



## **Delhi Electricity Regulatory Commission**

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

F.11(2308)/DERC/2024-25/8362

### **Petition No. 07/2025**

**In the matter of:**      **Petition under Section 62(4) of the Electricity Act, 2003 of the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations 2017 seeking the Commission's approval to levy differential Power Purchase Cost Adjustment Charges (PPAC) for the Power Purchase Cost incurred from October' 2024 till December' 2024.**

**BSES Yamuna Power Ltd.**

**.... Petitioner**

**AND**

### **Review Petition No. 67/2024**

**In the matter of:**      **Petition under Section 94(1) of the Electricity Act, 2003 seeking review/rectification of Order dated 20.12.2024 in Petition No. 56/2024 seeking approval to levy differential Power Purchase Cost Adjustment Charges (PPAC) incurred during July to September, 2024.**

**BSES Yamuna Power Ltd.**

**....Petitioner**

### **Coram:**

**Justice Umesh Kumar, Former Judge, Chairman, DERC  
Sh. Ram Naresh Singh, Member  
Sh. Surender Babbar, Member**

### **Appearance:**

- 1. Mr. Buddy A. Ranganadhan, Ld. Sr. Advocate for Petitioner**
- 2. Mr. Dushyant Manocha, Ld. Counsel for Petitioner**
- 3. Ms. Kashish Chhabra, Ld. Counsel for Petitioner**

### **ORDER**

(Date of Order: 09.05.2025)

- 1. Petition No. 07 of 2025 and Review Petition No. 67 of 2024 filed by BSES Yamuna Power Ltd. (BYPL) involve common issues related to PPAC for the Power Purchase Cost incurred by the Petitioner for Q3 and Q2 of FY 2024-25 and accordingly, the same are hereby considered for disposal vide this Common Order.**
- 2. Petition No. 07 of 2025 has been filed by BYPL seeking approval to levy differential Power Purchase Adjustment Cost (hereinafter called PPAC) for the Power Purchase Cost incurred from October'2024 till December'2024, Q3 of FY 2024-25, in accordance with Section 62 (4) of the Electricity Act, 2003 read with Regulation 134 of the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017.**

3. Further, Review Petition No. 67/2024 has also been filed by the Petitioner, seeking review/rectification of Order dated 20.12.2024 in Petition No. 56/2024 seeking approval to levy differential Power Purchase Cost Adjustment Charges (PPAC) incurred during July' 2024 to September' 2024.
4. The Petitioner in Petition No. 07/2025 has made the following prayers:
  - i. Take on record that the Petitioner is levying a capped PPAC of 5.95% for the Quarter October' 2024 till December' 2024, on the bills of all consumers from the billing cycle with effect from 01.02.2025 for a period of three months in terms of the extant Regulations and the Petitioner's letter dated 29.01.2025;
  - ii. Allow the levy of differential PPAC at 7.75% (i.e., 6.27% - 5.95% + 7.43% ; as computed on the basis of the Commission's methodology) or 9.99% (i.e., 8.51% - 5.95% + 7.43% ; as computed on the basis of the MoP's methodology) which is inclusive of 7.43% of PPAC (as per ARR FY 2021-22).
  - iii. In the alternative to above prayer, should this Commission be pleased to allow Review Petition No. 67 of 2024, the Commission may be pleased to allow the levy of additional PPAC at 10.25% (i.e. 6.27%-5.95%+7.43%+2.50%) (as computed on the basis of the Commission's methodology) and 12.49% (i.e., 8.51%-5.95%+7.43%+2.50%) (as computed on the basis of the MoP's methodology) which is inclusive of 7.43% of PPAC (as per ARR FY 2021-22).
5. In Review Petition No. 67/2024, following prayer has been made:
  - a. To review/rectify Commission's Order dated 20.12.2024 passed in Petition No. 56/2024 seeking approval to levy differential PPAC during July'2024 to September' 2024 on the issue/grounds enumerated in the present Petition and consequently, allow the differential PPAC for the said period of 8.70%.

**Petitioners' Submissions in Petition No. 07/2025:**

6. The Petitioner has submitted the following:
  - i. The Petitioner is a Distribution Licensee in terms of Section 14 of the Electricity Act, 2003 granted by the Commission. The Petitioner is involved in the business of the distribution and supply of electricity in the licensed area which is exclusively under the jurisdiction of the Commission.
  - ii. The present Petition is being filed claiming the additional PPAC for the Third Quarter of FY 2024-25 (hereinafter "Q3") computed at 6.27% (as computed on the basis of the Commission's methodology) or in the alternative, at 8.51% (as computed on the basis of the Ministry of Power's (hereinafter "MoP") methodology).
  - iii. The Commission vide its Tariff Order dated 30.09.2021 provided a mechanism for levy of PPAC by the Petitioner. Thereafter, the Commission notified the

Business Plan Regulations, 2023. Further, the Commission vide its Order dated 22.06.2023, had allowed PPAC of 31.60% for the Petitioner to be levied till March, 2024.

- iv. The Commission vide Order dated 21.07.2023 directed DISCOMs to not levy any additional PPAC till March 2024 except as what was provided in its Order of 22.06.2023.
- v. That on 19.01.2024, in line with the directions issued vide Order dated 03.01.2024 in Petition No. 38/2023, the Commission withdrew the directions contained in Para 2 of the Order dated 21.07.2023 with immediate effect for Petitioner and other DISCOMs as well. In effect, by virtue of its Order dated 19.01.2024, the Commission permitted the Petitioner and other DISCOMs to levy additional PPAC in terms of the Business Plan Regulations, 2023.
- vi. That in the meantime, while the Petitioner was in compliance with the Orders dated 22.06.2023 and 21.07.2023, the Petitioner filed Petition No. 43 of 2024 before the Commission seeking its permission to levy additional PPAC of 30.41% (as computed on the basis of the Commission methodology) or 32.64% (as computed on the basis of MoP's methodology) for Quarter 1 of FY 2024-25 i.e. April 2024 till June 2024. Vide its Order dated 20.09.2024, the Commission allowed the Petitioner to recover PPAC of 30.34% beyond 20.09.2024 for 3 months, i.e, from 21.09.2024 to 20.12.2024.
- vii. That on 13.11.2024, the Petitioner filed a similar petition as above, being Petition No. 56 of 2024, for the Second Quarter of FY 2024-25, i.e., July 2024 till September 2024, which was calculated at 8.35% (as computed on the basis of the Commission's methodology) or 8.82% (as computed on the basis of MoP's methodology.)
- viii. The Commission vide Order dated 20.12.2024 in Petition No. 56 of 2024, computed PPAC at 5.85%. This difference was on account of non-consideration of the Short-Term Open Access refund in Petitioner's computation.
- ix. That being aggrieved by the above, the Petitioner, on 26.12.2024, filed review Petition being Review Petition No. 67 of 2024 (hereinafter "Review Petition"), seeking review/rectification of the Order dated 20.12.2024 to levy differential PPAC during July 2024 till September, 2024 and allow the differential PPAC at 8.35%.
- x. Amidst the pendency of the aforesaid Review Petition, the Petitioner issued a letter dated 29.01.2025 stating that its actual PPAC for Third Quarter of FY 2024-25 to recover power purchase cost was calculated at 13.70% (i.e., 6.27% + 7.43%) (as computed on the basis of the Commission's methodology) and at 15.94% (i.e. 8.51% + 7.43%) (as computed on the basis of the MoP's

methodology). In view of the Business Plan Regulations, 2023 and the Commission's Order dated 19.01.2024, it is suo-moto levying capped PPAC of 5.95% on the bills of consumers from the billing cycle from 01.02.2025 for a period of 3 months. The Petitioner also clarified that its Review Petition No. 67 of 2024 was pending consideration before the Commission.

- xi. Notwithstanding the above figures, in the event the Commission were to allow the aforesaid Review Petition No. 67 of 2024, the revised computation of PPAC would be as under:

Particulars	As per DERC methodology	As per MoP's methodology
Q3 computed PPAC as per DERC(A)	6.27%	8.51%
PPAC allowed by the DERC vide Tariff Order dated 30.09.2021 (B)	7.43%	7.43%
Impact of Q2 PPAC pending in Review Petition 67 of 2024 (8.70% - 6.20%)(C)	2.50%	2.50%
Total PPAC recoverable (D) = (A)+(B)+(C)	16.20%	18.44%

- xii. Further, for differential, i.e. 7.75% (i.e. 6.27% - 5.95% + 7.43%) (as computed on the basis of the Commission's methodology) or 9.99% (i.e. 8.51% - 5.95% + 7.43% (as computed on the basis of the MoP's methodology) which is inclusive of 7.43% of PPAC (as per ARR FY 2021-22), the Petitioner is filing the present Petition seeking approval of the Commission.
- xiii. Moreover, in the event the Review Petition No. 67 of 2024 is allowed, the Petitioner's PPAC entitlement would be 10.25% (i.e. 6.27% - 5.95% + 7.43% + 2.50%) (as computed on the basis of the Commission's methodology) and 12.49% (i.e. 8.51% - 5.95% + 7.43% + 2.50%) (as computed on the basis of the MoP's methodology) which is inclusive of 7.43% of PPAC (as per ARR FY 2021-22).

**Petitioners' Submissions in Review Petition No. 67/2024:**

- 7. The Petitioner has *inter-alia* submitted the following in the Review Petition:
  - i. The Commission has inadvertently overlooked the data, an error which ought to be rectified in exercise of its power of review as the Petitioner has already considered refund of STOA charges while computing PPAC for Q2 of FY 2024-25.
  - ii. While computing the figure of 6.20% the Commission has not only, in effect, deducted STOA refunds twice for Q2 but has deducted STOA refunds twice for Q1 as well, resulting in a far lower differential PPAC than what the Petitioner is entitled to.

**Commission Analysis**

8. The Petitioner has submitted PPAC computation for the period from October'2024 to December' 2024 (Q3) for FY 2024-25, and prayed before the Commission to allow the differential PPAC as follows:

Petition No.	Period	PPAC submitted by the Petitioner as per DERC Formula	PPAC claimed by the Petitioner
07 of 2025	Q3 FY 2024-25	6.27%	7.75% (=6.27% +7.43%* -5.95**)
67 of 2024	Q2 FY 2024-25	-	2.50% #

Note: \* PPAC allowed by the Commission vide Tariff Order dated 30.09.2021 for meeting the Revenue Gap.  
\*\* Suo-moto levy of PPAC as per clause 30(4) of DERC (Business Plan) Regulations, 2023.  
# Alleged error in PPAC computation in the Commission Order dated 20.12.2024 in Petition No. 56 of 2024.

9. The officers of the Commission vide email dated 11.03.2025 sought information from the Petitioner like CERC Orders resulting in arrears, Coal based Power Plants Blending Ratio details, STOA bills, etc. In response, the Petitioner vide email dated 13.03.2025 submitted the required information.
10. Meetings were conducted with the officials of the Petitioner on 12.03.2025 and 06.05.2025 wherein the Power Purchase and Transmission Bills as provided by the Petitioner were scrutinized. On scrutiny of the same, it was observed that the calculation of PPAC submitted by the Petitioner is based upon various other charges in addition to the Fixed Charges, Energy Charges and Transmission Charges. However, the Commission has restricted the PPAC to the extent of Fixed Charges, Energy Charges and Transmission Charges only, in line with Regulation 134 of the Tariff Regulations, 2017 read with Regulation 30 of Business Plan Regulations, 2023. Accordingly, as per the formula approved by the Commission in Tariff Order dated 30.09.2021, the PPAC is computed as follows:

Period	PPAC submitted by the Petitioner	PPAC calculated by the Commission
October' 2024 to December' 2024 (Q3 for FY 2024-25 )	6.27%	4.20%

The calculation of PPAC based on the MoP Formula as referred by the Petitioner is not admissible as the grant of PPAC by the Commission is governed by the Delhi Electricity Regulatory Commission (Terms and Conditions for determination of Tariff) Regulations, 2017.

11. In addition to the above, while analysing the submissions of the Petitioner in Review Petition No.67/2024, error regarding STOA credit has also been considered.

12. In view of above, PPAC for Q3 FY 2024-25 including review of Q2 FY 2024-25 Order is as follows:

Period	PPAC submitted by the Petitioner	PPAC approved by the Commission
October' 2024 to December' 2024 (Q3 for FY 2024-25 )	7.75% (=6.27%+7.43%*-5.95**)	5.68% (=4.20%+7.43%*-5.95**)
After considering error in r/o July' 2024 to September' 2024 (Q2 FY 2024-25)	10.25% (=7.75%+2.50%#)	8.11% (=5.68%+2.43%##)

Note: \* PPAC allowed by the Commission vide Tariff Order dated 30/09/2021 for meeting the Revenue Gap.  
\*\* Suo-moto levy of PPAC as per clause 30(4) of DERC (Business Plan) Regulations, 2023.  
# Alleged error in PPAC computation in the Commission Order dated 20/12/2024 in Petition No. 56 of 2024.  
## Error in PPAC computation in the Commission Order dated 20/12/2024 in Petition No. 56 of 2024, as approved by the Commission.

13. Accordingly, the Petitioner is hereby allowed to recover PPAC of 8.11% with immediate effect for a period of three months, i.e., from 09.05.2025 to 08.08.2025. Surplus/deficit, if any, will be allowed with carrying cost, subject to prudence check of Power Purchase and Transmission Bills, in True-up of relevant Financial Year.
14. Petition No. 07 of 2025 and Review Petition No. 67 of 2024 are disposed of in the above terms.
15. Ordered accordingly.

Sd/-  
(Sunder Babbar)  
Member

Sd/-  
(Ram Naresh Singh)  
Member

Sd/-  
(Justice Umesh Kumar)  
Former Judge  
Chairman DERC