account of generation business amounting to Rs 18.73 Cr. ((13.91) + (4.82)).
d. The net O&M Expense actually incurred by the Petitioner comes to Rs. 784.17 Cr. after deducting such provisions.

3.305 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.

3.306 Accordingly, the Commission has considered the O&M expenses on actual basis based on the Annual Audited Accounts for FY 2019-20 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. 77: 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) | 510.86 |
| ii. | A&G Expenses | 111.26 |
| iii. | R&M Expenses | 180.79 |
| | **Sub total** | **802.91** |
| B | Adj. on account of Provision for LSPC | (13.91) |
| C | Adj. on account of Provision for LSPC towards capitalisation | - |
| D | Adjustment on O&M on account of generation business | (4.82) |
| **E** | **Actual O&M expenses - Distribution business** | **784.17** |

## CAPITAL EXPENDITURE AND CAPITALISATION

## PETITIONER SUBMISSION

3.307 The Petitioner has submitted that for the purpose of Tariff fixation for FY 2019-20 the Commission in its Tariff Order July, 2019 has approved capitalization of Rs. 480 Cr. (including Rs 50 Cr. for Deposit work) against which the Petitioner has done actual capitalization of 567.64 Cr.

**Table 3. 78: Petitioner Submission - Approved Capitalization versus Actual Capitalization for FY 2019-20**

<table>
<tr><th>Particulars</th><th>Approved</th><th>Sought for Trued up</th><th>Remark/ Ref.</th></tr>
<tr><td>Capitalization</td><td rowspan="2">480</td><td rowspan="2">567.64</td><td rowspan="2">Refer Note no 4.4 of the Audited Financial Statement attached as Volume II of the Petition</td></tr>
<tr><td>Smart Meter</td></tr>
<tr><td>Capitalization with Deposit work</td><td>480</td><td>567.64</td><td></td></tr>
</table>

3.308 The Petitioner has submitted that the Commission in its previous Tariff Order Aug 2020, had provisionally trued up an amount of Rs. 5414.80 Cr. towards the closing value of gross fixed assets at the end of FY.2018-19

3.309 For the purpose of truing up of capitalization for FY 2019-20, the Commission has started exercise for physical verification of assets. It is expected that Final report for the said activities would be released soon. Hence, for the purpose of truing up submissions, Petitioner considers capitalization based on audited financial statements.

3.310 Based on above submissions, the Petitioner has submitted the value of Gross Fixed Assets for FY 2019-20 as follows:

**Table 3. 79: Petitioner Submission - Detail of Actual Capitalization (Rs. Cr.)**

| Sr. No. | Particulars | Amount |
|---|---|---|
| A | Revised Provisional opening balance of Gross Fixed Assets (net of Retirement) | 5414.80 |
| B | Add- Capitalization during the year | 567.64 |
| C | Less- Retirement/ De-capitalization for the year | 62.52 |
| D | Closing balance of Gross Fixed Assets (net of Retirement) | 5,919.92 |
| E | Average Balance of Gross fixed Assets | 5,667.36 |

## COMMISSION ANALYSIS

3.311 Regulation 24 of *DERC (Business Plan) Regulations, 2017* determines the tentative Capital Investment Plan for the Petitioner as follows:

**Table 3. 80: Commission Approved - Projected Capitalization Cost for FY 2019-20 (Rs. Cr.)**

| Capitalisation Targets - 31/07/19 TO (table 4.42) | FY 2019-20 | As proposed |
|---|---|---|
| Capitalisation | 414.00 | 567.40 |
| Smart Meter | 66.00 | |
| Less: Deposit Work | 50.00 | 32.43 |
| Assets Decapitalised | | 62.52 |
| Total | 430.00 | 472.45 |

3.312 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. 5492.51 Cr. for FY 2019-20.

3.313 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. 1.55 Cr. The Commission has accordingly allowed the Capitalisation for FY 2019-20 on a provisional basis as follows:

**Table 3. 81: Commission Approved - Provisional Capitalisation for FY 2019-20 (Rs. Cr.)**

| Capitalisation - Engg. Inputs | *Rs. Cr.* |
|---|---|
| Capitalisation as per audited statements | 567.4 |
| ***Disallowances:*** | |
| Provision made and capitalised for 7th Pay Commission | 1.55 |
| **Net capitalisation** | **566.09** |

**Table 3. 82: Provisionally Approved Capitalization upto FY 2019-20 (Rs. Cr.)**

| Particulars | Petitioner submission | Approved |
|---|---|---|
| Provisional Trued up opening balance of Gross Fixed Assets | 5,414.80 | 5,492.51 |
| Add- Capitalization during the year | 567.64 | 566.09 |
| Less- Retirement/ De-capitalization for the year | 62.52 | 62.52 |
| Closing balance of Gross Fixed Assets | 5,919.92 | 5996.08 |
| Average Gross Fixed Assets | 5,667.36 | 5,744.29 |

## LOSS ON SALE OF RETIREMENT OF ASSETS/ DE-CAPITALIZATION OF ASSETS

3.314 Regulation 45 to 47 of the Tariff Regulations, 2017 deals with the methodology of allowance of Loss or gain due to De-capitalization/Retirement of Fixed Assets.

3.315 The Petitioner has submitted that as the capitalization is not trued up from FY 2005-06 onwards, hence, exact computation of loss for retirement of assets is not possible. Therefore, the Petitioner requested to allow loss towards retired assets for an amount of Rs 19.09 Cr. on provisional basis for FY 2019-20 based on the audited financial statement.

3.316 Out of total amount of Rs 19.09 Cr, Rs. 14.26 Cr pertains to Smart meter implementation plan. It is worth to mention that as per the meeting held with the Commission on 6th August, 2018, the Commission itself clarified that any loss or gain on account of decapitalisation of old meters removed due to installation of smart meters shall be adjusted in the ARR of the distribution licensee as per provision of

Regulation 45 of DERC (Terms and Conditions for determination of Tariff) Regulations 2017.

3.317 The Petitioner requested the Commission to allow the loss on retirement due to implementation of smart meters and not clubbed it with pending physical verification of assets.

**COMMISSION ANALYSIS**

3.318 Regulation 45 to 47 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* stipulates as under:

> *"45. Loss or Gain due to de-capitalization 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.*
> *46. Loss or Gain due to de-capitalization of asset proposed by the Utility itself for the reasons not covered under Regulation 45 of these Regulations shall be to the account of the Utility.*
> *47. Loss or Gain due to de-capitalization of asset after the completion of useful life of asset shall be to the account of the Utility."*

3.319 The Commission shall consider the loss on sale of retirement of assets under Regulations 45, 46 and 47 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017*, if any, along with the finalization of the capitalisation.

**CONSUMER CONTRIBUTION/GRANT**

**PETITIONER SUBMISSION**

3.320 The Petitioner referred the Regulation 66 of the Tariff Regulations, 2017 which stipulated that for the purpose of computation of Regulated Rate Base, consumer contribution corresponding to the amount of assets capitalized shall be deducted.

3.321 In Tariff Order FY 2020-21, the Commission had provisionally trued up an amount of Rs. 868.51 Cr. towards consumer contribution & capital grant at the end of FY 2019-20. During the FY 2019-20, the Petitioner has capitalized an amount of Rs 32.43 Cr. towards capitalization of Deposit work schemes.

**Table 3.83: Petitioner Submission - Consumer Contribution/grants (Rs. Cr.)**

| Sr. No. | Particulars | Amount |
|---|---|---|
| A | Opening Balance | 868.51 |
| B | Capitalized during the year | 32.43 |

| Sr. No. | Particulars | Amount |
|---|---|---|
| C | Closing Balance | 900.94 |
| D | Average Cumulative Capitalized Consumer Contribution | 884.73 |

**COMMISSION ANALYSIS**

3.322 The Commission has considered the closing balance of Consumer Contribution and Grants approved for FY 2018-19 in the Tariff Order dated 28/08/2020 as opening balance of Consumer Contribution and Grants for FY 2019-20. The Commission verified the additions towards Consumer Contribution and Grants during the year from the audited financials of the Petitioner.

3.323 Accordingly, the addition to the Consumer Contribution/Grants for the year have been considered as follows:

**Table 3. 84: Commission Approved - Consumer Contribution/Grants (Rs. Cr.)**

| Sr. No. | Particulars | Petitioner submission | Approved | Remark/ Ref. |
|---|---|---|---|---|
| A. | Opening Balance | 868.51 | 868.51 | |
| B. | Capitalized during the year | 32.43 | 32.43 | |
| C. | Closing Balance | 900.94 | 900.94 | (A+B) |
| D. | Average Cumulative Capitalized Consumer Contribution | 884.725 | 884.73 | (A+C)/2 |

**DEPRECIATION**

**PETITIONER SUBMISSION**

3.324 The Petitioner has computed depreciation on average of net fixed assets (i.e. Average of Gross Fixed Assets for the year – Average of Consumer Contribution/capital subsidy/grant for the year.)

3.325 The computation of assets class wise depreciation without finalization of pending capitalization due to physical verification, has been submitted by the petitioner by using average depreciation rate based on audited financial statement and then applied the rate on average net fixed assets to compute the depreciation for the year.

**Table 3. 85: Petitioner Submission - Average rate of Depreciation on Gross Fixed Assets**

| Sr. No. | Particulars | Amount (Rs Lacs) |
|---|---|---|
| A | Average of Fixed Assets | 6,42,755.45 |

| Sr. No. | Particulars | Amount (Rs Lacs) |
|---|---|---|
| B | Depreciation | 32,369.00 |
| C | Rate of Depreciation | 5.04% |

3.326 Considering the above average depreciation rate, allowable depreciation on Average Assets (net of consumer contribution/grants) is computed as follows:

**Table 3. 86: Petitioner Submission - Depreciation (Rs. Cr)**

| Sr. No. | Particulars | Approved | Petitioner Submission |
|---|---|---|---|
| A | Average of Fixed Assets (net of Consumer Contribution) | 4,781.00 | 4,782.63 |
| B | Depreciation | 4.98% | 5.04% |
| C | Rate of Depreciation | 238.09 | 240.85 |

3.327 The Petitioner has submitted that in Tariff Order FY 2020-21, the Commission had provisionally trued up an amount of Rs. 1,826.04 Cr. towards accumulated depreciation at the end of FY 2019-20.

**Table 3. 87: Petitioner Submission - Accumulated Balance of Depreciation on Net Fixed Assets (Rs. Cr)**

| Sr. No. | Particulars | Approved | Petitioner Submission |
|---|---|---|---|
| A | Opening Depreciation | 1,828.00 | 1,826.04 |
| B | Addition during the year | 238.09 | 240.85 |
| C | Less- Depreciation towards Retirement | | 34.14 |
| D | Closing value of Accumulated Depreciation | 2,066.09 | 2,032.75 |

## COMMISSION ANALYSIS

3.328 Regulations 78 to 83 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates the provisions of Depreciation for the FY 2019-20 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."*

3.329 The Commission continues to apply the rate of depreciation for FY 2019-20 on provisional basis as per the audited financial statements of the Petitioner at the rate of 5.04%. Accordingly, depreciation on the assets capitalised provisionally is as computed below:

**Table 3. 88: Commission Approved - Depreciation for FY 2019-20 (Rs. Cr.)**

| Sr. No. | Particulars | Petitioner Submission | As Approved | Ref. |
|---|---|---|---|---|
| A | Average of Fixed Assets (net of Consumer Contribution) | 4,782.63 | 4859.57 | Table 3.82 & 3.83 |
| B | Depreciation rate | 5.04% | 5.04% | |
| C | Depreciation | 240.85 | 244.92 | (A*B) |

3.330 Accordingly, the accumulated depreciation for FY 2019-20 is as follows:

**Table 3. 89: Commission Approved - Accumulated Depreciation (Rs. Cr.)**

| Sr. No. | Particulars | Petitioner Submission | As Approved | Ref. |
|---|---|---|---|---|
| A | Opening Depreciation (Net of De Cap) | 1,026.04 | 1831.53 | Table 3.62 TO 28/08/2020 and impact of in-house physical verification |
| B | Addition during the year | 240.85 | 244.92 | Table 3.88 |

| Sr. No. | Particulars | Petitioner Submission | As Approved | Ref. |
|---|---|---|---|---|
| C | Less- Depreciation towards Retirement | 34.14 | 34.14 | |
| D | Closing value of Accumulated Depreciation | 2,032.75 | 2,042.31 | A+B-C |

## WORKING CAPITAL

### PETITIONER SUBMISSION

3.331 In view of Regulation 84 (4) of Tariff Regulations, 2017 the Petitioner has submitted working capital for FY 2019-20 as follows:

**Table 3. 90: Petitioner Submission - Working Capital for FY 2019-20**

| Sr. No. | Particulars | Amount (Rs Cr) |
|---|---|---|
| A | Annual Revenue | 8,210.51 |
| B | Receivables equivalent to 2 months average billing | 1,368.42 |
| C | Power Purchase expenses | 6,299.25 |
| D | Add: 1/12th of power purchase expenses | 524.94 |
| E | Total working capital | 843.48 |

3.332 The Petitioner has considered value of working capital as provisionally trued up of Rs. 664.07 Cr. In the Tariff Order FY 2020-21 and computed the addition in working capital as follows:

**Table 3. 91:Petitioner Submission - Computation of Change in Working Capital (Rs. Cr.)**

| Sr. No. | Particulars | Amount |
|---|---|---|
| A | Total working capital for the year | 843.48 |
| B | Less- Opening Working Capital | 664.07 |
| C | Working Capital for the year | 179.41 |

### COMMISSION ANALYSIS

3.333 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"*

3.334 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. 92: Commission Approved - Working Capital for FY 2019-20 (Rs. Cr.)**

| Sr. No. | Particulars | Petitioner submission | Approved | Ref. |
|---|---|---|---|---|
| A | ARR | 8,210.51 | 7,452.29 | Table 3.124 |
| B | Receivables equivalent to 2 months ARR | 1,368.42 | 1,242.05 | (A/12*2) |
| C | Power Purchase expenses including transmission charges | 6,299.25 | 6,141.78 | Table 3.124 |
| D | Less: 1/12th of power purchase expenses | 524.94 | 511.81 | (C/12*1) |
| E | Total working capital | 843.48 | 730.23 | (B-D) |
| F | Opening Working Capital | 664.07 | 664.07 | Table No. 3.65 of TO 28/08/2020 |
| G | Change in Working Capital | 179.41 | 66.16 | |

**REGULATED RATE BASE**

**PETITIONER SUBMISSION**

3.335 Based on the actual capitalization and corresponding deprecation, consumer contribution and working capital requirement for FY 2019-20, the computation of Regulated Rate Base as submitted by the Petitioner is as under:

**Table 3. 93: Petitioner Submission - Regulated Rate Base for FY 2019-20 (Rs. Cr.)**

| Sr. No. | Particulars | Amount |
|---|---|---|
| A | Opening GFA | 5,414.80 |
| B | Opening Accumulated Depreciation | 1,826.04 |
| C | Opening Consumer Contribution | 868.51 |
| D | Opening Working Capital | 664.07 |
| E | Opening RRB | 3,384.32 |
| F | Investment during the year | 312.40 |
| G | Net Capitalisation | 505.12 |

| Sr. No. | Particulars | Amount |
|---|---|---|
| H | Depreciation | 206.71 |
| I | Consumer Contribution | 32.43 |
| J | Change in Working Capital | 179.41 |
| K | Regulated Rate Base – Closing | 3,829.17 |
| L | RRB(i) | 3,696.72 |

**COMMISSION ANALYSIS**

3.336 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:*

$$RRBi = RRB\ i\text{-}1 + \Delta ABi/2 + \Delta WCi;$$

*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 ithyear 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:*

*$\Delta ABi$ = 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. $RRB_O$;*

*$RRB_O = OCFA_O – AD_O – CC_O + WC_O$;*

*Where;*

*$OCFA_O$: Original Cost of Fixed Assets at the end of the Base Year;*

*$AD_O$: 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;*

*$CC_O$: 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;*

*$WC_O$: working capital requirement in the (i-1)thyear 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 for the calculation of WACC;*

***Rd** is the Cost of Debt;*

***Re** is the Return on Equity."*

3.337 Accordingly, the Commission approves the RRB for FY 2019-20 as follows:

**Table 3. 94: Commission Approved - RRB for FY 2019-20 (Rs. Cr.)**

| Sr. No. | Particulars | Petitioner submission | As Approved by the Commission | Reference |
|---|---|---|---|---|
| A | Opening Original Cost of Fixed Assets ($OCFA_o$) | 5,414.80 | 5,492.51 | Table 3.82 |
| B | Opening Accumulated depreciation (ADo) | 1,826.04 | 1,831.53 | Table 3.89 |
| C | Opening consumer contributions received (CCo) | 868.51 | 868.51 | Table 3.89 |
| D | Opening Working capital (WCo) | 664.07 | 664.07 | Table 3.92 |
| E | Opening RRB (RRBo) | 3,384.32 | 3,456.54 | (A-B-C+D) |
| F | Investment capitalised during the year (INVi) | 567.64 | 566.09 | Table 3.82 |
| G | Depreciation during the year (Di) | 240.85 | 244.92 | Table 3.88 |
| H | Depreciation on decapitalised assets during the year | 34.14 | 34.14 | Table 3.89 |
| I | Consumer contribution during the year (CCi) | 32.43 | 32.43 | Table 3.84 |
| J | Fixed assets retired/decapitalised during the year (Reti) | 62.52 | 62.52 | Table 3.82 |
| K | Change in capital investment (ΔABi) | 265.98 | 260.36 | (F-G+H-I-J) |
| L | Change in working capital during the year (ΔWCi) | 179.41 | 66.16 | Table 3.92 |

| Sr. No. | Particulars | Petitioner submission | As Approved by the Commission | Reference |
|---|---|---|---|---|
| M | RRB Closing | 3,829.17 | 3,783.06 | E+K+L |
| N | RRBi | 3,696.72 | 3,652.88 | E+K/2+L |

**DEBT & EQUITY, INTEREST ON LOAN, WACC**

**MEANS OF FINANCE**

**PETITIONER SUBMISSION**

3.338 The Petitioner has considered 70:30 Debt Equity ratio for the purpose of computation of Means of Finance for FY 2019-20.

**Table 3. 95: Petitioner Submission - Means of Finance (Rs. Cr)**

| Sr. No. | Particulars | Amount |
|---|---|---|
| A | Capitalization during the year | 567.64 |
| B | Less- Retirement | 62.52 |
| C | Net Capitalization | 505.12 |
| D | Less- Consumer Contribution, Grants, etc. for the year | 32.43 |
| E | Balance Capitalization required to be funding | 472.69 |
| F | Funding through – Debt @ 70% of E | 330.88 |
| G | Funding through – Equity @ 30% of E | 141.81 |

3.339 The Petitioner has submitted that based on 70:30 Debt Equity Ratio, approved Equity deployed in the Business is as follows:

**Table 3. 96: Petitioner Submission - Approved Equity as per Previous Tariff Orders (Rs. Cr.)**

| Particular | Opening Equity | Addition | Addition during the year - Working Capital | Closing Equity | Average Equity |
|---|---|---|---|---|---|
| FY 2007-08 | 610.15 | (51.69) | 59.69 | 618.15 | |
| FY 2008-09 | 618.15 | 70.57 | 5.83 | 694.55 | |
| FY 2009-10 | 694.55 | 36.86 | (1.79) | 729.62 | |
| FY 2010-11 | 729.62 | 95.92 | (1.50) | 824.04 | |
| FY 2011-12 | 824.04 | 56.94 | 7.25 | 888.23 | |
| FY 2012-13 | 888.23 | 33.40 | (70.37) | 851.26 | |
| FY 2013-14 | 851.26 | 24.79 | | 876.05 | |
| FY 2014-15 | 876.05 | 63.57 | | 939.62 | |
| FY 2015-16 | 939.62 | 65.01 | | 1,004.63 | |
| FY 2016-17 | 1,004.63 | 88.34 | | 1,092.97 | |
| FY 2017-18 | 1,092.97 | 107.37 | | 1,200.34 | 1,146.66 |
| FY 2018-19 | 1,200.34 | 132.09 | | 1332.43 | 1266.39 |
| FY 2019-20 | 1332.43 | 141.81 | | 1474.24 | 1,403.33 |

3.340 The Petitioner has submitted the cost of debt on actual basis for the purpose of truing up as follows:

**Table 3. 97: Cost of Debt**

| Sr. No. | Particulars | Cost of Debt% |
|---|---|---|
| 1 | Cost of Debt for capex loan | 8.63% |
| 2 | Cost of Debt for working capital | 8.11% |

3.341 The Petitioner has submitted that the Expert Advisory Committee (EAC) of ICAI has issued its Opinion on the "Treatment of deferred Asset for Deferred tax Liability" for the purpose of disclosure of the same in Audited Financial Statement. As per the opinion of the Committee, the Deferred asset shown as recoverable from future tariff is in the nature of regulatory asset as per Ind AS 114.

3.342 Further, as the Deferred tax liability is arisen on account of difference in depreciation as allowed by DERC/ Companies Act versus depreciation allowed under Income Tax. The benefit on account of higher depreciation in income tax resulted into tax benefit for consumers, therefore, the additional liability of income tax due to computation of deferred tax on depreciation will have to be compensated to the Petitioner (i.e. equivalent to the additional Income Tax paid by the Petitioner on such Deferred Tax recoverable amount, as per example explained below).

3.343 Impact of the same on Current Tax payout can be explained through the following table:

**Table 3. 98: Petitioner Submission - Impact of Deferred Tax**

| State | Existing (Before EAC opinion) | Revised (After EAC opinion) | Impact |
|---|---|---|---|
| Revenue | 1000 | 1000 | |
| Less Expenses | 800 | 800 | |
| Profit/(Loss) before movement in regulatory deferral account balance | 200 | 200 | |
| Add: Movement in Regulatory deferral (Note 2 to be read with Note 1) | 50 | 60 | Increase in RA by Rs 10 as per EAC opinion |
| **Profit Before Tax (Note 3)** | **250** | **260** | |
| Tax on Above | | | |
| **Current Tax @ 10% of PAT (Note 3)** | **25** | **26** | **Impact increase in tax payout by Rs 1 (due to EAC opinion)** |
| Deferred Tax (Note 1) | 10 | 10 | |
| Less- Deferred Tax recoverable (Note 1) | -10 | - | *Added in Regulatory deferral |

| State | Existing (Before EAC opinion) | Revised (After EAC opinion) | Impact |
|---|---|---|---|
| Profit after Tax (note no 4) | 225 | 224 | Reduction in profit by Rs 1 |

3.344 Based on the above submission, the Petitioner has computed additional tax liability of Rs. 20.73 Cr. and requested to the Commission to allow the same as a part of ARR for FY 2019-20.

**Table 3. 99: Petitioner Submission - Additional Tax Liability (Rs. Cr.)**

| Particulars | Amount |
|---|---|
| Amount of Deferred Tax - A | 123.19 |
| Tax payable @ - B | 16.83% |
| Additional Tax liability = A*B | 20.73 |

3.345 For the purpose of computation of WACC, the Petitioner has considered Grossed up Return on Equity and Actual weighted average rate of Interest for CAPEX loans. Computation of WACC for FY 2019-20 as below:

**Table 3. 100: Petitioner Submission - Computation of WACC (Rs. Cr)**

| Sr. No. | Particulars | Amount |
|---|---|---|
| A | RRB (i) | 3,696.72 |
| B | Average Equity deployed in the business | 1,403.33 |
| C | Average Debt -Capex Loan | 1,449.91 |
| D | Average Debt - working capital | 843.48 |
| E | Rate of return on equity (re) | 16.00% |
| F | Normal Income Tax Rate | 16.83% |
| G | Grossed up Return on Equity | 19.24% |
| H | Rate of interest on debt (rd) | 8.44% |
| I | WACC | 12.54% |
| J | RoCE | 463.50 |
| K | Additional tax liability due to Deferred tax | 20.73 |

**COMMISSION ANALYSIS**

3.346 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."*

3.347 During the prudence check, the rate of interest on CAPEX loan and working capital loan have been verified at 8.63% and 8.11% respectively for FY 2019-20.

3.348 Accordingly, the WACC, ROCE as approved by the Commission for the Petitioner is as follows:

**Table 3. 101: Commission Approved - WACC & ROCE for FY 2019-20 (Rs. Cr.)**

| Sr. No. | Particulars | Petitioner submission | As Approved by the Commission | Reference |
|---|---|---|---|---|
| A | RRBi | 3,696.72 | 3652.88 | Table 3.94 |
| B | Opening Equity for Capitalisation (limited to 30%) | | 837.74 | Tariff Order 28/08/2020 |
| C | Closing Equity limiting to 30% of net capitalisation | | 915.85 | |
| D | Average Equity for Capitalisation (limited to 30%) | 1403.33 | 876.79 | |
| E | Opening Debt at 70% of net capitalisation | | 1954.73 | |
| F | Closing Debt at 70% of net capitalisation | | 2136.98 | |
| G | Avg Debt at 70% of net capitalisation | 1,449.91 | 2045.85 | (E+F)/2 |
| H | Debt at 100% of working capital | 843.48 | 730.23 | A-D-G |
| I | Debt- balancing figure | | 2776.09 | A-D |
| J | Rate of return on equity (re) | 16.00% | 16.00% | |
| K | Rate of debt (rd) on capitalisation | | 8.63% | |
| L | Rate of debt (rd) on working Capital | | 8.11% | |
| M | Rate of interest on debt(rd) Blended | | 8.49% | |
| N | WACC | 12.54% | 10.30% | |
| **O** | **RoCE** | **463.57** | **376.07** | **A*N** |

3.349 The Petitioner has considered the impact of Income Tax in ROCE, however, the Commission approves Income Tax, in line with Regulations tabulated as follows:

**Table 3. 102: Commission Approved: Income Tax for FY 2019-20**

| Sr. No. | Income Tax | Approved | Ref. |
|---|---|---|---|
| A | Average Equity for Capitalisation (limited to 30%) (Rs. Cr.) | 876.79 | Table 3.80 |
| B | Rate of return (re) (%) | 16% | As per Regulation |
| C | Return on equity (Rs. Cr.) | 140.29 | A*B |
| D | Income Tax Rate (%) | 16.83% | Effective Tax rate |
| E | Return on equity including income tax (Rs. Cr.) | 168.68 | |
| F | Tax (Rs. Cr.) | 28.39 | D*E |
| G | Actual Tax Paid (Rs. Cr.) | 108.731 | Note 42 of the Audited Accounts for FY 2019-20 |
| H | Tax allowed (Rs. Cr.) | 28.39 | Min (F,G) |

**INCENTIVE FOR REFINANCING OF LOAN WITH RESPECT TO REDUCTION IN CAPEX LOANS AND REVENUE GAP LOANS**

**PETITIONER SUBMISSION**

3.350 During the FY 2019-20, the Petitioner was able to bring down the cost of financing, hence, as per the Business Plan Regulations, 2017, the Petitioner is eligible for sharing of Incentive.

**Table 3. 103: Petitioner Submission - Approved and actual cost of debt for FY 2019-20**

| Sr. No. | Particular | Approved |
|---|---|---|
| A | Cost of Debt- Capex Loan/working capital/Revenue Gap * | 10.55% |

** i.e SBI MCLR of 8.55% + 2%*

3.351 Accordingly, the Petitioner has computed the incentive on savings by way of refinancing of loan as follows:

**Table 3. 104: Petitioner Submission - Incentive on Savings**

| Sr. No. | Particulars | Amount of Debt | Actual Rate of Interest | Rate of Interest considered for Incentive | Total incentive – Rs Cr | Petitioner Share – Rs Cr |
|---|---|---|---|---|---|---|
| A | Capitalization | 1,449.91 | 8.63% | 10.55% | 27.84 | 13.92 |
| B | Working Capital | 843.48 | 8.11% | 10.55% | 20.58 | 10.29 |
| C | Total Incentive | | | | | 24.21 |

**Table 3. 105: Petitioner Submission - Incentive on Revenue gap loan**

| Sr. No. | Particulars | Amount of Debt | Rate of Interest | Rate of Interest considered for Incentive | Total incentive | Petitioner Share |
|---|---|---|---|---|---|---|
| A | Revenue Gap | 2496.71 | 8.69% | 10.55% | 46.44 | 23.22 |

3.352 The Petitioner has then reduced its share of incentive of Rs. 24.21 Cr. and Rs 23.22 Cr. from the Revenue available towards ARR.

## COMMISSION ANALYSIS

3.353 As detailed in prior period section of this Order that the Petitioner has not actually re-financed the loan but has re-set it without special efforts on his own, therefore, the incentive claimed by the Petitioner has been withdrawn for FY 2017-18 and FY 2018-19. Similarly, the incentive on account of re-financing of loan has not considered for true-up of FY 2019-20 as well.

## NON-TARIFF INCOME (NTI)

## PETITIONER SUBMISSION

3.354 The Petitioner has submitted the non-tariff income of Rs. 66.07 Cr. for FY 2019-20 as follows:

**Table 3. 106: Petitioner Submission - Non-Tariff Income for FY 2019-20**

| Sr. No. | Particular | Amount (Rs. Cr.) | |
|---|---|---|---|
| A | Other Operating Revenue | | 126.17 |
| B | Other Income | | 105.32 |
| | Total –(I) | | 231.48 |
| Less: Income included in above, not passed as Non-Tariff Income as per 3rd MYT Regulations, 2017 | | | |
| C | Transfer from capital grants | 0.75 | |
| D | Transfer from consumer Contribution for Capital work | 47.43 | |
| E | Incentive towards Street Light | 1.11 | |
| F | Interest Income /Short term capital gain | 2.95 | |
| G | Financing Cost of LPSC | 8.73 | |
| H | Income from other Business | 95.70 | |
| I | Foreign exchange fluctuation gain (net) | 0.07 | |
| J | Unclaimed Amount of vendors written off | 4.80 | |
| | Total –(II) | | 161.55 |
| Add: Income not included in above, but required to be passed as Non-Tariff Income | | | |
| H | Differential amount of Service Line Charges - III | | -3.86 |
| | Sub- Total | | 66.07 |

**COMMISSION ANALYSIS**

3.355 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."*

3.356 The Commission has trued up the Non-Tariff Income in accordance with the Regulation as above.

**GRANT/CONSUMER CONTRIBUTION**

**PETITIONER SUBMISSION**

3.357 The petitioner submitted that since the Gross Capital Grant/Consumer Contribution is utilised for financing of the Capitalization, amortization of the same in accounts is only a book entry which cannot be treated as Non-tariff Income after once taking it as a capital receipt for financing of capex/capitalization.

**COMMISSION ANALYSIS**

3.358 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.

**INCENTIVE TOWARDS STREET LIGHT**

**PETITIONER SUBMISSION**

3.359 The Petitioner has submitted that in order to evolve a performance driven system that the Commission vide its order dated 22/09/2009 has put up the incentive/disincentive mechanism for maintaining street lights.

3.360 Relevant extract of para no. 20 on page no 9 of the aforesaid order is given below:

*"On going through the relevant submission made by the DISCOMs and MCD/PWD etc., it is decided that the performance level/ efficiency for the purpose of incentive shall be reviewed during next control period till such time the same arrangement for incentive/ disincentive shall continue as under:*

| *Performance level achieved* | *Incentive* | *Example* |
|---|---|---|
| *Between 90-95%* | *1% of the maintenance cost for each percentage in over achievement from target of 90%* | *Actual Performance 93%*<br>*Incentive 93-90 = 3%* |
| *Between 95-97%* | *1.5% of the maintenance cost for each percentage in over achievement from target of 95%* | *Actual Performance 97%*<br>*Incentive= 5 + 3 = 8%* |
| *Above 97%* | *2.0% of the maintenance cost for each percentage in over achievement from target of 97%* | *Actual Performance 99%*<br>*Incentive = 8 + 4 = 12%* |

*Performance* less than 90% shall attract disincentive for the DISCOMS according to the following table:

| *Performance level achieved* | *Disincentive* | *Example* |
|---|---|---|
| *Between 80-90%* | *1% of the maintenance cost for each percentage in shortfall to achieve target of 90%* | *Actual Performance 83%*<br>*Disincentive 90-83 = 7%* |
| *Between 70-80%* | *1.5% of the maintenance cost for each percentage in shortfall to achieve target of 80%* | *Actual Performance 77%*<br>*Disincentive =10+4.5 = 14.5%* |
| *Below 70%* | *2% of the maintenance cost for each percentage in shortfall to achieve target of 70%* | *Actual Performance 60%*<br>*Disincentive = 25 + 20 = 45%* |

*The incentive or disincentive would not be a pass through in the calculation of the Annual Revenue Requirement and the payment would be made by the 15th day of the following month.''*

3.361 As mentioned in the State Commission Order, the incentive earned by the Petitioner would not be a pass through in the ARR, hence, the Petitioner has retained Rs. 1.11 Cr. as an incentive earned towards the maintenance of Street Light. It is further clarified that the total amount of maintenance charges of Rs. 12.68 Cr. under the head Other Operating Revenue as appearing in Note No 32.4.2 (d) of Audited Balance Sheet is inclusive of aforesaid street light incentive of Rs. 1.11 Cr., therefore, the Petitioner has deducted amount of Rs. 1.11 Cr from the Non-Tariff Income

**COMMISSION ANALYSIS**

3.362 The Commission has considered the submission of the petitioner and allowed the amount of Rs. 1.11 Cr. to be reduced from Non tariff Income towards incentive for street light.

**INTEREST ON SURPLUS FUNDS OUT OF SHAREHOLDER'S MONEY**

**PETITIONER SUBMISSION**

3.363 During the FY 2019-20, the Petitioner has earned an amount of Rs. 2.95 Cr. as Interest Income/ Gain on investment in mutual funds by investing shareholder's funds at different point of time.

3.364 The Petitioner requested the Commission that in line with the APTEL Judgment and the methodology followed by the Commission, an amount of Rs. 2.95 Cr. be excluded from Non-Tariff Income.

**COMMISSION ANALYSIS**

3.365 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.

3.366 The Petitioner submits to hold certain short term investments with the banks as margin for Debt service coverage in order to service its debt facility.

3.367 Accordingly, the Commission allows to reduce income from such investments amounting to Rs. 2.95 Cr. to be reduced from Non Tariff Income.

**FINANCING COST FOR LPSC**

**PETITIONER SUBMISSION**

3.368 The Petitioner has stated that LPSC is levied on consumers who do not make payment with in the credit period allowed for payment. This compensates the Utility for the additional interest cost that gets incurred on the additional working capital requirements due to non-payment for timely payments of such dues by the consumers by the respective due dates.

3.369 The Hon'ble APTEL in Appeal No. 153 of 2009 has held that the distribution licensee is entitled to the cost of financing the entire outstanding principal amount that attracts LPSC at prevalent market lending rates. The Hon'ble APTEL categorically held that "the financing cost relating to the late payment surcharge" must be derived from the "prevalent market lending rates." This is imperative because the Petitioner is required to finance working capital requirement arising out of delayed payment throughout the year.

3.370 The Hon'ble APTEL vide its judgment dated July 12, 2011 in Appeal No. 142 of 2009 had held that the Petitioner is entitled to the compensation for additional financing cost of outstanding dues limited to late payment surcharge amount at the prevalent market lending rate during that period keeping in view the prevailing Prime Lending Rate. The relevant portion of the judgment is reproduced below:

> *"19.5…*
>
> *Accordingly, the Appellant is entitled to the compensation for additional financing cost of outstanding dues limited to late payment surcharge amount at the prevalent market lending rate during that period keeping in view the prevailing Prime Lending Rate." (Emphasis added)*

3.371 The Commission in its Tariff Regulations, 2017 has upheld the Judgment of the Hon'ble APTEL and clearly stated in Regulations 94(v) that Net Interest on delayed or deferred payment of bills shall be considered as Non-Tariff Income.

3.372 Thus, in order to compute the financing cost of LPSC, the Petitioner considered the actual working capital interest rate of 8.11%.

3.373 Based on above submission, financing cost for LPSC is computed as follows:

**Table 3. 107:Petitioner Submission - Financing cost of LPSC (Rs. Cr.)**

| Sr. No. | Particular | UoM | Amount |
|---|---|---|---|
| A | LPSC earned (Note 32.4.2 of Audited Financial Statement) | (Rs Cr) | 19.38 |
| B | Late payment surcharge rate as per Regulations | % | 18% p.a. |
| C | Principal Amount (i.e. energy & other applicable charges) on which the above LPSC was levied (A/B) | (Rs Cr) | 107.67 |
| D | Normative Interest Rate (SUBJECT TO CHANGE) | % | 8.11% |
| E | Financing Cost (C*D) | (Rs Cr) | 8.73 |

**COMMISSION ANALYSIS**

3.374 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;*
>
> *..."*

3.375 The Commission during prudence check has verified the working capital rate of interest and trued up at 8.11%. 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. 108: Commission Approved - Financing Cost of LPSC (Rs. Cr.)**

| Sr. No. | Particular | Petitioner submission | Approved |
|---|---|---|---|
| A | LPSC earned (Note 32.4.2 of Audited Accounts for FY 2019-20) | 19.38 | 19.38 |
| B | Late payment surcharge rate as per Regulations | 18% | 18% |
| C | Principal Amount (i.e. energy & other applicable charges) on which the above LPSC was levied (A/B) | 107.67 | 107.67 |
| D | Normative Interest Rate (as Working Capital) | 8.11% | 8.11% |
| E | Financing Cost (C*D) | 8.73 | 8.73 |

**WRITTEN OFF ENTRIES**

**PETITIONER SUBMISSION**

3.376 The Petitioner has submitted that during the FY 2019-20, the Petitioner in its books of account has made adjustment for prior period claims which were written off. Due to this, the other non-operating Income as shown in Note no 32.5(e) has increased significantly. Given below is the amount of other non-operating income as shown in audited balance sheet for last three years:

**Table 3.109 : Petitioner Submission – Amount of other non-operating income in audited balance sheet for last three years**

| Particular | FY 2017-18 | FY 2018-19 | FY 2019-20 |
|---|---|---|---|
| Other non-operating income – normal | 1.98 | 2.47 | 1.79 |
| Impact of written off items other than normal | | | 4.80 |

3.377 Form the above table, it can be seen that an amount of Rs. 4.80 Cr which pertains to previous years claims (i.e. From FY 2008 onwards) has been written off. As per the IND-AS requirement these written off items has to be shown as a part of other income. The Commission is well aware since 1st MYT control period all O&M expenses are allowed on normative basis whereas the Petitioner's actual expenses were more than the trued up expenses, hence, resulted into hit on account of O&M expenses. In general parlance, any written off item has to be adjusted against the head in which expenses has been booked but as explained above due to IND-AS requirement the same is separately shown as income. It is further submitted that the liability to pay these expenses will arise in future as adjustment entry is done only in the Petitioner books of account.

3.378 The Petitioner requested to the Commission not to consider these exceptional written off items as a part of ARR.

**COMMISSION ANALYSIS**

3.379 During the prudence check sessions, the Commission observed that the unclaimed amount of vendor written-off doesn't not considered as NTI defined in Regulation 94 of Tariff Regulations, 2017. Accordingly, the claim of the Petitioner is disallowed.

**SERVICE LINE CHARGES**

**PETITIONER SUBMISSION**

3.380 The Petitioner has submitted that Petitioner would like to bring in the kind attention of the Commission that as per Indian GAAP, service line charges were treated as income upfront upon installation of connections, therefore entire income is treated as non-tariff income for the purpose of ARR. However, under Ind-As since the consumers does not get any identified asset or service upon payment of upfront service line charges, service line charges should be recognized as a revenue over the useful life of asset provided to consumers. Hence any income on account of Service Line is shown as receipt and thereafter amortized over the useful life of Asset. Due to aforesaid change, in profit and loss statement the amortized balance of service line charges are shown under the head other operating income instead of receipt amount of service line charges. Therefore, for the purpose of Tariff determination receipt of service line charges has been considered and offered as a part of non-tariff income instead of amortized amount as shown in profit and loss statement for FY 2019-20. Given below is the amount additionally considered as a part of Non-Tariff income.

**Table 3. 110: Petitioner Submission - Line Charges for FY 2019-20 (Rs Cr)**

| Particulars | Amount |
|---|---|
| Receipt on account of Service Line charges | 28.94 |
| Amortized and transferred to Profit & Loss | 32.80 |
| Amount additionally offered as NTI | (3.86) |

**COMMISSION ANALYSIS**

3.381 The Commission has been considering the SLD charges on receipt basis as part of the Non Tariff income of the Petitioner.

3.382 The Commission verified the audited financial statements (note 24 b) and observed that the accounting treatment of the Petitioner continues to amortise the SLD over a period of three years. Accordingly, the additional amount towards Non tariff Income has been determined by the Commission as under:

**Table 3. 111: Commission Approved - Difference on account of SLD (Rs. Cr.)**

| Sr. No. | Particulars | Petitioner submission | Approved |
|---|---|---|---|
| A | Receipt on account of Service Line charges | 28.94 | 28.94 |
| B | Amortized and transferred to Profit & Loss | 32.80 | 32.80 |
| C | Amount additionally offered as NTI | (3.86) | (3.86) |

**INCOME FROM OTHER BUSINESS INCOME**

**PETITIONER SUBMISSION**

3.383 The Petitioner has submitted that with the objective of creating additional avenues for growth, sharing of knowledge & best practices across utilities, and most importantly, in line with its strategy of providing power at competitive rates to consumers, Petitioner is exploring the possible avenues for revenue growth through various activities in addition to Distribution of power to consumers.

3.384 The Petitioner during the course of its transformation journey in the National Capital Territory of Delhi has acquired & developed its knowledge base, built its core competencies in utility management and is using these competencies to expand its footprints in different geographies both nationally and internationally, providing distribution related services including operations management, commercial management integration of information and operations technologies for smarter and intelligent functioning of distribution networks, change management, process re-engineering, capacity building etc.

3.385 The exclusivity is due to its unique positioning amongst the players in the power domain. Being a power distribution utility, Petitioner scores over all the service providers through its in depth knowledge of the business processes that go into the daily functioning of any distribution utility. Tata Power-DDL has been a forerunner in the adoption of state-of-art technologies and is a hub of all technological solutions. Moreover, Petitioner has amalgamated all the available solutions from different vendors in a seamless integrated architecture.

3.386 During the FY 2019-20, the Petitioner has earned Rs. 95.70 Cr (Gross Receipts) from other than licensed business. Breakup of the same is given below;

a) Optimal utilization of Distribution Assets (Rs. 4.32 Cr); and
b) Consultancy Income/other (Rs. 88.65 Cr)
c) Income through Training (Rs. 2.50 Cr)
d) Income from DSM (Rs. 0.22 Cr.)

3.387 The Petitioner further submitted that the Commission in its Tariff Regulations, 2017, vide Regulations 96 has stated that the *net income after tax from other Business shall be shared as per DERC Treatment of Income From Other Business of Transmission Licensee and Distribution Licensee Regulations, 2005 as amended from time to time.*

3.388 To generate any revenue corresponding expenses have to be incurred. The Petitioner has incurred expenses of Rs. 53.65 Cr. during the FY 2019-20, out of which Rs 53.65 Cr expenses are directly linked with the service offered and balance Rs. 16.71 Cr pertaining to other common expenses.

3.389 It is further submitted that while fixing the normative O&M Expenses for 3rd MYT control period, the Commission had considered an amount of Rs. 8.96 Cr as base year expenses related to other business. Computation of the same is given below:

**Table 3. 112: Petitioner Submission - Computation of normative O&M expenses related to other business income for FY 2015-16**

| Particulars | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 |
|---|---|---|---|---|---|
| Expenses - Other Business | 0.78 | 0.99 | 1.90 | 10.90 | 25.60 |
| Average of 5 year | | | | | 8.03 |
| Normative Amount considered for FY 2015-16 | | | 8.03 | 8.48 = (8.03) (1+5.61%) | 8.96 = (8.48) (1+5.61%) |

3.390 Thus, to compute the normative allowance of other business related expense as a part of normative O&M Expenses for FY 2019-20, the Petitioner has first compute the base year expenses and thereafter increased with the inflation factor of 5.61% for each year along with the increase in network capacity.

**Table 3. 113: Petitioner Submission - Computation of normative O&M expenses related to other business income for FY 2019-20**

| Particulars | FY 14 | FY 15 | FY 16 | FY 17 | FY 18 | FY 19 | FY 20 |
|---|---|---|---|---|---|---|---|
| Normative Expenses for Other Business | 8.034 | 8.48 | 8.96 | 9.46 | 9.99 | 10.55 | 12.46^ |
| Escalation | | 5.61% | 5.61% | 5.61% | 5.61% | 5.61% | 5.61% |
| Network growth for 3 years | | | | | | | 11.77% |

*^ include escalation and network growth impact of previous year normative expense*

3.391 Further, in order to justify the claim of expense incurred towards other business income, the Petitioner has made Segment Reporting as part of Audited Financial Statements for FY 2019-20.

3.392 Based on the above submission, computation of the net income for the purpose of sharing between consumers and DISCOM is given in table below:

**Table 3. 114: Petitioner Submission - Computation of Net direct expenses to be deducted from Other Business Income**

| Particulars | Revenue earned by not using Distribution Fixed Assets | Revenue earned by using Distribution Fixed Assets | Income from DSM by using Distribution Fixed Assets | Total | Remark |
|---|---|---|---|---|---|
| | Rs. Cr. | Rs. Cr. | Rs. Cr. | Rs Cr. | |
| A. Total Revenue earned | 91.16 | 4.32 | 0.22 | 95.70 | Note 41.2 of the Audited Financial Statement |
| - Consultancy | 88.65 | | | | |
| - Training | 2.50 | | | | |
| - Others | 0.01 | 4.32 | 0.22 | | |
| B. Expenses incurred net of normative expense | 57.82 | - | 0.08 | 57.90 | |
| - Direct Exp | 53.57 | | 0.08 | | |
| - Indirect Allocation of Exp. | 16.71 | | | | |
| - Normative expenses allowed | (12.46) | | | | |
| C. Income net of Expenses before Tax | 33.35 | 4.32 | 0.13 | 37.80 | |

| Particulars | Revenue earned by not using Distribution Fixed Assets | Revenue earned by using Distribution Fixed Assets | Income from DSM by using Distribution Fixed Assets | Total | Remark |
|---|---|---|---|---|---|
| | Rs. Cr. | Rs. Cr. | Rs. Cr. | Rs Cr. | |
| Income Tax @ 16.89% | 3.51 | 0.73 | 0.02 | 4.26 | |
| Net Revenue available for sharing | 29.83 | 3.59 | 0.11 | 33.54 | |

**Table 3. 115: Petitioner Submission - Sharing of net Revenue from Other Business Income**

| *Particulars* | *Revenue earned by not using Distribution Fixed Assets* | *Revenue earned by using Distribution Fixed Assets* | *Income from DSM by using Distribution Fixed Assets* | *Total* |
|---|---|---|---|---|
| | *Rs. Cr.* | *Rs. Cr.* | *Rs. Cr.* | *Rs Cr.* |
| Net Revenue available for sharing –A | 29.83 | 3.59 | 0.11 | 33.54 |
| TPDDL Share % | 60% | 40% | 40% | |
| Consumer Share % -B | 40% | 60% | 60% | |
| Consumer Share = A*B | 11.93 | 2.16 | 0.07 | 14.16 |

**COMMISSION ANALYSIS**

3.393 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. And Regulation 5(5)(b) states that where the Licensee does not utilize the assets and facilities of the licensed business for other business, the Licensee shall retain 60% of the net revenue from such business and pass on the remaining 40% of the net revenue to the regulated business;

3.394 During prudence check, it was observed that the Petitioner has claimed the expenses on account of other business Income. However, such expenses claimed already form part of the normative O&M Expenses as claimed by the Petitioner.

3.395 Regulation 96 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* stipulates,

> *"96. The net income after tax from Other Business shall be calculated as per "DERC Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee Regulation, 2005" as amended from time to time and shall be adjusted in the ARR."*

3.396 In view of the above Regulation, the Commission considers the Income tax at effective rate of 16.83% on the net income of the Other Business income of the Petitioner as follows:

**Table 3. 116: Commission Approved - Income from Other Business (Rs. Cr.)**

| **Particulars** | **Revenue earned by not using Distribution Fixed Assets** | **Revenue earned by using Distribution Fixed Assets** | **Income from DSM by using Distribution Fixed Assets** | **Total** |
|---|---|---|---|---|
| | **Rs. Cr.** | **Rs. Cr.** | **Rs. Cr.** | **Rs Cr.** |
| **Total Revenue earned** | **91.23** | **4.32** | **0.22** | **95.77** |
| - Consultancy | 88.72 | 0.00 | 0.00 | |
| - Training | 2.50 | 0.00 | 0.00 | |
| - Others | 0.01 | 4.32 | 0.22 | |
| Less- Expenses incurred | 0 | 0 | 0 | |
| Direct Expense | 0 | 0 | 0 | |
| Indirect Allocation of exps. | 0 | 0 | 0 | |
| Normative Expenses allowed | 0 | 0 | 0 | |
| Income net of Expenses before Tax | 91.23 | 4.32 | 0.22 | 95.77 |
| Income Tax @ 16.83% | 5.61 | 0.73 | 0.02 | 6.36 |
| **Net Revenue available for sharing** | **85.62** | **3.59** | **0.20** | **89.41** |
| **Sharing of Other Business Income** | | | | |
| **Particulars** | **Revenue earned by not using Distribution Fixed Assets** | **Revenue earned by using Distribution Fixed Assets** | **Income from DSM by using Distribution Fixed Assets** | **Total** |
| | **Rs. Cr.** | **Rs. Cr.** | **Rs. Cr.** | **Rs Cr.** |
| **Net Revenue available for sharing** | **85.62** | **3.59** | **0.20** | **89.41** |
| TPDDL Share % | 60% | 40% | 40% | |
| Consumer Share % | 40% | 60% | 60% | |
| DISCOM share | **51.37** | **1.44** | **0.08** | **52.89** |
| **Consumer Share in Rs Cr.** | **34.25** | **2.16** | **0.12** | **36.52** |
| Tax liability on consumer share as paid by DISCOM | **2.24** | **0.44** | **0.01** | **2.69** |

| Particulars | Revenue earned by not using Distribution Fixed Assets | Revenue earned by using Distribution Fixed Assets | Income from DSM by using Distribution Fixed Assets | Total |
|---|---|---|---|---|
| | Rs. Cr. | Rs. Cr. | Rs. Cr. | Rs Cr. |
| **Commission Approved Income from Other Business** | | | | **55.58** |

**INTEREST ON CONSUMER SECURITY DEPOSIT**

**PETITIONER SUBMISSION**

3.397 The Petitioner referred the Regulation 5.34 of MYT Regulations, 2011 which specify that

> *"Interest paid on consumer security deposits shall be based on the rate specified by the Commission in the "Delhi Electricity Supply Code and Performance Standards Regulations, 2007", and shall be a pass through in the ARR."*

3.398 Regulation 16(vi) of Delhi Electricity Supply Code and Performance Standards Regulations, 2007", specify that

> *"vi The amount of security deposit shall be as per the Regulation 29 or as approved by the Commission from time to time. The Licensee shall pay interest to the consumer at the rate of 6% per annum, or any other rate prescribed by the Commission payable annually on such deposit w.e.f. date of such deposit in cases of new connection energized after the date of this notification or in other cases, from the date of notification of these regulations. The interest accrued during the year shall be adjusted in the bill for the first billing cycle of the ensuing financial year."*
>
> *Further the Delhi Electricity Supply Code and Performance Standard Regulations, 2017 provided that w.e.f 1st September 2017 onwards Rate of Interest for Consumer Security Deposit shall be considered the SBI MCLR rate on 1st April.*
>
> *Therefore, w.e.f 1st September, 2017 the Petitioner has paid consumer security deposit at SBI MCLR on 1st April, of the respective financial year.*

3.399 In addition to the directly payment of interest on consumer security deposit, the Commission has adopted the methodology of reducing differential interest (i.e. Cost of funding working capital – minus Interest actually credited/paid to consumers) from the ARR. Hence in order to compute the differential net interest on consumer security deposit, interest rate equivalent to cost of debt for working capital @ 8.11% has been considered for FY 2019-20.

**Table 3. 117: Petitioner Submission - Interest on Consumer Security Deposit (Rs. Cr.)**

| Sr. No. | Particulars | Amount |
|---|---|---|
| A | Opening Balance Of Consumer Security Deposit | 625.38 |
| B | Closing Balance of Consumer Security Deposit | 674.53 |
| C | Average Balance Of Consumer Security Deposit | 649.95 |
| D | Working Capital Interest Rate | 8.11% |
| E | Normative amount of Interest | 52.71 |
| F | Actual Amount of Interest | 59.86 |
| G | Difference to be additionally Claimed as on Exp | (7.15) |

3.400 Based on the above computation, the Petitioner claimed Rs. (7.15) Cr as interest on CSD.

**COMMISSION ANALYSIS**

3.401 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 21 and Note 28 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.

3.402 The Commission has considered the working capital interest rate for FY 2019-20 as 8.11% for the purpose of determining normative interest on Consumer Security Deposit.

3.403 The actual amount of interest paid to the consumers comes to Rs. 59.86 Cr as per Note 35 c of the audited financial statements for FY 2019-20. 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. 118: Commission Approved - Consumer Security Deposit for FY 2019-20 (Rs. Cr.)**

| Sr. No. | Particulars | Petitioner submission | Approved | Ref. |
|---|---|---|---|---|
| A | Opening Balance of Consumer Security Deposit | 625.38 | 682.74 | Note 21 & 28 of Audited Accounts for FY 2019-20 |
| B | Closing Balance of Consumer Security Deposit | 674.53 | 729.75 | |
| C | Average Balance of Consumer Security Deposit | 649.96 | 706.25 | (A+B)/2 |
| D | Working Capital Interest Rate | 8.11% | 8.11% | |
| E | Normative amount of Interest | 52.71 | 57.28 | (C*D) |
| F | Actual Amount of Interest | 59.86 | 59.86 | Note no 35 c of Audited Accounts for FY 2019-20 |
| **G** | **Difference to be additionally offered** | **(7.15)** | **(2.58)** | **(E-F)** |

**INCOME FROM OPEN ACCESS**

**PETITIONER SUBMISSION**

3.404 The Petitioner has submitted that for the FY 2019-20, the Petitioner has earned Income of Rs 12.59 Cr. from Open Access consumers including E. Tax. As E. tax is payable to MCD, hence, open access income net of E. Tax is considered as part of Non-Tariff Income. Computation of the same is given below:

**Table 3. 119: Petitioner Submission - Income from Open Access (Rs Cr.)**

| Sr. No. | Particulars | Amount |
|---|---|---|
| A | Total Income from Open Access | 12.59 |
| B | Less- E. Tax for the year | 0.30 |
| C | Income from open access available for ARR | 12.29 |

**COMMISSION ANALYSIS**

3.405 The Commission has considered Rs. 12.28 Cr on account of income from Open Access Charge in Non-Tariff Income for FY 2019-20.

**INCOME FROM ADVANCES FROM CONSUMERS**

**COMMISSION ANALYSIS**

**ADVANCE FROM CONSUMERS**

3.406 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. 2.27 Cr. to be reduced from the Non-tariff income of the Petitioner.

**Table 3. 120: 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 | 28-Feb-20 | 31-Mar-20 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Security Deposit Interest (Note no 3) & (Note 2) | 23.52 | 6.44 | 6.09 | 5.93 | 5.88 | 5.85 | 5.75 | 5.68 | 5.63 | 5.61 | 5.56 | 5.46 | 32.75 | |
| FC For Not in Use | 0.15 | 0.16 | 0.16 | 0.16 | 0.16 | 0.16 | 0.15 | 0.15 | 0.14 | 0.13 | 0.13 | 0.13 | 0.13 | |
| On account of payment & Bill Revision etc.(Note 5) | 26.53 | 16.57 | 15.06 | 16.12 | 17.35 | 17.01 | 21.47 | 22.73 | 20.90 | 21.09 | 21.17 | 22.36 | 32.85 | |
| Other reasons | | - | - | - | | - | - | - | - | - | - | - | - | |
| Total | **50.20** | **23.17** | **21.30** | **22.21** | **23.39** | **23.02** | **27.37** | **28.56** | **26.67** | **26.83** | **26.86** | **27.95** | **65.73** | |
| Monthly average | | **36.69** | **22.23** | **21.76** | **22.80** | **23.20** | **25.20** | **27.97** | **27.61** | **26.75** | **26.84** | **27.41** | **46.84** | |
| Monthly Interest | | **0.25** | **0.15** | **0.15** | **0.15** | **0.16** | **0.17** | **0.19** | **0.19** | **0.18** | **0.18** | **0.19** | **0.32** | **2.27** |

**SUMMARY OF NON-TARIFF INCOME**

**PETITIONER SUBMISSION**

3.407 Based on above submissions, Non-Tariff Income including Other Business Income for the purpose of ARR for FY 2019209 is computed as below:

**Table 3. 121: Petitioner Submission - Non Tariff Income for FY 2019-20 (Rs Cr.)**

| Sr. No. | Particulars | Amount |
|---|---|---|
| A | Non-Tariff Income | 66.07 |
| B | Income from other Business | 14.16 |
| C | Interest on Security Deposit | (7.15) |
| D | Income from Open Access | 12.28 |
| E | Total | 85.36 |

**COMMISSION ANALYSIS**

3.408 The Commission has approved the Non-tariff Income for FY 2019-20 as follows:

**Table 3. 122: Commission Approved - Non-tariff Income for FY 2019-20 (Rs. Cr.)**

| Sr. No. | Particular | Petitioner Submission | Approved | Remarks |
|---|---|---|---|---|
| 1 | Other Operating Revenue | 126.17 | 126.17 | Note 32.4 of Audited Accounts for FY 2019-20 |
| 2 | Other Income | 105.32 | 105.32 | Note 32.5 of Audited Accounts for FY 2019-20 |
| 3 | Open Access Charges | | 12.29 | Note 32.4 of Audited Accounts for FY 2019-20 |
| 4 | Income from Normative Interest on security deposit | | (2.58) | Table 3.118 |
| 5 | Impact of SLD charges | (3.86) | (3.86) | Table 3.111 |
| 6 | Income from Other Business | | - | |
| 7 | Financing Cost of Advance from consumers | | 2.27 | Table 3.120 |
| | Total –(I) | 227.63 | 239.59 | |
| | | | | |
| Less: Income included in above, not passed as Non-Tariff Income as per DERC Tariff Regulations, 2017 | | | | |
| 8 | Transfer from capital grants | 0.75 | 0.75 | Note 34.4.2 of Audited Accounts for FY 2019-20 |
| 9 | Transfer from consumer Contribution for Capital work | 47.43 | 47.43 | Note 24 a of Audited Accounts for FY 2019-20 |
| 10 | Incentive towards Street Light | 1.11 | 1.11 | Note 32.4.2(i) of Audited Accounts for FY 2019-20 |
| 11 | Interest Income /Short term capital gain | 2.95 | 2.95 | Note 12 of Audited Accounts for FY 2019-20 |
| 12 | Financing Cost of LPSC | 8.73 | 8.73 | Table 3.107 |

| Sr. No. | Particular | Petitioner Submission | Approved | Remarks |
|---|---|---|---|---|
| 13 | Petitioner share on Other Business Income (Incl of Tax liability on Consumers' share) | 95.70 | 55.58 | Table 3.116 |
| 14 | FERV | 0.07 | - | |
| 15 | Unclaimed amount of vendor written off | 4.80 | - | |
| | Total –(II) | 161.54 | 116.55 | |
| | **Net Non-Tariff Income** | **66.09** | **123.04** | |

## TRUING UP OF AGGREGATE REVENUE REQUIREMENT FOR FY 2019-20

### PETITIONER SUBMISSION

3.409 The Petitioner has submitted that based on the submission made above for truing-up of FY 2019-20, the total Aggregate Revenue Requirement for the FY 2019-20 comes to Rs. 8,210.51 Cr. Components wise ARR sought for trued up vis-à-vis Approved ARR is given in table below:

**Table 3. 123:Petitioner Submission - Aggregate Revenue Requirement for FY 2019-20 (Rs. Cr)**

| Sr. No. | Particulars | Amount sought for True up |
|---|---|---|
| A | Power Purchase | 6299.25 |
| B | Normative O&M Expenses | 767.34 |
| C | Other O&M Expenses | 118.34 |
| D | Depreciation | 240.85 |
| E | Loss on Retirement of Assets | 19.09 |
| F | ROCE (Income Tax) | 484.23 |
| G | Carrying Cost | 366.77 |
| H | Less- Non Tariff Income | (66.07) |
| I | Less- Interest on Consumer Security Deposit | 7.15 |
| J | Less- Income from Non Energy Business | (14.16) |
| K | Less- Income from Open Access | (12.28) |
| L | Total of Aggregate Revenue Requirement | 8,210.51 |

### COMMISSION ANALYSIS

3.410 The Aggregate Revenue Requirement (ARR) approved by the Commission for FY 2019-20 is as follows

**Table 3. 124: Commission Approved-Aggregate Revenue Requirement for FY 2019-20 (Rs. Cr.)**

| Sr. No. | Particulars | Petitioner Submission | Commission Approved |
|---|---|---|---|
| A | Power Purchase Cost (including Transmission Charges) | 6,299.25 | 6,141.78 |
| B | O&M expenses | 767.34 | 784.17 |
| C | Other expenses/ statutory levies | 118.34 | |

| Sr. No. | Particulars | Petitioner Submission | Commission Approved |
|---|---|---|---|
| D | Depreciation | 240.85 | 244.92 |
| E | Loss on retirement of assets | 19.09 | - |
| F | Return on capital employed | 484.23 | 376.07 |
| G | Income Tax | - | 28.39 |
| H | Less- Non Tariff Income | (66.07) | (123.04) |
| I | Less- Interest from Consumer Security Deposit | 7.15 | |
| J | Less- Income from Non Energy Business | (14.16) | |
| K | Less- Income from Open Access | (12.28) | |
| L | Aggregate Revenue Requirement | 7,843.72 | 7,452.29 |
| M | Carrying cost | 366.77 | - |
| N | Gross ARR | 8,210.51 | 7,452.29 |

**COMPUTATION OF NET REVENUE AVAILABLE TOWARDS ARR**

**PETITIONER SUBMISSION**

3.411 The Petitioner has computed Revenue available towards ARR (net of Incentive towards refinancing of capex loans and revenue gap loans) in the table given as follows:

**Table 3. 125:Petitioner Submission - Revenue available towards ARR net of incentives for FY 2019-20 (Rs. Cr.)**

| Sr. No. | Particular | Actual as per Petitioner |
|---|---|---|
| A | Revenue Available | 7,096.91 |
| B | Less- Incentive towards Capex Loan/working capital | 24.21 |
| C | Less- Incentive towards Revenue Gap Loan | 23.22 |
| D | Revenue Surplus/(Gap) | 7,049.48 |

**COMMISSION ANALYSIS**

3.412 The Commission has computed the Revenue available towards ARR as follows:

**Table 3. 126: Commission Approved - Revenue Available towards ARR FY 2019-20 (Rs. Cr.)**

| Sr. No. | Particulars | Petitioner submission | Commission Approved |
|---|---|---|---|
| 1 | Actual Revenue realised excluding Electricity duty, Regulatory Surcharge, Pension trust surcharge | 7,155.16 | 7,155.16 |
| 2 | Less: Billing of PPAC | | 34.43 |
| 3 | Add: Penalty on account of cash collection | | 0.02 |
| 4 | Less: Incentive on account of distribution loss | 47.06 | 47.81 |
| 5 | Less: Incentive on account of collection efficiency | 11.20 | - |
| 6 | Revenue Available | 7,096.91 | 7,072.93 |
| 7 | Less: Incentive towards refinancing of loan | 24.21 | - |
| 8 | Less: Incentive towards Revenue Gap Loan | 23.22 | - |
| 9 | Less: Incentive towards Sale of surplus power | | (0.36) |
| **10** | **Revenue available towards ARR** | **7,049.48** | **7,073.29** |

**REVENUE SURPLUS / (GAP) FOR FY 2019-20**

**PETITIONER SUBMISSION**

3.413 The Petitioner has computed actual Revenue Gap for FY 2019-20 as given in the table below:

**Table 3. 127: Petitioner Submission - Revenue surplus/ (Gap) for FY 2019-20 (Rs. Cr.)**

| Sr. No. | Particular | Actual as per Petitioner |
|---|---|---|
| A | Revenue Available towards ARR net of Incentives | 7,049.48 |
| B | Aggregate Revenue Requirement (net of carrying cost) | 7,843.74 |
| C | Revenue Surplus/(Gap) | (794.27) |

**COMMISSION ANALYSIS**

3.414 The Revenue surplus/ (gap) after true up of ARR for FY 2019-20 as approved by the Commission is as follows:

**Table 3. 128: Commission Approved - Revenue surplus/ (Gap) for FY 2019-20 (Rs. Cr.)**

| Sr. No. | Particulars | Petitioner submission | Commission Approved | Reference |
|---|---|---|---|---|
| A. | Aggregate Revenue Requirement | 7843.74 | 7452.29 | Table 3.124 |
| B. | Revenue Available towards ARR net of incentives | 7049.48 | 7073.29 | Table 3.126 |
| C. | Surplus or (Gap) for the year | (794.27) | (378.99) | 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;
  (c) Distribution Norms:
  (d) Distribution Loss Target
  (e) Collection Efficiency Target
  (f) Targets for Solar and Non Solar RPO
  (g) Contingency limit for Sale through Deviation Settlement Mechanism (Unscheduled Interchange) transactions
  (h) 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**

**I. PETITIONER'S SUBMISSION ORIGINAL PETITION**

4.6 The Petitioner submitted that to estimate the energy sales for next year, the Petitioner usually considers previous year's available growth trends and further assumes the underlying factors which drives the demand for electricity that are expected to follow the same growth trend in future year also. But FY 2020-21 is a different year and is under global crisis where the entire world including India is under the grip of the deadly disease COVID- 19. The Central & State Government in order to contain the spread of novel corona virus had issued several precautionary measures and advisories most important being social distancing and lockdown in phase manner.

4.7 To contain and arrest the spread, transmission of the disease various Notifications, Guidelines, orders, directions were issued by the Ministry of Home Affairs (Government of India), GNCTD, SEBI, Ministry of Finance (Government of India), Ministry of Civil Aviation, Ministry of Power and various Authorities.

4.8 The lockdown due to COVID-19 has severely affected the demand of power in FY 2020-21, thus it would not be appropriate to consider energy sales of FY 2020-21 to aptly projection sales for next year.

4.9 Therefore, to estimate the energy sales for next year i.e. FY 2021-22 the Petitioner has considered FY 2019-20 as base year for projections instead of FY 2020-21 and applied growth factor on FY 2019-20. Therefore, demand forecast is based on the assumption that the past consumption growth trend will continue in the future also excluding FY 2020-21.

4.10 Based on the above present scenario, the Petitioner has revised its assumptions for projecting demand for various categories of consumers for FY 2021-22 as mentioned below:

a. The category wise and year wise Compounded Annual Growth Rate (CAGR) has been calculated for the past sales pattern.

b. For those categories where CAGR/ past growth trends are not showing any particular type of movement then the demand has been forecasted based on consumption pattern of FY 2019-20.

c. Impact of Demand Side Management due to replacement of existing electrical equipment's with the star rated equipment's have been considered while forecasting the sales.

d. Impact of Net Metering due to Solar Energy generated by the different categories of consumers has also been factored while forecasting the energy sales. Prospective plans of generation under Net metering is given below:

**Table 4. 1: Petitioner Submission: Prospective plans of generation under Net metering (MU)**

| Category | FY 2021-22 |
|---|---|
| Domestic | 10.0 |
| Non Domestic | 22.0 |
| Industrial | 1.4 |
| **Total** | **33.4** |

4.11 Impact of movement of consumers under Open Access has also been factored for future years. In FY 2021-22, projection of reduction in consumption (in MU) due to open Access is given below:

**Table 4. 2: Petitioner submission: Projection of reduction in consumption (in MU)**

| Category | FY 2021-22 |
|---|---|
| DMRC | 68 |
| Industrial | 24 |
| Non Domestic | 2 |
| **Total** | **94** |

4.12 The Petitioner has also considered the Impact of COVID-19 pandemic on energy sales of Non-Domestic Consumers & Industrial Consumers.

4.13 The Petitioner has submitted previous year trends as follows:

**DOMESTIC CONSUMERS:**

4.14 The consumption of energy by domestic consumers constitutes substantial part of total sales of the Petitioner. Based on the actual sales of 4321 MU for FY 2019-20, the Petitioner has computed the given below CAGR over a period of one year to five years.

| 5 years | 4 years | 3 years | 2 years | 1 Year |
|---|---|---|---|---|
| 5.46% | 6.14% | 4.65% | 4.64% | 6.22% |

4.15 Considering the available trends of CAGR, the Petitioner has considered a growth rate of 5.46%, (i.e. 5 year CAGR) to estimate the energy sales for domestic consumers.

4.16 Further impact due to energy generated under roof top solar has been adjusted in the domestic consumption as per above assumptions.

4.17 Based on above, the Petitioner has projected the consumption for domestic consumers as below:

**Table 4. 3: : Petitioner Submission: Projected billed energy for FY 2021-22 (MU)**

| Category | FY 20 Sales | Growth (%) | FY 21 Sales |
|---|---|---|---|
| Domestic | | | |
| Domestic - Others than CGHS | 4297.91 | 5.46% | 4,528.37 |
| **Adjusted due to** | | | |
| Metering of Roof top solar | | | 10 |
| Open Access | | | - |
| **Net Consumption – Domestic** | | | **4,518** |
| Single delivery point for CGHS/Hospital | 23.18 | | 24.45 |
| **Total Domestic** | **4321** | | **4,543** |

**COMMERCIAL CONSUMERS**

4.18 The Petitioner has submitted that the consumption of energy by non-domestic consumers constitutes reasonable share of total sales of the Petitioner. Based on the actual sales of 1552 MU for FY 2019-20, the Petitioner has computed the given below CAGR over a period of one year to five years.

| 5 years | 4 years | 3 years | 2 years | 1 year |
|---|---|---|---|---|
| 2.94% | 2.55% | 1.99% | 0.79% | 0.74% |

4.19 Due to COVID-19 pandemic, in Commercial Consumer category, there is a large impact on energy sales of Hotels, Shopping Malls, Multiplexes, Educational Institute, Restaurants, Pubs, Banquet Halls, etc. as they are not running at their full capacity and some are even closed. These Commercial consumers will be effected until vaccination for COVID-19 pandemic is available and will take time to resume at their 100% normal capacity.

4.20 Considering the same, the projections for next year is envisaged considering a negative growth rate of 10% to estimate the energy sales for Non-domestic consumers.

4.21 The Petitioner has though considered the impact of Net Metering arrangement and Open Access for its consumption for Non- Domestic Consumers as per above assumptions.

4.22 Based on above, the Petitioner has projected consumption for non-domestic consumers as below:

**Table 4. 4: Petitioner Submission: Projected billed energy for FY 2021-22 (MU)**

| Category | FY 20 Sales | Growth (%) | FY 22 Sales |
|---|---|---|---|
| Non-Domestic | | | |
| Non -Domestic below 3 kVA | 1,552 | (10)% | 1397 |
| Non -Domestic above 3 kVA | | | - |
| Less: Open Access | | | 2 |
| Less- Adjustment for Net Metering | | | 22 |
| **Net Consumption** | | | **1,373** |

**INDUSTRIAL CONSUMERS**

4.23 The Petitioner has stated that the consumption of energy by Industrial consumers constitutes approx. 1/3rd part of total sales of the Petitioner. Based on the actual sales of 2497 MU for FY 2019-20, the Petitioner has computed the given below CAGR over a period of one year to five years.

| 5 years | 4 years | 3 years | 2 years | 1 year |
|---|---|---|---|---|
| 1.84% | 1.53% | 2.58% | 1.31% | (1.65)% |

4.24 Considering the COVID-19 pandemic and available trends of CAGR, in units, consumer and load growth the Petitioner has not considered any growth to estimate the energy sales for Industrial consumers.

4.25 Based on above, the Petitioner has projected consumption for Industrial consumers as below:

**Table 4. 5: Petitioner Submission: Projected billed energy for FY 2021-22 (MU)**

| Category | FY 20 Sales | Growth (%) | FY 22 Sales |
|---|---|---|---|
| Industrial | 2,496.57 | 0% | 2492.57 |
| Less: Open Access | | | 24 |
| Less- Adjustment for Net Metering | | | 1.4 |
| **Net Consumption** | | | **2467.17** |

**AGRICULTURE AND MUSHROOM CULTIVATION**

4.26 The Petitioner has submitted that the consumption of energy by Agriculture & Mushroom cultivation consumers constitutes a very small portion of total sales of the Petitioner.

4.27 The Petitioner has considered the CAGR of 4 Year i.e. 2.86% growth on sales of 15.03 MU for FY2019-20 for projecting the sales consumption of 15.46 MU of FY 2021-22.

**PUBLIC UTILITIES**

4.28 The Petitioner has submitted that the consumption of energy towards public utilities constitutes approx. 7% of total sales of the Petitioner.

4.29 Based on the actual sales of 579.90 MU for FY 2019-20 the Petitioner has computed the CAGR of 0.31% growth for projecting the sales consumption of 580.46 MU for FY 2021-22 less open access of 68 MU to arrive the net consumption of 512.46 MU.

**OWN CONSUMPTION**

4.30 The Petitioner has stated that the Commission in its Business Plan Regulations, 2019 has stated that normative Own consumption of DISCOM's shall be considered @ 0.25% of billed sales of the respective year. Based on the same the Petitioner is seeking Own consumption as computed below:

**Table 4. 6: Petitioner Submission: Projected energy from FY 2021-22 (MU)**

| Category | FY 22 Sales |
|---|---|
| Billed Sale | 9029.45 |
| Own consumption @ 0.25% | 0.25% |
| Own consumption MU | 22.57 |

**ADV. & HOARDINGS**

4.31 The consumption of energy by Adv. & Hoardings consumers constitutes a very little portion of total sales of the Petitioner. The Petitioner has considered a negative growth of 10% on sales of 0.38 MU of FY 2019-20 to project the energy sales of 0.34 MU for FY 2021-22.

**E – VEHICLE**

4.32 Based on the initiatives taken by Government on E-vehicle and E-bus station expected to Commission by November' 2021, consumption of energy sales in this category is projected by the Petitioner at 29.48MU for FY 2021-22 which includes 18.25 MU on E-vehicle and additional requirement due to E- Buses/E- Car at 11.23 MU.

**OTHERS (INCLUDING TEMPORARY SUPPLY, MISUSE AND THEFT)**

4.33 The Petitioner has projected following sale of 89.39 MU for temporary, misuse, Theft and Staff category consumers.

4.34 Based on the above assumptions and explanations, the category wise estimated summary of billed sale (MU) for FY 2021-22 is given below:

**Table 4. 7: Petitioner Submission: Projected Sales (MU) for FY 2021-22**

| Sr.No. | Category | FY 2021-22 |
|---|---|---|
| A | Domestic | 4542.82 |
| | *Domestic - Others than CGHS* | *4518.37* |
| | *Single delivery point for CGHS/Hospital* | *24.45* |
| B | Non –Domestic | 1373.07 |
| C | Industrial | 2467.17 |
| D | Agriculture | 15.34 |
| E | Mushroom Cultivation | 0.12 |
| F | Public Utilities | 512.46 |

| Sr.No. | Category | FY 2021-22 |
|---|---|---|
| G | Adv. & Hoardings | 0.34 |
| H | E-Vehicle | 29.48 |
| I | Others* | 89.39 |
| J | Own consumption | 22.57 |
| | Total | 9052.78 |

**Others includes Staff, Own Consumption, Temporary Supply, Theft & Misuse*

## II. PETITIONER'S SUBMISSION- ADDITIONAL INFORMATION:

4.35 Due to Second Wave of COVID-19, Govt. of NCT of Delhi has announced complete curfew effective from 10 PM of 19/04/2021 onward till 5 AM of 3rd May'2021 resulting in to strict restrictions in movement of individuals and closure of all non-essential commercial and industrial activities within Delhi. Due to aforesaid restrictions imposed by Govt. of NCT of Delhi, power consumptions in Industrial, Commercial and public utility category of consumers has dropped and bound to go down further owing to migrant/labour exodus due to the above restrictions in Delhi being in force and less operations of DMRC.

4.36 Based on above, the Petitioner has submitted the additional information vide its letter dated 19/05/2021 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. 8338.01 Cr. (Petition) to Rs. 8514.68 Cr. (Additional information) and increased the Revenue Gap for FY 2021-22 from Rs. 1108.89 Cr. to Rs. 1690.48 Cr.. The Category wise revised projections of Sales is as follows:

**Table 4. 8:Petitioner submission: Revised Projected Sales (MU) for FY 2021-22**

| Sr. No. | Category | Post 2nd Wave COVID |
|---|---|---|
| 1 | Domestic | 4613.84 |
| 2 | Non-Domestic | 1208.35 |
| 3 | Industrial | 2186.34 |
| 4 | Agriculture & Mushroom | 18.05 |
| 5 | Public Utilities | 443.22 |
| 6 | Adv. & Hoardings | 0.34 |
| 7 | E-Vehicles | 28.37 |
| 8 | Others including Temporary Supply | 88.43 |
| 9 | Own Consumption | 21.47 |
| | **Total** | **8608.39** |

**COMMISSION ANALYSIS**

4.37 It is observed that the Petitioner has forecasted sales of 9052.78 MU in their Petition and revised Sales to 8608.39 MU in their additional information submitted on account of impact of second wave of COVID-19, tabulated as follows:

**Table 4. 9: Commission Analysis: Petitioner Sales for FY 2021-22 (Pre and Post COVID)**

| Sr. No. | Category | Pre 2nd Wave COVID | Post 2nd Wave COVID |
|---|---|---|---|
| 1 | Domestic | 4542.82 | 4613.84 |
| 2 | Non-Domestic | 1373.07 | 1208.35 |
| 3 | Industrial | 2467.17 | 2186.34 |
| 4 | Agriculture & Mushroom | 15.46 | 18.05 |
| 5 | Public Utilities except DMRC & DJB | 512.46 | 443.22 |
| 6 | Adv. & Hoardings | 0.34 | 0.34 |
| 7 | E-Vehicle on SPD | 29.48 | 28.37 |
| 8 | Others including Temporary Supply | 89.39 | 88.43 |
| 9 | Own Consumption | 22.57 | 21.47 |
| **Total** | | **9052.78** | **8608.39** |

4.38 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.'21and 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.

4.39 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.

4.40 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. 10 : Commission Analysis: 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 | 454 | 287 | 353 | 244 | 454 |
| 2 | Non Domestic | 79 | 33 | 105 | 83 | 79 | 33 |
| 3 | Industrial | 100 | 35 | 206 | 141 | 100 | 35 |
| 4 | Agriculture & Mushroom Cultivation | 1 | 1 | 1 | 1 | 1 | 1 |
| 5 | Public Utilities (Public Lighting & DJB) | 32 | 29 | 35 | 39 | 32 | 29 |
| 6 | Enforcement | -0 | 0 | 0 | 0 | -0 | 0 |
| 7 | Others | 6 | 7 | 9 | 7 | 6 | 7 |
| | **Total** | **670** | **857** | **462** | **558** | **643** | **626** |

4.41 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.

4.42 For DMRC and DJB the Commission has considered the sales based on their submissions. However, for DMRC the impact of lockdown on account of 2nd wave of COVID-19 has been considered by factoring reduction of one month of sale from the total sales as submitted by them.

4.43 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.

4.44 The sales during H2 part of the year i.e. October'21 to March'22 is forecasted considering appropriate category wise CAGR, over FY 2020-21 as the base year since it is a normal period.

4.45 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.

4.46 The category wise H1 and H2 sales from FY 2014-15 to FY 2020-21 are indicated in the tables as follows:

**Table 4. 11: Commission Approved: Actual H1 Sales from FY 2014-15 to FY 2020-21 (MU)**

| Sr. No. | Category | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 |
|---|---|---|---|---|---|---|---|---|
| 1 | Domestic | 2052 | 2056 | 2346 | 2517 | 2643 | 2833 | 2798 |
| 2 | Non-Domestic | 748 | 763 | 824 | 857 | 885 | 902 | 557 |
| 3 | Industrial | 1132 | 1168 | 1195 | 1196 | 1267 | 1274 | 793 |
| 4 | Agriculture & Mushroom | 7 | 7 | 6 | 7 | 8 | 8 | 9 |
| 5 | Public Utilities | 255 | 281 | 279 | 289 | 318 | 300 | 191 |
| 6 | DIAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7 | Adv. & Hoardings | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 | Temporary Supply | 32 | 30 | 32 | 33 | 32 | 34 | 30 |
| 9 | E-Vehicle on SPD | 0 | 0 | 0 | 0 | 2 | 8 | 6 |
| 10 | Others | 17 | 18 | 16 | 15 | 13 | 13 | 8 |
| a | Enforcement | 8 | 10 | 7 | 5 | 6 | 6 | 3 |
| b | Own Consumption | 9 | 9 | 9 | 10 | 7 | 7 | 6 |
| **Total** | | **4242** | **4324** | **4698** | **4914** | **5168** | **5372** | **4391** |

**Others Includes Enforcement, Own Consumption*

**Table 4. 12: Commission Approved: Actual H2 Sales from FY 2014-15 to FY 2020-21 (MU)**

| Sr. No. | Category | FY15 | FY16 | FY17 | FY18 | FY19 | FY 20 | FY 21 |
|---|---|---|---|---|---|---|---|---|
| 1 | Domestic | 1282 | 1369 | 1447 | 1450 | 1433 | 1504 | 1687 |
| 2 | Non-Domestic | 595 | 637 | 640 | 670 | 649 | 651 | 625 |
| 3 | Industrial | 1147 | 1181 | 1118 | 1236 | 1271 | 1222 | 1288 |

| Sr. No. | Category | FY15 | FY16 | FY17 | FY18 | FY19 | FY 20 | FY 21 |
|---|---|---|---|---|---|---|---|---|
| 4 | Agriculture & Mushroom | 5 | 6 | 6 | 7 | 6 | 7 | 8 |
| 5 | Public Utilities | 294 | 292 | 305 | 314 | 297 | 280 | 249 |
| 6 | DIAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7 | Adv. & Hoardings | 1 | 1 | 1 | 1 | 0 | 0 | 0 |
| 8 | Temporary Supply | 29 | 28 | 28 | 29 | 27 | 25 | 29 |
| 9 | E-Vehicle on SPD | 0 | 0 | 0 | 0 | 5 | 11 | 10 |
| 10 | Others | 19 | 15 | 17 | 18 | 11 | 13 | 21 |
| a | Enforcement | 10 | 7 | 8 | 9 | 6 | 8 | 7 |
| b | Own Consumption | 9 | 9 | 9 | 9 | 5 | 6 | 14 |
| **Total** | | **3374** | **3530** | **3562** | **3725** | **3699** | **3714** | **3919** |

*Others Includes Enforcement, Own Consumption

4.47 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. 13: Commission Approved: 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 | 6.67% | 8.34% | 6.49% | 6.09% | 7.19% |
| 2 | Non-Domestic | 3.81% | 4.25% | 3.06% | 2.58% | 1.90% |
| 3 | Industrial | 2.40% | 2.20% | 2.17% | 3.21% | 0.54% |
| 4 | Agriculture & Mushroom | 2.60% | 4.19% | 9.70% | 12.97% | 3.10% |
| 5 | Public Utilities | 3.35% | 1.69% | 2.46% | 1.87% | -5.44% |
| 6 | DIAL | | | | | |
| 7 | Adv. & Hoardings | 3.60% | -7.55% | -5.18% | -20.00% | -29.18% |

| Sr. No. | Category | 5 year CAGR | 4 year CAGR | 3 year CAGR | 2 year CAGR | 1 year CAGR |
|---|---|---|---|---|---|---|
| 8 | Temporary Supply | 0.98% | 3.41% | 1.88% | 2.11% | 5.93% |
| 9 | E-Vehicle on SPD | | | | | 299.81% |
| 10 | Others* | -5.45% | -8.76% | -7.41% | -7.23% | -1.85% |
| a | Enforcement | -7.74% | -12.93% | -8.09% | 4.58% | -6.34% |
| b | Own Consumption | -3.43% | -4.74% | -6.88% | -14.02% | 1.90% |

***Others includes Enforcement, Own Consumption***

**Table 4. 14: Commission Approved: Various H2 Sales CAGR (FY 2015-16 to 2020-21) (%)**

| Sr. No. | Category | 5 year CAGR | 4 year CAGR | 3 year CAGR | 2 year CAGR | 1 year CAGR |
|---|---|---|---|---|---|---|
| 1 | Domestic | 4.26% | 3.91% | 5.18% | 8.48% | 12.13% |
| 2 | Non-Domestic | -0.37% | -0.58% | -2.29% | -1.83% | -3.88% |
| 3 | Industrial | 1.75% | 3.60% | 1.37% | 0.65% | 5.36% |
| 4 | Agriculture & Mushroom | 5.31% | 6.36% | 7.57% | 19.47% | 20.84% |
| 5 | Public Utilities | -3.10% | -4.91% | -7.40% | -8.38% | -10.79% |
| 6 | DIAL | - | - | - | - | - |
| 7 | Adv. & Hoardings | -26.61% | -36.72% | -37.43% | -8.20% | -26.55% |
| 8 | Temporary Supply | 0.77% | 1.13% | 0.88% | 4.88% | 16.40% |
| 9 | E-Vehicle on SPD | | | 292.26% | 47.72% | -1.02% |
| 10 | Others | 6.80% | 6.30% | 6.18% | 41.40% | 64.96% |
| a | Enforcement | 1.39% | -2.35% | -6.30% | 13.14% | -4.98% |
| b | Own Consumption | 10.27% | 12.44% | 15.67% | 66.62% | 160.44% |

***Others Includes Enforcement, Own Consumption***

4.48 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:

**H1 Sales-Apr'21 and May'21**

**H1 Sales-June'21 to Sep'21**

**H2 Sales-Oct'21 to Mar'22**

**DOMESTIC, NON DOMESTIC AND INDUSTRIAL CONSUMERS**

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'21are approved as under:

**Table 4. 15: 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 | 287 | 353 |
| 2 | Non-Domestic | 105 | 83 |
| 3 | Industrial | 206 | 141 |
| **Total** | | | **1175** |

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 Mat'21 have been considered on actual. Accordingly, approved sales for the Petitioner for June'21 to Sep'21 are as under:

**Table 4. 16: Commission Approved: H1 Sales FY 2021-22 (June'21 to Sep'21) (MU)**

| Sr. No. | Category | CAGR | Rate | Sales |
|---|---|---|---|---|
| 1 | Domestic including 11kV and staff | 4 year | 8.34% | 3069 |
| 2 | Non-Domestic | 4 year | 4.25% | 940 |
| 3 | Industrial | 2 year | 3.21% | 1315 |
| **Total** | | | | **5324** |

iii) **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. 17: Commission Approved: H2 Sales FY 2021-22 (MU)**

| Sr. No. | Category | Sales FY 2020-21 Oct'20 to Mar'21 | CAGR | Rate | H2 Sales |
|---|---|---|---|---|---|
| 1 | Domestic including 11kV and staff | 1687 | 2 year | 8.48% | 1830 |
| 2 | Non-Domestic | 625 | 5 year | -0.37% | 623 |
| 3 | Industrial | 1288 | 4 year | 3.60% | 1334 |
| | **Total** | **3600** | | | **3787** |

**PUBLIC UTILITIES**

**I. DELHI METRO RAIL CORPORATION (DMRC) & DELHI JAL BOARD (DJB)**

4.49 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 and DJB for FY 2021-22.

4.50 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 151 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.

4.51 The Delhi Jal Board has submitted the sales of 297 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.

**II. PUBLIC LIGHTING:**

4.52 For Public Lighting 3 years CAGR @2.46% on sales H1 of FY 2019-20 and 3 years CAGR @ -7.4% on H2 sales of FY2020-21 has been considered by the Commission for projection sales of 99 MU for FY2021-22.

4.53 Accordingly, the Commission has considered the total sales of 547MU (151+297+99) under Public utility category.

**ALL OTHER CATEGORIES**

4.54 **Agriculture and Mushroom:** For agricultural and Mushroom Cultivation the Commission has considered the sales of 18MU for FY 2021-22 based on 3 years CAGR @ 9.7% on H1 sales of FY2019-20 sales and 7.57% CAGR on H2 sales of FY2020-21.

4.55 **Advertisement and Hoarding:** The Commission has considered the sales of 0.34MU under Advertisement and Hoarding category as submitted by the petitioner.

4.56 **Temporary supply:** The Commission has considered the sales based on CAGR@ 1.88% and 0.88% on sales of FY2019-20 and FY2020-21 and accordingly, projecting the sales of 64 MU under temporary supply for FY 2021-22.

4.57 **Electric Vehicles**: The sales for charging station of Electric Vehicles category has been considered at 28 MU as submitted by the Petitioner.

4.58 **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 34 MU under others category for FY 2021-22.

4.59 In view of above, the sales projected for the Petitioner for FY 2021-22 is as follows:

**Table 4. 18: Commission Approved: Projected Sales for FY 2021-22(MU)**

| Sr. No. | Category | Petitioner Submission Post 2nd Wave COVID-19 | Commission Approved | | |
|---|---|---|---|---|---|
| | | | H1 FY 22 | H2 FY 22 | H1+H2 |
| 1 | Domestic including 11kV and Staff | 4614 | 2686 | 1830 | 4517 |
| 2 | Non-Domestic | 1208 | 815 | 623 | 1437 |
| 3 | Industrial | 2186 | 1224 | 1334 | 2558 |
| 4 | Agriculture & Mushroom | 18.05 | 9 | 9 | 18 |
| 5 | Public Utilities | 443 | | - | 547 |
| 6 | Adv. & Hoardings | 0.34 | | | 0.34 |
| 7 | Temporary Supply | 59 | 34 | 30 | 64 |
| 8 | Charging Stations for E-Rickshaw/ E-Vehicle on Single Delivery Point | 28 | | - | 28 |
| 9 | Others* | 51.00 | 13 | 21 | 34 |
| **Total** | | **8608** | | | **9205** |

* *Enforcement, Own consumption and Net Metering*

## ESTIMATED REVENUE AT EXISTING TARIFF FOR FY2021-22

## PETITIONER'S SUBMISSION

4.60 The Petitioner has submitted that the Commission has followed two-part tariff principle for each consumer category (except CGHS colonies) consisting of fixed/ demand charges as well as energy charges.

1. The fixed/ demand charges are specified for different categories as a fixed amount per month or as a fixed amount per kW of sanctioned load per month.
2. The energy charges, on the other hand, are always usage-based and are specified per unit of electricity consumed.

4.61 In order to reduce the cost of power purchase during peak hours the Commission has implemented TOD (Time of Day Tariff) wherein peak hour consumption is charged at higher rates which reflects 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 incentivize consumers to shift a portion of their loads from peak time to off peak time. The Commission in its Tariff Order September, 2015 has reviewed the TOD time slots and restrict the applicability of TOD for the period May- September instead of whole year.

4.62 It is further clarified that the Commission vide its Tariff Order dated July, 2012 has introduced 8% Deficit recovery surcharge which is directly linked with the aforesaid two part tariff. The aforesaid surcharge has been imposed for recovery of previous years accumulated Revenue Gap and carrying cost which otherwise has to be met through increase in two- part tariff. The Commission has instead of increase in basic two part tariff introduced additional surcharge directly linked to the fixed charges/ demand charges and energy charges.

4.63 For Domestic consumers with sanctioned load less than 5 kW, the revenue from fixed charges is calculated by multiplying the corresponding fixed charge with the number of month for respective consumers in that particular tariff slab.

For Domestic consumers with sanctioned load exceeding 5 kW, the revenue from fixed charges is calculated by multiplying the specified fixed charge with the connected load (in kW) of the category.

4.64 For calculation of revenue from energy charges, the actual usage is multiplied by the applicable tariff category slab.

4.65 For Non-Domestic, Industrial, public utilities billing is done either on kW or kVA basis, as specified in the last approved tariff schedule. Since projections for next year is done only on kW basis for sanctioned load and on kWh basis for energy sales, wherever the tariff is specified in kVA/kVAh terms, the relevant kW/kWh projection is divided by the Power Factor in order to obtain the corresponding kVA/kVAh projection. Thereafter, revenue from demand charges is calculated by multiplying the demand charge of each tariff slab with the sanctioned load of that slab, while revenue from energy charges is calculated by multiplying the energy charges specified for each tariff slab with the energy consumption projected for that slab.

4.66 Based on the above factors i.e. Energy Billed, Number of Consumers, Consumer Load, the Petitioner has estimated revenue at existing retails supply Tariff for FY 2021-22. Category wise estimated Revenue Billed for respect year of control period is as follows:

**Table 4.20: Petitioner Submission: Category wise projected Revenue for FY2021-22)**

| Sr. No. | Category | Fixed Charges | Energy charges | TOD Tariff | Total Charges |
|---|---|---|---|---|---|
| 1 | Domestic | 201.97 | 1768.18 | 0.00 | 1970.15 |
| 2 | Non –Domestic | 373.99 | 1025.71 | 5.45 | 1405.15 |
| 3 | Industrial | 396.78 | 1742.68 | 11.62 | 2151.08 |
| 4 | Agriculture | 4.63 | 2.65 | 0 | 7.28 |
| 5 | Mushroom Cultivation | 0.04 | 0.13 | 0 | 0.17 |
| 6 | Public Utilities | 57.67 | 300.44 | 0.25 | 358.36 |
| 7 | Adv. & Hoardings | 0.16 | 0.29 | 0 | 0.45 |
| 8 | E Vehicle | 0.00 | 12.77 | 0.03 | 12.8 |
| 9 | Others | 7.59 | 59.37 | 0.04 | 67.00 |
| | **Total** | **1042.84** | **4912.22** | | **5972.44** |

4.67 The Petitioner has projected approx. 18.54 lakh consumers for FY 2021-22. in their Petition whose break up is as follows:

**Table 4.21: Petitioner Submission: Projected number of consumers for FY2021-22**

| Sr. No. | Category | FY 2021-22 |
|---|---|---|
| A | Domestic | 1560428 |
| B | Non –Domestic | 231808 |
| C | Industrial | 30347 |
| D | Agriculture | 4350 |
| E | Mushroom Cultivation | 13 |
| F | Public Utilities | 6258 |
| G | Adv. & Hoardings | 243 |
| H | Others- including E vehicle | 20889 |

| Sr. No. | Category | FY 2021-22 |
|---|---|---|
| | **Total** | **18,54,336** |

4.68 For the purpose of computing fixed charges, the Petitioner has projected load of 6049 MW in its Petition for FY 2021-22 whose break up is as follows:

**Petitioner Submission: Projected number of Consumers Load (MW)**

| Sr. No. | Category | FY 2021-22 |
|---|---|---|
| A | Domestic | 3,183 |
| B | Non –Domestic | 1,247 |
| C | Industrial | 1,323 |
| D | Agriculture | 31 |
| E | Mushroom Cultivation | 0 |
| F | Public Utilities | 192 |
| G | Adv. & Hoardings | 1 |
| H | Others- including E vehicle | 72 |
| | **Total** | **6,049** |

**COMMISSION ANALYSIS**

4.69 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 per unit of electricity consumed.

4.70 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.

4.71 For Non-Domestic, Industrial, Public Utilities and DIAL 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.

4.72 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 | 198 | 1,767 | 1,965 |
| 2 | Non-Domestic | 375 | 1,192 | 1,567 |
| 3 | Industrial | 420 | 1,982 | 2,402 |
| 4 | Agriculture & Mushroom | 5 | 3 | 8 |
| 5 | Public Utilities | 77 | 342 | 419 |
| 6 | DIAL | - | - | - |
| 7 | Advertisement and hoarding | 0 | 0 | 0 |
| 8 | Temporary | 13 | 71 | 84 |
| 9 | Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point | - | 13 | 13 |
| 10 | Others* | 0 | 18 | 18 |
| 11 | Total | 1,088 | 5,388 | 6,476 |
| 12 | **Revenue @ 99.50% Collection Efficiency** | | | **6,444** |

* *Enforcement, Own consumption and Net Metering*

**DISTRIBUTION LOSS AND COLLECTION EFFICIENCY TARGET**

**PETITIONER'S SUBMISSION**

4.73 As mentioned in earlier section, the Petitioner had revised their projections for FY 2021-22 considering the impact of 2nd wave COVID-19, the Commission has accordingly, considered the submissions of the Petitioner submitted vide its letter dated 19/05/2021.

4.74 The Petitioner has submitted that the Commission has approved collection target of

99.50% for 4th MYT Control period vide Regulations 26(1) of Delhi Electricity Regulatory Commission Business Plan Regulation, 2019.

4.75 The Petitioner has referred the Relevant extract of the same is given below:

***26. TARGET FOR COLLECTION EFFICIENCY***

*(1) The targets for Collection Efficiency for FY 2020-21 to FY 2022-23 of the Distribution Licensees shall be 99.50%.*

4.76 Based on above, collection efficiency at 99.50% level is considered for FY 2021-22.

**Table 4. 20: Petitioner Submission: Estimated Energy Collection (Rs. Cr.)**

| Sr. No. | Particulars | Revised Submission |
|---|---|---|
| A | Estimated Billing at Current Tariffs – without DRS, E tax & Pension Trust | 6,250.77 |
| B | Collection Efficiency | 99.50% |
| C | Estimated Collection | 6,219.52 |

4.77 The Petitioner has submitted that the Commission in its *Business Plan Regulations, 2019* has approved distribution loss reduction targets as mentioned in table below in terms of Regulation 4(9)(a) of the *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2019*:

**Table 4. 21: Petitioner Submission: Distribution Loss level for 4th MYT Control Period**

| Category | FY 2020-21 | FY 2021-22 | FY 2022-23 |
|---|---|---|---|
| Approved Distribution Target Loss level | 7.90% | 7.80% | 7.70% |
| Year on Year reduction in distribution loss level | | 0.10% | 0.10% |

4.78 Based on above table, distribution loss level of 7.80% for FY 2021-22 has been considered and corresponding energy requirement at Petitioner's periphery comes to 704.51 MU for FY 2021-22.

**Petitioner Submission: Estimated Energy Requirements for FY 21-22**

| Sr. No. | Particulars | UoM | Amount |
|---|---|---|---|
| A | Expected Sales | MU | 8,608.39 |
| B | Distribution Loss | % | 7.80% |
| C | Energy Input (at TPDDL periphery) | MU | **9,312.90** |
| D | Distribution Loss | MU | 704.51 |

**COMMISSION ANALYSIS**

4.79 The Commission has fixed the targets for Distribution Loss and Collection Efficiency in its Business Plan Regulations, 2019 as 7.80% 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. 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 *DERC Business Plan Regulations, 2019*.

4.80 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 7.80%. The approved energy requirement for FY 2021-22 is summarized in the table as follows:

**Table 4. 22: Commission Approved: Energy requirement for FY 2021-22**

| Sr. No. | Particulars | MoU | Amount | Ref. |
|---|---|---|---|---|
| A | Energy Sales | MU | 9,204.57 | |
| B | Distribution Loss | MU | 778.69 | C-A |
| | | % | 7.80% | |
| C | Energy Requirement | MU | 9983.27 | ((A/(1-B)) *100) |

**POWER PURCHASE QUANTUM & COST**

**PETITIONER'S SUBMISSION**

4.81 Power Purchase Cost is the single largest component of ARR for a distribution company and hence the same is being submitted as part of MYT Regulations considering power from both existing as well as future renewable power stations.

**Allocation of Power From Central And State Generating Stations**

a) Delhi has a firm allocated share in Central Sector Generating Stations (CSGS), State Generating Stations (SGS) and other stations. For the purpose of projecting the units, the latest allocation order has been considered.

b) Further, allocation from various stations has been considered as per the Commission Tariff Order for FY 2021-22.

c) It is further clarified that no power from unallocated quota has been considered for projection purposes.

d) Banking/ Bilateral transactions are not considered, all the short term purchase and sale transactions are considered at exchange only.

**Energy Availability from The Central Sector, State Sector And Other Generating Stations and Cost**

4.82 The Energy available in MU for the purpose of projections has been computed as below:

**Power Procurement from Central & State Generating Stations (MU)**

(i) No energy is considered to be scheduled from Rithala in view of the Commission's directive.

(ii) The generation expected from Own TPDDL- Solar installed capacity and roof top solar has been considered at 15% CuF.

(iii) To estimate the energy (MU) which would be scheduled from the long term sources; stations like Hydro, Nuclear, Renewable & Delhi GENCO stations have been considered as must run stations. All other plants have been considered to be running at minimum technical limit (MTL) and further, it has been assumed that the plants having ECR less than the estimated sale rate at exchange shall be scheduled to the maximum allocation for maximizing the sale rate of surplus power.

(iv) Interstate STOA Charges have been considered as 5 Paise for the short term purchase.

(v) The ECR's have been escalated by 3.9% based on the 5 year CAGR of the actual weighted average ECR from all the plants. ECR of Renewable plants have not been escalated.

(vi) PGCIL Transmission charges have been extrapolated as per the MW allocation during the year and charges have been escalated by 10% based on the CAGR of past 5 years.

(vii) New Plant additions considered in FY 2021-22 are:

a) Cosmos Hydro - 19.8 MW at Rs. 4.44/- at 45% Cuf from October'21

b) SDMC 8 MW added from 19 Aug-2021 at 75% Cuf @ Rs. 5.5/-

c) SECI Solar 200 MW added from 05-June 21 at 24% Cuf @ Rs. 2.68/-

(viii) Plants discontinued in FY 2021-22 is:

a) IPGCL GTPS is not considered as the PPA is expiring on 31st March 2021.

4.83 To compute the power procurement cost for next year, the following assumptions are considered:

(i) Increase in Actual Fixed Cost or Fixed Cost is considered based on currently available information/tariff orders.

(ii) Based on the actual variable cost for FY 2019-20 for each generating station, the variable rate is escalated @ 3.90% and considered for the purpose of projections.

**Table 4. 23: Petitioner Submission: Projected Power Purchase from State Generating Stations for FY 2021-22**

| Sr. No. | Stations | Petitioner Share (MU) | Fixed Cost (Rs Cr) | Variable Cost (Rs Cr) | Total Cost (Rs Cr) |
|---|---|---|---|---|---|
| **A** | **State Generating Stations** | | | | |
| I | Pragati | 296 | 25 | 170 | 195 |
| II | Pragati III | 797 | 285 | 295 | 580 |
| | **Total SGS** | **1093** | **322** | **465** | **775** |

4.84 Based on above assumption, power purchase MU & its cost from Central State Generating stations for FY 2021-22 as submitted in Additional submission dated 19/05/2021 is as follows:

**Table 4. 24: Petitioner Submission: Projected Power Purchase from Central Generating Station**

| Sr. No. | Source | Revised Petitioner Share (MU) | Revised Fixed Cost (Rs Cr) | Variable Cost (Rs Cr) | Total Cost (Rs Cr) |
|---|---|---|---|---|---|
| | **NTPC** | | | | |
| I | ANTA | 3 | 7 | 1 | 8 |
| II | Auraiya GPS | 19 | 13 | 7 | 20 |
| III | Dadri GPS | 37 | 13 | 13 | 26 |
| IV | Rihand STPS-I | 213 | 18 | 31 | 48 |
| V | Rihand STPS-II | 262 | 21 | 38 | 59 |
| VI | Unchahaar-I TPS | 34 | 5 | 10 | 15 |
| VII | Unchahaar-II TPS | 65 | 11 | 19 | 30 |
| VIII | Unchahaar-III TPS | 38 | 7 | 10 | 18 |
| IX | Dadri (Th) | 44 | 7 | 13 | 21 |
| X | Dadri (Th) II | 47 | 10 | 14 | 24 |
| XI | Kahalgaon-I TPS | 107 | 13 | 23 | 36 |
| XII | Kahalgaon-II TPS | 342 | 37 | 74 | 111 |

| Sr. No. | Source | Revised Petitioner Share (MU) | Revised Fixed Cost (Rs Cr) | Variable Cost (Rs Cr) | Total Cost (Rs Cr) |
|---|---|---|---|---|---|
| XIII | Aravali | 264 | 700 | 92 | 792 |
| XIV | Farakka | 46 | 4 | 13 | 17 |
| XV | Singrauli STPS | 318 | 23 | 46 | 69 |
| | **Total** | **1838** | **889** | **404** | **1293** |
| | **NHPC** | | | | |
| I | Bairasul | 11 | 2 | 1 | 2 |
| II | Tanakpur | 16 | 3 | 3 | 6 |
| III | Chamera-I | 58 | 4 | 7 | 11 |
| IV | Chamera-II | 46 | 6 | 5 | 11 |
| V | Chamera-III | 38 | 8 | 7 | 14 |
| VI | URI | 112 | 7 | 9 | 16 |
| VII | URI II | 71 | 9 | 13 | 22 |
| VIII | Dhauliganga | 54 | 5 | 7 | 12 |
| IX | Sewa II | 22 | 5 | 5 | 10 |
| X | Dulhasti | 71 | 14 | 17 | 31 |
| XI | Parbati III | 27 | 9 | 4 | 13 |
| | **Total** | **526** | **72** | **78** | **148** |
| | **THDC** | | | | |
| I | Tehri HPP | 56 | 9 | 13 | 22 |
| II | Koteshwar HEP | 35 | 9 | 8 | 17 |
| | **Total** | **91** | **18** | **21** | **39** |
| | **DVC** | | | | |
| I | DVC (CTPS 7&8) | 613 | 119 | 161 | 281 |
| II | DVC (MTPS 6) | 205 | 35 | 62 | 97 |
| | **Total** | **818** | **155** | **223** | **378** |
| | **NPCIL** | | | | |
| I | NAPS | 112 | - | 34 | 34 |
| II | RAPS | 128 | - | 49 | 49 |
| | **Total** | **240** | **-** | **83** | **83** |
| | **SJVNL** | | | | |
| I | Naptha Jhakri | 199 | 22 | 24 | 45 |
| | **Total** | **199** | **22** | **24** | **45** |
| | **Others** | | | | |
| I | Tala | 24 | 0 | 5 | 5 |
| II | Sasan, MP | 410 | 7 | 48 | 55 |
| III | CLP Jhajjar | 481 | 83 | 152 | 235 |
| IV | MPL | 2105 | 352 | 540 | 891 |
| | **Total** | **3019** | **442** | **745** | **1,187** |
| | **Total CSGS** | **6733** | **1597** | **1,577** | **3,174** |

**COMMISSION ANALYSIS**

4.85 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.

4.86 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.

4.87 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.

4.88 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.

4.89 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 1$^{st}$ Oct 2021 till 00:00 Hrs 31$^{st}$ 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. 25: 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% |

4.90 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. 26: 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 | 30.68% | 6.82 | 35 |
| KAHALGAON STAGE-I | 840 | 6.07% | 51 | 30.68% | 15.64 | 91 |
| NCPP - DADRI | 840 | 90.00% | 756 | 1.32% | 9.98 | 0 |
| RIHAND -I | 1000 | 10.00% | 100 | 30.68% | 30.68 | 200 |
| RIHAND -II | 1000 | 12.60% | 126 | 30.68% | 38.66 | 241 |
| Rihand-III | 1000 | 13.19% | 132 | 0.00% | 0.00 | 0 |
| SINGRAULI | 2000 | 7.50% | 150 | 30.68% | 46.02 | 307 |
| UNCHAHAR-I | 420 | 5.71% | 24 | 30.68% | 7.36 | 33 |
| UNCHAHAR-II | 420 | 11.19% | 47 | 30.68% | 14.42 | 63 |
| UNCHAHAR-III | 210 | 13.81% | 29 | 30.68% | 8.90 | 40 |
| KAHALGAON STAGE-II | 1500 | 10.49% | 157 | 30.68% | 48.27 | 328 |
| DADRI EXTENSION | 980 | 74.24% | 728 | 1.37% | 9.97 | 26 |
| Aravali Power Corporation Ltd | 1500 | 46.20% | 693 | 88.57% | 613.79 | 953 |
| ANTA GAS | 419 | 10.50% | 44 | 30.68% | 13.50 | 3 |
| AURAIYA GAS | 663 | 10.86% | 72 | 30.68% | 22.10 | 15 |
| DADRI GAS | 830 | 10.96% | 91 | 30.68% | 27.90 | 29 |
| **NTPC Total** | **15222** | | **3222** | | **914** | **2365** |
| **NHPC** | | | | | | |
| BAIRASUIL | 180 | 11.00% | 20 | 30.68% | 6.07 | 15 |
| CHAMERA-I | 540 | 7.90% | 43 | 30.68% | 13.09 | 52 |
| CHAMERA-II | 300 | 13.33% | 40 | 30.68% | 12.27 | 43 |
| CHAMERA-III | 231 | 12.73% | 29 | 30.68% | 9.02 | 36 |
| DHAULIGANGA | 280 | 13.21% | 37 | 30.68% | 11.35 | 46 |
| DULHASTI | 390 | 12.83% | 50 | 30.68% | 15.35 | 77 |

| Station | Plant Capacity | Delhi's Share (%) | Delhi's Share (MW) | Petitioner's Share (%) | Petitioner's Share (MW) | Petitioner's Share (MU) |
|---|---|---|---|---|---|---|
| SALAL | 690 | 11.62% | 80 | 0.00% | 0.00 | 0 |
| TANAKPUR | 94 | 12.81% | 12 | 30.68% | 3.70 | 15 |
| URI | 480 | 11.04% | 53 | 30.68% | 16.26 | 99 |
| SEWA-II | 120 | 13.33% | 16 | 30.68% | 4.91 | 16 |
| Uri-II | 240 | 13.45% | 32 | 30.68% | 9.90 | 65 |
| Parbati III | 520 | 12.73% | 66 | 30.68% | 20.31 | 25 |
| **NHPC Total** | **4065** | | **479** | | **122.24** | **488** |
| **THDC** | | | | | | |
| TEHRI HEP | 1000 | 6.30% | 63 | 30.68% | 19.33 | 52 |
| KOTESHWAR | 400 | 9.86% | 39 | 30.68% | 12.10 | 32 |
| **SJVNL** | | | | | | |
| NJPC (SJVNL) | 1500 | 9.47% | 142 | 30.68% | 43.58 | 197 |
| **DVC** | | | | | | |
| Mejia Unit-6 | 250 | 40.00% | 100 | 30.68% | 30.68 | 198 |
| Mejia Unit-7 | 500 | 23.80% | 119 | 0.00% | 0.00 | 0 |
| Chandrapur (Ext.-7 and 8) | 500 | 60.00% | 300 | 30.68% | 92.04 | 606 |
| **OTHERS CSGS** | | | | | | |
| Haryana CLP Jhajjar | 1320 | 9.39% | 124 | 100.00% | 124.00 | 483 |
| MPL DVC | 1050 | 26.76% | 281 | 100.00% | 281.00 | 2106 |
| TALA | 1020 | 2.94% | 30 | 30.68% | 9.20 | 31 |
| Sasan | 3960 | 11.25% | 446 | 15.34% | 68.34 | 435 |
| Tuticurin Wind | | | 50 | | | |
| SECI Solar Rajasthan | | | 60 | | 20.00 | 40 |
| Suryakanta HEP | | | 14 | | 14.00 | 43 |
| Nanti HEP | | | 11 | | 11.45 | 40 |
| SEISPPL | | | 180 | | 180.00 | 379 |
| Taranda HEP | | | 13 | | 12.65 | 35 |
| Singrauli HEP | 8 | 19.13% | 2 | 100.00% | 1.53 | 3 |
| SECI Wind Alfanar | | | | | 50.00 | 171 |
| SECI - Azure & Eden | | | | | | |
| SECI SBSR Power Cleantech Elevn Pvt. Ltd. | | | | | | 346 |
| **Sub Total (SJVNL+DVC+THDC+Others CSGS)** | **11508** | | **1974** | | **969.90** | **5197** |
| **NUCLEAR** | | | | | | |
| RAPS - 5 & 6 | 440 | 12.69% | 56 | 30.68% | 17.13 | 121 |
| NPCIL - NAPS | 440 | 10.68% | 47 | 30.68% | 14.42 | 111 |
| **Nuclear Total** | **880** | | **103** | | **31.55** | **232** |
| **SGS** | | | | | | |
| GAS TURBINE | 270 | 100% | **90** | 29.67% | 26.70 | 193 |
| Pragati -I | 330 | 100% | 330 | 19.28% | 63.62 | 289 |
| PRAGATI-III, BAWANA | 1371.2 | 80% | 1097 | 27.19% | 298.26 | 815 |
| TOWMCL | 13 | 97.15% | 12.63 | 47.15% | 6.00 | 49 |
| MSW Bawana | 24 | 100% | 24 | 29.20% | 7.01 | 34 |

| Station | Plant Capacity | Delhi's Share (%) | Delhi's Share (MW) | Petitioner's Share (%) | Petitioner's Share (MW) | Petitioner's Share (MU) |
|---|---|---|---|---|---|---|
| Tata Solar | 2 | 100% | 2 | | 2 | 2 |
| **SGS Total** | **2008** | | **1555.19** | | **403.20** | **1381** |
| **TOTAL PURCHASE FROM LONG TERM** | **33684** | | **7332** | | **2441** | **9663** |

4.91 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.

4.92 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. 27: Commission Approved: Power Purchase Cost for FY 2021-22**

| Station | Energy | Fixed Cost | Arrears | ECR | Variable cost | Total Cost | Avg. Rate |
|---|---|---|---|---|---|---|---|
| | (MU) | (Rs. Cr.) | (Rs. Cr.) | (Rs./kWh) | (Rs. Cr.) | (Rs. Cr.) | (Rs/kWh) |
| **NTPC** | | | | | | | |
| FARAKKA | 35 | 3.94 | 0.65 | 2.69 | 10.13 | 14.72 | 4.19 |
| KAHALGAON STAGE-I | 91 | 11.24 | 1.59 | 2.37 | 21.08 | 33.91 | 3.72 |
| NCPP - DADRI | 0 | 5.89 | 0.00 | 0.00 | 0.00 | 5.89 | |
| RIHAND -I | 200 | 17.99 | 1.79 | 1.40 | 27.04 | 46.82 | 2.34 |

| Station | Energy | Fixed Cost | Arrears | ECR | Variable cost | Total Cost | Avg. Rate |
|---|---|---|---|---|---|---|---|
| | (MU) | (Rs. Cr.) | (Rs. Cr.) | (Rs./kWh) | (Rs. Cr.) | (Rs. Cr.) | (Rs/kWh) |
| RIHAND -II | 241 | 19.20 | 1.50 | 1.40 | 32.58 | 53.27 | 2.21 |
| Rihand-III | 0 | 0.00 | 0.00 | 1.38 | 0.00 | 0.00 | |
| SINGRAULI | 307 | 20.86 | 2.95 | 1.44 | 45.09 | 68.90 | 2.25 |
| UNCHAHAR-I | 33 | 4.94 | 0.97 | 2.93 | 10.72 | 16.63 | 4.96 |
| UNCHAHAR-II | 63 | 8.83 | 1.50 | 2.93 | 20.43 | 30.76 | 4.86 |
| UNCHAHAR-III | 40 | 7.57 | 1.17 | 2.92 | 12.67 | 21.42 | 5.41 |
| KAHALGAON STAGE-II | 328 | 36.99 | 1.96 | 2.24 | 72.11 | 111.06 | 3.39 |
| DADRI EXTENSION | 26 | 9.40 | 0.84 | 3.16 | 8.33 | 18.58 | 7.05 |
| Aravali Power Corporation Ltd | 953 | 699.48 | 32.08 | 3.16 | 301.06 | 1032.62 | 10.84 |
| ANTA GAS | 3 | 7.03 | 0.97 | 2.03 | 0.90 | 8.90 | 32.94 |
| AURAIYA GAS | 15 | 10.30 | 5.57 | 4.05 | 6.26 | 22.13 | 14.49 |
| DADRI GAS | 29 | 11.80 | 2.61 | 3.29 | 8.37 | 22.78 | 7.81 |
| **NTPC Total** | **2365** | **875.46** | **56.16** | | **576.78** | **1508.40** | **6.38** |
| **NHPC** | | | | | | | |
| BAIRASUIL | 15 | 2.33 | | 0.76 | 1.35 | 3.68 | 2.51 |
| CHAMERA-I | 52 | 4.00 | | 1.14 | 5.91 | 9.91 | 1.91 |
| CHAMERA-II | 43 | 5.36 | | 1.01 | 4.27 | 9.63 | 2.25 |
| CHAMERA-III | 36 | 7.90 | | 1.97 | 7.14 | 15.04 | 4.15 |
| DHAULIGANGA | 46 | 4.86 | | 1.21 | 5.66 | 10.51 | 2.27 |
| DULHASTI | 77 | 17.94 | | 2.38 | 21.16 | 39.10 | 5.08 |
| SALAL | 0 | 0.00 | | 0.62 | 0.00 | 0.00 | |
| TANAKPUR | 15 | 2.55 | | 1.65 | 2.42 | 4.97 | 3.38 |
| URI | 99 | 6.26 | | 0.82 | 8.10 | 14.36 | 1.45 |
| SEWA-II | 16 | 3.84 | | 2.17 | 3.48 | 7.32 | 4.57 |
| Uri-II | 65 | 9.46 | | 1.79 | 13.76 | 23.22 | 3.59 |
| Parbati III | 25 | 10.15 | | 1.54 | 3.85 | 13.99 | 5.60 |
| **NHPC Total** | **488** | **74.66** | | | **77.09** | **151.75** | **3.11** |
| **THDC** | | | | | | | |
| TEHRI HEP | 52 | 12.48 | | 2.05 | 10.90 | 23.38 | 4.46 |
| KOTESHWAR | 32 | 7.04 | | 2.31 | 7.38 | 14.42 | 4.51 |
| **SJVNL** | | | | | | | |
| NJPC (SJVNL) | 197 | 19.54 | | 1.14 | 22.50 | 42.05 | 2.13 |
| **DVC** | | | | | | | |

| Station | Energy | Fixed Cost | Arrears | ECR | Variable cost | Total Cost | Avg. Rate |
|---|---|---|---|---|---|---|---|
| | (MU) | (Rs. Cr.) | (Rs. Cr.) | (Rs./kWh) | (Rs. Cr.) | (Rs. Cr.) | (Rs/kWh) |
| Mejia Unit-6 | 198 | 29.07 | 12.97 | 2.92 | 58.42 | 100.46 | 5.07 |
| Mejia Unit-7 | 0 | 0.00 | 0.00 | 2.77 | 0.00 | 0.00 | |
| Chandrapur (Ext.-7 and 8) | 606 | 97.67 | 42.71 | 2.55 | 154.51 | 294.89 | 4.87 |
| **OTHERS CSGS** | | | | | | | |
| Haryana CLP Jhajjar | 483 | 83.67 | | 3.32 | 160.20 | 243.88 | 5.05 |
| MPL DVC | 2106 | 297.83 | | 2.50 | 463.34 | 761.17 | 3.61 |
| TALA | 31 | | | 2.16 | 6.70 | 6.70 | 2.16 |
| Sasan | 435 | 6.23 | | 1.15 | 50.07 | 56.29 | 1.29 |
| Tuticurin Wind | | | | 3.53 | 0.00 | 0.00 | |
| SECI Solar Rajasthan | 40 | | | 5.50 | 22.07 | 22.07 | 5.50 |
| Suryakanta HEP | 43 | | | 3.80 | 16.46 | 16.46 | 3.80 |
| Nanti HEP | 40 | | | 4.29 | 17.04 | 17.04 | 4.29 |
| SEISPPL | 379 | | | 3.96 | 150.16 | 150.16 | 3.96 |
| Taranda HEP | 35 | | | 4.29 | 14.91 | 14.91 | 4.29 |
| Singrauli HEP | 3 | | | 5.04 | 1.64 | 1.64 | 5.04 |
| SECI Wind Alfanar | 171 | | | 2.51 | 42.99 | 42.99 | 2.52 |
| SECI - Azure & Eden | | | | 2.66 | 0.00 | 0.00 | |
| SECI SBSR Power Cleantech Elevn Pvt. Ltd. | 346 | | | 2.68 | 92.73 | 92.73 | 2.68 |
| **Sub Total (SJVNL+DVC+THDC+ Others CSGS)** | **5197** | **553.54** | | | **1292.02** | **1901.24** | **3.66** |
| **NUCLEAR** | | | | | | | |
| RAPS - 5 & 6 | 121 | | | 3.73 | 45.07 | 45.07 | 3.73 |
| NPCIL - NAPS | 111 | | | 2.97 | 32.95 | 32.95 | 2.97 |
| **Nuclear Total** | **232** | **0.00** | | | **78.02** | **78.02** | **3.37** |
| **SGS** | | | | | | | |
| GAS TURBINE | 193 | 15.81 | | 2.19 | 42.43 | 58.23 | 3.01 |
| Pragati -I | 289 | 29.47 | | 6.27 | 181.26 | 210.73 | 7.29 |
| PRAGATI-III, BAWANA | 815 | 284.92 | 16.70 | 1.78 | 145.01 | 446.63 | 5.48 |
| TOWMCL | 49 | 0.00 | | 6.43 | 31.26 | 31.26 | 6.43 |
| MSW Bawana | 34 | 0.00 | | 7.03 | 23.68 | 23.68 | 7.03 |
| Tata Solar | 2 | 0.00 | | 7.25 | 1.65 | 1.65 | |
| **SGS Total** | **1381** | **330.19** | | | **425.28** | **772.18** | **5.59** |

| Station | Energy | Fixed Cost | Arrears | ECR | Variable cost | Total Cost | Avg. Rate |
|---|---|---|---|---|---|---|---|
| | (MU) | (Rs. Cr.) | (Rs. Cr.) | (Rs./kWh) | (Rs. Cr.) | (Rs. Cr.) | (Rs/kWh) |
| **TOTAL PURCHASE FROM LONG TERM** | **9663** | **1833.85** | **128.55** | | **2449.19** | **4411.59** | **4.57** |

**RENEWABLE PURCHASE OBLIGATION (RPO)**

**PETITIONER'S SUBMISSION**

4.93 The Petitioner has submitted that the Commission has notified the *Delhi Electricity Regulatory Commission (Renewable Purchase Obligation & Renewable Energy Certificate Framework Implementation) Regulations, 2012* with effect from October, 2012.

4.94 Further, the Commission in its *Business Plan Regulation 2019* for 4th MYT Control Period has notified the following RPO trajectory for DISCOM:

**Table 4. 28: Petitioner Submission: Targets for Renewable Power Purchase Obligation**

| Sr. No. | Distribution Licensees | FY 2020-21 | FY 2021-22 | FY 2022-23 |
|---|---|---|---|---|
| A | Solar Target | 7.25% | 8.75% | 10.50% |
| B | Non Solar Target | 10.25% | 10.25% | 10.50% |
| C | Total | 17.50% | 19% | 21.00% |

4.95 Based on above targets following RPO/REC cost has been considered for FY 2021-22 as follows:

**Table 4. 29: Petitioner Submission: RPO Compliance for FY 2021-22**

| Sr. No. | Particulars | UoM | FY 2021-22 | |
|---|---|---|---|---|
| | | | Solar | Non Solar |
| A | Projected Energy sale for FY 2021-22 | MU | | 7,936 |
| B | RPO target–Solar & Non Solar | % | 8.75% | 10.25% |
| C | RPO target –Solar & Non Solar | MU | 694.41 | 757.99 |
| D | RPO Compliance through | MU | 738.80 | 478.18 |
| | *Purchase from TPDDL Solar* | *MU* | *2* | |
| | *Purchase from SECI Solar* | *MU* | *42* | |
| | *Purchase from SECI Solar 1* | *MU* | *240* | |
| | *Sunedison* | *MU* | *383* | |
| | *Net Metering- at Gross* | *MU* | *72* | |
| | *Purchase from Small Hydro* | *MU* | | *95* |
| | *Purchase from DMSWL* | *MU* | | *36* |
| | *SECI Wind 1* | *MU* | | *169* |

| Sr. No. | Particulars | UoM | FY 2021-22 | |
|---|---|---|---|---|
| | | | Solar | Non Solar |
| | *Purchase from TOWMCL* | *MU* | | *50* |
| | *Cosmos Hydro* | *MU* | | *48* |
| | *Taranda Hydro* | *MU* | | *49* |
| | *SDMC @100%* | *MU* | | *32* |
| E | (Excess)/ Shortfall= (C-D) | MU | (44.39) | 333.70 |
| F | Inter head adjustment which can be done | MU | | (122.02) |
| | Available inter-head quantum | MU | | (44.39) |
| G | Requirement to be met through purchase of REC | | | 289.31 |
| H | Net Shortfall | | 289.31 | |

**COMMISSION ANALYSIS**

4.96 The Commission has notified the *DERC (Business Plan) Regulations, 2019* 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. 30: Commission Approved: Targets for Renewable Purchase Obligation**

| Sr. No. | Particulars | FY 2021-22 |
|---|---|---|
| 1 | Solar | 8.75% |
| 2 | Non Solar | 10.25% |
| 3 | HPO | 0.18% |
| 4 | **Total** | **19.18%** |

4.97 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.

4.98 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.

4.99 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. 31: 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% | 8404 | 735.35 |
| 2 | Non Solar | 10.25% | | 861.41 |
| 3 | HPO | 0.18% | | 15.13 |
| **4** | **Total** | **19.18%** | | **1611.90** |

4.100 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.

4.101 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. 32: 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 |

4.102 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.

4.103 Accordingly, the Power Purchase Cost allowed by the Commission towards RPO compliance is indicated in the table as follows:

**Table 4. 33: Commission Approved: Power Purchase Cost towards RPO compliance**

| Sr. No. | Sources of Renewable Energy | Quantity to be Purchased (MU) | Rate (Rs/kWh) | Total Cost (Rs. Cr.) |
|---|---|---|---|---|
| **SOLAR** | | | | |
| 1 | Own Solar | 2.28 | 7.25 | 1.65 |
| 2 | SECI Solar Rajasthan | 40.13 | 5.50 | 22.07 |
| 3 | SEISPPL | 379.20 | 3.96 | 150.16 |

| Sr. No. | Sources of Renewable Energy | Quantity to be Purchased (MU) | Rate (Rs/kWh) | Total Cost (Rs. Cr.) |
|---|---|---|---|---|
| 4 | SECI - Azure & Eden | 0.00 | 2.66 | 0.00 |
| 5 | SECI SBSR Power Cleantech Elevn Pvt. Ltd. | 346.00 | 2.68 | 92.73 |
| 6 | Balance Solar Energy to be purchased | 0.00 | 0.56 | 0.00 |
| | **Sub Total** | **767.61** | | **266.61** |
| **NON SOLAR** | | | | |
| 7 | TOWMCL | 48.57 | 6.43 | 31.26 |
| 8 | MSW Bawana | 33.68 | 7.03 | 23.68 |
| 9 | East Delhi MSW | - | - | - |
| 10 | Suryakanta HEP | 43.33 | 3.80 | 16.46 |
| 11 | Nanti HEP | 39.73 | 4.29 | 17.04 |
| 12 | Taranda HEP | 34.75 | 4.29 | 14.91 |
| 13 | Singrauli HEP | 3.26 | 5.04 | 1.64 |
| 14 | Tuticurin Wind | - | - | 0.00 |
| 15 | SECI WIND ALFANAR | 170.58 | 2.51 | 42.81 |
| 16 | Balance Non Solar RECs to be purchased | 487.52 | 0.56 | 27.30 |
| 17 | Sub Total | **861.41** | | **175.11** |
| | **Hydro Purchase Obligation** | **15.13** | **4.57** | **6.91** |
| | **TOTAL RPO** | **1644.15** | | **448.63** |

## COST OF POWER FROM OTHER SOURCES

## SHORT TERM PURCHASE AND SALE

### PETITIONER'S SUBMISSION

4.104 The Petitioner has projected total short term power purchase for FY 2022-22 as follows:

**Table 4. 34: Petitioner Submission: Projected units purchase for FY 2021-22**

| Other Sources | MU | (Rs Cr) |
|---|---|---|
| **Power Purchase from Other Sources** | | |
| Inter-State Bilateral Purchase | | |
| Intra-State Power Purchase | **1459** | **558** |
| **Other Purchases Total** | | |

**Table 4. 35: Petitioner Submission: Short Term Power Sale**

| Source | Amount |
|---|---|
| Sale of Surplus Power – MU | -961.64 |
| Revenue from Sale of Surplus Power | -310.61 |
| Per unit Rate- Rs/kWh | 3.23 |

## COMMISSION ANALYSIS

4.105 It is observed that the Petitioner is in shortfall of around 572.39 MU for FY 2021-22 as indicated in Energy Balance Table (Table 4.39) 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.

4.106 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:

| 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 |

4.107 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

4.108 Transmission losses have been considered @ 3.50% for PGCIL & DTL as a whole.

4.109 Given below is the year on year projected transmission losses for FY 2021-22:

**Table 4. 36: Petitioner Submission - Transmission Losses for FY 2021-22**

| Source | MU |
|---|---|
| Inter-State Transmission | **(374.48)** |
| Intra-State Transmission (DTL) | |
| Total Transmission Losses | |

**Table 4. 37: Petitioner Submission - Transmission Charges (Rs. Cr.) for FY 2021-22**

| Sr. No. | Source | Amount |
|---|---|---|
| 1 | PGCIL Charges | 576.00 |
| 2 | DTL & SLDC Charges | 442.18 |
| 3 | Other Transmission charges, | 6.85 |
| **4** | **Total (excluding Pension Trust)** | **1025.02** |

**COMMISSION ANALYSIS**

4.110 The Petitioner has submitted actual Transmission Charges for availing Transmission Services forFY 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.

4.111 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.

4.112 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. 38: Commission Approved: Inter-State and Intra-State Transmission Losses and Transmission Charges for FY 2021-22**

| Sr. No. | Particulars | As approved |
|---|---|---|
| A | Transmission losses (MU) | |
| I | Inter-State Transmission (PGCIL) | 165.64 |
| II | Intra-State Transmission (DTL) | 86.91 |
| | Total Transmission Losses (MU) | **252.55** |
| B | Transmission Charges (Rs Crore) | |
| I | Inter-State Transmission (PGCIL) | 607.68 |
| II | Intra-State Transmission (DTL) | 346.71 |
| III | Other Transmission Charges | 25.36 |
| IV | SLDC Charges | 3.21 |
| C | **Total Transmission Charges (Rs. Cr.)** | **982.97** |

**ENERGY BALANCE**

**PETITIONER'S SUBMISSION**

4.113 The energy balance submitted by the Petitioner is summarised in the table as follows:

**Table 4. 39: Energy Balance and Power Purchase Cost for FY 2021-22**

| Sr. No. | Particulars | Energy MU | Amt (Rs. Cr) | Rate Rs/kWh |
|---|---|---|---|---|
| A | Power from CSGS | 6,732.70 | 3,174.21 | 4.71 |
| B | Power from SGS | 1,272.22 | 789.16 | 6.20 |
| C | Short Term Power Purchase | 1,458.95 | 557.79 | 3.82 |
| D | RPO obligation to be met through purchase from renewable sources | 1,185.15 | 454.22 | 3.83 |
| E | Arrears | | 638.87 | |
| F | Compensation | | 55.00 | |
| | **TOTAL Purchase** | **10,649.02** | **5,669.24** | **5.32** |
| G | Transmission losses (Intra state & Interstate) | -374.48 | | |
| H | Transmission charges | | 1,025.02 | |
| | Total Purchase with Tx | 10,274.54 | 6,694.26 | 6.52 |
| I | Less: Short Term surplus power sale | -961.64 | -310.61 | 3.32 |
| J | Less: Normative Rebate | | -78.89 | |
| | **Net Power Purchase Cost** | **9,312.90** | **6,304.76** | **6.77** |

**COMMISSION ANALYSIS**

4.114 Based on the Energy Sales, Distribution Loss, Intra-State and Inter-State Transmission Losses approved by the Commission indicated in the above paragraphs, the energy requirement as approved by the Commission is summarized 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 | 8281.96 |
| 2 | Inter-State Transmission Losses | % | 2.00% |
| | | MU | 165.64 |
| 3 | Energy available from SGS excl. generation in own distribution network | MU | 1330.62 |
| 4 | Energy available at State Transmission Periphery (1-2+3) | MU | 9446.94 |
| 5 | Intra-State Transmission Losses | % | 0.92% |
| | | MU | 86.91 |
| 6 | TPDDL Solar/ TOWMCL | MU | 50.85 |
| 7 | Net Energy available at the distribution periphery | MU | 9410.87 |

| Sr. No. | Particulars | Unit | FY 2021-22 |
|---|---|---|---|
| 8 | Energy Sales | MU | 9204.57 |
| 9 | Distribution loss | % | 7.80% |
| | | MU | 778.69 |
| 10 | Energy requirement at distribution periphery | MU | 9983.27 |
| 11 | Surplus/ (Gap) energy (6-9) | MU | (572.39) |

## REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES

### PETITIONER'S SUBMISSION

4.115 The Petitioner has submitted that CERC in its Tariff Regulations (2019-24) has reduced rate of normative rebate from the existing rate of 2% to 1.50%. However, the Commission has kept the normative rebate at 2% p.m. Therefore, normative rebate for the purpose of Power Purchase cost is computed as under:

**Table 4. 41: Petitioner Submission: Computation of Normative Rebate**

| GENCOs | Amount (Rs. in Cr.) | |
|---|---|---|
| **State Generating Stations** | | |
| Pragati | 2.00% | 4.48 |
| Pragati III | 1.50% | 8.48 |
| **Central Generating Stations** | | |
| NTPC | 1.50% | 19.40 |
| NHPC | 1.50% | 2.22 |
| NPCIL | 2.50% | 2.08 |
| Others | 1.50% | 24.74 |
| **Transmission** | | |
| DTL & SLDC | 2.00% | 8.84 |
| PGCIL | 1.50% | 8.64 |
| **Total** | | **78.89** |

### COMMISSION ANALYSIS

4.116 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."*

4.117 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."*

-------------

4.118 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."* ………

4.119 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.

4.120 The Commission has not considered any rebate on power procured through SECI in line with the arrangement between the Petitioner and SECI.

4.121 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. 91.75 Cr.

**TOTAL POWER PURCHASE COST FOR FY 2021-22**

**PETITIONER'S SUBMISSION**

4.122 The Petitioner has worked out Net Power Purchase Cost for FY 2021-22 and tabulated the same as below:

**Table 4. 42: Petitioner's Submission: Power Purchase Cost for FY 2021-22**

| Sr. No. | Particulars | Energy MU | Amount (Rs. Cr.) |
|---|---|---|---|
| A | Power from CSGS | 6,732.70 | 3,174.21 |
| B | Power from SGS | 1,272.22 | 789.16 |
| C | Short Term Power Purchase | 1,458.95 | 557.79 |
| D | RPO obligation to be met through purchase from renewable sources | 1,185.15 | 454.22 |
| E | Arrears | | 638.87 |

| Sr. No. | Particulars | Energy MU | Amount (Rs. Cr.) |
|---|---|---|---|
| F | Compensation | | 55.00 |
| | **TOTAL Purchase** | **10,649.02** | **5,669.24** |
| | | | |
| G | Transmission losses (Intra state & Interstate) | -374.48 | |
| H | Transmission charges | | 1,025.02 |
| | **Total Purchase with Tx** | **10,274.54** | **6,694.26** |
| I | Less: Short Term surplus power sale | -961.64 | -310.61 |
| J | Less: Normative Rebate | | -78.89 |
| | **Net Power Purchase Cost** | **9,312.90** | **6,304.76** |

## COMMISSION ANALYSIS

4.123 Based on the analysis above, the Total Power Purchase Cost approved for FY 2021-22 is as follows:

**Table 4. 43: Commission Approved: Total Power Purchase Cost for FY 2021-22**

| Sr. No. | Particulars | Quantity (MU) | Amount (Rs. Cr.) | Average Cost (Rs./kWh) |
|---|---|---|---|---|
| 1 | Power Purchase from stations outside Delhi | 8282 | 3639.41 | **4.39** |
| 2 | PGCIL Losses & Charges | 165.64 | 633.04 | |
| 3 | Power Purchase from SGS | 1330.62 | 739.27 | **5.56** |
| 4 | Cost towards Renewable Energy Certificates (RECs) and HPO | | 34.21 | |
| 5 | **Power Available at Delhi Periphery (cost excluding RECs & HPO)** | **9447** | **5011.73** | **5.31** |
| 6 | DTL Loss & Charges including SLDC charges | 86.91 | 349.93 | |
| 7 | TPDDL Own Solar/ TOWMCL | 50.85 | 32.91 | |
| 8 | Power Purchase Rebate based on FY 2019-20 Normative rebate on Rebateable Amount | - | 91.75 | |
| 9 | PPCL & IPGCL - Impact of Appeal No. 284/2015 * | - | 43.84 | |
| 10 | **Power Available to DISCOM** | **9,410.87** | **5346.65** | **5.68** |
| 11 | Sales | 9204.57 | | |
| 12 | Distribution Loss | **778.69** | | |
| 13 | **Net Power Purchase cost including Transmission charges and RECs + HPO** | **9,983.27** | **5542.20** | **5.55** |

| Sr. No. | Particulars | Quantity (MU) | Amount (Rs. Cr.) | Average Cost (Rs./kWh) |
|---|---|---|---|---|
| 14 | **Net Surplus Power / (Shortfall)** | **(572.39)** | **(161.34)** | **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)**

4.124 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.

4.125 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. "*

4.126 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

$$\text{PPAC for nth Qtr. (\%)} = \frac{(A-B)*C + (D-E)}{\{Z * (1- \text{Distribution losses in \%})\} * ABR} * 100$$

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)

$$= \frac{\text{Total bulk sale in } (n-1)^{th} \text{ Qtr (in kWh) * A}}{\text{Gross Power Purchase including short term power in (n-1)thQtr (in kWh)}}$$

Total bulk sale and gross power purchase in (n-1)thQtr to be taken from provisional accounts to be issued by SLDC by the 10thof each month.

C = Actual average Power Purchase Cost (PPC) from power stations having long term PPAs in (n-1)thQtr (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)thQtr

E = Base Cost of Transmission Charges for (n-1)thQtr = (Approved Transmission Charges/4)

Z = [{Actual Power purchased from Central Generating Stations having long term PPA in (n-1)thQtr (in kWh)*(1 – INTERSTATE TRANSMISSION LICENSEE losses in % / 100) + Power from Delhi GENCOs (in kWh)}*(1 – Intra state losses in %)/100 – B] in kWh

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 = $\dfrac{\text{100* Approved INTER STATE TRANSMISSION LICENSEE losses in Tariff Order (kWh)}}{\text{Approved long term power purchase from central generating stations having long term PPA in the Tariff Order (kWh)}}$

(in %) DTL Losses (in %) = $\dfrac{\text{100 * Approved DTL Losses (from the Tariff Order) Power}}{\phantom{x}}$

available at Delhi periphery (from energy balance table tariff order)

4.127 The Commission has specified the methodology for recovery of PPAC in *DERC (Business Plan) Regulations, 2019* 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 2020-21 to FY 2022-23 of the Distribution Licensee shall be as follows:*

The Commission shall specify the detailed formula for computation of PPAC in the Tariff Order for the relevant year.

*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., April, May and June (Q1); July, August and September (Q2); and October, November and December (Q3); January, February and March (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% but does not exceed 10% for any quarter, the Distribution Licensee may levy PPAC of 5% and 75% of balance PPAC (Actual PPAC% - 5%) with prior intimation to the Commission without going through the regulatory proceedings.*

*(c) in case PPAC exceeds 10% for any quarter, the Distribution Licensee may levy PPAC as per sub-regulation (a) and (b) as above without going through the regulatory proceedings and shall file an application for prior approval of the Commission for the differential PPAC claim (Actual PPAC% – 8.75%).*

*(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."*

4.128 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. 4.57/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 & MAINTENANCE EXPENSES FOR FY 2021-22**

**PETITIONER'S SUBMISSION**

4.129 The Petitioner submitted that the Commission in its *Business Plan Regulations, 2019* has notified norms for Operation and Maintenance expenses in terms of Regulation 4(3).

4.130 Based on the estimated average network capacity for FY 2021-22, the Petitioner is seeking O&M Expenses for FY 2021-22 given as under:

**Table 4. 44: Petitioner Submission: Approved Estimated O&M Expenses for FY 2021-22(Rs Cr)**

| Particulars | *Capacity as on Average of FY 2021-22 | O&M Expenses Per Unit | | O&M Expenses (Rs. Cr.) |
|---|---|---|---|---|
| 66 kV Line (kms) | 1,183.00 | Rs. Lakh/Ckt. Km | 3.197 | 37.82 |
| 33 kV Line (kms) | | Rs. Lakh/Ckt. Km | | |
| 11 kV Line (kms) | 7,219.61 | Rs. Lakh/Ckt. Km | 0.971 | 70.10 |
| LT Lines system (kms.) | 7,590.20 | Rs. Lakh/Ckt. Km | 7.62 | 578.37 |
| 66/11 kV Grid sub-station (MVA) | 5,023.25 | Rs. Lakh/MVA | 0.991 | 49.78 |
| 33/11 kV Grid sub-station (MVA) | | Rs. Lakh/MVA | | |
| 11/0.4 kV DT (MVA) | 6,308.41 | Rs. Lakh/MVA | 1.546 | 97.53 |
| Total (excluding impact of any statutory pay revision) | | | | 833.60 |
| Add- Legal & Professional Expenses | | | | 15.00 |

| Particulars | *Capacity as on Average of FY 2021-22 | O&M Expenses Per Unit | | O&M Expenses (Rs. Cr.) |
|---|---|---|---|---|
| Add- On Account of 7th Pay commission | | | | 50.00 |
| Total amount sought towards O&M Expenses | | | | 898.60 |

**COMMISSION ANALYSIS**

4.131 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

*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* | *3.855* | *4.002* | *4.156* |
| *33 kV Line* | *Rs. Lakh/ Ckt. Km* | *3.855* | *4.002* | *4.156* |
| *11 kV Line* | *Rs. Lakh/ Ckt. Km* | *1.150* | *1.194* | *1.239* |
| *LT line system* | *Rs. Lakh/ Ckt. Km* | *6.148* | *6.384* | *6.629* |
| *66/11 kV Grid S/s* | *Rs. Lakh/ MVA* | *1.033* | *1.073* | *1.114* |
| *33/11 kV Grid S/s* | *Rs. Lakh/ MVA* | *1.033* | *1.073* | *1.114* |
| *11/0.415 kV DT* | *Rs. Lakh/ MVA* | *2.563* | *2.661* | *2.763* |

*........*

*(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."*

4.132 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.

4.133 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.)**

| NETWORK | Network Capacity as on 01/04/2020 | Projected Addition during FY 2020-21 | Projected Addition during FY 2021-22 | Closing Network Capacity | Norms as per BPR, 2017 | | Commission Approved | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Units | Rate/ Unit | Average Network Capacity | Unit Rate (Rs./Unit) | Rs. Cr. |
| 66 kV Line (kms) | 1,116 | 8 | 14 | 1138 | Rs. Lakh/Ckt. Km | 3.197 | 1131 | 3.197 | 36.15 |
| 33 kV Line (kms) | | | | | Rs. Lakh/Ckt. Km | | | | |
| 11 kV Line (kms) | 6,801 | 133 | 196 | 7130 | Rs. Lakh/Ckt. Km | 0.971 | 7032 | 0.971 | 68.28 |
| LT Lines system (kms) | 7,253 | 143 | 160 | 7556 | Rs. Lakh/Ckt. Km | 7.62 | 7476 | 7.62 | 569.67 |
| 66/11 kV Grid sub-station (MVA) | 4,907 | 131 | 154 | 5192 | Rs. Lakh/MVA | 0.991 | 5115 | 0.991 | 50.69 |
| 33/11 kV Grid sub-station (MVA) | | | | | Rs. Lakh/MVA | | | | |
| 11/0.4 kV DT (MVA) | 6,075 | 62 | 74 | 6211 | Rs. Lakh/MVA | 1.546 | 6174 | 1.546 | 95.45 |
| Total | | | | | | | | | 820.26 |

## CAPITAL EXPENDITURE AND CAPITALISATION

### PETITIONER'S SUBMISSION

4.134 The Petitioner submitted that Commission in its Business Plan Regulations, 2019 has approved capitalization of Rs 443 Cr. for FY 2021-22 (*excluding Rs. 50 Cr towards Capital Deposit*).

**Table 4. 46: Petitioner Submission: Revised Capitalization for FY 2021-22 (Rs. Cr.)**

| Particulars | Amount |
|---|---|
| Capitalization | 288.08 |
| Smart Meter | 87.24 |
| **Total Capitalization without deposit work** | **375.32** |

4.135 It is worth to mention that deposit work is already treated as a part of capitalization, thus, gross capitalization for FY 2021-22 as under:

**Table 4. 47: Petitioner Submission Capitalization considering Deposit work for FY 2021-22 (Rs. Cr.)**

| Particulars | Amount |
|---|---|
| Capitalization without deposit work | 288.08 |
| Smart Meter | 87.24 |
| Deposit Work | 50 |
| **Total including Deposit Work** | **425.32** |

4.136 Considering the capitalization of Rs. 425.32 Cr., gross block of fixed assets for FY 2021-22 works out as follows:

**Table 4. 48: : Petitioner Submission: Capitalization of Fixed Assets (Rs. Cr.)**

| Sr. No. | Particulars | Amount |
|---|---|---|
| A | Opening Balance for FY 2021-22 | 5,919.92 |
| B | Projected Additions for FY 2021-22 | 314.45 |
| C | Opening balance for FY 2021-22 | 6,234.37 |
| D | Addition during the year | 425.32 |
| E | Deletion during the year* | - |
| F | Closing Balance | 6,659.69 |
| G | Average Balance of Fixed Assets | 6,447.03 |

**No deletion has been considered*

**COMMISSION ANALYSIS**

4.137 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%.

4.138 The Commission has considered the Gross capitalisation of Rs. 340.26 Cr. including

Consumer Contribution (*Deposit Work*) for Rs. 40 Cr. during FY 2021-22.

**CONSUMER CONTRIBUTION**

**PETITIONER'S SUBMISSION**

4.139 The contribution towards cost of capital assets is transferred to sources of funds in the balance sheet when the assets for which such contribution is received are capitalized. It is estimated that Rs 50 Cr will be capitalized towards consumer contribution for FY 2021-22 and thereafter.

**Table 4. 49: Estimated Consumer Contribution Capitalized (Rs. Cr.)**

| Sr. No. | Consumer Contribution/Grant | Amount |
|---|---|---|
| A | Opening Balance for FY 2021-22 | 900.94 |
| B | Projected Additions for FY 2021-22 | 32.50 |
| C | Opening balance for FY 2021-22 | 933.44 |
| D | Capitalized during the year | 50 |
| E | Closing Balance | 983.44 |
| F | Average Cumulative Capitalized Consumer Cont. | 958.44 |

**COMMISSION ANALYSIS**

4.140 The Commission has projected the capitalization of consumer contribution amounting to Rs. 40 Cr. during FY 2021-22. Accordingly, the consumer contribution used for means of finance for FY 2021-22 based on true up of ARR upto FY 2019-20 and projection of FY 2020-21 is as follows:

**Table 4. 50:Commission Approved: Consumer Contribution Capitalized (Rs. Cr.)**

| Sr. No | Particulars | FY 2021-22 | Ref. |
|---|---|---|---|
| A | Opening Balance | 933.44 | True-up of FY 2019-20 and Addition during FY 2020-21 |
| B | Capitalized during the year | 40.00 | Para 4.140 |
| C | Closing Balance | 973.44 | (A+B) |
| D | Average Cumulative Capitalized Consumer Contribution | 953.44 | (A+C)/2 |

**DEPRECIATION**

**PETITIONER'S SUBMISSION**

4.141 The Petitioner submitted that the Commission in its 4th MYT Regulation's has followed same methodology for allowance of Depreciation as in 3rd MYT Regulations. Based on the said regulations the Petitioner has changed depreciation rate in its books of account. Thus, for the purpose of computation of Deprecation for FY 2021-22, the Petitioner has considered Deprecation rate of 5.04% equivalent to the rate considered for FY 2019-20 as under:

**Table 4. 51: Petitioner Submission: Revised Depreciation (Rs .Cr.)**

| Sr. No. | Particulars | Amount |
|---|---|---|
| A | Opening GFA | 6,234.37 |
| B | Net Additions to Asset during the year | 425.32 |
| C | Closing GFA | 6,659.69 |
| D | Average GFA | 6,447.03 |
| E | Less: Average Consumer Contribution | 958.44 |
| F | Average GFA net of CC | 5,488.59 |
| G | Average rate of depreciation | 5.04% |
| H | Depreciation for the year | 276.40 |
| I | Opening Depreciation | 2,080.72 |
| J | Closing Depreciation | 2,357.12 |
| K | Average Depreciation | 2,218.92 |

**COMMISSION ANALYSIS**

4.142 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. 52: Commission Approved: Depreciation for FY 2021-22 (Rs. Cr.)**

| Sr. No. | Particulars | Amount | Ref. |
|---|---|---|---|
| A | Closing GFA for FY 2019-20 | 5996.08 | True-up FY 2019-20 |
| B | Additions projected during FY 2020-21 | 314.45 | TO Aug., 2020 |
| C | Opening GFA | 6310.53 | A+B |
| D | Net Additions to Asset during the year | 340.26 | Para 4.138 |
| E | Closing GFA | 6650.79 | C+D |
| F | Average GFA | 6480.70 | (C+E)/2 |
| G | Less: Average Consumer Contribution | 953.44 | Table 4.50 |
| H | Average GFA net of Consumer Contribution | 5,527.21 | F-G |
| I | Average rate of depreciation | 5.04% | True-up of FY 2019-20 |
| **J** | **Depreciation** | **278.57** | **H*I** |

**WORKING CAPITAL**

**PETITIONER'S SUBMISSION**

4.143 The Petitioner has computed working capital requirement 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 Based on above formula, the Petitioner has computed Working Capital as under:

**Table 4. 53: Petitioner Submission: Computation of Change in Working Capital for FY 2021-22 (Rs. Cr.)**

| Sr. No. | Particulars | Amount |
|---|---|---|
| A | Annual revenues requirement | 8,514.68 |
| B | Receivables equivalent to 2 months ARR | 1,419.11 |
| C | Power Purchase expenses | 6,304.76 |
| D | Add: 1/12th of power purchase expenses | 525.40 |
| E | Total working capital | 893.72 |
| F | Opening working capital | 460.09 |
| G | Change in working capital | 433.63 |

**COMMISSION ANALYSIS**

4.145 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:*

*Working capital for wheeling business of electricity shall consist of ARR for two months of Wheeling Charges.*

*Working Capital for Retail Supply business of electricity shall consist of:*

*ARR for two months for retail supply business of electricity;*

*Less: Net Power Purchase costs for one month;*

*Less: Transmission charges for one month: "*

4.146 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 2020-21 as determined in Tariff Order dated 28/08/2020 as follows:

**Table 4. 54: Commission Approved: Working Capital for FY 2021-22 (Rs. Cr.)**

| Sr. No. | Particulars | Approved | Ref. |
|---|---|---|---|
| 1 | Aggregate Revenue Requirement (ARR) | 6,939.44 | Table 4.67 |
| 2 | Receivables equivalent to 2 months ARR | 1,156.57 | (A/12*2) |
| 3 | Power Purchase expenses including Transmission Charges | 5,542.20 | Table 4.67 |
| 4 | Less: 1/12th of Power Purchase Expenses | 461.85 | (C/12*1) |
| 5 | Total Working Capital | 694.72 | (B-D) |
| 6 | Opening Working Capital | 608.15 | TO Aug. 2020 |
| **7** | **Change in Working Capital** | **86.57** | **5-6** |

## MEANS OF FINANCE FOR NEW INVESTMENTS

## PETITIONER'S SUBMISSION

4.147 The Petitioner has submitted that Regulation 63 of the Tariff Regulations, 2017, provided that for determination of Tariff, the debt-equity ratio for any project or scheme under commercial operation shall be considered as 70:30.

**Table 4. 55: Petitioner Submission: Computation of Means of Finance (Rs. Cr.)**

| Sr. No. | Particulars | Amount |
|---|---|---|
| A | Capitalization | 425.32 |
| B | Less- Consumer Contribution Capitalized during the year | 50.00 |
| C | Funding Requirement | 375.32 |
| D | Through- Debt @ 70% | 262.72 |
| E | Through Equity @ 30% | 112.60 |

**Table 4. 56: Petitioner Submission: Computation of Regulated Rate Base (Rs.Cr.)**

| Sr. No. | Particulars | Amount |
|---|---|---|
| A | Opening Balance of OCFA | 6,234.37 |
| B | Opening Balance of Accumulated Depreciation | 2,080.72 |

| Sr. No. | Particulars | Amount |
|---|---|---|
| C | Opening Balance of Accumulated Consumer Contribution | 933.44 |
| D | Opening balance of working capital | 460.09 |
| E | RRB – Opening | 3,680.29 |
| F | Capitalization during the year | 425.32 |
| G | Depreciation for the year (Including AAD) | 276.40 |
| H | Consumer Contribution, Grants, | 50.00 |
| I | Change in Working Capital | 433.63 |
| J | ΔAB (Change in Regulated Base) | 483.09 |
| K | RRB – Closing | 3,345.58 |
| L | RRB(i) | 4,163.38 |

**COMPUTATION OF WACC**

4.148 The Commission in its Business Plan Regulations, 2019 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 retail business.

4.149 Further, based on the 6 months actual cost of debt for capex loans @ 8.31% & working capital rate of interest of 7.54%, the weighted average rate of interest on loans (Capex & working capital) has been considered @ 8.04% for FY 2021-22.

4.150 Considering the above cost of debt additional spread of 2% and rate of return on equity, weighted average cost of capital has been computed by considering the average actual equity and average actual debt (net of repayment) for FY 2021-22.

**Table 4. 57: Petitioner Submission: Computation of Weighted Average Cost of Capital (WACC) for FY 2021-22 (Rs. Cr.)**

| Sr. No. | Particulars | Amount |
|---|---|---|
| A | Equity | 1,615.12 |
| B | Debt- Capex | 1,654.54 |
| C | Debt- working capital | 893.72 |
| D | Return on Equity | 16% |
| E | Normal Income Tax Rate | 16.83%* |
| F | Grossed up Return on Equity | 19.24% |
| G | Rate of Interest | 8.04% |
| H | Weighted Average Cost of Capital | 12.38% |

* It is requested to the Commission to consider actual applicable income tax rate at the time of approving ARR for FY 2021-22, as forsake of convenience the Petitioner has considered effective rate of FY 2019-20.

4.151 Considering the above computed WACC of 12.40% the Petitioner has computed ROCE for FY 2021-22 as follows:

**Table 4. 58: Petitioner Submission: Computation of Return on Capital Employed (Rs. Cr.)**

| Sr. No. | Particulars | Amount |
|---|---|---|
| A | RRB (i) | 4,163.38 |
| B | WACC | 12.38% |
| C | Return on Capital Employed | 515.59 |

**COMMISSION ANALYSIS**

4.152 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 inaccordance 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."*

4.153 As per the above Regulations, equity shall not exceed 30% of the total funding requirement for capitalization.

4.154 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 | Reference |
|---|---|---|---|
| A | Opening Original Cost of Fixed Assets (OCFAo) | 6,310.53 | Table 4.52 |
| B | Opening Accumulated depreciation (ADo) | 2,296.99 | True-up and Addition during FY 2020-21 |
| C | Opening consumer contributions received (CCo) | 933.44 | Table 4.50 |
| D | Opening Working capital (WCo) | 608.15 | TO Aug. 2020 |
| E | Opening RRB (RRBo) | 3,688.25 | (A-B-C+D) |
| F | Investment capitalised during the year (INVi) | 340.26 | Table 4.52 |
| G | Depreciation during the year (Di) | 278.57 | |

| Sr. No. | Particulars | Amount | Reference |
|---|---|---|---|
| H | Depreciation on decapitalised assets during the year | - | |
| I | Consumer contribution during the year (CCi) | 40.00 | Table 4.50 |
| J | Fixed assets retired/decapitalised during the year (Reti) | - | |
| K | Change in capital investment (ΔABi) | 21.68 | (F-G+H-I-J) |
| L | Change in working capital during the year (ΔWCi) | 86.57 | Table 4.54 |
| M | RRB Closing | 3,796.50 | E+K+L |
| **N** | **RRBi** | **3,785.66** | **E+K/2+L** |

4.155 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."*

4.156 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 Business Plan Regulations, 2017.

4.157 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 1stApril 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 1stApril 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%."*

4.158 The Commission has considered the MCLR as on 01/04/2021 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**

| Particulars | Rate of Interest |
|---|---|
| Capitalisation | 8.63% |
| Working Capital | 8.11% |
| Regulatory Asset | 8.69% |

4.159 The weighted average rate of interest on loan for the purpose of debt available for capital expenditure and Working capital is computed at 8.50%. 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 as follows:

**Table 4. 61: Commission Approved: Weighted Average Cost of Capital (WACC) for FY 2021-22 (Rs.Cr.)**

| Sr. No. | Particulars | As Approved | Reference |
|---|---|---|---|
| A | RRBi | 3785.66 | Table 4.59 |
| B | Opening Equity for Capitalisation (limited to 30%) | 924.03 | |
| C | Closing Equity limiting to 30% of net capitalisation | 930.53 | |
| D | Average Equity for Capitalisation (limited to 30%) | 927.28 | |
| E | Opening Debt at 70% of net capitalisation | 2156.07 | |
| F | Closing Debt at 70% of net capitalisation | 2171.25 | |
| G | Avg Debt at 70% of net capitalisation | 2163.66 | |
| H | Debt at 100% of working capital | 694.72 | |
| I | Debt- balancing figure | 2858.38 | |
| J | Rate of return on equity (re) | 16.00% | |
| K | Income tax rate | 16.83% | As approved in FY 2019-20 |
| L | Grossed Up RoE | 19.24% | |
| M | Rate of debt (rd) on capitalisation | 8.63% | Table 4.60 |
| N | Rate of debt (rd) on working Capital | 8.11% | |
| O | Rate of interest on debt(rd) Blended | 8.50% | |
| P | WACC | 11.13% | |
| **Q** | **RoCE** | **421.45** | **A*P** |

4.160 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 | Now Approved | Ref. |
|---|---|---|---|
| A | RRB (i) | 3785.66 | Table 4.61 |
| B | WACC | 11.13% | |
| C | RoCE | 421.45 | |

## NON-TARIFF INCOME

### PETITIONER'S SUBMISSION

4.161 The Petitioner has kept Non-Tariff income for FY 2021-22 at the same level i.e. Rs. 85.36 Cr., as offered for truing up for FY 2019-20, in line with methodology followed by the Commission in past.

**Table 4. 63: Petitioner Submission: Non-Tariff Income (Rs. Cr.)**

| Sr. No. | Particulars | FY 2021-22 |
|---|---|---|
| 1 | Non-Tariff Income/Interest on Security Deposit | **85.36** |
| 2 | Additional Open Access charges | |

| Sr. No. | Particulars | FY 2021-22 |
|---|---|---|
| | **Total** | |

**COMMISSION ANALYSIS**

4.162 The Commission has considered the Non-Tariff Income as approved for FY 2019-20 for projecting Non-Tariff Income of the Petitioner for FY 2021-22 of Rs. 123.05 Cr.

**CARRYING COST ON REVENUE GAP**

**PETITIONER'S SUBMISSION**

4.163 The Petitioner has submitted that the Commission has approved Return on Equity in terms of Regulations 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 Assets/ accumulated Revenue Gap through Debt and Equity shall be considered at 14% on pre-tax basis in its Business Plan Regulations, 2019.

4.164 Further, the rate of interest at 8.35% for FY 2021-22 for funding revenue gap has been considered.

4.165 Based on the above, the Carrying Cost rate for FY 2021-22 computed as follows.

**Table 4. 64: Petitioner Submission: Computations of Carrying Cost for FY 2021-22 (Rs.Cr.)**

| Sr. No. | Particulars | FY 2021-22 |
|---|---|---|
| A | Rate of Return on Equity | 14.00% |
| B | Rate of Interest on Loan | 8.35% |
| C | Rate of Carrying Cost | 10.05% |

**COMMISSION ANALYSIS**

4.166 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"*

4.167 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.

4.168 Accordingly, the Commission has computed Carrying Cost based on weighted average cost of rate of return on equity for equity as follows:

**Table 4. 65: Commission Approved: Carrying Cost for FY 2021-22 (Rs. Cr.)**

| Sr. No. | Particulars | FY 2021-22 |
|---|---|---|
| A. | Opening Revenue Gap | (1,173.81) |
| B. | Revenue Surplus/(Gap) | 24.95 |
| C. | Recovery of Revenue Gap via 8% Surcharge | 515.50 |
| D. | Closing Revenue Gap | (633.36) |
| E. | Average Revenue Gap | (903.59) |
| F. | Rate of Carrying Cost | 10.21% |
| G. | Carrying Cost Amount | (90.25) |
| H. | Closing Revenue Gap | (725.61) |

4.169 It is observed that the Petitioner has filed the following Petitions before the Commission claiming differential PPAC of various Quarters of FY 2020-21 & FY 2021-22, as follows:

| Sr. No. | Particulars | Differential PPAC Claimed |
|---|---|---|
| A. | Petition No. 36/2020 – Q1FY21 | 0.21% |
| B. | Petition No. 48/2020 – Q2FY21 | 0.12% |
| C. | Petition No. 17/2021 – Q3FY21 | 0.84% |
| D. | Petition No. 51/2021 – Q1FY22 | 0.13% |
| | **Total** | **1.30%** |

4.170 The Commission has provisionally subsumed the tentative impact to the tune of 80% in ARR of FY 2021-22 for differential claim of 1.30% of above mentioned Petitions amounting to Rs. 13.69 Cr. which is subject to true up and difference, if any, will be allowed with Carrying Cost.

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. 626.57 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.g Cost

## AGGREGATE REVENUE REQUIREMENT

### PETITIONER'S SUBMISSION

4.171 Based on the submission made above, the total Aggregate Revenue Requirement for the FY 2021-22 comes to Rs. 8,514.68 Cr. Component wise breakup of the same is given below:

**Table 4. 66:Petitioner Submission: Summary of Revised Aggregate Revenue Requirement (Rs. Cr.)**

| Sr. No. | Particular | FY 2021-22 |
|---|---|---|
| A | Cost of Power Purchase | 6,304.76 |
| B | O&M Expenses | 898.60 |
| C | Depreciation | 276.40 |
| D | Return on Capital Employed | 515.59 |
| E | Carrying Cost | 604.68 |
| F | Less: Non-Tariff Income/Interest on consumer security deposit | 85.36 |
| G | **Annual Revenue Requirement** | **8,514.68** |

### COMMISSION ANALYSIS

4.172 The ARR based on various components as approved by the Commission for FY 2021-22 is summarised as follows:

**Table 4. 67: Commission Approved: ARR for Wheeling and Retail Business for FY 2021-22 (Rs. Cr.)**

| Sr. No. | Particulars | As Approved |
|---|---|---|
| 1 | Power Purchase Cost (including Transmission Charges) | 5,542.20 |
| 2 | O&M expenses | 820.26 |
| 3 | Other expenses/ statutory levies | - |
| 4 | Depreciation | 278.57 |
| 5 | Return on Capital Employed | 421.45 |
| 6 | Less- Non Tariff Income | 123.05 |
| **7** | **Aggregate Revenue Requirement (ARR)** | **6,939.44** |
| 8 | Carrying Cost | 92.25 |
| **9** | **Gross ARR** | **7,031.69** |

## REVENUE (GAP)/ SURPLUS

### PETITIONER'S SUBMISSION

4.173 The Petitioner has submitted the computation of Additional Revenue Gap for FY 2021-22 as under:

**Table 4. 68: Petitioner Submission: Additional Revenue Gap for FY 2021-22 (Rs. Cr.)**

| Sr. No. | Particular | Estimated for FY 2021-22 |
|---|---|---|
| A | Aggregate Revenue Requirement for the year without carrying cost | 7,910.00 |
| B | Estimated Revenue available for FY 2021-22 | 6,219.52 |
| C | Revenue (Gap)/Surplus | (1,690.48) |

**Table 4. 69: Petitioner Submission: Computations of Closing Revenue Gap**

| Sr. No. | Particular | Estimated for FY 2021-22 |
|---|---|---|
| A | Opening Revenue Gap | (3,810.05) |
| | Add- Projected Revenue Gap for FY 20-21 | (1,364.39) |
| B | Opening Revenue Gap | (5,174.44) |
| C | Revenue (Gap)/Surplus for the year | (1,690.48) |
| D | Closing Revenue (Gap) | (6,864.93) |
| | Carrying Cost Rate | 10.05% |
| F | Carrying Cost | (604.68) |
| G | Recovery of carrying cost from 8% Deficit Revenue Recovery Surcharge | 477.80 |
| H | Closing Revenue Gap (including carrying cost) | (6991.81) |

### COMMISSON'S ANALYSIS

4.174 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. 70: ARR for Wheeling Business for FY 2021-22 (Rs. Cr.)**

| Sr. No. | Retail Business | Approved |
|---|---|---|
| 1 | Operation & Maintenance Costs | 508.56 |
| 2 | Depreciation | 214.50 |
| 3 | Return on Capital Employed | 303.45 |
| 4 | Carrying Cost | 11.62 |
| 5 | Less: Non Tariff Income | 49.22 |

| Sr. No. | Retail Business | Approved |
|---|---|---|
| **6** | **Aggregate Revenue Requirement (ARR)** | **988.90** |

**Table 4. 71: ARR for Retail Business for FY 2021-22 (Rs. Cr.)**

| Sr. No. | Particulars | Approved |
|---|---|---|
| 1 | Power Purchase Cost (including Transmission Charges) | 5,542.20 |
| 2 | O&M expenses | 311.70 |
| 3 | Other expenses/ statutory levies | - |
| 4 | Depreciation | 64.07 |
| 5 | Return on capital employed | 118.01 |
| 6 | Less- Non Tariff Income | 73.83 |
| 7 | Carrying Cost | 80.63 |
| **8** | **Aggregate Revenue Requirement (ARR)** | **6,042.78** |

4.175 The Commission has calculated the Revenue (Gap)/Surplus at Existing Tariff for FY 2021-22 as follows:

**Table 4. 72: Commission Approved: Revenue (Gap) for FY 2021-22 (Rs. Cr.)**

| Sr. No. | Particulars | Amount |
|---|---|---|
| 1 | Aggregate Revenue Requirement (ARR) | 6939.44 |
| 2 | Add: Carrying Cost for FY 2021-22 | 92.25 |
| 3 | Add: PPAC Cost Subsumed | 13.69 |
| **4** | **Revised ARR (1+2+3)** | **7045.38** |
| 5 | Revenue at Revised Tariff | 6443.76 |
| 6 | Add: Revenue from PPAC | 626.57 |
| **7** | **Total Revenue (5+6)** | **7070.33** |
| **8** | **Revenue (Gap)/Surplus (7-4)** | **24.95** |

## 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 |
| 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 |
| 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% |
| 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. **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*.

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**

| Sr. No. | CATEGORY | FIXED CHARGES | ENERGY CHARGES | | | | |
|---|---|---|---|---|---|---|---|
| 1 | **DOMESTIC** | | | | | | |
| 1.1 | **INDIVIDUAL CONNECTIONS** | | **0-200 Units** | **201-400 Units** | **401-800 Units** | **801-1200 Units** | **>1200 Units** |
| A | Upto 2 kW | 20 Rs./kW/month | 3.00 Rs./kWh | 4.50 Rs./kWh | 6.50 Rs./kWh | 7.00 Rs./kWh | 8.00 Rs./kWh |
| B | > 2kW and ≤ 5 kW | 50 Rs./kW/month | | | | | |
| C | > 5kW and ≤ 15 kW | 100 Rs./kW/month | | | | | |
| D | >15kW and ≤ 25 kW | 200 Rs./kW/month | | | | | |
| E | > 25kW | 250 Rs./kW/month | | | | | |
| 1.2 | **Single Point Delivery Supply for GHS** | 150 Rs./kW/month | 4.50 Rs./kWh | | | | |
| 2 | **NON-DOMESTIC** | | | | | | |
| 2.1 | Upto 3kVA | 250 Rs./kVA/month | 6.00 Rs./kVAh | | | | |
| 2.2 | Above 3kVA | 250 Rs./kVA/month | 8.50 Rs./kVAh | | | | |
| 3 | **INDUSTRIAL** | 250 Rs./kVA/month | 7.75 Rs./kVAh | | | | |
| 4 | **AGRICULTURE** | 125 Rs./kW/month | 1.50 Rs./kWh | | | | |
| 5 | **MUSHROOM CULTIVATION** | 200 Rs./kW/month | 3.50 Rs./kWh | | | | |
| 6 | **PUBLIC UTILITIES** | 250 Rs./kVA/month | 6.25 Rs./kVAh | | | | |
| 7 | **DELHI INTERNATIONAL AIRPORT LTD. (DIAL)** | 250 Rs./kVA/month | 7.75 Rs./kVAh | | | | |
| 8 | **ADVERTISEMENT & HOARDINGS** | 250 Rs./kVA/month | 8.50 Rs./kVAh | | | | |
| 9 | **TEMPORARY SUPPLY** | | | | | | |
| 9.1 | Domestic Connections including Group Housing Societies | Same rate as that of relevant category | Same as that of relevant category without any temporary surcharge | | | | |
| 9.2 | For threshers during the threshing season | Electricity Tax of MCD : Rs. 270 per connection per month | Flat rate of Rs. 5,400 per month | | | | |
| 9.3 | All other connections including construction projects | Same rate as that of the relevant category | 1.30 times of the relevant category of tariff | | | | |

| Sr. No. | CATEGORY | FIXED CHARGES | ENERGY CHARGES |
|---|---|---|---|
| 10 | **CHARGING STATIONS FOR E-RICKSHAW/E-VEHICLE ON SINGLE POINT DELIVERY/ SWAPPING OF BATTERIES** | | |
| 10.1 | Supply at LT | - | 4.50 Rs./kWh |
| 10.2 | Supply at HT | - | 4.00 Rs./kVAh |

**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. **Time of Day (ToD) Tariff**
   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**

a. **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*.

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.

c. 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 15$^{th}$ 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

This Statement and Certificate shall be submitted within 60 days from the end of the Financial Year.

6.10 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;

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.

6.11 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.

Annexure-I

**DELHI ELECTRICITY REGULATORY COMMISSION**

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

F.11(1827)/DERC/2020-21/

**Petition No. 03/2021**

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

Tata Power Delhi Distribution Limited,
Through its: **Managing Director**
Sub-Station Building, Hudson Lines,
Kingsway Camp ,
Delhi 110 009.

**...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. Tata Power Delhi Distribution Ltd. (TPDDL) for approval of True up of FY 2019-20 and Annual 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**

WEAR FACE MASK WASH HANDS REGULARLY MAINTAIN SOCIAL DISTANCING

**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<br>14 A<br>14 B<br>14 C | Sh. Pankaj Gupta General Manager/ Tr./O&M | Delhi Metro Rail Corporation Ltd. | Govt. | BRPL<br>BYPL<br>TPDDL<br>NDMC | 25/03/2021 |
| 15. | 15 | Sh. Ashish Dikshit | H. No. 09, Block –JD Pitampura 110 034 | Domestic | DISCOMs | 30/03/2021 |
| 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 | Domestic | DISCOMs | 26/03/2021 |

| Sr. No. | R. No. | Name | Address | Category | Company/ Licensee | Date of Receipt |
|---|---|---|---|---|---|---|
| | | | Andha Mugal Pratap Nagar,<br>Delhi 110 007 | | | |
| 18. | 18 | Sh. Arun Kumar | Plot No. 22, Third Floor<br>Karol Bagh, Block No. D<br>New Rohtak Road, | Domestic | TPDDL | 26/03/2021 |
| 19. | 19 | Ms. Jaspreet Kaur | HNo. 13, Block –C,<br>PH-3, Near Laxmi Bai College<br>Ashok Vihar, 110 052 | Domestic | DISCOMs | 26/03/2021 |
| 20. | 20 | Sh. Jagdish Goel | Plot No. 41, Block E,<br>Near Kali Maa Mandir<br>Shakti Nagar Exten.<br>Delhi 110 052 | Domestic | DISCOMs | 26/03/2021 |
| 21. | 21 | Sh. Jogendra Behera<br>VP (Market Design & Economics) IEX | Okit Bi, C-001/A/1, 9th Floor,<br>Max Towers, Sector 16B,<br>Noida UP 201 301 | Industrial | DISCOMs | 30/03/2021 |
| 22. | 22 | Ms. Mansi Kapoor | FF, House No. 264, Near<br>Dispensary, Mangolpur Khurd<br>New Delhi | Domestic | DISCOMs | 30/03/2021 |
| 23. | 23 | Sh. Amrit Lal | GF, Blk-DP/175,<br>Pitampura 110 034 | Domestic | DISCOMs | 30/03/2021 |
| 24. | 24 | Sh. Amar Gupta | 126/223, First Floor,<br>Block –F, Nr. Natraj Cinema<br>Moti Nagar, New Delhi | Domestic | DISCOMs | 30/03/2021 |
| 25. | 25<br>25A<br>25B | Sh. Bharat Kumar Bhadawat<br>Head (Regulatory, Legal and PM) | Tata Power Delhi Distribution Ltd<br>NDPL House, Hudson Lines,<br>Kingsway Camp, Delhi 110 009 | Licensee | IPGCL<br>PPCL<br>DTL | 26/03/2021 |
| 26. | 26<br>26A<br>26B<br>26C | Sh. K.M. Lal<br>General Manager (C&RA) | Delhi Transco Ltd.<br>Shakti Sadan, Kotla Road,<br>New Delhi 110 002 | Govt. | BRPL<br>BYPL<br>TPDDL<br>DTL | 30/03/3021 |
| 27. | 27 | Sh. Manoj Taneja | House No. 59/257<br>Sarai Rohila<br>Delhi 110 035 | Domestic | DISCOMs | 31/03/2021 |
| 28. | 28 | Sh. Arvind Rastogi | House No. 105, 1st Floor, Block-D<br>Sarai Basti Sari Rohila<br>Near Usha Mata Mandir<br>Delhi 110 035 | Domestic | TPDDL | 31/03/2021 |
| 29. | 29 | Sh. Bhram Pal | Flat No. 7, 3rd Floor Pkt-B<br>Sector 28<br>Near Shahbad Dairy<br>Rohini 110 042 | Domestic | DISCOMs | 31/03/2021 |
| 30. | 30 | Sh. Ashish Kumar | House No. 21/89<br>Block –D, Shahbad Dairy<br>New Delhi | Domestic | DISCOMs | 31/03/2021 |
| 31. | 31 | Ms. Neetu Chopra | House No. 2233, Plot No. 35,<br>3rd Floor, Ganeshpura Tri Nagar | Domestic | DISCOMs | 31/03/2021 |

| Sr. No. | R. No. | Name | Address | Category | Company/ Licensee | Date of Receipt |
|---|---|---|---|---|---|---|
| | | | Near Tota Ram Bazar Delhi 110 035 | | | |
| 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 |
| 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 |

| Sr. No. | R. No. | Name | Address | Category | Company/ Licensee | Date of Receipt |
|---|---|---|---|---|---|---|
| 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<br>58 A<br>58 B<br>58 C<br>58 D<br>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 |
| 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 |

| Sr. No. | R. No. | Name | Address | Category | Company/ Licensee | Date of Receipt |
|---|---|---|---|---|---|---|
| 64. | 64 | Sh. Kunwar Pratap Singh<br>President | Bhajanpura Jan Sehyog Sabha, D-408, Street No.9 D, Bhajanpura, Delhi-110053 | Domestic | DISCOMs | 19/04/2021 |
| 65. | 65<br>65 A | Sh. Kapil Verma<br>Vice President | RWA, 276-B, LIG Flats, Dilshad Garden, Delhi-110095 | RWA | DISCOMs | 19/04/2021 |
| 66. | 66 | Sh. Bhopal Singh Jatav<br>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<br>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<br>Gen. Secretary | General Secy. ,RWA F-10, Gali No.1, Shastri Park, Delhi-110053 | RWA | DISCOMs | 19/04/2021 |
| 70. | 70 | Sh. Rajiv Narang<br>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<br>President | President, Awasiya Kalyan Samiti, Dilshad Garden, Pocket J & K , (Flat no. 1-A to 204-D)<br>Dilshad Garden, Delhi-110095 | RWA | DISCOMs | 19/04/2021 |
| 72. | 72<br>72 A | Sh. Sunil Kumar<br>President | 68A, Pocket SG<br>Dilshad Garden, Delhi 110 095 | RWA | DISCOMs | 07/06/2021 |
| 73. | 73<br>73 A<br>73 B<br>73 C<br>73 D<br>73 E | Sh. Yogesh Jain<br>General Secretary | Federation of RWA of Daryaganj Keynote House 4525A, 7/33, Ansari Road, Darya Ganj, New Delhi 110 002<br>yogpreet@gmail.com | RWA | DISCOMs | 19/04/2021 |
| 74. | 74 | Sh. Shashi Goyal<br>DGM | BSES Rajdhani Power Ltd.<br>BSES Bhawan, Nehru Place, New Delhi 10 019 | Licensee | Generation & transmission | 29/06/2021 |
| 75. | 75 | Sh. Bharat Kumar Bhadawat<br>Head (Regulatory, Legal and PM) | Tata Power Delhi Distribution Ltd<br>NDPL House, Hudson Lines, Kingsway Camp, Delhi 110 009 | Licensee | Generation & Transmission | 29/06/2021 |
| 76. | 76<br>76 A<br>76 B<br>76 C | Sh. K.M. Lal<br>General Manager (C&RA) | Delhi Transco Ltd.<br>Shakti Sadan, Kotla Road, New Delhi 110 002 | Govt. | BRPL<br>BYPL<br>TPDDL<br>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 |
| 39 | Sh. Mahesh Kumar Mittal | NDMC |
| 40 | Er. Sudeep | NDMC |
| 41 | Er. Khushboo Sharma | NDMC |

| Sr. No. | Name | Organization |
|---|---|---|
| 42 | Sh. C M Jain | NDMC |
| 43 | Sh. Akshaya Arora | NDMC |
| 44 | Sh. Piyus 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<br>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 |
| 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 |

| Sr. No. | Name | Organization |
|---|---|---|
| 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 |