



DELHI ELECTRICITY REGULATORY COMMISSION

Vinayak Bhawan, 'C' Block, Shivalik, Mahila Nagar, New Delhi-110017.

F.11(1642)/DERC/18-19/

Petition No. 05/2019

In the matter of: **Petition for Truing up upto FY 2017-18, Aggregate Revenue Requirement (ARR) and Tariff for FY 2019-20.**

BSES Yamuna Power Limited,
Through its: CEO
Shakti Kiran Building,
Karkardooma,
Delhi-110092

...Petitioner/Licensee

Coram:

Hon'ble Mr. Justice S S Chauhan, Chairperson

ORDER

(Date of Order: 31.07.2019)

M/s. BSES Yamuna Power Limited (BYPL) has filed the instant Petition for Truing up of expenses upto FY 2017-18, Aggregate Revenue Requirement (ARR) and Tariff for FY 2019-20. The Petition was admitted by the Commission vide Order dated 21.02.2019. The Petition along with Executive summary was uploaded on the website of the Commission and publicised through advertisement in newspapers for seeking response of the stakeholders.

The comments and suggestions of the stakeholders including the submissions made during the public hearing held on 10.07.2019 and the arguments advanced by the Petitioner have been duly considered by the Commission.

In exercise of the power vested in it by the Electricity Act, 2003 and Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017, the Commission hereby pass this Tariff Order signed, dated and issued on 31.07.2019.

The Petitioner shall take immediate steps to implement this Tariff Order, so as to make the revised tariffs applicable from 01.08.2019.

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


(Justice S S Chauhan)
Chairperson

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LIST OF ABBREVIATIONS

| Abbreviation | Explanation |
|--------------|---|
| ARR | Aggregate Revenue Requirement |
| A&G | Administrative and General |
| AAD | Advance Against Depreciation |
| ABT | Availability Based Tariff |
| ACD | Advance Consumption Deposit |
| AMR | Automated Meter Reading |
| APDRP | Accelerated Power Development and Reforms Program |
| AT&C | Aggregate Technical and Commercial |
| ATE | Appellate Tribunal for Electricity |
| BEST | Birhanmumbai Electric Supply and Transport |
| BHEL | Bharat Heavy Electricals Limited |
| BIS | Bureau of Indian Standards |
| BPTA | Bulk Power Transmission Agreement |
| BRPL | BSES Rajdhani Power Limited |
| BST | Bulk Supply Tariff |
| BTPS | Badarpur Thermal Power Station |
| BYPL | BSES Yamuna Power Limited |
| CAGR | Compounded Annual Growth Rate |
| CCGT | Combined Cycle Gas Turbine |
| CEA | Central Electricity Authority |
| CERC | Central Electricity Regulatory Commission |
| CFL | Compact Fluorescent Lamp |
| CGHS | Cooperative Group Housing Societies |
| CGS | Central Generating Stations |
| CIC | Central Information Commission |
| CISF | Central Industrial Security Force |
| CoS | Cost of Supply |
| CPI | Consumer Price Index |
| CPRI | Central Power Research Institute |
| CPSUs | Central Power Sector Utilities |
| CSGS | Central Sector Generating Stations |
| CWIP | Capital Work in Progress |
| DA | Dearness Allowance |
| DDA | Delhi Development Authority |
| DERA | Delhi Electricity Reform Act |
| DERC | Delhi Electricity Regulatory Commission |
| DIAL | Delhi International Airport Limited |
| DISCOMs | Distribution Companies (BRPL, BYPL, TPDDL & NDMC) |
| DMRC | Delhi Metro Rail Corporation |
| DPCL | Delhi Power Company Limited |

| Abbreviation | Explanation |
|--------------|--|
| DTL | Delhi Transco Limited |
| DVB | Delhi Vidyut Board |
| DVC | Damodar Valley Corporation |
| EHV | Extra High Voltage |
| EPS | Electric Power Survey |
| FBT | Fringe Benefit Tax |
| FPA | Fuel Price Adjustment |
| GFA | Gross Fixed Assets |
| GIS | Geographical Information System |
| GoNCTD | Government of National Capital Territory of Delhi |
| GTPS | Gas Turbine Power Station |
| HEP | Hydro Electric Power |
| HPSEB | Himachal Pradesh State Electricity Board |
| HRA | House Rent Allowance |
| HT | High Tension |
| HVDS | High Voltage Distribution System |
| IDC | Interest During Construction |
| IGI Airport | Indira Gandhi International Airport |
| IPGCL | Indraprastha Power Generation Company Limited |
| JJ Cluster | Jhugghi Jhopadi Cluster |
| KSEB | Kerala State Electricity Board |
| LED | Light Emitting Diode |
| LIP | Large Industrial Power |
| LT | Low Tension |
| LVDS | Low Voltage Distribution System |
| MCD | Municipal Corporation of Delhi |
| MES | Military Engineering Service |
| MLHT | Mixed Load High Tension |
| MMC | Monthly Minimum Charge |
| MoP | Ministry of Power |
| MTNL | Mahanagar Telephone Nigam Limited |
| MU | Million Units |
| MYT | Multi Year Tariff |
| NABL | National Accreditation Board for Testing and Calibration of Laboratories |
| NAPS | Narora Atomic Power Station |
| NCT | National Capital Territory |
| NCTPS | National Capital Thermal Power Station |
| NDLT | Non Domestic Low Tension |
| NDMC | New Delhi Municipal Council |
| NEP | National Electricity Policy |
| NGO | Non Government Organisation |
| NHPC | National Hydroelectric Power Corporation |
| NPCIL | Nuclear Power Corporation of India Limited |

| Abbreviation | Explanation |
|--------------|--|
| NRPC | Northern Regional Power Committee |
| NTI | Non Tariff Income |
| NTP | National Tariff Policy |
| O&M | Operations and Maintenance |
| OCFA | Original Cost of Fixed Assets |
| PGCIL | Power Grid Corporation of India |
| PLF | Plant Load Factor |
| PLR | Prime Lending Rate |
| PPA | Power Purchase Agreement / Power Purchase Adjustment |
| PPCL | Pragati Power Corporation Limited |
| PTC | Power Trading Corporation |
| PWD | Public Works Department |
| R&M | Repair and Maintenance |
| RAPS | Rajasthan Atomic Power Station |
| REA | Regional Energy Account |
| RoCE | Return on Capital Employed |
| ROE | Return on Equity |
| RRB | Regulated Rate Base |
| RTI | Right to Information |
| RWA | Resident Welfare Associations |
| SBI | State Bank of India |
| SERC | State Electricity Regulatory Commission |
| SIP | Small Industrial Power |
| SJVNL | Satluj Jal Vidyut Nigam Limited |
| SLDC | State Load Despatch Centre |
| SPD | Single Point Delivery |
| SPUs | State Power Utilities |
| SVRS | Special Voluntary Retirement Scheme |
| THDC | Tehri Hydro Development Corporation |
| ToD | Time of Day |
| TOWMCL | Timarpur Okhla Waste Management Company (P) Limited |
| TPDDL | Tata Power Delhi Distribution Limited |
| TPS | Thermal Power Station |
| UI | Unscheduled Interchange |
| UoM | Units of Measurement |
| WACC | Weighted Average Cost of Capital |
| WC | Working Capital |
| WPI | Wholesale Price Index |

A1: INTRODUCTION

- 1.1 This Order relates to the petition filed by BSES Yamuna Power Limited (BYPL) (hereinafter referred to as 'BYPL' or the 'Petitioner') for True-Up of ARR for 2017-18 for Distribution Business in terms of Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 (hereinafter referred to as 'Tariff Regulations, 2017') and Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2017 (hereinafter referred to as 'Business Plan Regulations, 2017') and approval of Aggregate Revenue Requirement & Tariff for FY 2019-20 in terms of Tariff Regulations, 2017 and Business Plan Regulations, 2017.

BSES YAMUNA POWER LIMITED (BYPL)

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

DELHI ELECTRICITY REGULATORY COMMISSION

- 1.3 Delhi Electricity Regulatory Commission (hereinafter referred to as 'DERC' or the Commission') was constituted by the GoNCTD on 03.03.1999 and it became operational from 10.12.1999.
- 1.4 The Commission's approach to regulation is driven by the Electricity Act, 2003, the National Electricity Plan, the National Tariff Policy and the Delhi Electricity Reform Act 2000 (hereinafter referred to as 'DERA'). The Electricity Act, 2003 mandates the Commission to take measures conducive to the development and management of the electricity industry in an efficient, economic and competitive manner, which inter alia includes Tariff determination.

THE STATE ADVISORY COMMITTEE MEETING

- 1.5 The Commission has, since constitution of the State Advisory Committee on 27/03/2003, held 18 meetings so far. In the 18th State Advisory Committee meeting

held on 02/07/2019, the Commission discussed the following:

Table 1. 1: Issues discussed in 18th State Advisory Committee Meeting

| S. No. | Issues Discussed |
|--------|--|
| A | Tariff Petitions for True Up of FY 2017-18 and ARR for FY 2019-20 for GENCOs, TRANSCO and DISCOMs |
| B | Draft DERC (Power System Development Fund) Regulations, 2019 |
| C | DERC (Supply Code and Performance Standards) (Second, third & fourth Amendment) Regulations, 2018 & Manual of practice for handling consumers' complaints. |

MULTI YEAR TARIFF REGULATIONS

- 1.6 The Commission issued Tariff Regulations, 2017 vide gazette notification dated 31/01/2017 specifying Terms and Conditions for Determination of Tariff for Distribution of Electricity under the Multi Year Tariff (MYT) framework. Further the operational norms for Distribution utilities have also been approved by the Commission in Business Plan Regulations, 2017 under Tariff Regulations, 2017 for the period FY 2017-18 to FY 2019-20.
- 1.7 The Commission issued MYT Distribution Regulations, 2011 vide Order dated 02/12/2011 specifying Terms and Conditions for Determination of Tariff for Distribution of electricity under the Multi Year Tariff (MYT) framework for the period FY 2012-13 to FY 2014-15.
- 1.8 The Commission vide order dated October 22, 2014 has extended the MYT period of FY 2012-13 to FY 2014-15 for a period of one year till FY 2015-16.
- 1.9 The Commission has further extended the applicability of MYT Distribution Regulations, 2011 for FY 2016-17 in Tariff Regulations, 2017.

FILING OF PETITION FOR TRUE-UP OF FY 2017-18 AND ARR FOR FY 2019-20

FILING AND ACCEPTANCE OF PETITION

- 1.10 BYPL has filed its petition before the Commission on 30.11.2018 for approval of Truing up of Expenses upto FY 2017-18 and Annual Tariff Petition for FY 2019-20.
- 1.11 The Commission admitted the Petition vide its Order dated 21.02.2019 subject to clarifications / additional information, if any, which would be sought from the Petitioner from time to time. A copy of the Admission Order dated 21.02.2019 is

enclosed as Annexure I to this Order.

INTERACTION WITH THE PETITIONER

- 1.12 The Order has referred at numerous places to various actions taken by the “Commission”. It may be mentioned for the sake of clarity, that the term “Commission” in most of the cases refers to the officers of the Commission and C&AG empanelled Auditors appointed by the Commission for carrying out the due diligence on the petition filed by the Petitioner, obtaining and analyzing information/clarifications received from the utilities and submitting all issues for consideration by the Commission.
- 1.13 The Commission held Public Hearing on 10/07/2019 to take a final view with respect to various issues concerning the principles and guidelines for tariff determination. The Commission has considered the inputs/comments received from various stakeholders alongwith the due diligence conducted by the officers of the Commission and C&AG empanelled Auditors in arriving at its final decision. The use of the term “Commission” may, therefore, be read in the context of the above clarification.
- 1.14 A preliminary scrutiny/analysis of the petition submitted by the Petitioner has been carried out. Further, additional information/clarifications were sought from the Petitioner as and when required. The Commission and the Petitioner also discussed key issues raised in the petition, which included details of capital expenditure and capitalisation plan, allocation of expenses into Wheeling and Retail Supply Business, loss reduction trajectory, liability towards SVRS expenditure, etc.
- 1.15 The Commission also conducted multiple validation sessions with the Petitioner during which discrepancies in the petition and additional information required by the Commission were sought. Subsequently, the Petitioner submitted replies to the issues raised in these sessions and provided documentary evidence to substantiate its claims regarding various submissions.

PUBLIC NOTICE

- 1.16 The Commission issued Public Notice in the following newspapers inviting comments from stakeholders on the Tariff Petitions filed by the Petitioner latest by 05.04.2019:

| | |
|-------------------------------------|------------|
| (a) Hindustan Times (English) | 07/03/2019 |
| (b) The Pioneer (English) | 07/03/2019 |
| (c) Times of India (English) | 07/03/2019 |
| (d) Navbharat Times (Hindi) | 07/03/2019 |
| (e) Dainik Jagran (Hindi) | 07/03/2019 |
| (f) Roznama Rashtriya Sahara (Urdu) | 07/03/2019 |
| (g) Educator (Punjabi) | 07/03/2019 |

1.17 Copies of the above Public Notices are available on Commission's website www.derc.gov.in

1.18 The Petitioner also published a Public Notice indicating salient features of its petition for inviting comments from the stakeholders and requesting to submit response on the petition on or before 05/04/2019 in the following newspapers on the respective dates mentioned alongside:

| | |
|-------------------------------|------------|
| (a) Hindustan Times (English) | 04/03/2019 |
| (b) Hindustan (Hindi) | 06/03/2019 |
| (c) Mint (English) | 04/03/2019 |
| (d) Punjabi Tribune (Punjabi) | 07/03/2019 |
| (e) The Inquilab (Urdu) | 07/03/2019 |

1.19 Copies of the above Public Notices are available on Commission's website www.derc.gov.in

1.20 A soft copy of the petition was made available in CD on payment of Rs. 25/- per CD or a copy of the petition was also made available for purchase from the respective Petitioner's head-office on working day till 05.04.2019 between 11 A.M. and 4 P.M. on payment of Rs.100/- either by cash or by demand draft/pay order . A copy of the complete petition was also uploaded on the website of the Commission, as well as that of the Petitioner, requesting for comments of the stakeholders thereon.

1.21 At the request of the stakeholders, the Commission extended the last date for filing objections and suggestions up to 10.07.2019 for which the public notice was issued in the following newspapers on the respective dates mentioned along side:

| | |
|-------------------------------|------------|
| (a) Hindustan Times (English) | 07/06/2019 |
| (b) Times of India (English) | 07/06/2019 |
| (c) Mail Today (English) | 07/06/2019 |
| (d) The Hindu (English) | 07/06/2019 |

| | | |
|-----|-------------------------|------------|
| (e) | Navbharat Times (Hindi) | 07/06/2019 |
| (f) | Punjab Kesari (Hindi) | 07/06/2019 |
| (g) | Dainik Jagran (Hindi) | 07/06/2019 |
| (h) | Jadid-In Dinon (Urdu) | 07/06/2019 |
| (i) | Qaumi Patrika (Punjabi) | 07/06/2019 |

1.22 The Public Notice is available on Commission's website www.derc.gov.in

1.23 In order to extend help to the stakeholders in understanding the ARR Petition and filing their comments, the Commission prepared an Executive Summary highlighting salient features of the Tariff Petition filed by the Petitioner, which was uploaded on the Commission's website. In this regard, four officers of the Commission viz. Joint Director (PS&E), Joint Director (Engineering), Deputy Director (TA-FA) and Deputy Director (T-E) were nominated for discussion on the ARR Petitions. This was duly highlighted in the Public Notices published by the Commission.

1.24 Further, the Commission published a Public Notice indicating the venue, date and time of public hearing on 10.07.2019 in the following newspapers on the respective dates mentioned alongside:

| | | |
|-----|---------------------------|------------|
| (a) | Hindustan Times (English) | 07/06/2019 |
| (b) | Times of India (English) | 07/06/2019 |
| (c) | Mail Today (English) | 07/06/2019 |
| (d) | The Hindu (English) | 07/06/2019 |
| (e) | Navbharat Times (Hindi) | 07/06/2019 |
| (f) | Punjab Kesari (Hindi) | 07/06/2019 |
| (g) | Dainik Jagran (Hindi) | 07/06/2019 |
| (h) | Jadid-In Dinon (Urdu) | 07/06/2019 |
| (i) | Qaumi Patrika (Punjabi) | 07/06/2019 |

1.25 Copies of the above Public Notices are available on Commission's website www.derc.gov.in.

1.26 The Commission received written comments from stakeholders. The comments of the stakeholders were also forwarded to the Petitioner who, responded to the comments of the stakeholders with a copy of its replies to the Commission. The Commission invited all stakeholders, including those who had filed their objections and suggestions, to attend the Public Hearing.

- 1.27 The public hearing was held at the Auditorium of Scope Convention Centre, Scope Complex, New Delhi for all stakeholders on 10/07/2019 to discuss the issues related to the petition filed by the Petitioner. The issues and concerns voiced by various stakeholders have been examined by the Commission. The major issues discussed during the public hearing and/or written comments made by the stakeholders, the responses of the Petitioner thereon and the views of the Commission, have been summarized in Chapter A2.

LAYOUT OF THE ORDER

- 1.28 This Order is organised into six Chapters:
- a) Chapter A1 provides details of the tariff setting process and the approach of the Order.
 - b) Chapter A2 provides a brief of the comments of various stakeholders including the comments during the Public Hearing, the Petitioner's response and views of the Commission thereon.
 - c) Chapter A3 provides details/analysis of the True up for FY 2017-18 and impact of past period true up based on judgement of Hon'ble APTEL & Review Order of the Commission.
 - d) Chapter A4 provides analysis of the petition for determination of the Aggregate Revenue Requirement for FY 2019-20.
 - e) Chapter A5 provides details of the possible options for determination of Wheeling and Retail Supply Tariff for all consumer categories for FY 2019-20, and the approach adopted by the Commission in its determination.
 - f) Chapter A6 provides details of the Directives of the Commission.
- 1.29 The Order contains following Annexures, which are an integral part of the Tariff Order:
- a) Annexure I - Admission Order.
 - b) Annexure II - List of the stakeholders who submitted their comments on True-up of expense for FY 2017-18 and approval of Aggregate Revenue Requirement & Tariff for FY 2019-20.
 - c) Annexure III – List of Stakeholders/consumers who attended the public hearing.

PERFORMANCE REVIEW

- 1.30 Regulation 66 (iii) & 66 (iii) (a) of the Delhi Electricity Supply Code and Performance Standards Regulations, 2007 stipulates as under:

“66(iii) The Licensee shall furnish to the Commission, in a report for every quarter and in a consolidated annual report for each financial year, the following information as to the Overall Standards of Performance:

(a) The level of performance achieved with reference to those specified in Schedule-II to this regulation;

- 1.31 The Commission has sought inputs on overall Standards of Performance for the months from April 2017– August, 2017 as prescribed in Schedule – II of the Delhi Electricity Supply Code and Performance Standards Regulations, 2007. The details submitted by BYPL for the period April, 2017 to August, 2017 of FY 2017-18 are as follows:

Table 1. 2: Standards of Performance for the period April 2017- August 2017

| S. No | Service Area | Overall Standard of Performance | Total Cases Received/ (A) | Within Specified Time Limit (B) | Above Specified Time Limit (C) | Standards of Performance |
|-------|--------------------------------------|---|---------------------------|---------------------------------|--------------------------------|--------------------------|
| 1 | Normal fuse-off calls | At least 99% calls received should be rectified within prescribed time limits in both Cities and Towns and in Rural areas | 312080 | 309079 | 3001 | 99.04% |
| 2 | Line Break-downs | At least 95% of cases resolved within time limit in both Cities and Towns and in Rural areas | 1892 | 1885 | 7 | 99.63% |
| 3 | Distribution Transformer failure | At least 95% of DTRs to be replaced within prescribed time limits in both Cities and Towns and in Rural areas | 23 | 23 | 0 | 100.00% |
| | | | 23 | 23 | 0 | 100.00% |
| 4 | Period of scheduled outage | | | | | |
| | Maximum duration in a single stretch | At least 95% of cases resolved within time limit | 2167 | 2167 | 0 | 100.00% |
| | Restoration of supply by 6:00 PM | | 2167 | 2155 | 12 | 99.45% |

| S. No | Service Area | Overall Standard of Performance | Total Cases Received/ (A) | Within Specified Time Limit (B) | Above Specified Time Limit (C) | Standards of Performance |
|-------|-------------------------------------|---|---------------------------------------|---|--------------------------------|--------------------------|
| 5 | Street Light Faults | | | | | |
| | Rectification of line faults | At least 90% cases should be complied within prescribed time limits | 36790 | 36777 | 13 | 99.96% |
| | Replacement of fused/defective unit | | | | | |
| 6 | Reliability Indices | | | | | |
| | SAIFI | - | 0.47 | | | |
| | SAIDI | | 0.54 | | | |
| | MAIFI | | 0 | | | |
| 7 | | | No. of Bills served during the period | No. of Bills with mistake | | |
| | Percentage billing mistakes | Not exceeding 0.2% | 7973725 | 230 | 0.003% | |
| 8 | Percentage faulty meters | Not exceeding 3% | Meters as on last day of Aug'18 | No. of defective meters during the period | 0.230% | |
| | | | 1616706 | 3711 | | |

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

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

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

- 1.33 The Commission has sought inputs on overall Standards of Performance for the months from September, 2017 - March, 2018 as prescribed in Schedule-II of the DERC (Supply Code and Performance Standards) Regulations, 2017. The details

submitted by BYPL for the period September, 2017 – March, 2018 of FY 2017-18 are as follows:

Table 1. 3: Standards of Performance for the period September 2017- March 2018

| S. No. | Service Area | Overall Standards of Performance | Overall SOP | | |
|--------|---|---|--------------------------|-----------------------|--------------------------|
| | | | Total Complaint Received | Within Specified Time | Performance Standard (%) |
| 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 | 226479 | 225061 | 99.4% |
| (ii) | Continuous power failure affecting more than 100 consumer connected at Low voltage supply excluding the failure where distribution transformer requires replacement. | | 5523 | 5402 | 97.8% |
| (iii) | Continuous power supply failure requiring replacement of distribution transformer. | | 47 | 45 | 95.7% |
| (iv) | Continuous power failure affecting consumer connected through High Voltage Distribution System (HVDS) and not covered under (i) & (ii) above | | 452 | 434 | 96% |
| (v) | Continuous scheduled power outages | At least 95% of cases resolved within time limit | 4896 | 4891 | 99.9% |

| S. No. | Service Area | Overall Standards of Performance | Overall SOP | | |
|----------------------------|---|---|--------------------------------------|----------------------------|--------------------------|
| | | | Total Complaint Received | Within Specified Time | Performance Standard (%) |
| (vi) | Replacement of burnt meter or stolen meter | | 7423 | 7417 | 99.9% |
| Period of scheduled outage | | | | | |
| 2 | Maximum duration in a single stretch | At least 95% of cases resolved within time limit | 3855 | 3855 | 100% |
| | Restoration of supply by 6:00PM | | 3855 | 3845 | 99.7% |
| 3 | Faults in street light maintained by the Licensee | At least 90% cases should be complied within prescribed time limits | 46471 | 46417 | 99.88% |
| 4 | Percentage billing mistakes | Shall not exceed 0.2% | Total bills served during the period | No. of Bills with Mistakes | 0.003% |
| | | | 1,14,40,025 | 313 | |

APPROACH OF THE ORDER

APPROACH FOR TRUE UP OF FY 2017-18

1.34 The Commission in its Business Plan Regulations, 2017 has indicated that Regulations shall remain in force for a period of three (3) years. The relevant Regulation of Business Plan Regulations, 2017, in this regard, is as follows:

“1(2) These Regulations, shall remain in force for a period of 3 (three) years i.e., for FY 2017-18, FY 2018-19 and FY 2019-20, unless reviewed earlier.”

1.35 The Commission in its Tariff Regulations, 2017 has specified that Regulations shall be deemed to have come into effect from 1st February, 2017. The Relevant Regulation of Tariff Regulations, 2017, in this regard, is as follows:

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

- 1.36 Accordingly, ARR for FY 2017-18 has been trued as per Tariff Regulations, 2017 and Business Plan Regulations, 2017

APPROACH FOR ARR AND TARIFF FOR FY 2019-20

- 1.37 The Commission vide its Notification dated January 31, 2017 had issued Tariff Regulations, 2017. Further, the Commission has issued Business Plan Regulations, 2017.
- 1.38 The Commission has evaluated the ARR submitted by the Petitioner on the basis of the provisions in Tariff Regulations, 2017 read with Business Plan Regulations, 2017 and other factors considered appropriate by the Commission.

A2: RESPONSE FROM STAKEHOLDERS

- 2.1 Summary of objections/suggestions from stakeholders, response of DISCOMs (Tata Power Delhi Distribution Limited (TPDDL), BSES Rajdhani Power Limited (BRPL), BSES Yamuna Power Limited (BYPL), New Delhi Municipal Council (NDMC) and the COMMISSION ANALYSIS.

INTRODUCTION

- 2.2 Section 64(3) of the Electricity Act, 2003, stipulates that the Commission shall determine tariff under Section 62 of the Electricity Act, 2003 for the distribution licensees, after consideration of all suggestions received from the public and the response of the DISCOMs to the objections/suggestions of stakeholders, issue a tariff order accepting the applications with such modifications or such conditions as may be specified in the order. Public hearing, being a platform to understand the problems and concerns of various stakeholders, the Commission has encouraged transparent and participative approach in hearings to obtain necessary inputs required for tariff determination. Accordingly public hearing was held on 10.07.2019 in Auditorium of SCOPE Convention Centre, SCOPE Complex, New Delhi with consumers to discuss the issues related to the petitions filed by the DISCOMs viz., Tata Power Delhi Distribution Limited, BSES Rajdhani Power Limited, BSES Yamuna Power Limited & New Delhi Municipal Council for true up of expenses for FY 2017-18 and Annual Revenue Requirement (ARR) for FY 2019-20.
- 2.3 In the public hearing, the stakeholders offered their comments and suggestions before the Commission in the presence of the Petitioners.
- 2.4 The Commission has examined the issues taking into consideration the comments/suggestions offered by the various stakeholders in their written statements and during the public hearing and also the response of the Petitioners thereon.
- 2.5 The comments/suggestions of various stakeholders, the replies/response from the Petitioners and the views of the Commission thereon are summarized below under various subheads.

ISSUE 1: PUBLIC HEARING AND OBJECTION PROCESS**STAKEHOLDER'S VIEW**

- 2.6 The date for submission of the comments may be extended.

- 2.7 The Commission should come out with the Tariff Order timely. It is due to delay in release of order that the consumers are bearing the carrying cost.
- 2.8 The Commission is functioning with only Chairman against full strength of 3 Members. Tariff Order should be released only when quorum is complete.
- 2.9 The Petitions submitted by DISCOMs' are not duly supported by the audited financial statements. The petitions also not submitted with approval by respective board/authority.

PETITIONER'S SUBMISSION

TPDDL

- 2.10 The True up Petition and the ARR is always filed in line with the applicable Regulations. Audited certificates are submitted as per the requirement defined in the regulations and as per the requirement of the Commission from time to time.
- 2.11 As per Section 93 of Electricity Act, 2003, no act or proceeding of Appropriate Commission shall be questioned or shall be invalidated merely on the ground of existence of any vacancy or defect in the constitution of the Appropriate Commission.
- 2.12 As per the judgement of Hon'ble APTEL dated 02.12.2013 in the matter of OP 1 of 2011, it is a settled law that a Commission may function with a single member.

BYPL

- 2.13 It is submitted that all the fact and figures in the ARR are duly supported by the reasoning and supporting in the petitions which include audited accounts. And the same was also submitted to the Commission as part of Compliance.
- 2.14 As per the provisions of the DERC (Comprehensive Conduct of Business) Regulations, 2001, the Commission has duly verified the petition and admitted the BYPL petition as per the order dated 21.02.2019.
- 2.15 It is submitted that all the formats of the ARR petition have been submitted according to the formats provided by the Commission in its respective Tariff Regulations, 2017.

BRPL

- 2.16 The ARR Petition submitted before the Commission is as per formats specific in the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017. All expenses sought to be trued-up is linked to the audited accounts of the Petitioner. In

fact, copy of the Audited Accounts of the Petitioner is attached as Annexure with the said Petition.

- 2.17 The Audited Accounts of the Petitioner is submitted along with the Petition for true-up with the Commission only after the same is duly approved and signed by the Board of the Petitioner.
- 2.18 As already mentioned above, the petition is prepared and submitted strictly as per formats specified by the Commission in the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017. The Commission admits the Petition only after ascertaining that the Petition is strictly in line with the Formats and Structure as per the aforesaid Regulation.

NDMC

- 2.19 The objections are raised on the petitions filed by BRPL, BYPL and TPDDL. Issues do not pertain to NDMC.

COMMISSION'S VIEW

- 2.20 The Commission endeavours to issue Tariff Orders as per provisions of the Electricity Act, 2003.
- 2.21 The Commission published a Public Notice in leading newspapers on 07.03.2019, and uploaded on DERC website for inviting comments from stakeholders on the Tariff petitions filed by the Petitioners by 05.04.2019. At the request of the stakeholders, the Commission extended the last date for filing objections and suggestions up to 10.07.2019 for which the public notice was issued in the newspapers on 07.06.2019.
- 2.22 As per the judgement of Hon'ble APTEL dated 02.12.2013 in the matter of OP 1 of 2011, it is a settled law that the Commission may function with a single member. The observations of Hon'ble APTEL are as below:

"9. In view of the above decision, we are to direct all the Commissions to conduct the proceedings irrespective of the quorum since the proceedings before the Commission could be conducted even by a single Member."

"12. Therefore, we direct that all the Commissions concerned irrespective of the Regulations with regard to the quorum for a meeting, that Commission, even with a single Member despite that there are vacancies of other Members or Chairperson, can continue to hold the proceedings and pass the orders in accordance with the law."

- 2.23 The Commission determines the ARR for the DISCOMs as per the provisions of the applicable Regulations. The Commission in its Tariff Order has provided the break-up of the major components considered for projecting costs of supply during FY 2019-20, like power purchase cost, O&M cost, CAPEX, financing cost, gap in true up of FY 2017-18 and carrying cost for the regulatory assets etc. The Petitioners submit the audited accounts to substantiate their claims. The Tariff Petitions are duly scrutinized and admitted only if found in order as per the DERC Comprehensive (Conduct of Business) Regulations, 2001. The Petitioners furnish clarifications/additional information, if and when required by the Commission. The Tariff Order is issued after prudence check of the Petitions submitted by the DISCOMs and after considering each element of cost projected in the petitions with due analysis and ensuring proper justification.

ISSUE 2: BUSINESS PLAN & SOP REGULATION

STAKEHOLDER'S VIEW

- 2.24 Business Plan Regulation, 2017 should be amended before finalization of Tariff Order.
- 2.25 3rd Amendment to SOP 2017 regarding compensation on outages has not been implemented by DISCOMs.
- 2.26 DISCOMs are imposing penalty on higher MDI and increase the load automatically, but when MDI is lower they do not provide any rebate and also do not reduce the load, which is injustice to consumers.
- 2.27 The Commission should reduce the security deposit as it is very high and putting extra burden on honest consumers.
- 2.28 Remove the service line cum development charges.
- 2.29 TPDDL gives connection to new illegal flats and buildings.
- 2.30 Misuse of Electricity connection particularly in TPDDL, which is releasing commercial connection and they are misused for industrial purpose. The Commission must take serious action on it.
- 2.31 Late payments penalty are at very high rates, bills delayed for 1 day or 3 months are having same penalty rates, it should be based on number of days delay.
- 2.32 Installation of more than one electricity connection/meter on single property and thereby giving the benefits of lower tariff and subsidy to the dishonest consumers.

Only one electricity meter should be given to one registered/unregistered property and link it with Aadhar Card.

PETITIONER'S SUBMISSION

TPDDL

- 2.33 Security Deposit is taken as a security towards charges to be paid by the consumer for consumption of electricity. The earlier security deposit rates were notified by the Commission in 2003 and have been revised in September 2017 only.
- 2.34 It may be noted that Commission has considered 60 days period for computation of bill amount for determination of security deposit and accordingly security deposit rates have been revised.
- 2.35 Timelines for acceptance of application of Load reduction has been defined in Delhi Electricity Regulatory Commission (Supply Code and Performance Standards) Regulations, 2017 and some are being complied.
- 2.36 Connection of any category is released after completion of formalities specified by the Commission. Further, as per Regulation of 56(5)(i) of DERC (Supply Code and Performance Standards) Regulations, 2017, no case of UAE (misuse) shall be booked by the licensee where consumer has been paying electricity charges for higher Tariff category but using electricity for lower tariff category.
- 2.37 One property description /term used is vague. As per the current bye laws of Municipal Corporations and other laws on this aspect, one building structure may have different lawful occupants. These may be on different floors or there may be other lawful division of property as the case may be. Thus one property one meter suggestion is not feasible.

BYPL

- 2.38 The Petitioner levy surcharge in accordance with directions contained in the Tariff order of the Commission. The relevant extracts of the Tariff order for ARR of FY 18-19 is as under;

"For all categories other than Domestic, Fixed Charges are to be levied based on billing demand per kW/kVA or part thereof. Where the Maximum Demand (MD), as defined in DERC (Supply Code and Performance Standards) Regulations, 2017, reading exceeds sanctioned load/contract demand, a surcharge of 30% shall be levied on the fixed charges corresponding to excess

load in kW/kVA for such billing cycle only. Wherever, sanctioned load/contract demand is in kW/HP, the kVA shall be calculated on basis of actual power factor of the consumer, for the relevant billing cycle and in case on non-availability of actual Power Factor, the Power Factor shall be considered as unity for sanctioned load/contract demand upto 10kW/11kVA."

- 2.39 With respect of issue regarding the request of load reduction , we would like to submit that the same is being done as per the provision of DERC Supply code, 2017 which is produced as under:

"Load Reduction on the request of consumer:-

(i) The Application for load reduction shall be accepted only after six months from original energisation for connections up to 100 KW, and 1 (one) year from original energisation for connections above 100 KW. Subsequent application for load reduction shall be accepted once in six-months or after lock-in period of 6 (six) months pursuant to Regulation 17(4)(vii), as the case may be.

(ii) The applicant shall apply for load reduction to the Licensee in the format prescribed in the Commission's Orders.

(iii) The Licensee, after verification, shall sanction the reduced load within 10 (ten) days from the date of acceptance of such application.

(iv) The load reduction shall be reflected from next billing cycle.

(v) If the effective date of load reduction falls between the billing cycles, the Licensee shall raise the bill on pro-rata basis during that billing cycle.

(vi) The reduction of load shall be limited to the highest of average of any 4 (four) consecutive months maximum demand readings of last 12 (twelve) months.

(vii) If the load reduction is not sanctioned within the said period, the consumer shall be entitled to seek and the Licensee shall be liable to pay the compensation as specified in Schedule-I of the Regulations.

- 2.40 In view of above the load reduction shall be according to these regulations only. BYPL adhere to the above mentioned regulations for reduction in the load of a particular consumer.

- 2.41 For revision of Sanctioned load of the consumers, Petitioner adheres to the

Regulation 17(2), 17(3) and 17(4) of DERC (Supply Code and Performance Standards) Regulations, 2017. The charges on account of upward revision of Load i.e. Security Deposit, Service Line Cum Development Charges (if required) is also raised by the petitioner as per DERC Order of Schedule of Charges and Procedures 2017.

- 2.42 As per Statement of reasoning to order of Schedule of Charges and Procedures 2017, provided by the Commission, the Security Deposit is taken as a security towards charges to be paid by the consumer for consumption of electricity, which should be corresponding to the intended use of electricity by the consumer. Further, the security deposit is fully refundable at the time of termination of connection agreement subject to clearance of dues of the connection. As per DERC (Supply Code & Performance Standards) Regulations 2017, Distribution licensee is providing interest on Consumer Security Deposit as per MCLR of SBI (as on 1st April of every financial year) which comes to be more than 8%.
- 2.43 The Commission has passed an order dated 24.09.2018 named as Delhi Electric Supply Code and Performance Standards (Removal of Difficulty) Third order, 2018. This extract of the said order is reproduced below on sealing of premises and charging of fixed charges:-

“2. Disconnection or Reconnection of supply of premises sealed by concerned Municipal Corporation:

(1)In case the premises is sealed by the concerned Municipal Corporation and consumer wants to avoid payment of fixed charges, it shall be obligatory on the consumer to inform the distribution licensee for permanent disconnection of supply. The distribution licensee may remove the service line and other equipment after disconnection of supply, whenever feasible.

(2)Where the electricity is disconnected by distribution licensee on the Order of any Government agency authorized to do so and consumer wants to avoid payment of fixed charges, it shall be obligatory on the consumer to inform the distribution licensee for permanent disconnection of supply. The distribution licensee may remove the service line and other equipment after disconnection of supply, whenever feasible.

(3) Distribution Licensee shall levy fixed charges up to the date of intimation for permanent disconnection by the consumer. Thereafter, the connection shall be deemed to be permanently disconnected.

(4) If the consumer comes for reconnection of the premises and service line and other equipment have not been removed by the distribution licensee, the connection shall be energized on payment of reconnection charges after clearing the past dues."

Hence, for avoiding fixed charges in case of sealing of premises, it is the responsibility of the consumer to inform the distribution licensee.

- 2.44 With regard to the stakeholders contentions on releasing the commercial power connections in the area where industrial connections are not allowed, we would like to submit that no new connections has been granted to any consumer without industrial License. Further as per point 5 of Tariff schedule in Tariff Order dated 28.03.2018 which is produced as under:

"The valid Factory License shall be mandatory for applicability of Tariff under Industrial category:

Provided that in case where the Factory Licence has expired and its renewal application is pending with the concerned authority, the DISCOMs shall bill such consumers as per Tariff applicable under Non Domestic category;

Provided further that on renewal of the Factory Licence, the DISCOMs shall adjust the bills of such consumers as per applicable Tariff under Industrial category from the effective date of renewal of such Licence."

- 2.45 The Commission has provided the conditions of new connection on same building/property in its Delhi Electricity Regulatory Commission (Supply Code and Performance Standards) Regulations, 2017. The relevant extracts of the said Regulations has been extracted below:

"Wherever, one dwelling unit has been sub-divided and separate kitchen as well as separate entry is available, second electric connection may be given to the lawful occupant."

- 2.46 The petitioner in accordance with the above said provision as well as other conditions as defined in Supply Code Regulations, 2018 process New Connection requests.

BRPL

- 2.47 It may kindly be noted that retail tariff has purposely been divided in two parts across the country so that the licensee is able to recover the Fixed Costs associated with maintenance and up-gradation of its network through the Fixed Charges.
- 2.48 At the time of energization, the consumer undertakes to limit his load to a certain level which determines his sanctioned load. This is the load which the Licensee is obligated to serve and based on which it plans its network load growth as well as power purchase. If the consumer, for any reason, exceeds this contracted demand, the licensee needs to arrange for additional power in short term, the rates for which is much higher than long term power. Therefore, there has to be a mechanism by which such consumers (who exceed their Sanctioned Load) are asked to bear the additional cost so that all those consumers who rightfully restrict their usage up to their Sanctioned Load is not wrongfully penalized.
- 2.49 We trust the stakeholder will appreciate that the directive to calculate Fixed Charges based on MDI (in case MDI is higher than Sanctioned Load) is not to enrich the licensee but to act as a mechanism of deterrent for the consumer.
- 2.50 The issue of reduction in Security Deposit cannot be done by the present proceedings as the Security Deposit is determined in terms of Regulation of the DERC (Supply Code and Performance Standards) Regulations, 2017 as amended by the Second Amendment. If the forum has any grievance against the Regulation, it can only be challenged before the Hon'ble High Court under Article 226 of Constitution of India, 1950 and not otherwise.

NDMC

- 2.51 The queries are marked for the DERC SOP regulation. The Commission may consider the suggestions appropriately, as the determination of tariff is the prerogative of the Commission.

COMMISSION'S VIEW

- 2.52 The DERC (Business Plan) Regulations 2017 were notified by the Commission after following due process of law, as per the Electricity Act, 2003. The draft Business Plan Regulations, 2017 was uploaded on DERC website and a public notice was issued

inviting the stakeholders' comments and a Public hearing was also held on 19.07.2017 and comments received from the stakeholders were considered in the final Business Plan Regulations approved by the Commission. These Regulations are applicable till FY 2019-20.

- 2.53 The Commission has notified the DERC (Supply Code and Performance Standards) (Third Amendment) Regulations, 2018 amending the existing timelines for restoration of power supply failure and compensation thereof as specified in DERC (Supply Code and Performance Standards) Regulations, 2017. TPDDL has filed a Writ Petition no. (C) 1717/2019 before the Hon'ble High Court of Delhi. The Hon'ble High Court of Delhi in its order dated 19.02.2019 has held as under:

"In view of these contentions, and given the nature and the short time limit as opposed to the earlier regulations, the Court is of the opinion that the respondents should not take any coercive action under the amendment Regulations during the pendency of the proceedings. Likewise, in complaints contemplated by the amendment Regulations, no final decision shall be taken. In the meanwhile, the claims made may be processed in accordance with the pre-existing regulations which would operate. The complaints received from consumers shall be processed and appropriate orders made but enforced only having regard to the earlier regulations. However, in the event the amendments Regulations are upheld, the additional compensation, if any, shall be paid to the concerned consumers by the concerned DISCOMs subject to the final outcome of the present proceeding".

- 2.54 The Commission in its DERC (Supply Code and Performance Standards) Regulations, 2017 has specified the procedure for revision of sanctioned load / contract demand based on maximum demand readings during the previous financial year. For all categories other than domestic, fixed charges are levied based on billing demand. Further, a surcharge of 30% is levied on the fixed charges corresponding to excess load beyond sanctioned load / contract demand during such billing cycle.
- 2.55 The Commission has determined security deposit and the service line cum development charges in DERC (Supply Code and Performance Standards) Regulations, 2017 and its Orders and the rationale for these charges has been explained in statement of objects and reasons (SOR), which is published on DERC

website.

- 2.56 New connections are released as per the provisions of DERC (Supply Code and Performance Standards) Regulations, 2017 and on submission / availability of documents, as required in DERC Order dated 31.08.2017 as amended from time to time. As per DERC (Supply Code and Performance Standards) Regulations, 2017, an independent electric connection can be given on each floor of the premises to the owner / lawful occupant. Further, as per DERC (Supply Code and Performance Standards) Regulations, 2017, wherever one dwelling unit has been subdivided and separate kitchen as well as separate entry is available, second electric connection may be given to the lawful occupant.
- 2.57 Late payment surcharge is levied for the delay in number of days in receiving payment from the consumer by the distribution licensee at the rate as specified by the Commission in its Tariff Schedule from time to time.
- 2.58 The cases under unauthorized use of electricity (UUE) are booked as per procedure specified in DERC (Supply Code and Performance Standards) Regulations, 2017, and Section 126 of Electricity Act, 2003.

ISSUE 3: RENEWABLE PURCHASE OBLIGATION

STAKEHOLDERS' VIEW

- 2.59 Imposing RPO on the distribution companies would lead to purchase of unwanted power resulting in more loss due to sale of surplus power creating unnecessary burden on the consumer.
- 2.60 Levy the cross subsidy surcharge, Wheeling charge etc on consumer procuring RE power to reduce tariff burden on general consumer.

PETITIONER'S SUBMISSION

TPDDL

- 2.61 REC procurement has been mandated as per Regulations to promote Renewable Energy. The Commission has mandated the Renewable Power Purchase Obligation on DISCOMs and DISCOMs are bound to fulfil same through either procurement of Renewable Energy or purchase of REC.

BYPL

- 2.62 The petitioner is making consistent efforts for the last few years to procure renewable energy to meet RPO as specified by the Commission.

- 2.63 The petitioner has also signed various PPA's for fulfilments of Solar and Non Solar obligations in the coming future from SECI and Waste to Energy Plants of Delhi. The power from the plants under these PPA's is expected to come from FY 20-21 onwards
- 2.64 This long term PPA would suffice the most of the requirement of Renewable Power and a practical alternative to REC.
- 2.65 It is also to mention here that, although BYPL is looking at all possible options/solutions to avail renewable power and meet the RPO targets but due to the fact that BYPL has been facing adverse financial condition since FY 2009-10 primarily on account of a non-cost reflective Tariff and absence of adequate recovery of accumulated Regulatory Asset. The same has constrained the capability of BYPL to purchase power from renewable sources.
- 2.66 BYPL submitted that the clause 6(2) of the Commission's order dated 01.06.2017 provides for the charges to be collected from Open Access consumers availing supply from Renewable Sources as under:

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

- 2.67 Regarding other comments of stakeholder which are directed towards the Commission, we trust the same shall be duly considered by the Commission.

BRPL

- 2.68 Renewable Purchase Obligations are set by the Commission and the Commission may take the decision appropriately.

NDMC

- 2.69 Renewable Purchase Obligations are set by the Commission.

COMMISSION'S VIEW

- 2.70 Electricity Act, 2003 entrusts on the appropriate Commission the responsibility for promotion of co-generation and generation based on renewable energy sources. The policy framework of the Government of India also stresses on the encouragement of

renewable energy sources keeping in view the need for energy security and reducing carbon footprint.

Section 86 (1) (e) of the Electricity Act 2003 states:

“The State Commission shall discharge the following functions:

Promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee”

- 2.71 The Commission in pursuance of the same has mandated the renewable purchase obligation to be met through purchase of energy from renewable energy sources/renewable energy certificate to ensure that RPOs are met in the most optimum manner.
- 2.72 The Commission has issued DERC (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulation, 2012 and Business Plan Regulations, 2017. As per these Regulations, obligated entity is required to fulfil a defined minimum percentage of the total quantum/consumption from eligible renewable energy sources.

ISSUE 4: POWER PURCHASE COST

STAKEHOLDERS' VIEW

- 2.73 Reintroducing PPAC charges is the contempt of Hon'ble Supreme Court order of striking down passing on the increase in coal prices to consumers. The levy of PPAC charges is also unjustifiable as Ministry of Power claims that coal import bill has been brought down in last 4 years.
- 2.74 The average cost of power of Anta, Auraiya and Dadri is very high. This power should not be taken by the licensee.
- 2.75 The energy charge of Sasan UMPP in true-up petition was taken higher at INR 1.44/unit against the rate of INR 1.19/unit.
- 2.76 When power from other sources is available at lesser prices, DISCOMs should not be forced to adhere to the long term PPAs inherited from DVB.
- 2.77 IPGCL submitted that NDMC has not considered the power purchase payment dues of IPGCL in power purchase cost in FY 2017-18.

- 2.78 IPGCL & PPCL pointed that there are payment dues on DISCOMs and requested to issue direction for payment of current bills and to liquidate the outstanding dues without any further delay.
- 2.79 DISCOMS are revising PPA & negotiated cost of power has substantially reduced, but why no benefits were passed on to consumers.
- 2.80 There should be some proper balancing mechanism that higher percentage low end domestic consumer suffer less.
- 2.81 Discom must publish their power purchase cost and profit and loss with respect to collection.
- 2.82 The Power should be re-allocated based on the profile of the consumers, i.e. Domestic consumer's area should get cheaper power.
- 2.83 East Delhi has low revenue; accordingly, cheaper power should be allocated to East Delhi.
- 2.84 Distribution Company should not buy power from Generating Plants with high cost; rather they should procure Power at competitive and low rates.

PETITIONER'S SUBMISSION

TPDDL

- 2.85 The said contention is misplaced. No such interpretation can be attributed to PPAC mechanism which has been implemented pursuant to the statutory provisions of Electricity Act 2003 and Hon'ble APTEL directions.
- 2.86 Now, PPAC is in place under the Commission's Tariff Regulations, 2017 which have been finalized after detailed stakeholder consultation and keeping the interests of consumers, utilities in consideration.
- 2.87 The Commission's principles followed for tariff determination take into account all such developments. Any genuine reduction in electricity tariffs is passed on to the consumers.
- 2.88 Long term PPAs are to be honoured as breach of contract cannot be done. The GENCOs have been established for giving power on long term basis and hence form an integral part of the supply value chain.
- 2.89 Wherever possible, TPDDL try to get the PPAs reallocated to other states through Ministry of Power.
- 2.90 Moreover, availability of power from other short term sources is not guaranteed and

overdependence on the same can lead to power availability issues and supply disruptions.

- 2.91 Any benefit accrued due to such revision is passed on to the consumer.
- 2.92 The Commission cannot decrease power purchase cost for plants regulated by the Hon'ble CERC.

BYPL

- 2.93 PPAC is the variation of Power purchase cost estimated by the Commission while determining the tariff and the actual cost raised by Power Generators. PPAC is approved by Commission in order to lessen the burden of carrying cost on the consumer by preventing the increase in Regulatory Asset.
- 2.94 In view of the present precarious financial conditions of the distribution companies, it is necessary that the Commission also to provide for Power Purchase Cost Adjustment Formula as intended in the section 62(4) of the Act to compensate the distribution companies for the increase in cost of power procurement during the financial year. The same has also been directed by the Hon'ble Appellate Tribunal for Electricity to all State Commissions vide its judgment dated 11.11.2011 in O.P. 1 of 2011. Further Determination of PPAC is prerogative of the Commission and is based on actual power purchase cost incurred by licensee as reflected in the bills raised by generators.
- 2.95 BYPL submitted that the petitioner has inherited Power Purchase Agreements of most of the Coal based plants from Delhi Transco Ltd (DTL). Further the Petitioner has also filed petition before Hon'ble CERC and the DERC for surrender of PPA from some of these costly power plants.
- 2.96 BYPL has inherited various long term PPAs from DTL vide the Commission order dated 31.03.2007. These PPAs are long term in nature and are for a period of more than 25 yrs. No PPA can be amended and revised unilaterally.
- 2.97 Further as regard to reduction in Power Purchase Cost, BYPL would like to submit that any increase and decrease in Power Purchase cost is factored suitably by the Commission while determining the Tariff and same is sole prerogative of the Commission.
- 2.98 BYPL submitted that they appreciate the concerned raised by the Stakeholder on allocation of cheaper power to BYPL as mostly there are low end consumers residing

in BYPL area. We also request the Commission to kindly consider the same while determining the tariff for FY 2019-20.

BRPL

- 2.99 The power purchase costs are uncontrollable in nature, it make difficult or to accurately estimate power purchase costs at the time of annual tariff fixation. Any fluctuation in the cost of fuel is a pass through for the generator through a fuel price adjustment formula and is payable by the Distribution Licensees in their monthly bills. The difference in actual cost of procurement of power and the estimated cost of purchase of power gets trued up only after 2 years. The time lag of two years puts additional burden on consumers by way of interest charges. Accordingly the Commission vide its Tariff Order dated 13.7.2012 had decided to implement a Power Purchase Cost Adjustment for generating stations having long term PPA's with DISCOMs on quarterly basis in order to adjust the changes in the Power Purchase Cost levied by Generating Companies on the Distribution Licensees. The Commission specify a detailed formula for PPAC in the Tariff Orders of the relevant year.

NDMC

- 2.100 The mechanism for recovery of Power Purchase Cost Adjustment Charges (PPAC) is in line with Regulation 134 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, as reproduced below:

"134. The Distribution Licensee shall be allowed to recover the incremental Power Procurement Cost on quarterly basis, over and above the Power Procurement Cost approved in the Tariff Order of the relevant year, incurred due to the following:

Variation in Price of Fuel from long term sources of Generation;

Variation in Fixed Cost on account of Regulatory Orders from long term sources of Generation; Variation in Transmission Charges."

- 2.101 PPAC mechanism allows the DISCOMs to recover the differential fuel charges/power purchase cost from the consumers in timely manner. In case the changes are deferred for recovery till the truing up, the same will impose a tariff shock on the consumers besides the levy of carrying cost.
- 2.102 In the Tariff Petition filed by NDMC for FY 2017-18, no consideration of power was shown by NDMC from GTPS. Still, the Tariff Order issued by DERC provided an

allocation of power from GTPS. Such allocation is ideally to be done by GoNCTD as a separate exercise as is apparent from GoNCTD letter dated 22.02.2018. But, in this instance, the allocation was done by the Commission. Moreover, DERC informed about this allocation to SLDC – Delhi instead of NDMC and NDMC came to know about this unrequisioned allocation when SLDC started scheduling the power of NDMC from IPGCL which is highly objectionable and not aligned to the principles of power procurement for distribution licensees as per prevailing Act/policies/regulations.

- 2.103 It is further submitted that NDMC in its submission to SLDC - Delhi for scheduling of power from Sep 2017 onwards has never shown any requisition from GTPS. Still, the said power has been scheduled over and above the requisition given by NDMC.
- 2.104 NDMC submits that for any power purchase except UI/ IDT which are on a real time basis, all scheduling and commercial settlements of power purchased by NDMC is pursuant to entering into a firm Agreement. In the instant case, no PPA is in place & there are no terms & conditions for such payment defined in any agreement. It is on account of the aforesaid reasons that no payment could be made till now to GTPS for this period.
- 2.105 Currently power procurement details in the Petition are based on Energy Accounts prepared by SLDC. The Petition is currently showing the entire power procured/ sold as per Energy Accounts prepared by SLDC-Delhi including long term, short term, bilateral purchases and sale of power including UI for the purpose of reconciliation. However, in case of any dispute between the parties, the same needs to be taken up separately by IPGCL. The same is not a subject matter of this petition.

COMMISSION'S VIEW

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

- 2.107 The Commission has specified in Tariff Regulations 2017, as well as in earlier Tariff Orders, that the Merit Order Dispatch principle should be adhered strictly by the Distribution Licensees in power procurement, and there is also incentive and disincentive mechanism for sale of surplus power to maximise the revenue from sale of surplus power. Further, as per the provision of Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2017, the contingency limit for sale of power under UI mechanism shall be limited to 5% of the gross power purchased by the Distribution Licensee to bring efficiency in their scheduling of power.
- 2.108 The Commission has already approved various Power Purchase Agreements (PPA) entered into by the utilities for procurement of power from long term sources. The Commission has also directed the DISCOMs vide its letter dated 21.10.2009 that they should endeavour to provide uninterrupted power supply to the consumers in their respective areas. The licensees shall ensure that electricity which could not be served due to any reason what-so-ever (including maintenance schedule, break-downs, load shedding etc.) shall not exceed 1% of the total energy supplied by them in any particular month except in cases of force-majeure events which are beyond the control of the Licensees.
- 2.109 The Commission has also 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 due to the fact that a majority of the load in Delhi is of commercial establishments, office buildings, which have requirement of power primarily during day time. The round-the clock industries, which are a common feature in most of the States and which contribute towards flattening of the load curve, are very few in Delhi.
- 2.110 To cater to the peak demand during day time, DISCOMs have been buying Round the Clock (RTC) Power. The surplus power during night hours/off peak hours gets sold at the prevailing short-term market rate/Power Exchange Rate/UI Rates. In order to optimize the cost of power purchase, the Commission has advised the distribution utilities to explore the possibility of higher banking transactions to avoid purchase of peaking power for a short duration, so as not to burden the consumers with avoidable purchases of RTC power which entail the sale of off-peak surplus power at very low rates under the mechanism of Unscheduled Interchange.

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

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

“The gap between average Power Purchase Cost of the power portfolio allocated and average revenue due to different consumer mix of all the distribution licensee:

Provided that the Commission may adjust the gap in power purchase cost by reassigning the allocation of power amongst the distribution licensees out of the overall power portfolio allocated to the National Capital Territory of Delhi by Ministry of Power, Government of India”

ISSUE 5: AT&C LOSSES

STAKEHOLDER’S VIEW

2.113 Benefits of reduction in T&D losses should be passed on to the consumers.

2.114 DISCOMs are unable to cap the AT&C losses resulting extra tariff burden on honest consumers. The DISCOMs must provide proper security to vigilance team during power theft. Extra surcharge and load shedding should be done in high loss areas.

2.115 No incentive on behalf of lower AT&C loss and higher collection efficiency should be allowed to DISCOM.

2.116 DISCOM must showcase the amount collected against penalty on power theft and where it is accounted in ARR.

2.117 CISF, Police Force etc. may be provided to DISCOMs for reduction of theft.

2.118 The Target for TPDDL should be lower than that set by the Commission as TPDDL has already achieved lower values.

PETITIONER’S SUBMISSION

TPDDL

2.119 Any benefit accrued due to AT&C loss reduction is being passed on to the consumers.

2.120 Tata Power-DDL is making all out efforts to curb theft and reduce AT&C losses and to come up to the expectations of the Consumers. Our Zonal and Enforcement Teams

are on continuous vigil and whenever any such incidents are observed / reported, the defaulters are booked for Electricity Theft, as per the applicable Law/Regulations.

- 2.121 The Commission has already differentiated the low and high loss areas w.r.t different performance standards.
- 2.122 Police Support including CISF helps in curbing theft and hence, reduction in AT&C losses. Further, any benefit accrued due to such AT&C loss reduction is passed on to the consumer and accordingly, cost of such Police Support/CISF should also be allowed in the ARR.

BYPL

- 2.123 The Commission in its Business Plan Regulations, 2017 has approved Targets for distribution loss. In case distribution licensee under achieve the Distribution loss targets the penalty is solely borne by the distribution licensee. In case the distribution licensee overachieve the targets approved by the Commission, the benefit of the same is shared between distribution licensee and the consumers. Hence, in any case the benefit of reduction of Distribution loss target is been shared with the consumers.
- 2.124 As regard to the power purchase cost and claim of Rebate, it is mentioned here that petitioner endeavours to claim the rebate on power purchase cost. However, due to the accumulated deficit Regulatory Asset created over a period of time due to non-cost reflective tariff approved by the Commission in the past, Petitioner could not claim full rebate on Power purchase cost. Further, the subsidy which is a revenue carved out from current tariff is being received late (which we have not yet received for Q1 and Q2 of FY 2019-20) and directly transferred to the accounts of Delhi Genco/ Transco instead of BYPL's account. The comments of stakeholder regarding the collection of all amount by 18th of every month is incorrect, as the billing to all consumers is done on Monthly cyclic basis and as per the current available infrastructure it is not possible to serve the bill to all consumers on 1st day of every month. It is not possible to collect the amount from all the consumers on 18th of every month.
- 2.125 As regard to the collection efficiency of 100.4% claimed by petitioner for true up of FY 2017-18, it is submitted that uncollected amount of previous year(s) for which,

petitioner was already penalized during the past is collected during this year. With the best effort undertaken by Petitioner, the uncollected amount of previous year(s) was collected during FY 2017-18. Further, the amount so collected is being utilized to meet the ARR of the petitioner. The Incentive is calculated as per the DERC (terms and Conditions for Determination of Tariff) Regulations, 2017.

- 2.126 BYPL further submitted that the stakeholder contentions regarding officials of BSES are baseless and without proper evidence. Further we would like to state the fact that BYPL has always focused on reduction of AT&C losses which is evident from the aggressive loss reduction of more than 50% i.e.; from 61.89% in July'03 to 10.41% in March'18 which has already benefitted the consumers in tariff.
- 2.127 Despite this, there are still some areas high losses and disturbed law and order situation. BYPL has its internal mechanism to deter theft/pilferage in these sensitive areas. The concerned team conducts inspection on suspected premises, videos entire proceedings and prepares the inspection report as per the provisions under the Regulations/directions by DERC. Regardless of the area's sensitivity, electricity theft has always been one of the most aggressively pursued agendas of BYPL. Apart of all this, BYPL organizes Nukkad Nataks and issue awareness bulletins to spread awareness among the consumers about the consequences of electricity theft.
- 2.128 Also, theft cases are billed at penal rates (two times the applicable tariff) in line with the provisions of the Electricity Act 2003. This not only serves as a strong deterrent for dishonest consumers but also the additional revenue collected from all enforcement cases is taken in to account while determining the ARR and benefits all the consumers.
- 2.129 It is submitted that the cooperation extended by CISF has helped the Petitioner tremendously to reduce the loss levels in its distribution area. This is clearly discernible from the loss level reduction achieved by the Petitioner during the period 2002-2007.

BRPL

- 2.130 Electricity theft has been one of the most aggressively pursued agendas of the Company & internal objectives are being set and management performance will be measured and rewarded based on loss reduction. Given this background control of power theft needs active participation and support from all stakeholders.

- 2.131 BRPL submitted that they will take each and every possible survey and steps in order to curb thefts as well as any unauthorized construction/ extension near electricity poles, being taking up by residents without any proper approvals.
- 2.132 There has been significant fall in the T&D losses which presently for the petitioner company is around 10%. The benefit of lower T&D losses have already been passed to the consumers by way of reduced tariff.
- 2.133 BRPL submitted that the Petitioner attributes highest priority to reduction of theft and for this express purpose, has within its structure, an independent and exclusive department which is focused in reduction of theft.
- 2.134 Petitioner's enforcement teams are fully equipped and self-sufficient in curbing theft which is one of the reasons why BRPL has been able to bring down AT&C losses from over 50% to around 9% at present.
- 2.135 However, petitioner's enforcement team often has to face violent resistance in several areas and have been physically assaulted on several occasions. In spite of facing such violence, the enforcement officials remain un-deterred in discharging their duties under difficult and hostile conditions.
- 2.136 The stakeholder may also note that due to the aggressive clampdown on theft and booking of such cases, the Petitioner has been able to save over Rs. 960 Crore in the past 10 years on account of collection from theft / enforcement and avoidance of power purchase cost which would have been necessary in absence of any enforcement activities. This amount saved has already benefitted consumers by way of reduced tariff burden.

NDMC

- 2.137 No reply

COMMISSION'S VIEW

- 2.138 A detailed methodology for computing the target for distribution losses has been explained in explanatory memorandum issued by the Commission for the Business Plan Regulations 2017.
- 2.139 The Commission is of the view that Distribution loss is an inherent loss in the System which can be minimized up to the technical permissible limit, whereas the losses also include the theft which can be controlled by DISCOMs.

- 2.140 The DISCOMs are given an incentive if the distribution losses are reduced below the target fixed. If the losses are more than the target fixed, the loss above the target fixed is fully to the account of the DISCOMs. The targets every year are progressively decreasing and it is expected that DISCOMs will achieve them. If the DISCOMs do not achieve the target, the financial impact will be to the account of the DISCOMs alone, and will get reflected in the true-up of ARR of the respective DISCOMS.
- 2.141 The details of actual incentive/disincentive given to the DISCOMs for over and under achievement of AT&C loss target are available in Chapter A3 (True up of ARR) of the respective tariff orders which are available at Commission website (www.derc.gov.in).
- 2.142 The Commission is of the view that the DISCOMs should step up their enforcement activities to reduce theft and control AT&C losses. The Commission is of the view that carrying out more load shedding in high loss/theft area is not an appropriate measure, as the honest consumers in these areas will also suffer without being on fault. The Petitioner should make all efforts to prevent theft of electricity by strengthening their enforcement activities without harassing the honest consumers.

ISSUE 6: DISTRIBUTION INFRASTRUCTURE

STAKEHOLDERS' VIEW

- 2.143 DISCOMs are unable to stop the illegal construction of buildings near to the pole, and to prevent such action, they must disconnect power to those consumers.
- 2.144 Prevent encroachment under HT lines and stop power cuts.
- 2.145 Cables are jumbled on electric poles.
- 2.146 Communication cable (other than power cable) should be removed from poles.

PETITIONER'S SUBMISSION

TPDDL

- 2.147 The safety norms are being followed as per CEA (Measures relating to Safety and Electric Supply) Regulations, 2010 and is in the interest of the consumers.

BYPL

- 2.148 With respect of the unauthorized construction, we would like to submit that BYPL is continuously writing the notice to the consumers however under regulation 50 of DERC Supply code (which states grounds of Disconnection) does not provide unauthorized construction a ground for disconnection.

2.149 BYPL submitted that they are making every effort to make its distribution network free from any such unauthorized cable.

BRPL

2.150 The issue does not pertain to BRPL.

NDMC

2.151 The issue does not pertain to NMDC.

COMMISSION'S VIEW

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

2.153 The Commission has, in Petition No. 04/2005 in the matter of "Disallowing Cable TV Operators & MTNL from using NDPL Poles, unauthorised and for paying usage charges per pole basis, wherever authorized", observed that subject to safety standards applicable as per the Indian Electricity Rules and the Order of Hon'ble High Court in writ Petition (Civil) 4731/96, the Licensees are within their rights to use their assets for other business for earning additional revenue. Further, licensees can enter into independent agreement with such cable operators and they can lease their assets subject to the provisions of the safety norms under Electricity Rules 1956 or such Regulations issued by CEA under section 53 of Electricity Act, 2003. The revenue received from such activity shall be dealt as per the Commission's Regulations on Treatment of Income from other Business. The Commission further observed that Distribution Licensees may refer their case to the Central Electricity Authority regarding the safety related issues of leasing electricity poles to the Cable TV operators etc. and if the Authority finds it appropriate, it may incorporate the same in the Regulations.

ISSUE 7: O&M EXPENSES

STAKEHOLDERS' VIEW

2.154 The O&M expenses finalized under new regulation is on higher side and are providing undue advantage to DISCOMs.

2.155 Disallow arrear paid against 7th Pay Commission proposal, minimum wages impact, water charges, SMS, legal expenses, Ombudsman fee & DSM charges as they are part of A&G expenses and cannot be collected additionally. No additional O&M expenses can be allowed other than GST. No legal expenses other than matters of enforcement related issue should be allowed.

2.156 O&M expenses should not be linked with Assets.

PETITIONER'S SUBMISSION

TPDDL

2.157 Pertains to BYPL area

BYPL

2.158 We would like to apprise the esteemed stakeholder regarding the consideration of GST expense as an additional expense in ARR. The Petitioner has submitted O&M expenses in terms of the DERC Tariff Regulations, 2017 and DERC Business Plan regulations, 2017 notified on 01.09.2017 which is applicable for a period of three year i.e. FY 2017-18 to FY 2019-20. Further we would like to submit that a Public hearing has been conducted by the Commission considering contentions, submission and suggestions by the stakeholders before finalization of the Business Plan Regulations, 2017.

2.159 BYPL would also like to submit that the stakeholder must appreciate the improvement in quality of supply and reliable services being provided by BYPL. All our employees strive hard to provide the best in class services to our esteemed consumers.

2.160 With respect of other additional expenses claimed by the BYPL in its petition we would like to submit that in terms of above Regulations and as explained by the Commission in its Explanatory Memorandum of DERC Business Plan Regulations, 2017, the additional impact of 7th Pay Commission and Legal Expenses, water charges, statutory levies has not been considered while determining the norms for O&M expenses in DERC (Business Plan) Regulations, 2017. The actual impact of 7th Pay Commission and Legal Expenses, water charges and statutory levies and taxes for FY 2017-18 shall be allowed based on the claim of the DISCOM and prudence check by the Commission.

BRPL

2.161 It is submitted the issue pertain to a different licensee.

NDMC

2.162 Does not pertain to NDMC.

COMMISSION'S VIEW

2.163 The Commission conducts prudence check on the issues related to O&M expenses that are submitted by the Utilities for approval of O&M expenses during a control period. O&M expenses are a controllable parameter in terms of DERC (Terms & conditions for Determination of Tariff) Regulations, 2017, and any surplus or deficit on account of O&M expenses shall be to the account of the Licensee and shall not be trued up in the ARR.

2.164 As per DERC (Business Plan) Regulations, 2017, O&M expenses are directly related to actual assets installed at site and its maintenance to provide services to the consumer. O&M Expenses vary as per the consumer mix i.e., Domestic/Non Domestic/Industrial etc. & supply at different voltage levels i.e., LT/11kV/33kV/66kV. The O&M Expenses up to 11kV level majorly vary as per the line length of the network whereas for LT level the Consumer mix plays a vital role. Therefore, the Commission has computed the O&M expenses on the basis of capacity of assets installed at site i.e., per circuit km of line & per MVA capacity of transformation at various voltage levels.

2.165 The Commission while determining the norms for O&M expenses in DERC (Business Plan) Regulations, 2017 has not considered the legal expenses as the same shall be allowed based on prudence check at the time of true of ARR.

2.166 The details of allowances/disallowances considered for additional O&M expenses are available in Chapter A3 (True up of ARR) of the tariff order.

ISSUE 8: TRUE UP OF CAPITALISATION**STAKEHOLDERS' VIEW:**

2.167 Physical Verification of Assets should be completed & done on a yearly basis.

2.168 True up of Capital Cost / Capitalization is pending and hence Tariff Petitions may be rejected.

2.169 Capitalization of assets can only be done after EIC is issued.

2.170 Do not allow the capital expenditure and capitalization pertaining to REL.

PETITIONER'S SUBMISSION**TPDDL**

2.171 It is submitted that the DISCOMs have been regularly filing True Up petition including for True Up of capitalization since the beginning. However, Commission has done provisional True Up of capitalization on account of ongoing physical verification exercise by agency appointed by the Commission and shall be considered by Commission on its finalization.

BYPL

2.172 It is submitted that the contentions of the stakeholder is false and have no merit, Licensee has already linked the GIS with the capital assets of licensee and the same has also been accepted by the Commission in the Minutes of meeting of 28th Forum meeting. Further the Commission has appointed the consultant for audit of capex and physical verification of assets of DISCOMs which is in process. BYPL has always provided and is providing full cooperation to the Commission's officials/Auditors for efficient and timely completion of the same.

BRPL

2.173 Issue pertains to TPDDL.

NDMC

2.174 Does not pertain to NDMC.

COMMISSION'S VIEW

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

ISSUE 9: REGULATORY ASSETS**STAKEHOLDER'S VIEW**

2.176 Regulatory Surcharge may not be levied on the Consumers as energy charges and fixed charges increase on yearly basis.

2.177 DISCOMs must provide the actual figures of regulatory assets till date and how DISCOMs are creating regulatory asset in spite of APTEL judgment of setting aside the creation of Regulatory Assets.

- 2.178 Commission should advise Delhi government to provide bailout package for recovery of accumulated losses of discom, so that the burden on consumers should be lowered.
- 2.179 Recovery of outstanding regulatory asset along with carrying cost of regulatory asset should be time bound with in period not exceeding seven year.
- 2.180 Govt. of India may provide a bail-out package for Delhi DISCOMs as is done for other states. DERC may press for extension of Central Govt. Scheme benefits like UDAY for Delhi Consumers.

PETITIONER'S SUBMISSION

TPDDL

- 2.181 Determination of Retail Tariff and Surcharges is the sole prerogative of the Commission.
- 2.182 Regulatory assets got created due to non-cost reflective tariff for previous years. Thus, in order to fund the said Regulatory assets Tata Power-DDL is availing loans from the market and also paying interest on the same to the banks/FIs. To overcome the problem of further creation of Regulatory Assets, Commission has introduced Regulatory Surcharge of 8% so that the interest burden can be met out to save the consumers from further accumulation of interest.
- 2.183 The Commission in its last tariff order of 28th March 2018 has approved provisional Revenue Gap of Rs. 2394.61 Cr till FY 2016-17 for Tata Power-DDL. In the Current Tariff Petition, Tata Power-DDL has sought truing up of Revenue Gap of Rs. 3987.72 Cr on provisional basis till FY 2017-18.
- 2.184 The Regulatory Assets for DISCOMs have statutory recognition in terms of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017. The said view is based on the National Tariff Policy also.
- 2.185 Thus, the Commission is well within its powers to provide, create Regulatory Asset for DISCOMs.
- 2.186 For FY 2017-18, Tata Power-DDL has sought carrying cost at the rate of 10.37% against the approved carrying cost rate of 10.98%.
- 2.187 The contention on APTEL judgment cited by stakeholder is thus misplaced.
- 2.188 Any such funding as suggested may be extended to Delhi DISCOMs, would be welcome and in overall Consumer Interest.

BYPL

- 2.189 It is submitted that the regulatory asset is created due to non-approval of legitimate cost in the past to avoid sudden tariff shock to the consumers of Delhi. Regulatory Asset surcharge is being levied to recover the regulatory asset in the phased manner.
- 2.190 Regarding Petitioner's claim for implementation of APTEL Judgments and past period claims, it is submitted that, only after detailed deliberation on the issues, Hon'ble APTEL vide its various judgments has issued specific directions to the Commission with respect to implementation of the issues challenged by the Petitioner. Accordingly, the Petitioner has claimed the impact of implementation of APTEL Judgments to be allowed in the next Tariff Order. Further, it is submitted that the issue wise claim along with computation is explained in detail in chapter 3B of the ARR Petition. The same is not reiterated for the sake of brevity.
- 2.191 With regards to the concerns raised by the stakeholder it is stated that cost reflective tariff needs to be approved for the financial sustainability of DISCOMS, so that the DISCOMS continue to provide quality services to the consumers of Delhi. Further, it is pertinent to mention that, in the past, in order to avoid tariff shock to the consumers, the Commission did not allow cost reflective tariff which resulted in accumulation of Regulatory Assets. 8% surcharge levied on tariff is towards recovery of such Regulatory Assets. Repeated creation of Regulatory Assets and not providing time bound recovery of the same is not only detrimental to the financial stability of the DISCOMs but it is also not in the overall interest of the consumers as the consumers will be unnecessarily burdened with the carrying cost on this Regulatory Assets. Further, the Petitioner is billing and collecting a surcharge of 3.80% towards recovery of Pension Trust charges of erstwhile DVB Employees/Pensioners for onward payment to the Pension Trust as approved by the Commission in Tariff order dated 28.03.2018.
- 2.192 It is submitted that we agree with the stakeholder's suggestion that the benefits of Government schemes like UDAY should also be extended to Delhi DISCOMs and the consumers of Delhi should not be deprived of such benefits just because they are being served by private DISCOMs. The Commission may issue suitable advice to the Delhi government for taking up the matter with Central Government in the interest of both the DISCOMs and consumers.

BRPL

2.193 Clause 8.2.2 of the Tariff Policy dated 06.01.2006 provides as under:

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

- a. The circumstances should be clearly defined through regulations, and should only include natural causes or force majeure conditions. Under business as usual conditions, the opening balances of unrecovered gap must be covered through transition financing arrangement or capital restructuring;*
 - b. Carrying cost of Regulatory Asset should be allowed to the utilities;*
 - c. Recovery of Regulatory Asset should be time-bound and within a period not exceeding three years at the most and preferably within control period;*
 - d. The use of the facility of Regulatory Asset should not be repetitive;*
 - e. In cases where Regulatory Asset is proposed to be adopted, it should be ensured that the return on equity should not become unreasonably low in any year so that the capability of the licensee to borrow is not adversely affected.”*
- Furthermore, the Hon’ble APTEL in its Judgment dated 11.11.2011 in O.P. No. 1 of 2011 has held as under:*

“65.

(iv) 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.”

2.194 The Commission vide its Tariff Order dated 13.07.2012 had introduced the concept of 8% Regulatory surcharge (on fixed & energy charges) for liquidation of accumulated Revenue Gap.

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

“5.9 The revenue deficit for FY 2012-13 of the three DISCOMs is Rs 1402.32 Cr. While, the accumulated revenue deficit till FY 2010-11 (along with carrying cost) is Rs 6919 Cr. Keeping in view the significant deficit with all three DISCOMs and in an attempt to make tariffs cost reflective, the Commission has decided to revise the tariff for all consumer categories in order to enable the DISCOMs to at least recover the approved revenue requirement for FY 2012-13.

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

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

NDMC

- 2.196 Determination of tariff/surcharge is defined by the Commission based on prevailing regulations and provisions of the Electricity Act to ensure the DISCOMs are able to recover the charges in a timely manner.

COMMISSION’S VIEW

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

“Carrying cost of Regulatory Assets should be allowed to the utilities.

Recovery of Regulatory Assets to be time bound and within a period not exceeding three years at the most, preferably within the control period.

The use of the facility of Regulatory Assets should not be retrospective.

In case when Regulatory Asset is proposed to be adopted, it should be ensured that the ROE should not become unreasonably low in any year so that the capability of licensee to borrow is not adversely affected.”

- 2.198 The Hon’ble Appellate Tribunal for Electricity (APTEL) has also reiterated the above policy in its judgment dated 11.11.2011 (OP 1 of 2011).
- 2.199 The Commission in terms of the National Tariff Policy and in accordance with the Hon’ble APTEL judgment and has allowed carrying cost to DISCOMs. For liquidation of the past accumulated revenue gap, the Commission introduced a surcharge of 8% over the Tariff, in tariff order dated July 13, 2012, and has been revising tariff every

year to a reasonable level to provide additional revenue to DISCOMs and also to reduce the burden of carrying cost on the consumers of Delhi.

- 2.200 The build-up of the revenue gap commenced in 2009-10 when power purchase costs went up substantially and the rate of sale of surplus power steeply declined due to stringent frequency controls imposed by CERC.
- 2.201 The Tariff Order for FY 2010-11 was not issued due to court proceedings. Therefore, while the tariff increase from FY 2011-12 onwards has to some extent offset the incremental increase in revenue gap, however cumulative revenue gap along with applicable carrying costs still remained uncovered. Thus, the formula evolved by the Commission i.e., including carrying costs in the ARR every year, for tariff determination and using 8% surcharge for liquidating the principal over a time is expected to liquidate the Regulatory Assets in a reasonable period of 6 to 8 years.
- 2.202 The Commission has submitted before the Hon'ble Supreme Court of India in Civil Appeal No. 884 of 2010 that additional surcharge of 8% shall liquidate the principal amount of the accumulated revenue gap within 6 to 8 years.
- 2.203 UDAY scheme is not applicable to private distribution licensees.
- 2.204 The Commission determines the ARR for the DISCOMs as per the provisions of the Tariff Regulations, 2017 and Business Plan Regulation, 2017. The Commission in its Tariff Order has provided the break-up of the major components considered for projecting costs of supply during FY 2019-20, like power purchase cost, O&M costs, CAPEX, financing cost, gap in true up of FY 2017-18 and carrying cost for the regulatory assets etc. This forms the basis for projection of the gap/surplus between present requirement in terms of ARR and revenue available at existing tariff. It is in the consumer's overall interest, that the gap between these two figures is filled by determining the tariffs so as to reduce the accumulated Revenue Gap/Regulatory Assets and the Carrying Cost thereof, which otherwise would impose an additional burden on the average consumer. The Tariff Order is issued after prudence check of the Petitions submitted by the DISCOMs as per relevant Regulations.

ISSUE 10: PENSION TRUST

STAKEHOLDERS' VIEW

- 2.205 Consumers are not part of the tripartite agreement, thereby cannot be penalized with recovery of pension trust surcharge.

- 2.206 Pension Fund 3.8% payable to DISCOM employee is recovered from electricity bill which not justified & should be waived off.
- 2.207 Pension burden of erstwhile DESU/DVB employees should be borne by the State Government and should not be passed on to the Consumers.
- 2.208 The Commission must initiate appropriate proceedings to frame Regulations for DVB pensioners for providing Terms & Conditions allowing lifetime Pension & Terminal Benefits liability of personnel of DVB. The Commission should allow recovery of INR 840 crore in the ARR of three DISCOMS for FY 2019-20 as Pension Trust.
- 2.209 Commission should direct the DISCOMs to provide sufficient funds to meet the additional requirement due to implementation of WAGE Committee Report expected shortly which would involve at least 100 Cr. for timely implementation & payment of arrears.
- 2.210 As per Delhi High court order, DISCOMs are liable to meet the old employee pension.
- 2.211 DISCOM must bring the transparency in pension trust charges collected and outflow.

PETITIONER'S SUBMISSION

TPDDL

- 2.212 The Commission may like to decide on the same.
- 2.213 The Commission has been of the view that it does not have the power, jurisdiction to frame Regulations dealing with such kind of issues raised by stakeholder. The pension surcharge has been already allowed by Commission for year on year basis and is recovered as per directions of the Commission for servicing the liabilities, pension of the Pension Trust.
- 2.214 Levy of Pension Surcharge is towards recovery of Pension Trust Charges of erstwhile DVB Employees/ Pensioners as recommended by GoNCTD.
- 2.215 Employee cost is part of the O&M expenses of Annual Revenue Requirement (ARR) of DISCOMs.

BYPL

- 2.216 DISCOM is bound to contribute in Pension Trust and being a regulated business the cost and expenses of the DISCOMs are subject to be allowed by the Commission. Hence, a pension trust surcharge is approved by the Commission.
- 2.217 With regards to the concerns raised by the stakeholder it is stated that cost reflective tariff needs to be approved for the financial sustainability of DISCOMS, so that the

DISCOMS continue to provide quality services to the consumers of Delhi. Further, it is pertinent to mention that, in the past, in order to avoid tariff shock to the consumers, the Commission did not allow cost reflective tariff which resulted in accumulation of Regulatory Assets. 8% surcharge levied on tariff is towards recovery of such Regulatory Assets. Repeated creation of Regulatory Assets and not providing time bound recovery of the same is not only detrimental to the financial stability of the DISCOMs but it is also not in the overall interest of the consumers as the consumers will be unnecessarily burdened with the carrying cost on this Regulatory Assets. Further, the Petitioner is billing and collecting a surcharge of 3.80% towards recovery of Pension Trust charges of erstwhile DVB Employees/Pensioners for onward payment to the Pension Trust as approved by the Commission in Tariff order dated 28.03.2018.

BRPL

- 2.218 As per the recommendation of the GoNCTD vide its letter dated 26/07/2017, the Commission had decided to levy an additional surcharge for recovery of Pension Trust funding of erstwhile DVB employees/Pensioners from September 2017 onwards.
- 2.219 As far as pension surcharge of 3.70 % is concerned, it is submitted that the Commission vide its tariff order dated 31.08.2017 has notified a surcharge of 3.70% towards recovery of Pension Trust Charges of erstwhile DVB Employees /Pensioners as recommended by GoNCTD. It is important to mention here that under Section 45 of the Electricity Act, 2003, determination of electricity tariff is the sole prerogative of the Commission.
- 2.220 Commission vide its Tariff Order dated 28.03.2018 has notified a surcharge of 3.80% towards recovery of Pension Trust charges.
- 2.221 In terms of the directions of the Commission for conducting a forensic audit of Pension Trust for authentication of the data of pension disbursement from FY2002-03 to till date to ascertain the actual liability of Pension Trust, the said Audit has not been conducted till date.

NDMC

- 2.222 While the contention of the consumer may be considered by the Commission. Furthermore, it should also be considered that NDMC was not a party of tripartite

agreement signed between erstwhile DVB, Govt. of Delhi and private discom at the time of privatization of DVB. Further, NDMC reiterates its submission in its petition that no such liability should be included in the ARR for NDMC and that the consumer in NDMC license area should not be burdened with such liabilities of others DISCOMs because no man, material or assets of erstwhile DVB were transferred to NDMC.

COMMISSION'S VIEW

- 2.223 The Pension Trust was established as a part of Transfer Scheme Rules, 2001 framed under Delhi Electricity Reform Act, 2000 (DERA) and the Tripartite Agreement executed by the GoNCTD with unions of employees and Associations of officers of the erstwhile DVB. In terms of the aforesaid Rules and Tripartite Agreement, the Pension Trust was funded at the time of unbundling of the DVB by way of one lump sum payment by the GoNCTD. The issue of underfunding of corpus fund of the pension trust is sub-judice in W.P. (C) 1698/2010 in the Hon'ble High Court of Delhi. Subsequent contributions from the date of unbundling have to be made to the Pension Trust by the successor entities of DVB. The Commission has been releasing ad-hoc payments in the DTL Tariff orders from FY 2011-12 onwards up to FY 2015-16. Further, in the tariff order dated August'2017, the Commission has directed the DISCOM's for submitting the reconciliation statement and deposit the amount directly to the pension trust, instead of past practice of routing it through DTL.
- 2.224 Section 86 of the Electricity Act, 2003, which defines functions of State Commission, does not provide for issuing Regulations of Pension Trust. The fact has also been appreciated by the Hon'ble APTEL in Appeal No. 238 of 2013 (Mahendra Gupta & Others Vs DERC), wherein it has held that "the learned state Commission has no jurisdiction to go into disputes between the Appellants and the Pension Trust with regard to release of terminal benefits in their favour. The grievances of individual employees/appellants relating to service matters relating to the terminal benefits including pension are not under the jurisdiction of the State Commission". The Commission reiterates its view that it is beyond its jurisdiction to regulate the Pension Trust or to frame Regulations in this regard.
- 2.225 The Commission vide letter no. F.17(44)/Engg./DERC/201213/C.F. No.3481/3320 dated 11.09.2012 has issued Statutory Advice under Section 86(2) of the Electricity

Act, 2003 to Govt. of NCT of Delhi to constitute an Oversight Committee to look into the issues related to pensioners of erstwhile DVB. The subject matter is presently sub-judice before Hon'ble High Court of Delhi and the parties to the dispute should expedite the matter before the court and explore other avenues for settlement of dispute.

- 2.226 The Commission has already made provision on ad-hoc basis of Rs.150 Crore, Rs.160 Crore, Rs.400 Crore, Rs. 470 Crore, Rs. 573 Crore, Rs. 573 Crore , Rs. 694 Crore, and Rs. 792 Crores for FY 2011-12, FY 2012-13, FY 2013-14, FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 respectively in applicable Tariff Orders for passing on to the Pension Trust to avoid undue hardship to the pensioners till all issues concerned with Pension Trust are settled by the Courts/Delhi Govt.
- 2.227 The Commission vide letter dated 08.12.2016 has requested GoNCTD for conducting a forensic audit of Pension Trust for authentication of the data of pension disbursement from FY 2002-03 to till date to ascertain the actual liability of Pension Trust. The Commission has considered the amount of Rs. 839 Crore sought for FY 2019-20 by the Pension Trust on an ad-hoc basis as recommended by GoNCTD vide it's letter dated 25.03.2019.

ISSUE 11: OPEN ACCESS

STAKEHOLDERS' VIEW

- 2.228 Facility of open access to large consumers should be stopped as it is putting financial burden on general consumers' especially domestic consumers.
- 2.229 Common consumers should be provided with a freedom or rights for choosing his DISCOMS.

PETITIONER'S SUBMISSION

TPDDL

- 2.230 Section 42(2) of the Electricity Act, 2003 provides that the state Regulatory Commissions should allow open access subject to the payment of Cross Subsidy Surcharge. The section also states that Cross Subsidy Surcharge shall be progressively reduced in a manner as may be specified by State Commission.

BYPL

2.231 The issue does not pertain to BYPL.

BRPL

2.232 The issue does not pertain to BRPL.

NDMC

2.233 Does not pertain to NDMC.

COMMISSION'S VIEW

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

2.235 If any company or party who is interested in participating in distribution business in Delhi approaches the Commission, the same will be considered in accordance with the provision of Electricity Act, 2003.

ISSUE 12: TARIFF HIKE**STAKEHOLDERS' VIEW**

2.236 Electricity charges should be reduced.

2.237 Domestic power consumers are overloaded with multiple basic charges like fixed charges, energy Charge, PPAC, along with Surcharge and Pension Trust surcharge. This should be relaxed.

2.238 Tariff should be rational and in interest of all the stakeholders.

2.239 Discom are considering higher rate of interest for the computation of RoCE, which is unjustifiable. The Commission must inform the actual rate of interest.

PETITIONER'S SUBMISSION**TPDDL**

- 2.240 Tariff for the year is determined based on the principle that there should be 100% recovery of ARR requirement for that respective year. If ARR requirement is going to be increased/decreased, correspondingly tariff has to be changed for the financial viability of the sector. Thus, if there is no increase in tariff, there would be a situation of revenue deficit, which ultimately has to be recovered from consumers in ensuing years along with the carrying cost. The absence of the cost reflective tariff in the past years has resulted in creation of the Regulatory Asset and Delhi DISCOMs have already been facing problem of non-liquidation of this accumulated Revenue Gap in time bound manner creating a liquidity crunch situation.
- 2.241 Further, the concern on creation of Regulatory Assets in future and the need for timely liquidation of the Regulatory Assets has also been emphasized in the amendments to the Tariff Policy.
- 2.242 In the interest of consumer and financial viability of the power sector, the tariff should be cost reflective i.e. the Tariff should be determined to recover the entire ARR requirement to avoid any creation/ accumulation of regulatory asset in a year as the funding of the regulatory asset results in carrying cost burden on the consumers.
- 2.243 Further in addition to the recovery of entire ARR, appropriate recovery towards past accumulated Revenue Gap should have been factored while deciding the electricity tariff to be charged for next year.
- 2.244 Any Reduction in electricity tariff without liquidating the accumulated Revenue Gap would again lead to additional carrying cost burden on the consumers in addition to the financial difficulties on DISCOMs in running the business smoothly.

BYPL

- 2.245 Tariff determination is the prerogative of the Commission, which is to be determined in a cost reflective manner.
- 2.246 With respect to the breakeven of energy purchase and sale price, BYPL submitted that the average cost of supply include not only power purchase cost but certain other components i.e. O&M Cost, Cost related to Capitalization i.e. Depreciation, Cost of Funding, Interest for working capital, Income Tax and Carrying Cost, therefore while finalization of tariff Commission provides tariff after consideration of

average cost of supply and Average Billing rate. Section 61 of Electricity Act 2003 mandates that while determining tariff the Appropriate Commission shall be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity.

BRPL

2.247 In this regard, we would like to submit that the determination of electricity tariff and the category slab is the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003.

NDMC

2.248 The Commission is already approving the tariff on the same principles as suggested by the consumer. The tariff rates are determined using the principle of breakeven so that the DISCOMs are able to recover the cost (inclusive of Power purchase, depreciation, Operations and Maintenance expenses etc.) from the sales to the consumers and billing them at approved tariff rates.

2.249 Determination of tariff is a prerogative of the Commission

COMMISSION'S VIEW

2.250 The Commission determines the ARR for the DISCOMs as per the provisions of the relevant Regulations. The Commission in its Tariff Order has provided the break-up of the major components considered for projecting costs of supply during FY 2019-20, like power purchase cost, O&M costs, CAPEX, financing cost, gap in true up to FY 2017-18 and carrying cost for the regulatory assets etc. This forms the basis for projection of the gap/surplus between present requirement in terms of ARR and revenue available at existing tariff. It is in the consumer's overall interest, that the gap between these two figures is filled by adjusting the tariffs so as to reduce the accumulated Revenue Gap/Regulatory Assets and the Carrying Cost thereof, which otherwise would impose an additional burden on the average consumer. The Tariff Order is issued after prudence check of the Petitions submitted by the DISCOMs and after considering each element of cost projected in the petitions with due analysis and ensuring proper justification.

ISSUE 13: CAG AUDIT**STAKEHOLDERS' VIEW**

2.251 What steps the Commission has taken for the CAG Audit of DISCOMs in court of law.

DERC may provide the timelines to restart CAG Audit.

- 2.252 Order CAG audit for 9 yrs as the ever inflating Regulatory assets has raised serious concerns about the whole process including accounting.

PETITIONER'S SUBMISSION

TPDDL

- 2.253 The DISCOMs' books of accounts are duly checked/audited by CAG empanelled Statutory Auditors to present a true and fair view in accordance with various laws. Further, prudence check towards the True up is also done by Commission and the auditors appointed by them.

BYPL

- 2.254 BYPL submitted that the contentions of stakeholder in respect of siphoning out of funds are frivolous and baseless. As regular Statutory and mandatory audits are being conducted on regular basis in BYPL by third party. Further the Commission is also conducting prudence check every year in truing up exercise.

BRPL

- 2.255 It is submitted that the Petitioner Company's accounts are audited both internally and also externally by statutory auditors as per the requirements of the Companies Act, 1956 and the Commission also undertakes detailed scrutiny of the accounting statements before admitting the expenses in the ARR proceedings. Further, it is also pertinent to note that the Commission determines the tariff only after considering the prudence of operational and capital expenditure required by the licensee for supplying power and maintaining its distribution network / infrastructure to meet the load requirements of the consumer. The Commission takes into account all relevant facts and figures for approving the expenses while determining the ARR of the licensees. The Commission determines the tariff to be charged from a category of consumers based on the approved ARR of the licensee.
- 2.256 It may also be noted that the Petitioner has a very robust multi-layered system of internal and statutory audit. Accounts are audited both internally and externally by reputed statutory auditors as per the requirements of the Companies Act, 1956. The auditors appointed by the Petitioner is well reputed is a CAG empanelled auditor and is one of the best in the country. It is also the auditor for the NTPC and SAIL

(Maharatna's) among others. Moreover, all ARR petitions are made available in the public domain and are also subjected to rigorous prudence checks by the Commission itself and its consultants.

- 2.257 In addition to the above checks and balances, the Commission itself appoints independent auditors to verify each and every aspect of the Petitioner's accounts before issuing tariff orders.

NDMC

- 2.258 Issue does not pertain to NDMC

COMMISSION'S VIEW

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

ISSUE 14: TIME OF DAY TARIFF

STAKEHOLDERS' VIEW

- 2.261 ToD may be changed suitably and normal office hours should not be treated as Peak hours.
- 2.262 Peak hour charges should be removed.
- 2.263 ToD tariff should not be charged from Industrial Consumers as most of the MSME units are working during day time only.

PETITIONER'S SUBMISSION

TPDDL

- 2.264 Tariff determination and tariff design for all consumer categories is the sole prerogative of the Commission.

BYPL

- 2.265 It is important to mention here that in order to ensure 24x7 power supply, DISCOMs is procuring power on Round the Clock (RTC) basis. The same is governed by the

terms and conditions of Power Purchase Agreement entered into by the distribution licensee and the generating companies. The load curve of the distribution licensee is not uniform and keeps on changing on hourly basis. The objective of TOD tariff is to reduce the non uniformity of load curve of the DISCOM by switching the desired load from peak hours to the off peak TOD Time Slots. In this way consumer can avail rebate in tariff.

BRPL

- 2.266 The Commission has already introduced Time-of-Day Tariff, terms of which has been defined in its Tariff Order dated 13.7.2013.
- 2.267 The demand of power in Delhi has been increasing over the past few years at a very fast rate. The increasing demand is majority a consequence of the increase in consumer base which has increased by over 50% in the last 7 years.
- 2.268 Time of Day (ToD) is an important Demand Side Management (DSM) measure to flatten the load curve and avoid such high cost peaking power purchases. The Commission had introduced time of Day (ToD) tariff wherein peak hour consumption is charged at higher rates which reflect the higher cost of power purchase during peak hours.
- 2.269 The Commission has already introduced Time-of-Day (ToD) Tariff, term of which has been defined in its Tariff Order. Peak and non peak hours tariff is applicable to all consumers whose sanctioned load/MDI is 10kW/11kVA and above.

NDMC

- 2.270 Determination of Tariff is the prerogative of the Commission. The Commission may consider the suggestions appropriately.

COMMISSION'S VIEW

- 2.271 Time of Day tariff is an important Demand Side Management (DSM) measure to flatten the load curve and to avoid such high cost peaking power purchases. The Commission had introduced Time of Day (TOD) tariff wherein peak hour consumption is charged at higher rates which reflects the higher cost of power purchase during peak hours. At the same time, a rebate is being offered on consumption during off peak hours. This is also meant to incentivize consumers to shift a portion of their loads from peak time to off-peak time, thereby improving the system load factor and flatten the load curve. The Commission has made ToD Tariff

mandatory for all consumers (other than domestic) whose sanctioned load / MDI (whichever is higher) is 10 kW/ 11 kVA and above.

2.272 Further, in order to flatten the Load Curve the Commission has provided option of ToD Tariff for all other three phase connections including Domestic.

ISSUE 15: TARIFF CATEGORY

STAKEHOLDERS' VIEW

2.273 Reduce the tariff for the category *"Charging Stations for E-Rickshaw/E-vehicle on single point of delivery"*.

2.274 E- Rickshaws use domestic power for battery charging which is used for commercial purpose, they must be asked to pay commercial rates.

2.275 Impose fixed charges on E- Vehicle category as on other consumer.

2.276 Energy charge for CGHS should be lowered and must be lower than domestic consumers who don't need to invest in infrastructure.

2.277 Energy charges should be reduced for small scale industries.

2.278 Audit condition for claiming subsidy by GHS should be eliminated or DERC may fix a panel of CAG empanelled Auditor with nominal monthly fee.

2.279 Tariff for Govt. Hospitals / Schools may be kept similar to 11KV CGHS.

2.280 Maximum permissible limit of sanctioned load for Mushroom Cultivation may be enhanced beyond 20kW.

2.281 Multiplicity of slabs and differential tariff should be removed & cross subsidy should be put to an end.

2.282 HT consumers should be billed at discounted rates.

2.283 DISCOMs are billing NGOs under the Non-Domestic category; NGO should be categorized as *"Domestic"* in the tariff schedule.

2.284 Create a new category for small non-domestic consumers who earn their livelihood by means of self employment.

2.285 Domestic Tariff should be applicable to Advocates and the chamber of Advocates.

2.286 Industrial category tariff should be applicable to Petrol Pump dealers instead of Commercial Category, as they are registered under Factories Act.

2.287 CGHS are not giving benefit of subsidy to its individual members consuming less than 400 units per month.

2.288 Nursing Homes and Diagnostic centers should be kept under Industrial category.

- 2.289 Remove the restriction of more than 100kW for GHS connection and allow a quantum lower than 100kW also for GHS connection. Allow all the customers granted GHS tariff earlier to continue availing the same for supply at 415 V without insisting on supply at 11kV.
- 2.290 Consider Employee State Insurance Corporation Hospital under Domestic category as ESIC is an autonomous body working under Ministry of Labor and Employment, Govt. of India and providing medical facility to insured person.
- 2.291 SDMC buildings such as Institution, Buildings & office buildings, Water Pumping stations, Tube well connections should be considered under lowest tariff category.
- 2.292 Tariff for Paying Guest should consider under domestic tariff category.
- 2.293 Small non-domestic consumers such as Pan shop etc having single phase non domestic connection should be brought under kWH billing instead of kVAh billing system as adopted by many states.
- 2.294 Continue providing bill on agriculture tariff to agriculture land consumers against domestic consumers. As under land Policy the area was declared as urban area but no urban facilities was provided in the area.
- 2.295 SDMC waste compost plant, Okhla should be brought under Agriculture rates as per the directions of Hon. Supreme court and Construction & Demolition waste processing units under EDMC & NDMC should be brought under Public Utility Rates as DJB.

PETITIONER'S SUBMISSION

TPDDL

- 2.296 Fixation of tariff for any Consumer Category and Sub Category is the sole prerogative of the Commission.
- 2.297 Even, Section 61 (g) of Electricity Act 2003 mandates that Appropriate Commission while determining tariff shall be guided by the principle that the tariff progressively reflects the cost of supply of electricity and also, reduces and eliminates cross-subsidies within a time period as decided by Commission.
- 2.298 Even National Tariff Policy states that tariff design shall be linked to cost of service and tariff thereof, progressively reflects the efficient and prudent cost of supply of electricity.
- 2.299 The Commission in its latest Tariff Order has already provided for Rebate of 3%, 4%

& 5% on the Energy Charges for supply at 11kV, 33/66 kV and 220 kV as applicable.

- 2.300 The Commission has already stipulated modalities for claiming subsidy benefit by individual consumers in Group Housing Societies (GHS). These were duly informed to each of the GHS falling in the Tata Power-DDL licensed area. The same needs to be complied with by the GHS for claiming the subsidy.
- 2.301 In any case, a provision exists in the Tariff Order that the consumers running small commercial establishments from their households having sanctioned load up to 5kW under domestic category, shall be charged Domestic Tariff.

BYPL

- 2.302 BYPL submitted that we appreciate the pilot project undertaken by the Stakeholder for Setting up Public Charging Station in Delhi. DERC has created special category for EV charging stations having tariff of Rs 5/Unit for HT level and Rs 5.50/Unit for LT supply level. It is to highlight that DERC in its previous Tariff Order on ARR for FY 18-19 has calculated cost of supply of BYPL @ Rs 6.68/Unit at 11 KV level (HT level), Rs 6.62/Unit at 33/66 KV (HT level) level and @ Rs 7.52/Unit at LT level. The Commission in this very order has noted as under:

"5.21 Regarding Cross subsidy, Clause 8.3 of the National Tariff Policy 2016 states as follows:

Accordingly, the following principles would be adopted:.....

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

4. Extent of subsidy for different categories of consumers can be decided by the State Government keeping in view various relevant aspects.....Therefore, it is necessary that reasonable level of user charges is levied. The subsidized rates of electricity should be permitted only up to a pre-identified level of consumption beyond which tariffs reflecting efficient cost of service should be charged from consumers. If the State Government wants to reimburse even part of this cost of electricity to poor category of consumers the amount can be paid in cash or any other suitable

way. Use of prepaid meters can also facilitate this transfer of subsidy to such consumers”.....

5.22 In line with the above provision of the National Tariff Policy states that any consumer desirous of getting subsidized tariff shall approach the State Government and if the request for subsidy is found justified, the State Government may give subsidy to that class of consumers so that these consumers get electricity at concessional tariff. “

- 2.303 It is submitted that the Commission in its Tariff Order for FY 2017-18 has introduced a new Tariff Category for charging of batteries of E-Rickshaw at Charging Stations. However, if the E-Rickshaws are being charged at premises other than at Charging Stations, the tariff shall be the same as applicable for the relevant category of connection at such premises from which the E-Rickshaw / E-Vehicle is being charged. Further determination of tariff is sole prerogative of the Commission. We appreciate the concern of our stakeholder, however clause 8.3(2) of tariff policy, 2016 provides that for achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within $\pm 20\%$ of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.
- 2.304 BYPL submitted that the Supply Code Regulations 2007 where the maximum load for mushroom cultivation of 100 KW was approved ,now has been repealed by the Commission and the currently applicable Regulation is in place DERC (Supply Code & Performance Standards) Regulations, 2017.
- 2.305 Regulation 6(2) of the Supply code 2017 provides that the categorization of supply to various consumers shall be as per applicable tariff order of the Commission. Currently the applicable tariff order is Tariff order dated 28.03.2018 which provides that the Agriculture and Mushroom cultivation category is available for load up to 20 KW for tube wells for irrigation, threshing, mushroom cultivation and kutti-cutting in conjunction with pumping load for irrigation and lighting load for bonafide use in kothra.
- 2.306 Further, determination of tariff and tariff category for any particular class of consumer on the basis of load, usage etc is the sole prerogative of the Commission.

- 2.307 The Commission in its tariff order dated 28.03.2018 has already approved rebate on energy charges to the consumers availing supply at 11 KV, 33/66 KV and 220 KV as 3%, 4% and 5% respectively.
- 2.308 According to the Tariff schedule approved in Tariff Order dated 28.03.2018, the Commission has approved domestic tariff for Dispensary/ Hospitals/ Public Libraries/ school/ colleges/ working women's hostel/ orphanage/ charitable homes run and funded by more than 90% by Municipal Corporation of Delhi or Government of NCT of Delhi or any other Government Local bodies.
- 2.309 Accordingly, BYPL is billing all government run Hospitals/ Dispensaries including ESIC under Domestic tariff. Same has been agreed by the stakeholder in its comments by mentioning that ESIC in Seelampur, Pahar Ganj, Jhilmil areas, which falls under BYPL Licensed area, BSES has provided Domestic connection to ESIC. Further, the ESIC, Okhla where the request of category change has been sought by the stakeholder does not falls under the BYPL licensed area.
- 2.310 It is submitted that the Commission has already stated in its Tariff order dated 28.03.2018 that tariff of Group Housing Society (GHS) will be charged as per the tariff prescribed by the Commission. The relevant para directing the CGHS is stated as under:

Para 9 of tariff schedule

"The Single Point Delivery Supplier (Group Housing Societies) shall charge the Domestic tariff as per slab rate of 1.1 to its Individual Members availing supply for Domestic purpose and Non Domestic Tariff for other than domestic purpose. Any Deficit/Surplus due to sum total of the billing to the Individual Members as per slab rate of tariff schedule 1.1 and the billing as per the tariff schedule 1.2 including the operational expenses of the Single Point Delivery Supplier shall be passed on to the members of the Group Housing Societies on pro rata basis of consumption."

- 2.311 Further regarding subsidy for individual members under GHS connection, the Commission has described clause for subsidy in the above said Tariff order which is reproduced below:

Para 10 of tariff schedule

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

2.312 In view of above clauses, it is clearly defined that any individual domestic consumer availing the GHS supply can claim subsidy as approved by GoNCTD.

2.313 As regards the Tariff determination and Tariff Design for all consumer categories is concerned, we would like to state that the determination of electricity tariff to be charged from a category of consumer is the prerogative of the Commission, under Section 45 of the Electricity Act, 2003. Further, as per Tariff Schedule specified by the Commission, Charitable homes run which are funded by more than 90% by Municipal Corporation of Delhi or Government of NCT will be covered under Domestic Category.

2.314 With respect to charging to paying guest at domestic category, we would like to submit that the tariff to be charged from consumer is the sole prerogative of the Commission. Further the para regarding tariff for paying guest from tariff schedule for FY 2018-19 is provided below for reference:

“Domestic

The consumers running small commercial establishments including Paying Guest from their households having sanctioned load upto 5kW under domestic category, shall be charged Domestic Tariff

Non domestic

Hostels/Schools/Colleges/Paying Guests (other than that covered under Domestic Category).”

2.315 kVAh billing- It is submitted that the determination of billing parameter for calculation of tariff is the sole prerogative of the Commission.

2.316 It is submitted that the Construction and Demolition (C&D) works undertaken by the stakeholder and thereby contributing in preserving the environment. It is necessary to fight against climate change by way of disposing off the waste produced daily in the city. So its role in promoting longer term environmental responsibility is going to get more significant. In view of the above and in larger interest of the public of Delhi,

the Commission may include inclusion of C&D facilities under its “Public Utility” category as deem fit.

BRPL

- 2.317 Multiplicity of slabs, differential tariffs and abolition of cross subsidy surcharge, same would be appropriately considered by the Commission.
- 2.318 The rebate of 3%, 4% and 5% shall be applicable on Energy charges for supply at 11kW, 33/66 kV and 220 kV respectively. Further Single point Delivery supplier availing supply at HT and above shall charge the tariff to its LT consumers and in addition shall be entitled to charge an extra up to 5% of the bill amount to recover losses and all its expenses.
- 2.319 The Commission vide its Tariff Order dated 26.6.2003 has held the kVAh based tariff.
- 2.320 While the 11kV MCD run Hospitals/Colleges/Schools fall under Non-domestic tariff category in the Tariff Schedule made by the Commission, but since these organizations are run by Govt., the Commission has provided the benefits of Domestic tariffs on cost-to-serve basis.
- 2.321 The tariff category as well as the voltage of supply is determined by relevant regulations issued by the Commission. As a licensee, the Petitioner strictly abides by all applicable Regulations.
- 2.322 With regard to kVAh billing and installation of capacitors it is submitted that it is the responsibility of consumers to maintain healthy power factor in their premises. The Commission has mandated kVAh consumer for all commercial consumers which is aimed at encouraging healthy power factor so that the penalty of lower power factor is not loaded on other consumers.
- 2.323 In this regard it may be noted that Domestic Consumers are billed at tariff which have been determined on kWH basis and not kVAh basis which means power factor is not considered for domestic consumers.
- 2.324 Determination of tariff is the sole prerogative of the Commission

NDMC

- 2.325 Determination of Tariff is the prerogative of the Commission. The Commission may consider the suggestions appropriately.

COMMISSION'S VIEW

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

2.327 Providing subsidy is the prerogative of the Government.

ISSUE 16: TARIFF FOR DMRC**STAKEHOLDER'S VIEW**

2.328 DISCOMs to provide the Power Purchase Cost separately along with distribution losses for various voltage levels i.e. 220KV, 66KV, 33KV, 11KV and LT. DMRC tariff may be reviewed accordingly.

2.329 ToD Tariff should not be imposed on DMRC.

2.330 Fixed Charges should not be levied on DMRC.

2.331 DMRC may be exempted from payment of Revenue Deficit Surcharge and Pension Trust Surcharge.

2.332 No Cross Subsidy Surcharge may be levied on DMRC for energy supplied by DISCOMs as well as for Renewable Energy procured through Open Access.

PETITIONER'S SUBMISSION**TPDDL**

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

2.334 It may also be noted that Power Purchase Cost for DISCOMs is a pooled cost from all sources at ex generator bus and is not differentiable at voltage levels.

2.335 In any case, the issue of drawing power at higher voltage and rebate thereof has been in-built in the Tariff design.

2.336 Any exemption in the tariff is prerogative of the Commission.

BYPL

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

DMRC and other consumers.

- 2.338 In order to provide reliable power supply to all consumers and to meet the continuously increasing peak demand, BYPL has entered into long term Power Purchase Agreements (PPA's) with various Central Govt/State Govt owned Generating station & IPP's. In addition to this, the Petitioner also purchases from other sources such as Energy Exchanges, Bilateral & Banking etc to meet the energy demand/rate variations. Thus the cumulative cost of power procurement from all these sources is applicable to all consumers of BYPL including DMRC. However the Tariff determination and tariff design for all consumer categories including DMRC is the sole prerogative of the Commission.
- 2.339 No Time of Day tariff to DMRC –As mentioned above, in order to ensure 24x7 power supply, DISCOMs is procuring power on Round the Clock (RTC) basis, from Long term as well as short term basis. The cost of energy generated from long term sources are is governed by Central Electricity Regulatory Commission or state electricity Regulatory Commission. Further cost of power of short term is market driven which varies according to the demand fluctuation.
- 2.340 The load curve of the Petitioner is not uniform, majorly due to the presence of the Non Domestic consumers and other public utilities including DMRC, since the demand from the said categories of consumers becomes nil/ negligible during night hours as compared to the day time. On the other hand DISCOMs have to arrange power on RTC basis to serve 24x7 uninterrupted power supply. The concept of time of day tariff aims at shifting time of peak demand, thereby flattening the load curve for which the Utility provides incentives to shift consumption to off-peak hours and offers dis-incentives for consumption during peak hours.
- 2.341 Non Applicability of fixed charges to DMRC—Any exemption in the tariff to any category of consumer is the prerogative of the Commission.
- 2.342 Non Applicability of Revenue Deficit Surcharge to DMRC - As regards levying of 8% surcharge on tariff, Petitioner would like to submit that the Aggregate Revenue Requirement (ARR) is calculated on a consolidated basis for all consumers and not for a particular category consumer. The Commission in its Tariff Order dated July 31, 2013 has stated the following:

“2.24 The Commission is of the view that DMRC has already been considered under a special tariff category in view of the essential services being provided to common consumers of Delhi. The Commission has levied a surcharge for the recovery of revenue gap so that the burden of carrying cost may be mitigated. Further efforts are being made to analyze tariffs and bring them to cost to serve basis.”

- 2.343 It is a matter of fact that in absence of cost reflective Tariff, huge Regulatory Assets has been created. The Commission itself has recognised Regulatory Assets of Rs. 9616 Crores up to FY 2016-17 in Tariff Order dated March 28, 2018. The Commission has acknowledged the fact in past Tariff Orders and press releases that in absence of cost reflective tariff, huge Regulatory Assets has been created. Further in order to recover the Regulatory Assets, the Commission has determined surcharge of 8%. The commission has provided reasoning for the same in Tariff order dated 31.07.2013 and the same which is reproduced below:

“2.191 For meeting the carrying cost of the revenue gap till FY 2010-11 and liquidation of revenue gap, the Commission had decided to introduce a surcharge of 8% over the revised tariff in tariff order dated July 13, 2012 and appropriate surcharges shall be considered by the Commission in FY 2013-14 also to reduce the burden of carrying cost on the consumers of Delhi. For meeting carrying cost of the revenue gap till FY 2013-14, the Commission has decided to continue the existing surcharge at 8% over the revised tariff. The Commission in consultation with GoNCTD shall evolve a reasonable schedule for liquidation of revenue gap which will be fair to all stakeholders.”

- 2.344 It is noteworthy to mention here that even the surcharge of 8% is not enough to recover the carrying cost borne by the Petitioner for funding the Regulatory Asset (Revenue deficit). However, this surcharge has not made any significant dent in reduction of accumulated shortfall as it has mainly contributed towards meeting the carrying cost of the accumulated shortfall.

BRPL

- 2.345 Submission of Voltage level wise power purchase cost and distribution losses :

Availing supply at higher voltages also entitles the stakeholder to avail voltage rebate which has been determined by the Commission to incentivize consumers availing supply at higher voltages and also to some extent compensate for higher losses at lower voltages.

- 2.346 ToD Tariff- Time of Day tariff is an important Demand Side Management (DSM) measure to flatten the load curve and to avoid such high cost peaking power purchases. The Commission had introduced Time of Day (TOD) tariff wherein peak hour consumption is charged at higher rates which reflects the higher cost of power purchase during peak hours. At the same time, a rebate is being offered on consumption during off peak hours. This is also meant to incentivize consumers to shift a portion of their loads from peak time to off-peak time, thereby improving the system load factor and flatten the load curve. The ToD tariff is aimed at optimizing the cost of power purchase, which constitutes over 80% of the tariff charged from the consumers. It also assumes importance in the context of propagating and implementing DSM and achieving energy efficiency.
- 2.347 Fixed Charges- The Commission vide its Tariff Order dated June 26, 2003 introduced two part tariff for domestic consumers, i.e. fixed charges and energy charges and abolished minimum charges and meter rent.
- 2.348 Some expenses such as meter reading, billing, bill delivery, maintenance etc. are fixed in nature and independent of energy consumption. Ideally the fixed charges levied on the consumer should reflect the cost of such capacity requirements of the consumer after considering the fixed cost of such system and diversity of load in the system.
- 2.349 Regulatory Surcharge- The Commission vide its Tariff Order dated 13.7.2012 had introduced the concept of 8% Regulatory surcharge (on fixed and energy charges) for liquidation of accumulated Revenue Gap. However the surcharge of 8% as levied is not enough to recover even the entire carrying cost on created Regulatory Assets.
- 2.350 Pension Trust Surcharge- Commission vide its Tariff Order dated 28.3.2018 has notified a surcharge of 3.80% towards recovery of Pension Trust Charges of erstwhile DVB employees/pensioners as recommended by GoNCTD.

NDMC

- 2.351 NDMC understands that the Commission has been considering DMRC tariff under special category and accordingly its tariff is lower than other HT categories in NDMC license area.
- 2.352 Further, as shown by DMRC itself in its submission in Table 3, the tariff for DMRC had remained constant since the last 3 years and in fact the average cost per unit has actually declined from Rs. 7.16/kVAh in 2015-16 to Rs. 6.84/kVAh in FY 2017-18.
- 2.353 It is further submitted that DMRC is actually a subsidizing category and therefore as per National Tariff Policy, the tariff of such categories can be as high as +20% of the average cost to serve for all the consumers. In 2017-18, the average billing rate for DMRC had been lower than the average cost to serve by ~30%. Further, determination of tariff is the prerogative of the Commission and the tariff for 2019-20 may be considered based on prudence check and merits of submission made by NDMC in its petition.
- 2.354 The tariff for DMRC is comparable with Annual Fixed cost of Power Purchase by NDMC. It is the humble submission of NDMC that it is incurring losses due to irregular demand pattern of DMRC. DMRC's demand is typically higher between 8 am to 10 pm and fall at lower levels between 11 pm to 6 am. As per submission of DMRC, the average load factor is barely around 57%. On the contrary, NDMC has entered into PPA on the basis of peak demand of DMRC so that adequate power can be supplied in a highly reliable manner. Therefore, even though DMRC is not using the sanctioned load, NDMC has to bear the fixed charges of generators and transmission companies on the basis of such PPA and BPTA. Accordingly, fixed charges needs to be levied on a mandatory basis to DMRC.
- 2.355 The proposed variable charges for other HT consumers in the license area for FY 2019-20 are around Rs 9.45/unit as compared to tariff charged from DMRC which is as low as Rs 7.21/unit. Similarly, the fixed cost charged from DMRC is also lower as compared to the other HT consumers. In light of the above, a significantly lower tariff has already been approved by the Commission for DMRC which takes into account its voltage levels and further treats DMRC as a special category.
- 2.356 Determination of tariff is a prerogative of the Commission and therefore any consideration given to DMRC in tariff will be applied by NDMC for supply in its

license area. In this aspect, NDMC submits that DMRC is supplying power to commercial establishments (shops/kiosks, advertisements) in its station premises. This aspect of redistribution of power needs to be examined by the Commission in light of the provisions of Electricity Act 2003. Further, NDMC understands that the right to supply power to such consumers in DMRC premises belongs to NDMC. The Commission is requested to issue appropriate directions in this regard.

COMMISSION'S VIEW

- 2.357 The issue of drawing power at higher voltage and rebate thereon has been inbuilt in the Tariff design and addressed appropriately in the Tariff Order.
- 2.358 The Commission has already directed the petitioners to carry out energy audit to determine the voltage wise loss in the network of the petitioner. Further, the Commission is in the process of conducting independent assessment of Energy Audit of the Distribution Licensees through independent consultants.
- 2.359 The Tariff determined by the Commission in respective tariff orders is fixed after considering all the factors discussed above.

ISSUE 17: COST OF FINANCE

STAKEHOLDER'S VIEW

- 2.360 DISCOMs may be provided cheaper loans by Central and State Governments, to reduce their carrying cost on loans.
- 2.361 Discom must mention the sources of funding as mentioned in Economic survey.
- 2.362 BSES Rajdhani gives loan to Yamuna. This is unnecessary & unethical as these amounts to related party business.
- 2.363 Consumer contribution should not be used as fund for capital works.

PETITIONER'S SUBMISSION

TPDDL

- 2.364 Any such cheaper loans, as suggested, may be extended to Delhi DISCOMs, would be welcome and in overall Consumer Interest.

BYPL

- 2.365 The issue does not pertain to BYPL.

BRPL

- 2.366 It is up to the Commission to issue Statutory Advice to the Government under the provisions of the Electricity Act.

NDMC

2.367 The issue does not pertain to NMDc.

COMMISSION'S VIEW

2.368 The cost of financing has been set by the Commission as per the performance of the Utilities from time to time. Regulations being performance based, the Utilities are expected to achieve the targets that have been set seeing their past performance and the industry standards.

2.369 The issue regarding inter DISCOM transfer of loan from BSES Rajdhani Power Limited to BSES Yamuna Power Limited has been appropriately dealt in Chapter-3 of this Tariff Order.

2.370 Consumer contribution is excluded from the Capital cost for the purpose of computation on interest of loan, return on equity and depreciation.

ISSUE 18: MISCELLANEOUS**STAKEHOLDER'S VIEW**

2.371 DISCOMs are charging 18% on LPSC on compound basis which comes as 24% per annum while in return they provide only 6% interest on security deposit and that to be adjusted in future bills, which is injustice to consumers.

2.372 Reintroduce the 0.2% prompt payment rebate to consumers.

2.373 Confusion regarding applicability of GST on meter. Since, ownership of meter is with licensee than why GST was levied on sale of meter in case of tempering event.

2.374 Discom must come under ambit of RTI.

2.375 Incentive should be provided to consumers for digital payments like online banking, Credits/ debits cards, while paying electricity bills to boost digital payments.

2.376 DISCOMs are not providing subsidy to consumers whose consumption gone above 400 units per month.

2.377 Why electricity tax is levied in electricity bills.

PETITIONER'S SUBMISSION**TPDDL**

2.378 Security Deposit is taken as a security towards charges to be paid by the consumer for consumption of electricity. The earlier security deposit rates were notified by the Commission in 2003 and have been now revised in September 2017.

- 2.379 It may be noted that the Commission has considered 60 days period for computation of bill amount for determination of security deposit and accordingly security deposit rates have been revised.
- 2.380 GST and Income Tax are cost as per the Regulations. As per the CGST Act, sale of power is exempt from GST purview; hence no Input Tax credit is available. Therefore, GST Input cannot be discounted.
- 2.381 Meter cost is taken as per DERC (Supply Code and Performance Standard) Regulation, 2017 and any scrap sale of meter is offered in ARR.

BYPL

- 2.382 As regard the comparison of LPSC rate of 18% with the Interest on Consumer Security Deposit Rate of 6%. It is submitted that the Commission in its Supply code 2017 has changed the rate of interest on consumer Security Deposit from 6% to the MCLR as notified by SBI on 1st April of every Financial Year.
- 2.383 Further, it is important to mention that the LPSC is levied as a deterrent so that the consumer pays its electricity bill on time and the Security Deposit cannot be compared with the LPSC as the purpose of levying LPSC and Security Deposit is different. In order to avoid the LPSC, the consumer shall pay its electricity bill before the due date. Generally the honest consumers of petitioner always pay their electricity bill in time. It is also important to mention that 18% LPSC is also being levied by the Generating Companies/ Transmission Companies in case Petitioner defaults in making payment before the due date.
- 2.384 With respect to GST we would like to submit that a circular was issued by the Government of India, Ministry of Finance dated 01.03.2018 (Circular No. 34/8/2018-GST) which provides certain services which are applicable to GST in the Electricity Sector as well. Subsequent to the same the Commission has also directed DISCOMS to implement the GST in the services mentioned in the above circular.
- 2.385 The Commission has already approved relaxation to consumers making digital payment of its bill amount up to Rs 5,000/- through credit card/ debit card by waiving off the processing charges. However, determination of any further incentive scheme for promoting digital payment is the sole prerogative of the Commission subject to the fact that the said cost is pass through in the ARR of petitioner.
- 2.386 As per Section 65 of the Electricity Act 2003, approval of Subsidy is the sole

prerogative of State Government i.e. GoNCTD.

- 2.387 BYPL submitted that electricity tax is being charged as per Delhi Municipal Act and is being collected by DISCOMs on behalf of municipal Corporation(s).

BRPL

- 2.388 It may be noted that both the interest charged for late payment and interest paid of security deposit is as per rates defined in the DERC Supply Code and Performance Standards Regulations 2017. Relevant excerpts are highlighted as under:

“4. Interest on Security Deposit under Regulation 20(3) of Supply Code Regulations:

The distribution licensee shall pay interest on security deposit annually to the consumer from the date of such security deposit at Marginal Cost of Fund based Lending Rate (MCLR) as notified by State Bank of India prevailing on the 1st (first) April of that financial year:

Provided that for the period prior to the date of applicability of this Order, the interest on security deposit shall be payable as per Delhi Electricity Supply Code and Performance Standards Regulations, 2007.”

- 2.389 As per Regulation 46(2) of the DERC Supply Code Regulations, 2017 if the consumer fails to remit the bill amount on or before the due date, the Distribution Licensee shall be entitled to recover Late Payment Surcharge on the outstanding amount of the bill.
- 2.390 The interest paid on security deposit is based on market rates and not 6% as has been alleged.
- 2.391 We agree with the observation of the Stakeholder, that GST is not applicable / levied to consumers of electricity. As regards Income Tax, it may be noted that it is allowed as a Cost Item in the ARR of the Licensee in terms of Regulation 116 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017. Relevant excerpt of the said regulation is reproduced as under:

“116. The Aggregate Revenue Requirement for the Retail Supply and Wheeling Business of the Distribution

Licensees for each year of the Control Period, shall contain the following items:

Cost of power procurement;

Transmission & Load Dispatch charges;
Operation and Maintenance expenses;
Return on Capital Employed;
Depreciation;
Income Tax;
Interest on Consumer Security Deposit;
Carrying Cost on Revenue Gap/Regulatory asset;
Less: Non-Tariff Income;
Less: Income from Other Business,
Less: Income from wheeling of electricity; and
Less: Receipts on account of charges other than Wheeling Charges from open access consumer.”

2.392 The Distribution Licensee collects electricity tax on behalf of MCD on the amount billed for energy, if any.

2.393 Electricity subsidy to all domestic consumers consuming up to 400 units per month has been approved which is also applicable to the consumers for Group Housing Society. The Group Housing Society shall maintain data/records of consumption of each of the member and shall get the subsidy claim document audited by the CAG empanelled auditor and submit its report to the Discom.

NDMC

2.394 The rates of LPSC are decided by the Commission and the same acts as a deterrent for the consumers to make timely payments.

COMMISSION'S VIEW

2.395 The Commission is of the view that the Consumers Security Deposits are meant for funding the working capital requirements of the Petitioner. Accordingly, the Commission is considering the notional interest earned on consumers security deposits at the cost of Working Capital considered by the Commission for RoCE. The difference in rate of interest for working capital & the interest on security deposit is considered as Non-tariff income of the Petitioner and the same is reduced from Aggregate Revenue Requirement (ARR) of the relevant year. Therefore, the benefit of difference in interest rates is already being passed on to the consumers in the area of Licensee.

- 2.396 The net LPSC (i.e., LPSC amount collected after deducting the financing cost of LPSC) forms part of Non-Tariff Income and accordingly the Commission reduces the same from ARR. Therefore, the benefit of difference in LPSC amount collected and financing cost of LPSC is being passed on to the consumers in the area of Licensee.
- 2.397 The Commission had followed the approach of allowing rebate based on numbers of bills raised by the distribution licensee due to continuation of a uniform provision in the tariff by retaining the existing provision of working capital. Now the Commission in its DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 has determined the requirement of the working capital based on the billing cycle. Therefore, the impact of rebate has already been accounted for by reducing the requirement of the working capital.
- 2.398 Levy of GST is not in the purview of the Commission.
- 2.399 As per the Order of the Central Information Commission (CIC) dated 30.11.2006 *"DISCOMs are public authorities within the meaning of Right to Information Act"*. The said impugned Order of the CIC was subsequently challenged before the Hon'ble High Court of Delhi by the Distribution Licensees and the said Order was stayed by the Hon'ble High Court. The matter is sub-judice.
- 2.400 The Commission is of the view that Electricity tax is levied by MCD and withdrawal/modification of the same has to be done by MCD.

ISSUE 19: FIXED CHARGE

STAKEHOLDER'S VIEW

- 2.401 Fixed Charges increased must be rolled back as its amount to granting double benefits to DISCOMs.
- 2.402 Burden of fixed charges should be removed from the domestic consumer bills and if found necessary extra surcharge on commercial consumers should be imposed.
- 2.403 Discom must make audit report public regarding the collection of fixed charges and discom expenditure with respect to fixed charges.
- 2.404 Fixed charges should be based on actual energy consumptions.
- 2.405 Discom must explain why they are charging fixed charges on 22400 MW sanctioned load while peak demand is only 7400 MW.
- 2.406 Fixed charges should be levied on MDI and not on sanctioned load.
- 2.407 Fixed charges should be withdrawal for small industries unit.

- 2.408 Fixed charges need to be abolished from the staff concession beneficiaries bills.
- 2.409 DVB employees and pensioners should be exempted from the fixed charges as it is introduced after the tripartite agreement between employees and govt.
- 2.410 Fixed Charges should not be levied for street light category.
- 2.411 Fixed charges should be abolished for 11KV SPD GHS connection for CGHS and its members.
- 2.412 Increase the fixed charges further to reduce the misuse of Govt subsidy. Currently, consumers are getting more than 1 meter installed in their premises to derive the benefits of the slab structure; as up to 400 units the tariff is much lower and also subsidized as such consumers seek the installation of the multiple meters. If the fixed charges are increased the temptation of installation of more meters will end and misuse of subsidy will be minimized. DISCOMs must also mention how a 2 storey building is getting 4-5 meters.

PETITIONER'S SUBMISSION

TPDDL

- 2.413 Fixed charges as part of tariff is levied so as to be able to cover the fixed expenses / costs of DISCOMs. DISCOMs need to establish and maintain infrastructure and network corresponding to the Sanctioned / connected load of the Consumers to ensure uninterrupted power supply irrespective of the fact whether such load demand is actually used or not but the DISCOM is required to have such infrastructure in place.
- 2.414 The Commission in its last Tariff Order had rationalized fixed charges based on under recovery of revenue through fixed charges in the ARR of the Distribution Licensees as per the earlier tariff schedule. These can be further rationalized so as to reflect the actual fixed cost incurred by the Utility which will also serve to dissuade the consumers from taking multiple connections to reduce bill amount due to reduction in Energy charges since the fixed charges are to be paid irrespective of consumption.
- 2.415 It is also pertinent to mention that if fixed charges are reduced, the energy charge would increase correspondingly as these forms a part of total revenue of the utility. Therefore, whether only energy charge is levied or energy charge as well as fixed charge is levied, the same ARR would have to be recovered from the consumers.
- 2.416 The Commission has already started rationalizing the fixed charges and in any case,

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

- 2.417 Fixed Charges are levied as per the applicable Tariff Schedule and these charges are subject to audit/prudence check by the Commission / Auditors it appoints at the time of True Up. It is pertinent to mention that information of category wise fixed charges billed has been shared on monthly basis with the Commission as per the directive given in Tariff Order.
- 2.418 Sanctioned load is enhanced based on highest of average of Maximum Demand readings recorded as per billing cycle covering any four consecutive calendar months in the preceding financial year and not immediately on exceeding the sanctioned load. Further, load is reduced only after 6 months from date of load enhancement as per Regulation 17 4(vii) of DERC (Supply Code and Performance Standards) Regulations, 2017 subject to reduction of load limited to the highest of average of any 4 (four) consecutive months maximum demand readings of last 12 (twelve) months.
- 2.419 If MDI reading exceeds sanctioned load, a surcharge of 30% is levied on the fixed charges corresponding to excess load in kW/kVA for such billing cycle only as per Tariff Schedule of Tariff Order FY 18-19.

BYPL

- 2.420 The cost of distribution licensee recoverable from tariff can be segregated into two parts i.e. Fixed cost and variable cost. The fixed cost of the distribution licensee includes capacity charges to Generating companies/ Transmission companies, Depreciation, O&M Expenses etc and variable cost includes power purchase cost excluding the capacity charges, trading margin open access charges etc.
- 2.421 However, the present retail tariff applicable in Delhi includes only a part of the fixed cost into recovery as fixed charges, whereas major portion of the fixed cost is recovered through energy charge component of the retail tariff. This kind of tariff structure leads to mismatch in the cash flow of the utilities as the Distribution Licensee have obligations to pay fixed monthly charges to GENCOs & TRANSCOs irrespective of the quantum of power procured besides their own fixed cost liabilities.

- 2.422 As the major part of fixed cost is recovered through energy charges and the monthly collection on account of energy charge is dependent on sales, which varies by more than 50% due to seasonal/weather conditions i.e., sales is maximum in Summer season & minimum in Winter season, therefore there is always a mismatch between the real fixed cost liability v/s the amount collected thereof through tariff.
- 2.423 Ideally the fixed cost should be recovered through fixed charges and variable cost should be recovered through energy charges of the tariff respectively. Same provisions are also provided under Regulation 130 & Regulation 131 of DERC (terms & Conditions for Determination of Tariff) Regulations 2017. Extract of the same is reproduced below:-

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

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

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

Fixed cost of Distribution Licensee:

Return on Capital Employed;

Depreciation; and

Operation and Maintenance expenses.

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

Energy Charges (Power Purchase Cost excluding Capacity Charges);

Trading Margin, if any, ; and

Open Access Charges, if any. “

- 2.424 DERC before issuing the Tariff vide its order dated 28.03.2018, issued an approach paper for tariff rationalization for public comments/ suggestions/ objections which deals with the provisions of Regulation 129 to 131 of tariff Regulations 2017 mentioned above in S.No 2. This Approach paper was circulated for Public Comments from all Stakeholders vide its public Notice dated 23.02.2018. In view of the above, the Commission has rationalized tariff by increasing the fixed charges and reducing the energy charges.

- 2.425 The spirit of designing tariff is to recover fixed cost from fixed charges and variable cost from variable/energy charges in a cost reflective manner.
- 2.426 Further we would like to submit that, in the past there has been a wide gap between DERC projections in the Tariff Order and the actual expenses of DISCOMs resulting in creation of Regulatory Assets. The Appellate Tribunal for Electricity has also raised serious concern on the rising Regulatory Assets and deferment of legitimate expenses of DISCOM by DERC through improper projections.
- 2.427 This huge unrecovered Regulatory asset is severely impacting the financials of the Company leading to the precarious financial position. DISCOMs have so far sustained operations by funding the Regulatory Assets through heavy Bank Borrowings. However, this trend is detrimental to the Power Sector Reforms in the state of Delhi.
- 2.428 Though the Commission has introduced 8% surcharge for recovery of RA in FY 2011-12, there still remains huge unrecovered RA which was also recognized by the Commission in the previous Tariff Orders.
- 2.429 As regard to the stakeholders comments on charging of fixed charges on sanctioned load and not on MDI basis at the MDI is low, Petitioner would like to inform that the Commission in its Regulation 17(3) of DERC Supply Code & Performance Standards Regulations 2017 has empowered the consumers to apply for Load reduction on the basis of average of 4 consecutive MDIs.

BRPL

- 2.430 Determination of electricity tariff to be charged from a consumer is the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003.
- 2.431 The Commission in its Tariff Order dated June 26, 2003 introduced two part tariff for domestic consumers, i.e. fixed charges and energy charges and abolished minimum charges and meter rent. The fixed charge in two-part tariff represents the fixed component of charges, which is independent of consumption level and depends on the fixed cost incurred by the Utility in supplying electricity. Fixed cost of the Utility should be recovered to a certain extent through fixed charges to ensure revenue stability. Hence the Commission has determined tariffs such that a reasonable part of the fixed cost is recovered through a fixed charge. The fixed charges are usually levied on the basis of demand charges on sanctioned load or contract demand/billing demand. Some expenses such as meter reading, billing, bill delivery, maintenance

etc. are fixed in nature and independent of energy consumption.

2.432 When a consumer is connected to the system, the utility has to provide/allocate certain capacity of the distribution system to serve the consumer. In addition to this, some expenses such as meter reading, billing, bill delivery, maintenance etc. are fixed in nature and independent of energy consumption. Ideally, the fixed charges levied on the consumer should reflect the cost of such capacity requirements of the consumer after considering the fixed cost of such system and diversity of load in the system.

2.433 The Commission in its Tariff Order dated 31.07.2013 has held as under:

“2.71 The Commission would also like to point out that if fixed charges are removed, the energy charge would increase correspondingly as these forms a part of total revenue of the utility. Therefore, whether only energy charge is levied or energy charge as well as fixed charge is levied, the same ARR would have to be recovered from the consumers.

The Commission is of the opinion that the best method of levying fixed charges is on the basis of the sanctioned load, as other options do not representatively reflect the cost of providing the capacity requirements of the consumer. After analysing all the options of levying fixed charges, the Commission continues with the existing methodology of levying fixed charges.”

2.434 The rationale behind rationalizing fixed charges has been given by the Commission in its tariff order dated 31.07.2017 and 28.03.2018 as below:

“In tariff order dated 31.08.2017: Fixed charges are levied to cover the fixed expenses of the Utilities. The infrastructure and network involves continuous running and maintenance to ensure uninterrupted power supply irrespective of the fact whether such load demand is actually used or not. The energy charges indicate the variable charges which are directly linked to the consumption of electricity. Both fixed and energy charges form part of the electricity billing; decrease in one shall lead to increase in the other.

In tariff order dated 28.03.2018: The Commission has rationalized fixed charges based on under recovery of revenue through fixed charges in the ARR of the Distribution Licensees as per the earlier tariff schedule.

“For all categories other than Domestic, Fixed Charges are to be levied based on billing demand per kW/kVA or part thereof. Where the Maximum Demand (MD), as defined in DERC (Supply Code and Performance Standards) Regulations, 2017, reading exceeds sanctioned load/contract demand, a surcharge of 30% shall be levied on the fixed charges corresponding to excess load in kW/kVA for such billing cycle only. Wherever, sanctioned load/contract demand is in kW/HP, the kVA shall be calculated on basis of actual power factor of the consumer, for the relevant billing cycle and in case on non-availability of actual Power Factor, the Power Factor shall be considered as unity for sanctioned load/contract demand upto 10kW/11kVA.”

NDMC

2.435 Determination of Tariff is the prerogative of the Commission. In the previous order, the Commission has taken a considered view on the prevailing tariffs and has accordingly revised the entire tariff structure of the consumers leading to an increase in fixed charges. Any further views of the consumers may be considered by the Commission while approving the tariff for FY 2019-20.

COMMISSION'S VIEW

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

appropriately decreased the variable charges while designing the tariff for FY 2018-19.

- 2.437 Based on the submission of the stakeholders, the Commission has reviewed the fixed charges and the energy charges. Accordingly, the Commission has determined the fixed charges and energy charges for different category of consumers as specified in Tariff Schedule for FY 2019-20.

ISSUE 20: SMART METERS

STAKEHOLDER'S VIEW

- 2.438 Changing of meters to smart meter will inflate the tariff as the cost will be passed on to the consumers.
- 2.439 Discom must upgrade the basic distribution infrastructure before installing smart meters.

PETITIONER'S SUBMISSION

TPDDL

- 2.440 The consumers are billed on the basis of the electronic meters installed at their premises, which records electrical consumption in their premises. Also, Tata Power-DDL has made several channels of testing available to consumers and the consumer can get their meters checked if they feel even now that it is recording excess consumption. Tata Power-DDL further reiterates that all meters procured by it conform to BIS/CEA standards and all these meters are built by reputed suppliers. The meters in Delhi have been checked on numerous occasions and many consumers have opted for such an option and got their meters checked.
- 2.441 Tata Power-DDL is installing the Smart Meters in compliance to Tariff Policy 2016.
- 2.442 Tata Power-DDL has successfully completed the pilot Automated Demand Response Pilot in AMI for KCG/ Express consumers.
- 2.443 Smart Grid Roadmap and Feasibility Study report by Quanta Tech has shown significant benefits like:
- Opex Reduction – AMR SIMS and Meter reading cost.
 - Customized alerts to consumer wrt consumption, MDI, PF etc
 - Improved Revenue Management - Remote Reconnection.

- d) Web and Mobile based customer portal for accessing consumption related data and reports.
- e) Meter data analysis by providing Load Survey Data to consumer for energy conservation and shifting the load from peak time to off peak/ normal timings.
- f) Zero Provisional Bills.
- g) Immediate detection of any abnormality in meter thereby reducing the meter faulty period and subsequent assessment.
- h) Improved Outage management system – Allows for faster outage detection and restoration of service.
- i) Improved AT&C – Theft detection by analyzing SP Meter data.
- j) Real time Energy Auditing.
- k) Network Planning and Asset optimization – Reduction in CAPEX.
- l) Peak demand Management.
- m) Transformer monitoring.
- n) Network Planning for asset sweating.

Distribution Transformer health monitoring and resulting in to transformer failure reduction – OPEX reduction.

BYPL

2.444 The Commission has approved the installation of smart meters in line with the revised Tariff Policy 2016. However the Petitioner is entitled to recover the cost towards capitalization of Smart Meters from ARR as per the Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2017.

2.445 With respect to the procurement of LANDIS meter, we would like to submit that BYPL have not procured the LANDIS smart meter.

BRPL

2.446 No reply.

NDMC

2.447 Issue do not pertain to NDMC.

COMMISSION'S VIEW

2.448 The installation of smart meters has been mandated in the revised National Tariff Policy dated 28.01.2016 issued by Ministry of Power, GoI. Accordingly, the Commission has accorded 'In-principle' approval to the proposal of DISCOMs for

installation of Smart Meters, in phased manner.

ISSUE 21: TRANSMISSION LOSS AND CHARGES

STAKEHOLDER'S VIEW

2.449 DTL has highlighted the wrong figures of transmission charges and losses mentioned in the petition by DISCOMs. DTL further highlighted the dues pending on DISCOMs.

PETITIONER'S SUBMISSION

TPDDL

2.450 It is clarified that Tata Power-DDL has shown wheeling charges & STOA credit separately in tariff petition. Details of the information are given below:

| Particulars | Amount Rs Cr. | Reference |
|------------------------|---------------|--------------------------|
| DTL – Wheeling Charges | 324.31 | Row (B I) of Table 3.29 |
| DTL – STOA | (22.03) | Row (B IX) of Table 3.29 |
| Total | 302.28 | |

2.451 From the above table, it can be seen that there is no difference in the net amount booked by Tata Power-DDL (i.e. Rs 302.28 Cr) versus net amount booked by DTL (i.e. Rs. 302.28 Cr.)

2.452 Based on the actual billing done for FY 2017-18 and for FY 2018-19, Tata Power-DDL has projected wheeling charges of Rs 329.59 Cr for FY 2019-20, which is subject to the prudence check of Commission. It is further submitted that for ARR of FY 2019-20, wheeling charges shall be considered based on the Approved ARR for DTL for FY 2019-20.

2.453 It is clarified that transmission losses are booked on actual basis (in MUs).

BYPL

2.454 The petitioner has considered the Transmission charges as per the bills raised by stakeholder and the same is mentioned in the ARR petition filed by petitioner.

2.455 Transmission loss for FY 2017-18 is derived by BYPL based upon energy input data of SLDC and net energy available to Discom as per the Audit certificate.

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

the capability of BYPL to make timely payments to generation and transmission utilities including DTL.

- 2.457 Consequently, BYPL was constrained to approach the Hon'ble Supreme Court by way of Writ Petition in February 2014, being W.P. (C.) No. 105 of 2014. The Hon'ble Supreme Court by its Order dated 19.02.2015 read with Order dated 10.03.2015, was pleased to reserve judgment in W. P. (C.) No. 105 of 2014. However, while reserving the judgment, the Hon'ble Supreme Court had observed that all the Contempt Petitions and other Civil Appeals will be listed after pronouncement of judgment in the Writ Petition.
- 2.458 Further, the objection of DTL that the subsidy amount released by GoNCTD has to be adjusted against the outstanding dues only, is misconceived as subsidy is a current revenue to meet the expenses incurred by BYPL including obligations towards power purchase costs.
- 2.459 It has been the consistent stand of BYPL that subsidy amount of current months cannot be adjusted towards payment of past outstanding dues as the subsidy is part of current revenue recoverable through tariff. In other words, the subsidy towards current month consumer bills necessarily to adjusted against current month power purchase bill amount. A treatment at variance to this would in effect take away the utility's ability to pay for the power purchase cost. The reliance placed by DTL on interim Order dated 23.05.2014 passed by the Hon'ble Tribunal in IA 164 of 2014 in Appeal No. 32 of 2014 and connected matters is incorrect since a Civil Appeal being C.A Nos. 8387-89 of 2014 regarding adjustment of subsidy amounts is pending before the Hon'ble Supreme Court against the Order dated 23.05.2014. The Hon'ble Supreme Court on 19.09.2014, was pleased to issue notice on the IA(s) seeking stay of the Order dated 23.05.2014 passed by the Hon'ble Tribunal as well as the Civil Appeals. The Hon'ble Supreme Court by its Order dated 10.03.2015 has directed that the said Appeals to be listed after pronouncement of Judgment in W.P. (C.) 104 and 105 of 2014.
- 2.460 Also noteworthy is the fact that the Order dated 23.05.2014 passed by the Hon'ble Tribunal is an Interim Order. An Interim Order does not have precedent value. The matter is still pending adjudication. Accordingly, it is improper to adjust the subsidy amounts pertaining to current revenue sanctioned in favour of BYPL against the past

dues of the State Utilities including DTL.

- 2.461 The subsidy amount for the Quarter of FY 2017-18 was sanctioned by the GoNCTD and allocated to IPGCL, PPCL and DTL. Delhi Government has sanctioned subsidy amounting to Rs. 468 Crore during FY 17-18 and Rs. 422 Crore for FY 18-19 for BYPL and has adjusted the said amount towards the dues of IPGCL, PPCL and DTL.
- 2.462 Accordingly, without prejudice to the contentions of BYPL regarding the allocation, the amount disbursed to DTL through adjustment of subsidy is adjusted against 70% of the current dues of DTL as under:

Compliance Status as on 31.03.2019 of DTL dues as per SC order dated 12th May' 16 (Rs cr.)

| S.No. | Particulars | Details |
|--------------------|------------------------------------|-------------------------------|
| A | BYPL | DTL Wheeling (Gross with TDS) |
| B | Total Dues(May 16 to Mar 19) | 644.03 |
| C=B*70% | 70% Dues excluding Pension Trust | 450.82 |
| D | Amount paid including TDS | 222.27 |
| E | Subsidy adjusted during FY 2016-17 | 84.00 |
| F | Subsidy adjusted during FY 2017-18 | 149.94 |
| G | Subsidy adjusted during FY 2018-19 | 119.22 |
| H= D+E+F+G) | Total Payment | 575.43 |
| I = H/B | % Dues Paid | 89% |
| J = C-H | Balance Amount over 70% dues | (124.61) |

- 2.463 BYPL has made 72% payment towards total outstanding dues from Jan'14 to March'19 as under:

- 2.464 Payment Status as on 31.03.2019 of DTL dues since Jan'14 (Rs. Cr.)

| | State Generating / Transmission Utilities | Delhi Transco Ltd. Wheeling |
|-------|--|-----------------------------|
| A | Current dues as per SC Orders (W.e.f 1st Jan 2014) | 1081 |
| B | Payment made by cheque | 381 |
| C | Subsidy | 399 |
| D=B+C | Total Payments | 780 |
| E=A-D | Balance | 300.83 |
| F=E/A | Payment % | 72% |

- 2.465 DTL has further requested BYPL to open an LC in favour of DTL. BYPL is not in a good financial condition and accordingly it will be difficult for BYPL to provide LC at this stage. Further, the issue of LC was raised by DTL before the DERC in Petition No. 46 & 47 of 2013 wherein the DERC by its Order dated 22.11.2013 had directed for constitution of Empowered Committee. The said Order passed by the DERC is pending adjudication in Appeal No. 32 of 2014. As such, at this stage, DTL should not insist BYPL to open LC till the adjudication of Appeal No. 32 of 2014.
- 2.466 In view of the same, it is again submitted that, BYPL has paid more than 70% of the current dues of DTL and is in compliance with the Order dated 12.05.2016 passed by the Hon'ble Supreme Court. Further BYPL is making 100% payment of current dues for FY 2018-19 with improvement in cash flows

BRPL

- 2.467 Intra-state Transmission Charges & Pension Trust: As regards FY 2019-20 for the purpose of projection of State Transmission Charges, the Petitioner has considered no expenses on account of Pension Trust Contribution. Commission for the past two Tariff Orders has been considering the element of cost towards Pension Trust Contribution as a separate surcharge.
- 2.468 Intra-state Transmission losses: BRPL has considered the Intra-state transmission losses at 0.70% as per Delhi SLDC email dated 21.05.2015. If there is any revision or change in Delhi SLDC data then the same may be considered.
- 2.469 Outstanding dues towards BRPL: The matter is pending before Hon'ble Supreme Court. There are several disputes pending before Petitioner and DTL before various fora, including the unilateral adjustment of subsidy amounts by Delhi Government/DTL.

NDMC

- 2.470 For FY 2017-18, NDMC has claimed Rs. 69.47 crore towards intra-state transmission charges which includes SLDC charges whose break up is given below:

| Particulars | Amount (Rs. Cr) |
|-----------------------------|-----------------|
| DTL Wheeling Charges | 68.84 |
| DTL Reactive Energy Charges | 0.23 |
| DTL SLDC Charges | 0.61 |

- 2.471 The projection of intra- state transmission for FY 2019-20 of Rs. 50.79 crore have

been worked out in the following manner:

| | | | |
|---|-------------|----------|-----------|
| Total Transmission charges paid in 2017-18 (intra state + Interstate) | A | Rs Crore | 96.63 |
| Total Long-term Units procured in 2017-18 | B | MU | 1,548.23 |
| total Transmission charges | $C=A*10/B$ | Rs /kWh | 0.62 |
| Consideration for 2019-20 | | | |
| Escalation Factor Applied | D | % | 2% |
| Per unit Transmission Charges for 2019-20 | $E=C*(1+D)$ | | 0.64 |
| Total long-term units purchased in 2019-20 | F | MU | 1,199.85* |
| Total Transmission charges to be paid in 2019-20 | G | Rs Crore | 76.38 |
| Contribution of Intrastate Transmission charges in total transmission charges as per tariff order for 2018-19 | H | % | 67% ** |
| DTL Transmission charges projected for 2019-20 | $I=G*H$ | Rs Crore | 50.79 |

BTPS is not operational and no power sourcing considered from the same.

**As per tariff order for 2018-19 the contribution of intrastate transmission charges in overall transmission charges were 67%. (Total transmission charges were Rs 99.54 crore and intra state transmission charges were Rs 66.18 Crore i.e. 67%).

2.472 Any differential in actual levy of Transmission charges, will be considered in PPAC.

2.473 The actual Intra-State Transmission Losses are considered as 0.84% as specified by DTL. The losses in million units have been worked out applying interstate transmission losses of 1.65% and intrastate transmission losses of 0.84% to arrive at the overall losses of 12.26 MU.

2.474 Similar approach has been adopted to work out the transmission losses of 15.62 MU in 2019-20.

COMMISSION'S VIEW

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

A3: TRUE-UP OF FY 2017-18**BACKGROUND**

- 3.1 The Commission in its DERC Tariff Regulations, 2017, has indicated that True up of FY 2017-18 shall be considered in accordance DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.
- 3.2 The Commission appointed C&AG empanelled Consultant (M/s APT & Co.) for Regulatory Audit of the books of Account of the Petitioner for FY 2017-18. M/s APT & Co. (hereinafter referred to as "Consultant") has submitted the report based on the detail scope of work specified in the Tender document. Major areas of reconciliation under the scope of work are as follows:
- I. Reconciliation of Power purchase quantum, cost through:
 - (a) Long Term (Inter-state Generating Stations & State Generating stations)
 - a. Fixed Cost
 - b. Variable Cost
 - c. Arrears
 - (b) Short Term (Bilateral, Exchange, Intra DISCOM, UI etc.)
 - (c) Tender wise Banking transactions (opening balance, during the year, closing balance)
 - II. Reconciliation of Transmission Charges
 - (a) Central Transmission Utility
 - (b) State Transmission Utility
 - (c) Open Access
 - III. Reconciliation of Renewable Purchase Obligation vis-à-vis Actual Renewable Power with cost and quantum of Renewable Energy Certificates procured
 - IV. Monthly Reconciliation of company wise Power Purchase and Transmission Charges' payment
 - V. Violation of Merit Order Dispatch Principle
 - VI. Overlapping in Banking and Bilateral transactions
 - VII. Contingency limit under UI
 - VIII. Incentive for bulk sale of Power
 - IX. Violation of cash receipt from consumers exceeding the limit
 - X. Reconciliation of Category-wise Revenue Billed on account of

- a) Fixed charges
- b) Energy charges
- c) Theft / Misuse / Enforcement
- d) PPAC
- e) 8% Surcharge
- f) Load violation surcharge (Maximum Demand)
- g) ToD Surcharge/ Rebate
- h) Electricity Duty / Tax
- i) Late Payment Surcharge (LPSC)
- j) Voltage Discount, etc.

XI. Reconciliation of Category-wise Revenue Collected

- a) 8% Surcharge
- b) Electricity Duty / Tax
- c) Late Payment Surcharge (LPSC)
- d) Street Light Maintenance charges
- e) Incentive on Street Light Maintenance charges
- f) Theft / Misuse / Enforcement
- g) Net Revenue

XII. Quarterly Reconciliation of Subsidy- Actual released / adjusted by GoNCTD and passed to consumers in their electricity bills

XIII. Monthly Reconciliation of Pension trust- Billed to DISCOMs, Paid by DISCOMs to DTL,

XIV. Direct expenses of other business,

XV. Revenue billed on account of Own Consumption,

XVI. Adjustment in category wise units and amount billed with reasons for adjustment

XVII. Reconciliation of actual details of capitalization for each quarter of the year vis-à-vis the date of in-principle approval of such capitalization by the Commission

XVIII. Related party transactions

XIX. Inter DISCOM fund transfer

XX. Means of Financing for Capitalization, Working capital & Accumulated

Revenue Gap through:

- (a) Equity
- (b) Debt
- (c) Consumer Contribution
- (d) Grant etc.

XXI. Prudence of Cost of Debt Financing

XXII. Hedging policy and Hedging Cost incurred

XXIII. Computation of Weighted Average Rate of Interest excluding penal interest, if any, on Loans availed for:

- (a) Capitalisation
- (b) Working Capital
- (c) Accumulated revenue Gap

XXIV. Reconciliation of Net-worth as per Regulatory provisions and as per audited financial statement

XXV. Reconciliation of Debtors and Computation of Collection Efficiency

XXVI. Actual O&M expenses:

- (a) Employee
- (b) Administrative & General
- (c) Repair & Maintenance

XXVII. Actual Other expenses

XXVIII. Reconciliation of Non Tariff Income as per regulatory provisions and other income including open access charges billed and collected from the consumers as per audited financial statement

XXIX. Compliance of all directives issued by the Commission from time to time

- 3.3 The report of the Consultant has been considered appropriately by the Commission for True up of various parameters of ARR for FY 2017-18 submitted in the Petition by the Petitioner in accordance with the applicable principles laid down under the DERC (Terms and Conditions for Determination of Tariff) Regulations 2017, DERC (Business Plan) Regulations, 2017 and books of accounts maintained as per Companies Act.

DIRECTIONS OF HON'BLE APTEL GIVEN IN VARIOUS JUDGMENTS**PETITIONER'S SUBMISSION**

3.4 The Petitioner in its petition has claimed the impact of the directions to the Hon'ble APTEL in various judgments as follows:

Table 3. 1: Claims regarding directions of Hon'ble APTEL

| S. No | Issue | Date of Judgment | Direction to the Commission |
|-------|--|--|--|
| 1 | Deferment of Capitalisation based on EI Certificate | October 6, 2009 (Appeal No. 36 of 2008) | To allow the capitalisation based on Electrical Inspector (EI) Application plus 15 days |
| | | March 2, 2015 (Appeal No. 178 of 2012) | To conduct physical verification of assets and complete exercise within 6 months |
| 2 | Disallowance of REL Purchases | October 6, 2009 (Appeal No. 36 of 2008) | To allow the impact based on comparison with NDPL prices |
| | | March 2, 2015 (Appeal No. 178 of 2012) | To provide all the data for comparison within a month of receipt of requirement by the Petitioner |
| 3 | Cost of Debt | October 6, 2009 (Appeal No. 36 of 2008) | True-up rate of interest of loans based on variation in SBI PLR |
| | | November 28, 2014 (Appeal No. 62 of 2012) | To true-up the rate of interest as SBI PLR has varied by more than +/-1% |
| | | February 10, 2015 (Appeal No. 171 of 2012) | To true-up the rate of interest pertaining to working capital loans from FY 13 to FY 15 based on actuals. |
| | | March 2, 2015 (Appeal No. 178 of 2012) | To true-up the rate of interest as SBI PLR has varied by more than +/-1% |
| 4 | Repayment of loans | November 28, 2014 (Appeal No. 62 of 2012) | To consider repayment of loans while computing WACC |
| | | March 2, 2015 (Appeal No. 178 of 2012) | To consider repayment of loans while computing WACC |
| 5 | Working Capital | May 31, 2011 (Appeal No. 52 of 2008) | To consider the working capital in debt-equity ratio of 70:30 |
| | | November 28, 2014 (Appeal No. 62 of 2012) | Implement the directions in letter and spirit |
| | | March 2, 2015 (Appeal No. 178 of 2012) | Implement the directions in letter and spirit |
| 6 | Re-casting of means of finance based on actual consumer contribution capitalised | February 23, 2015 (Appeal No. 111 of 2014) | Matter remanded giving liberty to the Appellant's/ DISCOMs to furnish the accounts showing that the excess amount of consumer contribution has been duly considered in ARR from FY 03 onwards in reducing Retail Supply Tariffs. |

| S. No | Issue | Date of Judgment | Direction to the Commission |
|-------|--|--|--|
| | | May 15, 2017 (Appeal No. 104 of 2017) | Direct to follow instructions given in Judgment dated February 23, 2015 |
| 7 | Truing-up of FY 2007-08-First 11 months | July 12, 2011 (Appeal No. 147 of 2009) | To allow the impact on truing-up of FY 08 (11 months) as per Reg. 12.1. |
| | | November 28, 2014 (Appeal No. 62 of 2012) | To allow the impact on truing-up of FY 08 (11 months) as per Reg. 12.1. |
| | | March 2, 2015 (Appeal No. 178 of 2012) | To allow the impact on truing-up of FY 08 (11 months) as per Reg. 12.1. |
| 8 | Revision in distribution loss from FY 08 to FY 11 | October 6, 2009 (Appeal No. 36 of 2008) | To amend the distribution loss based on the representation made by DISCOMs |
| | | November 28, 2014 (Appeal No. 62 of 2012) | To reconsider the matter within 3 months of the Judgment based on submission of the DISCOM |
| | | March 2, 2015 (Appeal No. 178 of 2012) | To reconsider the matter within 3 months of the Judgment based on submission of the DISCOM |
| 9 | Computation of AT&C Loss for FY 2009-10 | November 28, 2014 (Appeal No. 62 of 2012) | To recompute the AT&C losses for FY 2009-10 using actual kWh figures as recorded in Para-4.8 of the Impugned order |
| 10 | AT&C Loss for FY 2011-12 | November 28, 2014 (Appeal No. 62 of 2012) | To consider the AT&C Loss for FY 2011-12 as per letter dated March 8, 2011 |
| 11 | Non-Revision of AT&C Loss for FY 2012-13 and FY 2013-14 | March 2, 2015 (Appeal No. 178 of 2012) | To set a reasonable loss trajectory and revise the AT&C Loss trajectory from FY 2012-13 to FY 2014-15 by a percentage of 1.05%, 1.2% and 1.25%. To revise the collection efficiency |
| 12 | Increase in employee expenses corresponding to increase in consumer base | October 6, 2009 (Appeal No. 36 of 2008) | To allow the increase in employee expenses corresponding to increase in consumer base |
| 13 | Efficiency factor for FY 11 | March 2, 2015 (Appeal No. 178 of 2012) | To allow the impact on account of arbitrary determination of efficiency factor for FY 2010-11 |
| 14 | Incorrect revision of R&M Expenses by revising "K" | March 2, 2015 (Appeal No. 178 of 2012) | To include R&M Expenses incurred during FY 08 while determination of K factor for second control period |

| S. No | Issue | Date of Judgment | Direction to the Commission |
|-------|---|--|--|
| | factor | | |
| 15 | Lower rates of carrying cost | July 30, 2010 (Appeal No. 153 of 2009) | To allow the carrying cost in debt-equity ratio of 70:30 by considering prime lending rates |
| | | November 28, 2014 (Appeal No. 62 of 2012) | To allow the carrying cost in debt-equity ratio of 70:30 by considering prime lending rates |
| | | March 2, 2015 (Appeal No. 178 of 2012) | To allow the carrying cost in debt-equity ratio of 70:30 by considering market lending rates |
| 16 | Financing cost of LPSC based on SBI PLR | March 2, 2015 (Appeal No. 178 of 2012) | To allow LPSC at prevalent market lending rates |
| 17 | Own Consumption-reversals | March 2, 2015 (Appeal No. 178 of 2012) | To consider the sales for self-consumption based on metered consumption only. |
| 18 | Additional UI Charges above 49.5 Hz | March 2, 2015 (Appeal No. 178 of 2012) | To allow UI charges incurred above 49.5 Hz in FY 2010-11 |

3.5 The Petitioner has computed the total claim on account of implementation of Hon'ble ATE Judgments as below:

Table 3. 2: Total impact on account of Hon'ble APTEL Judgment (Rs. Cr.)

| S. No | Particulars | Principal | Carrying cost | Total |
|-------|--|-----------|---------------|---------|
| 1 | Capex related issues | 1,620.2 | 2,541.9 | 4,162.1 |
| 2 | Truing-up of FY 2007-08 (11 Months) as per Regulation-12.1 | 164.3 | 301.6 | 465.9 |
| 3 | Revision in distribution loss from FY 2007-08 to FY 2010-11 | 79.6 | 160.8 | 230.4 |
| 4 | Computation of AT&C Loss for FY 2009-10 | 21.1 | 37.6 | 58.7 |
| 5 | Revision in AT&C Loss Target of FY 2011-12 | 95.2 | 109.8 | 204.9 |
| 6 | Non-revision of AT&C Loss for FY 2012-13 and FY 2015-16 | 464.5 | 248.1 | 712.6 |
| 7 | Increase in employee expenses corresponding to increase in consumer base | 55.2 | 102.6 | 157.8 |
| 8 | Efficiency factor for FY 2010-11 | 10.8 | 15.7 | 26.4 |
| 9 | Incorrect revision of R&M expenses by revising K factor | 20.0 | 10.4 | 30.4 |
| 10 | Lower rates of carrying cost | 721.4 | | 721.4 |
| 11 | Financing cost of LPSC based on SBI PLR: | 22.3 | 36.7 | 59.0 |
| 12 | Incorrect treatment on account of Zero Billing during FY | 58.0 | 84.5 | 142.4 |

| S. No | Particulars | Principal | Carrying cost | Total |
|-------|-------------------------------------|----------------|----------------|----------------|
| | 2010-11 | | | |
| 13 | Additional UI Charges above 49.5 Hz | 2.6 | 2.9 | 5.5 |
| 14 | TOTAL | 3,322.5 | 3,649.6 | 6,972.1 |

ISSUE-1: TO ALLOW THE CAPITALISATION ON ACCOUNT OF NON-AVAILABILITY OF EIC**PETITIONER'S SUBMISSION**

3.6 The petitioner has submitted that the Commission in the Tariff Order dated February 23, 2008 disallowed capitalisation of Rs. 300 Cr., pending clearance for the capital schemes by the Electrical Inspector for the FY 2004-05 to FY 2006-07. The capital assets have been put to use by the Company, and are servicing more than 16 lakh consumers. However, since FY 2004-05 the Company has been deprived of the costs of such expenditure.

3.7 The Petitioner has submitted that the Hon'ble APTEL in its order dated October 6, 2009 (Appeal 36 of 2008) has rendered the following decision:

"118) ...For capitalisation of fresh assets the DISCOM shall make appropriate applications to the Electrical Inspector and the capitalisation of such assets will be allowed w.e.f. 16th day of filing of the application and payment of necessary fee.."

3.8 The Petitioner has submitted that The Hon'ble APTEL in Judgment dated March 2, 2015 (Appeal 178 of 2012/178 of 2012) directed the Commission as under:

"10.4... We, therefore direct the State Commission to carry out the physical verification of the assets capitalised during FY 2004-05 and 2005-06 through its appointed agency and expedite implementation of the decision of this Tribunal in Appeal no. 36 of 2008 decided on 06.01.2009. The whole issue shall be decided within 6 months of the date of this Judgment."

3.9 The Petitioner submitted that Commission in Tariff Order dated August 31, 2017 stated as under:

"3.15 Further, the Petitioner has submitted segregation of disallowed schemes on account of non availability of Electrical Inspector certificates and related party transactions as well as reconciliation of any scheme capitalized in the subsequent years. As the data is voluminous and its segregation will take some time, therefore, the impact due if any, on non-related party

transactions, will be considered in the subsequent Tariff Orders whose Electrical Inspector certificates have been obtained.”

3.10 The Commission in Tariff Order dated March 28, 2018 stated as under:

“3.43 Accordingly, the Commission engaged Consultants for review of capitalisation of distribution licensee for the period w.e.f FY 2004-05 to FY 2005-06 and FY 2011-12 to FY 2015-16. The scope of work of the contracts included 100% physical verification of assets at site for the above period, prudence check of tendering process, related party transactions, verification of documents including Electrical Inspector (EI) certificate, de-capitalization of assets and also physical verification of left out assets of FY 2006-07 to FY 2010-11. The work is in progress. As per time schedule in respective contracts, the work is likely to be completed during FY 2018-19 and thereafter, report shall be submitted by the Consultants to the Commission for examination and further deliberation for taking a final view.”

3.11 The Petitioner submitted that the exercise of physical verification of assets was initiated in FY 2009-10 by the Commission. Since then, different consultants were appointed but the exercise of physical verification of assets could not be concluded. Chronology of the exercise of physical verification of assets is tabulated below:

Table 3. 3: Chronology of exercise of physical verification of assets

| Date | Event |
|--------------------|--|
| December 10, 2009 | The Commission appointed M/s ASCII as an independent consultant to undertake physical verification of assets. |
| March 16, 2012 | The Commission appointed M/s Feedback Infrastructure Service Private Limited as an independent consultant to undertake physical verification of assets capitalized in years FY 2006-2007 to FY 2010-11. |
| September 29, 2015 | The Commission held that it has also invited bids for appointment of consultants for physical verification of asset for FY 2004-05, FY 2005-06 and FY 2011-12 to FY 2013-14. However the bid was scrapped. |
| September 6, 2017 | The Commission appointed yet another agency, namely, M/s REC-PDCL, for conducting another physical verification of assets for the years FY 2004-05 to FY 2015-16. |

3.12 The impact of capitalisation is pending to be recovered in ARR on account of pendency of completion of exercise of physical verification of assets. However most of these assets have been verified by Electrical Inspector and Electrical Inspector

Certificate has already been obtained and submitted vide letters dated 26.07.2017 and 26.02.2018.

- 3.13 The Petitioner submitted that despite holding out an assurance in the previous Tariff Order that it would give effect to this issue in the present Tariff Order, the Commission has once again taken an untenable plea that it is in the process of conducting additional physical verification of assets to deny the Petitioner is legitimate claims.
- 3.14 Accordingly, the Petitioner requests the Commission to allow the impact pending physical verification of assets. Any adjustment can always be done in ARR after completion of the exercise of physical verification of assets.

ISSUE-2: TO ALLOW THE CAPEX AND CAPITALISATION PERTAINING TO REL PURCHASES

PETITIONER'S SUBMISSION

- 3.15 The Petitioner has stated that the Commission in Tariff Order dated February 23, 2008 disallowed capital expenditure of Rs. 170.84 crores, since the goods were purchased by the Petitioner from REL for Rs. 364.87 crore during FY 2004-05 & FY 2005-06. The goods purchased have been put to use by the Petitioner, and are servicing more than 16 lakh consumers. However, since FY 2004-05 the Petitioner has been deprived of the costs of such expenditure. The year-wise bifurcation of the disallowance is tabulated below:

Table 3. 4: Impact on account of disallowance of REL Purchase (Rs. Cr.)

| Particulars | FY 05 | FY 06 | FY 07 | FY 08 | FY 09 |
|-------------------|-------|-------|-------|-------|-------|
| REL Disallowances | 6.37 | 41.08 | 65.92 | 57.47 | 6.37 |

- 3.16 The Petitioner has referred the Hon'ble ATE's Judgment dated October 6, 2009 (Appeal 36 of 2008) has viewed the following:

"57) ...In case the price paid to REL is same as or lower than the price allowed to NDPL for a comparable commodity, the Commission shall allow the price paid to REL. The Commission shall, however, allow a lesser price if the NDPL's price is lower than the price of REL's purchase plus 5% profit margin."

- 3.17 The Petitioner vide its letter dated September 13, 2013 has already furnished the information as desired by Commission, whereby, the Petitioner has suitably

submitted a comparison of rates of the capital expenditure incurred for equipment's purchased from REL, with rates as that of TPDDL which could be obtained on best effort basis. Earlier, the Petitioner vide its letter dated December 1, 2009 requested the Commission to provide the necessary information pertaining to TPDDL required for comparison as per the directions of Hon'ble APTEL. However the same was not provided by the Commission and therefore the Petitioner has submitted the information to the extent it could be obtained.

3.18 Based on the information as obtained from the market sources, the Petitioner furnished documents which demonstrate that out of Rs. 364.87 cr., being the value of total goods purchased from REL, the price paid for goods worth Rs. 169.22 cr. i.e. ~ 46% were lower than the price paid by TPDDL.

3.19 The Petitioner has referred the Hon'ble APTEL in Judgment dated March 2, 2015 (Appeal 178 of 2012) directed the Commission as under:

"9.6 Without going into the controversy, we direct the Appellants to submit the details of the items for which data is required by an application to the State Commission. The State Commission will make available the data to the Appellants within a month of the application. The Appellant after analysis will file its claim before the State Commission and the Commission will consider the same as per the directions of the Tribunal in Appeal no. 36 of 2008 decided on 06.01.2009 and decide the matter within 60 days of submissions made by the Appellants. Accordingly directed."

3.20 In accordance with the aforesaid directions, the Commission vide letter dated April 20, 2015 informed the Petitioner to inspect the documents in Petition No. 50 of 2007 on April 23, 2015. The Petitioner duly and promptly visited the office of the Commission at given time to inspect the documents. The documents shown during 2nd inspection on April 23, 2015 contained only the relevant letters referring to Purchase Orders, Invoices, BOQ but not the copy of Purchase Orders, Invoices, BOQs which are actually required for comparison with TPDDL.

3.21 The Petitioner vide letter number RA/ BYPL/2015-16/ 71 dated June 05, 2015 informed the Commission about the incomplete documents shown at the time of inspection on April 23, 2015.

3.22 The Commission vide its letter dated March 7, 2016 only provided to BRPL copies of the covering letters sent by TPDDL to the Commission, but did not provide the enclosures thereto, which contained the details of the materials and prices which are required for the purpose of comparison as directed in the Appeal 36 Judgment and reiterated in the Appeal 178 Judgment. These were the same documents which had been offered for inspection by the Commission on April 23, 2015. The Commission however purported to comply with the directions of the Hon'ble Tribunal in the Appeal 178 Judgment by its letter dated March 7, 2016. The Appeal 178 Judgment directed the necessary information to be provided within one month thereof.

3.23 Instead of responding to the above letter dated July 4, 2016, the Commission has, in Tariff Order dated August 31, 2017 alleged that the Petitioner has failed to comply with the directions of the Hon'ble Tribunal in the Appeal 178 Judgment. The Commission has held as under:

"3.23 The Commission has not considered this issue in this Tariff Order because the Petitioner has failed to comply with the directions of the Hon'ble APTEL in Appeal No. 178 of 2012. This aspect has also been submitted before the Hon'ble APTEL in Appeal No. 297 of 2015."

3.24 Further the Commission in Tariff Order dated March 28, 2018 held as under:

"3.43 Accordingly, the Commission engaged Consultants for review of capitalisation of distribution licensee for the period w.e.f FY 2004-05 to FY 2005-06 and FY 2011-12 to FY 2015-16. The scope of work of the contracts included 100% physical verification of assets at site for the above period, prudence check of tendering process, related party transactions, verification of documents including Electrical Inspector (EI) certificate, de-capitalization of assets and also physical verification of left out assets of FY 2006-07 to FY 2010-11. The work is in progress. As per time schedule in respective contracts, the work is likely to be completed during FY 2018-19 and thereafter, report shall be submitted by the Consultants to the Commission for examination and further deliberation for taking a final view."

3.25 Accordingly the Petitioner once again requested the Commission to:

- (a) Provide copies of all the documents, i.e., invoices, purchase orders, tender specification documents etc. pertaining to TPDDL rates from FY 2002-03 to FY 2006-07 required to fill the format specified by the Commission itself vide letter number January 6, 2015; and
- (b) Provisionally allow the capex pertaining to REL Purchases so as to avoid burden of carrying cost till the time, the Commission approves the same based on comparison.
- (c) In case physical verification is not completed by FY 2018-19 as stated in Tariff Order dated 28.03.2018, the impact may be allowed pending physical verification of assets. Any adjustment (positive or negative) may be done in subsequent tariff exercise.

COMMISSION ANALYSIS (Issue 1& 2)

- 3.26 The Commission has been approving the provisional true-up of capitalization of assets of the Distribution Licensees from FY 2006-07 in respective Tariff Orders.
- 3.27 For carrying out actual true-up of capitalization of assets, the Commission had engaged Consultant to undertake review of capital expenditure and the capitalization of assets for the period from FY 2006-07 to FY 2010-11 of the distribution licensees which included the physical verification of assets on a sample basis (i.e. 10% of LT & HT assets and 25% verification for EHV assets) at site, prudence check of tendering process, verification of documents including Electrical Inspector (EI) certificate.
- 3.28 During physical verification of assets, a need of Geographical Information System (GIS) mapping of the assets was felt. GIS mapping would help in geographically tracing of an asset in a scheme at its identified locations. The Commission granted time to the distribution licensee for preparing of GIS maps. The preparation of GIS mapping led to delay in physical verification of assets for FY 2006-07 to FY 2010-11.
- 3.29 It was noted during the above exercise that some of the assets/equipment were not available at site due to augmentation of network, shifting of equipment from one place to another, obsolescence, retirement of assets etc. Therefore, the Commission felt that the physical verification of the assets on sample basis will not

- led to true reflection of total assets installed at site and there is a need for 100% physical verification of assets.
- 3.30 Further, the Commission received the directions of Hon'ble APTEL, for undertaking physical verification of assets for FY 2004-05 & FY 2005-06 as well.
- 3.31 Accordingly, the Commission engaged Consultants for review of capitalization of distribution licensees for the period w.e.f. FY 2004-05 to FY 2005-06 and for FY 2011-12 to FY 2015-16. The scope of work of the contracts included 100% physical verification of assets at site for the above period, prudence check of tendering process, related party transactions, verification of documents including Electrical Inspector (EI) certificate, de-capitalization of assets and also physical verification of left out assets of FY 2006-07 to FY 2010-11. The work is in progress and the report submitted by the Consultants to the Commission shall be further examined and deliberated for taking a final view.
- 3.32 Accordingly, after approval of final report, the effect of actual capitalization shall be given to the Distribution Licensees.

ISSUE-3: TRUE-UP OF RATE OF INTEREST ON LOANS

PETITIONER'S SUBMISSION

- 3.33 The Petitioner has referred the Commission in Tariff Order dated February 23, 2008 ruled as under:
- "4.224 The Commission shall true-up the means of finance for the Control Period as the asset capitalisation is subject to true-up. The Commission may true-up the interest rates considered for new loans to be taken for capital investment and for working capital requirement, if there is a deviation in the PLR of the scheduled commercial banks by more than 1% on either side."*
- 3.34 However the Commission in Tariff Order dated August 26, 2011 did not true-up the interest rates considered for new loans despite variation in PLR of scheduled commercial banks by more than 1%. Aggrieved by the same, the Petitioner challenged the aforesaid issue before the Hon'ble Tribunal in Appeal 62 of 2012.
- 3.35 The Hon'ble APTEL in Judgment dated November 28, 2014 (Appeal 61 and 62 of 2012) has ruled as under:

“37. On perusal of the data submitted by the Appellant related to SBI PLR, it is clear that SBI PLR has deviated by more than 1% during the control period and accordingly the Commission was required to revise the rate of interest on loan and carry out the required true up. Further, despite admitting that true of Return on Capital Employed (RoCE) would done at the end of control period, the Delhi Commission has failed on both the counts. The Delhi Commission is directed to revise the rate of interest on loan as well true up of the RoCE in its next tariff exercise. The issue is accordingly decided in favor of the Appellants.”

- 3.36 The Commission in Tariff Order dated September 29, 2015 undertook the truing-up of rate of interest of loans by linking the same with SBI PLR rates. However truing-up of interest rates of loans was required to be done based on variation of +/-1% in PLR of scheduled commercial banks and not SBI PLR. This fact was highlighted before the Commission during Technical validation session held on July 21, 2017. The Petitioner vide letter dated July 26, 2017 provided the list of banks along with change in PLR during first Control Period. However the Commission in Tariff Order dated August 31, 2017 maintained the same stand as in Tariff Order dated September 29, 2015 and ruled as under:

“3.28 The Commission has already clarified this issue in Tariff Order dtd. 29/09/2015 as follows and needs no further deliberation in this Tariff Order as the matter is sub-judice before Hon’ble APTEL:

“3.31 In view of the above direction of the Hon’ble APTEL, it is pertinent to state that the SBI PLR has not deviated from FY 2007-08 to FY 2010-11 by more than 1% on either side. Therefore the Commission has not revised the interest rate from FY 2007-08 to FY 2010-11. The Commission, as such, has considered the revision in interest rate in truing up of FY 2011-12, since the SBI PLR has deviated by more than 1% (14.50%-12.50%) in FY 2011-12.

3.32 The Commission had provisionally allowed the actual rate of interest for FY 2011-12. It is observed that the SBI PLR varied by 2.13% in FY 2011-12 over the previous year, while the DISCOM was

provisionally allowed the interest rate at 4.91% above the normative interest rate for FY 2010-11 in the Tariff Order dated July 2013. The Commission has decided to revise the rate of interest applicable to FY 2011-12 based on actual variation in average rate for SBI PLR from FY 2010-11 to FY 2011-12 of 2.13% and revised rate of interest is 11.29% (9.16% + 2.13%). Further, in view of the Hon'ble APTEL's direction in Appeal No. 36 of 2008 and Appeal No. 61 & 62 of 2012, the Commission has filed a Clarificatory Application before the Hon'ble APTEL, therefore a view in the matter will be taken, as deemed fit and appropriate, after receipt of the direction of the Hon'ble APTEL in the said application."

- 3.37 The Petitioner submitted that the Hon'ble APTEL vide Judgment dated October 31, 2017 dismissed the clarificatory application. However the Commission in Tariff Order dated 28.03.2018 instead of implementing the aforesaid direction ruled as under:

"3.51 This matter is sub judice before Hon'ble Supreme Court of India and the same has also been clarified by Hon'ble APTEL vide its Order dated 31/10/2017 in the Clarificatory Appeal. Therefore, the view on this issue will be considered, as deemed fit and appropriate, after receipt of the judgment of Hon'ble Supreme Court of India in the pending Appeal."

- 3.38 Further the Hon'ble APTEL in Judgment dated February 10, 2015 (Appeal 171 of 2012) has ruled as under:

"13.4 We find that the State Commission has considered interest rate for working capital as 11.62% and interest rate for capital at 11.25% for the control period 2012-13 to 2014-15. The Appellant has produced a letter from SBI dated 02.01.2012 showing working capital facilities sanctioned at an interest rate of 3.25% above base rate which works out to 13.25% p.a. with monthly interests. This letter was furnished to the State Commission by letter dated 21.05.2012. This has not been considered by the State Commission while deciding the rate of interest on working capital. In the submissions of the State Commission before us they have not denied receipt of this letter but have not given any explanation why the this letter was not considered by

them while deciding the interest on working capital. There is also no explanation in the impugned order regarding fixing interest rate at 11.25% on working capital. We, therefore, direct the State Commission to true-up the interest rate on working capital for the years from 2012-13 to 2014-15 in the true up of the accounts, based on the actual interest rates.”

3.39 The Petitioner vide its letter dated June 10, 2015 requested the Commission to revise the rate of interest for the Second Control Period on account of the following:

- a) The Commission in its Tariff Order dated July 13, 2012 has considered the interest rates of loan applicable to TPDDL (same being the lowest) for approving the interest cost on the normative loans approved for the Second Control Period for all DISCOMs. The Commission has considered rate of 11.21% and 11.62% for new Capex and working capital loans respectively during the second control period. However, the rate of interest considered for computation of WACC during FY 2012-13, FY 2013-14 and FY 2014-15 is 9.54%, 9.89% and 10.17% respectively which clearly shows that the Commission has considered weighted average of rate of interest for previous loans approved till FY 2011-12 and rate of interest for new loans arrived at after comparison of rate of interest of all Delhi DISCOMs. Since the Hon’ble Tribunal in Judgment dated 28.11.2014 (Appeal No. 62 of 2012) directed the Commission to true-up the interest rates on loans during first control period, same will tantamount to revision in interest rates on loans approved for second control period also.
- b) The True-up of interest rates of working capital loans as per audited accounts on actual basis for TPDDL in Judgment dated 10.02.2015 (Appeal 171 of 2012) will tantamount to revision in interest on loans for computation of WACC. The Commission, in its Tariff Order dated July 13, 2012 has considered the interest rates of loan applicable to TPDDL (same being the lowest) for approving the interest liabilities on the normative loans approved for the Second Control Period for all DISCOMs. The interest of loans considered for computation of WACC by

the Commission in Order dated 13.07.2012 is a function of both interest on Capex loans and working capital loans, therefore any revision in working capital loans will lead to change in overall rate of interest. Since the Hon'ble APTEL in Judgment dated 10.02.2015 (Appeal No. 171 of 2012) directed the Commission to consider the actual rate of interest for working capital loans as per the Audited Accounts, same ratio will also be applicable in case of the Petitioner and hence, the rate of interest for computation of WACC during second control period will undergo revision.

- c) Incorrect data submitted by TPDDL leading to the lower rates of interest approved for the Petitioner: As stated hereinabove, the Commission in Tariff Order dated July 13, 2012 has considered the rate of interest applicable to TPDDL (being the lowest) for all Delhi DISCOMs during second control period. However, TPDDL, during proceedings of Appeal 171 of 2012 has pointed out that the rate considered by the Commission in its Tariff Order dated July 13, 2012 is erroneous and the same was submitted with respect to revenue gap loans and not capex loans. The Hon'ble Tribunal has rejected the contention of TPDDL on the ground that TPDDL should have submitted all such arguments during the time of proceedings itself. Since the Commission has considered the rate of TPDDL for the Petitioner also, the Petitioner has suffered due to TPDDL's error in submission without any fault of its own. The Petitioner cannot be made to suffer on account of errors committed by any other DISCOM. Therefore the rate of interest on Capex loans ought to be revised in case of the Petitioner by re-benchmarking the correct data.

3.40 The Petitioner has considered the actual rates of interest for the purpose of computation of RoCE from FY 2007-08 to FY 2016-17 which are as under:

Table 3. 5: Petitioner Submission – RoCE from FY 2007-08 to 2016-17

| Particulars | FY 08 | FY 09 | FY 10 | FY 11 | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Rate of Interest | 10.77% | 11.31% | 11.42% | 12.09% | 14.09% | 14.66% | 14.43% | 14.39% | 14.16% | 13.84% |

COMMISSION ANALYSIS

- 3.41 This issue has already been clarified by this Commission in the Tariff Order dated 29.09.2015 that SBI PLR has not deviated by more than 1% on either side during the period from FY 2007-08 to 2010-11, therefore, the Commission has not revised the interest rate for the period.
- 3.42 Further, this issue is pending adjudication before the Hon'ble Supreme Court of India Therefore, any further view on this issue will be considered, as deemed fit and appropriate, after receipt of the judgment of Hon'ble Supreme Court of India in the pending Appeal.

ISSUE-4: REPAYMENT OF LOANS**PETITIONER'S SUBMISSION**

- 3.43 The petitioner submits that as per DERC Tariff Regulations, 2007 and DERC Tariff Regulations, 2011, depreciation shall be considered towards repayment of loans.
- 3.44 However the Commission in Tariff Order dated August 26, 2011 did not consider the repayment of loan while computing average balance of loan for respective years.
- 3.45 The issue was challenged before Hon'ble APTEL in Appeal 62 of 2012. The Hon'ble APTEL in the Appeal 62 Judgment dated November 28, 2014 has ruled as under:
- "102. In the light of above discussions we find force in the contentions of the Appellant and direct the Commission to re-evaluate the WACC considering the repayment of loans during the period and recomputed the RoCE payable to the Appellant. The issue is decided in favour of the Appellant."*
- 3.46 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.
- 3.47 The Petitioner submits that there is no bar on the Commission to implement the directions of Hon'ble APTEL in Judgment dated November 28, 2014 (Appeal 62 of 2012) pending adjudication of Civil Appeal filed before Hon'ble Supreme Court as it is settled law that in the absence of any interim Order(s)/ stay, mere pendency of

an Appeal is not a ground to refuse implementation of Orders passed by an Appellate Court. It is respectfully submitted that the Hon'ble Tribunal has already clarified the issue in the Judgment dated November 28, 2014 (Appeal 62 of 2012) wherein it remanded the matter to the Commission on a limited issue and therefore there was no warrant or justification for the Commission to have not implemented the same.

- 3.48 The Petitioner requests the Commission to implement the directions of Hon'ble Tribunal given in Judgment dated November 28, 2014 (Appeal 61 of 2012) in true letter and spirit. The implementation of the aforesaid direction shall translate to increase in WACC which in turn will increase RoCE from FY 2007-08 to FY 2016-17.

COMMISSION ANALYSIS

- 3.49 This issue has already been discussed and clarified in the Tariff Order dated 29.09.2015 and requires no further deliberation at this juncture, as the matter is sub judice before Hon'ble Supreme Court of India. Further, the Petitioner has also agitated this issue in the Appeal No. 290 of 2015 filed before Hon'ble APTEL.
- 3.50 Further, the Commission in its Tariff Order dated March 28, 2018 deliberated as under
"3.39 This matter is sub judice before Hon'ble Supreme Court of India and the same has also been clarified by Hon'ble APTEL vide it's Order dated 31/10/2017 in the Clarificatory Appeal. Therefore, the view on this issue will be considered, as deemed fit and appropriate, after receipt of the judgment of Hon'ble Supreme Court of India in the pending Appeal."
- 3.51 Any view on this issue will be considered, as deemed fit and appropriate, after receipt of the judgment of Hon'ble Supreme Court of India.

ISSUE-5: FINANCING OF WORKING CAPITAL IN DEBT-EQUITY RATIO OF 70:30

PETITIONER'S SUBMISSION

- 3.52 The Petitioner submitted that in view of the directions of the Hon'ble ATE under Appeal 52 of 2008, the Commission was required to re-compute the WACC and RRB for allowance of RoCE during the period. However, the Commission did not

implement the aforesaid direction of Hon'ble Tribunal in subsequent Tariff Order dated August 26, 2011. This issue was challenged in Appeal 61 of 2012.

- 3.53 The Hon'ble APTEL in its Judgment dated November 28, 2014 (Appeal 62 of 2012) has ruled as under:

"9. However, the Appellants have reiterated in written submission that the Respondent has still not implemented the direction of this Tribunal to consider the working capital in the Debt: Equity ratio of 70:30.

10. We are not inclined to involve ourselves in to fact finding and direct the Commission to implement our directions in letter and spirit."

- 3.54 The Petitioner in its Petition for True-up of FY 2016-17 and ARR and Tariff of FY 2018-19 requested the Commission to allow the impact on account of the aforesaid issue.
- 3.55 The Petitioner submitted that there is no stay on the operation of the Judgment of the Hon'ble APTEL in Appeal No. 61/62 of 2012 and therefore, there is no legal embargo upon the Commission to implement the same, on the other hand, this Commission is legally bound to implement the same in the absence of any stay of the same.

COMMISSION ANALYSIS

- 3.56 This issue has already been discussed and clarified in Tariff Order dtd. 29/09/2015 in para nos. 3.22 to 3.26 and needs no further deliberation in this Tariff Order as the matter is sub-judice before Hon'ble APTEL in Appeal No. 290/2015.
- 3.57 Further, it is clarified that the Commission has implemented its MYT Regulations, 2007 & 2011 and directions of Hon'ble APTEL in letter and spirit. The formula specified in MYT Regulations, 2007 & 2011 does not provide opening Working Capital requirement to be part of opening RRB instead for the 1st year of the Control period change in WC shall be taken as the normative working capital requirement of the 1st year and thus requires no further deliberation at this juncture, as the matter is sub judice before Hon'ble Supreme Court of India.

ISSUE-6: RE-CASTING OF MEANS OF FINANCE BASED ON ACTUAL CONSUMER CONTRIBUTION CAPITALISED**PETITIONER'S SUBMISSION**

- 3.58 The Petitioner has submitted that the Commission in respective Tariff Orders while approving the means of finance, considered the consumer contribution on receipt basis instead of actual capitalised basis. Since the consumer contribution was considered on receipt basis which includes unspent consumer contribution also, the Petitioner was allowed lower ROE and Interest on loan. Therefore the benefit of unspent consumer contribution was passed on a global basis through lower electricity tariffs to the consumers.
- 3.59 The petitioner further submitted that the Commission vide letter dated December 3, 2009 directed the Petitioner to finalize the accounts of the deposit works already executed by them and approved by the Electrical Inspector (wherever applicable) and refund the amounts due to the agencies on whose behalf the works had been carried out by the Petitioner. The Commission further directed that the DISCOMs were to send reconciled accounts to all such consumers and refund them the due amount along with a penal interest of 12% per annum.
- 3.60 The Petitioner on January 5, 2010 filed a petition bearing No. 02/2010 before the Commission requesting to modify its letter dated December 3, 2009 and consider implementing the principles prospectively.
- 3.61 The Commission vide Order dated March 11, 2014 acknowledged the fact that unspent consumer contribution has been considered as means of finance. Despite of the same, the Commission maintained the same direction as was contained in letter dated December 3, 2009.
- 3.62 The said issue was challenged by all DISCOMs including the Petitioner, BRPL and TPDDL before Hon'ble APTEL in Appeal 109, 110 and 111 of 2014. The Hon'ble APTEL in Judgment dated February 23, 2015 (Appeal 109, 110 and 111 of 2014) has ruled as under:

"19. In view of the above, these appeals being Nos. 109, 110 and 111 of 2014 are hereby partly allowed and the common impugned order dated 11.3.2014 passed by the Delhi Electricity Regulatory Commission in Review Petition Nos.

1, 2 & 3 of 2010 is modified to the extent indicated above. The matters are remanded to the learned Delhi Electricity Regulatory Commission giving liberty to the appellant's/ DISCOMs to furnish the accounts showing that the excess amount of consumers contribution has been duly considered in the ARR's from FY 2002-03 onwards in reducing the retail supply tariffs...."

- 3.63 Pursuant to the above direction of Hon'ble Tribunal, the Commission in Order dated December 23, 2015 ruled as under:

"4. On the issue of how to arrive at the exact figure of the amount to be refunded to the respective consumers and from what date, the Commission directed the Petitioners to come up with the details of balance of consumer contribution in each case and from which date it has to be refunded. The Commission directed that this exercise should be completed within two months. Regarding re-casting of ARR of previous years, the Commission directed the Petitioner to submit the detail of such cases, where the unutilised consumer contribution for assets capitalised were considered as means of finance for other capital schemes of the Petitioners. This information will be utilised for passing orders on details of refund of consumer contribution as well as re-casting of previous ARR's in the next tariff order."

- 3.64 With reference to the aforesaid directions, the Petitioner vide its letter dated March 17, 2016 submitted consumer-wise details in respect of amounts refundable against schemes completed upto FY 2014-15 in cases where the deposits were received upto FY 2011-12 alongwith single line item of the total amount refundable for the scheme, where deposits were received after FY 2011-12.

- 3.65 The Commission by its letter dated April 21, 2016 observed that the Petitioner has given the list of schemes only without intimating whether refund is made or not, vide its letters dated March 7, 2016 and March 17, 2016. The Commission stated that the Petitioner were advised to submit information alongwith interest @12% per annum to work out the complete liability for consideration in ARR for the relevant years. The Commission further stated that therefore the Petitioner were advised to submit final figures about their total liability only after payment of balance of consumers contribution along with interest within a month, supported

by an Auditor's certificate reconciling with the audited accounts. Only for those cases where the unutilized consumer contribution for assets capitalized were considered as means of finance and for other capital schemes the Commission was to be intimated. The Commission directed the Petitioner to submit the desired information and refund the consumers contribution including the interest along with tariff petition for FY 2016-17.

- 3.66 The Petitioner vide its letter dated June 30, 2016 submitted the Auditor's certificate in regard to the balance consumers contribution which remained unutilized after the completion of respective scheme (along with interest @12% per annum as per direction of the Commission).
- 3.67 However the Commission despite the clear instructions of remand by the Hon'ble Tribunal to examine the Accounts of the Petitioner to find out whether the excess amount of consumer contribution has been duly considered in the ARR from FY 2002-03 onwards in reducing the retail supply tariffs, vide its letter/Order dated 12.1.2017 misinterpreted the aforesaid judgment dated February 23, 2015 of the Hon'ble Tribunal negating the position that refund of balance of consumer contribution is to be done only after recasting of ARRs and stated that the refund has to be made at first before recasting of ARR. The Commission in the said letter also stated that any failure to comply with the same would clearly attract action under Section-142 of Electricity Act, 2003 against the Petitioner.
- 3.68 The issue was challenged before Hon'ble APTEL in Appeal No. 104 of 2017. The Hon'ble APTEL vide Judgment dated May 15, 2017 directed the Commission as under:

"14.6 We have also noticed that the Respondent Commission while determining the tariff order from FY 2002-03 onwards, a methodology was followed and in the methodology, the consumers 'contribution was considered as "Means of finance" while arriving ARR of respective years from 2002-03 onwards. The Respondent Commission raised the issue regarding refund of consumer contribution to the respective consumers only after the issue was raised by some of the stake holders during the public hearing held between 08.01.2008 and 11.01.2009. However, we once again direct the State Commission (DERC) to examine the submissions made by the Appellants with respect to consumers' contribution and give an opportunity to the Appellants to place their case on Merits."

- 3.69 The aforesaid Judgment was challenged by the Commission before Hon'ble Supreme Court. The Hon'ble Supreme Court vide Judgment dated October 3, 2017 dismissed the appeal. Therefore, the direction of Hon'ble Tribunal in Judgment dated February 23, 2015 has attained finality. The Order dated 18.06.2018 does not in any way fetter the Commission from re-casting the ARR's for the simple reason that the Order dated 18.06.2018 was a quorum non-judice since the same had been passed while the Commission was functus officio in a disposed off proceeding.

COMMISSION ANALYSIS

- 3.70 The Commission in its interim order in Petition no. 01,02,&03 of 2010 dated 18.06.2018 has stated as under:

"5. After hearing the Counsels for the petitioners, it is made clear that the ARRs of previous years upto FY 2015-16 have already been trued up and it would not be desirable to recast the ARRs at this juncture. As much as it is related to the issue of arranging the finance for refund, it is for the DISCOMs to arrange the necessary finance. Once refund of the Consumer Contribution is made by the DISCOMs, the actual amount refunded shall be allowed in the subsequent true up of ARR."

- 3.71 Further, the Petitioner has filed an appeal against the interim direction of this Commission in respect of refund of Consumer Contribution which is pending adjudication by Hon'ble APTEL.

ISSUE-7: TRUING-UP OF FY 2007-08 (11 MONTHS) AS PER REGULATION-12.1

PETITIONER'S SUBMISSION

- 3.72 The Petitioner has submitted that Hon'ble APTEL in Judgment dated November 28, 2014 (Appeal 61 and 62 of 2012) held ruled as under:

"25. In the light of categorical submission that required true up would be made, the Commission is directed to carry out the same in its next tariff exercise and allow the differential amount, if any, along with carrying costs."

- 3.73 The Petitioner has submitted that the Commission in Tariff Order dated July 23, 2014 stated as under:

“3.107 As per the Policy Direction Period, the return on equity and interest on loan is linked to the change in the equity and debt based on the capital expenditure made by the Petitioner. Whereas, as per the MYT Regulations, 2007, the return on capital employed is based on the capitalization of the assets of the Petitioner.

3.108 The Petitioner has not provided details of the capital investment made during FY 2007-08 (11 months) on the basis of which the return on equity and debt is also required to be reviewed in line with the Policy Direction Period.”

- 3.74 The Petitioner vide letter dated October 01, 2014 submitted the audited accounts for first 11 months of FY 2007-08.
- 3.75 The Petitioner has further submitted that the Commission in Tariff Order dated September 29, 2015 allowed the depreciation during first 11 months of FY 2007-08 based on the depreciation rate derived from audited statement of first 11 months of FY 2007-08. The relevant excerpts are reproduced below:

“3.61 The Petitioner has claimed the depreciation at the rate of 6.69% instead of 3.60% as provisionally approved by the Commission for 11 months. However, the Commission has considered the actual rate of Depreciation based on the Audited financial statements for FY 2007-08 in accordance with Regulation 12.1 of MYT Regulations 2007. The additional allowance on account of revision in the rate of depreciation is as follows:

Table 3.12: Provisionally approved Depreciation for FY 2007-08 (11 Months)

| Sl. No. | Particulars | Amount | Remarks |
|---------|---|---------|------------------------------|
| A | Depreciation as per audited financial statements for FY 2007-08 | 71.37 | Audited financial statements |
| B | Opening GFA for FY 2007-08 | 1249.92 | |
| C | Rate of Depreciation (%) | 5.70 | A/B |
| D | Rate of depreciation (%) as per MYT Regulations, 2007 | 3.60 | |
| | Average Rate of depreciation (%) for | | |

| | | | |
|---|--|------|--------------------|
| | FY | | |
| E | 2007-08 considering 11 months as per audited statements and 1 month as per MYT Regulations, 2007 | 5.53 | $(C*11/12)+(D/12)$ |

”

3.76 Since the Commission changed its approach in Tariff Order dated September 29, 2015, the Petitioner sought the actual rate of depreciation while claiming the impact in the 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.

3.77 In Tariff Order dated August 31, 2017 while allowing the impact on account of ROE and Interest on loan, the Commission held as under:

“3.76 The Commission had allowed Return on Equity and Interest on Loan on Net Capital Employed during FY 2007-08 in its Tariff Order dtd. 29/09/2015 in the form of RoCE. As per the Policy direction, the Petitioner is also eligible for Interest on Loan and Return on Equity for the funding requirement of Work in Progress (CAPEX) during FY 2007-08. Accordingly, the Commission has now allowed Interest on Loan and Return on Equity for funding requirement of Work in Progress (CAPEX) during FY 2007-08. The impact is indicated in Table 101: Impact as approved by the Commission on account of implementation Hon’ble APTEL Judgments (Rs.Cr.).”

3.78 The Petitioner in Petition for True-up of FY 2016-17 and ARR and Tariff for FY 2018-19, stated that as per Commission’s own statement in Tariff Order dated September 29, 2015, the impact of Truing-up of FY 2007-08 (first 11 months) is to be allowed as per Policy Direction Principles, therefore the rate of depreciation is also required to be considered as adopted during Policy Direction Principle, i.e., 6.69% instead of 5.53% derived from audited statements of FY 2007-08 (11 Months).

3.79 Accordingly, the depreciation has been computed by applying rate of 6.69% adopted during Policy Direction Period on actual Opening GFA arrived after implementation of Hon’ble APTEL directions as under:

Table 3. 6: Depreciation during first 11 months of FY 2007-08

| S. No | Particulars | Amount (Rs. Cr.) |
|-------|----------------------------------|------------------|
| 1 | Opening GFA | 1279.3 |
| 2 | Rate of depreciation | 6.69% |
| 3 | Depreciation for first 11 months | 85.6 |

| S. No | Particulars | Amount (Rs. Cr.) |
|-------|--|---------------------|
| 4 | Depreciation allowed by DERC in Order dt. Sep 29, 2015 | 48.8 |
| 5 | Difference to be allowed now | 36.7 |

- 3.80 The depreciation allowed by the Commission during first 11 months of FY 2007-08 is tabulated as follows:

Table 3. 7: Depreciation for 11 months of FY 2007-08 as allowed in Sep 15 Tariff Order (Rs. Cr.)

| S. No | Particulars | 11 Months | 1 Month | Total |
|-------|-------------------------------------|---------------|---------------|---------------|
| 1 | Opening GFA | 865.5 | 865.5 | 865.5 |
| 2 | Additions to asset during the year | 270.4 | 270.4 | 270.4 |
| 3 | De-capitalisation during the year | 2.3 | 2.3 | 2.3 |
| 4 | Net assets capitalised | 268.2 | 268.2 | 268.2 |
| 5 | Closing GFA | 1133.7 | 1133.7 | 1133.7 |
| 6 | Average GFA | 999.6 | 999.6 | 999.6 |
| 7 | Less: Average Consumer Contribution | 64.7 | 64.7 | 64.7 |
| 8 | Average GFA net of CC | 934.9 | 934.9 | 934.9 |
| 9 | Rate of depreciation | 5.70% | 3.60% | 5.53% |
| 10 | Depreciation | 53.3 | 33.7 | 51.7 |

- 3.81 Further, it is submitted that the Commission despite revising the Employee and A&G Expenses during FY 2007-08 has still considered the employee and A&G Expenses from FY 2008-09 to FY 2010-11 on older base employee expenses of FY 2007-08 which is no longer in existence. Regulation-5.4 of MYT Regulations, 2007 provides the formula for computation of Employee and A&G Expenses during the control period which clearly specifies that for the purpose of computation of Employee and A&G Expenses of subsequent year, inflation factor based on CPI and WPI ought to be applied on Employee and A&G Expenses determined for the previous year. It is further submitted that as per the methodology adopted by the Commission, the employee expenses approved for FY 2008-09 are lesser by Rs. 24 Crore as compared to the employee expenses approved for FY 2007-08 which means a reduction of 11% instead of inflation factor of 4.66%. Such a treatment is contrary to the above Regulations.
- 3.82 The Petitioner stated that accordingly, the Commission ought to have applied the inflation factor of 4.66% as determined for the control period on the revised employee and A&G Expenses of FY 2007-08 on y-o-y basis.

- 3.83 It is further submitted that the definition of “Base Year” and “Control Period” is clearly specified in MYT Regulations, 2007 which states as under:

“2.1 In these Regulations, unless the context otherwise requires-

...

(d) “Base Year” means the Financial Year immediately preceding first year of the Control Period and used for purposes of these Regulations;

...

9.. “Control Period” means a multi-year period fixed by the Commission, from the date of issuing Multi Year Tariff order till 31st March 2011;

...”

- 3.84 A plain reading of the aforesaid definitions clearly provides that the Control Period starts from the date of issuance of Multi Year Order, i.e., February 23, 2008 and base year is the financial year immediately preceding first year of the control period, i.e., FY 2007-08. Since the Commission has revised the employee expenses of FY 2007-08, i.e., base year, the employee expenses ought to be revised for the period FY 2008-09 to FY 2011-12.

- 3.85 Accordingly, the Petitioner submitted that the Commission may allow:

- a) Depreciation @ 6.69% as per Policy Direction Period instead of actual rate of depreciation derived from the audited accounts.
- b) Additional Employee and A&G Expenses from FY 2008-09 to FY 2011-12 by applying inflation of 4.66% over the increase in O&M Expenses approved for FY 2007-08.

- 3.86 The impact on account of truing-up of first 11 months of FY 2007-08 along with carrying cost.

COMMISSION ANALYSIS

- 3.87 The Commission has already clarified the issue in its Tariff Order dated 28.03.2018 and needs no further deliberation at this juncture, as under:

“3.73 The Commission has already clarified this issue in Tariff Order dtd. 29/09/2015 in para nos. 3.60 to 3.64 and needs no further deliberation in this

Tariff Order as the matter is sub-judice before Hon'ble APTEL in Appeal No. 297/2015.

ISSUE-8: REVISION IN DISTRIBUTION LOSS FROM FY 2007-08 TO FY 2010-11

PETITIONER'S SUBMISSION

3.88 The Petitioner has referred the Hon'ble APTEL in Judgment dated October 6, 2009 (Appeal 36 of 2008) has ruled as under:

"32) There is however, no bar on the Commission considering the target that has been set and amend the relevant Regulation, if necessary. The target for MYT period needs to be set on the basis of losses at the beginning of the MYT Period and not on the basis of loss level on the date of privatisation when the policy target period began. The consequences of failure or success in reaching the loss reduction target have already been done by the licensee. Hence reference to the initial level of loss at the time of privatization is not necessary. The Commission may itself consider the plea of any amendment in the target set in this regard in case the appellant makes out a case. Therefore, we direct that the appellant may make an appropriate representation to the Commission in this regard within one month hereof and that if a representation is so made the Commission shall dispose it of in two months."

3.89 In compliance with the aforesaid directions of the Hon'ble APTEL, the Petitioner vide letter dated December 02, 2009 submitted the representation after receipt of certified copy of the Judgment. The same was listed for admittance hearing by the Commission only on July 15, 2014. The Commission vide Order dated July 17, 2014 rejected the Petition stating that the Petitioner has already availed opportunity to present its case on various issues which have been addressed in past Tariff Orders. However, the Commission did not provide any opportunity to represent on the issue of revision in distribution loss. Infact, the Commission did not deal with the issue of revision in distribution loss in any of the tariff orders.

3.90 The Petitioner challenged the aforesaid issue in Appeal 231 of 2014 before Hon'ble APTEL. During the course of proceedings before Hon'ble APTEL, the Commission suo-moto without giving any opportunity to the Petitioner to present its case,

reviewed its earlier order dated July 17, 2014 and passed another order on April 20, 2015 wherein the prayer to revise the distribution loss was rejected.

3.91 The Petitioner has submitted that the Commission in Order dated April 20, 2015 did not implement the direction given by Hon'ble APTEL in its real intended scope. The Petitioner has challenged the same in Appeal No. 156 of 2015. Without pre-judice to the contentions of the Petitioner in the said Appeal, it is submitted that the direction given by Hon'ble APTEL in Judgment dated October 6, 2009 was to:

- a) Consider the plea for necessary amendment in distribution loss based on representation of DISCOMs;
- b) Amend the Regulations if required.

3.92 The Petitioner submitted that it is not praying to change the AT&C loss Target of FY 2010-11 but to rationalise the yearly target from FY 2007-08 to FY 2009-10 based on distribution loss so to have realistic and achievable AT&C Loss Targets.

COMMISSION ANALYSIS

3.93 The Commission has already clarified this issue in its previous Tariff Order dated 31.08.2017 and needs no further deliberation at this juncture, as follows:

"3.86 The Commission in its Tariff Order dtd. 29/09/2015 has already dealt this issue in para no. 3.66 and 3.67 wherein it is specifically indicated that the Commission has reviewed the distribution loss for 1st MYT Control period (FY 2007-08 to FY 2010-11) as per the direction of Hon'ble APTEL in Appeal No. 62 of 2012, in its Order dated 20.04.2015. Further, the Petitioner has preferred an appeal on this issue in Appeal No. 156 of 2015 against the Commission's order dated 20.04.2015.

3.87 In view of the above Order dated 20.04.2015 passed by the Commission in compliance of the Hon'ble APTEL direction and appeal filed by the Petitioner, the Commission will consider the issue based on the final judgement of Hon'ble APTEL as the matter is still sub-judice."

ISSUE-9: COMPUTATION OF AT&C LOSS FOR FY 2009-10

PETITIONER'S SUBMISSION

3.94 The Petitioner has submitted that the Hon'ble ATE in Judgment dated March 2, 2015 (Appeal 178 of 2012) has directed the Commission as under:

“79. The perusal of the findings of the Commission in the Impugned Order would suggest that the Delhi Commission has failed to understand the working of the tri-vector meters installed at the consumers’ premises by the Appellant. Basic electricity meters record only active power i.e. kWh consumed by the consumer. Tri-vector meters records all three vectors i.e. Active Power (kWh), Reactive Power (kVARh) and Apparent Power (kVAh). The principle parameter recorded by these meters is kWh. Other parameters are determined from this basic parameter based on instantaneous values of the current and voltage and their phaser angle. Therefore, the Commission has erred in computing kWh based on kVAh and power factor. It is interesting to note that the Commission has computed the average power factor for FY 2010-11 on the basis of kWh and kVAh recordings and computed kWh figures by reverse calculations using the kVAh figures for 2009-10 and average power factor for FY 2010-11.

80. In the light of above discussions we direct the Commission to recomputed the AT&C losses for FY 2009-10 using actual kWh figures as recorded in para 4.8 of the Impugned order. The issue is decided in favour of the Appellants.”

- 3.95 The Petitioner submitted that the Commission in its Tariff Order dated September 29, 2015 ruled as under:

“3.104 The Commission has indicated the power factor to be applied in the respective Tariff orders for projection of revenue and accordingly the revenue has been estimated and considered in the respective tariff orders for the purpose of tariff fixation. The power factor derived from the data provided by the Petitioner for FY 2009-10 was not in line with either the power factor considered by the Commission for projection of revenue or actual power factor for the past period. It is observed that the Petitioner had submitted only one actual data i.e. kWh, whereas, for computation of billed amount in respect of the consumers where kVAh billing is approved in the Tariff Schedule, either actual kVAh or kWh together with power factor is required. In view of this, the Commission has filed Clarificatory

Application before Hon'ble APTEL and the view on impact of AT&C Loss for FY 2009-10 will be taken, as deemed fit and appropriate, after receipt of the judgment of Hon'ble APTEL in the said Clarificatory Application."

- 3.96 Further, the Petitioner submitted that the Commission in Tariff Order dated August 31, 2017 ruled as under:

"3.167 The Commission will consider the issue after the final Judgment of Hon'ble APTEL as the matter is still sub-judice in the Clarificatory Application filed by the Commission."

- 3.97 The Hon'ble Tribunal vide Judgment dated October 31, 2017 dismissed the clarificatory application filed by the Commission.

- 3.98 The Petitioner submitted that the Hon'ble Tribunal in Judgment dated November 28, 2014 (Appeal 62 of 2012) has clearly held that kWh is the basic parameter based on which the other factors are derived in the meters irrespective of the billing of the consumer. The Commission in Para-4.8 of the Tariff Order has stated that the energy sales in kWh was verified by the Commission during prudence check exercise.

- 3.99 Therefore, the Petitioner requested the Commission to implement the direction of Hon'ble APTEL as per Judgment dated November 28, 2014. The computation of AT&C Loss for FY 2009-10 is tabulated below:

Table 3. 8: AT&C Loss for FY 2009-10

| S. No | Particulars | Units | FY 2009-10 |
|-------|----------------------------------|---------|------------|
| A | Units consumed at BYPL Periphery | MU | 5708 |
| B | Units billed | MU | 4310 |
| C | Amount billed | Rs. Cr. | 1944 |
| D | Distribution Loss | % | 24.50% |
| E | Amount collected | Rs. Cr. | 1959 |
| F | Collection efficiency | % | 100.76% |
| G | Units realised | MU | 4343 |
| H | AT&C Loss level | % | 23.92% |

- 3.100 The Petitioner submitted that the Commission determined the AT&C Loss Target for FY 2009-10 as 26.26%. Since the actual AT&C Loss during FY 2009-10 is 23.92%, the Petitioner is entitled for an incentive as per DERC MYT Regulations, 2007. The over-achievement on account of AT&C Loss for FY 2009-10 is tabulated below:

Table 3. 9: Over-achievement of AT&C Loss during FY 2009-10

| Particulars | UoM | MYT Order | Actuals | Reference |
|-------------|-----|-----------|---------|-----------|
|-------------|-----|-----------|---------|-----------|

| Particulars | UoM | MYT Order | Actuals | Reference |
|---|----------|-----------|---------|-----------|
| AT&C Loss | % | 26.26% | 23.92% | A |
| Over achievement/ (Under achievement) | % | | 2.34% | B |
| Energy Input | MU | 5708 | 5708 | C |
| Units realised | MU | 4209 | 4343 | D=C*(1-A) |
| Average Billing Rate | Rs./ kWh | 4.51 | 4.51 | E |
| Amount realised | Rs. Cr. | 1899 | 1959 | |
| Over-achievement | Rs. Cr. | | 60 | |
| Proposed to be transferred to consumers | Rs. Cr. | | 30 | |
| Proposed to be retained | Rs. Cr. | | 30 | |
| Less: E. Tax | Rs. Cr. | | 82 | |
| Less: LPSC | Rs. Cr. | | 21 | |
| Total revenue | Rs. Cr. | | 1796 | |

3.101 The impact on account of re-computation of AT&C Loss of FY 2009-10 is tabulated below:

Table 3. 10: Impact on account of Re-computation of AT&C Loss during FY 2009-10 (Rs. Cr.)

| S. No | Particulars | FY 2009-10 |
|-------|------------------------------------|------------|
| 1 | Revenue submitted by Petitioner | 1796 |
| 2 | Revenue considered in Tariff Order | 1817 |
| 3 | Net Impact | 21 |

3.102 The total impact including carrying cost is tabulated below:

Table 3. 11: Impact along with carrying cost on account of revision of AT&C Loss during FY 2009-10 (Rs. Cr.)

| S. No | Particulars | FY 10 | FY 11 | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|-------|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1 | Opening balance | 0 | 22.5 | 25.5 | 29.3 | 33.7 | 38.8 | 44.6 | 51.2 |
| 2 | Additions | 21 | | | | | | | |
| 3 | Closing Balance | 21 | 22 | 26 | 29 | 34 | 39 | 45 | 51 |
| 4 | Average | 10.6 | 22.5 | 25.5 | 29.3 | 33.7 | 38.8 | 44.6 | 51.2 |
| 5 | Rate of interest | 13.11% | 13.38% | 14.88% | 15.03% | 15.01% | 15.13% | 14.80% | 14.64% |
| 6 | Carrying cost | 1.4 | 3.0 | 3.8 | 4.4 | 5.1 | 5.9 | 6.6 | 7.5 |
| 7 | Grand Closing Balance | 22.5 | 25.5 | 29.3 | 33.7 | 38.8 | 44.6 | 51.2 | 58.7 |

COMMISSION ANALYSIS

3.103 The direction of Hon'ble APTEL in Appeal No. 61 and 62 of 2012 on this issue has been appealed before the Hon'ble Supreme Court of India.

3.104 The Commission re-iterates that the submission as well as the direction of Hon'ble APTEL in appeal no 61 & 62 of 2012 has been analysed. Hon'ble APTEL has also

clarified this issue in its judgment dtd. 31/10/2017 for Clarificatory application that the issue is subjudice before Hon'ble Supreme Court of India as follows:

"v) Disallowance due to wrong valuation of sales in kWh figures for FY 2009-10. (Pending in Civil Appeal Nos. 8660-61 of 2015 filed against Judgement dated 28/11/2014 in Appeal Nos. 61 and 62 of 2012)"

- 3.105 Accordingly, the issue will be considered, as deemed fit and appropriate, after receipt of the judgement of Hon'ble Supreme Court of India.

ISSUE-10: REVISION IN AT&C LOSS TARGET OF FY 2011-12

PETITIONER'S SUBMISSION

- 3.106 The Hon'ble APTEL in Judgment dated November 28, 2014 (Appeal 61 and 62 of 2012) has ruled as under:

"72. In the light of above discussions we direct the Delhi Commission to refix the AT&C loss levels for the FY 2011-12 as per its letter dated 8.3.2011 and give consequential relief to the Appellants. The issue is decided in favour of the Appellants."

- 3.107 The Petitioner further referred Commission's letter dated March 08, 2011 fixed the AT&C Loss Target for FY 2011-12 as under:

"The AT&C loss target for FY 2011-12 will be the lower of the following two figures.

i. Actual AT&C loss for 2010-11: &

ii. Reduction at 1% over the AT&C target for FY 2010-11"

- 3.108 It is further submitted that the Hon'ble ATE Hon'ble APTEL regarding AT&C loss target for FY 2011-12 in Judgment dated March 2, 2015 (Appeal 178 of 2012) and November 28, 2014 (Appeal 62 of 2012) gives an understanding that the AT&C Loss for FY 2011-12 to be re-determined in terms of letter dated March 8, 2011 which states that the loss level for FY 2011-12 shall be lower of actual AT&C Loss for FY 2010-11 or the AT&C Loss target for FY 2010-11 minus 1%. Therefore, the AT&C loss target for FY 2011-12 ought to be 21%, i.e., 22% minus 1%.

- 3.109 The Commission in Tariff Order dated July 31, 2013 had trued-up actual AT&C Loss for FY 2011-12 as 22.07% and computed the under-achievement of Rs. 129 Crore from the AT&C Loss Target of 18%.
- 3.110 The revised computation on account of difference between original and revised AT&C Loss Target of FY 2011-12 in line with the directions of Hon'ble APTEL in Judgment dated November 28, 2014 (Appeal 62 of 2012) is as under:

Table 3. 12: Impact due to revision in AT&C Loss Target for FY 2011-12

| S. No | Particulars | UoM | Target | Revised |
|-------|---------------------------------------|----------------|--------|-------------|
| 1 | AT&C Loss | % | 21.00% | 22.07% |
| 2 | Over achievement/ (Under achievement) | % | -1.07% | |
| 3 | Energy Input | MU | 6203.2 | 6203.2 |
| 4 | Units realised | MU | 4900.6 | 4834.2 |
| 5 | Average Billing Rate | Rs./ kWh | 5.1 | 5.1 |
| 6 | Amount realised | Rs. Cr. | 2504.2 | 2470.3 |
| 7 | Under-achievement | Rs. Cr. | | 33.9 |
| 8 | Considered in TO dt. July 31, 2013 | Rs. Cr. | | 129.1 |
| 9 | Impact to be allowed | Rs. Cr. | | 95.2 |

- 3.111 The Petitioner has requested to allow above amount along with carrying cost as under:

Table 3. 13: Impact due to revision in AT&C Loss Target for FY 2011-12 along with carrying cost (Rs. Cr.)

| S. No | Particulars | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|-------|-----------------------|--------|--------|--------|--------|--------|--------|
| 1 | Opening Balance | 0.0 | 102.3 | 117.6 | 135.3 | 155.7 | 178.8 |
| 2 | Additions | 95.2 | | | | | |
| 3 | Closing Balance | 95.2 | 102.3 | 117.6 | 135.3 | 155.7 | 178.8 |
| 4 | Average | 47.6 | 102.3 | 117.6 | 135.3 | 155.7 | 178.8 |
| 5 | Carrying cost rates | 14.88% | 15.03% | 15.01% | 15.13% | 14.80% | 14.64% |
| 6 | Carrying cost | 7.1 | 15.4 | 17.7 | 20.5 | 23.0 | 26.2 |
| 7 | Grand closing balance | 102.3 | 117.6 | 135.3 | 155.7 | 178.8 | 204.9 |

COMMISSION ANALYSIS

- 3.112 The matter regarding revision in AT&C Loss target for FY 2011-12 is sub judice before Hon'ble Supreme Court of India and the same has also been clarified by Hon'ble APTEL vide it's Order dated 31/10/2017 in the Clarificatory Appeal.

- 3.113 Therefore, the view on this, the matter will be considered, as deemed fit and appropriate, after receipt of the judgment of Hon'ble Supreme Court of India in the pending Appeal (8660-61 of 2015).

ISSUE-11: NON-REVISION OF AT&C LOSS FOR FY 2012-13 AND FY 2015-16

PETITIONER'S SUBMISSION

- 3.114 The Petitioner has referred Hon'ble APTEL's in Judgment dated March 2, 2015 (Appeal 177 and 178 of 2012) has ruled as under:

"30.12 The State Commission has proposed AT&C loss reduction 1.27% below the target fixed for 2011-12(15%). Now the AT&C loss target for FY 2011-12 has to be refixed to 16% for BRPL as per the decision of this Tribunal in Appeal no. 62 of 2012. The State Commission has fixed AT&C loss target for 2014-15 as 12.5% which would mean a loss reduction of 3.5% in the control period of 3 years which seems reasonable and can be distributed to 1.05% reduction in 2012-13, 1.2% in 2013-14 and 1.25% in 2014-15 over the target of previous year i.e. AT&C loss target of 14.99%, 13.75% and 12.5% respectively. Lower target for 2012-13 has been fixed as the impugned order was passed on 13.07.2012, about 3½ months after the commencement of FY 2012-13. In this way, the target for FY 2014-15 will remain the same as decided by the Commission in the impugned order. Considering the performance in the past and the actual AT&C loss level, the above loss reduction trajectory will be reasonable. According decided.

30.13...When the target level for FY 2011-12 has to be refixed, the AT&C loss targets for FY 2012-13 to 2014-15 have also to be refixed by the State Commission accordingly."

- 3.115 The Petitioner submitted that there is no stay on implementation of Hon'ble APTEL's Judgment dated March 2, 2015. The directions of Hon'ble ATE regarding revision of AT&C loss targets for FY 2012-13 to FY 2014-15 and FY 2011-12 in Judgment dated March 2, 2015 (Appeal 178 of 2012) and November 28, 2014 (Appeal 62 of 2012) are as under:

- a) AT&C Loss for FY 2011-12 to be re-determined in terms of letter dated

March 8, 2011 which states that the loss level for FY 2011-12 shall be lower of actual AT&C Loss for FY 2010-11 or the AT&C Loss target for FY 2010-11 minus 1%. Hence the AT&C loss for FY 11-12 works out to 21% (Target of 2010-11 at 22% -1%)

b) AT&C Loss from FY 2012-13 to FY 2014-15 to be re-determined based on the revised target for FY 2011-12.

3.116 Further, the Petitioner has submitted that the Commission in the Tariff Order dated September 29, 2015 has approved the AT&C loss target for FY 2015-16 based on the loss reduction trajectory approved for FY 2012-13 to FY 2014-15 i.e. at 13.33% (Target for FY 2014-15 at 14.50% -1.17%), the same also ought to be revised based on the revised targets for FY 2011-12 and FY 2012-13 to FY 2014-15. Accordingly, the AT&C Loss Target for FY 2012-13 to FY 2015-16 works out as under:

Table 3. 14: AT&C loss target for FY 2012-13 to FY 2015-16

| S.No. | Particulars | DERC | Submission based on ATE judgment |
|-------|--------------------------------------|--------|----------------------------------|
| 1 | AT&C Loss for FY 2011-12 (base year) | 18.00% | 21.00% |
| 2 | AT&C Loss for FY 2012-13 | 16.82% | 19.62% |
| 3 | AT&C Loss for FY 2013-14 | 15.66% | 18.27% |
| 4 | AT&C Loss for FY 2014-15 | 14.50% | 16.92% |
| 5 | AT&C Loss for FY 2015-16 | 13.33% | 15.55% |

3.117 The Petitioner tabulated the impact on account of revision in AT&C loss target from FY 2012-13 to FY 2015-16 is tabulated below:

Table 3. 15: Impact on account of revision of AT&C Loss Target from FY 2012-13 to FY 2015-16 (Rs. Cr.)

| Particulars | FY 12-13 | | FY 13-14 | | FY 14-15 | | FY 15-16 | |
|---|----------------|--------|----------------|--------|----------------|--------|----------------|--------|
| | Revised Target | Actual | Revised Target | Actual | Revised Target | Actual | Revised Target | Actual |
| AT&C loss (%) | 19.62% | 21.14% | 18.27% | 22.19% | 16.92% | 19.44% | 15.55% | 15.96% |
| Over/under achievement (%) | | -1.52% | | -3.92% | | -2.52% | | -0.41% |
| Units Input (MU) | | 6333 | | 6577 | | 6717 | | 6780 |
| ABR (Rs./Unit) | | 6.31 | | 6.85 | | 7.38 | | 7.64 |
| Impact on account of Underach. (Rs. Cr) | | -61 | | -177 | | -125 | | -21 |
| Underach. Approved in respective True | | -173 | | -294 | | -245 | | -136 |

| Particulars | FY 12-13 | | FY 13-14 | | FY 14-15 | | FY 15-16 | |
|----------------------|----------------|--------|----------------|--------|----------------|--------|----------------|--------|
| | Revised Target | Actual | Revised Target | Actual | Revised Target | Actual | Revised Target | Actual |
| up Orders | | | | | | | | |
| Impact to be allowed | | 112.0 | | 117.6 | | 119.8 | | 115.1 |

3.118 The aforesaid impact along with carrying cost is tabulated below:

Table 3. 16: Impact due to revision of AT&C Loss Target from FY 2012-13 to FY 2015-16 along with carrying cost (Rs. Cr.)

| S. No | Particulars | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|-------|-----------------------|--------|--------|--------|--------|--------|
| 1 | Opening Balance | 0.0 | 120.4 | 264.9 | 433.9 | 621.7 |
| 2 | Additions | 112.0 | 117.6 | 119.8 | 115.1 | |
| 3 | Closing Balance | 112.0 | 238.0 | 384.7 | 548.9 | 621.7 |
| 4 | Average | 56.0 | 179.2 | 324.8 | 491.4 | 621.7 |
| 5 | Carrying cost rates | 15.03% | 15.01% | 15.13% | 14.80% | 14.64% |
| 6 | Carrying cost | 8.4 | 26.9 | 49.1 | 72.7 | 91.0 |
| 7 | Grand closing balance | 120.4 | 264.9 | 433.9 | 621.7 | 712.6 |

COMMISSION ANALYSIS

3.119 The Commission in Tariff Order dated March 28, 2018 ruled as under:

“3.113 This matter is sub judice before Hon’ble Supreme Court of India and the same has also been clarified by Hon’ble APTEL vide it’s order dated 31/10/2017 for AT&C Loss target of FY 2011-12 in the Clarificatory appeal. Further, it is noted that the directions of Hon’ble APTEL to revise the AT&C Loss target were linked with proposed AT&C Loss target of FY 2011-12. Therefore, the view on this issue will be considered, as deemed fit and appropriate, after receipt of the judgment of Hon’ble Supreme Court of India in the pending appeal.”

3.120 Therefore, this issue will be considered, as deemed fit and appropriate, after receipt of the judgement of Hon’ble Supreme Court of India.

ISSUE-12: INCREASE IN EMPLOYEE EXPENSES CORRESPONDING TO INCREASE IN CONSUMER BASE

PETITIONER’S SUBMISSION

3.121 The Petitioner has submitted that in its licensed area of supply, consumer base has increased by 37% in FY 12 as compared to FY 2006-07 (FY 07: 8.9 Lakhs, FY 12; 12.3 Lakhs) and units billed have grown by 58 % in FY 2011-12 as compared to FY 2006-

07 (Units billed 2007: 359 MU, 2012: 4844 MU). The Petitioner is obligated, under the extant regulatory framework, to maintain standards in supply of electricity and to retain AT & C loss levels effectively. As per the Hon'ble APTEL order, the Commission is required to factor in the increase in employee cost required due to increase in consumer base.

- 3.122 The Petitioner has referred the Hon'ble APTEL in Judgment dated October 6, 2009 (Appeal No. 36 of 2008) as under:

"74) Having gone through the impugned order we do find that the Commission has not considered the issue of possible increase in the number of employees consequent on increase in the consumer base. Nor has the Commission ruled on the Petitioner's proposal to increase the salaries etc. The Commission has nonetheless assured to true up the employees expenses subject to prudence check. The Commission shall also take care of the related carrying cost. This should satisfy the Petitioner.

75) ... We thus conclude the issue of employees' expenses by saying that the: The Commission shall allow the expenses incurred towards the retirement benefit of SVRS optees pending decision of the Actuarial Arbitration Tribunal and shall true up the employee expenses to the extent of increase caused by increase in the consumer base..... "

- 3.123 The Petitioner has referred the Commission's Tariff Order dated July 31, 2013 stated as under:

"3.95 As regard true up of the employees expenses to the extent of increased cost by increase in consumer base and salary hike comparable to sixth pay Commission's recommendations for employees other than erstwhile DVB employees, the Commission has initiated a benchmarking exercise for employee expenses taking into account the increased consumer base as well as increase in sales. This would also take into account the salary hike of employees other than the erstwhile DVB employees. The impact will be given once the benchmarking exercise is completed."

- 3.124 The Petitioner has submitted that as per the DERC MYT Regulations, sales is an uncontrollable factor because the licensee has a universal obligation to provide electricity to any consumer. Therefore, to meet with the business growth, the

licensee is forced to employ additional manpower. Under these circumstances, the Hon'ble Tribunal had directed the Commission to true up the employees expenses to the extent of increased cost by increase in consumer base. The Commission has already trued up the consumer base of the Petitioner for the First MYT Control Period but is yet to implement the judgment of the Hon'ble APTEL. The impact of increase in consumer base on the employee cost is estimated below:

Table 3. 17: Increase in employee expenses from FY 08 to FY 12 (Rs. Cr.)

| S. No | Particulars | FY 07 | FY 08 | FY 09 | FY 10 | FY 11 | FY 12 |
|-------|--|---------|---------|-----------|-----------|-----------|-----------|
| 1 | Employee Expenses in the base year | 139 | | | | | |
| 2 | No. of Consumers served during base year | 894,928 | | | | | |
| 3 | Employee Expenses per consumer in the base year | 1,556 | | | | | |
| 4 | Escalation Factor | | 4.66% | 4.66% | 4.66% | 4.66% | 4.66% |
| 5 | Increase in employee expenses over first MYT Control Period after applying escalation factor | | 1,628 | 1,704 | 1,783 | 1,867 | 1,954 |
| 6 | Actual number of consumers served during first Control Period | | 975,043 | 1,044,821 | 1,105,289 | 1,181,539 | 1,227,755 |
| 7 | Increase in number of consumers served y-o-y basis | | 80,115 | 69,778 | 60,468 | 76,250 | 46,216 |
| 8 | Increase in employee Expenses based on number of consumers | | 13.0 | 11.9 | 10.8 | 14.2 | 9.0 |

Table 3. 18: Impact on account of increase in employee expenses along with carrying cost

| S. No | Particulars | FY 08 | FY 09 | FY 10 | FY 11 | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|-------|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1 | Opening Balance | 0.0 | 13.0 | 26.7 | 41.0 | 60.6 | 78.7 | 90.6 | 104.2 | 119.9 | 137.7 |
| 2 | Additions | 12.2 | 11.1 | 10.1 | 13.3 | 8.4 | | | | | |
| 3 | Closing Balance | 12.2 | 24.2 | 36.8 | 54.3 | 69.1 | 78.7 | 90.6 | 104.2 | 119.9 | 137.7 |
| 4 | Avg. Balance | 6.1 | 18.6 | 31.8 | 47.6 | 64.9 | 78.7 | 90.6 | 104.2 | 119.9 | 137.7 |
| 5 | Carrying Cost | 13.68% | 13.75% | 13.11% | 13.38% | 14.88% | 15.03% | 15.01% | 15.13% | 14.80% | 14.64% |
| 6 | Carrying Cost | 0.8 | 2.6 | 4.2 | 6.4 | 9.7 | 11.8 | 13.6 | 15.8 | 17.7 | 20.1 |
| 7 | Grand Balance | 13.0 | 26.7 | 41.0 | 60.6 | 78.7 | 90.6 | 104.2 | 119.9 | 137.7 | 157.8 |

COMMISSION ANALYSIS

3.125 The Commission in its Tariff Order dated 28.03.2018 has already clarified the matter as under:

"3.121 The Commission has already clarified this issue in detail, in Tariff Order dated 31/08/2017 and has allowed the impact of 6th Pay Commission on Non-DVB Employees (Non-FRSR) based on the directions of Hon'ble APTEL.

3.122 Further, the Commission has already clarified this issue in tariff Order dtd. 29/09/2015 as follows:

"3.7 The Petitioner had not raised this issue in Appeal No. 61 & 62 of 2012 against Tariff Order dated 26.08.2011, where the matter was addressed as per the directions of Hon'ble APTEL in Appeal No. 36 of 2008. Therefore, this issue has attained finality with respect to judgment in Appeal No. 36 of 2008 as the issue has been addressed in Tariff Order dated 26.08.2011."

3.126 In view of the above, the issue does not merit the consideration.

ISSUE-13: EFFICIENCY FACTOR FOR FY 2010-11**PETITIONER'S SUBMISSION**

3.127 The Petitioner submitted that the Hon'ble APTEL in Judgment dated March 2, 2015 (Appeal 178 of 2012) has directed the Commission as under:

"44. The 36th issue is arbitrary imposition of efficiency factor for determination of O&M Expenses for true-up of FY 2010-11

44.1 This issue has been considered by this Tribunal in Appeal No. 62 of 2012 and decided in favour of the Appellant. The relevant extracts of the Judgment are referred below:

...

201 So, on strength of the Judgment in Appeal No. 14 of 2012 applies squarely into the facts of the present case. The issue is decided in favour of the Appellants."

44.2 Accordingly, this issue is decided in favour of the Appellant."

- 3.128 The Petitioner has submitted that the Hon'ble ATE in Judgment dated March 2, 2015 (Appeal 178 of 2012) has set aside the efficiency factor for FY 2010-11. Further, the Hon'ble APTEL in Judgment dated October 31, 2017 has dismissed the Clarificatory Application filed by the Commission. There is no stay on the implementation on Judgment dated March 2, 2015 (Appeal 178 of 2012). The impact on account of efficiency factor for FY 2010-11 is tabulated below:

| S. No | Particulars | FY 2010-11 |
|-------|-------------------|------------|
| 1 | Employee Expenses | 268.9 |
| 2 | Eff. Fact. % | 4% |
| 3 | Eff. Factor | 10.8 |

- 3.129 The Petitioner has submitted the impact on account of the said issue along with carrying cost is tabulated below:

Table 3. 19: Impact on account of efficiency factor during FY 2010-11 along with carrying cost (Rs. Cr.)

| S. No | Particulars | FY 11 | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|-------|-----------------------|--------|--------|--------|--------|--------|--------|--------|
| 1 | Opening Balance | 0.0 | 11.5 | 13.2 | 15.2 | 17.4 | 20.1 | 23.0 |
| 2 | Additions | 10.8 | | | | | | |
| 3 | Closing Balance | 10.8 | 11.5 | 13.2 | 15.2 | 17.4 | 20.1 | 23.0 |
| 4 | Average Balance | 5.4 | 11.5 | 13.2 | 15.2 | 17.4 | 20.1 | 23.0 |
| 5 | Rate of Carrying Cost | 13.38% | 14.88% | 15.03% | 15.01% | 15.13% | 14.80% | 14.64% |
| 6 | Carrying Cost | 0.7 | 1.7 | 2.0 | 2.3 | 2.6 | 3.0 | 3.4 |
| 7 | Grand Balance | 11.5 | 13.2 | 15.2 | 17.4 | 20.1 | 23.0 | 26.4 |

- 3.130 Therefore the Petitioner requested the Commission to allow the impact in the ARR.

COMMISSION ANALYSIS

- 3.131 The Commission has already clarified this issue in tariff order dated 31/08/2017 as follows:

"3.144 The Commission has observed that the Hon'ble tribunal in its judgments in Appeal No. 52/2008 has not find any merit in the contention raised by the TPDDL regarding introduction efficiency factor of 2%, 3% and 4% for FY 2009, FY 2010 and FY 2011 respectively as follows:

"67. (ix) The last issue is erroneous computation of the Efficiency Factor. Admittedly, the Appellant had not proposed any Efficiency Factor in its MYT Petition in accordance with the MYT Regulations. The State Commission has compared the

O&M expenses of the Appellant with similar urban distribution companies in other states and found the expenses of the Appellant on higher side. Accordingly, the State Commission has decided to introduce efficiency factor of 2%, 3% and 4% for FY 2009, FY 2010 and FY 2011 respectively. Therefore, we do not find any merit in the contention raised by the Appellant. Therefore, the State Commission finding on this issue is justified.”

3.145 Further, the Petitioner has relied upon the judgment of Hon’ble APTEL in Appeal No. 177/2012 which has been pronounced on the basis of Appeal No. 14/2012. It is pertinent to state that TPDDL (Appellant in Appeal No. 14/2012) had prayed before Hon’ble APTEL against the Efficiency Factor for FY 2011-12 and not FY 2010-11 in issue no. 23. However, the Petitioner has misrepresented the facts before the Commission that Hon’ble APTEL has decided the issue for Efficiency Factor of FY 2010-11. The relevant extract of the said judgement is as follows:

“198. On this issue, the learned Counsel for the Appellant submits as under: ... (c) However, in the impugned order the Delhi Commission has merely extended the efficiency factor of 4% that was applicable for O & M expenses of the Appellant for the period FY 2010-11 to apply to FY 2011-12 and has also extended the MYT Order while extending the operation of the MYT Regulations to the period FY 2011-12. This has resulted in gross under- allowance of O & M costs for FY 2011-12....”

3.146 It is clarified that the Efficiency Factor had been introduced by the Commission for 1st MYT Control Period (FY 08-FY11) in its MYT Order dtd. 23/02/2008 for all the Distribution Licensees. The Petitioner has not challenged the issue of Efficiency Factor in its Appeal against MYT Order dtd. 23/02/2008 and even Hon’ble APTEL has upheld the methodology for Efficiency Factor in case of other Distribution Licensee as indicated above. Therefore, this issue does not merit consideration.”

3.132 In view of the aforesaid, this issue was not considered in Tariff Orders dated 31.08.2017 and 28.03.2018 against which appeals have been filed by the Petitioner before the Hon’ble APTEL and the matter is sub judice.

ISSUE-14: INCORRECT REVISION OF R&M EXPENSES BY REVISING K FACTOR**PETITIONER'S SUBMISSION**

3.133 The Hon'ble APTEL in Judgment dated March 2, 2012 (Appeal 178 of 2012) has ruled as under:

"36.5 We find that the State Commission had decided to fix the 'K' factor as the average K factor based on the actual R&M expenses of the last five years. We do not find any infirmity in the methodology except that the Commission has not followed the principle of computing the 'K' factor based on the actual for the last 5 years by ignoring the K factor for FY 2007-08. By this method the R&M expenses of FY 2012-13 have been determined more or less at the same level as 2011-12 which does not even cover the normal inflation factor. Therefore, the Commission should take into account the K factor for 2007-08 also and redetermine the K factor and the R&M expenses for the Control Period. Accordingly, directed."

3.134 The Petitioner submitted that as evident from the aforesaid, the Hon'ble APTEL remanded the matter back to the Commission to re-determine the "K" factor by considering past 5 years data. Same was a limited remand. However, the Commission in Tariff Order dated September 29, 2015 revised the entire methodology and allowed "K" factor of 3.37% instead of 3.61% which was to be allowed as per Hon'ble APTEL directions.

3.135 The Petitioner challenged the same before Hon'ble ATE in Appeal No. 290 of 2015. In reply to the Appeal 290 of 2015, the Commission stated as under:

"ISSUE NO. 25

Incorrect revision of R&M Expenses by revising "K" Factor

25.1 That the Commission will reconsider this issue in view of the submission made by the Appellant in the appeal. The impact, if any, on account of revision of R&M Expenses by revising "K" factor will be considered in the subsequent tariff order."

3.136 However, despite the above statement, the Commission in Tariff Order dated August 31, 2017 ruled as under:

“3.207 The Commission has given the detailed reasoning and the factors which have been considered for determination of R&M expenses in Tariff Order dated 29/09/2015 and the same has been challenged by the Petitioner in Appeal No. 297/2015 before Hon’ble APTEL. As the matter is sub judice, therefore a view in the matter will be taken, as deemed fit and appropriate, after receipt of the direction of the Hon’ble APTEL in the said Appeal.”

3.137 As per the said direction, the “K” factor for the Petitioner is tabulated below:

Table 3. 20: Revised “K” factor as per Judgment in Appeal 178 of 2012

| S. No | Particulars | FY 08 | FY 09 | FY 10 | FY 11 | FY 12 | Average |
|-------|--------------------|--------|----------|----------|----------|----------|---------|
| A. | Opening GFA | 871.63 | 1,189.20 | 1,539.20 | 1,789.20 | 2,014.20 | |
| B. | Total R&M Expenses | 48.09 | 43.47 | 37.86 | 55.95 | 66.16 | |
| C. | K Factor | 5.52% | 3.66% | 2.46% | 3.13% | 3.28% | 3.61% |

3.138 The Petitioner has computed the R&M Expenses based on “K” factor as per the direction of the Hon’ble APTEL and GFA considered by the Commission in Tariff Order dated July 13, 2012 as under:

Table 3. 21: Difference in R&M Expenses due to revised “K” factor (Rs. Cr.)

| S. No | Particulars | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 |
|-------|--------------------------------------|------------|------------|------------|------------|
| 1 | GFA allowed at the time of truing-up | 1,960.9 | 1,984.2 | 2,124.5 | 2,354.5 |
| 2 | K Factor | 3.61% | 3.61% | 3.61% | 3.61% |
| 3 | R&M Expenses | 70.8 | 71.6 | 76.7 | 85.0 |
| 4 | Allowed in MYT Order | 66.1 | 66.9 | 71.7 | 79.4 |
| 5 | Difference | 4.7 | 4.7 | 5.0 | 5.6 |

3.139 The Petitioner has submitted the impact along with carrying cost is tabulated below:

Table 3. 22: Impact on account of difference in R&M Expenses along with carrying cost (Rs. Cr.)

| S. No | Particulars | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|-------|-----------------------|--------|--------|--------|--------|--------|
| 1 | Opening Balance | - | 5.1 | 10.9 | 17.9 | 26.5 |
| 2 | Additions | 4.7 | 4.7 | 5.0 | 5.6 | - |
| 3 | Closing Balance | 4.7 | 9.7 | 15.9 | 23.5 | 26.5 |
| 4 | Average Balance | 2.4 | 7.4 | 13.4 | 20.7 | 26.5 |
| 5 | Rate of Carrying Cost | 15.03% | 15.01% | 15.13% | 14.80% | 14.64% |

| S. No | Particulars | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|-------|---------------|-------|-------|-------|-------|-------|
| 6 | Carrying Cost | 0.4 | 1.1 | 2.0 | 3.1 | 3.9 |
| 7 | Grand Balance | 5.1 | 10.9 | 17.9 | 26.5 | 30.4 |

COMMISSION ANALYSIS

3.140 The Commission vide its Tariff Order dated 29.09.2015 has provided the detail reasoning and the factors for determining R&M expenses. The same has been challenged by the Petitioner in Appeal No. 297 of 2015 before Hon'ble APTEL, which is pending

3.141 In the Tariff Order dated 28.03.2018 the Commission further clarified as follows:

"3.183 ... Further, R&M expenses are linked with the value of Opening GFA of the Petitioner which is subject to true up after physical verification of the asset since FY 2004-05 onwards. Therefore a view in the matter will be taken, as deemed fit and appropriate, after receipt of the direction of the Hon'ble APTEL in the said Appeal and true up of asset based on physical verification report of the consultant appointed by the Commission."

ISSUE-15: LOWER RATES OF CARRYING COST

PETITIONER'S SUBMISSION

3.142 The Petitioner has referred to the Hon'ble APTEL in Judgment dated July 30, 2010 (Appeal 153 of 2009) has ruled as under:

"51. It cannot be disputed that the State Commission shall be guided by the principles that reward efficiency in performance as provided under section 61(e) of the Electricity Act, 2003. Similarly, the said section provide that State Commission shall be guided by the National Electricity Policy and Tariff Policy. Therefore, the State Commission should have allowed the carrying cost at the prevailing market lending rate for the carrying cost so that the efficiency of the distribution company is not affected. The State Commission is required to take the truing up exercise to fill up the gap between the actual expenses at the end of the year and anticipated expenses in the beginning of theyear. This Tribunal in various judgments rendered by it held in Appeal No. 36 of 2008 in the judgment dated 06.10.2009 reported in 2009 ELR (APTEL) 880 has held that "the true up exercise is to be done to mitigate the difference between the

projection and actuals and true up mechanism should not be used as a shelter to deter the recovery of legitimate expenses/revenue gap by over-projecting revenue for the next tariff.” Therefore, the fixation of 9% carrying cost, in our view, is not appropriate. Therefore, the State Commission is hereby directed to reconsider the rate of carrying cost at the prevailing market rate and the carrying cost also to be allowed in the debt/ equity of 70:30.

...

58. ...

(iv) The next issue is relating to the inadequate lower rate of 9% for the allowance of the carrying cost. The carrying cost is allowed based on the financial principle that whenever the recovery of the cost is to be deferred, the financing of the gap in cash flow arranged by the distribution company from lenders and/or promoters and/or accrual and/or internal accrual has to be paid for by way of carrying cost. The carrying cost is a legitimate expense. Therefore the recovery of such carrying cost is a legitimate expectation of the distribution company. The State Commission instead of applying the principle of PLR for the carrying cost has wrongly allowed the rate of 9% which is not the prevalent market lending rate. Admittedly, the prevalent market lending rate was higher than the rate fixed by the State Commission in the tariff order. Therefore, the State Commission is directed to reconsider the rate of carrying cost at the prevalent market rate keeping in view the prevailing Prime Lending Rate.”

- 3.143 The Petitioner submitted that the Commission in Tariff Order dated September 29, 2015 applied a formula, which in the Petitioner’s submission, is erroneous for computing equity and consequently, allowed very lower rates of carrying cost from FY 2007-08 to FY 2013-14 without even verifying as to whether the capitalisation allowed to the DISCOMs is matching with the funding or not. The Petitioner in its Petition for True-up of FY 2016-17 and ARR and Tariff for FY 2018-19 has detailed the reasons as to why and how net-worth formula applied by the Commission was incorrect which is also recorded at Para-3.382 to Para-3.386 of the Tariff Order

dated March 28, 2018. However, the Commission has not dealt with the submission and stated as under:

“3.319 The Commission direct the Petitioner to submit the detail of Net worth based on audited financial statement, statement of de-capitalisation, utilisation of depreciation, means of finance for each year Capitalisation & working capital etc since inception in order to assess the actual equity. Further, the Commission has also appointed consultant for physical verification of asset since FY 2004-05 onwards which has an impact on the total financing required for regulated business. Therefore, the Commission will finalise the means of finance based on each year final value of capitalisation including the dispute related to utilisation of consumer contribution during policy direction period.”

3.144 As evident from aforesaid, the Commission did not deal with the submissions of the Petitioner and the aforesaid error has still not been corrected while computing carrying cost for FY 2016-17. It is respectfully stated that the actual net-worth as per the books is not relevant as the Commission itself has refused to implement various directions of Hon’ble APTEL in Judgments dated October 6, 2009 (Appeal 36 of 2008), July 12, 2011 (Appeal 142 of 2009), November 28, 2014 (Appeal 62 of 2012) and March 2, 2015 (Appeal 178 of 2012) without any stay, thereby eroding the net-worth of the Petitioner. It is further submitted that the Commission has itself admitted on judicial records for being responsible for the creation of the huge accumulated regulatory assets due to insufficient retail tariff. The Commission has in fact, on affidavit before the Hon’ble Supreme Court admitted in writing that it has not implemented the Hon’ble Tribunal’s judgments as such implementation would have led to a recovery of at least Rs.4500 crores as on March 31, 2013. It is a well-settled principle that acts of Court shall not prejudice anyone.

3.145 The Petitioner further submitted that the Hon’ble APTEL in Judgment dated March 2, 2015 (Appeal 171 of 2012) has directed the Commission to allow actual rates of working capital during second control period as under:

“13. The eleventh issue is regarding erroneous computation of working capital interest rates.

...

13.4 We find that the State Commission has considered interest rate for working capital as 11.62% and interest rate for capital at 11.25% for the control period 2012-13 to 2014-15. The Appellant has produced a letter from SBI dated 02.01.2012 showing working capital facilities sanctioned at an interest rate of 3.25% above base rate which works out to 13.25% p.a. with monthly interests. This letter was furnished to the State Commission by letter dated 21.05.2012. This has not been considered by the State Commission while deciding the rate of interest on working capital. In the of the State Commission before us they have not denied receipt of this letter but have not given any explanation why the this letter was not considered by them while deciding the interest on working capital. There is also no explanation in the impugned order regarding fixing interest rate at 11.25% on working capital. We, therefore, direct the State Commission to true-up the interest rate on working capital for the years from 2012-13 to 2014-15 in the true up of the accounts, based on the actual interest rates.”

3.146 The Petitioner submitted that the Commission utilised net-worth formula to compute actual equity for the purpose of debt-equity ratio but has considered normative rates of debt instead of actual rates thereby resulting in a mix approach contrary to the industry practices as well as direction of Hon’ble Tribunal in Judgment dated March 2, 2015 (Appeal 171 of 2012).

3.147 Without prejudice to the contentions raised in Appeal, the Petitioner would like to once again request the Commission to correct the lower rates of carrying cost allowed by employing erroneous net-worth formulae without providing for any debt and equity schedule. The Petitioner has applied the debt-equity ratio of 70:30 considering ROE as 16% and rate of interest as SBI PLR while computing the impact.

3.148 The Petitioner has submitted the rates of carrying cost are tabulated below:

Table 3. 23: Rates of carrying cost

| S. No | Particulars | FY 08 | FY 09 | FY 10 | FY 11 | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|-------|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1 | Rate of Interest | 12.69% | 12.79% | 11.87% | 12.26% | 14.40% | 14.61% | 14.58% | 14.75% | 14.29% | 14.05% |
| 2 | Return on Equity | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% |
| 3 | WACC | 13.68% | 13.75% | 13.11% | 13.38% | 14.88% | 15.03% | 15.01% | 15.13% | 14.80% | 14.64% |

3.149 The Petitioner has submitted the carrying cost on already recognised Regulatory Assets upto FY 2013-14 is tabulated below:

Table 3. 24: Impact due to difference in rates of carrying cost (Rs. Cr.)

| S. No | Particulars | FY 08 | FY 09 | FY 10 | FY 11 | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|-------|---|--------|--------|---------|---------|--------|--------|--------|--------|-------------|--------------|
| A | Opening Level of (Gap) | 158.5 | | | | | | | | | |
| B | Adjustment in Opening balance of RG on account of PDP adjustments | -118.3 | | | | | | | | | |
| C | Opening Balance of Revenue Gap/(Surplus) | 40.2 | 20.0 | -159.8 | 39.3 | 887.6 | 2309.7 | 2976.3 | 3335.7 | 3540.1 | 3273.7 |
| D | Adjustments: Contingency Reserve | | | | 7.4 | | | | | | |
| E | Revenue gap/(Surplus) during the Year | -24.0 | -170.8 | 206.6 | 797.6 | 1200.7 | 534.5 | 198.8 | 26.9 | -804.2 | -511.4 |
| F | Adjustment from surcharge | | | | | | 237.3 | 280.0 | 306.1 | 332.7 | 352.9 |
| G | Closing | 16.1 | -150.8 | 46.7 | 829.5 | 2088.3 | 2606.9 | 2895.1 | 3056.5 | 2403.2 | 2409.3 |
| H | Average | 28.1 | -65.4 | -56.5 | 434.4 | 1488.0 | 2458.3 | 2935.7 | 3196.1 | 2971.6 | 2841.5 |
| I | Carrying cost | 13.68% | 13.75% | 13.11 % | 13.38 % | 14.88% | 15.03% | 15.01% | 15.13% | 14.80% | 14.64% |
| J | Carrying cost | 3.9 | -9.0 | -7.4 | 58.1 | 221.4 | 369.5 | 440.6 | 483.4 | 439.7 | 415.9 |
| K | Grand Closing balance | 20.0 | -159.8 | 39.3 | 887.6 | 2309.7 | 2976.3 | 3335.7 | 3540.1 | 2842.9 | 2825.1 |
| L | Additional true-up past impact | | | | | | | | | 431.9 | 859.8 |
| M | Total balance | | | | | | | | | 3273.6 7 | 3684.9 |
| N | RA approved in TO dated 31.08.2017 | | | | | | | | | | 2963.6 |
| O | Diff. In CC | | | | | | | | | | 721.4 |

3.150 The Petitioner has submitted the difference of Rs. 721.4 Crore above closing balance, i.e, Rs. 3684.9 Crore when compared with Regulatory Assets recognised up to FY 2013-14, i.e., Rs. 2963.6 Crore.

COMMISSION ANALYSIS

3.151 The Commission has already clarified this issue in Tariff Order dated 28.03.2018 as follows:

"3.143 The Commission has already clarified this issue in tariff order dated 31/08/2017 as follows:

"3.129 The Petitioner has made its prayer for allowing additional interest which has not been paid to any financial institution or bank for funding the Revenue Gap accumulated during the previous years after true up of ARR. The Petitioner has submitted return on equity for funding of accumulated revenue gap in the ratio debt: equity of 70:30 for allowance of carrying cost without investing equity for funding of accumulated revenue gap.

3.130 As per MYT regulations 2007 & 2011 for the purpose of WACC, where actual equity employed is less than 30%, the actual equity and Debt shall be considered. The Commission has assessed the actual equity and debt available with the licensee for the purpose of capitalization, working capital and finally revenue gap funding. Under the normative circumstances, the disclosure is required to infuse adequate equity either from reserve & surplus or by infusing fresh equity from time to time to maintain adequate debt equity ratio of 70:30. In case the said ratio is not maintained, the Commission in accordance with regulation shall restrict the ROE on the actual equity available only with review of actual equity.

3.131 It is also clarified that the carrying cost on Revenue Gap has got reduced in case of the Petitioner due to non availability of actual equity for funding of the Revenue Gap. Therefore one side the Petitioner has infused insufficient equity for funding the revenue gap which could have reduced the cost of borrowings and on the other hand asking additional return on the equity which has never been deployed into the business by the promoter. The impact of insufficient equity cannot be passed onto the consumers through ARR.

3.132 The Petitioner has interpreted the direction of Hon'ble Tribunal for funding the revenue gap in the ratio of 70:30 (debt:equity) but forget to mention that the ratio of 70:30 of debt:equity can only be applied if the promoter has infused equity for funding the revenue gap at the level of 30%

or more. Secondly, the Petitioner wants the interest rate also should be allowed at the rate of SBI PLR, however it is clarified that the Petitioner was getting loans at the rates 2.75% less than SBI PLR as forecasted in the MYT order dated 23/02/2008.

3.133 The financing of business can be either by equity or loan. In accordance with the judgment of this Hon'ble Tribunal in Appeal No. 153 of 2009, the Commission has revised the carrying cost rate by issuing 70:30 ratios of debt and equity on provisional basis. The requirement of funds is primarily dependent on capitalisation and working capital requirement. Thus, Commission has provided the cost of capital including carrying cost based on actual equity available in the books of accounts as submitted by the Petitioner.

3.134 Further, the Petitioner has already preferred an Appeal in Appeal No. 290/2015 filed before the Hon'ble APTEL. Therefore, the matter is sub-judice and decision will be taken by the Commission as deemed fit and appropriate, after receipt of the judgment of Hon'ble APTEL. Therefore, this matter does not merit consideration at this point of time."

- 3.152 The matter relating to Lower Rate of Carrying Cost has been appealed by the Petitioner before the Hon'ble APTEL in Appeal No. 70/2018, Appeal No. 71/2018 and Appeal No. 214/2018. Since the matter is sub-judice, it needs no further deliberation at this juncture.

ISSUE-16: FINANCING COST OF LPSC BASED ON SBI PLR

PETITIONER'S SUBMISSION

- 3.153 The Petitioner has submitted that issue of financing cost of LPSC arose for the first time in Appeal 147 of 2009 which was filed with respect to Tariff Order dated May 28, 2009. The relevant extracts from Judgment dated July 12, 2011 (Appeal 147 of 2009) are reproduced below:

"10. The fifth issue is regarding the Late Payment Surcharge.

10.1. The above issue had been covered in this Tribunal's Judgment dated 30.7.2010 reported in 2010 ELR (APTEL) 0891 titled as NDPL vs. DERC. The

relevant extracts of the Judgment are reproduced below:

“The normative working capital compensates the distribution company in delay for the 2 months credit period which is given to the consumers. The late payment surcharge is only if the delay is more than the normative credit period. For the period of delay beyond normative period, the distribution company has to be compensated with the cost of such additional financing. It is not the case of the Appellant that the late payment surcharge should not be treated as a non-tariff income. The Appellant is only praying that the financing cost is involved due to late payment and as such the Appellant is entitled to the compensation to incur such additional financing cost. Therefore, the financing cost of outstanding dues, i.e. the entire principal amount, should be allowed and it should not be limited to late payment surcharge amount alone. Further, the interest rate which is fixed as 9% is not the prevalent market Lending Rate due to increase in Prime Lending Rate since 2004-05. Therefore, the State Commission is directed to rectify its computation of the financing cost relating to the late payment surcharge for the FY 2007-08 at the prevalent market lending rate during that period keeping in view the prevailing Prime Lending Rate”.

This issue is decided accordingly in terms of the above Judgment.”

- 3.154 Further the Hon’ble APTEL in Judgment dated March 2, 2015 (Appeal 178 of 2012) has directed the Commission as under:

“4.8 We find that the State Commission has mechanically allowed interest rate of 9.5% as allowed while passing the MYT order on funding of working capital without verifying the prevailing cost of debt contracted by the licensee and other relevant factors. As directed in the judgment in appeal no. 153 of 2009, the financing cost for Late Payment amount has to be allowed at the prevalent market lending rates as per the Tariff Regulations. According, the State Commission is directed to redetermine the interest rate and the amount of financing cost.”

- 3.155 The Petitioner raised the issue of lower financing cost of LPSC allowed in various Tariff Orders in its Petition for truing-up of FY 2016-17 and ARR and Tariff for FY

2018-19 quoting the relevant direction given by Hon'ble ATE in Judgment dated July 12, 2011 (Appeal 142 of 2009) reproduced as under:

"...Further, the interest rate which is fixed as 9% is not the prevalent market Lending Rate due to increase in Prime Lending Rate since 2004-05....Therefore, the State Commission is directed to rectify its computation of the financing cost relating to the late payment surcharge for the FY 2007-08 at the prevalent market lending rate during that period keeping in view the prevailing Prime Lending Rate"

- 3.156 The Petitioner has provided a comparison of Prime Lending Rate, rates allowed by the Commission and actual rate of borrowing from FY 2007-08 to FY 2016-17 as tabulated below:

| S. No | Financial Year | Rates considered in Tariff Order | SBI PLR rates | Actual rates |
|-------|----------------|----------------------------------|---------------|--------------|
| 1 | FY 2007-08 | 9.30% | 12.69% | 11.63% |
| 2 | FY 2008-09 | 9.57% | 12.79% | 11.66% |
| 3 | FY 2009-10 | 9.89% | 11.87% | 11.02% |
| 4 | FY 2010-11 | 10.34% | 12.26% | 11.62% |
| 5 | FY 2011-12 | 12.72% | 14.40% | 13.31% |
| 6 | FY 2012-13 | 9.99% | 14.61% | 15.39% |
| 7 | FY 2013-14 | 9.89% | 14.58% | 15.41% |
| 8 | FY 2014-15 | 10.44% | 14.75% | 15.53% |
| 9 | FY 2015-16 | 10.47% | 14.28% | 14.57% |
| 10 | FY 2016-17 | 10.47% | 14.05% | 14.25% |

- 3.157 The Petitioner submits that the rates considered by the Commission are far lower than SBI PLR rates and actual rates and thus, Hon'ble APTEL direction is still pending to be implemented.
- 3.158 Accordingly the Petitioner has computed the financing cost of LPSC based on SBI PLR as under:

Table 3. 25: Difference in financing cost of LPSC due to rate of interest

| S. No. | Particulars | UoM | FY 08 | FY 09 | FY 10 | FY 11 | FY 12 | FY 13 |
|--------|---------------------------|---------|-------|-------|-------|-------|-------|-------|
| 1 | Delayed Payment Surcharge | Rs. Cr. | 26.7 | 20.7 | 20.9 | 17.3 | 28.4 | 24.1 |
| 2 | Rate of LPSC per | % | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% |

| S. No. | Particulars | UoM | FY 08 | FY 09 | FY 10 | FY 11 | FY 12 | FY 13 |
|--------|----------------------------|----------------|------------|------------|------------|------------|------------|------------|
| | month | | | | | | | |
| 3 | Rate of LPSC for 12 Months | % | 18% | 18% | 18% | 18% | 18% | 18% |
| 4 | Principal Amount | Rs. Cr. | 148.1 | 114.9 | 115.9 | 96.3 | 157.5 | 134.1 |
| 5 | SBI PLR | % | 12.69% | 12.79% | 11.87% | 12.26% | 14.40% | 14.61% |
| 6 | Financing Cost of LPSC | Rs. Cr. | 18.8 | 14.7 | 13.8 | 11.8 | 22.7 | 19.6 |
| 7 | Allowed by DERC | Rs. Cr. | 13.8 | 11.0 | 11.5 | 10.0 | 20.0 | 12.8 |
| 8 | Difference | Rs. Cr. | 5.0 | 3.7 | 2.3 | 1.8 | 2.6 | 6.8 |

3.159 The aforesaid difference has been considered along with carrying cost as under:

Table 3. 26: Impact of difference in financing cost of LPSC along with carrying cost (Rs. Cr.)

| S. No | Particulars | FY 08 | FY 09 | FY 10 | FY 11 | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|-------|-----------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 1 | Opening Balance | 0.0 | 5.4 | 10.0 | 13.8 | 17.6 | 23.1 | 33.9 | 39.0 | 44.8 | 51.5 |
| 2 | Additions | 5.0 | 3.7 | 2.3 | 1.8 | 2.6 | 6.8 | | | | |
| 3 | Closing Balance | 5.0 | 9.1 | 12.3 | 15.7 | 20.3 | 29.9 | 33.9 | 39.0 | 44.8 | 51.5 |
| 4 | Average Balance | 2.5 | 7.2 | 11.2 | 14.7 | 18.9 | 26.5 | 33.9 | 39.0 | 44.8 | 51.5 |
| 5 | Rate of Carrying Cost | 13.6 8% | 13.7 5% | 13.1 1% | 13.3 8% | 14.8 8% | 15.0 3% | 15.0 1% | 15.1 3% | 14.8 0% | 14.6 4% |
| 6 | Carrying Cost | 0.3 | 1.0 | 1.5 | 2.0 | 2.8 | 4.0 | 5.1 | 5.9 | 6.6 | 7.5 |
| 7 | Grand Balance | 5.4 | 10.0 | 13.8 | 17.6 | 23.1 | 33.9 | 39.0 | 44.8 | 51.5 | 59.0 |

COMMISSION ANALYSIS

3.160 The Commission has deliberated the issue in the Tariff order dated 28.03.2018 as follows:

“ 3.174 The Petitioner has submitted that the SBI PLR should be considered for LPSC financing cost to allowed however the judgement of Hon’ble APTEL does not specify the SBI PLR. However, the direction state that the rate of interest should be considered as per the provision of Tariff Regulations. Tariff Regulation states as follows:

“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, and other relevant factors (risk free returns, risk premium, prime lending rate etc.);”

3.175 In view of the above, the Commission has not reconsidered this issue in this Tariff Order as the issue related to true up of rate of interest is sub judice before Hon'ble Supreme Court and Hon'ble APTEL has also clarified in its judgement dtd. 31/10/2017 that the issue is sub judice before Supreme Court in disposal of Clarificatory appeal."

3.161 Therefore, this issue will be considered, as deemed fit and appropriate, after receipt of the judgement of Hon'ble Supreme Court of India.

ISSUE-17: INCORRECT TREATMENT ON ACCOUNT OF ZERO BILLING DURING FY 2010-11

PETITIONER'S SUBMISSION

3.162 The petitioner submitted that in view of the remand Order of the Hon'ble APTEL the Commission was required to consider the "consumer-wise" data and not what they required [i.e. the category-wise/month-wise data]. Since the Commission only called for such data and had never required the Petitioner to submit the "consumer-wise" data, this was never formally submitted to the Respondent Commission.

3.163 As per the consumer-wise [i.e. CA] data, the month wise energy billed at zero rate for the whole of FY 2010-11 is tabulated below:-

| Month | SAP (Units Billed MU) | EBS (Units Billed MU) | Total MU |
|--------------|-----------------------|-----------------------|--------------|
| Apr-10 | -0.01 | - | -0.01 |
| May-10 | 0.14 | 0 | 0.14 |
| Jun-10 | 0 | - | 0 |
| Jul-10 | 0 | 0 | 0 |
| Aug-10 | 0 | 0 | 0 |
| Sep-10 | 0 | - | 0 |
| Oct-10 | 0 | - | 0 |
| Nov-10 | 0 | - | 0 |
| Dec-10 | 0 | - | 0 |
| Jan-11 | 0 | 0.94 | 0.94 |
| Feb-11 | 2.57 | 2.32 | 4.89 |
| Mar-11 | 22.93 | 3.7 | 26.63 |
| TOTAL | 25.63 | 6.96 | 32.59 |

3.164 It is evident from the above table that for the remainder of the year, i.e. April 2010 to December 2010, there was no "zero-billing".

- 3.165 The Petitioner had submitted that 40.85 MU have been posted during the period January 2011 to March 2011. The figure from the CA wise data arises to be 32.46 MU instead of 40.85 MU's. The reason behind the variation is due to the bi-monthly billing in the EBS data where 8 MU was posted in March 2011 and billed in April 2011 due to which it accounted for in FY 2011-12.
- 3.166 The petitioner submitted the Commission in its Tariff Order dated 29.09.2015, purportedly in compliance with this Hon'ble Tribunal's Judgment in Appeal No. 195 of 2013, disallowed the zero rate billing of 122 MU for the period April 2010 to December 2010 on extrapolated [prorated] basis and stated as under:

"3.132 As per the direction of Hon'ble APTEL in appeal no. 195 of 2012, the Commission has revised the AT&C Loss Computation for FY 2010-11. It is observed that the petitioner had submitted total quantum of zero billing at 40.85 MU for the period between Jan'11 to Mar'11. The Petitioner was directed to submit the details of zero billing entire FY 2010-11 in view of the APTEL's direction. The Petitioner has submitted that total quantum of zero billing during FY 2010-11 which was lesser than earlier submission during the technical validation in true up of FY 2010-11 in tariff order dated 13.07.2012. Therefore, the Commission has decided that total quantum of zero billing basis be prorated for the entire year based on the three months information as provided while true up of FY 2010-11. Accordingly, the total impact of an amount of Rs. 57.98 crore on account of under achievement in AT&C loss target has been added into the revenue available towards ARR in FY 2010-11."

- 3.167 The aforesaid impact along with carrying cost is tabulated below:

Table 3. 27: Impact on account of prorated zero billing along with carrying cost (Rs. Cr.)

| S. No | Particulars | FY 11 | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|-------|-------------------|--------|--------|--------|--------|--------|--------|--------|
| 1 | Op. balance | 0.0 | 61.9 | 71.1 | 81.7 | 94.0 | 108.2 | 124.2 |
| 2 | Additions | 57.98 | | | | | | |
| 3 | Cl. Balance | 58 | 62 | 71 | 82 | 94 | 108 | 124 |
| 4 | Average | 29.0 | 61.9 | 71.1 | 81.7 | 94.0 | 108.2 | 124.2 |
| 5 | Rate of interest | 13.38% | 14.88% | 15.03% | 15.01% | 15.13% | 14.80% | 14.64% |
| 6 | Carrying cost | 3.9 | 9.2 | 10.7 | 12.3 | 14.2 | 16.0 | 18.2 |
| 7 | Grand Cl. Balance | 61.9 | 71.1 | 81.7 | 94.0 | 108.2 | 124.2 | 142.4 |

COMMISSION ANALYSIS

- 3.168 The Commission has considered the issue of own consumption in the Tariff Order dated 29.09.2015 and the same has been appealed by the Petitioner in Appeal No.

290 of 2015 which is pending adjudication. Since the matter is sub-judice, it needs no further deliberation at this juncture.

ISSUE-18: ADDITIONAL UI CHARGES ABOVE 49.5 HZ:

PETITIONER'S SUBMISSION

3.169 The Hon'ble APTEL in Judgment dated March 2, 2015 (Appeal 178 of 2012) has ruled as under:

"28.4 In view of above submissions of the Appellant, we direct the State Commission to reconsider the amount disallowed on account of UI charges to restrict it to the amount for overdrawals below the frequency at which penal charges for UI are leviable. Accordingly, decided."

3.170 As regards the issue of UI Charges, the Commission has given contradictory statement in Tariff Order dated September 29, 2015 which is as under:

"3.114 The Commission, in compliance to the Hon'ble APTEL's judgment in Appeal No. 177 of 2012, has vide its letter dated 05.08.2015 sought the details of additional UI charges paid by the Petitioner in FY 2010-11 duly certified by SLDC. The Petitioner vide its letter dated 12.08.2015 has submitted additional UI charges paid in FY 2010-11 as Rs. 5.50 Crore certified by SLDC, which is the same amount disallowed by the Commission in the Tariff Order dated 13.07.2012. It is pertinent to state that SLDC has not differentiated between penal and additional charges on account of UI. All the additional UI charges are imposed on the Distribution Licensee to maintain the Grid discipline. The Forum of Regulators in its Press Release dated 23.07.2009 had stated that additional UI charges imposed on various distribution utilities across the country for excessive over drawl from the Grid will not be allowed to be recovered from the consumers w.e.f 01.08.2009 as follows:

"....

all the Chairpersons of State Electricity Regulatory Commissions as its members, has agreed that the additional Unscheduled Interchange

(UI) charges imposed on distribution utilities for excessive over drawl from the grid would not be allowed to be recovered from consumers w.e.f. 1st August, 2009.”

3.115 In view of the above, the Commission has not considered any impact on the same.

- 3.171 As evident from above, the Commission has disallowed entire UI Charges only because SLDC has not differentiated between penal and additional UI Charges.
- 3.172 The Commission in Tariff Order dated August 31, 2017 has maintained the same stand as in Tariff Order dated September 29, 2015 and has not allowed the entitled relief to the Petitioner.
- 3.173 The Petitioner has submitted that the Central Electricity Regulatory Commission (UI and related matters) Regulations, 2009 (hereinafter referred to as the “UI Regulations”) as amended from time to time does not prescribe any UI rates as penal. However, the said Regulations prescribed drawls and injection below 49.2 Hz as additional UI rate.
- 3.174 The Commission has also relied upon the deliberation of the FOR to justify the disallowance. It is submitted that the Press Release of the FOR dated July 23, 2009 provides as follows:-

“3. After deliberation on the recommendation, the Forum of Regulators arrived at a consensus that the additional UI charges imposed on the utilities under the UI regulations of CERC for overdrawl during the period when grid frequency is below 49.2 Hz. should not be permitted in the annual revenue requirement of distribution utilities w.e.f. 1st August, 2009.”

- 3.175 It is clear from the above that the Commission has erred in relying upon the deliberations of the FOR as the FOR did not state that the additional UI charges for overdrawl during the period when grid frequency is between 49.5 and 49.2 Hz should not be permitted in the annual revenue requirement of distribution utilities.
- 3.176 It is submitted that the Commission may be pleased to note the Judgment of the Supreme Court in Central Power Distribution Co. (Appeal No.2104 of 2006) wherein the Hon’ble Supreme Court has opined as under on the nature of UI Charges:-

“It is thus clear from the above that UI Charges are a commercial mechanism to maintain grid discipline....therefore there is no merit in the contention of the BSES DISCOMs that the UI Charges are by way of penalty”

- 3.177 As such, there being, admittedly, no distinction between UI and Additional UI, to treat Additional UI would be acting contrary to the Supreme Court Judgment.
- 3.178 It is further submitted that in the years under consideration, prior to February 2014, the SLDC was not scheduling power for the DISCOMs individually. Prior to that date, SLDC was scheduling power to Delhi as a whole. In the circumstances, there cannot be any question of any individual DISCOM being response for overdrawal from its system.
- 3.179 In either case it is submitted that the Petitioner has, in fact, no control whatsoever over drawl of electricity from its system. The drawl by the DISCOM from the Grid is nothing but the collective drawl from the DISCOM by its consumers.
- 3.180 Accordingly the Petitioner requested the Commission to allow UI Charges above frequency 49.2 Hz along with carrying cost as under:

Table 3. 28: Impact on account of UI Charges along with carrying cost (Rs. Cr.)

| S. No | Particulars | FY 11 | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 |
|-------|-----------------------|--------|--------|--------|--------|--------|--------|--------|
| 1 | Opening Balance | 0.0 | 0.4 | 2.0 | 3.2 | 3.6 | 4.2 | 4.8 |
| 2 | Additions | 0.4 | 1.4 | 0.8 | | | | |
| 3 | Closing Balance | 0.4 | 1.8 | 2.8 | 3.2 | 3.6 | 4.2 | 4.8 |
| 4 | Average Balance | 0.2 | 1.1 | 2.4 | 3.2 | 3.6 | 4.2 | 4.8 |
| 5 | Rate of Carrying Cost | 13.38% | 14.88% | 15.03% | 15.01% | 15.13% | 14.80% | 14.64% |
| 6 | Carrying Cost | 0.0 | 0.2 | 0.4 | 0.5 | 0.6 | 0.6 | 0.7 |
| 7 | Grand Balance | 0.4 | 2.0 | 3.2 | 3.6 | 4.2 | 4.8 | 5.5 |

COMMISSION ANALYSIS

- 3.181 The Commission has already clarified this issue in its Tariff order dated 28.03.2018 as follows:

“3.197 The Commission has given the detailed reasoning regarding penal nature of payment towards additional UI Charges due to non-adherence of the scheduled drawl by the Petitioner in its various Tariff Orders which has also been upheld by the Hon’ble APTEL in its judgement in Appeal No. 271/2013 as follows:

“ 7.6) Penal interests are applicable at the specified rates for over-drawal of electricity for each time block when grid frequency is below 49.5 Hz. The time block under UI Regulations is 15 minutes. We are totally unable to accept the contention of the appellant that the appellant has taken all the necessary steps to ensure compliance with the requirements of UI Regulations, over-drawal from grid below 49.5 Hz frequency is inevitable despite efficient management of the appellant. These are the problems which are to be sorted out by a Discom by making efficient management, proper scheduling of power and procurement etc. What is provided under the Regulation is that the State Commission is bound to follow those Regulations, without giving any dilution or relaxation in the provisions of Act or Rules. We are unable to accept the appellant’s contention that over-drawal or under-drawal depends on the scheduled generation available, since, the generation available changes constantly and further due to loss of generation the schedules are affected resulting in over-drawal by Discoms. In view of the above discussions, we do not find any merit in the contentions of the appellant and hence, this Issue No.8 is decided against the appellant.”

3.198 Therefore, this matter does not merit consideration”

- 3.182 CERC vide its press release dated 23 July, 2009 on the subject ‘Electricity Regulators agree to disallow penal UI charges in consumers power tariffs’ clarified the issue as follows:

“The Forum of Regulators, which is chaired by Chairperson, Central Electricity Regulatory Commission and has all the Chairpersons of State Electricity Regulatory Commissions as its members, has agreed that the additional Unscheduled-Interchange (UI) charges imposed on distribution utilities for excessive over-drawal from the grid would not be allowed to be recovered from consumers w.e.f. 1st August, 2009.”

- 3.183 The additional UI charges are being paid when the distribution licensee over/under draws the power than the schedule drawal when the grid frequency is not normal. Additional UI charges are being paid due to non-adherence of the scheduled drawal by Distribution Licensee and penal in nature. As per MYT regulations any expenditure in penal nature can not be allowed to be passed on in ARR of the distribution licensee.

- 3.184 Based on the above grounds, the Additional UI Charges, which are penal in nature cannot be allowed to pass on in the ARR of the Petitioner.
- 3.185 Moreover this issue of Additional UI charges is appealed before Hon'ble APTEL, which is pending adjudication.
- 3.186 Therefore, this matter does not merit consideration at this juncture.

CLAIMS ON ACCOUNT OF REVIEW PETITION NO. 31 OF 2018

PETITIONER'S SUBMISSION

- 3.187 The Petitioner has stated that there are certain arithmetical/computational errors, apparent errors and omissions in the Tariff Order dated 28.03.2018 which requires reconsideration by the Commission.
- 3.188 On May 07, 2018, the Petitioner had filed a Petition under section 94 and section 62(4) of the Electricity Act 2003 read with clauses 57, 58 and 59 of the DERC (Conduct of Business) Regulations 2001, seeking review / revision/ clarification of the Tariff Order dated 28.03.2018 on such issues.
- 3.189 All submissions with respect to the issues raised therein have already been submitted before the Commission and are not reiterated in the Petition for the sake of brevity.
- 3.190 Further vide Order dated 18.09.2018 passed in Review Petition No. 45 of 2018, the Commission was pleased to allow the power purchase cost from Anta, Auriaya and Dadri Gas Stations of NTPC for the period FY 2012-13 to FY 2016-17 and stated as under:
- 3.191 In view of the aforesaid discussions and the fact that the instant petition is similar to Petition no. 34 of 2018, same relief is granted to the Petitioner and the cost of power purchase from FY 2012-13 till FY 2016-17 is allowed on the principle of Merit Order. “
- 3.192 Accordingly, the impact on account of issues raised in Review Petition 31 of 2018 including claim on account of Commission's Order dated 18.09.2018 is tabulated below:

Table 3. 29: Total impact of claims on account of issues pending in Review Petition No. 31 of 2018 before the Commission (Rs. Cr.)

| S. No | Particulars | Principal | Carrying Cost | Total |
|-------|--|--------------|---------------|---------------|
| 1 | Omission in considering impact of issues allowed by the Commission in Order dated 22.03.2017 passed in Review Petition No. 66/2017 | | | |
| a | <i>Error in allowing the amount of Depreciation on Consumer contribution for capital works considered as NTI during FY 11-12 to FY 13-14</i> | 14.8 | 13.4 | 28.2 |
| b | <i>Error in consideration of Rebate from DTL as NTI during FY 2013-14</i> | 9.6 | 6.0 | 15.6 |
| 2 | Omission to allow UI Interest considered as part of NTI for FY 2009-10 to FY 2011-12 | 42.0 | 68.1 | 110.2 |
| 3 | Error in consideration of impact on account of R&M and A&G expenses for FY 2004-05 to FY 2006-07 | 27.6 | 91.9 | 119.5 |
| 4 | Error in non consideration of impact on account of change in service tax for FY 2012-13 to FY 2016-17 | 41.1 | 12.6 | 53.7 |
| 5 | Error in consideration of write-back miscellaneous provisions as part of NTI for FY 2007-08 to FY 2016-17 | 217.8 | 329.9 | 547.8 |
| 6 | Omission to deduct the amount of LPSC from Revenue for FY 2008-09 | 9.7 | 18.9 | 28.6 |
| 7 | Error in consideration of impact on account of Merit Order Dispatch for FY 2013-14 | 53.7 | 33.7 | 87.4 |
| 8 | Omission to withdraw / recall the Efficiency Factor for FY2015-16 | 16.6 | 3.8 | 20.4 |
| 9 | Error in computation of Opening RRB for FY 2016-17 | 3.0 | 0.2 | 3.2 |
| 10 | Error in rate of carrying cost while computing the impact of APTEL Judgments and Review Order in Table 98 | 7.2 | 0.5 | 7.7 |
| 11 | Error in Revenue Billed for computation of AT&C loss for FY 2016-17 | 2.4 | 0.2 | 2.6 |
| 12 | Omission to allow actual expenses incurred on account of Statutory levies while truing up for FY 2016-17 | 14.9 | 1.1 | 16.0 |
| 13 | Error in allowing SVRS Pension amount as part of O&M costs for FY 2016-17 | 0.6 | 0.0 | 0.6 |
| 14 | Cost of power purchase on account of Anta, Auraiya & Dadri Gas for FY 2012-13 to FY 2016-17 | 132.9 | 66.7 | 199.6 |
| | Total | 593.8 | 647.2 | 1241.0 |

3.193 The Petitioner requested the Commission to consider the submissions made by the Petitioner in the said Petition No. 31 of 2018 filed on 07.05.2018 including additional submissions made thereafter and allow the impact on account of same along with carrying cost in the Tariff Order for FY 2019-20.

COMMISSION ANALYSIS

- 3.194 The Review Petition no. 31 of 2018 filed by the Petitioner in under consideration of the Commission. The impact, if any, shall be considered based on the Order of the Commission in the Review Petition.
- 3.195 The Commission in its Order dated 18.09.2018 for the Petition no. 45/2018 decided as under,
“In view of the aforesaid discussions and the fact that the instant petition is similar to Petition no. 34 of 2018, same relief is granted to the Petitioner and the cost of power purchase from FY 2012-13 till FY 2016-17 is allowed on the principle of Merit Order.”
- 3.196 The Commission in its Order dated 04.07.2018 for the Petition no. 34/2018 decided that “as a special case, the Petitioner is allowed the cost of power purchase from FY 2012-13 till FY 2016-17 on the principle of Merit Order.”
- 3.197 Accordingly, the Commission has considered the cost of Power purchased from Anta, Auriya and Dadri power Stations from FY 2012-13 to FY 2016-17, which were earlier disallowed in its previous Tariff Orders as under:

Table 3. 30: Net PPC earlier disallowed for Anta, Auriya & Dadri Power stations (Rs. Cr.)

| S.No | Financial Year | Cost Dis-allowed | | Cost Allowed | | Net Impact |
|------|---------------------|------------------|--------------------------|------------------|------------------------|------------|
| | | Amount (Rs. Cr.) | Remarks | Amount (Rs. Cr.) | Remarks | |
| A | FY 2012-13 | 37.17 | Table 3.32 of TO 29.9.15 | 12.17 | Table 92 of TO 31.8.17 | 25.00 |
| B | FY 2013-14 | 37.78 | Table 3.65 of TO 29.9.15 | 2.56 | Table 92 of TO 31.8.17 | 35.22 |
| C | FY 2014-15 | 26.19 | Table 113 of TO 31.8.17 | | | 26.19 |
| D | FY 2015-16 | 27.42 | Table 114 of TO 31.8.17 | | | 27.42 |
| E | FY 2016-17 | 19.04 | Table 116 of TO 28.3.18 | | | 19.04 |
| F | Net Cost Disallowed | 147.60 | Sum (A-E) | 14.73 | | 132.87 |

PREVIOUS CLAIMS WHICH MERIT RECONSIDERATION BY THE COMMISSION

- 3.198 The Petitioner most respectfully submits that there are certain issues where either the approach of the Commission is not in line with the executed PPAs; previous

tariff orders; affidavits of the Commission filed before Hon'ble APTEL/ Supreme Court or where the Commission has partially implemented the Judgments of the Hon'ble APTEL. These issues are listed below for the convenience of the Commission:

- i. Normative rebate on Power Purchase Cost
- ii. Income from Street Light Maintenance Business to be considered as Other Business Income
- iii. Cost disallowed on account of Overlapping of banking transactions
- iv. Cost disallowed on account of excessive trading at UI above contingency limit
- v. Financing cost of LPSC from FY 2013-14 to FY 2016-17
- vi. Bank Charges/ Syndication fees
- vii. Loss due to retirement of assets for FY 2004-05 to FY 2016-17
- viii. Cost disallowed on account of Regulation of Power
- ix. Monthly Billing Rebate for FY 2014-15 and FY 2015-16
- x. Wrong computation of carrying cost on outstanding RA by adjusting 8% surcharge during FY 2012-13 and FY 2013-14 against revenue gap of FY 2012-13 and FY 2013-14
- xi. Wrong computation of carrying cost on outstanding RA by adjusting the Carrying Cost on RA allowed in ARR for FY 2014-15 to FY 2016-17 against revenue gap/surplus during the year
- xii. Advance against Depreciation upto FY 2016-17
- xiii. Erroneous net-worth computations

COMMISSION ANALYSIS

3.199 The Commission has been dealing the issues in respective Tariff Orders as per applicable Tariff Regulations issued from time to time. As the issues pleaded for merit reconsideration by the Petitioner are already under challenge in various Tariff Appeals filed by the Petitioner and which are presently pending adjudication before Hon'ble ATE, no further deliberation at this juncture is required.

TRUE UP FOR FY 2017-18
ENERGY SALES
PETITIONER'S SUBMISSION

3.200 The Petitioner has submitted that the actual energy sales during FY 2017-18 was 6504 MU (including sales on account of Enforcement) as follows:

Table 3. 31: Petitioner Submission: Category wise Sales for FY 2017-18 (MU)

| S.No | Category | Total |
|--------------|-------------------------------------|--------------|
| A | Domestic | 3,756 |
| A.1 | Domestic other than A2, A3 & A4 | 3,640 |
| A.2 | Single Delivery Point on 11 KV CGHS | 19 |
| A.3 | 11 KV Worship/Hospital | 77 |
| A.4 | DVB Staff | 20 |
| B | Non Domestic | 1,882 |
| B.1 | Non Domestic Low Tension (NDLT) | 1,501 |
| B.2 | Non Domestic High Tension (NDHT) | 381 |
| C | Industrial | 310 |
| C.1 | Small Industrial Power (SIP) | 267 |
| C.2 | Large Industrial Power (LIP) | 44 |
| D | Agriculture | 0 |
| E | Mushroom Cultivation | 0 |
| F | Public Lighting | 119 |
| F.1 | Public Lighting (Metered) | 88 |
| F.2 | Public Lighting (Un-Metered) | 31 |
| G | Delhi Jal Board (DJB) | 147 |
| G.1 | DJB Supply at LT | 12 |
| G.2 | DJB Supply at 11 Kv& above | 135 |
| H | DIAL | - |
| I | Railway Traction | - |
| J | DMRC | 207 |
| K | Temporary Supply | 45 |
| L | Advertisement & Hoardings | 1 |
| M | Self consumption | 16 |
| N | Enforcement | 20 |
| O | E Vehicle at LT | 0 |
| P | Net Metering Connection | 1 |
| Total | | 6,504 |

3.201 **Enforcement Sale:** The Petitioner submits that in its order dated August 26, 2011 in the true-up for FY 2008-09, FY 2009-10 and ARR for FY 2011-12 the Commission had reduced the MU in relation to enforcement sale by dividing the enforcement collection by twice the average billing rate instead of single ABR. The approach adopted by the Commission in its said order dated 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 MU on account of enforcement

..."

- 3.202 The Petitioner has preferred a Civil Appeal Nos. 4323 & 4324 of 2015 before the Hon'ble Supreme Court from the aforesaid Judgment of the Hon'ble ATE dated November 28, 2014 (Appeal 61 & 62 of 2012). Without pre-judice to its afore stated Appeal, and without admitting or waiving any of its contentions against the said Judgment dated November 28, 2014 or the 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 Commission and is shown in the table below:

Table 3. 32: Petitioner Submission: Enforcement Units during FY 2017-18

| S.No | Particulars | UoM | Amount |
|------|--|---------|--------|
| A | Total Units Billed excl. enforcement | MU | 6,484 |
| B | Total Amount Billed excl. Enforcement* | Rs. Cr. | 4,677 |
| C | ABR* | Rs./kWh | |
| D | Twice of average billing rate | Rs./kWh | |
| E | Enforcement Collected* | Rs. Cr. | 29 |
| F | Units Billed on account of enforcement | MU | 20 |

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

- 3.203 **Own Consumption:** The Petitioner submits that this includes energy sales towards self-consumption in its establishment i.e. its offices, call centres, sub-stations, etc. There is a mandatory direction by the Hon'ble APTEL in its judgment dated March 2, 2015 to inter alia arrive at the quantum of self-consumption based on the actual figure. The Hon'ble ATE 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 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.”

3.204 Regulation 23 (2) of DERC (Business Plan) regulations, 2017:

“The Distribution Licensees shall be allowed own (Auxiliary) consumption, at Zero Tariff for actual recorded consumption subject to a maximum of 0.25% of total sales to its retail consumers for the relevant financial year as part of O&M expenses for the relevant year.”

3.205 The Petitioner has submitted that as per Regulation 23(2) of DERC (Business Plan) Regulations 2017, the Own consumption of BYPL for FY 2017-18 is within the specified normative limit. The same is shown in table below, further, the Hon’ble ATE has directed the Commission to allow the actual self-consumption. Accordingly, the units billed in the Petitioner’s own office buildings during FY 2017-18 is 15.90 MU.

Table 3. 33: Petitioner Submission: Self consumption Normative v/s actual for FY 2017-18

| S.No. | Particulars | Units (MU) |
|-------|--|------------|
| A | Units Billed Excluding Self consumption | 6,487.97 |
| B | Self consumption on Normative basis 0.25% of A | 16.22 |
| C | Actual Self consumption claimed by Petitioner | 15.90 |

COMMISSION ANALYSIS

- 3.206 The Commission during the prudence check and based on the verification of the category-wise sales data from the Petitioner's SAP system with the books of accounts for FY 2017-18 by the Consultant, validated the billing database. The Commission observed as follows:

OWN CONSUMPTION

- 3.207 Regulations 23(2) and 23(3) of (Business Plan) Regulation, 2017 state as under;

"23(2) The Distribution Licensees shall be allowed own (Auxiliary) consumption, at Zero Tariff for actual recorded consumption subject to a maximum of 0.25% of total sales to its retail consumers for the relevant financial year as part of O&M expenses for the relevant year."

"23(3) Actual recorded own (Auxiliary) consumption in excess of 0.25% of total sales to its retail consumers for the relevant financial year, shall be billed at Non Domestic Tariff of respective year's Tariff Schedule and shall form part of revenue billed and revenue collected for the same year."

- 3.208 The Commission observed that the Petitioner has reported self consumption of energy at 15.90 MU. While reviewing the form 2.1(a), it was observed that the Petitioner had carried out adjustments to the tune of 3.67 MU to arrive at the self consumption at 15.90 MU. The Commission at directive 6.8 in its Tariff Order dated August 2017, directed the Petitioner to restrict the adjustment in units billed on account of delay in meter reading, raising of long duration provisional bills etc. to a maximum of 1% of total units billed.
- 3.209 Further, such events may not arise in case of self consumption as the premises belong to the Petitioner and that there may not be any delay in meter reading or raising of long duration provisional bills.
- 3.210 The issue was discussed during the Prudence check and the Petitioner submitted that the adjustment was due to delay in meter reading owing to burnt meter, faulty meter, provisional Bill in case the device is not able to download the reading from meter etc.

- 3.211 In case of own premises, such eventuality is not expected to occur and thus the Commission has considered own consumption at 19.57 MU (15.90 MU + 3.67 MU) for FY 2017-18.

Table 3. 34: Commission Approved: Self Consumption for FY 2017-18

| S. No | Particulars | Petitioner submission | As approved | Ref. |
|-------|---|-----------------------|-------------|--------------|
| A | Actual Consumption (MU) | 15.90 | 19.57 | |
| B | Total Sales excl Self Consumption (MU) | 6,487.97 | 6,487.97 | |
| C | Normative Limit (0.25% of Total Sales Excl Self Consumption) (MU) | | 16.22 | (1-B/A) |
| D | Additional MU to be considered for Non Domestic Billing | | 3.35 | A-C |
| E | Average ABR Non Domestic As per 2.1(a) (Rs/Unit) | | 10.28 | |
| F | Additional Revenue (Deemed collected) (Rs. Cr.) | | 3.45 | A*(D-C)*E/10 |

ENFORCEMENT SALES

- 3.212 Regulation 5(10) of DERC (Terms and Conditions for Determination of Tariff Regulations) 2017 states that *"any units assessed and billed on account of theft shall only be considered in the year of its realization as specified in Section 126(6) of the Act."*
- 3.213 Section 126(6) of Electricity Act 2003 states that *"the assessment shall be made at a rate equal to twice the tariff rates applicable for relevant category of services"*.
- 3.214 The Petitioner divided the total payment received against enforcement cases by the twice the average billing rate for the year to arrive at the estimate of sales due to enforcement. The Commission, during the prudence check sought the details from the Petitioner regarding category-wise enforcement sales.
- 3.215 The Petitioner submitted the revised enforcement sales unit at 20.14 MU instead of 20.23 MU as submitted in its Petition. The Petitioner submitted the above figures based on monthly computation of enforcement units. The Commission considered the Annual revenue realised category-wise to arrive at the enforcement units. Accordingly, the Enforcement units are computed as follows:

Table 3. 35: Commission Approved: Enforcement Sales for FY 2017-18

| S. No | Particulars | Domestic | Industrial | Non Domestic | Total |
|-------|--|----------|------------|--------------|-------|
| A | Total Revenue Collected on account of Enforcement as per 2.1(a) incl E.tax and Surcharge (Rs. Cr.) | 13.42 | 1.42 | 14.32 | 29.16 |
| B | Annual ABR As per 2.1(a) (Rs/Unit) | 5.50 | 9.14 | 10.28 | 7.31 |
| C | Enforcement Units (MU) | 12.21 | 0.78 | 6.96 | 19.94 |

3.216 Accordingly, the Units billed is reduced by 0.29 MU (20.23 MU – 19.94 MU) on account of enforcement sales.

NET METERING

3.217 During the prudence check, the Petitioner submitted that they have taken the net metering units in sales inadvertently as the same has been considered in power purchase cost. Accordingly, the Commission has not considered it as part of sales of the Petitioner.

ADJUSTMENT IN BILLING BY MORE THAN 1%

3.218 The Commission issued a directive 6.8 in Tariff Order dated 31.08.2017 which states:

“6.8. The Commission directs the Petitioner to restrict the adjustment in units billed on account of delay in meter reading, raising of long duration provisional bills etc. to a maximum of 1% of total units billed.”

3.219 It is observed that the total adjustments done by the Petitioner in the billing during FY 2017-18 is around 1.60% of the units billed.

3.220 The Commission in its earlier tariff order dated 30.08.2017 had observed that the adjustments made by the DISCOMs involve manual interference and there is possibility of error and suppression of billed units, thereby decreasing the Sales and Revenue Billed and burdening the consumers. The relevant extract from the Tariff Order is as follows:

“3.343 The Petitioner has submitted in its Petition that there were 136.61 MU & Rs. 128.26 Crore adjusted during FY 2014-15 and 250.77 MU & Rs. 246.14 Crore adjusted during FY 2015-16. The Commission observed that units adjusted are 2.47% and 4.28% for FY 2015-16 and FY 2014-15 respectively of the total sales of the Petitioner, which is on the higher side on account of

delay in meter reading, raising of long duration provisional bills etc.. Therefore, the Commission directs the Petitioner to restrict to a maximum adjustment of 1% in total Units billed from FY 2017-18 onwards. The Petitioner shall be liable for penalty due to non-adherence of this directive as indicated in Chapter 6 of this Tariff Order.”

- 3.221 The Commission observed that the Petitioner had continued to carry out such manual adjustments in the billing beyond 1% of the units billed even after the direction of the Commission. The total adjustments done in units billed from 01.09.2017 is 42.51 MU which is 1.26% of the units billed and also includes adjustment on account of self consumption of 3.67 MU, as follows:

Table 3. 36: Adjustment beyond 1% in Billing (MU)

| Month | Gross Units Billed | Adjustment in units Billed |
|--------------|--------------------|----------------------------|
| Sep-17 | 691.85 | -13.49 |
| Oct-17 | 631.75 | -5.38 |
| Nov-17 | 475.75 | -13.97 |
| Dec-17 | 378.87 | -12.32 |
| Jan-18 | 391.33 | -1.87 |
| Feb-18 | 379.85 | -1.84 |
| Mar-18 | 429.05 | 6.35 |
| Total | 3,378.44 | -42.51 |

- 3.222 The Commission has considered the adjustment beyond 1% from 01.09.2017 of the units billed as billed to the consumers based on the Petitioner's Average Billing Rate as per audited form 2.1(a) after the issuance of directive in the Tariff Order dated 31.08.2017.
- 3.223 Accordingly, the excess units beyond 1% of the units billed have been computed as follows:

Table 3. 37: Units billed & deemed revenue billed for Adjustment Beyond 1%

| S.No. | Particulars | UoM | Units | Ref. |
|-------|---|----------|----------|-------------|
| A | Units Billed to Consumers | MU | 3,335.93 | |
| B | Total Adjustment (after Aug 2017) | MU | 42.51 | Table 3.36 |
| C | Allowable Limit @1% | MU | 33.36 | 1% of A |
| D | Impact of Self Consumption (Adj. during the period) | MU | 3.67 | |
| E | Units for Adjustment Beyond 1% | MU | 5.48 | B-C-D |
| F | ABR of the Petitioner | Rs./Unit | 7.24 | Form 2.1(a) |
| G | Deemed Revenue Billed | Rs. Cr. | 3.96 | E*F/10 |

3.224 Accordingly, the Commission approves the trued up sales for FY 2017-18 as follows:

Table 3. 38: Commission Approved: Trued Up Sales FY 2017-18 (MU)

| S. No. | Consumer Category | Petitioner Submission | As approved |
|--------|--|-----------------------|-----------------|
| A | Domestic | 3,756.37 | 3,756.37 |
| B | Non Domestic | 1,881.57 | 1,881.57 |
| C | Industrial | 310.26 | 310.26 |
| D | Agriculture | 0.25 | 0.25 |
| E | Mushroom Cultivation | 0.01 | 0.01 |
| F | Public Lighting | 118.72 | 118.72 |
| G | Delhi Jal Board (DJB) | 147.04 | 147.04 |
| H | Delhi International Airport Limited (DIAL) | 0.00 | 0.00 |
| I | Railway Traction | 0.00 | 0.00 |
| J | Delhi Metro Rail Corporation (DMRC) | 206.51 | 206.51 |
| K | Temporary Supply | 45.22 | 45.22 |
| L | Advertisement and Hoardings | 0.58 | 0.58 |
| M | Charging Stations for E-Vehicle | 0.36 | 0.36 |
| N | Self-Consumption | 15.90 | 19.57 |
| O | Net Metering | 0.85 | - |
| P | Enforcement | 20.23 | 19.94 |
| Q | Deemed Units for Adjustment Beyond 1% | | 5.48 |
| R | Total | 6,503.87 | 6,511.89 |

DISTRIBUTION LOSS AND COLLECTION EFFICIENCY FOR FY 2017-18

PETITIONER'S SUBMISSION

3.225 The Petitioner has submitted to achieve the actual T&D Loss and Collection efficiency level of 10.77% and 100.40% respectively during FY 2017-18. A comparison of Target and actual performance of the Petitioner during FY 2017-18 as submitted is tabulated as follows:

Table 3. 39: Petitioner Submission: Distribution Loss & Collection Efficiency for FY 2017-18

| S.No | Particulars | Target approved | Actual performance |
|------|-------------------------|-----------------|--------------------|
| A. | T&D Loss % | 13.00% | 10.77% |
| B. | Collection Efficiency % | 99.50% | 100.40% |
| C. | AT&C Loss %* | - | 10.41% |

* Derived from T&D Loss and CE

3.226 The revenue billed for the purpose of computation of AT&C losses during FY 2017-18 is tabulated below:

Table 3. 40: Petitioner Submission: Revenue Billed for FY 2017-18 (Rs. Cr.)

| S.No | Particulars | Amount |
|------|---------------------------------|----------|
| A | Total Revenue Billed | 5,378.52 |
| B | Less: Electricity Tax Billed | 217.69 |
| C | Less: 8% RA surcharge Billed | 376.40 |
| D | Less: 3.70% Pension Surcharge | 77.91 |
| E | Revenue Billed for AT&C True up | 4,706.53 |

- 3.227 The revenue collected for the purpose of computation of AT&C losses during 2017-18 is tabulated below:

Table 3. 41: Petitioner Submission: Revenue Collected for FY 2017-18 (Rs. Cr.)

| S.No | Particulars | Amount |
|------|------------------------------------|----------|
| A | Total Revenue Collected | 5,410.05 |
| B | Less: LPSC | 16.79 |
| C | Less: Electricity Duty | 218.66 |
| D | Less: 8% RA Surcharge | 377.13 |
| E | Less: 3.70% Pension Surcharge | 72.03 |
| F | Revenue Collected for AT&C True up | 4,728.89 |

- 3.228 Accordingly, the Petitioner has computed Distribution Loss, Collection Efficiency for FY 2017-18 which is tabulated below:

Table 3. 42: Petitioner Submission: Distribution Loss, Collection Efficiency for FY 2017-18

| S.No | Particulars | UoM | Figure |
|------|-----------------------|---------|----------|
| A | Energy Input | MU | 7,289.05 |
| B | Energy Billed | MU | 6,503.87 |
| C | Amount Billed | Rs. Cr | 4,706.53 |
| D | Average Billing Rate | Rs. Kwh | 7.24 |
| E | Distribution Loss | % | 10.77% |
| F | Amount Collected | Rs. Cr | 4,725.44 |
| G | Collection efficiency | % | 100.40% |
| H | Units Realized | MU | 6,530 |
| I | AT&C Loss Level | % | 10.41% |

- 3.229 In terms of Regulation 159 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and Regulation 25(4) of DERC (Business Plan) Regulations 2017, the impact of overachievement of T&D Loss target is tabulated below:-

Table 3. 43: Petitioner Submission: Overachievement of Distribution Loss target for FY 2017-18

| S.No | Particulars | UoM | Value |
|------|--|--------|----------|
| A | Energy Purchased at distribution periphery | MU | 7,289.05 |
| B | T&D Loss target for FY 2017-18 | % | 13.00 |
| C | Actual T&D Loss for FY 2017-18 | % | 10.77 |
| D | Average Power Purchase cost for FY 2017-18 | Rs/KWh | 4.63 |
| E | Financial Impact of overachievement of T&D Loss Target | Rs Cr | 75.19 |
| F | Impact of Financial benefit to be retained by Petitioner (2/3) | Rs Cr | 50.13 |

3.230 Further, the Petitioner in line with the Regulation 163 of DERC (Terms and Conditions of Determination of Tariff) Regulations 2017 and Regulation 26(3) of DERC (Business Plan) Regulations, 2017 the impact on account of overachievement of collection efficiency targets is tabulated below:

Table 3. 44: Petitioner Submission: Overachievement of Collection efficiency for FY 2017-18

| S.No. | Particulars | UoM | Target | Actual |
|-------|---|---------|----------|----------|
| A. | Amount billed | Rs. Cr. | 4,706.53 | 4,706.53 |
| B. | Collection Efficiency | % | 99.50 | 100.40 |
| C. | Amount collected | Rs. Cr. | 4,682.99 | 4,725.44 |
| D. | Over-achievement | Rs. Cr. | | 42.45 |
| E. | Amount to be retained by Petitioner and consumer shared 50:50 for achievement of collection efficiency Target from 99.50% to 100% | Rs. Cr. | | 11.77 |
| F. | Entire 100% to be retained for achievement over 100% | Rs. Cr. | | 18.92 |
| G. | Total Incentive to be retained by DISCOM | Rs. Cr. | | 30.68 |

3.231 The Petitioner vide its letter no. RA/BYPL/2019-20/29 dated 15.05.2019 has submitted additional information with respect to Regulation 25(4)(ii) of DERC (Business Plan) Regulations, 2017 and thereby revised its incentive for over achievement of Distribution Loss to Rs. 86.43 Cr. with its share at Rs.57.62 Cr.

COMMISSION ANALYSIS

ENERGY INPUT

3.1 The Petitioner submitted its Energy Input at DISCOMs periphery at 7,289.05 MU. During prudence check the Commission verified the details with Delhi SLDC who vide its email dated 10.06.2019 submitted that the Energy Input to the Petitioner was 7,296.49 MU. Out of this 7,296.49 MUs, 7.89 MU were on account of Open

Access Consumers. The statement of energy input to the Petitioner periphery was jointly signed by the petitioner and SLDC Delhi.

3.232 In case of self generation from solar plant, the Petitioner reported 0.28 MU generated which has been considered in Energy Input submitted by SLDC vide email dated 10.06.2019. Therefore, no additional units on account of self generation need to be adjusted from the Energy input.

3.233 In case of net metering, the Petitioner revised its submission to 0.87 MU from 0.85 MU during prudence check. The same is being added to the Energy Input as it is not reported by SLDC in its report. Accordingly, the Energy Input of the Petitioner is as follows:

Table 3. 45: Commission Approved: Energy Input approved for FY 2017-18 (MU)

| S. No | Particulars | Petitioner submission | As approved |
|-------|----------------------------|-----------------------|-------------|
| A | Total Energy input | 7,289.05 | 7,296.49 |
| B | Less: Open Access consumer | 0 | 7.89 |
| C | Add: Net metering | 0 | 0.87 |
| D | Net Energy Input | 7,289.05 | 7,289.47 |

DISTRIBUTION LOSS

3.234 Regulation 25(1) of DERC (Business Plan) Regulations 2017 specifies the Distribution Loss Targets for FY 2017-18 as follows:

Table 3. 46: Commission Approved: Distribution Loss targets for FY 2017-18

| DISTRIBUTION LICENSEE | FY 2017-18 |
|-----------------------|------------|
| BYPL | 13.00% |

3.235 Regulation 159 of DERC (Terms and Conditions for Determination of Tariff) Regulations 2017 states,

“159. The Financial impact on account of over achievement or under achievement of distribution loss target shall be computed as under:

$$\text{Incentive or penalty} = Q1 * (L1 - L2) * P * 10^6$$

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).”

- 3.236 Regulation 25(2) of DERC (Business Plan) Regulations 2017, states *“The amount for Overachievement/Underachievement on account of Distribution Loss target shall be computed as per the formula specified in the Regulation 159 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee.”*
- 3.237 Accordingly, the financial impact of over achievement or under achievement on account of Distribution Loss target has been determined in accordance with the Regulation 159 of DERC (Terms and Condition for Determination of Tariff) Regulations, 2017 as follows:

Table 3. 47: Commission Approved: Actual Distribution Loss for FY 2017-18

| S. No | Particulars | UoM | Petitioner submission | As approved | Ref. |
|-------|---|-----------|-----------------------|-------------|----------------|
| A | Energy Input | MU | 7,289.05 | 7,289.47 | Table 3.45 |
| B | Billed Units | MU | 6,503.87 | 6,511.89 | Table 3.38 |
| C | Actual Distribution Loss Level | % | 10.77 | 10.67 | (1-B/A) |
| D | Target Distribution Loss Level | % | 13.00 | 13.00 | |
| E | Average Power Purchase Cost | Rs./ Unit | 4.63 | 4.52 | Table 3.81 |
| F | Financial Impact of Overachievement or Underachievement | Rs. Cr. | 75.19 | 76.94 | $A*(D-C)*E/10$ |

- 3.238 Regulation 25(4) of DERC (Business Plan) Regulations 2017 states,
- “Any financial impact due to Overachievement on account of Distribution Loss target by the distribution licensee for the relevant year shall be shared between the Distribution Licensee and Consumers as follows:*
- i. in case actual Distribution Loss is between the loss target and loss target minus $[50%*(Previous Year Target-Current Year Target)]$ for the relevant year shall be shared in the ratio of 2/3rd to Consumers and 1/3rd to the Distribution Licensee;*
- ii. in case actual Distribution Loss is less than loss target minus $[50%*(Previous Year Target-Current Year Target)]$ for the relevant year shall*

be shared in the ratio of 1/3rd to Consumers and 2/3rd to the Distribution Licensee."

- 3.239 For the computation of incentive sharing in true spirit under Regulation 25(4)(i) of DERC (Business Plan) Regulations, 2017, the Commission has considered the absolute value of difference of previous year target and current year target. Accordingly, as per the Regulation 25(4) of DERC (Business Plan) Regulations 2017, the sharing of the financial impact of over achievement on account of distribution loss target has been computed as follows:

Table 3. 48: Commission Approved: Incentive/Dis-incentive for Distribution Loss

| S. No | Particulars | UoM | Petitioner submission | As approved | Ref. |
|-------|---|----------|-----------------------|-------------|---------------------|
| A | Distribution Loss Target in Previous Year | % | | 12.90 | |
| B | Distribution Loss Target in current Year | % | 13.00 | 13.00 | |
| C | Actual Distribution Loss | % | 10.77 | 10.67 | |
| D | 50% of (previous year target- Current Year target) | % | 0.05 | 0.05 | IA-BI*50% |
| E | Distribution Loss target-50% of (previous year target- Current Year target) | % | 13.05 | 12.95 | B-D |
| F | Energy Input Requirement as per Distribution Loss Target | MU | 7,475.71 | | |
| G | Actual Energy Input | MU | 7,289.05 | 7,289.47 | Table 3.45 |
| H | Saving in Energy Required | MU | 186.66 | | |
| I | Average Power Purchase Cost | Rs./Unit | 4.63 | 4.52 | Table 3.81 |
| J | Total Incentive | Rs. Cr. | 86.42 | 76.94 | Table 3.47 |
| K | Petitioner's Share | Rs. Cr. | 57.62 | | |
| L | Petitioner Share 1 of incentive (less than Loss Target-50%*(PYT-CYT) | Rs. Cr. | | 0.55 | (J/(B-C)*(B-E))*1/3 |
| M | Petitioner Share 2 of incentive (up to Loss Target-50%*(PYT-CYT) | Rs. Cr. | | 50.19 | (J/(B-C)*(E-C))*2/3 |
| N | Total Incentive to Petitioner | Rs. Cr. | | 50.74 | L+M |
| O | Incentive to Consumer | Rs. Cr. | | 26.19 | J-N |

REVENUE BILLED

3.240 The Consultant verified the Revenue billed by the Petitioner. The Commission during the prudence check enquired about the adjustment in units billed and considered the normative revenue that should have been billed on account of excess self consumption and adjustment beyond 1% as discussed in relevant section above. Accordingly, the Revenue Billed as approved by the Commission is as follows:

Table 3. 49: Commission Approved: Revenue Billed trued up for FY 2017-18 (Rs. Cr.)

| S. No. | Consumer Category | Petitioner submission | As approved |
|--------|---|-----------------------|-----------------|
| A | Domestic | 2,366.42 | 2,366.42 |
| B | Non Domestic | 2,212.68 | 2,212.68 |
| C | Industrial | 325.04 | 325.04 |
| D | Agriculture | 0.09 | 0.09 |
| E | Mushroom Cultivation | 0.01 | 0.01 |
| F | Public Lighting | 98.12 | 98.12 |
| G | Delhi Jal Board (DJB) | 142.08 | 142.08 |
| H | Delhi International Airport Limited (DIAL) | 0.00 | - |
| I | Railway Traction | 0.00 | - |
| J | Delhi Metro Rail Corporation (DMRC) | 142.46 | 142.46 |
| K | Temporary Supply | 57.65 | 57.65 |
| L | Advertisement and Hoardings | 1.02 | 1.02 |
| M | Charging Stations for E-Vehicle | 0.23 | 0.23 |
| N | Self Consumption (Reference Table 4) | 0.00 | 3.45 |
| O | Net Metering | 0.39 | - |
| P | Enforcement | 32.33 | 32.33 |
| Q | Deemed billing for Adjustment Beyond 1% (Reference Table 7) | | 3.96 |
| R | Total | 5,378.52 | 5,385.55 |
| S | Less: Electricity Duty | 217.69 | 217.69 |
| T | Less: RA Surcharge | 376.40 | 376.40 |
| U | Less: PT Surcharge | 77.91 | 77.90 |
| V | Net Amount Billed | 4,706.53 | 4,713.56 |

REVENUE COLLECTED

3.241 During the prudence check and based on the report submitted by the Consultant, the Commission has verified the revenue collected from the audited financial statements of the Petitioner. Accordingly, the revenue collected as approved by the Commission is as follows:

Table 3. 50: Commission Approved: Revenue Collected for FY 2017-18 (Rs. Cr.)

| S. No | Particulars | Petitioner submission | As approved | Ref. |
|-------|--|-----------------------|-------------|------------|
| A | Actual Revenue Collected including Electricity duty, LPSC, Regulatory Surcharge, Pension trust surcharge | 5,410.05 | 5,410.05 | |
| B | Addition on account of self consumption (deemed collection) | | 3.45 | Table 3.34 |
| C | Less: | | | |
| a | Electricity Duty | 218.66 | 218.66 | |
| b | Late Payment Surcharge | 16.79 | 16.79 | |
| c | Regulatory Surcharge | 377.13 | 377.13 | |
| d | Pension Trust Surcharge | 72.03 | 72.03 | |
| D | Net revenue realized | 4,725.44 | 4,728.89 | A+B-Sum(C) |

COLLECTION EFFICIENCY

3.242 Regulation 163 of DERC (Terms and Conditions for Determination of Tariff) Regulations 2017 states:

“163. The financial impact on account of over or under achievement of collection efficiency targets shall be computed as under:-

$$\text{Incentive or penalty} = (C1 - C2) * Ab$$

Where,

$$C1 = \text{Actual Collection Efficiency in \%} = [Ar/Ab] * 100$$

Ar = Actual amount collected excluding electricity duty, late payment surcharge, any other surcharge in Rs. Cr.;

Ab = Actual Amount Billed excluding Electricity Duty, LPSC and any other surcharges in Rs Cr.

$$C2 = \text{Target Collection Efficiency in \%}$$

3.243 Regulation 164 of DERC (Terms and Conditions for Determination of Tariff) Regulations 2017 states:

“Any financial impact on account of underachievement less than the target and overachievement above 100% with respect to Collection Efficiency targets shall be to the Licensee’s account:

Provided that any financial impact on account of over achievement over and above the target and limited to 100% with respect to Collection

Efficiency targets shall be shared as per the mechanism indicated in the Business Plan Regulations of the Control Period.”

3.244 Regulation 26 of DERC (Business Plan) Regulations 2017 states:

“26. TARGET FOR COLLECTION EFFICIENCY

(1) The targets for Collection Efficiency for FY2017-18 to FY2019-20 of the Distribution Licensees shall be 99.50%.

(2) The financial impact on account of Collection Efficiency target shall be computed as per the formula specified in Regulation 163 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee.

(3) The financial impact on account of over-achievement in terms of Regulation 164 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee, from 99.50% to 100% shall be shared equally between Consumers and the Distribution Licensees.”

3.245 Based on the above Regulations, the financial impact on account of over achievement or under achievement of collection efficiency target is as follows:

Table 3. 51: Commission Approved: Collection Efficiency for FY 2017-18 (Rs. Cr.)

| S. No | Particulars | UoM | Petitioner submission | As approved | Ref. |
|-------|--|---------|-----------------------|-------------|-----------------------|
| A | Revenue Billed | Rs. Cr. | 4,706.53 | 4,713.56 | Table 3.49 |
| B | Revenue Collected | Rs. Cr. | 4,725.44 | 4,728.89 | Table 3.50 |
| C | Collection Efficiency | % | 100.40 | 100.33 | B/A |
| D | Target Collection Efficiency | % | 99.50 | 99.50 | |
| E | Collection over and above the target | Rs. Cr. | 42.45 | 38.91 | B-(A*D) |
| F | Petitioner's share 1 (over 100% Collection Efficiency Target achieved) | Rs. Cr. | 18.92 | 15.34 | $(E/(C-D)*(C-100\%))$ |
| G | Petitioner's share 2 in the ratio 50:50 (between 99.5% - 100% Collection Efficiency Target achieved) | Rs. Cr. | 11.77 | 11.78 | $(C-D)/2$ |
| H | Total Petitioner share | | 30.69 | 27.13 | F+G |
| I | Consumer share | | 11.77 | 11.78 | E-H |

PENSION TRUST SURCHARGE**PETITIONER'S SUBMISSION**

- 3.246 The Petitioner has submitted that the Commission introduced a separate surcharge of 3.7% in its Tariff Order dated 31.08.2017 and recovered amount is payable to Pension Trust and directed the Petitioner as follows:

"6.2 A total amount of Rs. 160 Cr. has to be paid to the Pension Trust in FY 2017-18 by the Petitioner. The Petitioner shall submit reconciliation of payment which has already been made to Pension Trust during FY 2017-18 and the balance amount to be paid within one month of the issuance of this Tariff Order. Based on the reconciliation statement the Petitioner is directed to pay the balance amount out of (Rs. 160 Cr. – already paid during FY 2017-18) in 7 (seven) equal monthly instalments to pension trust. Any under / over recovery on account of payment to the Pension Trust shall be trued up by the Commission at the time of True Up of ARR of FY 2017-18."

- 3.247 As per the Tariff Order, a total amount of Rs.160 Cr. was payable to Pension Trust during FY 2017-18. Till the date of issue of the Tariff Order for FY 2017-18, i.e. 31.08.2017, the Petitioner had accounted for payment of Rs. 59.50 Cr. to Pension Trust as per the bill of DTL. Therefore, the balance amount of Rs. 100.50 Cr. was supposed to be collected against the Pension Trust Surcharge and subsequently transferred to Pension Trust. However, during FY 2017-18, the Petitioner could only bill the amount of Rs. 77.91 Cr. through the Pension Trust surcharge, and the said amount is collected and fully paid to the Pension Trust as collected in subsequent month. No additional payment is made by Petitioner over and above surcharge billed and collected by it and no claim is made in the true up except the bills raised by DTL for Rs.59.5 Cr and paid by the Petitioner. Also, a reconciliation letter dated 24.05.2018 and 22.11.2018 has been sent by the Petitioner to pension trust with a copy to the Commission. A reconciliation in this respect is tabulated hereunder:

Table 3. 52: Petitioner Submission: Shortfall in Pension Trust Surcharge FY 2017-18

| S.No. | Particulars | Amount (Rs. Cr.) |
|-------|---|------------------|
| A. | Collection of Pension Trust Surcharge (Sept-March'19) | 77.91 |
| B. | Amount allowed and bill raised by DTL upto Aug 17 | 59.50 |
| C. | Amount Paid (1+2) | 137.41 |
| D. | Amount required by Trust as per TO | 160.00 |
| E. | Shortfall (4-3) | 22.59 |
| F. | Recoverable from Future pension surcharge in FY 19-20 | 22.59 |

- 3.248 The Petitioner has submitted that the Commission had specified in the aforementioned Tariff Order that any shortfall with regards to the collection through the pension trust surcharge shall be allowed to be trued-up as no additional payment has been made by the Petitioner.

COMMISSION ANALYSIS

- 3.249 The Commission at Directive 6.2 in its Tariff Order dated 31.08.2017 stated,
- “6.2. A total amount of Rs. 160 Cr. has to be paid to the Pension Trust in FY 2017-18 by the Petitioner. The Petitioner shall submit reconciliation of payment which has already been made to Pension Trust during FY 2017-18 and the balance amount to be paid within one month of the issuance of this Tariff Order. Based on the reconciliation statement the Petitioner is directed to pay the balance amount out of (Rs. 160 Cr. – already paid during FY 2017-18) in 7 (seven) equal monthly instalments to pension trust. Any under / over recovery on account of payment to the Pension Trust shall be trued up by the Commission at the time of True Up of ARR of FY 2017-18.”*
- 3.250 As per the direction, the Petitioner was required to pay the balance amount in seven equal monthly instalments to the Pension Trust. The Commission sought the statement of actual payment to the pension trust by the petitioner. The petitioner vide its email dated 17.06.2019 submitted that details of payment as follows:

Table 3. 53: Payment details as submitted by Petitioner (Rs. Cr.)

| Payment of Pension Trust dues (as part of DTL billing) | Amount |
|---|---------------|
| Paid Upto 15.05.18 | 37.74 |
| Payable Upto July 18 | 21.76 |
| Sub Total (A) | 59.50 |
| Payment Schedule (of Surcharge) | Amount |
| 11.10.17 | 0.94 |
| 12.03.18 | 3.00 |
| 12.12.17 | 2.20 |
| 13.03.18 | 3.00 |
| 14.11.17 | 1.93 |
| 15.01.18 | 11.21 |
| 15.02.18 | 6.00 |
| 15.05.18 | 5.88 |
| 15.08.18 | 4.06 |
| 16.02.18 | 4.58 |

| Payment of Pension Trust dues (as part of DTL billing) | Amount |
|--|---------------|
| 20.11.17 | 6.00 |
| 24.11.17 | 6.00 |
| 25.04.18 | 5.00 |
| 26.04.18 | 5.00 |
| 27.04.18 | 3.11 |
| 27.10.17 | 5.00 |
| 30.10.17 | 5.00 |
| Sub Total (B) | 77.91 |
| Grand Total | 137.41 |

3.251 It is observed that the Petitioner has not complied with the direction issued by the Commission and instead paid only the amount as collected.

3.252 The shortfall in the Pension Trust recovery through Tariff Order is recognised as follows:

Table 3. 54: Commission Approved: Deficit on account of Pension Trust (Rs. Cr.)

| S. No | Particulars | Petitioner submission | As approved |
|-------|--|-----------------------|-------------|
| A | Total amount payable to Pension Trust for the year | 160.00 | 160.00 |
| B | Less- Amount already paid to pension trust through DTL transmission tariff | 59.50 | 59.50 |
| C | Net amount paid directly to Pension Trust | 100.50 | 100.50 |
| D | Amount billed through 3.70% pension trust | 77.91 | 77.91 |
| E | Deficit to be allowed for the year 17-18 | 22.59 | 22.59 |

3.253 Accordingly, the Commission directs the Petitioner to pay the balance amount within 30 days of the issuance of this Tariff Order.

POWER PURCHASE QUANTUM

PETITIONER'S SUBMISSION

3.254 The Petitioner submitted that almost 77% of the power is purchased from generating companies owned and/ or fully controlled by the Central Government and State Government by virtue of long term power purchase agreements which have been inherited from DTL (initially signed by M/s DTL) and assigned by the Commission as per its orders dated 31-03-2007.

3.255 The summary of actual power purchase quantum procured by the Petitioner during FY 2017-18 is as follows:

Table 3. 55: Petitioner Submission: Power Purchase Quantum for FY 2017-18 (MU)

| S. No | Particulars | Submission |
|-------|---|--------------|
| A | Power Purchase | |
| i | Gross Power Purchase Quantum | 8,797 |
| ii | Power sold to other sources | 1,168 |
| iii | Net Power Purchase | 7,628 |
| B | Transmission Loss: | |
| i | Inter-State Transmission Loss | 339 |
| ii | Intra-State Transmission Loss | |
| iii | Total transmission loss | 339 |
| C | Net power available after Transmission Loss* | 7,289 |

*Excluding Open Access

LONG TERM POWER PURCHASE QUANTUM**PETITIONER'S SUBMISSION**

3.256 The Petitioner has submitted the plant-wise power purchase quantum as follows:

Table 3. 56: Petitioner Submission: Power Purchase Quantum Station wise-FY 2017-18 (MU)

| S. No | Stations | Quantum |
|-------|------------------|--------------|
| A | NTPC | |
| I | Anta Gas | 1 |
| li | Auraiya Gas | 2 |
| lii | Dadri Gas | 16 |
| lv | Dadri – I | 368 |
| v | Dadri – II | 1,065 |
| vi | Farakka | 27 |
| vii | Kahalgaon – I | 70 |
| viii | Kahalgaon – II | 250 |
| lx | Rihand – I | 178 |
| x | Rihand – II | 228 |
| xi | Rihand – III | 331 |
| xii | Singrauli | 463 |
| xiii | Unchahar – I | 34 |
| xiv | Unchahar – II | 74 |
| xv | Unchahar – III | 47 |
| xvi | AravaliJhajjar | 0 |
| | Sub Total | 3,155 |
| B | NHPC | |
| I | BAIRASIUL P S | 0 |
| li | SALAL P S | 0 |

| S. No | Stations | Quantum |
|----------|-----------------------------|--------------|
| lii | CHAMERA I P S | 0 |
| lv | TANAKPUR P S | 0 |
| v | URI P S | 0 |
| vi | DHAULIGANGA PS | 0 |
| vii | CHAMERA - II PS | 0 |
| viii | DULHASTI PS | 0 |
| lx | SEWA-II | 0 |
| x | CHAMERA - III PS | 0 |
| xi | URI II | 0 |
| xii | PARBATI-III | 0 |
| | NHPC Regulation credit | 0 |
| | Sub Total | 0 |
| C | THDC | |
| i | Tehri HEP | 0 |
| li | Koteswar | 0 |
| | Sub Total | 0 |
| D | DVC | |
| i | Mejia Units -6 (LT-4) | 179 |
| li | DVC Chandrapur 7 & 8 (LT-3) | 528 |
| lii | Mejia Units -7 | 754 |
| | Sub Total | 1,461 |
| E | NPCIL | |
| i | NAPS | 89 |
| li | RAPP | 101 |
| | Sub Total | 190 |
| F | SJVNL | |
| i | Naptha-Jhakri | 2 |
| | SJVNL-Credit | 0 |
| | Sub Total | 2 |
| G | Others | |
| i | Tala HEP | 22 |
| li | Sasan UMPP | 1,812 |
| | Sub Total | 1,833 |
| H | Total CSGS | 6,641 |
| i | BTPS | 277 |
| li | Rajghat | -8 |
| lii | Gas Turbine | 46 |
| lv | Pragati – I | 307 |
| v | Pragati -III, BAWANA | 492 |
| | Sub Total | 1,114 |
| i | SECI | 43 |

| S. No | Stations | Quantum |
|-------|-------------|---------|
| li | EDWPCL | 5 |
| lii | MSW | 23 |
| J | Grand Total | 7,827 |

SHORT TERM POWER PURCHASE QUANTUM PETITIONER'S SUBMISSION

3.257 The source-wise details of short term power purchase and sale during FY 2017-18 is tabulated below:

Table 3. 57: Petitioner Submission: Short Term Power Purchase Quantum

| S. No | Particulars | FY 2015-16 | | FY 2016-17 | | FY 2017-18 | |
|-------|-------------|------------|-----|------------|-----|------------|-----|
| | | Energy | (%) | Energy | (%) | Energy | (%) |
| | | (MU) | | (MU) | | (MU) | |
| A | Bilateral | 90 | 12% | 47 | 6% | 27 | 3% |
| B | Banking | 469 | 64% | 534 | 73% | 805 | 83% |
| C | Exchange | 33 | 4% | 51 | 7% | 69 | 7% |
| D | Intra-State | 12 | 2% | 38 | 5% | 10 | 0% |
| E | UI | 125 | 17% | 60 | 8% | 59 | 7% |
| F | Total | 729 | | 730 | | 970 | |

3.258 The Petitioner purchased about 90% of short term energy through Banking and Exchange in view of the Commission's direction in Tariff Order dated July 23, 2014 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."*. The banking transactions involve marginal cost and the prices at exchange are market discovered prices and are determined on a transparent mechanism.

SHORT TERM POWER SALES QUANTUM PETITIONER'S SUBMISSION

3.259 During FY 2017-18, the Petitioner has submitted to sell a total of 1168.3 MU under short term sale through Bilateral/Banking/Intra state/UI mode. The source-wise details of sale of surplus power are tabulated as below:

Table 3. 58: Petitioner Submission: Short Term Power Sales Quantum

| S. No | Particulars | FY 2015-16 | | FY 2016-17 | | FY 2017-18 | |
|-------|-------------|------------|-----|------------|-----|------------|-----|
| | | Energy | (%) | Energy | (%) | Energy | (%) |
| | | (MU) | | (MU) | | (MU) | |
| A | Bilateral | 201 | 18% | 224 | 29% | 18 | 2% |
| B | Banking | 559 | 51% | 188 | 24% | 867 | 74% |

| S. No | Particulars | FY 2015-16 | | FY 2016-17 | | FY 2017-18 | |
|-------|-------------|------------|-----|------------|-----|------------|-----|
| | | Energy | (%) | Energy | (%) | Energy | (%) |
| C | Exchange | 303 | 28% | 347 | 45% | 275 | 24% |
| D | Intra-State | 1 | 0% | 10 | 1% | 1 | 0% |
| E | UI | 28 | 3% | -2 | 0% | 6 | 1% |
| F | Total | 1092.8 | | 767.6 | | 1168.3 | |

COMMISSION ANALYSIS

- 3.260 The Commission in its Tariff Order dated 31/08/2017 has approved gross power purchase quantum of 7,706.54 MU from all sources including Central and State Sector Generating Stations for FY 2017-18.
- 3.261 The Commission directed DISCOMs and Delhi SLDC to verify the figures of Long Term Power Purchase and Short Term Power purchase/sale for Delhi DISCOMs and submit a joint report to the Commission. SLDC vide email dated 10/06/2019 submitted a jointly signed statement for source wise Long Term Power Purchase and Short Term Power purchase/sale for the Petitioner.
- 3.262 The Commission observed that there still exist deviation in the Power Purchase Quantum submitted by Delhi DISCOMs and that submitted by SLDC to the Commission due to peripheral mismatches i.e., for few plants. The Petitioner has considered the power at Northern periphery whereas SLDC has considered at DTL periphery. During Prudence check, the DISCOMs submitted that the Power Purchase quantum is considered based on the units actually billed to them by the Generators. Due to the differential reporting of the energy by SLDC and the DISCOMs, the Commission considered the units actually billed by the Generators to the DISCOMs for the purpose of arriving at Power Purchase quantum.
- 3.263 The Petitioner submitted during the Prudence check that the power generated through Self generation is already added in the power purchase quantum for FY 2017-18.
- 3.264 Accordingly, the Power Purchase Quantum of the Petitioner is trued up for FY 2017-18 as follows:

Table 3. 59: Commission Approved: Power Purchase Quantum (MU)

| S.No. | Particulars | Petitioner Submission | As Approved |
|-------|---|-----------------------|-------------|
| A | Long Term Sources (Other Than Renewables) | 7,755.34 | 7,755.34 |
| B | Renewables Sources (long Term) | 71.91 | 71.91 |

| S.No. | Particulars | Petitioner Submission | As Approved |
|-------|-----------------------------------|-----------------------|-----------------|
| C | Short Term Sources | 969.88 | 969.88 |
| D | Net Metering | | 0.87 |
| E | Gross Power Purchased | 8,797.13 | 8,798.00 |
| F | Less: Power sold to other sources | 1,168.00 | 1,168.03 |
| g | Net Power Purchased | 7,629.10 | 7,629.97 |

POWER PURCHASE COST**PETITIONER'S SUBMISSION**

3.265 The power purchase cost claimed by the Petitioner based on the auditor's certificate during FY 2017-18 is tabulated below:

Table 3. 60: Petitioner Submission: Power Purchase Cost for FY 2017-18 (Rs. Cr.)

| S. No. | Particulars | Submission |
|----------|--|-----------------|
| A | Power Purchase Cost | |
| i | Gross Power Purchase Cost | 3,132.40 |
| ii | Power sold to other sources | 402.70 |
| iii | Net Power Purchase Cost | 2,729.70 |
| B | Transmission Charges | |
| i | Inter-state transmission charges | 308.60 |
| ii | Intra-state transmission charges | 271.30 |
| iii | Other Transmission charges | 67.20 |
| iv | Total Transmission charges | 647.10 |
| C | Rebate | |
| i | Power Purchase Rebate | 2.00 |
| ii | Rebate on Transmission Charges | 0 |
| iii | Total rebate | 2.00 |
| D | Net Metering | 0.40 |
| E | Net Power Purchase Cost including Transmission charges net of rebate | 3,375.20 |
| G | Gain on Regulated Power | 76.50 |
| H | Incentive on short term Sale | 2.01 |
| I | Total Power purchase including incentive | 3,453.70 |

LONG TERM SOURCES**PETITIONER'S SUBMISSION**

3.266 The Petitioner has considered the total cost on account of long term sources during FY 2017-18 which includes the following:

- All Power Purchase cost including fixed cost, variable cost, arrears, other charges etc. as scheduling of power is controlled by SLDC.
- Fixed Cost paid to the Generator during FY 2017-18 on account of Regulated Power has been considered.

- Gain on Regulated Power is also claimed separately that needs to be passed to be utility.

3.267 The Petitioner has submitted the details of station-wise power purchase cost during FY 2017-18 is tabulated below:

Table 3. 61: Petitioner Submission: Power Purchase Cost Station wise for FY 2017-18

| S. No | Stations | Petitioner Share | Fixed Charge | Variable Charge | Other Charges | Arrears** | Total Charges | Average Rate |
|---|------------------|------------------|--------------|-----------------|---------------|-----------|---------------|--------------|
| | | MU | Rs. Cr. | Rs. Cr. | Rs. Cr. | Rs. Cr. | Rs. Cr. | Rs./ kWh |
| Central Sector Generating Stations (CSGS) | | | | | | | | |
| A | NTPC | | | | | | | |
| i | Anta Gas | 1 | 6 | 0 | 0 | 0 | 6 | 47.99 |
| ii | Auraiya Gas | 2 | 8 | 1 | 0 | 5 | 14 | 84.76 |
| iii | Dadri Gas | 16 | 9 | 5 | 1 | -7 | 9 | 5.47 |
| iv | Dadri – I | 368 | 45 | 117 | 1 | -32 | 132 | 3.58 |
| v | Dadri – II | 1065 | 191 | 315 | 5 | -10 | 501 | 4.71 |
| vi | Farakka | 27 | 3 | 7 | 1 | -1 | 10 | 3.82 |
| vii | Kahalgaoon – I | 70 | 9 | 17 | 1 | -1 | 25 | 3.55 |
| viii | Kahalgaoon – II | 250 | 31 | 58 | 0 | 0 | 88 | 3.54 |
| ix | Rihand – I | 178 | 14 | 23 | 0 | -8 | 30 | 1.66 |
| x | Rihand – II | 228 | 19 | 29 | 0 | 0 | 48 | 2.10 |
| xi | Rihand – III | 331 | 46 | 43 | 0 | 0 | 89 | 2.70 |
| xii | Singrauli | 463 | 32 | 63 | 0 | -4 | 91 | 1.97 |
| xiii | Unchahar – I | 34 | 4 | 9 | 0 | 0 | 14 | 4.16 |
| xiv | Unchahar – II | 74 | 8 | 20 | 0 | 2 | 30 | 4.03 |
| xv | Unchahar – III | 47 | 7 | 13 | 0 | 0 | 19 | 4.13 |
| xvi | AravaliJhajjar | 0 | 78 | 0 | 32 | -1 | 109 | |
| | Aravali-Credit | 0 | 0 | 0 | 0 | -1 | -1 | |
| | Sub Total | 3155 | 512 | 719 | 42 | -60 | 1214 | 3.85 |
| B | NHPC | | | | | | | |
| i | BAIRASIUL P S | 0 | 0 | 0 | 0 | 0 | 0 | |
| ii | SALAL P S | 0 | 0 | 0 | 0 | 0 | 0 | |
| iii | CHAMERA I P S | 0 | 0 | 0 | 0 | 0 | 0 | |
| iv | TANAKPUR P S | 0 | 0 | 0 | 0 | 0 | 0 | |
| v | URI P S | 0 | 0 | 0 | 0 | 0 | 0 | |
| vi | DHAULIGANG A PS | 0 | 0 | 0 | 0 | 1 | 1 | |
| vii | CHAMERA - II PS | 0 | 0 | 0 | 0 | 0 | 0 | |
| viii | DULHASTI PS | 0 | 0 | 0 | 0 | 1 | 1 | |
| ix | SEWA-II | 0 | 0 | 0 | 0 | 5 | 5 | |
| x | CHAMERA - III PS | 0 | 0 | 0 | 0 | -1 | -1 | |

| S. No | Stations | Petitioner Share | Fixed Charge | Variable Charge | Other Charges | Arrears** | Total Charges | Average Rate |
|-------------------------------------|---------------------------------|------------------|--------------|-----------------|---------------|------------|---------------|--------------|
| | | MU | Rs. Cr. | Rs. Cr. | Rs. Cr. | Rs. Cr. | Rs. Cr. | Rs./ kWh |
| xi | URI II | 0 | 0 | 0 | 0 | -1 | -1 | |
| xii | PARBATI-III | 0 | 0 | 0 | 0 | 0 | 0 | |
| | NHPC Regulation credit | 0 | 0 | 0 | 0 | -2 | -2 | |
| | Sub Total | 0 | 0 | 0 | 0 | 2 | 2 | |
| C | THDC | | | | | | | |
| i | Tehri HEP | 0 | 0 | 0 | 0 | -6 | -6 | |
| ii | Koteshwar | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Sub Total | 0 | 0 | 0 | 0 | -6 | -6 | |
| D | DVC | | | | | | | |
| i | Mejia Units -6 (LT-4) | 179 | 24 | 43 | 0 | 36 | 102 | 5.67 |
| ii | DVC Chandrapur 7 & 8 (LT-3) | 528 | 82 | 97 | 0 | 8 | 187 | 3.55 |
| iii | Mejia Units -7 | 754 | 116 | 169 | 0 | 0 | 284 | 3.77 |
| iv | DVC Credit from Regulated power | | | | | 0 | 0 | |
| | Sub Total | 1461 | 221 | 309 | 0 | 43 | 573 | 3.92 |
| E | NPCIL | | | | | | | |
| i | NAPS | 89 | 0 | 27 | 2 | 0 | 29 | 3.22 |
| ii | RAPP | 101 | 0 | 40 | 1 | 0 | 41 | 4.08 |
| | Sub Total | 190 | 0 | 66 | 3 | 0 | 70 | 3.68 |
| F | SJVNL | | | | | | | |
| i | Naptha-Jhakri | 2 | 21 | 0 | 0 | 0 | 21 | |
| ii | SJVNL Credit | 0 | 0 | 0 | -30 | -1 | -31 | |
| | Sub Total | 2 | 21 | 0 | -30 | -1 | -11 | |
| G | Others | | | | | | | |
| i | Tala HEP | 22 | 0 | 5 | 0 | 0 | 5 | 2.16 |
| ii | Sasan UMPP | 1812 | 27 | 208 | 34 | 1 | 269.6 | 1.49 |
| | Sub Total | 1833 | 27 | 213 | 34 | 1 | 274 | 1.50 |
| H | Total CSGS | 6641 | 781 | 1307 | 49 | -21 | 2117 | 3.19 |
| I. Delhi Generating Stations | | | | | | | | |
| i | BTPS | 277 | 31 | 101 | 0 | -17 | 115 | 4.16 |
| ii | Rajghat | -8 | 0 | -1 | 0 | -6 | -6 | |
| iii | Gas Turbine | 46 | 11 | 15 | 0 | -6 | 20 | 4.26 |

| S. No | Stations | Petitioner Share | Fixed Charge | Variable Charge | Other Charges | Arrears** | Total Charges | Average Rate |
|----------------------|----------------------|------------------|--------------|-----------------|---------------|------------|---------------|--------------|
| | | MU | Rs. Cr. | Rs. Cr. | Rs. Cr. | Rs. Cr. | Rs. Cr. | Rs./ kWh |
| iv | Pragati – I | 307 | 24 | 118 | 0 | -3 | 139 | 4.53 |
| v | Pragati -III, BAWANA | 492 | 170 | 148 | 0 | 0 | 317 | 6.45 |
| | Sub Total | 1114 | 236 | 382 | 0 | -33 | 585 | 5.25 |
| J. Renewables | | | | | | | | |
| i | SECI | 43 | 0 | 24 | 0 | 0 | 24 | 5.51 |
| ii | EDWPCL | 5 | 0 | 2 | 0 | 0 | 2 | 3.15 |
| iii | Delhi MSW | 23 | 0 | 14 | 0 | 2 | 16 | 7.03 |
| | Reactive Energy | | | | | | 0.3 | |
| K | Grand Total | 7827 | 1017 | 1729 | 49 | -52 | 2744 | 3.51 |

**includes PY - Rs. -52 Crores

COMMISSION ANALYSIS

- 3.268 The Commission, in its Tariff Order dated 31/08/2017 had projected the Power Purchase cost at Rs. 3,191.04 Cr.
- 3.269 The Consultant has verified the invoices raised by Generating Stations consisting of Capacity Charges (Fixed Charges), Energy Charges (Variable Charges) and other charges for FY 2017-18 as submitted in the Petition and audited power purchase certificate. The Consultant has observed that for few stations of NTPC the AFC billed by the Generating Stations are higher than that approved in CERC Order as follows:

Table 3. 62: Calculation of AFC Difference (Rs. Cr.)

| Name of the Station | AFC as per Invoice | AFC calculated as per CERC Rate | Difference |
|------------------------------|--------------------|---------------------------------|------------|
| Badarpur TPS 1D | 31.34 | 26.13 | 5.21 |
| Farakka STPS 1D | 3.29 | 3.27 | 0.02 |
| Feroze Gandhi TPS 1 | 4.38 | 3.94 | 0.44 |
| Feroze Gandhi TPS 2 | 7.96 | 7.07 | 0.89 |
| Feroze Gandhi Unchahar TPS-3 | 6.80 | 6.26 | 0.54 |
| Kahalgaoon STPS 1D | 9.03 | 8.99 | 0.04 |
| Kahalgaoon STPS 2D | 30.97 | 30.80 | 0.17 |
| National Capital TPS 1D | 45.05 | 39.21 | 5.84 |
| National Capital TPS 2D | 191.09 | 176.42 | 14.68 |
| Rihand Super TPS 1 | 14.47 | 14.40 | 0.07 |
| Rihand Super TPS 2 | 19.05 | 18.96 | 0.09 |

| Name of the Station | AFC as per Invoice | AFC calculated as per CERC Rate | Difference |
|------------------------|--------------------|---------------------------------|--------------|
| Rihand Super TPS 3 | 46.43 | 46.30 | 0.13 |
| Singrauli Super TPS 1D | 32.31 | 32.11 | 0.19 |
| Total | 442.17 | 413.86 | 28.31 |

- 3.270 The Commission in its Tariff Order dated 28.03.2018 had also dealt the matter and allowed annual fixed charges (AFC) as billed by NTPC on provisional basis subject to filing of Petition by the Petitioner within a month of the issuance of the Tariff Order and its outcome with CERC. The Petitioner had filed the Petition before CERC and therefore, the Commission continues to allow the average fixed cost on provisional basis.
- 3.271 The Commission during the Prudence Check verified the long term cost of power purchase. Accordingly, the long term power purchase cost as considered for true up is as follows:

Table 3. 63: Commission Approved: Long Term Power Purchase Cost for FY 2017-18

| Particulars | Quantum (MU) | Cost (Rs. Cr.) |
|-------------------------------|--------------|----------------|
| Long Term Renewable sources | 71.91 | 41.85 |
| Other Long Term Power sources | 7,755.34 | 2,702.26 |
| Total Long Term Power sources | 7,827.25 | 2,744.11 |

IMPACT DUE TO REGULATION OF POWER PETITIONER'S SUBMISSION

- 3.272 The Petitioner has submitted that the Generators selling power to the Petitioner have cut of power supply on account of non-payment of the power bills as per CERC (Regulation of Power Supply) Regulations, 2010. Such non-payment is exclusively on account of the insufficient tariff determination, non-implementation of Hon'ble Tribunal's judgments and creation of large Regulatory Assets by the Commission. As a contractual and statutory requirement, when such generators stop supplying power to the Petitioner, it is still obliged to pay the fixed / capacity charges to such generators. Further the fixed cost paid to the Generators is required to be considered due to the following reasons:
- The Petitioner is purchasing power from long term sources at RTC basis. The power available from long term sources is sold at lower rates than the

average power purchase cost during off-peak hours. The loss on account of sale of surplus power being uncontrollable in nature is passed on to the consumers. By regulation of power, however, such a loss is mitigated because on the other hand when certain generating stations discontinue supply of power under the scheme of 'Regulation of Power', the Petitioner is only required to pay the fixed charges and not the energy charges. Therefore the Petitioner is actually avoiding the loss on account of sale of surplus power during off-peak hours. The same is evident in the table below:

Table 3. 64: Petitioner Submission: Gain on Regulated Power during FY 2017-18

| Particulars | | FY 17-18 | | | Ref. |
|--|--------------|----------|---------|--------------|--|
| | | MU | Rs/Unit | Rs Cr. | |
| Cost of Regulated Quantum (SJVNL, APCPL) | A | 456 | 4.95 | 226 | (MU to be confirmed by SLDC) |
| Surplus Sale from Regulated Quantum | B | 388 | 3.08 | 120 | MU as per SLDC less Short term exchange purchase/ minor bilateral (456-69)MU Rate as per Audit Certificate |
| Avoided cost | C=A-B | | | 106 | |
| Cost of Short Term Power Purchased during Regulated period | D | 68 | 4.37 | 30 | Short term purchase excludes Banking, Intra State & UI, Rate as per Audit Certificate |
| Net Avoided cost by BYPL | E=C-D | | | 76.50 | |

b) The Petitioner has submitted to have done a gain on account of regulation of power and has been able to avoid cost of Rs.76.5 Cr. to consumers due to reduction in power purchase cost on account of regulation of power. While there is a gain to the consumers, the Petitioner ought not be penalised.

c) In terms of the Power Purchase Agreement executed by the Petitioner with various Generating Companies, the Petitioner is contractually mandated to pay fixed charges to the Generating Petitioner even though it is the Generating Petitioner which restricts the power supply under the mechanism of regulation

of supply owing to the non-payment of its outstanding dues. Hence, on this basis the Petitioner cannot be denied the fixed charges that it has to incur towards the Generating Companies. Under section 86(1)(b) while approving procurement of power through Power Purchase Agreements, the Commission allows fixed charges and variable charges to be paid by the Petitioner to the Generating Companies.

d) The precarious financial position of the Petitioner over the past 5 years was a result of a lack of cost reflective tariff and the various Orders passed and directions issued by the Hon'ble ATE have yet not been implemented by the Commission. As a result, the Petitioner has been facing severe hardship and impediments in the smooth functioning of its business.

e) Petitioner has further submitted that they had made sincere efforts to comply with and honour all its commitments to the Generating and Transmission utilities. In order to do so, it is imperative that adequate revenue is generated through a cost reflective tariff to enable the Petitioner to not only meet current expenses but also to liquidate the past dues.

f) It is a fact that the impact of past Tariff Orders has not, till date, resolved the cash flow constraints caused primarily due to build-up of large regulatory assets as created by the Commission.

g) The funding of these regulatory assets has been done by availing financial assistance from lenders through increased debt. Because of these reasons, payments of suppliers, generators and transmission companies had to be deferred. The reluctance of banks to increase exposure in absence of an adequate and time bound amortization schedule for liquidation of these regulatory assets has further reduced availability of cash, which fact has also been brought to the knowledge of the Commission time and again by the Petitioner in its correspondence.

COMMISSION ANALYSIS

3.273 During FY 2017-18, the Consultant observed that the Petitioner's power was regulated from APCPL and SJVNL due to non-payment of outstanding dues to the Generators. As a result, the Petitioner had to procure power on Short Term basis

from Bilateral Contracts, Power Exchanges and Inter DISCOM Transfer at higher rates compared to rate of regulated stations.

- 3.274 This Petitioner's submission that part of surplus power has been reduced due to regulation of power and the Petitioner could still meet the demand by procuring lower quantum of power through short term market on need basis is not justified. The Commission is of the view that if power would not have been regulated then the Petitioner would have the option for backing down costlier plants in-order to procure power at comparative economical rate in order to optimize their power purchase cost. Further, Regulation of Power cannot be treated as mechanism to optimise surplus power and meet demand by procuring power from short term market.
- 3.275 CERC vide its Regulations had introduced Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010 on 28/09/2010 which are applicable to the Generating Station and the Transmission System where there is a specific provision in the Agreement between the Beneficiaries and Generating Company or the Transmission Licensee as the case may be, for Regulation of Power supply in case of non-payment of outstanding dues or non-maintenance of Letter of Credit or any other agreed Payment Security Mechanism. In its Statement of Reasons (SOR), CERC has specifically indicated that responsibility of bearing the capacity charges has to remain with the Regulated Entity. The relevant extract of the said SOR is as follows:

" 9.3 We have considered the comments and are of the view that a balance has to be maintained between the benefit and risk of the Regulating Entity as well as Regulated Entity. As a result of regulation of power supply, the generator is already ensured of getting all its expenses, including the capacity charge, energy charge and incidental charges like trading margin, if sold through a trader. So, there would not be loss to the generator due to regulation of power. As per the provisions of these regulations, the Regulated Entity has to pay capacity charge even if the power is not scheduled to him due to regulation.

13.7 We are of view that during the regulation of power, the allocation of generating capacity remains with the Regulated Entity and only the power

generated from it is being diverted for the specific reason of non-payment of outstanding dues by the Regulated Entity. Therefore, the responsibility of bearing the capacity charges has to remain with the Regulated Entity."

3.276 The Commission in its Tariff Order dated August 31st, 2017 has directed as under:

"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."

3.277 Regulation 22 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017

"122.The Annual Fixed Cost of all approved Long Term sources as specified in Regulation 119 of these Regulations shall be allowed to be recovered in the ARR of the relevant Financial Year, however, Variable Cost shall be allowed to be recovered in the ARR on Merit Order basis as specified in Regulation 121 of these Regulations."

3.278 The Consultant has observed that as per SLDC, the Petitioner could have purchased only 324.75 MU instead of 456 MU from regulated stations during regulated period. It is also observed that the Petitioner has actually purchased these MU at various instances from short term sources at expensive rate. Accordingly, the Consultant has calculated the Marginal Loss/Gain and Opportunity Loss/Gain incurred by the Petitioner, if the power was not regulated during the regulated period.

3.279 The station wise MU that could have been purchased by the Petitioner, if the power was not regulated, are as under:

Table 3. 65: Details of Units that could have been purchased by the Petitioner (MU)

| Month | SJVNL | APCPL | Total |
|--------|-------|-------|-------|
| Apr-17 | 14.71 | 34.74 | 49.45 |
| May-17 | 23.55 | 40.93 | 64.48 |
| Jun-17 | 25.21 | 34.60 | 59.81 |
| Jul-17 | 24.93 | 23.49 | 48.42 |
| Aug-17 | 24.52 | 23.13 | 47.65 |
| Sep-17 | 18.80 | 1.35 | 20.15 |

| Month | SJVNL | APCPL | Total |
|--------------|---------------|---------------|---------------|
| Oct-17 | 10.87 | 0 | 10.87 |
| Nov-17 | 6.98 | 0 | 6.98 |
| Dec-17 | 5.63 | 0 | 5.63 |
| Jan-18 | 4.79 | 0 | 4.79 |
| Feb-18 | 4.01 | 0 | 4.01 |
| Mar-18 | 2.50 | 0 | 2.50 |
| TOTAL | 166.50 | 158.25 | 324.75 |

3.280 Accordingly, the Commission considered the short term power purchase during Regulated period for the months where actual power purchase cost is higher than the variable cost of regulatory stations as follows:

Table 3. 66: Marginal loss on account of additional PPC due to regulated power (Rs.Cr.)

| Month | Station | ST Purchase (Mus) (A) | Average ShortTerm Rate i.e IEX Rate (C) | ECR of Regulated Station (D) | Difference in Rate | Additional Power Purchase Cost A* (C-D) |
|--------|---------|-----------------------|--|------------------------------|--------------------|---|
| Apr-17 | SJVNL | 2.85 | 2.71 | 1.44 | 1.27 | 0.36 |
| May-17 | SJVNL | 4.89 | 2.91 | 1.19 | 1.72 | 0.84 |
| Jun-17 | SJVNL | 3.10 | 2.62 | 1.19 | 1.43 | 0.44 |
| Jul-17 | SJVNL | 5.08 | 2.54 | 1.19 | 1.35 | 0.69 |
| Aug-17 | SJVNL | 9.40 | 3.08 | 1.19 | 1.89 | 1.77 |
| Sep-17 | SJVNL | 2.50 | 4.09 | 1.19 | 2.90 | 0.72 |
| Oct-17 | SJVNL | 7.06 | 4.08 | 1.19 | 2.89 | 2.04 |
| Nov-17 | SJVNL | 1.21 | 3.55 | 1.19 | 2.36 | 0.28 |
| Dec-17 | SJVNL | 3.05 | 3.00 | 1.19 | 1.81 | 0.55 |
| Jan-18 | SJVNL | 4.80 | 3.20 | 1.19 | 2.01 | 0.96 |
| Jan-18 | APCPL | - | 3.20 | 2.98 | 0.22 | - |
| Feb-18 | SJVNL | 4.01 | 3.33 | 1.19 | 2.14 | 0.86 |
| Feb-18 | APCPL | - | 3.33 | 3.03 | 0.30 | - |
| Mar-18 | SJVNL | 2.50 | 4.02 | 1.19 | 2.83 | 0.71 |
| Mar-18 | APCPL | - | 4.02 | 3.04 | 0.98 | - |
| | | 50.44 | | | | 10.23 |

3.281 The Commission has disallowed Rs. 10.23 Cr towards additional power purchase cost during the power regulated period.

SHORT TERM POWER PURCHASE PETITIONER'S SUBMISSION

3.282 The source-wise details of short term power purchase cost during FY 2017-18 are tabulated under:

Table 3. 67: Petitioner Submission: Short Term Power Purchase Cost

| S. No | Particulars | FY 2015-16 | | FY 2016-17 | | FY 2017-18 | |
|-------|-------------|---------------|-----------|---------------|-----------|---------------|-----------|
| | | Rate per unit | Amount | Rate per unit | Amount | Rate per unit | Amount |
| | | (Rs. / kWh) | (Rs. Cr.) | (Rs. / kWh) | (Rs. Cr.) | (Rs. / kWh) | (Rs. Cr.) |
| A | Bilateral | 3.99 | 36.1 | 2.88 | 13.4 | 3.33 | 9 |
| B | Banking | 3.91 | 183.3 | 3.92 | 209.7 | 3.98 | 321 |
| C | Exchange | 3.42 | 11.2 | 3.94 | 20.1 | 4.37 | 37 |
| D | Intra-State | 2.81 | 3.5 | 2.06 | 7.7 | 2.18 | 2 |
| E | UI | 3.06 | 38.2 | 2.79 | 16.7 | 3.34 | 20 |
| F | Total | 3.73 | 272.3 | 3.67 | 267.8 | 4.01 | 388.6 |

COMMISSION ANALYSIS

3.283 The Commission in its Tariff Order dated 31/08/2017 has directed the Petitioner as follows:

“6.10k. The Distribution licensee is directed to take necessary steps to restrict the cost of power procured through Short Term contracts at Rs.5 per kWh. Further in case of Short Term power purchase at a rate higher than the above ceiling rate (of Rs.5 per kWh), the impact of such purchase on total Short Term power purchase shall not exceed 10 Paise /kWh during the financial year. In case the cost of power proposed to be procured exceeds the above limits, this may be brought to the notice of the Commission within 24 hours detailing the reasons or exceptional circumstances under which this has been done. The Commission reserves the right to restrict allowance to the permissible limit if proper justification is not provided.”

3.284 The Consultant examined the short term power purchase transactions where the rate per unit was more than Rs. 5/KWh. It was observed that the impact of such purchases on total Short Term power purchase did not exceed 10 paise/kWh at its periphery. The details of calculation of the same is as under:-

Table 3. 68: Calculation of power purchase rate per unit

| S.No. | Particulars | MU | Rs. Cr. | Rs./kwh |
|-------|--------------------------------------|---------|---------|---------|
| A | Total Short Term Purchase FY 2017-18 | 969.884 | 388.60 | 4.01 |
| B | Rs.5/kwh purchases | 8.088 | 5.21 | 6.44 |

| S.No. | Particulars | MU | Rs. Cr. | Rs./kwh |
|-------|---|---------|---------|---------|
| C | ST Purchase Excluding Rs.5/kwh purchases | 961.796 | 383.39 | 3.99 |
| D | Impact from Total Short Term Purchases (Rs/kwh) | | | 0.0205 |

3.285 **Banking Transactions:** The Consultant observed that there was no overlapping in case of banking transactions.

CONTINGENCY LIMIT OF 5% ON UI SALE PETITIONER'S SUBMISSION

3.286 Petitioner has submitted that Petitioner is well in under limits during the FY 2017-18 as defined by the Commission in Business Plan Regulations, 2017.

COMMISSION ANALYSIS

3.287 Regulation 28 of DERC (Business Plan) Regulations, 2017 stipulates,

"28(1)The Contingency Limit for disposing off of Power through Deviation Settlement Mechanism in terms of the Regulation 152 (c) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2017-18 to FY 2019-20 of the Distribution Licensees shall be 5% of Net Power Procured by the Distribution Licensee for the relevant month."

"28(2)In case the Distribution Licensee disposes off more than 5% of the net Power procured by the Licensee for the relevant month through Deviation Settlement Mechanism (Unscheduled Interchange Charges) than the rate of realisation through UI shall be considered at the average rate of power purchase/sale through exchange during same month for Delhi region."

3.288 With respect to the contingency limit of sale, it is observed that such UI sale have been within the limits of contingency of 5% of Net Power Purchase. The month wise details of the same is as under:

Table 3. 69: Details of Contingency limit @ 5% (MU)

| Month | Gross Power Purchase | Sales of Surplus Power | Net Power Purchase | Contingency limit (5%) | UI Sale |
|--------|----------------------|------------------------|--------------------|------------------------|---------|
| Apr-17 | 685.28 | 25.69 | 659.59 | 32.98 | - |
| May-17 | 831.20 | 18.30 | 812.90 | 40.65 | - |
| Jun-17 | 817.92 | 10.22 | 807.70 | 40.39 | - |

| Month | Gross Power Purchase | Sales of Surplus Power | Net Power Purchase | Contingency limit (5%) | UI Sale |
|--------------|----------------------|------------------------|--------------------|------------------------|--------------|
| Jul-17 | 828.31 | 6.52 | 821.79 | 41.09 | 0.54 |
| Aug-17 | 825.53 | 3.43 | 822.10 | 41.11 | 0.98 |
| Sep-17 | 808.81 | 60.24 | 748.56 | 37.43 | 2.03 |
| Oct-17 | 673.39 | 31.57 | 641.82 | 32.09 | - |
| Nov-17 | 485.25 | 29.83 | 455.42 | 22.77 | 0.83 |
| Dec-17 | 493.15 | 38.81 | 454.34 | 22.72 | 0.26 |
| Jan-18 | 525.92 | 31.98 | 493.95 | 24.70 | 2.77 |
| Feb-18 | 439.63 | 24.68 | 414.95 | 20.75 | 2.28 |
| Mar-18 | 515.16 | 26.77 | 488.39 | 24.42 | 4.38 |
| Total | 7,929.56 | 308.02 | 7,621.54 | 381.08 | 14.07 |

3.289 Accordingly, no impact on account of Contingency Limit in considered for FY 2017-18.

ADDITIONAL UI CHARGES PETITIONER'S SUBMISSION

3.290 The Petitioner has submitted that the Commission in Tariff Order dated July 13, 2012 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 ATE. The Hon'ble ATE 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 ATE dated March 2, 2015. Without pre-judice to its afore stated Appeal, and without admitting or waiving any of its contentions against the said Judgment dated March 2, 2015 or this 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.

COMMISSION ANALYSIS

3.291 The Consultant has verified that the Petitioner has paid Additional UI Charges to the extent of Rs. 2.03 Cr. Such Additional UI charges are imposed on the Petitioner to maintain the Grid discipline. The third proviso of Regulation 152 (c) of DERC

(Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates as follows:

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

3.292 Accordingly, the Commission has disallowed the additional Deviation Settlement Mechanism (Unscheduled Interchange) charges of Rs. 2.03 Crs.

3.293 Accordingly, the summary of short term power purchase based on the above findings as considered to be allowed in True up of FY 2017-2018 is as under:-

Table 3. 70: Commission Approved: Short Term Power Purchase for FY 2017-18

| S. No. | Particulars | Quantum (MU) | Amount (Rs. Cr.) |
|--------|--------------|---------------|------------------|
| A. | Bilateral | 26.99 | 8.97 |
| B. | Banking | 68.88 | 37.09 |
| C. | IEX | 805.00 | 320.64 |
| D. | Intra State | 9.84 | 2.15 |
| E. | UI | 59.17 | 19.75 |
| F. | Total | 969.88 | 388.60 |

MERIT ORDER DISPATCH, SALE OF SURPLUS POWER AND INCENTIVE THEREON PETITIONER'S SUBMISSION

3.294 The Petitioner has submitted that scheduling is being done by SLDC and DISCOMs have no control over backing-down of the costly power plants. There should be no disallowance for MOD on the following points:

- 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.
- 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.
- Further, in line with the CERC (IEGC) 4th amendment 2016 Regulation, as quoted below:

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

In case of coal / lignite based generating stations, following station heat rate degradation or actual heat rate, whichever is lower, shall be considered for the purpose of compensation:

| Sr. No. | Unit loading as a % of Installed Capacity of the Unit | Increase in SHR (for supercritical units) (%) | Increase in SHR (for sub-critical units) (%) |
|----------------|--|--|---|
| 1. | 85-100 | Nil | Nil |
| 2. | 75-84.99 | 1.25 | 2.25 |
| 3. | 65-74.99 | 2 | 4 |
| 4. | 55-64.99 | 3 | 6 |

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

- d) Operation of Plant is not under the control of DISCOMs, and Delhi DISCOMs allocation is around 10%-30% in significant number of Plants. Since allocation of these Plants are on shared basis and operation of the same is on the basis of aggregation of demand and keeping into account the Grid Security, therefore, the decision of actual operation/availability of plant is not under control of the DISCOMs.

e) And, there are various instances where forced Scheduling is done to maintain Grid security and the same was submitted to the Commission vide letter dated 13.04.2018.

3.295 The Petitioner put its all-out efforts to maximize the revenue through sale of surplus power.

3.296 The source-wise details of revenue realized through sale of surplus energy during FY 2017-18 are tabulated below:

Table 3. 71: Petitioner Submission: Revenue from Short term power sales

| S. No | Particulars | FY 2015-16 | | FY 2016-17 | | FY 2017-18 | |
|-------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|
| | | Rate per unit | Amount | Rate per unit | Amount | Rate per unit | Amount |
| | | (Rs. / kWh) | (Rs. Cr.) | (Rs. / kWh) | (Rs. Cr.) | (Rs. / kWh) | (Rs. Cr.) |
| A | Bilateral | 2.95 | 59.4 | 2.98 | 66.7 | 3.65 | 7 |
| B | Banking | 3.98 | 222.6 | 3.99 | 75.1 | 3.58 | 310 |
| C | Exchange | 2.23 | 67.7 | 2.08 | 72.3 | 3.08 | 85 |
| D | Intra-State | 3.14 | 0.3 | 2.03 | 2.1 | 2.17 | 0 |
| E | UI | 0.27 | 0.8 | 14.14 | -2.4 | 0.87 | 1 |
| F | Total | 3.21 | 350.8 | 2.79 | 213.9 | 3.45 | 402.7 |

3.297 The Petitioner has requested to the Commission to consider the revenue on account of sale of surplus power while approving the net power purchase cost as submitted in the above table.

3.298 In addition to Regulations, The petitioner has referred to the Commission letter dated 16.11.2018 issuing a clarification regarding the computation of incentive. While the Petitioner submits not to be in agreement to the said methodology, without prejudice to its rights, the Petitioner has claimed its entitlements on similar methodology as stated in the clarificatory letter. Accordingly, the petitioner has claimed an incentive as under:

Table 3. 72: Petitioner Submission: Incentive on sale of surplus power (Rs. Cr.)

| S. No. | Particulars | Amount |
|--------|-----------------------------------|--------|
| A. | Total Incentive earned | 6.02 |
| B. | DISCOM Share (1/3 rd) | 2.01 |

COMMISSION ANALYSIS

3.299 Regulation 121 of DERC (Terms and Conditions for determination of Tariff) Regulations 2017, stipulates that *while approving the cost of power purchase, the*

Commission shall determine the quantum of power to be purchased considering the principles of merit order schedule and despatch based on ranking of all approved sources of supply in the order of their variable cost of power purchase on monthly basis.

- 3.300 As per the above mentioned Regulation, the Petitioner is required to procure the power in an economical manner following the principle of Merit Order Dispatch which is an integral part of this process. As per Merit Order Dispatch principle, the plants are stacked in least cost approach of their Variable Cost. The demand is then met through stations in ascending order of their Variable Cost subject to various Technical Constraints and the balance power from the left over stations after meeting the required demand, are not scheduled. Such balance power from the left over stations could have been backed down considering Technical Constraints and such surplus power could have been avoided.
- 3.301 The Commission further observes that it has directed SLDC vide its letter dated 21/11/2013 to implement DISCOM-wise scheduling in Delhi based on the request of the Distribution Licensees. Therefore, the contention of the Petitioner that on account of non implementation of DISCOM-wise scheduling in Delhi, it could not adhere to Merit Order Despatch principle is wrong.
- 3.302 The Commission has excluded various power stations form Merit Order Dispatch principle which have must run status like Nuclear & Hydro, State GENCOs which are considered in the islanding scheme of Delhi and Eastern Region Plants where there is time delay in revision of schedule.
- 3.303 As per DERC(Terms and Conditions for Determination of Tariff) Regulations, 2017 Regulation 123 states,
- “123.To promote economical procurement of power as well as maximizing revenue from Sale of Surplus Power the distribution licensee shall ensure the cost benefit for rate of sale of surplus power in the relevant slots through Banking, Bilateral and Power Exchange transactions other than the forced scheduling, as certified by the SLDC, in comparison with the next higher variable cost of the generating stations from which power is surplus after meeting the demand of power in it’s area of supply;”*

- 3.304 Further, DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 Regulation 165 states,

“165. Any financial impact of over realisation on account sale of Surplus Power as, specified in Regulation 123 of these Regulations, shall be adjusted as per the mechanism indicated in the (Business Plan) Regulations of the control period:

Provided that any financial impact of under realisation on account sale of Surplus Power as specified in Regulation 123 of these Regulations shall be to the account of distribution licensee.”

- 3.305 Further, DERC (Business Plan) Regulations 2017 Regulation 29 defines the incentive sharing mechanism as follows:

“29. INCENTIVE SHARING MECHANISM FOR SALE RATE OF SURPLUS POWER

(1) The computation of incentive for Sale Rate of Surplus Power in terms of the Regulation 165 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2017-18 to FY 2019-20 of the Distribution Licensees shall be as follows:

i. The variable cost of the generating station for which power is surplus and required to be sold through Power Exchanges shall be considered as the previous month's billed variable cost of such generating station.

ii. The variable cost of the generating station for which power is surplus and required to be sold through Banking and Bilateral arrangements shall be considered as the previous month's billed variable cost of such generating station prevalent at the date of entering into such contracts.

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

(2) The incentive computed under sub-clause (1) above shall be shared between the Consumers and the Distribution Licensees in the following prescribed manner: -

i. The incentive realisation upto 100% recovery of Average Fixed Cost per unit of all Generating sources of relevant year, projected by the Commission in the relevant Tariff Order, prorated to actual sale of Surplus Power shall be shared in the ratio of 2/3rd to the Consumers and 1/3rd to the Distribution Licensees.

ii. *The incentive realisation above 100% recovery of Average Fixed Cost per unit of all Generating sources of relevant year, projected by the Commission in the relevant Tariff Order, prorated to actual sale of Surplus Power shall be shared in the ratio of 1/3rd to the Consumers and 2/3rd to the Distribution Licensees.”*

3.306 The Commission vide its letter dated 16.11.2018, in respect of clarification sought by the Petitioner for rate of Banking transaction and mechanism for incentive of surplus power as per various provisions of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and DERC (Business Plan) Regulations, 2017, has clarified as under:

“the normative cost of banking transactions shall be weighted average rate of all long term sources considering only variable cost for the relevant year. Further the sample calculation for incentive on sale of surplus power is annexed herewith.”

3.307 The Petitioner has submitted that they have computed the incentive as per the clarificatory letter dated 16.11.2018 even though they are not in consent with the computation method stated by the Commission and shall be taken up by the Petitioner separately before the Commission.

3.308 The Commission through the above referred letter dated 16.11.2018 clarified by way of sample calculation, the computation of the incentive on a monthly basis in line with the Regulation 165 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

3.309 Accordingly, the Commission has computed the total incentive/(dis-incentive) on sale of surplus power in line with the Regulation and the clarification issued by the Commission as Rs. 0.61 Cr. for FY 2017-18 as follows:

Table 3. 73: Commission Approved: Incentive on sale of surplus power for FY 2017-18 (Rs. Cr.)

| Particulars | As Per Petitioner | As Approved |
|-------------|-------------------|----------------------------|
| | Incentive | Incentive/(Dis- Incentive) |
| Apr-17 | - | (3.17) |
| May-17 | - | - |
| Jun-17 | - | - |
| Jul-17 | - | - |
| Aug-17 | - | - |

| Particulars | As Per Petitioner | As Approved |
|------------------------|-------------------|----------------------------|
| | Incentive | Incentive/(Dis- Incentive) |
| Sep-17 | - | - |
| Oct-17 | 0.26 | (1.40) |
| Nov-17 | 3.82 | 2.04 |
| Dec-17 | - | 1.05 |
| Jan-18 | 0.87 | 1.69 |
| Feb-18 | 0.15 | 0.25 |
| Mar-18 | 0.91 | 1.37 |
| Total | 6.02 | 1.84 |
| 1/3 towards Petitioner | 2.01 | 0.61 |
| 2/3 towards Consumers | 4.01 | 1.23 |

TRANSMISSION CHARGES**PETITIONER'S SUBMISSION**

3.310 The Petitioner has submitted the Transmission charges for FY 17-18 as follows:

Table 3. 74: Petitioner Submission: Transmission Charges (Rs. Cr.)

| S. No | Particulars | Submission |
|-------|-------------------------------------|------------|
| A. | Power Grid Corp. of India Ltd. | 299.20 |
| B. | Delhi Transco Ltd. Wheeling Charges | 211.80 |
| C. | Delhi Transco Ltd. Pension Trust | 59.50 |
| D. | Other Transmission etc. | 10.00 |
| E. | Open Access Charges | 66.60 |
| F. | Total Transmission charges | 647.10 |

COMMISSION ANALYSIS

3.311 The Consultant has verified the Transmission charges from the books of accounts and bills raised by various parties. Accordingly, the Commission allows the total transmission charges of Rs. 647.10 Cr. for FY 2017-18.

REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES**PETITIONER'S SUBMISSION**

3.312 The Petitioner has submitted that the Commission vide letter dated June 5, 2014 specified the format for submission of details of rebate on power purchase and transmission charges. As regards the long term generating and transmission companies charges, rebate is not allowed on interest charges and other billing items which are in nature of reimbursement, such as Income Tax, Other Taxes,

Cess, Duties etc. Rebate is generally allowed on all other billing items. The rebate on power purchase and Transmission Charges is tabulated below:

Table 3. 75: Petitioner Submission: Rebate-able and Non Rebate-able amount FY 2017-18

| S. No. | Party/Company | Rebatable Amount | Non-Rebatable Amount | Actual Rebate Claimed |
|----------|------------------------------------|------------------|----------------------|-----------------------|
| 1 | NTPC* | 1,285 | (63) | 1.60 |
| 2 | NHPC | 4 | (2) | |
| 3 | Nuclear | 69 | 0 | |
| 4 | SJVNL | 14 | (25) | |
| 5 | THDC | - | (6) | |
| 6 | Tala HEP | 5 | - | |
| 7 | DVC | 573 | 0 | |
| 8 | Power stations in Delhi | | | |
| 8.1 | PPCL | 21 | (8) | |
| 8.2 | IPGCL | 457 | - | |
| 9 | ARAVALI | 115 | (7) | |
| 10 | SASAN | 237 | 33 | 0.40 |
| 11 | SECI | - | 24 | |
| 12 | EDWPCPL | 2 | - | |
| 13 | DMSWSL | 16 | - | 0.30 |
| A | Total Long Term Purchase | 2,797 | -54 | 2.30 |
| 14 | Short Term Purchase | - | | |
| 15 | Short Term sale | 5 | | 0.30 |
| 16 | Transmission Charges | | | |
| 16.1 | Power Grid Corp. of India Ltd. | 299 | - | |
| 16.2 | Delhi Transco Ltd. | 214 | (2) | - |
| 16.3 | Bhakra Beas Manegment Board | | 0 | - |
| 16.4 | NTPC | 6 | - | - |
| 16.5 | Arawali Power Company Private Ltd. | - | - | - |
| 16.6 | Damodar Valley Corporation | 1 | - | - |
| 16.7 | SECI | | 2 | |
| 16.8 | DTL Pension Trust | | 59 | |
| B | Total Transmission Charges | 521 | 59 | |
| C | Net Rebate | 3,313 | 5 | 2.00 |

3.313 The Petitioner has submitted that the normative rebate ought not be applied at the time of truing-up due to the following reasons:

- a) The normative rebate cannot be considered at the stage of true-up. In any event, the deduction of a normative rebate assuming a maximum of 2% of the power purchase cost is ex-facie in contravention of Hon'ble Tribunal's

Judgment in Appeal No. 153 of 2009 which expressly restricted such a deduction to 1% of the power purchase cost.

- b) A similar issue is pending before Hon'ble Tribunal in Appeal No. 235-236 of 2014. Further, in true-up proceedings for FY 2015-16, the Petitioner has again raised the issue before the Commission, vide its letter dated 18.08.2017
- c) The Petitioner vide letter dated April 8, 2015 submitted a number of reasons as to why the normative rebate ought not to be considered.
- d) The Commission has omitted to note that the Petitioner has not opened LC in case of any Generator. The 2% rebate is admissible only in the event that payment is made through LC. This is clear from the regulations of the Commission and of the CERC, extracted hereunder:

CERC Tariff Regulations, 2014-19 clearly states as under:

"Rebate. (1) For payment of bills of the generating company and the transmission licensee through letter of credit on presentation or through NEFT/RTGS within a period of 2 days of presentation of bills by the generating company or the transmission licensee, a rebate of 2% shall be allowed.

(2) Where payments are made on any day after 2 days and within a period of 30 days of presentation of bills by the generating company or the transmission licensee, a rebate of 1% shall be allowed."

- 3.314 In view of the above submissions, the Petitioner has requested to the Commission to consider the actual rebate on power purchase and Transmission Charges during FY 2017-18.

COMMISSION ANALYSIS

- 3.315 Regulation 119 of DERC (Terms and conditions for Determination of Tariff) Regulations, 2017, specifies that :

"Distribution Licensee shall be allowed to recover the net cost of power purchase from the long term sources whose PPAs are approved by the Commission, assuming maximum normative rebate available from each source, for supply to consumers".

- 3.316 The Commission noted from power purchase agreement that the normative rebate in case of NPCIL is 2.5% and 2% for other CGS, SGS and Transmission Companies. Accordingly, the Commission has considered the maximum normative rebate on Rebatable amount, which is as follows:

Table 3. 76: Commission Approved - Rebate on PPC and Transmission Charges for FY 2017-18

| S. No | Party/Company | Rebatable Amount | Non-Rebatable Amount | Actual Rebate Claimed | Normative rebate |
|----------|------------------------------------|------------------|----------------------|-----------------------|------------------|
| A | CGS | | | | |
| 1. | NTPC | 1,285 | -63 | 1.6 | 25.70 |
| 2. | NHPC | 4 | -2 | | 0.08 |
| 3. | Nuclear | 69 | 0 | | 1.73 |
| 4. | SJVNL | 14 | -25 | | 0.28 |
| 5. | THDC | - | -6 | | |
| 6. | Tala HEP | 5 | - | | 0.10 |
| 7. | DVC | 573 | 0 | | 11.46 |
| B | SGS | | | | |
| 1. | PPCL | 21 | -8 | | 0.42 |
| 2. | IPGCL | 457 | - | | 9.14 |
| 3. | ARAVALI | 115 | -7 | | 2.30 |
| 4. | SASAN | 237 | 33 | 0.4 | 4.74 |
| 5. | SECI | - | 24 | | |
| 6. | EDWPCPL | 2 | - | | 0.04 |
| 7. | DMSWSL | 16 | - | 0.3 | 0.32 |
| C | Total Long Term Purchase | 2,797 | -54 | 2.3 | 56.31 |
| D | Short Term Sale | 5 | | 0.3 | 0.10 |
| E | Transmission Charges | | | | |
| 1. | PGCIL | 299 | - | | 5.98 |
| 2. | Delhi Transco Ltd. | 214 | -2 | - | 4.28 |
| 3. | Bhakra Beas Manegment Board | | 0 | - | - |
| 4. | NTPC | 6 | - | - | 0.12 |
| 5. | Arawali Power Company Private Ltd. | - | - | - | |
| 6. | Damodar Valley Corporation | 1 | - | - | 0.02 |
| 7. | SECI | | 2 | | - |
| 8. | DTL Pension Trust | | 59 | | - |
| F | Total Transmission | 521 | 59 | | 10.40 |
| G | Net Rebate | 3,313 | 5 | 2 | 66.61 |

- 3.317 The Commission considers the rebate at Rs.66.61 Cr. towards power purchased by the Petitioner.

LATE PAYMENT SURCHARGE**PETITIONER'S SUBMISSION**

- 3.318 The Petitioner has filed 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 same is pending for adjudication before the Commission.
- 3.319 The Petitioner further submitted that LPSC charged to 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% 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 to pay LPSC at fixed rate whereas the Gencos and Transcos avail loans at floating rate.
- 3.320 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.

- 3.321 The above would show that 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.
- 3.322 Therefore, the Petitioner has submitted that there is inconsistency between rate of Late Payment Surcharge levied by State Utilities & rate of carrying cost allowed by the Commission on the Regulatory Asset whereas both are related consequent

effect to each other. The Petitioner is being charged at LPSC rate of 18% pa vis a vis carrying cost is very low.

3.323 Hence, in view of the above the Petitioner requested to the Commission as under:

- (i) Reduce the LPSC rate to borrowing cost of Genco/Transco in similar approach followed for distribution licenses for rate of carrying cost or
- (ii) Increase rate of Carrying cost allowed by DERC equivalent to LPSC rate approved by Commission or
- (iii) 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.

COMMISSION ANALYSIS

3.324 The Commission vide its Order dated 13.05.2019 has disposed-off the petition 26 of 2018 filed by the Petitioner tagged with Petition no. 08 of 2018.

RENEWABLE PURCHASE OBLIGATION (RPO)

PETITIONER'S SUBMISSION

3.325 The Petitioner has submitted target vis-à-vis actual purchase for Renewable Purchase Obligation for FY 2017-18 as tabulated below:

Table 3. 77: Petitioner Submission: Details of RPO (FY 2017-18)

| S.No. | Particulars | Solar | Non-Solar | Total |
|-------|------------------------------------|---------------|---------------|---------------|
| i | Sales (MU) | | | 6504 |
| ii | Hydro Purchases (MU) | | | 23.13 |
| iii | Base for RPO (MU) | | | 6,480.87 |
| iv | RPO Target (%) | 2.75% | 8.75% | 11.50% |
| v | RPO target (MU) | 178.22 | 567.08 | 745.30 |
| | RPO met | | | |
| vi | <i>EDWPCL</i> | | 6.63 | 6.63 |
| vii | <i>DMSW</i> | | 20.22 | 20.22 |
| viii | <i>SECI</i> | 41.80 | | 41.80 |
| ix | <i>Self Generation</i> | 0.280 | | 0.280 |
| x | <i>Net metering-Solar roof-top</i> | 6.6 | | 6.6 |
| xi | <i>REC</i> | | 46.7 | 46.7 |
| xii | <i>Open Access</i> | | | 2.3 |

| S.No. | Particulars | Solar | Non-Solar | Total |
|-------|---------------------|-------|-----------|-------|
| xiii | Sub-Total - RPO met | 48.7 | 73.5 | 124.5 |
| xiv | Shortfall (MU) | 129.6 | 493.6 | 620.8 |

- 3.326 The Petitioner has submitted to make consistent efforts for the last few years to procure renewable energy to meet RPO as specified by the Commission. As on 31st Mar 2018, BYPL had successfully issued 147 net metering connections for a cumulative capacity of 11 MW solar rooftop projects developed by individual developers. Petitioner has procured 47 MU of Non- Solar RECs in FY 2017-18 for meeting the shortfall of Non-Solar RPO Targets.
- 3.327 The Petitioner is looking at all possible options/solutions to avail renewable power and meet the RPO targets but BYPL has been facing adverse financial condition since FY 2009-10 primarily on account of a non-cost reflective Tariff and absence of adequate recovery of accumulated Regulatory Asset. The same has constrained the capability of BYPL to purchase power from renewable sources. Further there is shortfall in the cost allowed by Commission in tariff on account of non availability of Rebate and short term power purchase cost in the ARR, additionally BYPL also has to pay LPSC to the generators which is not allowed by Commission and where there is a difference in the rate of LPSC charges (18%) vis a vis rate of funding & carrying cost resulting in further adverse financial to the Petitioner. This shortcoming made BYPL to financially disable to procure REC's further for RPO compliance.
- 3.328 The Petitioner has filed appeal against the Commission's order dated 11.06.2018 in Petition no. 31 of 2015 and 01 of 2018 in the matter of waiver/deferment of RPO compliance. This appeal is pending for adjudication before Hon'ble APTEL.
- 3.329 Further the Petitioner has signed various PPA's for fulfilments of Solar and Non Solar obligations in the coming future. The details are shown hereunder:

Table 3. 78: Petitioner Submission: Details of upcoming Firm Renewable sources

| S.No. | Description | PSA Date | Date of Power Inflow start | Gross Capacity (MW) |
|-------|-----------------|----------|----------------------------|---------------------|
| 1 | SOLAR | | | |
| 1.1 | SECI –Solar | Jul-18 | Oct-20 | 150.0 |
| | Subtotal | | | 150.0 |
| 2 | NON-SOLAR | | | |
| 2.1 | SECI (Wind) | Mar-18 | Apr-20 | 50.0 |

| S.No. | Description | PSA Date | Date of Power Inflow start | Gross Capacity (MW) |
|-------|--------------------|-------------------|----------------------------|---------------------|
| 2.2 | SECI (Wind) | Jun-18 | Apr-20 | 100.0 |
| 2.3 | SDMC WTE | PPA under process | Apr-20 | 5.8 |
| | Subtotal | | | 155.8 |
| | Grand Total | | | 305.8 |

- 3.330 As the above mentioned efforts and new projects arrangement will take some more time (expected from FY 2020-21 onwards) to commission and operationalize, it is requested that the Commission considers the various efforts made by the Petitioner in meeting the RPO Targets and to kindly carry forward or waive the shortfall in meeting the RPO for FY 2016-17 and FY 2017-18 in view of supply constraints and other factors beyond the control of the licensee, and defer or spread the past unmet RPO obligations to FY 2020-21, FY 2021-22 and FY 2022-23. We also request for an opportunity of being heard in the matter.

COMMISSION ANALYSIS

- 3.331 Regulation 27 of DERC (Business Plan) Regulations 2017 states,
"27. TARGET FOR RENEWABLE PURCHASE OBLIGATION
The targets for Renewable Purchase Obligation (RPO) in terms of Regulation 124 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 of a Distribution Licensee from FY 2017-18 to FY 2019-20 shall be computed as a percentage of total sale of power to its retail consumers in its area of supply excluding procurement of hydro power. The target for Renewable Purchase Obligation shall be as follows:

| Sr. No. | Distribution Licensee | 2017-18 | 2018-19 | 2019-20 |
|---------|------------------------|---------|---------|---------|
| 1 | Solar Target (Minimum) | 2.75% | 4.75% | 6.75% |
| 2 | Total | 11.50% | 14.25% | 17.00% |

- 3.332 Regulation 27(5) of DERC (Business Plan) Regulations 2017 states that non compliance of the RPO targets shall attract penalty @10% of the weighted average floor price of solar and non solar renewable energy certificate, as specified by CERC for the relevant year, for quantum of shortfall in RPO.
- 3.333 Regulation 27(6) of DERC (Business Plan) Regulations 2017 states that amount of penalty imposed on the distribution licensee due to non compliance of the RPO

targets shall be reduced from the ARR during the true up of the relevant financial year in terms of Regulation 124 of DERC (Terms and Conditions of Determination of Tariff) Regulations 2017.

- 3.334 It is observed that Petitioner has purchased 23.13 MU power from Hydro Stations which is to be excluded from total MU billed for the purpose of calculation of MU to achieve the RPO targets.
- 3.335 Accordingly, the petitioner's RPO targets and penalty on account of non-fulfilment of RPO targets for FY 2017-18 has been computed as follows:

Table 3. 79: Commission Approved: Penalty on account of non-fulfilment of RPO targets for FY 2017-18

| S.No | Particulars | Details | | | Ref. |
|------|---|----------|-----------|--------|-------------------|
| A. | Total sales to consumers (MU) | 6,511.89 | | | Table __ |
| B. | Purchase from Hydro Power (MU) | 23.13 | | | |
| C. | Sales net of hydro power (MU) | 6,488.76 | | | A-B |
| D. | RPO Obligation | Solar | Non Solar | Total | |
| E. | % | 2.75 | 8.75 | 11.50 | |
| F. | Targeted RPO | 178.44 | 567.77 | 746.21 | C*E |
| | RPO Met (in MU) | | | | |
| G. | EDWPCL | | 6.63 | 6.63 | |
| H. | DMSW | | 20.22 | 20.22 | |
| I. | SECI | 41.80 | | 41.80 | |
| J. | Self Generation | 0.28 | | 0.28 | |
| K. | Net Metering | 6.60 | | 6.60 | |
| L. | REC Purchase | | 46.7 | 46.70 | |
| M. | Total RPO Met (MU) | 48.68 | 73.55 | 122.23 | Sum(G-L) |
| N. | Shortfall (MU) | | | 623.98 | F-M |
| O. | Floor Price of REC (Rs./MWh) | 1000 | 1000 | | |
| P. | RPO Penalty @ 10% REC @ Rs.1/Unit (Rs. Cr.) | | | 6.24 | $N*O/10^4 * 10\%$ |

- 3.336 The Petitioner had further filed Petition no. 31 of 2015 before the Commission requesting for deferment/modification of the RPO obligation for previous years. The Commission observed that the petitioner has not put forward any plausible and acceptable arguments on plea to support its prayer for deferment/ modification of RPO, and thus no relief was granted and the petition was accordingly dismissed by the Commission on 11.06.2018.

- 3.337 CERC vide its order dated 28.02.2017 has determined the Floor Price for the Non Solar REC for FY 2016-17 at Rs. 1500/MWh. Accordingly, the Commission imposes a penalty for non compliance of RPO targets for FY 2016-17 as follows:

Table 3. 80: Commission Approved: Penalty on account of Non-compliance of RPO for FY 2016-17

| S.No | Particulars | Details | | |
|------|---|----------|-----------|--------|
| A. | Units Billed (MU) (Table 126 of TO Mar'18) | 6,114.44 | | |
| B. | RPO Obligation | Solar | Non Solar | Total |
| C. | % | 0.35% | 8.65% | 9.00% |
| D. | Targeted RPO | 21.40 | 528.90 | 550.30 |
| E. | Actual RP purchase (in MUs) | 47.27 | 8.00 | 55.27 |
| F. | REC Purchased | | 20.00 | |
| G. | Total RPO Met (MU) | 47.27 | 28.00 | 55.27 |
| H. | Shortfall (MU) | | | 495.03 |
| I. | RPO Penalty @ 10% REC @ Rs.1.5/Unit (Rs. Cr.) | | | 7.43 |

TOTAL POWER PURCHASE COST

COMMISSION ANALYSIS

- 3.338 Based on the above submissions, the Commission approves the power purchase cost for the petitioner for F Y 2017-18 as follows:

Table 3. 81: Commission Approved: Trued-up Power purchase cost for FY 2017-18

| S. No | Particulars | Petitioner submission | | As approved | |
|-------|---|-----------------------|-----------------|--------------|-----------------|
| | | Quantum (MU) | Amount (Rs.Cr.) | Quantum (MU) | Amount (Rs.Cr.) |
| A | Power Purchase: | | | | |
| i | Gross Power Purchase | 8,797.13 | 3,132.71 | 8,797.13 | 3,132.71 |
| a | Long Term Sources (Other Than Renewables) | 7,755.34 | 2,702.26 | 7,755.34 | 2,702.26 |
| b | Renewables Sources (long Term) | 71.91 | 41.85 | 71.91 | 41.85 |
| c | Short Term Sources | 969.88 | 388.60 | 969.88 | 388.60 |
| ii | Less: Power sold to other sources | 1,168.00 | 402.70 | 1,168.03 | 402.70 |
| iii | Less Disallowances: | | | | |
| a | Additional UI Charges | | | | 2.03 |
| iii | Net Power Purchase | 7,629.13 | 2,730.01 | 7,629.10 | 2,727.98 |
| B | Transmission Loss: | | | | |
| i | Inter-State Transmission Loss | 339.00 | 308.60 | 339.00 | 308.60 |
| ii | Intra-State Transmission Loss | | 271.30 | | 271.30 |
| iii | Other Transmission Charges | | 67.20 | | 67.20 |
| iv | Total transmission loss | 339.00 | 647.10 | 339.00 | 647.10 |
| C | Net power available after | 7,290.13 | 3,377.11 | 7,290.10 | 3,375.08 |

| S. No | Particulars | Petitioner submission | | As approved | |
|-------|--------------------------------|-----------------------|-----------------|--------------|-----------------|
| | | Quantum (MU) | Amount (Rs.Cr.) | Quantum (MU) | Amount (Rs.Cr.) |
| | Transmission Loss | | | | |
| D | Rebate | | | | |
| i | On power Purchase | | - | | 56.19 |
| ii | On transmission Cost | | | | 10.42 |
| iii | Total Rebate | | 2.00 | | 66.61 |
| E | Net Metering | | 0.40 | 0.87 | 0.40 |
| F | Gain/(Loss) on Regulated Power | | 76.50 | | (10.23) |
| G | Incentive on Short term-sale | | 2.01 | | - |
| H | Net PPC | 7,290.13 | 3,454.02 | 7,290.97 | 3,298.64 |
| I | Average Power Purchase cost | 7,290.13 | 4.74 | 7,290.97 | 4.52 |

OPERATION AND MAINTENANCE (O&M) EXPENSES

PETITIONER'S SUBMISSION

- 3.339 The Petitioner has submitted that the normative O&M expenses for FY 2017-18 are computed by applying the approved per unit rates for FY 2017-18 on the actual line length and power transformation capacity added for FY 2017-18.
- 3.340 The Petitioner has accordingly computed the normative O&M expenses for FY 2017-18 as follows:

Table 3. 82: Petitioner Submission: O&M Expenses for FY 2017-18 (Rs. Cr.)

| Particulars | Capacity as on 31.03.2018 | O&M expenses per unit | | O&M expenses |
|-------------------------------|---------------------------|-----------------------|-------|---------------|
| 66 kV Line (ckt km) | 222 | Rs. Lakh/ckt. km | 4.421 | 9.81 |
| 33 kV Line (ckt km) | 350.3 | Rs. Lakh/ckt. km | 4.421 | 15.49 |
| 11kV Line (ckt km) | 2737 | Rs. Lakh/ckt. km | 1.857 | 50.83 |
| LT Line system (ckt km) | 5280 | Rs. Lakh/Ckt. km | 8.290 | 437.71 |
| 66/11 kV Grid S/s (MVA) | 1665 | Rs. Lakh/MVA | 1.045 | 17.40 |
| 33/11 kV Grid S/s (MVA) | 1929 | Rs. Lakh/MVA | 1.045 | 20.16 |
| 11/0.415 kV DT (MVA) | 3266 | Rs. Lakh/MVA | 2.296 | 74.99 |
| Total O&M Expenses | | | | 626.38 |

- 3.341 The Petitioner has requested the Commission to allow the normative O&M expenses of Rs. 626 Cr. during FY 2017-18 as submitted in the above table as per the DERC (Business Plan) Regulation, 2017.

COMMISSION ANALYSIS

- 3.342 The Commission in its Tariff Order dated 31.08.2017 allowed the O&M cost of Rs.601.44 Cr. for the Petitioner based on the network capacity projection of the Petitioner. The Petitioner has submitted the actual capacity addition as above and claimed the O&M expenses at Rs. 626.38 Cr.
- 3.343 The physical verification of the assets capitalised has been undertaken by the Commission for FY 2017-18. The Commission has provisionally disallowed capitalization of an amount of Rs.0.28 Cr. on account of assets not found physically. The impact of the same on O&M Expenses has been determined as follows:

Table 3. 83: Impact of capitalisation disallowance during FY 2017-18 (Rs. Cr.)

| S.No. | Distribution Infrastructure | Capacity on 31.03.17 | Capacity on 31.03.18 | Change | Unit Rate (Rs. lacs/Unit) | Incremental O&M Exps |
|-------|--|----------------------|----------------------|--------|---------------------------|----------------------|
| A | Network Capacity | | | | | |
| i | 66 kV Line (Ckm) | 201 | 222 | 21 | 4.421 | 0.93 |
| ii | 33 kV Line (Ckm) | 336 | 350 | 14 | 4.421 | 0.62 |
| iii | 11 kV Line (Ckm) | 2596 | 2737 | 141 | 1.857 | 2.62 |
| iv | LT Lines system (Ckm) | 5077 | 5281 | 204 | 8.290 | 16.91 |
| v | 66/11 kV Grid sub-station (MVA) | 1590 | 1665 | 75 | 1.045 | 0.78 |
| vi | 33/11 kV Grid sub-station (MVA) | 1797 | 1929 | 132 | 1.045 | 1.38 |
| vii | 11/0.4 kV DT (MVA) | 3159 | 3265 | 106 | 2.296 | 2.43 |
| B | Incremental O&M Exps | | | | | 25.67 |
| C | Gross Capitalisation as per the petitioner | | | | | 346.99 |
| D | Not found physically during verification | | | | | 0.28 |
| E | Proportionate reduction in O&M Expenses for FY 2017-18 | | | | | 0.02 |

- 3.344 Accordingly, the revised network capacity has been considered for determination of the O&M Expenses on a provisional basis as follows:

Table 3. 84: Commission Approved: O&M Expenses for FY 2017-18 (Rs. Cr.)

| NETWORK | Approved in TO dated 31.8.2017 | | | As per Petition | | Commission Approved | | |
|------------------|--------------------------------|---------------------------|---------|------------------|--------|---------------------|---------------------------|---------|
| | Network Capacity | Unit Rate (Rs. lacs/Unit) | Rs. Cr. | Network Capacity | Rs. Cr | Network Capacity | Unit Rate (Rs. lacs/Unit) | Rs. Cr. |
| 66 kV Line (kms) | 212 | 4.421 | 9.37 | 222 | 9.81 | 222 | 4.421 | 9.81 |

| NETWORK | Approved in TO dated 31.8.2017 | | | As per Petition | | Commission Approved | | |
|---|--------------------------------|---------------------------|---------|------------------|--------|---------------------|---------------------------|---------|
| | Network Capacity | Unit Rate (Rs. lacs/Unit) | Rs. Cr. | Network Capacity | Rs. Cr | Network Capacity | Unit Rate (Rs. lacs/Unit) | Rs. Cr. |
| 33 kV Line (kms) | 357 | 4.421 | 15.78 | 350 | 15.49 | 350 | 4.421 | 15.49 |
| 11 kV Line (kms) | 2,577 | 1.857 | 47.85 | 2,737 | 50.83 | 2,737 | 1.857 | 50.83 |
| LT Lines system (kms.) | 5,020 | 8.290 | 416.16 | 5,281 | 437.71 | 5,281 | 8.290 | 437.71 |
| 66/11 kV Grid sub-station (MVA) | 1,674 | 1.045 | 17.49 | 1,665 | 17.40 | 1,665 | 1.045 | 17.40 |
| 33/11 kV Grid sub-station (MVA) | 1,910 | 1.045 | 19.96 | 1,929 | 20.16 | 1,929 | 1.045 | 20.16 |
| 11/0.4 kV DT (MVA) | 3,257 | 2.296 | 74.78 | 3,266 | 74.99 | 3,265 | 2.296 | 74.96 |
| Total | | | | | | | | 626.36 |
| Impact of Capitalisation Disallowed during FY 2017-18 | | | | | | | | 0.02 |
| Net O&M Exps | | | | | | | | 626.34 |

3.345 Accordingly, the Commission has allowed the O&M Expenses for the petitioner at Rs.626.34 Cr. for FY 2017-18 subject to finalization of capitalization.

ADDITIONAL O&M EXPENSES PETITIONER'S SUBMISSION

3.346 The Petitioner has sought the item-wise claims on account of additional O&M expenses which are uncontrollable in nature and not covered in the above mentioned normative O&M expenses. The claims are in line with Regulation 87 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stated as follows:

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

3.347 The additional O&M expenses claimed as a part of truing-up requirement for FY 2017-18 are tabulated below:

Table 3. 85: Petitioner Submission: Additional O&M Expenses (Rs. Cr.)

| S. No | Particulars | Amount |
|-------|--|---------------|
| A. | Loss on Sale of Retired Assets | 7.11 |
| B. | Arrears paid on account of 7 th Pay Commission revision | 90.14 |
| C. | Impact of Revision in Minimum Wages | 27.77 |
| D. | Water Charges | 0.64 |
| E. | Property Tax | 1.17 |
| F. | GST Charges | 15.08 |
| G. | SMS Charges | 1.00 |
| H. | Legal Expenses | 11.41 |
| I. | Ombudsman Fees | 0.16 |
| J. | Licensee Fees paid on Assets | 0.59 |
| K. | DSM charges | 0.10 |
| L. | Total | 155.20 |

LOSS ON SALE OF RETIRED ASSETS**PETITIONER'S SUBMISSION**

3.348 Regulation 45 DERC (Terms and Conditions for Determination 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.”

In view of the above regulations and as per the methodology provided in the (Terms and Conditions for Determination of Tariff) Regulations, 2017, the Petitioner claims Rs. 7.11 Crores for retirement of assets.

COMMISSION ANALYSIS

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

“45. Loss or Gain due to de-capitalization of asset based on the directions of the Commission due to technological obsolescence, wear & tear etc. or due to change in law or force majeure, which cannot be re-used, shall be adjusted in the ARR of the Utility in the relevant year.

46. Loss or Gain due to de-capitalization of asset proposed by the Utility itself for the reasons not covered under Regulation 45 of these Regulations shall be to the account of the Utility.

47. Loss or Gain due to de-capitalization of asset after the completion of useful life of asset shall be to the account of the Utility.”

- 3.350 During the prudence check, the Commission sought the basis of computation of the loss on sale of retirement of assets under Regulations 45, 46 and 47 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.
- 3.351 The Petitioner has submitted the details vide letter no. RA/BYPL/2019-20/67 dated 21.06.2019. The Commission noted from the list of assets retired by the Petitioner that loss on account of replacement of meters on the direction of the Commission, qualifies for loss on retirement of assets under Regulation 45 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 due to technological obsolescence. The Petitioner could not establish that other assets were retired on the direction of the Commission. The in-principle approval of the Commission from time to time, for replacement of assets on the request of Petitioner, qualify under Regulation 46 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017. Accordingly, the Commission has considered loss on account of retirement of assets at Rs.1.21 Cr. on account meters replaced due to technological obsolescence.

Table 3. 86: Loss on retirement of assets (Rs. Cr.)

| Particulars | As per Regulation 45 | | As per Regulation 46 & 47 | |
|---|----------------------|------------------|---------------------------|------------------|
| | Qty | Amount (Rs. Cr.) | Qty | Amount (Rs. Cr.) |
| Communication Equipment | 837 | (0.13) | 889 | (0.01) |
| <i>Technological Obsolescence</i> | 837 | (0.13) | | |
| Computers | 12 | (0.00) | 842 | (0.06) |
| <i>Technological Obsolescence</i> | 12 | (0.00) | | |
| Meter | 99,600 | (4.74) | 23,214 | (0.09) |
| <i>Technological Obsolescence</i> | 56,100 | (1.21) | | |
| <i>Wear and Tear</i> | 20,942 | (1.87) | | |
| <i>Wear and Tear/ Technological Obsolescence</i> | 22,558 | (1.66) | | |
| Motor Pump | - | - | 4,438 | (0.31) |
| Switchgear | 237 | (1.58) | - | - |
| <i>Technological Obsolescence</i> | 138 | (0.46) | - | - |
| <i>Wear and Tear</i> | 159 | (1.12) | - | - |
| Trf – 100 | 58 | (0.06) | 1 | - |
| <i>Technological obsolescence & Wear and Tear</i> | 36 | (0.06) | | |

| Particulars | As per Regulation 45 | | As per Regulation 46 & 47 | |
|----------------------|----------------------|------------------|---------------------------|------------------|
| | Qty | Amount (Rs. Cr.) | Qty | Amount (Rs. Cr.) |
| <i>Wear and Tear</i> | 22 | - | | |
| Trf + 100 | 2 | - | 80 | (0.11) |
| <i>Wear and Tear</i> | 2 | - | | |
| Vehicles | 2 | (0.02) | 33 | (0.00) |
| <i>Wear and Tear</i> | 2 | (0.02) | | |
| Total | 100,748 | (6.53) | 29,497 | (0.58) |

ARREARS PAID ON ACCOUNT OF 7TH PAY COMMISSION**PETITIONER'S SUBMISSION**

3.352 The Petitioner has submitted that a Wage Revision Committee was constituted by the GoNCTD vide office memorandum bearing No. F.11(62)/2015/Power/271 dated January 25, 2016 to examine and recommend to the Government the Pay Revision for the employees. Such recommendations become applicable on the Petitioner as per the tripartite agreement. The Committee had given recommendation vide order no DTL/108/04/2017-HR(Policy) /101 dated July 28, 2017 for payment of Interim Relief (IR) to the eligible employees at the rate of 2.57 times of Basic pay + Grade Pay w.e.f. January 01, 2016. Accordingly, the Petitioner disbursed payment of Rs. 47.62 Cr. as interim relief during the FY 2017-18 along with arrears w.e.f. from January 01, 2016 and also provided Rs. 42.52 Crore towards Leave Salary Contribution & Pension Contribution corresponding to the interim relief as shown below:

Table 3. 87: Petitioner Submission: 7th Pay Commission Impact (Rs. Cr.)

| FY 15-16 | FY 16-17 | Apr'17 to Jul'17 | Aug'17 to Mar'17 | TOTAL |
|------------------------------|----------|------------------|-----------------------|-------|
| 4.09 | 15.71 | 3.85 | 23.98 | 47.62 |
| Above Arrears paid on Aug'17 | | | Paid on monthly basis | |
| LSC & PC Contribution | | | | 42.52 |
| Total | | | | 90.14 |

3.353 The Petitioner has requested Commission to allow an impact of Rs. 90.14 Cr. on account of payment of interim relief of 7th Pay Commission.

COMMISSION ANALYSIS

3.354 Regulation 23(4) of the DERC (Business Plan) Regulations 2017 states,

"Impact of any statutory Pay revision on employee's cost as may be applicable on case to case basis shall be considered separately, based on

actual payment made by the Distribution Licensees and shall be allowed by the Commission after prudence check at the time of true up of ARR for the relevant financial year.”

- 3.355 In view of Regulation 23(4) of DERC (Business Plan) Regulations, 2017, the Commission has considered the revision in its employees’ cost on account of the 7th Pay revision subject to actual payment of the dues. During the prudence check, the Commission observed from the audited financial statement of the Petitioner that an amount of Rs. 47.62 Cr. has been paid by the Petitioner on account of 7th pay revision. The Commission observed that the Petitioner has capitalised Rs. 6.36 Cr. as its employee Cost out of this Rs. 47.62 Cr. towards the 7th pay revision. The Commission also observed that the Petitioner has made a provision of Rs. 42.52 Cr. in its audited financial statement towards leave salary and contribution towards 7th pay revision and accordingly the same has not been considered. Accordingly, the Commission has allowed Rs. 41.26 Cr. towards statutory pay revision under additional O&M expenses.

IMPACT OF REVISION IN MINIMUM WAGES

PETITIONER’S SUBMISSION

- 3.356 The Petitioner has submitted that GoNCTD vide Notification No. F. Addl.LC/Lab/MW/2016/4859 dated 3rd March 2017 has notified the revised minimum wages effective from date of notification. Accordingly, the Petitioner has paid expenses related to manpower based contract which has an incremental effect of minimum wages.
- 3.357 Accordingly, the Petitioner has paid Rs. 27.77 Cr. on account of impact of revision in minimum wages during FY 2017-18. The Petitioner submits that the said amount since does not form part of the normative O&M expenses as claimed and is indicated separately in the audited financial statement of the Petitioner for FY 2017-18. The Petitioner requests the Commission to allow the said amount.

COMMISSION ANALYSIS

- 3.358 Regulation 87 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 states,

“The Utilities shall be allowed Operation and Maintenance expenses on normative basis including expenses for raising the loan for funding of Working Capital and Regulatory Asset as specified by the Commission in the Business Plan Regulations for the respective Control Period:

Provided that the Normative O&M expenses for the respective Control Period shall not be trued up;

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

- 3.359 The additional claim of expenses related to manpower based contract is part of the normative O&M expenses and do not qualify for the second proviso to the Regulation 87 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017. The said claim also does not qualify for statutory pay revision under Regulation 23(4) of the DERC (Business Plan) Regulations 2017 as it is not an employee's cost of the Petitioner. Accordingly, the claimed amount is not allowed by the Commission.

WATER CHARGES

PETITIONER'S SUBMISSION

- 3.360 The Regulation 87 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stated as under

“87.....Provided further that the water charges, statutory levy and taxes under O&M expenses if indicated separately in the audited financial statement shall not form part of Normative O&M expenses.”

In accordance with the above regulation, the water charges paid by the Petitioner during FY 2017-18 are Rs. 0.64 Cr. which ought to be allowed by the Commission.

COMMISSION ANALYSIS

- 3.361 Regulation 87 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 state

“The Utilities shall be allowed Operation and Maintenance expenses on normative basis including expenses for raising the loan for funding of Working

Capital and Regulatory Asset as specified by the Commission in the Business Plan Regulations for the respective Control Period:

Provided that the Normative O&M expenses for the respective Control Period shall not be trued up;

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

- 3.362 As per the second proviso of the Regulation, the water charges are to be allowed to the Petitioner over and above the normative O&M expenses, in case indicated separately in the audited financial statements.
- 3.363 While finalizing the norms for the O&M expenses under Regulation 23 of DERC (Business Plan) Regulations, 2017, the Commission considered the water charges in the audited O&M expenses of the Petitioner. Thus, the water charges are already included in the normative O&M expenses of the Petitioner and, therefore, are not being allowed.

PROPERTY TAX

PETITIONER'S SUBMISSION

- 3.364 The Petitioner has submitted that the Hon'ble Supreme Court has passed judgement on 10.08.2016 in the case of M/s TPDDL and held that whosoever has a right to let out premises is liable to pay tax. Further, it has remanded the matter to Deputy Assessor and Collector of Municipal Corporation of Delhi, to determine the same. As the Petitioner has a right to let out premises as per the approval of Commission, it has been decided to resolve the issue by availing Amnesty Scheme, which allowed payment of Property Tax without interest and penalty. The Petitioner has accordingly paid the property tax amounting Rs. 1.17 Cr. and requests the Commission to allow the same as a part of additional O&M expenses as this is a statutory expenses.

COMMISSION ANALYSIS

- 3.365 The Commission has considered the actual property tax paid Rs. 1.17 Cr. on the said account for FY 2017-18.

GST CHARGES**PETITIONER'S SUBMISSION**

- 3.366 With effect from July 01, 2017, the Petitioner was required to pay GST (@18%) instead of service tax (12% to 15%). Further, as per the circular no. 34/8/2018 – GST, there are few services that are provided by the Petitioner to consumer which are now deemed as GST taxable services. However, the GST rate is 18% which is marginally higher than the service tax rate.
- 3.367 It is further submitted that any addition/deletion or new enactment of statutory levy is totally uncontrollable in the hands of the Petitioner and is required to abide by the same. The said amendment has impacted the Petitioner due to introduction of GST charges.
- 3.368 Accordingly, the GST charges paid by the Petitioner during FY 2017-18 are Rs. 32.8 Cr during FY 2017-18 (Jul'17 to Mar'18). The differential amount of Rs.15 Crores on account of impact of GST as tabulated below:

Table 3. 88: Petitioner Submission: Incremental GST charges (Rs. Cr.)

| S. No. | Particulars | FY 2015-16 | FY 2016-17 | FY 2017-18 |
|--------|-------------------------------------|------------|------------|------------|
| 1 | Total Service Tax paid during FY 16 | 21.2 | | |
| 2 | Escalation Factor | | 5.61% | 5.61% |
| 3 | Service tax | | 22.4 | 23.7 |
| 4 | Service Tax for 9 months | | | 17.8 |
| 5 | GST paid during 9 months | | | 32.8 |
| 6 | Net Impact (GST) | | | 15.1 |

- 3.369 The Petitioner has requested Commission to allow the aforesaid expenses while truing up the expenses for FY 2017-18.

COMMISSION ANALYSIS

- 3.370 Regulation 23 of DERC (Business Plan) Regulations, 2017 stipulates the norms for O&M expenses of the Petitioner. The Commission has determined the norms for O&M expenses based on the actual O&M expenses of the Petitioner during FY 2011-12 to FY 2015-16. In the actual O&M expenses, the expenditure incurred towards legal fee, legal claims, rebate paid to the consumer on monthly bills, provisions, loss on sale of retirement of assets have not been considered.

- 3.371 The actual O&M Expenses considered by the Commission already include the expenses on account of service tax. The O&M expenses determined by the Commission contain both element of escalation on year to year basis and additional O&M expenses on account of increase in the network capacity.
- 3.372 The Goods & Services Tax, that came into effect from 01.07.2017 subsumed the service tax and that, it was not a new statutory levy. Therefore, the additional claim sought by the Petitioner is not justified. Accordingly, the Commission disallows the claim on account of implementation of GST.

SMS CHARGES

PETITIONER'S SUBMISSION

- 3.373 The Petitioner has submitted that the Commission vide its letter ref no. F.17(47)/Engg/DERC/2014-15/C.F 4741/3682 dated 13.01.2016 issued the directives to send the SMS to consumer on various occasions. The Petitioner complied with the said directives and hence, incurred an amount of Rs. 1.0 Cr. in FY 2017-18. Since, these expenses are incurred as per the directions of the Commission over and above the normative expenses, the Petitioner requests to allow the same as a part of additional expenses.

COMMISSION ANALYSIS

- 3.374 Regulation 23 of DERC (Business Plan) Regulations, 2017 stipulates the norms for O&M expenses of the Petitioner. The Commission has determined the norms for O&M expenses based on the actual O&M expenses of the Petitioner during FY 2011-12 to FY 2015-16. In the actual O&M expenses, the expenditure incurred towards legal fee, legal claims, rebate paid to the consumer on monthly bills, provisions, loss on sale of retirement of assets have not been considered.
- 3.375 During the prudence check it was observed that the Petitioner already claimed the expense of similar nature booked by the petitioner in its audited financial statement under the head of Communication expenses have already been considered by the Commission at the time of determining the O&M expenses under Regulation 23 of DERC (Business Plan) Regulations, 2017.

- 3.376 The O&M expenses determined by the Commission contain both element of escalation on year to year basis and additional O&M expenses on account of increase in the network capacity. Therefore the additional claim sought by the Petitioner is not justified. Accordingly, the Commission has disallowed the expense.

LEGAL EXPENSES

PETITIONER'S SUBMISSION

- 3.377 The Petitioner submitted that the Commission has provided the treatment of Legal Expenses at Para 43 of its Explanatory Memorandum as follows:

"(43) The Commission has not considered the expenditure incurred on account of legal fee. Further, the Commission is of the view that legal expenses incurred on cases filed against the decisions of the Commission in any of the Courts and Forums shall not be allowed as pass through in the ARR. The legal expenses incurred on cases other than aforesaid, shall be claimed by the DISCOMs in Tariff petitions which may be allowed separately after prudence check in true-up order for respective year."

- 3.378 The Petitioner has mentioned that distribution business is a regulated business under the aegis of this Commission and the right to avail a statutory remedy is also a right guaranteed under Article 14 and 19 of the Constitution. The right to do business under Article 19 (1) (g) includes the right to avail of statutory legal remedies to protect and safeguard the business which is part and parcel of the right to do business. Moreover, the Electricity Act, 2003, allows the Petitioner the right to avail its statutory remedies under section 111 of the Electricity Act, 2003 and other applicable provisions. Therefore, actual legal expenses without any distinction should be allowed as an expense in the ARR. Thus, the Petitioner requests to the Commission to allow figure of Rs. 11.41 Cr. over and above the normative O&M expenses. Out of above merely Rs. 0.70 Cr. is spent towards filing the appeal against the orders including Tariff Orders to protect the stakeholder's interest.

- 3.379 In view of the above submissions, the Petitioner requested the Commission to allow of the legal expenses of Rs. 11.41 Cr. over and above the normative O&M expenses.

COMMISSION ANALYSIS

- 3.380 During the prudence check, the Commission observed that the Petitioner has claimed the total legal expenses. The Commission is of the view that the legal expenses incurred by the Petitioner on account of enforcement cases where the Petitioner has won such cases before the Appropriate Forum may be allowed. Accordingly, Petitioner may provide the requisite data, case-wise. The same shall be considered subject to the prudence check of the claims.

OMBUDSMAN FEES

PETITIONER'S SUBMISSION

- 3.381 The Petitioner submitted that as per the directions of the Commission, the Petitioner has incurred the said expenditure. Accordingly the Petitioner is claiming incremental ombudsman expenses of Rs. 0.16 Cr.

COMMISSION ANALYSIS

- 3.382 The Ombudsman Fee has been considered by the Commission as part of the base cost while determining the norms for O&M expenses in DERC (Business Plan) Regulations, 2017 for FY 2017-18. Accordingly, additional cost is not allowed by the Commission.

LICENSEE FEES PAID ON ASSETS

PETITIONER'S SUBMISSION

- 3.383 The Petitioner has submitted that they have paid License fees to GoNCTD for land rights. The Commission has allowed the license fees to be paid to GoNCTD on normative basis by applying an escalation factor of 5.61% on the actual license fees paid during FY 2015-16. However, the same ought to be allowed on actual basis. Accordingly, Petitioner requested the Commission to allow the incremental license fees of Rs. 0.59 Cr (Actual paid - Rs. 3.08 Cr. minus normative cost of Rs. 2.49 Cr) paid to GoNCTD. Accordingly, the Petitioner has requested the Commission to allow the differential amount under the head statutory levies as it is uncontrollable in nature

COMMISSION ANALYSIS

- 3.384 The Commission has determined the norms for O&M expenses based on the actual O&M expenses of the Petitioner during FY 2011-12 to FY 2015-16. In the actual O&M expenses, the expenditure incurred towards legal fee, legal claims, rebate paid to the consumer on monthly bills, provisions, loss on sale of retirement of assets was not considered.
- 3.385 The actual O&M Expenses considered by the Commission already include the expenses on account of license fee paid on assets to GoNCTD. The O&M expenses determined by the Commission contain both element of escalation on year to year basis and additional O&M expenses on account of increase in the network capacity. Therefore the additional claim sought by the Petitioner is not justified. Accordingly, the Commission has disallowed such expenses.

DSM CHARGES AND OTHER STATUTORY EXPENSES**PETITIONER'S SUBMISSION**

- 3.386 The Petitioner has incurred Rs. 0.10 Cr. on account of mandatory energy audit by M/s Padmasthal Energy services Private Limited.

COMMISSION ANALYSIS

- 3.387 The payment towards the audit service is not a statutory expense but a normal business expense of the Petitioner. Accordingly, no additional cost is being allowed.
- 3.388 Thus the additional O&M Expenses as approved by the Commission for FY 2017-18 are as follows:

Table 3. 89: Commission Approved: Additional O&M Expenses for FY 2017-18 (Rs. Cr.)

| S. No | Particulars | Petitioner Submission | As approved |
|-------|--|-----------------------|-------------|
| A. | Loss on Sale of Retired Assets | 7.11 | 1.21 |
| B. | Arrears paid on account of 7 th Pay Commission revision | 90.14 | 41.26 |
| C. | Impact of Revision in Minimum Wages | 27.77 | - |
| D. | Water Charges | 0.64 | - |
| E. | Property Tax | 1.17 | 1.17 |
| F. | GST Charges | 15.08 | - |
| G. | SMS Charges | 1.00 | - |
| H. | Legal Expenses | 11.41 | - |
| I. | Ombudsman Fees | 0.16 | - |
| J. | Licensee Fees paid on Assets | 0.59 | - |

| S. No | Particulars | Petitioner Submission | As approved |
|-------|--------------|-----------------------|--------------|
| K. | DSM charges | 0.10 | - |
| L. | Total | 155.20 | 43.64 |

CAPITAL EXPENDITURE AND CAPITALISATION

PETITIONER'S SUBMISSION

3.389 The Petitioner has submitted that they have considered the Closing GFA for FY 2016-17 as opening GFA for FY 2017-18. Actual capitalization and de-capitalisation as per the Audited Accounts for FY 2017-18 has been considered to derive the closing balance of GFA as follows:

Table 3. 90: Petitioner Submission: Gross Fixed Assets for FY 2017-18 (Rs. Cr.)

| S.No. | Particulars | FY 2017-18 | Ref. |
|-------|--------------------------------|------------|------------------|
| A | Opening GFA | 3,109.60 | |
| B | Capitalisation during the year | 347.00 | Audited Accounts |
| C | De-capitalisation | 27.90 | Audited Accounts |
| D | Closing GFA | 3,428.70 | A+B-C |
| E | Average GFA | 3,269.20 | (A+D)/2 |

COMMISSION ANALYSIS

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

Table 3. 91: Commission Approved: Capitalization Cost (Rs. Cr.)

| S.No | Particulars | FY 2017-18 |
|------|--------------------|------------|
| A. | Capitalisation | 331 |
| B. | Smart Meter | 64 |
| C. | Less: Deposit Work | 11 |
| D. | Total | 384 |

3.391 The Commission has undertaken the exercise of review of capitalisation and physical verification of the assets during FY 2017-18 and has shared the draft report with the Petitioner for its comments. The Commission has sought the details of total meters capitalised on account of new connections, meters replaced on account of consumers, meters replaced on account of Petitioner etc. The comments on draft report of capitalisation have been received from the Petitioner.

The details submitted by the petitioner are required to be examined and the effect thereof shall be considered appropriately in the subsequent tariff order. The Commission has provisionally disallowed the capitalisation as mentioned in the draft report. During physical verification, the assets amounting to Rs.0.28 Cr. were not physically found. It is further observed that the meters are also being replaced on account of fault of Distribution Licensee before the useful life of meters. Accordingly, the Commission has provisionally disallowed 20% cost of the meters capitalised during FY 2017-18.

3.392

3.393 The Commission observed that the Petitioner has capitalised an amount of Rs. 55.62 Cr. on account of A&G expenses during FY 2017-18. The Commission, in its tariff order dated July, 2012 has stated for consideration of 10% of employee expenses to be capitalised. The Commission has examined the A&G expenses as capitalised for FY 2017-18 which should not exceed 10% of the A&G Expenses and Employee Expenses as allowed to the petitioner. While determining the norms for O&M Expense in the DERC (Business Plan) Regulations, 2017, the Commission had considered the A&G Expenses and Employee Expenses of the total O&M Expenses as follows:

Table 3. 92: O&M Norms for FY 2017-18 (Rs./Capacity unit)

| Particulars | FY 2017-18 | |
|---------------------------|-------------------|-----------------|
| | A&G, Emp, R&M (A) | A&G and Emp (B) |
| 66 kV Line | 4.421 | 3.441 |
| 33 kV Line | 4.421 | 3.441 |
| 11kV Line | 1.857 | 1.445 |
| LT Line system | 8.290 | 6.452 |
| 66/11 kV Grid substation | 1.045 | 0.813 |
| 33/11 kV Grid Sub-station | 1.045 | 0.813 |
| 11/0.415 kV DT | 2.296 | 1.787 |

3.394 Using the above norms, the Commission examined that the A&G expenses as capitalised by the Petitioner are within 10% of the A&G and Employee Expenses. However, the Commission observed that the Petitioner has also capitalised the Employee expenses amounting to Rs. 5.67 Cr. out of the provision for leave salary and Pension for FY 2017-18 on account of 7th pay Commission. The Commission

has not allowed the provision for the leave salary and pension, therefore the corresponding capitalisation of such expenses is also not being allowed.

- 3.395 The Commission has accordingly allowed the Capitalisation for the FY 2017-18 as follows on a provisional basis:

Table 3. 93: Commission Approved: Provisional Capitalisation for FY 2017-18 (Rs. Cr.)

| Particulars | Amount |
|--|--------|
| Total Capitalization as per financial statements | 346.99 |
| <i>Disallowances for FY 2017-18</i> | |
| Assets not found during physical verification | 0.28 |
| EIC | 0.06 |
| Op-ex nature of work covered under cap-ex | 2.57 |
| Excess labor charges | 22.26 |
| Time over Run (Excess IDC) | 0.36 |
| Cost Over run | 1.27 |
| Excess Meter Cost Capitalized | 5.47 |
| provisions for 7th Pay Commission LSC/PC | 5.67 |
| Provisional Capitalization for FY 2017-18 | 309.05 |

- 3.396 Regulation 24(4)(a) of DERC (Business Plan) Regulations 2017 states,

“(4) The quarterly Capital Cost submitted by the Distribution Licensee as per aforesaid sub-Regulation (3) shall be trued up by the Commission and financial impact on account of variation in projected capital cost in the Tariff Order vis-a-vis actual capital cost & scheduled date of commissioning vis-a-vis actual date of commissioning shall be dealt under the Annual true up of relevant financial year as follows:

(a) Any excess tariff recovered on account of variation in projected capitalization in the Tariff Order vis-a-vis trued up capitalization by more than 10% during the year, shall be adjusted in the Revenue Gap/Surplus of the relevant year along with interest rate at 1.20 times of the bank rate prevalent on 1st April of respective year:

Provided that any excess tariff recovered on account of variation in projected capitalization in the Tariff Order vis-a-vis trued up capitalization due to reasons beyond the control of the Distribution Licensee i.e., delay in ‘In-

principle' approval of the schemes, road cutting permission from the concerned agencies etc., shall be adjusted in the Revenue Gap/Surplus of the relevant year along with interest rate equal to bank rate prevalent on 1st April of respective year.

(b) Any shortfall in tariff recovered on account of variation in projected capitalization in the Tariff Order vis-a-vis trued up capitalization by more than 10% during the year, shall be adjusted in the Revenue Gap/Surplus of the relevant year along with interest rate at 0.80 times of the bank rate prevalent on 1st April of respective year."

- 3.397 The Commission projected capitalisation for FY 2017-18 as per the Tariff Order dated 31.08.2017 is as follows:

Table 3. 94: Projected Capitalization for FY 2017-18 (Rs. Cr.)

| S.No. | Capitalisation approved as per Tariff Order FY 2017-18 | Amount |
|-------|--|------------|
| A. | Capitalisation | 384 |
| B. | Less: Consumer Contribution | 35 |
| C. | Total | 349 |

- 3.398 In terms of Regulation 24(4) of DERC(Business Plan) Regulations 2017, the variation range of 10% upon projected capitalisation is as follows:

Table 3. 95: Variation in Capitalisation Cost (Rs. Cr.)

| S.No. | Capitalisation approved as per Tariff Order FY 2017-18 | Amount |
|-------|--|--------|
| A. | Variation range (10% of projection) | 34.90 |
| B. | Lower range (with (-) 10% variation) | 314.10 |
| C. | Upper Range (with (+) 10% variation) | 383.90 |

- 3.399 The provisional Capitalisation allowed by the Commission is Rs. 309.05 Cr. as discussed in previous paragraphs. It is observed that the Petitioner has received the Consumer Contribution of Rs. 51.40 Cr. during FY 2017-18. The petitioner has also retired the assets of Rs. 27.90 Cr. during FY 2017-18. Thus, the capitalisation considered for FY 2017-18 for the purpose of determination of excess/shortfall in recovery of Tariff is as follows:

Table 3. 96: Petitioner Submission: Actual Capitalisation (Rs. Cr.)

| S.No. | Particulars | Amount |
|-------|-----------------------|--------|
| A. | Actual Capitalisation | 309.05 |

| S.No. | Particulars | Amount |
|-------|-----------------------------|---------------|
| B. | Less: Consumer Contribution | 51.40 |
| C. | Less: De-capitalisation | 27.90 |
| D. | Total | 229.75 |

3.400 It is observed that there is a variance of more than 10% between the projected capitalisation (Rs.349 Cr.) and the approved capitalisation (Rs.229.75 Cr.) of the Petitioner. In accordance with Regulation 24(4), the impact of shortfall of capitalisation, leading to excess recovery of the Tariff considering the bank rate on 01.04.2017 as 9.60% has been computed as follows:

Table 3. 97: Impact of variance more than 10% in Approved Capitalisation vs. Projected Capitalisation

| S.No. | Particulars | Amount (Rs. Cr.) | Ref. |
|-------|---|------------------|-------------------|
| A. | Shortfall in Capitalisation from projection during the year | 84.35 | (314.10 – 229.75) |
| B. | Depreciation thereon (%) As allowed in Aug 17 TO | 3.79% | |
| C. | Depreciation thereon (Rs. Cr.) | 1.60 | |
| D. | WACC thereon (%) As allowed in Aug 17 TO | 15.87% | |
| E. | ROCE thereon (Rs. Cr.) | 6.69 | |
| F. | Total | 8.29 | |
| G. | Bank Rate as on 1st April 2017 | 8.00% | |
| H. | 1.2 times thereof | 9.60% | |
| I. | Recovery on account of Regulation 24(4)(a) | 0.40 | |

3.401 Accordingly, the recovery of interest on account of Regulation 24(4)(a) of DERC (Business Plan) Regulations, 2017 is considered towards the Revenue available towards ARR of the Petitioner.

CONSUMER CONTRIBUTION AND GRANT

PETITIONER'S SUBMISSION

3.402 The Petitioner has submitted average consumer contribution and grants for FY 2017-18 is tabulated below:

Table 3. 98: Petitioner Submission: Consumer contribution for FY 2017-18 (Rs. Cr.)

| S. No | Particulars | Amount |
|-------|-------------------------------|--------|
| A | Opening Balance | 219.20 |
| B | Additions during the year | 51.40 |
| C | Closing Balance | 270.60 |
| D | Average Consumer Contribution | 244.90 |

Table 3. 99: Petitioner Submission: Grants (Rs. Cr.)

| S. No | Particulars | Amount |
|-------|---------------------------|--------|
| A | Opening Balance | 16.20 |
| B | Additions during the year | - |
| C | Closing Balance | 16.20 |
| D | Average Grants | 16.20 |

COMMISSION ANALYSIS

- 3.403 The Commission has considered the Closing Balance of Consumer Contribution and Grants from the Tariff Order dated 28.03.2018 as approved for FY 2016-17 as Opening Balance of Consumer Contribution and Grants for FY 2017-18. The Commission verified the additions towards Consumer Contribution and Grants during the year from the audited financials of the Petitioner.
- 3.404 Accordingly, the addition to the Consumer Contribution/Grants for the year have been considered as follows:

Table 3. 100: Commission Approved: Consumer Contribution/Grants (Rs. Cr.)

| S. No. | Particulars | Petitioner submission | As approved | Ref. |
|--------|---|-----------------------|-------------|-----------|
| A | Opening Balance | 235.40 | 284.37 | |
| B | Capitalized during the year | 51.40 | 51.40 | |
| C | Closing Balance | 286.80 | 335.77 | A + B |
| D | Average Cumulative Capitalized Consumer Contribution/Grants | 261.1 | 310.07 | (A + C)/2 |

FUNDING OF CAPITALISATION**PETITIONER'S SUBMISSION**

- 3.405 The Petitioner has submitted that during FY 2017-18, they have capitalised Rs. 347 Cr. which includes Rs. 51.40 Cr. on account of consumer contribution capitalised 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 below:

Table 3. 101: Petitioner Submission: Capitalisation Funding for FY 2017-18 (Rs. Cr.)

| S. No | Particulars | Amount |
|-------|------------------------|--------|
| A | Total Capitalisation | 347.00 |
| B | De-capitalisation | 27.90 |
| C | Consumer Contribution | 51.40 |
| D | Balance Capitalisation | 267.70 |
| E | Debt | 187.40 |
| F | Equity | 80.30 |

COMMISSION ANALYSIS

3.406 The closing GFA for FY 2016-17 as approved in the Tariff Order dated 28.03.2018 has been considered as opening GFA for FY 2017-18.

3.407 Accordingly, the provisionally approved Capitalisation for the Petitioner is as follows:

Table 3. 102: Commission Approved: Capitalisation for FY 2017-18 (Rs. Cr.)

| S. No. | Particulars | Petitioner submission | As approved | Ref. |
|--------|--|-----------------------|-------------|-----------------------------|
| A | Provisional Trued up opening balance of Gross Fixed Assets (net of Retirement) | 3,109.60 | 2,782.99 | |
| B | Add- Capitalization during the year | 347.00 | 309.05 | Table 3.93 |
| C | Less- Retirement/ De-capitalization for the year | 27.90 | 27.90 | Audited financial statement |
| D | Closing balance of Gross Fixed Assets | 3,428.70 | 3,064.14 | A +B-C |
| E | Average Gross Fixed Assets (Net of Retirement of Assets) | 3,269.15 | 2,923.57 | (A+D)/2 |

DEPRECIATION**PETITIONER'S SUBMISSION**

3.408 For the purpose of computing depreciation for True-up of FY 17-18, the Petitioner has followed the same methodology as considered by the Commission in the past i.e. the average rate of Depreciation based on the Audited Accounts of the Petitioner has been applied on the average GFA net of consumer contribution and grants. The average rate of Depreciation for FY 2017-18 based on the Audited Accounts of the Petitioner is tabulated below:

Table 3. 103: Petitioner Submission: Average rate of Depreciation for FY 2017-18 (Rs. Cr.)

| S. No | Particulars | Actual |
|-------|--------------------------------------|----------|
| A | Opening GFA as per audited accounts | 3,080.20 |
| B | Closing GFA as per audited accounts | 3,399.30 |
| C | Average of GFA | 3,239.80 |
| D | Depreciation as per Audited Accounts | 169.60 |
| E | Average depreciation rate | 5.23% |

3.409 The depreciation has been computed in the audited accounts based on the schedule of depreciation rates given in DERC Tariff Regulations, 2017. In audited accounts, the depreciation has been computed based on life of assets as specified

in the Regulations. In case the Commission desires the computation in support of depreciation on assets appearing in audited accounts, the same can be provided.

- 3.410 The Petitioner has calculated the allowable depreciation after excluding consumer contribution and Grants from the Gross Fixed Assets as under:

Table 3. 104: Petitioner Submission: Depreciation for FY 2017-18 (Rs. Cr.)

| S. No | Particulars | Amount |
|-------|--|----------|
| A | Average GFA | 3,269.20 |
| B | Average Consumer Contribution and Grants | 261.10 |
| C | Average assets net of consumer contribution & Grants | 3,008.10 |
| D | Average rate of depreciation | 5.23% |
| E | Depreciation | 157.50 |

- 3.411 The cumulative depreciation on fixed assets at the end of FY 2017-18 is tabulated below:

Table 3. 105: Petitioner Submission: Cumulative Depreciation upto FY 2017-18 (Rs. Cr.)

| S. No | Particulars | Amount |
|-------|--|---------|
| A | Opening balance of cumulative depreciation | 1,003.0 |
| B | Additions during the year | 157.5 |
| C | Closing balance of cumulative depreciation | 1,160.5 |

COMMISSION ANALYSIS

- 3.412 Regulations 78 to 83 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates the provisions of Depreciation for the FY 2017-18 as follows:

“78. Annual Depreciation shall be computed based on Straight Line Method for each class of asset as specified in Appendix-1 of these Regulations.

79. The base value for the purpose of depreciation shall be the capital cost of the asset approved by the Commission. Depreciation shall be chargeable from the first year of commercial operation and in case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

80. The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset:

Provided that any depreciation disallowed on account of lower availability of the generating station or generating unit or transmission system as the case may be, shall not be allowed to be recovered at a later stage during the useful life and the extended life.

81. Land other than the land held under lease shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.

82. In case of existing assets, the balance depreciable value as on 1st April of any financial year shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31st March of the preceding financial year from the gross depreciable value of the assets.

83. The Depreciation for Life extension projects/scheme shall be allowed in the manner as indicated in Regulation 51 of these Regulations.”

- 3.413 The Commission continues to apply the rate of depreciation at 5.23% for FY 2017-18 on provisional basis as per the audited financial statements of the Petitioner. Accordingly, depreciation on the assets capitalised provisionally is as computed below:

Table 3. 106: Commission Approved: Depreciation for FY 2017-18 (Rs. Cr.)

| S. No. | Particulars | As Approved | Ref. |
|--------|--|-------------|-------------|
| A | Average of Fixed Assets | 2,923.57 | Table 3.102 |
| B | Average consumer contribution | 310.07 | Table 3.100 |
| C | Average Fixed Assets (net of Consumer Contribution/ grants | 2613.50 | A-B |
| D | Rate of Depreciation | 5.23% | |
| E | Deprecation approved | 136.80 | C*D |

- 3.414 The depreciation on account of retired assets for previous years was not considered in earlier Tariff Orders, The Commission has considered the same now for adjustment of depreciation on account of the de-capitalised assets. The revised opening balance of accumulated depreciation is now considered as Rs. 806.12 Cr. Accordingly, the accumulated depreciation for FY 2017-18 is as follows:

Table 3. 107: Commission Approved: Accumulated Depreciation (Rs. Cr.)

| S. No. | Particulars | Petitioner Submission | As Approved | Ref. |
|--------|---|-----------------------|-------------|--------------------|
| A | Opening Depreciation (Net of De Cap) | 1,003.00 | 806.12 | |
| B | Addition during the year | 157.45 | 136.80 | Table 3.106 |
| C | Less- Depreciation towards Retirement | 19.40 | 19.40 | Audited financials |
| D | Closing value of Accumulated Depreciation | 1,141.05 | 923.52 | A+B-C |

WORKING CAPITAL**PETITIONER'S SUBMISSION**

3.415 The Petitioner has submitted Working Capital Requirement for FY 2017-18 for Truing Up of FY 2017-18 as follows:

Table 3. 108: Petitioner Submission: Working Capital Requirement (Rs. Cr.)

| S. No | Particulars | FY 2017-18 |
|-------|--|--------------|
| A | Annual Revenues from Tariff & Charges | 4621.50 |
| A1 | Receivables equivalent to two months average | 770.20 |
| B | Power Purchase Expenses | 3375.20 |
| B1 | Less: 1/12th of power purchase expenses | 281.30 |
| C | Working Capital | 489.00 |
| D | Opening Working Capital | 470.60 |
| E | Change in Working Capital | 18.40 |

COMMISSION ANALYSIS

3.416 Regulation 84(4) of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates the working capital determination for Distribution Licensee as follows:

"84. The Commission shall calculate the Working Capital requirement for:

(4) Distribution Licensee as follows:

(i) Working capital for wheeling business of electricity shall consist of ARR for two months of Wheeling Charges.

(ii) Working capital for Retail Supply business of electricity shall consist of:

(a) ARR for two months for retail supply business of electricity;

(b) Less: Net Power Purchase costs for one month;

(c) Less: Transmission charges for one month; and"

3.417 The Commission has computed the Working Capital considering the net power purchase cost including transmission charges and ARR as approved in the truing up for FY 2017-18 as follows:

Table 3. 109: Commission Approved: Working Capital for FY 2017-18 (Rs. Cr.)

| S.No. | Particulars | Petitioner submission | Approved | Ref. |
|-------|-----------------------------|-----------------------|----------|-------------|
| A | Annual Revenue | 4,621.50 | 4,328.85 | Table 3.129 |
| B | Receivables equivalent to 2 | 770.25 | 721.48 | (A/12*2) |

| S.No. | Particulars | Petitioner submission | Approved | Ref. |
|-------|--|-----------------------|----------|-----------------------------|
| | months average billing | | | |
| C | Power Purchase expenses including transmission charges | 3,375.20 | 3,298.64 | Table 3.81 |
| D | Less: 1/12th of power purchase expenses | 281.27 | 274.89 | (C/12*1) |
| E | Total working capital | 488.98 | 446.59 | (B-D) |
| F | Opening working capital | 470.60 | 470.57 | Table 150 of TO March, 2018 |
| G | Change in working capital | 18.38 | (23.98) | E-F |

REGULATED RATE BASE**PETITIONER'S SUBMISSION**

3.418 The Petitioner has submitted Regulated Rate Base (RRB) for FY 2017-18 as follows:

Table 3. 110: Petitioner Submission: Regulated Rate Base for FY 17-18 (Rs. Cr.)

| S. No | Particulars | Amount |
|-------|--|----------|
| A | RRB Opening | 2,253.70 |
| B | ΔAB (Change in RRB) | 129.70 |
| C | Investments Capitalized | 319.10 |
| D | Depreciation (incl AAD) | 157.50 |
| E | Add: Depreciation on De-capitalised Assets | 19.40 |
| F | Consumer Contribution | 51.40 |
| G | Change in WC | 18.40 |
| H | RRB Closing | 2,401.80 |
| I | RRB (i) | 2,337.00 |

COMMISSION ANALYSIS

3.419 The Commission observed that there existed an inadvertent error in considering the RRB opening balance for FY 2016-17. The Commission accordingly rectifies the error and considers the opening RRB for FY 2016-17 as Rs. 2077.61 Cr. Accordingly, the revised closing RRB for FY 2016-17 is Rs. 2163.07 Cr. which is also the Opening RRB for FY 2017-18.

3.420 Regulation 65 to 70 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates as under:

“65. Return on Capital Employed shall be used to provide a return to the Utility, and shall cover all financing costs except expenses for availing the loans, without providing separate allowances for interest on loans and interest on working capital.

66. The Regulated Rate Base (RRB) shall be used to calculate the total capital employed which shall include the Original Cost of Fixed Assets (OCFA) and Working Capital. Capital work in progress (CWIP) shall not form part of the RRB. Accumulated Depreciation, Consumer Contribution, Capital Subsidies / Grants shall be deducted in arriving at the RRB.

67. The RRB shall be determined for each year of the Control Period at the beginning of the Control Period based on the approved capital investment plan with corresponding capitalisation schedule and normative working capital.

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

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

Where,

“*i*” is the *i*th year of the Control Period;

RRBi: Average Regulated Rate Base for the *i*th year of the Control Period;

ΔWCi : Change in working capital requirement in the *i*th year of the Control Period from (*i*-1)th year;

ΔABi : Change in the Capital Investment in the *i*th year of the Control Period;

This component shall be arrived as follows:

$$\Delta ABi = Invi - Di - CCI - Reti;$$

Where,

Invi: Investments projected to be capitalised during the *i*th year of the Control Period

and approved;

Di: Amount set aside or written off on account of Depreciation of fixed assets for the *i*th year of the Control Period;

CCI: Consumer Contributions, capital subsidy / grant pertaining to the ΔABi and capital grants/subsidies received during *i*th year of the Control Period for construction of service lines or creation of fixed assets;

Reti: Amount of fixed asset on account of Retirement/ Decapitalisation during *i*th Year;

RRB_{i-1}: Closing Regulated Rate Base for the Financial Year preceding the *i*th year of the Control period. For the first year of the Control Period, Closing *RRB_{i-1}* shall be the

Opening Regulated Rate Base for the Base Year i.e. RRBO;

RRBO = OCFAO – ADO – CCO+ WCO;

Where;

OCFAO: Original Cost of Fixed Assets at the end of the Base Year;

ADO: Amounts written off or set aside on account of depreciation of fixed assets pertaining to the regulated business at the end of the Base Year;

CCO: Total contributions pertaining to the OCFAo, made by the consumers, capital subsidy /grants towards the cost of construction of distribution/service lines by the Distribution Licensee and also includes the capital grants/subsidies received for this purpose;

WCO: working capital requirement in the (i-1)th year of the Control Period.

Return on Capital Employed (RoCE) for the year “i” shall be computed in the following manner:

RoCE=WACCI RRBi*

Where,

WACCI is the Weighted Average Cost of Capital for each year of the Control Period;

RRBi – Average Regulated Rate Base for the ith year of the Control Period.

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

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

Where,

D is the amount of Debt derived as per these Regulations;

E is the amount of Equity derived as per these Regulations;

Where equity employed is in excess of 30% of the capital employed, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as notional loan. The amount of equity in excess of 30% treated as notional loan. The interest rate on excess equity shall be the weighted average rate of interest on the actual loans of the Licensee for the respective years. Where actual equity employed is less than 30%, the actual equity and debt shall be considered;

Provided that the Working capital shall be considered 100% debt financed for the calculation of WACC;

Rd is the Cost of Debt;
Re is the Return on Equity."

3.421 Accordingly, the Commission approves the RRB for FY 2017-18 as follows:

Table 3. 111: Commission Approved: RRB for FY 2017-18 (Rs. Cr.)

| S. No. | Particulars | Petitioner submission | As Approved | Ref. |
|--------|--|-----------------------|-------------|-------------|
| A | Opening Original Cost of Fixed Assets (OCFA _o) | | 2,782.99 | |
| B | Opening Accumulated depreciation (ADo) | | 806.12 | |
| C | Opening consumer contributions received (CCo) | | 284.37 | |
| D | Opening Working capital (WCo) | | 470.57 | |
| E | Opening RRB (RRBo) | 2,253.70 | 2,163.07 | A-B-C+D |
| F | Investment capitalised during the year (INVi) | 347.00 | 309.05 | Table 3.93 |
| G | Depreciation during the year (Di) | 157.45 | 136.80 | Table 3.106 |
| H | Depreciation on decapitalised assets during the year | 19.40 | 19.40 | Table 3.107 |
| I | Consumer contribution during the year (CCi) | 51.40 | 51.40 | Table 3.100 |
| J | Fixed assets retired/decapitalised during the year (Reti) | 27.90 | 27.90 | Table 3.102 |
| K | Change in capital investment (Δ ABi) | 129.65 | 112.35 | (F-G+H-I-J) |
| L | Change in working capital during the year (Δ WCi) | 18.38 | (23.98) | Table 3.109 |
| M | RRB Closing | 2,401.73 | 2,251.44 | E+K+L |
| N | RRBi | 2,336.91 | 2,195.27 | E+K/2+L |

DEBT AND EQUITY, INTEREST ON LOAN, WACC PETITIONER'S SUBMISSION

3.422 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 2017-18 is tabulated below:

Table 3. 112: Petitioner Submission: Average Debt & Equity for FY 2017-18 (Rs. Cr.)

| S. No | Particulars | Debt | Equity |
|-------|---------------------------|---------|---------|
| A | Opening | 1183.50 | 1009.60 |
| B | Additions during the year | | |
| i | <i>Capex</i> | 187.40 | 80.30 |
| ii | <i>Working capital</i> | 18.40 | - |
| C | Less: Repayment | 118.40 | - |
| D | Closing | 1271.00 | 1090.00 |
| E | Average | 1227.30 | 1049.80 |

- 3.423 In view of Regulation 22 of DERC (Business Plan) Regulations, 2017, the Petitioner has requested the Commission to consider the margin on rate of interest on loans for FY 2017-18 tabulated as follows:

Table 3. 113: Petitioner Submission: Margin for the Control Period (%)

| Particulars | Rate |
|--|--------|
| Weighted average rate of interest as on 01.04.17 (A) | 14.14% |
| SBI MCLR as on 01.04.2017 (B) | 8.00% |
| MARGIN for the control period (A-B) | 6.14% |

- 3.424 In view of Regulation 77 of DERC Tariff Regulations, 2017 the Petitioner has submitted to compute the weighted average rate of interest considering the rate of interest on loan and outstanding loan as on 01.04.2017. The details of the same has been shown in the table below:

Table 3. 114: Petitioner Submission: Weighted Average Interest Rate on Loan (%)

| Particulars | Rate |
|-------------------------------|--------|
| MARGIN for the control period | 6.14% |
| SBI MCLR AS ON 01.04.2017 | 8.00% |
| Total | 14.14% |
| Rate of Interest for FY 17-18 | 14.00% |

- 3.425 The Petitioner has submitted that the weighted average rate of interest on loan as per actual loan portfolio is 14.14% equivalent to the bank rate plus margin. Hence, the weighted average rate of interest on loan may be limited to approve base rate of return on equity i.e.14%.
- 3.426 In view of Regulation 4 of DERC (Business Plan) Regulations, 2017, the Petitioner has submitted the grossed up return on equity at 20.34% with income tax rate on MAT basis is 21.55% and has computed the WACC as follows:

Table 3. 115: Petitioner Submission: Weighted Average Cost of Capital (WACC)

| S. No. | Particulars | Amount (Rs. Cr.) |
|--------|----------------------------------|------------------|
| A | Average Equity | 1,049.8 |
| B | Average Debt | 1,227.3 |
| C | Return on Equity | 16% |
| D | Income Tax Rate | 21.55% |
| E | Grossed up Return on Equity | 20.39% |
| F | Rate of Interest | 14.00% |
| G | Weighted average cost of Capital | 16.95% |

3.427 The Petitioner has submitted RoCE for FY 2017-18 is computed as below:

Table 3. 116: Petitioner Submission: RoCE for FY 2017-18 (Rs. Cr.)

| S. No | Particulars | Amount (Rs. Cr.) |
|-------|---|------------------|
| A | Weighted Average Cost of Capital (WACC) | 16.95% |
| B | RRB (i) | 2,337.0 |
| C | RoCE | 396 |

COMMISSION ANALYSIS

3.428 Regulation 22 of the DERC (Business Plan) Regulations, 2017 stipulates the margin for rate of interest on loan as follows:

“22. MARGIN FOR RATE OF INTEREST ON LOAN

(1) Margin for rate of interest for the Control Period in terms of Regulation 4(2) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee shall be allowed as the difference in weighted average rate of interest on actual loan as on 1st April 2017 and 1 (one) year Marginal Cost of Fund based Lending Rate (MCLR) of SBI as on 1st April 2017:

Provided that the rate of interest on loan (MCLR plus Margin) shall not exceed approved base rate of return on equity for wheeling business i.e., 14.00%.

(2) The Distribution Licensees shall follow transparent mechanism to avail Loans and, to the extent possible, shall endeavour to invite open tender for availing Loans.”

3.429 During the prudence check the rate of interest on Capex loans and working capital has been verified at 13.61% and 13.84% for FY 2017-18.

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

Table 3. 117: Commission Approved: WACC and ROCE for FY 2017-18 (Rs. Cr.)

| S. No. | Particulars | Petitioner submission | As Approved | Ref. |
|--------|--|-----------------------|-------------|-------------|
| A | RRBi | 2,336.91 | 2,195.27 | Table 3.111 |
| B | Opening Equity for net Capitalisation (limited to 30%) | | 507.75 | |
| C | Closing Equity limiting to 30% of net capitalization | 1,049.8 | 541.46 | |
| D | Average Equity for net Capitalisation (limited to 30%) | | 524.60 | (B+C)/2 |
| E | Opening Debt at 70% of net capitalization | | 1,184.75 | |

| S. No. | Particulars | Petitioner submission | As Approved | Ref. |
|--------|---|-----------------------|-------------|-----------------------|
| F | Closing Debt at 70% of net capitalization | | 1,263.40 | |
| G | Average Debt at 70% of net capitalisation | | 1,224.07 | |
| H | Debt at 100% of working capital | | 446.59 | A-D-G |
| I | Debt- balancing figure | 1,227.3 | 1,670.66 | G+H |
| J | Rate of return on equity (re) | 20% | 16.00% | |
| K | Rate of debt (rd) on capitalization | | 13.61% | |
| L | Rate of debt (rd) on working Capital | | 13.84% | |
| M | Rate of interest on debt(rd) | 14% | 13.67% | $((G*K)+(H*L))/(G+H)$ |
| N | WACC | 16.95% | 14.23% | $(I*M+D*J)/(D+I)$ |
| O | RoCE | 396.01 | 312.34 | A*N |

INCOME TAX**COMMISSION ANALYSIS**

3.431 The Commission approves the Income tax based on the return on Equity as follows:

Table 3. 118: Commission Approved: Income tax for FY 2017-18 (Rs. Cr.)

| S.No | Income Tax | Approved | Ref. |
|------|--|----------|--------------------|
| A | Average Equity for Capitalisation (limited to 30%) | 524.60 | Table 3.117 |
| B | Rate of return (re) | 16% | |
| C | Return on equity | 83.94 | A*B |
| D | Effective Income Tax Rate | 21.55% | |
| E | Grossed up Return on Equity (%) | 20.39% | $B/(1-D)$ |
| F | Return on equity including income tax | 106.99 | $A*(B/(1-D))$ |
| G | Tax | 23.06 | F-C |
| H | Actual Tax Paid | 10.14 | Audited financials |
| I | Tax allowed | 10.14 | Min(G, H) |

NON-TARIFF INCOME**PETITIONER'S SUBMISSION**

3.432 The Petitioner has submitted the Non-Tariff Income during FY 2017-18 tabulated as under:

Table 3. 119: Petitioner Submission: Non-Tariff Income submitted for FY 2017-18 (Rs. Cr.)

| S. No | Particulars | Amount |
|-------|------------------------------|--------|
| A | Other Operating Revenue | 68.30 |
| B | Other Income | 25.90 |
| I | Total Income as per Accounts | 94.20 |
| C | Add: Interest on CSD | 29.00 |
| D | Add: Difference in SLD | 5.10 |

| S. No | Particulars | Amount |
|-------|---|--------|
| II | Total Other Income | 128.40 |
| E | Less: Income from other business | |
| a | Pole Rental Income | 1.30 |
| III | Net Income to be considered | 127.10 |
| A | Less: LPSC | 16.80 |
| B | Less: Write-back of misc. Provisions | 0.20 |
| C | Less: Short term gain | 1.10 |
| D | Less: Transfer from Consumer contribution for capital works | 14.40 |
| E | Less: Bad debts recovered | 1.50 |
| F | Less: Incentive towards Street Light | 0.60 |
| G | Less: Commission on collection of Electricity Duty | 6.60 |
| IV | Net Non-Tariff Income | 86.00 |

COMMISSION ANALYSIS

3.433 Regulation 94 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 states,

"94. The Utility shall submit forecast of Non-Tariff Income to the Commission, in such form as may be stipulated by the Commission from time to time, whose tentative list is as follows:

- (i) Income from rent of land or buildings;*
- (ii) Net Income from sale of de-capitalised assets;*
- (iii) Net Income from sale of scrap;*
- (iv) Income from statutory investments;*
- (v) Net Interest on delayed or deferred payment on bills;*
- (vi) Interest on advances to suppliers/contractors;*
- (vii) Rental from staff quarters;*
- (viii) Rental from contractors;*
- (ix) Income from Investment of consumer security deposit;*
- (x) Income from hire charges from contractors and others, etc."*

3.434 The Commission has trued up the Non tariff Income in accordance with the Regulation as above.

INTEREST ON CONSUMER SECURITY DEPOSIT

PETITIONER'S SUBMISSION

3.435 The Petitioner has submitted to consider the rate of Carrying cost for computing the interest on Consumer Security Deposit. Hence the difference of normative interest on CSD and that booked in the Audited Accounts (26%) has been submitted by the Petitioner in NTI as under:

Table 3. 120: Petitioner Submission: Interest on Consumer Security Deposit (Rs. Cr.)

| S. No | Particulars | Amount |
|-------|-------------------------------------|--------|
| A. | Opening Balance of CSD | 457.20 |
| B. | Closing Balance of CSD | 432.50 |
| C. | Average Balance | 444.90 |
| D. | Interest rate | 14.00% |
| E. | Interest on CSD | 62.30 |
| F. | Interest booked in Audited Accounts | 33.30 |
| G. | Net Interest to be considered | 29.00 |

COMMISSION ANALYSIS

3.436 The Commission has verified the Consumer Security Deposit with the Petitioner from the Audited financial statements for FY 2017-18.

3.437 The Commission has considered the working capital interest rate for FY 2017-18 as submitted by the Petitioner at 13.84%.

3.438 The actual amount of interest paid to the Consumers comes to Rs. 33.28 Cr. as per the audited financial statements. Accordingly, the difference in the normative interest income and the actual interest booked as expense for FY 2017-18 is being considered as part of the Non Tariff Income of the Petitioner as follows:

3.439

Table 3. 121: Commission Approved: Consumer Security Deposit for FY 2017-18 (Rs. Cr.)

| S.No. | Particulars | Petitioner submission | As approved | Ref. |
|-------|--|-----------------------|-------------|--------------------------------|
| A | Opening Balance Of Consumer Security Deposit | 457.20 | 457.21 | Table 134 of TO dtd 28.03.2018 |
| B | Closing Balance of Consumer Security Deposit | 432.50 | 432.51 | Audited Financials |
| C | Average Balance Of Consumer Security Deposit | 444.85 | 444.86 | (A+B)/2 |
| D | Working Capital Interest Rate | 14.00% | 13.84% | Table 4.54 |
| E | Normative amount of Interest | 62.28 | 61.57 | (C*D) |
| F | Actual Amount of Interest paid to Consumers | 33.30 | 33.28 | Audited Financials |
| G | Difference to be additionally offered as NTI | 28.98 | 28.29 | (E-F) |

**DIFFERENCE ON ACCOUNT OF SERVICE LINE DEVELOPMENT (SLD) CHARGES
PETITIONER'S SUBMISSION**

- 3.440 The Petitioner has submitted the difference on account of Service Line (SLD) Charges and mentioned that the Commission in Tariff Order dated September 29, 2015 ruled as under:

“3.355 The Commission has observed from the audited financial statements (Note 8) that the service line charge received from the consumers amounting to Rs.23.76 Crore is remained unadjusted and kept in deposit account. These service line charges are collected from the consumers and by deferring and not treating as nontariff income will inflate the ARR by the same extent which tantamount to collection of the same from the consumers again through tariffs.”

- 3.441 The Petitioner has challenged the aforesaid issue before Hon’ble ATE in Appeal 290 of 2015 which is pending. Without pre-judice to the contentions in the Appeal, the Petitioner has added the difference between the SLD Charges received during FY 2017-18 that appearing in the Other Income in the Audited Accounts for the purpose of computation of Non-Tariff Income as under:

Table 3. 122: Petitioner Submission: Difference on account of SLD (Rs. Cr.)

| S. No | Particulars | Amount |
|-------|-------------------------------|-------------|
| A. | Received during FY 2017-18 | 27.10 |
| B. | SLD appearing in Other Income | 22.00 |
| C. | Difference considered | 5.10 |

COMMISSION ANALYSIS

- 3.442 The Commission has been considering the SLD charges on receipt basis as part of the non tariff income of the Petitioner.
- 3.443 The Commission verified the audited financial statements and observed that the accounting treatment of the Petitioner continues to amortise the SLD over a period of three years. However, without pre-judice to the contentions in the Appeal 290 of 2015, the Petitioner has offered the SLD on receipt basis. Accordingly, the additional amount towards Non tariff Income has been determined by the Commission as under:

Table 3. 123: Commission Approved: Difference on account of SLD (Rs. Cr.)

| S.No. | Particulars | Petitioner submission | As approved |
|-------|--|-----------------------|-------------|
| A | Receipt on account of Service Line charges | 27.10 | 27.08 |
| B | Amortized and transferred to Profit & Loss | 22.00 | 21.96 |
| C | Addition to NTI | 5.10 | 5.12 |

LATE PAYMENT SURCHARGE**PETITIONER'S SUBMISSION**

- 3.444 The Petitioner submitted that it levied LPSC @ 1.5% per month on flat basis till FY 2012-13. The Commission was therefore allowing only financing cost of LPSC to the Petitioner by computing the principal amount (LPSC divided by 18% (12 x 1.5%) and allowing carrying cost on the principal amount. The difference between the amount of LPSC and the interest on principal amount was passed on the consumers by way of NTI.
- 3.445 The Petitioner has requested the Commission to allow the entire LPSC instead of financing cost of LPSC during FY 2017-18 as the Petitioner charged LPSC proportionate to the number of days of delay and not on flat basis. The methodology of charging LPSC proportionate to the number of days of delay leads to recovery of only financing cost of LPSC for the delay in payment and not on flat basis. However the Commission without referring to its' direction for change in charging of LPSC continued with the earlier methodology which was utilised for computation of financing of LPSC till FY 2012-13. Such treatment has actually resulted in allowance of financing cost of LPSC at much lower rate.
- 3.446 The Petitioner has further submitted that the concept of financing cost of LPSC was introduced by the Commission in Tariff Order dated August 26, 2011 as LPSC was considered as a part of revenue realisation for the purpose of computation of AT&C Loss as per Clause-4.7 (c) of DERC Tariff Regulations, 2007. As per DERC Tariff Regulations, 2011, the methodology of computation of revenue realisation for the purpose of computation of AT&C Loss has been changed and LPSC is no longer being included as a part of revenue realisation for computation of AT&C Loss from FY 2012-13 onwards. Since the methodology for computation of AT&C Loss has been changed, the Petitioner ought to be allowed entire LPSC instead of financing cost of LPSC.
- 3.447 The Petitioner has also submitted that concept of financing cost of LPSC is based on the principle that the Petitioner will fund the amount delayed through loans whereas, it is practically not possible to arrange for the funding of such delayed payment as the Petitioner does not know in advance as to which consumer will pay

the bill on deadline and which consumers will not pay the bill on deadline. The process of raising loans for funding any expenditure is time taking process and therefore, in case of any default on part of consumers to pay electricity bills in time, the Petitioner has to face the following penalties:

- a) **Penalty on account of under-achievement of AT&C Loss:** In case of any under-achievement of AT&C Loss, the Commission levies penalty on the Petitioner irrespective of the fact that the default in collection efficiency is on account of consumers.
- b) **Penalty in repayment of Loans:** In present scenario, the Petitioner is not operating in business as usual situation. Apart from normal capex loan and working capital loan, the Petitioner is required to fund huge amount of regulatory assets and the revenue gap during the year on account of variation between the estimated ARR and actual ARR. In such a situation any default in payment of billed amount put financial constraints on the ability of the Petitioner to efficiently discharge its debt obligations. As a result the Petitioner has to face penalty on account of delay in repayment of loans which is not being passed in the ARR.
- c) **Penalty by Generators:** Generators levy penalty of 1.5% per month in case of non-payment of dues within time.

3.448 The Petitioner stated that such treatment of the Commission has tantamount to discrimination between Gencos, Transcos and DISCOMs which is depicted in the table below:

Table 3. 124: Petitioner Submission: Differential treatment of LPSC between Utilities

| S. No | Particulars | Delhi Gencos and Transcos | Delhi DISCOMs |
|-------|-------------------|---|---|
| 1 | Before FY 2013-14 | <ul style="list-style-type: none"> • 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. | <ul style="list-style-type: none"> • 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 | • LPSC @ 1.5% proportional |

| S. No | Particulars | Delhi Gencos and Transcos | Delhi DISCOMs |
|-------|-------------|---------------------------|---|
| | | continued. | to number of days of delay; • Same formulae for computing principal amount despite of change in treatment; |

- 3.449 As per the aforesaid submissions, the Petitioner requested to allow entire LPSC of Rs. 16.79 Cr. during FY 2017-18 to be retained by the Petitioner as the same merely meets the financing cost of delay in payment.

COMMISSION ANALYSIS

- 3.450 Regulation 94 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 states,

“94. The Utility shall submit forecast of Non-Tariff Income to the Commission, in such form as may be stipulated by the Commission from time to time, whose tentative list is as follows:

...

(v) Net Interest on delayed or deferred payment on bills;

...”

- 3.451 The Commission during the prudence check has verified and trued up the working capital interest rate at 13.84%. Accordingly, the Commission has considered the net interest on delayed or deferred payment on bills as Non Tariff Income of the Petitioner as follows:

Table 3. 125: Commission Approved: Financing Cost of LPSC (Rs. Cr.)

| S. No. | Particular | Petitioner submission | As approved |
|--------|--|-----------------------|-------------|
| A | LPSC earned | 16.80 | 16.79 |
| B | Late payment surcharge rate as per Regulations (%) | 18% | 18% |
| C | Principal Amount | 93.33 | 93.28 |
| D | Normative Interest Rate | 14.00% | 13.84% |
| E | Financing Cost | 13.07 | 12.91 |

REBATE ON POWER PURCHASE COST AND TRANSMISSION CHARGES

PETITIONER'S SUBMISSION

- 3.452 The Petitioner submitted that 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.

COMMISSION ANALYSIS

- 3.453 The Commission has considered the normative rebate to be reduced from the power purchase cost. Accordingly, the actual rebate received by the Petitioner towards the power purchase in FY 2017-18 is being allowed to be reduced from the Non Tariff Income.

WRITE-BACK OF MISCELLANEOUS PROVISIONS

PETITIONER'S SUBMISSION

- 3.454 The Petitioner has referred the Commission's Tariff Order dated March 28, 2018 which 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."

- 3.455 The Petitioner further referred Commission's Tariff Order dated August 31, 2017 stated as under:

"3.542 The 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."

- 3.456 The Petitioner submitted that the amount of Rs. 0.24 Cr. 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 for Retirement of fixed Assets in previous years and was not forming part of A&G expenses considered by the Commission during previous financial years. Hence, the amount of Rs. 0.24 Cr. ought not to be considered as part of Non-Tariff Income for FY 2017-18.

COMMISSION ANALYSIS

- 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.

SHORT TERM GAIN**PETITIONER'S SUBMISSION**

- 3.458 The Petitioner referred Commission's Tariff Order dated August 31, 2017 has ruled as under:

"3.544 The Petitioner has submitted that Short Term gain is on account of interest received on fixed deposits maintained by the Petitioner as margins kept with the funding agency for loans availed. Therefore, the Commission is of the view that interest on these fixed deposits should be allowed to be reduced from the Non-Tariff Income "

- 3.459 Accordingly, the Petitioner requested to allow the Petitioner to retain the income of Rs. 1.05 Cr. on account of interest received on fixed deposits during FY 2017-18 and reduce the same from the Non Tariff Income.

COMMISSION ANALYSIS

- 3.460 Regulation 94 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates that income from statutory investments will form part of Non tariff Income.
- 3.461 The Petitioner submits to hold certain short term investments with the banks as margin for Debt service coverage in order to service its debt facility.
- 3.462 Accordingly, the Commission allows the income from such investments to be reduced from Non Tariff Income.

TRANSFER FROM CONSUMER CONTRIBUTION AND CAPITAL WORKS**PETITIONER'S SUBMISSION**

- 3.463 The Petitioner has submitted that the Commission in Tariff Order dated March 28, 2018 has allowed transfer from consumer contribution for capital works to be reduced from NTI for FY 2016-17 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.
- 3.464 Accordingly, the Petitioner requested to reduce the amount of Rs. 14.43 Crores from the Non-Tariff Income during FY 2017-18.

COMMISSION ANALYSIS

- 3.465 The Commission is of the view that the consumer contribution is not considered for calculation of depreciation and RoCE and the Petitioner is making book adjustments in compliance of accounting standards and has no impact on cash flows. Therefore, amount transferred from Consumer contribution and capital works are allowed to be reduced from Non-Tariff Income.

INCOME ON ACCOUNT OF BAD DEBTS RECOVERED**PETITIONER'S SUBMISSION**

- 3.466 The Petitioner referred the Commission's Tariff Order dated August 31, 2017 ruled as under:

"3.552 The Petitioner has submitted that any amount recovered as bad debts is an energy income which is required to be included in the amount collected during the year as the same is received against the amount billed in the previous years. The amount billed and collected in previous years has already been considered for the purpose of AT&C loss calculation during respective years. It is observed that the amount recovered from the bad debts written off by the Petitioner is part of total collection for the relevant year has also been indicated under the head 'other income' in the audited financial statement of FY 2014-15 and FY 2015-16. Therefore, the Income on account of bad debts recovered are reduced from Non Tariff Income."

- 3.467 Accordingly, the Petitioner requested the Commission not to consider Rs. 1.50 Cr. of income recovered on account of bad debts (shown in Note 34 of Audited Accounts) as Non Tariff Income during FY 2017-18.

COMMISSION ANALYSIS

- 3.468 The amount billed and collected in previous years has already been considered for the purpose of AT&C loss calculation during respective years. It is observed that the amount recovered from the bad debts written off by the Petitioner is part of total collection for the relevant year has also been indicated under the head 'other income'. Therefore, the income on account of bad debts recovered is reduced from Non Tariff Income.

INCENTIVE TOWARDS STREET LIGHT

PETITIONER'S SUBMISSION

- 3.469 The Petitioner submitted that the Commission in Tariff Order dated March 28, 2018 has stated that the incentive earned on account of street light maintenance shall be allowed to be retained by the Petitioner.
- 3.470 Accordingly, the Petitioner requested the Commission to allow the Petitioner to retain the amount of Rs. 0.56 Cr. as incentive towards the maintenance of Street Light. It is further submitted that the total amount of maintenance charges under the head "Other Income" as appearing in Note -34 of the Audited Accounts is inclusive of the incentive amount of Rs. 0.56 Cr. Therefore, the amount of Rs. 0.56 Cr. ought to be reduced from the Non Tariff income during FY 2017-18.

COMMISSION ANALYSIS

- 3.471 The Commission in its order dated March 5, 2004 regarding directions for street lighting in the areas of MCD stated,

"11. ... The best way doing this would be to have an in-built system of providing incentives in case of good performance and likewise, impose penalties in case the performance is lower than expectations..."

The Commission would like to evolve a system whereby good performance is rewarded. Similarly, poor performance also needs to be discouraged and therefore, the Commission directs that full maintenance charges may be paid

for 90% performance. Performance higher than 90 shall earn an incentive for the DISCOMS according to the following table:

| Performance level achieved | Incentive | Example |
|-----------------------------------|---|--|
| Between 90-95% | 1% for each percentage in over achievement from target of 90% | Actual Performance 93% Incentive $93 - 90 = 3\%$ |
| Between 95-97% | 1.5% for each percentage in over achievement from target of 95% | Actual Performance 97% Incentive $= 5 + 3 = 8\%$ |
| Above 97% | 2.0% for each percentage in over achievement from target of 97% | Actual Performance 99% Incentive $= 8 + 4 = 12\%$ |

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

| Performance level achieved | Incentive | Example |
|-----------------------------------|--|--|
| Between 80-90% | 1% for each percentage in shortfall to achieve target of 90% | Actual Performance 83% Disincentive $90 - 83 = 7\%$ |
| Between 70-80% | 1.5% for each percentage in shortfall to achieve target of 80% | Actual Performance 77% Disincentive $10 + 4.5 = 14.5\%$ |
| Above 70% | 2.0% for each percentage in shortfall to achieve target of 70% | Actual Performance 60% Disincentive $25 + 20 = 45\%$ |

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

- 3.472 The Audited financial statements of the Petitioner indicate the incentive on account of the street light maintenance. Accordingly the same has been allowed to be reduced from the Non Tariff income.

COMMISSION ON ELECTRICITY DUTY

PETITIONER'S SUBMISSION

- 3.473 The Petitioner has submitted that as an agent on behalf of Municipal Corporation of Delhi (MCD), collects and pays to the MCD the Electricity Duty. For undertaking this activity, there is incidence of use of assets and facilities of the licensed business

towards collection of the Electricity Duty. As such this collection activity is a separate business and optimally utilizes the assets of the Petitioner. Section-51 of the 2003 Act, as well as, Delhi Electricity Regulatory Commission (Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee) Regulations, 2005 permits the Petitioner to engage in any other business for optimal utilization of its assets.

- 3.474 The Petitioner added that to perform in-house operations also for which the Petitioner is required to incur additional O&M Expenses. Some of these in-house activities involve maintenance of records regarding Electricity Duty (Amount of Electricity Billed, Collected, Outstanding, Paid to GoNCTD etc.), cash-handling activities, interaction with GoNCTD, etc. which involves cost. The Petitioner incurs security and conveyance expenses towards transfer of money. Additionally, the Petitioner has also engaged various collection agencies for which the Petitioner has to pay service charges for such engagement. All these expenses are not being allowed by Commission since O&M Expenses are allowed on a normative basis. It is further submitted that the commission of Electricity Duty is being provided as compensation in lieu of the Petitioner's efforts in collecting and accounting and other services rendered by the Petitioner to GoNCTD. The reason that the Commission has given is that the collection of electricity duty is not a separate function and the same is collected with the electricity bills. 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.
- 3.475 The collection of electricity duty by the Petitioner is not a licensed activity. The responsibility for collection of electricity duty does not fall upon the licensee either under Section 12 of EA, 2003, nor under the license granted to the Petitioner by the Commission. It is an activity carried out by the Petitioner as a part of the legacy

inherited by it from the erstwhile DVB. Even the erstwhile DVB carried out such functions, not as a part of its function of distribution of electricity, but under a statutory mandate of Section 3 of the Delhi Municipal Corporation (Assessment and Collection of Tax on the Consumption, sale or supply of electricity) Bye laws 1962 ("Bye Laws"). Hence, the activity of collection of electricity duty has nothing whatsoever to do with the functions of a distribution licensee under EA, 2003. Since such function is carried out using the assets of the distribution business, such function is clearly attributable to an 'other business' under Section 51 of EA, 2003.

- 3.476 Therefore the commission received on account of collection of Electricity Duty i.e. Rs. 6.60 Cr. ought to be deducted from Non-Tariff Income.

COMMISSION ANALYSIS

- 3.477 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.

INCOME FROM OTHER BUSINESS

PETITIONER'S SUBMISSION

- 3.478 The Petitioner has submitted that the Commission in its Order dated 06.10.2006 in Petition No. 4 of 2005 filed by NDPL has stated that the DISCOM's LT Poles can be used for laying the cable TV network and such usage can be done by way of an agreement between the cable operator and the Licensee for generating revenue. The relevant extract of the Order is reiterated as below:

"29. The Commission is therefore, of the opinion that the poles other than the Central Verge and the HT Poles can be used for laying the cable TV network and such usage can be done by way of an agreement between the cable operator and the Licensee. Any revenue generated thereto shall be subject to the Regulations made by the Commission on the Treatment of Income from Other Business."

- 3.479 The Petitioner had earned total income of Rs. 1.3 Cr. during FY 2017-18 on account of rent from the cable operators for using BYPL LT poles for laying their cables/set up. It is further clarified that Proper agreements have been executed between BYPL and the operator for such usage in terms of the above Order of the Commission.
- 3.480 Accordingly, the Petitioner has proposed to share the other income during FY 2017-18 as follows:

Table 3. 126: Petitioner Submission: Other Business Income for FY 2017-18 (Rs. Cr.)

| S. No | Particulars | Total Income | Petitioner's Share | Consumer's Share |
|-------|--------------------|--------------|--------------------|------------------|
| A | Pole Rental Income | 1.3 | 0.8 | 0.5 |
| B | Total | 1.3 | 0.8 | 0.5 |

COMMISSION ANALYSIS

- 3.481 Regulation 5(5)(a) of DERC(Treatment of Income from other businesses of Transmission Licensee and Distribution Licensee) first Amendment Regulation, 2017 states that where the Licensee utilises the assets and facilities of the Licenses business for Other business, the Licensee shall retain 40% of the net revenue from such business and pass on remaining 60% of the net revenue to the regulated business.
- 3.482 During prudence check, it was observed that the Petitioner has utilised the assets and facilities of Licensed business. However, the petitioner has wrongly computed the Petitioner share as 60% instead of 40%. Accordingly, the Commission has considered 40% share to be retained by the petitioner and accordingly Rs. 0.52 Cr. has been allowed to be reduced from NTI.

INCOME FROM OPEN ACCESS**PETITIONER SUBMISSION**

- 3.483 The income of Rs. 2.40 Cr. (Note 33 of the Audited Accounts) recovered as Open Access Charges during FY 2017-18 has been considered for offsetting the revenue (gap)/ surplus for the year.

COMMISSION ANALYSIS

- 3.484 The Income of Rs. 2.37 Cr. from Open Access has been considered as part of Non tariff Income.
- 3.485 The Non-tariff income approved by the Commission for FY 2017-18 is as follows:

Table 3. 127: Commission Approved: Non Tariff Income for FY 2017-18 (Rs. Cr.)

| S. No. | Particular | Petitioner Submission | As approved | Remarks |
|--------|--|-----------------------|-------------|-----------------------|
| A | Other Operating Revenue | 68.30 | 68.32 | Audited Financials |
| B | Other Income | 25.90 | 25.92 | Audited Financials |
| C | Open Access Charges | 2.40 | 2.37 | Audited Financials |
| D | Income from Normative Interest on security deposit | 28.98 | 28.29 | Table 3.121 |
| E | Impact of SLD charges | 5.10 | 5.12 | Table 3.123 |
| | Total –(I) | 130.68 | 130.02 | A+B+C+D+E |
| Less: | | | | |
| F | Transfer from capital grants | - | - | |
| G | Transfer from consumer Contribution for Capital work | 14.40 | 14.43 | Audited Financials |
| H | Incentive towards Street Light | 0.60 | 0.56 | Audited Financials |
| I | Interest Income /Short term capital gain | 1.10 | 1.05 | Audited Financials |
| J | Financing Cost of LPSC | 16.80 | 12.91 | Table 3.125 |
| K | Income from other Business | 0.80 | 0.52 | |
| L | Write back of Miscellaneous provisions | 0.20 | - | |
| M | Bad Debt Recovered | 1.50 | 1.50 | |
| N | Commission on collection of electricity duty | 6.60 | - | |
| | Total –(II) | 42.00 | 30.97 | G+H+I+J+K+M |
| | Net Non Tariff Income | 88.68 | 99.05 | Total-(I)- Total-(II) |

AGGREGATE REVENUE REQUIREMENT APPROVED IN TRUING-UP OF FY 2017-18**PETITIONER'S SUBMISSION**

3.486 The Petitioner has submitted the Annual Revenue Requirement for FY 2017-18 sought for True-up is as follows:

Table 3. 128: Petitioner Submission: Aggregate Revenue Requirement for FY 2017-18 (Rs. Cr.)

| S. No | Particulars | Petitioner Submission |
|-------|---|-----------------------|
| A | Purchase of power including Transmission and SLDC Charges& Incentives | 3,454.02 |
| B | O&M Expenses | 626.36 |
| C | Additional O&M Expenses | 155.17 |
| D | Depreciation | 157.45 |

| S. No | Particulars | Petitioner Submission |
|-------|--|-----------------------|
| E | Return on Capital Employed (RoCE) | 396.01 |
| F | Sub-total | 4,789.01 |
| G | Less: Non-Tariff Income (incl Other Business Income & Income from Open Access) | 88.68 |
| J | Aggregate Revenue Requirement | 4,700.33 |

COMMISSION ANALYSIS

3.487 Based on the above computations, the Commission approves the Annual Revenue Requirement for FY 2017-18 as follows:

Table 3. 129: Commission Approved: Annual Revenue Requirement for FY 2017-18 (Rs. Cr.)

| S.No | Particulars | Petitioner Submission | Approved | Ref. |
|------|--|-----------------------|----------|-------------|
| A. | Power Purchase Cost (including transmission charges) | 3454.02 | 3,298.64 | Table 3.81 |
| B. | O&M expenses | 626.36 | 626.34 | Table 3.84 |
| C. | Other expenses/ statutory levies | 155.17 | 43.64 | Table 3.89 |
| D. | Depreciation | 157.45 | 136.80 | Table 3.106 |
| E. | Return on capital employed | 396.01 | 312.34 | Table 3.117 |
| F. | Income Tax | - | 10.14 | Table 3.118 |
| G. | Less- Non Tariff Income | 88.68 | 99.05 | Table 3.127 |
| H. | Aggregate Revenue Requirement | 4,700.33 | 4,328.85 | Sum(A-F)-G |

REVENUE AVAILABLE TOWARDS ARR

PETITIONER'S SUBMISSION

3.488 The Petitioner has submitted the revenue available towards ARR is as follows:

Table 3. 130: Petitioner Submission: Revenue available towards ARR (Rs. Cr.)

| S. No | Particulars | Submission | Ref. |
|-------|--|------------|--|
| A | Total Revenue Collected | 4,725.44 | Net of LPSC, Etax, 3.70% Pension Surcharge and 8% RA Surcharge |
| B | Less: Amount to be retained by Petitioner on account of over | 57.62 | |

| S. No | Particulars | Submission | Ref. |
|-------|---|------------|-------|
| | achievement of T&D Loss Targets | | |
| C | Less: Amount to be retained by Petitioner on account of Over achievement of Collection efficiency Targets | 30.69 | |
| D | Less: Carrying Cost | 278.20 | |
| E | Revenue available towards ARR | 4,358.94 | A-B-C |

COMMISSION ANALYSIS

3.489 The Commission has computed the Revenue available towards ARR as follows:

Table 3. 131: Commission Approved: Revenue Available towards ARR for FY 2017-18 (Rs. Cr.)

| S. No | Particulars | Petitioner submission | As approved | Ref. |
|-------|---|-----------------------|-----------------|----------------------|
| A | Actual Revenue realised excluding Electricity duty, LPSC, Regulatory Surcharge, Pension trust surcharge | 4,725.44 | 4,728.89 | Table 3.50 |
| | Less: | | | |
| B | Incentive /(Penalty) on account of distribution loss | 57.62 | 50.74 | Table 3.48 |
| C | Incentive /(Penalty) on account of collection efficiency | 30.69 | 27.13 | Table 3.51 |
| D | Incentive on sale of Surplus power | - | 0.61 | Table 3.73 |
| E | Carrying Cost | 278.20 | | |
| | Add: | | | |
| F | Penalty on account of Non compliance of RPO Obligation (FY 2016-17) | | 7.43 | Table 3.80 |
| G | Penalty on account of Non compliance of RPO Obligation (FY 2017-18) | | 6.24 | Table 3.79 |
| H | Recovery under Regulation 24(4)(a) | | 0.40 | Table 3.97 |
| I | Revenue available towards ARR | 4,358.94 | 4,664.47 | A-B-C-D+F+G+H |

REVENUE (GAP)/ SURPLUS

PETITIONER'S SUBMISSION

3.490 The Petitioner has submitted the revenue gap during FY 2017-18 is tabulated as under:

Table 3. 132: Petitioner Submission: Revenue (Gap) for FY 2017-18 (Rs. Cr.)

| S. No | Particulars | Submission |
|-------|-------------------------------|------------|
| A | ARR for FY 2017-8 | 4,700.33 |
| B | Revenue available towards ARR | 4,358.94 |
| C | Revenue (Gap)/ Surplus | -341.40 |

COMMISSION ANALYSIS

3.491 The Revenue Surplus/ (Gap) after true up of ARR for FY 2017-18 is as follows:

Table 3. 133: Commission Approved: Revenue Surplus/(Gap) towards ARR for FY 2017-18 (Rs. Cr.)

| S.No. | Particulars | Petitioner submission | As approved | Ref. |
|-------|---|-----------------------|-------------|-------------|
| A. | Aggregate Revenue Requirement | 4,700.36 | 4,328.85 | Table 3.129 |
| B. | Revenue Available towards ARR net of incentives | 4,358.94 | 4,664.47 | Table 3.131 |
| C. | Surplus or (Gap) for the year | -341.40 | 335.62 | B-A |

A4: ANALYSIS OF AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2019-20**INTRODUCTION**

4.1 As per Regulation 3 of *Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017*, the Commission has notified Business Plan Regulations which contains the following parameters applicable for the Control Period (FY 2017-18 to FY 2019-20):

- (1) Rate of Return on Equity,
- (2) Margin for rate of interest on Loan,
- (3) Operation and Maintenance Expenses,
- (4) Capital Investment Plan,
- (5) Mechanism for sharing of incentive-disincentive mechanism,
- (6) Allocation of overhead expenses incurred on account of Administrative Expenditure out of Operation and Maintenance Expenses for creation of Capital Asset,
- (7) Generating Norms:
 - (a) Gross Station Heat Rate,
 - (b) Plant Availability Factor,
 - (c) Secondary Fuel oil consumption;
 - (d) Auxiliary consumption and
 - (e) Plant Load Factor;
- (8) Transmission Norms:
 - (a) Annual Transmission system availability;
 - (b) Annual Voltage wise Availability;
- (9) Distribution Norms:
 - (a) Distribution Loss Target;
 - (b) Collection Efficiency Target;
 - (c) Targets for Solar and Non Solar RPO;
 - (d) Contingency limit for Sale through Deviation Settlement Mechanism (Unscheduled Interchange) transactions
 - (e) The ratio of various ARR components for segregation of ARR into Retail Supply and Wheeling Business.

4.2 The Petitioner has filed the Petition for determination of Aggregate Revenue Requirement (ARR) for FY 2019-20. The Commission has analysed the Petition submitted by the Petitioner for ARR of FY 2019-20 as required under the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of

Tariff) Regulations, 2017.

- 4.3 In the process of ARR determination, the Commission held several prudence check sessions to validate the information submitted by the Petitioner and wherever required sought clarification on various issues. The Commission has considered all information submitted by the Petitioner as part of Tariff Petition, Audited Accounts for past years, response to queries raised during discussions and also during the Public Hearing for determination of ARR and Tariff for FY 2019-20.
- 4.4 This chapter contains detailed analysis of the Petition submitted by the Petitioner and the various parameters approved by the Commission for determination of ARR for FY 2019-20.

ENERGY SALES

PETITIONER'S SUBMISSION

- 4.5 The Petitioner has considered the trend Analysis Method for the purpose of accurate projection of sales. This method assumes the underlying factors which drive the demand for electricity are expected to follow the same trend as in the past. However, this approach also discounts any outliers (relative to the trend) observed in the growth rates over the period and excludes them while projecting energy sales for each year of the control period. Adopting such a method has enabled the Petitioner to further fine tune the projection by eliminating any abnormal pattern observed under any category. The recent developments which have impact on the sales has also factored in the sales projections.
- 4.6 The Petitioner has submitted that the Trend Analysis Method makes use of a statistical tool, namely the Compound Annual Growth Rate (CAGR) and, accordingly, Compound Annual Growth Rates (CAGRs) have been calculated from the past figures for each category, corresponding to different lengths of time in the past six years, along with the year on year growth rates from FY 2012-13 to FY 2017-18. The Petitioner has projected the category-wise actual sales for the period FY 2012-13 to FY 2017-18 as follows:

Table 4. 1: Sales from FY 2012-13 to FY 2017-18 (MU)

| S. No | Category | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 | FY 18 |
|-------|--------------------------------------|-------|-------|-------|-------|-------|-------|
| A | Domestic | 2,675 | 2,804 | 3,004 | 3,180 | 3,517 | 3,756 |
| I | Domestic other than A (I) to A (IV) | 2,567 | 2,699 | 2,888 | 3,067 | 3,405 | 3,640 |
| II | Single Delivery Point @ 11 KV to GHS | 14 | 15 | 17 | 16 | 17 | 19 |
| III | 11 KV Worship/Hospital | 69 | 65 | 74 | 73 | 75 | 77 |
| IV | DVB Staff | 25 | 26 | 26 | 23 | 20 | 20 |
| B | Non Domestic | 1,540 | 1,614 | 1,639 | 1,708 | 1,772 | 1,882 |
| I | Non Domestic Supply at LT | 1,198 | 1,256 | 1,276 | 1,345 | 1,405 | 1,501 |
| II | Non Domestic Supply at HT & above | 341 | 358 | 362 | 363 | 367 | 381 |
| C | Industrial | 337 | 288 | 282 | 284 | 277 | 310 |
| I | Industrial Supply at LT | 298 | 250 | 247 | 248 | 241 | 267 |
| II | Industrial Supply at HT & Above | 39 | 37 | 35 | 36 | 35 | 44 |
| D | Agriculture & Mushroom Cultivation | 0 | 0 | 0 | 0 | 0 | 0 |
| E | Public Utilities | 363 | 416 | 403 | 425 | 464 | 472 |
| I | Public Lighting | 105 | 103 | 101 | 114 | 145 | 119 |
| II | DJB Supply at LT | 7 | 10 | 10 | 11 | 11 | 12 |
| III | DJB Supplt at HT and above | 124 | 129 | 130 | 137 | 131 | 135 |
| IV | DMRC | 127 | 173 | 161 | 164 | 177 | 207 |
| F | Others | 88 | 92 | 77 | 79 | 85 | 83 |
| I | Temporary Supply | 1 | 38 | 39 | 41 | 46 | 45 |
| II | Enforcement | 35 | 29 | 21 | 24 | 23 | 20 |
| III | Self consumption | 52 | 24 | 16 | 13 | 16 | 16 |
| IV | Advertisement & Hoardings | 0 | 1 | 1 | 1 | 1 | 1 |
| V | E Vehicle | | | | | | 0 |
| VI | Net Metering | | | | 0 | 0 | 1 |
| Total | | 5,002 | 5,215 | 5,405 | 5,676 | 6,115 | 6,504 |

4.7 The Petitioner has projected the category-wise CAGR for various consumer categories as follows:

Table 4. 2: 5 Years CAGR (%)

| S. No | Category | 5 yrs |
|-------|--------------------------------------|--------|
| A | Domestic | 7.03% |
| I | Domestic other than A (I) to A (IV) | 7.24% |
| II | Single Delivery Point @ 11 KV to GHS | 6.97% |
| III | 11 KV Worship/Hospital | 2.16% |
| IV | DVB Staff | -4.32% |
| B | Non Domestic | 4.09% |
| I | Non Domestic Supply at LT | 4.61% |
| II | Non Domestic Supply at HT & above | 2.21% |
| C | Industrial | -1.63% |
| I | Industrial Supply at LT | -2.16% |
| II | Industrial Supply at HT & Above | 2.07% |

| S. No | Category | 5 yrs |
|-------|------------------------------------|---------|
| D | Agriculture & Mushroom Cultivation | 3.37% |
| E | Public Utilities | 5.42% |
| I | Public Lighting | 2.53% |
| II | DJB Supply at LT | 11.58% |
| III | DJB Supply at HT and above | 1.76% |
| IV | DMRC | 10.20% |
| F | Others | -1.12% |
| I | Temporary Supply | 143.61% |
| II | Enforcement | -10.14% |
| III | Self consumption | -21.24% |
| IV | Advertisement & Hoardings | 7.68% |
| V | E Vehicle | |
| VI | Net Metering | |
| Total | | 5.39% |

4.8 The Petitioner has projected the category wise number of consumers and total connected load for FY 2012-13 to FY 2017-18 as follows:

Table 4. 3: Number of consumers from FY 2012-13 to FY 2017-18

| S. No | Category | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 | FY 18 |
|-------|--------------------------------------|----------|-----------|-----------|-----------|-----------|-----------|
| A | Domestic | 9,58,978 | 10,38,375 | 10,84,188 | 11,44,581 | 11,94,989 | 12,49,570 |
| I | Domestic other than A (I) to A (IV) | 9,51,857 | 10,31,393 | 10,77,264 | 11,39,603 | 11,89,946 | 12,44,638 |
| II | Single Delivery Point @ 11 KV to GHS | 14 | 15 | 17 | 17 | 17 | 18 |
| III | 11 KV Worship/Hospital | 24 | 28 | 29 | 31 | 33 | 33 |
| IV | DVB Staff | 7,083 | 6,939 | 6,878 | 4,930 | 4,993 | 4,881 |
| B | Non Domestic | 3,17,739 | 3,41,387 | 3,50,820 | 3,62,433 | 3,73,450 | 3,86,590 |
| I | Non Domestic Supply at LT | 3,17,507 | 3,41,118 | 3,50,542 | 3,62,141 | 3,73,164 | 3,86,302 |
| II | Non Domestic Supply at HT & above | 232 | 269 | 278 | 292 | 286 | 288 |
| C | Industrial | 11,663 | 8,232 | 8,021 | 7,836 | 7,730 | 7,648 |
| I | Industrial Supply at LT | 11,642 | 8,210 | 8,001 | 7,817 | 7,713 | 7,628 |
| II | Industrial Supply at HT & Above | 21 | 22 | 20 | 19 | 17 | 20 |
| D | Agriculture & Mushroom Cultivation | 53 | 55 | 52 | 51 | 47 | 45 |
| E | Public Utilities | 591 | 3,865 | 4,302 | 4,405 | 4,477 | 4,579 |
| I | Public Lighting | | 3,033 | 3,482 | 3,598 | 3,638 | 3,689 |

| S. No | Category | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 | FY 18 |
|-------|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| II | DJB Supply at LT | 523 | 761 | 750 | 737 | 770 | 819 |
| III | DJB Supply at HT and above | 67 | 70 | 69 | 69 | 68 | 69 |
| IV | DMRC | 1 | 1 | 1 | 1 | 1 | 2 |
| F | Others | 347 | 5,933 | 289 | 367 | 351 | 418 |
| I | Temporary Supply | | 3,540 | | | | |
| II | Enforcement | | 1,864 | | | | |
| III | Self consumption | 175 | 195 | 3 | 10 | 12 | 14 |
| IV | Advertisement & Hoardings | 172 | 334 | 286 | 357 | 339 | 285 |
| V | E Vehicle | | | | | | 119 |
| VI | Net Metering | | | | | | |
| Total | | 12,89,371 | 13,97,847 | 14,47,672 | 15,19,673 | 15,81,044 | 16,48,850 |

Note: FY 2012-13 figures is as per the average number of consumers served during the period, and for the rest of the year as on last date of the year.

Table 4. 4: Total connected load (MW/MVA)for FY 2012-13 to FY 2017-18

| S. No | Category | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 | FY 18 |
|-------|--------------------------------------|-------|-------|-------|-------|-------|-------|
| A | Domestic | 2,633 | 3,202 | 3,359 | 3,720 | 3,746 | 2,678 |
| I | Domestic other than A (I) to A (IV) | 2,567 | 3,118 | 3,279 | 3,645 | 3,669 | 2,601 |
| II | Single Delivery Point @ 11 KV to GHS | 12 | 18 | 16 | 16 | 16 | 17 |
| III | 11 KV Workshop/Hospital | 32 | 44 | 40 | 41 | 44 | 44 |
| IV | DVB Staff | 22 | 22 | 24 | 17 | 17 | 17 |
| B | Non Domestic | 1,362 | 1,790 | 1,621 | 1,708 | 1,683 | 1,700 |
| I | Non Domestic Supply at LT | 1,155 | 1,533 | 1,381 | 1,470 | 1,469 | 1,488 |
| II | Non Domestic Supply at HT & above | 207 | 256 | 240 | 237 | 214 | 212 |
| C | Industrial | 216 | 250 | 184 | 183 | 179 | 179 |
| I | Industrial Supply at LT | 197 | 226 | 164 | 163 | 160 | 159 |
| II | Industrial Supply at HT & Above | 19 | 25 | 20 | 20 | 19 | 20 |
| D | Agriculture & Mushroom Cultivation | 0 | 0 | 0 | 0 | 0 | 0 |
| E | Public Utilities | 98 | 136 | 133 | 137 | 140 | 146 |
| I | Public Lighting | | 28 | 31 | 33 | 33 | 33 |
| II | DJB Supply at LT | 7 | 12 | 11 | 11 | 11 | 12 |
| III | DJB Supply at HT and above | 69 | 74 | 69 | 71 | 71 | 72 |
| IV | DMRC | 21 | 21 | 21 | 21 | 25 | 28 |
| F | Others | 5 | 36 | 1 | 1 | 1 | 1 |
| I | Temporary Supply | | 24 | | | | |
| II | Enforcement | | 5 | | | | |
| III | Self consumption | 5 | 6 | 0 | 0 | 0 | 0 |
| IV | Advertisement & Hoardings | 1 | 1 | 1 | 1 | 1 | 1 |
| V | E Vehicle | | | | | | 0 |
| VI | Net Metering | | | | | | |
| Total | | 4,315 | 5,414 | 5,299 | 5,748 | 5,749 | 4,705 |

Note: FY 2012-13 figures is corresponding to average number of consumers served during the period, and for rest of the period as on last date of the year.

4.9 The Petitioner has applied the above growth rates on the actual category wise sales to estimate energy sales during FY 2019-20 as follows:

Table 4. 5: Projected Sales (MU) for FY 2019-20

| S. No | Category | Sales in FY 2017-18 (Actual) | Growth Rate Considered | Sales in FY 2018-19 (Estimated based on CAGR Growth) | Abnormalities in FY 2018-19 Sales | Sales in FY 2018-19 including the abnormalities | Sales FY 2019-20 |
|-------|--------------------------------------|------------------------------|------------------------|--|-----------------------------------|---|------------------|
| A | Domestic | 3,756.37 | | 4,021.91 | -98.31 | 3,923.60 | 4,200.46 |
| I | Domestic other than A (I) to A (IV) | 3,639.73 | 7.24% | 3,903.13 | -98.31 | 3,804.82 | 4,079.36 |
| II | Single Delivery Point @ 11 KV to GHS | 19.33 | 6.97% | 20.68 | | 20.68 | 22.12 |
| III | 11 KV Worship/Hospital | 77.28 | 2.16% | 78.94 | | 78.94 | 80.65 |
| IV | DVB Staff | 20.03 | -4.32% | 19.16 | | 19.16 | 18.34 |
| B | Non Domestic | 1,881.57 | | 1,959.09 | -99.80 | 1,859.29 | 1,936.37 |
| I | Non Domestic Supply at LT | 1,500.77 | 4.61% | 1,569.89 | -99.80 | 1,470.09 | 1,538.58 |
| II | Non Domestic Supply at HT & above | 380.79 | 2.21% | 389.20 | | 389.20 | 397.79 |
| C | Industrial | 310.26 | | 308.97 | | 308.97 | 308.27 |
| I | Industrial Supply at LT | 266.72 | -2.16% | 260.96 | | 260.96 | 255.32 |
| II | Industrial Supply at HT & Above | 43.54 | 10.28% | 48.01 | | 48.01 | 52.95 |
| D | Agriculture & Mushroom Cultivation | 0.27 | 3.37% | 0.28 | | 0.28 | 0.28 |
| E | Public Utilities | 472.27 | | 427.06 | | 427.06 | 391.16 |
| I | Public Lighting | 118.72 | -25% | 89.40 | | 89.40 | 67.32 |
| II | DJB Supply at LT | 11.73 | 11.58% | 13.09 | | 13.09 | 14.61 |
| III | DJB Supply at HT and above | 135.31 | 1.76% | 137.68 | | 137.68 | 140.10 |
| IV | DMRC | 206.51 | -10% | 186.89 | | 186.89 | 169.14 |
| F | Others | 83.14 | | 87.84 | | 87.84 | 88.64 |
| I | Temporary Supply | 45.22 | 0.00% | 45.22 | | 45.22 | 45.22 |
| II | Enforcement | 20.23 | 0.00% | 20.23 | | 20.23 | 20.23 |
| III | Self | 15.90 | 0.25% | 16.48 | | 16.48 | 17.27 |

| S. No | Category | Sales in FY 2017-18 (Actual) | Growth Rate Considered | Sales in FY 2018-19 (Estimated based on CAGR Growth) | Abnormalities in FY 2018-19 Sales | Sales in FY 2018-19 including the abnormalities | Sales FY 2019-20 |
|-------|---------------------------|------------------------------|------------------------|--|-----------------------------------|---|------------------|
| | consumption | | of sales | | | | |
| IV | Advertisement & Hoardings | 0.58 | 0.00% | 0.58 | | 0.58 | 0.58 |
| V | E Vehicle | 0.36 | 0.00% | 4.49 | | 4.49 | 4.49 |
| VI | Net Metering | 0.85 | 0.00% | 0.85 | | 0.85 | 0.85 |
| | Total | 6,503.87 | | 6,805.16 | -198.11 | 6,607.05 | 6,925.18 |

4.10 The Petitioner has projected number of consumers and connected load during FY 2019-20 as follows:

Table 4. 6: Projected number of consumers, connected load & Sales for FY 2019-20

| S. No | Category | No of consumers | Sanctioned load (MW) | Sales in MUs |
|-------|--------------------------------------|-----------------|----------------------|--------------|
| A | Domestic | 13,36,484 | 2,814 | 4,200 |
| I | Domestic other than A (I) to A (IV) | 13,31,683 | 2,751 | 4,079 |
| II | Single Delivery Point @ 11 KV to GHS | 19 | 11 | 22 |
| III | 11 KV Worship/Hospital | 32 | 37 | 81 |
| IV | DVB Staff | 4,750 | 16 | 18 |
| B | Non Domestic | 3,98,447 | 1,720 | 1,936 |
| I | Non Domestic Supply at LT | 3,98,159 | 1,516 | 1,539 |
| II | Non Domestic Supply at HT & above | 288 | 203 | 398 |
| C | Industrial | 7,473 | 227 | 308 |
| I | Industrial Supply at LT | 7,454 | 175 | 255 |
| II | Industrial Supply at HT & Above | 19 | 52 | 53 |
| D | Agriculture & Mushroom Cultivation | 38 | 0 | 0 |
| E | Public Utilities | 3,854 | 138 | 391 |
| I | Public Lighting | 2,948 | 32 | 67 |
| II | DJB Supply at LT | 833 | 13 | 15 |
| III | DJB Supply at HT and above | 71 | 73 | 140 |
| IV | DMRC | 2 | 20 | 169 |
| F | Others | 7,600 | 33 | 89 |
| I | Temporary Supply | 6,837 | 25 | 45 |
| II | Enforcement | | | 20 |
| III | Self consumption | 207 | 6 | 17 |
| IV | Advertisement & Hoardings | 291 | 0 | 1 |
| V | E Vehicle | 266 | 2 | 4 |
| VI | Net Metering | | | 1 |
| Total | | 17,53,895 | 4,932 | 6,925 |

COMMISSION ANALYSIS

4.11 The Petitioner has submitted audited Form 2.1(a) for FY 2017-18 and FY 2018-19.

4.12 The Commission has approved sales for FY 2019-20 considering trued up sales for the period FY 2011-12 to FY 2017-18 and actual Sales for FY 2018-19. The base year for projection of sales of FY 2019-20 has been considered as FY 2018-19. The category wise sales from FY 2011-12 to FY 2018-19 are indicated in the table as follows:

Table 4. 7: Sales from FY 2011-12 to FY 2018-19 (MU)

| S. No. | Category | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 |
|--------|-----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 1 | Domestic including 11KV and staff | 2558 | 2675 | 2805 | 3004 | 3180 | 3517 | 3756 | 3838 |
| 2 | Non-Domestic | 1421 | 1540 | 1614 | 1639 | 1708 | 1772 | 1882 | 1791 |
| 3 | Industrial | 434 | 337 | 288 | 282 | 284 | 277 | 310 | 374 |
| 4 | Agriculture & Mushroom | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | Public Utilities | 346 | 350 | 416 | 403 | 425 | 464 | 472 | 425 |
| 6 | DIAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7 | Adv. & Hoardings | 0 | 0 | 1 | 1 | 1 | 1 | 1 | 0 |
| 8 | Temporary Supply | 0 | 1 | 38 | 39 | 41 | 46 | 45 | 46 |
| 9 | E-Richshaw/ E-Vehicle on SPD | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7 |
| 10 | Others | 35 | 70 | 29 | 37 | 36 | 39 | 37 | 31 |
| 11 | Total | 4794 | 4972 | 5191 | 5405 | 5676 | 6115 | 6504 | 6513 |

4.13 The category-wise CAGR of 1 year to 7 years (FY 2011-12 to FY 2018-19) are shown in the table as follows:

Table 4. 8: Commission projection - Various Years CAGR (FY 2011-12 to FY 2018-19) (%)

| S. No. | Category | 7 year CAGR | 6 year CAGR | 5 year CAGR | 4 year CAGR | 3 year CAGR | 2 year CAGR | 1 year CAGR |
|--------|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1 | Domestic including 11KV and staff | 5.97% | 6.20% | 6.48% | 6.32% | 6.47% | 4.47% | 2.19% |
| 2 | Non-Domestic | 3.36% | 2.56% | 2.11% | 2.25% | 1.61% | 0.56% | -4.79% |

| S. No. | Category | 7 year CAGR | 6 year CAGR | 5 year CAGR | 4 year CAGR | 3 year CAGR | 2 year CAGR | 1 year CAGR |
|--------|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 3 | Industrial | -2.09% | 1.78% | 5.39% | 7.30% | 9.62% | 16.36% | 20.67% |
| 4 | Agriculture & Mushroom | | 0.92% | 3.05% | 1.81% | -3.70% | -1.34% | -10.62% |
| 5 | Public Utilities | 2.98% | 3.29% | 0.40% | 1.34% | -0.04% | -4.32% | -10.07% |
| 6 | Adv. & Hoardings | | -27.08% | -38.79% | -41.15% | -54.87% | -70.22% | -89.63% |
| 7 | Temporary Supply | | 110.80% | 3.84% | 4.03% | 3.26% | -0.29% | 0.91% |
| 8 | E-Rickshaw/ E-Vehicle on SPD | | | | | | | 1898.20% |
| 9 | Others | -1.61% | -12.48% | 1.30% | -4.25% | -4.83% | -10.25% | -15.21% |

ESTIMATED SALES FOR FY 2019-20

- 4.14 The Commission has adopted an Adjusted Trend Analysis method for forecasting for demand in FY 2019-20 which assumes the underlying factors driving the demand for electricity to follow the same trend as in the past. Hence, the forecast is also based on the assumption that the past consumption trend will continue in the future.
- 4.15 The trend based approach has to be adjusted based on judgment of the characteristics of the specific consumer groups/categories.
- 4.16 The strength of the method, when used with balanced judgment, lies in its ability to reflect recent changes and therefore, probably best suited as a basis for short-term projection as used for the revenue projection in the context of ARR determination. The category-wise sales forecast for FY 2019-20 is discussed as follows:

DOMESTIC CONSUMERS

- 4.17 The consumption of energy under Domestic category (including staff and supply at 11 KV for Worship/ Hospital, etc.) constitutes about 59% of total sales in FY 2018-19. The Petitioner has projected sales of 4200 MU for FY 2019-20 at a growth rate of 7.06%. The growth rate for this category ranges from 2.19% to 6.48% from FY 2011-12 to FY 2018-19. Thus, the Commission considers a growth rate of 6.32% (4 Year CAGR of FY 2014-15 to FY 2018-19) over the sales of FY 2018-19 for projecting the sales of 4081 MU for FY 2019-20 as it is considered to be realistic for Domestic consumers category.

NON-DOMESTIC CONSUMERS

- 4.18 The consumption of energy by Non-Domestic category constitutes about 28% of total sales in FY 2018-19. The Petitioner has projected sales of 1936 MU for FY 2019-20 at a growth

rate of 4.15%. The growth rate for this category ranges from -4.79% to 3.36% from FY 2011-12 to FY 2018-19. The Commission considers the growth rate of 2.25% based on 4 year CAGR as it is considered reasonable in view of the trend during the past years. Therefore, the Commission approves the sales of 1831 MU for FY 2019-20 for Non-Domestic consumer category by escalating the sales for FY 2018-19.

INDUSTRIAL CONSUMERS

- 4.19 The consumption of energy by Industrial consumer's category constitutes around 6% of total sales in FY 2018-19. The Petitioner has projected the sales as 308 MU for FY 2019-20 at a negative growth rate of 0.23%. The growth rate for this category ranges from -2.09% to 20.67% from FY 2011-12 to FY 2018-19. The Commission has observed that there has been a considerable positive growth for the last 5 years in this category. Thus, the Commission has considered 4 year CAGR of 7.30% for projection of sales in this category and approves the sales of 402 MU for FY 2019-20.

AGRICULTURE & MUSHROOM CULTIVATION

- 4.20 The power consumption for these two categories has been almost 'Nil' during the last 7 years. The Petitioner has projected a very low 0.28 MU consumption for FY 2019-20. The Commission considers the same for FY 2019-20.

PUBLIC UTILITIES

- 4.21 The consumption in Public Utilities category (Public Lighting, DJB, Railways and DMRC) constitutes about 7% of the total sales during FY 2018-19. The Petitioner has projected the sales of 391 MU for FY 2019-20. The Commission had sought from the said Public Utilities about their projected quantum of purchase of power in the Petitioner's area of supply. The Commission based on the submissions regarding the energy requirement of the said Public Utilities has approved sales of 369 MU for FY 2019-20.

OTHER CATEGORIES

- 4.22 Other categories consist of places of Advertisement & Hoardings, Temporary Connections, Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point, Enforcement, Own Consumption and Net Metering. The Petitioner has projected 89 MU for FY 2019-20. The nature of sales in other categories may not follow the past CAGR trends in the future. Therefore, the Commission has considered the quantum of sales to these categories at 84 MU.

- 4.23 On the basis of above analysis, the Commission approves the energy sales for the Petitioner for FY 2019-20 as indicated in the Table as follows:

Table 4. 9: Commission Approved - Sales for FY 2019-20 (MU)

| Sr. No. | Category | Petitioner's Submission | As approved |
|---------|--|-------------------------|--------------|
| A. | Domestic including 11KV and staff | 4,200 | 4,081 |
| B. | Non-Domestic | 1,936 | 1,832 |
| C. | Industrial | 308 | 402 |
| D. | Agriculture & Mushroom | 0.28 | 0.28 |
| E. | Public Utilities | 391 | 369 |
| F. | Adv. & Hoardings | 0.58 | 0.58 |
| G. | Temporary Supply | 45 | 46 |
| H. | Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point | 5 | 7 |
| I. | Others* | 38 | 31 |
| J. | TOTAL | 6,925 | 6,768 |

* Advertisement & Hoardings, Temporary Connections, Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point Enforcement, Own Consumption and Net Metering.

REVENUE PROJECTION FOR FY 2019-20 AT EXISTING TARIFF PETITIONER'S SUBMISSION

- 4.24 The Petitioner has estimated the revenue on account of sales to various consumer categories during FY 2019-20 as follows:

Table 4. 10: Revenue estimated during FY 2019-20 (Rs. Cr.)

| S. No | Category | Fixed Charges | Energy charges | Other Charges | Total |
|-------|--------------------------------------|---------------|----------------|---------------|-------|
| A | Domestic | 487 | 1,718 | -2 | 2,204 |
| I | Domestic other than A (I) to A (IV) | 472 | 1,642 | | 2,114 |
| II | Single Delivery Point @ 11 KV to GHS | 2 | 10 | -0 | 12 |
| III | 11 KV Worship/Hospital | 11 | 62 | -2 | 72 |
| IV | DVB Staff | 3 | 4 | | 6 |
| B | Non Domestic | 529 | 1,616 | -10 | 2,134 |
| I | Non Domestic Supply at LT | 465 | 1,277 | | 1,742 |
| II | Non Domestic Supply at HT & above | 64 | 339 | -10 | 393 |
| C | Industrial | 70 | 235 | -1 | 304 |
| I | Industrial Supply at LT | 55 | 195 | | 250 |
| II | Industrial Supply at HT & Above | 16 | 40 | -1 | 54 |
| D | Agriculture & Mushroom Cultivation | 0 | 0 | | 0 |
| E | Public Utilities | 44 | 238 | -6 | 276 |
| I | Public Lighting | 10 | 43 | | 53 |
| II | DJB Supply at LT | 4 | 9 | | 14 |
| III | DJB Supply at HT and above | 24 | 87 | -3 | 108 |
| IV | DMRC | 6 | 99 | -4 | 101 |
| F | Others | 8 | 65 | | 73 |

| S. No | Category | Fixed Charges | Energy charges | Other Charges | Total |
|-------|---------------------------|---------------|----------------|---------------|-------|
| I | Temporary Supply | 8 | 32 | | 39 |
| II | Enforcement | | 30 | | 30 |
| III | Self-consumption | | | | |
| IV | Advertisement & Hoardings | 0 | 0 | | 1 |
| V | E Vehicle | | 2 | | 2 |
| VI | Net Metering | | 0 | | 0 |
| Total | | 1,139 | 3,873 | -20 | 4,991 |

Note: Please Note: Impact of TOD included in Energy charge.

- 4.25 The Petitioner has estimated other charges (i.e. Voltage wise rebate) of Rs. (-) 20 Crore during FY 2019-20 and revenue from existing tariff has been estimated as Rs.4,991 Crore during FY 2019-20.

COMMISSION ANALYSIS

- 4.26 As per the two-part tariff principle followed in the NCT of Delhi, the tariff for each category consists of fixed/demand charges as well as energy charges. The fixed/demand charges are specified for different categories as a fixed amount per kW of sanctioned load per month. The energy charges, on the other hand, are always usage-based and are specified per unit of electricity consumed.
- 4.27 For Domestic consumers, the revenue from fixed charges is calculated by multiplying the corresponding fixed charge with the sanctioned load. For calculation of revenue from energy charges, the actual usage is multiplied by the applicable tariff category slab.
- 4.28 For Non-Domestic, Industrial and Public Utilities, revenue from fixed charges is calculated by multiplying the fixed charge of each tariff slab with the sanctioned load of that slab, while revenue from energy charges is calculated by multiplying the energy charges specified for each tariff slab with the energy consumption projected for that slab.
- 4.29 Based on the Petitioner's data of Sanctioned Load, Number of Consumers, Sales provided in Form 2.1 (a) for FY 2018-19 and the existing Tariff Schedule, the Commission has estimated the total revenue of Rs. 4803 Crore to be billed in FY 2019-20. The category-wise break up of revenue estimated by the Commission on sales of 6768 MU & sanctioned load of 4857 MW for FY 2019-20 is indicated in the

table as follows:

Table 4. 11: Revenue estimated at Existing Tariff for FY 2019-20 (Rs. Cr.)

| Category | Fixed Charges | Energy Charges | Total Revenue |
|--|---------------|----------------|---------------|
| Domestic | 471 | 1,675 | 2,146 |
| Non-Domestic | 494 | 1,465 | 1,959 |
| Industrial | 65 | 291 | 356 |
| Agriculture & Mushroom | 0.04 | 0.04 | 0.08 |
| Public Utilities | 49 | 212 | 261 |
| Others | 9 | 72 | 81 |
| Total Revenue | | | 4,803 |
| Revenue at 99.5% Collection Efficiency | | | 4,779 |

DISTRIBUTION LOSS AND COLLECTION EFFICIENCY TARGET

PETITIONER'S SUBMISSION

- 4.30 The Petitioner has considered the Distribution Loss @ 10.50% and Collection Efficiency @ 99.50% for FY 2019-20.

Table 4. 12: Distribution Loss Target and Collection Efficiency for FY 2019-20

| S. No | Particulars | % |
|-------|-----------------------|--------|
| A | T&D Losses | 10.50% |
| B | Collection Efficiency | 99.50% |

COMMISSION ANALYSIS

- 4.31 The Commission has fixed the targets for Distribution Loss and Collection Efficiency for FY 2019-20 in DERC (Business Plan) Regulations, 2017 as 10.50% and 99.50% respectively. Accordingly, the same have been considered for computation of Energy Requirement & Revenue projected for FY 2019-20 of the Petitioner.

ENERGY REQUIREMENT

PETITIONER'S SUBMISSION

- 4.32 The Petitioner has estimated the energy requirement based on the sales projected for FY 2019-20 and Distribution loss as specified for FY 2019-20 in DERC Business Plan Regulations, 2017 as follows:

Table 4. 13: Petitioner Submission: Energy Requirement for FY 2019-20

| S.No. | Particulars | Unit | Amount |
|-------|--------------------|------|--------|
| A | Energy sales | MU | 6,925 |
| B | Distribution Loss | % | 10.50 |
| C | Energy Requirement | MU | 7738 |
| D | Distribution Loss | MU | 812 |

COMMISSION ANALYSIS

- 4.33 The Commission has computed the energy requirement at the Distribution Periphery of the Petitioner for FY 2019-20, considering the sales approved for FY 2019-20 and Distribution Loss of 10.50%. The approved energy requirement for FY 2019-20 is summarized in the table as follows:

Table 4. 14: Commission Approved: Energy Requirement for FY 2019-20

| S. No. | Particulars | Unit | Approved Energy requirement | Ref. |
|--------|--------------------|------|-----------------------------|---------|
| A | Energy Sales | MU | 6,768 | |
| B | Distribution loss | MU | 794 | C-A |
| | | % | 10.50% | |
| C | Energy Requirement | MU | 7,562 | A/(1-B) |

POWER PURCHASE**PETITIONER'S SUBMISSION**

- 4.34 The Petitioner has submitted that the sources the power through mix of long term and short term sources to meet the demand in its licensed area. Long term sources include Central Generating Stations which are owned by Central Government, State Generating Stations which are owned by State Government, IPP and JVs. The Petitioner has been assigned the share based on the PPAs which have been inherited from Delhi Transco Limited. The allocation of power within Delhi is being done by the Commission.
- 4.35 The energy from various existing has been estimated by applying Merit Order dispatch principle in the following manner:

NTPC Stations

- Allocation of various generating stations are considered as per Commission's last Tariff Order dated 28.03.2018.
- No availability has been projected from BTPS Power plants as the same is expected to be phased out.
- Availability from NCTPS Dadri-II has been considered as per availability in FY 17-18 with allocation as per Commission's last Tariff Order dated 28.03.2018.

- d. As regard to APCPL One unit of 500 MW shall be completely backed down and the remaining capacity has been assumed to be running at full allocated capacity.

NHPC Stations

- a. Power from NHPC Stations has been considered as per Commission's last Tariff Order dated 28.03.2018.

DVC, Sasan, NPCIL, THDC, SJVNL, SGS and Renewables

- a. The Availability and Allocation of various generating stations including DVC, Sasan, NPCIL, SJVNL, SGS are considered as per Commission's last Tariff Order dated 28.03.2018.
- b. The availability from IPGCL's Rajghat plant hasn't been projected due to closure of plant in FY 2015-16.
- c. Power availability from Renewable Energy Sources like SECI, MSW and EDWPCL has been considered as per BYPL's allocated share. Quantum of power available through Solar Rooftop has considered on lump sum basis.
- d. RPO Target for FY 2019-20 considered as per BP Regulations, 2017.

- 4.36 The Petitioner has further submitted that the scheduling and dispatch of power is the prerogative of the Delhi SLDC. The Electricity Act (EA), 2003 (Refer: Sections 32 and 33) and Indian Electricity Grid Code, 2010 (Refer: Clause 2.7.1-2.7.3) provide for the same. The SLDC is the apex statutory body appointed under Section 32 of the EA, 2003, which ensures integrated operation of the power system in the State. The SLDC is responsible for optimum scheduling and dispatch of electricity within a state. The SLDC monitors the grid operations and exercises supervision and control over the intra-state transmission system. Every Licensee is bound by the directions of SLDC, in terms of Section 33 of the EA, 2003. While scheduling power, the Delhi SLDC ought to follow inter alia the MOD principles as prescribed in law, subject to factors such as the grid security, technical minimum limit of plants, the requirements of the other Licensees from a particular plant, transmission constraints, etc. Therefore, the Delhi SLDC monitors grid discipline, at times follows principles at variance with the MOD principles, in order to factor in other criteria

that it deems relevant in order to ensure grid safety and discipline within Delhi as well as to meet the requirements of Delhi as a whole. In the process of doing so, the Delhi SLDC may direct DISCOMs to schedule power from sources which may not meet the MOD principles. BYPL always follows the schedule and directions of the Delhi SLDC, which are statutory in nature and have to be necessarily followed as per the mandate of the EA, 2003 and the Regulations framed thereunder.

- 4.37 On the basis of the above methodology energy availability from various long term sources for each year is summarised as follows:

Table 4. 15: Petitioner Submission: Energy Purchase during FY 2019-20

| S. No | Stations | Installed Capacity | Firm & un-allocated share of Delhi | | Share Allocation to Petitioner | | Petitioner Share |
|-----------|-----------------------------------|--------------------|------------------------------------|-------------|--------------------------------|------------|------------------|
| | | (MW) | (%) | (MW) | (%) | (MW) | (MU) |
| A | NTPC | | | | | | |
| 1 | Anta Gas Power Project | 419 | 10.50% | 44 | 2.67% | 11 | 52 |
| 2 | Auraiya Gas Power Station | 663 | 10.86% | 72 | 2.76% | 18 | 39 |
| 3 | Badarpur Thermal Power Station | 420 | 100.00% | 420 | 0.00% | | 0 |
| 4 | Dadri Gas Power Station | 830 | 10.96% | 91 | 2.78% | 23 | 81 |
| 5 | Feroze Gandhi Unchahar TPS 1 | 840 | 5.71% | 643 | 1.45% | 12 | 43 |
| 6 | Feroze Gandhi Unchahar TPS 2 | 420 | 11.19% | 47 | 2.84% | 12 | 85 |
| 7 | Feroze Gandhi Unchahar TPS 3 | 210 | 13.81% | 29 | 3.51% | 7 | 52 |
| 8 | Farakka Stps | 1600 | 1.39% | 22 | 0.35% | 6 | 37 |
| 9 | Kahalgaon Thermal Power Station 1 | 840 | 6.07% | 51 | 1.54% | 13 | 88 |
| 10 | National Capital Thermal Power | 630 | 90.00% | 567 | 7.35% | 62 | 189 |
| 11 | Rihand Thermal Power Station 1 | | | | | | 0 |
| 12 | Rihand Thermal Power Station 2 | 1000 | 12.60% | 126 | 3.20% | 32 | 221 |
| 13 | Singrauli STPS | 2000 | 7.50% | 150 | 3.72% | 74 | 538 |
| 14 | Kahalgaon Thermal Power Station 2 | 1500 | 10.49% | 157 | 2.67% | 40 | 282 |
| 15 | Dadri TPS-II | 980 | 75.00% | 735 | 17.91% | 175 | 939 |
| 16 | Rihand Thermal Power Station 3 | 1000 | 10.80% | 108 | | 52 | 248 |
| | Sub Total | 13352 | | 3262 | | 538 | 2894 |
| B. | NHPC Ltd. | | | | | | |
| 1 | Bairasiul | 180 | 11.00% | 20 | 2.79% | 5 | 18 |
| 2 | Salal | 690 | 11.62% | 80 | 2.95% | 20 | 104 |
| 3 | Chamera I | 540 | 7.90% | 43 | 2.01% | 11 | 46 |

| S. No | Stations | Installed Capacity | Firm & un-allocated share of Delhi | | Share Allocation to Petitioner | | Petitioner Share |
|-----------|--|--------------------|------------------------------------|------------|--------------------------------|------------|------------------|
| | | (MW) | (%) | (MW) | (%) | (MW) | (MU) |
| 4 | Tanakpur | 120 | 12.81% | 15 | 3.25% | 4 | 12 |
| 5 | Uri | 480 | 11.04% | 53 | 2.80% | 13 | 69 |
| 6 | Dhauliganga | 280 | 13.21% | 37 | 3.36% | 9 | 38 |
| 7 | Chamera - II | 300 | 13.33% | 40 | 3.39% | 10 | 53 |
| 8 | Dulhasti | 390 | 12.83% | 50 | 3.26% | 13 | 73 |
| 9 | Chamera - III | 231 | 12.73% | 29 | 3.23% | 7 | 34 |
| 10 | Uri II | 240 | 13.45% | 32 | 3.41% | 8 | 44 |
| 11 | Parbati-III | 520 | 12.73% | 66 | 3.23% | 17 | 23 |
| | Sewa-II | 120 | 13.33% | 16 | 3.39% | 4 | 16 |
| | Sub Total | 4091 | | 482 | | 122 | 530 |
| C. | NPCI Ltd. | | | | | | |
| 1 | Nuclear Power Corp. of India Ltd. Narora | 440 | 10.68% | 47 | 0.00% | - | 0 |
| 2 | Nuclear Power Corp. of India Ltd. Kota UNIT - 5&6 RAPP | 440 | 12.69% | 56 | 3.22% | 14 | 98 |
| | Sub Total | 880 | | 103 | | 14 | 98 |
| D. | SJVN Ltd. | | | | | | |
| 1 | Satluj Jal Vidyut Nigam Ltd.- Nathpa Jhakri | 1500 | 9.47% | 142 | 2.41% | 36 | 122 |
| 2 | SJVNL Regulation credit | | | | | | |
| | Sub Total | 1500 | | 142 | | 36 | 122 |
| F. | Solar Rooftop | 0.3 | | | 0.00% | - | 0 |
| G. | Damodar Valley Corporation | | | | | | |
| 1 | Mejia Units 6 | 250 | 40.00% | 100 | 10.16% | 25 | 190 |
| 2 | CTPS 7 & 8 | 500 | 60.00% | 300 | 15.24% | 76 | 550 |
| 3 | MTPS 7 | 500 | 22.23% | 111 | 22.23% | 111 | 789 |
| | Sub Total | 1250 | | 511 | | 213 | 1529 |
| H. | Power stations in Delhi | | | | | | |
| 1 | Indraprastha Power Generation Co.Ltd. RPH | 135 | 100.00% | 135 | 0.00% | - | 0 |
| 2 | Indraprastha Power Generation Co.Ltd. GT | 270 | 100.00% | 281 | 8.60% | 23 | 43 |
| 3 | Pragati Power Corp.Ltd. Pragati I | 330 | 100.00% | 330 | 16.07% | 53 | 150 |
| 4 | Pragati Power Corp.Ltd. Pragati III (Bawana) | 1371 | | | 18.00% | 247 | 326 |
| | Sub Total | 2106 | | 746 | | 323 | 519 |
| I. | Aravali Power Corporation Ltd - Jhajjar | 1500 | 46.20% | 693 | 4.62% | 69 | 233 |
| J. | Sasan | 3960 | 11.25% | 446 | 7.86% | 311 | 2345 |
| K | SECI | 700 | 8.57% | 60 | | 20 | 40 |
| | MSW | 24 | 100.00% | 24 | 24.00% | 6 | 34 |
| | EDWPCL | 12 | 100.00% | 12 | 50.00% | 6 | 24 |
| L | Tala | 1020 | 2.94% | 30 | 0.78% | 8 | 19 |

| S. No | Stations | Installed Capacity | Firm & un-allocated share of Delhi | | Share Allocation to Petitioner | | Petitioner Share |
|-------|--|--------------------|------------------------------------|------|--------------------------------|-------------|------------------|
| | | (MW) | (%) | (MW) | (%) | (MW) | (MU) |
| | TOTAL QUANTUM FROM FIRM SOURCES | 29351 | | | | 1667 | 8387 |

COMMISSION ANALYSIS

- 4.38 Power Purchase Cost is the single largest component of ARR of a Distribution Company. It is pertinent to estimate the power purchase cost with utmost care based on the optimum method of procuring power from the generating stations.
- 4.39 Delhi has a firm allocated share in Central Sector Generating Stations (CSGS), State Generating Stations (SGS) and other stations. The Commission has considered allocation of firm power as per the input from Delhi SLDC vide its email dated 16/07/2019.
- 4.40 The Commission conducted meeting regarding Summer Preparedness for FY 2019-20 on 15/05/2019 with SLDC, GENCOs, DTL, BRPL, BYPL, TPDDL & NDMC, wherein it was observed that as per the power supply position presented by SLDC, the power available seems to be sufficient. Minor deficits were observed in few time durations and the DISCOMs agreed to cater that through IDT, reserve module of PPS-3 Bawana, short term procurement of Hydro Power from Himachal, power exchange etc. and assured that there would not be shortage of power during summers of FY 2019-20. Further, GENCOs of Delhi informed that they are sufficiently equipped to run on full load during summer months of FY 2019-20. DTL was directed to keep their system ready to transmit uninterrupted power during summer months of FY 2019-20.
- 4.41 The distribution of unallocated quota from the various plants varies from time to time and is based on power requirement and power shortage in different States. Therefore, the Commission has not considered any power from the unallocated quota for FY 2019-20.
- 4.42 The Commission has examined the quantum of power purchase proposed by the Petitioner from various generating stations. The Commission sought power projection details from SLDC for FY 2019-20 and the Petitioner has agreed to power projection by SLDC for FY 2019-20 which do not account for the new stations as

indicated above. Accordingly, the Commission has considered the power projection details as provided by SLDC for FY 2019-20.

- 4.43 Based on the above discussions, the availability of power to the Petitioner from Central, State and Other Generating Stations as approved by the Commission is given in the Table as follows:

Table 4. 16: Commission Approved: Energy available to Petitioner from Central and State Generating Stations and other Generating Stations for FY 2019-20

| Station | Plant Capacity | Delhi's Share (%) | Delhi's Share (MW) | Petitioner's Share (%) | Petitioner's Share (MW) | Petitioner's Share (MU) |
|--------------------|----------------|-------------------|--------------------|------------------------|-------------------------|-------------------------|
| Singrauli STPS | 2000 | 7.50% | 150 | 49.56% | 74.34 | 509.17 |
| Rihand STPS-I | 1000 | 10.00% | 100 | 0.00% | 0.00 | |
| Rihand STPS-II | 1000 | 12.60% | 126 | 25.40% | 32.00 | 246.22 |
| Rihand STPS-III | 1000 | 13.19% | 132 | 40.74% | 53.74 | 326.45 |
| ANTA GPS | 419 | 10.50% | 44 | 25.40% | 11.17 | 2.38 |
| Auriya GPS | 663 | 10.86% | 72 | 25.40% | 18.30 | 1.95 |
| Dadri GPS | 830 | 10.96% | 91 | 25.39% | 23.09 | 15.41 |
| Unchahaar-I TPS | 420 | 5.71% | 24 | 25.39% | 6.09 | 35.99 |
| Unchahaar-II TPS | 420 | 11.19% | 47 | 25.40% | 11.94 | 70.22 |
| Unchahaar-III TPS | 210 | 13.81% | 29 | 25.40% | 7.37 | 48.37 |
| Dadri NCTPS(Th) I | 840 | 90.00% | 756 | 8.17% | 61.73 | 306.35 |
| Kahalgaoon I | 840 | 6.07% | 51 | 25.40% | 12.95 | 75.91 |
| Kahalgaoon II | 1500 | 10.49% | 157 | 25.40% | 39.97 | 238.05 |
| Farakka | 1600 | 1.39% | 22 | 25.40% | 5.65 | 30.35 |
| Aravali - Jhajjar | 1500 | 46.20% | 693 | 9.99% | 69.21 | 86.00 |
| Dadri NCTPS(Th) II | 980 | 74.52% | 730 | 24.03% | 175.49 | 903.00 |
| NTPC TOTAL | 15222 | | 3225 | | 603 | 2896 |
| Bairasul | 180 | 11.00% | 20 | 25.40% | 5.03 | 1.30 |
| Salal- I | 690 | 11.62% | 80 | 25.40% | 20.36 | 99.50 |
| Tanakpur | 94 | 12.81% | 12 | 25.40% | 3.07 | 17.93 |
| Chamera -I | 540 | 7.90% | 43 | 25.40% | 10.84 | 50.71 |
| Chamera-II | 300 | 13.33% | 40 | 25.40% | 10.16 | 52.10 |
| Chamera-III | 231 | 12.73% | 29 | 25.40% | 7.47 | 37.80 |
| URI | 480 | 11.04% | 53 | 25.40% | 13.46 | 69.59 |
| Dhauliganga | 280 | 13.21% | 37 | 25.40% | 9.39 | 42.07 |
| Sewa II | 120 | 13.33% | 16 | 25.40% | 4.06 | 19.46 |
| Dulhasti | 390 | 12.83% | 50 | 25.40% | 12.71 | 71.04 |
| URI 2 | 240 | 13.45% | 32 | 25.40% | 8.20 | 46.13 |
| Parbati 3 | 520 | 12.73% | 66 | 25.40% | 16.81 | 27.07 |
| NHPC Total | 4065 | | 479 | | 122 | 535 |
| Tala HEP | 1020 | 2.94% | 30 | 25.40% | 7.62 | 25.24 |
| MPL | 1050 | | 281 | 0.00% | | |
| CLP Jhajjar | 1320 | | 124 | 0.00% | | |
| Nathpa Jhakri HPS | 1500 | 9.47% | 142 | 25.40% | 36.08 | 149.58 |
| Tehri HPP | 1000 | 6.30% | 63 | 0.00% | 0.00 | |
| Koteshwar | 400 | 9.86% | 39 | 0.00% | 0.00 | |
| DVC CTPS 7 & 8 | | | 269 | 28.32% | 76.20 | 488.17 |
| Mejia 6 | 750 | | 131 | 19.43% | 25.40 | 171.12 |
| Mejia 7 | 500 | | 119 | 100.00% | 119.00 | 685.70 |
| Sasan | 3960 | 11.25% | 446 | 72.28% | 322.00 | 2443.82 |

| Station | Plant Capacity | Delhi's Share (%) | Delhi's Share (MW) | Petitioner's Share (%) | Petitioner's Share (MW) | Petitioner's Share (MU) |
|--------------------------------------|----------------|-------------------|--------------------|------------------------|-------------------------|-------------------------|
| SECI Solar Rajasthan | | | 60 | 33.78% | 20.27 | 38.43 |
| Himachal LT-59 | | | 14 | 0.00% | | |
| Singrauli Hydro | 8 | 19.13% | 2 | 0.00% | | |
| Tuticurin LT -61 | | | | | | |
| INOX Wind | | | | | | |
| Other CSGS Total | 11508 | | 1719 | | 607 | 4002 |
| RAPS | 440 | 12.69% | 56 | 25.40% | 14.18 | 102.54 |
| NAPS | 440 | 10.68% | 47 | 0.00% | 0.00 | |
| Nuclear Total | 880 | | 103 | | 14 | 103 |
| PPS-I | 330 | 100.00% | 330 | 16.07% | 53.03 | 206.00 |
| GTPS | 270 | 100.00% | 270 | 8.59% | 23.19 | 46.44 |
| PPS-III, Bawana | 1371 | 80.00% | 1097 | 22.50% | 246.78 | 505.00 |
| TOWMCL (Ex Bus) | 13 | 97.15% | 13 | 0.00% | 0.00 | |
| MSW Bawana | 24 | 100.00% | 24 | 23.90% | 5.74 | 25.98 |
| East Delhi MCW | 12 | | 6 | 100.00% | 5.88 | 12.82 |
| TPDDL Solar | | | 2 | 0.00% | | |
| Thyagraj | | | 1 | | | |
| SGS Total | 2020 | | 1742 | | 335 | 796 |
| Total from Long Term Purchase | 33695 | | 7268 | | 1680 | 8331 |

POWER PURCHASE COST PETITIONER'S SUBMISSION

4.44 The Petitioner has estimated the power purchase cost in the following manner:

i. **ISGS/SGS Stations:**

- Annual fixed Charges (AFC) are considered as per latest available bills or Orders of various generating stations and applying the petitioner's allocation
- Fixed cost of BTPS, station has been considered, pending the decision in various courts/forums.
- Energy Charges for all stations including RE stations have been considered same as FY 2018-19 (H1 actual & H2 as per DERC Tariff Order).
- Cost of Sasan in has been considered same as billed in FY 2018-19 (H-1).

ii. Other expenses such as water charges etc. have been estimated separately based upon total water charges available for FY 2017-18

4.45 The Petitioner has submitted the power purchase cost during FY 2019-20 as under

Table 4. 17: Petitioner Submission: Power Purchase Cost for FY 2019-20

| Sr. No. | Stations | Petitioner Share (MU) | Fixed Charges Rs Cr | Variable Charge Rs Cr | Total Charges Rs Cr | Average Rate Rs/unit |
|-----------|--|-----------------------|---------------------|-----------------------|---------------------|----------------------|
| A | NTPC | | | | | |
| 1 | Anta Gas Power Project | 52 | 5.82 | 25.22 | 31.04 | 5.97 |
| 2 | Auraiya Gas Power Station | 39 | 8.53 | 13.21 | 21.73 | 5.57 |
| 3 | Badarpur Thermal Power Station | 0 | 44.01 | - | 44.01 | |
| 4 | Dadri Gas Power Station | 81 | 9.77 | 26.85 | 36.62 | 4.52 |
| 5 | Feroze Gandhi Unchahar TPS 1 | 43 | 4.53 | 11.86 | 16.39 | 3.81 |
| 6 | Feroze Gandhi Unchahar TPS 2 | 85 | 8.18 | 23.42 | 31.61 | 3.72 |
| 7 | Feroze Gandhi Unchahar TPS 3 | 52 | 6.81 | 14.38 | 21.18 | 4.07 |
| 8 | Farakka Stps | 37 | 3.28 | 8.91 | 12.20 | 3.30 |
| 9 | Kahalgaon Thermal Power Station 1 | 88 | 9.35 | 20.33 | 29.68 | 3.37 |
| 10 | National Capital Thermal Power | 189 | 41.50 | 63.25 | 104.75 | 5.56 |
| 11 | Rihand Thermal Power Station 1 | 0 | - | - | - | |
| 12 | Rihand Thermal Power Station 2 | 221 | 15.98 | 28.30 | 44.28 | 2.00 |
| 13 | Singrauli STPS | 538 | 33.89 | 74.36 | 108.25 | 2.01 |
| 14 | Kahalgaon Thermal Power Station 2 | 282 | 30.80 | 62.42 | 93.21 | 3.31 |
| 15 | Dadri TPS-II | 939 | 179.51 | 296.73 | 476.24 | 5.07 |
| 16 | Rihand Thermal Power Station 3 | 248 | 55.19 | 32.72 | 87.91 | 3.54 |
| | Sub Total | 2894 | 457.14 | 701.95 | 1,159.09 | 4.01 |
| B. | NHPC Ltd. | | | | | |
| 1 | Bairasiul | 18 | 2.23 | 1.78 | 4.01 | 2.23 |
| 2 | Salal | 104 | 6.48 | 6.22 | 12.70 | 1.22 |
| 3 | Chamera I | 46 | 4.11 | 5.06 | 9.17 | 1.99 |
| 4 | Tanakpur | 12 | 2.86 | 1.93 | 4.79 | 3.99 |
| 5 | Uri | 69 | 7.10 | 5.63 | 12.73 | 1.84 |
| 6 | Dhauliganga | 38 | 3.32 | 5.18 | 8.49 | 2.24 |
| 7 | Chamera - II | 53 | 5.43 | 5.29 | 10.71 | 2.02 |
| 8 | Dulhasti | 73 | 18.15 | 19.42 | 37.57 | 5.15 |
| 9 | Chamera - III | 34 | 8.30 | 7.21 | 15.52 | 4.56 |
| 10 | Uri II | 44 | 10.25 | 10.55 | 20.79 | 4.73 |
| 11 | Parbati-III | 23 | 5.88 | 6.30 | 12.18 | 5.30 |
| 0 | Sewa-II | 16 | 4.42 | 3.46 | 7.88 | 4.92 |
| | Sub Total | 530 | 78.53 | 78.02 | 156.55 | 2.95 |
| C. | NPCI Ltd. | | - | - | - | |
| 1 | Nuclear Power Corp. of India Ltd. Narora | 0 | - | - | - | |
| 2 | Nuclear Power Corp. of India Ltd. Kota UNIT - 5&6 RAPP | 98 | - | 35.94 | 35.94 | |
| | Sub Total | 98 | - | 35.94 | 35.94 | 3.67 |
| D. | | | - | - | - | |
| 1 | Satluj Jal Vidyut Nigam Ltd.- Nathpa Jhakri | 122 | 22.62 | 14.97 | 37.58 | 3.08 |
| 2 | SJVNL Regulation credit | | - | - | - | |
| | Sub Total | 122 | 22.62 | 14.97 | 37.58 | 3.08 |
| I F. | Solar Roof Top | 0 | - | 0.11 | 0.11 | 5.50 |
| I G. | Damodar Valley Corporation | 0 | - | - | - | |
| 1 | Mejia Units 6 | 190 | 24.07 | 49.94 | 74.01 | 3.90 |
| 2 | CTPS 7 & 8 | 550 | 80.86 | 96.97 | 177.83 | 3.23 |

| Sr. No. | Stations | Petitioner Share | Fixed Charges | Variable Charge | Total Charges | Average Rate |
|--|--|------------------|---------------|-----------------|---------------|--------------|
| 3 | MTPS 7 | 789 | 113.26 | 186.16 | 299.42 | 3.79 |
| | Sub Total | 1529 | 218.19 | 333.07 | 551.26 | 3.61 |
| H. | Power stations in Delhi | | | | | |
| 1 | Indraprastha Power Generation Co.Ltd. RPH | | | | | |
| 2 | Indraprastha Power Generation Co.Ltd. GT | 43 | 11.37 | 18.23 | 29.60 | 6.88 |
| 3 | Pragati Power Corp.Ltd. Pragati I | 150 | 26.91 | 71.70 | 98.61 | 6.57 |
| 4 | Pragati Power Corp.Ltd. Pragati III (Bawana) | 326 | 194.95 | 123.49 | 318.44 | 9.77 |
| | Sub Total | 519 | 233.23 | 213.42 | 446.65 | 8.61 |
| I. | Aravali Power Corporation Ltd - Jhajjar | 233 | 79.51 | 73.62 | 153.13 | 6.57 |
| J. | Sasan | 2345 | 42.21 | 286.09 | 328.30 | 1.40 |
| K | SECI | 40 | - | 22.00 | 22.00 | 5.50 |
| | MSW | 34 | - | 23.75 | 23.75 | 7.03 |
| | EDWPCL | 24 | - | 7.69 | 7.69 | 3.20 |
| L | Tala | 19 | - | 4.10 | 4.10 | 2.16 |
| | Other charges | | | | 29.72 | |
| TOTAL QUANTUM FROM FIRM SOURCES | | 8387 | 1131 | 1795 | 2956 | 3.52 |

COMMISSION ANALYSIS

4.46 The following methodology has been adopted by the Commission for estimation of Power Purchase Cost for FY 2019-20:

- The Commission has considered Fixed Charges for generating stations as approved by Central Electricity Regulatory Commission (CERC) for various generating stations of NTPC, NHPC, THDC, SJVNL, NPCIL and DVC for FY 2018-19
- The Energy Charge Rate (ECR) of most of the Generating Stations has been considered as the simple average of the actual ECRs for April 2019 to June 2019.
- CERC in its Order dtd. 03/06/2016 has approved the Renovation and Modernization (R&M) proposal of Bairasiul Power Station. Accordingly, Bairasiul is under R&M for the period from FY 2017-18 to FY 2020-21. Accordingly, the Commission has allowed only O&M expenses and interest on loan as a part of AFC for FY 2019-20.
- The cost of power purchase from Solar Plants has been considered at Rs. 5.50 per unit based on the allocation letter of SECI.

e) The Energy Charge Rate and Fixed Charges of State Generating Stations including East Delhi MSW has been considered as approved by the Commission in the respective Tariff Orders for applicable period.

4.47 The total Power Purchase Cost approved by the Commission is summarized in the table as follows:

Table 4. 18: Commission Approved: Power Purchase Cost for various generating stations approved for the Petitioner for FY 2019-20

| Station | Energy (MU) | Fixed Cost (Rs Cr) | VC/ unit (Rs/ kWh) | Variable Cost (Rs Cr) | Total Cost (Rs Cr) | Avg. Rate (Rs/ kWh) |
|-------------------------|--------------|--------------------|--------------------|-----------------------|--------------------|---------------------|
| Singrauli STPS | 509 | 34 | 1.42 | 72 | 106 | 2.08 |
| Rihand STPS-II | 246 | 16 | 1.35 | 33 | 49 | 2.00 |
| Rihand STPS-III | 326 | 55 | 1.33 | 43 | 98 | 3.02 |
| ANTA GPS | 2 | 6 | 3.92 | 1 | 7 | 28.36 |
| Auriya GPS | 2 | 9 | 4.92 | 1 | 9 | 48.67 |
| Dadri GPS | 15 | 10 | 3.77 | 6 | 16 | 10.10 |
| Unchahaar-I TPS | 36 | 4 | 3.24 | 12 | 16 | 4.37 |
| Unchahaar-II TPS | 70 | 7 | 3.27 | 23 | 30 | 4.31 |
| Unchahaar-III TPS | 48 | 6 | 3.24 | 16 | 22 | 4.48 |
| Dadri NCTPS(Th) I | 306 | 36 | 3.50 | 107 | 144 | 4.69 |
| Kahalgaon I | 76 | 9 | 2.27 | 17 | 27 | 3.50 |
| Kahalgaon II | 238 | 31 | 2.15 | 51 | 82 | 3.44 |
| Farakka | 30 | 3 | 2.39 | 7 | 11 | 3.46 |
| Aravali - Jhajjar | 86 | 79 | 3.25 | 28 | 107 | 12.42 |
| Dadri NCTPS(Th) II | 903 | 166 | 3.25 | 293 | 459 | 5.08 |
| NTPC Total | 2,896 | 470 | | 711 | 1,181 | 4.08 |
| Bairasul | 1 | 2 | | - | 2 | 14.86 |
| Salal- I | 100 | 5 | 0.62 | 6 | 11 | 1.11 |
| Tanakpur | 18 | 2 | 1.65 | 3 | 5 | 2.57 |
| Chamera -I | 51 | 3 | 1.14 | 6 | 9 | 1.79 |
| Chamera-II | 52 | 4 | 1.01 | 5 | 10 | 1.86 |
| Chamera-III | 38 | 6 | 2.12 | 8 | 14 | 3.68 |
| URI | 70 | 5 | 0.82 | 6 | 11 | 1.57 |
| Dhauliganga | 42 | 4 | 1.21 | 5 | 9 | 2.17 |
| Sewa II | 19 | 4 | 2.17 | 4 | 8 | 4.12 |
| Dulhasti | 71 | 15 | 2.75 | 20 | 34 | 4.84 |
| URI 2 | 46 | 8 | 2.37 | 11 | 19 | 4.07 |
| Parbati 3 | 27 | 8 | 1.54 | 4 | 12 | 4.40 |
| NHPC Total | 535 | 66 | | 78 | 143 | 2.68 |
| Tala HEP | 25 | - | 2.16 | 5 | 5 | 2.16 |
| Nathpa Jhakri HPS | 150 | 17 | 1.21 | 18 | 35 | 2.33 |
| DVC CTPS 7 & 8 | 488 | 81 | 2.00 | 98 | 178 | 3.66 |
| Mejia 6 | 171 | 24 | 3.09 | 53 | 77 | 4.50 |
| Mejia 7 | 686 | 121 | 2.90 | 199 | 320 | 4.67 |
| Sasan | 2,444 | 35 | 1.15 | 281 | 316 | 1.29 |
| SECI Solar Rajasthan | 38 | | 5.50 | 21 | 21 | 5.50 |
| Other CSGS Total | 4,002 | 278 | | 675 | 953 | 2.38 |
| RAPS | 103 | - | 3.93 | 40 | 40 | 3.93 |
| Nuclear Total | 103 | - | 3.93 | 40 | 40 | 3.93 |
| PPS-I | 206 | 27 | 4.43 | 91 | 117.954 | 5.73 |
| GTPS | 46 | 11 | 4.33 | 20 | 31.460 | 6.77 |
| PPS-III, Bawana | 505 | 219 | 3.68 | 186 | 405 | 8.02 |

| Station | Energy (MU) | Fixed Cost (Rs Cr) | VC/ unit (Rs/ kWh) | Variable Cost (Rs Cr) | Total Cost (Rs Cr) | Avg. Rate (Rs/ kWh) |
|--------------------------------------|--------------|--------------------|--------------------|-----------------------|--------------------|---------------------|
| MSW Bawana | 26 | | 7.03 | 18 | 18 | 7.03 |
| East Delhi MCW | 13 | | 3.25 | 4 | 4 | 3.25 |
| SGS Total | 796 | 258 | | 320 | 577 | 7.25 |
| TOTAL PURCHASE FROM LONG TERM | 8,331 | 1,071 | | 1,824 | 2,895 | 3.48 |

COST OF POWER FROM OTHER SOURCES (SHORT TERM SOURCES)**PETITIONER'S SUBMISSION**

4.48 The Petitioner has projected the energy requirement and energy availability, surplus and deficit to be met through short term purchases as under:

Table 4. 19: Petitioner Submission: Month wise energy requirement and availability during FY 2019-20

| Month | Energy (A) | Energy requirement (B) | Net Surplus/Deficit (A-B) | SHORT TERM* | |
|--------------|--------------|------------------------|---------------------------|---------------------|-----------------|
| | | | | Short Term Purchase | Short Term Sale |
| Apr-18 | 690 | 621 | 68 | 38 | 106 |
| May-18 | 719 | 808 | (88) | 127 | 38 |
| Jun-18 | 684 | 897 | (213) | 251 | 38 |
| Jul-18 | 724 | 875 | (152) | 190 | 38 |
| Aug-18 | 712 | 835 | (122) | 160 | 38 |
| Sep-18 | 671 | 693 | (22) | 61 | 38 |
| Oct-18 | 663 | 677 | (14) | 52 | 38 |
| Nov-18 | 679 | 459 | 220 | 8 | 228 |
| Dec-18 | 640 | 467 | 173 | 8 | 181 |
| Jan-19 | 645 | 484 | 160 | 8 | 168 |
| Feb-19 | 573 | 418 | 155 | 8 | 163 |
| Mar-19 | 673 | 504 | 168 | 8 | 176 |
| Total | 8,073 | 7,738 | 335 | 917 | 1,252 |

* Load curve of Delhi is peculiar in nature, with high morning and evening peaks and very low load demand during night hours. Therefore Short term &, Banking Purchase(@ 105% return ratio)are assumed to meet the monthly demand & supply scenarios, Further it is also assumed that power will also required to be purchased in few slots of winter seasons for meeting the demand and accordingly the same is considered in monthly energy balance.

4.49 The Petitioner has considered the aforesaid energy to be met through short term procurement from FY 2019-20. For the purpose of short term purchase cost, the average annual rate of short term purchase for FY 2017-18 has been considered.

4.50 Accordingly, the Petitioner has submitted power purchase cost through Short term sources for FY 2019-20 as tabulated below:

Table 4. 20: Petitioner Submission: Short term power purchase for FY 2019-20

| S. No. | Source | Energy Purchased | Cost per Unit | Total Cost |
|--------|---------------------|------------------|---------------|------------|
| | | (MU) | (Rs./unit) | (Rs.Cr.) |
| 1 | Short Term Purchase | 917 | 4.4 | 400.7 |

- 4.51 Based upon past trends the power purchase cost through Short term sources for FY 2017-18 is Rs 389 Crores further the open access charges for availing the short term power is Rs.67 Crores
- 4.52 The Petitioner requests Commission to allow the aforesaid cost and open access charges in the ARR of the Petitioner.

COMMISSION ANALYSIS

- 4.53 It is observed that the Petitioner is in Surplus of 569 MU for FY 2019-20 as indicated in Energy Balance table approved by the Commission. The impact of banking transactions has not been considered for the preparation of Energy Balance as the energy through Return Banking will be off-set through Forward Banking met through Long term sources approved by the Commission.
- 4.54 The DISCOMs of Delhi have submitted the average sale rate and purchase rate for short term power in their petitions as Rs 3.75/ kWh. The same has been considered by the Commission.
- 4.55 In view of above, the Commission has considered the rate of sale of Surplus Power @ Rs. 3.75/kWh as follows:

Table 4. 21: Commission Approved - Short Term Purchase of Power for FY 2019-20

| Source | Surplus | Cost per Unit | Total Cost |
|-----------------------|---------|---------------|------------|
| | (MU) | (Rs./unit) | (Rs. Cr.) |
| Sale of Surplus Power | 569 | 3.75 | 213 |

RENEWABLE PURCHASE OBLIGATION (RPO)

PETITIONER'S SUBMISSION

- 4.56 Regulation-27 of DERC Business Plan Regulations, 2017 specifies the target for Renewable Purchase Obligation from FY 2017-18 to FY 2019-20 as under:

"27. TARGET FOR RENEWABLE PURCHASE OBLIGATION

(1) The targets for Renewable Purchase Obligation (RPO) in terms of Regulation 124 of the DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 of a Distribution Licensee from FY 2017-18 to FY 2019-20 shall be computed as a percentage of total sale of power to its retail consumers in its area of supply excluding procurement of hydro power. The target

for Renewable Purchase Obligation shall be as follows:

| Sr. No. | Distribution Licensee | 2017-18 | 2018-19 | 2019-20 |
|---------|------------------------|---------|---------|---------|
| 1 | Solar Target (Minimum) | 2.75% | 4.75% | 6.75% |
| 2 | Total | 11.50% | 14.25% | 17.00% |

SOLAR

- 4.57 The Petitioner has submitted that as per DERC Business Plan Regulations, 2017, the Petitioner is required to meet its RPO obligation of 17% of total energy sales during FY 2019-20 through procurement of either Solar Energy or combination of Solar energy and Non-Solar energy with a minimum purchase of 6.75% of Solar energy. In absence of adequate availability of Solar energy, the Petitioner proposes to achieve the RPO Target through purchase of Renewable Energy Certificates (RECs).
- 4.58 The Petitioner has stated that the energy generated from Rooftop solar has been considered for meeting RPO Target. Remaining target is proposed to be met through Solar RECs.
- 4.59 For calculation of cost through RECs, the Petitioner has considered the Cost of REC considered at IEX avg. rate for April-Oct'18 i.e. Rs. 1 for Solar plus GST @ 12% as applicable
- 4.60 The cost of REC Purchase for meeting solar RPO during FY 2019-20 is tabulated as follows:

Table 4. 22: Petitioner Submission: Cost of REC Purchase for meeting Solar RPO during FY 2019-20

| S.No. | Particulars | UoM | FY 2019-20 |
|-------|--|---------|------------|
| A | Energy sales (excl Hydro) | MU | 6281 |
| B | RPO target – Solar | % | 6.75% |
| C | RPO target – Solar | MU | 424 |
| D | Availability from SECI ,net metering rooftop | MU | 40 |
| E | Required to be met through RECs | MU | 384 |
| F | REC rates | Rs./kWh | 1.12 |
| G | Cost for REC purchase | Rs. Cr. | 43 |

NON-SOLAR

- 4.61 The petitioner has arrangements for purchasing Non-solar power from Delhi based plants such as EDWPCL and DMSW. For purchase of calculation of cost through RECs, the Petitioner has considered the Cost of REC considered at IEX avg. rate for April-Oct'18 i.e. Rs. 1.13/unit for Non-solar. plus GST @ 12% as applicable. The

unmet Non-Solar RPO obligation till FY 17-18 is proposed to be carried forward in future years.

- 4.62 The cost of REC Purchase for meeting non-solar RPO during FY 2019-20 is tabulated as follows:

Table 4. 23: Petitioner Submission: Cost of REC Purchase for meeting Non-Solar RPO during FY 2019-20

| Sl. No. | Particulars | UoM | FY 2019-20 |
|---------|---------------------------------|---------|------------|
| A | Energy sales (Excl Hydro) | MU | 6281 |
| B | RPO target - Non-Solar | % | 10.25% |
| C | RPO target - Non-Solar | MU | 644 |
| D | Availability from EDWPCL & MSW | MU | 58 |
| E | Required to be met through RECs | MU | 586 |
| F | REC rates | Rs./kWh | 1.27 |
| G | Cost for REC purchase | Rs. Cr. | 74 |

- 4.63 The Petitioner requested the Commission to allow the cost of RPO as projected in the aforesaid table in the ARR of FY 2019-20.

COMMISSION ANALYSIS

- 4.64 The Commission has notified the DERC (Business Plan) Regulations, 2017 for three years i.e., FY 2017-18, FY 2018-19 and FY 2019-20. In the said regulations, the Commission has specified RPO targets for the petitioner indicated in the table as follows:

Table 4. 24: Commission Approved: Targets for Renewable Purchase Obligation

| S. No. | Particulars | FY 2019-20 |
|--------|------------------------|------------|
| 1 | Solar Target (Minimum) | 6.75% |
| 2 | Total | 17.00% |

- 4.65 As per the above said DERC (Business Plan) Regulations, 2017 of the Commission, the Distribution companies have to purchase 17.00% of total Energy Sales approved by the Commission during FY 2019-20 from renewable energy sources including minimum 6.75% from the solar sources.
- 4.66 The Commission has approved the total energy sales of 6,059 MU net of the Hydro Power Purchase for FY 2019-20 for the Petitioner. Based on the sales approved, the Petitioner has to purchase a minimum of 1,030 MU from renewable energy sources for FY 2019-20 indicated in the table as follows:

Table 4. 25: Commission Approved: Renewable Energy to be procured

| Power Source | Approved Energy Sales (net of the Hydro Power purchase) (MU) | % of Total approved energy sales in Regulations | Renewable Energy to be Procured |
|--------------|--|---|---------------------------------|
| Solar | 6,059 | 6.75% | 409 |
| Non-solar | | 10.25% | 621 |
| Total | | 17.00% | 1,030 |

4.67 The Commission has noted that the Petitioner has reconciled its purchase from various renewable energy sources with SLDC which has been submitted by SLDC to the Commission. The total requirement for RPO compliance is more than the quantum of power available to the Petitioner from various Renewable Energy sources.

4.68 Regulation 27 (2) of DERC (Business Plan) Regulations, 2017 stipulates as under:

“(2) The Distribution Licensee shall comply with its RPO through procurement of either Solar energy or combination of Solar energy and Non-Solar energy with minimum purchase of Solar energy as specified in the table above:

Provided that the Distribution Licensee may purchase solar energy in excess of the minimum solar Target as specified in aforesaid sub-Regulation (1),

Provided further that the Distribution Licensee may purchase Renewable Energy Certificate (‘REC’) for any shortfall in meeting their total RPO targets for any financial year within three months from the date of completion of the relevant financial year.”

4.69 The Commission, therefore, considers the balance of Renewable Energy procurement for RPO compliance through purchase of Renewable Energy Certificates during FY 2019-20.

4.70 CERC has fixed Floor Price and Forbearance Price for Solar and Non Solar RECs vide its Order dated 30/03/2017 indicated in the Table as follows:

Table 4. 26: Fixed Floor Price and Forbearance Price for Solar and Non-solar

| S. No. | Particulars | Floor Price | Forbearance Price |
|--------|-------------|--------------|-------------------|
| 1 | Non-Solar | Rs. 1000/MWh | Rs. 3000/MWh |
| 2 | Solar | Rs. 1000/MWh | Rs. 2400/MWh |

- 4.71 In view of above, the Commission has considered the Floor Price of Non-Solar and Solar RECs as approved by CERC i.e., Rs. 1000/MWh. Further, the Commission has considered the rate of Solar Energy for the purpose of RPO compliance based on the rate of SECI (Rs. 5.50/kWh). The Commission has also considered GST of 12% on the floor price of solar and non-solar RECs.
- 4.72 Accordingly, the Power Purchase Cost allowed by the Commission towards RPO compliance is indicated in the table as follows:

Table 4. 27: Commission Approved: Power Purchase Cost towards RPO compliance

| S. No. | Sources of Renewable Energy | Quantity to be Purchased (MU) | Rate (Rs/kWh) | Total Cost (Rs. Cr.) |
|------------------|------------------------------------|-------------------------------|---------------|----------------------|
| SOLAR | | | | |
| 1 | Solar (SECI) | 38 | 5.50 | 21 |
| 2 | Balance Solar RPO through RECs | 371 | 1.12 | 41 |
| 3 | Sub Total | 409 | | 62 |
| NON SOLAR | | | | |
| 4 | MSW Bawana | 26 | 7.03 | 18 |
| 5 | EDMCW | 13 | 3.25 | 4 |
| 6 | Balance Non-Solar RPO through RECs | 582 | 1.12 | 65 |
| 7 | Sub Total | 621 | | 87 |
| 8 | TOTAL RPO | 1,030 | | 150 |

TRANSMISSION LOSS AND CHARGES**PETITIONER'S SUBMISSION****Intra-State Transmission**

- 4.73 The Petitioner has submitted that the intra-state Transmission Loss during FY 2019-20 has been considered as in Tariff Order dated 28th March 2018 i.e. 0.98%.
- 4.74 The Petitioner has considered the Intra-State Transmission Charges during FY 2019-20 equivalent to that estimated for FY 2018-19 (excluding Pension Trust amount as the same is allowed as a separate surcharge) in Tariff Order dated 28th March 2018.

Inter-State Transmission:

- 4.75 The Petitioner has considered inter-state transmission losses as 3% in line with FY 2017-18 trends
- 4.76 The Petitioner has considered the Inter-State Transmission Charges during FY 2019-

20 equivalent to that estimated for FY 2018-19 in Tariff Order dated 28th March 2018.

Table 4. 28: Petitioner Submission: Transmission loss, charges for FY 2019-20

| S. No. | Particulars | FY 2019-20 |
|----------|--|------------|
| 1 | 2 | 3 |
| A | Transmission losses (MU) | |
| i | Inter-State Transmission | 234 |
| ii | Intra-State Transmission | 80 |
| iii | Total Transmission losses (MU) | 314 |
| B | Transmission Charges (Rs. Cr.) | |
| i | Inter-State Transmission | 313 |
| ii | Intra-State Transmission (including SLDC) | 257 |
| iii | Contribution towards pension fund | |
| iv | Total Transmission Charges (Rs. Cr.) | 569 |

- 4.77 The Petitioner has submitted that the Actual Transmission charges paid for FY 2017-18 is Rs 647 Cr out of which Rs 67 Cr. is paid towards the short term power purchase. It is humbly submitted that this amount of Rs 67 Cr may be allowed either part of the short term power cost or transmission cost in addition to above projection of Rs 569 Cr in the ARR of FY 2019-20.
- 4.78 The Petitioner requested the Commission to allow the transmission charges as projected in the aforesaid table in the ARR of FY 2019-20.

COMMISSION ANALYSIS

- 4.79 The Petitioner has submitted actual Transmission Charges for availing Transmission Services for FY 2018-19. The Commission has considered the actual Intra-State Transmission Charges paid during FY 2018-19. The Intra-State Transmission Charges has been considered based on DTL Order for FY 2019-20.
- 4.80 The Commission has considered Inter-State transmission losses @ 1.65% and Intra-state transmission losses @ 0.92% for computation of transmission losses for FY 2019-20.
- 4.81 In view of the above, the Inter-State and Intra-State Transmission Losses and Transmission Charges as approved by the Commission for FY 2019-20 are indicated in the table as under:

Table 4. 29: Commission Approved: Inter-State and Intra-State Transmission Losses and Transmission Charges for FY 2019-20

| S. No. | Particulars | As approved |
|----------|---|-------------|
| A | Transmission losses (MU) | |
| i | Inter-State Transmission (PGCIL) | 124 |
| ii | Intra-State Transmission (DTL) | 76 |
| | Total Transmission Losses (MU) | 200 |
| B | Transmission Charges (Rs. Cr.) | |
| i | Inter-State Transmission (PGCIL) | 323 |
| ii | Intra-State Transmission (DTL) including SLDC Charges | 208 |
| iii | Other Transmission Charges | 7 |
| C | Total Transmission Charges (Rs. Cr.) | 538 |

ENERGY BALANCE

PETITIONER'S SUBMISSION

4.82 The energy balance submitted by the Petitioner for FY 2019-20 is summarised in the table as follows:

Table 4. 30: Petitioner Submission: Energy Balance during FY 2019-20

| S. No. | Particulars | Quantity (MU) |
|--------|---|---------------|
| 1 | Power Purchase @Exbus-FIRM | 8387 |
| 2 | Inter-State Losses | 234 |
| 3 | Power Available at Delhi Periphery | 8152 |
| 4 | Intra-state Loss & Charges (Including SLDC charges) | 80 |
| 5 | Power Available to DISCOM | 8073 |
| 6 | Short term requirement at Discom Periphery | 917 |
| 7 | Total Available | 8990 |
| 8 | Sales | 6925 |
| 9 | Distribution Loss | 812 |
| 10 | Energy Requirement at Distribution Periphery | 7738 |
| 11 | Total Sale of Surplus | 1252 |

Sale of surplus power

4.83 The Petitioner has considered the aforesaid excess energy to be sold through short term sale during FY 2019-20. For the purpose of short term sale rate, the sale rate has been considered same as per Tariff order of FY 18-19 i.e. Rs. 3/ unit. Accordingly the estimated short term sale for FY 2019-20 is tabulated as follows:

Table 4. 31: Petitioner Submission: Revenue from sale of surplus power during FY 2019-20

| Source | Energy Sale (MU) | Cost per Unit (Rs./unit) | Total Cost (Rs. Cr.) |
|-----------------|------------------|--------------------------|----------------------|
| Short Term Sale | 1252 | 3.0 | 375.7 |

COMMISSION ANALYSIS

- 4.84 Based on the energy sales, distribution loss, Intra-state and Inter-state transmission losses approved by the Commission indicated in the above paragraphs, the energy requirement as approved by the Commission is summarized in the table as follows:

Table 4. 32: Commission Approved: Energy Balance for FY 2019-20

| S. No. | Particulars | Unit | Approved |
|----------------------------|---|-----------|--------------|
| Energy Availability | | | |
| A. | Total energy available (Excluding SGS Plants) | MU | 7,535 |
| B. | Inter-State Transmission Losses | % | 1.65 |
| | | MU | 124 |
| C. | Energy available from SGS Plants | MU | 796 |
| D. | Energy available at State Transmission Periphery | MU | 8,207 |
| E. | Intra-State Transmission Loss | % | 0.92 |
| F. | Intra-State Transmission Loss | MU | 76 |
| G. | TOWMCL | MU | 89 |
| H. | Net Energy available at Distribution Periphery | MU | 8,132 |
| Energy Requirement | | | |
| I. | Energy sales | MU | 6,768 |
| J. | Distribution loss | % | 10.50 |
| | | MU | 794 |
| K. | Energy requirement at distribution periphery | MU | 7,562 |
| L. | Surplus Energy | MU | 569 |

REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES**PETITIONER'S SUBMISSION**

- 4.85 The Petitioner has submitted that the actual rebate to be availed in FY 2019-20 is depending on the Tariff being determined by DERC, RA recovery allowed and consequent available cash with the petitioner therefore it is not possible to ascertain the probable rebate actually to be availed in FY 2019-20.
- 4.86 The Petitioner further submitted that the normative rebate ought not be applied at the time of true-up due to the following reasons:
- 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 2% of the power purchase cost is ex-facie in contravention of Hon'ble Tribunal's Judgment in Appeal No. 153 of 2009 which expressly restricted such a deduction to 1% of the power purchase cost.
 - A similar issue is pending before Hon'ble Tribunal in Appeal No. 235-

236 of 2014. Further, in true-up proceedings for FY 2015-16, the Petitioner has again raised the issue before the Commission, vide its letter dated 18.08.2017

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

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

6.2 According to Shri Pradeep Misra, Learned Counsel for the State Commission this issue is pending consideration in Appeal no. 14 of 2012 wherein the judgment has been reserved. The State Commission has made detailed submissions in Appeal no. 14 of 2012. The Learned Counsel reiterated the detailed submissions made in Appeal no. 14 of 2012. 6.3 The Tribunal in Appeal no. 14 of 2012 on 28.11.2013 reiterated the view taken by this Tribunal in Appeal no. 153 of 2009. This Tribunal in Appeal no. 153 of 2009. Decided as under: "The second issue relates to the deduction of rebate due to the early payment of the power purchase cost from the ARR. The Appellant, through its efficient management, has paid all the bills immediately on raising of the bills by the generating company and, therefore, it has to be allowed a rebate of 2 per cent. Therefore, there is no

justifiable reason for the State Commission to reduce the power purchase cost by rebate earned by the Appellant. The normative working capital provides for power purchase cost for one month. Therefore, rebate of 1 per cent available for payment of power purchase bill within one month should be considered as non-Tariff income and to that extent benefit of 1 per cent rebate goes to reducing the ARR of the Appellant. The rebate earned on early payment of power purchase cost cannot be deducted from the power purchase cost and rebate earned only 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.”

4.87 The petitioner has also submitted the following:

The concept of normative rebate is based on assumptions that the system is perfect and business as usual as under:

- (i) There is no creation of Regulatory Asset. However, there is an accumulated figure of Rs. 2964 Crore upto FY 2016-17 as Regulatory Asset;
- (ii) Around, seven (7) number of APTEL’s judgments are yet to be given effect to by this Commission entitling cash flow to the Petitioner;
- (iii) There is no major variation in power purchase cost.

In fact, to the best of the knowledge of the Petitioner, in any no other state any DISCOM has been able to avail maximum normative rebate when aforesaid conditions are not met.

The Commission has omitted to note that the Petitioner has not opened LC in case of any Generator. The 2% rebate is admissible only

in the event that payment is made through LC. This is clear from the regulations of the Commission and of the CERC, extracted hereunder:
CERC Tariff Regulations, 2014-19 clearly states as under:

“Rebate. (1) For payment of bills of the generating company and the transmission licensee through letter of credit on presentation or through NEFT/RTGS within a period of 2 days of presentation of bills by the generating company or the transmission licensee, a rebate of 2% shall be allowed.

(2) Where payments are made on any day after 2 days and within a period of 30 days of presentation of bills by the generating company or the transmission licensee, a rebate of 1% shall be allowed.”

- 4.88 As set out herein above, the Petitioner cannot and is not making payment of bills to any generating company and transmission licensee through letter of credit on presentation.
- 4.89 The Petitioner has also stated that additionally BYPL also has to pay LPSC to the generators which is not allowed by Commission and where there is a difference in the rate of LPSC charges (18%) vis a vis rate of funding & carrying cost resulting in further adverse financial to BYPL.
- 4.90 Without prejudice the Petitioner has estimated rebate on power purchase and Transmission Charges during FY 2019-20 as per Business plan regulation 2017
- 4.91 In accordance with above, the normative rebate has not been considered in power purchase cost for Rs 70 Crore for FY 2019-20
- 4.92 The Petitioner requested the Commission to consider the actual rebate on power purchase and Transmission Charges during FY 2019-20 at the time of true up.

COMMISSION ANALYSIS

- 4.93 Regulation 119 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 states as follows:

“119. Distribution Licensee shall be allowed to recover the net cost of power purchase from long term sources whose PPAs are approved by the

Commission, assuming maximum normative rebate available from each source, for supply to consumers.”

- 4.94 The Commission observed that CERC in its CERC (Terms and Conditions of Tariff), Regulations, 2019 has considered the rebate as under:

“58. Rebate. (1) For payment of bills of the generating company and the transmission licensee through letter of credit on presentation or through National Electronic Fund Transfer (NEFT) or Real Time Gross Settlement (RTGS) payment mode within a period of 5 days of presentation of bills by the generating company or the transmission licensee, a rebate of 1.50% shall be allowed.”

- 4.95 Regulation 138 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 states as under:

“138 For payment of bills of the generating entity and the transmission licensee through letter of credit on presentation or through NEFT/RTGS within a period of 2 days of presentation of bills by the generating entity or the transmission licensee, a rebate of 2% shall be allowed.”

- 4.96 The Commission observed from the PPA signed by the Petitioner with NPCIL that a rebate of 2.5% has been allowed.
- 4.97 Accordingly, the Commission has considered rebate for FY 2019-20 in the following manner:

Table 4. 33: Commission Approved: Rebate for FY 2019-20

| S. No. | Particulars | Billed Amount (Rs Cr.) | Rebate (%) | Rebate Amount (Rs Cr.) |
|--------|--------------------------|------------------------|------------|------------------------|
| A. | Central Sector Utilities | 5,209 | 1.5% | 39 |
| B. | State Sector Utilities | 1,808 | 2.0% | 16 |
| C. | NPCIL | 128 | 2.5% | 1 |
| D. | Total | | | 56 |

TOTAL POWER PURCHASE COST

PETITIONER'S SUBMISSION

- 4.98 The total long term power purchase cost during FY 2019-20 is tabulated below:

Table 4. 34: Petitioner Submission: Total Power Purchase Cost for FY 2019-20

| S. No. | Stations | Gross Power Purchase (MU) | Average Rate (Rs./ kWh) | Total Cost (Rs.Cr.) |
|----------|--------------------------------|---------------------------|-------------------------|---------------------|
| A | NTPC | | | |
| 1 | Anta Gas Power Project | 52 | 5.97 | 31 |
| 2 | Auraiya Gas Power Station | 39 | 5.57 | 22 |
| 3 | Badarpur Thermal Power Station | - | | 44 |
| 4 | Dadri Gas Power Station | 81 | 4.52 | 37 |

| S. No. | Stations | Gross Power Purchase | Average Rate | Total Cost |
|-----------|--|----------------------|--------------|------------|
| | | (MU) | (Rs./ kWh) | (Rs.Cr.) |
| 5 | Feroze Gandhi Unchahar TPS 1 | 43 | 3.81 | 16 |
| 6 | Feroze Gandhi Unchahar TPS 2 | 85 | 3.72 | 32 |
| 7 | Feroze Gandhi Unchahar TPS 3 | 52 | 4.07 | 21 |
| 8 | Farakka Stps | 37 | 3.30 | 12 |
| 9 | Kahalgaon Thermal Power Station 1 | 88 | 3.37 | 30 |
| 10 | National Capital Thermal Power | 189 | 5.56 | 105 |
| 11 | Rihand Thermal Power Station 1 | - | | - |
| 12 | Rihand Thermal Power Station 2 | 221 | 2.00 | 44 |
| 13 | Singrauli STPS | 538 | 2.01 | 108 |
| 14 | Kahalgaon Thermal Power Station 2 | 282 | 3.31 | 93 |
| 15 | Dadri TPS-II | 939 | 5.07 | 476 |
| 16 | Rihand Thermal Power Station 3 | 248 | 3.54 | 88 |
| | Sub Total | 2,894 | 4.01 | 1,159 |
| B. | NHPC Ltd. | | | |
| 1 | Bairasiul | 18 | 2.23 | 4 |
| 2 | Salal | 104 | 1.22 | 13 |
| 3 | Chamera I | 46 | 1.99 | 9 |
| 4 | Tanakpur | 12 | 3.99 | 5 |
| 5 | Uri | 69 | 1.84 | 13 |
| 6 | Dhauliganga | 38 | 2.24 | 8 |
| 7 | Chamera - II | 53 | 2.02 | 11 |
| 8 | Dulhasti | 73 | 5.15 | 38 |
| 9 | Chamera - III | 34 | 4.56 | 16 |
| 10 | Uri II | 44 | 4.73 | 21 |
| 11 | Parbati-III | 23 | 5.30 | 12 |
| 12 | Sewa-II | 16 | 4.92 | 8 |
| | Sub Total | 530 | 2.95 | 157 |
| C. | NPCI Ltd. | | | |
| 1 | Nuclear Power Corp. of India Ltd. Narora | - | | - |
| 2 | Nuclear Power Corp. of India Ltd. Kota UNIT - 5&6 RAPP | 98 | 3.67 | 36 |
| | Sub Total | 98 | 3.67 | 36 |
| D. | | | | |
| 1 | Satluj Jal Vidyut Nigam Ltd.- Nathpa Jhakri | 122 | 3.08 | 38 |
| 2 | SJVNL Regulation credit | - | | - |
| | Sub Total | 122 | 3.08 | 38 |
| F. | Solar Roof Top | 0 | 5.50 | 0 |
| G. | Damodar Valley Corporation | | | |

| S. No. | Stations | Gross Power Purchase | Average Rate | Total Cost |
|--|--|----------------------|--------------|--------------|
| | | (MU) | (Rs./ kWh) | (Rs.Cr.) |
| 1 | Mejia Units 6 | 190 | 3.90 | 74 |
| 2 | CTPS 7 & 8 | 550 | 3.23 | 178 |
| 3 | MTPS 7 | 789 | 3.79 | 299 |
| | Sub Total | 1,529 | 3.61 | 551 |
| H. | Power stations in Delhi | | | - |
| 1 | Indraprastha Power Generation Co.Ltd. RPH | | | - |
| 2 | Indraprastha Power Generation Co.Ltd. GT | 43 | 6.88 | 30 |
| 3 | Pragati Power Corp.Ltd. Pragati I | 150 | 6.57 | 99 |
| 4 | Pragati Power Corp.Ltd. Pragati III (Bawana) | 326 | 9.77 | 318 |
| | Sub Total | 519 | 8.61 | 447 |
| I. | Aravali Power Corporation Ltd - Jhajjar | 233 | 6.57 | 153 |
| | | - | | - |
| J. | Sasan | 2,345 | 1.40 | 328 |
| K | Renewables | - | | - |
| | SECI | 40 | 5.50 | 22 |
| | MSW | 34 | 7.03 | 24 |
| | EDWPCL | 24 | 3.20 | 8 |
| L | Tala | 19 | 2.16 | 4 |
| | Other charges | | | 29.7 |
| TOTAL QUANTUM FROM FIRM SOURCES | | 8,387 | 3.52 | 2,956 |

4.99 Accordingly, the Petitioner submitted the power purchase cost net of rebate for FY 2019-20 works out to Rs. 3,597 Cr. and the same is tabulated as follows:

Table 4. 35: Petitioner Submission: Quantum of Power and Net Power Purchase Cost for FY 2019-20

| S. No | Source | Quantity (MU) | Amount (Rs. Cr.) | Average Cost (Rs./ kWh) |
|----------|---|---------------|------------------|-------------------------|
| A | Power Purchase from CSGS | 7,804 | 2,435 | 3.12 |
| B | Inter-State Loss & Charges | 234 | 313 | |
| C | Cost towards REC | | 117 | |
| D | Power Available at Delhi Periphery | 7,569 | 2,865 | 3.79 |
| E | Power Purchase from SGS* | 583 | 520 | 8.92 |
| F | Intra-State Losses & Charges including SLDC Charges | 80 | 257 | |
| G | Shortfall to be met at DISCOM Periphery | 917 | 401 | 4.37 |
| H | Total Power available to DISCOM | 8,990 | 4,043 | 4.50 |
| I | Sales | 6,925 | | |
| J | Distribution Loss | 812 | | |
| K | Less: Normative rebate | | 70 | |
| L | Required power for the DISCOM | 7,738 | 3,597 | 4.65 |
| M | Total Sale of Surplus Power | 1,252 | 376 | 3.00 |

** includes SGS/BTPS/Renewable etc.*

In addition to above cost, Rs. 67 Cr. is paid towards transmission cost etc. for short term purchase. The said amount kindly be allowed as part of either transmission cost or short term purchase cost in addition to Rs. 3597 Cr.

COMMISSION ANALYSIS

4.100 Based on the analysis above, the total power purchase cost approved for FY 2019-20 is as follows:

Table 4. 36: Commission Approved: Total Power Purchase Cost during FY 2019-20

| S. No. | Particulars | MU | Amount (Rs Cr.) | Avg. Rate (Rs/ kWh) |
|--------|--|-------|--------------------|------------------------|
| A | Total Energy available from CSGS Stations | 7,535 | 2,318 | 3.08 |
| B | Inter-State Transmission Losses & Charges | 124 | 330 | |
| C | Energy available from SGS Stations | 796 | 577 | 7.25 |
| D | Energy available at State Transmission Periphery | 8,207 | 3,226 | 3.93 |
| E | Intra-State Transmission Loss | 76 | 208 | |
| F | REC Purchase | | 107 | |
| G | Power Purchase Rebate | | 56 | |
| H | Power Available to DISCOM | 8,132 | 3,485 | 4.29 |
| I | Energy Sales | 6,768 | | |
| J | Distribution Loss | 794 | | |
| K | Net Energy Requirement | 7,562 | | |
| L | Surplus Energy | 569 | 213 | 3.75 |
| M | Total Power Purchase Cost | 7,562 | 3,271 | 4.33 |

POWER PURCHASE COST ADJUSTMENT CHARGES (PPAC)

4.101 As per Regulation 135 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, the Commission has to specify the detailed formula for PPAC in the Tariff Order for the relevant year.

4.102 Further, as per Regulation 134 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 only Price of Fuel from long term sources of Generation, Variation in Fixed Cost on account of Regulatory Orders

from long term sources of Generation and Variation in Transmission Charges shall be allowed to be recovered in PPAC. The relevant Regulation is as follows:

“ 134. The Distribution Licensee shall be allowed to recover the incremental Power Procurement Cost on quarterly basis, over and above the Power Procurement Cost approved in the Tariff Order of the relevant year, incurred due to the following:

(a) Variation in Price of Fuel from long term sources of Generation;

(b) Variation in Fixed Cost on account of Regulatory Orders from long term sources of Generation;

(c) Variation in Transmission Charges. ”

4.103 Accordingly, the Commission has specified the PPAC formula for FY 2019-20 by considering the base Power Purchase Cost from various generating stations over which any increase has to be taken for the purpose of PPAC during FY 2019-20 indicated as follows:

Power Purchase Cost Adjustment (PPAC) formula

$$\text{PPAC for nth Qtr. (\%)} = \frac{\{Z * (1 - \frac{(A-B)*C + (D-E)}{100}) * \text{ABR}\}}{100}$$

Where,

A = Total units procured in (n-1)th Qtr (in kWh) from power stations having long term PPAs – (To be taken from the bills of the GENCOs issued to distribution licensees)

B = Proportionate bulk sale of power from Power stations having long term PPAs in (n-1)th Qtr (in kWh)

$$= \frac{\text{Total bulk sale in (n-1)th Qtr (in kWh) * A}}{\text{Gross Power Purchase including short term power in (n-1)th Qtr (in kWh)}}$$

Total bulk sale and gross power purchase in (n-1)th Qtr to be taken from provisional accounts to be issued by SLDC by the 10th of each month.

C = Actual average Power Purchase Cost (PPC) from power stations having long term PPAs in (n-1)th Qtr (Rs./ kWh) – Projected average Power Purchase Cost (PPC) from power stations having long term PPAs (Rs./ kWh) (from tariff order)

D = Actual Transmission Charges paid in the (n-1)th Qtr

E = Base Cost of Transmission Charges for (n-1)th Qtr = (Approved Transmission Charges/4)

$$Z = \left[\frac{\{ \text{Actual Power purchased from Central Generating Stations having long term PPA in (n-1)th Qtr (in kWh)} * (1 - \frac{\text{INTERSTATE TRANSMISSION LICENSEE losses in \%}}{100}) + \text{Power from Delhi GENCOs (in kWh)} * (1 - \frac{\text{Intra state losses in \%}}{100}) - B \right] \text{ in kWh}$$

ABR = Average Billing Rate for the year (to be taken from the Tariff Order)
Distribution Losses (in %) = Target Distribution Losses (from Tariff Order)

| | | |
|--|---|---|
| INTER STATE TRANSMISSION LICENSEE Losses | = | $\frac{100 * \text{Approved INTER STATE TRANSMISSION LICENSEE losses in Tariff Order (kWh)}}{\text{Approved long term power purchase from central generating stations having long term PPA in the Tariff Order (kWh)}}$ |
| (in %) DTL Losses (in %) | = | $\frac{100 * \text{Approved DTL Losses (from the Tariff Order) Power}}{\text{available at Delhi periphery (from energy balance table tariff order)}}$ |

4.104 The Commission has specified the methodology for recovery of PPAC in DERC (Business Plan) Regulations, 2017 as follows:

“ The mechanism for recovery of Power Purchase Cost Adjustment Charges (PPAC) in terms of the Regulation 134 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2017-18 to FY 2019-20 of the Distribution Licensees shall be as follows:

- (1) The Commission shall specify the detailed formula for computation of PPAC in the Tariff Order for the relevant year.*
- (2) The Distribution Licensee shall compute the PPAC for any quarter as per the specified formula for the relevant year:
Provided that a quarter refers to one-fourth of a year i.e., January, February and March (Q1); April, May and June (Q2); July, August and September (Q3); and October, November and December (Q4).*
- (3) The PPAC computation of any quarter shall be equally spread and adjusted over subsequent quarter only:*

Provided that the Commission may allow to carry forward PPAC to more than one quarter in order to avoid the tariff shock for consumers in terms of Regulation 136 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

(4) The treatment of PPAC computation as per the specified formula shall be as follows:

(a) in case PPAC does not exceed 5% for any quarter, the Distribution Licensee may levy PPAC at 90% of computed PPAC with prior intimation to the Commission without going through the regulatory proceedings.

(b) in case PPAC exceeds 5% for any quarter, the Distribution Licensee may levy PPAC of 4.50% without going through the regulatory proceedings and shall file an application for prior approval of the Commission for the differential PPAC claim (Actual PPAC % – 4.50%).

(5) The Distribution Licensee shall upload the computation of PPAC on its website before the same is levied to the consumers' electricity bills.

(6) Revenue billed on account of PPAC by the Distribution Licensee, without going through the regulatory proceedings, shall be trued up along-with the Power Purchase Cost of the relevant year and no Carrying Cost shall be allowed due to under-recovery of revenue for the same year.

(7) Revenue billed on account of PPAC by the Distribution Licensee, without going through the regulatory proceedings, shall be trued up along-with the Power Purchase Cost of the relevant year and Carrying Cost shall be recovered at 1.20 times of interest rate on the excess revenue recovered for the same year."

4.105 PPAC on quarterly basis shall be charged as per the following:

- (a) The PPAC will be charged to all categories of consumers.
- (b) The weighted average base cost as approved in this Tariff shall be Rs. 3.48/kWh.
- (c) The Distribution licensee shall submit to the Commission the details in respect of changes in power purchase cost of plants having long term PPAs, as listed above for (n-1)th quarter. Further, Auditor's Certificate indicating plant-wise details of fixed charges, variable charges, other charges and units purchased from each plant having long term PPAs, as listed above, for (n-1)th

quarter and actual transmission charges for (n-1)th quarter shall be furnished along with the proposal of PPAC surcharge submitted for the Commission's approval. Further, similar information in respect of current bills shall also be furnished in the Auditor's certificate.

- (d) The percentage of PPAC will be rounded off to two decimal places.
- (e) The percentage increase on account of PPAC will be applied as a surcharge on the total energy and fixed charges (excluding short term arrears, LPSC, Electricity Duty etc.) billed to a consumer of the utility. Further, PPAC surcharge shall not be levied on the 8% surcharge and also the 8% surcharge towards recovery of past accumulated deficit shall not to be levied on PPAC.
- (f) The bill format shall clearly identify the PPAC percentage and amount of PPAC billed as separate entries.
- (g) This PPAC formula shall remain applicable till it is reviewed, revised or otherwise amended.

OPERATION AND MAINTENANCE (O&M) EXPENSES

PETITIONER'S SUBMISSION

- 4.106 The Petitioner has estimated O&M expenses based on norms specified for FY 2019-20 in the DERC (Business Plan) Regulations, 2017 on the line length and power transformation capacity as below:

Table 4. 37: Petitioner Submission: O&M Expenses during FY 2019-20

| Particulars | Capacity as on 31/03/2020 | O&M expenses per unit | | O&M expenses |
|-------------------------------|---------------------------|-----------------------|-------|--------------|
| 66 kV Line (ckt km) | 216 | Rs. Lakh/ckt. km | 4.931 | 11 |
| 33 kV Line (ckt km) | 392 | Rs. Lakh/ckt. km | 4.931 | 19 |
| 11kV Line (ckt km) | 2747 | Rs. Lakh/ckt. km | 2.071 | 57 |
| LT Line system (ckt km) | 5251 | Rs. Lakh/Ckt. km | 9.247 | 486 |
| 66/11 kV Grid S/s (MVA) | 1736 | Rs. Lakh/MVA | 1.166 | 20 |
| 33/11 kV Grid S/s (MVA) | 2096 | Rs. Lakh/MVA | 1.166 | 24 |
| 11/0.415 kV DT (MVA) | 3521 | Rs. Lakh/MVA | 2.561 | 90 |
| Total O&M Expenses | | | | 707 |

COMMISSION ANALYSIS

- 4.107 The Commission at Regulation 23 of DERC (Business Plan) Regulations, 2017 has notified norms for Operation and Maintenance Expenses for FY 2019-20 in terms of Regulation 4(3) of DERC(Terms and Conditions for determination of Tariff)

Regulations, 2017 as follows:

“23. Operation and Maintenance Expenses

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

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

| Particulars | Unit | 2017-18 | 2018-19 | 2019-20 |
|--------------------|-------------------|----------------|----------------|----------------|
| 66 kV Line | Rs. Lakh/ Ckt. Km | 4.421 | 4.669 | 4.931 |
| 33 kV Line | Rs. Lakh/ Ckt. Km | 4.421 | 4.669 | 4.931 |
| 11 kV Line | Rs. Lakh/ Ckt. Km | 1.857 | 1.961 | 2.071 |
| LT lines system | Rs. Lakh/ Ckt. Km | 8.290 | 8.756 | 9.247 |
| 66/11 kV Grid S/s | Rs. Lakh/ Ckt. Km | 1.045 | 1.104 | 1.166 |
| 33/11 kV Grid S/s | Rs. Lakh/ Ckt. Km | 1.045 | 1.104 | 1.166 |

...

(2) The Distribution Licenses shall be allowed own (Auxiliary) consumption, at zero tariff for actual recorded consumption subject to a maximum of 0.25% of total sales to its retail consumers for the relevant financial year as part of O&M expenses for the relevant year.

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

(4) Impact of any Statutory Pay revision on employee's cost as may be applicable on case to case basis shall be considered separately, based on actual payment made by the Distribution Licensees and shall be allowed by the Commission after prudence check at the time of true up of ARR for the relevant financial year.”

4.108 The Commission observed that the Petitioner has projected the network capacity on higher side. The Commission has provisionally allowed 90% of O&M expenses determined based on the network capacity projected by the Petitioner. The true-up of O& M expenses shall be as per actual network capacity.

4.109 On the basis of network and financial details submitted by the Petitioner, the Commission has determined O&M Expenses for FY 2019-20 as follows:

Table 4. 38: Commission Approved: O&M Expenses for FY 2019-20 (Rs. Cr.)

| NETWORK | Network Capacity | Norms as per DERC (Business Plan) Regulations, 2017 | | Amount of O&M Expenses |
|---------------------------------|------------------|---|-----------|------------------------|
| | | Units | Rate/Unit | |
| 66 kV Line (kms) | 216 | Rs. Lakh/Ckt. Km | 4.931 | 11 |
| 33 kV Line (kms) | 392 | Rs. Lakh/Ckt. Km | 4.931 | 19 |
| 11 kV Line (kms) | 2747 | Rs. Lakh/Ckt. Km | 2.071 | 57 |
| LT Lines system (kms.) | 5251 | Rs. Lakh/Ckt. Km | 9.247 | 486 |
| 66/11 kV Grid sub-station (MVA) | 1736 | Rs. Lakh/MVA | 1.166 | 20 |
| 33/11 kV Grid sub-station (MVA) | 2096 | Rs. Lakh/MVA | 1.166 | 24 |
| 11/0.4 kV DT (MVA) | 3521 | Rs. Lakh/MVA | 2.561 | 90 |
| Sub-Total | | | | 707 |
| 90% of Sub-Total | | | | 637 |

ADDITIONAL EXPENSES**PETITIONER'S SUBMISSION**

4.110 The Petitioner has computed the additional O&M expenses for FY 2019-20 and requested the Commission to allow the additional expenses of Rs. 146 Cr. on account of O&M beyond the control of the Petitioner as below:

Table 4. 39: Petitioner Submission: Additional O&M Expenses during FY 2019-20

| Particulars | FY 17-18 (Amt. Cr.) | FY 19-20 (Amt. Cr.) |
|--------------------------------|------------------------|------------------------|
| 7 th Pay Commission | 90.1 | 59.7 |
| Minimum wages | 27.8 | 31.0 |
| GST | 15.1 | 16.8 |
| Legal Fees and Expenses | 11.4 | 12.7 |
| Water Charges | 0.6 | 0.7 |
| Property tax | 1.2 | 1.3 |
| SMS Charges | 1.0 | 1.1 |
| Loss on Sale of Retired Assets | 7.0 | 7.9 |
| DSM Charges | 0 | 7.6 |
| KYC Project/ Data Analytics | 0 | 3.9 |
| Short Code | 0 | 2.6 |
| Licensee and Ombudsman Fees | 0.7 | 0.9 |
| Total | 155.2 | 146.2 |

COMMISSION ANALYSIS

4.111 The Commission has already dealt with the claims under the additional O&M Expenses in the true up chapter for FY 2017-18 based on the provisions of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and DERC (Business Plan) Regulations, 2017.

4.112 Accordingly, the Commission considers the additional O&M Expenses for FY 2019-20 on account of Impact of 7th pay Commission and Property Tax as follows:

IMPACT ON ACCOUNT OF 7TH PAY COMMISSION

4.113 The Commission has allowed Rs. 41.26 Cr. towards actual 7th Pay Revision for the period from 01.01.2016 to 31.03.2018 in true up for FY 2017-18. The Commission has computed the 7th pay Revision impact for FY 2019-20 on a prorated basis for 12 months based on allowed cost during FY 2017-18 for 27 months and has applied the escalation of 5.61% on an annual basis for FY 2018-19 and FY 2019-20. Accordingly, the Commission has provisionally considered Rs. 20.45 Cr. towards statutory pay revision under additional O&M expenses projected for FY 2019-20 subject to actual payment.

PROPERTY TAX

- 4.114 The Commission has provisionally considered the Property tax for FY 2019-20 at Rs. 1.30 Cr. subject to actual payment by the Petitioner.
- 4.115 Accordingly, the Additional O&M Expenses as approved by the Commission for FY 2019-20 is as follows:

Table 4. 40: Commission Approved: Additional O&M Expenses for FY 2019-20

| Particulars | Petitioner Submission | As approved |
|--------------------------------|-----------------------|-------------|
| 7 th Pay Commission | 59.7 | 20.45 |
| Minimum wages | 31.0 | - |
| GST | 16.8 | - |
| Legal Fees and Expenses | 12.7 | - |
| Water Charges | 0.7 | - |
| Property tax | 1.3 | 1.30 |
| SMS Charges | 1.1 | - |
| Loss on Sale of Retired Assets | 7.9 | - |
| DSM Charges | 7.6 | - |
| KYC Project/ Data Analytics | 3.9 | - |
| Short Code | 2.6 | - |
| Licensee and Ombudsman Fees | 0.9 | - |
| Total | 146.2 | 21.75 |

CAPITAL EXPENDITURE AND CAPITALISATION**PETITIONER'S SUBMISSION**

- 4.116 The Petitioner has referred the Regulation-24 (1) of DERC Business Plan Regulations, 2017 states as under:

“24. Capital Investment Plan

- (1) *The tentative Capital Investment Plan in terms of Regulation 4 (4) of the DERC (terms and conditions for determination of tariff) Regulations, 2017 for the Distribution Licensee shall be as follows:*
- Table 13: Capitalisation for BYPL for the Control Period (in Rs. Cr.)*

| <i>Particulars</i> | <i>2017-18</i> | <i>2018-19</i> | <i>2019-20</i> | <i>Total</i> |
|---------------------------|----------------|----------------|----------------|--------------|
| <i>Capitalization</i> | <i>331</i> | <i>345</i> | <i>349</i> | <i>1025</i> |
| <i>Smart Meter</i> | <i>64</i> | <i>64</i> | <i>64</i> | <i>191</i> |
| <i>Less: Deposit Work</i> | <i>11</i> | <i>11</i> | <i>12</i> | <i>34</i> |
| <i>Total</i> | <i>384</i> | <i>398</i> | <i>401</i> | <i>1182</i> |

- 4.117 The Petitioner has considered the gross capitalisation of Rs. 413 Crores during FY 2019-20 as approved by the Commission in the Business Plan Regulations, 2017.

COMMISSION ANALYSIS

- 4.118 The Commission has considered the gross capitalisation of Rs. 413 Cr. including consumer contribution (Deposit work) for Rs.12 Cr. during FY 2019-20 as approved in DERC (Business Plan) Regulations, 2017.

CONSUMER CONTRIBUTION**PETITIONER'S SUBMISSION**

- 4.119 The Petitioner has considered actual Consumer contribution capitalised upto FY 2017-18 and for FY 2018-19 & FY 2019-20 as approved by the Commission in the Business Plan Regulations, 2017 as follows:

Table 4. 41: Petitioner Submission: Consumer contribution capitalised for FY 2019-20 (Rs. Cr.)

| S. No | Particulars | Amount |
|--------------|--|---------------|
| 1 | Consumer Contribution & Grants capitalised upto FY 17-18 | 286.8 |
| 2 | Consumer Contribution Capitalized for FY 18-19 | 11.0 |
| 3 | Opening Balance of Consumer Contribution capitalised | 297.8 |
| 4 | Consumer Contribution Capitalized for FY 19-20 | 12.0 |
| 5 | Closing Consumer Contribution and Grants | 309.8 |
| 6 | Average Consumer Contribution and Grants | 303.8 |

COMMISSION ANALYSIS

- 4.120 The Commission has projected the capitalization of consumer contribution during FY 2019-20 as per the projection of the Petitioner. Accordingly, the consumer contribution used for means of finance for FY 2019-20 based on true up of ARR upto FY 2017-18 is as follows:

Table 4. 42: Commission Approved: Consumer Contribution Capitalized (Rs. Cr.)

| S.No | Particulars | FY 2019-20 | Ref. |
|------|--|------------|-------------|
| A. | Closing Balance of Consumer contribution capitalized upto true up for FY 2017-18 | 336 | Table 3.100 |
| B. | Consumer Contribution projected during FY 2018-19 | 11 | |
| C. | Opening balance of Consumer Contribution already capitalized upto FY 2018-19 | 347 | A+B |
| D. | Consumer Contribution Capitalized during the Year | 12 | |
| E. | Closing Consumer Contribution and Grants | 359 | C+D |
| F. | Average Consumer Contribution and Grants | 353 | (C+E)/2 |

DEPRECIATION**PETITIONER'S SUBMISSION**

- 4.121 The Petitioner has submitted that the Commission in the Tariff Regulations 2017 has specified the rates and methodology for computation of depreciation from FY 2018-19 onwards. Accordingly, the Petitioner has projected the rate of depreciation during FY 2018-19 and FY 2019-20 as per the books of accounts and derived the average rate of depreciation as below:

Table 4. 43: Petitioner Submission: Computation of rate of Depreciation for FY 2019-20

| S. No. | Particulars | Amount |
|--------|--|--------|
| A. | Opening GFA for FY 17-18 as per Audited Accounts (Rs. Cr.) | 3080.2 |
| B. | Closing GFA for FY 17-18 as per Audited Accounts (Rs. Cr.) | 3399.3 |
| C. | Average GFA as per Books of Accounts (Rs. Cr.) | 3239.8 |
| D. | Revised depreciation computed based on Tariff Regulations 2017 (Rs. Cr.) | 169.6 |
| E. | Average rate of depreciation | 5.23% |

- 4.122 The Petitioner stated that as desired by the Commission, the detailed computation of rate of depreciation has been submitted separately by the Petitioner.
- 4.123 Accordingly, the depreciation for FY 2019-20 is calculated as follows:

Table 4. 44:Petitioner Submission: Depreciation for FY 2019-20 (Rs. Cr.)

| S. No. | Particulars | Amount |
|--------|--|--------|
| A | Opening GFA for FY 2018-19 | 3429 |
| B | Addition during FY 2018-19 | 409 |
| C | Opening GFA for FY 2019-20 | 3838 |
| E | Additions during the year | 413 |
| F | Closing GFA | 4251 |
| G | Average GFA | 4044 |
| H | Less: Average Consumer Contribution | 304 |
| I | Average GFA net of CC | 3740 |
| J | Average rate of depreciation | 5.23% |
| K | Depreciation for FY 2019-20 | 196 |
| L | Opening Accumulated Depreciation upto FY 19-20 | 1335 |
| M | Accumulated Depreciation | 1531 |

COMMISSION ANALYSIS

4.124 The Commission has provisionally considered the rate of depreciation for FY 2019-20 as approved for FY 2017-18 and approved depreciation as follows:

Table 4. 45: Commission approved: Depreciation for FY 2019-20 (Rs. Cr.)

| S.No | Particulars | Amount |
|------|--|--------|
| A. | Closing GFA for FY 2017-18 | 3064 |
| B. | Additions projected during FY 2018-19 | 409 |
| C. | Opening GFA | 3473 |
| D. | Net Additions to Asset during the year | 413 |
| E. | Closing GFA | 3886 |
| F. | Average GFA | 3680 |
| G. | Less: Average Consumer Contribution | 353 |
| H. | Average GFA net of CC | 3327 |
| I. | Average rate of depreciation | 5.23% |
| J. | Depreciation | 174 |

WORKING CAPITAL**PETITIONER'S SUBMISSION**

4.125 The Petitioner has computed the working capital requirement for FY 2019-20 as per Regulation 84 (4) of Tariff Regulations, 2017 as below:

Table 4. 46: Petitioner Submission: Working Capital for FY 2019-20 (Rs. Cr.)

| S. No. | Particulars | Submission |
|--------|--|------------|
| A | Annual Revenue Requirement | 5,030 |
| B | Receivables equivalent to 2 months average billing | 838 |
| C | Net Power Purchase expenses | 3,597 |
| D | Power purchase expenses for 1 Month | 300 |
| E | Total Working Capital | 539 |
| F | Opening Working Capital | 495 |
| G | Change in WC | 44 |

COMMISSION ANALYSIS

4.126 The Commission has computed the working capital requirement for the Petitioner as per Regulation 84 (4) Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017. The relevant extract of the Regulation is as follows:

"84. The Commission shall calculate the Working Capital requirement for:

(4) Distribution Licensee as follows:

(i) Working capital for wheeling business of electricity shall consist of ARR for two months of Wheeling Charges.

(ii) Working Capital for Retail Supply business of electricity shall consist of:

(a) ARR for two months for retail supply business of electricity;

(b) Less: Net Power Purchase costs for one month;

(c) Less: Transmission charges for one month: “

4.127 Accordingly working capital requirement has been computed for FY 2019-20. The change in working capital has been considered from the working capital for FY 2018-19 as determined in Tariff Order dated 28/03/2018 as follows:

Table 4. 47: Commission Approved: Working Capital for FY 2019-20 (Rs. Cr.)

| S.No | Particulars | Approved | Ref. |
|------|--|----------|------------|
| A. | Annual Revenue Requirement | 4,412 | Table 4.60 |
| B. | Receivables equivalent to 2 months average billing | 735 | A/6 |
| C. | Power Purchase expenses including transmission charges | 3,271 | Table 3.46 |
| D. | Less: 1/12th of power purchase expenses | 273 | C/12 |
| E. | Total working capital | 463 | B-D |
| F. | Opening working capital | 458 | |
| G. | Change in working capital | 5 | E-F |

MEANS OF FINANCE FOR REGULATED RATE BASE, RoCE, WACC

PETITIONER'S SUBMISSION

4.128 The Petitioner has computed the RRB for FY 2019-20 tabulated as under:

Table 4. 48: Petitioner Submission: Regulated Rate Base for FY 2019-20(Rs. Cr.)

| S. No. | Particulars | Amount |
|--------|---|--------------|
| A | Opening GFA | 3,838 |
| B | Opening Accumulated Depreciation | 1,531 |
| C | Opening Consumer Contribution | 298 |
| D | Opening Working Capital | 495 |
| E | Accumulated Depreciation on De-capitalised Assets | 129 |
| F | Opening RRB | 2,631 |
| G | Investment during the year | 205 |
| H | Net Capitalisation | 413 |
| I | Depreciation | 196 |
| J | Consumer Contribution | 12 |
| K | Change in Working Capital | 44 |
| L | Regulated Rate Base - Closing | 2,880 |
| M | RRB (i) | 2,777 |

EQUITY AND DEBT

4.129 The Petitioner has considered the Equity and Debt upto FY 2019-20 based on the closing equity and debt upto FY 2017-18 and addition during FY 2018-19 and FY

2019-20 based on capitalisation net of consumer contribution in the ratio of 30:70.

- 4.130 Working capital has been considered entirely debt financed in accordance with Regulation 70 of Tariff Regulations, 2017.
- 4.131 Debt repayment during the year has been considered as 1/10th of the opening balance.
- 4.132 Accordingly the average equity and average debt for FY 2019-20 is tabulated as under:

Table 4. 49: Petitioner Submission: Equity and Debt for FY 2019-20 (Rs. Cr.)

| S. No. | Particulars | Amount |
|---------------|---------------------------------|--------|
| Equity | | |
| A | Closing Balance upto FY 2017-18 | 1090 |
| B | Addition during FY 2018-19 | 119 |
| C | Opening Balance for FY 2019-20 | 1209 |
| D | Addition during FY 2019-20 | 120 |
| E | Closing Balance for FY 2019-20 | 1270 |
| Debt | | |
| F | Closing Balance upto FY 2017-18 | 1271 |
| G | Addition during FY 2018-19 | 285 |
| i | Capex | 279 |
| ii | Working Capital | 6 |
| H | Repayment | 127 |
| I | Opening Balance for FY 2019-20 | 1428 |
| J | Addition during FY 2019-20 | 325 |
| i | Capex | 281 |
| ii | Working Capital | 44 |
| K | Repayment | 143 |
| L | Closing Balance for FY 2019-20 | 1519 |

WEIGHTED AVERAGE COST OF CAPITAL

- 4.133 The Petitioner has submitted that in terms of Regulation 77 of DERC Tariff Regulations, 2017, the weighted average rate of interest will be computed considering the rate of interest on loan and outstanding loan as on 01/04/2018. The details of the same has been shown in the table as under:

Table 4. 50: Petitioner Submission: Weighted Average Interest Rate on Loan (%)

| Particulars | Rate |
|-------------------------------|--------|
| MARGIN for the control period | 6.14% |
| SBI MCLR AS ON 01.04.2018 | 8.15% |
| Total | 14.29% |
| Rate of Interest for FY 19-20 | 14.00% |

- 4.134 The weighted average rate of interest on loan as per actual loan portfolio is 14.29% equivalent to the bank rate plus margin. Hence, the weighted average rate of interest on loan is 14% as the rate of interest on loan shall be limited to approve base rate of return on equity i.e.14%.
- 4.135 The Petitioner requested the Commission to approve the rate of interest on loan (rd) as 14% for FY 2019-20.
- 4.136 Rate of return on equity has been considered as 16%. Accordingly, Grossed up Rate of Return on Equity has been considered based on pre tax basis which comes out to be 24.47%.
- 4.137 The Petitioner has computed the Weighted Average Cost of Capital (WACC) during FY 2019-20 tabulated as under:

Table 4. 51: Petitioner Submission: Weighted Average Cost of Capital (WACC) for FY 2019-20 (Rs. Cr.)

| S. No. | Particulars | Amount |
|--------|----------------------------------|--------|
| A | Equity | 1,270 |
| B | Debt | 1,519 |
| C | Return on Equity | 16% |
| D | Income Tax Rate | 21.55% |
| E | Grossed up Return on Equity | 20.39% |
| F | Rate of Interest | 14.00% |
| G | Weighted average cost of Capital | 16.91% |

RETURN ON CAPITAL EMPLOYED (ROCE)

- 4.138 The Petitioner has computed the RoCE for FY 2019-20 tabulated as under:

Table 4. 52: Petitioner Submission: RoCE for FY 2019-20 (Rs. Cr.)

| S. No. | Particulars | Amount |
|--------|-------------|--------|
| A | WACC | 16.91% |
| B | RRB (i) | 2,777 |
| C | RoCE | 470 |

COMMISSION ANALYSIS

- 4.139 The Commission has considered normative debt-equity ratio of 70:30 on the asset capitalised after utilizing the consumer contribution as specified in DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017. The relevant extract is as follows:

- “25. The Capital Cost of a new project or scheme shall include the following:
- (1) The expenditure incurred or projected to be incurred up to the date of commercial operation of the project or scheme as approved by the Commission;
 - (2) Interest during construction and financing charges, on the loans

being equal to debt as per financing excluding however the equity deployment, provided however the equity deployment shall not exceed 30% of the capital cost and in case equity is deployed in excess of 30% the excess shall be deemed to be a debt or notional loan;

(3) Capitalized initial spares subject to the ceiling rates specified by the Commission;

(4) Expenditure on account of additional capitalization determined in accordance with these Regulations;

(5) Adjustment of revenue on account of sale of infirm power by Generating Entity in excess of fuel cost prior to the COD as specified under these Regulations; and

(6) Adjustment of any revenue earned by the Utility, including by using the assets, before COD.

26. *The Capital cost of an existing project or scheme shall include the following:*

(1) The trued-up capital cost excluding liability admitted by the Commission;

(2) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these Regulation; and

(3) Expenditure on account of renovation and modernisation as admitted by the Commission in accordance with these Regulations.

27. *The capital cost incurred or projected to be incurred on account of any applicable PAT (Perform, Achieve and Trade) scheme of Government of India will be considered by the Commission on case to case basis and shall include:*

(1) Cost of plan proposed by developer in conformity with norms of PAT Scheme; and

(2) Sharing of the benefits accrued on account of PAT Scheme.

28. *The cost for the following shall be excluded or removed from the capital cost of the existing and new project or scheme as detailed out in Regulations 44 to 48 in these Regulations:*

(1) The assets forming part of the project or scheme, but not in use;

(2) De-capitalized or retired asset.

29. *Any grant or contribution or facility or financial support received by the Utility from the Central and/or State Government, any statutory body, authority, consumer or any other person, whether in cash or kind, for execution of the project or scheme, which does not involve any servicing of debt or equity or otherwise carry any liability of payment or repayment or charges shall be excluded from the Capital Cost for the purpose of computation of interest on loan, return on equity and depreciation."*

4.140 As per the above Regulations, equity shall not exceed 30% of the total funding requirement for capitalization.

4.141 Regulation 70 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 specifies that the Working capital shall be considered 100% debt financed for the calculation of WACC. Accordingly, the requirement of debt and

equity has been computed as follows:

Table 4. 53: Commission Approved: RRB (Rs. Cr.)

| S. No. | Particulars | Amount | Ref. |
|--------|--|--------|-------------|
| A | Opening Original Cost of Fixed Assets (OCFA _o) | 3473 | Table 4.45 |
| B | Opening Accumulated depreciation (ADo)* | 1046 | |
| C | Opening consumer contributions received (CCo) | 347 | Table 4.45 |
| D | Opening Working capital (WCo) | 458 | Table 4.47 |
| E | Opening RRB (RRBo) | 2539 | A-B-C+D |
| F | Investment capitalised during the year (INVi) | 413 | Table 4.45 |
| G | Depreciation during the year (Di) | 174 | Table 4.45 |
| H | Depreciation on decapitalised assets during the year | - | |
| I | Consumer contribution during the year (CCi) | 12 | |
| J | Fixed assets retired/decapitalised during the year (Reti) | - | |
| K | Change in capital investment (Δ ABi) | 227 | (F-G+H-I-J) |
| L | Change in working capital during the year (Δ WCi) | 5 | |
| M | RRB Closing | 2770 | E+K+L |
| N | RRBi | 2657 | E+K/2+L |

*Closing accumulated depreciation at the end of FY 2017-18 Rs.924 Cr.+ projected depreciation of Rs.122 Cr. during FY 2018-19

- 4.142 Regulation 77 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates,

“The rate of interest on loan shall be based on weighted average rate of interest for actual loan portfolio subject to the maximum of bank rate as on 1st April of the year plus the margin as approved by the Commission in the Business Plan Regulations for a Control Period:

Provided that in no case the rate of interest on loan shall exceed approved rate of return on equity:

Provided further that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:

Provided also that if the Utility does not have actual loan then the rate of interest shall be considered at the bank rate plus margin, as specified by the Commission in the Business Plan Regulations, for the notional loan of the relevant control period:

Provided also that the loan availed through open tendering process (Competitive Bidding) among Scheduled Banks, Financial Institutions etc., shall be considered at the rate discovered through open tendering process.”

- 4.143 The Commission has approved Rate of Return on Equity computed at base rate of

14% on post tax basis for Wheeling Business and base rate of 2% on post tax basis for the retail business of the Petitioner in its Business Plan Regulations, 2017.

- 4.144 The Commission has trued up the rate of interest on loan for FY 2017-18 in accordance with the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and DERC (Business Plan) Regulations, 2017. Accordingly, the Commission considers the rate of interest on loan as follows:

Table 4. 54: Commission Approved: Rate of interest on loan

| Expense head | Rate of Interest |
|------------------|------------------|
| Capitalisation | 13.61% |
| Working Capital | 13.84% |
| Regulatory Asset | 13.74% |

- 4.145 The weighted average rate of interest on loan for the purpose of debt available for capital expenditure and Working capital is computed at 13.66%. The Commission has considered effective income tax rate as approved in true up for FY 2017-18. Accordingly, the Weighted Average Cost of Capital (WACC) has been considered for FY 2019-20 by the Commission as follows:

Table 4. 55: Commission Approved: Weighted Average Cost of Capital (WACC) for FY 2019-20 (Rs.Cr)

| S.No. | Particulars | As Approved |
|-------|---|-------------|
| A | Average Equity | 658 |
| B | Average Debt – Capitalisation | 1536 |
| C | Average Debt – Working Capital | 463 |
| D | Return on equity | 16% |
| E | Income Tax Rate (Effective rate as considered for FY 2017-18) | 21.55% |
| F | Grossed up Return on Equity | 20.39% |
| G | Rate of Interest on Debt | 13.66% |
| H | Weighted average cost of Capital | 15.33% |

- 4.146 The Commission approves RoCE based on RRB (i) and WACC as follows:

Table 4. 56: Commission Approved: Return on Capital Employed (Rs. Cr.)

| S. No. | Particulars | Now Approved |
|--------|-------------|--------------|
| A | RRB (i) | 2657 |
| B | WACC | 15.33% |
| C | RoCE | 407 |

NON-TARIFF INCOME

PETITIONER'S SUBMISSION

- 4.147 The Petitioner has submitted that the Non-Tariff Income during FY 2019-20 has been considered same as submitted for FY 2017-18 i.e. Rs. 86 Cr.

COMMISSION ANALYSIS

- 4.148 The Commission has considered the Non-Tariff Income approved for FY 2017-18 for

projecting Non Tariff Income of the Petitioner for FY 2019-20 of Rs. 99 Cr.

CARRYING COST ON REVENUE GAP

PETITIONER'S SUBMISSION

4.149 The Petitioner has referred the Judgment of Hon'ble ATE in dated July 30, 2010 (Appeal 153 of 2009) ruled as under:

"47. The State Commission, instead of applying the principle of allowing the prevalent market rate for debt for the carrying cost, has allowed the rate of 9% on the strength of the Tribunal judgment even though the present interest rate has increased significantly. As pointed out by the Counsel for the Petitioner, the State Commission in the earlier case had decided tariff on 09.06.2004 and that on commercial borrowings an interest rate of 9% had been applied considering the then prevalent prime lending rates. Therefore, the State Commission before fixing the rate of carrying cost, has to find out the actual interest rate as per the prevailing lending rates. Admittedly, this has not been done.

51.

Therefore, the State Commission should have allowed the carrying cost at the prevailing market lending rate for the carrying cost so that the efficiency of the distribution company is not affected.

.....

Therefore, the fixation of 9% carrying cost, in our view, is not appropriate. Therefore, the State Commission is hereby directed to reconsider the rate of carrying cost at the prevailing market rate and the carrying cost also to be allowed in the debt/ equity of 70:30.

58. ...

(iv) The next issue is relating to the inadequate lower rate of 9% for the allowance of the carrying cost. The carrying cost is allowed based on the financial principle that whenever the recovery of the cost is to be deferred, the financing of the gap in cash flow arranged by the distribution company from lenders and/or promoters and/or accrual and/or internal accrual has to be paid for by way of carrying cost. The carrying cost is a legitimate expense. Therefore the recovery of such carrying cost is a legitimate expectation of the distribution company. The State Commission instead of applying the principle of PLR for the carrying cost has wrongly allowed the rate of 9% which is not the prevalent market lending rate. Admittedly, the prevalent market lending rate was higher than the rate fixed by the State Commission in the tariff order. Therefore, the State Commission is directed to

reconsider the rate of carrying cost at the prevalent market rate keeping in view the prevailing Prime Lending Rate. ”

- 4.150 As per the above ruling, the carrying cost ought to be allowed in debt equity ratio of 70:30 with SBI PLR as rate of interest and 16% as return on equity. Accordingly the Petitioner has recomputed the rate of carrying cost from FY 2007-08 to FY 2017-18 as under:

Table 4. 57: Rate of Carrying Cost

| S. No | Particulars | FY 08 | FY 09 | FY 10 | FY 11 | FY 12 | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 | FY 18 |
|-------|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1 | Rate of Interest | 12.69% | 12.79% | 11.87% | 12.26% | 14.40% | 14.61% | 14.58% | 14.75% | 14.29% | 14.05% | 14.14% |
| 2 | Return on Equity | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% |
| 3 | Carrying cost | 13.68% | 13.75% | 13.11% | 13.38% | 14.88% | 15.03% | 15.01% | 15.13% | 14.80% | 14.64% | 14.69% |

- 4.151 The Petitioner submitted that the Commission in Tariff Order dated March 28, 2018 has considered rate of 14% for computation of carrying cost on Regulatory Assets for FY 2018-19.

COMMISSION ANALYSIS

- 4.152 Regulation 2(16) of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 states,

“Carrying Cost Rate” means the weighted average rate of interest for funding of Regulatory Asset/accumulated Revenue Gap through debt and equity in an appropriate ratio, as specified by the Commission in the relevant Orders”

- 4.153 The Commission has approved Return on Equity in terms of Regulation 2(16) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for computation of weighted average rate of interest for funding of Regulatory Asset/accumulated Revenue Gap through debt and equity shall be considered at 14.00% on pre-tax basis in its Business Plan Regulations, 2017.
- 4.154 The Commission has approved the rate on interest on loan based on weighted average rate of interest (13.74%) of total loan portfolio of the Petitioner as on 1st April, 2018 subject to maximum of 14% as specified in Regulation 21 of DERC (Business Plan) Regulations, 2017. Accordingly, Weighted Average Cost of Capital (WACC) has been computed by considering the equity and debt requirement for FY 2019-20.
- 4.155 Accordingly, the Commission has computed Carrying Cost based on weighted average cost of rate of return on equity for equity as follows:

Table 4. 58: Commission Approved: Carrying Cost for FY 2019-20 (Rs. Cr.)

| S.No. | Particulars | Approved |
|-------|--|----------|
| A. | Opening Revenue Gap | (1,888) |
| B. | Revenue Surplus/(Gap) at revised tariff | 87 |
| C. | Recovery of Revenue Gap via 8% Surcharge | 378 |
| D. | Closing Revenue Gap | (1,422) |
| E. | Average Revenue Gap | (1,655) |
| F. | Rate of Carrying Cost | 13.76% |
| G. | Carrying Cost Amount | (228) |
| H. | Closing Revenue Gap | (1,650) |

AGGREGATE REVENUE REQUIREMENT**PETITIONER'S SUBMISSION**

4.156 The Petitioner has projected the ARR for FY 2019-20 tabulated as under:

Table 4. 59: Petitioner Submission: Aggregate Revenue Requirement for FY 2019-20 (Rs. Cr.)

| S.No. | Particulars | Amount |
|-------|--|--------------|
| A | Power Purchase Cost including Transmission Charges | 3,597 |
| B | O&M Expenses | 707 |
| C | Additional O&M Expenses | 146 |
| D | Depreciation | 196 |
| E | Return on Capital Employed (RoCE) | 469 |
| F | Less: Non-Tariff income | 86 |
| G | Aggregate Revenue Requirement excl. Carrying Cost on RA | 5,030 |

COMMISSION ANALYSIS

4.157 The ARR based on various component as approved by the Commission for FY 2019-20 is summarised as under:

Table 4. 60: Commission Approved: ARR for Wheeling and Retail Business for FY 2019-20 (Rs. Cr.)

| S.No. | Particulars | Approved |
|-------|--|--------------|
| A. | Power Purchase Cost including Transmission Charges | 3,271 |
| B. | O&M Expenses | 637 |
| C. | Additional Other expenses/ statutory levies | 22 |
| D. | Depreciation | 174 |
| E. | Return on Capital Employed (RoCE) | 407 |
| F. | Less: Non-Tariff income | 99 |
| G. | Aggregate Revenue Requirement | 4,412 |
| H. | Carrying cost for FY 2019-20 | 228 |
| I. | Gross ARR | 4,640 |

ALLOCATION FOR WHEELING AND RETAIL BUSINESS**PETITIONER'S SUBMISSION**

4.158 The Petitioner has submitted that the ARR estimated during FY 2019-20 has been allocated into wheeling and retail business in the ratios approved by the Commission in Business Plan Regulations, 2017 is as under:

Table 4. 61: Petitioner Submission: Allocation for wheeling and retail business- FY 2019-20 (Rs. Cr.)

| Particulars | Wheeling | Retail |
|--------------------------------------|----------------|----------------|
| Cost of Power Procurement | - | 3597.31 |
| Operation and Maintenance expenses | 529.17 | 324.33 |
| Depreciation | 158.59 | 37.20 |
| Return on Capital Employed | 338.15 | 131.50 |
| Less: Non-Tariff Income | 12.89 | 73.06 |
| Aggregate Revenue Requirement | 1013.01 | 4017.28 |

COMMISSION'S ANALYSIS

4.159 Based on the allocation of different expenses in accordance with the methodology followed in the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and DERC (Business Plan) Regulations, 2017, the approved ARR for Wheeling and Retail Supply business of the Petitioner is indicated in the table as follows:

Table 4. 62: Commission Approved: ARR for Wheeling Business for FY 2019-20 (Rs. Cr.)

| Particulars | Amount |
|---|------------|
| O&M Expenses | 408 |
| Depreciation | 141 |
| Return on Capital Employed (RoCE) | 293 |
| Carrying Cost on Revenue Gap/Regulatory asset | 40 |
| Less: Non-tariff income | 15 |
| Aggregate Revenue Requirement | 867 |

Table 4. 63: Commission Approved: ARR for Retail Business for FY 2019-20 (Rs. Cr.)

| Particulars | Amount |
|---|--------------|
| Cost of Power Procurement | 3,271 |
| O&M Expenses | 250 |
| Depreciation | 33 |
| Return on Capital Employed (RoCE) | 114 |
| Carrying Cost on Revenue Gap/Regulatory asset | 188 |
| Less: Non-Tariff Income | 84 |
| Aggregate Revenue Requirement | 3,772 |

REVENUE (GAP)/ SURPLUS FOR FY 2019-20**PETITIONER'S SUBMISSION**

4.160 The Petitioner has calculated the Revenue Gap for FY 2019-20 as follows:

Table 4. 64: Petitioner Submission: Revenue (Gap) for FY 2019-20(Rs. Cr.)

| S. No | Particulars | Submission |
|-------|--|------------|
| A | Aggregate Revenue requirement for the year | 5,030 |
| B | Revenue available for the year | 4,966 |
| C | Revenue (Gap)/ Surplus for the year | -64 |

COMMISSION ANALYSIS

4.161 The Commission has calculated the Revenue Surplus/(Gap) at Existing Tariff for FY 2019-20 as follows:

Table 4. 65: Commission Approved: Revenue (Gap) for FY 2019-20 (Rs. Cr.)

| S. No. | Particulars | Petitioner's Submission | As approved |
|--------|---|-------------------------|-------------|
| A | Aggregate Revenue requirement for the year | 5030 | 4,640 |
| B | Revenue available for the year at Existing Tariff | 4966 | 4,779 |
| C | Revenue (Gap)/ Surplus for the year | (64) | 139 |

A5: TARIFF DESIGN**COMPONENTS OF TARIFF DESIGN**

5.1 The Commission has considered the following components for designing tariff of the Distribution Licensees.

- Consolidated Revenue (Gap)/Surplus.
- Cost of service
- Cross-subsidization in tariff structure

CONSOLIDATED REVENUE (GAP)/SURPLUS**REVENUE (GAP)/SURPLUS TILL FY 2017-18**

5.2 The Revenue (Gap)/Surplus upto FY 2017-18 is summarised in the table as follows:

Table 5. 1: Revenue (Gap)/Surplus of BYPL till FY 2017-18 (Rs. Cr.)

| Sr. No. | Particulars | Approved in TO dated Mar 31, 2018 upto FY 2016-17 | FY 2017-18 | Remarks |
|---------|--|---|------------|-------------|
| A | Opening level of (Gap) / Surplus | (2,661.95) | (2,906.18) | |
| B | Revenue Requirement for the year | 3,924.26 | 4,328.85 | Table 3.129 |
| C | Revenue realised | 4,435.69 | 4,664.47 | Table 3.131 |
| D | (Gap) / Surplus for the year | 511.43 | 335.62 | C-B |
| E | 8% Surcharge for the year | 352.94 | 377.13 | Table 3.50 |
| F | Net (Gap)/Surplus | 864.37 | 712.75 | D+E |
| G | Rate of Carrying Cost | 11.17% | 13.76% | |
| H | Amount of carrying cost | (249.06) | (350.90) | |
| I | Additional Impact of past period True up | (859.54) | (132.87) | Table 3.30 |
| J | Closing Balance of (Gap)/Surplus | (2,906.18) | (2,677.20) | A+F+H+I |

Table 5. 2: Revenue (Gap)/Surplus of BRPL till FY 2017-18 (Rs. Cr.)

| Sr. No. | Particulars | Approved in TO dated Mar 31, 2018 upto FY 2016-17 | FY 2017-18 | Remarks |
|---------|--|---|------------|-----------|
| A | Opening level of (Gap) / Surplus | (4,232.68) | (4,258.08) | |
| B | Revenue Requirement for the year | 7,743.33 | 8,121.70 | |
| C | Revenue realised | 8,130.09 | 8,498.66 | |
| D | (Gap) / Surplus for the year | 386.76 | 376.96 | C-B |
| E | 8% Surcharge for the year | 649.19 | 686.97 | |
| F | Net (Gap)/Surplus | 1,035.95 | 1,063.93 | D+E |
| G | Rate of Carrying Cost | 11.18% | 13.62% | |
| H | Amount of carrying cost | (415.32) | (507.47) | |
| I | Additional Impact of past period True up | (646.03) | (223.96) | |
| J | Pension Trust Deficit | - | (53.49) | |
| k | Closing Balance of (Gap)/Surplus | (4258.08) | (3,979.07) | A+F+H+I+J |

Table 5. 3: Revenue (Gap)/Surplus of TPDDL till FY 2017-18 (Rs. Cr.)

| Sr. No. | Particulars | Approved in TO dated Mar 31, 2018 upto FY 2016-17 | FY 2017-18 | Remarks |
|---------|--|---|------------|-------------|
| A | Opening level of (Gap) / Surplus | (2,454.10) | (2,394.61) | |
| B | Impact of Review Order 32/2018 | - | (168.27) | |
| C | Revenue Requirement for the year | 6,029.72 | 6,161.22 | |
| D | Revenue realised | 6,129.82 | 6,390.85 | |
| E | (Gap) / Surplus for the year | 100.10 | 229.64 | D-C |
| F | 8% Surcharge for the year | 498.53 | 515.52 | |
| G | Net (Gap)/Surplus | 598.63 | 745.16 | F+E |
| H | Rate of Carrying Cost | 12.08% | 10.33% | |
| I | Amount of carrying cost | (260.30) | (226.29) | |
| J | Additional Impact of past period True up | (278.84) | (162.48) | |
| K | Pension Trust Deficit | - | (48.00) | |
| L | Closing Balance of (Gap)/Surplus | (2,394.61) | (2,254.50) | A+B+G+I+J+K |

5.3 The Revenue Gap upto FY 2017-18 as determined by the Commission is indicated as follows:

Table 5. 4: Revenue (Gap)/Surplus of three DISCOMS till FY 2017-18 (Rs. Cr.)

| Particulars | Up to FY 2017-18 |
|--------------|-------------------|
| BYPL | (2,677.20) |
| BRPL | (3,979.07) |
| TPDDL | (2,254.50) |
| Total | (8,910.77) |

REVENUE (GAP)/SURPLUS FOR FY 2019-20 AT REVISED TARIFF

5.4 The Commission has rationalized fixed charges based on under recovery of revenue through fixed charges in the ARR of the Distribution Licensees as per the earlier tariff schedule.

5.5 The summary of revenue billed at revised tariffs excluding 8% surcharge, for FY 2019-20 is shown as follows:

Table 5. 5: Revenue at Revised Tariffs of BYPL for FY 2019-20 (Rs. Cr.)

| S. No. | Category | Fixed Charges | Energy Charges | Total Revenue |
|--------|------------------------|---------------|----------------|---------------|
| A. | Domestic | 276 | 1,702 | 1,978 |
| B. | Non-Domestic | 501 | 1,548 | 2,050 |
| C. | Industrial | 66 | 309 | 375 |
| D. | Agriculture & Mushroom | 0 | 0 | 0 |
| E. | Public Utilities | 50 | 215 | 265 |
| F. | DIAL | - | - | - |

| S. No. | Category | Fixed Charges | Energy Charges | Total Revenue |
|--------|--|---------------|----------------|---------------|
| G. | Advertisement and hoarding | 0 | 0 | 1 |
| H. | Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point | - | 4 | 4 |
| I. | Others* | 9 | 70 | 79 |
| J. | Total | 902 | 3,849 | 4,751 |
| K. | Revenue @ 99.50% Collection Efficiency | | | 4,727 |

* includes Temporary Supply, Misuse/Theft, Own Consumption

Table 5. 6: Revenue at Revised Tariffs of BRPL for FY 2019-20 (Rs. Cr.)

| Sr. No. | Category | Fixed Charges | Energy Charges | Total Revenue |
|---------|--|---------------|----------------|---------------|
| A. | Domestic | 675 | 3,342 | 4,017 |
| B. | Non-Domestic | 796 | 2,748 | 3,544 |
| C. | Industrial | 98 | 412 | 510 |
| D. | Agriculture & Mushroom | 4 | 4 | 8 |
| E. | Public Utilities | 75 | 482 | 557 |
| F. | DIAL | 16 | 271 | 287 |
| G. | Advertisement and hoarding | 1 | 2 | 2 |
| H. | Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point | - | 8 | 8 |
| I. | Others* | 22 | 156 | 178 |
| J. | Total | 1,687 | 7,425 | 9,111 |
| K. | Revenue @ 99.50% Collection Efficiency | | | 9,066 |

* includes Temporary Supply, Misuse/Theft, Own Consumption

Table 5. 7: Revenue at Revised Tariffs of TPDDL for FY 2019-20 (Rs. Cr.)

| Sr. No. | Category | Fixed Charges | Energy Charges | Total Revenue |
|---------|--|---------------|----------------|---------------|
| A. | Domestic | 316 | 1,815 | 2,131 |
| B. | Non-Domestic | 393 | 1,348 | 1,741 |
| C. | Industrial | 435 | 2,046 | 2,481 |
| D. | Agriculture & Mushroom | 4 | 3 | 7 |
| E. | Public Utilities | 55 | 503 | 557 |
| F. | DIAL | - | - | - |
| G. | Advertisement and hoarding | 0 | 1 | 1 |
| H. | Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point | - | 3 | 3 |
| I. | Others* | 12 | 90 | 102 |
| J. | Total | 1,215 | 5,809 | 7,024 |
| K. | Revenue @ 99.50% Collection Efficiency | | | 6,989 |

* includes Temporary Supply, Misuse/Theft, Own Consumption

- 5.6 The Commission has also decided to continue with the existing surcharge at 8% over the revised tariff for liquidating the regulatory assets in line with proposed road map and this 8% Surcharge is estimated to result in an additional inflow as follows:

Table 5. 8: Revenue from 8% Surcharge for FY 2019-20 (Rs. Cr.)

| Particulars | Amount |
|--------------|--------------|
| BYPL | 378 |
| BRPL | 725 |
| TPDDL | 559 |
| Total | 1,662 |

5.7 Summary of ARR, Revenue at revised tariff, net Revenue Gap / Surplus for FY 2019-20 is as follows:

Table 5. 9: ARR, Revenue at revised tariff, net Revenue (Gap)/Surplus for FY 2019-20 (Rs. Cr.)

| Particulars | BYPL | BRPL | TPDDL |
|------------------------------|-------|-------|-------|
| ARR | 4,412 | 8,715 | 6,847 |
| Carrying Cost for FY 2019-20 | 228 | 346 | 103 |
| Revised ARR | 4,640 | 9,060 | 6,950 |
| Revenue at revised tariff | 4,727 | 9,066 | 6,989 |
| Revenue (Gap) / Surplus | 86 | 6 | 38 |

COST OF SERVICE MODEL

5.8 While determining the revenue requirement, various sectors of services, viz. generation, transmission and the distribution costs contribute to the total cost of service. The relative burden of constituent consumer categories is assessed and on the basis of the cost imposed on the system, it is decided as to how much share is due to which category of consumers. Although, it shall be equitable to have the embedded cost in designing the tariff for different consumer categories, it calls for a detailed database of allocated costs. Such allocations in the determination of embedded cost are done on the basis of following factors:

- (a) Voltage of supply;
- (b) Power factor;
- (c) Load factor;
- (d) Time of use of electricity;
- (e) Quantity of electricity consumed,
- (f) Distribution Loss
- (g) Collection Efficiency etc.

5.9 The approach adopted by the Commission for determining the cost of supply for different voltage levels has been described in the following paragraphs.

- 5.10 The approved ARR of the Wheeling and Retail Supply business is allocated to different voltage levels and the same has been considered along with the energy sales to the respective voltage level to arrive at the per unit Wheeling charge and Retail Supply Charge for that voltage level (detailed methodology discussed ahead).

ALLOCATION OF WHEELING ARR

- 5.11 The Commission has considered the gross energy sales (MU) approved for the DISCOM for the year and has allocated the same to different voltage levels in the proportion of energy sales (MU) to these voltages to total sales in that year as submitted by the respective DISCOMs. Both BYPL and BRPL have not indicated any energy sales above 66 kV level in their distribution areas and therefore, no energy sales has been considered above 66 kV level while computing the cost of supply. The voltage wise energy sales approved for FY 2019-20 is as shown in the following table:

Table 5. 10: **Approved Energy Sales for FY 2019-20 (MU)**

| Particulars | BRPL | BYPL | TPDDL |
|-------------------------|---------------|--------------|--------------|
| Sales above 66 kV level | - | - | 65 |
| Sales at 33/66 kV level | 324 | 273 | 38 |
| Sales at 11 kV level | 2,316 | 571 | 1,136 |
| Sales at LT level | 10,106 | 5,924 | 8,256 |
| Total | 12,746 | 6,768 | 9,495 |

- 5.12 The Commission has, thereafter, grossed up the energy sales (MU) at the specific voltage level with the respective distribution losses (%) at that level to arrive at the Energy Input (MU) for that level. The Commission has considered the distribution losses at various voltage levels as projected by the Distribution Licensees in their Business Plan. Keeping the overall distribution losses same as approved by the Commission and considering the losses at 33/66 kV and at 11 kV as projected, the LT voltage level losses are derived. The summary of the voltage wise distribution losses considered by the Commission are as follows:

Table 5. 11: **Distribution Loss for FY 2019-20 (%)**

| Particulars | BRPL | BYPL | TPDDL |
|------------------------|-------|-------|-------|
| Loss above 66 kV level | 0.00 | 0.00 | 0.00 |
| Loss at 33/66 kV level | 1.20 | 0.57 | 0.79 |
| Loss at 11 kV level | 2.63 | 2.13 | 2.66 |
| Loss at LT level | 11.18 | 11.63 | 8.78 |

- 5.13 The Commission would like to reiterate that the voltage wise distribution losses considered above are estimates and may not reflect the actual picture. The Commission, in this regard directed the three DISCOMs (BYPL, BRPL and TPDDL) earlier to carry out energy audit so that the actual data of distribution losses at different voltage levels could be used to calculate the cost of supply. The Commission has appointed energy Auditors for third party independent assessment of technical and commercial loss at various voltage levels. The summary of Energy Input (MU) for the respective voltage levels are shown as follows:

Table 5. 12: Approved Energy Input for FY 2019-20 (MU)

| Particulars | BRPL | BYPL | TPDDL |
|--------------------------|---------------|--------------|---------------|
| Input for 66 kV level | - | - | 65 |
| Input for 33/66 kV level | 328 | 274 | 38 |
| Input for 11 kV level | 2,378 | 583 | 1,167 |
| Input for LT level | 11,378 | 6,705 | 9,051 |
| Total | 14,084 | 7,562 | 10,321 |

- 5.14 The Wheeling ARR for the year has been apportioned in proportion of the energy input at different voltage levels. The wheeling cost allocated to different voltage levels is tabulated as follows:

Table 5. 13: Wheeling cost for different voltages for FY 2019-20 (Rs. Cr.)

| Particulars | BRPL | BYPL | TPDDL |
|-------------------|--------------|------------|------------|
| Above 66 kV level | - | - | 6 |
| At 33/66 kV level | 28 | 31 | 3 |
| At 11 kV level | 204 | 67 | 99 |
| At LT level | 975 | 769 | 768 |
| Total | 1,207 | 868 | 876 |

- 5.15 Based on the energy sales at the respective voltage levels the Commission has determined Wheeling Charge per unit for different voltages for FY 2019-20 as follows:

Table 5. 14: Wheeling Charges for FY 2019-20 (Rs/Unit)

| Particulars | BRPL | BYPL | TPDDL |
|-------------------|-------------|-------------|-------------|
| Above 66 kV level | 0 | 0 | 0.85 |
| At 33/66 kV level | 0.87 | 1.15 | 0.86 |
| At 11 kV level | 0.88 | 1.17 | 0.87 |
| At LT level | 0.97 | 1.30 | 0.93 |
| Average | 0.95 | 1.28 | 0.92 |

ALLOCATION OF RETAIL SUPPLY ARR

5.16 The Commission has allocated the Retail Supply ARR in the ratio of energy input determined above for different voltage levels. The Commission has thereafter, determined the Retail Supply charge for a particular voltage level by considering energy sales at that voltage level. The summary of Retail supply ARR Allocation to different voltage levels for FY 2019-20 is given as follows:

Table 5. 15: Retail Supply cost for different voltages for FY 2019-20 (Rs. Cr.)

| Particulars | BRPL | BYPL | TPDDL |
|-------------------|--------------|--------------|--------------|
| Above 66 kV level | - | - | 38 |
| At 33/66 kV level | 183 | 137 | 22 |
| At 11 kV level | 1,326 | 291 | 687 |
| At LT level | 6,344 | 3,345 | 5,327 |
| Total | 7,853 | 3,773 | 6,075 |

5.17 Based on the energy sales at the respective voltage levels, the Commission has determined retail supply charges per unit for different voltages for FY 2019-20 as follows:

Table 5. 16: Retail Supply Charges at different voltages for FY 2019-20 (Rs./Unit)

| Particulars | BRPL | BYPL | TPDDL |
|-------------------|-------------|-------------|-------------|
| Above 66 kV level | - | - | 5.89 |
| At 33/66 kV level | 5.64 | 5.02 | 5.93 |
| At 11 kV level | 5.73 | 5.10 | 6.05 |
| At LT level | 6.28 | 5.65 | 6.45 |
| Average | 6.16 | 5.58 | 6.40 |

5.18 The cost of supply determined by the Commission for the different voltage levels is shown as follows:

Table 5. 17: Cost of Supply for BYPL (Rs. /Unit)

| Particulars | Wheeling | Retail Supply | Total |
|-------------------|-------------|---------------|-------------|
| Above 66 kV level | - | - | - |
| At 33/66 kV level | 1.15 | 5.02 | 6.17 |
| At 11 kV level | 1.17 | 5.10 | 6.27 |
| At LT level | 1.30 | 5.65 | 6.95 |
| Average | 1.28 | 5.58 | 6.86 |

Table 5. 18: Cost of Supply for BRPL (Rs./Unit)

| Particulars | Wheeling | Retail Supply | Total |
|-------------------|-------------|---------------|-------------|
| Above 66 kV level | - | - | - |
| At 33/66 kV level | 0.87 | 5.64 | 6.51 |
| At 11 kV level | 0.88 | 5.73 | 6.61 |
| At LT level | 0.97 | 6.28 | 7.24 |
| Average | 0.95 | 6.16 | 7.11 |

Table 5. 19: Cost of Supply for TPDDL (Rs. /Unit)

| Particulars | Wheeling | Retail Supply | Total |
|-------------------|----------|---------------|-------|
| Above 66 kV level | 0.85 | 5.89 | 6.73 |
| At 33/66 kV level | 0.86 | 5.93 | 6.79 |
| At 11 kV level | 0.87 | 6.05 | 6.92 |
| At LT level | 0.93 | 6.45 | 7.38 |
| Average | 0.92 | 6.40 | 7.32 |

CROSS-SUBSIDISATION IN TARIFF STRUCTURE

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

5.20 Regarding Cross subsidy, Clause 8.3 of the National Tariff Policy 2016 states as follows:

“8.3 Tariff design: Linkage of tariffs to cost of service

It has been widely recognised that rational and economic pricing of electricity can be one of the major tools for energy conservation and sustainable use of ground water resources.

In terms of the Section 61(g) of the Act, the Appropriate Commission shall be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity. The State Governments can give subsidy to the extent they consider appropriate as per the provisions of section 65 of the Act. Direct subsidy is a better way to support the poorer categories of consumers than the mechanism of cross subsidizing the tariff across the board. Subsidies should be targeted effectively and in transparent manner. As a substitute of cross subsidies, the State Government has the option of raising resources through mechanism of electricity duty and giving direct subsidies to only needy consumers. This is a better way of targeting subsidies effectively.

Accordingly, the following principles would be adopted:

- 1. Consumers below poverty line who consume below a specified level, as prescribed in the National Electricity Policy may receive a special support through cross subsidy. Tariffs for such designated group of consumers will be at least 50% of the average cost of supply.*
- 2. For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within $\pm 20\%$ of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.*

3. While fixing tariff for agricultural use, the imperatives of the need of using ground water resources in a sustainable manner would also need to be kept in mind in addition to the average cost of supply. Tariff for agricultural use may be set at different levels for different parts of a state depending on the condition of the ground water table to prevent excessive depletion of ground water. Section 62 (3) of the Act provides that geographical position of any area could be one of the criteria for tariff differentiation. A higher level of subsidy could be considered to support poorer farmers of the region where adverse ground water table condition requires larger quantity of electricity for irrigation purposes subject to suitable restrictions to ensure maintenance of ground water levels and sustainable ground water usage.

4. Extent of subsidy for different categories of consumers can be decided by the State Government keeping in view various relevant aspects. But provision of free electricity is not desirable as it encourages wasteful consumption of electricity. Besides in most cases, lowering of water table in turn creating avoidable problem of water shortage for irrigation and drinking water for later generations. It is also likely to lead to rapid rise in demand of electricity putting severe strain on the distribution network thus adversely affecting the quality of supply of power. Therefore, it is necessary that reasonable level of user charges is levied. The subsidized rates of electricity should be permitted only up to a pre-identified level of consumption beyond which tariffs reflecting efficient cost of service should be charged from consumers. If the State Government wants to reimburse even part of this cost of electricity to poor category of consumers the amount can be paid in cash or any other suitable way. Use of prepaid meters can also facilitate this transfer of subsidy to such consumers.

5. Metering of supply to agricultural/rural consumers can be achieved in a consumer friendly way and in effective manner by management of local distribution in rural areas through commercial arrangement with franchisees with involvement of panchayat institutions, user associations, cooperative societies etc. Use of smart meters may be encouraged as a cost effective option for metering in cases of "limited use consumers" who are eligible for subsidized electricity.

- 5.21 In line with the above provision of the National Tariff Policy states that any consumer desirous of getting subsidized tariff shall approach the State Government and if the request for subsidy is found justified, the State Government may give subsidy to that class of consumers so that these consumers get electricity at concessional tariff.

- 5.22 At present, there are number of consumer classes e.g. some slabs of domestic consumers, Agriculture and Mushroom Cultivation, Government Schools/Colleges, Hospitals, etc. which are being cross subsidized by other consumers.
- 5.23 The Commission is of the view that ideally the electricity tariff for all categories of consumers should be fixed on cost to serve basis. However, in view of the high level of prevailing regulatory assets and the liquidation plan submitted before the Hon'ble Supreme Court, the Commission has continued with a policy of subsidizing some of the consumers below the cost of supply.
- 5.24 The Commission has computed category wise revenue based on latest available data of Sales Mix, Consumers and Sanctioned Load provided by the Petitioner. The Ratio of ABR to Average Cost of Supply and category-wise tariff approved for FY 2019-20 is indicated in the table as follows:

Table 5. 20: Ratio of ABR to ACOS of BYPL approved for FY 2019-20

| S.No. | Category | ACoS | ABR at Revised Tariff | ABR at Revised Tariff to ACoS (%) |
|-------|-----------------------------|------|-----------------------|-----------------------------------|
| A. | Domestic | 6.86 | 4.85 | 71% |
| B. | Non- Domestic | 6.86 | 11.19 | 163% |
| C. | Industrial | 6.86 | 9.32 | 136% |
| D. | Agriculture | 6.86 | 3.07 | 45% |
| E. | Public Utilities | 6.86 | 7.19 | 105% |
| F. | DIAL | 6.86 | - | - |
| G. | Advertisement & Hoarding | 6.86 | 12.10 | 176% |
| H. | E-Vehicle Charging Stations | 6.86 | 4.92 | 72% |

Table 5. 21: Ratio of ABR to ACOS of BRPL approved for FY 2019-20

| S.No. | Category | ACoS | ABR at Revised Tariff | ABR at Revised Tariff to ACoS (%) |
|-------|-----------------------------|------|-----------------------|-----------------------------------|
| A. | Domestic | 7.11 | 5.27 | 74% |
| B. | Non- Domestic | 7.11 | 10.90 | 153% |
| C. | Industrial | 7.11 | 9.53 | 134% |
| D. | Agriculture | 7.11 | 3.18 | 45% |
| E. | Public Utilities | 7.11 | 7.13 | 100% |
| F. | DIAL | 7.11 | 7.82 | 110% |
| G. | Advertisement & Hoarding | 7.11 | 11.13 | 157% |
| H. | E-Vehicle Charging Stations | 7.11 | 4.92 | 69% |

Table 5. 22: Ratio of ABR to ACoS of TPDDL approved for FY 2019-20

| S.No. | Category | ACoS | ABR at Revised Tariff | ABR at Revised Tariff to ACoS (%) |
|-------|-----------------------------|------|-----------------------|-----------------------------------|
| A. | Domestic | 7.32 | 4.96 | 68% |
| B. | Non- Domestic | 7.32 | 10.92 | 149% |
| C. | Industrial | 7.32 | 9.33 | 127% |
| D. | Agriculture | 7.32 | 3.90 | 53% |
| E. | Public Utilities | 7.32 | 6.84 | 93% |
| F. | DIAL | 7.32 | - | - |
| G. | Advertisement & Hoarding | 7.32 | 11.69 | 160% |
| H. | E-Vehicle Charging Stations | 7.32 | 4.92 | 67% |

TARIFF STRUCTURE**DOMESTIC TARIFF**

- 5.25 Domestic Tariff is applicable for power consumption of residential consumers, hostels of recognized/aided educational institutions and staircase lighting in residential flats, compound lighting, lifts and water pumps or drinking water supply and fire-fighting equipment, etc. bonafide domestic use in farm houses, etc. as per the revised tariff schedule.
- 5.26 In case the consumption of the Cattle/ Dairy Farms and Dhobi Ghat across Delhi exceeds 1000 units in a month, the total consumption including the first 1000 units shall be charged non-domestic rates as applicable to the consumers falling under the Non Domestic category.
- 5.27 The consumers running small commercial establishments including Paying Guest from their households having sanctioned load upto 5kW under domestic category, shall be charged as per the domestic category.
- 5.28 The Commission in its Tariff Order dated June 26, 2003 introduced two part tariff for domestic consumers, i.e., fixed charges and energy charges and abolished minimum charges and meter rent. The fixed charge in two-part tariff represents the fixed component of charges, which is independent of consumption level and depends on the fixed cost incurred by the Utility in supplying electricity.

NON-DOMESTIC TARIFF

- 5.29 The Commission has sub-categorized Non-Domestic as consumers with sanctioned load upto 3kVA and above 3kVA. Wherever, sanctioned load/contract demand is in kW, the kVA shall be calculated on basis of actual power factor of the consumer, for the relevant billing cycle and in case on non-availability of actual Power Factor, the Power Factor shall be considered as unity for sanctioned load/contract demand upto 10kW/11kVA.

INDUSTRIAL TARIFF

- 5.30 The consumers under Industry Category shall be charged on kVAh basis. Wherever, sanctioned load/contract demand is in kW, the kVA shall be calculated on basis of actual power factor of the consumer, for the relevant billing cycle and in case on non-availability of actual Power Factor, the Power Factor shall be considered as unity for sanctioned load/contract demand upto 10kW/11kVA.

- 5.31 The Commission has extended the scope of Industrial tariff to Hospitals (other than that covered in Domestic Category) including lighting, heating and cooling load.

AGRICULTURE

- 5.32 Agriculture & Mushroom cultivation category has been demerged.
- 5.33 The Consumers having sanctioned load up to 20 kW for tube wells for irrigation, threshing and kutti-cutting in conjunction with pumping load for irrigation purposes and lighting load for bonafide use in Kothra are under Agriculture Category.

MUSHROOM CULTIVATION

- 5.34 This category is applicable to consumers who are engaged in mushroom cultivation and processing having sanctioned load upto 100kW.

PUBLIC UTILITIES

- 5.35 Following categories are covered under Public Utilities which provide public services:
- DELHI JAL BOARD:** Available to DJB for pumping load & Water Treatment Plants.
 - RAILWAY TRACTION:** Available for Indian Railways for Traction load.
 - DELHI METRO RAIL CORPORATION :** Available to Delhi Metro Rail Corporation (DMRC) for traction load
 - PUBLIC LIGHTING:** Street lighting, Signals & Blinkers
 - All street lighting consumers including MCD, DDA, PWD/CPWD, Slums depts./ DSIIDC /MES / GHS etc.
 - Traffic signals and blinkers of Traffic Police
 - Unmetered Public Lighting shall be charged Energy Charge Rate at 1.10 times of applicable Tariff.

DELHI INTERNATIONAL AIRPORT LIMITED (DIAL)

- 5.36 The Commission has decided to give DIAL a tariff which shall be higher than that of Public Utilities as it is providing essential services to all consumers including the lowest strata of the society but lesser than that of Non Domestic consumers. The commercial load at DIAL premises shall be metered and billed separately as per the relevant tariff category.

ADVERTISEMENT AND HOARDINGS

5.37 The Commission, in its Tariff Order dated July 31, 2013 had created a separate category to cover the consumption for the advertisements and Hoardings. This category will be applicable for supply of electricity for lighting external advertisements, external hoardings and displays at departments stores, malls, multiplexes, theatres, clubs, hotels, bus shelters, Railway/Metro Stations, Airport and shall be separately metered and charged at the tariff applicable for "Advertisements and Hoardings" category, except such displays which are for the purpose of indicating/displaying the name and other details of the shop, commercial premises itself. Such use of electricity shall be covered under the prevailing tariff for such shops or commercial premises.

TEMPORARY SUPPLY

5.38 The Commission does not propose any major change in the existing tariff methodology for temporary supply as mentioned in the Tariff Schedule.

CHARGING OF E-RICKSHAW/ E-VEHICLE

5.39 The Commission does not propose any major change in the existing tariff methodology for Charging of E-Rickshaw/ E-Vehicle as mentioned in the Tariff Schedule.

VOLTAGE DISCOUNT

5.40 The Commission has promoted voltage linked tariff, irrespective of load of the consumer, the tariff for consumption at higher voltages will be entitled to voltage discount, which will encourage consumers to opt for HT connections particularly for higher loads.

5.41 The consumers availing supply on 11 kV, 33 kV/66 kV and 220 kV will be entitled for rebate of 3%, 4% and 5% respectively on the applicable energy charges.

TIME OF DAY (TOD) TARIFF

- 5.42 It is observed that the cost of power purchase during peak hours is quite high. Time of Day (ToD) tariff is an important Demand Side management (DSM) measure to flatten the load curve and avoid such high cost peaking power purchases. Accordingly, the Commission had introduced Time of Day (ToD) tariff wherein peak hour consumption is charged at higher rates which reflect the higher cost of power purchase during peak hours. At the same time, a rebate is being offered on consumption during off-peak hours. This is also meant to incentivise consumers to shift a portion of their loads from peak time to off-peak time, thereby improving the system load factor and flatten the load curve. The ToD tariff is aimed at optimizing the cost of power purchase, which constitutes over 80% of the tariff charged from the consumers. It also assumes importance in the context of propagating and implementing DSM and achieving energy efficiency. This is important in Delhi situation where wide variations in load especially in summer causes problem of shortages during Peak hours and surplus during Off peak hours.
- 5.43 Introduction of higher peak hour tariff would initially generate additional revenue which would compensate for the reduction in revenue on account of lower tariff during off-peak hours.
- 5.44 In the long run, this would provide signals to the consumers to reduce load during peak hours and, wherever possible, shift this consumption to off-peak hours. Any loss of revenue to the utility on account of shifting of load from peak to off-peak hours in the long run would by and large get compensated by way of reduction of off-peak surplus to the extent of increase in off-peak demand.
- 5.45 The ToD Tariff would thus have immediate as well as long term benefits for both, consumers as well as the utility and contribute towards controlling the rise in power purchase costs.

- 5.46 The Commission in its MYT Order for second Control Period dated July 13, 2012 had decided to introduce ToD Tariff on a pilot basis for large industrial and non domestic consumers (300 kW and above). This was targeted to the consumer segment which has capacity to bear a higher burden for peak hour consumption and also at least partly (if not fully) offset the impact of this increase through higher off-peak consumption at lower rates. The Commission as a progressive step in this direction and to further encourage demand shift from peak hours to off-peak hours had decided to lower the applicability limit for ToD Tariff.
- 5.47 In the Tariff order dated July 31, 2013, the Time of Day (ToD) Tariff# - ToD Tariff was made applicable on all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) is 100kW / 108 kVA and above.
- 5.48 In the Tariff order dated July 23, 2014, the Time of Day (ToD) Tariff# - ToD Tariff was made applicable on all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) is 50kW / 54 kVA and above. Also Optional TOD tariff was made available for all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) was between 25kW/27kVA to 50kW/54kVA.
- 5.49 In the Tariff Order dated March 28, 2018, the Commission decided the Time of Day (ToD) Tariff as follows:
- ToD tariff shall be applicable on all consumers (other than Domestic) whose sanctioned load/MDI (whichever is higher) is 10kW/11kVA and above.
 - Optional for all other three phase (3 ϕ) connections including Domestic connections. If the consumer who has opted for ToD, the charges for up-gradation of meters, if any, shall be borne by respective consumers.
 - The Commission retained the Rebate during the Off Peak hours and Peak hours Surcharge at 20%. Optional ToD Consumers have the option to move back to non-ToD regime only once within one Financial Year.
 - For other than Peak and Off-Peak hours normal Energy Charges shall be applicable.
- 5.50 In this Tariff Order, the Commission has decided to retain existing TOD tariff.

TARIFF SCHEDULE FOR FY 2019-20

| S. No. | CATEGORY | FIXED CHARGES | ENERGY CHARGES | | | | |
|--------|---|---|---|-----------------|-----------------|-----------------|-----------------|
| 1 | DOMESTIC | | | | | | |
| 1.1 | INDIVIDUAL CONNECTIONS | | 0-200 | 201-400 | 401-800 | 801-1200 | >1200 |
| | | | Units | Units | Units | Units | Units |
| A | Upto 2 kW | 20 Rs./kW/month | 3.00 Rs./kWh | 4.50 Rs./kWh | 6.50 Rs./kWh | 7.00 Rs./kWh | 8.00 Rs./kWh |
| B | > 2kW and ≤ 5 kW | 50 Rs./kW/month | | | | | |
| C | > 5kW and ≤ 15 kW | 100 Rs./kW/month | | | | | |
| D | >15kW and ≤ 25 kW | 200 Rs./kW/month | | | | | |
| E | > 25kW | 250 Rs./kW/month | | | | | |
| 1.2 | Single Point Delivery Supply for GHS | 150 Rs./kW/month | 4.50 Rs./kWh | | | | |
| 2 | NON-DOMESTIC | | | | | | |
| 2.1 | Upto 3kVA | 250 Rs./kVA/month | 6.00 Rs./kVAh | | | | |
| 2.2 | Above 3kVA | 250 Rs./kVA/month | 8.50 Rs./kVAh | | | | |
| 3 | INDUSTRIAL | 250 Rs./kVA/month | 7.75 Rs./kVAh | | | | |
| 4 | AGRICULTURE | 125 Rs./kW/month | 1.50 Rs./kWh | | | | |
| 5 | MUSHROOM CULTIVATION | 200 Rs./kW/month | 6.50 Rs./kWh | | | | |
| 6 | PUBLIC UTILITIES | 250 Rs./kVA/month | 6.25 Rs./kVAh | | | | |
| 7 | DELHI INTERNATIONAL AIRPORT LTD. (DIAL) | 250 Rs./kVA/month | 7.75 Rs./kVAh | | | | |
| 8 | ADVERTISEMENT & HOARDINGS | 250 Rs./kVA/month | 8.50 Rs./kVAh | | | | |
| 9 | TEMPORARY SUPPLY | | | | | | |
| 9.1 | Domestic Connections including Group Housing Societies | Same rate as that of relevant category | Same as that of relevant category without any temporary surcharge | | | | |
| 9.2 | For threshers during the threshing season | Electricity Tax of MCD : Rs. 270 per connection per month | Flat rate of Rs. 5,400 per month | | | | |
| 9.3 | All other connections including construction projects | Same rate as that of the relevant category | 1.30 times of the relevant category of tariff | | | | |
| 10 | CHARGING STATIONS FOR E-RICKSHAW/E-VEHICLE ON SINGLE POINT DELIVERY | | | | | | |
| 10.1 | Supply at LT | - | 4.50 Rs./kWh | | | | |
| 10.2 | Supply at HT | - | 4.00 Rs./kVAh | | | | |

Notes:

- For domestic category of consumers, fixed charges shall be levied on sanctioned load or the contract demand as the case may be.
- For all categories other than domestic, fixed charges are to be levied based on billing demand per kW/kVA or part thereof. Where the Maximum Demand (MD), as defined in DERC (Supply Code and Performance Standards) Regulations, 2017, reading exceeds sanctioned load/contract demand, a surcharge of 30% shall be levied on the fixed charges

corresponding to excess load in kW/kVA for such billing cycle only. Wherever, sanctioned load/contract demand is in kW/HP, the kVA shall be calculated on basis of actual power factor of the consumer, for the relevant billing cycle and in case of non-availability of actual Power Factor, the Power Factor shall be considered as unity for sanctioned load/contract demand upto 10kW/11kVA.

3. Time of Day (ToD) Tariff

- e. ToD tariff shall be applicable on all consumers (other than Domestic) whose sanctioned load/MDI (whichever is higher) is 10kW/11kVA and above.
- f. Optional for all other three phase (3 ϕ) connections including Domestic connections. If the consumer who has opted for ToD, the charges for up-gradation of meters, if any, shall be borne by respective consumers.
- g. The Commission has decided to retain the Rebate during the Off Peak hours and Peak hours Surcharge at 20%. Optional ToD Consumers will have the option to move back to non-ToD regime only once within one Financial Year. For other than Peak and Off-Peak hours normal Energy Charges shall be applicable.
- h. The Commission has retained the time slots for Peak and Off-Peak hours as follows:

| Months | Peak Hours (Hrs) | Surcharge On Energy Charges | Off-Peak Hours (Hrs) | Rebate On Energy Charges |
|-----------------|--------------------------|-----------------------------|----------------------|--------------------------|
| May - September | 1400– 1700 & 2200 – 0100 | 20% | 0400 – 1000 | 20% |

4. Rebate of 3%, 4% & 5% on the Energy Charges for supply at 11kV, 33/66 kV and 220 kV shall be applicable.
5. Maintenance Charges on street lights, wherever maintained by DISCOMs, shall be payable @ Rs. 84/light point/month and material cost at the rate of Rs. 19/light point/month as per the Commission's Order dated 22nd September 2009 in addition to the specified tariff. These charges are exclusive of applicable taxes and duties.
6. The valid Factory Licence shall be mandatory for applicability of Tariff under Industrial category:

Provided that in case where the Factory Licence has expired and its renewal application is pending with the concerned authority, the DISCOMs shall bill such consumers as per Tariff applicable under Non Domestic category;

Provided further that on renewal of the Factory Licence, the DISCOMs shall adjust the bills of such consumers as per applicable Tariff under Industrial category from the effective date of renewal of such Licence.

{Explanation – The Factory License for the purpose of applicability of industrial tariff shall mean the license or permission or authorisation or any other document issued or granted by Directorate of Industries or Ministry of Micro, Small and Medium Enterprises or MCD or any other Central or State Government Agency, as applicable, for running an Industry or Factory in respective field of operation.}

7. The above tariff rates shall be subject to following additional surcharges to be applied only on the basic Fixed Charges and Energy Charges excluding all other charges e.g., LPSC, Arrears, Electricity Tax/Duty, PPAC, load violation surcharge, etc. for the consumers of BRPL, BYPL & TPDDL:
 - (a) 8% towards recovery of accumulated deficit, and,
 - (b) 3.80% towards recovery of Pension Trust Charges of erstwhile DVB Employees/ Pensioners as recommended by GoNCTD.
8. The Distribution Licensee shall levy PPAC after considering relevant ToD Rebate/Surcharge on energy charges applicable to the consumers.
9. For consumers availing supply through prepayment meters, the additional rebate of 1% shall be applicable on the basic Energy Charges, Fixed Charges and all other charges on the applicable tariff.
10. The Single Point Delivery Supplier (Group Housing Societies) shall charge the Domestic tariff as per slab rate of 1.1 to its Individual Members availing supply for Domestic purpose and Non Domestic Tariff for other than domestic purpose. Any Deficit/Surplus due to sum total of the billing to the Individual Members as per slab rate of tariff schedule 1.1 and the billing as per the tariff schedule 1.2 including the operational expenses of the Single Point Delivery Supplier shall be passed on to the members of the Group Housing Societies on pro rata basis of consumption.
11. Individual Domestic Consumers availing the supply at single point delivery through Group Housing Society, shall claim the benefit of subsidy, applicable if any, as per the Order of GoNCTD. Group Housing Society shall submit the details of eligible consumers with consumption details and lodge claim of subsidy on behalf of individual members from DISCOMs.
12. The Single Point Delivery Supplier availing supply at HT & above shall charge the tariff to its LT consumers and in addition shall be entitled to charge an extra upto 5% of the bill amount to cover losses and all its expenses.
13. The Commercial Consumers of DMRC and DIAL who have sanctioned load above 215 kVA

but served at LT (415 Volts) shall be charged the tariff applicable to Non-domestic LT (NDLT) category greater than 140kW/150kVA (415 Volts).

14. The rates stipulated in the Schedule are exclusive of electricity duty and other taxes and charges, as levied from time to time by the Government or any other competent authority, which are payable extra.
15. In the event of the electricity bill rendered by the Distribution licensee, not being paid in full within the due date specified on the bill, a Late Payment Surcharge (LPSC) @ 18% per annum shall be levied. The LPSC shall be charged for the number of days of delay in receiving payment from the consumer by the Distribution Licensee, until the payment is made in full without prejudice to the right of the licensee to disconnect the supply after due date, in the event of non-payment in accordance with Section 56 of Electricity Act, 2003. This will also apply to temporary connections and enforcement cases, where payment of final bill amount after adjustment of amount as per directions of the Court and deposit, is not made by due date.
16. No payment shall be accepted by the Distribution Licensees from its consumers at its own collection centres/mobile vans in cash towards electricity bill exceeding Rs. 4,000/- except from blind consumers, for court settlement cases & payment deposited by the consumers at designated scheduled commercial bank branches upto Rs. 50,000/-. Violation of this provision shall attract penalty to the level of 10% of total cash collection exceeding the limit.
17. Wherever the Fixed or Energy Charges are specified in Rs. per kVAh, for the purpose of billing, the kVAh as read from the meter in the relevant billing cycle shall be used.

OTHER TERMS AND CONDITIONS**1. DOMESTIC CATEGORY****1.1 Domestic Lighting, Fan and Power (Single Point Delivery and Separate Delivery Points/Meters)****Available to following:**

- a. Residential Consumers.
- b. Hostels of recognized/aided institutions which are being funded more than 90% by Municipal Corporation of Delhi or Government of the NCT of Delhi or any other Government/local bodies [local bodies include NDMC and MCDs (North, South & East)].
- c. Staircase lighting in residential flats separately metered.
- d. Compound lighting, lifts and water pumps etc., for drinking water supply and fire-fighting equipment in residential complexes, if separately metered.
- e. In group housing societies etc. for bonafide use of lighting/fan and power, subject to the provision that the supply is at single point delivery for combined lighting/fan & power.
- f. Dispensary/ Hospitals/ Public Libraries/ School/ College/ Working Women's Hostel/ Charitable homes run and funded by more than 90% by Municipal Corporation of Delhi or Government of the NCT of Delhi or any other Government/local bodies.
- g. Small health centres including Mohalla Clinics approved by the Department of Health, Government of NCT of Delhi for providing charitable services only.
- h. Recognized Centres for welfare of blind, deaf and dumb, spastic children, physically handicapped persons, mentally retarded persons, as approved by the Government of NCT of Delhi and other Government.
- i. Public parks except temporary use for any other purpose.
- j. Bed and Breakfast Establishments (Residential Premises) registered u/s 3 of the National Capital Territory of Delhi (Incredible India) Bed and Breakfast Establishments (Registration & Regulations) Act, 2007.
- k. Places of worship.
- l. Cheshire homes/orphanage.
- m. Shelter Homes (including Night Shelters) approved by Delhi Urban Shelter Improvement Board, GoNCTD.
- n. Electric crematoriums.
- o. Gaushala Registered under GoNCTD.

- p. Professionals i.e. individuals engaged in those activities involving services based on professional skills, viz Doctor, Psychologist, Physiotherapist, Lawyer, Architect, Chartered Accountant, Company Secretary, Cost & Works Accountant, Engineer, Town Planner, Media Professional and Documentary Film Maker may utilize the domestic connection at their residence for carrying out their professional work in the nature of consultancy without attracting non-domestic tariff for the electricity consumed, provided that the area used for professional activity does not exceed the area permitted to be used for such activity in residential area under the Master Plan for Delhi, 2021 (MPD-2021), which as per MPD-2021 is permissible on any one floor only but restricted to less than 50% of the permissible or sanctioned FAR whichever is less on that plot or dwelling unit.
- q. Available, for loads up to 21 kW, to farm houses for bonafide domestic self use.
- r. The consumers running small commercial establishments including Paying Guest from their households having sanctioned load upto 5kW under domestic category, shall be charged domestic tariff.
- s. Cattle Farms/ Dairy Farms/ Dhobi Ghat with a total consumption of not more than 1000 units/month.

1.2 Domestic Connection on Single Point Delivery

Same as 1.1 - For GHS flats and for individuals having sanctioned load above 100 kW/108kVA Group Housing Society (GHS) shall mean a residential complex owned/managed by a Group Housing Society registered with Registrar, Cooperative Societies, Delhi / registered under Societies Act, 1860 and for sake of brevity the definition shall include residential complex developed by a Developer and approved by appropriate authority.

2. NON-DOMESTIC

Available to all consumers for lighting, fan & heating/cooling power appliances in all Non-Domestic establishments as defined below:

- a. Hostels/Schools/Colleges/Paying Guests (other than that covered under Domestic Category)
- b. Auditoriums, Lawyer Chambers in Court Complexes, nursing homes/diagnostic Centres other than those run by Municipal Corporation of Delhi or the Government of NCT of Delhi (other than that covered under domestic category).
- c. Railways (other than traction), Hotels and Restaurants
- d. Cinemas

- e. Banks/Petrol pumps including CNG stations
- f. All other establishments, i.e., shops, chemists, tailors, washing, dyeing, drycleaner, beauty salon, florist, etc. which do not come under the Factories Act.
- g. Fisheries, piggeries, poultry farms, floriculture, horticulture, plant nursery
- h. Farm houses being used for commercial activity
- i. DMRC for its commercial activities other than traction.
- j. DIAL for commercial activities other than aviation activities.
- k. Ice-cream parlours
- l. Single Point Delivery for Commercial Complexes supply at 11 kV or above
- m. Pumping loads of DDA/MCD
- n. Supply to Delhi Metro Rail Corporation (DMRC) Ltd. for their on-going construction projects etc and for commercial purposes other than tractionAny other category of consumers not specified/covered in any other category in this Schedule.

3. INDUSTRIAL

Available to Industrial consumers & Hospitals (other than that covered in Domestic Category) including lighting, heating and cooling load.

4. AGRICULTURE

Available for load up to 20 kW for tube wells for irrigation, threshing, cultivation and kutti-cutting in conjunction with pumping load for irrigation purposes and lighting load for bonafide use in Kothra.

5. MUSHROOM CULTIVATION

Available for load upto 100 kW for mushroom growing/cultivation.

6. PUBLIC UTILITIES

- a. DELHI JAL BOARD: Available to DJB for pumping load & Water Treatment Plants.
- b. RAILWAY TRACTION: Available for Indian Railways for Traction load.
- c. DELHI METRO RAIL CORPORATION: Available to Delhi Metro Rail Corporation (DMRC) for traction load
- d. PUBLIC LIGHTING: Street lighting, Signals & Blinkers
 - All street lighting consumers including MCD, DDA, PWD, CPWD, Slums depts., DSIIDC, MES, GHS etc.
 - Traffic signals and blinkers of Traffic Police
 - Unmetered Public Lighting shall be charged Energy Charge Rate at 1.10 times of

applicable Tariff.

7. DELHI INTERNATIONAL AIRPORT LIMITED: Available to DIAL for Aviation activities.
8. ADVERTISEMENT & HOARDINGS: Electricity for lighting external advertisements, external hoardings and displays at departmental stores, malls, multiplexes, theatres, clubs, hotels, bus shelters, Railway/Metro Stations, airport which shall be separately metered and charged at the tariff applicable for "*Advertisements and Hoardings*" category, except such displays which are for the purpose of indicating/displaying the name and other details of the shop, commercial premises itself. Such use of electricity shall be covered under the prevailing tariff for such shops or commercial premises.
9. TEMPORARY SUPPLY
 - a. Available as temporary connection under the respective category
 - b. Domestic tariff without temporary surcharge shall be applicable for Religious functions of traditional and established characters like Ramlila, Dussehra, Diwali, Holi, Dandiya, Janmashtami, Nirankari Sant Samagam, Gurupurb, Durga Puja, Eid, Christmas celebrations, Easter, Pageants and cultural activities like NCC camps, scouts & guides camps etc.
10. CHARGING OF E-RICKSHAW/ E-VEHICLE
 - a. Charging Stations for E-Rickshaw/ E-Vehicle on Single Point Delivery: Available to charging stations as per the provisions of DERC (Supply Code and Performance Standards) Regulations, 2017.
 - b. Tariff applicable for charging of batteries of E-Rickshaw / E-Vehicle at premises other than at Charging Stations meant for the purpose shall be the same as applicable for the relevant category of connection at such premises from which the E-Rickshaw / E-Vehicle is being charged.

INTERPRETATION/CLARIFICATION

In case of doubt or anomaly, if any, in the applicability of tariff or in any other respect, the matter will be referred to the Commission and Commission's decision thereon shall be final and binding.

A6: DIRECTIVES

6.1 The Commission directs the Petitioner to make timely payment of bills to all the Generating Companies and Transmission Utilities. No Late Payment Surcharge shall be allowed as a pass through in the ARR on account of delayed payments.

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

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

6.3 The Commission directs the Pension Trust to intimate the total amount collected through Pension Trust surcharge on quarterly basis by 15th day of end of each quarter.

6.4 If the Petitioner purchases any expensive power to meet the demand during any time zone for which cheaper power has been regulated due to non-payment of dues, in such an eventuality, the cost of such expensive power purchases shall be restricted to the variable cost of regulated cheaper power to that extent at the time of true up.

6.5 In case the power is regulated by DTL/Interstate Transmission Licensee due to non-payment of their dues, in such case the transmission charges borne by the Petitioner shall also not be allowed.

6.6 The Commission vide its letter No. F.17(47)/Engg./DERC/2009-10/CF No. 2147/2956 dated 21.10.2009 has directed the Petitioner to ensure availability of power supply for meeting the demand. The Petitioner shall ensure that the electricity which could not be served due to any reason what-so-ever, shall not exceed 1% of the total energy supplied in units (kWh) in any particular month except in the case of force-majeure events which are beyond the control of the Petitioner as per the provisions of above referred letter dated 21.10.2009.

- 6.7 It is directed that the Petitioner shall not accept payment from its consumers at its own collection centres/mobile vans in cash towards electricity bill exceeding Rs 4,000/- except from blind consumers and for court settlement cases or any other cases specifically permitted by the Commission. The limit for accepting payment through cash by the consumers at designated scheduled commercial bank branches shall be Rs. 50,000/-. Violation of this directive shall attract penalty to the level of 10% of total Cash collection exceeding these limits.
- 6.8 The Commission directs the Petitioner to restrict the adjustment in units billed on account of delay in meter reading, raising of long duration provisional bills etc. to a maximum of 1% of total units billed.
- 6.9 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.
- 6.10 The Commission further directs the Petitioner:
- 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.
 - To maintain toll free number for registration of electricity grievances and to submit the quarterly report.
 - To conduct a safety audit and submit a compliance report within three months of the Tariff Order;
 - To carry out preventive maintenance as per schedule;
 - 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;
 - To submit the annual energy audit report in respect of their network at HT level and above.
 - To submit the Auditor's certificate in respect of Form 2.1(a) on quarterly basis within the next quarter;

- 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;
- i. To incorporate the following information in the annual audited financial statements:-
 - i. Category-wise Revenue billed and collected,
 - ii. Category-wise breakup of regulatory and pension trust surcharge billed and collected,
 - iii. Category-wise PPAC billed and collected,
 - iv. Category- wise Electricity Duty billed and collected,
 - v. Category-wise subsidy passed on to the consumers during the financial year, if any,
 - vi. Category-wise details of the surcharge billed on account of ToD,
 - vii. Category-wise details of the rebate given on account of ToD,
 - viii. Street light incentive and material charges for street light maintenance,
 - ix. Direct expenses of other business,
 - x. Revenue billed on account of Own Consumption,
 - xi. Revenue collected on account of enforcement/theft cases,
- j. To submit annual auditor certificate in respect of power purchase details of the previous year by 30th July of the next financial year. The power purchase invoices received upto April month of the next financial year but pertaining to the previous year only will be considered towards power purchase cost of the said financial year;
- k. To submit the reconciliation statement in respect of power purchase cost/Transmission cost on a quarterly basis with respective Generation/Transmission companies;
- l. To submit the status and validity of power purchase agreements on quarterly basis within 15 days of end of each quarter;

- 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, except trading through Power Exchange & IDT, at Rs.5/kWh. In case the cost of power proposed to be procured exceeds the above ceiling limit, this may be brought to the notice of the Commission within 24 hours detailing the reasons or exceptional circumstances under which this has been done. In the absence of proper justification towards short term power purchase at a rate higher than the above ceiling rate (of Rs.5/kWh), the Commission reserves the right to restrict allowance of impact of such purchase on total short term power purchase not exceeding 10 Paisa/kWh during the financial year.
- n. To raise the bills for their own consumption of all their installations including offices at zero tariff to the extent of the normative self consumption approved by the Commission and exceeding the normative limit of self consumption at Non-Domestic tariff for actual consumption recorded every month.
- o. To submit the quarterly progress reports for the capital expenditure schemes being implemented within 15 days of the end of each quarter.
- 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.
- q. To submit the status of installation of smart meters on quarterly basis within 15 days of end of each quarter.
- r. To submit the status of compliance of Renewal Purchase Obligation (RPO) on quarterly basis within 15 days of end of each quarter.

- 6.11 Save and except the penalty as specifically provided in these directives, in all other cases, the punishment for non-compliance of directions of the Commission shall be dealt as per the Section 142 of the Electricity Act, 2003.

ANNEXURE –I

**DELHI ELECTRICITY REGULATORY COMMISSION**

Viniyogak Bhawan, 'C' Block, Shivalik, Mayapuri Nagar, New Delhi-110017.

F.11(1642)/DERC/18-19/

Petition No. 08/2019

In the matter of: **Petition for Truing up upto FY 2017-18, Aggregate Revenue Requirement (ARR) and Tariff for FY 2019-20.**

BSES Yamuna Power Limited,
Through its: **CEO**
Shakti Kiran Building,
Karkardooma,
Delhi-110092.

...Petitioner/Licensee

Coram:

Hon'ble Mr. Justice S S Chauhan, Chairperson

Appearance:

1. Mr. Buddy A Ranganathan, Adv.

INTERIM ORDER

(Date of Hearing: 20.02.2019)

(Date of Order: 21.02.2019)

1. The Counsel for the Petitioner states that the instant Petition has been filed by M/s. BSES Yamuna Power Ltd. (BYPL) for Truing-up upto FY 2017-18, Aggregate Revenue Requirement (ARR) and Tariff for FY 2019-20.
2. The Petition has been scrutinised and found generally in order as per the DERC Comprehensive (Conduct of Business) Regulations, 2001.
3. The Petition is admitted. Further, the Petitioner shall furnish clarifications/additional information, if and when required by the Commission.


(Justice S S Chauhan)
Chairperson

Annexure - II

**LIST OF RESPONSES RECEIVED FROM STAKEHOLDERS ON THE APPROVAL OF TRUE UP OF PETITION
FOR TRUING UP OF EXPENSES UPTO FY 2017-18 AND ARR TARIFF PETITION FOR FY 2019-20**

| S. No. | R. No. | Name | Address | Date of Receipt |
|--------|---------------------|--|--|--|
| 1. | 1 | Sh. S.R. Abrol | L-2-97B, DDA, LIG Kalkaji, New Delhi 110 019 Nyayabhoomi2003@gmail.com | 18.03.2019 |
| 2. | 2 2A 2B | Sh. V.K. Malhotra General Secretary | DVB Engineers' Association D-3, Vikas Puri, New Delhi 110 018 | 29.03.2019 |
| 3. | 3 | Sh. Praveen Chawla | paveenkumarchawla@gmail.com | 29.03.2019 |
| 4. | 4 4A 4B 4C | Sh. B.S. Sachdev President | Elderly Peoples Forum B-2/13A, Keshav Puram, Delhi 110 035 | 28.03.2019 30.03.2019 10.06.2019 25.01.2019 |
| 5. | 5 | Sh. Ashok Gupta | Udyog Nagar Factory Owner's Association, Z-101, (Opp. H-18), Udhog Nagar, Rohtak Road, Delhi 110 041 | 28.03.2019 |
| 6. | 6 6A | Sh. Ashok Bhasin | North Delhi Residents Welfare Association, 1618, Main Chandrawal Road Delhi 110 007 Ashok.bhasin2015@gmail.com | 27.03.2019 10.07.2019 |
| 7. | 7 | Sh. S.B. Kuchhal | Legal Advisor, Kothi No. 1, Road No. 32 East Punjabi Bagh, New Delhi 110 026 | 29.03.2019 |
| 8. | 8 8A 8B 8C | Sh. Malay Saha General Manager | Delhi Metro Rail Corporation Ltd. Metro Bhawan, Fire Brigade Lane, Barakhamba Road, New Delhi 110 001 | 05.04.2019 |
| 9. | 9 9A 9B 9C | Sh. Mukesh Kumar Sharma | Delhi Transco Limited Shakti Sadan, Kotla Road, New Delhi 110 002 | 05.04.2019 |
| 10. | 10 | Sh. Sunil Gupta | Pension Fighters 11/12, Guru Ram Das Nagar, Main Market, Laxmi Nagar, Delhi 110 092 pensionfighters@gmail.com | 05.04.2019 |
| 11. | 11 | Sh. Rajan Gupta Former Member | Delhi Electricity Consultative Council, H. No. 355, Udyan, Nerala Delhi 110 040 | 05.04.2019 |
| 12. | 12 | Dr. Arun Kumar Chairman | Dignity Restoration & Grievance Settlement Association | 08.04.2019 |

| S. No. | R. No. | Name | Address | Date of Receipt |
|--------|--------------------------------|--|---|--------------------------|
| | | | B4/84/2, Safdarjung Enclave, New Delhi 110 029 director@dignityindia.org . | |
| 13. | 13 13A | Sh. H.M. Sharma | 146FF, Vinodbapuri, Lajpat Nagar-2, New Delhi 110 024 hemantahemanta@rediffmail.com | 06.05.2019 12.07.2019 |
| 14. | 14 | Er. Sarabjit Roy National Convenor | Sroy.mb@gmail.com | 06.04.2019 |
| 15. | 15 15A | Sh. Saurabh Gandhi Gen. Secretary | United Residents of Delhi – URD C-6/7, Rana Pratap Bagh, Delhi 110 007 urdrwas@gmail.com | 06.04.2019 11.07.2019 |
| 16. | 16 16A | Sh. Vipin Gupta | A-17, Antriksh Apartments New Town Co-Op. Group Housing Society Ltd. Sector 14-Extn. Rohini Delhi 110 085 Vipin.bfi@gmail.com | 08.04.2019 04.05.2019 |
| 17. | 17 | Sh. Kailash Jain | 198, Dr. Mukherjee Nagar, Delhi 110 009 kcicqd@gmail.com | 06.04.2019 |
| 18. | 18 | Ms. Neeta Gupta | Neetagupta.vg111@gmail.com | 06.04.2019 |
| 19. | 19 19A 19B 19C 19D | Sh. B.P. Agarwal Advocate, | Bpagarwal57@gmail.com | 05.04.2019 |
| 20. | 20 20A | Sh. Jagdish Khetarpal | jagdishpowerip@yahoo.co.in | 06.04.2019 11.07.2019 |
| 21. | 21 | Sh. A.K. Datta | 222, Pocket E, Mayur Vihar Phase II, Delhi 110 091 mmathur2001@yahoo.com | 05.04.2019 |
| 22. | 22 | Sh. Kuldeep Kumar General Secretary | Delhi State Electricity Workers Union, L-2, main Road, Brampuri, Delhi 110 094 | 04.04.2019 |
| 23. | 23 | Sh. B.S. Vohra President | East Delhi RWAs Joint Front, F-19/10, Krishna Nagar, Delhi 110 051 | 04.04.2019 |
| 24. | 24 | Sh. C.P. Awasthi Secretary | Federation of All Resident Welfare Association 81, Venus Apartment, Rohtak Road, Paschim Vihar, New Delhi 110 087 Awasthichandra1@gmail.com | 04.04.2019 |
| 25. | 25 | Sh. Vikas Gotwani | Vgotwani_0409@yahoo.co.in | 22.04.2019 |
| 26. | 26 | Sh. Bharat Kumar | Tata Power Delhi Distribution Ltd. | 26.04.2019 |

| S. No. | R. No. | Name | Address | Date of Receipt |
|--------|------------|--|---|-----------------|
| | 26A 26B | Bhadawat Head (Regulatory and Legal) | NDPL House, Hudson Lines Kingsway Camp, Delhi 110 009 | |
| 27. | 27 | Sh. S.B. Kuchhal | Kothi No. 1, Road No. 32, East Punjabi bagh, New Delhi 110 026 | 02.05.2019 |
| 28. | 28 | Sh. Suresh Kumar | C-116, Yadav Nagar, Samaypur Badli, Delhi | 06.05.2019 |
| 29. | 29 | Sh. Rakesh | B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034, | 06.05.2019 |
| 30. | 30 | Sh. Rajesh Kumar | B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034, | 06.05.2019 |
| 31. | 31 | Sh. Sushil Kumar Jain | B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034, | 06.05.2019 |
| 32. | 32 | Sh. Sunil Dutt | B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034 | 06.05.2019 |
| 33. | 33 | Sh. Bale Ram | B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034 | 06.05.2019 |
| 34. | 34 | Sh. Ardesb | B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034 | 06.05.2019 |
| 35. | 35 | Sh. Narendra Kumar | B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034 | 06.05.2019 |
| 36. | 36 | Sh. Uma Shankar Aggarwal | B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034 | 06.05.2019 |
| 37. | 37 | Sh. Pratap Singh | B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034 | 06.05.2019 |
| 38. | 38 | Sh. Santosh Kumar | B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034 | 06.05.2019 |
| 39. | 39 | Sh. Vikas | B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034 | 06.05.2019 |
| 40. | 40 | Sh. Ram Nivas | B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034 | 06.05.2019 |
| 41. | 41 | Sh. Mintu | B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034 | 06.05.2019 |
| 42. | 42 | Sh. Rajender | B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034 | 06.05.2019 |
| 43. | 43 | Sh. Surender Singh | H. No. 525, Main Narela Road, | 06.05.2019 |

| S. No. | R. No. | Name | Address | Date of Receipt |
|--------|------------------|--|--|--------------------------|
| | | | Near WaterTan, Aliput, Delhi | |
| 44. | 44 | Sh. Udham Singh | H. No. 521, Main Narela Road, Near WaterTan, Aliput, Delhi | 06.05.2019 |
| 45. | 45 | Sh. Rajesh Kumar | H. No. 442, Main Narela Road, Near WaterTan, Aliput, Delhi | 06.05.2019 |
| 46. | 46 | Sh. Naresh Sharma | E-17, Yadav Nagar, Samaypur Badli, Delhi 1100 42 | 06.05.2019 |
| 47. | 47 | Sh. Kuldip Singh | B-312, Saraswati Vihar, Pitam Pura, Delhi 110 034 | 06.05.2019 |
| 48. | 48 48A | Sh. Hari Ram Bhardwaj | DVB Pensioners Association Rajghat Power House, New Delhi - 110 002 | 10.05.2019 16.04.2019 |
| 49. | 49 49A 49B | SH. Ravi Shandiliya Sr. Manager | BSES Rajdhani Power Ltd. BSES Bhawan, Nehru Place, New Delhi 110 019 | 08.05.2019 |
| 50. | 50 | Sh. Shekhar Saklani Power Management | BSES Yamuna Power Ltd. Karkardooma, Delhi | 16.05.2019 |
| 51. | 51 | Sh. Ishwar Dutt | B-1280, Vijay park, Maujpur, New Delhi 110053 | 16.05.2019 |
| 52. | 52 | Sh. S.R. Narasimhan Treasurer | Ridge Castle Welfare Association Ridge Castle Apartments Dada bari Road, Ward 8, Mehrauli, New Delhi 110 030 | 07.06.2019 |
| 53. | 53 | Sh. Nikhil Kumar DD (Admn.) | Employees' State Insurance Corporation Hospital, Okhla | 12.06.2019 |
| 54. | 54. | Sh. Amit Kansal Dy. Manager (Comml.) IPGCL | Indraprastha Power Generation Company Limited Regd. Off: "Himadri", Rajghat Power House Complex, New Delhi 110002 | 18.06.2019 |
| 55. | 55. | Sh. Amit Kansal Dy. Manager (Comml.) IPGCL | Indraprastha Power Generation Company Limited Regd. Off: "Himadri", Rajghat Power House Complex, New Delhi 110002 | 20.06.2019 |
| 56. | 56. | Sh. S.P Gupta President | DVB Engineers (Pensioners) Forum, BN-142, (West) Shalimar Bagh, Delhi 110088 | 21.06.2019 |
| 57. | 57. 57A | Sh. Satish Joshi | Satish_i@hotmail.com | 28.06.2019 12.07.2019 |
| 58. | 58 | Sh. K.N. Vasudeva | 47A, DDA, MIG Flats Pocket-C, Phase-III, Ashok Vihar Delhi 110 052 | 27.06.2019 |
| 59. | 59 | Ms. Bhawna Luthra | Leadership for Environment and Development (LEAD) India M-8, 3 rd Floor, Greater Kailash Part 1, New Delhi 110 048 | 02.07.2019 |

| S. No. | R. No. | Name | Address | Date of Receipt |
|--------|-----------|--|--|--------------------------|
| 60. | 60 60A | Sh. Sanjay Gupta | C-4/15, Model Town, 3 Delhi 110 009 sanjayrsons@gmail.com | 03.07.2019 12.07.2019 |
| 61. | 61 | Sh. Suhail Khan President | Sofia Educational and Welfare Society, 663, Street No. 6, Old Mustafabad, Delhi 110 094 | 05.07.2019 |
| 62. | 62 | Sh. Prahlad Singh | H.No. 467, Bakhtawar Pur, Delhi 110 036 | 04.07.2019 |
| 63. | 63 | Sh. Brij Mohan Garg President | Federation of Wazirpur Vidhan Sabha Welfare Association BA-5A, Ashok Vihar, Phase -1, Delhi 110 052 | 08.07.2019 |
| 64. | 64 | Sh. Kulwant Singh President | Dilshad Colony Resident Welfare Association (Regd.) F-167, Ground Floor, Dilshad Colony, Delhi 110 095 | 08.07.2019 |
| 65. | 65 65A | Sh. S.M. Verma Director (Tech.) | Pragati Power Generation Co. Ltd., Regd. Off: "Himadri", Rajghat Power House Complex, New Delhi 110002 | 08.07.2019 08.07.2019 |
| 66. | 66 | Sh. Nanak Chand Jain President | Wazirpur Factories Association C-8-2, Wazirpur Industrial Area, Delhi 110 052 | 08.07.2019 |
| 67. | 67 | Sh. Balkishan Gupta | Sudhar Samiti Durga Puri, 1449/22, Gali No. 9, Durga Puri, Shahdra, Delhi 110 093 | 08.07.2019 |
| 68. | 68 | Sh. Umesh Anand President | Association of Entrepreneurs of DDA Sheds Okhla Phase I & II Mandi Complex, DDA Sheds, Okhla Industrial Area, Phase-I, New Delhi 110 020 | 08.07.2019 |
| 69. | 69 | Mr. Arvind Mehta President | 542, Double Storey, New Rajinder Nagar, New Delhi 110 060 | 10.07.2019 |
| 70. | 70 | Mr. Tanay Gupta Gen. Secretary | Delhi Petrol Dealers Association (Regd.), 3/8, Asaf Ali Road, New Delhi 110 002 | 02.05.2019 |
| 71. | 71 | Mr. Saurabh Kumar Managing Director | Energy Efficiency Services Limited, 4 th Floor, Sewa Bhawan, R.K. Puram, New Delhi 110 066 | 02.05.2019 |
| 72. | 72 | Mr. Pankaj Chhabra | 323, Dr. Mukherjee Nagar, Delhi 110 009 pankajchhabra323@gmail.com | 18.03.2019 |
| 73. | 73 | Mr. Satish Nambardar | H.No. 890, Panna Mojan, Bawana, New Delhi 110 039 | 21.05.2019 |
| 74. | 74 | Superintending | South Delhi Municipal Corporation, Room | 13.05.2019 |

| S. No. | R. No. | Name | Address | Date of Receipt |
|--------|--------------------------------|--|---|--|
| | | Engineer Electrical SDMC | No. 205, 02 nd Floor, E-Block, Dr. S.P. M. Civic Centre, Jawaharlal Nehru Marg, Minto Road, New Delhi 110 002 | |
| 75. | 75 | Mr. Padam Jain | Jain292@gmail.com | 23.05.2019 |
| 76. | 76 | Mr. S.K. Gupta | Sector, 23, Rohini Delhi 110 086 Sk Gupta876@gmail.com | 07.06.2019 |
| 77. | 77 | Mr. Kailash Jain | Dr. Mukherjee Nagar Niwasi Manch kciqcd@gmail.com | 03.06.2019 |
| 78. | 78 | Mr. Aman Singhal | Amansinghal220@gmail.com | 11.06.2019 |
| 79. | 79 | Mr. Piyush Garg | Piyushgarg814@gmail.com | 11.06.2019 |
| 80. | 80 | Mr. Rajesh Garg | Engineers Association Okhla, Y-35, Okhla Industrial Area, Phase-II, New Delhi 110 020 | 08.07.2019 |
| 81. | 81 | Mr. Sanjay Kumar | Sanjaykumarsisodiya1974@gmail.com | 09.07.2019 |
| 82. | 82 | Mr. Guvind Ram Luthra | A-114, Second Floor, Vivek Vihar-II, Delhi Manishluthra04@gmail.com | 09.07.2019 |
| 83. | 83 | Mr. Gurdip Singh President | Krishna Market Pahar Ganj, Residents & Shopkeepers Welfare Society (Regd.) 5147, Pahar Ganj, Krishna Market, New Delhi 110 055 | 09.07.2019 |
| 84. | 84 | Sh. Jaipal Singh Verma, President | School Block Residents Welfare Association, S-305, School Block, Shakarpur, Delhi 110 092 | 09.07.2019 |
| 85. | 85 | Mr. Parsu Ram Rawat Secretary | B-43, Gali No. 5 Brahmpuri, Delhi 110 053 Ryashpal1@gmail.com | 06.07.2019 |
| 86. | 86 | Mr. Ompal Singh Ahlawat Former President | E-186, Chattarpur Extension New Delhi 110 074 | 11.07.2019 |
| 87. | 87 | Mr. Amit Bhargwa | B-5-44 Azad Apartment Sri Aurobindo Marg, New Delhi 110 016 | 12.07.2019 |
| 88. | 88 88A 88B 88C 88D | Mr. Sanjeev Jain | B-94, Gali No. 10, Shashi Garden Patparganj, Delhi 110 091 | 12.07.2019 12.07.2019 11.07.2019 11.07.2019 11.07.2019 |
| 89. | 89 | Mr. T.P. Maniappan | Federation of Co-operative Group Housing Societies Dwarka Ltd. B-9, Vidyut CGHS Ltd., Plot No. 2, Sector-12 Dwarka | 12.07.2019 |

| S. No. | R. No. | Name | Address | Date of Receipt |
|--------|-----------------|--|---|--------------------------|
| | | | New Delhi 110 078 | |
| 90. | 90 | Lt. Col. Paramjit Singh | Paramjit_49@yahoo.com | 12.07.2019 |
| 91. | 91 | Mr. Jasvinder Singh Dhir Executive Member | D-2, Block, Janakpuri, New Delhi 110 058 | 12.07.2019 |
| 92. | 92 | Mr. K.K. Agnihotri Authorised Signatory | Anant Raj projects Limited H-65, Connaught Circus, New Delhi 110 001 | 12.07.2019 |
| 93. | 93 | Mr. Shilaish Kumar | Sksastro1938@gmail.com | 12.07.2019 |
| 94. | 94 | Mr. J.C. Gosain Chairman | 918, Dr. Mukherjee Nagar, Delhi 110 009 | 12.07.2019 |
| 95. | 95 | Dr. Ruby Makhiya Secretary | Navjeevan RWA Navjeevan Vihar, New Delhi 110 017 | 12.07.2019 |
| 96. | 96 | Sh. Krishan Kumar President | Resident Welfare Association Kakrola Housing Complex, Dwarka, New Delhi 110 078 | 12.07.2019 |
| 97. | 97 | Mahipal Singh Member | Rattan Vihar, Kiradi Delhi 110 086 | 11.07.2019 |
| 98. | 98 | Ms. Sarla Devi | W/o Late Nagresh Kumar A-145, G/F Lal Doora, Village, Delhi 110 091 | 11.07.2019 |
| 99. | 99 | Mr. Rakesh Bhardwaj | 145, Gaun Patparganj Delhi 110 091 | 11.07.2019 |
| 100. | 100 | Real Cause | Real Cause, 174, 1st Floor, Street No. 38, Zakir Nagar, Okhla New Delhi 110 025 | 11.07.2019 |
| 101. | 101 | Mr. Leju Valsan | IL&FS Environmental Infrastructure & Services Ltd. SDMC Compost Plant, Mathura Road, Okhla, New Delhi Leju.Valsan@ilfsindia.com | 12.07.2019 |
| 102. | 102 102 A | Mr. Sumeet Salhotra | Sumeet.Salhotra@ilfsindia.com | 10.07.2019 10.07.2019 |
| 103. | 103 | Mr. Bijender Singh | bs_kotla@yahoo.com | 12.07.2019 |
| 104. | 104 | Mr. Jatin Midha Gen. Secretary | Joint Forum of Residents 355, 2nd Floor, Double Storey New rajinder Nagar, New Delhi 110 060 | 12.07.2019 |

Annexure - III

STAKEHOLDERS WHO HAVE ATTENDED THE HEARING FOR THE PETITION FILED BY DISCOMS, GENCOS, AND TRANSCO ON THE APPROVAL PETITION FOR TRUING UP OF EXPENSES UPTO FY 2017-18 AND ANNUAL TARIFF PETITION FOR FY 2019-2020

| S. No. | Name | Address |
|--------|-------------------------|---------------------|
| 1 | SH. JAG MOHAN | DMRC |
| 2 | SH. YOGENDRA SATI | DMRC |
| 3 | SH. NITIN TYAGI | MLA, LAXMI NAGAR |
| 4 | SH. AVNEESH KUMAR TYAGI | LAXMI NAGAR |
| 5 | SH. SANDEEP MALHOTRA | IL&FS |
| 6 | SH. HEMANT PALIWAL | LAXMI NAGAR |
| 7 | SH. RITURAJ GOVIND | MLA, KIRARI |
| 8 | SH. DHARMENDRA KUMAR | RWA, KIRARI |
| 9 | MS. SARITA SINGH | MLA, ROHTASH NAGAR |
| 10 | SH. VIJAY KUMAR | NEW MODERN SHAHDARA |
| 11 | SH. MAHABIR SINGH | ROHTASH NAGAR |
| 12 | SH. GAUTAM KUMAR | PRATAP VIHAR |
| 13 | SH. JAVED | NAND NAGARI |
| 14 | SH. HARI CHAND | ROHTASH NAGAR |
| 15 | SH. SUNNY KUMAR | RAM NAGAR |
| 16 | SH. RAVINDRA KUMAR | KIRARI |
| 17 | SH. JASVEER | SULEMAN NAGAR |
| 18 | SH. PARVESH KUMAR | ASHOK NAGAR |
| 19 | SH. RAKESH KUMAR | PREM NAGAR |
| 20 | SH. ASHOK BHASIN | NDRWF |
| 21 | SH. B.L. VERMA | NDRWF |
| 22 | SH. DALIP KUMAR | KAROL BAGH |
| 23 | SH. PREET KUMAR | ROHTASH NAGAR |
| 24 | SH. MUREED RAJ | KIRARI |
| 25 | SH. GURDIP SINGH | RWA, PAHAR GANJ |
| 26 | SH. ASHOK KUMAR SHARMA | ROHTASH NAGAR |
| 27 | SH. LALITESH SHARMA | ROHTASH NAGAR |
| 28 | SH. CHANDRAKANT SHRIVAS | DMRC |
| 29 | SH. SUKHDEV RAJ ABROL | KALKAJI |
| 30 | SH. SHUBHAM KUMAR | DMRC |
| 31 | SH. RATAN KUMAR | DMRC |
| 32 | SH. DOKIPARTNI SIVAKAR | DMRC |
| 33 | SH. LEJUS VALSAN | IL&FS |
| 34 | SH. SAURABH BHARDWAJ | MLA, CHIRAG DELHI |
| 35 | SH. SANDEEP SINGH | KIRBI PLACE |
| 36 | SH. SURENDER SINGH | MLA, DELHI CANTT. |
| 37 | SH. PRADEEP | DELHI CANTT. |
| 38 | SH. SAWAN KUMAR | DELHI CANTT. |
| 39 | SH. ANKIT BHARDWAJ | MOTI BAGH |
| 40 | SH. SURENDER DHYAN | DELHI CANTT |
| 41 | SH. SANDEEP PAWAR | DELHI CANTT |
| 42 | SH. DEELIP KUMAR | DELHI CANTT |
| 43 | SH. AKHTAR KHAN | R K PURAM |
| 44 | SH. MD. TARIQ, | DELHI CANTT |

| S. No. | Name | Address |
|--------|-------------------------------|--|
| 45 | SH. SHIV RAM | TELIKHAND VILLAGE |
| 46 | SH. GURMEET | DELHI CANTT |
| 47 | SH. M K AGGARWAL | RWA, SHAHDARA |
| 48 | SH. LOK NATH ANAND | SHAKUR BAST, RANI BAGH |
| 49 | SH. V K TALWAR | RANI BAGH |
| 50 | SH. PRITAM SINGH | MADANPUR KHADAR |
| 51 | SH. JATIN | DELHI CANTT |
| 52 | SH. BAL KISHAN, | RWA, DURGA PURI |
| 53 | SH. RISHI PARKASH | ADARSH NAGAR |
| 54 | SH. PAWAN | DELHI CANTT |
| 55 | SH. VISHNU KUMAR RAWAT | MCD, SOAMI NAGAR |
| 56 | SH. BIJENDER SINGH | KISAN UNION |
| 57 | SH. PAWAN KUMAR SHARMA | MLA, ADARSH NAGAR |
| 58 | SH. VIPIN GUPTA | ADARSH NAGAR |
| 59 | SH. AJAY GUPTA | ADARSH NAGAR |
| 60 | SH. VIRENDER SINGH | SDMC |
| 61 | SH. DINESH KUMAR TANWAR | ADARSH NAGAR |
| 62 | SH. S. P. AHUJA | ASIAD VILLAGE |
| 63 | SH. ROHIT KUMAR | AZAD PUR |
| 64 | SH. SUBODH PANDEY | DMRC |
| 65 | SH. SANJEEV JHA | MLA, BURARI |
| 66 | SH. MUKESH KUMAR | BURARI |
| 67 | SH. AJAY KUMAR | NDMC |
| 68 | SH. RAKESH SHARMA | KADIPUR |
| 69 | MS.VANDANA KUMARI | MLA, SHALIMAR BAGH |
| 70 | SH. RATNAKAR PANDEY | BURARI |
| 71 | SH. SHARVAN KUMAR | BURARI |
| 72 | SH.SAJJAN KUMAR | BURARI |
| 73 | SH. NIRBHAY KUMAR SINGH | SANT NAGAR |
| 74 | SH. ROHIT KUMAR | JAHANGIR PURI |
| 75 | SH. MANIAPPAN THEKKUMAKALTILL | SECTOR -12,DWARKA |
| 76 | SH. SANJAY KUMAR MISHRA | SHALIMAR BAGH |
| 77 | SH. ANIL KUMAR KAUSHIK | BURARI |
| 78 | DR. KUNAL TANWAR | RWA, BASAI DHARAPUR |
| 79 | SH. PANKAJ JOSHI | SHALIMAR BAGH |
| 80 | SH. CHANDAR | SHALIMAR BAGH |
| 81 | SH. ARVIND KUMAR MEHTA | JOINT FORUM RESIDENTS, NEW RAJINDER NAGAR |
| 82 | SH. JATIN MIDHA | RAJENDER NAGAR |
| 83 | SH. JAGDISH KHETARPAL | JANAK PURI |
| 84 | SH. AKBAR KHAN | NIZAMUDDIN |
| 85 | MS. RAKHI BIRLA | MLA, MANGOL PURI |
| 86 | SH. BHUPINDER SINGH BIRLA | MANGOL PURI |
| 87 | SH. VIPIN KUMAR | JANGPURA |
| 88 | SH. PRAVEEN KUMAR | MLA, JUNG PURA |
| 89 | SH. ANIL KUMAR BAJPAYEE | MLA, GANDHI NAGAR |
| 90 | SH. GODLY SHARMA | ROHINI |
| 91 | SH. RAVINDER KUMAR GAUTAM | JUNG PURA |
| 92 | SH. MOINUDDIN | JUNG PURA |

| S. No. | Name | Address |
|--------|------------------------------|-----------------------|
| 93 | SH. DEVINDER KUMAR SEHARAWAT | MLA, BRIJWASAN |
| 94 | SH. RAVINDRA KUMAR GAUTAM | JUNGPURA |
| 95 | SH. HEMANT KUMAR | JUNGPURA |
| 96 | SH. GAURAV BHANOT | KRISHNA NAGAR |
| 97 | SH. RAJESH KUMAR MALYAN | RWA, WAZIRPUR VILLAGE |
| 98 | SH. RAJIV KAKRIA | GREATER KAILASH |
| 99 | SH. MOHD. IDRIS UMAIR | DJB |
| 100 | SH. B.S. VOHRA | EAST DELHI FEDERATION |
| 101 | SH. VIJENDER GUPTA | MLA, ROHINI |
| 102 | SH. SURESH KUMAR SHARMA | KALKAJI EXTN. |
| 103 | SH. RAJAN GUPTA | INDERLOK |
| 104 | SH. JAGJIT SINGH | RWA, HAUDSAN LANE |
| 105 | SH. DHARMENDER MOGIA | RWA, PITAMPURA |
| 106 | SH. PUNEET GUPTA | ANAND NAGAR |
| 107 | SH. HARSH ARYA | DMRC |
| 108 | SH. MANUJ SINGHAL | DMRC |
| 109 | MS. SAVITA | RWA, MEHRAULI |
| 110 | SH. VIJAY KUMAR MANN | DMRC |
| 111 | SH. HOSHIYAR SINGH | RWA, MEHRAULI |
| 112 | SH. OMPAL SINGH | RWA, CHATTARPUR |
| 113 | SH. MASTER RAJ SINGH | JAUNTI VILLAGE |
| 114 | SH. JAGDISH PRADHAN | MLA, MUSTAFA BAGH |
| 115 | SH. OM PARKASH SAHRMA | MLA, VISHWAS NAGAR |
| 116 | SH. RAVINDER | KANJHAWALA |
| 117 | SH. VINOD KUMAR | PALAM |
| 118 | SH. BITTOO KHURANA | PALAM |
| 119 | MS. BHAVANA GAUR | MLA, PALAM |
| 120 | SH. RAJBIR SINGH | PALAM |
| 121 | SH. SANJEEV KUMAR | PALAM |
| 122 | SH. RAJENDER KUMAR | PALAM |
| 123 | SH. SANDEEP CHAUDHARY | PALAM |
| 124 | SH. SANJAY SISODIA | VASUNDHARA ZONE |
| 125 | SH. SANJAY GUPTA | MODEL TOWN |
| 126 | SH. SANJEEV KUMAR GOEL | PRITAMPURA |
| 127 | SH. PRAVEEN RANA | BURARI |
| 128 | SH. RAJAN GUPTA | NARELA |
| 129 | SH. RAHUL KALRA | EAST OF KAILASH |
| 130 | SH. JARNAIL SINGH | MLA, TILAK NAGAR |
| 131 | SH. AJIT PAL SINGH | TILAK NAGAR |
| 132 | SH. SURINDER SINGH | TILAK NAGAR |
| 133 | SH. BHUPINDER SINGH | TILAK NAGAR |
| 134 | SH. B. S. VOHRA | RWA, EAST DELHI |
| 135 | SH. NEERAJ CHOPRA | RWA, MALVIYA NAGAR |
| 136 | SH. JAGDISH RAI BHATIA | RWA, MALVIYA NAGAR |
| 137 | SH. SURAJ KUMAR | MANGOL PURI |
| 138 | SH. KARAMVIR | MANGOL PURI |
| 139 | SH. SANTOSH KUMAR CHOUDHARY | MANGOL PURI |
| 140 | MS. PUSHPA | MANGOL PURI |
| 141 | SH. AJAY | MANGOL PURI |

| S. No. | Name | Address |
|--------|------------------------------|--------------------------------------|
| 142 | SH. JAIPAL SINGH VERMA | RWA, SHAKARPUR |
| 143 | SH. RAJ KUMAR | KRISHAN VIHAR |
| 144 | SH. MAHIPAL SINGH | RWA, KIRARI |
| 145 | SH. VIJENDER SINGH SHEKHAWAT | RWA, KRISHNA VIHAR |
| 146 | SH. BALBIR SINGH | INDIRA VIKAS COLONY |
| 147 | SH. KAILASH CHANDER JAIN | RWA, MUKHERJEE NAGAR |
| 148 | SH. JAGDISH CHANDER GOSAIN | RWA, MUKHERJEE NAGAR |
| 149 | SH. RAJESH GUPTA | MLA, WAZIRPUR |
| 150 | MS. BHAVISHYA | WAZIRPUR |
| 151 | SH. AAHAN | WAZIRPUR |
| 152 | SH. DOMNIC PETER | SANDHYA HYDRO POWER |
| 153 | SH. DEVENDER SINGH | SIDHARTH BASTI |
| 154 | SH. NARENDER PAL AGGARWAL | RWA, BAWANA |
| 155 | SH. CHIRANJI LAL | RWA, SHANTI NIKETAN PUBLIC SCHOOL |
| 156 | SH. SANJEEV JAIN | PATPAR GANJ |
| 157 | SH. RAKESH KUMAR BHARDWAJ | PATPAR GANJ |
| 158 | SH. VINAY PRAKASH SINGH | RWA, NARAYANA |
| 159 | SH. BUDHSEN SHARMA | NARAINA RING ROAD |
| 160 | SH. NEERAJ NIRWAL | DELHI CANTT |
| 161 | SH. SAURABH GANDHI | GENERAL SECRETARY, URD |
| 162 | SH. A. K. DUTTA | CHAIRMAN, URD |
| 163 | SH. BRIJESH MATHUR | COORDINATOR, RC |
| 164 | SH. HEMANTA SHARMA | LAJPAT NAGAR |
| 165 | SH. B.B. TIWARI | SECRETARY, URD |
| 166 | LT. COL. PARAMJIT SINGH | SHALIMAR BAGH |
| 167 | SH. JITENDRA KUMAR TYAGI, | PRESIDENT, URD |
| 168 | SH. DAYANAND MISRA | RWA, DWARKA |
| 169 | SH. RAM NARAYAN SINGH | SECTOR - 12, DWARKA |
| 170 | SH. ASHOK KUMAR TIWARI | SECTOR - 12, DWARKA |
| 171 | SH. SOMNATH BHARTI | MLA, MALVIYA NAGAR |
| 172 | SH. KRISHNA CHOPRA | MALVIYA NAGAR |
| 173 | SH. V.K. MALHOTRA, | SHEIKH SARAI |
| 174 | SH. SUDHIR SINGH | MALVIYA NAGAR |
| 175 | MS. RUBY MAKHIJA | RWA, NAVJIWAN VIHAR |
| 176 | SH. KRISHNA KUMAR | RWA, DWARKA |
| 177 | SH. PRABHAKAR SINGH | MODEL TOWN |
| 178 | SH. B.S. SACHDEV | ELDERLY PEOPLE FORUM, KESHAV PURAM |
| 179 | SH. BRIJ MOHAN DUTT | FEDERATION OF WAZIRPUR, VIDHAN SABHA |
| 180 | DR. JAI KISHAN | ELDERLY PEOPLE FORUM, KESHAV PURAM |
| 181 | SH. AMIT BHATI | ROHINI |
| 182 | SH. SUNIL YADAV | ROHINI |
| 183 | SH. KRISHAN | ROHINI |
| 184 | SH. RAM KHILADI | ROHINI |
| 185 | SH. MADAN LAL | MLA, KASTURBA NAGAR |
| 186 | SH. ANKIT BAISOYA | KOTLA MUBARAK PUR |
| 187 | SH. SANDEEP BAISOYA | KASTURBA NAGAR |

| S. No. | Name | Address |
|--------|-------------------------|-------------------------------|
| 188 | SH. SANJEEV BAISOYA | KOTLA |
| 189 | SH. MB. TABREZ ALAM | RWA, LODHI ROAD |
| 190 | SH. MB SHAMSHER ALAM | RWA, LODHI ROAD |
| 191 | SH. NANDU THAKUR | LODHI COLONY |
| 192 | SH. BANDHU YADAV | LODHI COLONY |
| 193 | SH. ANYUL HAQ | LODHI ROAD |
| 194 | SH. YASH PAL RAWAT | D- BLOCK, BRAMPURI |
| 195 | SH. SAGAR | RWA, LODHI ROAD |
| 196 | SH. SUBHASH CHAUDHARI | LAJPAT NAGAR |
| 197 | SH. PRADEEP | KOTLA |
| 198 | SH. B.L. SHARMA | GARHI |
| 199 | SH. RAJESH | LAJPAT NAGAR |
| 200 | SH. SURAJ KUMAR | |
| 201 | SH. PRINCE | LAJPAT NAGAR |
| 202 | SH. ANIL SHARMA | EX. MLA, R K PURAM |
| 203 | SH. AMAN KUMAR TOMAR | R K PURAM |
| 204 | SH. ARUN KUMAR | |
| 205 | SH. PRINCE | MAHARANI BAGH |
| 206 | SH. SHREY | JANGPURA |
| 207 | SH. KAILASH NATH | LODHI ROAD |
| 208 | SH. ARVIND KUMAR | LODHI ROAD |
| 209 | SH. VINOD KUMAR | LODHI ROAD |
| 210 | SH. RAJ KUMAR | LODHI ROAD |
| 211 | MS. KANCHAN GANDHI | BJP |
| 212 | SH. MAZHAN YAZEEN | DELHI MINORITIES COMMISSION |
| 213 | SH. AJAY SINGH | R. K. PURAM |
| 214 | SH. DEEPAK KUMAR KOHLI | |
| 215 | SH. RAMAN | |
| 216 | SH. MANISH KUMAR | R. K. PURAM |
| 217 | SH. DEVENDER KUMAR | |
| 218 | MS. SEEMA MALIK | NIGAM PARSHAD, KASTURBA NAGAR |
| 219 | SH. GURPAL SINGH | MAHINDER ENCLAVE |
| 220 | SH. MANMOHAN | SECTOR-7, ROHINI |
| 201 | SH. JAGDISH YADAV | SECTOR-7, ROHINI |
| 222 | SH. OM PARKASH MAMGAIN | |
| 223 | SH. RAJESH KUMAR GUPTA | |
| 224 | SH. RAKESH SHARMA | |
| 225 | SH. ASHWANI KUMAR | |
| 226 | SH. M. YAMIN KHAN | |
| 227 | SH. ASHUTOSH KUMAR | |
| 228 | MS. POONAM CHHETRAI | |
| 229 | SH. B. A. RANGANADHAN | ADVOCATE, SUPREME COURT |
| 230 | SH. TILAK BASU | ADVOCATE |
| 231 | SH. ISHAN ROY CHAUDHARY | ADVOCATE |
| 232 | SH. RAJESH BHATIA | |
| 233 | SH. ARUN KUMAR | |
| 234 | MS. PUSHPA UNIYAL | MAHILA MORCHA |
| 235 | MS. CHARANJIT KAUR | MAHILA MORCHA |
| 236 | SH. C.A. ASKHOK KUMAR | PANT MARG |

| S. No. | Name | Address |
|--------|-------------------------|----------------------|
| 237 | SH. PRASHANT SHARMA | SECTOR-7, ROHINI |
| 238 | SH. KAMAL KISHOR YADAV | ROHINI |
| 239 | SH. SAMIR RANJAN | MAYUR VIHAR, PHASE-1 |
| 240 | SH. TUSHAR MALHOTRA | |
| 241 | SH. KULJIT SINGH, | |
| 242 | SH. S. K. SHARMA | SECTOR-12, ROHINI |
| 243 | SH. HARISH KUMAR | |
| 244 | SH. AZHAR ALI | LAXMI NAGAR |
| 245 | SH. AMIT BHARGAWA | SRI AUROBINDO MARG |
| 246 | MS. SANGEETA TYAGI | BRAHAM PURI |
| 247 | SH. SANJAY SINGH TYAGI | BRAHAM PURI |
| 248 | SH. ASHISH VERMA | |
| 249 | SH. ARYAMAN JAIN | CHANAKYA PURI |
| 250 | SH. MUKESH KIRAR | JUNG PURA |
| 251 | SH. KANHIYA LAL | |
| 252 | SH. MUKESH KUMAR MANJHI | |
| 253 | SH. DANISH ANSARI | |
| 254 | SH. ANAND SINGH | R K PURAM |
| 255 | SH. PRADEEP RAI | R K PURAM |
| 256 | SH. SUNEEL | |
| 257 | SH. ANSAR | R K PURAM |
| 258 | SH. VISHAL KUMAR RAI | LODHI COLONY |