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BEFORE THE DELHI ELECTRICITY REGULATORY COMMISSION
C BLOCK, SHIVALIK, MALVIYA NAGAR, NEW DELHI

PETITION NO. ________ OF 2021

<u>IN THE MATTER OF:-</u>
BSES Yamuna Power Limited
Shakti Kiran Building,
Karkardooma, Delhi-110032 ..... **PETITIONER**

AND

<u>IN THE MATTER OF:-</u> Truing-up upto the Financial Year (hereinafter referred to as "FY") FY 2020-21, in terms of Regulation 13 read together with Regulation 139 of the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 (hereinafter referred to as **"DERC Tariff Regulations, 2017")** read with **DERC (Business Plan) Regulations, 2017 and DERC (Business Plan) Regulations, 2019** along with the provisions of the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011 (hereinafter referred to as **"DERC MYT Regulations, 2011")** and Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2007 (hereinafter referred to as **"DERC MYT Regulations, 2007")** read with Section 62 of the Electricity Act, 2003 and read with Sections 11 and 28 of Delhi Electricity Reforms Act 2000 to the extent applicable, the Delhi Electricity Regulatory Commission (Conduct of Business) Regulation 2001 and Condition 24 of the License for Distribution and Retail Supply of Electricity issued by the Hon'ble Delhi Electricity Regulatory Commission (hereinafter referred to as "**the Hon'ble Commission/ DERC").**

AND

<u>IN THE MATTER OF:-</u> Annual Tariff Petition and Tariff for FY 2022-23 under Section 62 of the Electricity Act, 2003 read with Regulation 11 & 12 and other relevant provisions under DERC Tariff Regulations, 2017 and the Delhi Electricity Regulatory Commission Business Plan Regulations, 2019 (hereinafter referred to as **"Business Plan Regulations, 2019")** and also under Sections 11 and 28 of Delhi Electricity Reforms Act 2000 to the extent applicable, the Delhi Electricity Regulatory Commission (Conduct of Business) Regulations, 2001 and Condition 24 of the License for Distribution and Retail Supply of Electricity issued by the Hon'ble Commission.

NOTARY PUBLIC
D.K. TYAGI
ADVOCATE
REGN. NO. 23
DELHI
GOVT. OF INDIA

BSES Yamuna Power Limited
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AFFIDAVIT VERIFYING THE PETITION:

I, Abhishek Srivastava, son of Shri Arun Kumar Srivastava, aged about 38 years, having my office at Shakti Kiran Building, BSES Yamuna Power Limited, Karkardooma, Delhi-110032, do hereby solemnly affirm and state as follows:

I am working with BSES Yamuna Power Limited, the Petitioner herein, as DGM (Regulatory Affairs) and am duly authorized by the said Petitioner to make the present affidavit.

1. I say that on behalf of BSES Yamuna Power Limited, I am filing the present ARR Petition for Truing up of expenses upto FY 2020-21.

2. I further say that the statements made and data presented in the present ARR Petition are to the best of my knowledge derived from records of the Company and based on estimations arising from data and or records of the Company. Further, to my knowledge and belief, no material information has been concealed in the aforesaid Petition.

NOTARY PUBLIC
D.K. TYAGI
ADVOCATE
REGN. NO.23
DELHI
GOVT. OF INDIA

BSES Yamuna Power Limited
DELHI

DEPONENT
Abhishek Srivastava
DGM- Regulatory (BYPL)
Authorized Signatory
BSES Yamuna Power Limited

VERIFICATION:

I, Abhishek Srivastava, the Petitioner hereby solemnly affirms that the contents of above affidavit are true to the best of my knowledge, no part of it is false and nothing material has been concealed there from.

Verified by me on this 25 NOV 2021 day of November, 2021 at New Delhi.

Register Entry No. 530/21
Page No. 255-256
Date 25/11/2021
Document Affidavit

BSES Yamuna Power Limited
DELHI

DEPONENT
Abhishek Srivastava
DGM- Regulatory (BYPL)
Authorized Signatory
BSES Yamuna Power Limited

ATTESTED
D. K. TYAGI
NOTARY PUBLIC
Court Complex
DELHI
25 NOV 2021

BSES Yamuna Power Limited
DELHI

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

e-Stamp

सत्यमेव जयते

Certificate No.	:	IN-DL94970364878780T
Certificate Issued Date	:	08-Jul-2021 02:35 PM
Account Reference	:	IMPACC (IV)/ dl874503/ DELHI/ DL-DLH
Unique Doc. Reference	:	SUBIN-DLDL87450388299415985829T
Purchased by	:	BSES YAMUNA POWER LTD
Description of Document	:	Article 48(c) Power of attorney - GPA
Property Description	:	Not Applicable
Consideration Price (Rs.)	:	0 (Zero)
First Party	:	BSES YAMUNA POWER LTD
Second Party	:	ABHISHEK SIRVASTAV
Stamp Duty Paid By	:	BSES YAMUNA POWER LTD
Stamp Duty Amount(Rs.)	:	100 (One Hundred only)

Register Entry No. 223/21
Page No. 105-106
Date 12/07/2021
Document G.P.A

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GOVT. OF INDIA

Please write or type below this line

General Power Of Attorney

KNOW ALL MEN BY THESE PRESENTS THAT this power of Attorney is executed on this 12th day of July 2021 at New Delhi by:

BSES Yamuna Power Ltd, a company duly incorporated under the Companies Act 1956, having it's registered office at Shakti Kiran Building Karkardooma, New Delhi (hereinafter referred to as the "Company") acting through it's Chief Executive Officer, Sh Amarjeet Singh.

BSES Yamuna Power Limited DELHI

WHEREAS the company being the Licensee, is in the business of distribution and retail supply of Electricity in the respective area of supply within Delhi.

WHEREAS the Company in furtherance of its business operation, in strict adherence of the law and for the enforcement of the provisions of law in this regard, time and again initiate legal proceedings and /or has to prosecute/represent/defend the legal proceedings initiated against the company before various courts, judicial and quasi- judicial authorities.

WHEREAS the company in legal proceedings instituted by/or against it required to defend, appear, compound, settle in any claim, demand or dispute before any court, tribunal, commission or board whether at civil, criminal or labour and whether original or appellate and for such purposes it is required to appoint or remove, replace any consultant, professional, advocate, attorney, lawyer, solicitor on retainership basis or otherwise and to fix the terms & remuneration.

WHEREAS the company for the purpose of appointment of advocates /attorneys / lawyers on regular or retainer basis is required to delegate this authority. In furtherance the Company's board of Directors in their meeting held on 29th day of June, 2021 delegated authority on the Chief Executive Officer of BSES Yamuna Power Ltd. to put his hands on this General Power of Attorney.

NOW THIS DEED WITNESSETH that the company through its CEO, do hereby constitute, appoint and declare Sh. Abhishek Srivastava S/o Sh. Arun Kumar Srivastava , presently working as Dy. General Manager in Regulatory Affairs with the company as duly constituted its lawful attorney to do, perform all and any of the several acts, deeds, on behalf of the Company, as specified herein below:-

NOTARY PUBLIC
D.K. TYAGI
ADVOCATE
REGN. NO.23
DELHI
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1. To represent, act, appear and plead on behalf of the company before various courts in India including Hon'ble High Courts of various states and Hon'ble Supreme Court, Consumer Forums, Commissions, Arbitral Tribunal and/ or before all other authorities /bodies whether judicial, quasi- judicial or administrative authorities, Government including State Government (herein referred to as the "Authorities")and to perform such other acts as required to be performed in furtherance of the performance of the task under this instant clause.

2. To make, declare, swear, affirm, execute, seal, deliver, refer to arbitration, file complaints and record statement before police authorities, verify pleadings, applications, affidavits, claims, counter claims, caveats, deeds, assurances, instruments, documentations including but not limited to presenting / filling/ drafting/ signing pleading, appeals, cross objections, petitions, arbitration claims, writs, special leave petition, bail application, supardari application, and other misc, application for initiation of legal proceedings and/ or representation in ongoing litigation including Suit, execution proceedings, review, revisions, writ,

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SLP's, Arbitration Proceedings and to withdraw, compromise, recording of settlement, execution, and filling of settlement agreement, to receive the settlement amount and to file and /or authorize to file applications for compounding/settlement the case be that it be of civil and/or criminal nature and pending before any authority /court/quasi- judicial Authority and to take all essential/ancillary actions in furtherance of the performance of the task under this instant clause including but not limited to leading evidence, cross examination of the witnesses, etc.

3. To file and take/procure/obtain documents/orders/notices for and on behalf of the company and to apply and /or to obtain copies including certified copies of the document and papers for and on behalf of the Company.

4. To take all action necessary for conducting execution proceedings including initiating / filing the execution proceedings amongst other legal proceedings.

5. To retain, employ and remunerate advocates, solicitors, and other legal practitioners and advisors and to sign " Warrants" , "Vakalatnama" and other necessary authorities including to take/procure opinions from Advocates/Solicitors and /or to brief them for appearance before various courts/Authorities.

6. To do all other lawful acts and deeds which may be necessary to be performed for the progress and in the course of proceedings and the other prosecutions of various nature including suits, writs, arbitrations, SLP, complaints and proceedings, including ongoing litigation and the company do hereby agree that all the acts and the things lawfully done by and performed by the above said Attorney of the company shall be construed as the act and the things done by the company. The company do hereby, undertake to ratify and confirm all the tasks lawfully performed by the said Attorney in furtherance of this instant GPA and the same cause to be done for and on behalf of the company by virtue of the power hereby vested herein.

7. The power as, vested vide this instant GPA in duly constituted lawful attorney are solely at the discretion of the Company and the same may be varied/withdrawn at the sole discretion of the Company.

8. That this power of attorney shall be deemed to be automatically revoked immediately upon cessation of employment and / or otherwise upon termination of employment of duly constituted lawful attorney, with the company.

NOTARY PUBLIC D.K. TYAGI ADVOCATE REGN NO.23 DELHI GOVT. OF INDIA

BSES Yamuna Power Limited DELHI

IN WITNESS WHEREOF the Chief Executive Officer of BSES Yamuna Power Ltd. has put his hands on this General Power of Attorney, pursuant to the authority delegated to him by a resolution passed by the Board of Directors in their meeting held on 29th day of June, 2021.

For and on behalf of/-
BSES Yamuna Power Ltd.

Accepted
(Sh. Abhishek Srivastava)

(Amarjeet Singh)
Chief Executive Officer

WITNESSES:-

1

ROHIT SHARMA, 57-D, Pocket-I, DILSHAD GARDEN, Delhi-95

(Signature Name & Address)

2

UDDHAR Jyoti Bhawan, B-3/308, Bharat city, Ghaziabad, UP 201003.

(Signature Name & Address)

NOTARY PUBLIC
D.K. TYAGI
ADVOCATE
REGN. NO.23
DELHI
GOVT. OF INDIA

ATTESTED

D. K. TYAGI
NOTARY PUBLIC

12 JUL 2021

BSES Yamuna Power Limited
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LIST OF ABBREVIATIONS

BSES Yamuna Power Limited
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List of Abbreviations

Abbreviation	Full form
AAD	Advance Against Depreciation
ABR	Average Billing Rate
Act	Electricity Act' 2003
ADB	M/s. Asian Development Bank
AFC	Annual Fixed Charges
A & G	Administrative & General
AMR	Automated Meter Reading
APCPL	Aravali Power Company Private Limited
APTEL	Appellate Tribunal for Electricity
APDRP	Accelerated Power Development and Reform Programs
ARR	Aggregate Revenue Requirement
AT & C	Aggregate Technical and Commercial
ATE	Appellate Tribunal for Electricity
BBMB	Bhakra Beas Management Board
BEST	M/s Brihanmumbai Electric Supply & Transport Undertaking
BYPL	M/s BSES Yamuna Power Limited
BST	Bulk Supply Tariff
BTPS	Badarpur Thermal Power Station
BYPL	M/s BSES Yamuna Power Limited
CAGR	Compounded Annual Growth Rate
CC	Carrying Cost
CCO	Customer Care Officer
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CESC	M/s Calcutta Electricity Supply Company
CESU	M/s. Central Electricity Supply Utility
CFL	Compact Florescent Lamp
CGRF	Consumer Grievance Redressal Forum
CGS	Central Generating Stations
CISF	Central Industrial Security Force
CKM	Circuit Kilometers
CPI	Consumer Price Index
CPRI	Central Power Research Institute
CTC	Cost to the Company
CSERC	Chhattisgarh State Electricity Regulatory Commission
CSPDCL	Chhattisgarh State Power Distribution Co. Ltd
DA	Dearness allowance
DDA	M/s Delhi Development Authority
DERC	Delhi Electricity Regulatory Commission
DIAL	M/s. Delhi International Airport Limited
DISCOM	Distribution Company

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Abbreviation	Full form
DJB	M/s. Delhi Jal Board
DMRC	M/s Delhi Metro Rail Corporation
DPCL	M/s Delhi Power Corporation Limited
DPPG	Delhi Power Procurement Group
DPR	Detailed Project Report
DT	Distribution Transformer
DTL	M/s Delhi Transco Limited
DVB	M/s Delhi Vidyut Board
DVC	M/s Damodar Valley Corporation
EA'03	Electricity Act' 2003
EHV	Extra High Voltage
EIC	Electrical Inspector Clearance
ELR	Energy Law Reports
FPA	Fuel Purchase Adjustment
FRSR	Fundamental Rules & Supplementary Rules
FY	Financial Year
GDAM	Green Day Ahead Market
GENCO	Generation Company
GERC	Gujrat Electricity Regulatory Commission
GFA	Gross Fixed Assets
GIS	Geographical Information System
GoI	Government of India
GoNCTD	Government of National Capital Territory of Delhi
GPA	Gross Per Annum
GT	Gas Turbine
HEP	Hydro Electric Project
HERC	Haryana Electricity Regulatory Commission
HR	Human Resource
HRA	House Rent Allowance
HT	High Tension
HVDS	High Voltage Distribution System
ICC	Indian Chamber of Commerce
ICWAI	Institute of Cost & Works of Accounts of India
IDBI	M/s. Industrial Development Bank of India
IDG	International Data Group
IEX	Indian Energy Exchange
IP Station	M/s Indraprastha Station
IPPAI	Independent Power Producers Association of India
IPGCL	M/s Indraprastha Power Generation Co. Ltd
IT	Information Technology
IVR	Interactive Voice Response
JVVNL	M/s Jaipur Vidyut Vitaran Nigam Limited, Rajasthan
JJ	Jhuggi Jhopri

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Abbreviation	Full form
KESCO	M/s Kanpur Electric Supply Company Limited, Uttar Pradesh
Kms	Kilo Meters
kV	Kilo Volt
kVAh	Kilo Volt Ampere hour
kVArh	Kilo Volt Ampere Resistance hour
kW	Kilo Watt
kWh	Kilo Watt Hour
LDC	Load Despatch Centre
LPSC	Late Payment Surcharge
LSC/PC	Leave Salary Contribution (LSC) & Pension Contribution (PC)
LT	Low Tension
LTAB	Low Tension Aerial Bunched
LVDS	Low Voltage Distribution System
MCD	M/s Municipal Corporation of Delhi
MDI	Maximum Demand Indicator
MERC	Maharashtra Electricity Regulatory Commission
MLHT	Medium Load High Tension
MoP	Ministry of Power
MRBD	Meter Reading and Bill Distribution
MSEDCL	Maharashtra State Electricity Distribution Co. Ltd
MU	Million Units
MVA	Million Volt Ampere
MW	Mega Watt
MYT	Multi Year Tariff
NABL	National Accreditation Board for Testing and Calibration Laboratories
NCT	National Capital Territory
NDPL	M/s North Delhi Power Limited
NGO	Non-Government Organisation
NHPC	M/s National Hydroelectric Power Corporation Ltd.
NJPC	Nathpa Jhakri Power Corporation Ltd.
No.	Number
NOIDA	New Okhla Industrial Development Authority
NPCIL	M/s Nuclear Power Corporation India Limited
NRLDC	Northern Region Load Dispatch Centre
NTI	Non-Tariff Income
NTPC	M/s National Thermal Power Company Ltd.
O&M	Operation and Maintenance
OP	Original Petition
PFC	M/s. Power Finance Corporation
PGCIL	M/s Power Grid Corporation of India Limited
Ph	Phone
PLF	Plant Load Factor
PPA	Power Purchase Agreement
PPCA	Power Purchase Cost Adjustment

BSES Yamuna Power Limited DELHI

Abbreviation	Full form
PPCL	M/s Pragati Power Corporation Ltd.
PTC	Power Trading Corporation
RA	Regulatory Asset
R & M	Repair and Maintenance
RE	Renewable Energy
REC	Rural Electrification Corporation
REL	M/s Reliance Energy Limited
RERC	Rajasthan Electricity Regulatory Commission
RoCE	Return on Capital Employed
RPO	Renewable Purchase Obligation
RPS	Renewable Purchase Specifications
RRB	Regulated Rate Base
₹/Rs.	Rupees
RST	Retail Supply Tariff
RWA	Resident Welfare Association
SBI - PLR	State Bank of India - Prime Lending Rate
SBI – MCLR	State Bank of India – Marginal Cost of funds based Lending Rate
SCADA	Supervisory Control And Data Acquisition
SCOD	Scheduled Commercial Operation Date
SERC	State Electricity Regulatory Commission
SGS	State Generating Stations
SJVNL	M/s Satluj Jal Vidyut Nigam Limited
SLDC	State Load Dispatch Centre
SMS	Short Message Service
Sq. Kms	Square Kilometers
SoP	Standard of Performance
SVRS	Special Voluntary Retirement Scheme
TANGEDCO	Tamil Nadu Generation and Distribution Corporation
T&D	Transmission and Distribution
THDC	Tehri Hydro Development Corporation Ltd.
TNERC	Tamil Nadu Electricity Regulatory Commission
TPDDL	Tata Power Delhi Distribution Limited
TRANSCO	Transmission Company
T.O.	Tariff Order
UERC	Uttarakhand Electricity Regulatory Commission
UPERC	Uttar Pradesh Electricity Regulatory Commission
UI	Unscheduled Interchange
VRS	Voluntary Retirement Scheme
WACC	Weighted Average Cost of Capital
WPI	Whole Sale Price Index
Y-o-Y	Year on Year

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CHAPTER 1A

LIST OF DATES AND EVENTS

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Contents

1A.1 BACKGROUND

1A.1.1 BSES Yamuna Power Limited (hereinafter referred to as "**the Petitioner/BYPL**"), a company incorporated under the Companies Act, 1956, and having its registered office at Shakti Kiran Building, Karkardooma, New Delhi – 110032, is a license holder for carrying on the business of Distribution and Retail Supply of electrical energy within the Area of Supply as specified in the "*License for Distribution and Retail Supply of Electricity*" issued by the Hon'ble Commission. The Petitioner came in existence in 1 July, 2002 post the unbundling of the erstwhile Delhi Vidyut Board (DVB). It is a joint venture between Reliance Infrastructure Limited and Govt. of NCT of Delhi. The company spans across an area of 200 sq. km. serving to Central and East part of Delhi.

1A.1.2 The present petition is being filed for:

a) Truing up of Expenses till FY 2020-21; and

b) Annual Tariff for FY 2022-23

1A.1.3 The present Petition contains the following chapters:

c) Chapter 1A – List of Dates & Events

d) Chapter 1B – Executive Summary

e) Chapter 1C – Preamble and Tariff Philosophy

f) Chapter 2A - Performance during FY 2020-21

g) Chapter 2B - Compliance to Directives

h) Chapter 3A - True-Up till FY 2020-21

i) Chapter 3B –True Up of Past Claims till FY 2019-20

j) Chapter 4 - Aggregate Revenue Requirement for FY 2022-23

k) Chapter 5 - Tariff Proposal for FY 2022-23

1A.1.4 The above chapters are essentially a part and parcel of this Petition (Hereinafter collectively referred to as the "**ARR Petition**"). In accordance with the Electricity Act, 2003 (hereinafter referred to as **"2003 Act"**), the License conditions, DERC MYT Tariff Regulations, 2007, DERC MYT Tariff Regulations 2011, DERC Tariff Regulations, 2017, DERC Business Plan Regulations, 2017, and DERC Business Plan

Regulations, 2019, the Petitioner is filing this Petition for Truing up of Expenses and Revenue till FY 2020-21 and Aggregate Revenue Requirement for FY 2022-23.

1A.2 LIST OF DATES AND EVENTS

Dates	Events
On or about 20.11.2001	GoNCT of Delhi, in exercise of the powers conferred by Section 60 read with Sections 15 and 16 of the DERA notified the Delhi Electricity Reforms (Transfer Scheme), Rules 2001 ("Transfer Scheme"). The Delhi Government issued notification No. F.II (118)12001-Power containing Policy Directions under Section 12 of the Reforms Act to enable restructuring of the Delhi Vidyut Board and sale of 51%equity shares in the 3 distribution companies to private sector through competitive bidding process. Delhi Government issued an Information Memorandum to the six prequalified entities which were shortlisted on the basis of the criteria specified in the RFQ. Delhi Government issued the Request for Proposal ("RFP") document to the six qualified bidders representing the following key factors for privatization process. It was held out that with a view to ensure certainty and enable the bidders to bid based on clean balance sheets. TRANSCO and three DISCOMs filed a joint Petition No. 4 of 2001 before the Ld. Delhi Commission ("Joint Petition"), pursuant to the Transfer Scheme and the Policy Directions
09.03.2001	Hon'ble Commission notified Delhi Electricity Regulatory Commission Comprehensive (Conduct of Business) Regulations, 2001.
22.02.2002	Prior to privatization, Hon'ble Delhi Commission passed Bulk Supply Tariff Order.
10.04.2002	Bids were opened and successful bidders were declared.
31.05.2002	GoNCTD amended the Policy direction to increase loan amount from Rs. 2,600 Cr. to over Rs. 3,450 Cr., in order to bridge the gap between revenue requirement of Transco and revenue realized from DISCOMs.
26.06.2002	GoNCTD notified Delhi Electricity Reform Transfer Scheme (Amendment) Rules, 2002.
27.06.2002	Share Acquisition Agreements and Shareholders Agreements executed between selected bidders and three DISCOMs.

BSES Yamuna Power Limited DELHI

Dates	Events
01.07.2002	This is the effective date of privatization of DISCOMs. BRPL / BYPL thus, became Distribution Licensees in Delhi with effect from this date. Unbundling of Delhi Vidyut Board and sale of 51% shareholdings of DISCOMS came into effect.
10.06.2003	The Electricity Act, 2003 notified by Ministry of Power (MOP).
12.02.2005	MOP notified the National Electricity Policy under Section 3 of Electricity Act, 2003.
06.01.2006	MOP issued National Tariff Policy, 2006, under section 3 of the Electricity Act. In terms of Section 3 and Section 61 (i), the State Commission is required to be guided by the provisions of the Tariff Policy in discharge of its functions under the Act.
21.07.2006	The Petitioner challenged the Tariff Order dated 09.06.2004 wherein the Hon'ble Commission, as recorded by the Hon'ble APTEL, had directed the Petitioner to create a Regulatory Asset in its books. The Hon'ble APTEL by its judgment dated 21.07.2006 in Appeal No. 155, 156 & 157 of 2005 set aside the findings of Hon'ble Commission whereby Hon'ble Commission deferred the payments of Petitioner's legitimate dues by creating Regulatory Asset. The APTEL held that the direction to create a Regulatory Asset was bad in law.
31.03.2007	The Policy Direction Period came to an end. Henceforth, the distribution licensees in Delhi were mandated to arrange power for themselves which, prior to this date was being undertaken by DTL. On this date, the Hon'ble Commission also passed a detailed order assigning the existing PPAs (enter in to by the DVB / DTL) amongst the distribution licensees of Delhi.
30.05.2007	Hon'ble Commission notified DERC (Terms and Conditions of Tariff) Regulations, 2007. These Regulations were for the MYT Period which was to commence from the date the MYT Order would be passed and till 31.03.2011. This was subsequently extended up to 31.03.2012.
23.02.2008	Hon'ble Commission issued Multi Year Tariff Order determining the Aggregate Revenue Requirement and Retail Supply Tariff for the control Period i.e. FY 2002-03 to 2006-07. This order was carried in Appeal before APTEL in Appeal 36/ 37of 2008.
28.05.2009	Tariff Order issued by Hon'ble Commission for FY 2009-10 and also True up of FY 2007-08. This order was carried in Appeal before APTEL in Appeal 142 / 147 of 2009. TPDDL carried this Order before APTEL in Appeal 153 of 2009.

BSES Yamuna Power Limited DELHI

Dates	Events
06.10.2009 & 30.10.2009	Hon'ble APTEL passed judgment in Appeal No. 36 & 37 of 2008 against Tariff Order dated 23.02.2008 for FY 2007-08 & FY 2008-09 holding in favour of the petitioner on issues pertaining to-Sales projections and power purchase, Distribution loss and AT&C losses, Capital expenditure and capitalisation, Employee expenses, Non-inclusion of Reactive Energy Charges, Disallowance of R&M and A&G expenses, Lower approval of interest rates for loans. This judgment was carried by the Hon'ble Commission to the Hon'ble Supreme Court in Civil Appeal No. 884 / 980 of 2010. Through there is no stay by the Hon'ble Supreme Court, many parts of this judgment are yet to be implemented by the Hon'ble Commission.
30.07.2010	The Hon'ble APTEL pronounced judgment in Appeal 153 of 2009 (TPDDL Vs DERC) inter-alia holding four issues in favor of TPDDL. The Hon'ble Commission carried this judgment in Appeal before the Hon'ble Supreme Court in CA no. 6006 of 2012. However, the said civil appeal was dismissed by the Hon'ble Supreme Court on the ground of delay.
15.10.2010	Statutory advice was issued by the Hon'ble Commission under section 86(2) (iv), stating, inter-alia a) The tariff during previous years has not been cost reflective causing DISCOMs to resort to extensive borrowing. b) Hon'ble Commission's past practice was to assume higher surplus for tariff fixation which did not consider rise in power procurement cost. c) Revenue from sale of electricity has not been able to meet even the power purchase. Accumulation of revenue gaps are beyond sustainable levels. d) (d) There is a need for a fuel cost adjustment Mechanism.
FY 2010-11	Due to stay imposed on determination of tariff by Hon'ble Delhi High Court in PIL entitled 'N.K.Garg Vs. NCW', no Tariff Order was passed for the FY 2010-11.

BSES Yamuna Power Limited DELHI

Dates	Events
12.07.2011	Hon'ble APTEL passed judgment in Appeal No. 142 and 147 of 2009 against Tariff Order dated 28.05.2009 for FY 2009-10 holding in favor of the Petitioner on issues pertaining to Late payment Surcharge-funding, Carrying cost rate, True up of first 11 months as per Policy direction period. This judgment was carried by the Hon'ble Commission to the Hon'ble Supreme Court in Civil Appeal 9003 / 9004 of 2011. Through there is no stay by the Hon'ble Supreme Court, many parts of this judgment are yet to be implemented by the Hon'ble Commission.
26.08.2011	Tariff Order issued by Hon'ble Commission for FY 2011-12. This was carried by the Petitioner in Appeal before APTEL in Appeal No. 61 / 62 of 2012.
02.12.2011	Hon'ble Commission notified DERC (Terms and conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulation, 2011. This was to be effective for the period 01.04.2012 to 31.03.2015. This was subsequently extended for a period of one year, i.e. upto 31.03.2016.
02.12.2011	Hon'ble Commission vide letter no. Ref.No.3/Tariff/DERC/2011-12/OPANO.3214/5215/522 assured a roadmap for liquidation of revenue gap.
01.02.2012	BSES Companies filed Original Petition No. 1 and 2 of 2012 under Section 121 of the Act before APTEL.
05.07.2012	Hon'ble Commission filed IA No. 1 and 2 of 2012 before Hon'ble Supreme Court, seeking stay of Judgment dated 12.07.2011 passed by the Hon'ble APTEL in Appeal Nos. 142&147 of 2009 and also stay of the proceedings of O.P. Nos. 1&2 of 2012.
13.07.2012	Hon'ble Commission passed Tariff Order determining ARR for FYs 2012-13 to 2014-15 and True up for FY 2010-11. This was subsequently challenged before APTEL by the Petitioner in Appeal 177 / 178 of 2012.
01.10.2012	The Hon'ble Commission notified DERC (Renewable Purchase Obligation and Renewable energy Certificate Framework Implementation) in the official gazette.
28.02.2013	Hon'ble Supreme Court passed in IA No. 5 in CA No. 980 of 2010 and IA No. 3-4 in CA No. 9003-04 of 2011 directing that the APTEL may pass judgment in OP 1 and 2 of 2012 however the same shall not be implemented without the leave of the Court.
31.07.2013	Hon'ble Commission issued Tariff Order for ARR for FY 2013-14 and True up FY 2011-12. This was subsequently challenged before APTEL by the Petitioner in Appeal 265 / 266 of 2013.

BSES Yamuna Power Limited DELHI

Dates	Events
14.11.2013	The Hon'ble APTEL pronounced judgment in O.P. No. 1 and 2 of 2012.
23.07.2014	Hon'ble Commission issued Tariff Order for ARR for FY 2014-15 and True up FY 2012-13. This was subsequently challenged before APTEL by the Petitioner in Appeal 235 / 236 of 2014.
28.11.2014	Hon'ble APTEL passed judgment in Appeal No. 61 and 62 of 2012 against Tariff Order dated 26.08.2011 for FY 2011-12 holding in favor of the petitioner on 26 and on 10 in favor of the Commission. The Petitioner has filed an Appeal before the Supreme Court in CA No. 4323 and 4324 of 2015. The Hon'ble Commission has filed an Appeal against the judgment in CA no. 8660 and 8661 of 2015.
02.03.2015	Hon'ble APTEL passed judgment in Appeal No. 177 and 178 of 2012 for Tariff Order dated 13.07.2012 for FY 2012-13 holding in favor of the Petitioner on 27 and on 9 in favor of the Commission. The Petitioner has filed an Appeal before the Supreme Court in CA No. 4906 and 4933 of 2015. The Hon'ble Commission has filed an Appeal against the judgment in CA no. 6959 and 6960 of 2015.
29.09.2015	Hon'ble Commission issued Tariff Order for ARR for FY 2015-16 and True up FY 2013-14. This was carried by the Petitioner before APTEL in Appeal No. 290 and 297 of 2015. In respect of one issue of Procurement of Power from Anta, Auraiya and Dadri, the Petitioner also filed a review being Review Petition no. 44 / 45 of 2017 before the Hon'ble Commission which came to be allowed by the order dated 22.03.2018.
28.01.2016	MOP issued revised Tariff policy, 2016.
01.02.2017	The Hon'ble Commission notified DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 in the official gazette. These Regulations were to apply prospectively with effect from 01.02.2017. However, Clause 139 of the Regulations retrospectively applied the 2011 Tariff Regulations to FY 2016-17.
31.08.2017	Hon'ble Commission passed ARR and Tariff for FY 2017-18. The Petitioners carried the matter in Appeal before the APTEL in Appeal No. 69 & 72 of 2018 and 70 & 71 of 2018. The Petitioner also preferred a Review Petition being Petition No. 65 / 66 of 2017 before the Hon'ble Commission, which came to be allowed vide order dated 22.03.2018.

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Dates	Events
31.08.2017	The Hon'ble Commission notified DERC Business Plan Regulations, 2017 in the official gazette. These Regulations were issued in Terms of the DERC (Terms and Conditions for Determination of Tariff) Regulations 2017.
27.03.2018	Hon'ble Commission passed order for reallocation of power for FY 2018-19.
28.03.2018	Hon'ble Commission passed ARR and Tariff for FY 2018-19. The Petitioner carried the matter in Appeal No. 193 and 214 of 2018 before APTEL. The Petitioner has also filed a Review Petition being Petition number 30 / 31 of 2018 before the Hon'ble Commission.
18.09.2018	Hon'ble Commission passed Order in Petition No. 44/45 of 2018 allowing the power purchase cost from Anta, Auraiya, Dadri Gas stations for FY 2012-13 to 2015-16.
29.11.2018	The Petitioner filed a Petition for approval of Truing up of Expenses upto FY 2017-18, ARR for FY 2019-20. This Petition was subsequently numbered as Petition No.08/2019.
31.07.2019	The Hon'ble Commission passed ARR and Tariff for FY 2019-20. The Petitioner has carried the matter before APTEL. The Petitioner has also filed a Review Petition before the Hon'ble Commission which yet to be listed by Hon'ble Commission.
29.08.2019	Hon'ble Commission forwarded the copy of the Tariff Order for FY 2019-20
30.08.2019	Petitioner filed the Review Petition seeking review of the Tariff Order dated 31.07.2019.
02.09.2019	Hon'ble Commission directed the Petitioner to submit the shortfall of the Pension trust amount of FY 2017-18.
30.09.2019	The Hon'ble APTEL pronounced Judgment in TPDDL's Appeal 246 of 2014, wherein the Hon'ble APTEL has directed the Hon'ble Commission to allow capitalization on actual basis as physical verification of exercise is pending for very long period which is adversely affecting cash flow of the Petitioner.
04.11.2019	Hon'ble Commission extended the timeline for submission of data with respect of Business Plan regulations, 2019.
28.10.2019	The Petitioner submitted Business Action Plan for FY 2020-21 to FY 2024-25 to the Hon'ble Commission.
22.11.2019	Hon'ble Commission issued Draft Business Plan regulations, 2019 for comments from stakeholders.

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Dates	Events
05.12.2019	The Petitioner filed Petition for approval of Truing up of Expenses upto FY 2018-19. This Petition was subsequently numbered as Petition No. 02/2020
13.12.2019	The Hon'ble Commission issued Review Order on Petition no. 31 of 2018 filed by the Petitioner on 15 issues
27.12.2019	Hon'ble Commission finalized DERC Business Plan Regulations, 2019.
30.12.2019	Hon'ble Commission directed DISCOMS to file ARR & petitions based on the Business Plan regulations, 2019 within 15 Days.
14.01.2020	Hon'ble Commission extended the timeline for submission of ARR & Tariff for 2020-21 by 15.02.2020.
14.02.2020	Petitioner filed revised Petition for approval of ARR for FY 2020-21. This Petition was subsequently numbered as Petition No. 02/2020 together with the True Up Petition upto FY 2018-19 filed by the Petitioner
28.08.2020	The Hon'ble Commission approved Tariff Schedule for FY 2020-21 to be applicable from 01.09.2020.
01.12.2020	The Petitioner received the copy of the Tariff Order – Truing Up for FY 2018-19 and ARR for FY 2020-21.
15.12.2020	The Petitioner has filed a Petition for approval of True up upto FY 2019-20 and ARR for FY 2021-22.
16.04.2021	Petitioner requested the Hon'ble Commission to allow timely recovery of costs through cost reflective tariff , Non-Creation of Regulatory Assets and 100% adjustment of PPAC on self-True up monthly basis
20.04.2021	Petitioner requested the Hon'ble Commission for Implementation of the Judgments/Orders passed by the Hon'ble APTEL in the ensuing tariff proceedings
05.05.2021	The Petitioner submitted revisions in projections in ARR Petition No. 02/2021 for FY 2021-22 considering prevailing unprecedented situations of outbreak of the second wave of COVID-19 pandemic and Imposition of curfew in NCT of Delhi by DDMA Order No. F.2/07/2020/PT file – III/381 dated 19.04.2021 and other restrictions.
07.06.2021	Hon'ble APTEL issued Interim Order in Appeal 236 of 2014 directing the Hon'ble Commission to consider the 15 issues as held in Appeal No. 246 of 2014 and 213 of 2018 Judgment.

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Dates	Events
09.06.2021	Petitioner requested the Hon'ble Commission for implementation of issues as per the directions of Hon'ble APTEL vide Order dated 07.06.2021 passed in IA No. 860 of 2021 in Appeal No. 236 of 2014.
18.06.2021	Hon'ble Commission issued Order with respect to Review Petition No. 64 of 2019.
21.06.2021	Petitioner Replied to queries received from the Hon'ble Commission regarding implementation of Hon'ble APTEL's Order dated 07.06.2021 in IA 860 of 2021
29.06.2021	Petitioner submitted information regarding rate of interest on loans for implementation of Hon'ble APTEL's Order dated 07.06.2021.
08.07.2021	Petitioner submitted information Regarding Syndication Fees-Bank Charges for Implementation of Hon'ble APTEL' s Order dated 07.06.2021
09.08.2021	Hon'ble APTEL issued Judgment in Appeal No. 290 of 2015
31.08.2021	Hon'ble APTEL issued Judgment in Appeal no. 05 & 06 of 2019 & 34 of 2020.
03.09.2021	Petitioner requested for implementing Judgment dated 31.08.2021 passed by the Hon'ble Appellate Tribunal for Electricity in Appeal No. 05 & 06 of 2019 & Appeal No.34 of 2020 (Consumer Contribution Matter)
21.09.2021	Petitioner submitted information regarding the Hon'ble APTEL Judgement dated 31.08.2021- regarding the consumer contribution in the format as prescribed by Hon'ble Commission.
30.09.2021	Hon'ble Commission published the press Note on highlights of the Tariff Order for FY 2021-22.
12.10.2021	Detailed Tariff Order for FY 2021-22 uploaded by Hon'ble Commission on its website.
18.10.2021	The Petitioner received the copy of the Tariff Order of Truing Up for FY 2019-20 and ARR for FT 2021-22.
21.10.2021	Hon'ble Commission directed Delhi DISCOMS to file its ARR Petition for FY 2022-23.
30.11.2021	The Petitioner requested the Hon'ble Commission to extend the timelines till 15.12.2021 for filing of True Up Petition till FY 2020-21 and ARR for FY 2022-23.
01.12.2021	Hon'ble Supreme Court reserved Order in Civil No. 884 & 980 of 2010, 9003 & 9004 of 2011 and 1854 & 1855 of 2014.

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Dates	Events
09.12.2021	Hon'ble Supreme Court uploaded Order on 09.12.2021. Civil Appeal No 884 & 980 of 2010, 9003 & 9004 of 2011 and 1854 & 1855 of 2014 were dismissed.

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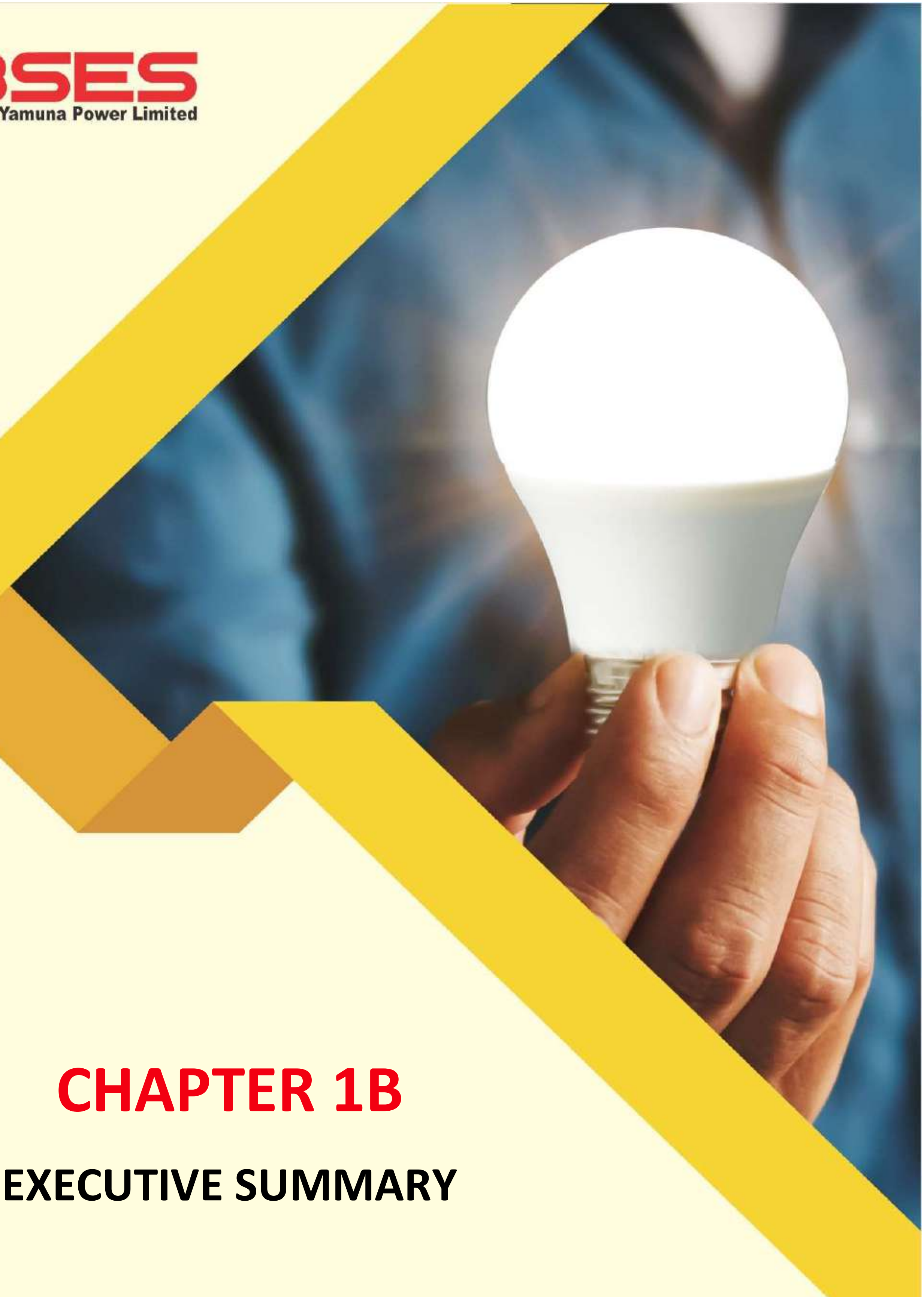

CHAPTER 1B

EXECUTIVE SUMMARY

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1B. EXECUTIVE SUMMARY

1. Introduction

1.1 The Petitioner has filed this Petition for Approval of True up till FY 2020-21 and ARR of FY 2022-23 as per Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017.

1.2 The Executive Summary contains the summary of the Petition filed by the Petitioner for True till FY 2020-21 and ARR of FY 2022-23.

1.3 Aggregate Revenue Requirement (ARR) and Tariff for FY 2022-23 shall be determined based on the provisions of Tariff Regulations, 2017 and Business Plan Regulations, 2019. ARR broadly has the following components:

a) Power Purchase Cost including transmission charges
b) Normative Operation and Maintenance (O&M) expenses, Statutory Levies, Water Charges and Taxes, etc.
c) Return on Capital Employed
d) Depreciation
e) Income Tax.
f) Non-tariff Income, etc.

1.4 Depreciation and RoCE are to be trued up based on the actual capital expenditure and actual capitalization vis-à- vis capital investment plan (capital expenditure and capitalization) approved by the Commission - Controllable parameters.

1.5 Variation in revenue / expenditure on account of uncontrollable sales / power purchase respectively – Uncontrollable parameters.

2. True up for FY 2020-21

Energy Sales and Revenue

2.1 The Petitioner submitted that its sale of energy in FY 2020-21 is 5,866 MU as tabulated below:

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Table 1.1:Category Wise Sales (MU) FY 2020-21

S. No.	Category	Actual
A	Domestic	3,963
B	Non Domestic	1,221
C	Industry	318
D	Public Lighting	63
E	Agriculture & Mushroom Cultivation	0
F	DMRC	70
G	DJB	152
H	Others*	78
Total		**5,866**

**Includes enforcement, Own consumption, Temporary Supply, net metering and Advertisement & Hoardings etc*

2.2 The Petitioner realised revenue amounting to Rs. 4,272 Cr. (excluding 8% Surcharge, Pension Surcharge, LPSC and Electricity Tax).

Distribution Loss and Collection Efficiency for FY 2020-21

2.3 The actual AT&C loss along with Distribution loss and Collection Efficiency for FY 2020-21 as tabulated below:

Table 1.2:AT&C Loss for FY 2020-21 (%)

S. No	Particulars	Actuals
1	Distribution Losses	7.98%
2	Collection Efficiency	100.57%

Power Purchase Requirement:

2.4 The Petitioner purchases almost 80% 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.

2.5 The summary of actual power purchase quantum procured by the Petitioner during FY 2020-21 is as follows:

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Table 1.3:Power Purchase Quantum for FY 2020-21 (MU)

S. No	Particulars	Amount
A	Power Purchase:	
I	Gross Power Purchase Quantum	8066
II	Power sold to other sources	1412
III	**Net Power Purchase**	**6654**
B	Transmission Loss:	
I	**Total transmission loss (Inter State & Intra State)**	**279**
C	**Net power available after Transmission Loss***	**6374**

**Excluding Open Access*

Power Purchase Cost:

2.6 The actual power purchase cost claimed during FY 2020-21 is tabulated below:

Table 1.4: Power Purchase Cost for FY 2020-21 (₹ Cr.)

S. No.	Particulars	Amt (Cr.)
A	**Power Purchase Cost**	
i	Gross Power Purchase Cost	2,900.31
ii	Power sold to other sources	442.68
iii	Other Payments	(3.91)
iv	Net Power Purchase Cost	2,453.71
B	**Transmission Charges**	
i	Inter-state transmission charges	437.11
ii	Intra-state transmission charges	172.56
iii	Other Transmission charges	56.56
iv	Total Transmission charges	**666.23**
C	**Rebate**	
i	Power Purchase Rebate	2.73
ii	Rebate on Transmission Charges	34.86
iii	Total rebate	37.59
D	Add: Net Metering	3.77
E	Add: Self Generation (Roof Top Solar)	0.14
F	**Net Power Purchase including Transmission charges before incentive & net of rebate**	**3,086.3**

O&M Expenses:

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2.7 The Petitioner has computed the O&M expenses for FY 2020-21 as per Business Plan Regulations, 2017 as shown below:

Table 1.5:O&M expenses for FY 2020-21

Particulars	Capacity as on 31.03.2021	O&M expenses per unit		O&M expenses
66 kV Line (ckt. km)	230	₹ Lakh/ckt. km	4.857	11.2
33 kV Line (ckt. km)	408	₹ Lakh/ckt. km	4.857	19.8
11kV Line (ckt. km)	2983	₹ Lakh/ckt. km	2.036	60.7
LT Line system (ckt. km)	5622	₹ Lakh/Ckt. km	9.173	515.7
66/11 kV Grid S/s (MVA)	1815	₹ Lakh/MVA	1.157	21.0
33/11 kV Grid S/s (MVA)	2056	₹ Lakh/MVA	1.157	23.8
11/0.415 kV DT (MVA)	3485	₹ Lakh/MVA	2.534	88.3
Total				**740.5**

Other Statutory levies/ Other Miscellaneous Expenses:

2.8 The Petitioner has claimed certain amount on account of statutory levies/Taxes and miscellaneous expenses which are uncontrollable in nature and not covered in the above normative O&M expenses during FY 2020-21 as shown below:

Table 1.6:Other uncontrollable costs/ miscellaneous expenses

S. No	Particulars	Amount (₹ Cr.)	Reference
1	Arrears paid on account of 7th Pay Commission revision	79	Note 39 of Audited Accounts
2	Legal Expenses	14	Note 42 of Audited Accounts
3	Loss on Sale of Retired Assets	6	Note 42 of Audited Accounts
4	COVID-19 expenses	5	
5	GST Impact	6	
6	Expenses for raising loan for funding of Working Capital and Regulatory Assets	1	
7	Ombudsman Fees	0.22	Note 42 of Audited Accounts
8	New Initiatives	0.34	
	Total	**111**	**Sum(1 to 7)**

Non-Tariff Income:

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2.9 The Petitioner has deducted the following items for the purpose of computation of Non-Tariff Income:

a. Late Payment Surcharge (LPSC)

b. Rebate on power purchase and Transmission Charges

c. Write-back of Miscellaneous expenses

d. Short term gain

e. Transfer from consumer contribution for capital works

f. Bad debts recovered

g. Commission on Electricity Duty

2.10 The Non-Tariff Income claimed by the Petitioner in True-up of FY 2020-21 is ₹74 Cr.

Capital Expenditure & Capitalisation

2.11 Actual capitalization and de-capitalisation as per the Audited Accounts for FY 2020-21 has been considered to derive the closing balance of GFA as tabulated below:

Table 1.7:Gross Fixed Assets for FY 2020-21 (₹ Crore)

S. No	Particulars	Amount
A	Opening GFA	3950.0
B	Capitalisation during the year	300.9
C	De-capitalisation	70.4
D	Closing GFA	4180.5
E	Average GFA	4065.2

Funding of Capitalisation

2.12 The financing of Capitalisation (net of de-capitalisation and consumer contribution) through debt and equity in the ratio of 70:30 as shown below:

Table 1.8:Financing of Capitalisation for FY 2020-21 (₹ Crore)

S. No	Particulars	Amount
A	Total Capitalisation	300.9
B	De-capitalisation	70.9
C	Consumer Contribution	33.7

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S. No	Particulars	Amount
D	**Balance Capitalisation**	**196.9**
E	Debt	59.1
F	Equity	137.9

Consumer Contribution and Grants:

2.13 The average consumer contribution and Grants for FY 2020-21 is tabulated below:

Table 1.9: Consumer contribution and Grants for FY 2020-21 (₹ Crore)

S. No	Particulars	Amount
A	Opening Balance	306.6
B	Additions during the year	33.7
C	Closing Balance	340.3
D	Average Consumer Contribution	**323.5**

Depreciation:

2.14 The average rate of Depreciation for FY 2020-21 based on the Audited Accounts of the Petitioner is tabulated below:

Table 1.10:Computation of avg. rate of Depreciation for FY 2020-21 (₹ Crore)

S. No	Particulars	FY 2020-21
A	Opening GFA as per audited accounts	3920.6
B	Closing GFA as per audited accounts	4151.1
C	Average of GFA	4035.8
D	Depreciation as per Audited Accounts	197.8
E	**Average depreciation rate (%)**	**4.90%**

Table 2.11:Depreciation for FY 2020-21 (₹ Crore)

S. No	Particulars	FY 2020-21
A	Average GFA	4065.2
B	Less: Average Consumer Contribution and Grants	339.7
C	Average GFA net of consumer contribution & Grants	3725.6
D	Average rate of depreciation (%)	4.90%
E	**Depreciation**	**182.6**

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Working Capital

2.15 The Petitioner has computed the Working Capital Requirement for FY 2020-21 is tabulated below:

Table 1.12:Working Capital Requirement (₹ Crore)

S. No	Particulars	Amount
A	Annual Revenues from Tariff & Charges	4408.7
A1	Receivables equivalent to two months average	734.8
B	Power Purchase Expenses	3086.3
B1	Less: 1/12th of power purchase expenses	257.2
C	Working Capital	477.6
D	Opening Working Capital	478.4
E	**Change in Working Capital**	**-0.8**

Regulated Rate Base (RRB)

2.16 The Regulated Rate Base (RRB) for FY 2020-21 has been computed as tabulated below:

Table 1.13: Regulated Rate Base for FY 2020-21 (₹ Crore)

S. No	Particulars	Amount
A	RRB Opening	**2332.6**
B	ΔAB (Change in RRB)	69.9
C	Investments Capitalized	230.5
D	Depreciation (incl AAD)	182.6
E	Add: Depreciation on De-capitalised Assets	55.7
F	Consumer Contribution	33.7
G	Change in WC	-0.8
H	RRB Closing	2401.7
I	**RRB (i)**	**2366.8**

Weighted Average Cost of Capital (WACC) and Return on Capital Employed (RoCE)

2.17 The Petitioner has considered the actual rate of interest of capex loans during 2020-21 i.e. and RoE at 16% (post tax) for computation of WACC as tabulated below:

Table 1.14:Weighted Average Cost of Capital (WACC) (₹ Crore)

S. No	Particulars	Amount
A	Average Equity	1074.5
B	Average Debt	1430.0
C	Return on Equity	16.00%
D	**Income Tax Rate (%)**	25.17%
E	Grossed up Return on Equity	21.38%
F	Rate of Interest	12.02%
G	**Weighted average cost of Capital (%)**	16.03%

2.18 Based on the aforesaid submissions, the RoCE for FY 2020-21 is computed as tabulated below:

Table 1.15: RoCE for FY 2020-21 (₹ Crore)

S. No	Particulars	Amount
A	Weighted Average Cost of Capital (WACC) (%)	16.03%
B	RRB (i)	2367
C	**RoCE**	**379**

Additional return due to T&D loss and Collection Efficiency overachievement during FY 2020-21

2.19 For FY 2020-21, the Petitioner has claimed the overachievement as detailed below;

Table 1.16: Overachievement incentive sought on Collection Efficiency for FY 2020-21 (₹ Crore)

S.No	Particulars	UoM	FY 2020-21
A	Amount Billed	₹ Cr.	4,247.51
B	Amount Collected	₹ Cr.	4,271.64
D	Collection efficiency	%	100.57%
E	Collection Efficiency Target	%	99.50%
F	**Total Financial Impact (Incentive) on account of overachievement of Collection efficiency Target**	**₹ Cr.**	**45.37**
G	**Incentive Petitioner Share**	**₹ Cr.**	**34.75**

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S.No	Particulars	UoM	FY 2020-21
H	**Incentive Consumers Share**	₹ Cr.	**10.62**

Table 1.17:Overachievement incentive sought on Distribution Loss for FY 2020-21 (₹ Crore)

S.No	Particulars	UoM	Figure	Reference
A	Energy Purchased at distribution Periphery	MU	6,374.42	Table 3A 5
B	Distribution Loss target for previous Year i.e. FY 2019-20	%	10.50%	As per BPR
C	Distribution Loss target for Current Year i.e. FY 2020-21	%	9.00%	As per BPR
D	Loss target - 50%*(previous year target - current year target)	%	8.25%	
E	Actual Distribution loss for FY 2020-21	%	7.98%	Table 3A 13
F	Average Power Purchase cost for FY 2020-21	Rs/KWh	4.84	
E	Total Financial Impact on account of overachievement of Distribution Loss Target	Rs. Cr.	31.39	
F	**Impact of Financial benefit to be retained by the Petitioner**	**Rs. Cr.**	**13.21**	
F	Impact of Financial benefit to be passed on to the consumer	Rs. Cr.	18.18	

Annual Revenue Requirement and Revenue (Gap)/ Surplus for FY 2020-21:

2.20 The Based on the above submissions, the Annual Revenue Requirement for FY 2020-21 sought for True-up is tabulated below:

Table1.18:Annual Revenue Requirement for FY 2020-21 (₹ Crore)

S. No	Particulars	Amount
A	Power Purchase including Transmission & SLDC Charges	3,086.3
B	O&M Expenses	740.5
C	Other Expenses/ Statutory levies	111.0
D	Depreciation	182.6
F	Return on Capital Employed (RoCE)	379.5

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S. No	Particulars	Amount
I	Sub-total	**4,499.9**
J	Less: Non-Tariff Income	74.1
L	Less: Income from Open Access	17.0
M	**Aggregate Revenue Requirement**	**4,408.7**

2.21 Revenue Available to meet ARR is tabulated as tabulated below:

Table 1.19: Revenue Available to meet ARR

Particulars	₹ Crore
Revenue Collected from Consumers	4,271.6
Less: Incentive on overachievement of T&D Loss Targets (Petitioner share)	13.2
Less: Incentive on overachievement of Collection Efficiency Target (Petitioner share)	34.7
Less: Incentive on Surplus Sale Rate	12.6
Less: Carrying cost on RA	178.0
Revenue Available towards ARR	**4,033.1**

2.22 The Revenue (Gap) during FY 2020-21 is tabulated as tabulated below:

Table 1.20: Revenue (Gap) for FY 2020-21 (₹ Crore)

S. No	Particulars	₹ Crore
A	ARR for FY 2020-21	4,409
B	Revenue available towards ARR	4,033
C	**Revenue (Gap)/ Surplus**	**(376)**

Past period true-ups:

2.23 In its Petition, the Petitioner has divided the claims in Chapter 3B pertaining to true-up pending with respect to past period into three parts:

a. Impact of issues under consideration but yet to be implemented by the Hon'ble Commission.

b. Implementation of APTEL Judgements in absence of any stay from Hon'ble Supreme Court:

i. Impact of APTEL Judgements which have attained finality vide Supreme Court Order dated 01.12.2021

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ii. Impact of APTEL Judgements yet to be implemented by the Hon'ble Commission

c. Impact of Review Petition filed before the Hon'ble Commission against Tariff Order dated 30.09.2021

d. Impact of issues challenged in Appeal and pending adjudication before the Hon'ble APTEL.

3. ARR and Tariff for FY 2022-23

Energy Sales:

3.1 For projection of Sales for FY 2022-23, following approach is adopted by the Petitioner:

a) Step 1 - Firstly, Compounded Annual Growth Rate (CAGR) is compared for First Half (H1) and Second Half (H2) of the Financial Year. The approach for considering the CAGR for H1 and H2 separately would appropriately address the seasonal variation in energy sales i.e. H1 being peak season and H2 being off peak season of the financial year.

b) Step 2 – The category wise sales for FY 2022-23 is projected considering the base year as FY 2019-20 (FY 2020-21 and FY 2021-22 being exceptionally abnormal years due to COVID-19 lockdown conditions in peak consumption period).

c) Step 3 – The appropriate growth rate for H1 and H2 for respective categories are applied on the actual sales of H1 and H2 of FY 2019-20 for projecting the notional sales for FY 2020-21 and FY 2021-22 (assuming no impact of COVID-19 and lockdown). Accordingly, projected Sales for FY 2022-23 is arrived at 6,960 MU.

3.2 The Petitioner has applied the above methodology to estimate energy sales during FY 2022-23.

3.3 The Petitioner has considered the Distribution Loss @ 8.75% and Collection Efficiency @ 99.50% for FY 2022-23 as specified by the Hon'ble Commission in Business Plan Regulations, 2019.

Table 1.21: Distribution Loss Target and Collection Efficiency for FY 2022-23

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S. No	Particulars	%
A	Distribution Loss	8.50%
B	Collection Efficiency	99.50%

Power Availability and Purchase:

3.4 Based on the sales projected for FY 2022-23 and Distribution loss as specified for FY 2022-23 in Business Plan Regulations, 2019, the energy requirement has been estimated as tabulated below:

Table 2.22: Energy Requirement for FY 2022-23

S. No	Particulars	Unit	Quantity
A	Energy sales	MU	6,960
B	Distribution Loss	%	8.50%
C	Energy Requirement	MU	7,607
D	Distribution Loss	MU	647

3.5 The Power Purchase costs from various sources including from short term sources have been summarized in the following table:

Table 1.23:Total Power Purchase Cost for FY 2022-23

S. No	Source	Quantity	Amount	Average Cost
		(MU)	(₹ Crore)	(₹ / kWh)
A	Power Purchase from CSGS	8,485	3,655	**4.31**
B	Inter-State Loss & Charges	297	437	
D	**Power Available at Delhi Periphery**	**8,188**	**4,092**	**5.00**
E	Power Purchase from SGS	795	586	**7.37**
F	Intra-State Losses & Charges including SLDC Charges etc.	82	253	
G	Shortfall to be met at DISCOM Periphery	156	69	**4.42**
H	Total Power available to DISCOM	**9,058**	**4,999**	**5.52**

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S. No	Source	Quantity (MU)	Amount (₹ Crore)	Average Cost (₹ / kWh)
I	Sales	6,960		
J	Distribution Loss	647		
K	Less: Normative rebate		81	
L	**Required power for the DISCOM**	**7,607**	**4,509**	**5.93**
M	Total Sale of Surplus Power	1,451	409	**2.8**

** includes SGS/BTPS/Renewable etc.*

O&M Expenses:

3.6 The Petitioner has computed the normative O&M expenses for FY 2022-23 as per Business Plan Regulations, 2019 as tabulated below:

Table1.24:O&M Expenses during FY 2022-23

Particulars	Average Capacity for FY 2022-23	O&M expenses per unit		O&M expenses
66 kV Line 33 KV Line (ckt km)	705	₹ Lakh/ckt. km	5.236	37
11kV Line (ckt km)	3099	₹ Lakh/ckt. km	2.195	68
LT Line system (ckt km)	5859	₹ Lakh/Ckt. km	9.890	579
66/11 kV 33/11 kV Grid S/s(MVA)	4171	₹ Lakh/MVA	1.247	52
11/0.415 kV DT (MVA)	3686	₹ Lakh/MVA	2.732	101
Total O&M Expenses				**837**

Additional Expenses on account of O&M

3.7 In terms of Regulation 11(9) of the Tariff Regulations 2017 and Regulation 23 of Business Plan Regulations, 2019, the Distribution Licensee shall submit the ARR which shall contain actual and expected additional expenses on account of O&M beyond the control of Licensee for the previous year and ensuing year respectively. Accordingly, the additional O&M expenses estimated during FY 2022-23 is ₹243 Cr.

Other Expenses

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3.8 The Hon'ble Commission at Para 3.46 of Tariff Order dated 30.09.2021 decided to consider the aforesaid issue in the next Tariff Order so as to comply with the direction of the Hon'ble APTEL. Without prejudice to its rights and contentions, the Petitioner requests the Hon'ble Commission to allow the estimated refundable amount Rs.96 Cr. in the Tariff for FY 2022-23.

Capitalisation:

3.9 The Petitioner has considered the gross capitalisation of ₹463 Crore during FY 2022-23 as approved by the Hon'ble Commission in the Business Plan Regulations, 2019.

Depreciation:

3.10 The Petitioner has considered the same rate of depreciation as for FY 2020-21. Accordingly, the depreciation for FY 2022-23 is calculated as tabulated below:

Table 1.25:Depreciation for FY 2022-23 (₹ Crore)

S. No.	Particulars	Amount
A	Opening GFA for FY 2021-22	4181
B	Addition during FY 2021-22	430
C	Opening GFA for FY 2022-23	4611
D	Additions during the year	463
E	Closing GFA for FY 2022-23	5074
F	Average GFA	4842
G	Less: Average Consumer Contribution	439
H	Average GFA net of CC	4403
I	Average rate of depreciation	4.90%
J	Depreciation for FY 2022-23	216

Working Capital:

3.11 The Petitioner has computed the working capital requirement for FY 2022-23 as per Regulation 84 (4) of Tariff Regulations, 2017 as tabulated below:

Table 1.26:Working Capital for FY 2022-23 (₹ Crore)

S.No	Particulars	Amount	Remarks/Ref.
A	Annual Revenue Requirement	6,292	

S.No	Particulars	Amount	Remarks/Ref.
B	Receivables equivalent to 2 months average billing	1,049	A/6
C	Net Power Purchase expenses	4,509	
D	Power purchase expenses for 1 Month	376	C/12
E	Total Working Capital	673	B-D
F	Opening Working Capital	467	As per T.O. dated 30.09.2021
G	Change in WC	**206**	E-F

Regulated Rate Base (RRB):

3.12 Based on the above discussions the RRB for FY 2022-23 has been computed as tabulated below:

Table 1.27:Regulated Rate Base for FY 2022-23 (₹ Crore)

Sr. No.	Particulars	Amount
A	Opening GFA	4,611
B	Opening Accumulated Depreciation	2,315
C	Opening Consumer Contribution	405
D	Opening Working Capital	467
E	Accumulated Depreciation on De-capitalised Assets	218
F	Opening RRB	**2,577**
G	Investment during the year	178
H	Net Capitalisation	463
I	Depreciation	216
J	Consumer Contribution	69
K	Change in Working Capital	206
L	Regulated Rate Base - Closing	**2,960**
M	RRB (i)	**2,871**

Weighted Average Cost of Capital

3.13 The rate of interest on debt for FY 2022-23 has been considered as 12.35%.

3.14 Rate of return on equity has been considered as 16%. Further, the effective income tax rate for FY 2020-21 has been considered for FY 2022-23.

Return on Capital Employed (RoCE)

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3.15 The Petitioner has computed RoCE for FY 2022-23 as tabulated below:

Table 1.28:RoCE for FY 2022-23 (₹ Crore)

S. No.	Particulars	Amount
A	WACC	16.22%
B	RRB (i)	2,871
C	RoCE	**466**

ARR for FY 2022-23:

3.16 The Petitioner has sought the ARR for FY 2022-23 as tabulated below:

Table 1.29:Aggregate Revenue Requirement for FY 2022-23 (₹ Crore)

S.No.	Particulars	Amount
A	Power Purchase Cost including Transmission Charges	4,509
B	O&M Expenses	837
C	Additional O&M Expenses	243
D	Depreciation	216
E	Return on Capital Employed (RoCE)	471
F	Other Expense*	96
G	Less: Non-Tariff income	74
H	**Aggregate Revenue Requirement excl. Carrying Cost on RA**	**6,292**

Tariff Proposal and Treatment of Revenue Gap:

Revenue Gap:

3.17 In its Petition, the Petitioner has computed the revenue based on category-wise existing excluding 8% surcharge, Electricity Tax, LPSC and Pension surcharge as under:

Table 1.30*: Revenue (Gap)/ Surplus at Existing Tariff for FY 2022-23 (₹ Crore)*

S. No	Particulars	Amount
A	Aggregate Revenue requirement for the year	6,292
B	Revenue available for the year	4,542
C	**Revenue (Gap)/ Surplus for the year**	**(1750)**

4. Tariff Proposal

4.1 The revenue deficit at existing tariff proposed for FY 2022-23 ₹(1750) Crore.

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Tariff Hike Proposed

S. No	Particulars	Amount (Rs. Cr.)	Remarks/ Reference
A	Revenue (gap)/ surplus during FY 2022-23	(1,750)	
B	Reason for revenue gap		
I	Power Purchase Cost	4,509	1. High power purchase and transmission cost due to increased costs as anticipated by GENCOs & TRANSCOs in their respective petitions before CERC
			2. Variable Costs considered based on past years.
II	O&M Expenses including Additional O&M Expenses.	1,080	1. Additional O&M expenses beyond the control of Petitioner considered. 2. With regard to the 7th Pay Commission, DERC vide its letter no F.17(283)/Engg./DERC/2020-21/6968/2317 dated 05.01.2021 has stated that actual payout, if any, shall be considered at the time of true up of ARR of releveant financial year.
III	Other Expenses	96	Includes refund on account of consumer contribution for capital works in terms of Hon'ble APTEL Judgment dated 31.08.2021
IV	RoCE/Finance Charge/ Income Tax	466	Implementation of APTEL Judgments sought
V	Depreciation	216	
C	Earlier revenue gap proposed to be liquidated during FY 2022-23	Recovery of RA till FY 2020-21 and carrying cost estimated to be incurred	1. Without *prejudice,* existing 8% surcharge to be suitably increased for principal recovery of RA within stipulated time as per plan proposed before Hon'ble SC.
			2. Carrying cost ought to be allowed as a separate surcharge on revenue instead of allowing in tariff as per requirements of Financial Institutions.

S. No	Particulars	Amount (Rs. Cr.)	Remarks/ Reference
		during FY 2022-23	3. Trajectory to recover the huge accumulated regulatory gap upto FY 2020-21.
D	Tariff Hike Proposed (%)	Suitable cost reflective tariff.	
		a. Suitable Surcharge for amortisation of existing Approved Regulatory Assets (RA) b. Suitable Surcharge for amortisation of RA accruing out of implementation of Hon'ble Supreme Court order dated 01.12.2021 as per National Tariff Policy 2006 i.e. within 3 years. c. Suitable surcharge for amortisation of balance RA in terms of APTEL judgment in OP 1 of 2011 read with National Tariff Policy 2016.	

Other tariff Rationalization Proposal:

In its Petition, the Petitioner has proposed the following tariff rationalisation measures:

i. Time bound recovery of Regulatory Assets/ Revenue Gap:

ii. Cross subsidy as per Tariff Policy

iii. Removal of capping and allow Monthly PPAC

iv. Tariff Simplification

v. Revision of Security Deposit on 2 months average billing

vi. Lead plus Lag for high voltage consumers

vii. Harmonic Dumping

viii. Fixed charges on MDI for Domestic Consumers

ix. Tariff of Electric Vehicle

x. Surcharge on Excess load for Domestic Consumers

xi. Delivery of bill through digital mode

xii. Collection Charges to be provided on collection of Pension Trust Surcharge

xiii. Compliance to Recent Statutes and Government Directions

The Petitioner has submitted with a prayer to allow the true up of FY 2020-21, ARR for FY 2022-23 and other proposals as submitted in chapter – 5.

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CHAPTER 1C

PREAMBLE AND TARIFF PHILOSOPHY

BSES Yamuna Power Limited
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BEFORE THE DELHI ELECTRICITY REGULATORY COMMISSION
C BLOCK, SHIVALIK, MALVIYA NAGAR, NEW DELHI

PETITION NO. ________OF 2021

IN THE MATTER OF:-

BSES Yamuna Power Limited
Shakti Kiran Building, Karkardooma,
New Delhi – 110032 ..... **PETITIONER**

AND

IN THE MATTER OF:- Truing-up upto the Financial Year (hereinafter referred to as **"FY"**) FY 2020-21, in accordance with Regulation 13 read together with Regulation 139 of the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 (hereinafter referred to as "**DERC Tariff Regulations, 2017")** read with **DERC (Business Plan) Regulations, 2017 and DERC (Business Plan) Regulations, 2019** along with the provisions of the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011 (hereinafter referred to as **"DERC MYT Regulations, 2011")** and Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2007 (hereinafter referred to as **"DERC MYT Regulations, 2007")** read with Section 62 of the Electricity Act, 2003 and read with Sections 11 and 28 of Delhi Electricity Reforms Act 2000 to the extent applicable, the Delhi Electricity Regulatory Commission (Conduct of Business) Regulation 2001 and Condition 24 of the License for Distribution and Retail Supply of Electricity issued by the Hon'ble Delhi Electricity Regulatory Commission (hereinafter referred to as "**the Hon'ble Commission/ DERC").**

AND

IN THE MATTER OF:- Aggregate Revenue Requirement and Tariff Petition filed for FY 2022-23 under Section 62 of the Electricity Act, 2003 read with Regulation 11 & 12 and other relevant provisions under DERC Tariff Regulations, 2017 and the Delhi Electricity Regulatory Commission Business Plan Regulations, 2019 (hereinafter referred to as "**Business Plan Regulations, 2019")** and also under Sections 11 and 28 of Delhi Electricity Reforms Act 2000 to the extent applicable, the Delhi Electricity Regulatory Commission (Conduct of Business) Regulations, 2001 and Condition 24 of the License for Distribution and Retail Supply of Electricity issued by the Hon'ble Commission.

PETITION FOR TRUING-UP UPTO FY 2020-21
AND
AGGREGATE REVENUE REQUIREMENT FOR FY 2022-23

RESPECTFULLY SHOWETH:

1. BSES Yamuna Power Limited (hereinafter referred to as **"the Petitioner/ BYPL"),** a company incorporated under the Companies Act, 1956, and having its registered office at Shakti Kiran Building, Karkardooma, New Delhi – 110032, is a license holder for carrying on the business of Distribution and Retail Supply of electrical energy within the Area of Supply as specified in the *"License for Distribution and Retail Supply of Electricity" issued by the Hon'ble Commission.*

2. The present petition is being filed for:

    a) Truing-up of Costs upto F.Y. FY 2020-21; and

    b) Aggregate Revenue Requirement for FY 2022-23.

    (hereinafter collectively referred to as the **"Tariff Petition")**

3. In accordance with the Electricity Act, 2003 **(**hereinafter referred to as **"the 2003 Act"),** the License conditions, DERC Business Plan Regulations, 2019, DERC Business Plan Regulations, 2017, DERC Tariff Regulations, 2017, and DERC MYT Regulations 2011 and 2007, the Petitioner is required to file Tariff Petition for Tariff for FY 2022-23 and Truing-up of costs upto FY 2020-21. The Petitioner further submits that by filing the present Petition in the Hon'ble Commission, it prays to the Hon'ble Commission to allow the present petition and *inter alia* to allow the truing- up as sought for. Allowing truing-up on urgent basis is pivotal for the Petitioner to meet its power purchase costs and other uncontrollable costs, meet the performance standards during FY 2021-22 & FY 2022-23 as well as comply with various directives specified by the Hon'ble Commission, which particularly entail expenditure.

4. The ARR Petition of a Distribution Company/ Licensee/ Utility (hereinafter referred to as **"the Discom/ Discoms**") comprises of various components like Power Purchase Cost, Operation and Maintenance Expenses, Capital expenditure related expenses, Income Tax, Revenue from tariff, Non-Tariff Income etc.

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5. The Power Purchase Cost including Transmission Charges is one of the major components of ARR which contributes to a major component of the total ARR of a Discom. Most of the power is being purchased from Central Generating Stations like NTPC Limited, NHPC Limited, DVC, State Gencos etc. Most of these Central/ State Generating Stations are Government bodies/ PSU for which audit is already being carried by the CAG. Petitioner purchases power from Central Generating Stations at the tariff determined by the Central Electricity Regulatory Commission (hereinafter referred to as **"Hon'ble CERC"**) & from the State owned Generators after this Hon'ble Commission determines tariff for the sale of power in its various Tariff Orders. All the Power Purchase Agreements (hereinafter referred to as the "**PPAs**") are approved by the Hon'ble Commission.

6. In accordance with Section 62 of the 2003 Act and Revised Tariff Policy 2016, the Hon'ble Commission has notified the DERC Tariff Regulations, 2017 which are being followed by the Licensees for filing the Tariff Petition for determination of ARR for the ensuing Financial Year and Truing Up for the preceding year.

7. In Delhi, the Distribution Licensees are required to follow the DERC Tariff Regulations, 2017 read with DERC Business Plan Regulations, 2017 and DERC Business Plan Regulations, 2019 for filing the ARR True up and ARR Petitions (Tariff Petition).

8. Regulation 11 of the DERC Tariff Regulations, 2017 specifies that the Distribution licensee shall submit Annual Tariff Petition, at least, one hundred and fifty days prior to the end of relevant financial year. However, due to unavoidable circumstances, the Hon'ble Commission has graciously allowed the licensees time till 30th November, 2021 for filing the Truing Up for 2020-21 and ARR for 2022-2023 vide Letter No. F.3(656)/Tariff-Fin/DERC/2021-22/7212/1168 dated 21.10.2021. The licensee due to factors beyond its control vide letter number RA/BYPL/2021-22/244 dated 30.11.2021 has sought additional time upto 15.12.2021 for filing the ARR Petition. The legal provisions for filing of the Tariff Petition as are below:

   a. Section 62 of the 2003 Act provides for determination of supply of electricity by a generating company to distribution licensee; retail supply and wheeling tariff etc.

   b. Regulation 11 of the DERC Tariff Regulations, 2017 lays down the provisions of tariff filing by the distribution licensees inter-alia as follows –

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

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(1) Sales Forecast for the ensuing year and audited Sales for previous Year on monthly basis as prescribed in the Appendix-2;

(2) Expected Revenue to be billed for the ensuing year and audited Revenue Billed and Realized for previous Year as prescribed in the Appendix-2;

(3) Power Procurement Quantum & Cost for ensuing Year and audited Power Purchase Quantum & Cost for previous Year on monthly basis indicating Long Term and Short Term, Renewable Energy Purchase and other applicable Charges as prescribed in the Appendix -2:

Provided that the Distribution Licensee shall propose the indicative cost of power procurement taking into account revenues from Short term sale of Surplus Power and maximum normative rebate available from each entity;

Provided that the Renewable Purchase Obligation of the Distribution Licensee as per the Delhi Electricity Regulatory Commission (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2012 as amended from time to time shall be part of the Distribution Licensee's Power Procurement Cost;

(4) Actual and Expected intra- State & inter-State Transmission Loss & Charges including Load Dispatch Charges, Open Access Charge indicating maximum normative rebate available from each entity for the previous and ensuing Year respectively:

Provided that the Distribution Licensee shall propose Wheeling Charges in case the distribution network of other Distribution Licensee is used for procurement of power for the Retail Supply Business;

(5) Actual and Expected amount on account of Cross-Subsidy Surcharge and Additional Surcharge to be received by the Licensee, as approved by the Commission from time to time in accordance with the Delhi Electricity Regulatory Commission (Terms and Conditions of Open Access) Regulations 2005 as amended from time to time, shall be indicated separately against the consumer category by the Distribution Licensee;

(6) Actual Voltage wise Distribution Loss and Collection Efficiency for the previous Year;

(7) Energy Audit Report of distribution network of the Distribution Licensee for previous Year by certified energy auditor from Bureau of Energy Efficiency;

(8) Monthly Energy Balance for the ensuing & previous Year;

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(9) Actual and Expected additional Expenses on account of O&M beyond the Control of Distribution Licensee for the ensuing & previous Year respectively;
(10) Actual and Expected Capitalisation and Depreciation Schedule for the previous and ensuing Year respectively;
(11) Actual and Expected Non-Tariff Income including Other Business Income for the previous and ensuing Year respectively;
(12) Actual weighted average rate of interest on loan."

9. Further, the ARR filing includes Truing-up of Previous Year based upon the Audited Accounts available and applicable Regulations for that particular year and Tariff determination for the ensuing year.

10. Truing-up for the preceding year is filed on the basis of Audited Accounts for that year and norms specified by the Hon'ble Commission for controllable expenses. Regulation 152 of DERC Tariff Regulations, 2017 reads as follows:

"152. True up of ARR for Distribution (Wheeling & Retail Supply) Licensee shall be conducted on the following principles:
(a) Variation in revenue and sales of the distribution licensee based on projected revenue and sales vis-à-vis actual revenue and sales;
(b) Variation in long term power purchase quantum and cost of the distribution licensee based on merit order dispatch principle of projected long term power purchase quantum and cost vis-à-vis actual long term power purchase quantum and cost:
Provided that the distribution licensee shall submit report from State Load Despatch Centre (SLDC) for instances of forced scheduling due to the reasons not attributable to the Distribution licensee for scrutiny of dispatch of power in Delhi on merit order basis in its area of supply;
Provided that the cost of credit to the net metering consumer on account of net surplus unit of power injected into the grid as specified in Delhi Electricity Regulatory Commission (Net Metering for Renewable Energy) Regulations, 2014 shall be allowed to the distribution licensee in the power purchase cost of the relevant year;
(c) Variation in short term power purchase quantum and cost of the distribution licensee based on projected short term power purchase quantum and cost vis-a-vis actual short term power purchase quantum and cost:
Provided that Trading Margin, Transmission Charges and Transmission Losses incurred on Forward And Reverse transaction in the same time slot executed within three months for Forward / Reverse power

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procurement/sale through Banking And Bilateral shall not be allowed in the Power Purchase Cost of the Distribution Licensee;

Provided that Sale through Deviation Settlement Mechanism (Unscheduled Interchange) transactions other than forced scheduling of power as certified by SLDC on monthly basis shall be limited to the contingency limit as specified by the Commission in the Business Plan Regulations in order to promote Grid Discipline and optimise Power Purchase Cost;

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;

Provided that Short-term arrangement or agreement, other than traded through Power Exchange, for procurement/sale of power has to be executed through a transparent process of open tendering and competitive bidding guidelines issued by Ministry of Power (MoP) as amended from time to timeless specific direction issued by the Commission;

Provided further that in case the Distribution Licensee does not follow Short Term Power guidelines for procurement of power/sale the rate of such power procurement shall be restricted to the average rate of power purchase/sale through exchange during same month for Delhi region.

(d) Any surplus or deficit on account of controllable parameters i.e., Operation and Maintenance (O&M)expenses shall be to the account of the Licensee and shall not be trued up in ARR; and

(e) Depreciation, Return on equity and interest on loan shall be trued up every year based on the actual capitalisation vis-à-vis capital investment plan (capitalisation) approved by the Commission:

Provided further that the Commission shall true up the interest rate on the basis of increase/decrease in State Bank of India Base Rate as on April 1 of the relevant financial year vis-à-vis State Bank of India Base Rate as on April 1 of the immediately preceding financial year in accordance with Regulation 77 of these Regulations;

(f) Interest on working capital loan shall be trued up every year based on the working capital requirement as specified in Regulation 85 of these Regulations."

11. Projections for ensuing year are done on the basis of previous year's numbers and data analysis few of which are outlined below::

    a. Sales to various consumer categories are projected on the basis of Past Year

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Compounded Annual Growth Rate.

b. Distribution Loss and Collection Efficiency are projected in accordance with the DERC Tariff Regulations, 2017 and the target specified by the Hon'ble Commission in DERC Business Plan Regulations, 2019.
c. Power Purchase Quantum to be purchased is projected on the basis of sales and AT&C Loss projected for the ensuing year. Various Power Purchase Agreements/ Contracts are taken into consideration while projecting power purchase quantum.
d. Power Purchase Cost is projected on the basis of various bills of Generating & Transmission companies based on orders issued by Hon'ble CERC, various Petitions filed by the Generating & Transmission Companies before Hon'ble CERC and/or this Hon'ble Commission based upon the applicability.
e. Operation and Maintenance Expenses are projected on the basis of trajectory specified by the Hon'ble DERC for the various years of the Control Period.
f. Capital expenditure related expenses are projected on the basis of capital expenditure approved by the Hon'ble Commission for ensuing year in the DERC Business Plan Regulations, 2019. The various expenses linked to Capital expenditure are also projected accordingly.
g. Income Tax is projected on the basis of the provisional amount of the Distribution taxable Incomes and Expenses determined by the Hon'ble Commission for the various years of the Control Period.

12. Section 11 read together with Section 28 of the Delhi Electricity Reforms Act, 2000 (hereinafter "**DERA**") provides for the Discom to observe methodologies and procedures specified by the Hon'ble Commission from time to time in calculating the expected revenue.

13. Clause 24 of the License Conditions of Petitioner issued by the Hon'ble Commission also provides for the provision of revenue calculation and tariffs.

14. Accordingly, the Petitioner is filing the present Tariff Petition to ensure judicious Truing-up of expenses up to FY 2020-21 and providing ARR for FY 2022-23. The Petitioner humbly requests the Hon'ble Commission to permit recovery of expenses as prayed for in the present petition as it impacts the Petitioners functioning in various ways (specifically for disallowances which are not in control of the Petitioner):

    a. Further, it shall provide the petitioner with a buffer area to take the impact of unforeseen circumstances like Covid-19 or shortage of coal.

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b. Set a realistic, achievable and practical trajectory for various heads based on the actual performance of the Petitioner during last control period.

The Petitioner *inter alia* seeks that this Hon'ble Commission may also: -

a. Set a trajectory for various heads based on the criteria mentioned for each of the individual tariff items in the Petition.

This becomes imperative as:

a. There is a significant variation in Power Purchase Cost as approved by the Commission and incurred by the Licensee during FY 2020-21 on account of various factors which were beyond the control of the Petitioner like change in law, fuel cost, increase in demand-supply gap resulting in more frequent short term power purchase at higher costs. Thus, it would be incumbent on this Hon'ble Commission to address this problem since only a part of power purchase cost has been permitted through tariff that too without passing on the variation of short-term purchase and sales in the power purchase price adjustment formula.

b. The Petitioner is faced with an imminent cash-flow crunch due to unrecovered expenses primarily on account of uncontrollable increase in the power purchase cost resulting in failure to service debt, as it is suffering inadequate tariff hikes, under investment in distribution network and regulatory uncertainty disturbing the complete electricity supply chain.

c. The Petitioner humbly requests to the Hon'ble Commission to determine a cost-reflective tariff.
The Hon'ble Commission in its Statutory Advice to the Government of National Capital Territory of Delhi (hereinafter referred to as **"GoNCTD")** dated February 1, 2013 has admitted that the Petitioner is facing an adverse financial position. Even independent experts appointed by GoNCTD, such as M/s. Price Waterhouse Coopers (hereinafter referred to as "**PwC"**) have corroborated the said findings of the Hon'ble Commission on various occasions.

d. The Petitioner has been and is in a situation where its financial health and ability to pay for power procurement (which constitutes major component of the Petitioner's expenses) besides statutory dues has been constrained and that too not for any reasons attributable to the Petitioner.
Moreover, majority legitimate costs and expenses are being withheld in the

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form of Regulatory Assets and for not being able to utilise the grants that have been allowed through directives in Orders issued by the Hon'ble Appellate Tribunal for Electricity (hereafter "**the Hon'ble Tribunal**").

e. The above position was admitted by the Hon'ble Commission itself in its White Paper released on along with the Hon'ble Commission's Tariff Order for FY 2011-12 wherein the Hon'ble Commission admitted that in the FY 2009-10 onwards, the power purchase cost was actually 103%-112% respectively of the ARR.

f. It is submitted that ARR and Tariff has been allowed by the Hon'ble Commission without proper Truing-up of accounts in the previous years. Further, it is submitted that despite the surpluses as indicated by the Hon'ble Commission in its previous Tariff Orders, while truing-up the Hon'ble Commission itself in several occasion have determined a Revenue Gap during the year.

15. The Petitioner humbly requests the Hon'ble Commission to also take into account the impact of the Pandemic that has impacted the global economy. The petitioner in its prior communication with the Hon'ble Commission vide Letter No. RA/BYPL/2021-22/ dated 13.05.2021 referring to prior letters from BYPL to DERC dated 19.04.2021 and the Hon'ble Commission vide its Order dated 27.04.2021 on recognizing the Impact of Covid-19 and other Orders dated 06.04.2021 bearing No. 364, 15.04.2021 bearing No. 373, 19.04.2021 bearing No. F.2/07/2020/PT file-III/381 and 25.04.2021 No. F.2/07/2020/pt file/III/397, Order dated 01.05.2021 No. F.2/07/2020/pt file/III/407 and Order dated 09.05.2021 No. F.2/07/2020/pt file-III/415 issued by the Hon'ble Commission and letter dated 05.05.2021 submitting the revised projections for ARR of FY 2021-22 has already realized and recognized the impact of Covid-19 and lockdowns on the licensees ultimately impacting the complete supply chain of power. The Petitioner humbly submits that the Commission while truing up for the preceding year and approving the ARR for the ensuing year takes into account the impact. Further, the Petitioner has submitted the details of Covid Expenses under Chapter 3A of the Petition.

16. Further, the Petitioner humbly requests the Hon'ble Commission to comply with the Orders and Directives issued by the Hon'ble Appellate Tribunal for Electricity in the Appeals against Orders of the Commission. In terms of settled law of binding nature of Hon'ble Tribunal's judgments on the Hon'ble Commission, consequential impact of the following judgments and directions contained therein requires to be granted to the Petitioner herein:

a) Hon'ble Supreme Court order dated December 01, 2021 passed in Civil Appeal Nos. 884 & 980 of 2010, 9003 & 9004 of 2011 and 1854 & 1855 of 2014 respectively in the matter of Delhi Electricity Regulatory Commission Vs. BSES Yamuna Power Limited and Ors as indicated in Chapter 3B.

Delay granting consequential impact:

b) Civil Appeal Nos. 884 & 980 of 2010 against Appeal No. 36 & 37 of 2008 in Order dated 06.10.2009 & 30.10.2009: [**4454] days.**

Civil Appeal Nos.9003 & 9004 of 2011 against Appeal No. 142 & 147 of 2009 in Order dated 12.07.2011: [**3801] Days**

Civil Appeal Nos.1854 & 1855 of 2014 against OP No. 1 & 2 of 2012 in Order dated 14.11.2013. [**2954] days**

c) Judgment dated August 31, 2021 passed in Appeal No. 5 & 6 of 2019 & 34 of 2020 respectively in the matter BSES Rajdhani Power limited /BSES Yamuna Power Limited Vs. Delhi Electricity Regulatory Commission;
Delay granting consequential impact: [107] days

d) Order dated August 09, 2021 passed in Appeal No. 290 & 297 of 2015 respectively in the matter of BSES Rajdhani Power limited /BSES Yamuna Power Limited Vs. Delhi Electricity Regulatory Commission;
Delay granting consequential impact: [114] days

e) Order dated June 07, 2021 passed in Appeal No. 235 & 236 of 2014; respectively in the matter of BSES Rajdhani Power limited /BSES Yamuna Power Limited Vs. Delhi Electricity Regulatory Commission
Delay granting consequential impact: [192] days

f) Judgment dated November 11, 2011 passed in O.P. No. 1 of 2011; respectively in the matter of BSES Rajdhani Power limited /BSES Yamuna Power Limited Vs. Delhi Electricity Regulatory Commission.
Delay granting consequential impact: [3668] days

g) Judgment dated October 6, 2009 & October 30,2009 in Appeal No. 36 & 37 of 2008; July 12, 2011 in Appeal No. 142 & 147 of 2009; November 28, 2014 in Appeal No. 61 & 62 of 2012; March 2, 2015 in Appeal No. 177 & 178 of 2012 & May 15, 2015 in RP No. 7& 13 of 2015; respectively in the matter of BSES Rajdhani Power Limited/ BSES Yamuna Power Limited vs. Delhi Electricity Regulatory Commission & Others.;
Delay granting consequential impact: [4454], [3810], [2575], [2481] & [2407] days

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h) Judgment dated October 31, 2017 in Appeal No. 177 & 178 of 2012, in the matter of a Clarification Application filed by this Hon'ble Commission.
Delay granting consequential impact: [1507] days

i) Judgment dated May 15, 2017 in Appeal 103 & 104 of 2017 read together with February 23, 2015 in Appeal No. 110 & 111 of 2014 respectively in the matter of BSES Rajdhani Power Limited vs. Delhi Electricity Regulatory Commission pertaining to the issue of consumer contribution.
Delay granting consequential impact: [1676] & [2488] days

k) Judgment dated July 30, 2010 in Appeal No. 153 of 2009, May 31, 2011 in Appeal No. 52 of 2008, November 28, 2013 in Appeal No. 14 of 2012 and September 30, 2019 in Appeal No. 246 of 2014, respectively in the matter of North Delhi Power Limited vs. Delhi Electricity Regulatory Commission & Others., in accordance with the principle of maintaining equity and parity amongst all the Discoms. It is trite law that The Commission has to treat all the distribution licensees on the same scale and no one of them can be either victimized or favoured on account of the stands or pleas taken by them during the tariff hearings, as held by the Hon'ble Tribunal in the Judgment dated 06.10.2009 in Appeal No.36 & 37 of 2008 (Para 56).

Delay granting consequential impact:[4157],[3853], [2940], [808] days

17. In addition to the above, various issues are pending in the following Appeals and in the event the Hon'ble Commission renders relief to the Petitioner on the said issues, then to that extent the same will have twin benefits in as much as further litigation can be contained as well as the exposure of carrying costs on the consumers could also be contained.

a) The pending proceedings before Hon'ble Supreme Court namely Civil Appeal Nos. 4899 & 4900 of 2021, 8660 & 8661 of 2015, Civil Appeal Nos. 4323 & 4324 of 2015, Civil Appeal No. 4933 & 4906 of 2015, Civil Appeal No. 6959 & 6960 of 2015, Civil Appeal Nos. 4010 & 4013 of 2014, W.P.(C) No. 104 & 105 of 2014 and other connected matters therein.

b) Appeal Nos. 247 of 2021,105 of 2020, 214 of 2018, 375 of 2019, 70/71 of 2018, 290 of 2015, 156 of 2015, 236 of 2014, 231 of 2014 and 265 of 2013 pending adjudication before the Hon'ble Tribunal.

18. It is respectfully submitted that the Hon'ble Tribunal has in a catena of judgments underscored the necessity for carrying truing-up of expenses for the financial viability

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of the licensees and utilities. The Hon'ble Tribunal has also emphasized on the requirement to carry out the exercise for true-up in a time bound manner and ensure speedy recovery of costs. Further, the Ministry of Power in its communication to stakeholders vide Letter No. 23/19/2019-R&R dated 3rd May, 2021 has clearly specified that Electricity act, 2003 provisions and Hon'ble Tribunals Order in OP No. 1 of 2011 dated 11.11.2011 on timely determination of ARR and Truing up by the State Commissions and issues related to tariff revision.

19. Furthermore, Ministry of Power in its **letter vide Letter No. 23/04/2021- R&R[257091] dated 1st April 2021** has specifically stated that,

> *"**timely issuance of the Tariff Orders** and **full cost of reflectiveness of tariff** are important pre requisites for ensuring sustainability of the power sector and is also in the interest of the electricity consumers."*

Further, emphasis on the Electricity Act, 2003 and the Tariff Policy, 2016 has been given to avoid any further delays leading financial implications or non-compliance or deviation from the Statutes and policies. Further, emphasis has been laid down on non-creation of regulatory assets. Para 4 of the letter states that

> *"As per the act, the tariff should reflect and recover the cost of supply besides a reasonable return. There is no provision of creating regulatory assets. Para 8.2.2 of the Tariff policy 2016 states that 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 a very rare exception in case of natural calamity or force majeure conditions** and subject to the following:*
>
> *a. Under business-as-usual conditions, **no creation of Regulatory Assets shall be allowed**;*
>
> ***Emphasis Added***
>
> *b. **Recovery of Outstanding Regulatory Assets along with carrying cost of Regulatory Assets should be time bound and within a period not exceeding seven years** (from the date of notification of Tariff Policy, 2016), the State Commission may specify the trajectory for the same.*

Further the Ministry of Power has specifically stated Para 65 of ATE Judgement dated 11.11.2011 as extracted below,

"65

i. In view of the analysis and discussion made above, we deem it fit to issue the following directions to the State Commissions:

ii. Every State Commission have to ensure that Annual Performance Review, true-up of past expenses and Annual Revenue Requirement and tariff.

iii. It should be the endeavour of every State Commission to ensure that

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the tariff for the financial year is decided before 1st April of the tariff year. For example, the ARR & tariff for the financial year 2011- 12 should be decided before 1st April, 2011. The State Commission could consider making the tariff applicable only till the end of the financial year so that the licensees remain vigilant to follow the time schedule for filing of the application for determination of ARR/tariff.

iv. (iii) In the event of delay in filing of the ARR, truingup and Annual Performance Review, one month beyond the scheduled date of submission of the petition, the State Commission must initiate Suo-moto proceedings for tariff determination in accordance with Section 64 of the Act read with clause 8.1 (7) of the Tariff Policy.

v. In 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 problem of cash flow to the distribution licensee.

vi. Truing up should be carried out regularly and preferably every year. For example, truing up for the financial year 2009-10 should becarried out along with the ARR and tariff determination for the financial year 2011-12.

vii. Fuel and Power Purchase cost is a major expense of the distribution Company which is uncontrollable. Every State Commission must have in place a mechanism for Fuel and Power Purchase cost in terms of Section 62 (4) of the Act. The Fuel and Power Purchase cost adjustment should preferably be on monthly basis on the lines of the Central Commission's Regulations for the generating companies but in no case exceeding a quarter. Any State Commission which does not already have such formula/mechanism in place must within 6 months of the date of this order must put in place such formula/ mechanism."

Moreover, the Ministry of Power in Para 6 of the Letter has specifically pointed out that,

*"despite the above explicit legal provisions, there are **significant delays in issuance of the Tariff Orders** by some of the State Commissions. **Regulatory Assets are being created by some of the State Electricity Regulatory Commissions** as a matter of routine. This is against the letter and spirit of the law and not only negatively impacts financials of the Distribution Licensees and*

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their business sustainability but is also prejudicial to the public interest as the Discoms do not have enough money to buy power or maintain distribution systems. ***As per the PRAAPTI portal, as on 28.02.2021, the overdue outstanding amounts to GENCOs payable by DISCOMS has crossed Rs. 1,24,437 Crore. The outstanding loans of distribution utilities is in the range of 6, 00, 000 Crore. The average gap of retail tariff vis-a-vis the annual revenue requirement is in the range of 72 Paise per unit (2018-19). The Regulatory assets is of the Order of 77,939 Crore****.*

(Emphasis Added)

20. Further, the Hon'ble Commission in its Draft DERC (Terms and Conditions for Determination of Tariff) (First Amendment) Regulations, 2021 and DERC(Business Plan)(Second Amendment)Regulations, 2021 has proposed power purchase cost adjustment on a monthly basis from **Section 134 to Section 136 of the Regulations** proposed that,

"POWER PURCHASE COST ADJUSTMENT CHARGES (PPAC)

134. The Distribution Licensee shall be allowed to recover the incremental Power Procurement Cost on monthly 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.

135. The Commission shall specify the detailed formula and procedure for recovery of such incremental Power Procurement Cost as Power Purchase Cost Adjustment Charges (PPAC) formula in the Tariff Order;

136. To avoid the tariff shock for consumers, the Commission may carry forward PPAC of one month into more than one month on provisional basis;"

The Petitioner also requests the Hon'ble Commission to also provide variation on account of short-term Purchase and sale of surplus power.

21. Therefore, it is humbly submitted that allowing truing-up on urgent basis is pivotal for the Petitioner to meet its power purchase costs and other uncontrollable costs, meet the performance standards as well as comply with various directives specified by the Hon'ble Commission, which particularly entails expenditure. Timely completion of the true-up exercise allowing recovery of costs in a reasonable manner will have a positive impact on the Petitioner's ability to service the consumers/public.

22. Hence, by way of the present petition the Petitioner seeks to set out the financial data on the basis of the actual audited numbers for consideration by the Hon'ble Commission in the present ARR Petition.

UNDERLYING PRINCIPLES:

a) This ARR Petition is filed in accordance with the principles contained in the;

i. Electricity Act, 2003;
ii. DERC Tariff Regulations, 2017;
iii. DERC Business Plan Regulations, 2017;
iv. DERC Business Plan Regulations, 2019;
v. Tariff Policy,2016 and National Electricity Policy, 2015;
vi. Principles of law laid down by the Hon'ble Tribunal pertaining to true-up of uncontrollable factors such as power purchase costs, energy sales, new initiatives and other uncontrollable costs; and
vii. Principles of law laid down by the Hon'ble Tribunal pertaining to recovery of accumulated Revenue Gaps and allow suitable Tariff revision to recover estimated revenue shortfall;
viii. Principles of law laid down by the Hon'ble Tribunal pertaining to the fixing of financial and performance targets before the Tariff Year;
ix. Principles of law laid down by the Hon'ble Tribunal that Regulations framed under the 2003 Act could not operate retrospectively;
x. Principles of law laid down by the Hon'ble Tribunal pertaining to approval of all expenses in the truing up while determining Aggregate Revenue Requirement without deferring any or part of the expense in the form of Regulatory Asset.
xi. Consider the energy requirement appropriately based on the exercise initiated by the Hon'ble Commission regarding reallocation of capacity.
xii. Tariff Orders issued by Hon'ble CERC for various generating stations and Tariff Orders issued by this Hon'ble DERC for the Generating and Transmission companies from which the Petitioner draws power, while determining the power purchase and transmission costs of the Petitioner.
xiii. Business Plan/Business Plan information filed by the Petitioner.

23. It is, therefore, respectfully submitted that while deciding the present ARR Petition, the Hon'ble Commission will need to be guided by *inter alia* the following mandates of the 2003 Act and Revised Tariff Policy:

a) Electricity Act, 2003:

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"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:-
(a) the principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and transmission licensees;
(b) the generation, transmission, distribution and supply of electricity are conducted on commercial principles;
(c) the factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments;
(d) safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner;
(e) the principles rewarding efficiency in performance;
(f) multiyear tariff principles;
(g) that the tariff progressively reflects the cost of supply of electricity and also, reduces and eliminates cross-subsidies within the period to be specified by the Appropriate Commission;
(h) the promotion of co-generation and generation of electricity from renewable sources of energy;
(i) the National Electricity Policy and tariff policy:"

{Emphasis supplied}

b) <u>Revised Tariff Policy, 2016 notified by the Central Government under Section 3 of the Electricity Act, 2003:</u>

"Uncontrollable costs should be recovered speedily to ensure that future consumers are not burdened with past costs. Uncontrollable costs would include (but not limited to) fuel costs, costs on account of inflation, taxes and cess, variations in power purchase unit costs including on account of hydro-thermal mix in case of adverse natural events."

{Emphasis supplied}

Furthermore, the Revised Tariff Policy also mandates approval of the capital expenditure necessary to meet the minimum service standards. There is a need to accelerate performance improvement and reduction in losses which will be in the long term interest of consumers by way of lower tariffs.

"a) Return on Investment
Balance needs to be maintained between the interests of consumers and the need for investments while laying down rate of return. Return should attract investments at par with, if not in preference to, other sectors so that the electricity sector is able to create adequate capacity. <u>The rate of return should be such that it allows generation of reasonable surplus for growth of the sector.</u>

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..

Making the distribution segment of the industry efficient and solvent is the key to success of power sector reforms and provision of services of specified standards. Therefore, the Regulatory Commissions need to strike the right balance between the requirements of the commercial viability of distribution licensees and consumer interests. Loss making utilities need to be transformed into profitable ventures which can raise necessary resources from the capital markets to provide services of international standards to enable India to achieve its full growth potential. Efficiency in operations should be encouraged. Gains of efficient operations with reference to normative parameters should be appropriately shared between consumers and licensees.

….

At the beginning of the control period when the "actual" costs form the basis for future projections, there may be a large uncovered gap between required tariffs and the tariffs that are presently applicable. <u>The gap should be fully met through tariff charges and through alternative means that could inter-alia include financial restructuring and transition financing.</u>

….

Working capital should be allowed duly recognizing the transition issues faced by the utilities such as progressive improvement in recovery of bills. Bad debts should be recognized as per policies developed and subject to the approval of the State Commission.

Pass through of past losses or profits should be allowed to the extent caused by uncontrollable factors.

….

The facility of a regulatory asset has been adopted by some Regulatory Commissions in the past to limit tariff impact in a particular year. <u>This should be done only as a very rare exception in case of natural calamity or force majeure conditions and subject to the following:</u>

a. <u>Under business as usual conditions, no creation of Regulatory Assets shall be allowed;</u>

b. <u>Recovery of outstanding Regulatory Asset along with carrying cost of Regulatory Assets should be time bound and within a period not exceeding seven years. The State Commission may specify the trajectory for the same."</u>

{Emphasis supplied}

<u>FACTORS IMPACTING THE PETITIONER AND THE CONSUMERS:</u>

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24. A commercially sustainable tariff is a *sine qua non* for the health of the electricity sector. The financial health of the Discom is in the larger interests of the consumers themselves. The entire scheme and intent of the 2003 Act is consumer interest. However, consumer interest does not lie in lower tariff alone. It lies equally, if not more, in the financial health of the utilities which are dedicated to serve their consumers. It is further submitted that the Petitioner is severely affected owing to the following factors amongst others, and therefore the Petitioner requests the Hon'ble Commission to take the same into consideration while disposing of the present petition: -

    a. The creation and continuance of Non-cost-reflective tariff over the years for the Petitioner Licensee;

    b. Absence of justifiable True up of uncontrollable expenditure including but not limited to power purchase costs;

    c. Long Regulatory Time taken in True up of uncontrollable expenditure;

    d. Variation in the power purchase costs nationwide which is uncontrollable;

    e. The realistic rate of short term power purchase is higher than the rate factored in by the Hon'ble Commission and the differential amount from the total power purchase cost creates an adverse impact on the Petitioner

    f. Progressive buildup of revenue gap and regulatory assets since FY 2006-07;

    g. Absence of any time bound mechanism for recovery of accumulated shortfall;

    h. Lower rates of carrying costs granted by the Hon'ble Commission as against the market lending rate;

    i. Very low rate of recovery of carrying cost of Regulatory Assets (hereinafter referred to as the "**RA**"), which ought to be in consonance with various judgments of the Hon'ble Tribunal thereby ensuring that the Petitioner not only recovers the carrying cost on the RA during the year but also ⅓rd of the outstanding RA principal. In terms of the same, the surcharge ought to be revised appropriately so that the RA is recovered speedily without burdening the future consumers with the past costs. It is submitted that the prior decisions of the Hon'ble Commission to continue to retain a meagre surcharge of 8% over the revised tariff strikes at the very root of the ability of the Petitioner to be in a position to clear its outstanding dues to the generating companies and the transmission licensee who have/had issued disconnection notices and MOP letters on payment security mechanism.

    j. To implement power purchase cost adjustment on a monthly basis for

    (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

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sources of Generation; (c) Variation in Transmission Charges and (d) variation on account of short term purchase and sale of surplus power.

k. The Petitioner finds it extremely difficult to raise funds for undertaking schemes for loss reduction from financial institutions due to the continued absence of time bound amortization schedule of the Regulatory Assets by the Hon'ble Commission which is required in line with the revised Tariff Policy, 2016 and findings of the Hon'ble Tribunal in its various judgments.

l. The ability of the Petitioner is severely impaired as it doesn't have any recourse to Central Schemes which are otherwise available to State Discoms.

m. The ability of the Petitioner to liquidate the dues of the generating companies and the transmission licensee is adversely affected owing to the increase of the regulatory assets from Rs. 158.50 crore upto FY 2006-07 to Rs. 3110.92 Crore upto FY 2019-20 as against the mandatory requirement of being amortized within the first MYT control period ending FY 2011-12 as per the DERC Tariff Regulations, 2007 read with the Tariff Policy and the Electricity Act as already stated in MOP letters referred to in Paragraph Number 17, 18 and 21 of the same chapter above. The Petitioner requests the Commission to also consider the letter submitted in DERC vide Letter Number RA/BYPL/2021-22/109 dated 22.07.2021 which included the loan information from Power Finance Corporation LTD. Vide Loan Number–B0666002 for financial assistance of Rs. 2,292 crore against Regulatory assets to be utilized for clearance of power purchase dues.

n. The Petitioner humbly requests the Hon'ble Commission to also take into account the impact of Covid as requested earlier in the application in Para No. 15 above. The Petitioner requests the Commission to consider the impact of the pandemic while determining the ARR keeping in mind the interest of the consumers and the licensee (the Petitioner) for smooth functioning of the Petitioner and continued efficiency in services.

o. Seriously deepening the financial crisis owing to the non-cost reflective tariffs as determined under the various tariff orders as well as creation of revenue gap year after year and creation of regulatory assets as an ordinary course rather than the statutory mandate of it being required to be created only as a matter of exception;

p. Results in a situation where financial institutions are not willing to extend financial assistance to the Petitioner to carry on its licensed business.

GENERAL LEGAL SUBMISSIONS:

25. The Hon'ble Commission is required under law to determine the present ARR based on the Petition in a manner ensuring timely recovery of all costs so that ultimately the consumers do not have to bear the burden of avoidable carrying cost on those amounts and costs that are not passed through in the retail tariffs on a regular basis.

26. It is most respectfully submitted that the principle of judicial discipline requires that the judgments of the higher Appellate authorities should be followed scrupulously and unreservedly by its subordinate authorities. If the Subordinate authority refuses to carry out the directions or to follow the dictums issued by the superior Tribunal in the exercise of Appellate powers, the result would be chaos in the administration of the justice. In fact, it will be destructive of one of the basic principles of the administration of the justice. This principle of law has been upheld in a catena of judgments, viz.:

Supreme Court Judgments:

- (2004) 5 SCC 1-Tirupati Balaji Developers (P) Ltd V State of Bihar;
- (1992) Supp (1) SCC 443-Smt Kausalya Devi Bogra and Ors V Land Acquisition Officer, Aurangabad an Anr;
- (1984) 2 SCC 324 –Union of India v Kamalkshi Finance Corporation
- (2013) 2 SCC 398-Kishore SamriteVs State of UP and Ors;

Hon'ble Tribunal's Judgments:

- Interim Order dated 09.08.2021 in Appeal No. 290& 297 of 2015
- Interim Order Dated 07.06.2021 in Appeal No. 235 & 236 of 2014
- Judgment dated 27.02.2013 in Appeal 184 of 2011 (Para 39)
- Judgment dated 30.01.2013 in Appeal 55 of 2012 (Para 37)
- Judgment dated 31.01.2013 in Appeal 59 of 2012 (Para 32)

27. It is trite law that mere filing of an appeal does not amount to automatic stay of a judgment and these Judgments have to be implemented. It is further submitted that mere filing of the Appeal without getting stay of the operation of the judgment of the Hon'ble Tribunal and mere proposal to file the Appeal before the Hon'ble Supreme Court could not be the ground for refusal to implement the judgment of the Hon'ble Tribunal. This principle has been laid down in the following judgments:

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- Atma Ram Properties (P) Ltd. vs. Federal Motors Pvt. Ltd. reported as (2005) 1 SCC 705 (Paras 9 & 10)
- Madan Kumar Singh vs. District Magistrate Sultanpur reported as (2009) 9 SCC 79 (Para 14)
- ThirunavukkarasuMudaliar (Dead) by LRs. vs. Gopal Naidu (Dead) by LRs. reported as (2006) 12 SCC 390 (Para 26)

28. It is further submitted that any action or omission by a subordinate authority/court which negates or violates or refuses to give effect to a direction given by a superior court/tribunal has been repeatedly held to be a denial of justice which is destructive of basic principles in the administration of justice and majesty of courts. This aspect has been dealt by the Hon'ble Supreme Court in various decisions in detail. Those decisions are as under:

    - Bhopal Sugar Industries Ltd. vs. ITO, Bhopal reported as AIR 1961 SC 182 (Paras 7-10 and 12)
    - RBF Rig Corp. vs. Commissioner of Customs reported as (2011) 3 SCC 573 (Paras 17-19, 23-27)
    - Smt. Kausalya Devi Bogra vs. Land Acquisition Officer reported as (1984) 2 SCC 324 (Paras 6-8 & 14)

29. It is well settled that the direction of the appellate court is certainly binding on the courts subordinate thereto. Judicial discipline required and decorum known to law warrants that appellate directions should be taken as binding and followed. The mere fact that the order of the appellate authority is not "acceptable" to the subordinate authority cannot and should not be the ground for not following the said directions. The filing of the Petition should not be treated as curtailing any right or claim of the Petitioner, which it is permitted to recover in terms of its License and Orders of the Hon'ble Commission, Hon'ble Tribunal (including the principle of parity / equality in treatment of Discoms) and or any other proceedings relevant to the entitlement of the Petitioner.

30. The Petitioner in the present ARR Petition has made certain assumptions in relevant sections, and has endeavored to comply with the various applicable legal and regulatory directions of the Hon'ble Commission.

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31. The Petitioner is filing the present Petition to ensure prompt determination of tariff as to seek the truing up of expenses up to FY 2020-21 and ARR and Tariff for FY 2022-23. Though the Petitioner has made all efforts and has tried diligently to ensure the filing of a comprehensive Petition, it may be possible that some aspects/components/claims have not been dealt in detail and/or may have been inadvertently omitted. It is submitted that such inadvertent omission/deficiency, if any, would not amount to any waiver of any entitlement/claim by the Petitioner. The Petitioner craves leave of this Hon'ble Commission and reserves its rights to supplement the present Petition with additional facts, additional affidavits, additional submissions and claims, if any.

PRAYERS AND RELIEF SOUGHT:

32. In view of the above, the Petitioner most respectfully prays that the Hon'ble Commission may be pleased to:

A. Take the present true-up, Aggregate Revenue Requirement and Annual Tariff Petition on record and admit the same; and
B. Approve the true up of expenses and revenues for FY 2020-21 and financial impact for past claims up to FY 2019-20 as also implement the Judgments of the Hon'ble Tribunal as detailed in Chapter -3; and
C. Approve amortization of the accumulated Revenue Gaps (Regulatory Asset) up to FY 2020-21 and carrying cost thereof through a surcharge as submitted in Chapter - 3 and Chapter 5; and
D. Approve the ARR as submitted in Chapter- 4 and Tariff as submitted in Chapter-5 for FY 2022-23; and
E. Adjust the gap in power purchase cost by reassigning the allocation of power in terms of Regulation 121 of DERC Tariff Regulations, 2017; and
F. Adjust the Pension Trust Surcharge as submitted in Para No. 5.88 to 5.90;
G. Defer and/or carry forward the compliance of RPO for FY 2020-21 as submitted in Para No. 3.13.1 to 3.13.6 of Chapter -3; and
H. Determine carrying costs in compliance with the directions of the Hon'ble Tribunal in O.P. No. 1 of 2011 and the National Tariff Policy, i.e., in a manner

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so that the same covers all the levies/ amounts/interests including LPSC, being levied by Gencos; and

I. Provide for suitable surcharge for amortisation of existing Approved Regulatory Assets (RA)

J. Provide for suitable surcharge for amortisation of RA accruing out of implementation of Hon'ble Supreme Court order dated 01.12.2021 as per National Tariff Policy 2006 i.e. within 3 years.

K. Provide for suitable surcharge for amortisation of balance RA in terms of APTEL judgment in OP 1 of 2011 read with National Tariff Policy 2016.

L. Grant consequential relief in Appeal No. 290 of 2015, Appeal No. 236 of 2014, Appeal No. 142 of 2009, Appeal No. 36 of 2008, Appeal No. 61 of 2012 and Appeal No. 177 of 2012 and RP No. 7 of 2015; Appeal 103 of 2017 and Appeal No. 110 of 2014; Appeal No. 153 of 2009, Appeal No. 52 of 2008, Appeal No. 14 of 2012 and Appeal No. 246 of 2014 in terms of the judgments of the Hon'ble Appellate Tribunal for Electricity;

M. In line with the Ministry of Power in its letter vide Letter No. 23/04/2021-R&R[257091] dated 1st April 2021 and Letter vide Letter No. 23/19/2019-R&R dated 3rd May, 2021, it is humbly submitted to comply with timely issuance of the Tariff Orders and full cost of reflectiveness of tariff while keeping the Statutes and policies on non-creation of regulatory assets into consideration.

N. To implement power purchase cost adjustment on a monthly basis for

(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 and

(d) variation on account of short term purchase and sale of surplus power.

O. Give effect to any order/direction/ judgment as issued by the Hon'ble Tribunal and grant reliefs in terms of Para 16 hereinabove;

P. Allow additions / alterations / changes/ modifications to the petition and permit the petitioner to place on record any developments/ facts/ documents that come to the knowledge of the Petitioner at a future date; and

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Q. Condone any inadvertent omissions/ errors/ rounding off difference/ shortcomings; and

R. Allow the present application and condone the delay of 15 days in filing the Petition.

S. Pass any order or further order/s and grant any other relief which this Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.

Prayed accordingly

Petitioner

Through:

DGM - Regulatory

Authorized Signatory

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CHAPTER 2A

PERFORMANCE DURING FY 2020-21

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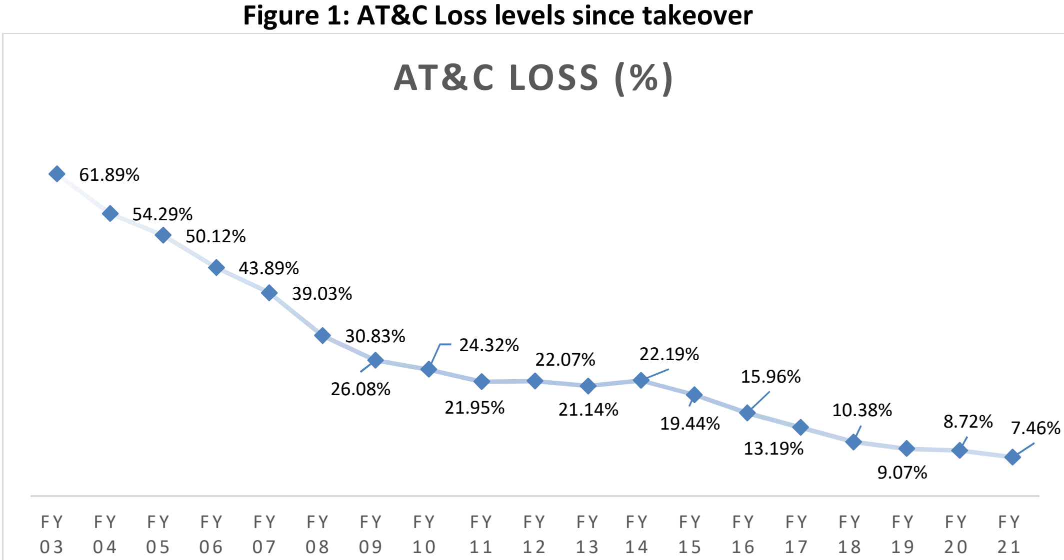
2A.1 AT&C Loss Reduction

2A.2.1 During FY 2020-21, despite COVID-19, the Petitioner has significantly reduced the AT&C Loss by 14.47% over the previous year's loss levels of 8.72% (Trued-up by Hon'ble Commission in Tariff Order dated 28.08.2020) in FY 2020-21. The actual loss level for FY 2020-21 is 7.46%. In absolute terms, the AT&C Loss reduction in percentage points is 1.26%.

2A.2.2 BYPL has shown exemplary performance in the loss reduction with an average reduction of 3.02% per annum in absolute terms since July 2002. The reduction is amongst the highest average loss reduction rate achieved by any power distribution utility in the country.

2A.2.3 Further, it is noteworthy that the AT&C Losses were reduced from a level of over 61.89% in FY 2002-2003 to 7.46% at the end of FY 2020-21. The graph below shows a steep and consistent decline in the AT&C loss levels in last 18 years indicating considerable results from various loss reduction initiatives taken from time to time:

Figure 1: AT&C Loss levels since takeover



2A.2.4 As shown above, there is a tremendous reduction of 54.43 percentage points in AT&C loss levels signifying BYPL's commitment to achieve the loss reduction objective.

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2A.2 T&D Loss Reduction Performance of the Petitioner

2A.2.5 Hon'ble Commission in its Business Plan Regulations, 2019 has approved 9.00% as Distribution loss Target for FY2020-21. The Petitioner has overachieved the Distribution loss Targets. The Distribution Loss levels of the Petitioner during FY 2020-21 was 7.98%. During FY 2020-21 the Petitioner's ability to reduce the Distribution loss further was adversely affected due to lockdown and spread of COVID-19.

2A.2.6 During FY 2020-21, the Hon'ble Commission vide its order dated 08/07/2020 has declared COVID-19 as a force majeure event. Due to COVID-19 Lock down and restrictions, the Petitioner faced major challenges which had a direct and immediate impact on its operations, as listed below-

a) **Change in Consumption Mix**- Sales in subsidized categories like Domestic increased due to Lockdown imposed whereas sales in subsidizing categories like Non-Domestic and Industrial category decreased due to the restrictions imposed. During last year most of the theft bookings were done in Domestic category. Illustratively, last year, 63% of cases booked for theft pertained to the Domestic category. The category wise consumption-mix in Domestic category increased by 6.6 % i.e., from 61.0% in FY 2019-20 to 67.6% of the total sales in FY 2020-21. Hence, as a natural corollary, it is expected that electricity theft either through direct form or through tempering of meter, also increased in the same proportion.

b) **Change in Proportion of consumption by Consumers drawing power at LT, 11 KV and 33/66 KV voltage Supply -** Consumers availing power supply at 11 KV or 33/66 KV operate at low Distribution Losses as compared to those consumers availing power supply at Low Tension level. Higher sales in LT Category has resulted into increase in overall Distribution loss for the Petitioner.

c) **Adverse impact on enforcement activities for detection, control and realization of theft-** Due to the outbreak of COVID-19, the activities related for controlling theft and reduction in distribution losses were not

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operational during the entirety of the lockdown period. Such activities are also not operational in the containment zones even post the easing of the lockdown. It is noteworthy that enforcement activities brings consumers into the billing net. Theft also acts as a deterrent for other consumers who indulge in such unlawful activities. Thus, the enforcement activities not only has a direct and an immediate impact but also has a cascading impact in reduction of the distribution loss. Such revenue realized from enforcement activities ultimately benefits the honest paying consumers of the licensee.

d) **Reduced capital works for loss reduction activities-** During the period of lockdown, the licensee was unable to undertake Capital Expenditure which impacted the loss reduction activities.

2A.3.1 Despite the above constrains, during FY 2020-21, the Petitioner has over-achieved distribution Loss of 7.98% (despite COVID-19 restrictions and its consequential impact due as explained above) over the target of 9.00% approved by the Hon'ble Commission.

2A.3 Performance Standards

2A.3.2 The achievement against set performance levels in DERC (Supply Code and Performance Standards) Regulations, 2017) for the period FY 2020-21 is summarized as below:

I.**Power Supply Failure**

a) **Continuous power failure affecting individual consumer and group of consumer upto 100 connected at Low voltage supply**: The Petitioner has been able to achieve compliance of 99.5% against Hon'ble Commission's benchmark of 95%.

b) **Continuous power failure affecting more than 100 consumers connected at Low voltage supply: -** The Petitioner has been able to achieve compliance of 97.5% against Hon'ble Commission's benchmark of 95%.

c) **Continuous power supply failure requiring replacement of distribution transformer**: - The Petitioner has been able to achieve compliance of 100% against Hon'ble Commission's benchmark of 95%.

d) **Continuous power failure affecting consumers connected through High Voltage Distribution System (HVDS):-** : The Petitioner has been able to achieve compliance of 99.7% against Hon'ble Commission's benchmark of 95%.

e) **Continuous scheduled power outages: -** The Petitioner has been able to achieve compliance of 100% against Hon'ble Commission's benchmark of 95%

f) **Replacement of burnt meter or stolen Meter: -** The Petitioner has been able to achieve compliance of 98.8% against Hon'ble Commission's benchmark of 95%**:**

g) **Scheduled Outage: -** The Petitioner has been able to achieve compliance of 100% in 'maximum duration in single stretch' and 99.7% in 'Restoration of supply by 6 PM' against Hon'ble Commission's benchmark of 95%.

h) **Faults in street light maintained by the Licensee: -**The Petitioner has been able to achieve compliance of 96.9% against Hon'ble Commission's benchmark of 90%**.**

i) **Percentage billing mistakes:** The Petitioner has been able to be under the limit of 0.004% against the Hon'ble Commission's benchmark of limit of 0.2%.

Table 2.1: Performance during FY 2020-21-

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	340173	338342	1461	99.5%
(ii)	Continuous power failure affecting more than 100 consumers connected at Low voltage supply excluding the failure where distribution transformer requires replacement.		4443	4334	105	97.5%
(iii)	Continuous power supply failure requiring replacement of distribution transformer.		89	89	0	100.0%
(iv)	Continuous power failure affecting consumers connected through High Voltage Distribution System		4517	4503	7	99.7%

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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	
	(HVDS) and not covered under (i) & (ii) above					
(v)	Continuous scheduled power outages	At least 95% of cases resolved within time limit	15826	15822	0	100.0%
(vi)	Replacement of burnt meter or stolen Meter		341	337	4	98.8%
Period of scheduled outage						
2	Maximum duration in a single stretch	At least 95% of cases resolved within time limit	3379	3379	0	100.00%
	Restoration of supply by 6:00 PM		3379	3368	11	99.7%
3	Faults in street light maintained by the Licensee	At least 90% cases should be complied within prescribed time limits	16817	16292	517	96.9%
	Reliability Indices					
			Total Bills received during the year	**No of Bills with Mistakes during the year**		
4	Percentage billing mistakes	Shall not exceed 0.2%	21549738	765		0.004%

Table 2.2: Reliability during FY 2020-21

BYPL Reliability Indices (As per new norms)				
FY 2020-21				
Month	ASAI	SAIFI	SAIDI	CAIDI
Apr-20	99.98%	0.18	0.14	0.74
May-20	99.95%	0.49	0.34	0.69
Jun-20	99.95%	0.51	0.35	0.68
Jul-20	99.93%	0.69	0.53	0.77
Aug-20	99.93%	0.74	0.52	0.71
Sep-20	99.96%	0.43	0.31	0.72
Oct-20	99.97%	0.35	0.26	0.74
Nov-20	99.97%	0.28	0.20	0.71
Dec-20	99.97%	0.27	0.20	0.74
Jan-21	99.96%	0.41	0.28	0.69
Feb-21	99.98%	0.24	0.16	0.68
Mar-21	99.97%	0.30	0.20	0.68
Total	99.96%	4.88	3.48	0.71

2A.4 Peak Demand:

2A.4.1. BYPL has successfully met the peak demand of 1439 MW during FY 20-21 as against the 1653 MW in financial year 2019-20.

2A.5 Growth in Consumer Base:

2A.5.1. Total number of consumers being served by BYPL at the end of FY 2020-21 was 17.70 lakh as against 17.30 lakh consumers during the previous year, an annual growth of 2.24%. Evidently, BYPL's consumer density is one of the largest among the private distribution utility in the country.

2A.6 Improvement in Distribution Network:

Due to COVID 19, the strengthening and modernization activities of the distribution network of the licensee has been subdued. However, the licensee maintained uninterrupted power for its consumers without any major power failure. This is despite regular challenges with respect to space constraints & other hindrances in the license area being served by BYPL.

Table No 2.3: Network Augmentation during FY 20-21 is summarized as below:

Particulars	Addition during the year
No. of Power Transformers	4
EHV Capacity (MVA)	170
Shunt Capacitors (MVAr)	34
No. of Distribution Transformers*	35
Distribution Transformer Capacity** (MVA)	58
No. of 11 kV feeders	34
Length of 11 kV cables (Ckt.kms.)	26
Total No. of LT feeders	226
Length of LT lines laid (Ckt.kms.)	51
(*) Includes HVDS DT (Nos.)	
(**) Includes HVDS DT Capacity (MVA)	

2A.7 COVID Initiatives by BYPL

2A.7.1 In order to serve uninterrupted power to its consumers, BYPL took several focused steps towards Workforce Protection and Consumer Safety. It released necessary guidelines and communications to ensure the safety of all employees on daily/weekly basis to ensure business continuity. BYPL strictly adhered to the Government guidelines issued from time to time.

2A.7.2 The COVID measures taken by BYPL during this period are as follows:

A. Health and Hygiene:

- Arrangement of sufficient supply of materials for respiratory hygiene like masks, tissues, liquid soaps, hand sanitizer etc.
- Disinfection of the office spaces and vehicles.
- Use of Infrared Thermal guns for preliminary scanning of workforce/visitors with respect to his/ her proneness to Covid-19.

A. Promotion of Social Distancing:

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- Meetings were conducted through digital mediums like teleconference/ video conference.
- Consumers were encouraged to use digital mediums.
- Covid-19 Facilitation Centre was set up for operational, business, medical assistance and monitoring. The functionality of control room was ensured for 24x7.

B. Support to Employees:

- Covid-19 Facilitation Centre (FC) was set up at Corporate Office in March, 2020 which was functioning in two shifts round the clock to assist employees in emergent situations like hospital admissions, securing appointment from labs for RT-PCR & diagnostic tests, arranging ambulance services, issuance of Medical Kits for the employees being infected with Covid-19 etc.
- Doctors were also made available in the FC for any medical advice. Use of Arogya Setu App was made mandatory for all the employees.
- Vaccination Drive: Special arrangements were made for vaccination of employees at designated hospitals.
- During the peak time, manpower deployment was restricted to ~30 - 40%, depending upon the departmental work requirement and the shift operations. Redundancy in manpower for operations was kept via back-up manpower from other departments.
- Regular dissemination of information issued by MHA for employees/ persons entering office premises through BYPL COVID-19 HELP DESK.
- Various Medical/Wellness webinars were conducted to address queries on Covid-19 /Advisory/Intimation regarding flu like symptoms.

C. Consumer Awareness:

Communication with consumers during COVID19 was more important than ever before. Wide publicity of measures through messages, webinars, BYPL website & social media for awareness and information of customers was undertaken.

D. Lending a Helping Hand during COVID (CSR)

- The Petitioner's CSR programs maintained a symbiotic relationship with the community. They continued to reach-out to the under privileged. Since onset of Covid 19 pandemic, the programs have evolved, adapting to the 'new normal under its 'Sparsh' initiative the Petitioner has been doing its bit to reach-out to the disadvantaged and underserved communities.
- Broadly BYPL CSR activities were undertaken under two heads – Suraksha for health realated activities and Sashakt for education related activities.
- Complementing the efforts of the Delhi Government, the Petitioner has been playing its part in the fight against Covid19. Dry food rations and masks have been provided to the needy.
- BYPL Suraksha - Providing dry rations & Hygiene kits: Practising social distancing & maintaining personal hygiene were the only vaccines present against Covid-19. Supplementing the Government efforts, the Petitioner provided dry food rations (like rice, pulses, atta, cooking oil etc), masks, sanitisers and soaps at the door-steps of over 2865 residents of several JJ clusters in East and Central Delhi.
- 6850 Hygiene kits containing bathing and washing soaps, masks, toothpaste, tooth brushes and sanitary pads were distributed to economically disadvantaged people in JJ clusters in East and Central Delhi.
- Over 27,000 reusable washable masks made by women self-help groups were distributed alongwith the hygiene kits.
- Donating 3 Ply mask and examination gloves to EDMC Hospitals and Delhi State Cancer Institute: Complimenting efforts of the Delhi Government, BYPL handed over two lakh examination gloves, 1.5 lakh three-ply masks and 200 oxi-meters to East Delhi Municipal

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Corporation for use in the EDMC Hospitals. Additionally, one lakh examination gloves were also handed over to Delhi State Cancer Institute.

- Donation of 3 fully equipped Ambulances to hospitals: Moreover, extending the scope of the programs, the Petitioner has donated three fully equipped ambulances for the use of Delhi Government's Guru Teg Bahadur & G.B. Pant Hospital and Lal Bahadur Shastri CAT's Ambulance service. Of these, two are Advanced Life Support ambulances and one Basic Life Support Ambulance.
- Installation of 100 Hands free sanitizer machines at public places. Hands free sensor based sanitizer dispenser machines were installed at Mohalla Clinics, Police stations, Delhi Secretariat and other public places for public safety and to promote safe hand hygiene.
- BYPL Suraksha supported treatment of 20 children with Club foot. BYPL continued its support to 20 children undergoing treatment at Cure India International Trust run clinics at Chacha Nehru Baal Chikitsa Hospital. In total BYPL supports the treatment of 170 children.
- BYPL Suraksha – Installation of fire safety equipment at public places and training in use of fire safety equipment. For public safety BYPL installed over 250 fire extinguishers in 114 places of worship in our operational area, mostly in the high density areas of Daryaganj, Paharganj, Chandni Chowk and Yamuna Vihar. The Petitioner also trained over 500 people on how to use the fire extinguishers.
- BYPL CSR Sashakt Scholarship support for 135 students through its BYPL CSR Sashakt initiative. The Petitioner provided scholarships to young men and women pursuing final year graduation from Delhi colleges. These scholarships were distributed amongst the deserving students facing economic hardship due to the lock down and was taken up as part of the company’s Covid 19 Relief measure and its commitment to promote education
- BYPL CSR Sashakt – support to 134 Divyangjan:

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To support Divyangjan facing difficulty during the pandemic the Petitioner partnered with Artificial Limb Manufacturing Company (ALIMCO) and identified 134 Divyangjan and provided them with aid and appliances such as hearing aid, motorised vehicles, Multi-sensory inclusive educational development kits for children with learning disability, crutches etc.

- BYPL Sashakt: Provided 318 children with TABs to enable on-line class participation. BYPL donated 318 e-learning devices – TABS for school children selected by the Delhi Government to enable them to continue with their studies and participate in the on-line classes.

E. Customer centric initiative during the Pandemic

- Bill view, Download & Payment option on single webpage: A link was shared with the consumers to view, download and pay their bill from a single webpage.
- E-Bill Through WhatsApp: To enhance customer satisfaction and to reduce of walkins at customer care centers, the Petitioner started to send the e-bill to the consumers through WhatsApp.
- Customer help desk appointment system: In the wake of COVID-19, an appointment system was introduced at all the Customer Help Desks of BYPL for walk-in consumers. The consumers takes prior appointment and get time slots for visiting BYPL Customer Care Centres by providing basic information viz. CA number, Contact number, and complaint/ request type. The appointments were given keeping in mind the social distancing factor. The consumers can take appointment through the Petitioner's website, MobiApp and call centres. The appointment system facilitated our customers as well as the company in maintaining social distancing.
- Self-Meter reading through BSES MobiApp and WhatsApp: In order to generate reading based bill, self-meter reading option was added in MobiApp where consumers was given an option to share the picture

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of the meter reading from the meter and get the same uploaded on the mobile app after registration.

- Vartalaap: The Petitioner conducted several virtual RWA meet through which information regarding the digital services and new initiatives taken by the Petitioner during COVID were communicated with the RWA and other consumer's groups, through web conferencing. The objective of this program was to spread information on the commitment of the Petitioner to serve the consumers even during the time COVID-19.
- Chatbot service in WhatsApp: Chatbot services started in WhatsApp from September 2020 onwards including the following services:
  - Self-meter reading
  - Duplicate bill
  - Register Complaints w.r.t. no current, voltage fluctuation, fire in the house, current on the pole, meter burnt
  - Complaint Status
  - Payment and bill status w.r.t. net amount payable, due date, bill month, payment link, etc.
- Energization of temporary connections for Hospitals during the lockdown: During the period of lockdown, the Petitioner energized 3 hospitals on war footing on a temporary basis with load more than 10 MW.

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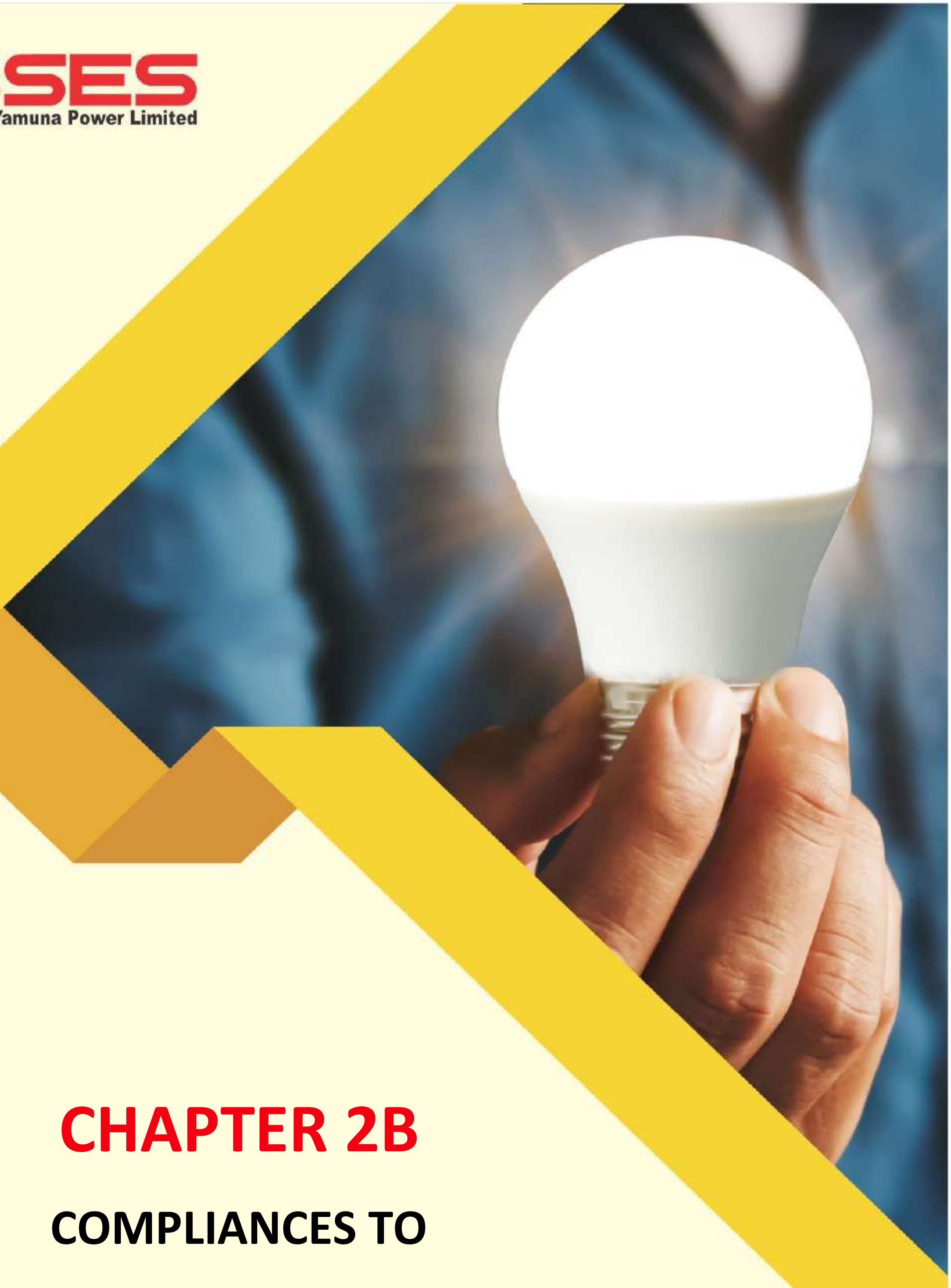

CHAPTER 2B

COMPLIANCES TO DIRECTIVES

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The Hon'ble Commission has given various directives in Tariff Order dated 28.08.2020. The Petitioner is hereby submitting the compliance status as follows:

1. **Directive to make timely payment of bills/dues to Central and State Generating Stations and Transmission Utilities (Ref: Para 6.1 of the Tariff Order dated 28.08.2020)**

The Commission directs the Petitioner to make timely payment of bills/dues to Central &State Generating Stations and Transmission Utilities. No Late Payment Surcharge shall be allowed as a pass through in the ARR, on account of delayed payments.

Compliance:

Petitioner has submitted the month wise audited cash flow statement to the Hon'ble Commission. It is evident from the statements that the licensee has paid to the Generating / Transmission companies to the extent of revenue recovered from consumers after meeting its statutory obligations and bank repayments i.e. as per its paying capacity. Hence the directive of the Hon'ble Commission has been complied with to the extent of funds available with the Licensee.

Also, matter pertaining to payment to Generating Stations and Transmission Utilities are presently sub-judice before Hon'ble Supreme Court in the matter of W.P. 104 & 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 humbly submitted that pursuant to Hon'ble Supreme Court's order dated 23.03.2014, Petitioner is making payment to Central and State Gencos and Transmission Utilities against current dues to the extent it is possible. It would not be out of place to re-iterate that these payments are being made against severe odds due to huge persisting accumulated regulatory assets.

2. **Directive to directly deposit the amount as per directive (6.2) in the account of Pension Trust (Ref: Para 6.2 of the Tariff Order dated 28.08.2020)**

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: ………*

Compliance:

The Petitioner submits that adherence to the aforesaid Directive is ongoing and is being complied with. Details of the month wise payment is tabulated below:

Table 1: Details of Month wise Pension Trust Payment

Collection Month	Amount Due (A) (₹ cr.)	Date of Payment	Amount paid (B) (₹ cr.)	Bank UTR No.	Cumulative Payment (C) (₹ cr.)	Balance (D)=(A)-(B)
April	5.24	06.05.2020	2.34	UTIBR52020050600483089		
		27.05.2020	2.9	UTIBR52020052700481631	5.24	0
May	5.14	05.06.2020	2	UTIBR52020060500484004		
		24.06.2020	3.14	UTIBR52020062400481812	10.38	0
June	12.58	07.07.2020	12.58	UTIBR52020070700483744	22.96	0
July	15.79	07.08.2020	15.79	UTIBR52020080700482406	38.75	0
August	16.4	07.09.2020	16.23	UTIBR52020090700483993		
		07.09.2020	0.18	UTIBR52020090700484412	55.16	0
September	18.83	07.10.2020	18.83	UTIBR52020100700483343	73.98	0
October	20.55	07.11.2020	19.35	UTIBR52020110700481276		
		07.11.2020	1.2	UTIBR52020110700482826	94.54	0
November	17.06	07.12.2020	17.06	UTIBR52020120700482422	111.6	0
December	14.85	07.01.2021	1	UTIBR52021010700485289		
		18.01.2021	2	UTIBR52021011800485435		
		20.01.2021	3	UTIBR52021012000485504		
		22.01.2021	2	UTIBR52021012200485827		
		25.01.2021	2	UTIBR52021012500484627		

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		27.01.2021	4.85	UTIBR52021012700 482276	126.45	0
January	14.69	05.02.2021	3	UTIBR52021020500 485067		
		22.02.2021	5	UTIBR52021022200 485687		
		24.02.2021	2	UTIBR52021022400 485167		
		02.03.2021	4.69	UTIBR52021030200 483595	141.14	0
February	15.24	08.03.2021	1.5	UTIBR52021030800 481290		
		16.03.2021	1.5	UTIBR52021031600 483603		
		18.03.2021	2	UTIBR52021031800 484987		
		22.03.2021	3	UTIBR52021032200 485996		
		26.03.2021	3	UTIBR52021032600 482801		
		31.03.2021	4.24	UTIBR52021033100 483574	156.38	0
March	16.21	07.04.2021	2	UTIBR52021040700 483611		
		30.04.2021	1	UTIBR52021043000 485683		
		05.07.2021	5	UTIBR52021070500 483260		
		08.07.2021	8.21	UTIBR52021070800 483190	172.58	0
Total	172.58					-

3. **Directive to pension trust to intimate the total amount collected and adjust any surplus/gap in its claim for the subsequent year (Ref: Para 6.3 of the Tariff Order dated 28.08.2020)**

The Commission directs the Pension Trust to intimate the total amount collected through Pension Trust surcharge and adjust any surplus/gap in its claim for the subsequent year.

Compliance:

Not applicable to Petitioner.

4. **Directive to restrict cost of expensive power to the cost of regulated cheaper power (Ref: Para 6.4 of the Tariff Order dated 28.08.2020)**

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.

Compliance:

The Petitioner submits that during FY 2020-21, there has been no regulation of power due to non-payment of dues hence the scenario contemplated in Para 6.4 does not arise.

5. **Directive to borne transmission charges in case power is regulated by DTL/Interstate Transmission Licensee (Ref: Para 6.5 of the Tariff Order dated 28.008.2020)**

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.

Compliance:

The Petitioner submits that no Power was regulated by DTL in FY 2020-21.

6. **Directive to ensure availability of power supply for meeting the demand (Ref: Para 6.6 of the Tariff Order dated 28.08.2020)**

The Commission directs 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.

Compliance:

The Petitioner submits that adherence to the aforesaid Directive is ongoing and is being complied with. Further, the Petitioner is also submitting weekly outage reports to the Hon'ble Commission.

7. **Directive to ensure cash limit of Rs.4000/- for bill collection at Petitioners own collection Centers/mobile vans and Rs. 50,000/- for accepting payment through cash by the consumers at designated scheduled commercial bank branches (Ref: Para 6.7 of the Tariff Order dated 28.08.2020)**

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.

Compliance:

The Petitioner would like to humbly submit that the instant matter is presently sub-judice before Hon'ble APTEL in Appeal 265 of 2013 and Appeal 236 of 2014. Till such time the matter is heard and decided by Hon'ble APTEL, the Petitioner has taken measures to ensure that no cash collection exceeding Rs.4000 and Rs. 50,000 is being accepted at own collection centres/mobile vans and designated scheduled commercial bank branches respectively and is thus complying with the aforementioned directive.

8. **Directive to restrict the adjustment in units billed to a maximum of 1% of total units billed (Ref: Para 6.8 of the Tariff Order dated 28.08.2020)**

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.*

Compliance:

The Petitioner would like to humbly submit that the instant matter is presently sub-judice before Hon'ble APTEL in Appeal 214 of 2018 and Appeal 105 of 2020. Till such time the matter is heard and decided by Hon'ble APTEL, the Petitioner has taken measures to ensure that the same directive is being complied with in terms of Commissions orders from time to time. A report to this extent will be submitted to the Hon'ble Commission during prudence check.

9. **Directive to survey the electricity connections of hoardings and display at malls and multiplexes and ensure the billing in the category of advertisements/hoarding category (Ref: Para 6.9 of the Tariff Order dated 28.08.2020)**

The Commission directs the Petitioner to survey the electricity connections of hoardings and display at malls and multiplexes and ensure the billing in the category of advertisements/hoarding category and to submit an annual compliance report by 30th April of the next year.

Compliance:

The petitioner has complied with the directive read with letter no F. No.(545) /tariff-engg/DERC/2018-19/6142/465 dated 15.05.2018. It is noteworthy that the Tariff rate of the Non domestic and Advertisement & Hoarding is same.

10. The Hon'ble Commission further directs the Distribution Licensee as under:

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 (Ref: Para 6.10 (a) of the Tariff Order dated* 28.08.2020*)*

Compliance:

The Petitioner submits that adherence to the aforesaid directive is ongoing and is being complied with.

b. *To maintain toll free number for registration of electricity grievances and to submit the quarterly report (Ref: Para 6.10 (b) of the Tariff Order dated* 28.08.2020*);*

Compliance:

The Petitioner has complied with the aforesaid directive and quarterly progress report has been submitted to the Hon'ble Commission vide letter's/ mails having:-

1. Ref No. RA/BYPL/2020-21/78 dated 28.07.2020 (Q1 of FY 2020-21).
2. Ref No. RA/BYPL/2020-21/175 dated 06.11.2020 (Q2 of FY 2020-21).
3. Ref No. RA/BYPL/2020-21/225 dated 29.01.2021 (Q3 of 2020-21).
4. Mail dated 26.04.2021 (Q4 of FY 2020-21).

c. *To conduct a safety audit and submit a compliance report within three months (Para 6.10(c) of the Tariff Order dated* 28.08.2020*);*

Compliance:

The Petitioner has complied with the aforesaid directive. The Information has been submitted with the Hon'ble commission vide letter ref no. RA/BYPL/2021-22/228 dated 15.11.2021.

d. *To carry out preventive maintenance as per schedule (Ref: Para 6.10 (d) of the Tariff Order dated* 28.08.2020*);*

Compliance:

The Petitioner submits that adherence to the aforesaid directive is ongoing and is

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being complied with.

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 (Ref: Para 6.10(e) of the Tariff Order dated* 28.08.2020*);*

Compliance:

The Petitioner has complied with the aforesaid directive. The Information has been submitted with the Hon'ble commission vide the following letters;

i. Letter ref no. RA/BYPL/2020-21/42 dated 03.07.2020 (Apr, 20)
ii. Letter ref no. RA/BYPL/2020-21/43 dated 03.07.2020(May, 20)
iii. Letter ref no. RA/BYPL/2020-21/122 dated 16.09.2020(Jun,20)
iv. Letter ref no. RA/BYPL/2020-21/123 dated 16.09.2020(Jul, 20)
v. Letter ref no. RA/BYPL/2020-21/124 dated 16.09.2020(Aug, 20)
vi. Letter ref no. RA/BYPL/2020-21/185 dated 27.11.2020 (Sept, 20)
vii. Letter ref no. RA/BYPL/2020-21/186 dated 27.11.2020 (Oct, 20)
viii. Letter ref no. RA/BYPL/2020-21/205 dated 24.12.2020(Nov, 20)
ix. Letter ref no. RA/BYPL/2020-21/215 dated 21.01.2021(Dec, 20)
x. Letter ref no. RA/BYPL/2020-21/242 dated 19.02.2021(Jan, 21)
xi. Letter ref no. RA/BYPL/2020-21/71 dated 24.06.2021(Feb, 21)
xii. Letter ref no. RA/BYPL/2020-21/72 dated 24.06.2021(Mar, 21)

With respect to the abovementioned compliance, petitioner would like to submit that Hon'ble Commission vide its order dated 08.07.2020 declared COVID-19 as Force Majeure event under regulation 83 of DERC (Supply Code & performance Standards) Regulations 2017 and DERC (Terms and Conditions of Tariff) Regulations 2017. Under this force majeure condition all performance parameters were kept in abeyance till the time situation normalizes. Therefore, we request the Hon'ble Commission to condone any delay in this regard.

f. *To submit the energy audit report in respect of their network at HT level and above* *within three months (Ref: Para 6.10 (f)of the Tariff Order dated* 28.08.2020*);*

Compliance:

The energy audit report for FY 2020-21 in respect of petitioner's network at HT level and above has been submitted with the Hon'ble Commission vide letter ref no. RA/BYPL/2021-22/229 dated 15.11.2021.

g. *To submit the Auditor's certificate in respect of Form 2.1(a) on quarterly basis within the next quarter (Ref: Para 6.10 (g)of the Tariff Order dated* 28.08.2020*);*

Compliance:

The Petitioner has complied with the aforesaid directive. The Information has been submitted with the Hon'ble commission vide the following letters;

i. Letter ref no. RA/BYPL/2020-21/73 dated 24.06.2021 (Q1 of FY'21).
ii. Letter ref no. RA/BYPL/2020-21/58 dated 14.06.2021 (Q2 of FY'21).
iii. Letter ref no. RA/BYPL/2020-21/57 dated 14.06.2021 (Q3 of FY'21).
iv. Letter ref no. RA/BYPL/2020-21/ 87 dated 05.07.2021 (Q4 of FY'21).

With respect to the abovementioned compliance, petitioner would like to submit that Hon'ble Commission vide its order dated 08.07.2020 declared COVID-19 as Force Majeure event under regulation 83 of DERC (Supply Code & performance Standards) Regulations 2017 and DERC (Terms and Conditions of Tariff) Regulations 2017. Under this force majeure condition all performance parameters were kept in abeyance till the time situation normalizes. Therefore, we request the Hon'ble Commission to condone any delay in this regard.

h. *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 (Ref: Para 6.10(h) of the Tariff Order dated* 28.08.2020*);*

Compliance:

The Petitioner has complied with the aforesaid directive. The Information has been

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submitted with the Hon'ble commission vide the following letters;

i. Letter ref no. RA/BYPL/2020-21/80 dated 28.07.2020 (Q1 of FY'21).
ii. Letter ref no. RA/BYPL/2020-21/164 dated 29.10.2020 (Q2 of FY'21).
iii. Letter ref no. RA/BYPL/2020-21/224 dated 29.01.2021 (Q3 of FY'21).
iv. Letter ref no. RA/BYPL/2021-22/32 dated 30.04.2021 (Q4 of FY'21).

i. *To incorporate the following information in the annual audited financial statements (Ref: Para 6.10(i) of the Tariff Order dated* 28.08.2020*);*

i. Category-wise Revenue billed and collected,

ii. Category-wise breakup of 8% and 3.70% 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,

Compliance

The Petitioner submits that the abovementioned directive is being complied with and has been submitted to Hon'ble Commission vide reference no RA/BYPL/2021-22/230 dated 15.11.2021.

j. To submit annual auditor certificate in respect of power purchase details of the previous year by 30th July of the next financial year *(Ref: Para 6.10(i) of the Tariff Order dated* 28.08.2020*);*

Compliance

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The Petitioner submits that abovementioned directive has been complied with and the annual auditor certificate in respect of power purchase details for FY 2020-21 has been submitted with the Hon'ble Commission vide reference no. RA/BYPL/2021-22/108 dated 20.07.2021.

k. *To submit the reconciliation statement in respect of power purchase cost/Transmission cost on a quarterly basis with respective Generation/Transmission companies (Ref: Para 6.10(k) of the Tariff Order dated* 28.08.2020*);*

Compliance:

The Petitioner has complied with the aforesaid directive. The Information has been submitted with the Hon'ble commission vide the following letters/mails;

I. Letter Ref no. RA/BYPL/2020-21/103 dated 17.08.2020 (Q1 of FY'21).
II. Letter Ref no. RA/BYPL/2020-21/177 dated 11.11.2020 (Q2 of FY'21).
III. Letter Ref no. RA/BYPL/2020-21/220 dated 27.01.2021 (Q3 of FY'21).
IV. Mail dated 21.05.2021 (Q4 of FY'21)

With respect to the abovementioned compliance, Petitioner would like to submit that Hon'ble Commission vide its order dated 08.07.2020 declared COVID-19 as Force Majeure event under regulation 83 of DERC (Supply Code & performance Standards) Regulations 2017 and DERC (Terms and Conditions of Tariff) Regulations 2017. Under this force majeure condition all performance parameters were kept in abeyance till the time situation normalizes. Therefore, we request the Hon'ble Commission to condone any delay in this regard.

l. *To submit the status and validity of power purchase agreements on quarterly basis within 15 days of end of each quarter (Ref: Para 6.10(l) of the Tariff Order dated* 28.08.2020*);*

Compliance:

The Petitioner has complied with the aforesaid directive. The Information has been submitted with the Hon'ble commission vide the following letters/mails;

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I. Letter Ref no. RA/BYPL/2020-21/54 dated 15.07.2020 (Q1 of FY'21).

II. Letter Ref no. RA/BYPL/2020-21/145 dated 15.10.2020 (Q2 of FY'21).

III. Mail dated 14.01.2021 (Q3 of FY'21).

IV. Mail dated 15.04.2021 (Q4 of FY'21)

m. *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 at Rs.5 per 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 absence of proper justification towards short term power purchase at a rate higher than the above ceiling rate (of Rs. 5 per 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. (Ref: Para 6.10(m) of the Tariff Order dated* 28.08.2020*);*

Compliance

The Petitioner submits that adherence to the aforesaid Directive is ongoing and is being complied with. The Petitioner procures power mostly from the Exchange, where the price cannot be determined pre-facto and the Petitioner intimates the Hon'ble Commission on a post facto basis. As regards procurement of power through bilateral means, the Petitioner constantly endeavours to procure short term power with the defined limit of Rs.5 per kwh to the extent possible. However, whenever under exceptional circumstances, the Petitioner is constrained to procure power more than the prescribed limit of Rs.5 per kwh, the same is intimated to the Hon'ble Commission in writing.

n. *To raise the bills for their own consumption of all their installations including offices at zero tariffs to the extent of the normative self-consumption approved by the*

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Commission and exceeding the normative limit of self-consumption at Non-Tariff Domestic tariff for actual consumption recorded every month (Ref: Para 6.10(n) of the Tariff Order dated 28.08.2020*);*

Compliance:

The Petitioner submits that adherence to the aforesaid directive is ongoing and is being complied with.

o. *To submit the quarterly progress reports for the capital expenditure schemes being implemented within 15 days of the end of each quarter (Ref: Para 6.10(o) of the Tariff Order dated* 28.08.2020*);*

Compliance:

The Petitioner has complied with the aforesaid directive. The Information has been submitted with the Hon'ble Commission vide letters;

I. Letter Ref no. RA/BYPL/2020-21/55 dated 15.07.2020 (Q1 of FY'21).
II. Letter Ref no. RA/BYPL/2020-21/148 dated 15.10.2020 (Q2 of FY'21).
III. Letter Ref no. RA/BYPL/2020-21/213 dated 15.01.2021 (Q3 of FY'21).
IV. Letter Ref no. RA/BYPL/2021-22/97 dated 15.07.2021 (Q4 of FY'21).

p. *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 (Ref: Para 6.10(p) of the Tariff Order dated* 28.08.2020*)*

Compliance:

The Petitioner has complied with the aforesaid directive. The Information has been submitted with the Hon'ble Commission vide letters;

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I. Letter Ref no. RA/BYPL/2020-21/79 dated 28.07.2020 (Q1 of FY'21).

II. Letter Ref no. RA/BYPL/2020-21/163 dated 29.10.2020 (Q2 of FY'21).

III. Letter Ref no. RA/BYPL/2020-21/223 dated 29.01.2021 (Q3 of FY'21).

IV. Letter Ref no. RA/BYPL/2021-22/33 dated 30.04.2021 (Q4 of FY'21).

q. *To submit the status of installation of smart meters on quarterly basis within 15 days of end of each quarter. applicable (Ref: Para 6.10(q) of the Tariff Order dated* 28.08.2020*)*

Compliance:

The Petitioner has complied with the aforesaid directive. The Information has been submitted with the Hon'ble Commission vide letters;

I. Letter Ref no. RA/BYPL/2020-21/64 dated 15.07.2020 (Q1 of FY'21).

II. Letter Ref no. RA/BYPL/2020-21/147 dated 14.10.2020 (Q2 of FY'21).

III. Letter Ref no. RA/BYPL/2020-21/214 dated 15.01.2021 (Q3 of FY'21).

IV. Letter Ref no. RA/BYPL/2021-22/14 dated 19.04.2021 (Q4 of FY'21).

MOP vide its notification dated 17th August, 2021 has notified the timelines for the replacement of existing meters with smart meters with prepayment feature by December' 2023. The Petitioner vide its letter dated 27.03.2020 to the CEA has sought relaxation for using static energy meters in place of smart meters. Further Petitioner has also requested the Hon'ble Commission to kindly condone any unintentional Non- Compliance of Statutory direction for Smart metering implementation till the regulatory Guidance and framework.

r. *To submit the status of compliance of Renewal Purchase Obligation (RPO) on quarterly basis within 15 days of end of each quarter. applicable (Ref: Para 6.10(r) of the Tariff Order dated* 28.08.2020*)*

Compliance:

The Petitioner has complied with the aforesaid directive. The Information has been submitted with the Hon'ble Commission vide letters;

I. Letter Ref no. RA/BYPL/2020-21/74 dated 24.07.2020 (Q1 of FY'21).

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II. Letter Ref no. RA/BYPL/2020-21/155 dated 20.10.2020 (Q2 of FY'21).

III. Letter Ref no. RA/BYPL/2020-21/225A dated 29.01.2021 (Q3 of FY'21).

IV. Letter Ref No. RA/BYPL/2021-22/13 dated 15.04.2021(Q4 of FY'21).

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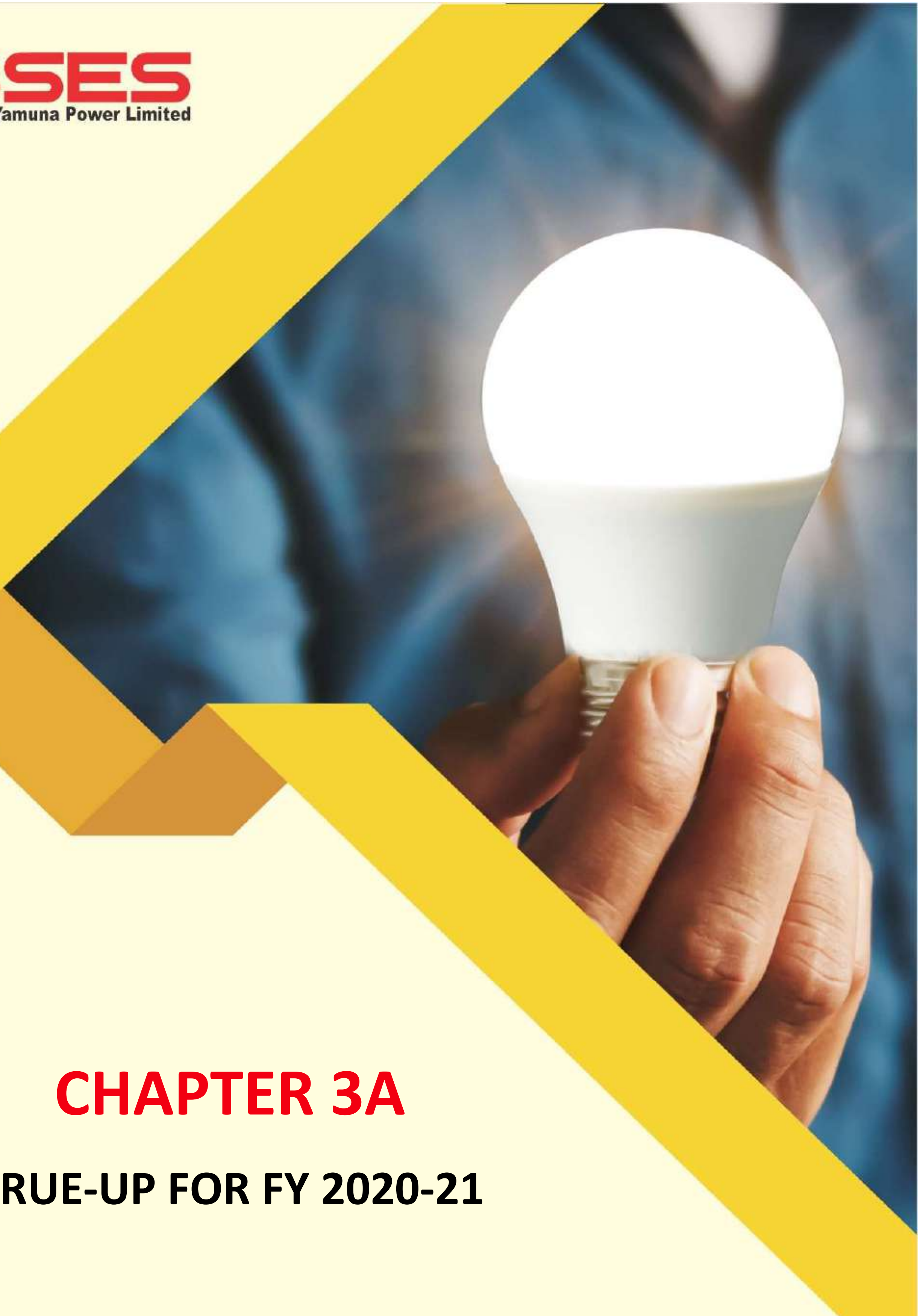

CHAPTER 3A

TRUE-UP FOR FY 2020-21

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3A. TRUE UP FOR FY 2020-21

3.1 Background

3.1.1 The Hon'ble Commission vide Gazette Notification dated 02.06.2020 issued the Business Plan Regulations, 2019 for the control period from FY 2020-21 to FY 2022-23 in line with the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 (hereinafter referred to as DERC Tariff Regulations, 2017).

3.1.2 In terms of Regulation 22 of DERC Tariff Regulations, 2017 and the Business Plan Regulations, 2019, the Hon'ble Commission vide its Tariff Order dated August 28, 2020 approved the Aggregate Revenue Requirement (ARR) of the Petitioner for FY 2020-21.

3.1.3 As Regulation 13 of DERC Tariff Regulations, 2017 provides for truing up of previous year's expenses and revenue, based on audited accounts, the Petitioner in this chapter seeks True-up of expenditure and revenue for FY 2020-21.

3.2 Legislative Provisions of Truing-up

3.2.1 The Petitioner respectfully submits that before adverting to the issues of Truing up on merits, the Petitioner seeks to highlight the statutory provisions and judicial decisions with respect to the concept of Truing up.

3.2.2 The Hon'ble Commission notified Tariff Regulations, 2017 vide official Gazette dated January 31, 2017 which were applicable from February 1, 2017 onwards. Further, the operational norms for Distribution utilities have also been approved by the Hon'ble Commission for the Control Period FY 2020-21 to FY 2022-23 in the Business Plan Regulations, 2019 notified vide Gazette Notification dated 02.06.2020.

3.2.3 Regulation 13 of Tariff Regulations, 2017 states as under:

> *"13. The Utility shall file a Petition for True up of ARR for previous years and determination of tariff in such form and in such manner as specified in these Regulations along with relevant formats of Generating Entity, Transmission Licensee and Distribution Licensee, as the case may be, duly supported with detailed computations."*

3.2.4 In accordance with the aforesaid Regulation, Truing-up of FY 2020-21 is required to

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be carried out and the methodology adopted by the Petitioner for the purpose of Truing-up in the present Petition is based on the following statutory provisions contained in DERC Tariff Regulations, 2017.

3.2.5 In view of the very poor air quality and for reduction in vehicular pollution, the Ministry of Home Affairs, GoNCTD issued directions vide Order dated 17.11.2021 under Section 5 of Environment (Protection) Act 1986, directed for closing all offices of GoNCT of Delhi/Autonomous/ Corporations, except those involved in essential and emergency services, till 21.11.2021. Thereafter, offices in GoNCT of Delhi were further closed till 26.11.2021. Therefore, our concerned team was physically unavailable in office during the said period. Therefore, in view of such uncontrollable factors, the Petitioner has requested the Hon'ble Commission grant relaxation in timeline for submission of the Petition for True Up till FY 2020-21 and determination of Tariff for FY 2022-23.

a) Distribution Loss and Collection Efficiency:

Regulation-8 and 9 of DERC Tariff Regulations, 2017 stipulates targets of Distribution Loss and Collection Efficiency for each year as under:

> *"(8) Distribution Loss & Collection Efficiency trajectory consisting of:*
>
> *(a) Total and voltage-wise distribution losses (%) along with the basis thereof,*
>
> *(b) Total and category-wise revenue collection,*
>
> *(c) AT&C loss level based upon past trends, sales growth and any other factors (9) The AT&C Loss shall be the relationship between Distribution Loss and Collection Efficiency computed as per the following formula:*
>
> *AT&C Loss= [1-(1 – Distribution Loss) * Collection Efficiency)] * 100*
>
> *where, AT&C Loss, Distribution Loss and Collection Efficiency are in (%) percentages."*

In view of above, the Hon'ble Commission specified the targets of Distribution Loss and Collection Efficiency and their financial impact for the Petitioner and consumer, thereon in Regulation 25 and 26 of DERC Business Plan Regulations, 2019 stated as under:

*"**25. TARGET FOR DISTRIBUTION LOSS***

(1) The Distribution Loss target in terms of Regulation 4(9)(a) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensees shall be as follows:

Table 15: Target for Distribution Loss for the Control Period

Sr. No.	***Distribution Licensee***	***2020-21***	***2021-22***	***2022-23***
1	*BSES Rajdhani Power Limited*	*8.10%*	*8.00%*	*7.90%*
2	***BSES Yamuna Power Limited***	***9.00%***	***8.75%***	***8.50%***
3	*Tata Power Delhi Distribution Limited*	*7.90%*	*7.80%*	*7.70%*
4	*New Delhi Municipal Council*	*9.00%*	*8.75%*	*8.50%*

(2) 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) Any financial impact due to Underachievement on account of Distribution Loss target by the distribution licensee for the relevant year, (i.e. Actual Loss > Loss Target) shall be to the account of distribution licensee as specified in Regulation 161 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

(4) 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

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[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.*

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%.

(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."

b) Power Purchase Cost

Regulation-152 of Tariff Regulations, 2017 stipulates truing up of Power Purchase Cost as under:

"152. True up of ARR for Distribution (Wheeling &Retail Supply) Licensee shall be conducted on the following principles:

(a) Variation in revenue and sales of the distribution licensee based on projected revenue and sales vis-a-vis actual revenue and sales;

(b) Variation in long term power purchase quantum and cost of the distribution licensee based on merit order dispatch principle of projected long term power purchase quantum and cost vis-a-vis actual long term power purchase quantum and cost."

Accordingly, the Power Purchase cost, for the purpose of Truing up, has been considered based on actual Power Purchase cost for FY 2020-21.

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c) Operation and Maintenance Expenses

For normative O&M expenses, Regulation 23 of the Business Plan Regulations, 2019 states as under:

*"**23. OPERATION AND MAINTENANCE EXPENSES***

(1) Normative Operation and Maintenance expenses in terms of Regulation 4(3) and Regulation 92 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2019 for the Distribution Licensees shall be as follows:

Table 9: Norms for O&M Expenses for BYPL for the Control Period

Particulars	*Unit*	*2020-21*	*2021-22*	*2022-23*
66 kV Line	*Rs. Lakh/ckt. km*	***4.857***	*5.043*	*5.236*
33 kV Line	*Rs. Lakh/ckt. km*	***4.857***	*5.043*	*5.236*
11kV Line	*Rs. Lakh/ckt. km*	***2.036***	*2.114*	*2.195*
LT Line system	*Rs. Lakh/Ckt. km*	***9.173***	*9.524*	*9.890*
66/11 kV Grid S/s	*Rs. Lakh/MVA*	***1.157***	*1.201*	*1.247*
33/11 kV Grid S/s	*Rs. Lakh/MVA*	***1.157***	*1.201*	*1.247*
11/0.415 kV DT	*Rs. Lakh/MVA*	***2.534***	*2.631*	*2.732*

Accordingly, the Petitioner has considered normative O&M Expenses, details of which have been elaborated later in this chapter. Further, the additional expenses have also been considered based on Regulation 45 and Regulation 23 specified in the DERC Tariff Regulations, 2017 and the Business Plan Regulations, 2019 respectively.

d) Depreciation

Regulation 29 of the DERC Tariff Regulations 2017, states as under:

"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

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charges shall be excluded from the Capital Cost for the purpose of computation of interest on loan, return on equity and depreciation."

Accordingly, the Petitioner has computed depreciation for FY 2020-21 on average GFA net of Consumer Contribution.

e) Return on Capital Employed (RoCE)

Regulation 68 and 69 of Tariff Regulations 2017 states as under:

"68. The Regulated Rate Base for the i^{th} year of the Control Period shall be computed in the following manner:

$$RRB_i = RRB_{i-1} + \Delta AB_i/2 + \Delta WCi;$$

69. Return on Capital Employed (RaCE) for the year "i" shall be computed in the following manner:

$$RoCE = WACC * RRB_i$$

"

Accordingly, the Petitioner has computed RRB in accordance with the methodology specified in Regulation-69 of Tariff Regulations, 2017. Further, RoCE has been computed by multiplying WACC with RRB. As regards the computation of WACC, Regulation 70 of Tariff Regulations, 2017 states as under:

"70. The WACC for each year of the Control Period shall be computed at the start of the Control Period in the following manner:

$$WACC = \left[\frac{D/E}{1+D/E}\right] * r_d + \left[\frac{1}{1+D/E}\right] * r_e$$

Where,

....

rd is the cost of debt and shall be determined at the beginning of the Control Period after considering Licensee's proposals, present cost of debt already contracted by the Licensee, credit rating, benchmarking and other relevant factors (risk free returns, risk premium, prime lending rate etc.)

re is the Return on Equity and shall be considered at 16% post-tax:

...”

As evident from the aforesaid Regulations, the rate of return on equity is specified as 16%.

Further, in terms of Regulation 77 of the Tariff Regulations 2017, “*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”*

Accordingly, the Petitioner has considered the blended rate of interest on debt at the rate of 12.01% and ROE at the rate of 16% for computation of WACC during FY 2020-21.

f) Income-tax:

Regulation 72 of Tariff Regulations, 2017 specifies as under:

“72. Tax on Return on Equity: The base rate of return on equity as specified by the Commission in the Business Plan Regulations shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid vis-à-vis total income of the Utility in the relevant financial year in line with the provisions of the relevant Finance Acts.

Provided that if the rate of return on equity for a Control Period is allowed on pre-tax basis, then income tax on the return on equity shall not be allowed separately as a pass through in ARR;

Provided further that no amount shall be considered towards tax exceeding the actual amount of tax paid by the corporate entity of the Utility as an assesse.”

Accordingly, the Petitioner has considered Income Tax for FY 2020-21 after

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grossing-up ROE by MAT rate effectively paid in FY 2020-21.

g) Non-Tariff Income:

Regulation-94 of Tariff Regulations, 2017 states as under:

"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 lists 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.

95. The Non-Tariff Income shall be reduced from ARR."

Accordingly, the Petitioner has identified items to be considered for Non-Tariff Income for FY 2020-21.

3.2.6 Further, the Petitioner vide its letter dated 15.11.2021 submitted the Audited Financial Statement for FY 2020-21 which is enclosed herewith as **Annexure – 3A.1** for kind consideration of the Hon'ble Commission.

3.2.7 Based on the above Regulations, the Petitioner prays for True-up of the financials of the Petitioner for FY 2020-21 as follows:

3.3 Energy Sales

3.3.1 The actual energy sales during FY 2020-21 was 5,865.57 MU including sales on account of enforcement as per Note 64 of audited accounts of FY 2020-21.

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3.3.2 It is submitted that Regulation 152 of the DERC Tariff Regulations, 2017 provides that true up of ARR for Distribution (Wheeling & Retail Supply) shall be conducted on variation in revenue and sales of the distribution licensee based on projected revenue and sales vis-à-vis actual revenue and sales. Therefore, the Petitioner requests the Hon'ble Commission to carry out the true-up of the variation in the revenue and expenditure for FY 2020-21. The quantum of energy sales is an uncontrollable factor and therefore any variation and its impact thereto ought to be allowed by the Hon'ble Commission.

3.3.3 The category-wise monthly bifurcation of energy sales during FY 2020-21 is tabulated below:

Table 3A 1: Category-wise monthly bifurcation of energy sales during FY 2020-21 (MU)

S.No	Category	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
A	**Domestic**	**246**	**363**	**401**	**456**	**479**	**448**	**399**	**237**	**208**	**261**	**233**	**234**	**3,963**
A.1	Domestic other than A2, A3 & A4	241	356	393	446	470	440	390	232	204	255	226	226	3,879
A.2	Single Delivery Point on 11 KV CGHS	1	2	2	3	1	2	2	1	1	1	2	2	20
A.3	11 KV Worship/Hospital	3	3	4	5	6	5	5	3	3	4	4	5	50
A.4	DVB Staff	1	1	2	2	2	2	2	1	1	1	1	1	15
B	**Non Domestic**	**107**	**-61**	**93**	**153**	**134**	**133**	**138**	**111**	**93**	**98**	**94**	**129**	**1,221**
B.1	Non Domestic LT Upto 3 KVA	23	-22	16	38	30	30	31	24	20	20	19	25	254
B.2	Non Domestic LT Above 3 KVA	70	-52	59	93	81	80	84	69	56	61	58	75	735
B.3	Non Domestic HT	13	12	18	22	23	22	23	18	16	17	17	29	232
C	**Industrial**	**17**	**-1**	**21**	**29**	**32**	**32**	**34**	**31**	**26**	**28**	**27**	**42**	**318**
C.1	Industrial LT	12	-5	16	23	25	26	28	26	22	24	23	35	254
C.2	Industrial HT	5	4	5	6	7	6	7	5	4	4	4	7	65
D	Agriculture	0	0	0	0	0	0	0	0	0	0	0	0	0
E	Mushroom Cultivation	0	0	0	0	0	0	0	0	0	0	0	0	0

S.No	Category	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
F	**Public utilities**	**27**	**19**	**19**	**19**	**19**	**19**	**27**	**24**	**25**	**25**	**27**	**35**	**285**
F.1	Public Lighting (Metered)	7	5	4	3	4	3	5	4	5	5	5	5	54
F.2	Public Lighting (Un-Metered)	1	1	1	1	1	1	1	1	0	1	1	1	9
F.3	DJB	12	12	13	12	13	13	13	11	13	12	12	16	152
F.4	DMRC	7	2	2	2	1	2	9	8	7	8	9	14	70
G	Temporary Supply	2	1	4	5	5	5	5	3	3	4	4	5	47
H	Advertisement & Hoardings	0	0	0	-0	0	0	0	0	0	0	0	0	0
I	Self-consumption	0	0	1	1	1	1	1	1	1	1	1	1	9
J	Enforcement	0	0	0	1	1	1	1	1	1	1	1	2	9
K	E Vehicle at LT	1	0	0	1	1	1	1	1	1	1	1	2	13
Total		**401**	**321**	**540**	**664**	**672**	**640**	**606**	**409**	**358**	**420**	**388**	**448**	**5,866**

3.3.4 **Enforcement Sale:** This includes energy sold to consumers/persons booked under Section 126 and/or Section 135 of the Electricity Act, 2003 for indulging in theft of electricity. In its Order dated August 26, 2011 in the true-up for FY 2008-09 and FY 2009-10 and ARR for FY 2011-12 the Hon'ble Commission had reduced the MUs in relation to enforcement sale by dividing the enforcement collection by twice the average billing rate instead of single ABR. The approach adopted by the Hon'ble Commission in its said order dated August 26, 2011 was upheld by the Hon'ble ATE in Judgment dated November 28, 2014 (Appeal No. 61 and 62 of 2012) inter-alia as under:

> *"58. In view of the above discussions the issue is decided as under:*
>
> *…*
>
> *2) The Commission has adopted correct approach for computing MUs on account of enforcement*
>
> *…"*

3.3.5 The Petitioner has preferred a Civil Appeal Nos. 4323 & 4324 of 2015 before the Hon'ble Supreme Court against the aforesaid Judgment of the Hon'ble ATE dated November 28, 2014 (Appeal 61 & 62 of 2012). Without pre-judice to the pendency of aforesaid Appeal, and without admitting or waiving any of its contentions against the said Judgment dated November 28, 2014 or the Hon'ble Commission's order dated August 26, 2011 insofar as the decision on enforcement sales are concerned, the Petitioner has computed the enforcement revenue as per the approach of the Hon'ble Commission and is shown in the table below:

Table 3A 2: Enforcement Units considered for Truing-up during FY 2020-21

S. No	Particulars	Formula	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
A	Total Units Billed excl. enforcement (MU)	A	400	321	540	663	671	639	605	409	357	418	387	447	5,856
B	Total Amount Billed excl. enforcement *(₹ Cr)	B	294	185	379	467	469	448	433	285	290	326	306	352	4,234
C	ABR* (₹/KWh)	C = B/A * 10	7.34	5.76	7.02	7.04	6.99	7.01	7.17	6.97	8.13	7.79	7.91	7.88	7.23
D	Twice of average billing rate (₹/Kwh)	D = C * 2	14.68	11.51	14.05	14.08	13.98	14.02	14.34	13.93	16.27	15.58	15.82	15.75	14.46
E	Enforcement Collected* (₹ Cr)	E	0.01	0.11	0.37	0.74	0.96	1.38	1.29	1.11	1.40	1.98	2.03	2.57	13.94
F	Units Billed on account of enforcement	F = E / D *10	0.01	0.09	0.27	0.52	0.68	0.98	0.90	0.80	0.86	1.27	1.28	1.63	9.30

**Net of Non energy, E-tax, LPSC and RA surcharge*

3.3.6 **Own Consumption**: This includes energy sales towards self-consumption of the Petitioner in its establishment i.e. its offices, call centres, sub-stations, etc. There is a mandatory direction by the Hon'ble APTEL in its judgment dated March 2, 2015 to inter alia arrive at the quantum of self-consumption based on the actual figure. The Hon'ble APTEL in Judgment dated March 2, 2015 (Appeal No. 178 of 2012) ruled as under:

"25.5 This issue has also been dealt by us in Appeal no. 195 of 2013 filed by a consumer and the Tribunal decided as under:

"We feel that the Appellant should have installed meters for self consumption in all its offices, call centres, sub-stations, etc. The Respondent no.2 does not

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need specific instructions for the same. When the Respondent no.2 is including self consumption in its energy sale figures, then it was legally bound to supply electricity for gross consumption only through correct meters. We feel that the State Commission should have allowed self consumption only to the extent of actual consumption for metered installations. The formula proposed by the Respondent no. 2 for calculating own consumption in its installations is for calculating energy consumption for consumers in case of faulty meters. Accordingly, we direct the State Commission to re-determine the self consumption based on the metered data only. We also do not feel that this would result in change in procedure in true up with respect to the MYT order dated 23.02.2008. In the MYT order the consumption is based on the projections. In the MYT order the State Commission has not approved that the self consumption would not be metered and would only be assessed by a formula considering the load, number of days/hours, load factor, etc."

3.3.7 Further, Regulation 23 (2) of Business Plan Regulations, 2019 specifies as follows:

"23…(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"

3.3.8 As per Regulation 23(2) of Business Plan Regulations, 2019, the Own Consumption of the Petitioner for FY 2020-21 is within the specified normative limit. Further, the Hon'ble APTEL has directed the Hon'ble Commission to allow the actual self-consumption. Accordingly, the units billed in the Petitioner's own office buildings during FY 2020-21 is 8.59 MU, the details of which are as under:

Table 3A 3 Comparison of Normative Self consumption and actual self-consumption

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during FY 2020-21

S.No	Particulars	Units (in MU)
A	Units Billed Excluding Self consumption	5,856.99
B	Self-consumption on Normative basis 0.25% of A	14.64
C	Actual Self consumption claimed by Petitioner	8.59

3.3.9 Based on the above submissions, the comparison of actual category-wise energy sale during FY 2020-21 and the category wise sales projected by the Hon'ble Commission while approving the ARR for FY 2020-21 is tabulated below:

Table 3A 4: Category-wise energy sales during FY 2020-21 (MU)

S. No	Category	Projections (as per Tariff Order)	Actuals
A	Domestic	3,949	3,963
B	Non Domestic	1,483	1,221
C	Industrial	317	318
D	Agriculture	0	0
E	Public utilities	324	285
F	Advertisement and Hoardings	0	0
G	temporary Supply	47	47
H	Charging Station for E Vehicle	24	13
I	Others*	21	18
Total		**6,165**	**5,866**

**Includes Enforcement, Self-consumption etc.*

3.3.10 In view of the above, it is prayed that the Hon'ble Commission may kindly approve the actual energy sales to various consumer categories as submitted in the above table while truing-up the uncontrollable costs for FY 2020-21.

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3.4 Distribution loss for FY 2020-21

3.4.1 The Energy Input considered by the Petitioner for arriving at the Distribution Loss is net of energy input on account of open access consumers and arriving at a level of 6,374.42 MU for FY 2020-21. The same is tabulated below in Table 3A 5:

Table 3A 5: Energy Input considered for the purpose of calculation of Distribution Loss

Particulars	Figures
Energy Input as per SLDC (MU)	6,460.83
Less: Energy Input on account of Open Access (MU)	86.41
Net Energy input consider for calculation of distribution loss (MU)	**6,374.42**

3.4.2 The Petitioner vide its letter dated RA/BYPL/2021-22/228 dated 12.11.2021, has submitted a representation on revision of Distribution Loss target for FY 2020-21 and subsequent year(s) of the Business Plan Period due to the adverse impact of lockdown and COVID-19 pandemic. The Petitioner would like to bring the following facts to the kind notice of the Hon'ble Commission:

I. The spread of COVID-19 has severely affected the whole country. The effect of the pandemic was specifically severe during the period of the lockdown including last few days of FY 2019 - 20 and a significant part of FY 2020-21. Almost all economic activity came to stand still during the period of the lockdown except for certain essential services which were permitted to operate with stringent restraints and precautions. Subsequently, while there were different phases during which the lockdown restrictions were eased, even then, mainstream economic activities were still severely curtailed.

II. Due to the closure of non-essential activities during the lockdown phases and the restrictions and fear of spread of the pandemic in the general public even during the 'unlock' phase, the consumption of electricity, mainly under Non-Domestic, DMRC, Industrial categories dropped significantly. Specifically, the following undisputed facts may be noted:

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a) The complete lockdown phase was effective from 22nd March 2020 to 31st May 2020. During this time, due to the absolute restrictions in place, Petitioner's billing for the period from April 2020 till June 2020, was significantly affected.

b) The consumption during the 'unlock' phases was recorded from July 2020 onwards, where consumption started gradually increasing and that too in a phased manner. In point of fact, even in the 'unlock' phases, there were containment zones which were specified by the GoNCTD where severe restrictions on non-essential activities continued to operate.

A comparison of broad category wise consumption for the lockdown and unlock phases as compared to corresponding period of previous year, is shown below in Table 3A.6 which clearly indicates that consumption in major categories dropped significantly. The major affected categories in lockdown period and unlock period were Non-Domestic, Industrial, DMRC, Temporary Supply etc.

Table 3A 6: Effect of Lockdown and unlock phases on consumption of broad category

		Consumption Growth in %		
		Lockdown Phase	Unlock Phase	
S.No	**Category**	**April'20 to June'20**	**July'20 to Mar'21**	**Total**
1	Domestic	-8.97%	0.19%	-3.20%
2	Non Domestic	-70.60%	-14.43%	-36.91%
3	Industrial	-61.39%	1.53%	-23.76%
4	DMRC	-76.60%	-44.16%	-68.26%
5	Others	-22.73%	-9.80%	-17.37%
Total		**-30.16%**	**-5.04%**	**-15.28%**

III. The above unprecedented situation did not go unnoticed by the Hon'ble Commission, which exercised its regulatory powers to provide much needed relief(s) to the consumers of Delhi. The Hon'ble Commission vide its letter dated 08.07.2020 suspended the Provisions of Supply Code and Performance Standards Regulations, 2017

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and declared this unprecedented calamity as a force majeure event. Further, the Hon'ble Commission vide its various Orders including Orders dated 07.04.2020, 04.05.2020 and 07.09.2020 provided the consumers of Delhi with the following relief(s):

a) Extension of due date of payment for further two weeks for the period upto 30th June, 2020.
b) Reduction in LPSC rate to a level of 12% or actual cost of working capital (whichever is lower).
c) Raising of provisional bills in case of consumers not covered under AMR/smart meter upto 30th June, 2020.
d) Early payment rebate to the consumer and incentive to provide self-meter reading to DISCOMs.
e) Moratorium on payment of fixed charges for next three billing cycles beginning from 24th march to 30th June 2020 for consumers falling under Non-Domestic, Industrial and public utilities categories.
f) Deferment of annual review of sanctioned load/ contract demand.
g) In case provisional bill is raised to the consumer, Zero energy consumption energy bill shall be served to the Non Domestic and industrial consumers during the period 24th March 2020 to 30th June 2020.
h) Reversal of 50% fixed charges i.e. ₹ 125/KVA/Month to industrial and commercial consumers on the basis of difference between contract demand/ sanctioned load minus MDI.

IV. While a plethora of benefits and relief(s) (as noted above) were extended to the consumers of Delhi, no significant relief was provided to the Petitioner. However, despite the insurmountable odds which the pandemic presented, the Petitioner ensured 24x7 un-interrupted power supply to all of its consumers. However, the pandemic has adversely impacted the operations of the Petitioner. Some of the major challenges / impediments faced by the Petitioner which have a direct and immediate impact on its operations and distribution loss, are listed below:

a) ***Change in Consumption Mix***: Due to the pandemic, the consumption-mix across various categories of consumer changed completely in FY 2020-21 as compared to the previous year. The category wise consumption-mix is tabulated below in Table 3A 7.

Table 3A 7: Comparison of consumption mix in FY 21 as compared to FY 20

S. No.	Category	FY 2019-20	FY 2020-21	Absolute change in Consumption mix
1	Domestic	61.0%	67.6%	6.6%
2	Non-Domestic	26.1%	20.8%	-5.3%
3	Industrial	5.6%	5.4%	-0.2%
4	Street Light	1.4%	1.1%	-0.3%
5	DJB	2.2%	2.6%	0.3%
6	DMRC	2.3%	1.2%	-1.1%
7	Others	1.4%	1.3%	-0.1%

b) ***Change in Proportion of consumption by Consumers drawing power at LT, 11 KV and 33/66 KV voltage Supply:*** As per the system of classification of supply, consumers are served electricity at different voltage levels as per their requirements. The Hon'ble Commission in its Tariff Order dated 28.08.2020 had approved voltage wise Distribution Loss. Consumers availing power supply at 11 KV or 33/66 KV operate at low Distribution Losses as compared to those consumers availing power supply at Low Tension level. A comparison of Distribution Loss approved by the Hon'ble Commission and change in consumption mix at different voltage level due to COVID-19, is tabulated below in Table 3A 8.

Table 3A 8: Distribution loss of BYPL and consumption mix at different voltage level

Particulars	Distribution Loss %	Sales in MU		Proportion		Absolute change %
		FY 20	FY 21	FY 20	FY 21	
Supply at 33/66KV	0.49%	250	152	3.8%	2.6%	-1.2%
Supply at 11 KV	1.83%	541	423	8.1%	7.2%	-0.9%
Supply at LT	9.97%	5,864	5,291	88.1%	90.2%	2.1%
Total	**9.00%**	**6,655**	**5,866**			

The proportionate consumption in FY 21 at 33/66 KV and 11 KV voltage level dropped significantly by 1.2% and 0.9% respectively. On account of this, Distribution Loss level of the Petitioner increased by 0.17% at gross level (total Level). The calculation of the same is shown below in Table 3A 9 below:

Table 3A 9: impact of change in LT/HT/EHT mix on Distribution loss of BYPL

Particulars	Energy Input* (MU)		Energy Billed (MU)		Distribution loss %	
	FY 20	FY 21	FY 20	FY 21	FY 20	FY 21
Supply at 33/66KV	251	153	250	152	0.49%	0.49%
Supply at 11 KV	551	431	541	423	1.83%	1.83%
Supply at LT	6,514	5,876	5,864	5,291	9.97%	9.97%
Total	**7,315**	**6,460**	**6,655**	**5,866**	**9.03%**	**9.20%**

** Energy input across different voltage level is derived as per the distribution loss approved by Hon'ble Commission at different voltage level in Tariff order dated 28.08.2020.*

c) ***Adverse impact on enforcement activities for detection, control and realization of theft*:** Due to the outbreak of COVID-19, the activities related for controlling theft and reduction in distribution losses were not operational during the entirety of the lockdown period. Such activities are also not operational in the containment zones even post the easing of the lockdown. As per the Business Plan Regulations, theft shall be considered on realization basis for calculation of distribution loss. Further, after booking a case of theft, the distribution loss is improved on prospective basis as the consumers come under the mainstream billing net. Another related advantage of controlling theft is that it acts as a deterrent on other consumers who are discouraged from engaging in such unlawful activities. Thus, booking of theft not only has a direct and immediate impact but also has a cascading impact in reduction of Distribution Losses. The impact of theft on Distribution Loss on realized basis and prospective basis is tabulated below in Table 3A 10:

Table 3A 10: Impact of Theft on Distribution Loss

Particulars	FY 20	FY 21	Impact in MU	Impact on Distribution loss%
Theft on realization basis (MU)	15.73	9.30	-6.43	0.10%
Theft due to improvement in billing net (MU)	22.14	8.92	-13.22	0.20%
Total Impact of COVID-19 on Distribution loss due to reduced theft activities				0.30%

d) ***Reduced capital works for loss reduction activities:*** During the period of lockdown, Petitioner was unable to carry out Capex works towards loss reduction activities. Hence, the billing for Q1 of FY 2020-21 was done without any capital works on loss reduction activities on account of the prevalent conditions which were clearly force majeure conditions. During the various unlock phases, capital works started gradually on loss reduction and other activities. The Hon'ble Commission in Para. 4.164 of Tariff Order dated 28.08.2020 has also recognized the fact of lower capitalization due to COVID-19 and allowed 65% of the claimed capitalization during FY 2020-21 for approving the network capacity and O&M expenses. The Distribution Loss target approved by Hon'ble Commission in Business Plan Regulations, 2017 and Business Plan Regulations, 2019 for FY 2019-20 is 10.50% and for FY 2020-21 is 9.00% respectively. Hence on account of reason of no capital works on loss reduction activities during Q1 of FY 2020-21, the Distribution Loss target is directly impacted and ought to be increased by 0.32%, as per the calculations contained in Table 3A 11 below:

Table 3A 11: Revision in Distribution loss Target for FY 2020-21 due to reduced capital works on loss reduction activities

Particulars	Q1	Q2	Q3	Q4	Total
Sales (MU)	1,261	1,975	1,373	1,256	5,866
Sales %	22%	34%	23%	21%	
Distribution loss target to be considered	**10.50%**	**9.00%**	**9.00%**	**9.00%**	**9.32%**

V. It is respectfully submitted that the Hon'ble Commission in its Tariff Regulations, 2017 has defined the force majeure event as under:

> *"(34)* ***"Force Majeure"*** *for the purpose of these, Regulations means any event circumstance or a combination of events and circumstances, which or any consequences of which materially and adversely affects the performance of the Utility in the discharge of its obligations or completion of project/scheme, within the specified time and which is beyond its reasonable control and which the Utility could not have prevented by the exercise of reasonable care and diligence;"*

VI. The Petitioner respectfully submits that solely due to force majeure factors, operations of the Petitioner have been materially and adversely affected. Further, no amount of due care and diligence on the Petitioner's part could have prevented the state of affairs which the pandemic presented. Therefore, the Petitioner requests the Hon'ble Commission to exercise its statutory, regulatory and other enabling powers to revise the Distribution Loss Targets for the Petitioner.

VII. The Hon'ble Commission in its Business Plan Regulations, 2019 has approved Distribution Loss target of 9.00% for FY 2020-21. However, during FY 2020-21, the Distribution Loss of the Petitioner is 7.98% as against 7.31% as compared to the previous year. In view of above submission, the Hon'ble Commission is requested to kindly revise the Distribution Loss target for FY 2020-21 and its consequent impact in the balance control period as per the methodology proposed in the Table 3A 12 below:

Table 3A 12: Proposed request to revise the Distribution loss Target for Control period.

Particulars	FY 21	FY 22	FY 23	Remarks
As per Business Plan Regulation 2019	9.00%	8.75%	8.50%	
% YOY Reduction		-2.78%	-2.86%	
Less Adverse impact of change in voltage wise Mix	0.17%			
Less: Adverse Impact on Theft and other loss reduction activities.	0.30%			
Less: adverse Impact of reduced Capex in Q1	0.32%			
Revised normative Distribution loss as proposed	**9.80%**	**9.53%**	**9.25%**	

3.4.3 The Hon'ble Commission vide its order dated 08.07.2020 has already declared the COVID-19 pandemic a force majeure event. The Petitioner therefore request the Hon'ble Commission to kindly exercise its statutory, regulatory and other enabling powers and allow the impact of these force majeure conditions and revise the Distribution Loss target as per the proposal submitted hereinabove for FY 2020-21 and allow the consequent impact and also revise the Distribution Loss target for the balance control period i.e. for FY 2021-22 and FY 2022-23.

3.4.4 The actual distribution loss for FY 2020-21 is tabulated below in Table 3A 13:

Table 3A 13: Distribution loss for FY 2020-21

S. No.	Particulars	UoM	Figure	Remarks/Reference
A	Energy Input	MU	6,374.42	Table 3A 5
B	Energy Billed	MU	5,865.57	Table 3A 4
C	Distribution loss	%	7.98%	(A-B)/A

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3.4.5 Based on the Distribution Loss Target approved by Hon'ble Commission in Regulation 25(1) of Business Plan Regulations 2019 for FY 2020-21, the Petitioner has computed the impact of overachievement in Distribution loss in line with the provisions contained in Regulation 159 of Tariff Regulations, 2017.

> *"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)."*

3.4.6 Further, in terms of Regulation 25(4) of Business Plan Regulations 2019, the Hon'ble Commission has specified the allocation related to financial impact of overachievement on account of distribution loss target between the Petitioner and consumers.

3.4.7 Accordingly, in terms of Regulation 159 of Tariff Regulations, 2017 and Regulation 25(4) of Business Plan Regulations, 2019, the financial impact of overachievement of Distribution Loss target to be passed on to the Petitioner and consumers is tabulated below:

Table 3A 14: Financial Impact of overachievement in Distribution loss target for FY 20-21

S. No	Particulars	UoM	Figure	Remarks/ Reference
A	Energy Purchased at distribution Periphery	MU	6,374.42	Table 3A 5
B	Distribution Loss target for previous Year i.e. FY 2019-20	%	10.50%	As per BPR 2017
C	Distribution Loss target for Current Year i.e. FY 2020-21	%	9.00%	As per BPR 2019

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S. No	Particulars	UoM	Figure	Remarks/ Reference
D	Loss target - 50%*(previous year target - current year target)	%	8.25%	
E	Actual Distribution loss for FY 2020-21	%	7.98%	Table 3A 13
F	Average Power Purchase cost for FY 2020-21	₹/KWh	4.84	
G	Total Financial Impact on account of overachievement of Distribution Loss Target	₹ Cr.	31.39	
H	Impact of Financial benefit to be retained by the Petitioner	₹ Cr.	13.21	
I	Impact of Financial benefit to be passed on to the consumer	₹ Cr.	18.18	

3.4.8 The Petitioner has computed the financial impact of over-achievement of Distribution Loss target for FY 2020-21 considering the normative loss level of 9% as approved by the Hon'ble Commission. As discussed earlier, the Petitioner has requested the Hon'ble Commission to revise the normative loss target to 9.80% for FY 2020-21 instead of 9% loss target. The financial impact of overachievement of Distribution Loss target to be passed on to the Petitioner and consumers considering the revised normative Distribution Loss of 9.80% is tabulated below:

3.5 Collection efficiency during FY 2020-21

3.5.1 Hon'ble Commission has defined the collection efficiency in its Regulation 5(11) of Tariff Regulations, 2017. The extract of Regulation 5(11) of Tariff Regulations 2017 is reproduced below:

> *"5 (11) Collection efficiency shall be measured as ratio of total revenue realized to the total revenue billed in same year.*

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Provided that Revenue realised or revenue billed on account of electricity duty, late payment surcharge, any other surcharge shall be excluded from the computation of collection efficiency"

3.5.2 Further, Regulation-26 (1) of Business Plan Regulations, 2019 specifies targets for Collection Efficiency from FY 2020-21 to FY 2022-23 at 99.50%. Extract of Regulation 26 of Business Plan Regulations, 2019 is reproduced below:

"26. TARGET FOR COLLECTION EFFICIENCY

(1) The targets for Collection Efficiency for FY2020-21 to FY2022-23 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."

3.5.3 The Petitioner has billed gross amount of ₹4,914.98 Crore during FY 2020-21 which includes amount on account of Electricity Tax, 8% RA Surcharge, and Pension Surcharge. The Amount Billed considered for the purpose of computation of AT&C losses during FY 2020-21 is tabulated below:

Table 3A 15: Revenue Billed for AT&C Loss True-up for FY 2020-21 (₹ Cr.)

S. No	Particulars	FY 2020-21	Reference
A	Total Revenue Billed	4,914.98	Note 64 of the Audited Accounts
B	Less: Electricity Tax Billed	175.86	Note 64 of the Audited Accounts
C	Less: 8% RA surcharge Billed	316.46	Note 64 of the Audited Accounts
D	Less: Pension Surcharge	175.14	Note 64 of the Audited Accounts

S. No	Particulars	FY 2020-21	Reference
E	**Revenue Billed for AT&C True up**	**4,247.51**	**A-B-C-D**

3.5.4 The Petitioner has collected the Gross revenue of ₹4956.89 Crore during FY 2020-21 which includes collection on account of Electricity Tax, LPSC, 8% RA Surcharge and Pension Surcharge. The Revenue Collected considered for the purpose of computation of AT&C losses during FY 2020-21 is tabulated below:

Table 3A 16*:* Revenue Collected for AT&C Loss True-up for FY 2020-21 (₹ Cr.)

S. No	Particulars	FY 2020-21	Reference
A	Total Revenue Collected	4,956.89	Note 64 of the Audited Accounts
B	Less: LPSC	21.84	Note 64 of the Audited Accounts
C	Less: Electricity Tax	175.45	Note 64 of the Audited Accounts
D	Less: 8% RA Surcharge	315.38	Note 64 of the Audited Accounts
E	Less: Pension Surcharge	172.58	Note 64 of the Audited Accounts
F	**Net revenue Collected**	**4,271.64**	**A-B-C-D-E**

3.5.5 Accordingly, in terms of Regulation 163 of Tariff Regulations, 2017 and Regulation 26(3) of Business Plan Regulations, 2019, the financial impact of overachievement of Collection efficiency target to be passed on to the Petitioner and Consumers is tabulated below:

Table 3A 17: Financial Impact of Overachievement of Collection Efficiency Target for FY 2020-21

S.No	Particulars	UoM	FY 2020-21	Remarks
A	Amount Billed	₹ Cr.	4,247.51	Table 3A 15
B	Amount Collected	₹ Cr.	4,271.64	Table 3A 16
C	Actual Collection Efficiency	%	100.57%	
D	Collection Efficiency Target	%	99.50%	

S.No	Particulars	UoM	FY 2020-21	Remarks
E	**Total Financial Impact (Incentive) on account of overachievement of Collection efficiency Target**	₹ Cr.	45.37	
F	**Incentive Petitioner Share**	₹ Cr.	34.75	
G	**Incentive Consumers Share**	₹ Cr.	10.62	

3.6 Power Purchase Quantum

3.6.1 The Petitioner purchases almost 80% 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 Hon'ble Commission to the Petitioner as per its orders dated 31-03-2007.

3.6.2 The Petitioner vide its below listed letters has already submitted to the Hon'ble Commission the details of monthly invoices and cost of power purchase cost raised by Generating Companies and Transmission Companies for the period April 2020 to March 2021.

Table 3A 18: Correspondences with DERC regarding power purchase bills

S. No.	Months	Letter No.	Date
1	Apr-20	By Mail	03-07-2020
2	May-20	RA/BYPL/2020-21/44	03-07-2020
3	Jun-20	RA/BYPL/2020-21/88	06-08-2020
4	Jul-20	RA/BYPL/2020-21/107	27-08-2020
5	Aug-20	RA/BYPL/2020-21/143	05-10-2020
6	Sep-20	RA/BYPL/2020-21/153	21-10-2020
7	Oct-20	RA/BYPL/2020-21/188	27-11-2020
8	Nov-20	RA/BYPL/2020-21/209	04-01-2021
9	Dec-20	RA/BYPL/2020-21/221	27-01-2021
10	Jan-21	RA/BYPL/2021-22/248	26-02-2021
11	Feb-21	RA/BYPL/2021-22/02	07-04-2021
12	Mar-21	RA/BYPL/2021-22/81	29-06-2021

3.6.3 The Petitioner vide its Letter No. RA/BYPL/2021-22/108 dated July, 2021 has a submitted the Power Purchase Cost Statement for the period April 2020 to March 2021 duly certified by the Statutory Auditor. All the PPAs were submitted to the

Hon'ble Commission vide letters dated June 20, 2016 and December 30, 2016 and approved by the Hon'ble Commission vide its letter dated July 06, 2016 and January 27, 2017 respectively.

3.6.4 Further, the details of PPA have also been submitted through Business plan submissions dated 21.10.2019.

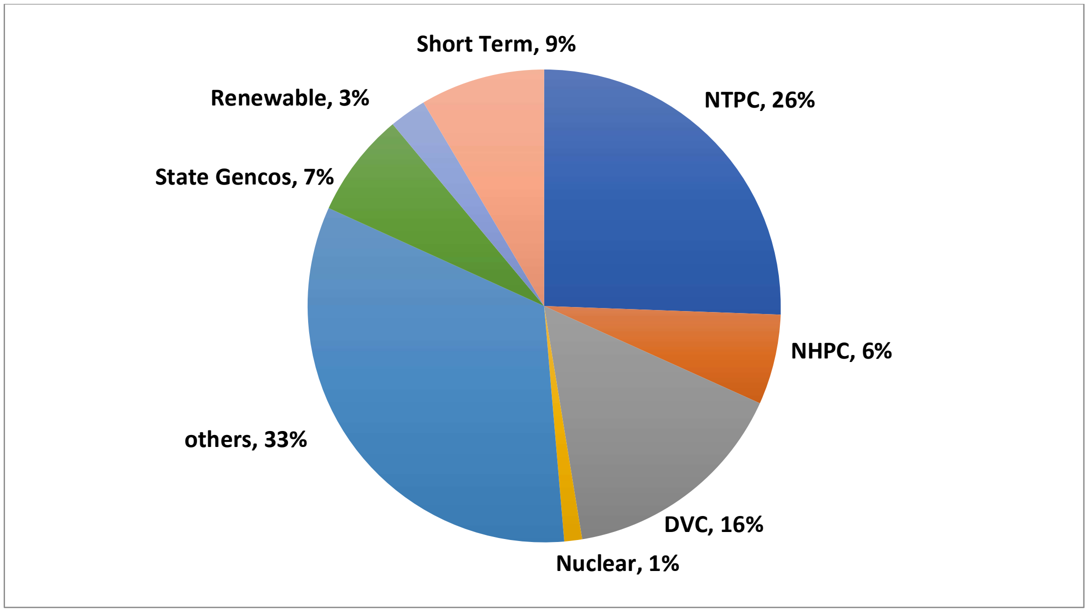

Figure 3.1 Source-wise bifurcation of quantum percentage for FY 2020-21

3.6.5 The summary of actual power purchase quantum procured by the Petitioner during FY 2020-21 is as follows:

Table 3A 19: Power Purchase Quantum for FY 2020-21 (MU)

S. No	Particulars	Submission	Remarks/ Ref.
A	Power Purchase:		
i	Gross Power Purchase Quantum	8066	includes Banking
ii	Power sold to other sources	1412	
iii	**Net Power Purchase**	**6654**	**i-ii**
B	Transmission Loss:		
i	Inter-State Transmission Loss	279	
ii	Intra-State Transmission Loss		
iii	**Total transmission loss**	**279**	**i+ii**

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S. No	Particulars	Submission	Remarks/ Ref.
C	**Net power available after Transmission Loss***	**6374**	**A-B**

**Net of 'net metering'*

3.7 Short term Purchase

3.7.1 During FY 2020-21, the Petitioner has procured a total of 687 MU through Bilateral/Banking/Intrastate/UI under short term purchase. The summary of source-wise details of short term power purchase is tabulated below:

Table 3A 20: Details of Short Term Power Purchase

S. No	Particulars	FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21	
		Energy (MU)	(%)	Energy (MU)	(%)	Energy (MU)	(%)	Energy (MU)	(%)
A	Bilateral	27	3%	1	0%	0	0%	62	9%
B	Banking	805	83%	1019	96%	83	30%	426	62%
C	Exchange	69	7%	8	1%	192	68%	192	28%
D	Intra-State	10	1%	5	0%	0	0%	0	0%
E	UI	59	6%	31	3%	7	2%	7	1%
F	**Total**	**970**		**1064**		**282**		**687**	

As regards short term power purchase, the Hon'ble Commission in Tariff Order dated July 23, 2014 advised the Petitioner that "*in case of excess demand the Petitioner may first utilise the quantum of Banked Energy and in case of further shortage they may purchase from Bilateral/ Exchange etc. so as to keep the short term power purchase cost at minimum level.*" Accordingly, the Petitioner purchased almost 90% of short term energy through Banking and Exchange. The banking transactions involve marginal cost and the prices at exchange are market discovered prices and are determined transparently.

3.8 Short term power sales

3.8.1 During FY 2020-21, the Petitioner has sold total of 1412 MU under short term sale through Bilateral/Banking/Intrastate/UI mode. The source-wise details of sale of

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surplus power are tabulated below:

Table 3A 21: Details of Short Term Power Sales

S. No	Particulars	FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21	
		Energy (MU)	(%)	Energy (MU)	(%)	Energy (MU)	(%)	Energy (MU)	(%)
A	Bilateral	18	2%	77	3%	0	0%	267	19%
B	Banking	867	74%	1157	46%	466	32%	466	33%
C	Exchange	275	24%	1245	50%	0	0%	614	43%
D	Intra-State	1	0%	3	0%	66	4%	0	0%
E	UI	6	1%	7	0%	947	64%	66	5%
F	**Total**	**1168**		**2489**		**1478**		**1412**	

3.8.2 The total quantum purchased during FY 2020-21 and Plant-wise Petitioner's share is tabulated below:

Table 3A 22: Details of Power Purchase Quantum Station wise for FY 2020-21

S. No	Stations	Total Generation	Energy received at Delhi Periphery	Petitioner Share
		MU	MU	MU
Central Sector Generating Stations (CSGS)				
A	**NTPC**			
1	ANTA GAS POWER PROJECT	*	*	3
2	AURAIYA GAS POWER STATION			9
3	BADARPUR THERMAL POWER STATION			0
4	DADRI GAS POWER STATION			26
5	FEROZE GANDHI UNCHAHAR TPS 1			26
6	FEROZE GANDHI UNCHAHAR TPS 2			51
7	FEROZE GANDHI UNCHAHAR TPS 3			34
8	FARAKKA STPS			28
9	KAHALGAON THERMAL POWER STATION 1			65
10	NATIONAL CAPITAL THERMAL POWER			1
11	RIHAND THERMAL POWER STATION 1			0

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S. No	Stations	Total Generation	Energy received at Delhi Periphery	Petitioner Share
		MU	MU	MU
12	RIHAND THERMAL POWER STATION 2			241
13	SINGRAULI STPS			482
14	KAHALGAON THERMAL POWER STATION 2			191
15	TALCHER			
16	DADRI TPS-II			507
17	RIHAND THERMAL POWER STATION 3			387
18	KOLDAM HPS-I			
	Sub Total			2051
B				
	NHPC Ltd.			
1	BAIRASIUL P S			12
2	SALAL P S			101
3	CHAMERA I P S			45
4	TANAKPUR P S			11
5	URI P S			81
6	DHAULIGANGA PS			38
7	CHAMERA - II PS			22
8	DULHASTI PS			72
9	SEWA-II			12
10	CHAMERA - III PS			32
11	URI II			53
12	PARBATI-III			20
	Sub Total			498
C				0
1	Nuclear Power Corp. of India Ltd.			0
2	Nuclear Power Corp. of India Ltd. Narora			0
	Nuclear Power Corp. of India Ltd. Kota UNIT - 5&6 RAPP			99
	Sub Total			99
D				
	Satluj Jal Vidyut Nigam Ltd.			0
	Satluj Jal Vidyut Nigam Ltd.			168
	Sub Total			168

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S. No	Stations	Total Generation	Energy received at Delhi Periphery	Petitioner Share
		MU	MU	MU
E	Tehri Hydro Development Corp. Ltd.			0
	Tehri			0
	KOTESHWAR			0
	Sub Total			0
				0
F	Tala Power thru PTC			25
G	Damodar Valley Corporation			0
1	Mejia Units 6			128
2	CTPS 7 & 8			450
3	MTPS Unit 7			686
	Sub Total			1263
H	Power stations in Delhi			
	Indraprastha Power Generation Co.Ltd. IP			
1	Indraprastha Power Generation Co.Ltd. RPH			0
2	Indraprastha Power Generation Co.Ltd. GT			36
3	Pragati Power Corp.Ltd. Pragati I			233
4	Pragati Power Corp.Ltd. Pragati III (Bawana)			310
	Total SGS			578
1	Delhi MSW Soluction Limited			32
2	East Delhi Waste Processing Company	*	*	1
I	Total Other			33
	Power stations in Delhi			611
J	Aravali Power Corporation Ltd .			0
	JHAJJAR			13
	Sub Total			13

S. No	Stations	Total Generation	Energy received at Delhi Periphery	Petitioner Share
		MU	MU	MU
				0
K	Sasan			2479
				0
L	SECI			
1	SECI - Kilaj S(M)PL			77
2	SECI - Alfanar EPL			53
3	SECI - EDEN MSPL			41
	Sub Total			172
	Total (A)			**7379**

**Total generation and energy received at Delhi periphery yet to be received from SLDC.*

3.8.3 In view of the above, it is prayed that the Hon'ble Commission may kindly consider the actual gross power purchase quantum of 7,379 MU during FY 2020-21 as submitted in the above table.

3.9 Power Purchase Cost

a) Long Term Power Purchase

3.9.1 The power purchase cost is primarily based on the tariff determined by the Appropriate Commission under section 62(1)(a) or adopted under Section 63 of the 2003 Act for the supply of electricity from generating companies to distribution licensees. Accordingly, when the generating company is owned and/or controlled by the Central Govt. or is supplying to more than one State, Hon'ble CERC determines/adopts the tariff. In all other cases, it is the Hon'ble Commission which determines/adopts the tariff of the generating companies owned and/or controlled by the GoNCTD. As stated above, the Petitioner has already submitted the monthly invoices raised to the Hon'ble Commission. The Petitioner has considered the total cost on account of long term sources during FY 2020-21 which includes fixed cost, variable cost, arrears, other charges etc. as scheduling of power is controlled by SLDC.

<u>Merit Order Despatch (MOD) under the control of SLDC:</u>

3.9.2 As per Section 32 of the Electricity Act, 2003, the scheduling is being done by SLDC and DISCOMs have no control over backing-down of the costly power plants.

3.9.3 Following points may be noted with respect to actual power purchase cost.

a) SLDC has clearly intimated that scheduling of Central Generating Stations and other inter-state Generating Stations is controlled by RLDC and hence DISCOM wise scheduling is not possible.

b) The availability of Plants is beyond the control of DISCOMs and the actual availability of Plants differs from the projections. The monthly MOD submitted by the DISCOMs is based on past Month ECR which may not be valid on real time basis.

c) Further, CERC (IEGC) 4thamendment 2016 Regulation provides as under:

> *"The CGS or ISGS may be directed by concerned RLDC to operate its unit(s) at or above the technical minimum but below the normative plant availability factor on account of grid security or due to the fewer schedules given by the beneficiaries and it is further stated that where the CGS or ISGS, whose tariff is either determined or adopted by the Commission, is directed by the concerned RLDC to operate below normative plant availability factor but at or above technical minimum, the CGS or ISGS may be **compensated** depending on the average unit loading duly taking into account the forced outages, planned outages, PLF, generation at generator terminal, energy sent out ex-bus, number of start-stop, secondary fuel oil consumption and auxiliary energy consumption, in due consideration of actual and normative operating parameters of station heat rate, auxiliary energy consumption and secondary fuel oil consumption etc. on monthly basis duly supported by relevant data verified by RLDC or SLDC, as the case may be…*
>
> *In case of coal / lignite based generating stations, following station heat rate degradation or actual heat rate, whichever is lower, shall be considered for the purpose of compensation:*

Sr. No.	*Unit loading as a % of Installed Capacity of the Unit*	*Increase in SHR (for supercritical units) (%)*	*Increase in SHR (for sub-critical units) (%)*
1.	*85-100*	*Nil*	*Nil*
2.	*75-84.99*	*1.25*	*2.25*

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Sr. No.	*Unit loading as a % of Installed Capacity of the Unit*	*Increase in SHR (for supercritical units) (%)*	*Increase in SHR (for sub-critical units) (%)*
3.	*65-74.99*	*2*	*4*
4.	*55.64.99*	*3*	*6*

Compensation for the Station Heat Rate and Auxiliary Energy Consumption shall be worked out in terms of energy charges."

As can be inferred from above, there are multiple buyers from each generator and this part load operation will impact the MOD schedule of the buyers.

d) Further to the above, it is submitted that operation of Plant is not under the control of DISCOMs, and Delhi DISCOMs allocation is around 10%-20% in a significant number of Plants. Since allocation of these Plants are on shared basis and operation of the same is on the basis of aggregation of demand and keeping into account the Grid Security, therefore, the decision of actual operation/availability of plant is not under control of the DISCOMs.

e) There are various instances where forced scheduling is done to maintain Grid security and the Petitioner vide letters dated 09.04.2020, 05.05.2020, 08.06.2020, 06.07.2020, 04.08.2020, 05.10.2020, 02.11.2020, 04.01.2021, 04.03.2021 submitted the details with reasons to Hon'ble Commission/SLDC for the same (on monthly basis).

3.9.4 Besides above uncontrollable situation, the Petitioner strictly follows the Merit Order Dispatch (MOD) while giving request of schedules to Delhi SLDC on daily basis.

3.9.5 However, as per Para 3.152 of Tariff Order of FY 2020-21, the Hon'ble Commission has excluded various power stations from Merit Order Dispatch principle which have must run status like Nuclear & Hydro, State GENCOs which are considered in the islanding scheme of Delhi (Even though, no such "islanding scheme" has ever either seen the light of day or been approved by this Hon'ble Commission) and Eastern Region Plants where there is time delay in revision of schedule.

3.9.6 Further, the Petitioner also requests the Hon'ble Commission to consider forced

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outage/Force Majeure data while considering scheduling and other factors which are beyond the control of Petitioner. In this regard, we request the Hon'ble Commission to consider the following:

Force Scheduling while following Merit Order Despatch Principle:

Regulations 123 & 152 of the Tariff Regulations, 2017 provide as under:

"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 its area of supply;*

152. True up of ARR for Distribution (Wheeling & Retail Supply) Licensee shall be conducted on the following principles:

……Provided that the distribution licensee shall ***submit report from State Load Despatch Centre (SLDC) for instances of forced scheduling*** *due to the reasons not attributable to the Distribution licensee for scrutiny of dispatch of power in Delhi on merit order basis in its area of supply;*

Provided that Sale through Deviation Settlement Mechanism (Unscheduled Interchange) transactions other than ***forced scheduling of power as certified by SLDC on monthly basis*** *shall be limited to the contingency limit as specified by the Commission in the Business Plan Regulations in order to promote Grid Discipline and optimise Power Purchase Cost;*

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;*

….. "

3.9.7 Accordingly, the Petitioner has requested Delhi SLDC for certifying the Force Scheduling during FY 2020-21 vide letter dated 11.11.2021.

3.9.8 Hence, there should be no disallowance on account of Merit Order Dispatch (MOD).

3.9.9 In view of the above, the details of station-wise power purchase cost during FY 2020-21 is tabulated below:

Table 3A 23: Details of Power Purchase Cost Station wise for FY 2020-21

S. No	Stations	Petitioner Share	Fixed Cost	Variable Cost	Other Charges	Arrears	Total Charges	Average Rate
		MU	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹ / kWh
1	2	3	4	5		7	8	9
Central Sector Generating Stations (CSGS)								
A	NTPC							
1	ANTA GAS POWER PROJECT	3	6	1	0	0	7	26.62
2	AURAIYA GAS POWER STATION	9	8	2	2	0	13	14.15
3	BADARPUR THERMAL POWER STATION	0	0	0	0	17	21	0.00
4	DADRI GAS POWER STATION	26	10	7	1	-1	17	6.43
5	FEROZE GANDHI UNCHAHAR TPS 1	26	4	8	0	0	13	4.98
6	FEROZE GANDHI UNCHAHAR TPS 2	51	8	16	1	1	25	4.91
7	FEROZE GANDHI UNCHAHAR TPS 3	34	7	10	1	0	18	5.35
8	FARAKKA STPS	28	3	8	0	0	12	4.08
9	KAHALGAON THERMAL POWER STATION 1	65	9	15	0	0	23	3.60
10	NATIONAL CAPITAL THERMAL POWER	1	40	0	1	11	52	
11	RIHAND THERMAL POWER STATION 1	0	0	0	0	0	0	0.00
12	RIHAND THERMAL POWER STATION 2	241	16	35	0	0	51	2.09
13	SINGRAULI STPS	482	33	68	0	0	101	2.09
14	KAHALGAON THERMAL POWER STATION 2	191	25	41	0	0	66	3.47
15	TALCHER	0	0	0	0	0	0	0.00
16	DADRI TPS-II	507	175	165	10	29	379	7.47
17	RIHAND THERMAL POWER STATION 3	387	54	55	0	0	109	2.83

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S. No	Stations	Petitioner Share	Fixed Cost	Variable Cost	Other Charges	Arrears	Total Charges	Average Rate
		MU	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹ / kWh
1	**2**	**3**	**4**	**5**		**7**	**8**	**9**
18	KOLDAM HPS-I	0	0	0	0	0	0	0.00
	Sub Total	2051	396	431	15	58	905	4.41
B								
	NHPC Ltd.							
1	BAIRASIUL P S	12	1	1	1	0	3	2.45
2	SALAL P S	101	8	6	11	7	32	3.16
3	CHAMERA I P S	45	4	5	0	0	10	2.13
4	TANAKPUR P S	11	3	2	0	0	4	4.17
5	URI P S	81	7	7	3	4	21	2.60
6	DHAULIGANGA PS	38	6	5	0	2	12	3.16
7	CHAMERA - II PS	22	3	2	0	0	6	2.63
8	DULHASTI PS	72	19	18	4	5	46	6.39
9	SEWA-II	12	3	3	0	7	16	12.69
10	CHAMERA - III PS	32	8	6	0	0	15	4.72
11	URI II	53	12	10	4	-2	22	4.19
12	PARBATI-III	20	10	3	0	0	13	6.49
	Sub Total	**498**	**83**	**68**	**23**	**24**	**199**	**4.00**
C								
1	Nuclear Power Corp. of India Ltd.	0	0	0	0	0	0	0.00
2	Nuclear Power Corp. of India Ltd. Narora	0	0	0	0	-9	-9	0.00
	Nuclear Power Corp. of India Ltd. Kota UNIT - 5&6 RAPP	99	0	37	1	-16	22	2.21
	Sub Total	**99**	**0**	**37**	**1**	**-25**	**13**	**1.30**
D								
	Satluj Jal Vidyut Nigam Ltd.	0	0	0	0	0	0	0.00
	Satluj Jal Vidyut Nigam Ltd.	168	21	19	0	0	40	2.38
	Sub Total	**168**	**21**	**19**	**0**	**0**	**40**	**2.38**
E	Tehri Hydro Development Corp. Ltd.							
	Tehri	0	0	0	0	0	0	0.00
	KOTESHWAR	0	0	0	0	0	0	0.00
	Sub Total	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**

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S. No	Stations	Petitioner Share	Fixed Cost	Variable Cost	Other Charges	Arrears	Total Charges	Average Rate
		MU	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹ / kWh
1	2	3	4	5		7	8	9
F	Tala Power thru PTC	25	0	5	0	0	5	2.16
G	Damodar Valley Corporation							
1	Mejia Units 6	128	24	37	0	0	62	4.83
2	CTPS 7 & 8	450	81	116	0	0	197	4.37
3	MTPS Unit 7	686	113	188	0	0	302	4.40
	Sub Total	**1263**	**218**	**341**	**0**	**0**	**560**	**4.43**
H	Power stations in Delhi							
	Indraprastha Power Generation Co.Ltd. IP	0	0	0	0	-1	-1	0.00
1	Indraprastha Power Generation Co.Ltd. RPH	0	0	0	0	0	0	0.00
2	Indraprastha Power Generation Co.Ltd. GT	36	10	12	0	-9	18	4.96
3	Pragati Power Corp.Ltd. Pragati I	233	21	99	0	3	124	5.31
4	Pragati Power Corp.Ltd. Pragati III (Bawana)	310	144	79	1	0	224	7.22
	Total SGS	**578**	**175**	**189**	**1**	**-7**	**364**	**6.30**
1	Delhi MSW Soluction Limited	32	0	23	0	0	23	7.03
2	East Delhi Waste Processing Company	1	0	0	0	0	0	3.32
I	Total Other	33	0	23	0	0	23	6.92
	Power stations in Delhi	**611**	**175**	**212**	**1**	**-7**	**387**	**6.33**
J	Aravali Power Corporation Ltd .							
	JHAJJAR	13	76	4	3	0	83	
	Sub Total	**13**	**76**	**4**	**3**	**0**	**83**	

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S. No	Stations	Petitioner Share	Fixed Cost	Variable Cost	Other Charges	Arrears	Total Charges	Average Rate
		MU	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹ / kWh
1	**2**	**3**	**4**	**5**		**7**	**8**	**9**
K	**Sasan**	**2479**	**36**	**285**	**33**	**3**	**357**	**1.44**
L	SECI	0	0	0	0	0	0	0.00
1	SECI - Kilaj S(M)PL	77	0	20	0	0	20	2.61
2	SECI - Alfanar EPL	53	0	10	0	0	10	1.91
3	SECI - EDEN MSPL	41	0	23	0	0	23	5.50
	Sub Total	172	0	53	0	0	53	3.09
	Total (A)	**7379**	**1005**	**1456**	**77**	**53**	**2603**	**3.53**

3.9.10 In accordance with the above, the Petitioner prays that the Hon'ble Commission may kindly allow the aforesaid power purchase cost incurred from long term sources during FY 2020-21.

3.9.11 The aforesaid Power Purchase Cost may vary as and when the CERC disposes off claims made by the Petitioner in regard to disputed bills of various Generating Companies. The Petitioner will apprise the Hon'ble Commission of the change, if any, in the power purchase cost post decision of the Hon'ble CERC.

b) Short Term Power Purchase

3.9.12 The Hon'ble Commission in its previous Tariff Orders has noted that the load curve in Delhi is peculiar in nature with high morning and evening peaks and very low load demand during night hours. It is neither possible nor practical to tie up power procurement on long term basis/ Sources for the entire demand in the area of supply as the demand is dynamic and fluctuating. Hence, long term sources are tied up only for the base load and for any exigencies such as shut down of any plant. Furthermore, there is a peculiar load curve due to the fact that a majority of the load in Delhi is of commercial establishments, office buildings, which have requirement primarily during day time. Further the Hon'ble Commission directed the Licensee to 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 Licensee. Accordingly, during peak hours, the Licensee was required to procure power from short term sources to meet the demand.

3.9.13 The Petitioner has considered the power purchase cost through short term sources during FY 2020-21 which includes the cost on account of purchase through bilateral, banking, Exchange, intra-state and UI.

Banking Transactions:

3.9.14 As regards banking transactions, it is submitted that banking of power is done ex-ante based on estimates and forecasts done at the beginning of a period. Power so banked is used only for the consumers of the Licensee and is not used elsewhere.

3.9.15 Further, the Hon'ble Commission in the interest of consumers has emphasised on purchase and sale of surplus power through banking transactions. While complying with the directions of the Hon'ble Commission, there may be few instances when there is overlapping of banking transactions to meet the demand. Accordingly, the Petitioner needs to purchase power in few slots during the day rather than RTC purchase.

3.9.16 However, the Petitioner further submits that there is no violation by the Petitioner on account of banking overlapping within the period of 3 months.

3.9.17 In accordance with the above, the Petitioner requests the Hon'ble Commission to allow all banking transactions as they are revenue neutral in nature.

Contingency Limit of 5% on UI:

3.9.18 As per Business Plan Regulations 2019, the Hon'ble Commission has defined a contingency limit on UI. Relevant extract is shown below:

> *"**28. CONTINGENCY LIMIT FOR SALE OF POWER THROUGH DEVIATION SETTLEMENT MECHANISM (UNSCHEDULED INTERCHANGE CHARGES)***
>
> *(1) The Contingency Limit for disposing off of Power through Deviation Settlement Mechanism in terms of the Regulation 152 (c) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2020-21 to FY 2022-23 of the Distribution Licensees shall be 5%*

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of Net Power Procured by the Distribution Licensee for the relevant month."

3.9.19 It is also submitted that Petitioner is well within the limits during the FY 2020-21 as stipulated by the Hon'ble Commission in Business Plan Regulations, 2019.

<u>Additional UI Charges and Sustained UI Charges:</u>

3.9.20 The Hon'ble Commission in Tariff Order dated July 13,2012 had deducted the additional UI Charges borne below 49.5 Hz frequency based on the recommendations given by Forum of Regulators (FOR). The Petitioner had challenged the issue of additional UI Charges borne on account of UI power purchased below 49.50 Hz before Hon'ble APTEL. The Hon'ble APTEL in Judgment dated March 2, 2015 (Appeal 177& 178 of 2012) has given its observations on the said issue against the Petitioner. However, the Petitioner has preferred a statutory appeal before the Hon'ble Supreme Court against the aforesaid Judgment of the Hon'ble APTEL dated March 2, 2015. Without pre-judice to the pendency of aforestated Appeal, and without admitting or waiving any of its contentions against the said Judgment dated March 2, 2015 or this Hon'ble Commission's order dated July 13, 2012 insofar as the decision on additional UI Charges is concerned, the Petitioner has considered the actual UI purchase while computing the power purchase cost.

3.9.21 The Petitioner has also raised the concerns in following Petitions before the Hon'ble Commission for issues related to Additional UI and sustained deviation. The Hon'ble Commission is requested to consider the same while Truing-up of FY 2020-21:

a. Petition (42 of 2017) under Section 86(1) (k) read with Section 33(4) of the Electricity Act, 2003 seeking adjudication of dispute regarding incorrect methodology adopted by SLDC while preparing intra-state deviation settlement accounts and unlawfully retaining the UI Pool Accounts.
b. Petition (47 of 2020) under Regulation 57 of the Delhi Electricity Regulatory Commission Comprehensive (Conduct of Business) Regulations, 2001 for

direction for revision of the methodology for levying Sustained Deviation Penalty to Distribution Licensees of NCT of Delhi.

3.9.22 Further, as per clause 152 of Tariff Regulations, 2017, the additional/penal UI Charges is not pass through. Relevant extract is shown below:

"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;* ***(Emphasis Added)****"*

3.9.23 In this regard, the Petitioner has requested Delhi SLDC for certifying the Force Scheduling during FY 2020-21 vide letter dated 11.11.2021.

3.9.24 Accordingly, we request the Hon'ble Commission for considering the Additional UI and Sustained Deviation Charges in Power Purchase cost of the Petitioner pending certification from Delhi SLDC.

3.9.25 The source-wise details of short term power purchase cost during FY 2020-21 are tabulated below:

Table 3A 24: Details of Short Term Power Purchase for the year FY 2020-21

S. No	Particulars	FY 2018-19		FY 2019-20		FY 2020-21	
		Rate per unit	Amount	Rate per unit	Amount	Rate per unit	Amount
		(₹ / kWh)	(₹ Cr.)	(₹ / kWh)	(₹ Cr.)	(₹ / kWh)	(₹ Cr.)
A	Bilateral	3.58	0.4	4.07	2	4.65	29
B	Banking	4.24	432	4.71	355	4.63	197
C	Exchange	4.32	3	4.06	32	3.51	67
D	Intra-State	2.57	1	1.39	0.01	-	0
E	UI	5.12	16	4.90	9	4.90	3
F	**Total**	**4.26**	**453**	**4.65**	**398**		**297**

3.9.26 **With regard to the Banking Transactions**, Regulation 121(3) of the Tariff Regulations, 2017 states as under:

"121. While approving the cost of power purchase, the Commission shall determine the quantum of power to be purchased considering:

....

(3) Normative cost of banking transaction at the rate of average power purchase cost of theportfolio of the distribution licensee;" (Emphasis Added)

3.9.27 However, the Hon'ble Commission vide its letter dated 16.11.2018 indicated 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.

3.9.28 In such event of conflict between the provisions of Regulations and Hon'ble DERC letter, the Petitioner has considered the average rate of banking transactions @₹ 4.53/kWh as per applicable Tariff Regulations, 2017, as Hon'ble Commission in its Order dated 28.12.2017 in Petition No. 39 of 2017 has itself taken the view that "*if there is some conflict between the provisions of Regulations and the provisions of the Orders made thereunder, the law is very clear on the supremacy of the Regulations over the Orders.*"

3.9.29 In view of the above, the Petitioner requests the Hon'ble Commission to kindly allow the power purchase cost of ₹297 Crore during FY 2020-21 from short term sources as submitted in the above table.

c) Sale of Surplus Energy

3.9.30 The Petitioner has put significant efforts to maximize the revenue through sale of surplus power. However, the Petitioner has realized the revenue of ₹443 Crore from sale of surplus power during FY 2020-21.

3.9.31 The source-wise details of revenue realized through sale of surplus energy during FY 2020-21 are tabulated below:

Table 3A 25: Details of Short Term Power Sales for the year FY 2020-21

S. No	Particulars	FY 2018-19		FY 2019-20		FY 2020-21	
		Rate per unit	Amount	Rate per unit	Amount	Rate per unit	Amount
		(₹ / kWh)	(₹ Cr.)	(₹ / kWh)	(₹ Cr.)	(₹ / kWh)	(₹ Cr.)
A	Bilateral	4.92	38	3.20	34	2.97	79

S. No	Particulars	FY 2018-19		FY 2019-20		FY 2020-21	
		Rate per unit	Amount	Rate per unit	Amount	Rate per unit	Amount
		(₹ / kWh)	(₹ Cr.)	(₹ / kWh)	(₹ Cr.)	(₹ / kWh)	(₹ Cr.)
B	Banking	3.78	438	4.35	355	4.53	211
C	Exchange	3.73	464	2.40	132	2.27	139
D	Intra-State	2.50	0.7	1.53	0.04	-	0
E	UI	5.44	-4	0.39	1	2.06	14

3.9.32 The Petitioner requests the Hon'ble Commission to consider the revenue on account of sale of surplus power while approving the net power purchase cost as submitted in the above table.

d) Transmission Charges:

3.9.33 The Petitioner has considered the Transmission charges for FY 2020-21 as under:

Table 3A 26: Transmission Charges (₹ Cr.) for FY 2020-21

S. No	Particulars	Submission	Reference
	Transmission Charges		
i	Power Grid Corp. of India Ltd.	437	
ii	Delhi Transco Ltd. Wheeling Charges	173	
Iii	Other Transmission etc.	12	BBMB, DVC,SECI, NTPC, others
iv	Open Access Charges etc.	45	
v	**Total Transmission charges**	**666**	**Sum I to IV**

e) <u>Gross Power Purchase Cost:</u>

3.9.34 Based on the above submissions, the Petitioner has considered the gross power purchase cost of ₹3,317 Cr. during FY 2020-21 which is tabulated below:

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Table 3A 27: Gross Power Purchase Cost before rebate during FY 2020-21 (₹ Cr.)

S. No	Particulars	FY 2020-21	Reference
A	Audited Gross Power Purchase Cost (Before Rebate)		
i	Purchase of Energy	2,651	
ii	Transmission cost	666	
B	Total Gross Power Purchase Cost excluding LPSC (i+ii)	**3,317**	

3.9.35 The reconciliation of the Power cost as per Audited accounts in the break-up of the same as per requirement by the Hon'ble Commission is submitted in the following reconciliation table-

Table 3A 28: Reconciliation with Table 3.27 (₹ Cr.)

S. No	Particulars	FY 2020-21	Reference
A	Long Term Power Purchase	2,603	
B	Short Term Power Purchase	297	
C	Less: Banking Sale	211	
D	Other Payments	-4	
E	**Total**	**2,686**	**As per Audit Certificate**
F	Transmission cost	666	
G	Less: Special rebate	35	
H	Less: Rebate	3	
I	Add: Net Metering	4	
J	Add: Self Generation (at BYPL Roof Top)*	0.1	
K	**Total Gross Power Purchase Cost excluding LPSC and rebate**	**3,317**	**i+ii**

** Self Generation @ ₹ 5.36/unit vide Hon'ble DERC order dt. 26.02.18*

3.10 Rebate on power purchase and Transmission Charges

3.10.1 The Hon'ble Commission vide letter dated June 5, 2014 specified the format for submission of details of rebate on power purchase and transmission charges. As regards the long term generating and transmission company's charges, rebate is not allowed on interest charges and other billing items which are in nature of reimbursement, such as Income Tax, Other Taxes, Cess, Duties etc. Rebate is generally allowed on all other billing items. The rebate on power purchase and Transmission Charges during FY 2020-21 is tabulated below:

Table 3A 29: Details of Rebate and Non Rebate amount (₹ Cr.) FY 2020-21

S. No.	Party/Company	Rebatable Amount	Non-Rebatable Amount	Actual Rebate Claimed
1	NTPC	908	(3)	1.75
2	NHPC	155	44	0.34
3	Nuclear	17	(4)	
4	SJVNL	40	-	0.38
5	THDC	-	-	
6	Tala HEP	5	-	0.02
7	DVC	559	0	
8	**Power stations in Delhi**			
8.1	PPCL	347	(0)	
8.2	IPGCL	17	-	
9	ARAVALI	84	(1)	
10	SASAN	323	35	0.39
11	SECI	-	53	
12	EDWPCPL	0	-	0.00
13	DMSWSL	23	-	0.02
A	**Total Long Term Purchase**	**2,479**	**124**	**2.90**
11	Short Term Purchase	28		0.56
12	Short Term sale	36		1
13	**Transmission Charges**			
13.1	Power Grid Corp. of India Ltd.	431	6	
13.2	Delhi Transco Ltd.	173	-	
13.3	Bhakra Beas Management Board		0	
13.4	NTPC	4	-	
13.5	Arawali Power Company Private Ltd.	-		

S. No.	Party/Company	Rebatable Amount	Non-Rebatable Amount	Actual Rebate Claimed
13.6	Damodar Valley Corporation	1		
13.7	SECI		4	
13.8	DTL SLDC Chg		1	
B	**Total Transmission Charges**	**609**	**11**	**0**
C	**Total**	**3,080**	**136**	**2.73**

3.10.2 In this regard, it is respectfully submitted that the normative rebate ought not be applied at the time of truing-up due to the following reasons:

a) The normative rebate cannot be considered at the stage of true-up. In any event, the deduction of a normative rebate assuming a maximum of 1.5% - 2% of the power purchase cost is ex-facie in contravention of the Hon'ble APTEL's Judgment in Appeal No. 153 of 2009 which expressly restricted such a deduction to 1% of the power purchase cost.

b) A similar issue is pending before Hon'ble Tribunal in Appeal No. 235-236 of 2014. Further, in true-up proceedings for FY 2015-16, the Petitioner has again raised the issue before the Hon'ble Commission, vide its letter dated 18.08.2017

c) Furthermore, the Petitioner vide letter dated April 8, 2015 submitted a number of reasons as to why the normative rebate ought not to be considered.

d) The Hon'ble APTEL in Judgment dated March 2, 2015 (Appeal 177 of 2012) has again confirmed the Judgment dated July 30, 2010 (Appeal 153 of 2009) and directed that normative rebate of upto 1% can be considered as per the norms specified for working capital in DERC Tariff Regulations, 2011 which means that actual rebate is to be considered and if actual rebate availed exceeds 1% then 1% is to be considered. Relevant extracts are reproduced below:

*"6.1 According to the Appellant, the State Commission has acted contrary to the findings of this Tribunal in Appeal no. 142 of 2009 wherein the Tribunal directed to consider rebate **upto 1%** as non-tariff income from the total rebate of 2% on power purchase.*

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6.2 According to Shri Pradeep Misra, Learned Counsel for the State Commission this issue is pending consideration in Appeal no. 14 of 2012 wherein the judgment has been reserved. The State Commission has made detailed submissions in Appeal no. 14 of 2012. The Learned Counsel reiterated the detailed submissions made in Appeal no. 14 of 2012. 6.3 The Tribunal in Appeal no. 14 of 2012 on 28.11.2013 reiterated the view taken by this Tribunal in Appeal no. 153 of 2009. This Tribunal in Appeal no. 153 of 2009. Decided as under: "The second issue relates to the deduction of rebate due to the early payment of the power purchase cost from the ARR. The Appellant, through its efficient management, has paid all the bills immediately on raising of the bills by the generating company and, therefore, it has to be allowed a rebate of 2 per cent. Therefore, there is no justifiable reason for the State Commission to reduce the power purchase cost by rebate earned by the Appellant. The normative working capital provides for power purchase cost for one month. Therefore, rebate of 1 per cent available for payment of power purchase bill within one month should be considered as non-Tariff income and to that extent benefit of 1 per cent rebate goes to reducing the ARR of the Appellant. The rebate earned on early payment of power purchase cost cannot be deducted from the power purchase cost and rebate earned ***only up to 1 per cent alone*** *can be treated as par of the non-Tariff income. Therefore, treating the rebate income for deduction from the power purchase cost is contrary to the MYT Regulations. As such this issue is answered in favour of the Appellant." The Tribunal in Appeal no.142 of 2009 reiterated the above decision of the Tribunal."* ***(Emphasis added)***

e) The concept of normative rebate is based on assumptions that the system is perfect and business is being conducted as usual. The assumption that:

   i. There is no creation of Regulatory Asset. However, there is an accumulated figure of ₹3111 Crore upto FY 2019-20 as Regulatory Asset (as per Tariff Order dated 30.09.2021);
   ii. Various APTEL's judgments have been implemented. However, in point of fact, that is not the case and various judgments are yet to be implemented;
   iii. There is no major variation in power purchase cost, which is also not the case.

Pertinently, to the best of the knowledge of the Petitioner, in no other state any

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DISCOM has been able to avail maximum normative rebate when aforesaid conditions are not met.

3.10.3 As set out herein above, the Petitioner could not make payment of bills to any generating company and transmission licensee through letter of credit on presentation.

3.10.4 Additionally, the Petitioner also has to pay LPSC to the generators which is not allowed by Hon'ble Commission and where there is a difference in the rate of LPSC charges (18%) vis-a-vis rate of funding & carrying cost resulting in further adverse financial to the Petitioner.

3.10.5 Further, the Hon'ble Commission also recognised the aforesaid facts in previous Tariff Order and considered the actual rebate on account of COVID-19 impact for FY 2019-20.

3.10.6 In view of the above submissions, the Petitioner requests the Hon'ble Commission to consider the actual rebate on power purchase and Transmission Charges during FY 2020-21 as there was steep surge in adverse impact of COVID-19 in FY 2020-21.

3.11 Late Payment Surcharge (LPSC)

3.11.1 The Petitioner has filed the Petition No. 26 of 2018 regarding inconsistency between rate of Late Payment Surcharge levied by State Utilities & rate of carrying cost allowed by the Commission on the Regulatory Asset. The Hon'ble Commission vide order dated 13.05.2019 has disposed-off the said Petition. However, the Petitioner has filed Review Petition No. 59 of 2019 which is pending for adjudication before the Hon'ble Commission.

3.11.2 Without prejudice to the submissions made in the said Review Petition, the Petitioner submits that LPSC charged to the Petitioner is to compensate the Generating companies and Transmission licensees for the delay in realization of revenue on account of non-payment of bills by the petitioner. The LPSC at 1.5% per month is a fixed rate. However, the loss of revenue till receipt of payment from the beneficiaries against the bills is mitigated by Gencos and Transcos by availing loans at floating rates of interest. Therefore, the lacuna is that the beneficiaries are liable

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to pay LPSC at fixed rate whereas the Gencos and Transcos avail loans at floating rate.

3.11.3 Therefore, the rate of late payment surcharge ought to be in sync with the current bank lending norm i.e. MCLR. The Gencos and Transcos would face a burden when the lending rates applicable to them are higher than the fixed rate of LPSC. Similarly, the Gencos and Transcos would stand to gain when the lending rate applicable to them are lower than the fixed rate of LPSC.

For example:

When the additional working capital interest rate is 21% as against 18% of LPSC fixed rate the Gencos/Transcos are at loss. Similarly, when the additional working capital interest rate is 8% against 18% of LPSC fixed rate the Gencos/Transcos are at gain.

3.11.4 As depicted from above, the Gencos/Transcos could recover LPSC at a rate which is more than the rate of interest payable by them for availing loans. Such excess recovery should be clawed back towards rationalization of Tariff which would benefit end consumers at large.

3.11.5 Therefore, the Petitioner submits that there is an inconsistency between rate of Late Payment Surcharge levied by State Utilities & rate of carrying cost allowed by the Hon'ble Commission on the Regulatory Asset whereas both are related consequent effect to each other. The Petitioner is being charged at LPSC rate of 18% per annum vis-a-vis the carrying cost, which is lower than LPSC.

3.11.6 Hence, in view of the above the petitioner request Hon'ble Commission as under:

i. To consider the Petitioner's submission while adjudicating the Review Petition No. 59 of 2019.

ii. To take cognizance of the draft Electricity (Late Payment Surcharge) Rules, 2020 issued by Ministry of Power (MoP) and revise the LPSC rate and its treatment.

iii. Reduce the LPSC rate to borrowing cost of Genco/Transco in similar approach followed for distribution licenses for rate of carrying cost or

iv. Increase rate of Carrying cost allowed by DERC equivalent to LPSC rate approved by the Hon'ble Commission; or

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v. To allow LPSC recovered by State Utilities above the rate of carrying cost as Income in the ARR of the utilities so that the benefit of the same can be passed on to the consumers.

vi. To implement Draft Delhi Electricity Commission (Terms and Conditions for Tariff Determination of Tariff) (First Amendment) Regulations, 2021, wherein PPAC capping is to be removed and allow PPAC on monthly basis and rate of LPSC to be revised.

3.12 Incentive on Sale rate of Surplus Power

3.12.1 Regulation 157 and 165 of Tariff Regulations, 2017 states as along with relevant clauses of Business Plan Regulations, 2017 states as follows:

"157. The Utility shall be subject to incentive or dis-incentive, as the case may be, based on the performance vis-a-vis target achieved by the respective Utility:

(c) In case of a Distribution Licensee incentive/penalty shall be applicable on the basis of:
(i) Distribution Loss;
(ii) Collection Efficiency; and
(iii) Sale of Surplus Power.

165. Any financial impact of over realization 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 realization account sale of Surplus Power as specified in Regulation 123 of these Regulations shall be to the account of distribution licensee."

Further, in Business Plan Regulations, 2019, Regulation 29 on incentive sharing mechanism for sale rate of surplus power stipulates as follows**:**

"(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 2020-21 to FY 2022-23 of the Distribution Licensees shall be as follows:

i. The variable cost of the generating station for which power is surplus and

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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:

Provided that the normative cost of banking transactions shall be weighted average rate of variable cost of all long term sources.

iii. The incentive shall be the product of rate difference (Actual Sale Rate-Variable Cost) and Quantum of Power actually sold during the month.

(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 Licensee.

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 Licensee.

Illustration:-

a) Quantum of Sale of Surplus Power (A) = 1000 MU

b) Applicable Variable Cost per Unit (B) = Rs. 2.00/kWh c) Actual Sale rate of Surplus Power (C) = Rs. 3.50/kWh d) Incentive [D=A(C-B)] = Rs. 150 Cr.*

e) Approved Average Fixed Cost per unit in the Tariff Order (E)= Rs.1.00/kWH

*Incentive realisation upto 100% recovery of Average Fixed Cost per unit = (E*A) = Rs. 100 Cr. shall be shared in the ratio of 2/3rd (Rs. 67 Cr.) to the Consumers and 1/3rd (Rs. 33 Cr.) to the Distribution Licensees.*

*Incentive realisation above 100% recovery of Average Fixed Cost per unit = [D-(E*A)] = Rs. 50 Cr. shall be shared in the ratio of 1/3rd (Rs. 16.67 Cr.) to the Consumers and 2/3rd (Rs. 33.33 Cr.) to the Distribution Licensees.*

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Therefore,
i. Total incentive to the Distribution Licensees = Rs. 66.33 Cr. (33+33.33)
ii. Total incentive to the Consumers = Rs. 83.67 Cr. (67+16.67)

3.12.2 On the above Regulation, the Hon'ble Commission issued the clarificatory letter on 16.11.2018. The clarificatory letter, in fact ignores/nullifies incentive on banking transactions. It is submitted that the Petitioner is entitled for incentive on banking transactions also.

3.12.3 The computed incentive based on the above letter is tabulated below:

Table 3A 30: Details of Total Sale Rate Incentives

S. No	Particulars	UOM	Amount	Remarks
1	Total Incentive earned	₹ Cr.	37.82	
2	DISCOM Share (1/3rd as per BPR 2019)	₹ Cr.	12.61	

**Excludes banking incentive;*

3.12.4 In view of the above, the Petitioner requests the Hon'ble Commission to allow aforesaid incentive of ₹12.61 Cr. for FY 2020-21.

3.13 RPO Obligation

3.13.1 Regulation 27 of Business Plan Regulations, 2019 regarding the targets for Renewable Purchase Obligation (RPO) states as follows:

*"**27. TARGET FOR RENEWABLE PURCHASE OBLIGATION***

(1) The targets for Renewable Purchase Obligation (RPO) in terms of Regulation 124 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 of a Distribution Licensee from FY 2020-21 to FY 2022-23 shall be computed as a percentage of total sale of power to its retail consumers in its area of supply excluding procurement of hydro power. The target for RPO shall be met through purchase of power from various Renewable Energy sources or purchase of Renewable Energy Certificates ('REC') or combination of both, and shall be as follows:

Sr.	***Distribution***	***FY 2020-21***	***FY 2021-22***	***FY 2022-23***

No.	***Licensee***			
1	*Non Solar Target*	*10.25%*	*10.25%*	*10.50%*
2	*Solar Target*	*7.25%*	*8.75%*	*10.50%*
3	*Total*	*17.50%*	*19.00%*	*21.00%*

..”

3.13.2 In view of the above, Petitioner target vis-à-vis actual purchase for Renewable Purchase Obligation for FY 2020-21 is shown below:

Table 3A 31: Details of RPO for the year FY 2020-21

S. No.	**Particulars**	**Solar**	**Non-Solar**	**Total**	**Reference**
i	Sales (MU)	5867			Actual Sales
ii	Hydro Purchases (MU)	691			
iii	Base for RPO (MU)	5174			i-ii
iv	RPO Target (%)	7.25%	10.25%		
v	RPO target (MU)	375	530	906	iii * iv
	RPO met				
vi	EDWPCL		1		
vii	DMSW		32		
viii	SECI	119	53		
ix	Self-Generation	0.3			
x	Solar roof-top gross generation from Net metering consumer*	23			
xi	REC				
xii	RE Power in lieu of EDWPCL (as per Hon'ble DERC order 21.02.2020)		31		
xiii	Sub-Total - RPO met	142	117	259	
xiv	**Shortfall (MU)**	**233**	**414**	**647**	**v-xiii**

3.13.3 The Petitioner is making consistent efforts for the last few years to procure renewable energy to meet RPO as specified by the Hon’ble Commission. As on 31st March 2021, the Petitioner had successfully issued 669 net metering connections for a cumulative capacity of 27 MW solar rooftop projects developed by individual developers.

3.13.4 Although the Petitioner is looking at all possible options/solutions to avail renewable power and meet the RPO targets but as the Hon'ble Commission is aware that the Petitioner has been facing adverse financial condition since FY 2009-10 primarily on account of a non-cost reflective Tariff and absence of adequate recovery of accumulated Regulatory Asset. The same has constrained the capability of the Petitioner to purchase power from renewable sources. Further, there is shortfall in the cost allowed by the Hon'ble Commission in tariff on account of non-availability of Rebate and short term power purchase cost in the ARR. Additionally, the Petitioner also has to pay LPSC @ 18% p.a. to the generators which is not allowed by Hon'ble Commission and allows mere 8% surcharge on Regulatory Assets. This contradiction and negative differential rate of interest has gravely prejudiced the Petitioner.

3.13.5 It is also brought to the kind notice of the Hon'ble Commission that the Petitioner has filed Petition no. 23 of 2021 in the matter of waiver/deferment/relaxation of RPO targets for FY 2019-20 and FY 2020-21 and relaxation of norms of RPO for period FY 2019-20 onwards up till FY 2021-22. As this Petition is pending for adjudication before the Hon'ble Commission, the Petitioner requests the Hon'ble Commission to waive off/relax RPO target for FY 2020-21.

3.13.6 Therefore, it is requested that the Hon'ble Commission takes cognizance of the pending adjudication matter before the Hon'ble Commission and allow the prayers in the Petitioner No. 23 of 2021.

3.14 Total Power Purchase Cost for the purpose of Truing-up

3.14.1 Based on the above submissions, the power purchase cost claimed during FY 2020-21 is shown below:

Table 3A 32: Power Purchase Cost during FY 20-21 based on Auditor's Certificate (₹ Cr.)

S. No	Particulars	Submission	Reference
A	**Power Purchase Cost**		
i	Gross Power Purchase Cost	2,900.31	Table 3A 23 & 3A 24

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S. No	Particulars	Submission	Reference
ii	Power sold to other sources	442.68	Table 3A 21 & 3A 25
iii	Other Payments	(3.91)	
iv	Net Power Purchase Cost	2,453.71	i-ii
B	**Transmission Charges**		
i	Inter-state transmission charges	437.11	
ii	Intra-state transmission charges	172.56	
iii	Other Transmission charges	56.56	
iv	Total Transmission charges	**666.23**	i+ii+iii+iv
C	**Rebate**		
i	Power Purchase Rebate	2.73	
ii	Special Rebate	34.86	
	Less: Total rebate	37.59	i+ii
D	Add:Net Metering	3.77	
E	Add: Self Generation	0.14	
F	**Net Power Purchase Cost including Transmission charges net of rebate**	**3,086.3**	**A+B-C+D+E**

3.14.2 The Petitioner requests the Hon'ble Commission to approve the Power Purchase cost of ₹3086.3 Cr. and incentive on short term sale of ₹12.6 Cr. (Petitioner's share) during FY 2020-21 as submitted in the above table.

3.15 Operation & Maintenance Expenses

3.15.1 Regulation 23 of Business Plan Regulations, 2019 regarding the Operation and Maintenance Expenses for the period FY 2020-21 to FY 2022-23 states as under:

"23. OPERATION AND MAINTENANCE EXPENSES

(1) Normative Operation and Maintenance expenses in terms of Regulation 4(3) and Regulation 92 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensees shall be as follows:

……

Table 9: O&M Expenses for BYPL for the Control Period

Particulars	*Unit*	*2020-21*	*2021-22*	*2022-23*
66 kV Line	*Rs. Lakh/ckt. Km*	*4.857*	*5.043*	*5.236*
33 kV Line	*Rs. Lakh/ckt. Km*	*4.857*	*5.043*	*5.236*
11kV Line	*Rs. Lakh/ckt. Km*	*2.036*	*2.114*	*2.195*
LT Line system	*Rs. Lakh/Ckt. Km*	*9.173*	*9.524*	*9.890*
66/11 kV Grid S/s	*Rs. Lakh/MVA*	*1.157*	*1.201*	*1.247*
33/11 kV Grid S/s	*Rs. Lakh/MVA*	*1.157*	*1.201*	*1.247*
11/0.415 kV DT	*Rs. Lakh/MVA*	*2.534*	*2.631*	*2.732*

….

(4) The Distribution Licensee shall be allowed O&M expenses for a particular financial year of the control period by multiplying the norms for O&M expenses of that particular year with the respective average network capacity during the financial year i.e. (average of network capacity at start of Financial year and network capacity at the end of Financial year) ….”

3.15.2 As evident from the above, the normative O&M expenses for FY 2020-21 are computed by multiplying the average capacity of line length and transformers during FY 2020-21 with approved per unit rates for FY 2020-21. Accordingly, the Petitioner has computed the normative O&M expenses for FY 2020-21 as shown below:

Table 3A 33: O&M Expenses for FY 2020-21 (₹ Cr.)

Particulars	Avg. Capacity as on 31.03.2021	O&M expenses per unit		O&M expenses
66 kV Line (ckt. km)	230	₹ Lakh/ckt. km	4.857	11.2
33 kV Line (ckt. km)	408	₹ Lakh/ckt. km	4.857	19.8
11kV Line (ckt. km)	2983	₹ Lakh/ckt. km	2.036	60.7
LT Line system (ckt. km)	5622	₹ Lakh/ckt. km	9.173	515.7
66/11 kV Grid S/s (MVA)	1815	₹ Lakh/MVA	1.157	21.0
33/11 kV Grid S/s (MVA)	2056	₹ Lakh/MVA	1.157	23.8
11/0.415 kV DT (MVA)	3485	₹ Lakh/MVA	2.534	88.3
Total				**740.5**

3.15.3 The Petitioner requests the Hon'ble Commission to allow the normative O&M expenses of ₹740.5 Crore during FY 2020-21 as submitted in the above table as per the Business Plan Regulation, 2019.

3.16 Additional O&M Expenses

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3.16.1 Regulation 23 (5) of Business Plan Regulation, 2019 states as under:

"23…

(5) The impact of difference of amount on account of actual implementation of Seventh Pay Revision and Interim Relief already considered for determination of norms for O&M Expenses, if any, shall be allowed separately in line with the methodology adopted for computation of norms for O&M Expenses, at the time of True up of ARR for relevant Financial year subject to prudence check."

3.16.2 Accordingly, the Petitioner in terms of above Regulations claims item wise amount on account of additional O&M expenses which are uncontrollable in nature as well as not covered in the above-mentioned normative O&M expenses

a) Arrears paid on account of 7th Pay Commission revision

3.16.3 A Wage Revision Committee was constituted by the GoNCTD vide office memorandum bearing No. F.11(62)/2015/Power/271 dated January 25, 2016 to examine and recommend to the Government the Pay Revision for the employees. Such recommendations become applicable on the Petitioner as per the tripartite agreement. The Committee had given recommendation vide order no DTL/108/04/2017-HR(Policy) /101 dated July 28, 2017 for payment of Interim Relief (IR) to the eligible employees at the rate of 2.57 times of Basic pay + Grade Pay w.e.f. January 01, 2016. Accordingly, the Petitioner has disbursed ₹128.04 Cr. from FY 2017-18 to FY 2019-20 as Special Interim Relief (IR) to the eligible employees as per aforesaid order of Wage Revision Committee.

3.16.4 DTL Board vide its office order HR/CC/2020-211208 dated October 15, 2020 accepted the recommendation for payment of 7th Pay Commission to the eligible employees of the erstwhile DVB during the year. The total impact of 7th Pay Commission for FY 2020-21 is ₹154.74 Cr. and the Petitioner has disbursed ₹107.93 Cr. to their eligible employees as tabulated below:

Table 3A 34: Total impact of 7th Pay Commission for FY 2020-21 (₹ Cr.)

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Particulars	To be Payable	Actual Paid
Gross Earnings	112.95	103.98
LSC & PC	41.79	3.95
Total	**154.74**	**107.93**

3.16.5 Accordingly, the Petitioner has paid ₹235.97 Cr. till FY 2020-21 out of total ₹361.82 Cr. to be paid on account of 7th Pay Commission impact tabulated as under:

Table 3A 35: Total impact of 7th Pay Commission for FY 2020-21 (₹ Cr.)

Particulars	Gross Earnings	LSC & PC	Total	Actual Paid
FY 2017-18 (Including Arrear w.e.f 01.01.2016)	47.62	42.52	90.14	47.62
FY 2018-19	36.16	18.16	54.32	36.16
FY 2019-20	44.26	18.36	62.62	44.26
FY 2020-21	112.95	41.79	154.74	107.93
Total – till FY 2020-21 (1+4)	**240.99**	**120.83**	**361.83**	**235.97**

3.16.6 The above table depicts that the differential amount yet to be paid by the Petitioner is ₹125.85 Cr. This amount includes ₹9 Cr. towards retirees and the balance amount ₹117 Cr. pertains to LSC and PC both for active employees and retirees.

3.16.7 Further, the Petitioner would like to submit that the payment related to LSC and PC are regularly being paid from January'21 onwards with respect to revised LSC and PC derived after implementation of 7th Pay. The balancing amount of LSC and PC i.e. ₹117 Cr. for the period from 01.01.2016 to 31.12.2020 is not paid in view of cash crunch situation.

3.16.8 In view of the stressed cash flow situation, the Petitioner vide its letter dated 10.12.2020 and 14.12.2020 apprised the Hon'ble Commission regarding implementation of revised 7th Pay Commission impact in line with DTL order dated 18.08.2020 and requested to allow the special additional rebate due to current adverse cash flow situation.

3.16.9 However, the Hon'ble Commission vide letter dated 05.01.2021 didn't accept the proposal and stated that the differential amount on account of actual pay-out of 7th

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Pay Commission and interim relief considered for determination of normative O&M expenses in Business Plan Regulations, 2019 will be allowed as an additional O&M expenses at the time of True Up of relevant financial year.

3.16.10 Accordingly, in line with the methodology considered by the Hon'ble Commission in arriving at the normative O&M rates for FY 2020-21 to FY 2022-23, the average of Interim Relief payment of past 3 years is taken and multiplied by the escalation factor of 3.83% (3 times) in order to arrive at normative Interim Relief (IR) payment of FY 2020-21. Thus, the differential amount on account of actual implementation of 7th Pay Revision and Interim Relief already considered for determination of norms for O&M Expenses is ₹78.65 Cr. as tabulated below:

Table 3A 36: Incremental Amount of 7th Pay impact over and above normative O&M expenses (₹ Cr.)

Particulars	FY 16-17	FY 17-18	FY 18-19	Average (FY 17-18)	FY 20-21
IR payment	-	47.62	36.16		
IR w.e.f. Apr'16	-	42.33	36.16		
IR in Normative O&M				26.16	29.29
Actual Paid					107.93
Differential Amount to be paid					**78.65**

3.16.11 The Petitioner requests the Hon'ble Commission to allow an impact of ₹78.65 Cr. on account of revised payment of 7th Pay Commission as the expenses are beyond the control of the Petitioner.

b) Loss on Sale of Retired Assets

3.16.12 Regulation 45 of Tariff Regulations, 2017 states as under

> *"45. Loss or Gain due to de-capitalisation of asset based on the directions of the Commission due to technological obsolescence, wear & tear etc. or due to change in law or force majeure, which cannot be re-used, shall be adjusted in the ARR of the Utility in the relevant year."*

3.16.13 In view of the above and as per the methodology provided in the Tariff Regulations

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2017, the Petitioner claims ₹ 5.62 Crore for retirement of assets as per Audited Accounts for FY 2020-21. It is also pertinent to note that the said amount pertains to meters which were replaced due to incompatibility to read KVA parameters.

c) Legal Expenses

3.16.14 Regulation 23(7) of Business Plan Regulations, 2019 states as under:

> *"23…*
>
> *(7) The Distribution Licensee may claim the legal expenses separately, subject to prudence check at the time of true up on submission of documentary evidence:*
>
> *Provided that the legal expenses on account of cases filed against the Orders or Regulations of the Commission before any Court and the legal claims (compensation/penalty) paid to the consumer, if any, shall not be allowed."*

3.16.15 With respect to the above regulation, the Petitioner would like to mention that Distribution business is a regulated business under the aegis of the Hon'ble Commission and the right to avail a statutory remedy is also a right guaranteed under Article 14 and 19 of the Constitution. The right to do business under Article 19 (1) (g) includes the right to avail of statutory legal remedies to protect and safeguard the business which is part and parcel of the right to do business. Moreover, the Electricity Act, 2003, allows the Petitioner the right to avail its statutory remedies under section 111 and other applicable provisions. Therefore, actual legal expenses without any distinction should be allowed as an expense in the ARR.

3.16.16 Out of the total expenses, ₹ 0.37 Cr. pertains towards filing appeals against the Orders including Tariff Orders to protect the stakeholder's interest. Further, the legal expenses incurred by the Petitioner related to enforcement cases amounts to ₹1.2 Cr. The category wise total legal expenses amounting to ₹14.1 Cr. is summarised in Form 7(a).

3.16.17 Accordingly, the Petitioner requests the Hon'ble Commission to allow the legal

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expenses as over and above the normative O&M expenses.

d) Ombudsman Fees

3.16.18 As per directions of the Hon'ble Commission, the Petitioner has incurred an expenditure related to Ombudsman Fees of ₹ 0.22 Crore for FY 2020-21. Further, the Hon'ble Commission excluded the said expense for determining the norms of O&M expenses from FY 2020-21 to FY 2022-23. Accordingly, the Petitioner is claiming ombudsman expenses of ₹ 0.22 Crore as the said expenses is not the part of normative O&M expenses.

e) Expenses for raising loan for funding of Working Capital & Regulatory Asset

3.16.19 The Hon'ble Commission has not considered aforesaid expenses while computing normative rates of O&M expenses. Further, the Hon'ble Commission in Business Plan Regulations 2019 stated as under:

> *"23..(6) The Distribution Licensee may claim the expenses for raising loan for working capital and regulatory assets under O&M expenses separately, subject to prudence check at the time of true up on submission of documentary evidence: Provided that if this amount has been included in the interest on working capital and/or Regulatory assets, the same shall not be allowed."*

3.16.20 Accordingly, the Petitioner is claiming the expenses for raising loan for funding of Working Capital amounting to ₹1.07 Crore as the said expenses is not the part of normative O&M expenses.

f) COVID Expenses

3.16.21 The Petitioner submits that since the beginning of FY 2020-21, the country was grappling with pandemic outbreak of COVID-19. The Petitioner being a Distribution Licensee and coming under essential services had to carry on with its day to day operations and maintained 24 X 7 uninterrupted supply of power. Further, the Hon'ble Commission vide letter dated 08.07.2020 advised the Petitioner to take appropriate steps for maintaining uninterrupted and reliable power supply to

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consumers.

3.16.22 In order to do so, it had to ensure that its employees are well protected so as to continue serving its consumer. In this regard, the Petitioner had to take the following measures on urgent basis which was not contemplated earlier and thus not factored in while projecting the ARR for FY 2020-21:

- **Distribution of COVID Protection Kits**

  Employees were provided with, masks, gloves, face shields, sanitizer etc. for their personal protection and we were doing sanitization of all our building and offices on regular basis in order to reduce employee's downtime and maintain continuous supply of power during COVID-19 pandemic.

  Every office/work station were religiously following each and every instruction/precaution issued by Union Home Ministry or by Govt. of NCTD. At entry gate of every building/premises security guards with proper protection were doing thermal scanning of each and every employee who entered the building.

- **Medical Facilities**

  The Petitioner provided a special COVID Protection & Medical Kit at the door step of employees who were home quarantined (Mask, Sanitizer, Oximeter, Thermometer, medicine box, etc.) prepared under guidance of our senior doctors. This was done to ensure that there is a minimal impact of COVID-19 on such employees who contracted COVID-19 disease while on duty so that they recovered early and were back to serve its consumers.

- **Establishment of Quarantine facility**

  Self-isolation/quarantine was required for an individual who got infected from Corona virus. As many of our workers lived in small houses where they did not have enough room to undergo proper quarantine, we established centers and rooms with all the facilities for such workers to safely quarantine themselves and provide proper medical aid/facility to them.

- **Insurance Facility**

  Every worker was provided a one-time COVID life cover of minimum ₹10 lakhs during this pandemic situation. An emergency fund was also created to provide immediate

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financial help to an employee for treatment of COVID-19.

- **Incentive Schemes for the Workers**

  In an attempt to boost the morale of our workers and to motivate them to keep performing their duties of providing essential service to the citizens of NCT of Delhi, we have launched special incentive scheme for our workers. Under this scheme we provided incentives to those employees who worked in the field, including the containment zones and were exposed to COVID-19.

3.16.23 In view of above, the Petitioner is claiming ₹ 5.2 Crore as expenses incurred on account of COVID-19. These expenses were unforeseen and therefore, do not form part of normative O&M expenses allowed by Hon'ble Commission in DERC Business Plan Regulations, 2019.

3.16.24 In view of the explanation provided above, the Petitioner humbly requests the Hon'ble Commission to allow the above expenses on actual basis.

g) GST:

3.16.25 Regulation 2(18) of DERC Tariff Regulations, 2017 states 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 Governments or international convention or protocol having implication for the generating station or the transmission system regulated under these Regulations;*

3.16.26 In addition to the above Regulation, it is submitted that any change/addition/deletion or new enactment of statutory levy is totally uncontrollable in the hands of the Petitioner and is required to abide by the same.

3.16.27 As regards the Petitioner was required to pay GST (@18%) instead of service tax (12% to 15%). Further, as per the circular no. 34/8/2018 – GST, there are few services that are provided by the Petitioner to consumers which are now deemed as GST taxable services. Thus, the GST rate is 18% which is higher than the service tax rate.

3.16.28 Further, as per Business Plan Regulations, 2019, the Hon'ble Commission has allowed the GST charges on normative basis for FY 2020-21 by considering an escalation factor of 3.83% on the average value of FY 2017-18 to FY 2018-19. However, the Hon'ble Commission, while deriving the normative rates for O&M expenses, has considered the GST impact from July, 2017 to April, 2019 as the GST rate is applicable from July, 2017 which has diluted the impact for one year and three months i.e. from April, 2016 to June, 2017. Accordingly, the Hon'ble Commission should have considered the GST impact for all 3 years.

3.16.29 It is also submitted that law is very clear towards implementation of any new tax and time and again the impact on account of the same have been allowed by various statutory authorities as pass through. There are plethora of Orders approving impact of increase in tax/introduction of new tax as change in law and such additional costs have been allowed as pass through. The said relief has also been approved by Hon'ble CERC/APTEL for various competitively Bid Projects awarded under Section 63 of the Electricity Act, 2003 and therefore not allowing such impact to be recovered on actual basis for tariff determined under Section 62 of the Act shall be in gross violation to the statue and therefore the impact needs to be allowed on actual basis.

3.16.30 It is also pertinent to note that as the 7th Pay Commission was implemented from January, 2016, the Hon'ble Commission has proportionately reduced the 7th Pay Commission impact for 3 months in order to consider only 3 years impact to compute normative rates of O&M expenses.

3.16.31 Accordingly, the Petitioner requests the Hon'ble Commission to allow the incremental GST charges impact of ₹ 6 Crore paid to employees during FY 2020-21 as tabulated below:

Table 3A 37: Incremental amount of GST impact (₹ Cr.)

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Particulars	FY 17	FY 18	FY 19	FY 20	FY 21
Actual Service Tax/GST paid	25	40	45		
Based Year Expense on Average basis		37			
Escalation Factor			3.83%	3.83%	3.83%
Normative Amount					41
Actual Amount					47
Incremental GST to be paid					**6**

h) New Initiatives:

i. Publication expenses for advertising tender under MNRE phase 2 program:

The Petitioner is acting as a nodal agency under MNRE's Phase - II program for implementation of rooftop solar projects for residential customers. For this, a tender was published for empanelment of vendors and requisite fee was paid amounting to ₹0.13 Cr.

ii. Report on proposed Energy Innovation Hub:

In this project, Smart Innovation Norway has prepared a roadmap for setting up of setting up of Energy Innovation Hub. The roadmap will cover scoping and covering themes such as ICT & Cyber security, Data Analytics, Smart Storage, Smart prosumers & local energy markets, Simulation& AR/VR. The Hub will allow piloting of new technologies in these domains and possible collaboration with external institutions and start-ups for joint projects for improving energy performance. The aforesaid preparation of report amounts to ₹ 0.12 Cr.

iii. Digital Platform for Energy Management:

The digital energy management platform is established amounting to ₹ 0.06 Cr. which involves analytics & data integration across DISCOM's multiple data sources for accurate and timely monitoring of various energy vectors viz., solar rooftop systems, energy storage systems and EV chargers along with operational & planning decisions. It is intended to integrate Solar, EV charger and Energy storage on a single platform for testing integrated operation in view of varying grid conditions and prices.

iv. Development of Mobile Application under Consumer Behaviour study:

In association with TERI, the Petitioner had developed a mobile application as part of consumer behaviour study which was carried out in selected apartments in Mayur Vihar area. This Application was designed to offer monitoring and peer comparison of energy consumption along with information of energy saving measures, RE plant sizing and in-build market place. The development of aforesaid mobile application amounts to ₹ 0.01 Cr.

v. Maintenance of Rooftop Solar Power Plant:

The Petitioner has 13 rooftop PV plants at office locations. The plants are being maintained for improving the capacity utilization factor and enhancing the life of plants. The annual maintenance of aforesaid solar rooftop power plant amounts to ₹ 0.01 Cr.

vi. Service for Dashboard related to RE Generation Forecasting:

As number of RE generation projects are increasing in the area of the Petitioner, there was a requirement of online dashboard to manage intermittency. A pilot project was undertaken amounting to ₹ 0.01 Cr. for real time monitoring and forecasting of RE generation at two sites in association with Climate Connect. The assignment was carried out at two sites.

3.16.32 The Petitioner is claiming ₹ 0.34 Cr. as the expenses on account of new initiatives undertaken as the said expenses is not the part of normative O&M expenses.

3.16.33 In view of the above submissions, the additional O&M expenses claimed as a part of truing-up requirement for FY 2020-21 are shown below:

Table 3A 38: Additional O&M Expenses for FY 2020-21

S. No	Particulars	Amount (₹ Cr.)	Reference
1	Arrears paid on account of 7th Pay Commission revision	78.6	Note 39 of Audited Accounts
2	Legal Expenses	14.2	Note 42 of Audited Accounts
3	Loss on Sale of Retired Assets	5.6	Note 42 of Audited Accounts
4	COVID-19 expenses	5.1	

S. No	Particulars	Amount (₹ Cr.)	Reference
5	Expenses for raising loan for funding of Working Capital and Regulatory Assets	0.9	
6	Ombudsman Fees	0.22	Note 42 of Audited Accounts
7	GST	6.0	
8	New Initiatives	0.34	
	Total	**111**	**Sum(1 to 8)**

3.16.34 The Petitioner requests the Hon'ble Commission to allow the amount of ₹111 Crore while truing up the expenses for FY 2020-21.

3.17 Non-Tariff Income

3.17.1 The items which have been added apart from the income shown as per Audited Accounts are as under:

i. <u>Interest on Consumer Security Deposit</u>

3.17.2 As the Hon'ble Commission has considered Consumer Security Deposit for funding of Revenue Gap, therefore the Petitioner has considered the rate of Carrying cost for computing the interest on Consumer Security Deposit. Hence the difference of normative interest on CSD and that booked in the Audited Accounts has been added in NTI as under:

Table 3A 39: Interest on CSD (₹ Cr.)

S. No	Particulars	FY 2020-21	Remarks/ Reference
A	Opening Balance of CSD	507	
B	Closing Balance of CSD	514	
C	Average Balance	510	C = (A+B)/2
D	Interest Rate	11.67%	
E	Interest on CSD	60	E = C X D
F	Interest booked in Audited Accounts	38	
G	**Net Interest to be considered**	**21**	G = E-F

ii. <u>Difference on account of Service Line Development (SLD) Charges:</u>

3.17.3 The Hon'ble Commission in Tariff Order dated September 29, 2015 ruled as under:

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"3.355 The Commission has observed from the audited financial statements (Note 8) that the service line charge received from the consumers amounting to ₹23.76 Crore is remained unadjusted and kept in deposit account. These service line charges are collected from the consumers and by deferring and not treating as nontariff income will inflate the ARR by the same extent which tantamount to collection of the same from the consumers again through tariffs."

3.17.4 The Petitioner has challenged the aforesaid issue before Hon'ble ATE in Appeal 290 of 2015 which is pending. Without prejudice to the contentions in the Appeal, the Petitioner has added the difference between the SLD Charges received during FY 2020-21 and that appearing in the Other Income in the Audited Accounts for the purpose of computation of Non-Tariff Income as under:

Table 3A 40: Difference on account of SLD (₹ Cr.)

S. No	Particulars	FY 2020-21	Remarks
1	Received during the year	27	Note 26 Service Line Deposits
2	SLD Appearing in Other Income	23	
	Difference Considered	**4**	

3.17.5 Accordingly, the Petitioner has adjusted ₹3.96 Crore during FY 2020-21 for the purpose of computation of Non-Tariff Income.

iii. Income from Other Business

a. Street Light Maintenance Charges

3.17.6 Apart from distribution licensee's business, the Petitioner is also generating revenue from other business. These other businesses are being operated in parallel by the Petitioner along with the Distribution Business. The Petitioner is allowed under the applicable laws to carry out these unrelated business.

3.17.7 Section 51 of the 2003 Act entitles the Distribution Licensee such as the Petitioner to engage in any other business for optimum utilization of its assets. Section 51 also requires that a certain proportion of "the revenues" derived from such business be utilized for reducing the wheeling charges. Section 51 is an enabling provision contained in the legislation with some purpose. Disallowance of the legitimate

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expenses relating to other business would be ex-facie contrary to Section 51 of the 2003 Act and would lead to discouraging the distribution licensee such as the Petitioner from generating income from other business, which is otherwise undertaken considering the interest of consumers at large and optimum utilization of assets of distribution business. The Petitioner has engaged in the businesses (as described in subsequent paragraphs) which are within the scope of Section 51 of the 2003 Act and has hereinafter provided reasons for this Hon'ble Commission to consider: (1) The Income by deducting the expenditure from the Revenue; and (2) Reworking of the proportion of the Revenues to be retained by the Petitioner in excess of the 20% which was stipulated in the 2005 Regulations as "a general principle" and entitling the Petitioner to "approach the Commission for change of the aforesaid sharing formula with proper justification, for approval of the Hon'ble Commission".

3.17.8 It is submitted that 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;"*

3.17.9 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. In

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fact, the Petitioner vide letter dated March 24, 2004 intimated the Hon'ble Commission that maintenance of street lighting is the responsibility of MCD under DMC Act and not the Petitioner. Also the Hon'ble Commission in Order dated September 3, 2003 ruled as under:

> *"10. Having heard the submission of the parties, the Commission observed that it was the prerogative of the MCD, either to get the work done themselves or through the DISCOMs, in the latter alternative, scope of works, as also the commercial terms and conditions, shall need to be proposed by MCD. Thereafter, the Commission shall determine the maintenance charges, etc. after having considered the responses of the DISCOMs."*

3.17.10 Therefore, it is clear that maintenance of street lighting is an activity assigned to the Petitioner by MCD under DMC Act and does not fall under Regulated Business.

3.17.11 However, there was a dispute between the Delhi DISCOMs and MCD on scope of work of the activities and charges at which the maintenance is to be undertaken by Delhi DISCOMs. During FY 2003-04, the Hon'ble Commission received number of complaints on the poor conditions of street light prevailing in respect of Public Lighting in Delhi. Consequently, in order to settle the matter, the Hon'ble Commission vide letter dated October 15, 2003, identified the scope of works as maintenance of existing streetlights, addition of new streetlights, installing of high mast lights, transformers, etc. Further, the Hon'ble Commission vide Order dated March 5, 2004 determined the rates for maintenance of street lights. These rates were further amended by the Order issued by the Hon'ble Commission on September 24, 2009.

3.17.12 It is further submitted that the determination of rates and scope of work by the Hon'ble Commission does not mean that maintenance of streetlights fall under Licensed Activity and is a part of regulated business. The scope of work and determination of rates by the Hon'ble Commission has helped MCD and the Petitioner to reach at a consensus.

3.17.13 Therefore, the 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,

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NHAI, PWD in the areas comprising East and Central Delhi.

3.17.14 For carrying out the maintenance services the Petitioner optimally engages its existing manpower, Technicians, Electricians, Electric Men, Line Engineers and also outsources further manpower.

3.17.15 Since the activity of maintenance of Street Lights is neither a licensed activity nor an activity related to licensed business so no part of the cost of such activity nor the revenue accrued therefrom should form part of the ARR of the licensed business.

3.17.16 In point of fact, the cost of such activity does not form part of the O&M cost in the ARR since the O&M costs is permitted by the Hon'ble Commission on normative base which has no reference to the actual expenses of the Petitioner. For example, the R&M expenses are given as a percentage of Gross Fixed Assets.

3.17.17 In view of the aforesaid discussion, the Petitioner prays that entire income on account of maintenance of Street Lights may be allowed to be retained by the Petitioner as it is neither a non-tariff income nor an income within the scope of Section 51 of the 2003 Act.

3.17.18 Accordingly, the Petitioner requests the Hon'ble Commission to consider the street light maintenance charges of ₹ 0.21 Cr. to be reduced from the Non-Tariff Income.

b. Pole Rental Income

3.18.1 The Hon'ble Commission in its Order dated 06.10.2006 in Petition No. 4 of 2005 filed by NDPL has stated that the DISCOM's LT Poles can be used for laying the cable TV network and such usage can be done by way of an agreement between the cable operator and the Licensee for generating revenue. The relevant extract of the Order is reiterated as below:

> *"29. The Commission is therefore, of the opinion that the poles other than the Central Verge and the HT Poles can be used for laying the cable TV network and such usage can be done by way of an agreement between the cable operator and the Licensee.* ***Any revenue generated thereto shall be subject to the Regulations made by the Commission on the Treatment of Income from Other***

Business."

[Emphasis added]

3.18.2 Regulation 5(5) of DERC (Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee) (First Amendment) Regulations, 2017 is as follows:

"5(5) In addition to the sharing of costs under sub-clause (3) above, the Licensee shall account for and ensure due payment to the Licensed Business a certain proportion of revenues from the other Business as follows:

(a) where the Licensee utilizes the assets and facilities of the licensed business for other business the Licensee shall retain 40% of the net revenue from such business and pass on the remaining 60% of the net revenue to the regulated business; and

(b) 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;

Provided that any deficit on account of such other business shall be to the account of the licensee."

3.18.3 The Petitioner had earned total income of ₹ 5.62 Crore during FY 2020-21 on account of rent from the cable operators for using Petitioner's LT poles for laying their cables/set up. It is further clarified that Proper agreements have been executed between the Petitioner and the operator for such usage in terms of the above Order of the Hon'ble Commission.

Table 3A 41: Pole Rental Income for FY 2020-21 (₹ Crore)

S. No	Particulars	Total Income	Consumer's Share	Petitioner's Share
A	Pole Rental Income	5.62	3.37	2.25

3.18.4 Thus, the total "Other Business Income" during FY 2020-21 which needs to be

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reduced from Non-Tariff Income (NTI) is ₹2.46 Crore as shown below:

Table 3A 42: Other Business Income for FY 2020-21 (₹ Crore)

S. No	Particulars	Amt (Cr.)
A	Street Light Maintenance	0.21
B	Pole Rental Income	2.25
	Total	**2.46**

3.17.19 The explanation for other items not to be considered as Non-Tariff Income is as under:

iv. Late Payment Surcharge:

3.17.20 As regards LPSC, it is submitted that the Petitioner levied LPSC @ 1.5% per month on flat basis till FY 2012-13. The Hon'ble Commission was therefore allowing only financing cost of LPSC to the Petitioner by computing the principal amount (LPSC divided by 18% (12 x 1.5%) and allowing carrying cost on the principal amount. The difference between the amount of LPSC and the interest on principal amount was passed on the consumers by way of NTI.

3.17.21 Based on the representation of Foundation of Rubber & Polymer Manufacturers, the Hon'ble Commission vide letter dated December 13, 2012 communicated that LPSC should be charged proportional to the number of days of delay in receiving payment from the consumers by the Petitioner. The Hon'ble Commission in Tariff in is Order dated September 29, 2015 again directed the Petitioner to charge LPSC proportionate to the number of days of delay in receiving the payment from the consumers of the DISCOMs.

3.17.22 The Petitioner in this Petition requests the Hon'ble Commission to allow the entire LPSC instead of financing cost of LPSC during FY 2020-21 as the Petitioner charged LPSC proportionate to the number of days of delay and not on flat basis. The methodology of charging LPSC proportionate to the number of days of delay leads to recovery of only financing cost of LPSC for the delay in payment and not on flat basis. However, the Hon'ble Commission without referring to its' direction for change in charging of LPSC continued with the earlier methodology which was utilised for computation of financing of LPSC till FY 2012-13. Such treatment has actually resulted in allowance of financing cost of LPSC at much lower rate.

3.17.23 It is further submitted that the concept of financing cost of LPSC was introduced by the Hon'ble Commission in Tariff Order dated August 26, 2011 as LPSC was considered as a part of revenue realisation for the purpose of computation of AT&C Loss as per Clause-4.7 (c) of DERC Tariff Regulations, 2007. As per DERC Tariff Regulations, 2011, the methodology of computation of revenue realisation for the purpose of computation of AT&C Loss has been changed and LPSC is no longer being included as a part of revenue realisation for computation of AT&C Loss from FY 2012-13 onwards. Since the methodology for computation of AT&C Loss has been changed, the Petitioner ought to be allowed entire LPSC instead of financing cost of LPSC.

3.17.24 The financing cost of LPSC is based on the principle that the Petitioner will fund the amount delayed through loans whereas, it is practically not possible to arrange for the funding of such delayed payment as the Petitioner does not know in advance as to which consumer will pay the bill on deadline and which consumers will not pay the bill on deadline. The process of raising loans for funding any expenditure is time taking process and therefore, in case of any default on part of consumers to pay electricity bills in time, the Petitioner has to face the following penalties:

a) **Penalty on account of under-achievement of AT&C Loss:** In case of any under-achievement of AT&C Loss, the Hon'ble Commission levies penalty on the Petitioner irrespective of the fact that the default in collection efficiency is on account of consumers.

b) **Penalty in repayment of Loans:** In present scenario, the Petitioner is not operating in business as usual situation. Apart from normal capex loan and working capital loan, the Petitioner is required to fund huge amount of

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regulatory assets and the revenue gap during the year on account of variation between the estimated ARR and actual ARR. In such a situation any default in payment of billed amount put financial constraints on the ability of the Petitioner to efficiently discharge its debt obligations. As a result, the Petitioner has to face penalty on account of delay in repayment of loans which is not being passed in the ARR.

c) **Penalty by Generators:** Generators levy penalty of 1.5% per month in case of non-payment of dues within time.

3.17.25 It is most respectfully submitted that the Hon'ble Commission's treatment tantamount to discrimination between Gencos, Transcos and DISCOMs which is depicted in the table below:

Table 3A 43: Treatment of LPSC to various utilities in Delhi

S. No	Particulars	Delhi Gencos and Transcos	Delhi DISCOMs
1	Before FY 2013-14	• LPSC @ 1.5% per month; • LPSC collected allowed to Gencos and Transcos irrespective of actual cost of financing delay in payment; • Therefore, LPSC not considered as Non-Tariff Income.	• LPSC @ 1.5% per month; • Only financing cost of delayed payment by computing principal amount, i.e., LPSC Collected/ 18% allowed to DISCOMs; • Difference between LPSC collected and financing cost of delayed payment considered as NTI.
2	From FY 2013-14	• Same treatment continued.	• LPSC @ 1.5% proportional to number of days of delay; • Same formulae for computing principal amount despite of change in treatment;

3.17.26 As per the aforesaid submissions, the Petitioner requests the Hon'ble Commission to allow entire LPSC of ₹ 21.84 Crore during FY 2020-21 to be retained by the Petitioner as the same merely meets the financing cost of delay in payment.

v. Rebate on Power Purchase Cost and Transmission Charges:

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3.17.27 Since the actual rebate on power purchase and transmission charges has been deducted for the purpose of calculation of net power purchase cost, same ought to be deducted from Non-Tariff Income. Accordingly, the Petitioner has deducted rebate on power purchase and transmission charges from Non-Tariff Income in order to avoid double accounting.

vi. Short term gain:

3.17.28 The Hon'ble Commission in Tariff Order dated August 31, 2017 has ruled as under

> *"3.544 The Petitioner has submitted that Short Term gain is on account of interest received on fixed deposits maintained by the Petitioner as margins kept with the funding agency for loans availed. Therefore, the Commission is of the view that interest on these fixed deposits should be allowed to be reduced from the Non-Tariff Income ..."*

3.17.29 Accordingly, the Petitioner requests the Hon'ble Commission to allow the Petitioner to retain the income of ₹7.99 Crore on account of interest received on fixed deposits during FY 2020-21 and reduce the same from the Non-Tariff Income.

vii. Transfer from Consumer Contribution and Capital works:

3.17.30 The Hon'ble Commission in Tariff Order dated July 31, 2019 has allowed transfer from consumer contribution for capital works to be reduced from NTI for FY 2017-18 on the ground that the consumer contribution is not considered for calculation of Depreciation and RoCE and the Petitioner is making book adjustments in compliance of accounting standards and has no impact on the cash flows. Therefore, amount transferred from Consumer contribution and capital works are allowed to be reduced from Non-Tariff Income.

3.17.31 Accordingly, the Petitioner requests the Hon'ble Commission to reduce the amount of ₹18.44 Crore from the Non-Tariff Income during FY 2020-21.

viii. Income on account of bad debts recovered:

3.17.32 The Hon'ble Commission in Tariff Order dated August 31, 2017 has ruled as under:

> *"3.552 The Petitioner has submitted that any amount recovered as bad debts*

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is an energy income which is required to be included in the amount collected during the year as the same is received against the amount billed in the previous years. The amount billed and collected in previous years has already been considered for the purpose of AT&C loss calculation during respective years. It is observed that the amount recovered from the bad debts written off by the Petitioner is part of total collection for the relevant year has also been indicated under the head 'other income' in the audited financial statement of FY 2014-15 and FY 2015-16. Therefore, the Income on account of bad debts recovered are reduced from Non-Tariff Income."

3.17.33 Accordingly, the Petitioner requests the Hon'ble Commission not to consider ₹2.09 Crore of income recovered on account of bad debts (shown in Note 37 of Audited Accounts) as Non-Tariff Income during FY 2020-21.

ix. Write-back of Miscellaneous Provisions:

3.17.34 The Hon'ble Commission in Tariff Order dated July 31,2019 did not consider the write-back of miscellaneous provisions and stated as under

"3.457 The similar issue is sub-judice under Appeal no. 297 of 2015 before Hon'ble APTEL. The A&G expenses have been benchmarked for the base year FY 2010-11 for the purpose of 2nd MYT period FY 2012-13 to FY 2016-17 without adjusting provision for miscellaneous expenses. The miscellaneous provisions now being written back pertain to the prior periods, for which the A&G expenses have been allowed on a normative basis. Any reversal of the expenses under the normative head should remain within the Licensee revenue. Accordingly, the Commission considers the write back of miscellaneous provisions created prior to FY 2017-18 as part of Non-Tariff Income."

3.17.35 The Hon'ble Commission in Tariff Order dated March 28, 2018 did not consider the write-back of miscellaneous provisions and relied on the previous Tariff Orders and stated as under

"3.428 The Commission has already dealt this issue in detail in previous tariff orders, therefore, the provisions written back has not been allowed to be reduced from Non Tariff Income of the Petitioner."

3.17.36 The Hon'ble Commission in Tariff Order dated August 31, 2017 stated as under:

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"3.542The A&G expenses for the base year FY 2011-12 have been benchmarked for the purpose of MYT period FY 2012-13 to FY 2015-16 on the basis of A&G Expenses indicated in the Audited Financial Statement without considering whether the amount has been actually spent or provisioned. Therefore, the Commission is of the view that the provisions written back are to be included in the Non Tariff Income."

3.17.37 In this regard, it is submitted that the amount of ₹3.6 Crore appearing as Excess provisions written back in Note -34 of the Audited Accounts is an accounting entry reversing the amount of excess Provisions (shown as "Provisions" in the Audited Accounts) created in previous years and was not forming part of A&G expenses considered by the Hon'ble Commission during previous financial years. Hence, the amount of ₹3.6 Crore ought not to be considered as part of Non-Tariff Income for FY 2020-21.

x. <u>Commission on Electricity Duty:</u>

3.17.38 The Hon'ble Commission in Tariff Order dated August 31, 2017 stated as under:

"The Commission is of the view that collection of electricity duty is not a separate function/job and electricity duty is collected with electricity bills as normal collection of electricity dues billed by the Petitioner. Therefore, the Petitioner's submission that there is extra cost on account of collection of electricity duty is neither indicated in the audited financial statement nor justified. Accordingly, amount on account of Commission on Electricity Duty has not been reduced from Non-Tariff Income."

3.17.39 The Petitioner, as an agent on behalf of Municipal Corporation of Delhi (MCD), collects and pays to the MCD the Electricity Duty. For undertaking this activity, there is incidence of use of assets and facilities of the licensed business towards collection of the Electricity Duty. As such this collection activity is a separate business and optimally utilizes the assets of the Petitioner. Section-51 of the 2003 Act, as well as, Delhi Electricity Regulatory Commission (Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee) Regulations, 2005 permit the

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Petitioner to engage in any other business for optimal utilization of its assets.

3.17.40 It is submitted that MCD pays commission to the Petitioner for collecting Electricity Duty on its behalf. This commission paid by MCD is purely Other Business within Section-51 of the 2003 Act, as well as, Delhi Electricity Regulatory Commission (Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee) Regulations, 2005 and accordingly the same would apply to the aforesaid amount earned by the Petitioner as the commission paid by MCD. For undertaking the activity of collection of Electricity Duty, the Petitioner has expended certain expenses towards incentivizing the existing manpower, engaging additional and external collection agencies which are included in the actual employee expenses.

3.17.41 Further, the Petitioner has to perform in-house operations also for which the Petitioner is required to incur additional O&M Expenses. Some of these in-house activities involve maintenance of records regarding Electricity Duty (Amount of Electricity Billed, Collected, Outstanding, paid to GoNCTD etc., cash-handling activities, interaction with GoNCTD, etc. which involves cost. The Petitioner incurs security and conveyance expenses towards transfer of money. Additionally, the Petitioner has also engaged various collection agencies for which the Petitioner has to pay service charges for such engagement. All these expenses are not being allowed by Hon'ble Commission since O&M Expenses are allowed on a normative basis. It is further submitted that the commission of Electricity Duty is being provided as compensation in lieu of the Petitioner's efforts in collecting and accounting and other services rendered by the Petitioner to GoNCTD. It is submitted that if GoNCTD were to perform such similar activity, it would have involved costs. The Petitioner has reduced the efforts on behalf of GoNCTD, required for collection of Electricity Duty in terms of manpower and other Expenses. It is submitted that the income earned as commission on collection of Electricity Duty ought to be utilized to defray the additional expenses incurred by the Petitioner while undertaking such activities.

3.17.42 The Petitioner in its Petition for Truing-up of FY 2014-15, Review of FY 2015-16 and Multi-Year ARR from FY 2016-17 to FY 2020-21 and Tariff of FY 2016-17, had submitted that it has to incur additional O&M expenses and other in-house activities

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involving maintenance of records, cash handling activities, etc., which involve costs. Since these expenses incurred are not being separately allowed by the Hon'ble Commission, the entire income earned through this activity ought not to be reduced from the ARR by treating it as non-tariff income. However, the Hon'ble Commission in the has treated the entire income earned on the aforesaid activity as part of non-tariff income and reduced the ARR of the Petitioner in contravention of its very own 2005 Regulations.

3.17.43 It is submitted that simply because the Electricity Duty is collected along with the electricity bills, that does not mean that the activity of collecting, managing and accounting for the electricity duty, do not attract the incidence of any expenses. For example, if in future, the Petitioner were to engage in another business i.e., to collect water supply bills or telephone bills or gas utility bills, it cannot be said that because the Petitioner collects these amounts along with its electricity bills, these other businesses are distribution functions of the Petitioner or no separate expenses are required for carrying out these other businesses.

3.17.44 The collection of electricity duty by the Petitioner is not a licensed activity. The responsibility for collection of Electricity Duty does not fall upon the licensee either under Section 12 of EA, 2003, nor under the license granted to the Petitioner by the Hon'ble Commission. It is an activity carried out by the Petitioner as a part of the legacy inherited by it from the erstwhile DVB. Even the erstwhile DVB carried out such functions, not as a part of its function of distribution of electricity, but under a statutory mandate of Section 3 of the Delhi Municipal Corporation (Assessment and Collection of Tax on the Consumption, sale or supply of electricity) Bye laws 1962 ("Bye Laws"). Hence, the activity of collection of electricity duty has nothing whatsoever to do with the functions of a distribution licensee under EA, 2003. Since such function is carried out using the assets of the distribution business, such function is clearly attributable to an "other business" under Section 51 of EA, 2003.

3.17.45 The income/commission which is earned by the Petitioner has no connection whatsoever to the ARR of the Petitioner or to the licensed business. As such, this income/commission can never be categorised as non-tariff income. This is

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particularly so when Regulation 4.7(c) of the MYT Regulations, 2011 clearly provides that the collection of Electricity Duty will not be taken into account in computing the Collection Efficiency. If the revenue realisation from the collection of Electricity Duty does not add to the revenue collection for the purpose of 'Collection Efficiency', the income/commission on such collection earned by the Petitioner cannot form a part of the ARR as Non-Tariff income.

3.17.46 Therefore, the commission received on account of collection of Electricity Duty i.e., ₹5.26 Crore ought to be deducted from Non-Tariff Income.

3.17.47 Based on the above submissions, the Non-Tariff Income during FY 2020-21 is tabulated as under:

Table 3A 44: Non-Tariff Income for FY 2020-21

S. No	Particulars	Amount (₹ Cr.)	Reference
A	Other Operating Income	72.6	Note 36 of Audited Accounts
B	Other Income	37.9	Note 37 of Audited Accounts
I	**Total Income as per Accounts**	**110.5**	**(A+B)**
C	Add: Interest on CSD	21.3	Table 3A 39
D	Add: Differential in SLD	4.0	Table 3A 40
II	**Total Other Income**	**135.8**	(I+C+D)
	Less: Income from other business		
E	Pole Rental Income	2.2	Table 3A 41
F	Street Light Maintenance Charges	0.2	Table 3A 42
III	**Net Income to be considered**	**133.3**	(II-E-F)
G	Less: LPSC	21.8	Note 36 of Audited Accounts
H	Less: Short term gain	8.0	Note 37 of Audited Accounts
I	Less: Transfer from Consumer contribution for capital works	18.4	Note 36 of Audited Accounts

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S. No	Particulars	Amount (₹ Cr.)	Reference
J	Less: Bad debts recovered	2.1	Note 37 of Audited Accounts
K	Less: Write-back of misc. provisions	3.6	Note 37 of Audited Accounts
L	Less: Commission on collection of Electricity Duty	5.3	Note 36 of Audited Accounts
	Net Non-Tariff Income	**74.1**	**(III-sum G to L)**

3.17.48 The Petitioner requests the Hon'ble Commission to allow the NTI during FY 2020-21 as submitted in the above table.

3.18 Income from Open Access

3.19.1 In addition to the income received from Other Business, the income of ₹17.04 Crores (Note 36 of the Audited Accounts) recovered as Open Access Charges during FY 2020-21 has been considered for offsetting the revenue (Gap)/Surplus for the year.

3.19 Capital Expenditure and Capitalisation

3.20.1 The Petitioner has considered the Closing GFA for FY 2019-20 as opening GFA for FY 2020-21.

3.20.2 The actual capitalisation and de-capitalisation as per the Audited Accounts for FY 2020-21 has been considered to derive the closing balance of GFA as under:

Table 3A 45: Gross Fixed Assets for FY 2020-21 (₹ Cr.)

S. No	Particulars	FY 2020-21	Remarks/ Ref.
A	Opening GFA	3950.0	
B	Capitalisation during the year	300.9	Note 3 of the Audited Accounts
C	De-capitalisation	70.4	Note 3 of the Audited Accounts
D	Closing GFA	4180.5	A+B-C
E	Average GFA	4065.2	(A+D)/2

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Funding of Capitalisation

3.20.3 During FY 2020-21, the Petitioner has capitalised ₹300.9 Crore which includes ₹70.4 Cr. and ₹33.7 Crore on account of De-capitalisation and Consumer Contribution capitalised respectively during the year. The Petitioner has sought financing of Capitalisation (net of de-capitalisation and Consumer Contribution) through debt and equity in the ratio of 30:70 as shown below:

Table 3A 46: Financing of Capitalisation for FY 2020-21 (₹ Cr.)

S. No	Particulars	FY 2020-21	Remarks/ Ref.
A	Total Capitalisation	300.9	
B	De-capitalisation	70.4	
C	Consumer Contribution	33.7	Note 25 of the Audited Accounts
D	**Balance Capitalisation**	**196.9**	**A-B-C**
E	Equity	59.1	30% of D
F	Debt	137.9	70% of D

Consumer Contribution

3.20.4 The average Consumer Contribution (including grants) for FY 2020-21 is tabulated below:

Table 3A 47: Consumer Contribution for FY 2020-21 (₹ Cr.)

S. No	Particulars	FY 2020-21	Remarks/ Ref.
A	Opening Balance	322.9	
B	Additions during the year	33.7	
C	Closing Balance	356.5	A+B
D	**Average Consumer Contribution**	**339.7**	**(A+C)/2**

Details of Grants

3.20.5 The average Grants for FY 2020-21 is tabulated below:

Table 3A 48: Grants for FY 2020-21 (₹ Cr.)

S. No	Particulars	FY 2020-21	Remarks/ Ref.
A	Opening Balance	16.22	
B	Additions during the year	-	

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S. No	Particulars	FY 2020-21	Remarks/ Ref.
C	Closing Balance	16.22	A+B
D	**Average Grants**	**16.22**	**(A+C)/2**

3.20 Depreciation

3.21.1 For the purpose of computing depreciation for True-up of FY 2020-21, the Petitioner has followed the same methodology as considered by the Hon'ble Commission in the past i.e. the average rate of Depreciation based on the Audited Accounts of the Petitioner has been applied on the average GFA net of Consumer Contribution and Grants.

3.21.2 The average rate of Depreciation for FY 2020-21 based on the Audited Accounts of the Petitioner is tabulated below:

Table 3A 49: Depreciation Rate for FY 2020-21

S. No	Particulars	Actual	Remarks/ Ref.
A	Opening GFA as per audited accounts	3920.6	Note 3 of Audited Accounts
B	Closing GFA as per audited accounts	4151.1	
C	Average of GFA	4035.8	(A+B)/2
D	Depreciation as per Audited Accounts	197.8	P&L account
E	**Average depreciation rate**	**4.90%**	**(D/C)*100**

3.21.3 As per Companies Act, the depreciation rate in case of a regulated entity has to be adopted as prescribed by the Regulator. The depreciation has been computed in the audited accounts based on the schedule of depreciation rates given in DERC Tariff Regulations, 2017. In audited accounts, the depreciation has been computed based on life of assets as specified in the Regulations. In case the Hon'ble Commission desires the computation in support of depreciation on assets appearing in audited accounts, the same can be provided.

3.21.4 Further, the Petitioner has calculated the allowable depreciation after excluding consumer contribution and Grants from the Gross Fixed Assets as under:

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Table 3A 50: Depreciation for FY 2020-21

S. No	Particulars	FY 2020-21	Remarks/ Ref.
A	Average GFA	4065.2	
B	Average Consumer Contribution and Grants	339.7	
C	Average assets net of consumer contribution & Grants	3725.6	A-B
D	Average rate of depreciation	4.90%	Table -3A 49
E	**Depreciation**	**182.6**	C*D

3.21.5 The cumulative depreciation on fixed assets at the end of FY 2020-21 is tabulated below:

Table 3A 51: Cumulative Depreciation on fixed assets upto FY 2020-21 (₹ Cr.)

S. No	Particulars	FY 2020-21	Remarks/ Ref.
A	Opening balance of cumulative depreciation	1511.0	
B	Additions during the year	182.6	Table -3A 50
C	Closing balance of cumulative depreciation	1693.6	A+B

3.21.6 Accordingly, the depreciation has been utilised for repayment of loan as under:

Table 3A 52: Utilisation of Depreciation for FY 2020-21 (₹ Cr.)

S. No	Particulars	FY 2020-21	Remarks/ Ref
A	Depreciation	182.6	
B	Depreciation utilised for debt repayment	182.6	

3.21 Working Capital

3.22.1 The Petitioner has computed the Working Capital Requirement for FY 2020-21 based on the actual Power Purchase cost and revenue available towards ARR as submitted for Truing Up of FY 2020-21. Accordingly, the Working Capital Calculation for FY 2020-21 is tabulated below:

Table 3A 53: Working Capital Requirement (₹ Cr.)

S. No	Particulars	FY 2020-21	Remarks/ Ref
A	Annual Revenues from Tariff & Charges	4408.7	
A1	Receivables equivalent to two months average	734.8	A/6
B	Power Purchase Expenses	3086.3	
B1	Less: 1/12th of power purchase expenses	257.2	B/12
C	Working Capital	477.6	A1-B1
D	Opening Working Capital	478.4	
E	**Change in Working Capital**	**-0.8**	**D-E**

3.22.2 The Working capital as shown above has been considered for calculation of Regulated Rate Base for FY 2020-21.

3.22 Debt and Equity

3.23.1 The Petitioner has considered one-tenth of the outstanding balance of loan as repayment during the year. The same has been deducted from the loan balance for calculation of average debt during the year. The average debt and equity for FY 2020-21 is tabulated below:

Table 3A 54: Average Debt and Equity for FY 2020-21 (₹ Cr.)

S. No	Particulars	Debt	Equity	Remarks/ Ref
A	Opening	1433.2	1045.0	
B	Additions during the year			
I	*Capex*	137.8	59.1	
Ii	*Working capital*	-0.8		
C	Less: Repayment	143.3		
D	Closing	1426.9	1104.1	A+B-C
E	Average	1430.0	1074.5	Average(A,D)

3.23.2 The Petitioner has considered the aforesaid debt and equity balance for the purpose of computation of RoCE.

3.23 Regulated Rate Base (RRB)

3.24.1 Based on the above submissions, the Regulated Rate Base (RRB) for FY 2020-21 has been computed as below:

Table 3A 55: Regulated Rate Base for FY 2020-21 (₹ Cr.)

S. No	Particulars	FY 2020-21	Remarks/ Ref
A	RRB Opening	**2332.6**	
B	ΔAB (Change in Capital Investments)	69.9	C-D+E-F
C	Investments Capitalized	230.5	Table 3A 46
D	Depreciation	182.6	Table 3A 50
E	Add: Depreciation on De-capitalised Assets	55.7	Note 3 of Audited Accounts
F	Consumer Contribution	33.7	Table 3A 47
G	Change in WC	-0.8	
H	RRB Closing	2401.7	A+B+G
I	**RRB (i)**	**2366.8**	

3.24 Rate of Interest on Loan

3.25.1 Regulation 77 of Tariff Regulations, 2017 states that:

"77. The rate of interest on loan shall be based on weighted average rate of interest for actual loan portfolio subject to the maximum of bank rate as on 1st April of the year plus the margin as approved by the Commission in the Business Plan Regulations for a Control Period

Provided that in no case the rate of interest on loan shall exceed approved rate of return on equity"

3.25.2 Further, Regulation 22 of Business Plan Regulations, 2019 states as under:

"22. MARGIN FOR RATE OF INTEREST ON LOAN

(1) The rate of interest on loan for a financial year shall be Marginal Cost of Fund based Lending Rate (MCLR) of SBI as on 1st April of that financial year plus the Margin. The Margin, in terms of Regulation 4(2) of the DERC (Terms and

Conditions for Determination of Tariff) Regulations, 2017 towards capitalisation of Assets, Working Capital and Regulatory Assets for Distribution Licensee, is allowed as the difference between the weighted average rate of interest on actual loan portfolio and the MCLR as on 1st April of that financial year:

Provided that the Margin shall not exceed 5.00%, 4.25% and 3.50% for the first, second and third year of the control period, respectively:

Provided further that the rate of interest on loan (MCLR plus Margin) in any case shall not exceed approved base rate of return on equity i.e. 14.00%. In terms of above Regulations, the margin for FY 2020-21 is stated as under:

3.25.3 In line with the above Regulations, the margin for FY 2020-21 for computation of interest on loan is stated as under:

Table 3A 56: Rate of Interest on Loan (%)

S. No.	Particulars	Rate	Remarks/Reference
A	Rate of interest on Loan	12.19%	A
B	SBI MCLR as on 01.04.2020*	7.75%	B
C	Difference	4.44%	C = (A-B)
D	**Margin for FY 2020-21**	**4.44%**	**Min(C, 5%)**

SBI MCLR Rate enclosed as* ***Annexure 3A.2*

3.25.4 For the computation of rate of interest on working capital, Regulation 85 of Tariff Regulations, 2017 states that:

"85. Rate of Interest On Working Capital shall be considered as the bank rate as on 1st April of the year plus margin as specified by the Commission for the Control Period and shall be trued up on the basis of prevailing bank rate as on 1st April of the respective financial year."

3.25.5 Thus, the margin for computation of interest on working capital is stated as under:

Table 3A 57: Rate of Interest on Loan (%)

S. No.	Particulars	Rate	Remarks/Reference
A	Rate of Interest on Working Capital	11.67%	A
B	SBI MCLR as on 01.04.2020*	7.75%	B
C	Margin for FY 2020-21	3.92%	C = (A-B)
D	Margin for FY 2020-21	**3.92%**	**Min(C, 5%)**

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SBI MCLR Rate enclosed as* ***Annexure 3A.2*

3.25.6 Accordingly, the rate of interest on term loan and working capital is equivalent to minimum of (i) approved base rate of RoE of 14.00%, (ii) rate of interest w.r.t actual loan and working capital portfolio during FY 2020-21 and (iii) Bank Rate of 7.75% as on April 1, 2019 plus margin for rate of interest on loan as per Business Plan Regulations, 2019.

3.25.7 Thus, the rate of interest on loan and working capital comes out to be 12.19% and 11.67% respectively and subsequently, computed the blended interest rate on loan tabulated as under:

Table 3A 58: Weighted Average Interest Rate on Loan (%)

S. No.	Particulars	FY 2020-21	Remarks/ Reference
A	Closing Balance of Debt	1412	Table 3A 47
B	Closing Debt at 100% Working Capital	479	Table 3A 46
C	Closing Balance of CAPEX Loan	933	C=A-B
D	Rate of Interest on Loan	12.19%	
E	Rate of Interest on Working Capital	11.67%	
F	**Blended Rate of Interest on Loan**	**12.01%**	**((B*E)+(C*D))/A**

3.25.8 Hence, the Petitioner requests the Hon'ble Commission to approve the rate of interest on loan (rd) as 12.01% for FY 2020-21.

3.25.9 Further, in order to comply with the Directives issued by the Hon'ble Commission, the Petition vide letter dated 30.11.2021 has submitted the statement of interest on all type of loans availed from various Banks/Financial Institutions for FY 2020-21.

3.25 Weighted Average Cost of Capital (WACC)

3.26.1 The Petitioner has considered the actual rate of interest of loans at 12.01% and RoE at 16% for FY 2020-21.

3.26.2 Further, as per Regulation 4 of Business Plan Regulations, 2019:

"4. TAX ON RETURN ON EQUITY

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The base rate of Return on Equity as allowed by the Commission under Regulation 3, shall be grossed up with the Minimum Alternate Tax or Effective Tax Rate of the respective financial year in terms of Regulation 72 and 73 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, as per the following formula:

Rate of Return on Equity= 14/[(100-Tax Rate)/100]

where, Tax Rate is Minimum Alternate Tax (MAT) or Effective Tax Rate, as the case may be."

3.26.3 In addition to above Regulation, a new section 115BAA has been inserted in the Income Tax Act with effect from Financial Year (FY) 2019-20. Section 115BAA allows every domestic company to avail an option to pay Income-tax at the rate of 22% (effective tax rate is 25.17% including surcharge and cess), subject to certain specified conditions. If Company exercises the option to switch to pay tax u/s 115BAA, MAT will not be applicable to it. However, once the option is exercised, the Company cannot subsequently opt out from it. The Petitioner has carried out the detailed analysis for switching over to section 115BAA and is of the view that since the Company is presently not availing any deductions under the existing tax regime and due to the availability of substantial brought forward losses and unabsorbed depreciation, it will be beneficial to shift to the new tax regime u/s 115BAA. In view of the above, the Petitioner has decided to avail the option to switch over to the new tax regime u/s 115BAA.

3.26.4 In view of the above submission, the grossed-up return on equity is 21.38% as the income tax rate based on new tax regime is 25.17%. Thus, the computation of WACC is as under:

Table 3A 59: Weighted Average Cost of Capital (WACC) (₹ Cr.)

S. No.	Particulars	FY 2020-21
A	Average Equity	1074.5
B	Average Debt	1430.0
C	Return on Equity	16.00%
D	**Income Tax Rate**	**25.17%**

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S. No.	Particulars	FY 2020-21
E	Grossed up Return on Equity	21.38%
F	Rate of Interest	12.02%
G	**Weighted average cost of Capital**	**16.03%**

3.26 Return on Capital Employed (RoCE)

3.27.1 Based on the aforesaid submissions, the RoCE for FY 2020-21 is computed as below:

Table 3A 60: RoCE for FY 2020-21 (₹ Cr.)

Particulars	FY 2020-21	Remarks/ Ref
Weighted Average Cost of Capital (WACC)	16.03%	Table 3A 59
RRB (i)	2367	Table 3A 55
RoCE	**379**	**A*B**

3.27.2 The Petitioner requests the Hon'ble Commission to allow RoCE based on the above computations.

3.27 Aggregate Revenue Requirement for Truing-up of FY 2020-21

3.28.1 Based on the above submissions, the Annual Revenue Requirement for FY 2020-21 sought for True-up is tabulated below:

Table 3A 61: Aggregate Revenue Requirement for FY 2020-21 (₹ Cr.)

S. No	Particulars	FY 2020-21	Reference Remark
A	Purchase of power including Transmission and SLDC Charges& Incentives	3,086.3	
B	O&M Expenses	740.5	
C	Additional O&M Expenses	111.0	
D	Depreciation	182.6	
E	Return on Capital Employed (RoCE)	379.5	
F	**Sub-total**	**4,499.9**	**Sum (A to G)**
G	Less: Non-Tariff Income	74.1	
I	Less: Income from Open Access	17.0	
J	**Aggregate Revenue Requirement**	**4,408.7**	**F-(G+H+I)**

3.28 Revenue available towards ARR

3.29.1 The revenue available towards ARR is tabulated as under:

Table 3A 62: Revenue for FY 2020-21 (₹ Cr.)

S. No	Particulars	FY 2020-21	Reference/ Remark
A	Total Revenue Collected	4,271.6	Net of LPSC, E-tax, 3.70% Pension Surcharge and 8% RA Surcharge
B	Less: Amount to be retained by Petitioner on account of overachievement of Distribution Loss Targets	13.2	Table 3A 14
C	Less: Amount to be retained by Petitioner on account of Overachievement of Collection Efficiency Targets	34.7	Table 3A 17
D	Less: Incentive on sale of Surplus power	12.6	Table 3A 30
E	Less: Carrying Cost	178.0	
F	**Revenue available towards ARR**	**4,033.1**	**A-B-C-D**

3.29 Revenue (Gap)/ Surplus

3.30.1 The revenue gap during FY 2020-21 is tabulated as under:

Table 3A 63: Revenue (Gap) for FY 2020-21 (₹ Cr.)

S. No	Particulars	FY 2020-21	Reference/ Remark
A	Aggregate Revenue Requirement (ARR)	4,409	Table-3A 50
B	Revenue available towards ARR	4,033	Table-3A 51
C	**Revenue (Gap)/Surplus**	**(376)**	**B-A**

3.30.2 The Petitioner requests the Hon'ble Commission to True Up for FY 2020-21 as submitted above.