DELHI ELECTRICITY REGULATORY COMMISSION

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

F.11(1734)/DERC/2019-20/

Petition No. 02/2020

In the matter of: **Petition for determination of tariff for FY 2020-21 and Truing up of Aggregate Revenue Requirement for FY 2018-19.**

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

Coram:
Hon'ble Sh. Justice S S Chauhan, Chairperson
Hon'ble Sh. A.K. Singhal, Member
Hon'ble Dr. A. K.Ambasht, Member

ORDER

(Date of Order: 28.08.2020)

M/s. BSES Yamuna Power Limited (BYPL) has filed the instant Petition for determination of tariff for FY 2020-21 and Truing up of Aggregate Revenue Requirement for FY 2018-19. The Petition was admitted by the Commission *vide* Order dated 20.02.2020. 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.

Considering the submissions made by the Petitioner as well as the comments and suggestions of the stakeholder, the Commission in exercise of power vested in it by the Electricity Act, 2003 and Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017, hereby passes this Tariff Order signed, dated and issued on 28.08.2020.

The Petitioner shall take immediate steps to implement this Tariff Order, so as to make the revised tariffs applicable from 01.09.2020.

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

(A.K. Ambasht) Member	(A.K. Singhal) Member	(Justice S S Chauhan) Chairperson

CONTENTS

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
COVID	Corona Virus Disease
CSGS	Central Sector Generating Stations
CWIP	Capital Work in Progress
DA	Dearness Allowance
DDA	Delhi Development Authority
DERA	Delhi Electricity Reform Act
DERC	Delhi Electricity Regulatory Commission
DIAL	Delhi International Airport Limited
DISCOMs	Distribution Companies (BRPL, BYPL, TPDDL & NDMC)

Abbreviation	Explanation
DMRC	Delhi Metro Rail Corporation
DPCL	Delhi Power Company Limited
DTL	Delhi Transco Limited
DVB	Delhi Vidyut Board
DVC	Damodar Valley Corporation
EHV	Extra High Voltage
EPS	Electric Power Survey
FBT	Fringe Benefit Tax
FPA	Fuel Price Adjustment
GFA	Gross Fixed Assets
GIS	Geographical Information System
GoNCTD	Government of National Capital Territory of Delhi
GTPS	Gas Turbine Power Station
HEP	Hydro Electric Power
HPSEB	Himachal Pradesh State Electricity Board
HRA	House Rent Allowance
HT	High Tension
HVDS	High Voltage Distribution System
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

Abbreviation	Explanation
NEP	National Electricity Policy
NGO	Non Government Organisation
NHPC	National Hydroelectric Power Corporation
NPCIL	Nuclear Power Corporation of India Limited
NRPC	Northern Regional Power Committee
NTI	Non-Tariff Income
NTP	National Tariff Policy
O&M	Operations and Maintenance
OCFA	Original Cost of Fixed Assets
PGCIL	Power Grid Corporation of India
PLF	Plant Load Factor
PLR	Prime Lending Rate
PPA	Power Purchase Agreement / Power Purchase Adjustment
PPCL	Pragati Power Corporation Limited
PTC	Power Trading Corporation
PWD	Public Works Department
R&M	Repair and Maintenance
RAPS	Rajasthan Atomic Power Station
REA	Regional Energy Account
RoCE	Return on Capital Employed
ROE	Return on Equity
RRB	Regulated Rate Base
RTI	Right to Information
RWA	Resident Welfare Associations
SBI	State Bank of India
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	Unit of Measurement
WACC	Weighted Average Cost of Capital
WC	Working Capital

Abbreviation	Explanation
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 Aggregate Revenue Requirement (ARR) for FY 2018-19 for Distribution Business in terms of Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 (hereinafter referred to as 'Tariff Regulations, 2017') and Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2017 (hereinafter referred to as 'Business Plan Regulations, 2017'); and approval of ARR & Tariff for FY 2020-21 in terms of Tariff Regulations, 2017 and Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2019 (hereinafter referred to as 'Business Plan Regulations, 2019').

BSES YAMUNA POWER LIMITED (BYPL)

1.2 BSES Yamuna Power Limited (BYPL) is a company incorporated under 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 formulation of Tariff Regulations and Tariff determination.

THE COORDINATION FORUM MEETING

1.5 Govt. of NCT of Delhi vide notification No. F.11/36/2005/Power/1789 dated 16/06/2005 constituted the Coordination Forum, comprising of Chairperson and Members of DERC, CMD of DTL, Managing Director of IPGCL/PPCL, CEOs of NDPL (now TPDDL), BYPL and BRPL with Secretary, DERC as the Member Secretary. Since the Committee constituted did not include NDMC and MES, who also distribute power in Delhi, the Commission had decided to invite them for all the meetings.

1.6 The 29th Co-ordination Forum Meeting was held on 04/03/2020 in the office of the Commission. Apart from the Chairperson, Members and other senior officers from the Commission, the 29th Co-ordination Forum Meeting witnessed participation from CEOs of BRPL and BYPL, representatives of DTL, SLDC, IPGCL, PPCL, TPDDL, NDMC.

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

Table 1.1: Issues Discussed in 29th Co-ordination Forum Meeting

Sr. No.	Issues Discussed
a.	Confirmation of minutes dated 09/03/2015 and amendment dated 07/04/2015, action taken on decisions.
b.	Summer Preparedness
c.	Presentation by DTL on Islanding scheme in Delhi
d.	Proposal for disposal of DTs inherited from DVB which are beyond repair.
e.	Review Progress of replacement of oil filled transformers by dry type transformers
f.	Compliance of information to the consumers for scheduled power outages and un-scheduled power outages.
g.	Channels and manpower for registration of complaints related to outages during summer period.
h.	Status of implementation of Smart Meters
i.	Status of maintenance of toll free number for registration of electricity grievance.
j.	Surrender/ Re-allocation of Long Term Power, considering Demand-Supply scenario till FY 2024-25.
k.	Status of RPO Compliance and initiatives thereafter to meet the trajectory as stipulated in DERC (Business Plan Regulations), 2019.
l.	DSM initiatives and Actual Savings thereafter.

MULTI YEAR TARIFF REGULATIONS

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

FILING OF PETITION FOR TRUE-UP OF FY 2018-19 AND ARR FOR FY 2020-21

FILING AND ACCEPTANCE OF PETITION

1.9 BYPL has filed its Petitions for the approval of Truing up of Expenses upto FY 2018-19 and ARR for FY 2020-21, before the Commission on 04/12/2019 and 13/01/2020 respectively.

1.10 The Commission admitted the Petitions vide its Order dated 20/02/2020 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 20/02/2020 is enclosed as Annexure I to this Order.

1.11 Further, in view of the changed circumstances due to COVID-19, the Commission deemed it appropriate to give an opportunity to utilities to submit revised Tariff Petitions/ additional information w.r.t. ARR for FY 2020-21, by 30/05/2020.

1.12 On request of utilities to extend the time period for submission of revised Tariff Petitions for FY 2020-21, the final date for submission was extended upto 05/06/2020.

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

1.14 The Executive Summary of Tariff Petitions, Executive Summary of Additional Information have also been uploaded on Commission's website at www.derc.gov.in.

INTERACTION WITH THE PETITIONER AND PUBLIC HEARING

1.15 The Order has referred at numerous places about various actions taken by the "Commission". It may be mentioned for the sake of clarity, that the term "Commission" in most of the cases refers to the officers of the Commission 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 Petitioner and submitting all issues for consideration by the Commission.

1.16 The Commission relies upon the analysis conducted by the Tariff Division comprising of Executive Director (Tariff), Joint Director (Tariff-Engineering), Joint Director (Tariff-Finance), Deputy Director (Tariff-Engineering), Deputy Director (Tariff Accounts-Financial Analysis) and Deputy Director (Tariff-Economics) for preparation of the Orders.

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

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

1.19 The Commission scheduled a Public Hearing on Tariff Petitions for True Up of FY 2018-19 and ARR for FY 2020-21 on 18/03/2020 to take a final view with respect to various issues concerning the principles and guidelines for tariff determination.

1.20 However, due to outbreak of Corona Virus Disease declared as a pandemic by WHO (GoNCTD's Notification No.F.51/DGHS/PH-IV/COVID19/2020/prsecyhfw/2393-2407 dated 13/03/2020), the Public Hearing scheduled on 18/03/2020 was cancelled and last date of submission of comments/suggestions on Tariff Petitions for True up of FY 2018-19 and ARR for FY 2020- 21 which was earlier kept till 20/03/2020 was thus extended till the next date of Public Hearing. The Public Notices, in this regard, were issued by the Commission.

1.21 In relation to COVID-19, as per Order no. 40-3/2020-DM-I(A) dated 30/05/2020 issued by Ministry of Home Affairs, Government of India, large gatherings/ congregations have continued to remain prohibited. Giving due consideration to arisen scenario due to outbreak of Corona Virus Disease which refrains from holding Public Gatherings, the Commission finally decided not to conduct Public Hearing this year, for issuance of Tariff Order related to True up of FY 2018-19 and ARR of FY 2020-21 and communicated the same through public notice including on Commission's website. Alternatively, all stakeholders have been given additional time-period till 30/06/2020 for submitting comments/suggestions on tariff petitions/ additional information filed by the utilities.

1.22 A soft copy of the petition was also made available in CD form on payment of Rs. 25/- per CD or a copy of the petition was also made available for purchase from the respective Petitioner's head-office on working day till 30/06/2020 between 11 A.M. and 4 P.M. on payment of Rs.100/- either by cash or by demand draft/pay order.

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

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

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

1.26 The Commission has therefore considered the inputs/comments received from various stakeholders alongwith the due diligence conducted by the officers of the Commission and C&AG empanelled Auditorsin arriving at its final decision.

PUBLIC NOTICE

1.27 The Commission has issued Public Notice in the following newspapers (on dates mentioned alongside), indicating the venue, date and time of Public Hearing scheduled on 18/03/2020 and inviting comments from stakeholders on the Tariff Petition filed by the Petitioner latest by 20/03/2020:

(a)	Hindustan Times (English)	:	04/03/2020
(b)	The Hindu (English)	:	04/03/2020
(c)	The Times of India (English)	:	04/03/2020
(d)	Mail Today (English)	:	04/03/2020
(e)	Navbharat Times(Hindi)	:	04/03/2020
(f)	Punjab Kesri (Hindi)	:	04/03/2020
(g)	Dainik Jagran (Hindi)	:	04/03/2020
(h)	Jadid-In-Dinon (Urdu)	:	04/03/2020
(i)	Jan Ekta (Punjabi)	:	04/03/2020

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

1.28 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 20/03/2020 in the following newspapers on the respective dates mentioned alongside:

(a)	Hindustan Times (English)	:	05/03/2020
(b)	Mint (English)	:	05/03/2020
(c)	Hindustan (Hindi)	:	06/03/2020
(d)	Punjabi Tribune (Punjabi)	:	06/03/2020
(e)	Inquilab (Urdu)	:	05/03/2020

1.29 As stated in preceding paras that due to outbreak of Corona Virus Disease declared as a pandemic by WHO (GoNCTD's Notification No.F.51/DGHS/PH-IV/COVID19/2020/prsecyhfw/2393-2407 dated 13/03/2020), the Public Hearing which was scheduled on 18/03/2020 was cancelled. The Commission issued a Public Notice in this regard in the following newspapers:

(a)	Hindustan Times (English)	:	14/03/2020
(b)	The Hindu (English)	:	14/03/2020
(c)	Times of India (English)	:	14/03/2020
(d)	Mail Today (English)	:	14/03/2020
(e)	Navbharat Times (Hindi)	:	14/03/2020
(f)	Dainik Jagran (Hindi)	:	14/03/2020

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

1.30 Further, in view of the circumstances arisen due to outbreak of COVID-19 which refrains from holding Public Gatherings, the Commission decided not to conduct Public Hearing, for issuance of Tariff Order related to True up of FY 2018-19 and ARR of FY 2020-21, and all stakeholders have been given additional time-period till 30.06.2020 for submitting comments/suggestions on tariff petition/ additional information filed by the Petitioner. In this regard, the Commission issued Public Notice in the following newspapers inviting comments from stakeholders on the Revised Tariff Petitions and additional information filed by the Petitioner latest by 30/06/2020:

(a)	Hindustan Times (English)	:	13/06/2020
(b)	The Hindu (English)	:	13/06/2020
(c)	The Times of India (English)	:	13/06/2020
(d)	Mail Today (English)	:	13/06/2020
(e)	Navbharat Times(Hindi)	:	13/06/2020
(f)	Punjab Kesri (Hindi)	:	13/06/2020
(g)	Dainik Jagran (Hindi)	:	13/06/2020
(h)	Jadid-In-Dinon (Urdu)	:	13/06/2020
(i)	Jan Ekta (Punjabi)	:	13/06/2020

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

LAYOUT OF THE ORDER

1.32 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 brief of the comments of various stakeholders, the Petitioner's response and views of the Commission thereon.
c) Chapter A3 provides details/analysis of the True up of FY 2018-19 and impact of past period true up based on judgement of Hon'ble APTEL, if any, Review Order of the Commission, if any, and its directives on the matter.
d) Chapter A4 provides analysis of the petition for determination of the Aggregate Revenue Requirement for FY 2020-21.

e) Chapter A5 provides details of the determination of Wheeling and Retail Supply Tariff for all consumer categories for FY 2020-21, and the approach adopted by the Commission in its determination.

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

1.33 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 2018-19 and approval of Aggregate Revenue Requirement & Tariff for FY 2020-21.

PERFORMANCE REVIEW

1.34 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;

1.35 The Commission has sought inputs on overall Standards of Performance for FY 2018-19 as prescribed in Schedule-II of the DERC (Supply Code and Performance Standards) Regulations, 2017. The details submitted by BYPL for FY 2018-19 are as follows:

Table 1.2:Standards of Performance for FY 2018-19

Sr. No	Service Area	Overall Standards of Performance	Total Cases Received (A)	Complaints Within Time	Complaints Beyond Time	Standard of Performance achieved (C)
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	532052	528446	2466	99.30%

Sr. No	Service Area	Overall Standards of Performance	Total Cases Received (A)	Complaints Within Time	Complaints Beyond Time	Standard of Performance achieved (C)
(ii)	Continuous power failure affecting more than 100 consumer connected at Low voltage supply excluding the failure where distribution transformer requires replacement.		9209	8954	252	97.2%
(iii)	Continuous power supply failure requiring replacement of distribution transformer.		97	95	2	97.9%
(iv)	Continuous power failure affecting consumers connected through High Voltage Distribution System (HVDS) and not covered under (i) & (ii) above		645	627	18	97.2%
(v)	Continuous scheduled power outages	At least 95 % of cases resolved within Time Limit	5590	5585	3	99.9%
(vi)	Replacement of burnt meter		17248	17241	0	100%
	Period of Scheduled Outage					
2	Maximum duration in a single stretch	At least 95% of cases resolved within time limit	4565	4563	0	99.96%
	Restoration of supply by 6:00 PM		4565	4546	19	99.58%
3	Faults in street light maintained by the License	At least 90% cases should be complied within prescribed time limits	77477	76870	607	99.22%
	Reliability Indices					
4	SAIFI					

Sr. No	Service Area	Overall Standards of Performance	Total Cases Received (A)	Complaints Within Time	Complaints Beyond Time	Standard of Performance achieved (C)
	SAIDI					
	CAIDI					
5	Percentage Billing Mistakes	Shall not exceed 0.2%	1120			0.003%

APPROACH OF THE ORDER

APPROACH FOR TRUE UP OF FY 2018-19

1.36 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, FY2018-19 and FY 2019-20, unless reviewed earlier."

1.37 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 Ist February, 2017 and shall remain in force till amended or repealed by the Commission. "

1.38 Accordingly, ARR for FY 2018-19 has been trued up as per Tariff Regulations, 2017 and Business Plan Regulations, 2017.

APPROACH FOR ARR AND TARIFF FOR FY 2020-21

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

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

A2: RESPONSE FROM THE STAKEHOLDERS

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

INTRODUCTION

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

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

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

ISSUE 1: PUBLIC HEARING AND OBJECTION FILING PROCESS

STAKEHOLDERS' VIEW

2.5 Publish MYT Business Regulations and Tariff Petition for FY 2020-21 in newspapers as per the Electricity Act, 2003.

2.6 Public hearing for Mushroom Cultivation Tariff Category.

2.7 The time period for submission of the comments may be extended.

2.8 Public notice must reflect separately all charges and utilization separately.

2.9 Public Notice dated 06/03/2020 in the case of BYPL and TPDDL, must be treated as null and void as the same is not traceable.

PETITIONER'S SUBMISSION

TPDDL

2.10 The Commission may comment on MYT Business Regulations as it may deemed fit. Tata Power-DDL has published the Public Notice on True-Up FY 2018-19 and ARR FY 2020-21 in various newspapers in the 1st week of March 2020 viz. Indian Express (English)-03/03/2020; Hindustan Times (English)-03/03/2020; Hindustan (Hindi)-04/03/2020; Sahafat (Urdu)-05/03/2020; Quami Patrika (Punjabi)-06/03/2020.

2.11 All requisite details and the information thereon have been provided in the petition.

BYPL

2.12 The Commission is uploading on its website of the stakeholder's comment regarding the procurement of the tariff petition.

The complete petitions and executive summaries for comments has been published along with the public notices stating that the public hearing could not be held due to the COVID-19 pandemic.

finalize the Tariff Orders in line with DERC (Terms and conditions for determination of Tariff) Regulations, 2017 and DERC (Business Plan) Regulations, 2017 and DERC (Business Plan) Regulations, 2019 notwithstanding the fact that is the prerogative of the Commission.

BRPL

2.13 BYPL and TPDDL are two different Distribution Licensees of Delhi and Public Notices have been issued as per directions of the Commission.

NDMC

2.14 On fresh date of the public hearing which was earlier scheduled on 18/03/2020 has been resolved as the public hearing which was postponed has subsequently been cancelled. The stakeholders have been asked to submit their comments and objections by letters and e-mails. Due to global pandemic of COVID-19, as it is not advisable to hold a public gathering which may cause prejudice to the health and life of the citizens.

COMMISSION'S VIEW

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

2.16 The Commission vide its Public Notice dated 04/03/2020 scheduled a Public Hearing on Tariff Petitions for True-Up of Expenses for FY 2018-19 and Aggregate Revenue Requirement (ARR) for FY 2020-21 on 18/03/2020 to take a final view on issues concerning the principles and guidelines for tariff determination.

2.17 However, due to outbreak of Corona Virus Disease declared as a pandemic by WHO (GoNCTD's Notification No.F.51/DGHS/PH-IV/COVID19/2020/prsecyhfw/2393-2407 dated 13/03/2020), the Public Hearing scheduled on 18/03/2020 was cancelled. The last date of submission of comments/suggestions on Tariff Petitions for True-up of FY 2018-19 and ARR for FY 2020- 21 which was earlier kept till 20/03/2020, was thus extended till the next date of Public Hearing. The Public Notices, in this regard, were issued by the Commission.

2.18 As per Order No. 40-3/2020-DM-I(A) dated 30/05/2020 issued by Ministry of Home Affairs, Government of India, large gatherings/ congregations was prohibited. Accordingly, Commission decided to refrain from conducting the Public Hearing this year, for issuance of Tariff Order related to True-up of FY 2018-19 and ARR of FY 2020-21 and communicated the same through public notice including on Commission's website. Alternatively, the stakeholders were given additional time-period till 30/06/2020 for submitting comments/suggestions on tariff petitions/ additional information filed by the utilities.

2.19 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 2020-21, like Power Purchase Cost, O&M cost, CAPEX, financing cost, the gap in True-up of FY 2018-19 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, as and when required by the Commission. The Tariff Order is issued after prudence check of the Petitions submitted by the DISCOMs and after considering each element of cost projected in the petitions with due analysis and ensuring proper justification.

2.20 The Commission considering prevalent grim situation due to outbreak of COVID-19 has already exercised its powers to address the hardships being faced by Delhi electricity consumers and accordingly, in its Suo-Motu Order dated 07/04/2020, the Commission allowed a moratorium on the payment of Fixed Charges for next three billing cycles beginning from March 24, 2020 to the consumers covered under Public Utilities, Industrial and Non-Domestic Tariff Categories, which stipulates as under:

"10(e). A moratorium on the payment of Fixed Charges for next three billing cycles beginning from March 24, 2020 is provided to the consumers covered under Public utilities, Industrial and Non Domestic Tariff Categories. The fixed charges accumulated over the said period shall be spread over the next three billing cycles after June 30, 2020 without any LPSC. Further, the consumers of these categories, who desire so, may pay Fixed Charges for the bills raised during the period starting from March 24, 2020 till June 30, 2020."

2.21 The Commission has not increased the tariff for FY 2020-21. Further, considering the hard ships faced by non-domestic and industrial consumers in lock down due to COVID-19, the Commission has reduced the fixed charges for the months of April, 2020 and May, 2020 for these consumers. Also, the Commission has waived off Time of Day Tariff Surcharge for September for all eligible consumers.

ISSUE 2: BUSINESS PLAN& SOP REGULATION

STAKEHOLDERS' VIEW

2.22 DERC Supply Code Regulations should ensure parity between consumers and DISCOMS, and should be transparent.

2.23 Collection efficiency should be 100%;

2.24 Any collection above 100% billing should be treated as Non Tariff Income, and added to the revenue;

2.25 The scheme for rebate of 0.20% of Annual bill per extra electricity bill over six bills in an annum may please be reintroduced for domestic consumers. The DISCOM collects almost 90% electricity bills from Consumer, fifteen(15) days in advance, and total bill is cleared ten (10) days in advance prior to payment of monthly Power purchase cost to Generators to avail 2% rebate;

2.26 The DISCOM shall open Letter of Credit or make payment through NEFT/RTGS for dues payable to Generators within 3 days of receipt of the Generator bill to avail 2% rebate. In case of failure in making the payment the loss of rebate should be to DISCOM's account.

2.27 All Generators including State Generating Stations (SGS) must be paid Power purchase bill within 3 days of the generation bill, as prescribed to avail 2% discount either through Letter of Credits or through NEFT/RTGS etc.;

2.28 Revision of sanctioned load / contract demand shall be based on maximum demand readings.

2.29 At least 100 helpline Connection shall be made available and for the Consumers to make call within 3 seconds of disruption.

2.30 Late Payment Surcharge (LPSC) is being charged at a very high rate.

2.31 Return on Equity (ROE) may be reduced to 10% per annum because of low return/ interest level now prevailing in the market to ensure the per unit rate of Power cheaper and to keep it as low as possible;

2.32 Legal expenses to be allowed in ARR only for such cases, where DISCOM wins against the consumers in the court of law.

PETITIONER'S SUBMISSION

TPDDL

2.33 All Regulations made by the Commission are subject to the condition of previous publications which mandates that before making Regulations, publishing a draft of the Regulations and considering any objection or suggestion which may be received from any person concerning the draft before the date specified in the notice, published with the draft Regulations, after which the draft Regulations will be taken into consideration.

BYPL

2.34 Petitioner would like to submit that Commission has adopted a complete transparent methodology while finalizing the Supply Code Regulations by circulating draft regulations and issued a public notice seeking comments from all the stakeholders. Hence, there is no point alleging that the supply code of Commission is anti-consumer or one-sided in nature.

2.35 The Commission had uploaded the draft of DERC (Business Plan) Regulations, 2019 on its website and had invited comments from stakeholders through Public Notices published in leading newspapers, which was also uploaded on the Commission's website. After considering the comments of all stakeholders, the Commission notified DERC (Business Plan) Regulations, 2019 on 27/12/2019.

Further, on 29/01/2020, the Commission had issued an Explanatory Memorandum explaining the rationale and objective behind finalization of DERC (Business Plan) Regulations, 2019.

BRPL

2.36 Stakeholder has purportedly observed that the present provisions of the Supply Code Regulations, 2017 are one-sided and is in favour of the licensees. This observation may not be correct as before framing any Regulations, as per the practice followed by the Commission, comments from stakeholders were duly invited before the said Regulation was finalized. The Commission had also published a Statement of Reasons which inter-alia highlighted the reasons for accepting or rejecting comments received from various stakeholders. Nevertheless, the stakeholders comments are directed towards the Commission and seek amendment of the provisions of the DERC Supply Code and Performance Standards Regulations 2017 alleging the same being in favour of the licensees. The Commission accords due consideration to stakeholders comments. It may also be noted that the Supply Core Regulations safeguards the interest of the consumers by enforcing strict and time-bound standards of performance with provision for imposing penalties on the licensees in case of failure to meet such standards.

NDMC

2.37 Any Amendment in Supply Code regulation or Framing of regulations is the prerogative of the Commission.

COMMISSION'S VIEW

2.38 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 DERC (Business Plan) Regulations, 2017 was uploaded on DERC website and stakeholders' comments were invited via public notice 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. Further, Commission had uploaded the draft of DERC (Business Plan) Regulations, 2019 on its website and had invited comments from stakeholders through Public Notices published in leading newspapers, which was also uploaded on the Commission's website. After considering the comments of all stakeholders, the Commission notified DERC (Business Plan) Regulations, 2019 on 27/12/2019.

2.39 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 preexisting 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".*

2.40 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.

2.41 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.

ISSUE 3: RENEWABLE PURCHASE OBLIGATION

STAKEHOLDERS' VIEW

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

2.43 Inefficient and costly power plants must be closed and some relief from RPO targets should be given to DISCOMs.

2.44 To promote renewable energy, Net-metering should be promoted instead of purchasing RECs and purchase renewable power from generating stations outside Delhi.

2.45 The percentage of RPO obligation needs to be set only as per the availability of solar power. The current year's RPO obligation should be deferred to the future years when sufficient renewable power is available.

2.46 Tata Power-DDL (TPDDL) has purchased RECs of Rs.134/- Crore for meeting the RPO obligations. This cost should not be passed on to the consumers in the form of ARR.

2.47 DISCOMs have incorrectly computed the quantum of RPO for FY 2020-21 which conflicts with principles of Electricity Act, 2003 and Tariff Policy, 2016. RPO quantum is to be calculated on the consumption of electricity (including transmission and distribution losses) and not on the sale of electricity, as is being done by DISCOMs.

2.48 CERC has extended the validity of RECs till 31/10/2020. The commission is requested to allow DISCOMs to procure RECs for any shortfall in meeting RPO compliance till FY 2020-21 as there is enough liquidity in the Exchange for RECs.

2.49 Solar power purchase agreements with DMRC are not in place yet..

PETITIONER'S SUBMISSION

TPDDL

2.50 RECs procurement has been mandated as per DERC Regulations to promote renewable energy. Commission has mandated the Renewable Power Purchase Obligation on

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

2.51 Long term PPAs are to be honoured without any breach of contractual agreements. The GENCOs have been established for giving power on a long term basis, and hence form an integral part of the power supply value chain. Moreover, the availability of power from other short term sources is not guaranteed, and overdependence on short term resources can lead to low power availability with and supply disruptions. Wherever possible, it is endeavoured to get PPAs reallocated to other states through the Ministry of Power, Govt. of India. Gas Plants with PPAs expiring shortly, and without any gas tie-ups may be transferred to the other gas plants. The Commission has mandated the Renewable Power Purchase Obligation for DISCOMs, and they are bound to fulfil the same through either procurement of Renewable Energy or purchase of RECs. However, the RPO targets of DISCOMs may be reduced considering that Renewable energy of Open access consumers also flows in DISCOM periphery, which results in renewable energy (over and above RPO targets) flowing in the licensee area.

2.52 Physical renewable power is the preferred option to meet RPO targets, and Net metering also helps to reduce the purchase of RECs for compliance of RPO. The net metering guidelines are prevalent in Delhi and are monitored under the Performance Assurance Guidelines of Commission. Tata Power-DDL has already installed approx. 900 net meters in its area of operations which are helping reduce the purchase of RECs to an extent.

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

2.54 The commission may like to decide on percentage of RPO compliance.

2.55 The commission may also like to decide on RPO deferment.

2.56 Our focus is on buying Renewable power and only in case of unavailability, REC's are bought as the last option to meet the targets for Renewable Purchase Obligation.

2.57 The commission may like to decide on lower the RPO obligation.

2.58 DERC (Business Plan) Regulations, 2017, section 27 (1) specifies that RPO is to be computed on the total sale of power. The same clause is mentioned in DERC (Business Plan) Regulations 2019 as well.

2.59 Commission has already allowed meeting RPO through physical renewable power/ REC.

BYPL

2.60 The petitioner has signed various PPA's for fulfillments of Solar and Non-Solar obligations in the coming future with Solar Energy Corporation of India (SECI) and Waste to Energy Plants of Delhi. The power from the majority of the plants under these PPA's is expected to be supplied from FY 2021-22 onwards. The Petitioner is also facilitating the growth of Net Metering Connections in its area. Power from these long term PPA's and Net Metering sources would suffice the most of the requirement of Renewable Power and a practical alternative to RECs. Further, given the recent outbreak of COVID-19, the SECI projects have been delayed, and are expected to commence from FY 2021-22. Accordingly, petitioner has now requested Commission to defer/ waive the RPO targets for FY 20-21 due to force majeure condition of COVID-19. All possible options/solutions to avail renewable power and meet the RPO targets are being explored. However, our capability for purchase of RPO has been constrained since BYPL has been facing adverse financial conditions, primarily on account of a non-cost reflective Tariff and absence of adequate recovery of accumulated Regulatory Asset and recent force majeure condition of COVID-19 pandemic, Therefore, BYPL has requested for waiver/carry forward of RPO targets in its True-up Petition for FY 18-19 and ARR of FY 20-21.

2.61 Our focus is on buying Renewable power and only when it is not available, do we buy REC as the last option to meet the targets for Renewable Purchase Obligation.

2.62 We agree with the comment that renewable purchase obligation should be fulfilled with the renewable power, not the REC's, but we would like to submit that The Petitioner in its Petition for True-up of FY 18-19 has explained the efforts undertaken for fulfilling RPO targets for FY 18-19, which includes facilitation for Net Metering connection in its area and signing various Power Purchase Agreements for procuring Renewable power. However, due to precarious financial condition of the Petitioner, primarily on account of a non-cost reflective Tariff and absence of adequate recovery of accumulated Regulatory Asset and because the availability of long term Renewable power from PPA's is expected to commence in future years, we have requested Commission to carry forward RPO target for FY 18-19.

2.63 The stakeholder has highlighted that the RPO target for FY 2020-21 should be calculated based on consumption rather than the sale of electricity within the DISCOM. The stakeholder also mentioned that excluding Hydro purchase from the sale is not a correct methodology for calculation of RPO target for DISCOMs. We respectfully submit that Regulation 124 of Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 provides as under:

"Provided also that the Commission Will specify the targets for Solar and Non-Solar RPO in the Business Plan Regulations for a specific Control Period:

2.64 Further Regulation 27 of Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2019 provides RPO Target from FY 20-21 to FY 22-23 as under:

"27. TARGET FOR RENEWABLE PURCHASE OBLIGATION

(1) The targets for Renewable Purchase Obligation (RPO) in terms of Regulation 124 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 of a Distribution Licensee from FY 2020-21 to FY 2022-23, shall be computed as a percentage of the total sale of power, to its retail consumers in its area of supply, excluding procurement of hydropower. "

The Petitioner has calculated the RPO target for FY 20-21 as per the above methodology provided by the Commission.

2.65 The Petitioner in its Petition for True-up of FY 18-19 has explained the efforts undertaken for fulfilling RPO targets for FY 18-19, which includes facilitation for Net Metering connection in its area and signing Various Power Purchase Agreements for procuring Renewable power.

However, due to precarious financial condition of the Petitioner, primarily on account of a non- cost-reflective Tariff and absence of adequate recovery of accumulated

Regulatory Asset and because the availability of long term Renewable power from PPA's is expected to commence in future years, we have requested Commission to carry forward RPO target for FY 18-19.

2.66 We appreciate the concern of the stakeholder regarding the burden on the consumer due to the purchase of REC. The petitioner, due to precarious financial condition, primarily on account of a non-cost reflective Tariff and absence of adequate recovery of accumulated Regulatory Asset and also, as the availability of long term Renewable power from PPA’s is expected to commence in future years, has requested Commission to carry forward RPO target for FY 18-19 to future years.

2.67 BYPL appreciates the stakeholders suggestion to consider RPO compliance mandatory for Open Access consumers in the interest of consumers of Delhi and requests the Commission to consider the same as it is the prerogative of the Commission. As it is evident that the collections and the cash flow of the Petitioner have been adversely affected due to COVID-19 impact, BYPL could not buy RECs to comply with the RPO Targets. Hence, BYPL agrees with the stakeholder’s suggestion concerning REC purchase cost not to be considered for FY 2020-21 due to COVID-19 impact. Hence, the Commission is also requested to kindly defer the RPO Targets for FY 2019-20 & FY 2020-21 to be set off by any additional purchase of green power through RE Sources/RECs beyond the targets set for FY 2021-22 onwards and relax the norms of RPO for period FY 19-20 onwards till FY 2021-22.

2.68 It seems that the stakeholder is referring to the ARR petition filed by the Petitioner in February 2020. Under the directions of the Commission, the Petitioner has filed its revised ARR (impact of COVID-19) wherein the Petitioner has not considered the REC purchase cost for FY 2020-21 considering the adverse situation on account of COVID -19 pandemic and riots in the Petitioner area of supply. The detailed submissions in this regard are provided in Para 2.10 (Page 87 to 92) of the revised ARR Petition.

2.69 We appreciate the concern of the stakeholder regarding the burden on the consumer due to purchase of REC, the petitioner, due to precarious financial condition, primarily on account of a non-cost reflective Tariff and absence of adequate recovery of accumulated Regulatory Asset and because the availability of long term Renewable power from PPAs is expected to commence in future years, has requested Commission to carry forward RPO target for FY 18-19 in future years.

BRPL

2.70 The renewable resources are limited in Delhi so the DISCOMs are bound to buy RECs (Renewable Energy Certificates) to fulfil RPO obligations. However, we expect that the Commission will give due consideration to the stakeholders comments while determining the tariffs. Furthermore, we would like to submit that the determination of electricity tariff to be charged from a certain category of a consumer is the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003.

2.71 The stakeholder has requested for non-inclusion of certificates charges in the ARR Petition. In this regard, we would like to submit that the as per Section-86 (1) (e) of EA 2003, Every State Commission fixes minimum Renewable Purchase Obligation (RPO) percentage which is effectively the quantum to be purchased mandatorily from RE Sources out of the total power purchase quantum. Therefore, in case any DISCOM is unable to meet the RPO Target due to any reason, the DISCOM has the option to purchase RE Certificates to fulfil the same. The cost of these RECs is thus allowed in the ARR of DISCOM. However, BRPL has not purchased any RECs during FY 2018-19 and hence, the comments of the stakeholder pertain to the other licensee, i.e. TPDDL, and therefore we are not in a position to respond to the same.

Further, it is submitted that the 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.

2.72 The Petitioner in its Petition for Truing-up of FY 2018-19 at Para-3A.80 to 3A. 84, along with the reasons for non-achievement of RPO target during FY 2018-19, has also highlighted the various steps taken towards the fulfilment of RPO Targets. The Petitioner has also highlighted the various PPAs signed and upcoming RE generation already tied up for future years. The Petitioner has also requested the Commission to carry forward the shortfall in achievement of RPO Targets during FY 2018-19 to next control period or waive off the same given supply constraints. The Petitioner requests the Commission to kindly consider the request and allow the same.

2.73 The Petitioner has signed various PPA's for fulfilments of Solar and Non-Solar obligations with the supply to be commence in near future. The details are shown hereunder:

Table 2. 1: Details of upcoming Firm Renewable sources

Sr.No.	Party	Particular/ Description	Allocation (MW)	Date of Signing of PPA	Validity/Expected COD
1	SECI	Solar- SECI ACME	400	06-Aug-18	SCOD- Oct'20
		Solar-SECI	350	17-Jun-19	SCOD – Dec'20
		Wind -SECI Alfanar	150	28-Mar-18	SCOD – Nov'19
		Wind- SECI SITEC	100	20-Dec-18	SCOD – Jul'20
		Wind -SECI Srijan	50	17-Jun-19	SCOD – Jan'21
2	PTC	Wind PTC - Inox	50	21-Jul-17	SCOD of Oct'18.
3	SDMC	Tehkhand-Okhla	10	20.11.2018	future plant- Mar'21
Total			**1110**		

The above-mentioned PPAs shall start operationalizing from FY 2020-21 onwards and shall be meeting RPO targets in future.

2.74 BRPL has computed the Renewable Purchase Obligation of FY 2020-21 as per Regulation-27 of DERC Business Plan Regulations, 2019 specifies the target for Renewable Purchase Obligation from FY 2020-21 to FY 2022-23 as below:

"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 2020-21 to FY 2022-23, shall be computed as a percentage of the total sale of power, to its retail consumers in its area of supply, excluding procurement of hydropower.

The target for RPO shall be met through the purchase of power from various Renewable Energy sources or purchase of Renewable Energy Certificates ('REC') or combination of both, and shall be as follows:

…"

2.75 Adjustment of RPO shortfall: As far as the renewable energy certificates are concerned, the same is stated to be valid instruments for the discharge of renewable purchase obligations as stated in regulation 5 of the said 2012 RPO Regulations. Even if the DISCOMs purchase renewable energy certificate, the fact would remain that the consumers of Delhi will be bearing this financial burden, without receiving any physical energy, will not in any manner be benefited from any reduction in the greenhouse gas emission in the atmosphere of Delhi.

Alternatively, BRPL has also entered into 1100 MW of Power Purchase Agreement (PPA) with SECI/PTC to meet its Renewable Purchase Obligation at a landed cost of less than Rs. 3 per Unit.

NDMC

2.76 NDMC endeavours to meet the RPOs targets as set by DERC. Further, many new initiatives are in the pipeline to procure green power from renewable sources on a sustainable basis. The same will lead to the replacement of coal-based power with such green power in near future.

2.77 Net metering is being provided as per the prevailing Regulations of DERC.

COMMISSION'S VIEW

2.78 The Electricity Act, 2003 entrusts on the appropriate Commission the responsibility for the 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 the carbon footprint.

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

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

2.79 The Commission in pursuance of the same has mandated the renewable purchase obligation to be met through the purchase of energy from renewable energy sources/or purchase of renewable energy certificates to ensure that RPOs are met in the most optimum manner.

2.80 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, the obligated entity is required to fulfil a defined minimum percentage of the total quantum/consumption from eligible renewable energy sources.

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

2.82 The Commission has promoted Net Metering in Delhi through framework of Net Metering Regulations in 2014 and had also issued guidelines related to Virtual Net Metering and Group Net Metering. Approximately 170 MW of Solar Roof Top through Net metering arrangement has been installed in Delhi. As per Section 86 (1) (e) of the Act, for promotion of electricity from renewable energy sources a percentage of total consumption of electricity has to be considered which translates to sales and not factoring transmission and distribution losses as submitted by stakeholders. The Commission observed that Delhi distribution licensees have submitted that they are unable to meet 100% of their RPO targets as mandated in the Regulations on account of various reasons like non-availability of RECs at exchanges, delay in scheduled COD of RE Plants etc. The distribution licensees should endeavour to meet RPO targets as stipulated in the Regulations and hedge the risk due to delay in COD of RE Plants.

ISSUE 4: POWER PURCHASE COST

STAKEHOLDERS' VIEW

2.83 DISCOMs keep on purchasing costly power from inefficient plants. The effort should be made by the DISCOMs and Commission to reduce the Power Purchase cost.

2.84 In Pragati (Bawana) and Aravalli Jhajhar plants fuel supply is not available in a full Quantum. Hence, GENCOs should reduce their bills and Commission should audit them for adequate fuel supply arrangements.

2.85 East Delhi has low-end Domestic consumers, accordingly, if the Commission decreases the power purchase cost, DISCOMs will be able to invest more in upgrading network, improving customer services etc.

2.86 DISCOMs can renegotiate PPA with NTPC and amend the terms.

2.87 DISCOMs can substitute the power from five NTPC plants that have completed 25 years with power from Teesta-III with a lower tariff of Rs.4.25/kWh. This would save power purchase cost of Rs. 480 Cr and reduce RPO quantum.

2.88 A large portion of Dadri TPS Stage-I can be substituted with cheaper hydropower.

2.89 Restoring cheaper power to TPDDL.

2.90 Short term purchases 1064 MU was made for Rs. 453.4 Cr. at an average price of Rs. 4.27/unit. Short term sale Power sale of 2489 MU was made for Rs. 453.4 cr. at an average price of Rs. 3.76/ unit. It is not understood how huge amount of Power was sold at such a cheap rate and short term Power was purchased at a much higher rate.

2.91 The stakeholder has submitted that the generation capacity excluding BTPS is 2250 MW against a demand of 7016 MW, due to which there is excessive power import resulting in disturbance in system reliability.

2.92 The costly Power of Anta gas @ Rs. 33.63/unit, Auraiya gas @ Rs. 48.68/unit and Dadri gas @ Rs. 10.16/unit may not be purchased to reduce cost of Power purchase. Aravali Power corporation, Jhajjar supplies power @ Rs. 13.09/unit to Delhi Discoms. Aravali Thermal Power Station should be dismantled because coal is being brought from Andhra Pradesh at very high prices.

2.93 Any purchase and sale of power is done in the most economical manner as per the principles outlined by the Commission from time to time.

PETITIONER'S SUBMISSION

TPDDL

2.94 Long-term PPA's are to be honoured without breach of agreements. The GENCO's has been established for giving power on a long-term basis and hence Form an integral part of the power supply value chain. Moreover, the availability of power from other short-term sources is not guaranteed and over-dependence on short term resources can lead to low power availability issues with supply disruptions. Wherever possible, it is endeavoured to get the PPA's reallocated to other states through Ministry of power, Govt. of India. The commission may like to decide on the same.

"The existing power purchase agreement for power supply from the plant to Delhi Distribution Company will be expiring by March 2021. Since GTPS plant has several features like Reliable Supply to VVIP areas, work as Starting station for Grid revival in case of Blackouts or total grid failure, capable to operate in Synchronous Condenser Mode with minimum retrofit, ..."

BRPL vide their letter dated 22.06.2020 has responded to GT proposal of R&M of GT after the expiry of useful life.

2.95 The commission cannot decrease power purchase cost for plants regulated by the Hon'ble CERC. Further, DISCOMs are allowed schemes based on their criticality and necessity after due prudence by Commission. Power Purchase Costs do not govern the decision for investment in such schemes. Thus if a particular area requires new scheme, up-gradation the same must be pointed out to Commission with data of breakdowns, poor supply, load shedding etc.

2.96 PPAs are non-negotiable and governed by Regulations. Some of the plants are highly reliable and low in tariffs. Hence we are continuing with the same.

2.97 Tata Power-DDL has 10 MW allocation from Dadri Stage 1. Based on Regulations, power will be substituted/ continued.

2.98 Stakeholders have rightly raised the issue of reallocation of cheap power amongst Delhi DISCOMs. Tata Power-DDL agrees with the suggestion and agrees that cheaper power should be allocated back so that Power Purchase Cost on the consumer reduces. This will benefit the consumers of Tata Power-DDL area, as well as improve critical financial position of Tata Power-DDL, which is further deteriorating due to present Covid-19 situation.

BYPL

2.99 Power purchase cost is the major component of the ARR comprising more than 70% of the total cost, any reduction in power purchase cost would results in reduction in tariff to the end consumer. BYPL appreciates the concern of the stakeholders regarding the higher cost of existing and newly developed power stations, unavailability of the quantum of the cheaper fuel supply of Bawana and Aravali Jhajjar plants and allocation of cheaper power to the petitioner due to its predominant domestic consumer profile having low paying capacity. In view of the above, and overall interest of the consumer, the Petitioner has taken various steps for closing down /exit of PPAs from various high cost and inefficient power stations. Further, the Petitioner has also approached various forums at both central and state level including submission of its comments on the Petitions filed by various Central /State Generating and Transmission utilities for consideration of the Regulatory Commissions.

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

2.101 We appreciate the concern raised by the consumer, but we would like to inform you that, all the Long Term Power procurement is done after the approval of the Commission. At the time of privatization, all Power Purchase Agreements ("PPA") entered into by Delhi Vidyut Board ("DVB") were handed over to Delhi Transco Limited ("DTL"). DTL was to enter into power procurement arrangements for the state of Delhi for a period of 5 years, ending on 31st March 2007. As DTL was a transmission licensee and could not be in the business of trading in power, a special dispensation was taken for DTL for doing so from the Government of India, to enable it to continue in this role till 31st March 2007. Hence, any PPA entered into prior to 31st March 2007 are PPAs entered into either by the erstwhile DVB or DTL, who had the obligation to do so. The PPAs for Dadri Thermal Generating Station (NTPC) (Coal based) and Pragati Power station (Gas based) etc., were entered into by DTL initially and came to BRPL as mentioned above. These PPAs were assigned to BRPL in terms of the Commission Order dated March 31, 2007. Hence, BRPL had no choice in entering into the PPA and had to take on the PPA pursuant to the order/ directions of the Commission. Thus, BRPL is bound by the PPAs signed by DTL and entrusted to it in FY07-08 by DERC. Nowadays, BRPL enters into Long Term Power Arrangement from Renewable Energy sources at highly competitive rates (i.e. Landed Tariff at less than Rs. 3 per unit). This not only reduces Power Purchase cost for consumers of Delhi but also help in meeting RPO targets and achieving Greening the Grid objectives.

2.102 The Commission allows the Power Purchase cost from Anta, Auraiya and Dadri Gas based stations to the Petitioner in order to meet its demand following the principle of Merit Order. However, the Commission may rationalize and adjust the power purchase cost by reassigning the allocation of power in terms of the Tariff Regulations 2017. Further, the Petitioner has also filed a petition before Hon'ble CERC and the Commission for the surrender of PPAs from some of the costly power plants.

2.103 The Petitioner has taken various steps for closing down higher-cost power stations such as BTPS, Rajghat etc. It is further submitted that the Petitioner has also approached various forums such as CERC, DERC for the reduction in Power Purchase Cost. The DISCOM's are bound with the Long Term Power Purchase agreements (PPA) which are inherent from erstwhile DVB/ Delhi Transco Limited which was transferred to DISCOMs on 31st March 2007. The petitioner has already raised this concern for exiting the PPAs of costly plants to various forums like Central Electricity Regulatory Commission, Appellate Tribunal for Electricity, MOP etc. The Stakeholder has also submitted that due to prevailing Covid-19 situation, no Fixed charges be paid to State Generation companies. In this regard, we would like to submit that the Petitioner through its various communications to Commission, GoNCTD and MoP has requested for Moratorium period for Genco bill payments, Fixed Charge waiver etc.

BRPL

2.104 The Distribution Licensees procure most of the power from generating companies owned and/ or fully controlled by the Central Government and State Government by virtue of long term power purchase agreements which have been inherited from DTL (initially signed by M/s DTL) and assigned by the Commission as per its orders dated 31-03-2007. The power purchase cost accounts for about 80% of Annual Revenue Requirement of the Distribution Licensees and includes the cost paid for procurement of power, transmission charges, UI charges, SLDC/RLDC charges.

2.105 The aforesaid observations of the stakeholder pertain to State Generating Stations. The Commission is empowered to look into the issues pertaining to Generating Stations.

2.106 The aforesaid observations of the stakeholder pertain to State Generating Stations. The Commission is empowered to look into the issues pertaining to Generating Stations.

2.107 In this regard, it is submitted that BRPL's share in the generation capacity allocated to

Delhi has been indicated as 3073 MW at Table-4.6 of the additional submission available on the website of the Commission. Further, the demand referred in the aforesaid observation is the combined demand for all Delhi DISCOMs and not only BRPL. It is further submitted that almost 90% of the power is purchased from generating companies owned and/ or fully controlled by the Central Government and State Government. The PPAs with these Generating Stations were initially signed by M/s DTL or erstwhile DVB and thus have been inherited by the Petitioner.

NDMC

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

COMMISSION'S VIEW

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

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

2.111 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.

2.112 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 the 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.

2.113 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 the 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.

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

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

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

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

ISSUE 5: AT&C LOSSES

STAKEHOLDER'S VIEW

2.116 CISF, Police Force etc. may be provided to DISCOMs for reduction of theft of electricity and DISCOM's assets.

2.117 Distribution loss of 7.90% for FY 2020-21 is too high.

2.118 The AT&C loss Target for 2011-12 was 18% as per MYT Extension Regulation May 2011 and Petitioner admitted such loss reduction on 11th Commercial Sub-Committee meeting held on 18.10.2011 by CEO BYPL. Consequently, the Target for 2012-13, 2013-14 and 2014-15 was as per MYT Regulation 2011 and MYT Extension Regulation May 2015 to a total of 13.2%. The position stated by the Petitioner in the figure is wrong. MYT target has to be achieved and the consequence of not achieving the target is to the account of Petitioner and non-performance cannot be an excuse.

2.119 Any collection over 100% is again misleading. How can the DISCOM collect more than they billed. In the case of old dues, the same should be treated as non – Tariff income. There is no question of giving any incentive towards the collection of old dues

PETITIONER'S SUBMISSION

TPDDL

2.120 The Distribution loss targets are fixed by the Commission for the entire MYT period and are determined based on the base year performance of the DISCOMs. Once the targets are approved by the Commission, the same are not revisited until the end of the MYT period.

2.121 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, the cost of such Police Support/CISF should also be allowed in the ARR.

BYPL

2.122 The figures at Page 49 (Para 2A.1.3) of the Petition pertains to the actual AT&C loss trued up by the Commission for the respective years. With respect to the AT&C loss target for FY 11-12, the Hon'ble APTEL in its judgment dated 28/11/2014 has directed the Commission to re-fix the loss targets in terms of its letter dated 08/03/2011 which the Petitioner in its petition has sought for.

2.123 BYPL has always focused on the 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 less than 10% for FY 2018-19. Despite this, there are still some areas with high losses with volatile law and order situation. BYPL has in place, an internal mechanism to deter theft/pilferage in the sensitive areas. The concerned team conducts inspection on site at the suspected premises, records entire proceedings and finally prepares an inspection report as per the provisions specified under the Regulations/directions by DERC. Reducing electricity theft has always been one of the most aggressively pursued agendas of BYPL. Apart from all this, BYPL organizes Nukkad Nataks and issue awareness bulletins to spread awareness among the consumers in its licensed area. 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 into account while determining the ARR and benefits all the consumers.

2.124 As regards the stakeholder's comment on Collection efficiency target to be fixed at 100%, it is submitted that the Collection Efficiency for a particular financial year does not simply represent the revenue billed during the year and revenue collected for the same period as collection happens on a rolling basis across the financial years which includes the impact of the time lag between billing and collection. For example, billing done in March of a Financial Year would be collected in April i.e. in the next Financial Year. Hence, the collection in April of the following financial year is not responsive to the billing done either in the previous financial year or the current financial year. This goes on a rolling basis, year after year. This fact has also been recognized and accepted by the Commission in the Tariff Order dated 31.07.2017 wherein the Commission has stated as under:

> *"There can be over-lapping in the revenue billed and revenue collected. The Distribution Licensees may not be collecting 100% amount of the revenue billed in the respective year. In one particular year, there may be a case that the collection efficiency is 98%, and in another year the collection efficiency can be 101% due to underachievement of collection efficiency in the previous year. Therefore, the underachievement of 2% in a particular year may get reflected in the additional collection in the subsequent year(s). However, the Commission has fixed the target of collection efficiency in Tariff Regulations, 2017 at 99.5%, and any underachievement below 99.5% is to the account of Distribution Licensee in the respective year. "*

Accordingly, the Commission in the Business Plan Regulations, 2019 has specified the collection efficiency target of 99.50% for FY 2020-21. However, considering the impact of lockdown due to out-break of COVID-19, the Petitioner has projected the Collection Efficiency of 92.38% for FY 2020-21.

BRPL

2.125 Electricity 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. However, Petitioner's enforcement team often have 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.

2.126 The Loss target in terms of Regulation 4(9)(a) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution licensees. The Distribution loss target for each distribution licensee for the next control period is tabulated below:

Table 2. 2: Distribution Loss Target

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

NDMC

2.127 The issue Did not pertain to NDMC.

COMMISSION'S VIEW

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

2.129 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.

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

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

2.132 The Commission is of the view that the DISCOMs should step up their enforcement activities to further 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/pilferage of electricity by strengthening their enforcement activities without harassing honest consumers.

ISSUE 6: DISTRIBUTION INFRASTRUCTURE

STAKEHOLDERS' VIEW

2.133 Network Augmentation for safety issues like Hanging of Poles, tangles of electric wires.

2.134 More than 500 street lights are waiting for energization, and residents have paid Rs.

30000/- to Rs. 1,00,000/- and wait for months as there is no network.

2.135 Govt. should make land available to Tata Power-DDL on lease for installation of transformers and network expansion.

2.136 The Commission is requested to direct MCD to check unauthorized construction as these give rise to increased demand which cannot be easily catered due to lack of space for putting up the electrical infrastructure for supplying electricity.

PETITIONER'S SUBMISSION

TPDDL

2.137 To energise any connection or Street light points, there is a requirement of proper electrical infrastructure. Further, there are timelines for every service and Tata Power-DDL adheres to the guideline/timelines given by the Commission. It is pertinent to mention here that there is an issue of availability of Grid/Substation space as well as a right of way, resulting in a delay in execution of works for electrical infrastructure and is beyond our control.

2.138 Consistent efforts have been made to improve and upgrade the network infrastructure due to increased peak demand and consumer growth, however, the issue of space constraint hinders the expansion of network/transformer capacity. Especially in unauthorized areas as well as owing to vertical growth even in regularized colonies, requisite space is not demarcated / available for the electrical infrastructure.

2.139 Land may be granted on Right to Use basis by the Department of Power (DoP) under the guidance of Commission to the DISCOMs for construction and expansion of power network. However, the Commission may like to decide on the same as it may deem fit.

BYPL

2.140 BYPL's continuous endeavor is to provide quality and reliable supply to its consumers. However, in order to upgrade the distribution infrastructure to carry out necessary network augmentation and ensure system reliability, adequate O&M and capital expenditure is required, which is to be allowed in the ARR of the DISCOM. The huge un-recovered Regulatory asset is severely impacting the financials of the DISCOMs. DISCOMs have so far sustained operations by funding the Regulatory Assets through heavy bank borrowings. Further, this has constrained DISCOMs from making full payment to its suppliers, and to replace old assets &old networks. The Commission allows interest cost such that DISCOMs are able to raise funds to carry out necessary network augmentation & consumers continue to get uninterrupted and quality power supply in future. The Commission determines the ARR for the DISCOMs as per the provisions of the Applicable Regulations.

2.141 BYPL's constant effort is to maintain the quality service, strengthening and modernizing the distribution network. To provide uninterrupted power supply, further network additions and augmentation are required for network assets replacement such as transformers, cables, poles etc. However, due to the space constraint issue in particular areas, it becomes difficult to install or augment network in those areas. The aforementioned issues are already directed towards the Commission. We appreciate your suggestion with respect to space constraints issue for network augmentation and trust that the said issues raised by the stakeholder would be given due cognizance by the Commission.

BRPL

2.142 We appreciate the concern of the stakeholder. Similar problems are being faced by the Petitioner also. Issue of space constraints have been time and again raised by the Petitioner before GoNCTD as well as Commission. The space constraints act as a major hindrance to the Petitioner in ensuring quality supply to the consumers of Delhi and to comply with stringent targets set in Supply Code Regulations. The Petitioner requests the Commission to take up the matter with GoNCTD and issue appropriate statutory advice in this regard.

2.143 In this regard, we would like to submit that this matter pertains to the GoNCTD and the Commission if deem fit may take up with the GoNCTD.

NDMC

2.144 Distribution Infrastructure Issue Did not pertain to NDMC.

COMMISSION'S VIEW

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

ISSUE 7: O&M EXPENSES

STAKEHOLDERS' VIEW

2.146 DERC is requested to check the Tata Power-DDL accounts while approving employee expenses. Tata employees are sent to different locations outside Delhi like Mumbai and Odisha where Tata Power got new projects, but their expenses are being booked in Tata Power-DDL.

2.147 In the Rithala plant, Tata Power-DDL employees are working. Their cost cannot be charged twice from Delhi consumers as distribution cost and power plant.

PETITIONER'S SUBMISSION

TPDDL

2.148 The Commission has alwayss done the prudence check at the time of determination of normative O&M Expenses.

2.149 Rithala's employees' expenses do not form part of Distribution employees' expenses. The Commission treats both divisions separately for the purpose of Tariff determination.

BYPL

2.150 Did not pertain to BYPL

BRPL

2.151 Did not pertain to BRPL

NDMC

2.152 Did not pertain to NDMC

COMMISSION'S VIEW

2.153 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.

2.154 As per DERC (Business Plan) Regulations, 2017 and DERC (Business Plan) Regulations, 2019, O&M expenses are directly related to actual assets installed at the 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 the line & per MVA capacity of transformation at various voltage levels.

ISSUE 8: TRUE-UP OF PAST CLAIM UP TO 2017-18

STAKEHOLDERS' VIEW

2.155 Poor quality Assets were procured at higher than market rate and they become defective prematurely. The claim of Rs. 93 crores as given in Table 3B3 may be rejected.

2.156 Commission may not allow connection of line without EIC and create a dangerous precedent which violates the safety code and may result in loss of life and property.

2.157 To allow Capex and Capitalization pertaining to REL purchase: This matter is being agitated unnecessarily since 2008. It is submitted that the Petitioner procured the equipment's from sister concern (now owner) and claimed the price which was 68% over the market rate. The issue may please be rejected. The order of the Hon'ble APTEL in Appeal 246 of 2014 is not relevant in this issue. All the DISCOMs are given fair treatment. The cost of procurement and 5% over that is the best treatment. Hence the extra claim of Rs. 177.2 crore with 14% interest from 2006 totally Rs. 1200 crore is baseless, false and may be rejected.

2.158 The AT&C loss for period 2012-15 was at a very low level of 1.16% annually against the earlier period of over 4% annually and had been achieved easily. Hence the question of revision of AT&C loss level does not arise. There is absolutely no reason to consider the AT&C loss of 2011-12 at 21% when the MYT Extension Regulation May 2011 decided by a detailed exercise of Public response, Public hearing and deliberation by the Commission. The letter dated 8.3.2011 was defective per in curium and bad in Law. The Extension Regulation had not been challenged before the appropriate Court and hence stands firm and AT&C loss of 18% for FY 2011-12 is final. The submission by the Petitioner is manipulative, misinformation and cannot be achieved by trick. The claim of Rs. 812.6 crore is false, bogus and does not have a leg to stand.

2.159 Any increase in consumer base does not call for an increase in Employees expenses because the Employees do not have to do anything once the line is made. There is no necessity of an increase in labour expenses as all expenses are paid. The claim of Rs. 179.9 Cr is manipulative, bogus and has no basis.

2.160 The efficiency factor for FY 2010-11 was 4%. While extending the MYT Extension Regulation May 2011, the Commission maintained the same 4% factor when in fact it should have been 5%. This is a Regulatory decision and is part of the MYT extension Regulation. May 2011 which has not been challenged. Hence the factor of 4% remains and no claim of Rs. 30.1 crore cannot be allowed;

2.161 BYPL showed zero billing of 40.85 MU and BRPL 111.1 MU. Commission, therefore, disallowed the amount of energy from the collection for 2010-11 in the True-up for FY 2010-11. Both the Companies were happy and did not raise any objection because they were caught red-handed for manipulation of sales. Either they collected the amount in cash and did not enter it in collection register or they were showing the extra Energy collection to boost up their AT&C loss reduction programme. The undersigned respondent A.K. Datta, therefore, filed Appeal no. 195 of 2013 before the Hon'ble APTEL that prorate disallowance for the other 11 months i.e. April 2010 to February 2011 @ Rs. 40.85 MU per month should be disallowed for BYPL, 111.10 MU per month for 11 months of 2011 for BRPL. Both the Commission and BYPL responded to the Appeal. APTEL after due adjudication remanded back the matter to the Commission to look into the matter and check month-wise zero billing. Commission disallowed zero bills pro-rata for the other 3 quarters of 2010-11 and Rs. 59.11 Cr. were adjusted in the revenue. The claim of Rs. 162.4 is false and bunkum and may please be rejected. A further similar reduction in revenue for BRPL for the whole year i.e. 1332 MU should be made.

2.162 Tariff is 30% over Power purchase cost. Hence the Petitioner has 1.7 times the Power purchase cost collected through Tariff by 23rd of any month. Hence there is an abundance of cash. There is no valid reason not to pay Power purchase bill by 3rd of the next month to avail 2% rebate. Hence the issue merits no consideration and the claim of Rs. 532.5 crore may be disallowed.

2.163 Commission imposed Street light maintenance cost on MCD for extra revenue. Hence separate Street light maintenance cost cannot be allowed and the amount of Rs. 233.6 crores claimed by the Petitioner may be disallowed.

2.164 The monthly billing rebate for FY 2014-15 and FY 2015-16 has been discontinued due to oversight and hence may please be reintroduced for the interest of the Consumers who have to take the hassle of paying monthly bill instead of a bi-monthly bill.

PETITIONER'S SUBMISSION

TPDDL

2.165 Did not pertain to TPDDL

BYPL

2.166 Timely Implementation of APTEL orders by the Commission is in overall consumer interest as it will prevent additional carrying cost burden on consumers. The Hon'ble APTEL has observed in its judgments that its judgment/ orders are to be implemented promptly, in cases, where its judgments have been passed and no stay order has been granted by Hon'ble Supreme Court. Even the mere pendency of an appeal against APTEL judgment is not an excuse for its delay in implementation or non-implementation. 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 which the Commission is legally bound to implement. Accordingly, the Petitioner in its Petition has prayed for implementation of various Judgments passed by the Hon'ble APTEL and allowance of its entitlement in the Tariff Order. Further, the issue wise detailed submissions along with computation of financial impact are provided in Chapter 3B of the ARR/True-up Petition which is not reiterated for the sake of brevity.

BRPL

2.167 Did not pertain to BRPL

NDMC

2.168 Did not pertain to NDMC

COMMISSION'S VIEW

2.169 As per the direction of Hon'ble APTEL in Appeal No.195/2012, the Commission in Tariff Order dated 29/09/2015 had considered an impact of Rs.57.98 Crores on account of zero billing by BYPL for FY 2010-11. For Capitalization related to REL purchases the Commission has detailed this issue in Tariff Order 28/03/2018 in para 3.22 of BRPL.

Accordingly, the effect of actual capitalization shall be given to the distribution licensees after submission of report by the Consultants to the Commission and examination/ deliberations thereafter by the Commission. The matter related to AT&C loss is sub-judice before Hon'ble Supreme Court of India (Appeal No.8860-61 of 2015) and the same has also been clarified by Hon'ble APTEL in its judgement dated 31/10/2017. The Commission considers normative rebate for computation of power purchase cost i.e. 1.5% for Central Sector utilities, 2% for State Sector utilities and 2.5% for NPCIL irrespective of the actual rebate earned by DISCOMs. Based on the directions of the Hon'ble APTEL in its judgement dated 31/10/2017 in clarificatory application filed by Commission, the impact of efficiency factor has not been considered by the Commission. Accordingly, the Commission will deal the issue of True-up of Past claim in terms of *DERC (Terms & conditions for Determination of Tariff) Regulations, 2017 along with DERC (Business Plan) Regulations 2017.*

ISSUE 9: REGULATORY ASSETS

STAKEHOLDER'S VIEW

2.170 Accumulation of regulatory assets is neither justified nor beneficial for DISCOMs as well as consumers, as it results in bad financial condition for DISCOMs and payment of surcharge by consumers, and consumers end up paying more than the actual cost deferred by the Commission.

2.171 GoNCTD may provide a bail-out package for recovery of regulatory assets of Delhi DISCOMs as is done for other states.

2.172 The commission may press for an extension of central government schemes for Delhi consumers to for bail-out package as in case of State-run DISCOMs.

2.173 The way through which Commission amortize the regulatory assets of BYPL claiming Rs. 15000 Cr. Regulatory Assets.

2.174 The commission should increase the tariff to the extent that Regulatory Assets are liquidated and new ones are not created since the surcharge levied at present is inadequate.

2.175 Consumers are already paying 8% Surcharge and Pension Trust Surcharge. Increasing the surcharges above the existing ones would be unjustifiable. Consumers are also paying for carrying cost. DERC needs to plan for amortization of Regulatory Assets.

PETITIONER'S SUBMISSION

TPDDL

2.176 Need for the timely liquidation of the regulatory assets has also been emphasized in the amendments to the National Tariff Policy. The Commission has brought into effect a mechanism for dealing with Regulatory Assets. Even in past, DISCOMs have been advocating at various Forums for time-bound recovery of regulatory assets.

2.177 Any such funding suggested may be extended to Delhi DISCOMs, would be welcome and in overall consumer interest.

2.178 In the interest of consumer and financial viability of the power sector, the tariff should cost-reflective i.e. the Tariff should be determined to recover the entire ARR requirement to avoid any creation/ accumulation of regulatory asset in a year as the funding of the regulatory asset results in carrying cost burden on the consumers. Further, in addition to the recovery of entire ARR, appropriate recovery towards past accumulated Revenue Gap should be factored while deciding the electricity tariff to be charged for next year. 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, the Commission has introduced Regulatory Surcharge of 8% so that the interest burden can be met out to save the consumers from the further accumulation of interest.

BYPL

2.179 BYPL submits that the 8% RA surcharge was allowed by the Commission vide order dated 13.07.2012. However, the said surcharge is not sufficient enough for time-bound recovery of the accumulated RA. Hence, we agree with the concern raised by Stakeholder to provide bailout package in order to recover the Regulatory Assets for past years as being provided to consumers of other State DISCOMs.

We hope that your suggestion will be considered by the Commission and the Commission may suitably advise to the Delhi Government to take up the said matter with the Central Government as any such funding as suggested will be beneficial in the interest of consumers.

2.180 The Yearly Increase in Regulatory Asset of all DISCOMs is recognized by the Commission and vide tariff order dated 13th July 2012 allowed 8% Surcharge for recovery of the accumulated deficit (Regulatory Asset). However, the 8% Surcharge towards the recovery of Regulatory Asset is not even sufficient to recover the carrying cost. We appreciate the concern raised by the Stakeholder and request the Commission to kindly consider this in this Tariff Proceedings.

2.181 It is submitted that the creation of regulatory assets is not beneficial licensee as well as the consumers. The creation of regulatory assets is detrimental to the interest of the sector as it further defies the object and intent behind the Electricity Act and is also against the Tariff Policy. The Commission has brought into effect a mechanism for dealing with regulatory assets. However, the 8% Surcharge approved towards the recovery of Regulatory Asset is not even sufficient to recover the carrying cost. Even in past, DISCOMs have been advocating at various Forums including the Commission for time-bound recovery of Regulatory Assets. It is also relevant to say that uninterrupted power supply, upgraded power system infrastructure and the quality and reliability of power supply hugely depends upon the financial health of the DISCOMs, which can only be ensured with the determination of tariff which is cost-reflective and covers all the legitimate claims of the DISCOMs.

BRPL

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

2.183 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 an exception, and subject to the following guidelines:

i) Carrying cost of Regulatory Asset should be allowed to the utilities;
ii) Recovery of Regulatory Asset should be time-bound and within a period not exceeding three years at the most and preferably within control period;
iii) The use of the facility of Regulatory Asset should not be repetitive;

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

2.184 Furthermore, the APTEL in its Judgment dated 11.11.2011 in O.P. No. 1 of 2011 has held as under:

"65.

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

2.185 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.

2.186 We appreciate your comments on closure of the huge accumulated Regulatory Assets till FY 2018-19 along with carrying cost. Without prejudice to the Writ Petition (C) No. 104 of 2014 filed before Supreme Court of India, the Petitioner has requested the Commission to adjust 8% surcharge so as to ensure recovery within the time-frame specified in the amortization plan submitted before Supreme Court of India. Further, the Petitioner has requested the Commission to allow the carrying cost on Regulatory Assets recognized till FY 2018-19 as per directions given by Tribunal in Appeal 153 of 2009 and O.P. 1 of 2011, through a separate surcharge. Furthermore, we would like to submit that the determination of electricity tariff to be charged from a certain category of a consumer is the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003.

NDMC

2.187 Regulatory Assets Burden Issue Did not pertain to NDMC.

COMMISSION'S VIEW

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

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

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

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

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

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

2.190 The Commission in terms of the National Tariff Policy and in accordance with the APTEL judgment and has allowed carrying cost to DISCOMs. For liquidation of the past accumulated revenue gap, the Commission introduced a surcharge of 8% over the Tariff, in Tariff Order dated 13/07/2012, and has been 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.

2.191 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.

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

2.193 The Commission has submitted before the 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.

2.194 The Commission determines the ARR for the DISCOMs as per the provisions of the Tariff Regulations, 2017 along with Business Plan Regulation, 2017 and Business Plan Regulation, 2019. The Commission in its Tariff Order has provided the break-up of the major components considered for projecting costs of supply during FY 2020-21, like power purchase cost, O&M costs, CAPEX, financing cost, the gap in true-up of FY 2018-19 and carrying cost for the regulatory assets etc. This forms the basis for the projection of the gap/surplus between present requirement in terms of ARR and revenue available at existing tariff. It is in the consumer's overall interest, that the gap between these two figures is filled by determining the tariffs so as to reduce the accumulated Revenue Gap/Regulatory Assets and the Carrying Cost thereof, which otherwise would impose an additional burden on the average consumer. The Tariff Order is issued after prudence check of the Petitions submitted by the DISCOMs as per relevant Regulations.

ISSUE 10: PENSION TRUST

STAKEHOLDERS' VIEW

2.195 Commission to initiate appropriate proceedings to frame the Regulation for DVB pensioners for providing lifetime pensions and terminal benefits liabilities of personnel of DVB.

2.196 Allow recovery of Pension Trust in the ARR of DISCOMs on account of payment for the pensioner.

2.197 The commission may allow in the ARR of three DISCOMs for FY 2020-21 an amount of Rs.936 Crore to pension trust.

2.198 Pension Trust recovery and surcharge are not part of Electricity Tariff.

2.199 Pension Trust surcharge should be discontinued.

2.200 The stakeholder has submitted that pension fund recovery and surcharge are not part of electricity tariff. He has further submitted that as the pension fund is regulated by the Tripartite Agreement and Commission is not the party to it, therefore it recovery through electricity bill is unlawful.

PETITIONER'S SUBMISSION

TPDDL

2.201 Commission has been of the view that it does not have the power, jurisdiction to frame regulation dealing with such kind of issues raised by stakeholder. The pension surcharge has been already Allowed by The Commission for a year on year basis and is recovered as per the directions of Commission for servicing the liabilities, pension of the pension Trust.

2.202 The same is already been recovered in ARR of DISCOMs.

2.203 The commission may like to decide on the same as it may deem fit.

2.204 Determination of Retail Tariff and Surcharges is the sole prerogative of the Commission. However, the Commission may like to decide on the same.

BYPL

2.205 The Pension Surcharge is levied towards the recovery of Pension Trust Charges of erstwhile DVB Employees/ Pensioners as recommended by GoNCTD vide its letter dated 26/07/2017. The Commission vide its Tariff Order dated 31.08.2017 has notified a surcharge of 3.70% towards the recovery of Pension Trust Charges which was subsequently modified as a surcharge of 3.80% to vide its Tariff Order dated 28.03.2018. Hence, the Pension Surcharge is billed and collected by the Petitioner as per the directions of the Commission for servicing the liabilities, pension of the Pension Trust.

With respect to the Regulatory Surcharge, 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. To overcome the problem of further creation of Regulatory Assets, the Commission has introduced Regulatory Surcharge of 8% surcharge to be levied on the tariff in order to recover 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.

It is further submitted that we agree with the stakeholder’s suggestion that the Commission may suitably advise the Delhi Government or Central Government for providing the subsidy for loans/additional loans to DISCOMs at a cheaper rate and financial restructuring of existing loans in the interest of both the DISCOMs and consumers. Even, the benefits schemes like UDAY or any other financial packages 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. Also, to overcome the adverse effect on the cash flow of the Petitioner due to COVID-19 impact, the Commission may provide some regulatory guidance and take steps to urgently mitigate the Cash Flow situation of BYPL.

2.206 The stakeholder has submitted that the introduction of pension trust surcharge of 3.70%, over and above the 8% surcharge towards the recovery of an accumulated deficit, have burdened the consumers with the total additional amount of 11.70% above the required tariff. It has been further submitted that such levying of the additional surcharge is unjustifiable and against the principle of natural justice.

2.207 The stakeholder has submitted that the consumers are being burdened by carrying cost along with surcharges. The carrying cost is being allowed to compensate the Petitioner against the interest paid on the loans raised for funding of Regulatory Assets. In this regard, we appreciate the suggestion relating to the subsidy for loans or cheaper rate of interest for an additional loan to DISCOMs or financial restructuring of existing loans. However, we expect that the Commission will give due consideration to your comments while determining the tariffs and will ensure the recovery of Regulatory Assets recognized till FY 2018-19.

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

As regards stakeholder's request for attending the public hearing, we would like to inform that as per public notice available on the website of DERC, the Commission has stated that public hearing shall not be conducted as large gatherings/ congregations have been prohibited as per Order No. 40-3/2020-DM-I(A) dated 30/05/2020 issued by Ministry of Home Affairs, Government of India.

It is trusted that we have been able to clarify the position with regard to the aforestated respondent's comments.

BRPL

2.208 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.

2.209 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 the 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.

2.210 Commission vide its Tariff Order dated 28/03/2018 has notified a surcharge of 3.80% towards the recovery of Pension Trust charges.

2.211 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. 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 the 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.

Commission vide its Tariff Order dated 28/03/2018 has notified a surcharge of 3.80% towards the recovery of Pension Trust charges. 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. 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.

2.212 In this regard, it is submitted that presently two separate surcharges have been allowed for two separate and specific purposes. A surcharge of 8% has been allowed for recovery of the principal component of the Regulatory assets recognized by the Commission. The Regulatory Assets is basically the amount which is a legitimate expense of the Petitioner and is duly recognized by the Commission. However, this amount was not allowed to be recovered from tariff in past years and was funded by the Petitioner on its own. Therefore 8% surcharge is allowed to be levied by the Commission to recover the same. Removal of this surcharge would not only affect the Petitioner's ability to supply uninterrupted and quality power to its consumers but will also increase the tariffs of the consumers due to greater carrying costs.

Further, with regard to the pension trust surcharge, it is submitted that in Tariff Order dated 31/08/2017, the Commission had decided to levy an additional surcharge for recovery of Pension Trust funding of erstwhile DVB Employees/Pensioners from September 2017 onwards as per the recommendation of GoNCTD vide its letter dated 26/07/2017. The rationale given by the Commission in its Tariff Order is as under:

> "2.298 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. 693 Crore sought for FY 2017-18 by the Pension Trust on an ad-hoc basis recommended by GoNCTD vide its letter dated 26/07/2017."

The Commission revised the pension trust surcharge from 3.70% in its Tariff Order dated 31/08/2017 to 3.80% vide Tariff Order dated 28/03/2018. The surcharge percentage of 3.80% was continued in Tariff Order dated 31/07/2019. The Commission also directed the Petitioner to deposit the actual amount collected through the said surcharge directly into a specified bank account, on a monthly basis. The relevant extract of the directive issued in this regard is extracted below:

"Tariff Schedule

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

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

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

Directives:

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

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

.."

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

NDMC

2.213 The contention of the stakeholder is not applicable in case of NDMC. NDMC was not a party to the tripartite agreement signed between erstwhile DVB, Government of Delhi and the Private DISCOMs at the time of privatization of DISCOMs in Delhi. Further, NDMC reiterates its submission in its petition that no such liability should be included in the ARR for NDMC and that the consumers in NDMC license area should not be burdened with such liabilities of others DISCOMs.

2.214 DERC has introduced pension surcharge of 3.70% Issue Did not pertain to NDMC. However, it is submitted that no liability of such pension trust should fall on to NDMC since NDMC was not a part of the privatization erstwhile DVB.

COMMISSION'S VIEW

2.215 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. 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 the past practice of routing it through DTL.

2.216 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.

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

2.218 The Commission has already made provision on the ad-hoc basis of Rs.150 Crore, Rs.160 Crore, Rs.400 Cr., Rs. 470 Cr., Rs. 573 Cr., Rs. 573 Cr., Rs. 694 Cr., Rs. 792 Cr. and Rs. 839

Cr. for FY 2011-12, FY 2012-13, FY 2013-14, FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18, FY 2018-19 and FY 2019-20 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.

2.219 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. 937 Crore sought for FY 2020-21 by the Pension Trust on an ad-hoc basis as recommended by GoNCTD vide its letter dated 13/03/2020.

2.220 The Hon'ble Supreme Court in the matter of NDPL Vs. GoNCTD & Ors. in Civil Appeal no. 4269 of 2006 (Judgment dated 03/05/2010) had inter alia held that any liability towards DVB employees and existing pensioners are the responsibility and liability of the successor utility or employer.

ISSUE 11: OPEN ACCESS

STAKEHOLDERS' VIEW

2.221 Discourage the consumers from availing open-access power to maintain the balance of cross-subsidization of domestic consumers.

2.222 Cross-subsidy surcharge may not be applicable to DMRC in open access.

2.223 Open access consumer taking Renewable power are exempted from various charges which are paid by non-open access consumers. Hence, renewable power beyond RPO of open access consumer should be considered part of DISCOM's RPO compliance. Also, RPO compliance should be mandatory for open access to consumers. This will reduce the cost of REC purchase and avoid burden on consumers. In COVID-19 situation, relief from spending on purchase of REC can be given to avoid financial stress.

PETITIONER'S SUBMISSION

TPDDL

2.224 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.

2.225 The commission may like to decide on the same.

BYPL

2.226 With regard to Open Access, it is submitted that 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. Further, determination of Cross Subsidy and surcharge on Open Access consumers is the prerogative of the Commission.

BRPL

2.227 As regards the observation made by the Stakeholder, it is submitted that the 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.

Clause 8.5.1 of the Tariff Policy dated 28.01.2016 provides as under:

"8.5.1 …

A consumer who is permitted open access will have to make payment to the generator, the transmission licensee whose transmission systems are used, distribution utility for the wheeling charges and, in addition, the cross-subsidy surcharge.

… While the interest of distribution licensee needs to be protected it would be essential that this provision of the Act, which requires the open access to be introduced in a time-bound manner, is used to bring about competition in the larger interest of consumers."

Furthermore, Clause 6 (2) of the Commission's Order dated 01.06.2017 states:

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

…

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

Provided that the generators using renewable energy sources shall certify that no

REC/RPO claim for this power has been made."

Accordingly, we value your comments in the said matter and trust that the same shall be duly considered by the Commission itself.

NDMC

2.228 Fixation of cross-subsidy surcharge is the prerogative of the Commission. However, the suggestion is worth deliberating.

COMMISSION'S VIEW

2.229 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.

ISSUE 12: TARIFF HIKE

STAKEHOLDERS' VIEW

2.230 The consumer has to pay all charges for 8 months or more even if his demand has reduced as the sanctioned load is not reduced.

2.231 High tariff of small non-domestic consumers up to the load of 10 KW be reduced to Rs. 6 per unit as for consumers up to load of 3KVA.

2.232 Proper Redressal mechanism for the grievance of consumers by the DISCOMs.

2.233 Increasing no. of surcharges, LPSC @ 18% and high-Security Deposit is injustice.

2.234 There should be an automatic reduction of Electricity load and lowering of the fixed charges/commercial charges on vacating of the rented property by the tenant.

2.235 Electricity rate for residential shops, E-rickshaw, commercial should remain the same.

2.236 Reduction or increase in Tariff should be depicted in percentage in the public notice.

2.237 The hike and the Tariff sought by Tata Power-DDL be clarified.

2.238 In these times of slow economic growth, Tariff of Public Utilities should be increased to avoid burdening Industrial and Commercial consumers.

2.239 The commission should increase the tariff to the extent that it is ensured that Regulatory Assets are liquidated and new ones are not created since the surcharge levied at present is inadequate.

PETITIONER'S SUBMISSION

TPDDL

2.240 Tariff 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 2019-20. It is pertinent to mention that, 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. However, DISCOM is required to have such infrastructure in place. Hence the fixed charges correspond to the sanctioned load .

2.241 The sanctioned load is enhanced based on the highest of an 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. Hence, the charges on enhanced load are collected only after the completion of the relevant financial year of usage. Further, the 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 the reduction of load limited to the highest of an average of any 4 (four) consecutive months' maximum demand readings of last 12 (twelve) months.

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

2.243 The publication of public notice is as approved by the Commission.

2.244 All requisite details/information have been provided in the petition.

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

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

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

BYPL

2.247 As regards the comparison of the 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.

2.248 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. Mostly consumers of petitioner always pay their electricity bill in time and there is no requirement of charging LPSC. It is also important to mention that 18% LPSC is also being levied by the Generating Companies/ Transmission Companies, in case of Petitioner misses the due payment on/or before due date.

2.249 We would like to mention that Sanctioned load has been defined in the DERC (Supply Code & Performance Standards) Regulations, 2017 as the load in KW or KVA which the licensee has agreed to supply from time to time as per the governing terms & conditions. In case, MDI of the consumer comes to higher than the sanctioned load during any billing cycle, the consumer violates the provisions of connection agreement for which the load violation surcharge is levied to the extent of the violation.

2.250 Further, as regards to comments on payment of the fixed charge on sanctioned load when MDI comes to zero, it is important to note that DISCOMS are also paying fixed charges to Generating entities on the basis of the capacity allocated to DISCOM and not on the basis of an actual drawl.

2.251 However, Commission in Regulation 17(3) of DERC (Supply code & Performance Standards) Regulations 2017 has provided that, on request, the consumer can apply for load reduction.

2.252 As regards to the power factor and KVAh Billing, we would like to inform you that Meters of BYPL is compatible to record both KWh and KVAh consumption along with instantaneous power factor. This can also be verified from the meter.

2.253 As per the Tariff Policy (as amended from time to time) the tariff approved by the State Commission shall be within the range of +/- 20% of the average cost of supply. The commission in its tariff order dated 31.07.2019 has approved that the tariff for Domestic consumer is (-) 29% of ACOS and for Non-Domestic consumer is (+) 63%. We request the Commission to kindly approve the tariff for all the categories in line with the provisions of tariff policy so that no Revenue gap or surplus is created.

2.254 The margin for reducing Tariff: While we appreciate your comments/suggestions, we have to say that The Commission determines the tariff after considering the 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 Petitioner has projected the revised ARR & Revenue (Gap)/Surplus for FY 2020-21 as Tabulated below:

Table 2. 3: Projected revised ARR & Revenue (Gap)/Surplus for FY 2020-21

Sr.No.	Particulars	FY 2020-21
A	Net Power Purchase Cost including Transmission and SLDC Charges	7339
B	O&M Expenses	1099
C	Additional O&M Expenses	293
D	Depreciation	340
E	Return on Capital Employed (RoCE)	746
F	Less: NTI	158
G	Revised Aggregate Revenue Requirement	9660
H	Revenue available towards ARR	7424
I	Collection Efficiency	91.12%
J	Estimated Revenue Realisation	6765
K	Revenue (Gap)/Surplus	-2895

2.255 Accordingly, the Petitioner projected a Gap of Rs. 2895 Cr. and requested the Commission for determination of electricity tariff to be charged from a category of the consumer as it is the prerogative of the Commission.

BRPL

2.256 As regards levy of LPSC @18% per annum it is submitted that consumers are obligated to pay their bills on time in which case there should not be any LPSC levied. It may further be noted that the amount of LPSC is actually treated as a non-tariff income and is adjusted against the revenue gap which means the same actually reduced the tariff burden of consumers. The only thing which is allowed is the carrying cost of the same which is again determined by the Commission.

2.257 The Maximum Demand does not represent the average load drawn or sanctioned to the consumer. It is only an instantaneous indication of the peak load drawn by the consumer at any moment during the entire billing cycle.

The MDI, therefore, cannot compensate the licensees the fixed cost associated with the network capacity which the consumer has blocked for the entire time, whether or not he is drawing any energy. Therefore, MDI cannot be the basis for levy of Fixed Charges. The Commission has discussed and dealt with this issue in detail in some of its past tariff orders. Relevant excerpt from tariff order 26.06.2003 dated is reproduced as under:

"2.43.15.1 Demand violation surcharge

The Commission is of the opinion that the increase in the demand by any consumer category leads to overloading in the system feeding the point of supply and increases losses in the network. Further, it could also cause stressful conditions on the regional network, thus compromising on the continuity of supply to other consumers availing supply in the region. The Commission is of the view that if the billing demand is equated to the maximum demand or contract demand, whichever is higher, then there is no incentive for the consumer to manage his load. The imposition of the demand surcharge is, therefore, in order. The Commission has, however, rationalized the levy of demand violation surcharge, which is now leviable @ 30% on excess demand only instead of 30% on total demand plus energy charges."

2.258 The stakeholder has repeatedly compared the interest provided on SD vis-à-vis the rate of LPSC charged. In this regard, it is humbly submitted that it is necessary to understand the purpose of these two levies. SD is allowed to be retained by the licensee as a safeguard against any potential default in payment by the consumer. The interest on the SD provided is as per the lending rate prescribed by the Central bank and BRPL as a distribution licensee has no control of over the same. The late payment surcharge (LPSC) actually collected, as described above is not retained by the licensee and is actually treated as an NTI. Only the carrying cost of LPSC is allowed in the tariff of the petitioner that too at a rate which is far below the actual carrying cost incurred by the Petitioner.

2.259 Power factor entirely depends on the type of load connected in the consumer's premises. Every consumer's load profile and equipment connected with the load is unique which is the reason, across the entire country the responsibility of maintaining a healthy power factor has been entrusted on the consumer. This practice is not something unique to the Petitioner in the case of Delhi. DISCOM cannot be held responsible for poor power factor caused by the consumer's load profile. The Commission has discussed and dealt with this issue in detail in some of its past tariff orders. Relevant excerpt from tariff order 26.06.2003 dated is reproduced as under:

"2.43.19 Low Power Factor (LPF) surcharge

The LPF surcharge for low power factor is currently applicable for the categories, which do not have kVAh tariffs and are, by and large, metered using electro-mechanical meters. These existing meters cannot read the power factor or kVAh consumption. The Commission is of the opinion that the LPF surcharge should be levied as a deterrent so that consumers maintain the required level of power factor (PF). However, the methodology usually adopted by the utility staff for checking the PF is not appropriate. The Commission is of the view that the levy of LPF surcharge should be linked to the actual PF of the consumer as recorded by the electronic meter/measuring equipment. The Commission has, therefore, decided that henceforth LPF surcharge shall be levied only when it is established by measurement with equipment/meter that the power factor is lower than the requisite level. Moreover, the DISCOM should ensure that the consumer is made fully aware of the consequences of having a lower PF and the need to maintain the capacitor banks in a working condition. This will ensure that consumers do not have to face any harassment."

2.260 As regards levy of surcharges it may kindly be noted that determination of the tariff is the sole prerogative of the Commission. All surcharges are also deemed an integral part of the tariff so determined and are binding on all distribution licensees including the Petitioner.

2.261 Determination of the tariff is the sole prerogative of the Commission. We are certain that the Commission would consider the suggestion made by the Stakeholder in this regard.

2.262 With regards to grievance redressal, the Petitioner would like to highlight that the consumers in Delhi have access to multiple avenues/institutions for redressal of and is not restricted to the Electricity Ombudsman only. Effective, transparent and well-defined institutions for redressal of consumer grievances are already in place and these intuitions are presently well equipped to sort out grievances of consumers. The Petitioner, on its part, has instituted the Consumer Grievance Cell at its Corporate Office at Nehru Place. The customers in the licensee's area of supply also have a 24 x 7 access to a dedicated "No Supply" call centre - manned by trained personnel (phone number 39999707). The licensee has conducted special training programs for all personnel manning the call centres.

Alternatively, consumers can also register their grievance by sending an email at brpl.customercare@relainceada.com. Consumers can also visit the conveniently located customer care centres and contact the customer care officials / Business District Manager in person. All complaints lodged are monitored internally for faster resolution of complaints. In addition, there are dedicated helpline numbers for Billing and Metering.

The Petitioner since Jul '02 has undertaken several initiatives towards enhancing customer care/awareness. Some of them are:

(i) Customer care centres within an average range of 2-3 km. 24X7 "No supply" call centre - Aapke dwar.

(ii) "One visit" Weekly RWA meeting. Synergy Newsletter Sale of CFL / LED lamps at a subsidized rate for promoting Energy Conservation.

(iii) Viewing/payment of individual energy bill online through internet.

(iv) Barcoded bills for consumers. SMS alerts to Key consumers.

If any consumer is not satisfied with the response towards his/her grievance by the internal Consumer Grievance Cell of the Petitioner, he/she may approach the Consumer Grievance Redressal Forum (CGRF) which is a statutory body under the Electricity Act, 2003, put in place for adjudication of disputes between Consumers and their distribution licensee. The consumers may also approach the Office of the Electricity Ombudsman, situated at B-53, Paschimi Marg, Vasant Vihar, New Delhi – 110 057 for redressal of their grievance. Periodic reports of the Electricity Ombudsman are assessing the performance of the DISCOMs in Delhi has noted significant improvement of BRPL in redressing consumer grievances and the number of complaints has gradually declined. In case the consumer is not satisfied with the order of the Ombudsman, he/she may approach the higher courts of law. In addition to the above, consumers may also approach the Delhi Electricity Regulatory Commission for adjudicating complaints relating to non-compliance of Regulations / Orders under Section 142. Consumers can also approach the Hon'ble Appellate Tribunal for Electricity (ATE) in case they are aggrieved by any Regulation / Order / Directive issued by the Commission. It is noteworthy that BRPL also conducts Public Lok Adalats in association with the Delhi State Legal Services Authority under the aegis of the Delhi High Court for speedy settlement/redressal of grievances. Yet another forum available to consumers is The Public Grievance Cell of the Dept. of Power, Delhi Secretariat, I.P Estate, GoNCTD. The Public Grievance Cell is chaired by a retired High Court judge and a technical member. Consumers can either lodge a complaint personally or through the website. The Public Grievance Commission of the Delhi Government also entertains complaints relating to electricity. Consumers can register their grievance through the website of the Commission i.e. http://delhi.gov.in/wps/wcm/connect/pgc1/public+grievances+commission/our+services1/lodge+complain Apart from the above, consumers can also approach the Consumer Dispute Redressal Forum established under the Consumer Protection Act for speedy and transparent redressal of their grievances.

2.263 The stakeholder has requested to provide the details of tariff hike and clarity on tariff sought by TPDDL in the public notice. It is submitted that the comment of the stakeholder pertains to the other licensee, i.e. TPDDL, and therefore we are not in a position to respond to the same.

2.264 The Petitioner has submitted its ARR Petition in accordance with the Business Plan Regulations. In its Petition, the petitioner has clearly indicated the accumulated revenue gap for FY 2020-21. However, the stakeholder may be aware that the determination of tariff is the sole prerogative of the Commission. Therefore, it is up to the Commission to decide on matters pertaining to the creation of regulatory asset or allowing a cost-reflective tariff.

NDMC

2.265 The LPSC rate, as fixed by the Commission, is provided to ensure the consumers pay the bill in time and in case of any delay, the additional requirement of working capital can be recovered from such surcharge.

2.266 Sanctioned load helps the utilities plan the overall power requirement of its consumers in the license area. this ensures that there is the adequacy of power which can be supplied in a reliable manner. Further, the DISCOMs have to pay capacity charges (fixed charges) for procurement of power and accordingly a fixed charge is recovered from the consumers towards the same. Therefore, in the current regime, it may not be possible to remove the concept.

2.267 Application of reduction of sanctioned load consumer falls under BSES area. The issue Did not pertain to NDMC.

2.268 Surcharge Hike Issue Did not pertain to NDMC.

COMMISSION'S VIEW

2.269 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 2020-21, like power purchase cost, O&M costs, CAPEX, financing cost, the gap in true up to FY 2018-19 and carrying cost for the regulatory assets etc. This forms the basis for the projection of the gap/surplus between present requirement in terms of ARR and revenue available at existing tariff. It is in the consumer's overall interest, that the gap between these two figures is filled by 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.

2.270 The Commission considering prevalent grim situation due to outbreak of COVID-19 has already exercised its powers to address the hardships being faced by Delhi electricity consumers and accordingly, in its Suo-Motu Order dated 07/04/2020, the Commission allowed a moratorium on the payment of Fixed Charges for next three billing cycles beginning from March 24, 2020 to the consumers covered under Public Utilities, Industrial and Non-Domestic Tariff Categories, which stipulates as under:

"10(e). A moratorium on the payment of Fixed Charges for next three billing cycles beginning from March 24, 2020 is provided to the consumers covered under Public utilities, Industrial and Non Domestic Tariff Categories. The fixed charges accumulated over the said period shall be spread over the next three billing cycles after June 30, 2020 without any LPSC. Further, the consumers of these categories, who desire so, may pay Fixed Charges for the bills raised during the period starting from March 24, 2020 till June 30, 2020."

2.271 The Commission has not increased the tariff for FY 2020-21. Further, considering the hard ships faced by non-domestic and industrial consumers in lock down due to COVID-19, the Commission has reduced the fixed charges for the months of April, 2020 and May, 2020 for these consumers. Also, the Commission has waived off Time of Day Tariff Surcharge for September for all eligible consumers.

ISSUE 13: CAG AUDIT

STAKEHOLDERS' VIEW

2.272 Audit condition for claiming subsidy by GHS should be eliminated or Commission may fix a panel of CAG empanelled with the nominal monthly fee. The commission may also arrange a joint meter reading with any of Govt. Agency or DISCOM'S Representative.

PETITIONER'S SUBMISSION

TPDDL

2.273 The commission may like to decide on the same

BYPL

2.274 Did not provide any Comment.

BRPL

2.275 Did not provide any Comment.

NDMC

2.276 Did not provide any Comment.

COMMISSION'S VIEW

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

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

ISSUE 14: TARIFF CATEGORY

STAKEHOLDERS' VIEW

2.279 Meter Reading methodology should be changed from KW to KVA and DISCOMs to fix shunt capacitors at the cost of consumers.

2.280 PGs, Room on Rent, Private Hostels are charging commercial rates for Domestic/non-Domestic electricity.

2.281 Maximum Tariff slab for high consumption Domestic consumers without benefits of lower slabs be implemented.

2.282 Regulator to facilitate the introduction of the uniform tariff.

2.283 The commission is requested to include the activities of the processing of fruits and vegetables under Agricultural Tariff.

2.284 Chambers of the Advocates in court complex or outside may be kept under domestic tariff or a separate category for Advocates/Professionals may be created and tariff is kept lower than Non-domestic tariff.

2.285 The commission is requested to direct the DISCOMs to provide power purchase costs at each voltage level after considering losses at corresponding voltage levels. DMRC does not contribute to distribution losses of DISCOM at 220 KV/66KV. Hence this is necessary for fixing of DMRC Tariff.

2.286 The Consumer categorization was to support agriculture by cross-subsidy, however, such categorization is not applicable in Delhi as the Agriculture consumers are barely 2% of the total consumers whereas commercial & industrial consumers are approx.. 40% of the total consumers, therefore there should be an accounting of the collection received by DISCOM beyond the average tariff. Thus, the Commission may devise a uniform rate for electricity supply by DICOM as power purchase is done at a uniform rate.

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

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 Commission. 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.

2.288 Non Applicability of distribution loss to DMRC for availing power through Open access - The issue of drawing power at higher voltage and rebate thereon has already been addressed appropriately in the Tariff Order. An additional rebate of 4% for Supply at 33/66 kV has already been allowed to DMRC.

2.289 Non Applicability of fixed charges to DMRC–Any exemption in the tariff to any category of the consumer is the prerogative of Commission. However, as per DERC (Terms and Conditions for Determination of Tariff) Regulations 2017, the fixed cost component of ARR of the Distribution licensee is required to be recovered from fixed charges and variable cost from energy charge.

PETITIONER'S SUBMISSION

TPDDL

2.290 For all categories other than domestic, fixed charges are to be levied based on billing demand per kW/kVA or part thereof as per Tariff Schedule of Tariff Order FY 2019-20. Fixed charges as part of the tariff are levied so as to be able to cover the expenses/costs of DISCOMs. Same ARR is to be recovered from the consumers. In any case, Tariff determination and tariff design for all consumer categories is the sole prerogative of the Commission. DISCOMs have installed shunt capacitors at their grids to maintain the required power factor. However, maintaining the power factor at the consumer end is the sole responsibility of the consumer.

2.291 As per Tariff Order for FY 2019-20, at present, all the consumers under domestic categories having sanctioned load up to 5kW and providing paying guest facility from their own premises are being charged as per domestic tariff. However, Tariff determination and Tariff design for all consumer categories is the sole prerogative of the Commission.

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

2.293 Fixation of tariffs for any Consumer category is the sole prerogative of the Commission.

2.294 The issue of drawing power at higher voltage and rebate thereof has been in-built in the Tariff design. 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.

BYPL

2.295 Tariff applied to paying guest accommodation PGs room on rent Pvt. Boys & Pvt. Girls hostels are decided by Commission and in terms of the provisions of the Electricity Act, 2003, determination of electricity tariff to be charged from a category of the consumer is the sole prerogative of the Commission.

2.296 With regards to the 18.94% additional surcharge, at present the additional surcharges being levied on the consumers are 8% Regulatory Assets surcharge, 3.80% Pension surcharge, and PPAC. The 8% RA surcharge is levied to recover the recognized accumulated deficit which is due to the under-approved tariff in the past by the Commission. The 3.80% Pension trust surcharge is not retained by the Distribution Licensee and is being directly paid to the pension trust on a collection basis. PPAC on the other hand is the variation of Power purchase cost approved by the Commission while determining the tariff and the actual Power Purchase Cost to the distribution licensees.

2.297 At present Commission has provided slab wise tariff for Domestic category of consumers, thus provision for paying higher tariff by the consumers, who are consuming more energy is already in place.

2.298 As regard to the stakeholder comment regarding the exclusion of slab benefit for high consumption domestic consumers, Petitioner would like to submit that, determination of tariff of any class and category of the consumer is the sole prerogative of Commission. We would further like to request the Commission to kindly approve the tariff in line with the provision of Tariff policy of +/- 20% cost of supply so that the approved tariff would be able to meet the average cost of supply of the petitioner.

2.299 We would like to humbly submit that the stakeholder Comments on activities of the processing of fruits and vegetables under Agricultural Tariff Did not pertain to M/s BYPL.

2.300 In terms of the regulations, 121 of the DERC (Terms and conditions for determination of tariff) Regulations, 2017, the Commission has power to reassigning the allocation of power amongst the distribution licensees. Further, we would like to submit that Adverse consumer mix has resulted in lower revenue from Tariff over the power cost at the hands of BYPL as compared to its peers, where there is more high tariff paying industrial consumers; BYPL has large scale low end domestic / Non-domestic consumers and almost nil industrial load. Also, BYPL is hugely effected due to reduction in fixed cost/Tariff of the low end domestic and non-domestic consumers in the previous year, hence in order to balance the interest of BYPL consumers in uniform tariff regime cheaper allocation of power is required to be given to BYPL.

BRPL

2.301 Determination of electricity tariff to be charged from a category of the consumer is the prerogative of the Commission. We trust that the Commission will consider your comments/suggestions while finalizing tariff for Wheeling of Electricity and Retail Supply.

2.302 As per Terms and conditions of Tariff order dated 31.07.2019, Agriculture connection is 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. A mushroom connection is available for load up to 100 kW for mushroom growing/cultivation. We would like to submit that determination of tariff and tariff categories is the sole prerogative of the Commission. However, we trust that the suggestions of the stakeholder will be appropriately considered by the Commission.

2.303 The stakeholder has stated that TPDDL from the year 2013, has suo-motu re-categorized the Chambers of Advocate at Tis Hazari Courts, Delhi from Domestic Category to Non-Domestic Category. It has been further requested to keep the category of advocates and the Chambers of Advocates in the Court complexes or outside the complex under the Domestic Category or lower than Non-Domestic Category as the lawyer's profession is not a commercial activity. In this regard, we would like to submit that the objection raised by the stakeholder pertains to TPDDL licensed area and thus, the Petitioner does not know the facts of the case and is not in a position to reply on the issue. However, the Petitioner would like to clarify that the DISCOMS are required to charge the consumer categories as per the tariff schedule specified by the Commission. It is further submitted that determination of electricity tariff and classification of various types of consumers under different categories is the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003.

2.304 As regards consumer category-wise tariff, it is submitted that the determination of electricity tariff is the prerogative of the Commission under Section 62 of the Electricity Act, 2003. Further, as per Clause-8.3 of Tariff Policy 2016, Cross-subsidy is to be determined as under:

"8.3 Tariff design: Linkage of tariffs to cost of service

…

Accordingly, the following principles would be adopted:

1. *Consumers below the poverty line who consume below a specified level, as prescribed in the National Electricity Policy may receive special support through cross-subsidy. Tariffs for such designated group of consumers will be at least 50% of the average cost of supply.*
2. *For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross-subsidy.*

…"

Thus the Petitioner requests the Commission to determine consumer category tariffs in accordance with the aforesaid principle.

NDMC

2.305 The Private Hostels and PG Tariff category is Determination of tariff is propagative of Commission.

2.306 NDMC understands that the Commission has been considering DMRC tariff under special service company category and accordingly its tariff is lower than other HT categories in NDMC license area.

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 2018-19, the average billing rate for DMRC had been lower than the average cost to serve by ~30%. Therefore, no additional consideration should be given for DMRC.

COMMISSION'S VIEW

2.307 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.

2.308 Providing subsidy is the prerogative of the State Government.

ISSUE 15: COST OF FINANCE

STAKEHOLDER'S VIEW

2.309 DTL has to pay dues of Rs. 100.44 crores as a refund to short term open access charges to TPDDL. This leads to DISCOM taking loans on high-interest rates from banks, which in turn is borne by consumers in terms of tariff hike. DTL should be directed to immediately refund the same.

2.310 DERC needs to advice Delhi Govt. or Central Govt. to provide cheaper loans and arrange financial restructuring of existing loans of DISCOMs.

PETITIONER'S SUBMISSION

TPDDL

2.311 Any such cheaper loans, as suggested, may be extended to Delhi DISCOMs, would be welcome and in overall consumer interest.

2.312 Records for income and expenses related to other business income are kept separately. Further, the Commission always does prudence check at the time of True-Up.

2.313 Tata Power-DDL agrees with the suggestion that DTL should pay the short term open access charges to Tata Power-DDL and it is in overall consumer interest.

2.314 Tata Power-DDL agrees with the suggestion and it is in overall consumer interest on DTL refund.

BYPL

2.315 Did not pertain to BYPL.

BRPL

2.316 As regards the observation made by the Stakeholder, it is observed that the same pertains to a Distribution Licensee namely Tata Power Delhi Distribution Limited (TPDDL).

NDMC

2.317 Did not pertain to NDMC.

COMMISSION'S VIEW

2.318 The Commission vide its order dated 31/07/2020 had directed DTL to reimburse the STOA charges to the Discoms within a week of its order . The STOA charges have since been remitted by the DTL to the Discoms.

ISSUE 16: FIXED CHARGE

STAKEHOLDER'S VIEW

2.319 Fixed charges per KW is higher for GHS society even they had installed transformers etc.

2.320 Why the low or no consumption members are paying the same fixed charges as the higher load members.

2.321 The fixed charges are made adjustable in consumption for HT consumers.

2.322 That fixed charges should be reduced and uniform for all category. Since fixed investment is the same across the category according to load.

2.323 HT consumers are given more rebate to compensate seven percent losses due to transfer possess and fixed charges be reduced

2.324 Due to the prevailing Covid-19 pandemic, no fixed charges should be paid to state generating companies as the return from these companies is only for the State Government.

2.325 In the case of commercial consumers, the Fixed charges much more than the actual power useful operation of the commercial establishments since the lock-down period

2.326 Fixed charges should be made Rs. 20/- per KW as in 2013.

2.327 DMRC has paid a huge amount as fixed charges, without any metro services, relief may be given in Tariff Order.

2.328 Direct State GENCOs to reduce their cost and no fixed charges should be paid as return from these companies are for State Govt. only.

2.329 The stakeholder has submitted that the consumer bills comprise of charges such as Fixed Charge, Energy Charge, PPAC, Pension Fund and Surcharges thereof, due to which the cost per unit is higher. Further, the Stakeholder has submitted that the Public Notice of DISCOMs reflects "Revenue available at existing tariffs". Hence, the ARR format should reflect all charges and utilization separately.

2.330 Fixed charges to be calculated on MDI and not on sanctioned load.

PETITIONER'S SUBMISSION

TPDDL

2.331 Fixed charges as part of the tariff are 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.

It is also pertinent to mention that if fixed charges are rolled back, the energy charge would increase correspondingly as these form a part of the total revenue of the utility. Therefore, whether only energy charge is levied or energy charge, as well as a fixed charge, is levied, the same ARR would have to be recovered from the consumers.

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

2.332 Fixed charges are part of total tariff and being part of tariff is again based on the recovery of cost concept. Further, the levy of Fixed charges is in line with section 45(3) of the Electricity Act, 2003.

2.333 The commission is requested to take up the matter with GoNCTD in the interest of consumers.

BYPL

2.334 The Stakeholder has also submitted that due to prevailing Covid-19 situation no Fixed charges to be paid to State Generation companies. In this regard, we would like to submit that the Petitioner through its various communications to Commission, GoNCTD and MoP requesting for Moratorium period for Genco bill payments, Fixed Charge waiver etc.

2.335 With respect to the fixed and energy charges we would like to submit in terms of regulation 2017, costs (fixed and variable) of the ARR is to be recovered from Fixed charges and energy charges, accordingly, the tariff is designed by the Commission. However, currently fixed charges in tariff schedule as per the regulation is already lower from the fixed charges of the previous years. At the end for cost-reflective tariff, energy charges and fixed charges shall be the composite of the total Aggregate revenue requirement.

2.336 Regarding interest on the security deposit, we would like to refer to the DERC Supply code, Regulations, 2017, it been credited to the consumers therefore the same reflects on consumer accounts on 31st March.

BRPL

2.337 We would like to submit that determination of tariff (a fixed charge, energy charge, pension surcharge etc.) is the sole prerogative of the Commission.

2.338 In this regard, we would like to submit that various charges are being levied as per the tariff and related components determined by the Commission in Tariff Orders/ Regulations. The details of these charges also form a part of ARR Petition which is available on the Commission's website and the Petitioner's website.

2.339 We would like to submit that determination of tariff (a fixed charge, energy charge, pension surcharge etc.) is the sole prerogative of the Commission.

NDMC

2.340 Any rebate offered by such generating companies will be passed on to the consumers. However, there should not be any under-recovery of the fixed charges paid by NDMC.

2.341 Any rebate offered by such generating companies will be passed on to the consumers. However, there should not be any under-recovery of the fixed charges paid by NDMC.

2.342 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 power during the Lockdown period, 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.

COMMISSION'S VIEW

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

Companies which derails the entire system. The Commission in its DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 has specified the components which are part of fixed charges and the variable charges separately. The Commission increased the fixed charges and appropriately decreased the variable charges while designing the tariff for FY 2018-19.

2.344 The Commission has determined the fixed charges and energy charges for different category of consumers as specified in Tariff Schedule for FY 2020-21.

2.345 The Commission has not increased the tariff for FY 2020-21. Further, considering the hard ships faced by non-domestic and industrial consumers in lock down due to COVID-19, the Commission has reduced the fixed charges for the months of April, 2020 and May, 2020 for these consumers. Also, the Commission has waived off Time of Day Tariff Surcharge for September for all eligible consumers.

ISSUE 17: TRANSMISSION LOSS AND CHARGES

STAKEHOLDER'S VIEW

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

2.347 In earlier Tariff Petition submission, TPDDL, has projected an amount of Rs. 269 Crore as DTL and SLDC Charges for FY 2020-21. Now, TPDDL in its Revised Tariff Petition for FY 2020-21 has projected Rs. 937.81 Crore as Total Transmission Charges (excluding Pension Trust), however, no bifurcation has been given for Intra-State Transmission Charges and Inter-State Transmission Charges. Similarly, ARR for FY 2020-21, has projected total Transmission Loss @3 % for PGCIL and DTL i.e. 368.54 MU. Now, in Revised Tariff Petition, the Transmission Losses Units has been revised to 278.74 MU keeping the percentage as 3% for FY 2020-21, however, as per SLDC data, the actual Intra-State Transmission Losses is 0.90% for FY 2019-20.

2.348 In earlier Tariff Petition submission, BRPL has projected an amount of Rs. 1104 Crore as Transmission Charges for FY 2020-21, however, no bifurcation for Intra-State Transmission Charges and Inter-State Transmission Charges were given. Now, BRPL in its Revised Tariff Petition for FY 2020-21 has projected Rs. 1,087 Crore as Transmission

Charges, however, the bifurcation is again not given for Intra-State Transmission Charges and Inter-State Transmission Charges. Earlier, BRPL ARR for FY 2020-21, has projected Intra-State Transmission Losses as 0.92% i.e. 133 MU. Now, in Revised Tariff Petition, the Intra-State Transmission Losses Units has been revised to 112 MU keeping the percentage as 0.92% for FY 2020-21 (Table No. 4-12). However, as per SLDC data, the actual Intra-State Transmission Losses is 0.90% for FY 2019-20. BRPL had stopped payment to DTL since October 2010.

2.349 In earlier Tariff Petition submission, BYPL in its Tariff Petition has projected only an amount of Rs. 211 Crore for FY 2020-21 as Intra-State Transmission Charges (including SLDC) and Contribution towards Pension Fund, to which DTL has submitted its comments that the same is lesser than that the amount actually billed i.e. Rs. 259.40 Crore by DTL for FY 2018-19. Now, BYPL in its Revised Tariff Petition for FY 2020-21 has projected Rs. 215 Crore (Table No. 2.20 & 2.24) as Intra-State Transmission Charges (including SLDC), which is again lesser than the amount actually billed by DTL for FY 2018-19. Earlier, BYPL ARR for FY 2020-21, has projected Intra-State Transmission Losses as 0.92% i.e. 81 MU. Now, the same has been revised to 71 MU (Table No. 2.20 & 2.24) for FY 2020-21 in Revised Tariff Petition, however, as per SLDC data, the actual Intra-State Transmission Losses is 0.90% for FY 2019¬-20. BYPL has stopped payment to DTL since October 2010.

2.350 In earlier Tariff Petition submission, NDMC in its Tariff Petition has projected an amount of Rs. 57.04 Crore as Intra-State Transmission Charges including SLDC Charges for FY 2020-21, and the same amount i.e. Rs. 57.04 Crore (Table No. 54) has been continued as projections in Revised Tariff Petition as Intra-State Transmission Charges including SLDC Charges for FY 2020-21. Earlier, NDMC ARR for FY 2020-21, has projected Intra-State Transmission Losses as 13.93 MU. Now, in Revised Tariff Petition, the Intra-State Transmission Losses Units have been revised to 12.90 MU (Table No. 46), however, as per SLDC data, the actual Intra-State Transmission Losses is 0.90% for FY 2019-20 for NDMC.

PETITIONER'S SUBMISSION

TPDDL

2.351 Bifurcation of Transmission Charges considered by Tata Power-DDL for Projections of FY

2021 is as below:

Table 2. 4: Transmission Charges (Rs. Cr.)

Source	Amount	Remarks
PGCIL Charges	540.00	Average of PGCIL April and May 2020 Invoice to Tata Power-DDL amounting to ~ 45 Cr. was used for extrapolating charges for the Year
DTL Charges	300.00	Average of DTL April and May 2020 Invoice to Tata Power-DDL amounting to ~ 24 Cr. was used for extrapolating the DTL charges for the Year with approximately 4-5% escalation.
Others including STOA	97.81	
Total	**937.81**	

**STOA charges of Rs. 0.50/unit has been factored as a part of transmission cost.*

2.352 Tata Power-DDL computes the losses as difference of the actual power scheduled and energy received at Tata Power-DDL periphery and the losses are prorated under Intra state and Interstate losses as follows:

i) For Intra State Losses: DTL losses have been factored in as per the data shown on the Delhi Website i.e. 0.92% approx. (Delhi STU Loss).

ii) For Inter State Losses: Remaining difference is booked under Interstate head.

BYPL

2.353 Intra-state Transmission Charges: For FY 20-21, the Petitioner has considered the Intra-State Transmission Charges on the basis of actual data for FY 2019-20 and the same is mentioned in the ARR petition filed by the petitioner.

2.354 Intra-state Transmission losses: The intra-state Transmission Loss during FY 2020-21 has been considered as provided in Tariff Order dated 31.07.2019 i.e. 0.92%.

2.355 Outstanding dues towards BYPL: 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

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

BRPL

2.356 Did not provide any comment.

NDMC

2.357 NDMC has considered actual transmission losses of 0.92% in FY 2018-19 for projection in FY 2020-21 as the actual loss percentage of DTL for FY 2019-20 were not available at the time of filing the Petition. As per submission of DTL, the losses in its network for FY 2019-20 are 0.90%. Accordingly, the same may be considered by the Commission.

2.358 Intra-state transmission charges: NDMC has considered the intra-state transmission charges based on the actual payments done during the year.

2.359 Intra-state transmission Loss: NDMC has already submitted that it has considered the intra-state loss percentage as 0.92% in its petition (clause no. 2.5.2) as well as tariff formats based on the details provided by SLDC.

COMMISSION'S VIEW

2.360 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 including Transmission Charges and Transmission Losses in the petitions with due analysis and ensuring proper justification.

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

ISSUE 18: GROUP HOUSING SOCIETY TARIFF CHARGES

STAKEHOLDER'S VIEW

2.362 Rates for Central Group Housing Society (CGHS) and its members should be the same.

Group Housing Society is being charged as per Tariff Schedule 1.2, and its members as per Tariff Schedule 1.1. This is totally unfair as, within normal domestic LT supply, the distribution system/ sub-station (including transformers, switches and meters, etc.) are installed and maintained by DISCOMS. However, in GHS, members have installed and are maintaining all the systems and bearing all the expenses.

2.363 Public Awareness Bulletin No. 11 & 12 with respect to our connection are not helpful as there is no method to calculate the individual load in GHS connection and the charging of fixed charges from an individual is very difficult.

2.364 Commission had abolished the fixed charges for GHS (11kV) w.e.f. 01/10/2015, but these charges continued for the individual members, and w.e.f. 01/09/2017 again imposed the fixed charges on the GHS. The charging of fixed charges in GHS is totally unjustified.

2.365 Audit condition for claiming subsidy by GHS should be eliminated or Commission may fix a panel of CAG empanelled with a nominal monthly fee. The commission may also arrange a joint meter reading with any of Govt. Agency or DISCOM'S Representative.

2.366 The Commission is requested to kindly fix the tariff for the GHS only and not pass any further order for the individual member's tariff (as before 01-10-2015).

2.367 Direct the DISCOMS to mention the MDI reading in each bill.

2.368 Direct the DISCOMs to prepare the monthly bill at least for the GHS according to the calendar month i.e., reading from 1st day to last day of the same month, instead of 14th day to 13th day of next month. This will help in the easier calculation of bills, as the tariff changes are made effective from 1st day of a month. This will also help GHS in easier distribution and collection of maintenance and electricity bills.

2.369 Display all the comments received for the formation of Tariff order on its website, as the Delhi Development Authority (DDA) did in case of the suggestions for MPD 2021.

2.370 The Commission is requested to kindly accord an opportunity of personal hearing in this matter.

2.371 As there is no method to calculate the individual load like a total common load of the GHS, in this connection, then how will the GHS charge fixed charges from its individual members?

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

2.373 Members of CGHS are paying energy charges as per Schedule 1.1 of Tariff Order but are not receiving the subsidy. Hence, the order for charging individual members as per Schedule 1.1 of Tariff Order be discontinued.

PETITIONER'S SUBMISSION

TPDDL

2.374 Tariff determination and tariff design for all consumer categories is the sole prerogative of the Commission. The GHS availing supply at 11 KV is being given a rebate of 3 % on energy charges for maintaining the system and bearing expenses as per prevailing Tariff Orders.

2.375 SPD connections to GHS are sanctioned in compliance with prevailing regulations. DISCOM charges fixed charges from the GHS as per provision in Tariff Order based on sanctioned load/contract demand. Calculating a load of individual members as well as that of common services for charging fixed charges is the preview of SPD.

2.376 There is a separate category for Single Point Delivery Supply for GHS in the tariff order and billing is done strictly in compliance to that only. However, Tariff determination and tariff design for all consumer categories is the sole prerogative of the Commission.

2.377 Tata Power-DDL is billing all its consumers as per Tariff Order FY 2019-20. Tariff determination and tariff design for all consumer categories is the sole prerogative of the Commission.

2.378 The commission may like to decide on the same as it may deem fit.

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

2.380 The commission may like to decide on the same.

2.381 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.

2.382 MDI is not reflected on this society bills due to multimeter case, however, we are arranging the same.

2.383 Bills are issued as per Billing Cycle or Billing period approved by the Commission.

2.384 SPD connections to GHS are sanctioned in compliance with prevailing Regulations. DISCOM charges fixed charges from the GHS as per provision in Tariff Order based on sanctioned load/contract demand. Calculating a load of individual members as well as that of common services for charging fixed charges is the purview of SPD.

2.385 Tata Power-DDL is billing all its consumers as per Tariff Order FY 2019-20. Tariff determination and tariff design for all consumer categories is the sole prerogative of the Commission.

BYPL

2.386 Commission has recognized that many GHS was charging high rates of electricity from its members and tried to resolve this issue by ordering GHS to bill its members as per domestic tariff with certain conditions. Further, the Commission also passed an order to allow subsidy approved by GoNCTD to individual domestic consumers to the member residents of GHS. Petitioner would like to mention here that members of GHS connections in our area are getting GoNCTD subsidy. When the individual GHS members are getting all the benefits of individual domestic consumers like subsidy and Domestic tariff, there is no point to shift from HT supply to LT supply.

2.387 The stakeholder has quoted tariff approved for individual domestic connections and GHS connections. This is for purpose of record and reference and hence, no comment is required.

2.388 The tariff is approved for GHS connections. After receiving the complaints and queries from many individual GHS members about the high rate of electricity being charged by the Group Housing Societies, the Commission directed the GHS consumers to charge rates of electricity from its members as per Domestic connections as mentioned in S. No 1.1 of the tariff schedule. This was only a mechanism to recover the cost of electricity by the Group Housing Societies from its members

2.389 We request the Commission to kindly approve a methodology for GHS to calculate the individual load for charging of fixed charges by the GHS from its individual members.

2.390 We would like to mention here that as per Regulation 130 of DERC (Terms and conditions for Determinations of Tariff) Regulations 2017, fixed charges to be levied by distribution licensee shall consist of the following:

i) Capacity charges of generating stations as approved/ adopted by the appropriate Commission.

ii) Capacity charges of transmission licensee including load dispatch charges stations as approved/ adopted by appropriate Commission.

iii) Fixed cost of distribution licensee such as ROCE, Depreciation and O&M Expenses.

2.391 It is pertinent to note that presently the fixed charges being levied are not sufficient enough to recover these costs of Distribution licensees. However, recognizing the low cost of operation at a higher voltage level, the Commission has approved a rebate of 3%, 4% and 5% to the consumers availing supply at 11 KV, 33/66KV and 220 KV voltage level respectively.

2.392 As per the Tariff Policy (as amended from time to time) the tariff approved by the State Commission shall be within the range of +/- 20% of the average cost of supply. Presently, the tariff approved under 1.1 and 1.2 of tariff schedule is (-) 48% and (-) 40% of the average cost of supply respectively for the petitioner. The other consumer categories like Non-Domestic and Industrial consumers are cross-subsidizing the gap of tariff and the average cost of supply of tariff for categories on S. No 1.1 and 1.2 of tariff schedule @ (+) 56% and (+) 24% of the average cost of supply respectively. There is no point of raising query of charging high tariff from GHS or its individual members by GHS. We would like to mention that in the petitioner's area many GHS connections are getting subsidy approved by the GoNCTD and adhering to the formalities approved by the Commission for claiming of subsidy for its members.

2.393 The MDI is being shown to the consumer in the bill raised by the petitioner.

2.394 We would like to mention that in case no activity related to electricity is done on any premises, the consumption recorded in the meter will be zero irrespective of KWh or KVAh billing. In the lockdown, for many consumers being billed on KVAh billing the recorded consumption came to be zero and billed accordingly. The stakeholder is requested to kindly check its premises.

BRPL

2.395 It may be noted that fixed charges as part of the tariff are 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.

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

Table 2. 5: Comparison for a 4 kW consumer consuming 800 units in a month

Tariff	Domestic Tariff	CGHS Tariff	Domestic Bill (Rs.)	CGHS Bill (Rs.)
Fixed charges	50.00	150.00	200	600
Energy Charges				
0-200	3.00	4.50	600	900
201-400	4.50	4.50	900	900
401-800	6.50	4.50	2,600	1,800
801-1200	7.00	4.50	-	-
1200+	8.00	4.50	-	-
RA Surcharge	8.00%	8.00%	344.00	336.00
PT Surcharge	3.80%	3.80%	163.40	159.60
E Tax	5.00%	5.00%	205.00	180.00
Voltage Rebate	0.00%	-3.00%	-	-108.00
Total Bill			**5,012**	**4,768**
Average Billing Rate			**6.27**	**5.96**

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

2.397 Recovery of Fixed Charges by Society from individual members: The Petitioner would like to clarify that levy and recovery of any / all component of electricity tariff by the society management from its individual members is totally a prerogative and internal matter of such society and its management / RWA. The Petitioner, as a distribution licensee has no role to play in this regard. Since such society is on single-point delivery on HT, the Petitioner's responsibility does not go beyond this HT meter. We, however, trust that the submissions made by the stakeholder are duly considered by the Commission.

2.398 It appears that the respected stakeholder is a consumer of TPDDL (another distribution licensee) and not the consumer of the Petitioner. We are confident that the observations expressed by the stakeholder will be duly addressed by TPDDL.

However, very briefly we are addressing the concerns raised by the stakeholder with regard to the following two issues:

2.398.1. Fixed charges levied on individual consumers in a CGHS society, and

2.398.2. The claim of subsidy by individual consumers of CGHS society.

In this regard, the stakeholder may kindly note 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."

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."*

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

NDMC

2.399 Fixation of tariff on Single point delivery supplier is the prerogative of the Commission. The suggestions on tariffs may be considered by the Commission.

COMMISSION'S VIEW

2.400 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.

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

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

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

2.404 The Commission considering prevalent grim situation due to outbreak of COVID-19 has already exercised its powers to address the hardships being faced by Delhi electricity consumers and accordingly, in its Suo-Motu Order dated 07/04/2020, the Commission allowed a moratorium on the payment of Fixed Charges for next three billing cycles beginning from March 24, 2020 to the consumers covered under Public Utilities, Industrial and Non-Domestic Tariff Categories, which stipulates as under:

> *"10(e). A moratorium on the payment of Fixed Charges for next three billing cycles beginning from March 24, 2020 is provided to the consumers covered under Public utilities, Industrial and Non Domestic Tariff Categories. The fixed charges accumulated over the said period shall be spread over the next three billing cycles after June 30, 2020 without any LPSC. Further, the consumers of these categories, who desire so, may pay Fixed Charges for the bills raised during the period starting from March 24, 2020 till June 30, 2020."*

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

2.406 Subsidy is the prerogative of the State Government. However, it is observed that GoNCTD provides subsidy to Domestic consumers and Group Housing Societies also. Individual members of the Society are billed at par with other Domestic consumers as per Schedule 1.1 of Tariff Order.

ISSUE 19: MISCELLANEOUS

STAKEHOLDER'S VIEW

2.407 Some stakeholders are unable to procure a copy of DERC (Business Plan) Regulations or Tariff Petitions filed by the licenses for filing a proper response.

2.408 Supply of Un-interrupted and quality of power.

2.409 Maximum height of building be increased to 20 meters with stilt parking and up to 18 meters without stilt parking for installation of new domestic connections. If the above-mentioned suggestion is not immediately acceptable, Commission may kindly allow installation of new domestic connection to at least middle floor with roof height up to the permissible limit in already constructed buildings.

2.410 Connections of the meter should be made faster and restrictions like building completion certificate should be removed.

2.411 Generation capacity does not include solar power like DMRC bulk against Rewa (MP);

2.412 Generation capacity excluding BTPS 22510 MW against a demand of 7016 MW. Excessive power import put system reliability at stake;

2.413 Energy billing should be made simpler.

2.414 Timely payment rebate should be given to consumers.

2.415 Levy of Various charges defeats the claim that Delhi has the lowest Tariff.

2.416 Allow collection of any amount of electricity bill through both digital modes of payment and cash payment at designated scheduled commercial bank branches only.

2.417 Cash counters at DISCOMs should be closed.

2.418 No processing fee should be charged from consumers for payment, irrespective of the bill amount.

2.419 Consumers having sanctioned load above 11 KW and/or electricity bill value more than Rs. 20000/- should mandatorily make online payments.

2.420 Consumers engaged in Theft of electricity or payment defaulters be disallowed the benefits of lower slabs in Domestic category and be charged only on the highest tariff. No rebates, subsidy or Security deposit interest be allowed to them and LPSC is charged on monthly basis.

2.421 Features like Billing Details, Service Request, Important Information Request like - Know Your Tariff and Total Energy Charges, Know Your Meter – video explaining the meter, Consumer Profile - Display Email & Contact Number of Consumer, Billing Analysis – Last 6 months' details of Billed Amount, Payment History, Consumption Pattern, Payment Centers & Schemes/ Offers Section can be configured in the E-Bill

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

2.423 The mechanism should be made by which low power factor consumers should be penalized and consumers are mandated to maintain power factor between 0.95 lag and 0.95 lead in the interest of the consumers and the overall power system. Any power factor below that should be penalized. This will encourage consumers to install capacitors of appropriate capacity and will reduce their load and consequently their bills. The whole power system will also be benefited.

2.424 Provide incentives to DISCOMs to motivate them to provide quality and reliable power.

2.425 Administrative expenditure should not be included in ARR.

2.426 6% interest against Security paid to the consumer must be shown in March bill.

2.427 High Tension light must be free.

2.428 Private PGs as well as Men and Women Hostels to be charged at Domestic Tariff like Government-run Hostels.

2.429 DISCOMs are charging higher LPSC while in return they provide only 6% interest on security deposit and that to be adjusted in future bills, which is injustice to consumers.

2.430 The Tariff of 2010-11 was finalized and agreed in the official note sheet by a majority and was to be announced on 3.5.2010. Unfortunately, both the Members declined to sign the Tariff order. Govt. of NCT Delhi sought statutory advice on DISCOM Finance on 2.5.2010.

2.431 Bad debts, incentive towards streetlight and commission on electricity duty shall be considered as non-tariff income.

2.432 Legal expenses cannot be allowed.

2.433 Timely payment to Central and State Generating Stations and Transmission Utilities.

2.434 To maintain Toll-free number for registration of grievances.

2.435 In view of 200 units free provided by Government of NCT of Delhi and half Tariff up to 400 units, this should be totally abolished and brought to General category of Consumer. Hence 20 MU sale @ Rs. 1/unit to old DVB Staff should be disallowed.

PETITIONER'S SUBMISSION

TPDDL

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

2.437 Administrative and General expenses are part of the O&M expenses of Annual Revenue Requirement (ARR) of DISCOMs

2.438 The Commission in its Public notice already mentioned that they shall hold a public hearing with the stakeholders and date of hearing shall be notified separately.

2.439 Commission had clarified this issue on 31st May 2019 after due consideration of Master

Plan for Delhi (MPD) 2021, the Unified Building Bye-laws for Delhi, 2016 and the judgement of High Court of Delhi dated 29th May 2003 in CWP 2710/1998 and CM 4780/2003. However, the Commission may like to decide on the same as it may deem fit.

2.440 We appreciate the suggestions given by stakeholders in the overall interest of Delhi power sector. Further, we request the Commission to consider these suggestions and to take steps to incentivize DISCOMs based on performance parameters in addition to the existing incentive mechanism.

2.441 Bill format is same as decided by the Commission.

2.442 As per guidelines of Commission, all cheques/DDs and Cash up to ₹50000 are accepted at designated scheduled commercial bank branches. All digital modes of payment are already available to the consumer and they can use any channel for making the digital payment from anywhere, without visiting collection centres/Banks. The flexibility of making payments anytime-anywhere is the basic principle of digital payments.

2.443 Many consumers prefer to make payments at DISCOMs' collection centres especially small consumers having earnings and spending in cash. Still approx. 30% consumers pay the electriricy bill through cash at collection centres, therefore it is not possible to close collection centres. However, on the basis of concentration of footfalls at the collection centre, optimization of the same is being done by us from time to time.

2.444 As per guidelines of Commission for Credit / Debit card payments above ₹5000, (Rs. 10,000 under Covid-19 period from 24th Mar to 30th Jun 20) convenience charges charged by Payment Gateways are being passed on to consumers. Since this expense is being charged by Banks/Payment Gateway on the basis of bill amount, the higher the bill amount the higher the convenience charges, therefore capping of Rs. 5000 has been kept. However, the Commission may re-consider it; whether to keep charging the convenience fee from consumer or pass on these expenses through ARR. In all other payment modes and channels, no such fee is being charged from consumers.

2.445 Suggestion on consumers engaged in Theft of electricity or payment defaulters would be welcome and in overall consumer interest.

2.446 Any suggestion like connecting consumer information with Aadhaar and pan card would be welcome and in overall consumer interest.

2.447 kVAh billing in lag as well lead mode can be introduced i.e. kVARh consumption in the leading power factor mode has to be taken into account as consumption. Introduction of kVAh metering and tariffs in lead as well lag mode will also encourage the consumers to reduce their electricity bill by ensuring that they do not draw reactive power and switch over to using efficient devices with proper power factor correctors or will install only appropriate capacitors at their premises. To ensure better quality and reliable supply of power for the consumers, it is proposed to charge even the leading power factor cases on kVAh basis so that the injection by high-end consumers (More than 30 KVA) is as per their actual requirement and proper voltage is maintained for all the consumers. It will not only be helpful and beneficial for Tata Power-DDL but also for the concerned consumers.

2.448 According to DERC (Supply Code and Performance Standards) Regulations, 2017 the interest accrued during the year is reflected and adjusted in the bill for the first billing cycle of the ensuing financial year.

2.449 High Mast lights are billed as per tariff provision in the Tariff Order.

2.450 Any such suggestion would be welcome and in overall consumer interest on Aadhaar and pan card addition.

BYPL

2.451 BYPL continuous endeavour is to provide quality and reliable supply to its consumers. However, in order to upgrade the distribution infrastructure and ensure system reliability adequate O&M and capital expenditure is required, which is to be allowed in the ARR of the DISCOM. Additionally, in terms of the provisions of the Electricity Act, 2003, determination of electricity tariff to be charged from a category of the consumer is the sole prerogative of the Commission.

2.452 With respect to the stakeholder issue, we would like to submit that matter regarding the height of the building is sub-jaundice therefore not being commented by the answering petitioner. Further, we request the Commission to deal the same matter as per its regulations.

We would like to submit that, BYPL has always focused on the 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 below 9% as of current year. Despite this, there are still some areas with high losses and disturbing 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 from all this, BYPL organizes Nukkad Nataks and issue awareness bulletins to spread awareness among the consumers in the theft-prone areas. 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 into account while determining the ARR and benefits all the consumers.

2.453 The stakeholder has provided the numbers of BRPL for Power Purchase price and ABR. However, we wish to inform you that Power purchase cost is one of the components of ARR. Others being O&M expense, Depreciation, ROCE Interest on loan and carrying cost on Regulatory Assets. Therefore, it is not appropriate to compare only Power Purchase cost with the Revenue available at the existing tariff.

2.454 The commission in previous Tariff Orders has directed that in case the bill for the consumption of electricity is more than Rs 4,000/- payment for the bill shall only be accepted by the DISCOM by means of an Account Payee cheque/ DD. BYPL has been complying with the said directive of the Commission; however, considerable resistance has been faced by divisional offices/collection centres from low-income consumer groups. Further, we appreciated the concern of the stakeholder as in the current scenario of the coronavirus pandemic as well, the Government is encouraging us to go for the digitization. In view of the ground realities and current scenario, we are again requesting the Commission to enhance the limit of acceptance of cash payment for convenience of the consumers and avoid revenue loss in the ARR. In view current scenario of the coronavirus pandemic and for the safety of the Consumer and the staff of the Distribution companies, we are requesting the Commission to provide more options for the digital and hassle-free payment mechanism.

2.455 We would like to appreciate the concern raised by the esteemed stakeholder on the environmental friendly suggestion. We would like to mention that the facility of Electronic-bill is already in place to the consumers whose Email id and Phone number is registered in the Petitioner database. Further, in view current scenario of the coronavirus pandemic and for the safety of the Consumer and the staff of the Distribution companies, we are requesting the Commission to provide more options for the digital and hassle-free payment mechanism.

2.456 We appraise the concern of the stakeholder regarding other options for payments. Further, in view current scenario of the coronavirus pandemic and for the safety of the Consumer and the staff of the Distribution companies, we are requesting the Commission to provide more options for the digital and hassle-free payment mechanism.

2.457 Its tariff petition, Petitioner has also requested the Commission for the exclusion of dishonest consumer for GoNCTD subsidy. We appreciate the concerns raised by the esteemed stakeholder. Further, the determination of tariff of any class and category of the consumer is the sole prerogative of Commission.

BYPL agrees with the contention that honest consumers should not be burdened on account of dishonest consumers who are defaulting their bill payments and would like to apprise that in the event a consumer does not pay its electricity bill in full within the due date specified on the bill, a late payment surcharge (LPSC) @ 18% per annum is being levied. The LPSC is charged for the number of days of delay in receiving payment from that particular consumer until the payment is made in full. Hence, there is already a deterrent in place for such dishonest consumers. Further, BYPL is committed to ensuring that all consumers are served electricity through meters and that there are no events of theft/pilferages in its license area. To protect the interest of the honest paying consumer, we would like to inform that 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 into account while determining the ARR of the DISCOMs. BYPL would like to submit that new connection are released as per the provisions of the Delhi Electricity Regulatory Commission (Supply Code and Performance Standards) Regulations, 2018 and on submission/availability of documents as specified.

Further, it is submitted that the suggestion of the stakeholder relates to the Supply Code Regulations and shall be dealt with appropriately by the Commission.

2.458 BYPL would like to submit that the in Delhi, there is KVAh billing for all categories of consumer other than Domestic. Hence, the provision of incentive/penalty on maintaining power factor is already inbuilt in the Tariff approved by the Commission.

2.459 Tariff applied to paying guest accommodation PGs room on rent Pvt. Boys & Pvt. Girls hostels are decided by Commission and in terms of the provisions of the Electricity Act, 2003, determination of electricity tariff to be charged from a category of the consumer is the sole prerogative of the Commission.

2.460 The Petitioner in its Petition has simply listed the fact that there was no Tariff Order for FY 2010-11 due to the stay imposed by the Hon'ble Delhi High Court.

2.461 The distribution business is a regulated business under the aegis of the Commission and the right to avail a statutory remedy is also a right guaranteed under Article 14 and 19 of the Constitution. The right to do business under Article 19 (1) (g) includes the right to avail of statutory legal remedies to protect and safeguard the business which is part and parcel of the right to do business. Moreover, the Electricity Act, 2003, allows the Petitioner the right to avail its statutory remedies under section 111 and other applicable provisions. Therefore, all prudently incurred legal expenses without any distinction should be allowed as an expense in the ARR.

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

2.462 As regards the stakeholder's view for consideration of bad debt recovered as Non-Tariff Income, it is submitted that any amount recovered as bad debts is an energy income and have been rightly considered by the Commission as part of the revenue collected during the year. Since such income has already been considered as revenue available towards ARR, treating it as Non-Tariff Income would tantamount to double accounting of income. Therefore, the income on account of bad debts recovered is allowed to be reduced from Non-tariff income of the relevant year.

2.463 The Commission in its Order dated 05.03.2004 and 22.09.2009 while stipulating the incentive/disincentive mechanism for maintaining streetlights has stated that the incentive or disincentive would not be a pass-through in the calculation of the ARR. Further, the Commission in the Tariff Order dated 23.07.2014 had clarified that the incentive earned on account of street light maintenance shall be allowed to be retained by the Petitioner if the same is indicated separately in the audited financial statement.

2.464 The collection of electricity duty by the Petitioner is neither related nor incidental to the licensed business, hence any charges recovered against such activity cannot be considered as NTI in the ARR of the Petitioner. The responsibility for collection of electricity duty does not fall upon the Petitioner either under the Act dealing with Distribution or 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 the Act.

2.465 Further, if the revenue realization from the collection of electricity duty does not add to the revenue collection for the purpose of 'Collection Efficiency', the income/commission on such collection earned by the Petitioner cannot form a part of the ARR as Non-Tariff income.

BRPL

2.466 Determination of electricity tariff to be charged from a consumer is the prerogative of the Commission, under Section 45 of the Electricity Act, 2003.

2.467 As regards observation made by the Stakeholder, it has been decided by High Court of Delhi in its judgment dated 29.05.2003 in CWP 2710/1998 and CM 4780/2003 in the matter of Dr B.L. Wadhera vs. Govt. of NCT of Delhi & Ors. has directed that in all high rise building in Delhi and New Delhi, fire safety measures are to be adhered to. In all high rise buildings in Delhi and New Delhi, the safety measures are to be provided.

2.468 Apart from DERC Guidelines, the building height are governed under Master Plan Delhi 2021 and unified building bye-laws of Delhi 2016.

2.469 We would like to inform you that DMRC is an Open Access consumer. Hence, DMRC's procurement from its solar power details is not part of Petitioner's ARR.

2.470 The information contained in the bills is as per formats specified by the Commission.

2.471 As regards observation made by the Stakeholder, Regarding the issue of cash limit up to Rs. 4000, the Petitioner would like to submit that the same has already been deliberated upon in the various ARR Petition.

The Commission has directed that there will be a cash limit of Rs.4000/- while accepting billing dues from consumers. This limit is also applicable in case of recovery of all types of dues including LPSC, Misuse charges, theft charges etc. The limit for accepting payment through cash by the consumers at designated scheduled commercial bank branches shall be Rs. 50,000/-

No authority in the DISCOM is permitted to waive this condition pertaining to cash collection. We expect that the Commission will give due consideration to the comments.

2.472 The stakeholder has submitted that there are already many surcharges and, therefore, any additional further surcharge is unjustified.

In this regard, it is submitted that presently two separate surcharges have been allowed for two separate and specific purposes. A surcharge of 8% has been allowed for recovery of the principal component of the huge accumulated regulatory assets. The Petitioner is financially distressed due to accumulation of regulatory assets. The Commission vide its Tariff Order dated 13.07.2012 had introduced the concept of 8% Regulatory surcharge (on fixed & energy charges) for liquidation of accumulated Revenue Gap. However, the surcharge of 8% as levied is not enough to recover even the entire carrying cost on created Regulatory Assets.

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

2.473 As per Terms and conditions of Domestic Category in Tariff order dated 31.07.2019. The consumers running small commercial establishments including Paying Guest from their households having sanctioned load up to 5kW under the domestic category shall be charged domestic tariff. We would like to submit that determination of tariff and tariff categories is the sole prerogative of the Commission. However, we trust that the suggestions of the stakeholder will be appropriately considered by the Commission.

2.474 As per the provisions of Supply Code 2017, the interest accrued during the year shall be adjusted in the bill for the first billing cycle of the ensuing financial year. However, we trust that the suggestions of the stakeholder will be appropriately considered by the Commission.

2.475 Generation Capacity of BTPS put system reliability at stake: We would like to inform you that the Petitioner is committed to providing 24X7 Electricity supply to its consumers. Hence, there would not be any issue to any consumer, as far as the distribution of power is concerned. Further, we would like to inform the stakeholder that the Petitioner has been making consistent efforts to ensure quality and reliable supply of power by adhering to the performance standards as specified by the Commission. The Petitioner has been submitting reports on the Standards of Performance and Overall Performance Standards respectively to the Commission. The Petitioner endeavour has been not only to adhere to the Standards of Performance stipulated but also excel the Standards. Since Jul '02, the failure rates of distribution transformers have reduced to 0.01% (from 15% in FY 2001-02). The petitioner has also installed capacitors in its own network for reactive compensation and for better voltage profile. The faults in the sub-distribution system have reduced considerably. The Reliability Indices SAIFI, SAIDI and MAIFI are 1.63, 1.45 and 10.27 respectively in FY 2018-19.

2.476 In this regard, we respectfully wish to highlight that the stakeholder's observation is not entirely correct. The commission in its last tariff order dated 31.07.2019 has allowed small commercial establishments including Paying Guests being run from the owner's household having load up to 5 KW to be charged at domestic tariff. The relevant para from the said tariff order is reproduced below:

"5.24 The consumers running small commercial establishments including Paying Guest from their households having sanctioned load up to 5kW under the domestic category, shall be charged as per the domestic category."

It may also kindly be noted that determination of tariff is the sole prerogative of the Commission. We are confident that the stakeholder's plea would be duly considered by the Commission.

2.477 Benefits and concessions only for honest consumers: respondent has not elaborated exactly what kind of benefits and concessions are being referred to here. However, we agree that dis-honest consumers like those not paying their dues on time or those who resort to the unauthorized use of electricity pose an undue burden on honest consumers. This is the reason why the Petitioner has commissioned a dedicated team of enforcement professionals whose sole aim is to reduce and arrest loss occurring due to theft / unauthorized use of electricity. The Petitioner prides itself in claiming that both technical, as well as commercial losses, have been drastically reduced from over 50% at the time privatization to about 8% at present. Needless to mention, the benefit of such a drastic reduction in losses has directly benefited honest consumers by way of reduced tariff burden.

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

2.479 Stakeholder has highlighted the need to penalize consumers who do not maintain optimum power factor. In this regard, the Petitioner craves to highlight that such a mechanism is already in place for all three-phase consumers who are billed on kVAh tariff. A lower power factor translates to a higher unit's consumption which in turn leads to a higher bill amount. This mechanism itself tries to ensure that such consumers adopt methods to optimize the power factor in their premises.

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

NDMC

2.481 Quality of supply Issue Did not pertain to NDMC.

2.482 Extension of the maximum height of building Issue Did not pertain to NDMC.

2.483 Performance Standards of DISCOMs has already specified by Commission the standards of performance of the DISCOMs. DISCOMs in Delhi are already adhering to such prescribed standards of operations.

2.484 Generation capacity Issues of various stakeholders Did not pertain to NDMC.

2.485 NDMC has opened its own collection centres of Billing amount in NDMC area. However, any decision of Commission on this issue shall be acceptable.

2.486 NDMC is providing the facility to make payments as per choice of the consumers. Online payment is one of them. Due to internet related issues, consumers desire offline payment and therefore online payment cannot be made mandatory. However, in case, the Commission make it mandatory, NDMC will follow it.

COMMISSION'S VIEW

2.487 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 consumer's security deposits at the cost of Working Capital considered by the Commission for RoCE. The difference in the 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.

2.488 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.

2.489 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 the rebate has already been accounted for by reducing the requirement of the working capital.

A3: TRUE UP FOR FY 2018-19

BACKGROUND

3.1 The True up of FY 2018-19 shall be considered in accordance with the provisions of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and DERC (Business Plan) Regulations, 2017.

3.2 The Commission appointed C&AG empanelled Auditor, M/s APT & Co. for Regulatory Audit of the books of Account of the Petitioner for FY 2018-19. M/s APT & Co. (hereinafter referred to as 4"Consultant") has submitted the report based on the detailed scope of work specified in the Award. 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. Prudency 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 2018-19 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 IN VARIOUS JUDGMENTS

PETITIONER'S SUBMISSION

3.4 The Petitioner has claimed in its Petition impact of various issues categorized in the following six categories:

a) Category-1: Issues where inconsistent treatment has been given in Past Tariff Orders;

b) Category-2: Issues which fall under statutory levies/ change in law;

c) Category-3: Issues which tantamount to suo-motu reopening of previous Tariff Orders;

d) Category-4: Impact of pending review petitions filed with respect to:

- Tariff Order dated 28/03/2018- Petition No. 31 of 2018
- Tariff Order dated 31/07/2019- Petition No. 64 of 2019

e) Category-5: Directions of Hon'ble Tribunal given in various Judgments:

- Which have attained finality
- Although challenged before Hon'ble Supreme Court, no stay has been granted by the Hon'ble Supreme Court

f) Category-6: Previous claims which are contrary to Regulations.

3.5 The summary of the claims made is as follows:

Table 3. 1: Past Period Claim submitted by the Petitioner (Rs. Cr.)

Sr. No.	Particulars	Principal	Carrying Cost	Total
1	Impact for issues where there is inconsistency in different orders	176	298	474
2	Issues which fall under statutory levies/ Change in law	45	4	48
3	Issues which tantamount to suo-motu reopening of previous orders	Impact included in capex related		
4	Impact of review petition	751	1182	1933
5	Impact on account of APTEL Judgments	3284	3852	7136
6	Issues which are contrary to Regulations/ previous directions	866	568	1434
7	Total	5122	5903	11025

COMMISSION ANALYSIS

3.6 It is observed that the Petitioner has claimed that all issues other than those in category 4 are sub-judiced before the Higher Courts. The relevant extract of the Petition is as follows:

"3.28.3 These claims have been discussed in detail in subsequent paragraphs and the impact of such claims along with carrying cost accrued till FY 2017-18 has been considered as a part of Regulatory Assets in this Petition. ***These claims except Category-4 are also pending in various appeals before the APTEL etc.*** *However, if this Hon'ble Commission were graciously be pleased to grant the relief on these items, the Petitioner take steps in accordance with law to ensure that the same are not agitated before the Appellate Forums."*

3.7 Since, the issues in category 1, 2, 3, 5 and 6 are sub-judiced, therefore, the Commission has not taken cognizance of these issues in this Tariff Order.

3.8 The issues claimed under category 4 by the Petitioner are as follows:

Table 3. 2: Issues claimed by the Petitioner under Category 4

Sr. No.	Particulars	Principal	Carrying Cost	Total
A	Review Petition No. 31 of 2018-Tariff Order dated 28.03.2018			
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	Error in allowing the amount of Depreciation on Consumer contribution for capital works considered as NTI during FY 11-12 to FY 13-14	15	17	32
b	Error in consideration of Rebate from DTL as NTI during FY 2013-14	10	8	18
2	Omission to allow UI Interest considered as part of NTI for FY 2009-10 to FY 2011-12	42	84	126
3	Error in consideration of impact on account of R&M and A&G expenses for FY 2004-05 to FY 2006-07	28	109	136
4	Error in non consideration of impact on account of change in service tax for FY 2012-13 to FY 2016-17	41	20	61
5	Error in consideration of write-back miscellaneous provisions as part of NTI for FY 2007-08 to FY 2016-17	218	407	624
6	Omission to deduct the amount of LPSC from Revenue for FY 2008-09	10	23	33

Sr. No.	Particulars	Principal	Carrying Cost	Total
7	Error in consideration of impact on account of Merit Order Dispatch for FY 2013-14	54	46	100
8	Omission to withdraw / recall the Efficiency Factor for FY2015-16	17	7	23
9	Error in computation of Opening RRB for FY 2016-17	3	1	4
10	Error in rate of carrying cost while computing the impact of APTEL Judgments and Review Order in Table 98	7	2	9
11	Error in Revenue Billed for computation of AT&C loss for FY 2016-17	2	1	3
12	Omission to allow actual expenses incurred on account of Statutory levies while truing up for FY 2016-17	15	3	18
13	Error in allowing SVRS Pension amount as part of O&M costs for FY 2016-17	1	0	1
	Sub-Total	461	726	1187
B	Review Petition-Tariff Order dated 31.07.2019			
1	Carrying cost on Anta, Auraiya and Dadri	0	69	69
2	Sales on account of Net Metering	0	0	0
3	Erroneous computation of deemed revenue in excess of 1% cap on billing adjustments during FY 2017-18	4	1	4
4	Advance Against Depreciation	286	386	671
	Sub-Total	290	456	745
	Total	751	1182	1932

3.9 The Commission vide its Order dated 13/12/2019 has decided the issues under Review Petition No. 31/2018 against Tariff Order dated 28/03/2018. The Review Petition No. 64/2019 against Tariff Order dated 31/07/2019 is pending adjudication before the Commission. Therefore, the Commission in this Tariff Order has given impact of the issues decided in its Order dated 13/12/2019 which are discussed in the subsequent paragraphs.

Transfer from consumer contribution towards capital works for FY 2011-12 to FY 2013-14 and FY 2014-15 to FY 2015-16:

3.10 The Petitioner had prayed that the transfer from consumer contribution towards capital works for FY 2011-12 to FY 2013-14 and FY 2014-15 to FY 2015-16 to be reduced from Non-Tariff Income in its Tariff Petition for FY 2017-18 (August 2017 Tariff order).

3.11 Regarding FY 2011-12 to FY 2013-14, the Petitioner had not claimed in its respective Tariff Petitions. The claim was made for the first time in Tariff Petition for which the Tariff order was issued in August 2017. As submitted by the petitioner, the claim for FY 2011-12 also includes the claim for FY 2010-11 for an amount of Rs. 2.16 Cr. for prior period. The Commission has already allowed Rs. 4.20 Cr. for transfer from consumer contribution towards capital works to be reduced from NTI in true up of FY 2010-11.

3.12 The financial statements were examined and it was observed that the said adjustment does not appear in the audited financial statement as part of the other income of the petitioner for FY 2011-12 and FY 2012-13. For FY 2013-14, the other income of the Petitioner included the income on account of transfer of depreciation on account of consumer contribution. The petitioner has submitted an auditor certificate issued by Shridhar & Associates Chartered Accountants providing the details of Depreciation on consumer contribution for capital works. The Audited Statements have been examined and it is observed that transfer from consumer contribution towards capital works for FY 2011-12 to FY 2013-14 has to be reduced from the Non-Tariff Income of the Petitioner.

3.13 Further, the claim for FY 2014-15 to FY 2015-16 was allowed in Review Order dated 22.03.2018 which is now considered in this Tariff Order.

Rebate from DTL as NTI during FY 2013-14:

3.14 The Commission in the Review Order dated 22.03.2018 has already allowed the rebate from DTL to be reduced from Non-Tariff Income as follows:

"4.33 The amount of Rs.9.58 Cr was considered as income as per the statement of the petitioner. However, considering the submissions of the petitioner, the same may be allowed and the impact shall be considered in the subsequent Tariff Order."

3.15 Accordingly, the impact of the same is being allowed in this Tariff Order.

Omission to allow UI Interest considered as part of NTI for FY2009-10 to FY 2011-12:

3.16 The petitioner has sought the claim in respect of UI interest as part of NTI for FY 2009-10 to FY 2011-12. In the tariff Order July 2012 the impact of UI interest for FY 2010-11 had been allowed. The relevant extract from the tariff order is as under:

"3.143 The Petitioner has submitted that it had earned a UI interest amount of Rs 0.15 Cr, on account of late settlement of UI receivables by the Petitioner, which it treats as a part of the income from energy. The Commission has decided to allow the net interest earning on account of UI payment settlement by reducing the funding towards such late settlements (@ 9.5% allowed for working capital), as shown in the table below:

Table 36: Funding of UI settlement (Rs. Cr)

Particulars	***FY 2010-11***
UI Interest Collected @ 18%	*0.15*
Principle amount on which UI interest was charged	*0.83*
Interest rate for funding of Principle of UI settlement	*9.5%*
Interest approved for funding of UI settlement	*0.08*
Net UI interest Earned	*0.07*

3.144 Hence, the Commission has approved the amount of NTI as summarised below:

Table 37: Trued-up Non Tariff Income approved by Commission (Rs. Cr)

Particulars	***Petitioner's Submission***
Non Tariff Income as per audited accounts	*148.93*
Less:	
Transfer from consumer contribution for capital works	*4.2*
Provision for doubtful debts / advances	*66.4*
Financing Cost of LPSC	*9.14*
UI interest	*0.08*
Add:	
Street Light Maintenance Charges	*13.32*
Interest on Consumer Security Deposit	*15.07*
Total Non Tariff Income	*97.51*

"

3.17 Based on the above methodology, the UI interest is allowed to be reduced from the Non-Tariff income for FY 2009-10 as Rs. 18.91 Cr. and for FY 2011-12 at Rs. 0.96 Cr in this Tariff Order.

Error in consideration of impact on account of R&M and A&G Expenses for FY 2004-05 to FY 2006-07:

3.18 The Consultant's Report dated 24.07.2015 was shared by the Commission with the Petitioner. The report was detailed and included the exceptions checked by the Consultants. The Consultant submitted the summarised report on the final values as per the audit conducted on 22nd December, 2015. Such report did not include any detailed computation as claimed by the Petitioner. As the summarised report does not contain anything new, it was not considered necessary to share the summarised report with the Petitioner.

3.19 Further, the Commission decided to consider the figures for R&M and A&G expenses for FY 2004-05 as the values allowed during earlier true up based on the fact that such values have been submitted to the Commission by the Petitioner itself. The Commission relied on the submission so made by the Petitioner at the time of respective true up of the financial year and in view of passage of time of more than 10 years, it was difficult to audit the number of account. Therefore, the Commission decided to maintain the values as of FY 2004-05. The Petitioner did not bring any pertinent new fact requiring review of the aforesaid decision by the Commission. Thus there is no impact of the issue in this Tariff Order.

Error in non consideration of impact on account of change inservice tax for FY 2012-13 to FY 2016-17:

3.20 The Commission in its Review order dated 13.12.2019 has already decided that *there is* nothing *brought on record by the Petitioner which necessitates review of the aforesaid decision of the Commission.* Accordingly, no impact of this issue is there in this Tariff Order.

Error in consideration of write-back of miscellaneous provisions as part of NTI for FY 2007-08 to FY 2016-17:

3.21 It is observed that the Petitioner had filed the above issue in the Appeal no. 290 of 2015 Hon'ble APTEL in the matter of BYPL vs DERC against the impugned tariff order dated 29/09/2015, which was later withdrawn in order to plead the matter before the Commission as part of the Review petition against Tariff order dated 28/03/2018.

3.22 On this issue of error in consideration of the provisions written back in a particular year as Non-Tariff Income, the Commission observed that there are two aspects, one related to O&M amount and other about doubtful debts. The Petitioner submitted that provisions have been written back in various heads in the audited books of accounts, either on realisation of dues/movement of debtor or on account of non-use of O&M expenses earlier created in the Books of Accounts. In respect of written back provisions related to such O&M expenses, which had not been considered in the O&M cost, the same may be allowed subject to verification and prudence check of the audited statement of accounts and other relevant documents.

3.23 Regarding written back doubtful debts, it is observed that for the past few years, the collection efficiency of the Petitioner has been more than 100%, and it is usually possible when unrecovered past dues are being realised. The realised past dues may contain arrears and a portion of doubtful debts as well. In such a situation, the part of doubtful debts so realised will be treated as income because it has already been allowed to the Petitioner against collection efficiency, and therefore, no relief on such doubtful debts may be allowed. However, those doubtful debts, which have not been part of the collections efficiency, the same may be allowed provided the Petitioner is able to establish and prove that such amount of doubtful debts had not considered against the collection efficiency.

3.24 The billing and collection details of the relevant years were sought by the Commission. The information submitted by the Petitioner is under consideration and the effect thereof shall be taken after verification and prudence check of such information.

Omission to deduct the amount of LPSC from Revenue for FY 2008-09:

3.25 The Petitioner claimed that AT&C loss for FY 2008-09 was trued up on the basis of normative collection efficiency and accordingly, the amount of LPSC of Rs.20.68 Cr. was not considered against the amount realized. On the other hand, the said amount of Rs.20.68 Cr. was considered as a part of Non-Tariff Income in the Tariff Order dated 26/08/2011, and therefore, the Non-Tariff Income in FY 2008-09 is to be reduced by this amount.

3.26 It is observed that in the Tariff Order dated 26/08/2011, the amount of Rs.20.68 Cr. was reduced from the revenue available for FY 2008-09, however, in the subsequent Tariff Order dated 29/09/2015, the Non-Tariff income of the petitioner for FY 2008-09 was reconsidered and the amount of Rs.11.00 Cr. as financing cost of LPSC was reduced from the Non-Tariff Income. In view of the aforesaid, the balance amount of Rs.9.68 Cr. (Rs.20.68 Cr. – Rs.11.00 Cr.) is being further reduced from the Non-Tariff Income of the Petitioner.

Error in consideration of impact on account of Merit Order Dispatch for FY 2013-14

3.27 The Commission while issuing the DERC, Distribution Tariff Regulations, 2011 in December, 2011, first time introduced the Regulation on the principle of Merit Order Despatch (MOD). The said Regulations were applicable from April 1st, 2012. The relevant Clause is reproduced as follows:

"5.25 While approving the cost of power purchase, the Commission shall determine the quantum of power to be purchased from various sources in accordance with the principles of merit order schedule and despatch based on a ranking of all approved sources of supply in the order of their variable cost of power purchase. All power purchase costs shall be considered legitimate unless it is established that the merit order principle has been violated or power has been purchased at unreasonable rates or the power procurement guidelines as laid down by the Commission from time to time has not been followed."

3.28 The Commission while truing up of FY 2013-14, scrutinized the adherence of MOD principle by Delhi DISCOMs and thereby computed the avoided power purchase cost due to scheduling of power without MOD principle based on slot wise and plant wise energy details from SLDC considering the stations wise actual average variable rates for FY 2013-14 and disallowed the same from the power purchase cost of the DISCOMs. The costs disallowed for the Petitioner for FY 2013-14 was Rs. 101.34 Cr.

3.29 The above disallowance did not include power from Anta, Auraiya and Dadri Stations of NTPC as the power from the said stations was considered at Short Term Power due to the violation in License condition by DISCOMs by not obtaining the consent prior to renewal of PPAs of the said stations with NTPC. Subsequently, BRPL, BYPL and TPDDL moved to Hon'ble ATE challenging the disallowance of Power Purchase Cost based on MOD Violation including force scheduling, transmission constraints and technical constraints. In its reply to the Hon'ble ATE, the Commission submitted that in case the DISCOM submits details of such transmission constraints and technical constraints duly certified by the SLDC for any specific period for the stations in question with supporting documents, the same shall be reviewed by the Commission.

3.30 The Commission while truing up the Prior Period Expenses in the Tariff Order for FY 2018-19, revised the disallowance on account of avoided power purchase cost due to MOD Violation from Rs. 101.34 Cr to Rs. 54.01 Cr. by not considering various Stations under MOD violations which have must run status of Stations 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.

3.31 The Commission, exercising Regulations 12.7 (Enquiry and Investigation) of DERC Distribution Tariff Regulation 2011, sent a letter dated 07/12/2018 to the SLDC seeking detailed reasons as to why MOD principle was not followed in Delhi in FY 2013-14 as was mandated under DERC Distribution Tariff Regulation 2011. Further, a reminder was also on 08/01/2019. In response, SLDC vide letter dated 22/01/2019 certified that MOD principle was adhered to during FY 2013-14 while preparing the schedule during FY 2013-14. The relevant extract is as follows:

> *"In this regard, it is submitted that the Merit Order Despatch Principle was adhered to by Delhi SLDC while preparing the schedule during the year 2013-14. The Scheduling was done by Delhi SLDC of Delhi as a whole on MoD basis while considering Grid security and system constraints in line with Section 32 of the Electricity Act."*
>
> *It has been verified from the available records with SLDC that MoD principle was adhered to during the FY 2013-14.*

3.32 The Petitioner filed Review Petitions against the treatment of MOD Violation in Tariff Order for FY 2018-19 issued by the Commission.

3.33 The Commission vide its Order dated 13/12/2019 in the matter of Review Petition against the Tariff Order for FY 2018-19 issued on 28/03/2018, analysed the issue of MOD Violation as follows:

> *"3.7.3 To deliberate on the issue, discussions were held by the officers of the Commission with SLDC and the Petitioner. During the discussion it was observed that SLDC had identified the slots, which were shared with the Petitioner. The Petitioner has sold surplus power in the Exchange while the Power plants under MOD were already operating above the Minimum Technical Limit in said slots. The Petitioner has furnished the details about the Revenue earned by selling such surplus power in the slots identified by the SLDC to arrive at the final impact of non-adherence of MOD. The additional information/statement as submitted by the Petitioner is not counter signed/certified by SLDC, Delhi.*
>
> *3.7.4 In view of the above, during the subsequent Tariff determination exercise, on the basis of verification by SLDC regarding MOD/ DSCOM-wise scheduling, the claim of the petitioner shall be considered."*

3.34 The Commission vide Orders of July 2018 and September 2018 reinstated Anta, Auraiya and Dadri Gas Stations of NTPC to the approved Power Purchase portfolio of the DISCOMs. The availability of power from the said stations during FY 2013-14 also needed to be considered for computation of MOD violation for FY 2013-14.

3.35 Accordingly, the Commission vide its letter dated 01/07/2020 sought plant-wise and month-wise Merit Order Despatch (MOD) violation for FY 2013-14 from SLDC. In response, SLDC vide its letter dated 24/07/2020 submitted the details wherein it is observed that from the date of implementation of DISCOM wise scheduling i.e. 21/02/2014 till 31/03/2014 for Anta, Auraiya and Dadri Gas Stations of NTPC there was sale of power in Exchange during the slots where power was scheduled above Minimum Technical Limit (MTL) from these stations by BRPL, BYPL and TPDDL.

3.36 Further, the Commission directed SLDC to include all of the generating stations and not just Anta, Auraiya and Dadri Gas Stations of NTPC. In response, SLDC vide its email dated 30/07/2020 submitted the data indicating the slot-wise details of DISCOM's (i.e. BRPL, BYPL, TPDDL & NDMC) power sale in Exchange when power is scheduled more than MTL.

3.37 The Commission takes into consideration the following facts/submissions by SLDC & DISCOMs and MOD violations post implementation of DISCOM-wise scheduling:

a) BRPL, BYPL and TPDDL have submitted copy of affidavit which is submitted before Hon'ble APTEL wherein they have indicated that they have conditionally withdrawn the issue related to disallowance of MOD during FY 2013-14 subject to its reversal by the Commission.

b) **Prior to 21/02/2014** - The requisition submitted by DISCOMs to SLDC is on lump sum basis i.e. it is not generator wise and slot wise.

c) **Post 21/02/2014** - The requisition submitted by DISCOMs to SLDC is generator wise and slot wise.

d) SLDC vide its letter dated 22/01/2019 has certified that the Merit Order Despatch was adhered to by Delhi SLDC during FY 2013-14. However, it was observed that based on the data submitted by SLDC that after implementation of DISCOM wise schedule for few stations during some slots, the power scheduled was more than the MTL and in the same time slot the power was sold to exchange. Therefore, for period from 21/02/2014 till 31/03/2014 i.e., post implementation of DISCOM-wise scheduling, the violations on account of MOD for Delhi DISCOMs is as follows:

Table 3. 3: Merit Order Despatch violations for FY 2013-14 post implementation of DISCOM-wise scheduling

Feb 2014 (From 21/02/2014 to 28/02/2014)														
Particulars	**ANTA**	**AURAIYA**	**DADRI**	**JHAJJAR**	**RIHAND-1**	**RIHAND-2**	**RIHAND-3**	**SASAN**	**SINGRAULI**	**UNCHAHAR-1**	**UNCHAHAR-2**	**UNCHAHAR-3**	**DADRI-1**	**DADRI-2**	**TOTAL**
BRPL (MUs)	0.23	0.00	0.30	-	1.01	1.45	0.78	1.60	1.76	0.20	0.51	0.26	3.43	5.37	16.91
BYPL (MUs)	0.10	0.01	0.10	-	0.29	0.44	0.24	0.48	0.69	0.06	0.06	0.07	1.13	1.75	5.41
TPDDL (MUs)	0.19	0.01	0.23	0.22	-	0.81	1.13	0.60	1.19	1.41	0.18	0.46	1.54	3.10	11.08
NDMC (MUs)	-	-	-	-	-	-	-	-	-	-	-	-	1.60	-	1.60
ECR	2.83	3.25	3.34	3.73	1.40	1.42	1.34	0.58	1.20	2.93	2.91	2.89	3.29	3.12	
MOD Dis BRPL (Rs. Cr)	0.07	0.00	0.10	-	0.14	0.20	0.10	0.09	0.21	0.06	0.15	0.08	1.13	1.68	4.01
MOD Dis BYPL (Rs. Cr)	0.03	0.00	0.03	-	0.04	0.06	0.03	0.03	0.08	0.02	0.02	0.02	0.37	0.54	1.28
MOD Dis TPDDL (Rs. Cr)	0.05	0.00	0.08	0.08	-	0.11	0.15	0.03	0.14	0.41	0.05	0.13	0.50	0.97	2.73
MOD Dis NDMC (Rs. Cr)	-	-	-	-	-	-	-	-	-	-	-	-	0.53	-	0.53
Mar 2014 (From 01/03/2014 to 31/03/2014)															
Particulars	**ANTA**	**AURAIYA**	**DADRI**	**JHAJJAR**	**RIHAND-1**	**RIHAND-2**	**RIHAND-3**	**SASAN**	**SINGRAULI**	**UNCHAHAR-1**	**UNCHAHAR-2**	**UNCHAHAR-3**	**DADRI-1**	**DADRI-2**	**TOTAL**
BRPL (MUs)	0.28	0.03	0.21	-	2.29	3.62	2.17	3.65	4.00	0.52	1.15	0.40	0.46	2.10	20.87
BYPL (MUs)	0.07	0.02	0.07	-	0.81	1.26	1.26	1.61	1.78	0.19	0.36	0.16	0.81	2.01	10.40
TPDDL (MUs)	0.24	-	0.19	-	-	2.47	3.60	1.87	2.76	3.36	0.64	1.29	0.53	5.12	22.07
NDMC (MUs)	-	-	-	-	-	-	-	-	-	-	-	-	2.23		2.23
ECR	2.83	3.25	3.34	3.73	1.40	1.42	1.34	0.58	1.20	2.93	2.91	2.89	3.29	3.12	
MOD Dis BRPL (Rs. Cr)	0.08	0.01	0.07	-	0.32	0.51	0.29	0.21	0.48	0.15	0.33	0.11	0.15	0.65	3.38
MOD Dis BYPL (Rs. Cr)	0.02	0.01	0.02	-	0.11	0.18	0.17	0.09	0.21	0.06	0.10	0.05	0.27	0.63	1.91

MOD Dis TPDDL (Rs. Cr)	0.07	-	0.06	-	-	0.35	0.48	0.11	0.33	0.98	0.19	0.37	0.17	1.60	4.71
MOD Dis NDMC (Rs. Cr)	-	-	-	-	-	-	-	-	-	-	-	-	0.73	-	0.73
MOD Dis BRPL (Rs. Cr)															7.38
MOD Dis BYPL (Rs. Cr)															3.19
MOD Dis TPDDL (Rs. Cr)															7.44
MOD Dis NDMC (Rs. Cr)															1.26
TOTAL															19.28

3.38 The Commission has also sought Plant-wise, month-wise and day-wise violations for FY 2012-13 and for FY 2013-14 prior to implementation of DISCOM wise from SLDC which is still awaited. Therefore, penalty of Rs.54.01 Cr. for FY 2013-14 has been provisionally reversed by 50%.

Omission to withdraw / recall the Efficiency Factor for FY 2015-16:

3.39 The Commission in its Review Orderhas observed that *"3.8.2 On the issue relating to arbitrary computation of efficiency factor, a clarificatory application was filed by DERC in APTEL. However, Hon'ble APTEL dismissed the clarificatory application observing that the direction of APTEL in this regard in Appeals Nos. 61 and 62 of 2012 has been challenged by DERC before the Hon'ble Supreme Court in Civil Appeals Nos. 8660-61 of 2015, which is pending adjudication.*

3.8.3 Since the issue relating to computation of efficiency factor is currently sub-judice before Hon'ble Supreme Court, the effect of Efficiency factor for FY 2015-16 is provisionally allowed subject to the outcome of the Civil Appeals Nos. 8660-61 of 2015 pending in the Apex Court."

3.40 Accordingly, the impact of efficiency factor for FY 2015-16 is being allowed provisionally subject to outcome of the Civil Appeals no. 8660-61 of 2015 pending in the Apex Court.

Error in computation of opening RRB for FY 2016-17:

3.41 The Commission it its Tariff Order dated 31/08/2017 computed the closing RRB for FY 2015-16 as Rs. 2,077.61 Cr. whereas, the opening RRB for FY 2016-17 of the Tariff Order dated 28/03/2018 was erroneously taken as Rs. 2,054.49 Cr. The computation has been reconciled and it is observed that the opening RRB for FY 2016-17 should be Rs. 2,077.61 Cr. Accordingly, the impact of Rs. 2.67 Cr. is being considered in this Tariff Order.

Error in rate of carrying cost while computing the impact of APTEL Judgement and Review Order in Table 98:

3.42 Due to an inadvertent typographical error, in the Table-98 of Tariff Order dated 28.03.2018, the carrying cost for the FY 2016-17 was considered as 10.25%, whereas in

Table-222 the correct rate of carrying cost for FY 2016-17 i.e. 11.17% was mentioned. Accordingly, the carrying cost rate of FY 2016-17 in Table-98 is being read as 11.17% and Rs. 7.17 Cr as computed below is being considered in this Tariff Order.

Table 3. 4: Carrying Cost rate of FY 2016-17

Particulars	Amount
Opening balance for FY 2016-17 (table 98 of 28.03.18 TO) (Rs. Cr.)	779.63
CC rate erroneously applied	10.25%
CC rate to be applied	11.17%
Difference in Carrying cost rate	0.92%
Additional Carrying Cost amount	7.17

Error in Revenue Billed for computation of AT&C Loss for FY 2016-17:

3.43 In table no. 107 of the Tariff Order dated 28/03/2018, the total revenue billed has been considered by adding monthly rebate of Rs.22.01 Cr. It is observed from the notes to financial statements for FY 2016-17 that for category wise details of revenue billed and revenue collected (Billed and unbilled) during the year FY 2016-17, the monthly rebate was already included in the revenue billed of the Petitioner. This inadvertent error is now being rectified as below:

Table 3. 5: Error in Revenue Billed for computation of AT&C Loss for FY 2016-17

Particulars	Amount (Rs. Cr.)
Energy Billed	6114.44
Collection Efficiency (Revised)	100.27%
Revenue Realised	6131.23
Energy Input	7027.92
AT&C targets	12.76%
Additional Return on Equity(%)	0.37%
Target AT&C loss level for ith year (Xi)	13.33%
Actual AT&C Loss level for ith year (Yi)	12.76%
Target AT&C loss level for (i-1) year (Xi-1)	14.50%
Additional return on equity due to over achievement in AT&C loss	0.49%
Equity Amount	485.67
Additional Return as considered in this Tariff Order	2.37

Omission to allow actual expenses incurred on account of statutory levies while truing up for FY 2016-17:

3.44 As submitted by the Petitioner in its Review petition, the Petitioner had claimed O&M expenses on the basis of actual since there was no normative target. The Commission clarified in its Tariff Order dated 28/03/2018 that the O&M expenses are to be allowed on a normative basis. The claim arising in the Review Petition was not sought in specific in the Tariff Petition (relating to Tariff Order dated August 2017).

3.45 However, keeping in view the submission of the Petitioner that revision of statutory duty has been allowed to the other Discom viz. TPDDL, the Petitioner's claim on Property Tax and SMS charges was decided to be considered as per the provision of extant Regulations in this Tariff Order. Accordingly, during the prudence check, the petitioner submitted proof of payment of property tax to the tune of Rs. 9 Cr. which is now allowed.

3.46 In case of SMS charges, the Petitioner submitted to have paid the SMS charges as included in the telephone expenses as Rs. 0.75 Cr. for FY 2016-17. Further it is observed that the SMS charges for FY 2015-16 amounted to Rs. 0.33 Cr. While determining the base cost for the 2nd MYT Control period, the Commission considered the O&M expenses for FY 2010-11 which included the telephone and communication expenses. The workings as submitted by the Petitioner does not indicate the impact of additional expenses over the normative expense as allowed by the Commission to the Petitioner.

3.47 Accordingly, the Commission does not consider the impact of additional cost on account of SMS directive to the DISCOM and allows only the property tax of Rs. 9.00 Cr paid during FY 2016-17 by the Petitioner.

Error in allowing SVRS Pension amount as part of normative O&M costs for FY 2016-17:

3.48 The Petitioner claimed O&M expenses on the basis of actual since there was no normative target. The Commission clarified in its Tariff Order dated 28/03/2018 that the O&M expenses are to be allowed on a normative basis. The claim of the Petitioner arising in the Review Petition was not sought in specific in the Tariff Petition (relating to Tariff Order dated August 2017).

3.49 In **view** of the Review order dated 13.12.2019, the Commission considers the SVRS Pension amount of Rs. 0.57 Cr in this Tariff Order.

Advance from Consumers

3.50 The advance from consumers in the hands of the Petitioner is available over and above the working capital requirement of the Petitioner. The advance from consumers consisting of advances related to advance collected, deposit against capital works, security deposit towards supply of electricity, prepaid consumers and others with regard to advance payment due to pre-paid meter as per *DERC (Supply Code and Performance Standards) Regulations, 2017.*

3.51 As per*DERC (Supply Code and Performance Standards) Regulations, 2017*, prepaid meters are required to be installed in case of tenant and temporary supply.

3.52 As the name suggests the payment received from prepaid connections would always be in advance. Further, Tariff schedule provides for payment of 1% rebate to the prepaid consumers. The extract of same is reproduced below:

> *"8. For prepaid consumers, the additional rebate of 1% shall be applicable on the basic energy charges, fixed charges and all other charges on the tariff applicable."*

3.53 Hence, the benefit of advance payment to prepaid consumers is already inbuilt in the Tariff Schedule by the Commission.

3.54 Further, deposit against capital works which is reflected in the last month of the financial year and any unspent amount on account of such deposit is refunded by distribution licensees as per the methodology indicated in *DERC (Tariff and Conditions for Determination of Tariff) Regulations, 2017* as follows:

> *"40. Principles for treatment of the expenses on such capital expenditure shall be as follows:*
>
> *(1) Any unspent amount on account of deposit work and consumer contribution shall have to be refunded by the Utility:*
>
> *Provided that no interest shall be levied on the unspent amount, if the unspent amount is refunded by the utility within 30 (thirty) days after CoD;*
>
> *Provided further that interest at the rate of Bank Rate plus margin shall be levied on the unspent amount, if the unspent amount is refunded by the utility after 30 (thirty) days and upto 1 (one) year after CoD for the period between 31st day after CoD till date of refund;"*

3.55 Accordingly, the Commission has decided to consider the financing cost of such advance from consumers except advance related to Prepaid metering (operational in nature) and

Deposit against Capital works (last month of FY & interest related) in the hand of the Petitioner at the rate of working capital to be included in the Non-Tariff Income. The Commission further observed that such advances are generally high at the opening and closing of the financial year due to annual adjustments. The Commission considered the financing cost of such advance from consumers on a monthly average balance as held by the Petitioner. The Petitioner was given ample opportunity to provide the advance balance available on a monthly basis for FY 2017-18. The Petitioner however did not submit the same. For FY 2018-19, the Commission observed that the balance for advance from consumers as available every month was averaging to 50% of the opening and closing balance. Keeping in view the similar trend, the Commission considered Rs.4.22 Cr towards financing cost of such advances from consumers for FY 2017-18.

3.56 Accordingly, the Commission has decided to allow the following expenses based on the Review Order dated 13/12/2019:

Table 3. 6: Impact of Review Order dated 13/12/2019, Revised Collection Eff for FY 2017-18 and other prior period issues (Rs. Cr.)

Sr. No.	Particulars	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
A	Opening Balance		10.27	30.38	32.14	41.26	47.91	92.86	103.67	132.69	162.49
B	Transfer from consumer contribution towards capital works for FY 2011-12 to FY 2013-14 and FY 2014-15 to FY 2015-16				5.78	4.37	4.67	5.58	6.00		
C	Rebate from DTL during FY 2013-14						9.58				
D	UI Interest to be reduced from NTI		18.91		0.96						
E	Provisional allowance of effect of Efficiency factor subject to outcome of Civil Appeals 8660-61 of 2015 before Hon'ble Supreme Court								16.71		
F	LPSC to be reduced from NTI	9.68									
G	Rectification of opening RRB for FY 16-17									2.67	
H	Impact of carrying cost rate of FY 16-17									7.17	
I	Impact of error in revenue billed for computation of AT&C loss for FY 16-17									2.37	
J	O&M expenses - Property tax & SMS									9.00	
K	SVRS contribution - provisional basis									0.57	
L	Advance from consumers										(4.22)
M	Revision in disallowance of MOD for FY 13-14						27.01				
N	Total	9.68	29.18	30.38	38.88	45.63	89.17	98.44	126.38	154.47	158.27
O	Rate of Carrying Cost	12.17%	12.13%	11.64%	13.36%	10.54%	10.77%	10.94%	10.96%	11.17%	13.76%
P	Carrying Cost	0.59	1.20	1.77	2.37	2.29	3.69	5.23	6.30	8.02	11.03
Q	Closing amount	10.27	30.38	32.14	41.26	47.91	92.86	103.67	132.69	162.49	169.30

TRUE UP FOR FY 2018-19

ENERGY SALES

PETITIONER'S SUBMISSION

3.57 The Petitioner has submitted that the actual energy sales during FY 2018-19 was 6513.50 MU (including sales on account of Enforcement) as follows:

Table 3. 7: Petitioner Submission: Category-wise energy sales for FY 2018-19 (MU)

Sr. No.	Category	Total
A	Domestic	3,838
A.1	Domestic other than A2, A3 & A4	3,723
A.2	Single Delivery Point on 11 KV CGHS	21
A.3	11 KV Worship/Hospital	75
A.4	DVB Staff	19
B	Non Domestic	1,791
B.1	Non Domestic Low Tension (NDLT)	1,467
B.2	Non Domestic High Tension (NDHT)	325
C	Industrial	374
C.1	Small Industrial Power (SIP)	289
C.2	Large Industrial Power (LIP)	85
D	Agriculture & Mushroom Cultivation	0
E	Public Utilities	425
E.1	Public Lighting (Metered)	83
E.2	Public Lighting (Un-Metered)	21
E.3	DJB Supply at LT	12
E.4	DJB Supply at 11 Kv& above	137
E.5	DMRC	171
E.6	Railway Traction	
F	DIAL	
G	Temporary Supply	46
H	Advertisement Hoardings	0
I	Selfconsumption	15
J	Enforcement	14
K	E Vehicle at LT	7
L	Net Metering Connection	2
Total		6,514

3.58 **Enforcement Sale:** The Petitioner submits that in its order dated August 26, 2011 in the true-up for FY 2008-09 and FY 2009-10 and ARR for FY 2011-12 the Commission had reduced the MUs in relation to enforcement sale by dividing the enforcement collection by twice the average billing rate instead of single ABR. The approach adopted by the Commission in its said order dated August 26, 2011 was upheld by the Hon'ble ATE in Judgment dated November 28, 2014 (Appeal No. 61and 62 of 2012) inter-alia as under:

"58. In view of the above discussions the issue is decided as under:

…

2) The Commission has adopted correct approach for computing MU on account of enforcement

…"

3.59 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. 8: Petitioner Submission: Enforcement during FY 2018-19

Sr. No.	Particulars	UoM	Value
A	Total Units Billed excl. enforcement	MU	6,500
B	Total Amount Billed excl. enforcement*	Rs. Cr.	4,890
C	ABR*	Rs./kWh	
D	Twice of average billing rate	Rs./kWh	
E	Enforcement Collected*	Rs. Cr.	21.57
F	Units Billed account of enforcement	MU	13.96

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

3.60 **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."

3.61 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."

3.62 The Petitioner has submitted that as per Regulation 23(2) of DERC (Business Plan) Regulations 2017, the Own consumption of BYPL for FY 2018-19 is within the specified normative limit. further, the Hon'ble ATE has directed the Commission to allow the actual self-consumption. Accordingly, the units billed in the Petitioner's own office buildings during FY 2018-19 is 15.50 MU.

Table 3. 9: Petitioner Submission: Self consumption Normative v/s actual for FY 2018-19

Sr. No.	Particulars	Units (MU)
A	Units Billed Excluding Self consumption	6,498
B	Self consumption on Normative basis 0.25% of A	16.25
C	Actual Self consumption claimed by Petitioner	15.50

COMMISSION ANALYSIS

3.63 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 2018-19 by the Consultant, validated the billing database. The Commission observed as follows:

OWN CONSUMPTION

3.64 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."

3.65 The Commission observed that the Petitioner has reported self-consumption of energy at 15.50 MU. While reviewing the form 2.1(a), it was observed that the Petitioner had carried out adjustments to the tune of 6.11 MU above the gross billed 9.38 MU to arrive at the self-consumption at 15.50 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.

3.66 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.

3.67 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. The Commission feels that in case of own premises, such eventuality is not expected to occur and thus the Commission has considered own consumption at 9.38 MU for FY 2018-19.

ENFORCEMENT SALES

3.68 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."*

3.69 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*".

3.70 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.

3.71 The Petitioner submitted the enforcement sales unit at 13.96 MU. The Consultant verified the computation of the Enforcement Units category wise and accordingly, the Commission has considered the enforcement units as follows:

Table 3. 10: Commission Approved: Enforcement Sales for FY 2018-19

Particulars	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Domestic - Amt collected(Rs Cr)	0.58	0.56	0.42	0.60	0.62	0.96	0.67	0.62	1.12	0.69	1.37	1.15	9.35
Domestic ABR (Rs/ Unit)	5.09	5.19	5.37	5.41	5.33	5.34	5.32	5.57	5.86	5.55	5.67	6.07	
Twice ABR (Rs/Unit)	10.18	10.37	10.74	10.81	10.66	10.67	10.64	11.13	11.71	11.09	11.34	12.14	
Enforcement Units (MUs)-A	0.57	0.54	0.39	0.56	0.58	0.90	0.63	0.55	0.96	0.62	1.21	0.95	8.45
Non Domestic - Amt coll (Rs Cr)	0.52	0.62	0.56	0.79	0.78	1.15	0.78	0.88	1.20	0.70	1.38	1.58	10.94
Non Domestic ABR (Rs/Unit)	10.86	10.96	10.83	10.83	10.82	11.19	11.33	11.99	12.85	12.82	13.11	13.20	
Twice ABR (Rs/Unit)	21.73	21.92	21.65	21.66	21.63	22.37	22.66	23.99	25.70	25.65	26.21	26.40	
Enforcement Units (MUs)-B	0.24	0.28	0.26	0.36	0.36	0.51	0.34	0.37	0.47	0.27	0.53	0.60	4.60
Industrial - Amt collected (Rs Cr)	0.06	0.09	0.16	0.13	0.08	0.13	0.19	0.06	0.09	0.07	0.11	0.09	1.27
Industrial ABR (Rs/Unit)	9.17	9.32	9.52	9.50	9.40	10.23	10.16	10.10	10.15	10.06	10.20	10.19	118.00
Twice ABR (Rs/Unit)	18.35	18.64	19.04	19.00	18.79	20.46	20.31	20.20	20.30	20.12	20.40	20.39	236.00
Enforcement Units (MUs)-C	0.03	0.05	0.08	0.07	0.04	0.07	0.09	0.03	0.05	0.03	0.06	0.04	0.65

Particulars	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
E Vehicle - Amt collected (Rs Cr)	-	-	-	-	-	-	-	-	-	-	-	0.00	0.00
E Vehicle ABR (Rs/Unit)	5.50	5.51	5.45	5.57	5.60	5.67	5.67	5.70	5.68	5.74	5.82	5.43	67.33
Twice ABR (Rs/Unit)	11.00	11.02	10.90	11.14	11.20	11.34	11.33	11.40	11.35	11.48	11.65	10.85	134.66
Enforcement Units (MUs)-D	-	-	-	-	-	-	-	-	-	-	-	0.00	0.00
Total Enforcement Units (A+B+C+D)	0.84	0.87	0.73	0.99	0.98	1.48	1.06	0.95	1.47	0.93	1.79	1.59	13.69

3.72 Accordingly, the Units billed is reduced by 0.27 MU (13.96 MU – 13.69 MU) on account of enforcement sales.

NET METERING

3.73 During prudence check session for True up of FY 2018-19, the methodology for treatment of consumption through Net Metering arrangement was discussed with the Distribution Licensees. The Commission observed that since Net Metering consumers are connected to the network of Distribution Licensees, mainly at LT level, therefore the treatment followed by Distribution Licensees to consider the consumption through Net Metering in Sales is not correct. Net Metering consumers are not new category of consumers, they are existing consumers opting Net Metering arrangement through bidirectional feature i.e., they can export as well import with the Distribution Licensee Grid. Considering their consumption in sales leads to factoring such consumption for Distribution Loss computation which is technically not correct as these Net Metering consumers are embedded in Distribution Licensee Grid itself.

3.74 Further, Regulation 9 of Delhi Electricity Regulatory Commission (Net Metering for Renewable Energy) Regulations, 2014 stipulates

"(7) At the end of the each Financial Year, any net energy credits, which remain unadjusted, shall be paid for by the distribution licensee to the consumers as per the rates notified by the Commission from time to time."

b) In view of above, the Commission has considered net energy credits which remain unadjusted during end of FY 2018-19 as per Average Power Purchase Cost of the Petitioner in the Power Purchase cost.

ADJUSTMENT IN BILLING BY MORE THAN 1%

3.75 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."

3.76 The Commission conducted prudence check session with the Petitioner on 29/07/2020 related to compliance of the above mentioned directive. Further, based on the data submitted by the Petitioner on 11/08/2020, it was observed that adjustments are mainly on account of following heads:

i) Bills raised in system but not served to consumers (Contra Entries)

ii) Bills on account of provisional meter reading

iii) Bills raised to Open Access Consumers

iv) Other adjustments

3.77 Contra entries are entries which are posted and are subsequently reversed in the SAP billing system in FY 2018-19. The Petitioner has numerous contra entries aggregating to 85.56 MU.

3.78 Based on the submission of the Petitioner, it is observed that there are 3 main reasons due to which such entries are posted.

i) **Multi-meter Consumers on Single Contract Account -** There are consumers who are having multiple power injection points and are metered at multiple points but are billed on a single Contract Account. This is done in order to comply to the directive billed to bill such consumers on simultaneous maximum demand. In such cases, each meter records independent MDI and energy consumption simultaneously. In preparation of bills in the SAP system the billing system billing consumption is added arithmetically and the MDI is required to be maintained simultaneously for all the meters against one CA number to raises the bill. The contra entries are created on account of following:

a) MDI as recorded in the individual meters against the particular Consumer Account get added. Such bills are reversed and the correct bill is raised on simultaneous MDI as per the direction of the Commission.

b) To capture meter reading data of the balance meters when reading of one or more of the multi-meters is missing in AMR reading data.

Such Contra Entries are in the case of Government consumers viz. DMRC (12.68 MU), DJB (32.92 MU) and others (2.36 MU), where there are multiple meters. All three put together accounts for 56.05% of total contra entries.

ii) **Post audit check – done in compliance with STQC audit and subsequent directive of the Commission –** In the SAP system of the Licensee there is no scope to delete any entry once it is made. In case any correction or alteration is required in the individual consumer account while preparation of the bill, the previous entry passed in the system is required to be reversed and new entry is passed in the system for serving correct bill to the consumer. However, to obviate the chances of erroneous billing and in the interest of the consumers, several precautions have been inbuilt in to the billing software. Some of those precautions were built in pursuant to the directive of the Commission following various billing audit including the once carried out by STQC during the period of December, 2005 to May, 2006 and later in FY 2008-09. Hence, certain precautions are built in to the system for certain preset checks to identify abnormal billing or meter reading, change in tariff category on account of consumers; application/Commission's Order etc. to ensure error free billing to our consumers. The contra entry under the Post Audit Checks aggregates to 30.31 MU which is 35.43% of total Contra Entries. Out of this, 19.91 MU are for Government consumers and 10.40 MU for private consumers.

iii) **Processing of name change / transfer of connection requests -** During normal course of business, the Petitioner gets thousands of name change / transfer of connection requests from consumers during a financial year. Regulation 17 (1) of the Supply Code Regulations prescribes the procedure that needs to be adopted for executing such name change requests. Sub-regulation (iii) of Regulation 17 (a) reads as under:

> *"(iii) The request for transfer of connection shall not be accepted unless all recoverable dues in respect of the concerned connection are fully paid:*
>
> *Provided that once connection is transferred, no dues / arrears shall be recovered from the new consumer."*

In compliance of the aforesaid Regulation and in order to ascertain the total recoverable dues at the time of name change, a special reading is undertaken subsequent to which a final bill is generated. In order to effect the name change, a new CA number needs to be generated. However, the SAP system will allow the new CA to be generated only when the final bill generated is nullified by passing a contra entry. As a result, the Licensee is required to pass such contra entries in compliance of the Provisions of the Supply Code. The aggregate amount of contra entries passed while preparing the final bill is 7.30 MU, which is almost 8.53% of the total contra entries

3.79 Further, the Petitioner has submitted the replies to the Commission's queries that Contra entries do not form part of billing and none of these invoices are ever served to consumers. Further, no payments were received against such invoices.

3.80 From the conjoint reading to Regulations 30 (10) & (11) of DERC (Supply Code and Performance Standards) Regulations, 2017, it is observed that the licensee may raise provisional billing for 2 months after which the consumer may refuse to make the payment until the bill on actual meter reading is raised by the licensee. The Regulations 30 (10) & (11) states as under:

> *"10) In case, for any reason, to be specifically recorded, the meter is not read/ recorded during a billing cycle, the Licensee shall prepare a provisional bill based on the consumption during the corresponding period in the previous year when readings were taken:*
>
> *Provided that if the consumption during the corresponding period in the previous year is not available, the Licensee shall take average consumption of preceding three billing cycles or the lesser period when readings were taken.*
>
> *(11) If the provisional billing continues for more than one consecutive billing cycle, the consumer may refuse to pay the payment until bill is raised by the licensee as per actual meter reading."*

3.81 In view of above and based on the information submitted by the Petitioner including quarterly Form 2.1 (a), the Commission has not considered Contra Entries (being counter entries), adjustments related to Open Access consumers and Provisional

Billing less than 2 months as adjustments in Units Billed. However, other adjustments submitted by the Petitioner have been considered without sign change (gross) as adjustments indicate total adjustments without +/- nature. Accordingly, the adjustments related to adjustment in units billed, in line with abovementioned directive is as follows:

Table 3. 11: Adjustment Sales in Units for FY 2018-19 (MU)

Particulars	Gross Sales	2.1a (Total Adjustment)	Contra Entry	Provisional to Actual Billing					Open Access	Other Adjustments			% Adj (Total)	% Adj adding + & - both(excluding Contra, Open Access & 2 month Provisional)
				Within a month	Within 2 months	Within a Quarter	More than Quarter but within a Year	More than a Year						
	A	B	C	D	E	F	G	H	I	+	-	J (Net)	B/A	
Quarter-1	1,814.07	(53.67)	(26.36)	(2.14)	(5.80)	(0.55)	(0.29)	(0.13)	(1.02)	0.27	(17.66)	(17.39)	-2.96%	-1.04%
Quarter-2	2,224.04	(34.26)	(3.42)	(3.47)	(8.87)	(0.87)	(0.34)	(0.12)	(6.27)	2.27	(13.17)	(10.89)	-1.54%	-0.75%
Quarter-3	1,512.99	(81.45)	(30.74)	(3.73)	(8.82)	(1.10)	(0.55)	(0.21)	(0.70)	0.59	(36.19)	(35.60)	-5.38%	-2.55%
Quarter-4	1,142.00	(43.60)	(25.04)	(2.54)	(4.37)	(0.90)	(0.57)	(0.13)	-	7.89	(17.95)	(10.06)	-3.82%	-2.40%
Annual	**6,693.10**	**(212.99)**	**(85.56)**	**(11.87)**	**(27.87)**	**(3.41)**	**(1.76)**	**(0.59)**	**(7.99)**	**11.02**	**(84.96)**	**(73.94)**	-3.18%	-1.52%

3.82 Based on the above prudence check, the Commission considers the adjustment in sales for the Petitioner at 1.52% for FY 2018-19 and the effect of adjustment in excess of 1% has been considered as deemed sales and deemed revenue billed of the Petitioner as follows:

Table 3. 12: Effect of 1% adjustment

Particulars	Units (MU)
Deemed Units for Adjustment Beyond 1%	34.82
ABR	7.54
Deemed Revenue Billed	26.25

3.83 Based on the submissions in Regulatory Audit report and prudence check sessions held, the Commission considers the Trued up sales for FY 2018-19 as follows:

Table 3. 13:Commission Approved: Trued Up Sales FY 2018-19 (MU)

Sr. No.	Consumer Category	As per Petitioner	As per Commission
A.	Domestic	3838.48	3838.48
B.	Non Domestic	1791.45	1791.45
C.	Industrial	374.39	374.39
D.	Agriculture & Mushroom Cultivation	0.23	0.23
E.	Public Lighting	103.90	103.90
F.	Delhi Jal Board(DJB)	149.33	149.33
G.	DMRC	171.48	171.48
H.	Temporary Supply	0.06	0.06
I.	Advertisement and Hoardings	45.63	45.63
J.	Charging Stations for E-Vehicle	7.19	7.19
K.	Self Consumption	15.50	9.38

Sr. No.	Consumer Category	As per Petitioner	As per Commission
L.	Enforcement	13.96	13.69
M.	Net Metering	1.90	0
N.	1% Adjustment		34.82
Total		**6513.50**	**6540.04**

DISTRIBUTION LOSS AND COLLECTION EFFICIENCY FOR FY 2018-19

PETITIONER'S SUBMISSION

3.84 The Petitioner submitted to achieved the actual Distribution Loss and Collection efficiency of 9.31% and 100.37% respectively during FY 2018-19. A comparison of Target and actual performance of the Petitioner during FY 2018-19 is tabulated below:

Table 3. 14: Petitioner Submission: Distribution Loss & Collection Efficiency and AT&C Loss % for FY 2018-19

Sr. No.	Particulars	Target approved	Actual performance
A.	Distribution Loss %	11.69%	9.31%
B.	Collection Efficiency %	99.50%	100.37%
C.	AT&C Loss %*	-	8.98%

** Derived from Distribution Loss Loss and CE*

3.85 The revenue billed for the purpose of computation of AT&C losses during FY 2018-19 is tabulated below:

Table 3. 15: Petitioner Submission: Revenue Billed for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Amount
A	Total Revenue Billed	5667.37
B	Less: Electricity Tax Billed	191.19
C	Less: 8% RA surcharge Billed	383.46
D	Less: 3.70% Pension Surcharge	181.55
E	Revenue Billed for AT&C True up	4911.16

3.86 The Revenue Collected considered for the purpose of computation of AT&C losses during FY 2018-19 is tabulated below:

Table 3. 16: Petitioner Submission: Revenue Collected for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Amount
A	Total Revenue Collected	5699.37
B	Less: LPSC	16.01
C	Less: Electricity Duty	192.09

Sr. No.	Particulars	Amount
D	Less: 8% RA Surcharge	382.45
E	Less: 3.70% Pension Surcharge	179.65
F	Revenue Collected for AT&C True up	4929.17

3.87 Accordingly, the Petitioner has computed Distribution Loss, Collection Efficiency and AT&C Loss for FY 2018-19 which is tabulated below:

Table 3. 17: Petitioner Submission: Distribution Loss, Collection Efficiency and AT&C Loss for FY 2018-19

Sr. No.	Particulars	UoM	Values	Remarks/ Reference
A	Energy Input	MU	7,182.26	
B	Energy Billed	MU	6,513.50	
C	Amount Billed	Rs. Cr	4,911.16	
D	Average Billing Rate	Rs./ Kwh	7.54	D = C / B * 10
E	Distribution Loss	%	9.31%	E = (A-B)/ A
F	Amount Collected	Rs. Cr	4,929.17	
G	Collection efficiency	%	100.37%	G = F / C
H	Units Realized	MU	6,537	H = G * B
I	AT&C Loss Level	%	8.98%	I = (A-H) / A

3.88 In terms of Regulation 159 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and Regulation 25(4) of DERC (Business Plan) Regulations 2017, the impact of overachievement of Distribution Loss target as submitted by the Petitioner is tabulated below:

Table 3. 18: Petitioner Submission: Overachievement of Distribution Loss target for FY 2018-19

Sr. No.	Particulars	UoM	Figure	Remarks
A	Distribution Loss Target in previous Year	%	13.00%	As per BPR 2017
B	Distribution Loss Target in Current Year	%	11.69%	As per BPR 2017
C	Actual Distribution Loss	%	9.31%	
D	50% of (previous year target - current year target)	%	0.66%	50%*(A-B)
E	Distribution loss target - 50% of (previous year target - current year target)	%	11.04%	B-D
F	Actual Energy Input at Distribution periphery	MU	7,182.26	

Sr. No.	Particulars	UoM	Figure	Remarks
G	Average Power purchase Cost	Rs/KWh	4.66	
H	Total Incentive	Rs. Cr	79.67	(B-C)*F*G/10
I	Petitioner Share 1 of incentive (less than Loss Target-50%*(PYT-CYT)	Rs. Cr	7.31	(B-E)*F*G/10*(1/3)
J	Petitioner Share 2 of incentive (up to Loss Target-50%*(PYT-CYT)	Rs. Cr	38.49	(E-C)*F*G/10*(2/3)
K	Total Incentive to Petitioner	Rs. Cr	45.8	I+J
L	Incentive to Consumer	Rs. Cr	33.87	(BE)*F*G/10*(2/3)+ (EC)*F*G/10*(1/3)

3.89 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. 19:: Petitioner Submission: Overachievement of Collection efficiency target for FY 2018-19

Sr. No.	Particulars	UoM	Target	Actual
A.	Amount billed	Rs. Cr.	4,911.16	4,911.16
B.	Collection Efficiency	%	99.50%	100.37%
C.	Amount collected	Rs. Cr.	4,886.61	4,929.7
D.	Over-achievement	Rs. Cr.		42.56
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.		12.28
F.	Entire 100% to be retained for achievement over 100%	Rs. Cr.		18.01
G.	Total Incentive to be retained by DISCOM	Rs. Cr.		30.29

COMMISSION ANALYSIS

ENERGY INPUT

3.90 The Petitioner submitted its Energy Input at DISCOMs periphery at 7,182.26 MU. During prudence check the Commission verified the details with Delhi SLDC who submitted that the Energy Input to the Petitioner was 7,195.62 MU. Out of this 7,195.62 MUs, 14.41 MU were on account of Open Access Consumers.

3.91 In case of self-generation from solar plant, the Petitioner reported 0.27 MU generated which has been considered in Energy Input submitted by SLDC. Therefore, no additional units on account of self generation need to be adjusted from the Energy input.

3.92 The Commission observed that the net metering is embedded generation and that there shall be no distribution loss on account of such energy. The Commission has already discussed the treatment of net metered units in the earlier section and has accordingly not considered any energy from net metering consumed by the Consumers directly in the Energy input of the Petitioner.

3.93 Accordingly, the energy input of the Petitioner is as follows:

Table 3. 20: Commission Approved: Energy Input approved for FY 2018-19 (MU)

Sr. No.	Particulars	Petitioner submission	Commission approved
A	Total Energy input	7,195.62	7,195.62
B	Less: Open Access consumer	13.63	14.41
C	Add: Net metering	0.27	0.27
D	Net Energy Input	7,182.26	7,181.48

DISTRIBUTION LOSS

3.94 Regulation 25(1) of DERC (Business Plan) Regulations 2017 specifies the Distribution Loss Targets for FY 2018-19 as follows:

Table 3. 21: Commission Approved: Distribution Loss targets for FY 2018-19

DISTRIBUTION LICENSEE	FY 2018-19
BYPL	11.69%

3.95 Regulation 159 of DERC (Terms and Conditions for Determination of Tariff) Regulations 2017 states,

"159. The Financial impact on account of over achievement or under achievement of distribution loss target shall be computed as under:

Incentive or penalty = Q1(L1-L2)*P*10^6*
Where,
Q1 = Actual Quantum of energy Purchased at Distribution periphery.
L1 = Distribution Loss Target in %
L2 = Actual Distribution Loss in %
P = Trued up Average Power Purchase Cost (APPC) per unit at distribution

periphery in (Rs./KWh)."

3.96 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.*"

3.97 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. 22: Commission Approved: Actual Distribution Loss for FY 2018-19

Sr. No.	Particulars	UoM	Petitioner submission	As approved	Ref.
A	Energy Input	MU	7,182.26	7,181.48	Table 3. 20
B	Billed Units	MU	6,513.50	6,540.04	Table 3. 13
C	Actual Distribution Loss Level	%	9.31	8.93	(1-B/A)
D	Target Distribution Loss Level	%	11.69	11.69	
E	Average Power Purchase Cost	Rs./ Unit	4.66	4.57	
F	Financial Impact of Overachievement or Underachievement	Rs. Cr.	79.68	90.54	A*(D-C)*E/10

3.98 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."*

3.99 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. 23: Commission Approved: Incentive/Dis-incentive for Distribution Loss for FY 2018-19

Sr. No.	Particulars	UoM	Petitioner submission	As approved	Ref.
A	Distribution Loss Target in Previous Year	%	13.00	13.00	
B	Distribution Loss Target in current Year	%	11.69	11.69	
C	Actual Distribution Loss	%	9.31	8.93	
D	50% of (previous year target- Current Year target)	%	0.66	0.66	50%*(A-B)
E	Distribution Loss target-50% of (previous year target- Current Year target)	%	11.04	11.04	B-D
F	Actual Energy Input	MU	7,182.26	7,181.48	Table 3. 20
G	Average Power Purchase Cost	Rs./Unit	4.66	4.57	Table 3. 50
H	Total Incentive	Rs. Cr.	79.68	90.54	Table 3. 22
I	Petitioner Share 1 of incentive (less than Loss Target-50%*(PYT-CYT)	Rs. Cr.	7.31	7.17	(B-E)*F*G/10*(1/3)
J	Petitioner Share 2 of incentive (up to Loss Target-50%*(PYT-CYT)	Rs. Cr.	38.52	46.02	(E-C)*F*G/10*(2/3)
K	Total Incentive to Petitioner	Rs. Cr.	45.83	53.19	I+J
L	Incentive to Consumer	Rs. Cr.	33.84	37.35	H-K

REVENUE BILLED

3.100 The Consultant verified the Revenue billed by the Petitioner. Accordingly, the Revenue Billed as approved by the Commission is as follows:

Table 3. 24: Commission Approved: Revenue Billed trued up for FY 2018-19 (Rs. Cr.)

Sr. No.	Consumer Category	Petitioner Submission	Commission Approved
A.	Domestic	2082.07	2082.07
B.	Non Domestic	2064.91	2064.91

Sr. No.	Consumer Category	Petitioner Submission	Commission Approved
C.	Industrial	368.70	368.70
D.	Agriculture & Mushroom Cultivation	0.06	0.06
E.	Public Lighting	93.05	93.05
F.	Delhi Jal Board(DJB)	115.01	115.01
G.	DMRC	108.17	108.17
H.	Temporary Supply	0.08	0.08
I.	Advertisement and Hoardings	52.78	52.78
J.	Charging Stations for E-Vehicle	4.06	4.06
K.	Self Consumption	-0.06	0.00
L.	Enforcement	21.57	21.57
M.	Net Metering	0.79	0.00
N.	1% Adjustment		26.25
O.	Total	4911.16	4936.71
P.	Add: Electricity Duty	191.19	191.21
Q.	Add: RA Surcharge	383.46	383.46
R.	Add: Pension Trust Surcharge	181.55	181.57
S.	Gross Amount Billed	5667.37	5692.96

REVENUE COLLECTED

3.101 The revenue collected as approved by the Commission is as under:

Table 3. 25: Commission Approved: Revenue Collected for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Petitioner submission	Commission approved	Ref.
A	Actual Revenue Collected including Electricity duty, LPSC, Regulatory Surcharge, Pension trust surcharge	5,699.37	5,699.36	
	Less:			
B	Electricity Duty	192.09	192.09	
C	Late Payment Surcharge	16.01	16.01	
D	Regulatory Surcharge	382.45	382.45	
E	Pension Trust Surcharge	179.65	179.65	
F	Net revenue realized	4,929.17	4,929.16	A-B-C-D-E

COLLECTION EFFICIENCY

3.102 Regulation 163 of DERC (Terms and Conditions for Determination of Tariff) Regulations 2017 states:

"163. The financial impact on account of over or under achievement of collection efficiency targets shall be computed as under:-

*Incentive or penalty = (C1 – C2) * Ab*

Where,

*C1 = Actual Collection Efficiency in % =[Ar/Ab]*100*

Ar = Actual amount collected excluding electricity duty, late payment surcharge, any other surcharge in Rs. Cr.;

Ab = Actual Amount Billed excluding Electricity Duty, LPSC and any other surcharges in Rs Cr.

C2 = Target Collection Efficiency in %

3.103 Regulation 164 of DERC (Terms and Conditions for Determination of Tariff) Regulations 2017 states:

"Any financial impact on account of underachievement less than the target and overachievement above 100%with respect to Collection Efficiency targets shall be to the Licensee's account:

Provided that any financial impact on account of over achievement over and above the target and limited to100% with respect to Collection Efficiency targets shall be shared as per the mechanism indicated in the Business Plan Regulations of the Control Period."

3.104 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."

3.105 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. 26: Commission Approved: Collection Efficiency for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	UoM	Petitioner submission	Commission approved	Ref.
A	Revenue Billed	Rs. Cr.	4,911.16	4,936.71	Table 3. 24
B	Revenue Collected	Rs. Cr.	4,929.17	4,929.16	Table 3. 25
C	Collection Efficiency	%	100.37	99.85	B/A
D	Target Collection Efficiency	%	99.50	99.50	
E	Collection over and above the target	Rs. Cr.	42.56	17.14	B-(A*D)
F	Petitioner's share 1 (over 100% Collection Efficiency Target achieved)	Rs. Cr.	18.01	8.57	(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.	12.28	0	(C-D)/2
H	Total Petitioner share		30.29	8.57	F+G
I	Consumer share		12.28	8.57	E-H

PENSION TRUST SURCHARGE

PETITIONER'S SUBMISSION

3.106 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."

3.107 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. 27: Petitioner Submission: Shortfall in Pension Trust Surcharge FY 2017-18 (Rs.Cr)

Sr. No.	Particulars	Amount
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

3.108 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

3.109 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."

3.110 The Commission observed the shortfall in payment of the dues of Rs. 22.59 Cr. In spite such directions. The Commission further directed in its Tariff Order dated 31.07.2019 that the outstanding dues be paid within one month of the respective Order.

3.111 The Petitioner continued with its default and the Commission gave a final opportunity vide letter dated 06.11.2019 to clear its dues.

3.112 The Petitioner continued with its default and the dues were cleared by them as per the payment details as follows:

Table 3. 28: Days of default for Pension Trust Payment

Date of payment	Amount paid (Rs. Cr.)
13-Nov-19	5.00
2-Dec-19	6.59
7-Jan-20	5.50
13-Feb-20	5.50
Total	22.60

3.113 Accordingly, the Commission levies penalty on such delay beyond 30 days from the date of Tariff Order dated 31.07.2019 at Rs. 1.14 Cr. computed based on the Working capital rate of interest for the number of days of such default.

POWER PURCHASE QUANTUM

PETITIONER'S SUBMISSION

3.114 The Petitioner submitted that almost 71% 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.

3.115 The summary of actual power purchase quantum procured by the Petitioner during FY 2018-19 is as follows.

Table 3. 29: Petitioner Submission: Power Purchase Quantum for FY 2018-19 (MU)

Sr. No.	Particulars	Submission	Remarks/ Ref.
A	Power Purchase		
i	Gross Power Purchase Quantum	8,826.47	Includes Net Banking

Sr. No.	Particulars	Submission	Remarks/ Ref.
ii	Power sold to other sources	1,332.45	
iii	**Net Power Purchase**	7494.02	**i-ii**
B	Transmission Loss:		
i	Inter-State Transmission Loss	311.76	
ii	Intra-State Transmission Loss		
iii	**Total transmission loss**	311.76	
C	**Net power availableafter Transmission Loss***	7182.26	**A-B**

**Excluding Open Access*

LONG TERM POWER PURCHASE QUANTUM

PETITIONER'S SUBMISSION

3.116 The Petitioner has submitted the plant-wise power purchase quantum as follows:

Table 3. 30: Petitioner Submission: Power Purchase Quantum Station wise-FY 2018-19 (MU)

Sr. No.	Stations	Total Generation	Energy received Delhi Periphery	Petitioner Share
		MU	MU	MU
Central Sector Generating Stations (CSGS)				
A	**NTPC**			
i	Anta Gas	*	*	1.85
ii	Auraiya Gas			2.11
iii	Dadri Gas			12.78
iv	Dadri – I			291.23
v	Dadri – II			1004.14
vi	Farakka			31.13
vii	Kahalgaon – I			81.52
viii	Kahalgaon – II			254.9
ix	Rihand – I			0
x	Rihand – II			229.63
xi	Rihand – III			377.28
xii	Singrauli			493.62
xiii	Unchahar – I			37.11
xiv	Unchahar – II			71.9
xv	Unchahar – III			42.59
xvi	AravaliJhajjar			308.32
	Sub Total			**3240.12**
B	**NHPC**			
i	BAIRASIUL P S			9.54
ii	SALAL P S			95.18
iii	CHAMERA I P S			48.66
iv	TANAKPUR P S			10.99
v	URI P S			81.75

Sr. No.	Stations	Total Generation	Energy received Delhi Periphery	Petitioner Share
		MU	MU	MU
vi	DHAULIGANGA PS			35.69
vii	CHAMERA - II PS			49.51
viii	DULHASTI PS			71.84
ix	SEWA-II			16.44
x	CHAMERA - III PS			32.48
xi	URI II			52.56
xii	PARBATI-III			19.5
	NHPC Regulation credit			0
	Sub Total			**524.13**
C	**THDC**			
i	Tehri HEP			0
ii	Koteshwar			0
	Sub Total			0
D	**DVC**			
i	Mejia Units -6 (LT-4)			112.6
ii	DVC Chandrapur 7 & 8 (LT-3)			490.46
iii	Mejia Units -7			584.9
	Sub Total			**1187.97**
E	**NPCIL**			
i	NAPS			-0.13
ii	RAPP			106.63
	Sub Total			**106.5**
F	**SJVNL**			
i	Naptha-Jhakri			153.8
	SJVNL-Credit			0
	Sub Total			**153.8**
G	**Others**			
i	Tala HEP			18.97
ii	Sasan UMPP			2467.19
	Sub Total			**2486.16**
H	**Total CSGS**			**7698.69**
Delhi Generating Stations				
i	BTPS			258.94
ii	Rajghat			-1.52
iii	Gas Turbine			46.25
iv	Pragati – I			235.11
v	Pragati -III, BAWANA			597.42
	Sub Total			1136.2
Renewables				
i	SECI			43.06

Sr. No.	Stations	Total Generation	Energy received Delhi Periphery	Petitioner Share
		MU	MU	MU
ii	EDWPCL			14.78
iii	MSW			26.46
J	**Grand Total**			**8919.19**

SHORT TERM POWER PURCHASE QUANTUM

PETITIONER'S SUBMISSION

3.117 During FY 2018-19, the Petitioner has procured a total of 1064.07 MU through Bilateral/Banking/Intrastate/UI under short term purchase. The summary of source wise details of short term power purchase is tabulated below:

Table 3. 31: Petitioner Submission: Short Term Power Purchase Quantum

Sr. No.	Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
		Energy (MU)	(%)	Energy (MU)	(%)	Energy (MU)	(%)
A	Bilateral	47	6%	27	3%	1	0.1%
B	Banking	534	73%	805	83%	1019	96%
C	Exchange	51	7%	69	7%	8	1%
D	Intra-State	38	5%	10	0%	5	0.4%
E	UI	60	8%	59	7%	31	3%
F	Total	730		970		1064	

3.118 The Petitioner purchased about 97% 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

3.119 During FY 2018-19, the Petitioner has submitted to sell a total of 2489.2MU 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. 32: Petitioner Submission: Short Term Power Sales Quantum

Sr. No.	Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
		Energy (MU)	(%)	Energy (MU)	(%)	Energy (MU)	(%)
A	Bilateral	224	29%	18	2%	77	3%
B	Banking	188	24%	867	74%	1157	46%
C	Exchange	347	45%	275	24%	1245	50%
D	Intra-State	10	1%	1	0%	3	0%
E	UI	-2	0%	6	1%	7	0%
F	Total	767.6		1168.3		2489.2	

COMMISSION ANALYSIS

3.120 The Commission in its Tariff Order dated 28/03/2018 has approved gross power purchase quantum of 8,010.77 MU from Long Term Sources including Central and State Sector Generating Stations for FY 2018-19.

3.121 The Commission vide its email dated 11/03/2020 directed DISCOMs and Delhi SLDC to verify the figures of Long Term Power Purchase and Short Term Power purchase/sale for Delhi DISCOMs and submit a joint report to the Commission. The said joint signed statement source wise Long Term Power Purchase and Short Term Power purchase/sale was submitted by the Petitioner.

3.122 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.

3.123 The Petitioner submitted during the Prudence check that the power generated through Self generation is already added in the power purchase quantum for FY 2018-19.

3.124 Further, the Commission has considered net energy credits as per Regulation 9 of *Delhi Electricity Regulatory Commission (Net Metering for Renewable Energy) Regulations, 2014,* discussedabove in Sales section of this Order.

3.125 Based on the audited Power purchase certificate and submission of SLDC, the Power Purchase Quantum of the petitioner is trued up for FY 2018-19 as follows:

Table 3. 33: Commission Approved: Power Purchase Quantum (MU)

Sr. No.	Particulars	Petitioner Submission	Commission Approved
	Power Purchase Quantum		
I	Long Term Power Purchase	8919.2	8,919.19
II	Short Term Power Purchase	-92.7	45.06
III	Banking Import		1,019.01
IV	Other Input (Net Metering / Self Generation)		2.77
A	Gross Power Purchase Quantum	8,826.47	9,986.02
V	Banking Export		1,156.78
VI	Short Term Sale	1332.45	1,332.45
B	Net Power Purchase Quantum	7,494.02	7,496.79
C	Transmission Loss	311.76	315.31
D	Total Power MUs	7,182.3	7,181.48

POWER PURCHASE COST

PETITIONER'S SUBMISSION

3.126 The power purchase cost claimed by the Petitioner based on the auditor's certificate during FY 2018-19 is tabulated below:

Table 3. 34:Petitioner Submission: Power Purchase Cost for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Submission	Reference
A	Power Purchase Cost		
i	Gross Power Purchase Cost	3186.23	
ii	Power sold to other sources	499.33	
iii	Net Power Purchase Cost	2686.9	i-ii
B	Transmission Charges		
i	Inter-state transmission charges	330.97	PGCIL – 323.45, NTPC Ltd – 4.18, SECI – 1.89, BBMB – 0.07, Others
ii	Intra-state transmission charges	259.4	
iii	Other Transmission/OA charges	89.21	
iv	Total Transmission charges	679.58	i+ii+iii
C	Rebate		
i	Power Purchase Rebate	18.89	

Sr. No.	Particulars	Submission	Reference
ii	Rebate on Transmission Charges		
iii	Total rebate	18.89	i+ii
D	Add: Net Metering	1.03	
	Add: Self Generation (BYPL Roof Top Solar)*	0.84	
E	Net Power Purchase Cost including Transmission charges net of rebate	3349.46	A+B-C+D
G	Incentive on short term Sale	19.22	
H	Total Power purchase including incentive	3368.68	

** Self Generation @ Rs 5.36/unit vide Hon'ble DERC order dt.26.02.2018.*

3.127 Based on the above submissions, the Petitioner has considered the gross power purchase cost of Rs. 3848.79 Crore during FY 2018-19 which is tabulated below:

Table 3. 35:Gross Power Purchase Cost before rebate during FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	FY 2018-19	Reference
A	Audited Gross Power Purchase Cost (Before Rebate)		
i	Purchase of Energy	3169.21	Note 35 of Audited Accounts (excl. LPSC)
ii	Transmission cost	679.58	
B	Total Gross Power Purchase Cost excluding LPSC (i+ii)	3848.79	

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

Table 3. 36:Reconciliation (Rs. Crore)

Sr. No.	Particulars	FY 2018-19	Reference
A	Long Term Power Purchase	3170.39	
B	Short Term Power Purchase	453.44	
C	Less: Banking Sale	437.6	
D	Total	3186.23	As per Audit Certificate
E	Transmission cost	679.58	
F	Less: Rebate	18.89	
G	Add: Net Metering	1.03	
H	Add: Self Generation (at BYPL Roof Top)*	0.84	
I	Total Gross Power Purchase Cost excluding LPSC and rebate	3848.79	D+E-F+G

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

LONG TERM SOURCES

PETITIONER'S SUBMISSION

3.129 The Petitioner has considered the total cost on account of long term sources during FY 2018-19 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 2018-19 on account of Regulated Power has been considered.
- Gain on Regulated Power is also claimed separately that needs to be passed to be utility.

3.130 The Petitioner has submitted the details of station-wise power purchase cost during FY 2018-19 is tabulated below:

Table 3. 37: Petitioner Submission: Power Purchase Cost Station wise for FY 2018-19

Sr. No.	Stations	Petitioner Share	Fixed Charge	Variable Charge	Other Charges	Arrears	Total Charg es	Average Rate	Rem arks / Ref
		MU	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs./ kWh	
1	2	3	4	5	6	7	8	9	10
Central Sector Generating Stations (CSGS)									
A	**NTPC**								
I	Anta Gas	2	6	1	0	0	6	30.99	
Ii	Auraiya Gas	2	8	1	0	0	9	41.34	
iii	Dadri Gas	13	10	4	1	0	15	11.54	
Iv	Dadri – I	291	40	107	0	-7	141	4.83	
V	Dadri – II	1004	179	344	2	-7	518	5.16	
vi	Farakka	31	3	7	0	0	10	3.37	
vii	Kahalgaon – I	82	9	18	0	0	28	3.39	
viii	Kahalgaon – II	255	31	55	0	-1	85	3.35	
ix	Rihand – I	0	0	0	0	0	0		
x	Rihand – II	230	16	30	0	-1	45	1.97	
xi	Rihand – III	377	55	50	0	-1	104	2.77	
xii	Singrauli	494	34	68	0	0	101	2.05	
xiii	Unchahar – I	37	4	11	0	-1	15	3.95	
xiv	Unchahar – II	72	8	21	0	-1	28	3.9	
xv	Unchahar – III	43	7	12	0	-1	18	4.3	
xvi	Koldam HPS-I		0	0	0	5	5	0	
xvii	AravaliJhajjar	308	73	104	4	-11	170	5.52	
	Aravali-Credit	-	0	0	0	-0.46	-0.46	0	
	Sub Total	**3240**	**482**	**835**	**7**	**-27**	**1298**	**4.01**	
B	**NHPC**								
i	BAIRASIUL P S	10	1	1	0	0	2	2.07	
ii	SALAL P S	95	8	6	8	0	21	2.24	
iii	CHAMERA I P S	49	4	5	0	0	9	1.92	
iv	TANAKPUR P S	11	3	2	0	0	5	4.15	
v	URI P S	82	8	7	2	0	17	2.02	
vi	DHAULIGANGA PS	36	5	4	0	0	9	2.52	

Sr. No.	Stations	Petitioner Share	Fixed Charge	Variable Charge	Other Charges	Arrears	Total Charges	Average Rate	Remarks / Ref
		MU	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs./ kWh	
1	2	3	4	5	6	7	8	9	10
vii	CHAMERA - II PS	50	5	5	0	0	10	2.07	
viii	DULHASTI PS	72	17	18	2	0	37	5.16	
ix	SEWA-II	16	5	4	0	0	8	5.12	
x	CHAMERA - III PS	32	8	7	0	0	15	4.6	
xi	URI II	53	15	10	3	0	28	5.29	
xii	PARBATI-III	19	5	5	0	0	10	5.14	
	NHPC Regulation credit	-	0	0	0	0	0	0	
	Sub Total	**524**	**82**	**74**	**15**	**0**	**171**	**3.27**	
C	**THDC**								
i	Tehri HEP	0	0	0	0	0	0	0	
ii	Koteshwar	0	0	0	0	19	19	0	
	Sub Total	**0**	**0**	**0**	**0**	**19**	**19**	**0**	
D	**DVC**								
i	Mejia Units -6 (LT-4)	113	17	33	0	1	51	4.5	
ii	DVC Chandrapur 7 & 8 (LT-3)	490	79	92	0	-1	170	3.47	
iii	Mejia Units -7	585	90	154	0	3	247	4.23	
iv	DVC Credit from Regulatedpower								
	Sub Total	**1188**	**186**	**280**	**0**	**3**	**468**	**3.94**	
E	**NPCIL**								
i	NAPS	0	0	0	0	0	0	-27.85	
ii	RAPP	107	0	42	1	0	43	4.05	
	Sub Total	**107**	**0**	**42**	**1**	**0**	**44**	**4.09**	
F	**SJVNL**								
i	Naptha-Jhakri	154	22	19	0	1	42	2.72	
ii	SJVNL Credit	0	0	0	0	0	0	0	
	Sub Total	**154**	**22**	**19**	**0**	**1**	**42**	**2.72**	
G	**Others**								
i	Tala HEP	19	0	4	0	0	4	2.16	
ii	Sasan UMPP	2467	35	284	28	1	347	1.41	
	Sub Total	**2486**	**35**	**288**	**28**	**1**	**351**	**1.41**	
H	**Total CSGS**	**7699**	**808**	**1537**	**52**	**-3**	**2393**	**3.11**	**(A+B +C+ D+E+ F+G)**
I. Delhi Generating Stations									
i	BTPS	259	28	103	0	12	143	5.53	
ii	IP	0	0	0	0	17	17	0	
iii	Rajghat	-2	0	-1	0	0	-1	3.78	
iv	Gas Turbine	46	11	23	0	0	33	7.19	
v	Pragati – I	235	27	117	0	1	144	6.13	
vi	Pragati -III, BAWANA	597	165	227	0	0	392	6.56	
	Sub Total	**1136**	**231**	**469**	**0**	**12**	**729**	**6.41**	
J. Renewables									

Sr. No.	Stations	Petitioner Share	Fixed Charge	Variable Charge	Other Charges	Arrears	Total Charges	Average Rate	Remarks / Ref
		MU	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs. Cr.	Rs./ kWh	
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
i	SECI	43	0	24	0	0	24	5.51	
ii	EDWPCL	15	0	5	0	0	5	3.21	
iii	Delhi MSW	26	0	19	0	0	19	7.03	
	Reactive Energy	0	0	2	0	0	1	0	
	Sub Total	**84**	**0**	**47**	**0**	**0**	**49**	**5.76**	
K	**Grand Total**	**8919**	**1038**	**2055**	**52**	**25**	**3170**	**3.55**	**(H+I+J)**

***includes PY - Rs. -52 Crores*

COMMISSION ANALYSIS

3.131 The Commission, in its Tariff Order dated 28/03/2018 had projected the Power Purchase cost at Rs. 3,143 Cr.

3.132 The Consultant in their Regulatory Audit report has submitted to verify the invoices raised by Generating Stations consisting of Capacity Charges (Fixed Charges), Energy Charges (Variable Charges) and other charges for FY 2018-19 as submitted in the Petition and audited power purchase certificate. The Consultant has observed that for few stations of NTPC, the Annual Fixed Cost that was billed by the Generating Stations was higher than that approved in CERC Orders in earlier years.

3.133 The Commission in its earlier Tariff Orders dated 28/03/2018 and 31/07/2019 had provisionally allowed such annual fixed charges (AFC) as billed by NTPC subject to filing of Petition by the Petitioner within a month of the issuance of the respective Tariff Order and its outcome with CERC. The Consultant in their Regulatory Audit Report has submitted that CERC in its order dated 28th August 2019 stated that the Annual Fixed Charges as billed by NTPC is justified and CERC has approved the said cost in the tariff of the Generator, and accordingly, the AFC as billed by NTPC is approved as part of the Power purchase cost. The relevant extract of the said CERC order is as follows:

" 12. During the course of hearing, the Commission directed the Respondent, NTPC to clarify whether it was revising the IWC on month to month basis by applying the correction factor/formulae approved by the Commission. NTPC has clarified that IWC, once frozen by applying moisture correction formulae to the "as billed" GCV for

January-March 2014 period, is not revised on month to month basis. The Petitioner may, if they so wish, verify it from the bills submitted by the Respondent. We observe that in the similar issue, the Commission in its order dated 11.7.2018 in Petition No. 93/MP/2017 had observed as under:

"34. It is noticed that the Commission in its various orders for the period 2014-19 has arrived at the IWC on "as billed GCV" of the coal. It was left to the generator to revise the IWC based on the moisture content of coal received during the preceding three month by applying the moisture correction formulae. However, interest on working capital once fixed based on the landed price of fuel during preceding three months and by application of inherent moisture correction factor as finalized by the Commission, is not to be revised every month based on the moisture content of the fuel received during month of billing. Revising GCV based on moisture content of the fuel is allowed for calculation of "Energy Charge Rate" on month to month basis only for billing of monthly variable charges. 35. NTPC, vide Record of proceedings for the hearing dated 28.9.2017, was directed to clarify whether NTPC is revising the IWC on month to month basis by applying the correction factor/formula approved by the Commission. NTPC vide its affidavit dated 9.11.2017 has clarified that NTPC is not revising the IWC on month to month basis and the adjustment has been taken into account by NTPC in IWC calculation on normative basis only once to arrive at the fixed charges for the period 2014-19. 36. 36. Considering the submission of the NTPC that it is not revising the IWC on month to month basis, in our view, it is not claiming AFC over and above that approved by the Commission."

13. In view of the above, the prayer of the Petitioner to direct NTPC for refund of excess capacity charges is not sustainable."

3.134 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 Rs. 3,172.26 Cr.

SHORT TERM POWER PURCHASE

PETITIONER'S SUBMISSION

3.135 The source-wise details of short term power purchase cost during FY 2018-19 are tabulated under:

Table 3. 38: Petitioner Submission: Short Term Power Purchase Cost

Sr. No.	Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
		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	2.88	13.4	3.33	9	3.58	0.4
B	Banking	3.92	209.7	3.98	320.6	4.24	432.4
C	Exchange	3.94	20.1	4.37	37.1	4.32	3.4
D	Intra-State	2.06	7.7	2.18	2.1	2.57	1.2
E	UI	2.79	16.7	3.34	19.8	5.12	16
F	**Total**	**3.67**	**267.8**	**4.01**	**388.6**	**4.26**	**453.4**

COMMISSION ANALYSIS

3.136 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."*

3.137 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.

3.138 **Banking Transactions:** The Consultant observed that there was no overlapping in case of banking transactions.

3.139 **Contingency limit of 5% on UI Sale:** 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.

ADDITIONAL UI CHARGES

3.140 The Consultant has verified that the Petitioner has paid Additional UI Charges to the extent of Rs. 2.61Cr. The Commission also observed from the reconciliation statement jointly signed by the SLDC Delhi and the Petitioner that the amount of additional UI charges paid is Rs. 2.61 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"*

3.141 Accordingly, the Commission has disallowed the Additional Deviation Settlement Mechanism (Unscheduled Interchange) charges of Rs. 2.61 Cr.

3.142 Further, the Commission observed from the statement submitted by SLDC that the Petitioner has been levied penalty under Sustain Deviation in accordance with the CERC Regulations. Accordingly, the Commission disallows Rs. 2.19 Cr. as charges towards Sustained Deviation Charges.

3.143 The summary of short term power purchase based on the above findings as considered to be allowed in True up of FY 2018-2019 is as follows:

Table 3. 39: Commission Approved: Short Term Power Purchase for FY 2018-19

Sr. No.	Particulars	Quantum (MU)	Amount (Rs. Cr.)
A.	Bilateral	1.13	0.40
B.	Banking Import	1019.01	432.37
C.	IEX	7.96	3.44
D.	Intra State	4.61	1.19
E.	UI	31.35	16.04
F.	**Total**	**1064.07**	**453.44**

MERIT ORDER DISPATCH, SALE OF SURPLUS POWER AND INCENTIVE THEREON

PETITIONER'S SUBMISSION

3.144 The Petitioner has submitted that scheduling is being done by SLDC and DISCOMs have no control over backing-down of the costly power plants. There should be no disallowance for MOD on the following points:

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

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

c) Further, in line with the CERC (IEGC) 4th amendment 2016 Regulation, as quoted below:

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

In case of coal / lignite based generating stations, following station heat rate degradation or actual heat rate, whichever is lower, shall be considered for the purpose of compensation:

Sr. No.	*Unit loading as a % of Installed Capacity of the Unit*	*Increase in SHR (for supercritical units) (%)*	*Increase in SHR (for sub-critical units) (%)*
1.	*85-100*	*Nil*	*Nil*
2.	*75-84.99*	*1.25*	*2.25*
3.	*65-74.99*	*2*	*4*
4.	*55.64.99*	*3*	*6*

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

d) Operation of Plant is not under the control of DISCOMs, and Delhi DISCOMs allocation is around 10%-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.

3.145 The Petitioner put its all-out efforts to maximize the revenue through sale of surplus power.

3.146 The source-wise details of revenue realized through sale of surplus energy during FY 2018-19 are tabulated below:

Table 3. 40: Petitioner Submission: Revenue from Short term power sales

Sr. No.	Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
		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	2.98	66.7	3.65	6.6	4.92	38
B	Banking*	3.99	75.1	3.58	310.5	3.78	437.6
C	Exchange	2.08	72.3	3.08	84.8	3.73	464.5
D	Intra-State	2.03	2.1	2.17	0.3	2.5	0.7

Sr. No.	Particulars	FY 2016-17		FY 2017-18		FY 2018-19	
		Rate per unit	Amount	Rate per unit	Amount	Rate per unit	Amount
		(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)	(Rs. / kWh)	(Rs. Cr.)
E	UI	14.14	-2.4	0.87	0.5	5.44	-3.9

**Notionally shown as short term sale, quantum was arranged in previous/present year.*

3.147 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.

3.148 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. 41: Petitioner Submission: Incentive on sale of surplus power (Rs. Cr.)

Sr. No.	Particulars	Amount
A.	Total Incentive earned	50.69*
B.	DISCOM Share (1/3rd)	19.22*

**Excludes banking incentive; same will be submitted additionally*

COMMISSION ANALYSIS

3.149 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*.

3.150 As per the above mentioned Regulation, the Petitioner is required to procure the power in an economical manner following the principle of Merit Order Dispatch which is an integral part of this process. As per Merit Order Dispatch principle, the plants are stacked in least cost approach of their Variable Cost. The demand is then met through stations in ascending order of their Variable Cost subject to various technical constraints and the balance power though available from the left over stations after meeting the required demand, are thus not scheduled. Such balance power as available from the left over stations could have been backed down considering Technical Constraints or kept under reserve shutdown and such surplus costly power could have been avoided.

3.151 The Commission further observes that it has directed SLDC vide its letter dated 21/11/2013 to implement DISCOM-wise scheduling in Delhi based on the request of the Distribution Licensees.

3.152 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.

3.153 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;"*

3.154 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."*

3.155 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."

3.156 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."

3.157 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.

3.158 Accordingly, the methodology followed by the Commission is as per the above letter of the Commission and whenever there was a surplus sale of power, such surplus sale of power has been considered from the station having higher variable cost as lower variable cost stations must have been used first for the consumers.

3.159 Further, in the cases where the sale rate of surplus power was excess of power purchase cost of high variable cost station, that case only was considered for the calculation of Incentive on surplus power.

3.160 For the purpose of calculation of cost of higher variable cost station, ECR of previous month has been considered which is as per Regulation 29 of Business Plan Regulations, 2017.

3.161 Accordingly, the Consultant in its Regulatory Report has computed the total incentive/(dis-incentive) on sale of surplus power in line with the Regulation and the clarification issued by the Commission for FY 2018-19 as follows:

Table 3. 42: Commission Approved: Incentive on sale of surplus power for FY 2018-19 (Rs. Cr.)

Months	Petitioner Submission		Commission Approved		
	Exchange	Bilateral	Exchange	Bilateral	Intrastate
Apr-18	2.49	0.46	3.07	0.49	-
May-18	0.29	0.45	-6.17	1.13	-
Jun-18	-	-	-5.75	1.83	-
Jul-18	-	-	-	-	-
Aug-18	-	-	-4.86	0.00	-
Sep-18	6.09	-	12.73	-0.02	-
Oct-18	22.69	0.31	26.93	0.33	-0.05

Months	Petitioner Submission		Commission Approved		
Nov-18	6.39	0.56	8.24	0.71	-
Dec-18	2.88	0.75	3.57	0.87	-0.01
Jan-19	2.08	4.16	2.31	4.64	-
Feb-19	0.77	0.22	0.77	0.22	-
Mar-19	-	0.11	0.96	0.27	0.00
Total	**43.7**	**7.0**	**41.81**	**10.47**	**-0.06**

3.162 In view of Regulation 29 of DERC (Business Plan) Regulations 2017, the incentive sharing for the Petitioner is as follows:

Table 3. 43:Commission Approved: Incentive/Dis Incentive sharing between DISCOM and consumers (Rs. Cr.)

Particulars	Petitioner Submission	Commission Approved	
		Incentive	Disincentive
Incentive for October (above Fixed Cost to be Recovered)	23.01	27.21	
Towards DISCOM	9.99	12.76	
Towards Consumers	13.02	14.45	
Incentive for Other Months	27.69	41.81	-16.81
1/3 towards DISCOM	9.23	13.94	
2/3 towards Consumers	18.46	27.88	

Total Incentive For FY 2018-19	Petitioner Submission	As per Commission	Reference
DISCOM's Share	19.22	9.89	(12.76+13.94-16.81)
Consumers' Share	31.47	42.33	(14.45+27.88)

3.163 The net incentive of DISCOM of Rs. 9.89 Cr. has been considered by the Commission in Revenue towards ARR in True up of FY 2018-19.

TRANSMISISON CHARGES

PETITIONER'S SUBMISSION

3.164 The Petitioner has submitted the Transmission charges for FY 18-19 as follows:

Table 3. 44: Petitioner Submission: Transmission Charges (Rs. Cr.)

Sr. No.	Particulars	Submission	Reference
	Transmission Charges		
i	Power Grid Corp. of Ltd.	323.45	
ii	Delhi Transco Ltd. Wheeling	259.4	
Iii	Other Transmission etc.	7.52	BBMB,DVC,SECI,NTPC, others
iv	Open Access & SLDC Charges	89.21	

Sr. No.	Particulars	Submission	Reference
v	**Total Transmission charges**	679.58	Sum I to V

COMMISSION ANALYSIS

3.165 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. 679.58 Cr. for FY 2018-19.

REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES

PETITIONER'S SUBMISSION

3.166 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. 45: Petitioner Submission: Rebate-able and Non Rebate-able amount FY 2018-19

Sr. No.	Party/Company	Rebatable Amount	Non-Rebatable Amount	Actual Rebate Claimed
1	NTPC*	1,266.75	4.29	10.17
2	NHPC	155.97	15.23	2.61
3	Nuclear	43.22	0.38	
4	SJVNL	41.78	-	
5	THDC	-	19.36	
6	Tala HEP	4.10	-	
7	DVC	467.42	0.68	
8	**Power stations in Delhi**			
8.1	PPCL	535.99	-	
8.2	IPGCL	49.48	-	
9	ARAVALI	177.25	(7.39)	
10	SASAN	321.19	26.15	5.69
11	SECI	-	23.71	
12	EDWPCPL	4.74	-	0.08
13	DMSWSL	18.60	-	0.35
A	**Total Long Term Purchase**	3,086.51	82.40	18.89
14	Short Term Purchase	-		
15	Short Term sale	-		
16	**Transmission Charges**			

Sr. No.	Party/Company	Rebatable Amount	Non-Rebatable Amount	Actual Rebate Claimed
16.1	Power Grid Corp. of India Ltd.	323.45	-	
16.2	Delhi Transco Ltd.	259.40	-	
16.3	Bhakra Beas Manegment Board		0.07	
16.4	NTPC	4.18	-	
16.5	Arawali Power Company Private Ltd.	-	(0.60)	
16.6	Damodar Valley Corporation	1.31		
16.7	SECI		1.89	
16.8	DTL Pension Trust		-	
B	**Total Transmission Charges**	588.33	1.36	
C	**Net Rebate**	3,674.84	83.76	18.89

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

"6.1 According to the Appellant, the State Commission has acted

contrary to the findings of this Tribunal in Appeal no. 142 of 2009 wherein the Tribunal directed to consider rebate upto 1% as non-tariff income from the total rebate of 2% on power purchase.

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

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

i. There is no creation of Regulatory Asset. However, there is an accumulated figure of Rs. 2677 Crore upto FY 2017-18 as Regulatory Asset (as per Tariff Order dated 31.07.2019);

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 no other state any DISCOM has been able to avail maximum normative rebate when aforesaid conditions are not met.

f) 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 Hon'ble 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." **{Emphasis added}**

3.168 The Petitioner could not make payment of bills to any generating company and transmission licensee through letter of credit on presentation.

3.169 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.

3.170 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 2018-19.

COMMISSION ANALYSIS

3.171 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".

3.172 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. 46: Commission Approved - Rebate on PPC and Transmission Charges for FY 2018-19 (Rs. Cr.)

Sr. No.	Party/Company	Rebatable Amount	Non-Rebatable Amount	Actual Rebate Claimed	Maximum Normative Rebate
1	NTPC	1,266.75	4.29	10.17	25.34
2	NHPC	155.97	15.23	2.61	3.12
3	Nuclear	43.22	0.38		1.08
4	SJVNL	41.78	-		0.84
5	THDC	-	19.36		-
6	Tala HEP	4.10	-		0.08
7	DVC	467.42	0.68		9.35
8	Power stations in Delhi				
8.1	PPCL	535.99	-		10.72
8.2	IPGCL	49.48	-		0.99
9	ARAVALI	177.25	(7.39)		3.55
10	SASAN	321.19	26.15	5.69	6.42
11	SECI	-	23.71		-
12	EDWPCPL	4.74	-	0.08	0.09
13	DMSWSL	18.60	-	0.35	0.37
A	Total Long Term Purchase	3,086.51	82.40	18.89	61.95
11	Short Term Purchase	-			-
12	Short Term sale	-			-
13	Transmission Charges				
13.1	Power Grid Corp. of India Ltd.	323.45	-		6.47
13.2	Delhi Transco Ltd.	259.40	-	-	5.19
13.3	Bhakra Beas Manegment Board		0.07	-	-
13.4	NTPC	4.18	-	-	0.08

Sr. No.	Party/Company	Rebatable Amount	Non-Rebatable Amount	Actual Rebate Claimed	Maximum Normative Rebate
13.5	Aravali Power Company Private Ltd.	-	(0.60)	-	-
13.6	Damodar Valley Corporation	1.31		-	0.03
13.7	SECI		1.89		-
13.8	DTL Pension Trust		-		-
B	Total Transmission Charges	588.33	1.36	-	11.77
C	Total	3,674.84	83.76	18.89	73.71

3.173 The Commission considers the rebate at Rs.73.71 Cr. towards power purchased by the Petitioner.

RENEWABLE PURCHASE OBLIGATION (RPO)

PETITIONER'S SUBMISSION

3.174 The Petitioner has submitted target vis-à-vis actual purchase for Renewable Purchase Obligation for FY 2018-19 as tabulated below:

Table 3. 47: Petitioner Submission: Details of RPO (FY 2018-19)

Sr. No.	Particulars	Solar	Non-Solar	Total	Reference
I	Sales (MU)			6513.5	Actual Sales
ii	Hydro Purchases (MU)			696.90	
iii	Base for RPO (MU)			5,816.60	i-ii
iv	RPO Target (%)	4.75%	9.50%	14.25%	
v	RPO target (MU)	276.29	552.58	828.87	iii * iv
	RPO met				
vi	*EDWPCL*		14.78	14.78	
vii	*DMSW*		26.46	26.46	
viii	*SECI*	43.06		43.06	
ix	*Self Generation*	0.27		0.27	
x	*Solar roof-top Gross generation from Net metering consumer**	13.1		13.1	
xi	*REC*				
xii	*Open Access*		13.3	13.3	
xiii	**Sub-Total - RPO met**	**56.33**	**54.24**	**110.57**	
xiv	**Shortfall (MU)**	**219.96**	**498.34**	**718.29**	**v-xiii**

**The Gross generation by the net metering consumer is 13.1 MU and 2.5 MU fed in the Petitioner's grid*

3.175 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 2019, BYPL had successfully issued 303 net metering connections for a cumulative capacity of 17 MW solar rooftop projects developed by individual developers.

3.176 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 @ 18% p.a. to the generators which is not allowed by Commission and is allowed mere 8% on regulatory assets. This contradiction and negative differential rate of interest has gravely prejudiced the Petitioner.

3.177 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.

3.178 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. 48: Petitioner Submission: Details of upcoming Firm Renewable sources

Sr. No.	Particular/ Description		BYPL Allocation (MW)	BYPL- Date of Signing of PPA	COD/ Expected COD
1	SECI	SECI-Solar_Rajasthan	150	02.08.2018	Oct'20
		SECI-Solar_Rajasthan	150	17.06.2019	Apr'21
		SECI	20	27.02.2015	May'2040
		Solar Sub Total	320		
		SECI-Wind_Gujrat	50	03.04.2018	Apr'20
		SECI-Wind_TN	100	26.06.2018	Apr'20
		SECI-Wind_Gujarat	100	16.01.2019	July'20
		Wind Sub Total	250		
		Total	570		
2	SDMC	Tehkhand-Okhla		20.11.2018	Mar'21

3.179 The above mentioned PPAs shall start operating from FY 2020-21 onwards and shall be meeting RPO targets in future, therefore it is requested that the Commission takes cognisance of the various efforts made by the Petitioner in meeting the RPO Targets and to kindly carry forward to the next control period or waive off the shortfall in meeting the RPO for FY 2018-19 in view of the limited availability of RE power and other factors beyond the control of the licensee, as proposed in the Business Plan submitted on 21.10.2019 for the next Control Period filed before Commission.

COMMISSION ANALYSIS

3.180 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%*

3.181 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.

3.182 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.

3.183 It is observed that Petitioner has purchased 696.90 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.

3.184 Accordingly, the petitioner's RPO targets and penalty on account of non-fulfilment of RPO targets for FY 2018-19 has been computed as follows:

Table 3. 49: Commission Approved: Penalty on account of non-fulfilment of RPO targets for FY 2018-19

Particular	Total	Solar	Non Solar
Total MUS Billed			6,540.04
Less:- Procurement of Hydro Power			696.90
Mus Billed excluding Hydro			**5,843.14**
Actual RP obligation for 2018-19 (%)	14.25%	4.75%	9.50%
Actual RP obligation for 2018-19 (MUs)	832.65	277.55	555.10
Actual RP Purchase 2018-19 (Mus)	110.97	56.43	54.54
REC Purchased	0	0	0
Balance Obligation	721.68	221.12	500.56
RPO Penalty@10%REC @Rs 1/unit (Cr.)			7.22

TOTAL POWER PURCHASE COST

COMMISSION ANALYSIS

3.185 Based on the above submissions, the Commission approves the power purchase cost for the Petitioner for FY 2018-19 as follows:

Table 3. 50: Commission Approved: Trued-up Power purchase cost for FY 2018-19

Sr. No.	Particulars	As per Petitioner	As per Commission	Reference
A	Power Purchase Cost			
I	Long Term Power Purchase	3,170.39	3,170.39	
II	Other Costs (Net Metering &Self Generation From BYPL Roof Top.	1.87	1.87	
III	Short Term Power Purchase	453.44	21.08	
IV	Banking Import		432.37	
	Gross Power Purchase Cost	3,625.70	3,625.70	(I+II+III+IV)
V	Banking Export	437.60	437.60	
VI	Short Term Sale	499.23	499.33	
	Net Power Purchase Cost	2,688.87	2,688.77	(I+II+III+IV-V-VI)
B	Transmission Cost			
I	Transmission Charges	679.58	589.69	
II	Open Access Charges		89.21	
III	Other Charges		0.68	

Sr. No.	Particulars	As per Petitioner	As per Commission	Reference
	Total Transmission Loss/Cost	679.58	679.58	(i+ii+iii)
C	Additional UI		2.61	
	Sustain Deviation		2.19	
D	Rebate			
I	Rebate on Power Purchase	18.89	61.95	
II	Rebate on Transmission Charges		11.77	
	Total rebate	18.89	73.71	
E	RPO Penalty		7.22	
F	Net Power Purchase including Transmission Loss/ charges net of rebate	3,349.46	3,282.63	(A+B-C-D-E)
G	MUs	7,182.26	7,181.5	
	Per Unit Power Purchase Cost (Rs/Kwh)	4.66	4.57	

OPERATION AND MAINTENANCE (O&M) EXPENSES

PETITIONER'S SUBMISSION

3.186 The Petitioner has submitted that the normative O&M expenses for FY 2018-19 are computed by applying the approved per unit rates for FY 2018-19 on the actual line length and power transformation capacity added for FY 2018-19.

3.187 The Petitioner has accordingly computed the normative O&M expenses for FY 2018-19 as follows:

Table 3. 51: Petitioner Submission: O&M Expenses for FY 2018-19 (Rs. Cr.)

Particulars	Capacity as on 31.03.2019	O&M expenses per unit		O&M expenses
66 kV Line (ckt km)	225	Rs. Lakh/ckt. km	4.669	10.5
33 kV Line (ckt km)	381	Rs. Lakh/ckt. km	4.669	17.8
11kV Line (ckt km)	2869	Rs. Lakh/ckt. km	1.961	56.3
LT Line system (ckt km)	5460	Rs. Lakh/Ckt. km	8.756	478.1
66/11 kV Grid S/s (MVA)	1765	Rs. Lakh/MVA	1.104	19.5
33/11 kV Grid S/s (MVA)	2013	Rs. Lakh/MVA	1.104	22.2
11/0.415 kV DT (MVA)	3366	Rs. Lakh/MVA	2.425	81.6
Total O&M Expenses				**686.0**

3.188 The Petitioner has requested the Commission to allow the normative O&M expenses of Rs. 686 Cr. during FY 2018-19 as submitted in the above table as per the DERC (Business Plan) Regulation, 2017.

COMMISSION ANALYSIS

3.189 The Commission in its Tariff Order dated 28.03.2018 allowed the O&M cost of Rs. 651.98 Cr. for FY 2018-19 for the Petitioner based on the network capacity projection of the Petitioner. The Petitioner has submitted the actual capacity addition as above and claimed towards the O&M expenses Rs. 686 Cr.

3.190 The physical verification of the assets capitalised is still being undertaken by the Commission for FY 2018-19. Accordingly, the Commission provisionally considered 90% of the incremental capitalisation during FY 2018-19 and has provisionally considered the O&M Expenses for the petitioner at Rs. 683.63 Cr. for FY 2018-19 subject to finalization of capitalization.

ADDITIONAL O&M EXPENSES

PETITIONER'S SUBMISSION

3.191 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."*

3.192 The additional O&M expenses claimed as a part of truing-up requirement for FY 2018-19 are tabulated below:

Table 3. 52: Petitioner Submission: Additional O&M Expenses (Rs. Cr.)

Sr. No.	Particulars	Amount
A.	Loss on Sale of Retired Assets	9.0
B.	Arrears paid on account of 7th Pay Commission revision	54.3
C.	Impact of Revision in Minimum Wages	3.1
D.	Water Charges	0.9
E.	Property Tax	1.2
F.	GST Charges	20.1
G.	SMS Charges & Short Code Expenses	0.9
H.	Legal Expenses	12.3
I.	Ombudsman Fees	0.1
J.	KYC expenses	2.6
K.	DSM charges	1.2

Sr. No.	Particulars	Amount
L.	Total	105.8

LOSS ON SALE OF RETIRED ASSETS

PETITIONER'S SUBMISSION

3.193 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. 9.02 Crores for retirement of assets.

COMMISSION ANALYSIS

3.194 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."

3.195 The verification of the fixed assets of the Petitioner is under progress. Accordingly, the retirement of assets under section 45 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 shall be considered upon finalisation of such Capitalisation.

ARREARS PAID ON ACCOUNT OF 7TH PAY COMMISSION

PETITIONER'S SUBMISSION

3.196 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. 36.16 Cr. as interim relief during the FY 2017-18 along with arrears w.e.f. from January 01, 2016 and also provided Rs. 18.16 Crore towards Leave Salary Contribution & Pension Contribution corresponding to the interim relief as shown below:

Table 3. 53:: Petitioner Submission: 7th Pay Commission Impact (Rs. Cr.)

Sr. No.	Particular	Amount
1	Interim relief paid during FY 2018-19	36.16
2	Leave Salary Contribution & Pension Contribution corresponding to the interim relief	18.16
Total		54.32

3.197 The Petitioner has requested Commission to allow an impact of Rs. 54.32 Cr. on account of payment of interim relief of 7th Pay Commission.

COMMISSION ANALYSIS

3.198 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."

3.199 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. 35 Cr. has been paid by the Petitioner on account of 7th pay revision. The Commission also observed that the Petitioner has made a certain provision 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. 31.71 Cr. towards statutory pay revision under additional O&M expenses.

IMPACT OF REVISION IN MINIMUM WAGES

PETITIONER'S SUBMISSION

3.200 GoNCTD vide Notification No. F. No. 12(142)/02/MW/VII/3064 dated October 16, 2018and No. PA/Addl.LC/Lab/2018/269 dated October 26, 2018 (enclosed as Annexure 3A.4)has notified the revised minimum wages effective from date of notification. Accordingly, the Petitioner has paid expenses related to manpower based contract have an incremental effect of minimum wages of Rs. 3.06 Cr.

3.201 Accordingly, the Petitioner has paid Rs. 3.06 Cr. on account of impact of revision in minimum wages during FY 2018-19. The Petitioner requests the Commission to allow the same.

COMMISSION ANALYSIS

3.202 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."*

3.203 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

3.204 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 2018-19 are Rs. 0.91 Cr. which ought to be allowed by the Commission.

COMMISSION ANALYSIS

3.205 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."*

3.206 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.

3.207 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 separately.

PROPERTY TAX

PETITIONER'S SUBMISSION

3.208 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. 1.16 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

3.209 The Commission has considered the actual property tax paid Rs. 1.16 Cr. on the said account for FY 2018-19.

GST CHARGES

PETITIONER'S SUBMISSION

3.210 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.

3.211 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.

3.212 Accordingly, the GST charges paid by the Petitioner during FY 2018-19 are Rs. 45.15 Cr. The differential amount of Rs.20.18 Crores on account of impact of GST as tabulated below:

Table 3. 54: Petitioner Submission: Incremental GST charges (Rs. Cr.)

Sr. No.	Particulars	FY 2015- 16	FY 2016- 17	FY 2017-18	FY 2018-19
1	**Total Service Tax paid during FY 16**	**21.2**			
2	Escalation Factor		5.61%	5.61%	5.61%
3	Service tax		22.39	23.65	24.97
4	GST paid during FY 2018-19				45.15
5	**Net Impact (GST)**				20.18

3.213 The Petitioner has requested Commission to allow the aforesaid expenses while truing up the expenses for FY 2018-19.

COMMISSION ANALYSIS

3.214 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.

3.215 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.

3.216 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

3.217 The Petitioner has submitted that the Commission vide its letter ref no. F.17(47)/Engg/DERC/2014-15/C.F 4741/3682 dated 13.01.2016 issued the directives to send the SMS to consumer on various occasions. The Petitioner complied with the said directives and hence, incurred an amount of Rs. 0.54 Cr. in FY 2018-19.

3.218 Since, the Commission vide its Letter No. F.17(47)/Engg/DERC/2014- 15/4741/2352 dated 21.02.2017 directed all DISCOMs to implement short code '1912' toll free services for electricity grievances in Delhi. These expenses are incurred as per the directions of the Commission and are over and above the normative expenses. Accordingly, the Petitioner incurred Rs. 0.42 Cr. on account of Short Code expenses as a part of additional expenses.

COMMISSION ANALYSIS

3.219 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.

3.220 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.

3.221 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 not allowed the expense separately.

LEGAL EXPENSES

PETITIONER'S SUBMISSION

3.222 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."

3.223 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.

3.224 Out of the total expenses, merely 0.78 Cr. pertains towards filling the appeal against the orders including the Tariff orders to protect the stakeholder's interest. The legal expenses incurred by the Petitioner related to enforcement cases which were in favour of the Petitioner amounts to Rs. 2.24 Cr. The category wise total legal expenses amounting to Rs. 12.28 Cr.

3.225 Accordingly, the Petitioner requests the Commission to allow the legal expenses as over and above the normative O&M expenses.

COMMISSION ANALYSIS

3.226 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

3.227 The Petitioner submitted that as per the directions of the Commission, the Petitioner has incurred an expenditure related to Ombudsman fees of Rs. 0.19 Cr. for the year FY 2018-19. Accordingly, the Petitioner is claiming incremental ombudsman expenses of Rs. 0.08Crore (Actual paid - Rs. 0.19 Cr. minus normative cost of Rs. 0.11 Cr.).

COMMISSION ANALYSIS

3.228 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. Accordingly, additional cost is not allowed by the Commission.

KYC EXPENSES

PETITIONER'S SUBMISSION

3.229 The Petitioner has submitted that they have paid GoNCTD vide letter dated 28.05.2018 (enclosed as Annexure 3A.6) directed the Petitioner to submit the detailed information of consumers getting electricity subsidy and to prepare the future road map to further maximise the benefit of the subsidy in terms of energy efficiency among domestic consumers of Delhi. Accordingly, the Petitioner has carried out the said activity and incurred Rs. 2.61 Crore on account of KYC expenses for the FY 2018-19. Hence, the Petitioner requests the Commission to allow the same.

COMMISSION ANALYSIS

3.230 The Commission is of the view that such administrative works cannot be considered as a new head cost. Rather, the Petitioner is expected to evolve its business to accommodate such changes/ additions in its business. Accordingly, the cost claimed by the Petitioner for such KYC is not allowed in the ARR separately.

DSM CHARGES AND OTHER STATUTORY EXPENSES

PETITIONER'S SUBMISSION

3.231 The Petitioner submitted an application for implementation of DSM based Energy Efficient Air Conditioner program in Delhi under DSM programme. Considering the calculation of cost benefit analysis for AC Replacement Scheme, the Commission approved the said scheme for DSM based Energy Efficient Air Conditioner program in Delhi. The Commission has also clarified on the expenses to be incurred on account of the said scheme in its Order dated 18.05.2018 stated as under:

> ***"vi. Expenses in ARR:***
>
> *The expenses on account of floating tender, hiring of implementation agency, administrative costs and the rebate cost along with interest thereon are allowed additionally in the Annual Revenue Requirement (ARR) of the petitioner to be recovered under the head of Demand Side Management (DSM) budget or any other head."*

3.232 As evident from the above, the rebate under DSM AC Replacement schemes in FY 2018-19 is Rs. 1.15 Cr.

3.233 Further, as per the directive 6.10(f) mentioned in the Tariff Order dated 28.03.2018, the Petitioner has performed an energy audit activity in FY 2018-19 which amounts to Rs. 0.17 Cr. The remaining amount i.e. Rs. 0.69 Cr. pertains to the Consumer Awareness program initiative which comes under DSM schemes.

3.234 Thus, the Petitioner has incurred total amount of Rs. 1.24 Cr. related to DSM Charges for the year FY 2018-19 and requests the Commission to allow the same.

3.235 The Petitioner requests the Commission to allow the amount of Rs. 105.9 Crore while truing up the expenses for FY 2018-19.

COMMISSION ANALYSIS

3.236 The DSM charges claimed by the Petitioner exceeds the expenses that the Commission may consider in view of the Commission's Order dated 18.05.2018 as quoted above by the Petitioner. The Petitioner may submit with the Commission the relevant costs as per the Commission's Order dated 18.05.2018. The Commission may consider the same as it deems fit. Accordingly, no additional cost is being allowed on account of DSM charges as claimed by the Petitioner in this Tariff Order.

3.237 Thus the additional O&M Expenses as approved by the Commission for FY 2018-19 are as follows:

Table 3. 55: Commission Approved: Additional O&M Expenses for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Petitioners Submission	Commission Approved
A.	Loss on Sale of Retired Assets	9.0	0
B.	Arrears paid on account of 7th Pay Commission revision	54.3	31.71
C.	Impact of Revision in Minimum Wages	3.1	0
D.	Water Charges	0.9	0
E.	Property Tax	1.2	1.16
F.	GST Charges	20.1	0
G.	SMS Charges & Short Code Expenses	0.9	0
H.	Legal Expenses	12.3	0
I.	Ombudsman Fees	0.1	0
J.	KYC expenses	2.6	0
K.	DSM charges	1.2	0
L.	**Total**	**105.8**	**32.87**

CAPITAL EXPENDITURE AND CAPITALISATION

PETITIONER'S SUBMISSION

3.238 The Petitioner has submitted that they have considered the Closing GFA for FY 2017-18 as opening GFA for FY 2018-19. Actual capitalization and de-capitalisation as per the Audited Accounts for FY 2018-19 has been considered to derive the closing balance of GFA as follows:

Table 3. 56: Petitioner Submission: Gross Fixed Assets for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	FY 2018-19	Ref.
A	Opening GFA	3428.70	
B	Capitalisation during the year	338.28	Audited Accounts
C	De-capitalisation	23.43	Audited Accounts
D	Closing GFA	3743.56	A+B-C
E	Average GFA	3586.13	(A+D)/2

COMMISSION ANALYSIS

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

Table 3. 57: Commission Approved: Capitalization Cost (Rs. Cr.)

Sr. No.	Particulars	FY 2018-19
A.	Capitalisation	345

Sr. No.	Particulars	FY 2018-19
B.	Smart Meter	64
C.	Less: Deposit Work	11
D.	Total	398

3.240 During the prudence check, the details for capitalisation of meters on different heads were sought as per format including the replacements of meters attributable to the distribution licensee and the consumer. However, the Petitioner has not submitted the detailed break-up of the capitalisation of meters under different heads.

3.241 It was observed that BYPL has capitalised an amount of Rs.52.26 Crore on account of meters. The capitalisation of meters carried out by the petitioner appears to be in line with the capitalisation carried out by TPDDL, a similarly placed distribution licensee.

3.242 It was observed that a provisional disallowance of 7.39% (Rs. 6.14 Cr./Rs.83.04 Cr.) in case of TPDDL has been carried out on account of capitalisation of meters not attributable to the consumers. In the absence of submission of data as per the format, a provisional disallowance of 7.39% of out of total capitalisation of meters has been done. Accordingly, an amount of Rs.3.86 Crore (7.39% of Rs. 52.26 Crore) has not been considered provisionally under capitalisation on account of meters.

3.243 On view of pending finalization of capitalization, the the Commission has provisionally considered 90% of the capitalisation after reducing the above factors as discussed as follows:

Table 3. 58:Provisionally Approved Capitalization for FY 2018-19 (Rs. Cr.)

Particulars	FY 2018-19
Capitalization as per Audited Accounts	338.28
Disallowances	
Provisions on account of 7th Pay Commission	2.23
Excess Capitalization done on meters attributable to distribution licensee	3.86
Sub Total	6.09
Net Additions	**332.19**
90% of net additions	**298.97**

Table 3. 59:Provisionally Approved Capitalization upto FY 2018-19 (Rs. Cr.)

Particulars	Petitioner submission	Commission Approved
Provisional Trued up opening balance of Gross Fixed Assets (net of Retirement)	3428.70	3064.14
Add- Capitalization during the year	338.28	298.97
Less- Retirement/ De-capitalization for the year	23.43	23.43
Closing balance of Gross Fixed Assets	3743.56	3339.68
Average Gross Fixed Assets (Net of Retirement of Assets)	3586.13	3201.91

CONSUMER CONTRIBUTION AND GRANT

PETITIONER'S SUBMISSION

3.244 The Petitioner has submitted average consumer contribution and grants for FY 2018-19 is tabulated below:

Table 3. 60: Petitioner Submission: Consumer contribution for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	FY 2018-19	Remarks/ Ref.
A	Opening Balance*	286.78	
B	Additions during the year	19.05	
C	Closing Balance	305.83	A+B
D	Average Consumer Contribution	296.31	(A+C)/2

**includes Grants*

Table 3. 61: Petitioner Submission: Grants (Rs. Cr.)

Sr. No.	Particulars	FY 2018-19	Remarks/ Ref.
A	Opening Balance	16.2	
B	Additions during the year	-	
C	Closing Balance	16.2	A+B
D	Average Grants	16.2	(A+C)/2

COMMISSION ANALYSIS

3.245 The Commission has considered the Closing Balance of Consumer Contribution and Grants from the Tariff Order dated 31.07.2019 as approved for FY 2017-18 as Opening Balance of Consumer Contribution and Grants for FY 2018-19. The Commission has provisionally considered the additions towards Consumer Contribution and Grants during the year based on the audited financials of the Petitioner.

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

Table 3. 62: Commission Approved: Consumer Contribution/Grants (Rs. Cr.)

Sr. No.	Particulars	Petitioner submission	Commission approved	Ref.
A	Opening Balance	286.78	335.77	
B	Capitalized during the year	19.05	19.05	
C	Closing Balance	305.83	354.82	A + B
D	Average Cumulative Capitalized Consumer Contribution/Grants	296.31	345.30	(A + C)/2

FUNDING OF CAPITALISATION

PETITIONER'S SUBMISSION

3.247 The Petitioner has submitted that during FY 2018-19, they have capitalised Rs. 338.3 Cr. which includes Rs. 19.1 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. 63: Petitioner Submission: Capitalisation Funding for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	FY 2018-19	Remarks/ Ref.
A	Total Capitalisation	338.28	
B	De-capitalisation	23.43	
C	Consumer Contribution	19.05	Audited Accounts
D	Balance Capitalisation	295.81	A-B-C
E	Debt	207.06	70% of D
F	Equity	88.74	30% of D

COMMISSION ANALYSIS

3.248 The closing GFA for FY 2017-18 as approved in the Tariff Order dated 31.07.2019 has been considered as opening GFA for FY 2018-19.

3.249 Accordingly, the provisionally approved Capitalisation for the Petitioner is as follows:

Table 3. 64: Commission Approved: Capitalisation for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Petitioner submission	Commission approved	Ref.
A	Provisional Trued up opening balance of Gross Fixed Assets (net of Retirement)	3,428.70	3,064.14	
B	Add- Capitalization during the year	338.28	298.97	
C	Less- Retirement/ De-capitalization for the year	23.43	23.43	Audited financial statement
D	Closing balance of Gross Fixed Assets	3,743.56	3,339.68	A +B-C

Sr. No.	Particulars	Petitioner submission	Commission approved	Ref.
E	Average Gross Fixed Assets (Net of Retirement of Assets)	3,586.13	3,201.91	(A+D)/2

DEPRECIATION

PETITIONER'S SUBMISSION

3.250 For the purpose of computing depreciation for True-up of FY 2018-19, 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 2018-19 based on the Audited Accounts of the Petitioner is tabulated below:

Table 3. 65: Petitioner Submission: Average rate of Depreciation for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Actual	Remarks/ Ref.
A	Opening GFA as per audited accounts	3399.30	Audited Accounts
B	Closing GFA as per audited accounts	3714.14	
C	Average of GFA	3556.72	(A+B)/2
D	Depreciation as per Audited Accounts	182.52	P&L account
E	Average depreciation rate	5.13%	(D/C)*100

3.251 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.

3.252 The Petitioner has calculated the allowable depreciation after excluding consumer contribution and Grants from the Gross Fixed Assets as under:

Table 3. 66: Petitioner Submission: Depreciation for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Amount	Ref.
A	Average GFA	3586.13	
B	Average Consumer Contribution and Grants	296.31	
C	Average assets net of consumer contribution & Grants	3289.82	A-B
D	Average rate of depreciation	5.13%	
E	Depreciation	168.82	C*D

3.253 The cumulative depreciation on fixed assets at the end of FY 2018-19 is tabulated below:

Table 3. 67: Petitioner Submission: Cumulative Depreciation upto FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Amount	Remarks/ Ref.
A	Opening balance of cumulative depreciation	1160.50	
B	Additions during the year	168.82	
C	Closing balance of cumulative depreciation	1329.33	A+B

3.254 Accordingly, the depreciation has been utilised for repayment of loan as under:

Table 3. 68:Utilisation of Depreciation for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	FY 2018-19
A	Depreciation	168.82
B	Depreciation utilised for debt repayment	168.82

COMMISSION ANALYSIS

3.255 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."

3.256 The Commission continues to apply the rate of depreciation at 5.13% for FY 2018-19 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. 69:Commission Approved: Depreciation for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	As Approved	Ref.
A	Average of Fixed Assets	3,201.91	Table 3. 59
B	Average consumer contribution	345.30	Table 3. 62
C	Average Fixed Assets (net of Consumer Contribution/ grants	2,856.62	A-B
D	Rate of Depreciation	5.13%	
E	Deprecation approved	146.59	C*D

3.257 Accordingly, the accumulated depreciation is for FY 2018-19 is as follows:

Table 3. 70: Commission Approved: Accumulated Depreciation (Rs. Cr.)

Sr. No.	Particulars	Petitioner Submission	As Approved	Ref.
A	Opening Depreciation (Net of De Cap)	1160.50	923.52	
B	Addition during the year	168.82	146.49	
C	Less- Depreciation towards Retirement		13.09	Audited financials
D	Closing value of Accumulated Depreciation	1329.33	1,057.02	A+B-C

WORKING CAPITAL

PETITIONER'S SUBMISSION

3.258 The Petitioner has submitted Working Capital Requirement for FY 2018-19 for Truing Up of FY 2018-19 as follows:

Table 3. 71: Petitioner Submission: Working Capital Requirement (Rs. Cr.)

Sr. No.	Particulars	FY 2018-19	Remarks/ Ref.
A	Annual Revenues from Tariff & Charges	4662.4	
A1	Receivables equivalent to two months average	777.1	A/6
B	Power Purchase Expenses	3368.7	
B1	Less: 1/12th of power purchase expenses	280.7	B/12
C	Working Capital	496.3	A1-B1

Sr. No.	Particulars	FY 2018-19	Remarks/ Ref.
D	Opening Working Capital	489.0	
E	**Change in Working Capital**	**7.4**	**D-E**

COMMISSION ANALYSIS

3.259 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"

3.260 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 2018-19 as follows:

Table 3. 72: Commission Approved: Working Capital for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Petitioner submission	Approved	Ref.
A	Annual Revenue	4662.43	4,374.23	Table 3. 93
B	Receivables equivalent to 2 months average billing	777.07	729.04	(A/12*2)
C	Power Purchase expenses including transmission charges	3368.68	3,282.63	Table 3. 93
D	Less: 1/12th of power purchase expenses	280.72	273.55	(C/12*1)
E	Total working capital	496.35	455.49	(B-D)
F	Opening working capital	488.98	446.59	
G	Change in working capital	7.37	8.90	E-F

REGULATED RATE BASE

PETITIONER'S SUBMISSION

3.261 The Petitioner has submitted Regulated Rate Base (RRB) for FY 2018-19 as follows:

Table 3. 73: Petitioner Submission: Regulated Rate Base for FY 18-19 (Rs. Cr.)

Sr. No.	Particulars	Amount	Remarks/ Ref.
A	RRB Opening	2401.81	
B	ΔAB (Change in Capital Investments)	140.07	C-D+E-F
C	Investments Capitalized	314.86	
D	Depreciation	168.82	
E	Add: Depreciation on De-capitalised Assets	13.09	Audited Accounts
F	Consumer Contribution	19.05	
G	Change in WC	7.37	
H	RRB Closing	2549.25	A+B+G
I	RRB (i)	2479.22	

COMMISSION ANALYSIS

3.262 Regulation 65 to 70 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates as under:

"65. Return on Capital Employed shall be used to provide a return to the Utility, and shall cover all financing costs except expenses for availing the loans, without providing separate allowances for interest on loans and interest on working capital.

66. The Regulated Rate Base (RRB) shall be used to calculate the total capital employed which shall include the Original Cost of Fixed Assets (OCFA) and Working Capital. Capital work in progress (CWIP) shall not form part of the RRB. Accumulated Depreciation, Consumer Contribution, Capital Subsidies / Grants shall be deducted in arriving at the RRB.

67. The RRB shall be determined for each year of the Control Period at the beginning of the Control Period based on the approved capital investment plan with corresponding capitalisation schedule and normative working capital.

68. The Regulated Rate Base for the ith year of the Control Period shall be computed in the following manner:

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

Where,

"i" is the ith year of the Control Period;

RRBi: Average Regulated Rate Base for the ith year of the Control Period;

ΔWCi: Change in working capital requirement in the ithyear of the Control Period from (i-1)th year;

ΔABi: Change in the Capital Investment in the ith year of the Control Period;

This component shall be arrived as follows:
ΔABi = Invi – Di – CCi - Reti;
Where,
Invi: Investments projected to be capitalised during the ith year of the Control Period
and approved;
Di: Amount set aside or written off on account of Depreciation of fixed assets for the ith year of the Control Period;
CCi: Consumer Contributions, capital subsidy / grant pertaining to the ΔABi and capital grants/subsidies received during ith year of the Control Period for construction of service lines or creation of fixed assets;
Reti: Amount of fixed asset on account of Retirement/ Decapitalisation during ith Year;
RRB i-1: Closing Regulated Rate Base for the Financial Year preceding the ith year of the Control period. For the first year of the Control Period, Closing RRB i-1 shall be the

Opening Regulated Rate Base for the Base Year i.e. RRBO;
RRBO = OCFAO – ADO – CCO+ WCO;
Where;
OCFAO: Original Cost of Fixed Assets at the end of the Base Year;
ADO: Amounts written off or set aside on account of depreciation of fixed assets pertaining to the regulated business at the end of the Base Year;
CCO: Total contributions pertaining to the OCFAo, made by the consumers, capital subsidy /grants towards the cost of construction of distribution/service lines by the Distribution Licensee and also includes the capital grants/subsidies received for this purpose;

WCO: working capital requirement in the (i-1)th year of the Control Period.
Return on Capital Employed (RoCE) for the year "i" shall be computed in the following manner:

RoCE=WACCi RRBi*

Where,
WACCi is the Weighted Average Cost of Capital for each year of the Control Period;

RRBi – Average Regulated Rate Base for the ith year of the Control Period.

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

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

Where,
***D** is the amount of Debt derived as per these Regulations;*
***E** is the amount of Equity derived as per these Regulations;*
Where equity employed is in excess of 30% of the capital employed, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as notional loan. The amount of equity in excess of 30% treated as notional loan. The interest rate on excess equity shall be the weighted average rate of interest on the actual loans of the Licensee for the respective years. Where actual equity employed is less than 30%, the actual equity and debt shall be considered;

Provided that the Working capital shall be considered 100% debt financed forthe calculation of WACC;
***Rd** is the Cost of Debt;*
Re is the Return on Equity."

3.263 Accordingly, the Commission approves the RRB for FY 2018-19 as follows:

Table 3. 74: Commission Approved: RRB for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Petitioner submission	As Approved	Ref.
A	Opening Original Cost of Fixed Assets ($OCFA_o$)		3,064.14	
B	Opening Accumulated depreciation (ADo)		923.52	
C	Opening consumer contributions received (CCo)		335.77	
D	Opening Working capital (WCo)		446.59	
E	Opening RRB (RRBo)	2401.81	2,251.44	A-B-C+D
F	Investment capitalised during the year (INVi)	314.86	298.97	Table **3. 58**
G	Depreciation during the year (Di)	168.82	146.59	Table 3. 69
H	Depreciation on decapitalised assets during the year	13.09	13.09	Table 3. 70
I	Consumer contribution during the year (CCi)	19.05	19.05	Table 3. 62
J	Fixed assets retired/decapitalised during the year (Reti)		23.43	**Table** 3. 59

Sr. No.	Particulars	Petitioner submission	As Approved	Ref.
K	Change in capital investment (ΔABi)	140.07	122.99	(F-G+H-I-J)
L	Change in working capital during the year (ΔWCi)	7.37	8.90	Table 3. 72
M	RRB Closing	2549.25	2,383.32	E+K+L
N	RRBi	2479.22	2,321.83	E+K/2+L

RATE OF INTEREST ON LOAN, WEIGHTED AVERAGE COST OF CAPITAL (WACC), ROCE

PETITIONER'S SUBMISSION

3.264 Regulation 22 of Business Plan Regulations, 2017 states that:

"22. MARGIN FOR RATE OF INTEREST ON LOAN

(1) Margin for rate of interest for the Control Period in terms of Regulation 4(2) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee shall be allowed as the difference in weighted average rate of interest on actual loan as on 1st April 2017 and 1 (one) year Marginal Cost of Fund based Lending Rate (MCLR) of SBI as on 1st April 2017:

Provided that the rate of interest on loan (MCLR plus Margin) shall not exceed approved base rate of return on equity for wheeling business i.e., 14.00%"

3.265 Accordingly, the margin for the Control Period i.e., from FY 2017-18 to FY 2019-20 is computed as shown below:

Table 3. 75:Margin for the Period from FY 2017-18 to FY 2019-20 (%)

Sr. No.	Particulars	Rate	Remarks/ Reference
A	Weighted average rate of interest as on 01.04.2017*	14.14%	A
B	SBI MCLR as on 01.04.2017	8.00%	B
C	Margin for the Control Period	6.14%	C = (A-B)

**Audited Certificate*

3.266 Regulation 77 of Tariff Regulations, 2017 states that:

"77. The rate of interest on loan shall be based on weighted average rate of interest for actual loan portfolio subject to the maximum of bank rate as on 1st April of the year plus the margin as approved by the Commission in the Business Plan Regulations for a Control Period

Provided that in no case the rate of interest on loan shall exceed approved rate of return on equity"

3.267 The weighted average rate of interest has been computed 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. 76:Weighted Average Interest Rate on Loan (%)

Sr. No.	Particulars	Rate	Remarks/Reference
A	Margin for the Control Period	6.14%	A
B	SBI MCLR as on 01.04.2018	8.15%	B
C	Total	14.29%	C = (A+B)
D	Rate of Interest for FY 2018-19	14.00%	Min(C, 14%)

3.268 Further, 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 approved base rate of return on equity i.e.14%.

3.269 Accordingly, the Petitioner requests the Commission to approve the rate of interest on loan (rd) as 14% for FY 2018-19.

3.270 Further, as per Regulation 4 of DERC Business Plan Regulations, 2017:

"4. TAX ON RETURN ON EQUITY

The base rate of Return on Equity as allowed by the Commission under Regulation 3, shall be grossed up with the Minimum Alternate Tax or Effective Tax Rate of the respective financial year in terms of Regulation 72 and 73 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, as per the following formula:

Rate of Return on Equity= 14/[(100-Tax Rate)/100]

where, Tax Rate is Minimum Alternate Tax (MAT) or Effective Tax Rate, as the case may be."

3.271 In line with the above Regulation, the grossed-up return on equity is 20.39% as income tax rate on MAT basis is 21.55%. Thus, the computation of WACC is as under:

Table 3. 77:Weighted Average Cost of Capital (WACC) (Rs. Crore)

Sr. No.	Particulars	Rate
A	Average Equity	1134.32
B	Average Debt	1313.63
C	Return on Equity	16.00%
D	Income Tax Rate	21.55%
E	Grossed up Return on Equity	20.39%
F	Rate of Interest	14.00%

Sr. No.	Particulars	Rate
G	Weighted average cost of Capital	16.96%

3.272 Based on the aforesaid submissions, the RoCE for FY 2018-19 is computed as below:

Table 3. 78:RoCE for FY 2018-19 (Rs. Crore)

Particulars	FY 2018-19	Remarks/ Ref.
Weighted Average Cost of Capital (WACC)	16.96%	
RRB (i)	2479.22	
RoCE	420.52	A*B

3.273 The Petitioner requests the Commission to allow RoCE based on the above computations.

COMMISSION ANALYSIS

3.274 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."*

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

Table 3. 79: Commission Approved: WACC and ROCE for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Petitioner submission	As Approved	Ref.
A	RRBi	2479.22	2321.83	Table 3. 74
B	Opening Equity for net Capitalisation (limited to 30%)	1089.95	541.46	

Sr. No.	Particulars	Petitioner submission	As Approved	Ref.
C	Closing Equity limiting to 30% of net capitalization	1,178.69	578.35	
D	Average Equity for net Capitalisation (limited to 30%)	1134.32	559.91	(B+C)/2
E	Opening Debt at 70% of net capitalization	1270.98	1,263.40	
F	Closing Debt at 70% of net capitalization	1358.32	1,349.49	
G	Average Debt at 70% of net capitalisation	1314.65	1306.44	
H	Debt at 100% of working capital		455.49	A-D-G
I	Debt- balancing figure		1,761.92	G+H
J	Rate of return on equity (re)	20%	16.00%	
K	Rate of debt (rd) on capitalization		13.76%	
L	Rate of debt (rd) on working Capital		13.34%	
M	Rate of interest on debt(rd)	14%	13.65%	((G*K)+(H*L))/(G+H)
N	WACC	16.96%	14.22%	(I*M+D*J)/(D+I)
O	RoCE	420.52	330.11	A*N

INCOME TAX

COMMISSION ANALYSIS

3.276 The Consultant in its Regulatory Audit report submitted that during FY 2018-19, the Petitioner received refund of Income Tax of previous years of Rs 71.30 Crs out of which Rs.14.44 Crs was interest on such refund as per Note 34 of Financial Statements.

3.277 The petitioner was already allowed the income tax to a certain extent during the relevant years. Accordingly, the Commission has considered the amount which is received as refund during FY 2018-19 vis-à-vis amounts allowed by the Commission in relevant true ups as follows:

Table 3. 80:Refund of Income Tax

FY	Approved Income Tax (IT) as per DERC	Actual Income Tax Paid By BYPL	Refund received against IT paid in Previous Yrs	Net Income Tax Paid By BYPL	Refund Received		% of refund received Against IT paid by BYPL	Refund Received against IT approved by DERC (To be subracted in ARR)	Interest on Refund Received against IT approved by DERC (To be Retained in NTI)	Interest to be subtracted from NTI
	Rs. Cr	Rs. Cr	Rs. Cr	Rs. Cr	Principal	Interest	%	Rs. Cr	Rs. Cr	Rs. Cr
04-05	1.5	2.80	2.19	0.61	0.61	0.48	100.00%	1.50	0.48	-
05-06	8	12.49	1.65	10.84	7.15	5.22	70.46%	5.64	3.85	1.37
06-07	1.03	5.01		5.01	5.52	0.24	110.18%	1.13	0.05	0.19
07-08	0	2.44		2.44	2.44	0.01	100.00%	-	-	0.01
08-09	0.94	9.13		9.13	9.12	0.08	99.89%	0.94	0.01	0.07
10-11	9.06	32.02		32.02	32.02	8.41	100.00%	9.06	2.38	6.03
	20.53	**63.89**	**3.84**	**60.05**	**56.86**	**14.44**		**18.27**	**6.77**	**7.67**

3.278 Further, the income tax approved for FY 2018-19 is follows:

Table 3. 81:Commission Approved: Income tax for FY 2018-19 (Rs. Cr.)

Sr. No.	Income Tax	Approved	Ref.
A	Average Equity for Capitalisation (limited to 30%) (Rs. Cr.)	559.91	Table 3. 79
B	Rate of return (re) (%)	16%	
C	Return on equity (Rs. Cr.)	89.58	A*B
D	Effective Income Tax Rate (%)	21.55%	
E	Return on equity including income tax (Rs. Cr.)	114.19	
F	Tax (Rs. Cr.)	24.61	F-C
G	Actual Tax Paid (Rs. Cr.)	10.46	Note 41 of Audited financials
H	Tax allowed (Rs. Cr.)	10.46	Min(G,H)

NON-TARIFF INCOME

PETITIONER'S SUBMISSION

3.279 The Petitioner has submitted the Non-Tariff Income during FY 2018-19 tabulated as under:

Table 3. 82: Petitioner Submission: Non-Tariff Income submitted for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Amount
A	Other Operating Revenue	66.67
B	Other Income	63.89

Sr. No.	Particulars	Amount
I	Total Income as per Accounts	130.56
C	Add: Interest on CSD	27.02
D	Add: Difference in SLD	-2.49
II	Total Other Income	155.09
E	Less: Income from other business	
a	Pole Rental Income	1.59
III	Net Income to be considered	153.51
A	Less: LPSC	16.01
B	Less: Rebate on Power Purchase and Transmission Charges	0.0
C	Less: Write-back of misc. Provisions	19.62
D	Less: Short term gain	6.71
E	Less: Transfer from Consumer contribution for capital works	16.76
F	Less: Bad debts recovered	*2.52*
G	Less: Incentive towards Street Light	0.50
H	Less: Commission on collection of Electricity Duty	5.76
IV	Net Non-Tariff Income	85.63

COMMISSION ANALYSIS

3.280 Regulation 94 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 states,

"94. The Utility shall submit forecast of Non-Tariff Income to the Commission, in such form as may be stipulated by the Commission from time to time, whose tentative list is as follows:

(i) Income from rent of land or buildings;
(ii) Net Income from sale of de-capitalised assets;
(iii) Net Income from sale of scrap;
(iv) Income from statutory investments;
(v) Net Interest on delayed or deferred payment on bills;
(vi) Interest on advances to suppliers/contractors;
(vii) Rental from staff quarters;
(viii) Rental from contractors;
(ix) Income from Investment of consumer security deposit;
(x) Income from hire charges from contactors and others, etc."

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

INTEREST ON CONSUMER SECURITY DEPOSIT

PETITIONER'S SUBMISSION

3.282 The Petitioner has submitted to consider the rate of Carrying cost for computing the interest on Consumer Security Deposit. Hence the difference of normative interest on CSD and that booked in the Audited Accounts has been submitted by the Petitioner in NTI as under:

Table 3. 83: Petitioner Submission: Interest on Consumer Security Deposit (Rs. Cr.)

Sr. No.	Particulars	FY 2018-19	Remarks/ Reference
A	Opening Balance of CSD	432.51	
B	Closing Balance of CSD	466.99	
C	Average Balance	449.75	C = (A+B)/2
D	Interest Rate	14.00%	
E	Interest on CSD	62.97	E = CXD
F	Interest booked in Audited Accounts	35.94	
G	Net Interest to be considered	27.02	G = E-F

COMMISSION ANALYSIS

3.283 The Commission has verified the Consumer Security Deposit with the Petitioner from the Audited financial statements for FY 2018-19.

3.284 The Commission has considered the working capital interest rate for FY 2018-19.

3.285 The actual amount of interest paid to the Consumers comes to Rs. 35.94 Cr. as per the audited financial statements. Accordingly, the difference in the normative interest income and the actual interest booked as expense for FY 2018-19 is being considered as part of the Non Tariff Income of the Petitioner as follows:

Table 3. 84: Commission Approved: Consumer Security Deposit for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Petitioner submission	As approved	Ref.
A	Opening Balance Of Consumer Security Deposit	432.51	432.51	
B	Closing Balance of Consumer Security Deposit	466.99	466.99	Audited Financials
C	Average Balance Of Consumer Security Deposit	449.75	449.75	(A+B)/2
D	Working Capital Interest Rate	14%	13.34%	Table 3. 88
E	Normative amount of Interest	62.97	60.00	(C*D)
F	Actual Amount of Interest paid to Consumers	35.94	35.94	Audited Financials
G	Difference to be additionally offered as NTI	27.02	24.06	(E-F)

DIFFERENCE ON ACCOUNT OF SERVICE LINE DEVELOPMENT (SLD) CHARGES

PETITIONER'S SUBMISSION

3.286 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."*

3.287 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 2018-19 that appearing in the Other Income in the Audited Accounts for the purpose of computation of Non-Tariff Income as under:

Table 3. 85:Petitioner Submission: Difference on account of SLD (Rs. Cr.)

Sr. No.	Particulars	FY 2018-19
1	Received during the year	19.74
2	SLD Appearing in Other Income	22.23
	Difference Considered	-2.49

COMMISSION ANALYSIS

3.288 The Commission has been considering the SLD charges on receipt basis as part of the non tariff income of the Petitioner.

3.289 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. 86: Commission Approved: Difference on account of SLD (Rs. Cr.)

Sr. No.	Particulars	Petitioner submission	Commission approved
A	Receipt on account of Service Line charges	19.74	19.74

Sr. No.	Particulars	Petitioner submission	Commission approved
B	Amortized and transferred to Profit & Loss	22.23	22.23
C	Addition to NTI	-2.49	-2.49

LATE PAYMENT SURCHARGE

PETITIONER'S SUBMISSION

3.290 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.

3.291 Petitioner submitted that based on the representation of Foundation of Rubber & Polymer Manufacturers, the Commission vide letter dated December 13, 2012 communicated that LPSC should be charged proportional to the number of days of delay in receiving payment from the consumers by the Petitioner. The Commission in Tariff Order dated September 29, 2015 again directed the Petitioner to charge LPSC proportionate to the number of days of delay in receiving the payment from the consumers of the DISCOMs.

3.292 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.

3.293 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.

3.294 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.

3.295 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. 87: Petitioner Submission: Differential treatment of LPSC between Utilities

Sr. No.	Particulars	Delhi Gencos and Transcos	Delhi DISCOMs
1	Before FY 2013-14	• LPSC @ 1.5% per month; • LPSC collected allowed to Gencos and Transcos irrespective of actual cost of financing delay in payment; • Therefore LPSC not considered as Non-Tariff Income.	• LPSC @ 1.5% per month; • Only financing cost of delayed payment by computing principal amount, i.e., LPSC Collected/ 18% allowed to DISCOMs; • Difference between LPSC collected and financing cost of delayed payment considered as NTI.
2	From FY 2013-14	• Same treatment continued.	• LPSC @ 1.5% proportional to number of days of delay; • Same formulae for computing principal amount despite of change in treatment;

3.296 As per the aforesaid submissions, the Petitioner requested to allow entire LPSC of Rs. 16.01 Cr. during FY 2018-19 to be retained by the Petitioner as the same merely meets the financing cost of delay in payment.

COMMISSION ANALYSIS

3.297 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;*
>
> *..."*

3.298 The Commission during the prudence check has verified and trued up the working capital interest rate at 13.34%. 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. 88:Commission Approved: Financing Cost of LPSC (Rs. Cr.)

Sr. No.	Particular	As approved
A	LPSC earned	16.01
B	Late payment surcharge rate as per Regulations (%)	18%
C	Principal Amount	88.94
D	Normative Interest Rate	13.34%
E	Financing Cost	11.87

WRITE-BACK OF MISCELLANEOUS PROVISIONS

PETITIONER'S SUBMISSION

3.299 The Petitioner has referred the Commission's Tariff Order dated July 31, 2019 which did not consider the write-back of miscellaneous provisions and relied on the previous Tariff Orders and stated as under:

> *"3.457 The similar issue is sub-judice under Appeal no. 297 of 2015 before Hon'ble APTEL. The A&G expenses have been benchmarked for the base year FY 2010-11 for the purpose of 2nd MYT period FY 2012-13 to FY 2016-17 without adjusting provision for miscellaneous expenses. The miscellaneous provisions now being written back pertain to the prior periods, for which the A&G expenses have been allowed on a normative basis. Any reversal of the expenses under the normative head should remain within the Licensee revenue. Accordingly, the Commission considers the write back of miscellaneous provisions created prior to FY 2017-18 as part of Non-Tariff Income."*

3.300 The Petitioner further referred Commission's Tariff Order dated March 28, 2018 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."*

3.301 The Petitioner submitted that the amount of Rs. 19.62 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. 19.62 Cr. ought not to be considered as part of Non-Tariff Income for FY 2018-19.

COMMISSION ANALYSIS

3.302 As discussed earlier, the information recently provided by the Petitioner is subject to verification by the Commission. The effect thereof shall be considered after due verification.

SHORT TERM GAIN

PETITIONER'S SUBMISSION

3.303 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 ………. "*

3.304 Accordingly, the Petitioner requested to allow the Petitioner to retain the income of Rs. 6.71 Cr. on account of interest received on fixed deposits during FY 2018-19 and reduce the same from the Non-Tariff Income.

COMMISSION ANALYSIS

3.305 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.

3.306 The Petitioner submits to hold Rs. 100.28 Cr as short term investments with the banks on which the short term gain has arisen. Such investments are not therefore considered towards financing of Capitalisation and Regulatory Asset funding.

3.307 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

3.308 The Petitioner has submitted that the Commission in Tariff Order dated July 31, 2019 has allowed transfer from consumer contribution for capital works to be reduced from NTI for FY 2017-18 on the ground that the consumer contribution is not considered for calculation of depreciation and RoCE and the Petitioner is making book adjustments in compliance of accounting standards and has no impact on the cash flows. Therefore, amount transferred from Consumer contribution and capital works are allowed to be reduced from Non-Tariff Income.

3.309 Accordingly, the Petitioner requested to reduce the amount of Rs. 16.76 Crores from the Non-Tariff Income during FY 2018-19.

COMMISSION ANALYSIS

3.310 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

3.311 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."*

3.312 Accordingly, the Petitioner requested the Commission not to consider Rs. 2.52 Cr. of income recovered on account of bad debts (shown in Note 34 of Audited Accounts) as Non Tariff Income during FY 2018-19.

COMMISSION ANALYSIS

3.313 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

3.314 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.

3.315 Accordingly, the Petitioner requested the Commission to allow the Petitioner to retain the amount of Rs. 0.50 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. 0.50 Cr. Therefore, the amount of Rs. 0.50 Cr. ought to be reduced from the Non Tariff income during FY 2018-19.

COMMISSION ANALYSIS

3.316 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."

3.317 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

3.318 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.

3.319 It is submitted that MCD pays commission to the Petitioner for collecting Electricity Duty on its behalf. This commission paid by MCD is purely Other Business within Section-51 of the 2003 Act, as well as, Delhi Electricity Regulatory Commission (Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee) Regulations, 2005 and accordingly the same would apply to the aforesaid amount earned by the Petitioner as the commission paid by MCD. For undertaking the activity of collection of Electricity Duty, the Petitioner has expended certain expenses towards incentivizing the existing manpower, engaging additional and external collection agencies which are included in the actual employee expenses.

3.320 Further, the Petitioner has to perform in-house operations also for which the Petitioner is required to incur additional O&M Expenses. Some of these in-house activities involve maintenance of records regarding Electricity Duty (Amount of Electricity Billed, Collected, Outstanding, Paid to GoNCTD etc.), cash-handling activities, interaction with GoNCTD, etc. which involves cost. The Petitioner incurs security and conveyance expenses towards transfer of money. Additionally, the Petitioner has also engaged various collection agencies for which the Petitioner has to pay service charges for such engagement. All these expenses are not being allowed by Commission since O&M Expenses are allowed on a normative basis. It is further submitted that the commission of Electricity Duty is being provided as compensation in lieu of the Petitioner’s efforts in collecting and accounting and other services rendered by the Petitioner to GoNCTD. It is submitted that if GoNCTD were to perform such similar activity, it would have involved costs. The Petitioner has reduced the efforts on behalf of GoNCTD, required for collection of Electricity Duty in terms of manpower and other Expenses. It is submitted that the income earned as commission on collection of Electricity Duty ought to be utilized to defray the additional expenses incurred by the Petitioner while undertaking such activities.

3.321 The Petitioner in its Petition for Truing-up of FY 2014-15, Review of FY 2015-16 and Multi-Year ARR from FY 2016-17 to FY 2020-21 and Tariff of FY 2016-17, had submitted that it has to incur additional O&M expenses and other in-house activities involving maintenance of records, cash handling activities, etc., which involve costs. Since these expenses incurred are not being separately allowed by the Commission, the entire income earned through this activity ought not to be reduced from the ARR by treating it as non-tariff income. However, the Commission in the Order has treated the entire income earned on the aforesaid activity as part of non-tariff income and reduced the ARR of the Petitioner in contravention of its very own 2005 Regulations.

3.322 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.

3.323 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.

3.324 The income/commission which is earned by the Petitioner has no connection whatsoever to the ARR of the Petitioner or to the licensed business. As such, this income/commission can never be categorised as non-tariff income. This is particularly so when Regulation 4.7(c) of the MYT Regulations, 2011 clearly provides that the collection of electricity duty will not be taken into account in computing the Collection Efficiency. If the revenue realisation from the collection of electricity duty does not add to the revenue collection for the purpose of 'Collection Efficiency', the income/commission on such collection earned by the Petitioner cannot form a part of the ARR as Non-Tariff income.

3.325 Therefore, the commission received on account of collection of Electricity Duty i.e., Rs. 5.76 Crore ought to be deducted from Non-Tariff Income.

COMMISSION ANALYSIS

3.326 The Commission maintains 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

3.327 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."

3.328 The Petitioner had earned total income of Rs. 1.59 Cr. during FY 2018-19 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.

3.329 Accordingly, the Petitioner has proposed to share the other income during FY 2018-19 as follows:

Table 3. 89:Petitioner Submission: Other Business Income for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Total Income	Petitioner's Share	Consumer's Share
A	Pole Rental Income	1.59	0.95	0.63
B	Total	1.59	0.95	0.63

COMMISSION ANALYSIS

3.330 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.

3.331 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. 0.63 Cr. has been allowed to be reduced from NTI.

INCOME FROM ADVANCES FROM CONSUMERS

COMMISSION ANALYSIS

3.332 It is observed that the Petitioner had claimed the advances received from consumers as revenue collected as discussed in earlier sections. The Commission is of the view that the advance available with the Petitioner is a liability and may have to be returned to the Consumer in case not billed in future. The Commission further sought the monthly advance balances available with the Petitioner. It was observed that the advances opening and closing balances for the financial year were higher than the average monthly balance with the petitioner on such account. Accordingly, the Commission considered the financing cost based on the working capital interest rate on the monthly average balances held with the petitioner at Rs. 5.47 Cr. to be reduced from the Non-tariff income of the Petitioner.

Table 3. 90: Commission Approved: Interest rate for the computation of financing cost

As on	31-Mar-18	30-Apr-18	31-May-18	30-Jun-18	31-Jul-18	31-Aug-18	30-Sep-18	31-Oct-18	30-Nov-18	31-Dec-18	31-Jan-19	28-Feb-19	31-Mar-19	Total
Actual amount collected as advance		24.31	14.17	12.65	13.79	12.88	12.99	13.15	13.02	13.85	14.20	14.21	41.57	
SD release		13.35	10.77	6.51	4.86	4.17	3.76	3.48	3.33	3.20	3.10	3.01	30.91	
Interest on SD		11.51	8.33	7.01	6.53	6.35	6.23	6.18	6.15	6.14	6.16	6.18	25.12	
Movement adjustment		0.48	0.05	0.53	0.56	0.60	0.62	0.66	0.66	0.65	5.28	7.91	0.79	
Dues transfer		3.16	3.14	3.10	3.23	3.19	3.03	3.01	2.99	3.02	3.41	4.09	4.76	
Billing/ final billing		1.87	1.70	1.75	3.57	3.13	2.83	2.65	2.59	2.51	2.15	2.47	(0.30)	
Other reasons		0.82	1.36	1.37	1.39	1.25	1.26	1.32	1.38	1.38	1.36	1.37	1.06	
Total	99.77	55.50	39.52	32.92	33.93	31.57	30.72	30.45	30.12	30.75	35.66	39.24	103.91	
Monthly average		77.64	47.51	36.22	33.43	32.75	31.15	30.59	30.29	30.44	33.21	37.45	71.58	
Monthly Interest Cost (to be reduced from NTI)		0.86	0.53	0.40	0.37	0.36	0.35	0.34	0.34	0.34	0.37	0.42	0.80	**5.47**

3.333 Thus, The Non-tariff income approved by the Commission for FY 2018-19 is as follows:

Table 3. 91:Commission Approved: Non Tariff Income for FY 2018-19 (Rs. Cr.)

Sr. No.	Particular	Petitioner Submission	Commission approved	Remarks
A	Other Operating Revenue	66.67	66.67	Audited Financials
B	Other Income	63.89	63.89	Audited Financials
C	Income from Normative Interest on security deposit	27.02	24.06	Table 3. 84
D	Impact of SLD charges	(2.49)	(2.49)	Table 3. 86
E	Income from Advance from Consumers		5.47	Table 3. 90
	Total –(I)	155.09	157.60	A+B+C+D
Less:				
F	Transfer from capital grants	-	-	
G	Transfer from consumer Contribution for Capital work	16.76	16.76	Audited Financials
H	Incentive towards Street Light	0.50	0.50	Audited Financials
I	Interest Income /Short term capital gain	6.71	6.71	Audited Financials
J	Financing Cost of LPSC	16.01	11.87	Table 3. 88
K	Income from other Business	1.59	0.63	
L	Write back of Miscellaneous provisions	19.62	-	
M	Bad Debt Recovered	2.52	2.52	
N	Commission on collection of electricity duty	5.76	-	
O	Interest on Income Tax Refund		7.67	

Sr. No.	Particular	Petitioner Submission	Commission approved	Remarks
				Table 3. 80
	Total –(II)	69.47	46.66	
	Net Non Tariff Income	85.63	110.94	Total-(I)- Total-(II)

INCOME FROM OPEN ACCESS

PETITIONER SUBMISSION

3.334 The income of Rs. 1.12 Cr. recovered as Open Access Charges during FY 2018-19 has been considered for offsetting the revenue (gap)/ surplus for the year.

COMMISSION ANALYSIS

3.335 The income from Open Access is accordingly considered at Rs. 1.12 Cr towards reducing the ARR for the Petitioner.

AGGREGATE REVENUE REQUIREMENT APPROVED IN TRUING-UP OF FY 2018-19

PETITIONER'S SUBMISSION

3.336 The Petitioner has submitted the Annual Revenue Requirement for FY 2018-19 sought for True-up is as follows:

Table 3. 92:Petitioner Submission: Aggregate Revenue Requirement for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Petitioner Submission
A	Purchase of power including Transmission and SLDC Charges& Incentives	3368.68
B	O&M Expenses	686.01
C	Additional O&M Expenses	105.77
D	Depreciation	168.82
E	Return on Capital Employed (RoCE)	420.52
F	Sub-total	4749.81
G	Less: Non-Tariff Income (incl Other Business Income & Income from Open Access)	87.38
J	Aggregate Revenue Requirement	4662.43

COMMISSION ANALYSIS

3.337 Based on the above computations, the Commission approves the Annual Revenue Requirement for FY 2018-19 as follows:

Table 3. 93:Commission Approved: Annual Revenue Requirement for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Petitioner Submission	Approved	Ref.
A.	Power Purchase Cost (including transmission charges)	3,349.46	3,282.63	Table 3. 50
B.	O&M expenses	686.01	683.63	
C.	Other expenses/ statutory levies	105.77	32.87	Table 3. 55
D.	Depreciation	168.82	146.59	Table 3. 69
E.	Return on capital employed	420.52	330.11	Table 3. 79
F.	Income Tax	-	10.46	Table 3. 81
G.	Less- Non Tariff Income	85.63	110.94	Table 3. 91
H.	Less:Income from Open Access	1.12	1.12	
I.	Less:Income from Other Business	0.63		
J.	Aggregate Revenue Requirement	**4,643.21**	**4,374.23**	Sum(A-F)-G

REVENUE AVAILABLE TOWARDS ARR

PETITIONER'S SUBMISSION

3.338 The Petitioner has submitted the revenue available towards ARR is as follows:

Table 3. 94:Petitioner Submission: Revenue available towards ARR (Rs. Cr.)

Sr. No.	Particulars	Submission	Ref.
A	Total Revenue Collected	4929.17	Net of LPSC, Etax, 3.70% Pension Surcharge and 8% RA Surcharge
B	Less: Amount to be retained by Petitioner on account of over achievement of T&D Loss Targets	45.80	
C	Less: Amount to be retained by Petitioner on account of Over achievement of Collection efficiency Targets	30.29	
D	Less: Carrying Cost	306.81	
E	Revenue available towards ARR	4546.89	A-B-C-D

3.339 In addition to above, the Petitioner has also claimed incentive on sale of surplus power amounting to Rs. 19.22 Cr.

COMMISSION ANALYSIS

3.340 The Commission has computed the Revenue available towards ARR as follows:

Table 3. 95:Commission Approved: Revenue Available towards ARR for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Petitioner submission	As approved	Ref.
A	Actual Revenue realised excluding Electricity duty, LPSC, Regulatory Surcharge, Pension trust surcharge	4,929.17	4,929.16	Table 3. 25
	Less:			
B	Incentive /(Penalty) on account of distribution loss	45.80	53.19	Table 3. 23
C	Incentive /(Penalty) on account of collection efficiency	30.29	8.57	Table 3. 26
D	Incentive on sale of Surplus power	19.22	9.89	Table 3. 43
E	Carrying Cost	306.81	-	
	Add:			
F	Income Tax Refund of Previous Years received in current year		18.27	**Table 3. 80**
H	Delayed payment of PT Dues for FY 2018-19		1.14	
I	**Revenue available towards ARR**	**4,527.67**	**4,876.92**	

REVENUE (GAP)/ SURPLUS

PETITIONER'S SUBMISSION

3.341 The Petitioner has submitted the revenue gap during FY 2018-19 is tabulated as under:

Table 3. 96:Petitioner Submission: Revenue (Gap) for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Submission
A	ARR for FY 2018-19	4662.43
B	Revenue available towards ARR	4546.89
C	Revenue (Gap)/ Surplus	-115.55

COMMISSION ANALYSIS

3.342 The Revenue Surplus/ (Gap) after true up of ARR for FY 2018-19 is as follows:

Table 3. 97:Commission Approved: Revenue Surplus/(Gap) towards ARR for FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	As approved	Ref.
A.	Aggregate Revenue Requirement	4,374.23	Table 3. 93
B.	Revenue Available towards ARR net of incentives	4,876.92	Table 3. 95
C.	Surplus or (Gap) for the year	502.69	B-A

A4: ANALYSIS OF AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2020-21

INTRODUCTION

4.1 As per Regulation 3 of *Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017,* the Commission has notified *Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2019* which contains the following parameters applicable for the Control Period (FY 2020-21 to FY 2022-23):

(1) Rate of Return on Equity

(2) Margin for rate of interest on Loan

(3) Operation and Maintenance Expenses

(4) Capital Investment Plan

(5) Mechanism for sharing of incentive-disincentive

(6) Allocation of overhead expenses incurred on account of Administrative Expenditure out of Operation and Maintenance Expenses for creation of Capital Asset,

(7) Generating Norms:

(a) Gross Station Heat Rate

(b) Plant Availability Factor

(c) Secondary Fuel oil consumption

(d) Auxiliary consumption and

(e) Plant Load Factor

(8) Transmission Norms:

(a) Annual Transmission System Availability

(b) Annual Voltage Wise Availability

(9) Distribution Norms:

(a) Distribution Loss Target

(b) Collection Efficiency Target

(c) Targets for Solar and Non Solar RPO

(d) Contingency limit for Sale through Deviation Settlement Mechanism(Unscheduled Interchange) transactions

(e) Ratio of various components of Aggregate Revenue Requirement (ARR) for segregation of ARR into Retail Supply and Wheeling Business..

4.2 The Petitioner has filed the Petition for determination of Aggregate Revenue Requirement (ARR) for FY 2020-21.The Commission has analysed the same as required under the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2019.

4.3 In the process of ARR determination, the Commission held several prudence check sessions to validate the information submitted by the Petitioner and wherever required sought clarification on various issues. The Commission has considered all information submitted by the Petitioner as part of Tariff Petition, audited accounts for past years, response to queries raised during discussions and also during the Public Hearing for determination of ARR and Tariff for FY 2020-21.

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 2020-21.

REVISED ARR FOR FY 2020-21

4.5 The Petitioner has submitted the revised Aggregate Revenue Requirement (ARR) projected for the ensuing FY 2020-21 with respect to the Distribution Business of the Petitioner.

BACKGROUND

4.6 At the outset, the Petitioner filed the ARR Petition for FY 2020-21 before the Commission on 14.02.2020 for its approval and determination of Tariff for the FY 2020-21. Although, the Commission admitted the said Petition on 18.02.2020 and the public hearing on the same was scheduled on 18.03.2020, the public hearing had to be cancelled by the Commission due to the out-break of COVID-19.

4.7 The Ministry of Home Affairs (MHA) vide its Order dated 24.03.2020 imposed lockdown for 21 days w.e.f 25.03.2020 and issued guidelines as an effective measure to control the unprecedented situation created due to COVID-19. Subsequently, the Ministry of Power (MoP) has advised the CERC to ensure uninterrupted power supply in the public interest and reduce the late payment surcharge for Distribution companies till June, 2020 (copy of MHA Order enclosed as Annexure – 1).

4.8 In the meanwhile, following the MHA Order dated 30.05.2020 related to lockdown extension till 30.06.2020 and guidelines on re-opening the prohibited activities in phased manner, GoNCT of Delhi passed an Order dated 01.06.2020 specifying the activities that will continue to remain prohibited and remaining are permitted with restrictions till 30.06.2020.

4.9 The Commission vide letter dated 01.06.2020 gave the final opportunity to submit the revised ARR Petitions for FY 2020-21 latest by 05.06.2020. Hence, the Petitioner is filing the revised ARR Petition for FY 2020-21 to seek approval of the same and for determination of Retail Supply Tariff for the ensuing financial year FY 2020-21 based on the projected income from existing tariffs and the expenses.

4.10 In view of the above background, the Petitioner has proposed the following revisions in this revised ARR of FY 2020-21 on account of lockdown conditions:

i. **Reduction in Sales and consequent impact on Revenue:** Due to nationwide lockdown, significant reduction in industrial and commercial demand and shutdown of DMRC activity resulted in sharp decline of sales in first two months of FY 2020-21. Although, there may be a phased restoration of commercial and industrial demand as per latest guidelines of GoNCT of Delhi dated 01.06.2020 in compliance to MHA guidelines issued on 30.05.2020,the overall demand may take a while to recover from the COVID-19 impact during FY 2020-21. Thus, the Petitioner has projected the energy sales for FY 2020-21 after considering the above situation which has been elaborated in the respective section. Further, the lower demand may also lead to lower revenue and cash collection especially from commercial and industrial categories.

ii. **Change in Collection Efficiency to 92.38% vis-à-vis 99.5%:** In such extreme uncertainty, there are delays in payment of bills by the consumer due to lockdown conditions. Hence, it is proposed that for the purpose of projecting the revised ARR for FY 2020-21, the Collection Efficiency for the year 2020-21 is projected as an amalgam of the actual Collection Efficiency in Q1 of this FY i.e. 70.16% and the projected Collection Efficiency for the balance 9 months of the year at the same level as specified in the DERC Business Plan Regulations, 2019 i.e. 99.50%. The weighted average of the Collection Efficiency on such basis would come to 92.38% for FY 2020-21.

iii. **Change in Power Purchase cost:** The peak power demand of the Petitioner during the first two months has reduced significantly by upto 43% (Apr'20) and 15% (May'20) as compared to the corresponding peak power demand during same period of last year. Although, the demand may be expected to rise with phased restoration of various activities as per the latest guidelines issued by the GoNCT of Delhi on 01.06.2020, the overall demand is expected to be muted as compared to the earlier pre-COVID projections. Also, there is uncertainty of availability of new power plants in FY 2020-21 which were earlier projected in pre-COVID situation. Considering the above facts, the Petitioner has projected the revised Power Purchase cost for FY 2020-21 which has been explained in the respective section.

iv. **Additional Expenses incurred due to COVID-19 impact:** The Petitioner incurred additional expenses on account of Force Majeure condition of COVID-19 comprising of Hand Sanitizers, Masks, Hand Gloves, PPE kits, Face Shields, Fumigation carried out in Offices & Buildings etc. Such expenses arein compliance to various directives issued by MHA and GoNCTD from time to time which are beyond the reasonable control of the Petitioner and were not the part of Normative O&M expenses. Hence, the Petitioner request the Commission to allow such expenses in revised ARR for FY 2020-21.

v. **Additional working capital requirement towards opening and maintaining of adequate Letter of Credit (LC) as Payment Security Mechanism under PPA:**As per the methodology for computation of working capital as specified in the DERC Tariff Regulations, 2017,the current working capital requirements norms compensate for 1 month of receivable only and thus, DISCOMs cannot even avail the rebate. However as per MOP directions, the DISCOMs have to maintain adequate LC. As NTPC supplies 70% of the power to Delhi DISCOMs, the funding of such additional working capital is substantial and thus, is required to be allowed separately apart from norms of working capital specified in DERC Tariff Regulations, 2017. The

Petitioner has computed additional interest corresponding to one-month PP Cost (estimated for FY 2020-21) on account of Central Generating Station and PGCIL charges.

4.11 Further, the Petitioner requested the Commission to relax the following operational parameters for FY 2020-21 in view of COVID-19 impact (a force majeure condition):

i. Distribution Loss Targets as specified in Regulation 25 of DERC Business Plan Regulations, 2019 in line with the Regulation 4(9)(a) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017

ii. Collection Efficiency Targets as specified in Regulation 26 of DERC Business Plan Regulations, 2019 in line with the Regulation 163 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee.

iii. Adjustment in Revenue (Gap)/Surplus on account of variation in Capitalisation as specified in Regulation 24(6) of DERC Business Plan Regulations, 2019 in line with the Regulation 4(4) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017

iv. RPO targets as specified in Regulation 27 of DERC Business Plan Regulations, 2019 in line with the Regulation 124 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017

v. Rebate as specified in Regulation 119 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017

vi. Restriction of 1% adjustment in energy sales as per directive no 6.8 of Tariff order dated 31.07.2019. (The meter reading activities are suspended during the lockdown in view of safety of our meter readers and consumers. The bills were issued on provisional basis and the same may be actualized as and when the meter reading activity be resumed and the correction of the provisional bills would be reflected in the adjustment column during FY 2020-21).

ENERGY SALES

PETITIONER'S SUBMISSION

4.12 The Petitioner has adopted the following approaches for projection of Sales for FY 2020-

21:

i. **Step 1 –** Firstly, the Petitioner considered the Adjusted Trend Analysis Method and base year is taken as actuals of FY 2019-20. This could have been crystallised in normal scenario i.e. without considering the impact of COVID19 and lockdown conditions.

ii. **Step 2 –** After projecting the sales in Step 1, the consumer categories were identified which are operational to the extent as permitted during lockdown and after lockdown conditions.

iii. **Step 3 –** The category wise sales projected in Step 1 is compared with the extent of operation of the consumer categories identified in Step 2 as allowed during lockdown and post lockdown conditions.

iv. As the extended lockdown is till30th June, 2020 w.e.f 1st June, 2020 (though in lockdown phase 5, some activities remained to be prohibited, the remaining activities are opened with some restrictions), it is also estimated that the operations of various consumer categories will be allowed with some restrictions after completion of lockdown period.

4.13 The Petitioner has submitted that the Adjusted 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 2014-15 to FY 2019-20. The category-wise actual sales for the period FY 2014-15 to FY 2019-20is as follows:

Table 4. 1:Petitioner Submission: Sales from FY 2014-15 to FY 2019-20(MU)

Sr.No.	Category	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
A	**Domestic**	**3,004**	**3,180**	**3,517**	**3,756**	**3,838**	**4,057**
A1	Domestic Other than A2 to A4	2,888	3,067	3,405	3,640	3,723	3,946
A2	CGHS	17	16	17	19	21	21
A3	11 KV Worship/Hospital	74	73	75	77	75	74
A4	DVB Staff	26	23	20	20	19	16
B	**Non Domestic**	**1,639**	**1,708**	**1,772**	**1,882**	**1,791**	**1,737**
B1	Non Domestic LT	1,276	1,345	1,405	1,501	1,467	1,412
B2	Non Domestic HT	362	363	367	381	325	324
C	Industrial	**282**	**284**	**277**	**310**	**374**	**373**
C1	Industrial LT	247	248	241	267	289	289

Sr.No.	Category	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
C2	Industrial HT	35	36	35	44	85	84
D	**Agriculture**	**0**	**0**	**0**	**0**	**0**	**0**
E	**Public Utilities**	**403**	**425**	**464**	**472**	**425**	**392**
E1	Public Lighting	101	114	145	119	104	93
E2	DJB LT	10	11	11	12	12	13
E3	DJB HT	130	137	131	135	137	137
E4	DMRC	161	164	177	207	171	150
F	Temporary Supply	39	41	46	45	46	52
G	Advertisement & Hoardings	1	1	1	1	0	0
H	E Vehicle	-	-	-	0	7	16
I	Self-consumption	16	13	16	16	15	13
J	Enforcement	21	24	23	20	14	13
K	Others	-	0	0	1	2	3
Total		**5,405**	**5,676**	**6,115**	**6,504**	**6,514**	**6,658**

4.14 The Petitioner has submitted the category-wise CAGR for various consumer categories as follows:

Table 4. 2:Petitioner Submission: 5 Years CAGR (%)

Sr. No.	Category	5 yrs	4 yrs	3 yrs	2 yrs	YOY	Growth Considered
A	**Domestic**						
A1	Domestic Other than A2 to A4	6.44%	6.50%	5.04%	4.12%	5.98%	4.12%
A2	CGHS	4.90%	6.27%	6.97%	4.18%	-2.10%	4.90%
A3	11 KV Worship/Hospital	0.09%	0.18%	-0.48%	-2.14%	-1.32%	0.09%
A4	DVB Staff	-8.66%	-8.35%	-6.00%	-9.30%	-13.40%	0.00%
B	**Non Domestic**						
B1	Non Domestic LT	2.04%	1.24%	0.18%	-2.99%	-3.71%	-2.99%
B2	Non Domestic HT	-2.19%	-2.78%	-4.03%	-7.70%	-0.10%	0.00%
C	**Industrial**						
C1	Industrial LT	3.17%	3.86%	6.22%	4.10%	-0.02%	3.17%
C2	Industrial HT	18.96%	23.71%	33.42%	38.77%	-1.70%	3.17%
D	Agriculture	0.23%	-4.25%	-2.88%	-9.33%	-5.89%	0.23%
E	Public utilities						
E1	Public Lighting	-1.74%	-5.08%	-13.94%	-11.67%	-10.84%	-20.00%
E2	DJB LT	4.61%	4.74%	5.81%	4.21%	2.05%	4.61%
E3	DJB HT	0.96%	0.00%	1.39%	0.54%	-0.06%	0.96%
E4	DMRC	-1.37%	-2.11%	-5.22%	-14.67%	-12.32%	-25.00%
F	Temporary Supply	6.03%	5.94%	4.38%	7.44%	14.40%	6.03%

Sr. No.	Category	5 yrs	4 yrs	3 yrs	2 yrs	YOY	Growth Considered
G	Advertisement & Hoardings	-40.23%	-50.82%	-61.64%	-74.20%	-36.37%	0.00%
H	E Vehicle	0.00%	0.00%	0.00%	568.80%	124.56%	10.00%
I	Self-consumption	-4.06%	1.27%	-5.13%	-8.60%	-14.26%	0.25% of sales
J	Enforcement	-8.68%	-13.47%	-16.57%	-18.89%	-4.66%	-8.68%
K	Others	0.00%	188.67%	102.71%	90.33%	61.91%	0.00%

4.15 The Petitioner has submitted the category wise number of consumers and total connected load for FY 2014-15 to FY 2019-20 as follows:

Table 4. 3:Petitioner Submission: Number of consumers from FY 2014-15 to FY 2019-20

Sr.No.	Category	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
A	**Domestic**	**1084188**	**1144581**	**1194989**	**1249570**	**1288537**	**1331796**
A1	Domestic Other than A2 to A4	1077264	1139603	1189946	1244638	1283736	1328152
A2	CGHS	17	17	17	18	18	17
A3	11 KV Worship/Hospital	29	31	33	33	31	30
A4	DVB Staff	6878	4930	4993	4881	4752	3597
B	**Non Domestic**	**350820**	**362433**	**373450**	**386590**	**383912**	**385348**
B1	Non Domestic LT	350542	362141	373164	386302	383634	385069
B2	Non Domestic HT	278	292	286	288	278	279
C	**Industrial**	**8021**	**7836**	**7730**	**7648**	**7555**	**7568**
C1	Industrial LT	8001	7817	7713	7628	7520	7532
C2	Industrial HT	20	19	17	20	35	36
D	Agriculture	52	51	47	45	43	42
E	**Public utilities**	**4302**	**4405**	**4477**	**4579**	**4790**	**5052**
E1	Public Lighting	3482	3598	3638	3689	3835	3896
E2	DJB LT	750	737	770	819	883	1084
E3	DJB HT	69	69	68	69	69	69
E4	DMRC	1	1	1	2	3	3
F	Temporary Supply	0	0	0	0	0	0
G	Advertisement & Hoardings	286	357	339	285	344	348
H	E Vehicle	0	0	0	119	552	790
I	Self-Consumption	3	10	12	14	4	192
J	Enforcement	0	0	0	0	0	0
K	Others	0	0	0	0	0	0
	Total	**1447672**	**1519673**	**1581044**	**1648850**	**1685737**	**1731136**

Table 4. 4:Total connected load (MW/MVA)for FY 2014-15 to FY 2019-20

Sr.No.	Category	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
A	**Domestic**	**3,359**	**3,720**	**3,746**	**2,678**	**2,799**	**2,927**
A1	Domestic	3,279	3,645	3,669	2,601	2,728	2,863

Sr.No.	Category	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
A2	CGHS	16	16	16	17	11	10
A3	11 KV Worship/Hospital	40	41	44	44	44	43
A4	DVB Staff	24	17	17	17	15	12
B	**Non Domestic**	**1,621**	**1,708**	**1,683**	**1,700**	**1,647**	**1,626**
B1	Non Domestic LT	1,381	1,470	1,469	1,488	1,448	1,430
B2	Non Domestic HT	240	237	214	212	199	197
C	**Industrial**	**184**	**183**	**179**	**179**	**215**	**215**
C1	Industrial LT	164	163	160	159	180	180
C2	Industrial HT	20	20	19	20	35	35
D	Agriculture	0	0	0	0	0	0
E	**Public utilities**	**133**	**137**	**140**	**146**	**164**	**193**
E1	Public Lighting	31	33	33	33	46	43
E2	DJB LT	11	11	11	12	13	14
E3	DJB HT	69	71	71	72	74	74
E4	DMRC	21	21	25	28	31	62
F	Temporary Supply						
G	Advertisement & Hoardings	1	1	1	1	1	1
H	E Vehicle					3	6
I	Self-Consumption	0	0	0	0	0	6
J	Enforcement						
K	Others						
	Total	**5,299**	**5,748**	**5,749**	**4,705**	**4,828**	**4,974**

4.16 The Petitioner has submitted that while forecasting of Energy Sales for the FY 2020-21 excluding COVID-19 and lockdown conditions impact, the Petitioner has considered the actual Sales till FY 2019-20. In order to forecast energy sales for FY 2020-21, various year CAGR is computed, considering FY 2019-20 as base year. However, solely relying on annual CAGR is not sufficient. Certain categories show abnormal growth rates due to various reasons such as:

i) New category introduced like E-Rickshaws for which data for past years is not available.

ii) Certain consumers / categories show no or very less consumption due to opting of Open Access, Solar Net Metering, DSM measures etc.

iii) Cross-migration of consumers from one category to another, etc.

iv) Tendency of consumers to opt for multiple connections for deriving benefits of subsidy.

v) Impact of Court's/State Commission/NGT/DPCC/Municipal corporation orders on grant of new electricity connection or disconnection of existing electricity connections.

4.17 Such outliers have been manually identified and appropriate growth rates have been applied to these categories so that the overall trend matches with the actual growth.

4.18 The Petitioner has faced the following constraints recently in FY 2018-19 and FY 2019-20 regarding the consumer sales:

i) **Saturation of electrification in Petitioner's area:** The average consumer density in Petitioner's area is as high as 8,476 connections/sq. km. In some areas, the consumer density is more than 28,000 connections/ sq. km.and hence, there is limited scope of sales growth on account of addition in number of consumers.

ii) **Sealing drive conducted by Civic Authorities:** Several sealing drives are being conducted by the civic authorities leading to disconnections under existing non-domestic/ industrial category.

iii) **Demand Side Management (DSM) activities:** Due to the DSM activities undertaken by the Petitioner such as distribution of Energy Efficient LED lights, Air Conditioners etc., under the DSM scheme, the sales under Domestic category have not shown a significant growth.

iv) **Open access & Net metering:** Many Consumers from categories like DMRC, Non Domestic and Industrial are opting for Open Access. Further, the Net Metering is also opted by most of the consumer which constitute to capacity of 18 MW as on 31.03.2019. This is also adversely impacting the sales growth of the Petitioner.

v) **Clearance required from Delhi Pollution Control Committee (DPCC):** The Commission mandated the clearance from DPCC for availing new industrial and some Non-Domestic connections which has adversely affected the consumer growth under industrial and Non-Domestic category.

vi) **Restriction on building height:** In accordance with the DERC (Supply Code and Performance Standards) Regulations, 2017, fire clearance certificate has **been** mandated for availing connections in buildings more than 15 meters high. Most of the consumers/applicants residing in Petitioner's area belongs to unauthorized areas/colonies where the building height is more than 15 meters and fire clearance certificates are not available with the applicants seeking new connections. Further, the relaxation in building height upto17.5 meters in case of stilt parking has no significant impact as such cases are not prevalent in Petitioner's license area.

4.19 The methodology adopted for projection of energy sales in normal scenario assuming that the COVID19 and lockdown conditions could not have been imposed during FY 2020-21 has been elaborated as under:

i) **Domestic other than CGHS, 11 KV Worship/Hospital and DVB Staff:** Domestic category is the predominant category of the Petitioner, representing about 60% of total energy sales. It is observed that the percentage increase in sales is less in last 2 years when compared to 5-year CAGR. Due to various constraints in Petitioner's area such as restriction of building height more than 15 Meters, high consumer density etc. coupled with various DSM initiatives undertaken by the Petitioner, the Sales under this category are not likely to increase substantially on the basis of 3 to 5 CAGR. Accordingly, sales for domestic category FY 2020-21 has been projected considering 2 years CAGR i.e., 4.12%.

ii) **CGHS:** This category is billed under Domestic category. In last 5 years, although there is no consumer **growth** in this category, only specific consumption of existing consumer is increased. Considering the above factors, the Petitioner has considered 5 years CAGR of 4.90%.

iii) **Non Domestic low tension:** The sales under this category are continuously declining **since** FY 2017-18 onwards. The reason for decline in sales under this category is due to sealing drive conducted by Civic agencies, restriction in granting new electricity connection for cases having building height more than 15 meters, non-availability of clearance from DPCC etc. The yearly growth during FY 2019-20 was (-) 3.71% as compared to the 5 year's CAGR of 2.04%. Hence, 2 years CAGR which is a negative growth of (–) 2.99% is considered for FY 2020-21.

iv) **Non Domestic High tension:** The sales under this category is in the same range every year. However, the CAGR is showing abnormal declining trend. The major reason is **that** the Commission in its Tariff Order dated 28.03.2018 has shifted the private hospitals from Non Domestic category to Industrial category. Hence, zero growth is considered in the Non Domestic HT category.

v) **Industrial Low Tension:** Under **this** category, 5 years CAGR of 3.17% is considered.

vi) **Industrial High Tension:** The CAGR under this category is showing abnormal growth due to the fact that Private Hospitals are shifted from Non Domestic category to industrial category. Hence, same growth rate as of Industrial LT is considered.

vii) **Agriculture & Mushroom Cultivation:** 5-year CAGR has been considered for projecting the sales under Agriculture and Mushroom cultivation categories.

viii) **Public utility Category:** For **projecting** the sales under Public Utilities category, the following assumptions have been considered:

a) **Public Lighting:** The consumption of Public Lighting is projected to reduce at the rate of 20% annually from the actual level in FY 2019-20 considering the replacement of old lamps with energy efficient LED lamps.

b) **Delhi Jal Board (DJB):** The consumption of Delhi Jal Board (DJB) Low tension and High **tension** is projected to increase on the basis of 5 years CAGR of 4.61% and 0.96% respectively.

c) **DMRC:** The consumption of Delhi Metro Rail Corporation (DMRC) is projected to reduce **by** 25% from the actual level in FY 2019-20 due to Open Access procurement by DMRC.

d) **Advertisement& Hoardings:** Nil Growth is considered in the sales under **Advertisement**& Hoardings category as the same is showing negative growth throughout the 5-year period.

e) **Temporary category:**5 year CAGR of 6.03% is considered in this category.

ix) The sales under Charging Stations for E-Vehicles have been projected to increase at the rate of 10% annually upto FY 2021-22 mainly due to expected increase in number of E-Vehicles.

x) 5 year CAGR of (-) 8.68% is considered for enforcement from the actual level in FY 2019-20 considering the proposed loss reduction as the distribution loss of Petitioner is under 10% and there is not much scope in enforcement category for further loss reduction.

xi) The self-consumption has been projected for each year considering 0.25% of the projected total sales for the respective year as per Regulation 23(2) of DERC (Business Plan) Regulations, 2019.

xii) The Petitioner has applied the above growth rates on the actual category wise sales of FY 2019-20 to estimate energy sales during FY 2020-21 (excluding the impact of COVID19 and Lockdown) as tabulated below:

Table 4. 5:Projected Sales (MU) for FY 2020-21 (excluding COVID19 impact and Lockdown)

Sr. No.	Category	Actual Sales of FY 2019-20	Growth Rate considered	Sales FY 2020-21
A	Domestic	**4,057**		**4,221**
A1	Domestic Other than A2 to A4	3,946	4.12%	4,108
A2	CGHS	21	4.90%	22
A3	11 KV Worship/Hospital	74	0.09%	74
A4	DVB Staff	16	0.00%	16
B	**Non Domestic**	**1,737**		**1,694**
B1	Non Domestic LT	1,412	-2.99%	1,370
B2	Non Domestic HT	324	0.00%	324
C	Industrial	**373**		**385**
C1	Industrial LT	289	3.17%	298
C2	Industrial HT	84	3.17%	87
D	Agriculture	0	0.23%	0
E	**Public Utilities**	**392**		**338**
E1	Public Lighting	93	-20.00%	74
E2	DJB LT	13	4.61%	13
E3	DJB HT	137	0.96%	138
E4	DMRC	150	-25.00%	113
F	Temporary Supply	52	6.03%	55
G	Advertisement & Hoardings	0	0.00%	0
H	E Vehicle	16	10.00%	18
I	Self-Consumption	13	.25% of sales	17
J	Enforcement	13	-8.68%	12

Sr. No.	Category	Actual Sales of FY 2019-20	Growth Rate considered	Sales FY 2020-21
K	Others	3	0.00%	3
Total		**6,658**		**6,744**

IMPACT OF COVID-19 AND LOCKDOWN ON ENERGY SALES FOR FY 2020-21

4.20 The Petitioner has submitted that the Nationwide lockdown was imposed in phases to contain the spread of COVID-19 outbreak in India. Phases of Nationwide lockdown are as follows:

A) **Lockdown Phase 1 (24th March 2020 to 14th April 2020):** MHA (Ministry of Home Affairs), GOI vide its Order No 40-3/2020-DM-I(A) dated 24th March 2020 has extended the country vide lockdown which is applicable from 24th March 2020 to 14th April 2020. During this period the following activities are ordered to remain close with some exceptions:

i. All offices of Govt of India shall remain closed excluding offices falls under essential services such as Defence, CRPF, treasury, public utilities, disaster management, power generation, transmission, post offices etc. The office allowed to operate is advised to work with minimum number of employees.

ii. All offices of State Government/UTs shall remain closed excluding Police stations, home guards, fire and emergency services, district administration, electricity, water, sanitation etc. The office allowed to operate is advised to work with minimum number of employees.

iii. Hospitals and all related medical establishments are allowed to operate

iv. Commercial and private establishments will remain closed except for shops selling essential items (daily needs), banks, insurance offices, ATMs, print and electronic media, telecommunication, internet services, etc.

v. Industrial establishments will remain closed except for the industries manufacturing essential commodities.

vi. Hospitality services will remain closed except for hotels/lodges which are accommodating tourists and persons stranded due to lockdown and other establishments which are earmarked for quarantine facilities.

vii. All transport facilities including rail, air and roadways will remain closed except for transportation of essential goods, fire and emergency services.

viii. Apart from the above all activities are ordered to shut down such as educational institutes, places of worships, social, political, sports, entertainment/ academic/ cultural/ religious gatherings etc are banned.

B) **Lockdown Phase 2 (15th April 2020 to 3rd May 2020):**MHA, GOI vide its order no 40-3/2020-DM-I(A) dated 14th April 2020 has extended second phase of country vide lockdown from 15th April 2020 to 3rd May 2020. The terms and condition for operating during the lockdown 2.0 remains same as lockdown 1.0.

C) **Lockdown Phase 3 (4th May 2020 to 17th May 2020):**MHA, GOI vide its order no 40-3/2020-DM-I(A) dated 1st May 2020 extended the lockdown for a further period of two weeks w.e.f. 4th May 2020 to 17th May 2020. In this Order, identification of Red (Hotspot) zones, green zones and orange zones and containment zones was identified by MHA. The Petitioner submitted that all the districts of Delhi at this point of time falls under the red zone with many containment zones. In the order of MHA dated 1st May 2020, the following activities the following activities was prohibited across the country irrespective of zones:

i. All Domestic and international air travel except for essential services.

ii. All passenger movement by trains, except for security purposes or for the purpose as permitted by MHA.

iii. Metro rail services

iv. All Schools, colleges, educational and training institutes etc.

v. Hospitality services other than those used for housing health/police/government officials/ healthcare workers/ stranded person including tourists and those used for quarantine purposes.

vi. All cinema halls, shopping malls, gyms, sports complexes, swimming pools, entertainment parks, theatres, bars, auditoriums, etc.

vii. All social, political, sports, entertainments, religious, academic, cultural gatherings.

Some activities such as private offices, Industrial establishments in SEZ, construction activities, etc. are allowed to operate with restrictions in red, orange and green zones respectively. However, in containment zones, only activities covered under essential services are allowed to operate.

D) **Lockdown Phase 4 (18th May 2020 to 31st May 2020):**MHA vide its order No 40-3/2020-DM-I(A) dated 17th May 2020 has extended the lockdown from 18th May 2020 to 31st May 2020. The following activities was prohibited across the country irrespective of zones:

i. All Domestic and international air travel except for essential services.
ii. All passenger movement by trains, except for security purposes or for the purpose as permitted by MHA.
iii. Metro rail services
iv. All Schools, colleges, educational and training institutes etc.
v. Hospitality services other than those used for housing health/police/government officials/ healthcare workers/ stranded person including tourists and those used for quarantine purposes.
vi. All cinema halls, shopping malls, gyms, sports complexes, swimming pools, entertainment parks, theatres, bars, auditoriums, etc.
vii. All social, political, sports, entertainments, religious, academic, cultural gatherings.

However, activities only covered under essential services are allowed to operate in the containment zones.

E) **Lockdown Phase 5 (1st June 2020 to 30th June 2020):** GoNCTD vide its order no F.2/07/2020/S.I/part file/212 dated 01.06.2020 in line with the MHA order no 40-3/2020-DM-I(A) dated 30th May 2020 has approved guidelines for 5th phase of lockdown w.e.f. 1st June, 2020 till 30th June, 2020 The following activities are prohibited in phase 5 of lockdown:

i. Metro rail services.
ii. All Schools, colleges, educational and training institutes.

iii. Hotels except those meant for housing health/ government officials/ police/ healthcare workers/ stranded persons including tourists and those used for quarantine facilities.

iv. All Cinema halls, shopping malls, gyms, spa, bars swimming pools, entertainment parks, bars, theatre, auditoriums etc.

v. All social, political, religious, sports, entertainment, academic, cultural gatherings

vi. All religious places.

However, Shops & markets, private offices, industrial establishments, construction activities are allowed to operate with restrictions. Activities only covered under essential services are allowed to operate in the containment zones.

Based on the guidelines issued in different phases, the impact of lockdown on the operation of various consumer categories is summarized as under:

Table 4. 6:Petitioner Submission: Impact of Phase wise lockdown

Categories	Tariff/ Consumer category	25th Mar'20 to 14th Apr'20	15th Apr'20 to 4th May'20	5thMay'20 to 17th May'20	18th May to 31st May'20	1st Jun'20 to 30th Jun'20
		Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
		Lockdown 1.0	Lockdown 2.0	Lockdown 3.0	Lockdown 4.0	Unlock 1.0
Essential shops	Non Domestic	Allowed in all zone	Allowed in all zone	Allowed in all zone	Allowed in all zone	Allowed in all zone
Other shops	Non Domestic	Not allowed	Not allowed	Allowed in Green zone only with restrictions	Allowed on odd even basis with restrictions	Allowed from June 8 with restrictions
Malls	Non Domestic	Not allowed	Not allowed	Not allowed	Not allowed	Allowed from June 8 with restrictions
Cinema Halls	Non Domestic	Not allowed	Not allowed	Not allowed	Not allowed	Not allowed
DMRC	Public Utilities (DMRC)	Not allowed	Not allowed	Not allowed	Not allowed	Not allowed
Industry / factories	Industrial	Not allowed	Not allowed	Allowed in green zone, 33% in other zone with restrictions	Allowed with workers in delhi with restrictions	Allowed with restrictions
Salons/ gyms	Non Domestic	Not allowed	Not allowed	Not allowed	Not allowed	Salons are allowed from June

Categories	Tariff/ Consumer category	25th Mar'20 to 14th Apr'20	15th Apr'20 to 4th May'20	5thMay'20 to 17th May'20	18th May to 31st May'20	1st Jun'20 to 30th Jun'20
		Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
		Lockdown 1.0	Lockdown 2.0	Lockdown 3.0	Lockdown 4.0	Unlock 1.0
						8, , Gyms are allowed by assessment
Hotels	Non Domestic	Not allowed	Not allowed	Not allowed	Not allowed	Allowed from June 8
Construction activity	Temporary Supply	Not allowed	Not allowed	Allowed in green zone, 33% in other zone with restrictions	Allowed with restrictions	Allowed with restrictions
Commercial establishments/ private companies	Non Domestic	Not allowed	Not allowed	Allowed in green zone, 33% in other zone	Allowed with restrictions	Allowed with restrictions
Restaurants	Non Domestic	Not allowed	Not allowed	For takeouts only in green zone	For take away only	For take away only
Hospitals	Domestic in case of Government Hospital and industrial in case of private hospitals	Allowed in all zone	Allowed in all zone	Allowed in all zone	Allowed in all zone	Allowed in all zone

4.21 While the Lockdown Phase 5 is still ongoing, Delhi is 3rd State followed by Maharashtra and Tamil Nadu in most number of cases affected due to outbreak of the COVID-19 pandemic across the country. The graph of COVID19 positive patient in Delhi is still in uptrend (source:***covid19india.org/state/DL)***. Hence, it is expected that the restrictions to operate in Delhi for non-Domestic, Industrial, DMRC and other connections may not be lifted after 30th June, 2020. Perhaps, it may be relaxed in a phased manner. Accordingly, the impact of COVID–19 and lockdown conditions on operation of various consumer categories is calculated on monthly basis.

4.22 The Petitioner has submitted the month wise projection of energy sales for FY 2020-21 (without the impact of COVID–19 and lockdown)as follows:

Table 4. 7:Month wise projection of energy sales for FY 2020-21 (without impact of COVID19 and Lock down)

Sr. No.	Category	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	FY 21
A	**Domestic**	**252**	**399**	**502**	**533**	**471**	**502**	**375**	**243**	**201**	**311**	**227**	**205**	**4,221**
A1	Domestic Other than A2 to A4	245	388	490	519	459	490	365	236	195	302	220	200	4,108
A2	CGHS	1	2	3	3	2	2	2	1	1	2	1	1	22
A3	11 KV Worship/Hospital	4	7	8	9	8	8	7	5	4	6	5	3	74
A4	DVB Staff	1	2	2	2	2	2	1	1	1	1	1	1	16
B	**Non Domestic**	**124**	**161**	**176**	**188**	**176**	**178**	**161**	**126**	**103**	**113**	**97**	**92**	**1,694**
B1	Non Domestic LT	100	131	143	150	143	145	130	101	82	91	78	76	1,370
B2	Non Domestic HT	24	30	33	38	33	33	31	24	21	22	19	17	324
C	**Industrial**	**32**	**33**	**34**	**39**	**37**	**34**	**33**	**28**	**30**	**31**	**29**	**25**	**385**
C1	Industrial LT	25	26	26	29	28	26	25	21	24	25	23	21	298
C2	Industrial HT	7	7	8	10	9	9	8	6	6	6	6	5	87
D	Agriculture	0	0	0	0	0	0	0	0	0	0	0	0	0
E	**Public utilities**	**37**	**25**	**30**	**30**	**30**	**30**	**27**	**29**	**25**	**25**	**25**	**24**	**338**
E1	Public Lighting	8	6	7	6	6	6	4	9	5	6	6	6	74
E2	DJB LT	1	1	1	1	1	1	1	1	1	1	1	1	13
E3	DJB HT	12	12	12	12	11	12	12	12	11	12	11	11	138
E4	DMRC	16	6	11	11	11	11	10	8	7	7	7	6	113
F	Temporary Supply	4	5	5	6	5	6	5	4	3	5	4	3	55
G	Advertisement & Hoardings	0	0	0	0	0	0	0	0	0	0	0	0	0
H	E Vehicle	1	1	1	1	1	1	2	2	2	2	2	2	18
I	Self-Consumption	1	1	1	2	2	2	1	1	4	1	1	1	17
J	Enforcement	1	1	1	1	1	2	1	1	1	1	1	1	12
K	Others	-	-	-	-	-	-	-	-	-	-	-	3	3
	Total	**451**	**625**	**752**	**800**	**723**	**755**	**605**	**433**	**368**	**489**	**386**	**356**	**6,744**

4.23 The Petitioner has submitted the category wise and month wise impact on operations of various consumer categories due to COVID-19 and lockdown as follows:

a) **Domestic Including CGHS and DVB Staff**: Connections under this category includes mainly residential consumers which are 100% operational during the lockdown.

b) **11 KV worship/Hospital**: The connections under this category includes worship places and government hospitals. During the lockdown period, the hospitals are fully operational and the same would be operational even after the lockdown is lifted. However, the Petitioner has few connections related to worship places which remained completely shutdown during the lockdown period. Hence, it is expected that the connections under this category would be operational 80% upto June 2020, 90% during July 2020 and 100% from August 2020 onwards during FY 2020-21.

c) **Non Domestic LT & HT**: Under this category, the connections include small and large shops, Private offices, shopping malls, etc. During the lockdown phase 1 to phase 3, only the shops selling essential items are allowed to operate in a restricted manner. In fourth phase of lockdown, some other activities like markets and private offices are allowed to operate with some restrictions. Hence, it is expected that this category would be operational 25% during lockdown, 50% in Q2, 70% in Q3, and 85% in Q4 of FY 2020-21.

d) **Industrial LT**: The connections under this category include small and medium industries which are not allowed to operate during the lockdown and only lighting load would be applicable for these consumer categories. However, in fourth phase of lockdown, such activities are permitted with some restrictions. Hence, it is expected that this category would be operational 1% during lockdown period, 50% in Q2, 70% in Q3, and 85% in Q4 of FY 2020-21.

e) **Industrial HT**: This category includes, Large industries, Private hospitals etc. During all phases of lockdown period, private hospitals are allowed to operate 100%. Further, the Petitioner has two milk processing plants i.e. Mother Dairy and DMS which are also fully operational. Hence, it is expected that this category would be operational 60% during the lockdown, 80% during Q2 and 100% in second half of FY 2020-21.

f) **Agriculture, Public Lighting, DJB LT and HT**: These categories are allowed to operate on 100% basis during and post lockdown.

g) **DMRC**: Only lighting load would be billed during the lockdown and post lockdown also this category would not be able to start full operation due to social distancing norms.

4.24 The Petitioner has submitted the month wise impact of COVID-19 and lockdown conditions on operation of various consumer categories as below:

Table 4. 8:Petitioner Submission: Impact of COVID19 and lockdown on Operation of consumers

Sr.No.	Category	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
A	**Domestic**												
A1	Domestic Other than A2 to A4	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
A2	CGHS	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
A3	11 KV Worship/Hospital	80%	80%	80%	80%	80%	80%	80%	100%	100%	100%	100%	100%
A4	DVB Staff	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
B	**Non Domestic**												
B1	Non Domestic LT	70%	25%	25%	50%	50%	50%	70%	70%	70%	85%	85%	85%
B2	Non Domestic HT	70%	25%	25%	50%	50%	50%	70%	70%	70%	85%	85%	85%
C	**Industrial**												
C1	Industrial LT	70%	1%	1%	50%	50%	50%	70%	70%	70%	85%	85%	85%
C2	Industrial HT	70%	60%	60%	80%	80%	80%	90%	90%	90%	90%	90%	90%
D	Agriculture	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
E	**Public utilities**												
E1	Public Lighting	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
E2	DJB LT	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
E3	DJB HT	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
E4	DMRC	75%	1%	1%	1%	50%	50%	70%	70%	70%	100%	100%	100%
F	Temporary Supply	75%	30%	30%	75%	75%	75%	75%	75%	75%	100%	100%	100%
G	Advertisement & Hoardings	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
H	E Vehicle	50%	0%	0%	50%	50%	50%	100%	100%	100%	100%	100%	100%
I	Self-Consumption	0.25 % of Sales											
J	Enforcement	0%	0%	0%	50%	50%	50%	75%	75%	75%	100%	100%	100%

4.25 The Petitioner has submitted the estimated Energy Sales for FY 2020-21 including the impact of COVID19 and lockdown as follows:

Table 4. 9:: Petitioner Submission: Month wise projection of energy sales for FY 2020-21 (including COVID19 impact and Lockdown)

Sr. No.	Category	Apr-20	May -20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	FY 21
A	Domestic	251	398	501	532	471	502	375	243	201	311	227	205	4,216

Sr. No.	Category	Apr-20	May -20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	FY 21
A1	Domestic Other than A2 to A4	245	388	490	519	459	490	365	236	195	302	220	200	4,108
A2	CGHS	1	2	3	3	2	2	2	1	1	2	1	1	22
A3	11 KV Worship/Hospital	4	5	6	8	8	8	7	5	4	6	5	3	69
A4	DVB Staff	1	2	2	2	2	2	1	1	1	1	1	1	16
B	**Non Domestic**	**87**	**40**	**44**	**94**	**88**	**89**	**113**	**88**	**72**	**96**	**82**	**79**	**972**
B1	Non Domestic LT	70	33	36	75	72	72	91	71	58	77	66	64	785
B2	Non Domestic HT	17	7	8	19	16	17	21	17	15	19	16	14	187
C	**Industrial**	**22**	**5**	**5**	**22**	**21**	**20**	**25**	**21**	**22**	**27**	**25**	**22**	**236**
C1	Industrial LT	17	0	0	14	14	13	18	15	17	21	19	18	167
C2	Industrial HT	5	4	5	8	7	7	7	6	5	5	6	4	69
D	Agriculture	0	0	0	0	0	0	0	0	0	0	0	0	0
E	**Public Utilities**	**33**	**19**	**20**	**19**	**24**	**24**	**24**	**27**	**22**	**25**	**25**	**24**	**287**
E1	Public Lighting	8	6	7	6	6	6	4	9	5	6	6	6	74
E2	DJB LT	1	1	1	1	1	1	1	1	1	1	1	1	13
E3	DJB HT	12	12	12	12	11	12	12	12	11	12	11	11	138
E4	DMRC	12	0	0	0	6	6	7	5	5	7	7	6	62
F	Temporary Supply	3	1	2	5	4	4	4	3	2	5	4	3	40
G	Advertisement & Hoardings	0	0	0	0	0	0	0	0	0	0	0	0	0
H	E Vehicle	0	-	-	1	1	1	2	2	2	2	2	2	13
I	Self-Consumption	1	1	1	2	2	2	1	1	1	1	1	1	14
J	Enforcement	-	-	-	0	1	1	1	1	1	1	1	1	7
K	Others	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**397**	**464**	**573**	**675**	**611**	**642**	**544**	**385**	**323**	**468**	**368**	**336**	**5,786**

4.26 The Petitioner requested the Commission to consider the projected Sales of FY 2020-21.

PROJECTION OF NUMBER OF CONSUMERS:

4.27 The Petitioner has submitted the category wise number of consumers are projected considering the month on month growth in number of consumer during the previous year i.e. FY 2019-20. The same growth is applied on the closing category wise number of consumer for FY 2020-21. However, due to lockdown conditions, the activities like new connections and disconnections is currently suspended and hence, no growth is considered during the period April 2020 to June 2020.The growth rate is applied from July 2020 onwards.

PROJECTION OF SANCTIONED LOAD

4.28 The Petitioner has submitted the category wise sanctioned load is projected by considering its monthly growth in previous year i.e. FY 2019-20. The same growth is applied on the category wise sanctioned load for FY 2020-21. However, as stated earlier, due to lockdown conditions, the activities like new connections and disconnections is currently suspended and hence, no growth is considered during the period April 2020 to June 2020.The growth rate is applied from July 2020 onwards.

4.29 The Petitioner has submitted the Projected number of consumers, connected load and energy sales (including the impact of lockdown due to COVID-19) during FY 2020-21 as follows:

Table 4. 10:Projected number of consumers, sanctioned load and sales for FY 2020-21

Sr.No.	Category	No of consumers	Sanctioned Load	Sales in MU's
A	**Domestic**	**13,67,975**	**2,964**	**4,216**
A1	Domestic Other than A2 to A4	13,65,170	2,903	4,108
A2	CGHS	16	8	22
A3	11 KV Worship/Hospital	29	43	69
A4	DVB Staff	2,760	9	16
B	**Non Domestic**	**3,85,812**	**1,584**	**972**
B1	Non Domestic LT	3,85,531	1,388	785
B2	Non Domestic HT	281	196	187
C	**Industrial**	**7,566**	**214**	**236**
C1	Industrial LT	7,529	178	167
C2	Industrial HT	37	36	69
D	Agriculture	41	0	0
E	**Public Utilities**	**5,312**	**188**	**287**
E1	Public Lighting	3,935	37	74
E2	DJB LT	1,304	15	13
E3	DJB HT	69	74	138
E4	DMRC	3	62	62
F	Temporary Supply	-	-	40
G	Advertisement & Hoardings	332	1	0
H	E Vehicle	997	7	13
I	Self-Consumption	197	6	14
J	Enforcement	-	-	7
K	Others	-	-	-
Total		**17,68,231**	**4,964**	**5,786**

4.30 The Petitioner requested the Commission to consider the above submissions for estimation of sales, connected load and number of consumers during FY 2020-21.

COMMISSION ANALYSIS

PRE-COVID PROJECTIONS:

4.31 The Commission based on the earlier submissions of the Petitioner (pre COVID-19 scenario), analysed the sales of FY 2020-21 as indicated in subsequent paras.

4.32 The 19thElectric Power Survey (EPS) Report, covering electricity demand projection of Distribution Companies, States/UT's, Regions and the all-India Electricity demand projection has been brought out by the Central Electricity Authority (CEA) on January 2017. The Report covers year-wise electricity demand projection for the years 2016-17 to 2026-27 for DISCOMs, States/UT's, Regions and for the country. The report also covers perspective electricity demand projection for States/UT's, Regions and for the country for the years 2031-32 and 2036-37.

4.33 The said electricity demand projection exercise has been carried out in association with Distribution Companies (DISCOMs)/State Electricity Departments/Transmission Companies (TRANSCOs) of States/UT's.

4.34 CEA Uses Partial End Use Methodology, which is a combination of time series analysis and end use method has been adopted to forecast electricity demand for 19th EPS as well. Partial End Use Methodology is a "bottom-up" approach focusing on end-uses or final energy needs of different categories of consumers like domestic, commercial, irrigation, industries, railway traction etc. Various initiatives of Government of India/State Governments like Power for All (PFA), Demand Side Management (DSM), energy conservation and efficiency improvement measures, Make in India, penetration of roof-top solar, electric vehicles etc. have been broadly factored in the electricity demand projection.

4.35 The Commission observes the variation in Sales Forecasted vis-a-vis Actual Sales achieved for the year FY 2017-18 and FY 2018-19 for Delhi DISCOMs as follows:

Table 4. 11:Commission's Projection & 19thEPS vis-a-vis Actual Sales for FY 2017-18 (MU)

Sr. No.	Category	FY 2017-18			Variation (%)	
		Projected by Commission	19th EPS	Actual	Commission's Proj. vis-à-vis Act.	EPS vis-à-vis Act.
1	Domestic	3448	3487	3756	-8.94%	-7.72%
2	Non – Domestic	1830	1859	1882	-2.83%	-1.21%
3	Industrial	280	282	310	-10.65%	-10.02%
4	Others *	576	543	564	2.10%	-3.81%
	Total	**6134**	**6171**	**6512**		

Table 4. 12:Commission's Projection & 19thEPS vis-a-vis Actual Sales for FY 2018-19 (MU)

Sr. No.	Category	FY 2018-19			Variation (%)	
		Projected by Commission	19th EPS	Actual	Commission's Proj. vis-à-vis Act.	EPS vis-à-vis Act.
1	Domestic	3867	3662	3838	0.74%	-4.82%
2	Non – Domestic	1903	1932	1791	5.86%	7.27%
3	Industrial	296	282	374	-26.48%	-32.76%
4	Others *	641	574	509	20.60%	11.29%
	Total	**6707**	**6450**	**6513**		

**Others include Agricultural & Mushroom Cultivation, Public Lighting, Delhi Jal Board, Delhi International Airport Limited (DIAL), Railway Traction, Delhi Metro Rail Corporation (DMRC), Advertisement &Hoardings, Bulk supply (as per 19th EPS Bulk supply includes supply to Distribution Licensees which have been considered as point load by the main distribution licensee, Government/ Defence establishments, airports, open access, temporary connection etc.)*

4.36 From above tables, it is observed that there has been more variation between the Projections done by the CEA & the Actual Sales than the Sales projected by the Commission & the Actual Sales for FY 2017-18 and FY 2018-19, it is also observed that the projections of CEA are on considerable higher side. Therefore, the Commission has not relied upon the sales forecasted by the CEA for FY 2020-21. Further, the Commission in the past, has been forecasting sales based on CAGR methodology which is quite appropriate for short term forecasting which in the present case is 1 (one) year period.

4.37 For forecasting sales for FY 2020-21 with better accuracy, the Commission has divided the financial year, FY 2020-21, in to two halves (H1 & H2) where H1 represents the period from April to September and H2 represents the period from October to March. Such splitting of a financial year in to two halves provides more accurate projections and also factors seasonal impact of sales during summer season which is the period from April to September. The Sales of Domestic, Non-Domestic and Industrial consumer categories will follow the specific pattern during past financial years as this season has maximum sales owing to use of heavy electricity consumption equipment like Air Conditioning (ACs). The period of second half i.e. H2 represents October to March and is a lean period in terms of sales. Therefore, the Commission has adopted half yearly projections for FY 2020-21 rather than the following the methodology of yearly projections of sales as followed earlier.

4.38 The Commission sought H1 and H2 sales of past years from the Petitioner and based on the same has computed 5 years CAGR for H1 for the period FY 2014-15 to FY 2019-20 and 4 years CAGR for H2 for the period FY 2014-15 to FY 2018-19. The Commission after computation of various half yearly CAGRs has projected sales for H1 for FY 2020-21 by applying a single escalation on actual H1 sales of FY 2019-20 and has projected sales for H2 for FY 2020-21 by applying double escalation on actual H2 sales of FY 2018-19. The total projected sales for FY 2020-21 are then computed by summing up half yearly projected sales of FY 2020-21. The detailed computation of the same is as follows:

4.39 The category wise H1 Sales from FY 2014-15 to FY 2019-20 and H1 Sales from FY 2014-15 to FY 2019-20 are indicated in the tables as follows:

Table 4. 13: Actual H1 Sales for FY 2014-15 to FY 2019-20 (MU)

Sr. No.	Category	FY15	FY16	FY17	FY18	FY19	FY20
1	**Domest**ic	1806	1926	2200	2347	2475	2556
2	Non-Domestic	930	966	1032	1072	1058	1027
3	Industrial	148	147	151	158	184	202
4	Agriculture & Mushroom	0	0	0	0	0	0
5	Public Utilities	214	208	224	230	194	214
6	Adv. & Hoardings	0	0	0	0	0	0
7	Temporary Supply	21	22	26	24	25	29
8	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	0	0	0	0	2	7
9	Others*	16	18	15	15	13	13
Total		**3137**	**3287**	**3648**	**3846**	**3950**	**4049**

** Enforcement, Own Consumption & Net Metering*

Table 4. 14: Actual H2 Sales for FY 2014-15 to FY 2018-19 (MU)

Sr. No.	Category	FY15	FY16	FY17	FY18	FY19	FY20
1	Domestic	1198	1254	1317	1410	1364	1501
2	Non-Domestic	709	741	740	810	734	709
3	Industrial	134	138	125	152	191	170
4	Agriculture & Mushroom	0	0	0	0	0	0
5	Public Utilities	188	217	240	242	231	179
6	Adv. & Hoardings	0	0	0	0	0	0
7	Temporary Supply	18	20	20	21	20	23
8	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	0	0	0	0	5	9
9	Others*	21	19	24	22	19	10
Total		**2268**	**2390**	**2467**	**2658**	**2563**	**2602**

** Enforcement, Own Consumption & Net Metering*

4.40 The category-wise CAGR of H1 sales for 1 year to 6 years (FY 2014-15 to FY 2019-20) and H2 sales for 1 year to 6 years (FY 2014-15 to FY 2019-20) is shown in the tables as follows:

Table 4. 15:Various H1Sales CAGR (FY 2014-15 to FY 2019-20) (%)

Sr. No.	Category	5 year CAGR	4 year CAGR	3 year CAGR	2 year CAGR	1 year CAGR
1	Domestic including 11KV and staff	7.20%	7.33%	5.14%	4.37%	3.30%
2	Non-Domestic	2.00%	1.54%	-0.15%	-2.10%	-2.88%
3	Industrial	6.42%	8.40%	10.25%	13.23%	10.17%
4	Agriculture &Mushroom	2.44%	-3.83%	-0.76%	-6.18%	-7.85%
5	Public Utilities	-0.05%	0.70%	-1.51%	-3.68%	10.28%
6	Adv. & Hoardings	-42.22%	-52.46%	-63.00%	-74.65%	-60.38%
7	Temporary Supply	6.47%	7.74%	4.55%	10.20%	15.43%
8	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	-	-	-	-	232.81%
9	Others	-4.46%	-7.12%	-4.83%	-6.10%	4.70%

** Enforcement, Own Consumption & Net Metering*

Table 4. 16:Various H2Sales CAGR (FY 2014-15 to FY 2019-20) (%)

Sr. No.	Category	5 year CAGR	4 year CAGR	3 year CAGR	2 year CAGR	1 year CAGR
1	Domestic including 11KV and staff	4.61%	4.59%	4.44%	3.18%	10.04%
2	Non-Domestic	0.02%	-1.10%	-1.39%	-6.40%	-3.31%
3	Industrial	4.90%	5.50%	10.76%	5.77%	-10.59%
4	Agriculture & Mushroom	-2.70%	-4.88%	-5.83%	-13.63%	-2.70%
5	Public Utilities	-1.05%	-4.78%	-9.38%	-14.04%	-22.59%
6	Adv. & Hoardings	-38.45%	-49.42%	-60.51%	-73.86%	14.66%
7	Temporary Supply	5.49%	3.85%	4.18%	4.22%	13.11%
8	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point		-	-	408.99%	81.64%
9	Others	-13.65%	-14.60%	-24.92%	-32.75%	-46.89%

** Enforcement, Own Consumption & Net Metering*

Table 4. 17:Commission Approved: Pre-COVID Sales projection for FY 2020-21 (MU)

Sr. No.	Category	Sales H1 FY20 (MU)	Growth Rate (%) based on CAGR *	Projected Sales H1 FY21 (MU)	Sales H2 FY19 (MU)	Growth Rate (%) based on CAGR*	Projected Sales H2 FY20 (MU)	Projected Sales H2 FY21 (MU)	Projected Sales FY21 (MU)
1	Domestic including 11KV and staff	2556	5.14%	2688	1364	2.83%	1402	1442	4130
2	Non-Domestic	1027	-0.15%	1026	734	-0.35%	731	729	1754
3	Industrial	202	10.25%	223	191	11.49%	213	237	460
4	Agriculture & Mushroom	0.13	-0.76%	0.13	0.09	-5.60%	0.08	0.08	0.21
5	Public Utilities	214	-1.51%	211	231	2.03%	235	240	451
6	DIAL	0			0				0
7	Adv. & Hoardings	0.02		0.03	0.02		0	0.03	0.06
8	Temporary Supply	29	4.55%	31	20	0.94%	21	21	51
9	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	7		7	5		7	7	14
10	Others	13		14	19		16	16	30
a	Enforcement	7		7	8		7	7	13
b	Own Consumption	6		8	9		8	8	15
c	Net Metering	0		0	2		2	2	2
	Total	**4049**		**4199**	**2563**		**2625**	**2692**	6891

** Based on 5 year CAGR for H2 for the period FY 2014-15 to FY 2018-19*

** Pre COVID projection before additional submission by petitioner considering growth rates for the period FY 2014-15 to FY 2018-19*

ESTIMATED SALES FOR FY 2020-21 – IMPACT OF COVID-19 PANDEMIC

4.41 Ministry of Power (MoP), Government of India in the current scenario of COVID-19 outbreak and nationwide lockdown and a need to ensure uninterrupted power supply, in the interest of public, under Section 107 of the Electricity Act, 2003 issued directions vide its Order No. 23/22/2019- R&R Part-4 dated 28/03/2020 to Central Electricity Regulatory Commission (CERC) as follows:

"…The Commission may specify a reduced rate of Late Payment Surcharge (LPSC) for payments which become delayed beyond a period 45 days (from the date of presentation of the bill) during the period from 24th March, 2020 to 30th June, 2020 to generating companies and licensees treating the restrictions placed by central government to contain COVID-19 as an event of force majeure.

The reduced LPSC shall be applicable for delayed payments till 30th June, 2020. The LPSC should not be more than the cost the Generating Companies and Transmission Licensees would have to bear because of the delayed payment…"

4.42 CERC, in compliance to above mentioned direction of MoP , has passed a suo-motu Order dated 03/04/2020 regarding reduction of Late Payment Surcharge, as follows:

"13. Keeping in view the directions issued by the Government of India under section 107 of the Act and to address the difficulties faced by the distribution companies (beneficiaries of the generating stations and long term customers of inter-State transmission systems) on account of the unprecedented situation arising out of the restrictions placed by the Central Government and State Governments on the movement of public and opening of offices and establishments etc., the Commission in exercise of its powers under Regulation 76 of the 2019 Tariff Regulations relaxes the provisions of Regulation 59 of 2019 Tariff Regulations to provide that if any delayed payment by the distribution companies to the generating companies and inter-State Transmission licensees beyond 45 days from the date of the presentation of the bills falls between 24.03.2020 and 30.06.2020, the concerned distribution companies shall make the payment with LPS at the reduced rate of 12% per annum that translates into 1% per month."

4.43 A nationwide lockdown (Lockdown-1) was announced by Ministry of Home Affairs, Government of India (MHA) due to outbreak of COVID-19 pandemic from 24/03/2020 onwards. The same was continued uptill 03/05/2020 in the form of Lockdown-2 vide MHA Order dated 15/04/2020. In continuation, vide MHA even Orders, Nationwide lockdown was further extended as Lockdown-3 & Lockdown-4 up till 17/05/2020 and 31/05/2020 respectively.

4.44 During the said lockdown, all educational institutes, malls, industries, transportation, religious places and private companies came to a complete shutdown, except those in essential services and the corresponding sales dropped to a great extent during the said period.

4.45 In view of the changed circumstances due to COVID-19 pandemic, the Commission deemed it appropriate to give an opportunity to utilities to submit revised Tariff Petitions/ additional information w.r.t. ARR for FY 2020-21, by 30/05/2020. On request of utilities to extend the time period for submission of revised Tariff Petitions for FY 2020-21, the final date for submission was extended up till 05/06/2020. On receipt of the same, the complete Petition filed by the Petitioner along with additional information has been uploaded on website of the Commission (www.derc.gov.in) and the Petitioner. The Executive Summary of Tariff Petitions and Executive Summary of Additional Information have also been uploaded on Commission's website i.e. www.derc.gov.in. The last date for submission of comments was extended till 30/06/2020 accordingly.

4.46 As a part of prudence check, the Commission sought information from the Petitioner regarding their actual sales of Apr'20 to July'20. The same was analysed and it was observed that sales in Non-Domestic and Industrial categories was negative for the month of May for the Petitioner. Upon enquiry, it was brought to the notice of the Commission that such negative sales were because of the adjustment done in provisional bills raised by the Petitioner as directed by the Commission vide Order dated 04/05/2020. The Commission observed that other DISCOM recorded positive sales in such categories and computed the %age of such positive sales over the last year sales for the May month. The %age so computed is 22% and 15% respectively. The same has been applied on the Petitioner's sales in Non-Domestic category in the May month of last year to estimate the sales of the Petitioner for May month of FY 2020-21.

4.47 The sales information received by the Commission is as under:

Table 4. 18: Sales Information received by the Commission

Sr. No.	Category	Sales (MU)			
		April 2020	May 2020	June 2020	July 2020
1	Domestic including 11KV and staff	246	363	401	458
2	Non-Domestic	107	-61	93	157
3	Industrial	17	-1	21	29
4	Agriculture & Mushroom	0	0	0	0
5	Public Utilities	27	19	19	19
6	Others*	3	1	6	1
Total		400	321	540	663

**includes Adv. & Hoardings, Temporary Supply, E-Richshaw/ E-Vehicle, Enforcement, Own Consumption and Net Metering.*

4.48 The sales considered by the Commission after treatment is as under:

Table 4. 19: Sales considered by the Commission after treatment

Sr. No.	Category	Sales (MU)			
		April 2020	May 2020	June 2020	July 2020
1	Domestic including 11KV and staff	246	363	401	458
2	Non-Domestic	107	36	93	157
3	Industrial	17	5	21	29
4	Agriculture & Mushroom	0	0	0	0
5	Public Utilities	27	19	19	19
6	Others*	3	1	6	1
	Total	400	424	540	663

* includes Adv. & Hoardings, Temporary Supply, E-Richshaw/ E-Vehicle, Enforcement, Own Consumption and Net Metering.

4.49 The sales to be projected for FY 2020-21 have been split into 3 (three) Sections as under:

i) **Apr'20 to July'20** -Actual sales as submitted by the Petitioner after the treatment of negative sales in Non-Domestic category as explained above. Accordingly, the sales for Apr'20 to July'20 are approved as under:

Table 4. 20: Commission Approved: Sales for Apr'20 to July'20 FY 2020-21

Sr. No.	Category	Sales (MU)
1	Domestic including 11KV and staff	1467
2	Non-Domestic	393
3	Industrial	72
4	Agriculture & Mushroom	0
5	Public Utilities	84
6	Adv. & Hoardings	0
7	Temporary Supply	7
8	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	2
9	Others*	2
Total		2027

*includes Enforcement, Own Consumption and Net Metering.

ii) **Aug'20 and Sep'20**- Actual Sales recorded in the same months of the previous year i.e. Aug'19 and Sep'19 have been considered and accordingly, approved sales for the Petitioner for Aug'20 and Sep'20 are as under:

Table 4. 21: Commission Approved: Sales for Aug'20 and Sep'20FY 2020-21

Sr. No.	Category	Sales (MU)
1	Domestic including 11KV and staff	981
2	Non-Domestic	380
3	Industrial	74
4	Agriculture & Mushroom	0
5	Public Utilities	61

Sr. No.	Category	Sales (MU)
6	Adv. & Hoardings	0
7	Temporary Supply	16
8	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	13
9	Others*	10
	Total	**1536**

*includes Enforcement, Own Consumption and Net Metering.

4.50 **Half Yearly (H2) (Oct'20 to Mar'21)**– Actual sales for categories other than Domestic Consumers, Non-Domestic, Industrial, DIAL and EV of H2 FY 2019-20 have been considered to arrive at the sales for H2 FY 2020-21.

4.51 An escalation of 3.22% has been considered by the Commission in Domestic Category consumers over H2 sales of FY 2019-20 considering slight increase in sales as a part of working professionals, particularly IT Industry, are expected to work from home instead of their regular work places due to outbreak of COVID-19 Pandemic.

4.52 A negative growth rate of 4.78% has been considered by the Commission in the H2 sales of FY 2019-20 of Public Utilities category considering a CAGR of 4 years as explained at Table 4.16.

4.53 An escalation of 100% has been considered by the Commission in the H2 sales of FY 2019-20 of EV Category over H2 sales of FY 2019-20 considering the growth in the past years.

4.54 An escalation of 3% has been considered by the Commission in the H2 sales of FY 2019-20 of Non-Domestic and Industrial Category over H2 sales of FY 2019-20 considering improvement in the sales scenario from Oct 2020 onwards till March 2021 due to impact of opening of the economy resulting from phase wise unlocking being introduced by MHA.

4.55 Accordingly, the Sales for Oct'20 to Mar'21 and sales for FY 2020-21 are approved as under:

Table 4. 22: Commission Approved: Sales for Oct'20 to Mar'21 and sales for FY 2020-21

Sr. No.	Category	Sales (MU)							
		H1 FY 20	H2 FY 20	Total FY 20	Apr '20 – Jul'20	Aug.'20 & Sept. 20	Growth Rate (%age) over H2 FY 20	H2 FY 21	Projected Sales FY 21
1	Domestic including 11kV and staff	2556	1501	4057	1467	981	3.22%	1549	3949
2	Non-Domestic	1027	709	1737	393	380	3.00%	731	1483
3	Industrial	202	170	373	72	74	3.00%	176	317
4	Agriculture & Mushroom	0	0	0	0	0	0	0	0
5	Public Utilities	214	179	392	84	61	-4.78%	170	324

Sr. No.	Category	Sales (MU)							
		H1 FY 20	H2 FY 20	Total FY 20	Apr '20 – Jul'20	Aug.'20 & Sept. 20	Growth Rate (%age) over H2 FY 20	H2 FY 21	Projected Sales FY 21
6	Adv. & Hoardings	0	0	0	0	0	0	0	0
7	Temporary Supply	29	23	52	7	16	0	23	47
8	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	7	9	16	2	13	100%	19	24
9	Others*	13	10	23	2	10	0	10	21
Total		4049	2062	**6651**	2027	1536		2677	**6165**

*Enforcement, Own Consumption and Net Metering

ESTIMATED REVENUE AT EXISTING TARIFF FOR NEXT YEAR

4.56 Methodology adopted for projection of Revenue from existing Tariff is as follows:

a) Sales have been divided among sub-categories on monthly basis based on Form-2.1a (actual) of FY 2019-20 considering the month wise impact of COVID19 and lockdown conditions.

b) Number of Consumers and Connected Load (MW) for various sub-categories has been divided in the ratio of actual sanctioned load and actual number of consumers during FY 2019-20.

c) The fixed charges and energy charges as approved by the Commission vide Tariff Schedule dated 31stJuly 2019 has been considered for calculation of revenue from existing tariff.

d) For the sub-categories where the energy charges have been specified in Rs/kVAh, the Petitioner has considered actual monthly power factor as per Form 2.1a of FY 2019-20.

e) PPAC applicable upto 15thAugust 2020 is considered in the revenue projection and the % is applied category wise.

f) The above methodology in general has been utilised for estimation of revenue from existing tariff for all consumer categories.

4.57 The Petitioner has estimated the revenue on account of sales to various consumer categories during FY 2020-21 as follows:

Table 4. 23:Petitioner submission: Revenue estimated during FY 2020-21 (Rs. Cr.)

Sr. No.	Category	Fixed charges	Energy Charges	Other charges	PPAC	Total Amount Billed
A	**Domestic**	**186**	**1,729**	**-2**	**61**	**1,975**
A1	Domestic Other than A2 to A4	172	1,659	-	59	1,889
A2	CGHS	2	10	-0	0	12
A3	11 KV Worship/Hospital	13	55	-2	2	68
A4	DVB Staff	0	5	-	0	5
B	**Non Domestic**	**483**	**824**	**-5**	**29**	**1,331**
B1	Non Domestic LT	424	658	-	24	1,106
B2	Non Domestic HT	59	166	-5	5	225
C	**Industrial**	**64**	**190**	**-2**	**5**	**258**
C1	Industrial LT	54	135	-	3	192
C2	Industrial HT	11	55	-2	2	66
D	Agriculture	0	0	-	0	0
E	**Public Utilities**	**58**	**197**	**-4**	**6**	**256**
E1	Public Lighting	13	54	-	2	69
E2	DJB LT	4	9	-	0	14
E3	DJB HT	22	93	-3	3	115
E4	DMRC	19	40	-2	1	58
F	Temporary Supply	-	44	-	1	45
G	Advertisement & Hoardings	0	0	-	0	0
H	E Vehicle	-	6	-	0	6
I	Self-Consumption	-	-	-	-	-
J	Enforcement	-	10	-	0	10
K	Others					-
Total		**792**	**3,000**	**-13**	**102**	**3,881**

Note: Impact of TOD included in Energy charges

COMMISSION ANALYSIS

4.58 As per the two-part tariff principle followed in the NCT of Delhi, the tariff for each category consists of fixed/demand charges as well as energy charges. The fixed/ demand charges are specified for different categories as a fixed amount per kW/ kVA of sanctioned load per month. The energy charges, on the other hand, are always usage-based and are specified as per unit of electricity consumed.

4.59 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.

4.60 For Non-Domestic, Industrial and Public Utilities, revenue from fixed charges is calculated by multiplying the fixed charge of each tariff slab with the sanctioned load of that tariff category, while revenue from energy charges is calculated by multiplying the energy charges specified for each tariff category with the energy consumption projected for that tariff category.

4.61 The Commission has analysed the past trend since FY 2013-14 till FY 2019-20 and the impact of COVID-19 pandemic for projecting category wise Sanctioned Load and Consumers. The Commission also sought actual closing category wise Consumers for FY 2019-20. Based on the past years trend, closing of category wise consumers till FY 2019-20 and the numbers as projected by the Petitioner in its Petition, the Commission has appropriately considered Sanctioned Load and Consumers for FY 2020-21. The Sales for FY 2020-21 have been considered as projected by the Commission in the earlier section of this Tariff Order. Accordingly, the Commission has estimated the total revenue of Rs. 4,136.76 Crore to be billed in FY 2020-21 as per Existing Tariff Schedule approved in Tariff Order dated 31/07/2019. The category-wise break up of revenue estimated by the Commission on sales of 6,165 MU, consumer base of 17,32,051 & sanctioned load of 4,975 MW for FY 2020-21 is indicated in the table as follows:

Table 4. 24:Commission Approved: Revenue estimated at Existing Tariff for FY 2020-21 (Rs. Cr.)

Category	Fixed Charges	Energy Charges	Total Revenue
Domestic	181.91	1,628.38	1,810.29
Non-Domestic	475.20	1,220.05	1,695.25
Industrial	64.20	245.42	309.62
Agriculture & Mushroom	0.05	0.03	0.08
Public Utilities	56.10	202.34	258.44
Others	4.08	79.80	83.87
Total Revenue	781.53	3,376.01	4,157.55
Revenue at 99.5% Collection Efficiency			4,136.76

DISTRIBUTION LOSS AND COLLECTION EFFICIENCY TARGET

PETITIONER'S SUBMISSION

4.62 The Petitioner has stated that the Regulation-25 (1) of DERC (Business Plan) Regulations, 2019 specifies the Distribution Loss Target from FY 2020-21 to FY 2022-23 as under:

"25. TARGET FOR DISTRIBUTION LOSS

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

Table 15: Target for Distribution Loss for the Control Period

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

…”

4.63 The Petitioner has submitted that the Commission in its Business Plan Regulations, 2019 approved the Distribution Loss of 9.00% for FY 2020-21 against the distribution loss of 9.79% for FY 2020-21 proposed by the Petitioner in its submission of Business Plan.

4.64 The Petitioner prayed upon true up, the Collection Efficiency for FY 2020-21 may be trued up on the basis of actual collection efficiency during period which is not effected by COVID-19 (considered for full year) and not on annual average basis due to the current unforeseen situation.

4.65 Based on the sales projected for FY 2020-21 and Distribution loss target as specified for FY 2020-21 in DERC Business Plan Regulations 2019, the Petitioner estimated the energy requirement as follows:

Table 4. 25:Petitioner Submission: Energy Requirement for FY 2020-21

Sr. No.	Particulars	Unit	Quantity
A	Energy sales	MU	5,786
B	Distribution Loss	%	9.23%*
C	Energy Requirement	MU	6358
D	Distribution Loss	MU	572

**However, Distribution Loss is taken as 9.00% for the computation of revised ARR projections*

COMMISSION ANALYSIS

4.66 The Commission has fixed the targets for Distribution Loss and Collection Efficiency in its Business Plan Regulations, 2019 as 9% and 99.50% respectively for FY 2020-21. The Commission observes that complete lockdown period is limited to initial few months only during which collection may get affected. The same may only defer the process of collection, which can be gradually recovered at later stages with phase wise unlocking being done by MHA. Accordingly, the Commission has considered the specified targets for Distribution Loss and Collection Efficiency for computation of Energy Requirement & projected Revenue for FY 2020-21 for the Petitioner as per Business Plan Regulations, 2019.

ENERGY REQUIREMENT

PETITIONER'S SUBMISSION

4.67 The Petitioner has estimate321d the energy requirement based on the sales projected for FY 2020-21 and Distribution loss as specified for FY 2020-21 in DERC Business Plan Regulations, 2019 as tabulated below:

Table 4. 26:Petitioner Submission: Energy Requirement for FY 2020-21

Sr.No.	Particulars	Unit	Quantity
A	Energy sales	MU	6,690
B	Distribution Loss	%	9.00%
C	Energy Requirement	MU	7,352
D	Distribution Loss	MU	662

COMMISSION ANALYSIS

4.68 The Commission has computed the energy requirement at the Distribution Periphery of the Petitioner for FY 2020-21, considering the sales approved for FY 2020-21 and Distribution Loss of 9.00%. The approved energy requirement for FY 2020-21 is summarized in the table as follows:

Table 4. 27:Commission Approved: Energy Requirement for FY 2020-21

Sr. No.	Particulars	Unit	Approved Energy requirement	Ref.
A	Energy Sales	MU	6165	
B	Distribution loss	MU	610	C-A
		%	9.00%	
C	Energy Requirement	MU	6775	A/(1-B)

POWER PURCHASE QUANTUM AND COST

PETITIONER'S SUBMISSION

4.69 The Petitioner sources the power through mix of long term and short term sources to meet the demand in its licensed area. The power procured under long term PPAs from thermal and hydro power plants forms the bulk of the power purchase by the Petitioner. The power procurement through Long term sources include Central Generating Stations which are owned by Central Government, State Generating Stations which are owned by State Government, IPP and JVs. The deficit in power against the demand is arranged by means of short term power procurement through various sources like Power Exchange and other sources. The Petitioner has been assigned the share based on the PPAs which have been inherited from Delhi Transco Limited. The allocation of power within Delhi is being done by the Commission.

4.70 The Petitioner has submitted that to contain the spread of COVID-19 outbreak in India, Nationwide lockdown was imposed in phased manner, which resulted in sharp decline in demand and thereby, leading to economic shutdown of various stations during the lock down period.

4.71 Accordingly, Power Availability during FY 2020-21 has been projected from existing long-term sources and from new sources for which the Petitioner has executed the PPAs and are expected to be operational during FY 2020-21.The Petitioner has also considered solar energy available from the existing Rooftop sources as well as forecasted to be installed in Petitioner's Area.

4.72 The energy availability from various existing long term sources has been considered based on the following considerations:

i. For April - June 2020 period the quantum has been considered as per Actual/ provisional basis, after considering the impact of COVID 19 & economic shutdowns of various stations due to reduction in overall demand of power.

ii. For the balance period of July 2020 - March 2021 quantum has been considered same as submitted by SLDC vide email dated 03.03.2020 to the Petitioner on the basis of Merit Order Despatch (MOD).

iii. Quantum of power available through Solar Rooftop is considered on lump sum basis.

iv. Petitioner participated in HPSEBL RE non-solar sale tender in February ,2020 through M/s. TPTCL. Accordingly, the Letter of Intent (LoI) was awarded for supplying the power to the Petitioner (50 MW, ~58 MU's) during 16.04.2020 to 07.10.2020.

Specific assumptions/considerations are as follows:

a) Power availability from IPGCL (GT) has been considered for 11 months only as PPA is valid till February 2021.

b) Marginal Power availability for EDWPCL has been considered only for initial months and same has not been considered further in line with the Commission Order dated 21.02.2020.

4.73 The Petitioner has submitted that there are few new renewable projects such as SECI-Solar, SECI-Wind, etc., that were expected to be commissioned in the coming years i.e. FY 2020-21. However, due to delay or non-availability in Commissioning of SECI plants in view of COVID-19 impact and other reasons which is solely attributable to SECI and renewable generators, quantum from such plants are excluded from Projections of FY 2020-21. (As per communications with the Petitioner & Petition filed by various developers in CERC). In case such plants would have been available, BYPL may have fulfil majority of RPO obligations in FY 2020-21.

4.74 RPO Target for FY 2020-21 has been considered as per DERC Business Plan Regulations, 2019 without prejudice to the Petitioner’s request of relaxing RPO target of FY 2020-21 due to outbreak of COVID-19 as elaborated in Para 2.10.10 to 2.10.12 of this revised ARR Petition.

4.75 The Petitioner further submitted that the scheduling and dispatch of power is the prerogative of the Delhi SLDC. 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 such as inter alia maintaining the technical minimum, grid stability, forced scheduling by NRLDC etc. 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. The Petitioner always follow 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.

4.76 On the basis of the above methodology energy availability from various long term sources for FY 2020-21 is summarised as follows:

Table 4. 28:Energy Purchase during FY 2020-21

Sr. No.	Stations	Installed Capacity	Firm & un-allocated share of Delhi		Share Allocation to Petitioner		Petitioner Share
		(MW)	(%)	(MW)	(%)	(MW)	(MU)
A	NTPC						
1	Anta Gas Power Project	419	10.50%	44	2.67%	11	8
2	Auraiya Gas Power Station	663	10.86%	72	2.76%	18	12
3	Badarpur Thermal Power Station	705	100.00%	420	0.00%		0
4	Dadri Gas Power Station	830	10.96%	91	2.78%	23	20
5	Feroze Gandhi Unchahar TPS 1	420	5.71%	643	1.45%	6	29
6	Feroze Gandhi Unchahar TPS 2	420	11.19%	47	2.84%	12	62
7	Feroze Gandhi Unchahar TPS 3	210	13.81%	29	3.51%	7	43
8	Farakka Stps	1600	1.39%	22	0.35%	6	27
9	Kahalgaon Thermal Power Station 1	840	6.07%	51	1.54%	13	72
10	National Capital Thermal Power	840	90.00%	567	7.35%	62	171
11	Rihand Thermal Power Station 1	1000			0		0
12	Rihand Thermal Power Station 2	1000	12.60%	126	3.20%	32	225
13	Singrauli STPS	2000	7.50%	150	3.72%	74	496
14	Kahalgaon Thermal Power Station 2	1500	10.49%	157	2.66%	40	246
15	Dadri TPS-II	980	75.00%	735	17.84%	175	631
16	Rihand Thermal Power Station 3	1000	10.80%	108	5.40%	54	370

Sr. No.	Stations	Installed Capacity	Firm & un-allocated share of Delhi		Share Allocation to Petitioner		Petitioner Share
		(MW)	(%)	(MW)	(%)	(MW)	(MU)
	Sub Total	**14427**		**3262**		**533**	**2413**
B.	**NHPC Ltd.**						
1	Bairasiul	180	11.00%	20	2.79%	5	10
2	Salal	690	11.62%	80	2.95%	20	105
3	Chamera I	540	7.90%	43	2.01%	11	48
4	Tanakpur	120	12.81%	15	3.25%	3	18
5	Uri	480	11.04%	53	2.80%	13	81
6	Dhauliganga	280	13.21%	37	3.36%	9	44
7	Chamera - II	300	13.33%	40	3.39%	10	37
8	Dulhasti	390	12.83%	50	3.26%	13	66
9	Chamera - III	231	12.73%	29	3.23%	7	35
10	Uri II	240	13.75%	32	3.41%	8	54
11	Parbati-III	520	12.73%	66	3.23%	17	26
12	Sewa-II	120	13.33%	16	3.39%	4	21
	Sub Total	**4091**		**482**		**122**	**545**
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	102
	Sub Total	**880**		**103**		**14**	**102**
D.	**SJVN Ltd.**						
1	Satluj Jal Vidyut Nigam Ltd.- Nathpa Jhakri	1500	9.47%	142	2.41%	36	165
2	SJVNL Regulation credit						
	Sub Total	**1500**		**142**		**36**	**165**
E	**Solar Rooftop**	0.3			0.00%	-	0.0
F	**Damodar Valley Corporation**						
1	Mejia Units 6	250	40.00%	100	10.16%	25	128
2	CTPS 7 & 8	500	60.00%	300	15.24%	76	374
3	MTPS 7	500	22.23%	111	22.23%	111	613
	Sub Total	**1250**		**511**		**213**	**1116**
G	**Power stations in Delhi**						
1	Indraprastha Power Generation Co.Ltd. RPH	135		135	0.00%	0	0
2	Indraprastha Power Generation Co.Ltd. GT	282	100.00%	282	8.59%	23	31
3	Pragati Power Corp.Ltd. Pragati I	330	100.00%	330	16.07%	53	214
4	Pragati Power Corp.Ltd. Pragati III (Bawana)	1371			22.50%	247	623
Sub Total		**2118**		**746**		**323**	**868**

Sr. No.	Stations	Installed Capacity	Firm & un-allocated share of Delhi		Share Allocation to Petitioner		Petitioner Share
		(MW)	(%)	(MW)	(%)	(MW)	(MU)
H	Aravali Power Corporation Ltd – Jhajjar	1500	46.20%	693	4.61%	69	80
I	Sasan	3960	11.25%	446	8.89%	352	2504
J	SECI	700	8.57%	60	2.86%	20	38
K	MSW	24	100.00%	24	23.92%	6	26
L	EDWPCL	12	100.00%	12	50.00%	6	2
M	Tala	1020	2.94%	30	0.75%	8	28
N	Self-Generation & Net Metering					23	17
New Sources							
O	Net Metering					15	10
P	Renewable-Wind					14	58
	TOTAL QUANTUM FROM FIRM SOURCES					**1754**	**7971**

POWER PURCHASE COST

4.77 The Petitioner has estimated the power purchase cost corresponding to the quantum from power plants as listed above in the following manner:

(i) Annual fixed Charges (AFC) for existing and long term Thermal, Gas and hydro stations except Sasan Thermal Power Plant has been considered as per recent Tariff Order of Hon'ble CERC (for Central Generating Stations) and Commission's (for State Generating Stations) Tariff Order dated 31.07.2019and actuals of FY 2019-20. AFC for Sasan Thermal Power Plant has been considered as per the PPA.

(ii) Energy Charges for the existing long-term sources are considered as plant wise weighted average variable cost as per actuals of FY 19-20 along with minor escalation of 3%.

(iii) Other charges such as water charges etc. have been considered in case of NHPC stations as per the actual data of FY 2019-20.

(iv) Other charges have been considered in case of Sasan as per actuals in FY 2019-20.

(v) Power Purchase Cost of SECI, Delhi MSW Renewable Energy Sources has been considered as per actual data for FY 2019-20.

(vi) Hon'ble CERC is in process of releasing Tariff Orders on True Up Petitions filed by

Central Generating Stations and Transmission utility for FY 2014 to FY 2019 shortly. Although, the provisional cost has been shown separately in this revised Petition, the final cost of the same will be submitted additionally subject to the outcome of said Order.

4.78 The petitioner has submitted the projected power purchase cost during FY 2020-21 as under:

Table 4. 29:Petitioner Submission: Power Purchase Cost proposed for FY 2020-21

Sr. No.	Stations	Petitioner Share	Fixed Charges	Variable Charge	Other Charges	Total Charges	Average Rate
		(MU)	Rs Cr	Rs Cr	Rs Cr	Rs Cr	Rs/unit
A	NTPC						
1	Anta Gas Power Project	8	6.00	2.87		8.87	10.88
2	Auraiya Gas Power Station	12	9.00	4.12		13.12	11.13
3	Badarpur Thermal Power Station	0	0.00	0.00		0.00	0.00
4	Dadri Gas Power Station	20	10.00	6.70	3.19	19.89	10.12
5	Feroze Gandhi Unchahar TPS 1	29	4.00	10.30		14.30	4.90
6	Feroze Gandhi Unchahar TPS 2	62	7.00	22.25		29.25	4.70
7	Feroze Gandhi Unchahar TPS 3	43	6.00	15.18		21.18	4.95
8	Farakka Stps	27	3.00	8.09		11.09	4.08
9	Kahalgaon Thermal Power Station 1	72	9.00	16.14		25.14	3.50
10	National Capital Thermal Power	171	36.00	71.76	2.04	109.80	6.43
11	Rihand Thermal Power Station 1	0	0.00	0.00		0.00	0.00
12	Rihand Thermal Power Station 2	225	16.00	31.06		47.06	2.09
13	Singrauli STPS	496	34.00	69.46		103.46	2.08
14	Kahalgaon Thermal Power Station 2	246	31.00	52.38		83.38	3.38
15	Dadri TPS-II	631	166.00	239.61	9.92	415.53	6.58
16	Rihand Thermal Power Station 3	370	55.00	50.19		105.19	2.84
	Sub Total	**2413**	**392.00**	**600.11**	**15.15**	**1007.26**	**4.17**
B.	**NHPC Ltd.**						
1	Bairasiul	10	2.00	0.62	3.45	6.08	5.94
2	Salal	105	7.77	6.46	8.96	23.19	2.22
3	Chamera I	48	3.00	5.52	-0.01	8.51	1.77
4	Tanakpur	18	2.00	2.92	0.00	4.92	2.69
5	Uri	81	7.52	6.70	2.84	17.06	2.11
6	Dhauliganga	44	4.00	5.42	1.52	10.94	2.46
7	Chamera - II	37	4.00	3.77	0.01	7.78	2.09
8	Dulhasti	66	15.08	17.41	2.16	34.65	5.29
9	Chamera - III	35	6.00	6.99	0.00	13.00	3.68

Sr. No.	Stations	Petitioner Share	Fixed Charges	Variable Charge	Other Charges	Total Charges	Average Rate
		(MU)	Rs Cr	Rs Cr	Rs Cr	Rs Cr	Rs/unit
10	Uri II	54	11.38	9.77	0.16	23.82	4.41
11	Parbati-III	26	17.46	4.65	2.67	22.12	8.60
0	Sewa-II	21	4.00	4.97	0.01	9.13	4.45
	Sub Total	**545**	**84.21**	**75.21**	**21.78**	**181.20**	**3.33**
C.	**NPCI Ltd.**						
1	Nuclear Power Corp. of India Ltd. Narora	0	0.00	0.00		0.00	0.00
2	Nuclear Power Corp. of India Ltd. Kota UNIT - 5&6 RAPP	102	0.00	40.04		40.04	3.93
	Sub Total	**102**	**0.00**	**40.04**		**40.04**	**3.93**
D.	**SJVN Ltd.**						
1	Satluj Jal Vidyut Nigam Ltd.- Nathpa Jhakri	165	19.85	19.46	2.36	41.67	2.53
2	SJVNL Regulation credit	0	0.00	0.00		0.00	0.00
	Sub Total	**165**	**19.85**	**19.46**	**2.36**	**41.67**	**2.53**
E	Solar Roof Top	0.2	0.00	0.00		0.0	5.30
F	Damodar Valley Corporation						
1	Mejia Units 6	128	24.00	40.49		64.49	5.04
2	CTPS 7 & 8	374	81.00	90.43		171.43	4.58
3	MTPS 7	613	121.00	182.94		303.94	4.96
	Sub Total	**1116**	**226.00**	**313.87**		**539.87**	**4.84**
G	**Power stations in Delhi**						
1	Indraprastha Power Generation Co.Ltd. RPH	0	0.00	0.00		0.00	0.00
2	Indraprastha Power Generation Co.Ltd. GT	31	11.00	15.50		26.50	8.61
3	Pragati Power Corp.Ltd. Pragati I	214	27.00	122.78		149.78	7.00
4	Pragati Power Corp.Ltd. Pragati III (Bawana)	623	230.27	233.86		464.14	7.45
	Sub Total	**868**	**268.27**	**372.14**		**640.41**	**7.38**
H	Aravali Power Corporation Ltd – Jhajjar	80	79.00	31.28		110.28	13.76
I	Sasan	2504	41.81	287.87	36.42	366.10	1.45
J	SECI	38	0.00	21.03		21.03	5.51
K	MSW	26	0.00	18.52		18.52	7.03
L	EDWPCL	2	0.00	0.50		0.50	3.34
M	Tala	28	0.00	5.95		5.95	2.16

Sr. No.	Stations	Petitioner Share	Fixed Charges	Variable Charge	Other Charges	Total Charges	Average Rate
		(MU)	Rs Cr	Rs Cr	Rs Cr	Rs Cr	Rs/unit
N	Self-Generation & Net Metering	17	0.00	9.14		9.14	5.30
New Sources							
O	Net Metering	10	0.00	5.30		5.30	5.30
P	Renewable-Wind	58	0.00	27.27		27.27	4.67
TOTAL QUANTUM FROM FIRM SOURCES		**7971**	**1111.15**	**1827.69**	**75.71**	**3015**	**3.78**

**Total Charges includes other charges of Sasan and water charges for NHPC*

COMMISSION ANALYSIS

4.79 Power purchase cost is the single largest component of ARR of a Distribution Company. The estimate of power purchase cost has been carried out based on the optimum method of procuring power from the available generating stations.

4.80 Delhi has a firm allocated share in Central Sector Generating Stations (CSGS), State Generating Stations (SGS) and other stations. The Commission has considered allocation of firm power to Delhi based on various allocation Orders issued by Northern Region Power Committee latest version being on 30.09.2019. Further, the allocation to Delhi is split in to DISCOMs based on Order available on SLDC website, which has been prepared in line with the Assignment Orders/Re-allocation Orders issued by Commission from time to time.

4.81 The Commission vide letters dated 21.02.2020 sought DISCOM wise power purchase quantum from various sources by SLDC. SLDC vide email dated 03.03.2020 provided the same to the Commission. Post the implementation of nationwide lockdown, announced because of outbreak of COVID-19, the Commission once again vide letter dated 09.06.2020 sought DISCOM wise power purchase quantum from various sources by SLDC considering the impact of COVID-19 and subsequently SLDC vide its Email dated 02.07.2020 submitted the same. A surplus of around 706 MU has been observed for the Petitioner for FY 2020-21. The Commission has considered the energy availability majorly based on the projections done by SLDC.

4.82 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 2020-21.

4.83 The Commission has revised the allocation of power from PPS-III, Bawana in line with Regulation 121(4) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 w.e.f. 00:00 Hrs 1st Sept 2020 till 00:00 Hrs 31st March 2021, based on the following reasons:

a) Bridging the gap between Average Power Purchase Cost of the Power Portfolio allocated & Average Revenue due to different consumer mix of all Distribution Licensees.

b) NDMC request for approval of power requirement to the tune of 142 MW from Teesta-III, which has not been materialized till date, the fact that 125 MW of allocation of power from Badarpur Thermal Power Station (BTPS) has been discontinued to NDMC due to closure of BTPS and to avoid load shedding in their VIP areas serving critical loads

Table 4. 30: Re-allocation of Power among Delhi Distribution Licensees over & above on going allocation

Power Plant	BRPL		BYPL		TPDDL		NDMC	
	Present Allocation	Revised Allocation	Present Allocation	Revised Allocation	Present Allocation	Revised Allocation	Present Allocation	Revised Allocation
PPS-III, Bawana	38.91%	43.91%	22.50%	7.50%	27.19%	27.19%	9.12%	19.12%

4.84 The Commission has also examined the quantum of power purchase proposed by the Petitioner from various generating stations and based on the above discussions, the availability of power to the Petitioner from Central, State and other Generating Stations is approved as follows:

Table 4. 31:Commission Approved: Energy available to Petitioner from Central and State Generating Stations and other Generating Stations for FY 2020-21

Station	Plant Capacity	Delhi's Share (%)	Delhi's Share (MW)	Petitioner's Share (%)	Petitioner's Share (MW)	Petitioner's Share (MU)
NTPC				**BYPL**	**BYPL**	**BYPL**
FARAKKA	1600	1.39%	22	25.40%	6	25
KAHALGAON STAGE-I	840	6.07%	51	25.40%	13	69
NCPP – DADRI	840	90.00%	756	8.17%	62	51
RIHAND –I	1000	10.00%	100	0.00%	0	0
RIHAND –II	1000	12.60%	126	25.40%	32	238
Rihand-III	1000	13.19%	132	40.74%	54	389
SINGRAULI	2000	7.50%	150	49.56%	74	482

Station	Plant Capacity	Delhi's Share (%)	Delhi's Share (MW)	Petitioner's Share (%)	Petitioner's Share (MW)	Petitioner's Share (MU)
UNCHAHAR-I	420	5.71%	24	25.40%	6	28
UNCHAHAR-II	420	11.19%	47	25.40%	12	56
UNCHAHAR-III	210	13.81%	29	25.40%	7	42
KAHALGAON STAGE-II	1500	10.49%	157	25.40%	40	241
DADRI EXTENSION	980	74.52%	730	24.03%	175	515
Aravali Power Corporation Ltd	1500	46.20%	693	9.99%	69	80
ANTA GAS	419	10.50%	44	25.40%	11	7
AURAIYA GAS	663	10.86%	72	25.40%	18	16
DADRI GAS	830	10.96%	91	25.40%	23	23
NTPC Total	**15222**		**3225**		**603**	**2261**
NHPC						
BAIRASUIL	180	11.00%	20	25.40%	5	13
CHAMERA-I	540	7.90%	43	25.40%	11	49
CHAMERA-II	300	13.33%	40	25.40%	10	41
CHAMERA-III	231	12.73%	29	25.40%	7	36
DHAULIGANGA	280	13.21%	37	25.40%	9	44
DULHASTI	390	12.83%	50	25.40%	13	70
SALAL	690	11.62%	80	25.40%	20	104
TANAKPUR	94	12.81%	12	25.40%	3	18
URI	480	11.04%	53	25.40%	13	81
SEWA-II	120	13.33%	16	25.40%	4	21
Uri-II	240	13.45%	32	25.40%	8	55
Parbati III	520	12.73%	66	25.40%	17	26
NHPC Total	**4065**		**479**		**122**	**558**
THDC						
TEHRI HEP	1000	6.30%	63	0.00%	0.00	0
KOTESHWAR	400	9.86%	39	0.00%	0.00	0
SJVNL						
NJPC (SJVNL)	1500	9.47%	142	25.40%	36	170
DVC						
Mejia Unit-6	250	40.00%	100	25.40%	25	126
Mejia Unit-7	500	23.80%	119	100.00%	119	636
Chandrapur (Ext.-7 and 8)	500	60.00%	300	25.40%	76	461
OTHERS CSGS						
Haryana CLP Jhajjar	1320	9.39%	124	0.00%	0.00	0
MPL DVC	1050	26.76%	281	0.00%	0.00	0
TALA	1020	2.94%	30	25.40%	8	33
Sasan	3960	11.25%	446	79.03%	352	2478

Station	Plant Capacity	Delhi's Share (%)	Delhi's Share (MW)	Petitioner's Share (%)	Petitioner's Share (MW)	Petitioner's Share (MU)
Tuticurin Wind			50			
SECI Solar Rajasthan			60		20	38
Suryakanta HEP			14			
Nanti HEP			11			
SEISPPL			90			
Taranda HEP			13			
Singrauli HEP	8	19.13%	2			
Sub Total (SJVNL+DVC+THDC+Others CSGS)	**11508**		**1884**		**636**	**3941**
NUCLEAR						
RAPS - 5 & 6	440	12.69%	56	25.40%	14	103
NPCIL – NAPS	440	10.68%	47	0.00%	0.00	
Nuclear Total	**880**		**103**		**14**	**103**
SGS						
GAS TURBINE	270	100%	270	8.57%	23	37
Pragati -I	330	100%	330	16.07%	53	223
PRAGATI-III, BAWANA	1371	80%	1097	7.5%	82	375
TOWMCL	13	97.15%	12.63	0.00%	0.00	
MSW Bawana	24	100%	24	23.90%	6	28
Tata Solar	2	100%	2			
SGS Total	**2008**		**1735.19**		**164**	**663**
TOTAL PURCHASE FROM LONG TERM	**33684**		**7425**		**1539**	**7526**

COMMISSION ANALYSIS

4.85 The following methodology has been adopted by the Commission for estimation of Power Purchase Cost for FY 2020-21:

a) The Commission has considered Fixed Cost for most of the generating stations as approved by Central Electricity Regulatory Commission (CERC) in its relevant Tariff Orders for various generating stations of NTPC, NHPC, THDC, SJVNL, NPCIL, DVC etc. The table depicting the details of the Orders and the Fixed Cost considered is as follows:

Table 4. 32: Details of the Orders and the Fixed Cost (Rs. Cr.)

Sr. No.	Plant	Tariff Order No.	Date of Order	AFC Amount
NTPC				
1	ANTA GAS	287/GT/2014	19.09.2016	218
2	AURAIYA GAS	285/GT/2014	18.04.2017	309
3	DADRI GAS	308/GT/2014	27.01.2017	351
4	UNCHAHAR-I	399/GT/2014	22.03.2017	282
5	UNCHAHAR-II	289/GT/2014	31.03.2017	257
6	UNCHAHAR-III	373/GT/2014	19.04.2017	179
7	FARAKKA	316/GT/2014	10.03.2017	923
8	KAHALGAON	279/GT/2014	30.07.2016	604
9	NCPP	330/GT/2014	11.04.2017	496
10	RIHAND-I	291/GT/2014	06.04.2017	586
11	RIHAND – II	318/GT/2014	01.12.2016	497
12	SINGRAULI	290/GT/2014	28.07.2016	907
13	KAHALGAON II	283/GT/2014	21.01.2017	1149
14	NCPP-II	324/GT/2014	02.05.2017	925
15	RIHAND-III	372/GT/2014	06.02.2017	1019
16	Aravali Jhajjar	266/GT/2014	09.03.2017	1709
		NHPC		
1	BAIRASIUL PS	235/GT/2014	17.06.2015	138
2	SALAL PS	236/GT/2014	12.05.2015	331
3	CHAMERA-I PS	237/GT/2014	04.09.2015	330
4	TANAKPUR PS	226/GT/2014	19.02.2016	130
5	URI-PS	238/GT/2014	13.07.2016	370
6	DHAULIGANGA PS	230/GT/2014	26.04.2016	240
7	CHAMERA-II PS	233/GT/2014	17.06.2016	262
8	DULHASTI PS	231/GT/2014	30.08.2016	912
9	SEWA-II PS	251/GT/2014	27.01.2017	188
10	CHAMERA-III PS	26/GT/2013	24.03.2015	405
11	URI-II	250/GT/2014	22.07.2016	458
12	PARBATI-III	6/GT/2017	23.04.2019	520
		THDC+SJVNL+Others		
1	THDC	172/GT/2015	05.12.2017	1292
2	KOTESWAR	117/GT/2018	04.06.2019	466
3	SJVNL	314/GT/2018	19.07.2019	1345
4	MTPS-6	144/GT/2015	16.03.2017	474
5	CTPS 7 & 8	180/GT/2015	17.02.2017	531
6	Maithon	152/GT/2015	01.10.2019	1113
		State based GENCOs		
1	GT		28.08.2020	119
2	PRAGATI-I		28.08.2020	131

Sr. No.	Plant	Tariff Order No.	Date of Order	AFC Amount
3	PRAGATI-III	221//GT/2015	26.11.2019	1310

b) The Energy Charge Rate (ECR) for most the Generating Stations has been considered as the simple average of the actual ECRs for April 2019 to Dec 2019. For some plants majorly newer plants, the latest available ECR as per bills of Q1 FY 2020-21 submitted by the Petitioner have been considered.

c) The Energy Charge Rate and Fixed Charges of State Generating Stations have been considered as approved by the Commission in the respective Tariff Orders for FY 2020-21.

4.86 Based on the above, the total Power Purchase Cost for FY 2020-21, approved by the Commission is summarized as follows:

Table 4. 33:Commission Approved: Power Purchase Cost for FY 2020-21

Station	Energy (MU)	Fixed Cost (Rs Cr)	VC/ unit (Rs/ kWh)	Variable Cost (Rs Cr)	Total Cost (Rs Cr)	Avg. Rate (Rs/ kWh)
FARAKKA	25	3.26	2.43	5.99	9.25	3.75
KAHALGAON STAGE-I	69	9.31	2.24	15.41	24.71	3.60
NCPP – DADRI	51	36.47	3.78	19.37	55.85	10.90
RIHAND –I	0	0.00	1.35	0.00	0.00	
RIHAND –II	238	15.89	1.36	32.34	48.24	2.03
Rihand-III	389	54.77	1.34	52.15	106.92	2.75
SINGRAULI	482	33.70	1.40	67.58	101.27	2.10
UNCHAHAR-I	28	4.09	3.37	9.41	13.49	4.83
UNCHAHAR-II	56	7.31	3.40	19.15	26.46	4.70
UNCHAHAR-III	42	6.27	3.37	14.06	20.33	4.87
KAHALGAON STAGE-II	241	30.63	2.13	51.32	81.95	3.39
DADRI EXTENSION	515	165.57	3.56	183.35	348.92	6.77
Aravali Power Corporation Ltd	80	78.90	3.69	29.42	108.31	13.58
ANTA GAS	7	5.82	3.60	2.35	8.17	12.54
AURAIYA GAS	16	8.53	4.05	6.54	15.07	9.34
DADRI GAS	23	9.77	3.87	8.99	18.76	8.08
NTPC Total	**2261**	**470.27**		**517.43**	**987.70**	**4.37**
NHPC						
BAIRASUIL	13	1.93	0.93	1.21	3.15	2.40
CHAMERA-I	49	3.31	1.14	5.56	8.87	1.82
CHAMERA-II	41	4.44	1.01	4.11	8.55	2.09
CHAMERA-III	36	6.54	2.12	7.60	14.14	3.95
DHAULIGANGA	44	4.02	1.46	6.42	10.44	2.38
DULHASTI	70	14.85	2.66	18.74	33.60	4.77
SALAL	104	4.88	0.62	6.42	11.30	1.08

Station	Energy (MU)	Fixed Cost (Rs Cr)	VC/ unit (Rs/ kWh)	Variable Cost (Rs Cr)	Total Cost (Rs Cr)	Avg. Rate (Rs/ kWh)
TANAKPUR	18	2.11	1.65	2.92	5.03	2.84
URI	81	5.19	0.82	6.64	11.83	1.46
SEWA-II	21	3.18	2.17	4.60	7.78	3.67
Uri-II	55	7.83	2.20	12.03	19.87	3.64
Parbati III	26	8.40	1.54	4.01	12.41	4.76
NHPC Total	**558**	**66.69**		**80.27**	**146.96**	**2.64**
THDC						
TEHRI HEP	0	0.00	2.29	0.00	0.00	
KOTESHWAR	0	0.00	2.31	0.00	0.00	
SJVNL						
NJPC (SJVNL)	170	16.18	1.23	20.84	37.02	2.18
DVC						
Mejia Unit-6	126	24.07	2.95	37.24	61.31	4.86
Mejia Unit-7	636	121.28	2.77	176.25	297.53	4.68
Chandrapur (Ext.-7 and 8)	461	80.86	2.22	102.38	183.25	3.98
OTHERS CSGS						
Haryana CLP Jhajjar	0	0.00	3.44	0.00	0.00	
MPL DVC	0	0.00	2.66	0.00	0.00	
TALA	33		2.16	7.11	7.11	2.16
Sasan	2478	34.44	1.15	284.89	319.33	1.29
Tuticurin Wind			3.53	0.00	0.00	
SECI Solar Rajasthan	38		5.50	20.81	20.81	5.50
Suryakanta HEP			3.80	0.00	0.00	
Nanti HEP			4.29	0.00	0.00	
SEISPPL			3.96	0.00	0.00	
Taranda HEP			4.29	0.00	0.00	
Singrauli HEP			5.04	0.00	0.00	
Sub Total (SJVNL+DVC+THDC+Others CSGS)	**3941**	**276.84**		**649.53**	**926.37**	**2.35**
NUCLEAR					0.00	
RAPS - 5 & 6	103		3.73	38.25	38.25	3.73
NPCIL – NAPS			3.00	0.00	0.00	
Nuclear Total	**103**	**0.00**		**38.25**	**38.25**	**3.73**
SGS						
GAS TURBINE	37	10.16	3.18	11.65	21.81	5.95
Pragati -I	223	21.04	3.26	72.70	93.75	4.20
PRAGATI-III, BAWANA	375	144.08	2.83	106.24	250.33	6.67
TOWMCL		0.00	6.43	0.00	0.00	
MSW Bawana	28	0.00	7.03	19.74	19.74	7.03
East Delhi MCW		0.00		0.00	0.00	
Tata Solar		0.00		0.00	0.00	
SGS Total	**663**	**175.29**		**210.33**	**385.62**	**5.81**

Station	Energy (MU)	Fixed Cost (Rs Cr)	VC/ unit (Rs/ kWh)	Variable Cost (Rs Cr)	Total Cost (Rs Cr)	Avg. Rate (Rs/ kWh)
TOTAL PURCHASE FROM LONG TERM	**7526**	**989.09**		**1495.81**	**2484.89**	**3.30**

COST OF POWER FROM OTHER SOURCES (SHORT TERM SOURCES)

PETITIONER'S SUBMISSION

4.87 The Petitioner has submitted that the Commission in its previous Tariff Orders has noted that the load curve in Delhi is peculiar in nature with high morning and evening peaks and very low load demand during night hours. It is due to the fact that a majority of the load in Delhi is of commercial establishments, office buildings, which have requirement primarily during day time. Further, as per the Commission's directive, the Licensee has to ensure that electricity which could not be served due to any reason what-so-ever (including maintenance schedule, break-downs, load shedding etc.) shall not exceed 1% of the total energy supplied by them in any particular month, except in cases of force majeure events which are beyond the control of the Licensee. Accordingly, during peak hours, the Licensee is required to procure power from short term sources to meet the demand.

4.88 In view of the above, the it would be imperative for the Commission to liberally anticipate the power purchase cost during FY 2020-21 from short term sources so that the Petitioner can ensure uninterrupted and quality power supply to the consumers of Delhi.

Projection of Short-term power purchase quantum:

PETITIONER'S SUBMISSION

4.89 The Petitioner has projected the energy requirement and energy availability, the deficit to be met through short term purchases as under:

Table 4. 34:Month wise energy requirement and availability during FY 2020-21

Station	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)	(MU)
Energy (A)	**460**	**598**	**622**	**788**	**746**	**714**	**601**	**616**	**660**	**639**	**574**	**670**	**7,687**
Energy requirement (B)	370	556	763	747	698	682	532	391	429	458	378	355	**6,358**

Station	Apr (MU)	May (MU)	Jun (MU)	Jul (MU)	Aug (MU)	Sep (MU)	Oct (MU)	Nov (MU)	Dec (MU)	Jan (MU)	Feb (MU)	Mar (MU)	Total (MU)
Net Surplus/Deficit (A-B)	90	42	-141	41	48	32	69	225	231	181	195	315	**1,329**
SHORT TERM*													
Short Term Purchase	0	0	141	0	0	0	0	0	0	0	0	0	**141**
Short Term Sale	90	42	0	41	48	32	69	225	231	181	195	315	**1,470**

** 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 are assumed to meet the monthly demand & supply scenarios, Further, it is also assumed that power will also require to be purchased in few times of winter seasons for meeting the demand and accordingly the same is considered in monthly energy balance.*

4.90 The Petitioner has considered the aforesaid energy to be met through short -term procurement in FY 2020-21. For the purpose of short-term purchase cost, the actual IEX rate for FY 2019-20has been considered.

4.91 The Petitioner has projected the power purchase cost through Short term sources for FY 2020-21 as under:

Table 4. 35:Petitioner Submission: Short term power purchase for FY 2020-21

Sr.No	Source	Energy Purchased (MU)	Cost per Unit (Rs./unit)	Total Cost (Rs.Cr.)
1	**2**	**3**	**4**	**5=3*4**
1	Short Term Purchase	141	4.1	57.1

4.92 The Petitioner requested the Commission to allow the aforesaid cost in revised ARR of the Petitioner.

COMMISSION ANALYSIS

4.93 It is observed that the Petitioner is in surplus of around 546 MU {706 MU – 160 MU (Re-allocated from PPS-III, Bawana)} for FY 2020-21 as indicated in Energy Balance Table (Table 4.49) approved by the Commission. The impact of banking transactions has not been considered for the preparation of Energy Balance for FY 2020-21 as the energy through Return Banking will be off-set through Forward Banking met through Long term sources approved by the Commission.

4.94 The average short term RTC rates of electricity prevailing in N2 region (Delhi, Rajasthan, Uttarakhand and Uttar Pradesh)during the past period were analysed as under:

Table 4. 36: Average Short Term RTC rates of electricity prevailing in N2 region (Rs./kWh)

Apr' 19	May '19	Jun' 19	Jul' 19	Aug '19	Sep' 19	Oct' 19	Nov' 19	Dec' 19	Jan' 20	Feb' 20	Mar '20	Ave rage
3.19	3.33	3.32	3.38	3.32	2.91	2.71	2.85	2.92	2.85	2.91	2.45	3.01

Apr'20	May'20	Jun'20	Jul'20	Aug'20*
2.42	2.57	2.35	2.47	2.37

*till 24/08/2020

4.95 It is observed that for FY 2019-20, the declining trend starts from Aug 2019 onwards which ended at Rs 2.45/ kWh. Considering the latest available figure of Rs 2.37/ kWh of Aug 2020 and the declining trend started from Aug 2019 onwards which ended at Rs 2.45/ kWh till March 2020. Considering the latest available figure of Rs 2.37/ kWh of Aug 2020 and the declining trend due to availability of cheaper power resulting from COVID-19 and introduction of Real Time Market by CERC w.e.f. 01/06/2020, Rs 2.25/ kWh has been considered as the Short Term Rate for FY 2020-21.

RENEWABLE PURCHASE OBLIGATION (RPO)
PETITIONER'S SUBMISSION

4.96 Regulation-27 of DERC Business Plan Regulations, 2019 specifies the target for Renewable Purchase Obligation from FY 2020-21 to FY 2022-22 as under:

> ***"27. TARGET FOR RENEWABLE PURCHASE OBLIGATION***
>
> *(1) The targets for Renewable Purchase Obligation (RPO) in terms of Regulation 124 of the DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 of a Distribution Licensee from FY 2020-21 to FY 2022-23 shall be computed as a percentage of total sale of power to its retail consumers in its area of supply excluding procurement of hydro power. The target for RPO shall be met through purchase of power The target for RPO shall be met through purchase of power from various Renewable Energy sources or purchase of Renewable Energy Certificates ('**REC**') or combination of both, and shall be as follows:*

Sr. No.	*Distribution Licensee*	*2020-21*	*2021-22*	*2022-23*
1	*Non Solar Target*	*10.25%*	*10.25%*	*10.50%*
2	*Solar Target*	*7.25%*	*8.75%*	*10.50%*
3	*Total*	*17.50%*	*19.00%*	*21.00%*

"

4.97 The Petitioner has made consistent efforts for the last few years to procure renewable energy to meet RPO as specified by the Commission. As on 31.03.2020, the Petitioner had successfully issued 522 Net Metering connections for a cumulative capacity of 22.5 MW solar rooftop projects developed by individual developers. Further, the Petitioner and its consumers has purchased ~ 236 MU of RE power including Solar & Non Solar plants for FY 2019-20

4.98 The Petitioner has participated in HPSEBL RE non-solar sale tender in February, 2020 through M/s. TPTCL. Accordingly, the Letter of Intent ("LoI") was awarded for supplying the power to the Petitioner during the period 16.04.2020 to 07.10.2020.

4.99 Further, as submitted to the Commission, the Petitioner has signed various PPA's with SECI during the year 2018 and in the year 2019 having aggregate capacity of 550 MW. Major quantum of this power is expected to start flowing from April, 2021 onwards. Tehkhand Okhla plant is also expected to commence from FY 21-22 onwards. This may help in fulfilling RPO targets (Solar and Non- Solar) along with increasing Net metering capacity for future years.

4.100 Although, the aforesaid PPAs etc., would help the Petitioner to meet its RPO targets in the current Control Period i.e., FY 2021-22 onwards, the Petitioner could not fulfil its RPO compliance in FY 2019-20 and FY 2020-21 on account of the factors elaborated in subsequent paragraphs.

4.101 Delhi being a smaller State in area and spatial spread, the RPO targets set are much higher in comparison to other States whose land area / potential for renewable generation is far greater. This therefore leads to a situation where consumers of NCT of Delhi would actually be subsidizing the costs for other States and would therefore be unfairly burdened.

4.102 The Petitioner's financial position continues to be under extreme stress due to creation of Regulatory Asset on a year on year basis, which had accumulated to Rs. 2677 Crore till FY 2017-18 as recognized by the Commission in its Tariff Order dated 31.07.2019. This is predominantly on account of non-cost reflective tariff and disallowance of legitimate claims of various cost elements. Also, as pointed out earlier, the prevailing surcharge of 8% allowed to the Petitioner remains the only avenue for liquidation of this huge accumulated shortfall. However, the Commission has continued the Regulatory Asset recovery surcharge @ 8% in order to limit tariff shock to consumers. The mandate of reflecting true cost of supply has been underscored in the recent draft amendments to the Electricity Act 2020 issued by Ministry of Power for public comments. However, the approach to continue the meagre surcharge @ 8% in order to limit tariff shock to the consumers is unjust and harsh to the business of the distribution licensee. Moreover, due to reduction of fixed cost in last tariff order and subsequent impact of COVID-19, the recovery of RA @8% got reduced and this has delayed the RA recovery.

4.103 The Petitioner has stated that in the month of February 2020, major disturbances were experienced on account of communal rioting which occurred in the Petitioner's area, and was followed by imposition of Section 144, CrPC, 1973 in some localities in North East Delhi which fall within Petitioner's area of supply.

4.104 However, within a week, the industrial, commercial and economic activities have been substantially affected by the lockdown conditions due to the outbreak of COVID-19 pandemic across India including NCT Delhi. Consequently, the collections and the cash flow of the Petitioner from the month of March, 2020 to June, 2020 have been adversely affected and impaired. Further, the Central Government has further extended the lockdown upto 31.05.2020. However, in the lockdown 5.0 (Unlock 1.0) which is extended upto 30.06.2020, some activities will continue to remain prohibited and remaining are permitted with restrictions till 30.06.2020. These unforeseen and unprecedented conditions are beyond the reasonable control of the Petitioner.

4.105 The Petitioner has submitted that they had constrained to issue Force Majeure Notices to the generating and transmission utilities as well as RE generators. However, despite the above-mentioned circumstances, the Petitioner in its Force Majeure Notices had indicated that it would endeavour to fulfil its payment obligations on a best effort basis and based on the availability of funds.

4.106 Despite the above, the Petitioner had initially planned to buy RECs in the last quarter of Financial year 2019-20, so as to fulfil its RPO obligations. However, on account of the aforesaid circumstances, the Petitioner could not buy RECs to comply with the RPO Targets since, the Petitioner had to prioritize its payments on account of a major drop in billing and collections. The Petitioner has to therefore necessarily first meet its requirements for salaries, maintenance of the network and operating expenses which is in line with the directives for uninterrupted payment of salaries and necessity of uninterrupted supply of electricity to the NCT of Delhi. In addition, the Petitioner is also under obligation to make payments to generating companies in line with the Hon'ble Supreme Court's order dated 26.03.2014.

4.107 In view of the above, considering the adverse situation on account of COVID -19 pandemic and riot's in the Petitioner area of supply. The Petitioner vide letter dated 29.04.2020 requested the Commission to kindly defer the RPO Targets for FY 2019-20 & FY 2020-21 to be set off by any additional purchase of green power through RE Sources/RECs beyond the targets set for FY 2021-22onwards and relax the norms of RPO for period FY 19-20 onwards till FY 2021-22. The Petitioner also submitted its constrained cash flow situation due to COVID-19 pandemic vide its letter dated 15.05.2020.

4.108 The Petitioner also like to bring into notice to the Commission that other SERC's have also waived/deferred /revised RPO targets in the past to respective DISCOMs due to various reasons. Recently, the Hon'ble PSERC has invited objections/suggestion for reduction in RPO by 1.5% and 2% in FY 20 & FY 21 respectively.

4.109 The Petitioned urges the Commission to take in to account the recent Force Majeure event of COVID-19 and the consequent lockdown conditions in the interest of the consumers who will necessarily be affected with imposition of a high RPO and the practical difficulties highlighted hereinabove and re-consider suspending/deferring

/waiving the Renewable Purchase obligation of the Petitioner and also modify the present RPO targets.

4.110 Without prejudice to the above, the Petitioner considering the RPO Targets mentioned in the Business Plan Regulations, 2019, the following is proposed:

SOLAR

4.111 The Petitioner has executed PPAs to the extent of 300 MW apart from Net Metering with various Renewable Energy Developers through SECI as discussed in above sections. Though the Petitioner has executed PPAs, the same is not adequate to meet with the target specified and as per the Regulation 27 quoted above, the Petitioner already proposed to take into account the recent Force Majeure event of COVID-19 and the consequent lockdown conditions in the interest of the consumers who will necessarily be affected with imposition of a high RPO and the practical difficulties highlighted hereinabove and re-consider suspending/deferring /waiving the Renewable Purchase obligation of the Petitioner and also modify the present RPO targets.

4.112 The energy generated from Rooftop solar from both existing and new sources has been considered for meeting RPO Target. Accordingly, the Renewable Purchase for meeting solar RPO during FY 2020-21 tabulated as under:

Table 4. 37:: Renewable Purchase for meeting Solar RPO during FY 2020-21

Sr.No.	Particulars	UoM	FY 2020-21
1	2	3	4
A	Energy Sales (excl. Hydro)	MU	5049
B	RPO target – Solar	%	7.25%
C	RPO target – Solar	MU	366
D	Availability from SECI, Net Metering Rooftop	MU	65
E	Shortfall	MU	301

4.113 In view of the above cited reasons as well as considering the adverse situation on account of COVID -19 pandemic and riot's in the Petitioner area of supply, the Petitioner has not considered the REC purchase cost for FY 2020-21, and request the Commission to kindly defer the RPO Targets for FY 2019-20 & FY 2020-21 to be set off by any additional purchase of green power through RE Sources/RECs beyond the targets set for FY 2021-22 onwards and relax the norms of RPO for period FY 19-20 onwards till FY 2021-22.

NON-SOLAR

4.114 The Petitioner has arrangements for purchasing Non-solar power from Delhi based plants such as DMSW. In addition to the existing sources the Petitioner has executed PPAs with Renewable Energy Developer through SECI, for Wind power. Though the Petitioner has executed PPAs, the same is not adequate to meet with the target specified. However, as per the Regulation 27 of DERC Business Plan Regulations, 2019, the Petitioner propose to achieve the RPO Target through purchase of Renewable Energy Certificates (RECs) without prejudice to the Petitioner's request of relaxing RPO targets of FY 2020-21 due to outbreak of COVID-19.

4.115 Accordingly, the Renewable Purchase for meeting Non-Solar RPO during FY 2020-21 tabulated as follows:

Table 4. 38:Renewable Purchase for meeting Non-Solar RPO during FY 2020-21

Sr.No.	Particulars	UoM	FY 2020-21
1	2	3	4
A	Energy Sales (excl. Hydro)	MU	5049
B	RPO target - Non-Solar	%	10.25%
C	RPO target - Non-Solar	MU	518
D	Availability from EDWPCL & MSW	MU	86
E	Shortfall	MU	431

4.116 In view of the above cited reasons as well as considering the adverse situation on account of COVID -19 pandemic and riot's in the Petitioner area of supply, the Petitioner has not considered the REC purchase cost for FY 2020-21, and request Commission to kindly defer the RPO Targets for FY 2019-20 & FY 2020-21 to be set off by any additional purchase of green power through RE Sources/RECs beyond the targets set for FY 2021-22 onwards and relax the norms of RPO for period FY 19-20 onwards till FY 2021-22.

COMMISSION ANALYSIS

4.117 The Commission has notified the DERC (Business Plan) Regulations, 2019 for three years i.e., FY 2020-21, FY 2021-22 and FY 2022-23. In the said Regulations, the Commission has specified RPO targets for the petitioner indicated in the table as follows:

Table 4. 39:Commission Approved: Targets for Renewable Purchase Obligation

Sr. No.	Particulars	FY 2020-21
A	Non Solar Target	10.25%
B	Solar Target	7.25%
C	Total	17.50%

4.118 As per the above said DERC (Business Plan) Regulations, 2019, the Distribution companies have to purchase 17.50% of total Energy Sales approved by the Commission during FY 2020-21 from renewable energy sources.

4.119 The Commission based on the inputs received from Delhi SLDC regarding the energy availability from renewable energy projects ,based on the projects commissioned or anticipated to be commissioned shortly has observed that the entire renewable energy projected by the Petitioner to meet its RPO obligations may not be available during FY 2020-21.

4.120 Based on the sales approved, the Petitioner has to purchase a minimum of 946 MU from renewable energy sources for FY 2020-21 indicated in the table as follows:

Table 4. 40: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	5405	7.25%	392
Non-solar		10.25%	554
Total		**17.50%**	**946**

4.121 The Commission further observed that the total requirement for RPO compliance is more than the quantum of power available to the Petitioner from various Renewable Energy sources.

4.122 Regulation27 (2) of DERC(Business Plan) Regulations, 2019 stipulates as under:

"(2) The Distribution Licensee shall comply with its RPO through procurement of Solar energy and Non-Solar energy:

Provided that on achievement of Solar RPO compliance as specified in aforesaid sub Regulation (1) to the extent of 85% and above, remaining shortfall if any, can be met by *excess Non-Solar energy/Non-Solar REC purchased beyond non-Solar RPO for that particular year:*

Provided further that on achievement of Non-Solar RPO compliance as specified in aforesaid sub-Regulation (1) to the extent of 85% and above, remaining shortfall if any, can be met by excess Solar energy/Solar REC purchased beyond Solar RPO for that particular year:

Provided also that the Distribution Licensee may purchase power from various Renewable Energy sources or RECs or combination of both 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."

4.123 The Commission, therefore, considers the balance of Renewable Energy procurement for RPO compliance through purchase of Renewable Energy Certificates during FY 2020-21.

4.124 CERC vide its Order dated 17.06.2020 has fixed Floor Price and Forbearance Price for Solar and Non Solar RECs as indicated in the table below:

Table 4. 41:Fixed Floor Price and Forbearance Price for Solar and Non-solar RECs proposed by CERC

Sr. No.	Particulars	Floor Price	Forbearance Price
1	Non-Solar	0	Rs. 1000/MWh
2	Solar	0	Rs. 1000/MWh

4.125 The Commission observed that DISCOMs of Delhi, even after bidding at forbearance price, could not purchase RECs in certain months in the last year. Accordingly, the Commission has considered Rs. 500/MWh, which is the average of REC floor and forbearance price as prescribed by CERC, for RECs for the Petitioner for FY 2020-21. The Commission has also considered GST of 12% on the floor price of solar and non-solar RECs, which makes the effective rate of REC as Rs 0.56/ kWh. Further, the Commission has considered the rate of Solar Energy for the purpose of RPO compliance as Rs 5.50/ kWh which is SECI rate.

Accordingly, the Power Purchase Cost allowed by the Commission towards RPO compliance is indicated in the table as follows:

Table 4. 42:Commission Approved: Power Purchase Cost towards RPO compliance

Sr.No.	Sources ofRenewable Energy	Quantity to be Purchased (MU)	(Rs/kWh)	Total Cost (Rs. Crore)
SOLAR				
1	Own Solar	0.00	0.00	0.00
2	Solar (SECI)	37.84	5.50	20.81
3	Solar Sun Edison	0.00	0.00	0.00
4	Balance Solar Energy to be purchased	354.01	0.56	19.82
5	**Sub Total**	**391.86**		**40.64**
NON SOLAR				
6	TOWMCL	-	-	-
7	MSW Bawana	28.07	7.03	19.74
8	East Delhi MSW	-	-	-
9	Suryakanta HEP	-	-	-
10	Nanti HEP	-	-	-
11	Taranda HEP	-	-	-
12	Singrauli HEP	-	-	-
13	Tuticurin Wind	-	-	-
14	Balance Non Solar RECs to be purchased	525.93	0.56	29.45
15	**Sub Total**	**554.00**		**49.19**
16	**TOTAL RPO**	**945.86**		**89.82**

SPECIAL REBATE ANNOUNCED BY MINISTRY OF POWER

4.126 Ministry of Power (MoP), Government of India (GoI) vide its letter dated 10/06/2020 conveyed that Central Public Sector Enterprises (CPSEs) under MoP (viz. NHPC, NTPC, PGCIL, THDC and SJVNL) will be offering rebate amounting to Rs.197.91 Crore to Delhi in line with the MoP advisory dated 15/05/2020 & 16/05/2020.

Table 4. 43: Rebate by CPSEs

Sr.No.	CPSE under Ministry of Power	Rebate by CPSE (amount in Rs. Cr.)
1	NHPC Limited	18.26
2	NTPC Limited	119.50
3	PGCIL	53.12
4	THDC Limited	3.00
5	SJVNL	4.03
6	Total	197.91

4.127 The Commission vide its letter dated 09/07/2020 informed GoNCTD that the said special rebate shall be adjusted in the Power Purchase Cost and Transmission Cost of FY 2020-21 of Delhi DISCOMs which shall provide relief to the end consumers in terms of reduced

Power Purchase Cost for FY 2020-21.

4.128 The details of the rebate offered to Delhi DISCOMs are as under:

Table 4. 44: Details of rebate offered to Delhi DISCOMs

Particulars	BRPL	BYPL	TPDDL	NDMC	Total
NTPC	71.30	16.20	29.20	2.80	119.50
NHPC	8.96	4.64	4.66	0.00	18.26
THDC	2.08	0.00	0.92	0.00	3.00
SJVNL	1.79	1.00	1.25	0.00	4.03
PGCIL	21.78	12.84	17.33	1.17	53.12
Total	105.90	34.67	53.37	3.97	197.91

4.129 The above mentioned special rebate has been adjusted in the Transmission Cost and Power Purchase Cost of the Petitioner in the subsequent relevant sections.

TRANSMISSION LOSS AND CHARGES

PETITIONER'S SUBMISSION

INTRA-STATE TRANSMISSION

4.130 The Petitioner has submitted that the intra-state Transmission Loss during FY 2020-21 has been considered as in Tariff Order dated 31.07.2019 i.e.0.92%.

4.131 The Petitioner has considered the Intra-State Transmission Charges during FY 2020-21on the basis of actual data for FY 2019-20.

INTER-STATE TRANSMISSION:

4.132 The Petitioner has considered inter-state transmission losses as 3% in line with the trend of FY 2018-19 and FY 2019-20.

4.133 The Petitioner has considered the Inter-State Transmission Charges during FY 2020-21 on the basis of actual data for FY 2019-20including Open Access charges.

Table 4. 45:Transmission loss, charges for FY 2020-21

Sr.No.	Particulars	FY 2020-21
1	2	3
A	**Transmission losses (MU)**	
I	Inter-State Transmission	212
ii	Intra-State Transmission	71
iii	**Total Transmission losses (MU)**	**283**
B	**Transmission Charges (Rs. Crore)**	

Sr.No.	Particulars	FY 2020-21
i	Inter-State Transmission	409
ii	Intra-State Transmission (including SLDC)	215
iii	**Total Transmission Charges (Rs. Crore)**	**624**

4.134 The Petitioner requested the Commission to allow the transmission charges as projected in the aforesaid table in the revised ARR of FY 2020-21.

COMMISSION ANALYSIS

4.135 The Petitioner has submitted actual Transmission Charges for availing Transmission Services for FY 2019-20. The Commission has considered the same for Inter State Transmission Charges. The Intra-State Transmission Charges has been considered based on DTL Order for FY 2020-21.

4.136 The Commission has considered Inter-State transmission losses @ 2% based on the latest bills furnished by the DISCOMs and Intra-state transmission losses @ 0.92%, as approved in DTL Order for FY 2020-21, for computation of transmission losses for FY 2020-21.

4.137 In view of the above, the Inter-State and Intra-State Transmission Losses and Transmission Charges as approved by the Commission for FY 2020-21 are indicated in the table as follows:

Table 4. 46:Commission Approved: Inter-State and Intra-State Transmission Losses andTransmission Charges for FY 2020-21

Sr. No.	Particulars	As approved
A	**Transmission losses (MU)**	
I	Inter-State Transmission (PGCIL)	137.25
II	Intra-State Transmission (DTL)	67.98
	Total Transmission Losses (MU)	**205.23**
B	**Transmission Charges (Rs. Cr.)**	
I	Inter-State Transmission (PGCIL)	323.45
II	Less: Special Rebate by GoI	12.84
III	Net Inter-State Transmission (PGCIL)	310.61
IV	Intra-State Transmission (DTL)	240.64
V	SLDC Charges	2.29
C	**Total Transmission Charges (Rs. Cr.)**	553.54

ENERGY BALANCE

PETITIONER'S SUBMISSON

4.138 The Energy balance submitted by the Petitioner for FY 2020-21 is summarised in the table as follows:

Table 4. 47:Energy Balance during FY 2020-21

Sr. No.	Particulars	Quantity (MU)
1	**Power Purchase @Exbus-FIRM**	**7971**
2	Inter-State Losses	212
3	**Power Available at Delhi Periphery**	**7758**
4	Intra-state Loss & Charges (Including SLDC charges)	71
5	Power Available to DISCOM	7687
6	Short term requirement at DISCOM Periphery	141
7	**Total Available**	**7828**
8	Sales	5786
9	Distribution Loss	572
10	**Energy Requirement at Distribution Periphery**	**6358**
11	**Total Sale of Surplus**	**1470**

Sale of surplus power

4.139 The Petitioner has considered the aforesaid excess energy to be sold through short term sale during FY 2020-21. For the purpose of short-term sale rate, the Petitioner has considered it as Rs. 2.40/ unit as per actual IEX rate for FY 2019-20. It is also pertinent to note that the sale rate of surplus power has further decreased in the market due to COVID-19 impact. Accordingly, the estimated short term sale for FY 2020-21 is tabulated below:

Table 4. 48:Revenue from sale of surplus power during FY 2020-21

Sr.No.	Source	Energy Sale (MU)	Cost per Unit (Rs./unit)	Total Cost (Rs.Cr.)
1	**2**	**3**	**4**	**5=3*4**
1	Short Term Sale	1,470	2.40	353

COMMISSION ANALYSIS

4.140 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 balance as approved by the Commission is summarized in the table as follows:

Table 4. 49:Commission Approved: Energy Balance for FY 2020-21

Sr. No.	Particulars	Unit	Approved
Energy Availability			
1	Total energy available (Excluding SGS)	MU	6863
2	Inter-State Transmission Losses	%	2.00%
		MU	137
3	Energy available from SGS excl. generation in own distribution network	MU	663
4	Energy available at StateTransmission Periphery (1-2+3)	MU	7389
5	Intra-State Transmission Losses	%	0.92%
		MU	68
6	TPDDL Solar/ ToWMCL	MU	0
7	Net Energy available at the distribution periphery	MU	7321
Energy Requirement			
8	Energy sales	MU	6165
9	Distribution loss	%	9.00%
		MU	610
10	Energy requirement at distribution periphery	MU	6775
11	**Surplus/ (Gap) energy (7-10)**	**MU**	**546**

REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES

PETITIONER'S SUBMISSION

4.141 The Petitioner has submitted the actual rebate to be availed in FY 2020-21 depends on the Tariff determined by the Commission, RA recovery allowed and consequent available cash with the Petitioner due to COVID-19 impact. Therefore, it is not possible or practicable to ascertain the probable rebate actually to be availed in FY 2020-21.

4.142 However, considering the current situation, the Petitioner could not make timely payment of bills to any generating company and transmission licensee.

4.143 The Petitioner further submitted its constrained cash flow situation due to COVID-19 pandemic vide its letter dated 15.05.2020 and urged the Commission to take in to account the recent Force Majeure event of COVID-19 and the consequent lockdown conditions and the practical difficulties highlighted hereinabove.

4.144 Accordingly, in view of the changed circumstances due to outbreak of COVID-19 and consequent cash flow impact, the Petitioner has not projected the rebate for FY 2020-21 and requested the Commission to relax the Regulations with respect to normative rebate and consider zero rebate while approving the power purchase cost for FY 2020-21.

COMMISSION ANALYSIS

4.145 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."*

4.146 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."*
>
> -------------

4.147 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." ………*

4.148 The Commission observed from the PPA signed by the Petitioner with NPCIL that a rebate of 2.5% is allowed on timely payment and accordingly the same has been considered.

4.149 The Commission has not considered any rebate on power procured through SECI in line with the arrangement between the Petitioner and SECI.

4.150 Accordingly, the Commission has considered applicable rebates for FY 2020-21 in the followingmanner:

Table 4. 50:Commission Approved: Rebate for FY 2020-21

Sr. No.	Particulars	Billed Amount (Rs. Cr.)	Rebate Rate @ (%)	Rebate Amount (Rs. Cr.)
A	Central Sector Utilities	2350.83	1.5%	35.26
B	State Sector Utilities	628.54	2.0%	12.57
C	NPCIL	38.25	2.5%	0.96
D	Total			61

TOTAL POWER PURCHASE COST

PETITIONER'S SUBMISSION

4.151 The total long term power purchase cost during FY 2020-21 is tabulated below:

Table 4. 51:Petitioner Submission: Total Power Purchase Cost for FY 2020-21

Sr. No.	Stations	Gross Power Purchase	Average Rate	Total Cost
		(MU)	(Rs./ kWh)	(Rs.Cr.)
A	**NTPC**			
1	Anta Gas Power Project	8	10.88	8.87
2	Auraiya Gas Power Station	12	11.13	13.12
3	Badarpur Thermal Power Station	0	0.00	0.00
4	Dadri Gas Power Station	20	10.12	19.89
5	Feroze Gandhi Unchahar TPS 1	29	4.90	14.30
6	Feroze Gandhi Unchahar TPS 2	62	4.70	29.25
7	Feroze Gandhi Unchahar TPS 3	43	4.95	21.18
8	Farakka Stps	27	4.08	11.09
9	Kahalgaon Thermal Power Station 1	72	3.50	25.14
10	National Capital Thermal Power	171	6.43	109.80
11	Rihand Thermal Power Station 1	0	0.00	0.00
12	Rihand Thermal Power Station 2	225	2.09	47.06
13	Singrauli STPS	496	2.08	103.46
14	Kahalgaon Thermal Power Station 2	246	3.38	83.38
15	Dadri TPS-II	631	6.58	415.53
16	Rihand Thermal Power Station 3	370	2.84	105.19

Sr. No.	Stations	Gross Power Purchase	Average Rate	Total Cost
		(MU)	(Rs./ kWh)	(Rs.Cr.)
	Sub Total	**2,413**	**4.17**	**1,007**
B.	**NHPC Ltd.**			
1	Bairasiul	10	5.94	6.08
2	Salal	105	2.22	23.19
3	Chamera I	48	1.77	8.51
4	Tanakpur	18	2.69	4.92
5	Uri	81	2.11	17.06
6	Dhauliganga	44	2.46	10.94
7	Chamera – II	37	2.09	7.78
8	Dulhasti	66	5.29	34.65
9	Chamera – III	35	3.68	13.00
10	Uri II	54	4.41	23.82
11	Parbati-III	26	8.60	22.12
12	Sewa-II	21	4.45	9.13
	Sub Total	545	**3.33**	181.20
C.	**NPCI Ltd.**			
1	Nuclear Power Corp. of India Ltd. Narora	0	0.00	0.00
2	Nuclear Power Corp. of India Ltd. Kota UNIT - 5&6 RAPP	102	3.93	40.04
	Sub Total	102	3.93	40.04
D.	**SJVN Ltd.**			
1	Satluj Jal Vidyut Nigam Ltd.-Nathpa Jhakri	165	2.53	41.67
2	SJVNL Regulation credit	0	0.00	0.00
	Sub Total	165	2.53	41.67
E	**Solar Roof Top**			0
F	**Damodar Valley Corporation**			
1	Mejia Units 6	128	5.04	64.49
2	CTPS 7 & 8	374	4.58	171.43
3	MTPS 7	613	4.96	303.94
	Sub Total	**1,116**	**15**	**540**
G	**Power stations in Delhi**			-
1	Indraprastha Power Generation Co.Ltd. RPH	0	0.00	0.00
2	Indraprastha Power Generation Co.Ltd. GT	31	8.61	26.50
3	Pragati Power Corp.Ltd. Pragati I	214	7.00	149.78
4	Pragati Power Corp.Ltd. Pragati III (Bawana)	623	7.45	464.14
	Sub Total	**868**	**23.06**	**640.41**

Sr. No.	Stations	Gross Power Purchase	Average Rate	Total Cost
		(MU)	(Rs./ kWh)	(Rs.Cr.)
H	Aravali Power Corporation Ltd – Jhajjar	80	13.76	110.28
I	Sasan	2504	1.45	366.10
J	SECI	38	5.51	21.03
K	MSW	26	7.03	18.52
L	EDWPCL	2	3.34	0.50
M	Tala	28	2.16	5.95
N	Self Generation & Net Metering	17	5.30	9.14
				New Sources
O	Net Metering	10	5.30	5.30
P	Renewable-Wind	58	4.67	27.27
TOTAL QUANTUM FROM FIRM SOURCES		**7,971**	**3.78**	**3,015**

**Total Charges includes other charges of Sasan and water charges for NHPC*

4.152 Accordingly, the Petitioner submitted the power purchase cost net of rebate for FY 2020-21 works out to Rs. 3,343 Cr. tabulated as under:

Table 4. 52:Quantum of Power and Net Power Purchase Cost for FY 2020-21

Sr. No.	Source	Quantity	Amount	Average Cost
		(MU)	(Rs. Crore)	(Rs./ kWh)
A	Power Purchase from CSGS	7,047	2,341	**3.32**
B	Inter-State Loss & Charges	212	409	
C	**Power Available at Delhi Periphery**	**6,836**	**2,750**	**4.02**
D	Power Purchase from SGS	923	674	**7.30**
E	Intra-State Losses & Charges including SLDC Charges	71	215	
F	Shortfall to be met at DISCOM Periphery	141	57	**4.06**
G	Total Power available to DISCOM	7,828	3,696	**4.72**
H	Sales	5,786		
I	Distribution Loss	572		
J	Less: Normative rebate		0*	
K	**Required power for the DISCOM**	**6,358**	**3,343**	**5.26**
L	Total Sale of Surplus Power	1,470	353	**2.40**

**Not considered in view of changed circumstances due to COVID-19*

COMMISSION ANALYSIS

4.153 Based on the analysis above, the total power purchase cost, net of special rebate by GoI approved for FY 2020-21 is as follows:

Table 4. 53:Commission Approved: Total Power Purchase Cost during FY 2020-21

Sr. No.	Particulars	MU	Amount (Rs Cr.)	Avg. Rate (Rs/ kWh)
A	Total Energy available from Stations outside Delhi and associated cost	6862.63	2099.28	**3.06**
B	Inter-State Transmission Losses & Charges Net of Special Rebate by GoI	137.25	310.61	
C	Energy available from Stations based in Delhi and associated cost	663.43	385.62	**5.81**
D	Energy available at State Transmission Periphery and associated cost	**7388.81**	**2795.50**	**3.78**
E	Intra-State Transmission Losses & Charges including SLDC Charges	67.98	242.93	
F	Power Purchase Rebate		48.79	
G	Power Available to DISCOM	**7320.83**	**2989.64**	**4.08**
H	Energy Sales	6165.03		
I	Distribution Loss	**609.73**		
J	Net Energy Requirement	**6774.75**		
K	Surplus/ Gap Energy	**546.08**	**122.87**	**2.25**
L	REC Purchase Cost		49.28	
M	Power Purchase Cost	**6774.75**	**2916.05**	**4.30**
N	Special Rebate provided by MoP (GENCOs)		21.83	
O	Net Power Purchase Cost	**6774.75**	**2894.22**	**4.27**

POWER PURCHASE COST ADJUSTMENT CHARGES (PPAC)

4.154 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.

4.155 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."*

4.156 Accordingly, the Commission has specified the PPAC formula for FY 2020-21 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 2020-21 indicated as follows:

Power Purchase Cost Adjustment (PPAC) formula

$$\text{PPAC for nth Qtr. (\%)} = \frac{A-B)*C + (D-E)}{\{Z * (1- \frac{\text{Distribution losses in \%}}{100})\} * ABR}$$

Where,

A = Total units procured in (n-1)th Qtr (in kWh) from power stations having long term PPAs – (To be taken from the bills of the GENCOs issued to distribution licensees)

B = Proportionate bulk sale of power from Power stations having long term PPAs in (n-1)th Qtr (in kWh)

$$= \frac{\text{Total bulk sale in (n-1)th Qtr (in kWh)} * A}{\text{Gross Power Purchase including short term power in (n-1)th Qtr (in kWh)}}$$

Total bulk sale and gross power purchase in (n-1)th Qtr to be taken from provisional accounts to be issued by SLDC by the 10^{th} of each month.

C= Actual average Power Purchase Cost (PPC) from power stations having long term PPAs in (n-1)th Qtr (Rs./ kWh) – Projected average Power Purchase Cost (PPC) from power stations having long term PPAs (Rs./ kWh) (from tariff order)

D = Actual Transmission Charges paid in the (n-1)th Qtr

E = Base Cost of Transmission Charges for (n-1)th Qtr = (Approved Transmission Charges/4)

Z = [{Actual Power purchased from Central Generating Stations having long term PPA in (n-1)th Qtr (in kWh)*(1 – $\frac{\text{INTERSTATE TRANSMISSION LICENSEE losses in \%}}{100}$) + Power from Delhi GENCOs (in kWh)}*(1 – $\frac{\text{Intra state losses in \%}}{100}$) – B] in kWh

ABR = Average Billing Rate for the year (to be taken from the Tariff Order)

Distribution Losses (in %) = Target Distribution Losses (from Tariff Order)

INTER STATE TRANSMISSION LICENSEE Losses = $\frac{\text{100* Approved INTER STATE TRANSMISSION LICENSEE losses in Tariff Order (kWh)}}{\text{Approved long term power purchase from central generating stations having long term PPA in the Tariff Order (kWh)}}$

(in %) DTL Losses (in %) = $\frac{\text{100 * Approved DTL Losses (from the Tariff Order) Power}}{\text{available at Delhi periphery (from energy balance table tariff order)}}$

4.157 The Commission has specified the methodology for recovery of PPAC in DERC (Business Plan) Regulations, 2017 as follows:

" The mechanism for recovery of Power Purchase Cost Adjustment Charges (PPAC) in terms of the Regulation 134 of the DERC (Terms and Conditions for Determination of Tariff)

Regulations, 2017 from FY 2017-18 to FY 2020-21 of the Distribution Licensees shall be as follows:

(1) The Commission shall specify the detailed formula for computation of PPAC in the Tariff Order for the relevant year.

(2) The Distribution Licensee shall compute the PPAC for any quarter as per the specified formula for the relevant year:

Provided that a quarter refers to one-fourth of a year i.e., January, February and March (Q1); April, May and June (Q2); July, August and September (Q3); and October, November and December (Q4).

(3) The PPAC computation of any quarter shall be equally spread and adjusted over subsequent quarter only:

Provided that the Commission may allow to carry forward PPAC to more than one quarter in order to avoid the tariff shock for consumers in terms of Regulation 136 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

(4) The treatment of PPAC computation as per the specified formula shall be as follows:

(a)in case PPAC does not exceed 5% for any quarter, the Distribution Licensee may levy PPAC at 90% of computed PPAC with prior intimation to the Commission without going through the regulatory proceedings.

(b) in case PPAC exceeds 5% for any quarter, the Distribution Licensee may levy PPAC of 4.50% without going through the regulatory proceedings and shall file an application for prior approval of the Commission for the differential PPAC claim (Actual PPAC % – 4.50%).

(5) The Distribution Licensee shall upload the computation of PPAC on its website before the same is levied to the consumers' electricity bills.

(6) Revenue billed on account of PPAC by the Distribution Licensee, without going through the regulatory proceedings, shall be trued up along-with the Power Purchase Cost of the relevant year and no Carrying Cost shall be allowed due to under-recovery of revenue for the same year.

(7) Revenue billed on account of PPAC by the Distribution Licensee, without going through the regulatory proceedings, shall be trued up along-with the Power Purchase Cost of the relevant

year and Carrying Cost shall be recovered at 1.20 times of interest rate on the excess revenue recovered for the same year."

4.158 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. 3.30/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

4.159 The Petitioner has submitted the projected capacity addition for the control period from FY 2020-21 to FY 2024-25 in its Business Plan submitted on November 15, 2019. The Petitioner has applied the approved per unit rates specified for FY 2020-21 in DERC

Business Plan Regulations, 2019 on the average capacity of line length and power transformation capacity as submitted for FY 2020-21 in the Business Plan Petition.

4.160 Regulation-23 of DERC Business Plan Regulations, 2019 states as under:

*"**23. Operation and Maintenance Expenses***

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

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

Particulars	***Unit***	***2020-21***	***2021-22***	***2022-23***
66 kV Line	*Rs. Lakh/ Ckt. Km*	*4.857*	*5.043*	*5.236*
33 kV Line	*Rs. Lakh/ Ckt. Km*	*4.857*	*5.043*	*5.236*
11 kV Line	*Rs. Lakh/ Ckt. Km*	*2.036*	*2.114*	*2.195*
LT lines system	*Rs. Lakh/ Ckt. Km*	*9.173*	*9.524*	*9.89*
66/11 kV Grid S/s	*Rs. Lakh/ Ckt. Km*	*1.157*	*1.201*	*1.247*
33/11 kV Grid S/s	*Rs. Lakh/ Ckt. Km*	*1.157*	*1.201*	*1.247*
11/0.415 kV DT	*Rs. Lakh/ Ckt. Km*	*2.534*	*2.631*	*2.732*

The Distribution Licensee shall be allowed O&M expenses for a particular financial year ofthe control period by multiplying the norms for O&M expenses of that particular year withthe respective average network capacity during the financial year i.e. (average of networkcapacity at start of Financial year and network capacity at the end of Financial year)

..."

4.161 The Petitioner has computed the normative O&M expenses for FY 2020-21 as below:

Table 4. 54:O&M Expenses during FY 2020-21

Particulars	**Average Capacity for FY 2020-21**	**O&M expenses per unit**		**O&M expenses**
66 kV Line (ckt km)	245	Rs. Lakh/ckt. km	4.857	12
33 kV Line (ckt km)	435	Rs. Lakh/ckt. km	4.857	21
11kV Line (ckt km)	2970	Rs. Lakh/ckt. km	2.036	60
LT Line system (ckt km)	5611	Rs. Lakh/Ckt. km	9.173	515
66/11 kV Grid S/s (MVA)	1915	Rs. Lakh/MVA	1.157	22
33/11 kV Grid S/s (MVA)	2087	Rs. Lakh/MVA	1.157	24
11/0.415 kV DT (MVA)	3550	Rs. Lakh/MVA	2.534	90
Total O&M Expenses				**744**

4.162 The Petitioner requested the Commission to allow the normative O&M Expenses as above while approving the revised ARR for FY 2020-21.

COMMISSION ANALYSIS

4.163 The Commission at Regulation 23 of DERC (Business Plan) Regulations, 2019 has notified norms for Operation and Maintenance Expenses for FY 2020-21 in terms of Regulation 4(3) of DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 as follows:

*"**23. Operation and Maintenance Expenses***

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

Table 8: O&M Expenses for BRPL for the Control Period

Particulars	Unit	2020-21	2021-22	2022-23
66 kV Line	Rs. Lakh/ Ckt. Km	3.855	4.002	4.156
33 kV Line	Rs. Lakh/ Ckt. Km	3.855	4.002	4.156
11 kV Line	Rs. Lakh/ Ckt. Km	1.150	1.194	1.239
LT line system	Rs. Lakh/ Ckt. Km	6.148	6.384	6.629
66/11 kV Grid S/s	Rs. Lakh/ MVA	1.033	1.073	1.114
33/11 kV Grid S/s	Rs. Lakh/ MVA	1.033	1.073	1.114
11/0.415 kV DT	Rs. Lakh/ MVA	2.563	2.661	2.763

...

(3) 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.

(4) 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.

(5) 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."

4.164 The Commission observed that the Petitioner has projected the network capacity on higher side. Further, because of the outbreak of COVID-19 pandemic, the network utilisation is expected to be reduced this year resulting in to lower O&M expenses. Further, the O&M Expenses are linked with the network capacity of the DISCOM. Accordingly, the Commission has considered 90% of the network capacity as on 31/03/2020 of the Petitioner and 65% of the claimed Capitalization for FY 2020-21 (discussed in detail in the relevant section) and has provisionally allowed O&M expenses of the Petitioner. The true-up of O&M expenses shall be as per actual network capacity.

4.165 On the basis of network and financial details submitted by the Petitioner, the Commission has determined O&M Expenses for FY 2020-21 as follows:

Table 4. 55:Commission Approved: O&M Expenses for FY 2020-21 (Rs. Cr.)

<table>
<tr><th rowspan="2">NETWORK</th><th rowspan="2">Opening Network Capacity as on 01.04.2020</th><th rowspan="2">90% of the Opening Capacity</th><th rowspan="2">Projected Addition during the year</th><th rowspan="2">Closing Network Capacity</th><th rowspan="2">Average Network Capacity</th><th colspan="2">Norms as per DERC (Business Plan) Regulations, 2019</th><th rowspan="2">Amount of O&M Expenses (Rs Cr.)</th></tr>
<tr><th>Units</th><th>Rate/Unit</th></tr>
<tr><td>66 kV Line (kms)</td><td rowspan="2">677</td><td rowspan="2">610</td><td rowspan="2">4</td><td rowspan="2">614</td><td rowspan="2">611.25</td><td>Rs. Lakh/Ckt. Km</td><td rowspan="2">4.857</td><td rowspan="2">29.69</td></tr>
<tr><td>33 kV Line (kms)</td><td>Rs. Lakh/Ckt. Km</td></tr>
<tr><td>11 kV Line (kms)</td><td>2923</td><td>2631</td><td>61</td><td>2692</td><td>2661.25</td><td>Rs. Lakh/Ckt. Km</td><td>2.036</td><td>54.18</td></tr>
<tr><td>LT Line system (kms.)</td><td>5571</td><td>5014</td><td>52</td><td>5066</td><td>5039.90</td><td>Rs. Lakh/Ckt. Km</td><td>9.173</td><td>462.31</td></tr>
<tr><td>66/11 kV Grid sub-station (MVA)</td><td rowspan="2">3971</td><td rowspan="2">3574</td><td rowspan="2">27</td><td rowspan="2">3601</td><td rowspan="2">3587.40</td><td>Rs. Lakh/MVA</td><td rowspan="2">1.157</td><td rowspan="2">41.51</td></tr>
<tr><td>33/11 kV Grid sub-station (MVA)</td><td>Rs. Lakh/MVA</td></tr>
<tr><td>11/0.4 kV DT (MVA)</td><td>3475</td><td>3128</td><td>98</td><td>3225</td><td>3176.25</td><td>Rs. Lakh/MVA</td><td>2.534</td><td>80.49</td></tr>
</table>

NETWORK	Opening Network Capacity as on 01.04.2020	90% of the Opening Capacity	Projected Addition during the year	Closing Network Capacity	Average Network Capacity	Norms as per DERC (Business Plan) Regulations, 2019		Amount of O&M Expenses (Rs Cr.)
						Units	Rate/Unit	
Total								**668.17**

ADDITIONAL EXPENSES

PETITIONER'S SUBMISSION

4.166 The Petitioner has submitted that in terms of Regulation 11(9) of the Tariff Regulations, 2017 the distribution Licensee shall submit the ARR which shall contain additional expenses on account of O&M beyond the control of Licensee for the ensuing year and previous year respectively.

4.167 The Petitioner has projected the additional O&M expenses comprising of Legal Expenses, Expenses for raising Loan, Loss on Sale of Retired Assets, expenses incurred due to force majeure conditions and interest on additional working capital requirement for FY 2020-21 stated as under:

Table 4. 56:Additional O&M Expenses (Rs. Cr.)

Sr.No.	Particulars	FY 2020-21
1	Legal Expenses	13
2	Expenses for raising loan	11
3	Loss on Sale of Retired Assets	9
4	Expenses due to Force Majeure Conditions	7
5	Interest on Additional Working Capital Requirement	30
6	**Additional Expenses beyond the control of Petitioner**	**70**

4.168 Accordingly, the Petitioner requested the Commission to allow the additional expenses of Rs. 70 Cr. in the ARR for FY 2020-21 on account of additional O&M expenses.

COMMISSION ANALYSIS

4.169 The Commission after going through the submissions of the Petitioner observed that the expenditure claimed is provisional in nature and thus decided to allow the same at the time of true up of FY 2020-21.

CAPITAL EXPENDITURE AND CAPITALISATION

PETITIONER'S SUBMISSION

4.170 The Petitioner has referred the Regulation-24 (1) of DERC Business Plan Regulations, 2019 states as under:

> ***"24. Capital Investment Plan***
>
> *(1) The tentative Capital Investment Plan in terms of Regulation 4 (4) of the DERC (terms and conditions for determination of tariff) Regulations, 2017 for the Distribution Licensee shall be as follows:*
>
> ***Table 13: Capitalisation for BYPL for the Control Period (in Rs. Cr.)***

Particulars	***2020-21***	***2021-22***	***2022-23***	***Total***
Capitalization	*375*	*397*	*428*	*1200*
Smart Meter	*33*	*33*	*35*	*101*
Less: Deposit Work	*36*	*48*	*69*	*153*
Total	*372*	*382*	*394*	*1148*

..."

4.171 However, in view of the constraints in mass deployment of smart meters, the Petitioner has proposed capitalisation of conventional meters which are to be used for replacement of burnt/faulty meters and old meters.

4.172 Therefore, in line with the Business Plan submitted by the Petitioner on 21.11.2020 before the Commission, capitalisation of Rs. 33 Crs has been proposed for conventional meters vis-à-vis as approved for smart meters in Business Plan Regulation, 2019.

4.173 Further, the Petitioner is contemplating to install Smart Meters through OPEX Model and accordingly, the amount on account of Smart Meters has not been considered for Capitalisation. The Petitioner also explained that the solution based on new communication technologies related to smart meters is at a nascent stage and thus, explained their current situation regarding installation of smart meters vide letter dated 15.01.2020 and 27.05.2020.

4.174 The Petitioner has considered the gross capitalisation of Rs. 408 Crore during FY 2020-21 as approved by the Commission in the Business Plan Regulations, 2019.

Table 4. 57:Capitalisation for FY 2020-21 (in Rs. Cr.)

Sr. No.	Particulars	Approved in Business Plan Regulations	Submission
A	Capitalization	408*	408*

** Gross amount including consumer contribution for deposit works*

4.175 The Petitioner further submitted that they are facing an unprecedented crisis due to COVID-19 impact and the uncertainty linked with it is extremely disconcerting. Still, the Petitioner, as an essential service provider, is working selflessly in providing uninterrupted power supply to all its consumers in compliance to the Government of India's Order on nationwide lockdown and related guidelines to be followed during the lockdown period.

4.176 Due to lockdown conditions, some of the ongoing projects of thePetitioner have taken a break except the works which are extremely critical and require immediate intervention. While these projects are expected to be restored after the lockdown is lifted, the speed of deployment and execution may be adversely effected.

4.177 Although, the Petitioner will make its best possible efforts to overcome the above situation and meet the projected capitalisation, given the unprecedented circumstances the Commission is requested to exercise its power to relaxation and relax the Tariff Regulation with respect to the adjustment in Revenue (Gap)/Surplus on account of variation in the projected capitalisation vis-à-vis actual capitalisation at the time of True-Up of FY 2020-21.

COMMISSION ANALYSIS

4.178 The Commission has taken cognizance of the situation arisen due to COVID-19 pandemic which may have affected mobilisation/availability of resources such as equipment, materials, supplies, labour, etc. which will impact the commissioning of new projects/ schemes. The Commission is of the view that the impact of COVID-19 pandemic may lead to reduction of around 35% in projected Capitalisation of the projects. Accordingly, the Commission has considered the asset capitalization for FY 2020-21 by reducing the amount as projected by the Petitioner by 35%.

4.179 The Commission has considered the gross capitalisation of Rs. 243.75 Cr. including consumer contribution (Deposit Work) for Rs. 23.40 Cr. during FY 2020-21.

CONSUMER CONTRIBUTION

PETITIONER'S SUBMISSION

4.180 The Petitioner has considered actual Consumer contribution capitalized upto FY 2018-19 and for FY 2019-20 & FY 2020-21 as approved by the Commission in the Business Plan Regulations, 2017 and Business Plan Regulations, 2019respectively as tabulated below:

Table 4. 58:Consumer Contribution Capitalized for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	FY 20-21	Remarks/Ref.
A	Consumer Contribution & Grants capitalized upto FY 2018-19	306	Table 3A 38 of True up Petition for FY 2018-19
B	Consumer Contribution Capitalized for FY 2019-20	12	B.P Regulations, 2019
C	Opening Balance of Consumer Contribution capitalized for FY 20-21	318	A+B
D	Consumer Contribution Capitalized for FY 20-21	36	B.P Regulations, 2019
E	Closing Consumer Contribution and Grants	354	C+D
F	Average Consumer Contribution and Grants	336	(C+E)/2

COMMISSION ANALYSIS

4.181 The Commission has projected the capitalization of consumer contribution during FY 2020-21 @65% of the projection of the Petitioner. Accordingly, the consumer contribution used for means of finance for FY 2020-21 based on true up of ARR upto FY 2018-19 is as follows:

Table 4.59:Commission Approved: Consumer Contribution Capitalized (Rs. Cr.)

Sr. No	Particulars	FY 2020-21	Ref.
A.	Closing Balance of Consumer contribution capitalized upto true up for FY 2018-19	354.82	**Error! Reference source not found.**
B.	Consumer Contribution projected during FY 2019-20	12.00	
C.	Opening balance of Consumer Contribution already capitalized upto FY 2020-21	366.82	A+B
D.	Consumer Contribution Capitalized during the Year	23.40	
E.	Closing Consumer Contribution and Grants	390.22	C+D
F.	Average Consumer Contribution and Grants	378.52	(C+E)/2

DEPRECIATION

PETITIONER'S SUBMISSION

4.182 The Petitioner has submitted that the Commission in its Tariff Regulations 2017 has specified the rates and methodology for computation of depreciation from FY 2018-19 onwards. The Petitioner has derived the average rate of depreciation for FY 2020-21as follows:

Table 4. 60:Computation of rate of Depreciation for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Amount
1	Opening GFA for FY 2018-19 as per Audited Accounts (Rs. Cr.)	3399.3
2	Closing GFA for FY 2018-19 as per Audited Accounts (Rs. Cr.)	3714.1
3	Average GFA as per Books of Accounts (Rs. Cr.)	3556.7
4	Depreciation as per Audited Accounts	182.5
5	Average rate of depreciation	5.13%

4.183 Accordingly, the depreciation for FY 2020-21 is calculated as follows:

Table 4. 61:Depreciation for FY 2020-21 (Rs. Cr.)

Sr.No.	Particulars	Amount	Remarks/Ref.
A	Opening GFA for FY 2019-20	3744	Table 3 A.36 Of true up petition for FY 2018-19
B	Addition during FY 2019-20	413	Business Plan Regulation, 2017
C	Opening GFA for FY 2020-21	4157	A+B
D	Additions during the year	408	Business Plan Regulation, 2019
E	Closing GFA	4565	C+E
F	Average GFA	4361	Average(C,F)
G	Less: Average Consumer Contribution	336	Table 2.27
H	Average GFA net of CC	4025	G-H
I	Average rate of depreciation	5.13%	Table 2.30
J	Depreciation for FY 2020-21	207	I*J
K	Opening Accumulated Depreciation for FY 20-21	1516	
L	Closing Accumulated Depreciation for FY 20-21	1723	K+L

COMMISSION ANALYSIS

4.184 The Commission has provisionally considered the rate of depreciation for FY 2020-21 as approved for FY 2018-19 and approved depreciation as follows:

Table 4.62:Commission Approved: Depreciation for FY 2020-21 (Rs. Cr.)

Sr.No.	Particulars	Amount	Ref.
A.	Closing GFA for FY 2018-19	3,339.68	
B.	Additions projected during FY 2019-20	413.00	
C.	Opening GFA	3,752.68	A+B
D.	Net Additions to Asset during the year	243.75	
E.	Closing GFA	3,996.43	C+D

Sr.No.	Particulars	Amount	Ref.
F.	Average GFA	3,874.56	(C+E)/2
G.	Less: Average Consumer Contribution	378.52	Table 4.59
H.	Average GFA net of CC	3,496.04	F-G
I.	Average rate of depreciation	5.13%	
J.	Depreciation	179.41	H*I

WORKING CAPITAL

4.185 In view of changed circumstances due to outbreak of COVID-19, the Petitioner has considered the same working capital requirement for FY 2020-21 as submitted in the ARR filed on 14.02.2020 before the Commissionas follows:

Table 4. 63:: Working Capital for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Amount	Remarks/Ref.
A	Total Working Capital as submitted in earlier Petition	529	
B	Opening Working Capital	463	As per T.O. dated 31.07.2019
C	Change in WC	**66**	A-B

COMMISSION ANALYSIS

4.186 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: "

4.187 Accordingly working capital requirement has been computed for FY 2020-21. The change in working capital has been considered from the working capital for FY 2019-20 as determined in Tariff Order dated 31/07/2019 as follows:

Table 4. 64:Commission Approved: Working Capital for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Approved	Ref.
A.	Annual Revenue	4004.19	
B.	Receivables equivalent to 2 months average billing	667.37	A/6
C.	Power Purchase expenses including transmission charges	2894.22	
D.	Less: 1/12th of power purchase expenses	241.18	C/12
E.	Total working capital	426.18	B-D
F.	Opening working capital	463.00	
G.	Change in working capital	(36.82)	E-F

MEANS OF FINANCE FOR REGULATED RATE BASE, RoCE, WACC

PETITIONER'S SUBMISSION

REGULATED RATE BASE (RRB)

4.188 The Petitioner has computed the RRB for FY 2020-21 tabulated as follows:

Table 4. 65:Regulated Rate Base for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Amount	Remarks
A	Opening GFA	4,157	
B	Opening Accumulated Depreciation incl. AAD	1,713	
C	Opening Consumer Contribution	318	
D	Opening Working Capital	463	
E	Accumulated Depreciation on De-capitalised Assets	142	
F	Opening RRB	**2,730**	(A-B-C+D+E)
G	Change in Capital Investment during the year	83	(H-I-J)/2
H	Net Capitalisation	408	
I	Depreciation	207	
J	Consumer Contribution	36	
K	Change in Working Capital	66	
L	Regulated Rate Base - Closing	**2,962**	(F+H-I-J+K)
M	RRB (i)	**2,879**	(F+G+K)/2

EQUITY AND DEBT

4.189 The Petitioner has considered the Equity and Debt upto FY 2020-21 has been considered based on the closing equity and debt upto FY 2018-19 and addition during FY 2019-20 and FY 2020-21 based on capitalization net of consumer contribution in the ratio of 30:70.

4.190 Working capital has been considered entirely debt financed in accordance with

Regulation 70 of Tariff Regulations, 2017.

4.191 Debt repayment during the year has been considered as 1/10th of the opening balance.

4.192 Accordingly, the average equity and average debt for FY 2020-21 is tabulated as follows:

Table 4. 66:Equity and Debt for FY 2020-21 (Rs. Crore)

Sr.No.	Particulars	Amount	Remarks/Ref
Equity			
A	Closing Balance upto FY 2018-19	1179	
B	Addition during FY 2019-20	120	30% of net capitalisation
C	Opening Balance for FY 2020-21	1299	A+B
D	Addition during FY 2020-21	112	30% of net capitalisation
E	Closing Balance for FY 2020-21	1411	C+D
Debt			
F	Closing Balance upto FY 2018-19	1358	
G	Addition during FY 2019-20	247	i+ii
i	*Capex*	*281*	70% of net capitalisation
ii	*Working Capital*	*-33*	
H	Repayment	136	1/10 * F
I	Opening Balance for FY 2020-21	1470	F+G-H
J	Addition during FY 2020-21	326	i+ii
i	*Capex*	260	70% of net capitalisation
ii	*Working Capital*	66	
K	Repayment	147	1/10 * I
L	Closing Balance for FY 2020-21	1650	I+J-K

WEIGHTED AVERAGE COST OF CAPITAL

4.193 The Petitioner has submitted that in terms of Regulation 77 of DERC Tariff Regulations, 2017, interest on loan shall be based on weighted average rate of interest for actual loan portfolio subject to maximum of bank rate as on 1st April of the year plus margin as approved by the Commission in Business Plan Regulations for the Control Period. Further, asper DERC Business Plan Regulations, 2019, for FY 2020-21, the margin for the control period is limited to 5.00%.

4.194 As the SBI MCLR rate is in decreasing trend in last 3 months i.e. from March, 2020 to May, 2020 which is specifically due to the outbreak of COVID-19 and lockdown conditions, this impact is beyond the reasonable control of the Petitioner. Hence, the Petitioner has taken the same SBI MCLR rate as in the earlier ARR Petition i.e. 7.90% (enclosed as Annexure –

7).Therefore, the interest on loan which has been considered for FY 2021 is shown in the table below:

Table 4. 67:Weighted Average Interest Rate on Loan (%)

Particulars	Rate
MARGIN for the control period	5.00%
SBI MCLR AS ON 01.04.2021	7.90%
Total	12.90%
Rate of Interest for FY 2020-21	**12.90%**

4.195 Hence, the weighted average rate of interest on loan is about 12.90% equivalent to the bank rate plus margin. Accordingly, the Petitioner requests the Commission to approve the rate of interest on loan (rd) as 12.90% for FY 2020-21.

4.196 In this regard, the Petitioner requested the Commissionto consider the weighted average rate of interest based on actual loan portfolio of FY 2020-21considering the adverse effect on account of COVID-19 impact and allow the relaxation on margin for rate of interest on loan as specified in Regulation 14 of DERC Business Plan Regulations, 2019 at the time of Truing Up of the respective year.

4.197 Rate of return on equity has been considered as 16%. Accordingly, the grossed up Rate of Return on Equity has been considered based on MAT rate basis (MAT Tax – 17.47% including Surcharge and Education Cess Tax) which comes out to be 19.39%.

4.198 The Petitioner has computed theWeighted Average Cost of Capital (WACC) during FY 2020-21 tabulated as follows:

Table 4. 68::Weighted Average Cost of Capital (WACC) for FY 2020-21

Sr. No.	Particulars	Amt (Cr.)
A	Equity	1,355
B	Debt	1,560
C	Return on Equity	16%
D	Income Tax Rate	17.47%
E	Grossed up Return on Equity	19.39%
F	Rate of Interest	12.90%
G	**Weighted average cost of Capital**	**15.92%**

RETURN ON CAPITAL EMPLOYED (ROCE)

PETITIONER'S SUBMISSION

4.199 The Petitioner has computed RoCE for FY 2020-21 as under:

Table 4. 69:RoCE for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Submission
A	WACC	15.92%
B	RRB (i)	2,879
C	**RoCE**	**458**

COMMISSION ANALYSIS

4.200 The Commission has considered normative debt-equity ratio of 70:30 on the asset capitalised after utilizing the consumer contribution as specified in DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017. The relevant extract is as follows:

"25. The Capital Cost of a new project or scheme shall include the following:

(1) The expenditure incurred or projected to be incurred up to the date of commercial operation of the project or scheme as approved by the Commission;

(2) Interest during construction and financing charges, on the loans being equal to debt as per financing excluding however the equity deployment, provided however the equity deployment shall not exceed 30% of the capital cost and in case equity is deployed in excess of 30% the excess shall be deemed to be a debt or notional loan;

(3) Capitalized initial spares subject to the ceiling rates specified by the Commission;

(4) Expenditure on account of additional capitalization determined inaccordance with these Regulations;

(5) Adjustment of revenue on account of sale of infirm power by Generating Entity in excess of fuel cost prior to the COD as specified under these Regulations; and

(6) Adjustment of any revenue earned by the Utility, including by using the assets, before COD.

26. The Capital cost of an existing project or scheme shall include the following:

(1) The trued-up capital cost excluding liability admitted by the Commission;

(2) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these Regulation; and

(3) Expenditure on account of renovation and modernisation as admitted by the Commission in accordance with these Regulations.

27. The capital cost incurred or projected to be incurred on account of any applicable PAT (Perform, Achieve and Trade) scheme of Government of India will be considered by the Commission on case to case basis and shall include:

(1) Cost of plan proposed by developer in conformity with norms of PAT Scheme; and

(2) Sharing of the benefits accrued on account of PAT Scheme.

28. The cost for the following shall be excluded or removed from the capital cost of the existing and new project or scheme as detailed out in Regulations 44 to 48 in these Regulations:

(1) The assets forming part of the project or scheme, but not in use;

(2) De-capitalized or retired asset.

29. Any grant or contribution or facility or financial support received by the Utility from the Central and/or State Government, any statutory body, authority, consumer or any other person, whether in cash or kind, for execution of the project or scheme, which does not involve any servicing of debt or equity or otherwise carry any liability of payment or repayment or charges shall be excluded from the Capital Cost for the purpose of computation of interest on loan, return on equity and depreciation."

4.201 As per the above Regulations, equity shall not exceed 30% of the total funding requirement for capitalization.

4.202 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. 70:Commission Approved:RRB (Rs. Cr.)

Sr. No.	Particulars	Amount	Ref.
A	Opening Original Cost of Fixed Assets ($OCFA_o$)	3752.68	
B	Opening Accumulated depreciation (ADo)*	1231.02	
C	Opening consumer contributions received (CCo)	366.82	
D	Opening Working capital (WCo)	463.00	
E	Opening RRB (RRBo)	2617.84	A-B-C+D
F	Investment capitalised during the year (INVi)	243.75	
G	Depreciation during the year (Di)	179.41	
H	Depreciation on decapitalised assets during the year	-	
I	Consumer contribution during the year (CCi)	23.40	
J	Fixed assets retired/decapitalised during the year (Reti)	-	
K	Change in capital investment (ΔABi)	40.94	(F-G+H-I-J)
L	Change in working capital during the year (ΔWCi)	-36.82	
M	RRB Closing	2621.96	E+K+L
N	RRBi	2601.49	E+K/2+L

**Closing accumulated depreciation at the end of FY 2018-19 Rs. 1,057.02 Cr. + projected depreciation of Rs.174.00 Cr. during FY 2019-20*

4.203 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."

4.204 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.

4.205 The Commission in Business Plan Regulations, 2019 has specified the Margin with respect to Interest Rate for FY 2020-21for the Petitioner as follows:

"22. MARGIN FOR RATE OF INTEREST ON LOAN

(1) The rate of interest on loan for a financial year shall be Marginal Cost of Fund based Lending Rate (MCLR) of SBI as on 1stApril of that financial year plus the Margin. The Margin, in terms of Regulation 4(2) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Transmission Licensee, is allowed as the difference between the weighted average rate of interest on actual loan portfolio and the MCLR as on 1stApril of that financial year:

Provided that the Margin shall not exceed 5.00%, 4.25% and 3.50% for the first, second and third year of the control period, respectively:

Provided further that the rate of interest on loan (MCLR plus Margin) in any case shall not exceed approved base rate of return on equity i.e. 14.00%."

4.206 The Commission has considered the MCLR as on 01.04.2020 and the actual loan portfolio of FY 2019-20 for the Petitioner. Further, it was observed that the Margin (Difference between Weighted Average Interest on Loan and MCLR) is in within ceiling of 5%for all loans viz. CAPEX, Working Capital and Others. Accordingly, the Commission has considered the Rate of Interest of Actual Loan Portfolio of FY 2019-20 for the Petitioner as follows:

Table 4. 71:Commission Approved: Rate of interest on loan

Expense head	Rate of Interest
Capitalisation	12.33%
Working Capital	12.58%
Regulatory Asset	12.33%

4.207 The weighted average rate of interest on loan for the purpose of debt available for capital expenditure and Working capital is computed at 12.38%. The Commission has considered effective income tax rate as approved in true up for FY 2018-19. Accordingly, the Weighted Average Cost of Capital (WACC) has been considered for FY 2020-21 by the Commission follows:

Table 4. 72:Commission Approved: Weighted Average Cost of Capital (WACC) for FY 2020-21 (Rs.Cr)

Sr.No.	Particulars	As Approved
A	Average Equity	652.59
B	Average Debt – Capitalisation	1522.72
C	Average Debt – Working Capital	426.18
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	12.38%
H	Weighted Average Cost of Capital	14.39%

4.208 The Commission approves RoCE based on RRB (i) and WACC as follows:

Table 4. 73:Commission Approved: Return on Capital Employed (Rs. Cr.)

Sr. No.	Particulars	Approved
A	RRB (i)	2,601.49
B	WACC	14.39%
C	RoCE	374.46

NON-TARIFF INCOME

PETITIONER'S SUBMISSION

4.209 The Petitioner has submitted that the Non-Tariff Income during FY 2020-21 has been considered same as submitted for FY 2018-19 i.e. Rs. 86 Cr.

COMMISSION ANALYSIS

4.210 The Commission has considered the Non-Tariff Income approved for FY 2018-19 for projecting Non-Tariff Income of the Petitioner for FY2020-21 of Rs. 112.06 Cr.

CARRYING COST ON REVENUE GAP

PETITIONER'S SUBMISSION

4.211 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. "

4.212 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 2018-19 as under:

Table 4. 74:Rate of Carrying Cost

Sr. No.	Particulars	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
1	Rate of Interest	12.69%	12.79%	11.87%	12.26%	14.40%	14.61%	14.58%	14.75%	14.29%	14.05%	14.00%	14.00%
2	Return on Equity	16%	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%	14.00%	14.00%

4.213 The Petitioner has calculated the carrying cost during FY 2020-21 by applying rate of 14%.

COMMISSION ANALYSIS

4.214 Regulation 2(16) of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 states the following:

> *"Carrying Cost Rate" means the weighted average rate of interest for funding of Regulatory Asset/accumulated Revenue Gap through debt and equity in an appropriate ratio, as specified by the Commission in the relevant Orders"*

4.215 The Commission has approved Return on Equity in terms of Regulation 2(16) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for computation of weighted average rate of interest for funding of Regulatory Asset/accumulated Revenue Gap through debt and equity shall be considered at 14.00% on pre-tax basis in its Business Plan Regulations, 2019.

4.216 Accordingly, the Commission has computed Carrying Cost based on weighted average cost of rate of return on equity for equity as follows:

Table 4. 75:Commission Approved: Carrying Cost for FY 2020-21 (Rs. Cr.)

S.No.	Particulars	Approved
A.	**Opening Revenue Gap**	(1,600.38)
B.	Revenue Surplus/(Gap)	15.90
C.	Recovery of Revenue Gap via 8% Surcharge	330.94
D.	Closing Revenue Gap	(1,253.54)
E.	Average Revenue Gap	(1,426.96)
F.	Rate of Carrying Cost	12.47%
G.	Carrying Cost Amount	(178.00)
H.	Closing Revenue Gap	(1,431.53)

AGGREGATE REVENUE REQUIREMENT

PETITIONER'S SUBMISSION

4.217 The Petitioner has projected the revised ARR of Rs. 4,737Crore for FY 2020-21 as follows:

Table 4. 76:Revised Aggregate Revenue Requirement for FY 2020-21 (Rs. Cr.)

Sr.No.	Particulars	Submission
A	Power Purchase Cost including Transmission Charges	3,343
B	O&M Expenses	744
C	Additional O&M Expenses	70
D	Depreciation	207
E	Return on Capital Employed (RoCE)	458
F	Less: Non-Tariff income	86
G	**Revised ARR excl. Carrying Cost on RA**	**4,737**

**The Petitioner requests the Commission to allow the carrying cost on RA as a separate surcharge*

COMMISSION ANALYSIS

4.218 The ARR based on various component as approved by the Commission for FY 2020-21 is summarised as under:

Table 4. 77:Commission Approved: **ARR for Wheeling and Retail Business for FY 2020-21 (Rs. Cr.)**

Sr. No.	Particulars	As Approved	Ref.
A.	Power Purchase Cost including Transmission Charges	2894.22	
B.	O&M Expenses	668.17	
C.	Depreciation	179.41	
D.	Return on Capital Employed (RoCE)	374.46	
E.	Less: Non-Tariff income	112.06	
F.	Aggregate Revenue Requirement	4,004.19	A+B+C+D-E
G.	Carrying cost for FY 2020-21	178.00	
H.	Gross ARR	4,182.19	F+G

ALLOCATION FOR WHEELING AND RETAIL BUSINESS

PETITIONER'S SUBMISSION

4.219 The Petitioner has submitted that the ARR estimated during FY 2020-21 has been allocated into wheeling and retail business in the ratios approved by the Commission in Business Plan Regulations, 2019 is as under:

Table 4. 78:Petitioner Submission: Allocation for wheeling and retail business- FY 2020-21 (Rs. Cr.)

Particulars	Wheeling	Retail
Cost of Power Procurement	0	3637
Operation and Maintenance expenses	482	296
Depreciation	167	39
Return on Capital Employed	330	128
Less: Non-Tariff Income	13	73
Aggregate Revenue Requirement	**967**	**4027**

ALLOCATION FOR WHEELING AND RETAIL BUSINESS

4.220 The Petitioner has estimated the revised Aggregate Revenue Requirement during FY 2020-21 has been allocated into wheeling and retail business in the ratios approved by the Commission in Business Plan Regulations, 2019is as follows:

Table 4. 79:Allocation for wheeling and retail business- FY 2020-21 (Rs. Cr.)

Particulars	Wheeling	Retail
Cost of Power Procurement	0	3343
Operation and Maintenance expenses	505	310
Depreciation	167	39
Return on Capital Employed	330	128
Less: Non-Tariff Income	13	73
Aggregate Revenue Requirement	**990**	**3747**

**The Petitioner requests the Commission to allow the carrying cost on RA as a separate surcharge*

COMMISSON'S ANALYSIS

4.221 Based on the allocation of different expenses in accordance with the methodology followed in the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and DERC (Business Plan) Regulations, 2019, the approved ARR for Wheeling and Retail Supply business of the Petitioner is indicated in the table as follows:

Table 4. 80:Commission Approved: ARR for Wheeling Business for FY 2020-21 (Rs. Cr.)

Sr. No.	Wheeling Business	Approved
1	Operation & Maintenance Costs	414.27
2	Depreciation (including AAD)	145.32
3	Return on Capital Employed	269.61
4	Carrying Cost	22.42
5	Non Tariff Income	16.81
6	**Aggregate Revenue Requirement**	834.81

Table 4. 81:ARR for Retail Business for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Amount
A.	Cost of Power Procurement	2,894.22
B.	O&M Expenses	253.90
C.	Depreciation	34.09
D.	Return on Capital Employed (RoCE)	104.85
E.	Carrying Cost on Revenue Gap/Regulatory asset	155.57
F.	Less: Non-Tariff Income	95.25
G.	Aggregate Revenue Requirement	3,347.38

IMPACT OF THE COMMISSION'S ORDER ON REDUCTION OF FIXED CHARGES AGAINST UNUTILISED CAPACITY FOR INDUSTRIAL AND NON-DOMESTIC CONSUMERS FORTHE MONTHS OF APRIL 2020AND MAY 2020

4.222 The Commission has decided to reduce the Fixed Charges against unutilised capacity for eligible Industrial and Non-Domestic (Commercial etc.) consumers for the months of April 2020 and May 2020 whose Maximum Demand is less than the Contract Demand/Sanctioned Load, in order to reduce the hardships of such consumers due to grim situation on account of COVID-19 pandemic and to minimise the impact of lockdown. Accordingly, the Commission hereby decides that for electricity bill pertaining to consumption related to April 2020 and May 2020, the eligible Industrial and Non-domestic (Commercial etc.) consumers whose monthly Maximum Demand is less than the Contract Demand/Sanctioned Load, the Fixed Charges for such consumers shall be computed in two components, the first component shall be for Billing Demand upto Maximum Demand as per existing rate of Rs.250/kVA/month; and the second component shall be for remaining Billing Demand i.e., {Contract Demand/Sanctioned Load minus Maximum Demand}, at 50% of existing rate i.e., Rs. 125/kVA/month.

4.223 Accordingly, the Fixed Charges for the unutilized capacity for April 2020 and May 2020

(Contract Demand/Sanctioned Load - MDI) for eligible Industrial and Non-domestic (Commercial etc.) consumers shall be billed at reduced rate of Rs.125/kVA/month as against existing rate of Rs.250/kVA/month.

4.224 In order to provide above mentioned relief to the eligible consumers, the Commission may issue a separate Order in this regard, which shall be treated as an integral part of this Tariff Order. Consequently, an amount of Rs. 40 Crore which is the provisional in nature shall be reduced from the revenue of the Petitioner.

IMPACT OF POWER PURCHASE ADJUSTMENT CHARGES (PPAC)

4.225 The Commission observed that for Q1-Q4 FY 2019-20, the cumulative unrecovered PPAC for BRPL, BYPL, TPPDDL and NDMC is around Rs.1317 Cr for which the Distribution Licensees have approached the Commission vide Petitions. Certain Expenses out of the said amount may need further detailed scrutiny before considering to be allowed. The same is detailed here under:

With regards to expenses of Maithon Power Ltd., CERC while revising the tariff for the period 2011-14 and determination of tariff for 2014-19 in respect of Maithon Power Ltd. vide Order dated 01/10/2019 included an LD amount of Rs 160 Cr in the capital cost of the said project while refrerring to CERC Order dated 17/07/2019 wherein the matter of LD was detailed out. In the said Order, CERC, based on the submissions of the relevant station, observed that spares worth Rs 84 Cr were provided by BHEL free of cost for the relevant station. CERC further directed to furnish the year wise details of the free spares received at the time of revision of tariff based on truing-up for FY 2014-19. Relevant extracts are as follows:

> *"The Petitioner in its additional submissions dated 15.4.2019 has submitted that the spares worth worth ₹ 84 crore provided by BHEL relates to performance failure during operations period as one time settlement and has no correlation with the LD amount of ₹ 144.50 crore for delay in commissioning the project. It has also stated that no part of spares worth ₹ 84 crore have ever been claimed by Petitioner either under initial spares in capital cost or as additional capitalisation thereafter. We however direct the Petitioner to furnish the year-wise*

details of the free spares received from BHEL at the time of revision of tariff based on truing-up exercise for the period 2014-19 period."

Accordingly, the Commission has provisionally decided not to consider the part sum of Rs. 25 Cr. pertaining to Maithon Power Ltd. raised to TPDDL, as the same is considered to be linked to decision on spares by CERC on a later date.

4.226 Further an amount of Rs. 27.43 Cr. pertaining to NDMC for Q3 and Q4 PPAC claims has not been considered because of gross calculation mistake observed in Q1 PPAC FY 2019-20 computation of NDMC wherein it was observed that PPAC claim of 11.32% of NDMC was drastically reduced to 0.11%. Accordingly, the above said expenses have been reduced from Rs.1317Cr. to arrive at an unrecovered PPAC of around Rs.1264.32 Cr.

(Rs. Cr.)

DISCOM	Total PPAC amount claimed for FY 2019-20	Amount already recovered	Unrecovered Amount
BRPL	759.59	231.76	527.83
BYPL	353.42	165.81	187.60
TPDDL	741.26	167.35	573.91
NDMC	43.60	16.17	27.43
Total unrecovered PPAC			1316.75
Withheld amount of Unrecovered PPAC Claim for NDMC for Q3 & Q4			27.43
Withheld MPL Arrear Bill to TPDDL			25.00
Total (Unrecovered PPAC Claim for DISCOMs)			1264.32

4.227 It is further observed that the above amount has arisen on account of CERC Orders pertaining to PPS-III Bawana, Maithon Power Ltd. and PGCIL. Considering this amount being quite a substantial one and will lead a shock for consumers if billed in one go, the Commission vide its letter dated 6/03/2020 had requested CERC for considering for spreading of the arrear bills for longer duration so as to avoid tariff shock to Delhi Consumers. Though no response from CERC on the said letter was received, however, CERC vide its Order dated 30/07/2020 against spate TPDDL petition taking reference of above-mentioned DERC letter have found TPDDL petition not maintainable and accordingly rejected the same.

4.228 In order to avoid tariff shock to the end consumers because of the above referred unrecovered PPAC amount for which the claimed values of PPAC by Delhi DISCOMs are BRPL (Q3 – 23.91% & Q4 – 19.86%), BYPL (Q3 – 15.10% & Q4 – 8.87%) and TPDDL (Q3 – 39.55% & Q4 – 14.86%), the Commission vide its letter dated 19/08/2020 decided that BRPL, BYPL and TPDDL shall continue to levy the PPAC charged by them in the month of July 2020 (BRPL – 7.94%, BYPL – 7.43% and TPDDL - 7.14%) from date of this letter till the issuance of Tariff Order for FY 2020-21 or till further Orders of the Commission as per provisions of Tariff Regulations, 2017 and Business Plan Regulations, 2019. Accordingly, the Commission decides to allow a portion of it on both sides viz. ARR side (around 80% for BRPL, BYPL &40% for TPDDL for PPAC claims pertaining to Q2, Q3 & Q4 of FY 2019-20 and 100% for Q1 of FY 2019-20) and Revenue side of BRPL, BYPL and TPDDL as follows:

Table 4. 82: PPAC Amount (Rs Cr) considered for FY 2020-21

DISCOM	Quarters	Value	Generation Cost	Transmission Cost	Additional Cost of Power Procurement	% Self-Levied by DISCOMs	Amt. Recovered in Rs. Cr.	Amt. Unrecovered	Amt. Subsumed in the ARR
		%	Rs. Cr.	Rs. Cr.	Rs. Cr.	%	Rs. Cr.	Rs. Cr.	Rs. Cr.
		I	II	III	IV	V	VI	VII	VIII
BRPL	Q1	5.76%	84.65	46.82	131.48	4.50%	102.72	28.76	28.76
	Q2	3.65%				4.50%	-		
	Q3	23.91%	308.03	38.00	346.03	4.50%	65.13	280.91	224.73
	Q4	19.86%	295.08	-13.00	282.08	4.50%	63.91	218.16	174.53
	TOTAL								**428.02**
BYPL	Q1	5.35%	40.77	25.05	65.82	4.50%	55.36	10.46	10.46
	Q2	1.81%			-	4.50%	-		
	Q3	15.10%	142.50	26.89	169.39	4.50%	50.48	118.91	93.98
	Q4	8.87%	145.90	-27.69	118.21	4.50%	59.97	58.24	46.03
	TOTAL								**150.46**
TPDDL	Q2	8.02%	117.67	-0.95	116.72	4.50%	65.49	51.23	51.23
	Q3	39.55%	324.23	137.4	461.63	4.50%	52.52	409.11	157.93
	Q4	14.86%	269.40	-106.5	162.90	4.50%	49.33	113.57	43.84
								TOTAL	**228.00***

*After deducting Rs. 25 Crores pertaining to Maithon Power Ltd.

4.229 In order to realize the above referred revenue from PPAC, the Commission decides to allow the following PPAC (%)in FY 2020-21:

Table 4. 83: Approved PPAC (%)

Particulars	TPDDL		BRPL		BYPL	
	Commission Approved PPAC against power purchase variation during FY 2019-20	Commission Considered PPAC for FY 2020-21 against power purchase variation during FY 2019-20	Commission Approved PPAC against power purchase variation during FY 2019-20	Commission Considered PPAC for FY 2020-21 against power purchase variation during FY 2019-20	Commission Approved PPAC against power purchase variation during FY 2019-20	Commission Considered PPAC for FY 2020-21 against power purchase variation during FY 2019-20
16/08/2020 to 20/08/2020	2.64%	4.50%	0	7.94%	2.925%	4.50%
21/08/2020 to 30/11/2020	2.64%	4.50%	0	7.94%	0	7.43%
Dec 2020 to Jan 2021	0	7.14%	0	7.94%	0	7.43%
Feb 2021 to March 2021	0	7.14%	0	7.94%	0	0

4.230 In view of above, the Commission decides that PPAC levied in the month of July'2020 by BRPL, BYPL and TPDDL which is 7.94%, 7.43% and 7.14% respectively be continued till March 2021 for BRPL & TPDDL and till Jan 2021 for BYPL. The Commission vide letter to BRPL, BYPL and TPDDL dated 19/08/2020 indicated extension of PPAC levied in July 2020 so as to avoid the impact of Carrying Cost to the end consumers. Such extension of provisional PPAC shall help in avoiding burden of tariff shock on consumers and lead to recovery of major portion of above-mentioned unrecovered Power Purchase Cost of Rs. 1265 Cr in a staggered manner. An expected provisional revenue recovery through monthly PPAC considering impact of Revenue @ Existing & Revised Tariff is Rs. 251.79 Cr. which will also depend upon actual billing (Fixed Charges & Energy Charges) during the period. The difference, if any, in actual PPAC & its recovery shall be trued up as per provisions of *DERC (Business Plan) Regulations, 2019* considering the impact of carrying cost.

REVENUE (GAP)/ SURPLUS FOR FY 2020-21

PETITIONER'S SUBMISSION

4.231 The Petitioner has calculated the Revenue Gap for FY 2020-21 as follows:

Table 4. 84:Revenue (Gap) for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Submission
A	Revised Aggregate Revenue requirement	4,737
B	Revenue available for the year	3,585
C	**Revenue (Gap)/ Surplus for the year**	**(1152)**

4.232 Further, the revised Tariff Policy notified by the Central Government under Section 3 of the 2003 Act provides that:

"8.1….

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

CARRYING COST ON REVENUE GAP

4.233 The Hon'ble ATE in Judgment 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. …

i. *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****."*

(Emphasis added)

4.234 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 2018-19 as under:

Table 4. 85:Rate of carrying cost

Sr. No	Particulars	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
1	Rate of Interest	12.69%	12.79%	11.87%	12.26%	14.40%	14.61%	14.58%	14.75%	14.29%	14.05%	14.00%	14.00%
2	Return on Equity	16%	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%	14.00%	14.00%

4.235 Accordingly, the Petitioner has calculated the carrying cost during FY 2020-21 by applying rate of 14%.

4.236 The Petitioner requested the Commission to allow the recovery of carrying cost through separate surcharge instead of allowing the same in revised ARR. Further the Petitioner is facing problems in accounting of revenue realized on account of carrying cost as the entire revenue is first utilized to offset the revised ARR during the year and in case anything is left then only the same will be routed to carrying cost. In such situation there is no carrying cost which is being realized through tariff. Therefore, the carrying cost ought to be recovered through separate surcharge and ought not be clubbed with the tariffs which is actually meant to address the gap estimated for the ensuing year.

4.237 The Petitioner vide letter dated 15.04.2020 requests the Commission to allow moratorium for the bills presented by Delhi Utilities after 24.03.2020 for a period of three months after the due date (i.e., credit period of 60 days) without any levy of LPSC.

4.238 Also, the Petitioner vide letter dated 15.05.2020 submitted that there is a net shortfall of Rs. 500 Cr (after availing rebate) during April & May'2020 as no substantial relief has been granted to the petitioner by the Gencos as well as by Commission except the reduction in LPSC to the extent of 12% in suo moto order dated 07.04.2020. However, the LPSC that would be levied cannot be considered as an intentional delay in making payments to Utilities, which is evident vide BYPL letter dated 15.05.2020. Further, the LPSC during the COVID-19 period may be considered as force majeure event and may be allowed as a pass through in revised ARR.

COMMISSION ANALYSIS

4.239 The Commission has calculated the Revenue Surplus/(Gap) at Existing Tariff for FY 2020-21 as follows:

Table 4. 86:Commission Approved: Revenue (Gap) for FY 2020-21 (Rs. Cr.)

Sr. No.	Particulars	Petitioner's Submission	As approved
A	Aggregate Revenue requirement for the year	4,737	4,182.19
B	Add: PPAC Cost subsumed	-	150.46
C	ARR including PPAC Cost	4,737	4,332.64
D	Revenue available at Existing Tariff	3,585	4,136.76
E	Add: Revenue from levying PPAC throughout the year	-	251.79

Sr. No.	Particulars	Petitioner's Submission	As approved
F	Less: Adjustment in Fixed Cost of Unutilized Capacity of Non-Domestic and Industrial Consumers for the months of April 2020 and May 2020	-	40.00
G	Total Revenue available (D+E-F)	3,585	4,348.55
H	Revenue (Gap)/ Surplus for the year	**(1152)**	15.90

A5: TARIFF DESIGN

COMPONENTS OF TARIFF DESIGN

5.1 The Commission has considered the following components for designing tariff of the Distribution Licensees.

a. Consolidated Revenue (Gap)/Surplus.
b. Cost of service
c. Cross-subsidization in tariff structure

CONSOLIDATED REVENUE (GAP)/SURPLUS

REVENUE (GAP)/SURPLUS TILL FY 2018-19

5.2 The Revenue (Gap)/Surplus upto FY 2018-19 is summarised in the table as follows:

Table 5. 1:Revenue (Gap)/Surplus of BRPL till FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Approved in TO dated 31/07/2019 upto FY 2017-18	FY 2018-19	Remarks
A	Opening Balance of Revenue (Gap) / Surplus	(4,258)	(3,979)	
B	Impact of Past Period True Up	(224)	(135)	
C	Revenue Requirement for the year	8,122	8,733	
D	Revenue realized	8,499	9,125	
E	(Gap) / Surplus for the year	377	391	D-C
F	8% Surcharge for the year	687	721	
G	Net (Gap)/Surplus	1,064	1,113	E+F
H	Rate of Carrying Cost	13.62%	13.32%	
I	Amount of Carrying Cost	(507)	(474)	{A+B+(G)/2}*H
J	Pension Trust Deficit	(53)		
K	Closing Balance of (Gap)/Surplus	**(3,979)**	**(3,475)**	A+B+G+I+J

Table 5. 2: Revenue (Gap)/Surplus of BYPL till FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Approved in TO dated 31/07/2019 upto FY 2017-18	FY 2018-19	Remarks
A	Opening Balance of Revenue (Gap) / Surplus	(2,906)	(2,677)	
B	Impact of Past Period True Up	(133)	(169)	
C	Revenue Requirement for the year	4,329	4,374	
D	Revenue realized	4,664	4,877	

Sr. No.	Particulars	Approved in TO dated 31/07/2019 upto FY 2017-18	FY 2018-19	Remarks
E	(Gap) / Surplus for the year	336	503	
F	8% Surcharge for the year	377	382	
G	Net (Gap)/Surplus	713	885	D+E
H	Rate of Carrying Cost	13.76%	13.77%	
I	Amount of Carrying Cost	(351)	(331)	{A+B+(G)/2}*H
J	Closing Balance of (Gap)/Surplus	(2,677)	(2,292)	A+B+G+I

Table 5. 3: Revenue (Gap)/Surplus of TPDDL till FY 2018-19 (Rs. Cr.)

Sr. No.	Particulars	Approved in TO dated 31/07/2019 upto FY 2017-18	FY 2018-19	Remarks
A	Opening Revenue (Gap) / Surplus	(2,395)	(2,254)	
B	Impact of Prior Period (Since the start of FY)	(168)	(28)	
C	Revenue Requirement for the year	6,161	6,778	
D	Revenue realized	6,391	6,832	
E	(Gap) / Surplus for the year	230	54	D-C
F	8% Surcharge for the year	516	540	
G	Net (Gap)/Surplus	745	594	F+E
H	Rate of Carrying Cost	10.33%	10.13%	
I	Amount of carrying cost	(226)	(201)	{A+B+(G) /2}*H
J	Impact of past period (At the end of FY)	(162)		
K	Pension Trust Deficit	(48)		
L	Closing Balance of (Gap)/Surplus	(2,254)	(1,890)	A+B+G+I +J+K

5.3 The Revenue Gap upto FY 2018-19 as determined by the Commission is indicated as follows:

Table 5. 4: Revenue (Gap)/Surplus of three DISCOMS till FY 2018-19 (Rs. Cr.)

Particulars	Up to FY 2018-19
BYPL	(3,475)
BRPL	(2,292)
TPDDL	(1,890)
Total	(7,657)

REVENUE (GAP)/SURPLUS FOR FY 2020-21 AT REVISED TARIFF

5.4 The summary of revenue billed at revised tariffs considering the marginal impact on reduction in tariff for Mushroom Cultivation category excluding 8% surcharge, for FY 2020-21 is as follows:

Table 5. 5: Revenue at Revised Tariffs of BRPL for FY 2020-21 (Rs. Cr.)

Sr. No.	Category	Fixed Charges	Energy Charges	Total Revenue
A.	Domestic	498	3,419	3,917
B.	Non-Domestic	802	2,309	3,111
C.	Industrial	94	346	440
D.	Agriculture & Mushroom	4	3	8
E.	Public Utilities	71	418	490
F.	DIAL	15	53	69
G.	Advertisement and hoarding	1	1	2
H.	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	0	17	17
I.	Others*	13	170	183
J.	Total	1,499	6,737	8,236
K.	Revenue @ 99.50% Collection Efficiency			8,195

** includes Temporary Supply, Misuse/Theft, Own Consumption*

Table 5. 6: Revenue at Revised Tariffs of BYPL for FY 2020-21 (Rs. Cr.)

Sr. No.	Category	Fixed Charges	Energy Charges	Total Revenue
A.	Domestic	182	1,628	1,810
B.	Non-Domestic	475	1,220	1,695
C.	Industrial	64	245	310
D.	Agriculture & Mushroom	0	0	0
E.	Public Utilities	56	202	258
F.	DIAL	0	0	0
G.	Advertisement and hoarding	0	0	0
H.	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	0	11	11
I.	Others*	4	69	73
J.	Total	782	3,376	4,158
K.	Revenue @ 99.50% Collection Efficiency			4,137

** includes Temporary Supply, Misuse/Theft, Own Consumption*

Table 5. 7: Revenue at Revised Tariffs of TPDDL for FY 2020-21 (Rs. Cr.)

Sr. No.	Category	Fixed Charges	Energy Charges	Total Revenue
A.	Domestic	199	1,831	2,030
B.	Non-Domestic	379	1,085	1,464
C.	Industrial	424	1,610	2,034
D.	Agriculture & Mushroom	5	2	7
E.	Public Utilities	77	321	398
F.	DIAL	0	0	0
G.	Advertisement and hoarding	0	0	1
H.	Charging Stations for E-Richshaw/ E-Vehicle on Single Delivery Point	0	12	12
I.	Others*	13	76	90
J.	Total	1,098	4,939	6,036
K.	Revenue @ 99.50% Collection Efficiency			6,006

** includes Temporary Supply, Misuse/Theft, Own Consumption*

5.5 The Commission has decided to continue with the existing surcharge at 8% on 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 revenue as follows:

Table 5. 8: Revenue from 8% Surcharge for FY 2020-21 (Rs. Cr.)

Particulars	Amount
BRPL	656
BYPL	331
TPDDL	480
Total	1,467

5.6 Summary of ARR, Revenue at revised tariff, net Revenue Gap / Surplus for FY 2020-21 is as follows:

Table 5. 9: ARR, Revenue at revised tariff, net Revenue (Gap)/Surplus for FY 2020-21 (Rs. Cr.)

Particulars	BRPL	BYPL	TPDDL
ARR	8061	4004	6059
Carrying Cost for FY 2020-21	258	178	97
PPAC Cost Subsumed against power purchase during FY 2019-20	428	150	228
Revised ARR	8748	4333	6383
Revenue at Revised Tariff	8195	4137	6006
Revenue from PPAC by continuing levy of July PPAC %age till Mar’21 for BRPL & TPDDL and till Jan’21 for BYPL	637	252	429

Particulars	BRPL	BYPL	TPDDL
FC Reduction for Industrial & Non-Domestic Consumers for April & May 2020	58	40	41
Total Revenue	8774	4349	6395
Revenue (Gap) / Surplus	26	16	12

COST OF SERVICE MODEL

5.7 While determining the revenue requirement, various sectors of services, viz. generation, transmission and the distribution costs contribute to the total cost of service. The relative burden of constituent consumer categories is assessed and on the basis of the cost imposed on the system, it is decided as to how much share is due to which category of consumers. Although, it shall be equitable to have the embedded cost in designing the tariff for different consumer categories, it calls for a detailed database of allocated costs. Such allocations in the determination of embedded cost are done on the basis of following factors:

(a) Voltage of supply;

(b) Power factor;

(c) Load factor;

(d) Time of use of electricity;

(e) Quantity of electricity consumed,

(f) Distribution Loss

(g) Collection Efficiency etc.

5.8 The approach adopted by the Commission for determining the cost of supply for different voltage levels has been described in the following paragraphs.

5.9 The approved ARR of the Wheeling and Retail Supply business is allocated to different voltage levels and the same has been considered along with the energy sales to the respective voltage level to arrive at the per unit Wheeling charge and Retail Supply Charge for that voltage level as per the detailed methodology discussed in following paragraphs.

The Commission has, thereafter, grossed up the energy sales (MU) at the specific voltage level with the respective distribution losses (%) at that level to arrive at the Energy Input

(MU) for that level. Since, the Petitioner has not submitted complete details of voltage wise losses, therefore, the Commission has considered the distribution losses at various voltage levels after prorating this year's overall distribution loss target on last year's overall distribution loss target and the voltage wise distribution losses considered in the Tariff Order dated 31/07/2019. The summary of the voltage wise distribution losses considered by the Commission are as follows:

Table 5. 10: Distribution Loss for FY 2020-21 (%)

Particulars	BRPL	BYPL	TPDDL
Loss above 66 kV level	0.00%	0.00%	0.00%
Loss at 33/66 kV level	1.02%	0.49%	0.78%
Loss at 11 kV level	2.24%	1.83%	2.63%
Loss at LT level	9.53%	9.97%	8.67%

5.10 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 said assignment is in advance stage. The apportionment of sales at different voltage levels has been done in line with the figures considered in the Tariff Order dated 31/07/2019. The summary of Energy Input (MU) for the respective voltage levels are shown as follows:

Table 5. 11: Approved Energy Input for FY 2020-21 (MU)

Particulars	BRPL	BYPL	TPDDL
Input for 66 kV level	-	-	88
Input for 33/66 kV level	347	127	25
Input for 11 kV level	688	468	910
Input for LT level	11,855	6,180	8,008
Total	12,890	6,775	9,030

5.11 The Wheeling ARR for the year has been apportioned in proportion of the energy input at different voltage levels. The wheeling cost allocated to different voltage levels is tabulated as follows:

Table 5. 12: Wheeling cost for different voltages for FY 2020-21 (Rs. Cr.)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level	-	-	9
At 33/66 kV level	33	16	2
At 11 kV level	66	58	89
At LT level	1129	761	786
Total	1228	835	886

5.12 Based on the energy sales at the respective voltage levels the Commission has determined Wheeling Charge per unit for different voltages for FY 2020-21 as follows:

Table 5. 13: Wheeling Charges for FY 2020-21 (Rs/Unit)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level			0.98
At 33/66 kV level	0.96	1.24	0.99
At 11 kV level	0.97	1.26	1.01
At LT level	1.04	1.36	1.07
Average	1.04	1.35	1.07

ALLOCATION OF RETAIL SUPPLY ARR

5.13 The Commission has allocated the Retail Supply ARR in the ratio of energy input determined above for different voltage levels. The Commission has thereafter, determined the Retail Supply charge for a particular voltage level by considering energy sales at that voltage level. The summary of Retail supply ARR Allocation to different voltage levels for FY 2020-21 is given as follows:

Table 5. 14: Retail Supply cost for different voltages for FY 2020-21 (Rs. Cr.)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level	-	-	51
At 33/66 kV level	191	63	14
At 11 kV level	379	231	531
At LT level	6522	3053	4672
Total	7092	3347	5269

5.14 Based on the energy sales at the respective voltage levels, the Commission has determined retail supply charges per unit for different voltages for FY 2020-21 as follows:

Table 5. 15: Retail Supply Charges at different voltages for FY 2020-21 (Rs/Unit)

Particulars	BRPL	BYPL	TPDDL
Above 66 kV level	-	-	5.83
At 33/66 kV level	5.56	4.97	5.88
At 11 kV level	5.63	5.03	5.99
At LT level	6.02	5.47	6.38
Average	5.99	5.43	6.34

5.15 The cost of supply determined by the Commission for the different voltage levels is shown as follows:

Table 5. 16: Cost of Supply for BRPL (Rs. /Unit)

Particulars	Wheeling	Retail Supply	Total
Above 66 kV level	-	-	-
At 33/66 kV level	0.96	5.56	6.52
At 11 kV level	0.97	5.63	6.60
At LT level	1.04	6.02	7.07
Average	1.04	5.99	7.02

Table 5. 17: Cost of Supply for BYPL (Rs./Unit)

Particulars	Wheeling	Retail Supply	Total
Above 66 kV level	-	-	-
At 33/66 kV level	1.24	4.97	6.20
At 11 kV level	1.26	5.03	6.29
At LT level	1.36	5.47	6.84
Average	1.35	5.43	6.78

Table 5. 18: Cost of Supply for TPDDL (Rs. /Unit)

Particulars	Wheeling	Retail Supply	Total
Above 66 kV level	0.98	5.83	6.82
At 33/66 kV level	0.99	5.88	6.87
At 11 kV level	1.01	5.99	7.00
At LT level	1.07	6.38	7.46
Average	1.07	6.34	7.40

CROSS-SUBSIDISATION IN TARIFF STRUCTURE

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

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

"8.3 Tariff design: Linkage of tariffs to cost of service

It has been widely recognised that rational and economic pricing of electricity can be one of the major tools for energy conservation and sustainable use of ground water resources.

In terms of the Section 61(g) of the Act, the Appropriate Commission shall be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity. The State Governments can give subsidy to the extent they consider appropriate as per the provisions of section 65 of the Act. Direct subsidy is a better way to support the poorer categories of consumers than the mechanism of cross subsidizing the tariff across the board. Subsidies should be targeted effectively and in transparent manner. As a substitute of cross subsidies, the State Government has the option of raising resources through mechanism of electricity duty and giving direct subsidies to only needy consumers. This is a better way of targeting subsidies effectively.

Accordingly, the following principles would be adopted:

1. Consumers below poverty line who consume below a specified level, as prescribed in the National Electricity Policy may receive a special support through cross subsidy. Tariffs for such designated group of consumers will be at least 50% of the average cost of supply.

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

3. While fixing tariff for agricultural use, the imperatives of the need of using ground water resources in a sustainable manner would also need to be kept in mind in addition to the average cost of supply. Tariff for agricultural use may be set at different levels for different parts of a state depending on the condition of the ground water table to prevent excessive depletion of ground water. Section 62 (3) of the Act provides that geographical position of any area could be one of the criteria for tariff differentiation. A higher level of subsidy could be considered to support poorer farmers of the region where adverse ground water table condition requires larger quantity of electricity for irrigation purposes subject to suitable restrictions to ensure maintenance of ground water levels and sustainable ground water usage.

4. Extent of subsidy for different categories of consumers can be decided by the State Government keeping in view various relevant aspects. But provision of free electricity is not desirable as it encourages wasteful consumption of electricity. Besides in most cases, lowering of water table in turn creating avoidable problem of water shortage for irrigation and drinking water for later generations. It is also likely to lead to rapid rise in demand of electricity putting severe strain on the distribution network thus adversely affecting the quality of supply of power. Therefore, it is necessary that reasonable level of user charges is levied. The subsidized rates of electricity should be permitted only up to a pre-identified level of consumption beyond which tariffs reflecting efficient cost of service should be charged from consumers. If the State Government wants to reimburse even part of this cost of electricity to poor category of consumers the amount can be paid in cash or any other suitable way. Use of prepaid meters can also facilitate this transfer of subsidy to such consumers.

5. Metering of supply to agricultural/rural consumers can be achieved in a consumer friendly way and in effective manner by management of local distribution in rural areas through commercial arrangement with franchisees with involvement of panchayat institutions, user associations, cooperative societies etc. Use of smart *meters may be encouraged as a cost effective option for metering in cases of "limited use consumers" who are eligible for subsidized electricity.*

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.

5.18 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.

5.19 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.

5.20 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 2020-21 is indicated in the table as follows:

Table 5. 19: Ratio of ABR to ACOS of BRPL approved for FY 2020-21

Sr. No.	Category	ACoS	ABR at Revised Tariff	ABR at Revised Tariff to ACoS (%)
A.	Domestic	7.02	5.10	73%
B.	Non- Domestic	7.02	11.33	161%
C.	Industrial	7.02	9.85	140%
D.	Agriculture	7.02	3.61	51%
E.	Public Utilities	7.02	7.32	104%
F.	DIAL	7.02	9.58	136%
G.	E-Vehicle Charging Stations	7.02	4.50	64%

Table 5. 20: Ratio of ABR to ACOS of BYPL approved for FY 2020-21

Sr. No.	Category	ACoS	ABR at Revised Tariff	ABR at Revised Tariff to ACoS (%)
A.	Domestic	6.78	4.58	68%

Sr. No.	Category	ACoS	ABR at Revised Tariff	ABR at Revised Tariff to ACoS (%)
B.	Non- Domestic	6.78	11.43	169%
C.	Industrial	6.78	9.78	144%
D.	Agriculture	6.78	3.76	55%
E.	Public Utilities	6.78	7.98	118%
F.	DIAL	6.78	-	-
G.	E-Vehicle Charging Stations	6.78	4.50	66%

Table 5. 21: Ratio of ABR to ACOS of TPDDL approved for FY 2020-21

Sr. No.	Category	ACoS	ABR at Revised Tariff	ABR at Revised Tariff to ACoS (%)
A.	Domestic	7.40	4.73	64%
B.	Non- Domestic	7.40	11.24	152%
C.	Industrial	7.40	9.79	132%
D.	Agriculture	7.40	4.86	66%
E.	Public Utilities	7.40	7.75	105%
F.	DIAL	7.40	-	-
G.	E-Vehicle Charging Stations	7.40	4.50	61%

TARIFF STRUCTURE

DOMESTIC TARIFF

5.21 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.

5.22 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.

5.23 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.

5.24 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

5.25 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

5.26 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.

5.27 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

5.28 Agriculture & Mushroom cultivation category has been demerged.

5.29 The Consumers having sanctioned load up to 20 kW for tube wells for irrigation, threshing and kutti-cutting in conjunction with pumping load for irrigation purposes and lighting load for bonafide use in Kothra are under Agriculture Category.

MUSHROOM CULTIVATION

5.30 This category is applicable to consumers who are engaged in mushroom cultivation and processing having sanctioned load upto 100kW.

PUBLIC UTILITIES

5.31 Following categories are covered under Public Utilities which provide public services:

a. DELHI JAL BOARD: Available to DJB for pumping load & Water Treatment Plants.

b. RAILWAY TRACTION: Available for Indian Railways for Traction load.

c. DELHI METRO RAIL CORPORATION :Available to Delhi Metro Rail Corporation (DMRC) for traction load

d. PUBLIC LIGHTING: Street lighting, Signals & Blinkers

- All street lighting consumers including MCD, DDA, PWD/CPWD, Slums depts./ DSIIDC /MES / GHS etc.
- Traffic signals and blinkers of Traffic Police

- Unmetered Public Lighting shall be charged Energy Charge Rate at 1.10 times of applicable Tariff.

DELHI INTERNATIONAL AIRPORT LIMITED (DIAL)

5.32 The Commission has decided to give DIAL a tariff which shall be higher than that of Public Utilities as it is providing essential services to all consumers including the lowest strata of the society but lesser than that of Non Domestic consumers. The commercial load at DIAL premises shall be metered and billed separately as per the relevant tariff category.

ADVERTISEMENT AND HOARDINGS

5.33 The Commission, in its Tariff Order dated July 31, 2013 had created a separate category to cover the consumption for the advertisements and Hoardings. This category will be applicable for supply of electricity for lighting external advertisements, external hoardings and displays at departments stores, malls, multiplexes, theatres, clubs, hotels, bus shelters, Railway/Metro Stations, Airport and shall be separately metered and charged at the tariff applicable for "Advertisements and Hoardings‟ category, except such displays which are for the purpose of indicating/displaying the name and other details of the shop, commercial premises itself. Such use of electricity shall be covered under the prevailing tariff for such shops or commercial premises.

TEMPORARY SUPPLY

5.34 The Commission does not propose any major change in the existing tariff methodology for temporary supply as mentioned in the Tariff Schedule.

CHARGING OF E-RICKSHAW/ E-VEHICLE

5.35 The Commission does not propose any major change in the existing tariff methodology for Charging of E-Rickshaw/ E-Vehicle as mentioned in the Tariff Schedule.

a. Charging Stations for E-Rickshaw/ E-Vehicle on Single Point Delivery: Available to charging stations as per the provisions of DERC (Supply Code and Performance

Standards) Regulations, 2017.

b. Tariff applicable for charging of batteries of E-Rickshaw / E-Vehicle at premises other than at Charging Stations meant for the purpose shall be the same as applicable for the relevant category of connection at such premises from which the E-Rickshaw / E-Vehicle is being charged.

5.36 Tariff for charging stations for E-Rickshaw/E-vehicle on single point delivery as notified in this Tariff Schedule shall be applicable for charging of batteries at swapping facilities provided that such swapping facilities are exclusively used for swapping of batteries of E-Rickshaw/E-Vehicle only. A separate electricity connection shall be taken by the applicant for other associated purposes such as office of EV Charging station, public amenities, consumption of other equipment etc. The applicant shall ensure the separate metering arrangement for such purposes. Tariff as applicable to Non-Domestic category shall be applicable to the same.

VOLTAGE DISCOUNT

5.37 The Commission has promoted voltage linked tariff, irrespective of load of the consumer, the tariff for consumption at higher voltages will be entitled to voltage discount, which will encourage consumers to opt for HT connections particularly for higher loads.

5.38 The consumers availing supply on 11 kV, 33 kV/66 kV and 220 kV will be entitled for rebate of 3%, 4% and 5% respectively on the applicable energy charges.

TIME OF DAY (TOD) TARIFF

5.39 It is observed that the cost of power purchase during peak hours is quite high. Time of Day (ToD) tariff is an important Demand Side management (DSM) measure to flatten the load curve and avoid such high cost peaking power purchases. Accordingly, the Commission had introduced Time of Day (ToD) tariff wherein peak hour consumption is charged at higher rates which reflect the higher cost of power purchase during peak hours. At the same time, a rebate is being offered on consumption during off-peak hours. This is also meant to incentivise consumers to shift a portion of their loads from peak time to off-peak time, thereby improving the system load factor and flatten the load curve. The ToD tariff is aimed at optimizing the cost of power purchase, which constitutes over 80% of the tariff charged from the consumers. It also assumes importance in the context of propagating and implementing DSM and achieving energy efficiency. This is important in Delhi situation where wide variations in load especially in summer causes problem of shortages during Peak hours and surplus during Off peak hours.

5.40 Introduction of higher peak hour tariff would initially generate additional revenue which would compensate for the reduction in revenue on account of lower tariff during off-peak hours.

5.41 In the long run, this would provide signals to the consumers to reduce load during peak hours and, wherever possible, shift this consumption to off-peak hours. Any loss of revenue to the utility on account of shifting of load from peak to off-peak hours in the long run would by and large get compensated by way of reduction of off-peak surplus to the extent of increase in off-peak demand.

5.42 The ToD Tariff would thus have immediate as well as long term benefits for both, consumers as well as the utility and contribute towards controlling the rise in power purchase costs.

5.43 The Commission in its MYT Order for second Control Period dated July 13, 2012 had decided to introduce ToD Tariff on a pilot basis for large industrial and non domestic consumers (300 kW and above). This was targeted to the consumer segment which has capacity to bear a higher burden for peak hour consumption and also at least partly (if not fully) offset the impact of this increase through higher off-peak consumption at lower rates. The Commission, as a progressive step in this direction and to further encourage demand shift from peak hours to off-peak hours, had decided to lower the applicability limit for ToD Tariff.

5.44 In the Tariff order dated July 31, 2013, the Time of Day (ToD) Tariff# - ToD Tariff was made applicable on all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) is 100kW / 108 kVA and above.

5.45 In the Tariff order dated July 23, 2014, the Time of Day (ToD) Tariff# - ToD Tariff was made applicable on all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) is 50kW / 54 kVA and above. Also Optional TOD tariff was made available for all consumers (other than domestic) whose sanctioned load/MDI (whichever is higher) was between 25kW/27kVA to 50kW/54kVA.

5.46 In the Tariff Order dated March 28, 2018, the Commission decided the Time of Day (ToD) Tariff as follows:

a. ToD tariff shall be applicable on all consumers (other than Domestic) whose sanctioned load/MDI (whichever is higher) is 10kW/11kVA and above.
b. Optional for all other three phase (3ø) connections including Domestic connections. If the consumer who has opted for ToD, the charges for up-gradation of meters, if any, shall be borne by respective consumers.
c. The Commission retained the Rebate during the Off Peak hours and Peak hours Surcharge at 20%. Optional ToD Consumers have the option to move back to non-ToD regime only once within one Financial Year.
d. For other than Peak and Off-Peak hours normal Energy Charges shall be applicable.

5.47 The Commission in Tariff Order dated 31/07/2019 continued with the TOD Tariff as specified in Tarff Order dated 28/03/2018. In this Tariff Order also, the Commission has decided to retain existing TOD Tariff. However, the Commission has waived off existing provision of 20% Surcharge under ToD Tariff for September 2020 in order to facilitate Non-Domestic, Industrial, Public Utilities and Domestic Consumers (optional) etc. in this COVID-19 situation.

TARIFF SCHEDULE FOR FY 2020-21

Sr. No.	CATEGORY	FIXED CHARGES	ENERGY CHARGES				
1	DOMESTIC						
1.1	**INDIVIDUAL CONNECTIONS**		**0-200 Units**	**201-400 Units**	**401-800 Units**	**801-1200 Units**	**>1200 Units**
A	Upto 2 kW	20 Rs./kW/month	3.00 Rs./kWh	4.50 Rs./kWh	6.50 Rs./kWh	7.00 Rs./kWh	8.00 Rs./kWh
B	> 2kW and ≤ 5 kW	50 Rs./kW/month					
C	> 5kW and ≤ 15 kW	100 Rs./kW/month					
D	>15kW and ≤ 25 kW	200 Rs./kW/month					
E	> 25kW	250 Rs./kW/month					
1.2	**Single Point Delivery Supply for GHS**	150 Rs./kW/month	4.50 Rs./kWh				
2	**NON-DOMESTIC**						
2.1	Upto 3kVA	250 Rs./kVA/month	6.00 Rs./kVAh				
2.2	Above 3kVA	250 Rs./kVA/month	8.50 Rs./kVAh				
3	**INDUSTRIAL**	250 Rs./kVA/month	7.75 Rs./kVAh				
4	**AGRICULTURE**	125 Rs./kW/month	1.50 Rs./kWh				
5	**MUSHROOM CULTIVATION**	200 Rs./kW/month	3.50 Rs./kWh				
6	**PUBLIC UTILITIES**	250 Rs./kVA/month	6.25 Rs./kVAh				
7	**DELHI INTERNATIONAL AIRPORT LTD. (DIAL)**	250 Rs./kVA/month	7.75 Rs./kVAh				
8	**ADVERTISEMENT & HOARDINGS**	250 Rs./kVA/month	8.50 Rs./kVAh				
9	**TEMPORARY SUPPLY**						
9.1	Domestic Connections including Group Housing Societies	Same rate as that of relevant category	Same as that of relevant category without any temporary surcharge				
9.2	For threshers during the threshing season	Electricity Tax of MCD : Rs. 270 per connection per month	Flat rate of Rs. 5,400 per month				
9.3	All other connections including construction projects	Same rate as that of the relevant category	1.30 times of the relevant category of tariff				
10	**CHARGING STATIONS FOR E-RICKSHAW/E-VEHICLE ON SINGLE POINT DELIVERY / SWAPPING OF BATTERIES**						
10.1	Supply at LT	-	4.50 Rs./kWh				
10.2	Supply at HT	-	4.00 Rs./kVAh				

Notes:

1. For domestic category of consumers, fixed charges shall be levied on sanctioned load or the contract demand as the case may be.
2. For all categories other than domestic, fixed charges are to be levied based on billing demand per kW/kVA 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 (Surcharge shall not be applicable for September 2020)**

   e. ToD tariff shall be applicable on all consumers (other than Domestic) whose sanctioned load/MDI (whichever is higher) is10kW/11kVA and above.

   f. Optional for all other three phase (3ø) connections including Domestic connections. If the consumer who has opted for ToD, the charges for up-gradation of meters, if any, shall be borne by respective consumers.

   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)	SURCHARGEON ENERGYCHARGES	OFF-PEAK HOURS (HRS)	REBATEONENERGYCHARGES
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) 5% 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 traction. Any other category of consumers not specified/covered in any other category in this Schedule.

3. **INDUSTRIAL**

Available to Industrial consumers & Hospitals (other than that covered in Domestic Category) including lighting, heating and cooling load.

4. **AGRICULTURE**

Available for load up to 20 kW for tube wells for irrigation, threshing, cultivation and kutti-cutting in conjunction with pumping load for irrigation purposes and lighting load for bonafide use in Kothra.

5. **MUSHROOM CULTIVATION**

Available for load upto 100 kW for mushroom growing/cultivation.

6. **PUBLIC UTILITIES**
   a. **DELHI JAL BOARD**: Available to DJB for pumping load & Water Treatment Plants.
   b. **RAILWAY TRACTION**: Available for Indian Railways for Traction load.
   c. **DELHI METRO RAIL CORPORATION**: Available to Delhi Metro Rail Corporation (DMRC) for traction load
   d. **PUBLIC LIGHTING**: Street lighting, Signals & Blinkers
   - All street lighting consumers including MCD, DDA, PWD, CPWD, Slums depts., DSIIDC, MES, GHS etc.
   - Traffic signals and blinkers of Traffic Police
   - Unmetered Public Lighting shall be charged Energy Charge Rate at 1.10 times of applicable Tariff.
7. **DELHI INTERNATIONAL AIRPORT LIMITED: Available to DIAL for Aviation activities.**

8. **ADVERTISEMENT & HOARDINGS**: Electricity for lighting external advertisements, external hoardings and displays at departmental stores, malls, multiplexes, theatres, clubs, hotels, bus shelters, Railway/Metro Stations, airport which shall be separately metered and charged at the tariff applicable for *"Advertisements and Hoardings"* category, except such displays which are for the purpose of indicating/displaying the name and other details of the shop, commercial premises itself. Such use of electricity shall be covered under the prevailing tariff for such shops or commercial premises.

9. **TEMPORARY SUPPLY**
   a. Available as temporary connection under the respective category
   b. Domestic tariff without temporary surcharge shall be applicable for Religious functions of traditional and established characters like Ramlila, Dussehra, Diwali, Holi, Dandiya, Janmashtami, Nirankari Sant Samagam, Gurupurb, Durga Puja, Eid, Christmas celebrations, Easter, Pageants and cultural activities like NCC camps, scouts & guides camps etc.

10. **CHARGING OF E-RICKSHAW/ E-VEHICLE/ SWAPPING OF BATTERIES**
   c. Charging Stations for E-Rickshaw/ E-Vehicle on Single Point Delivery: Available to charging

stations as per the provisions of DERC (Supply Code and Performance Standards) Regulations, 2017.

d. Tariff applicable for charging of batteries of E-Rickshaw / E-Vehicle at premises other than at Charging Stations meant for the purpose shall be the same as applicable for the relevant category of connection at such premises from which the E-Rickshaw / E-Vehicle is being charged.

e. Tariff for charging stations for E-Rickshaw/E-vehicle on single point delivery as notified in this Tariff Schedule shall be applicable for charging of batteries at swapping facilities provided that such swapping facilities are exclusively used for swapping of batteries of E-Rickshaw/E-Vehicle only. A separate electricity connection shall be taken by the applicant for other associated purposes such as office of EV Charging station, public amenities, consumption of other equipment etc. The applicant shall ensure the separate metering arrangement for such purposes. Tariff as applicable to Non-Domestic category shall be applicable to the same.

INTERPRETATION/CLARIFICATION

In case of doubt or anomaly, if any, in the applicability of tariff or in any other respect, the matter will be referred to the Commission and Commission's decision thereon shall be final and binding.

A6: DIRECTIVES

6.1 The Commission directs the Petitioner to make timely payment of bills to all the Generating Companies and Transmission Utilities. No Late Payment Surcharge shall be allowed as a pass through in the ARR on account of delayed payments.

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

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

6.3 The Commission directs the Pension Trust to intimate the total amount collected through Pension Trust surcharge on quarterly basis by 15th day of end of each quarter.

6.4 If the Petitioner purchases any expensive power to meet the demand during any time zone for which cheaper power has been regulated due to non-payment of dues, in such an eventuality, the cost of such expensive power purchases shall be restricted to the variable cost of regulated cheaper power to that extent at the time of true up.

6.5 In case the power is regulated by DTL/Interstate Transmission Licensee due to non-payment of their dues, in such case the transmission charges borne by the Petitioner shall also not be allowed.

6.6 The Commission vide its letter No. F.17(47)/Engg./DERC/2009-10/CF No. 2147/2956 dated 21.10.2009 has directed the Petitioner to ensure availability of power supply for meeting the demand. The Petitioner shall ensure that the electricity which could not be served due to any reason what-so-ever, shall not exceed 1% of the total energy supplied in units (kWh) in any particular month except in the case of force-majeure events which are beyond the control of the Petitioner as per the provisions of above referred letter dated 21.10.2009.

6.7 It is directed that the Petitioner shall not accept payment from its consumers at its own collection centres/mobile vans in cash towards electricity bill exceeding Rs 4,000/- except from blind consumers and for court settlement cases or any other cases specifically permitted by the Commission. The limit for accepting payment through cash by the consumers at designated scheduled commercial bank branches shall be Rs. 50,000/-. Violation of this directive shall attract penalty to the level of 10% of total Cash collection exceeding these limits.

6.8 The Commission directs the Petitioner to restrict the adjustment in units billed on account of delay in meter reading, raising of long duration provisional bills etc. to a maximum of 1% of total units billed. The adjustment in units billed shall be considered on a yearly basis. Further, the adjustment of Contra Entry, adjustment for Open Access consumers and adjustment on account of Provisional Billing related to period till two (2) months shall not be form the part of adjustment in units billed. Further, also the real adjustments/other adjustments shall be considered without sign change i.e. such adjustments either resulting into increase in revenue billed or decreased into revenue billed shall be considered on gross basis rather than net basis.

6.9 The Commission directs the Petitioner to 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:

a. To provide the information to the consumer through SMS on various items such as scheduled power outages, unscheduled power outages, Bill Amount, Due date and Maximum Demand during the month, etc. as directed by the Commission from time to time.

b. To maintain toll free number for registration of electricity grievances and to submit the quarterly report.

c. To conduct a safety audit and submit a compliance report within three months of the Tariff Order;

d. To carry out preventive maintenance as per schedule;

e. To submit the information in respect of Form 2.1 (a) as per revised format issued by the Commission to the utilities on monthly basis latest by 21st day of the following month;

f. To submit the annual energy audit report in respect of their network at HT level and above.

g. To submit 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

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

F.11(1734)/DERC/2019-20/

Petition No. 02/2020

In the matter of: Petition for ARR for FY 2020-21and Truing up of ARR for FY 2018-19.

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

Coram:
Hon'ble Mr. Justice S S Chauhan, Chairperson
Hon'ble Sh. A.K. Singhal, Member
Hon'ble Dr. A. K.Ambasht, Member

Appearance:

1. Mr. Buddy A. Rangandhan, Adv.
2. Mr. Hasan Murtaza, Adv.

INTERIM ORDER
(Date of Hearing: 18.02.2020)
(Date of Order: 20.02.2020)

1. The Counsel for the Petitioner states that the Petitioner has filed two petitions, one for ARR for Financial Year 2020-21 and another for True-up of ARR for Financial Year 2018-19. However, as exercise of determination of tariff and true-up are taken up simultaneously, the two petitions may be treated as one and the same may be admitted.

2. The request of the Petitioner is allowed and accordingly, the petition is admitted. The Petitioner shall furnish clarifications/ additional information, if and when required by the Commission.

(A.K. Ambasht) Member	(A.K. Singhal) Member	(Justice S S Chauhan) Chairperson

Annexure – II

LIST OF RESPONSES RECEIVED FROM STAKEHOLDERS ON TRUE UP OF FY 2018-19 AND ARR FOR FY 2020-21

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
1.	1	Sh. Rajesh Aggarwal Gen. Secretary	Shahdara Residents Welfare Association 348, fresh Bazar, Shahdara, Delhi 110 032	RWA	DISCOMs	11.03.2020
2.	2	Dayaram Devedi Vice President	262, Katra Pyare Lal Chandni Chowk, Delhi 110 006	Association	DISCOMs	11.03.2020
3.	3	Sh. V.K. Malhotra General Secretary	DVB Engineers' Association D-3, Vikas Puri, New Delhi 110 018	Association	DISCOMs	12.03.2020
	3A	Sh. V.K. Malhotra General Secretary	DVB Engineers' Association D-3, Vikas Puri, New Delhi 110 018	Association	PPCL	16.03.2020
4.	4	Sh. Harbans Sharma	287, Kucha Ghasi Ram Fatehpuri Chandni Chowk Delhi 110 006	Association	DISCOMs	12.03.2020
5.	5	Sh. Shiv Sharma	D-8/155 Brij Puri, Delhi 110 094	RWA	DISCOMs	13.03.2020
6.	6	Sh. Balkishan Gupta President	1449/22, Gali No. 9, Durgapuri, Shahdara, Delhi 110 093	RWA	DISCOMs	12.03.2020
7.	7	Sh. Ranjeet Singh Luheera President	527 B, School Block, Shakarpur, Delhi 110 092	NGO	DISCOMs	12.03.2020
8.	8	Sh. Jai Pal Singh Verma President	S-305, School Block, Shakarpur, Delhi 110 092	RWA	DISCOMS	12.03.2020
9.	9	Sh. D.K. Bhandari President	Awasiya Kalyan Samiti (Regd.) Pocket J &K , Dilshad Garden, Delhi 110 095	NGO	DISCOMs	12.03.2020
10.	10	Sh. Rajbir Singh	Glat No. 8, 2nd Floor, Rama Apartment, C-54, Panchsheel Vihar, Malviya Nagar, New Delhi 110 017 Rsjayanth01@gmail.com	Domestic	DISCOMs	13.03.2020
11.	11	Sh. S.B. Kuchhal Legal Advisor	Kothi No. 1, Road No. 33 East Punjabi Bagh New Delhi 110 026	Commercial	DISCOMs	16.03.2020
12.	12	Ms. Renu Pal	Resident Welfare Association (Regd.)	RWA	DISCOMs	16.03.2020

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
		President	Pocket B-3, Mayur Vihar Phase-III, Delhi 110 096			
13.	13	Sh. S.R. Abrol	L-2, 91B, DDA, LIG, Kalkaji New Delhi	Domestic	DISCOMs	16.03.2020
14.	14	Sh. Bhopal Singh President	Resident Welfare Association, H-16/830, Bapa Nagar, Payare Lal Marg, Karol Bagh, New Delhi 110 005 jatavbhopalsingh@gmail.com	RWA	DISCOMs	16.03.2020
15.	15	Sh. Rohit Arora President	Gyan Park Welfare Society 17A, Gyan Park, Chander Nagar, Kishna Nagar, Delhi 110 051	RWA	DISCOMs	16.03.2020
16.	16	Sh. Deepak Tuli	Prasad nagar, Karol Bagh, New Delhi 110 005	RWA	DISCOMs	16.03.2020
17.	17	Sh. Kuldeep Kumar General Secretary	Delhi State Electrictiy Workers Union(DSEWU) 7/6, Yamuna Vihar, Delhi 110 053 kuldeepsewunion@gmail.com	Association	DISCOMs	17.03.2020
	17A	Sh. Kuldeep Kumar General Secretary	Delhi State Electrictiy Workers Union(DSEWU) 7/6, Yamuna Vihar, Delhi 110 053 kuldeepsewunion@gmail.com	Association	PPCL	19.03.2020
18.	18	Sh. S.K. Sharma General Manager (C&RA)	Delhi Transco Limited Shakti Sadan, Kotla Road, New Delhi 110 002	Govt.	BRPL	18.03.2020
	18A	Sh. S.K. Sharma General Manager (C&RA)	Delhi Transco Limited Shakti Sadan, Kotla Road, New Delhi 110 002	Govt.	BYPL	18.03.2020
	18B	Sh. S.K. Sharma General Manager (C&RA)	Delhi Transco Limited Shakti Sadan, Kotla Road, New Delhi 110 002	Govt.	TPDDL	18.03.2020
	18C	Sh. S.K. Sharma General Manager (C&RA)	Delhi Transco Limited Shakti Sadan, Kotla Road, New Delhi 110 002	Govt.	NDMC	18.03.2020
	18D	Sh. S.K. Sharma	Delhi Transco Limited	Govt.	BRPL	29.06.2020

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
		General Manager (C&RA)	Shakti Sadan, Kotla Road, New Delhi 110 002			
	18E	Sh. S.K. Sharma General Manager (C&RA)	Delhi Transco Limited Shakti Sadan, Kotla Road, New Delhi 110 002	Govt.	BYPL	29.06.2020
	18F	Sh. S.K. Sharma General Manager (C&RA)	Delhi Transco Limited Shakti Sadan, Kotla Road, New Delhi 110 002	Govt.	TPDDL	29.06.2020
	18G	Sh. S.K. Sharma General Manager (C&RA)	Delhi Transco Limited Shakti Sadan, Kotla Road, New Delhi 110 002	Govt.	NDMC	29.06.2020
19.	19 19A	Sh. A.K. Rampal	F-26/114, Sector, 7, Rohini, Delhi 110 005 anuprampal@gmail.com	Domestic	IPGCL and PPCL DISCOMs	17.03.2020 19.06.2020
20	20	Sh. Mohinder Pal	pal458395@gmail.com	Domestic	DISCOMs	18.03.2020
21	21	Sh. Saurabh Gandhi Gen. Secretary	United Residents of Delhi C-6/7 Rana Pratap Bagh, Delhi 110 007	RWA	DISCOMs	16.03.2020
22	22	Sh. Kuwar Pratap Singh Secretary	Bhajanpura Jan Sahiyog, (regd.) D-408, Street No. 9, D, Bhajanpura, Delhi 110 053	Domestic	DISCOMs	11.03.2020
23	23 23A	Sh. B.S. Sachdev President Sh. B.S. Sachdev President	Elederly Peoples Forum Varishth Nagrik Manoranjan Kendra, Ist Floor, C-4 Block, Keshav Puram, Delhi 110 035	RWA	DISCOMs	20.03.2020 20.03.2020
24	24	Sh. Ishwar Dutt	B-120, Vijay Park, Maujpur, New Delhi 110 053	Domestic	DISCOMs	20.03.2020
25.	25	Sh. Satish Das	H.No. 90, Panna Mojan, Bawana, New Delhi 110 039	Domestic	TPDDL	20.03.2020
26	26	Er. CV Vishwanathan	99, Arjun Apartments Sector 13, Dwarka Delhi 110 075	Domestic	DISCOMs	20.03.2020

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
27	27	Sh. Virat Gandhi	Rang Rasayan Apartments 13, Rajapur, Pocket 7, Sector, 13, Rohini, Delhi 110 05	Domestic	TPDDL	20.03.2020
28	28	Sh. Vipin Gupta	A-17, Antriksh Apartments, New Town Co-op. Group Housing Society Ltd. Sector, 14-Ext. Rohini, Delhi 110085 Vipin.bfi@gmail.com	Domestic	DISCOMs	
29	29	Sh. A.K. Datta	222, Pocket E, Mayur Vihar, Phase-II Delhi 110 091	Domestic	BYPL	
30.	30	Sh. Saurabh Gandhi General Secretary	United Resident of Delhi urdrwas@gmail.com	RWA	BYPL	22.06.2020
31	31	Sh. B.B. Tewari Social Intraprenuer	urdrwas@gmail.com	RWA	BYPL	22.06.2020
32	32	Sh. Ram Lal Tiwari	House No. 581, Main Narela Road, Alipur, Delhi 110 036	Domestic	DISCOMs	20.03.2020
33	33	Sh. Rakesh Chauhan	Chauhan.rakesh70111@gmail.com	Domestic	TPDDL	24.06.2020
34	34	Sh. Saurabh Srivastava Regulatory affairs	Indian Energy Exchange Limited Unit. 3,4,5 &6 Fourth Floor, TDI Centre, Plot No. 7 Jasola District Centre, New Delhi 110 025 Saurabh.Srivastava@iexindia.com	Industrial/ Commercial	DISCOMs	26.05.2020
35.	35	Sh. Lalita Kumar	Lalitakumar69@dtu.ac.in	Domestic	DISCOMs	24.06.2020
36.	36	PK Enterprises	Pk.enterprises76@gmail.com	-	TPDDL	24.06.2020
37	37	Sh. Arvind Duhoon	Arvind.duhoon@gmail.com	Domestic	TPDDL	24.06.2020
38	38	Ms. Preeti Sarna	sarnapreety@gmail.com	Domestic	DISCOMs	25.06.2020
39.	39	Sh. Rajesh Sood, President Vijay Niketan, RWA	Resident of Welfare Association H-89, DDA LIG Flats, Naraina Vihar, New Delhi 110 028	RWA	DISCOMs	25.06.2020
40.	40.	Sh. Arvind K. Jain	SHRI SAI BABA CO-OPERATIVE GROUP HOUSING SOCIETY LTD. PLOT No. 4, SECTOR-9, ROHINI, DELHI-110085	RWA	DISCOMs	25.06.2020
41.	41.	Sh. Sukh preet	sukhpreetsir@gmail.com	Domestic	DISCOMs	25.06.2020
42.	42.	Ms. Maneela bhugra	Maneela.bhugra@gmail.com	Domestic	TPDDL	25.06.2020

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
43.	43.	Sh. Naresh Kumar	Maresh.mkuan@gmail.com	Domestic	DISCOMs	25.06.2020
44.	44.	Ms. Vandana Thakur	Vandana.thakur34@gmail.com	Domestic	DISCOMs DTL	25.06.2020
45.	45.	Sh. Rajan Gupta	Rajang2442@gmail.com	Domestic	TPDDL	25.06.2020
46.	46.	Ms. Shivangi	Shivangi.sh86@gmail.com	Domestic	TPDDL	26.06.2020
47.	47.	Sh. Rajeev	Bh.rajeev2012@gmail.com	Domestic	TPDDL	26.06.2020
48.	48.	Sh. Prabhat Pal	Prabhatpal187@gmail.com	Domestic	DISCOMs DTL	26.06.2020
49.	49.	Sh. Anil Kumar Gupta, Secretary	NEW TOWN CO-OPERATIVE GROUP HOUSING SOCIETY LTD. Plot No. D-3, Sector: 14-Extn., ROHINI, Delhi 110085 newtowncghs@gmail.com	Domestic	DISCOMs	26.06.2020
50.	50.	Sh. Anurag	anuragbhel@gmail.com	Domestic	TPDDL	26.06.2020
51.	51.	Sh. Ankit Singh	Ankitsingh1092@gmail.com	Domestic	DISCOMs	26.06.2020
52.	52.	Sh. Rajender Bansal	Rajenderbansal47@gmail.com	Domestic	DISCOMs	26.06.2020
53.	53.	Dikansh94@gmail.com	dikansh94@gmail.com	Domestic	DISCOMs	27.06.2020
54	54	Sh. Suresh Kumar Gupta Director	The Midland fruit and Vegetable products (India) Pvt. Ltd. Jumbo House, Dr. Jha Marg, O.I.A PH-3, New Delhi 110 020	Agricultural	DISCOMs	25.06.2020
55	55	Sh. Narendra Prakash Bhargava Proprietor	Jumbo International Jumbo House, Dr. Jha Marg, O.I.A PH-3, New Delhi 110 020	Agricultural	DISCOMs	25.06.2020
56	56	Ms. Neeta Gupta	A-17, Antriksh Apartments, New Town, CGHS Ltd. Sector 14-Extension, Rohini Delhi 110 085 Neetagupta.vg111@gmail.com	Domestic	DISCOMs	28.06.2020
57	57	Sh. Sandeep Sharma	Sandeep.sharmaji80@gmail.com	Domestic	TPDDL	29.06.2020
58	58	Sh. B.P. Agarwal Advocate	Bpagarwal57@gmail.com	Industrial/ Commercial	TPDDL	29.06.2020
59	59	Sh. A K Rampal	anuprampal@gmail.com	Domestic	IPGCL & PPCL	30.06.2020
60	60	Sh. Arindam.K. Das, Regulatory Affairs BRPL	BSES Rajdhani Power Limited Corp. Office- Nehru Place, Delhi-19	DISCOM	IPGCL & PPCL	30.06.2020
61.	61	Sh. OP Singh, Addnl. G.M-HOD Regulatory	Tata Power Delhi Distribution Limited Hudson Lines Kingsway Camp	DISCOM	IPGCL	30.06.2020

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
		TPDDL	Delhi 110009			
62.	62	Sh. OP Singh, Addnl. G.M-HOD Regulatory TPDDL	Tata Power Delhi Distribution Limited Hudson Lines Kingsway Camp Delhi 110009	DISCOM	PPCL	30.06.2020
63.	63	Sh. OP Singh, Addnl. G.M-HOD Regulatory TPDDL	Tata Power Delhi Distribution Limited Hudson Lines Kingsway Camp Delhi 110009	DISCOM	DTL	30.06.2020
64.	64	Sh. Ashok Bhasin	North Delhi Residents Welfare Federation Ashok.bhasin2015@gmail.com	RWA	DISCOMS	30.06.2020
65.	65.	Ms. Monica Rathamani	Sterlite Power Transmission Ltd. F-1 Mira Corporate Suites, Ishwar Nagar, New Delhi – 110065 Monica.rathamani@sterlite.com	commercial	DTL	01.07.2020
66.	66	Ms. Somya Tripathi Asstt. Manager	Delhi Metro Rail Corporation Ltd. Metro Bhawan, Fire Brigade Lane, Barakhamba Road, New Delhi 110 001	Govt.	DISCOMs	01.07.2020
67	67	Sh. Ashok Kumar Gupta	H.No. D-8/13 KH. No. 37/14, Ground Floor, Rama Vihar Delhi	Domestic	DISCOMs	26.06.2020
68	68	Sh. Chander Singh	House No. 78-B Block K, Sharma Colony, Budh Vihar, Delhi 110 086	Domestic	DISCOMs	26.06.2020
69	69	Sh. Srikant Kumar	House No. 3245, Sarop Nagar, Tri Nagar, Delhi 110 035	Domestic	TPDDL	26.06.2020
70	70	Sh. Gopal Singh Badal	House No. A-2373, Gali No. 5 Rani Bagh, Delhi 110 034	Domestic	TPDDL	26.06.2020
71	71	Sh. Dharam Pal	Pal458395@gmail.com	Domestic	DISCOMs	23.06.2020
72	72	Sh. Dharam Pal	House No. 159, Ground Floor Block Naraina, Delhi 110 028	Domestic	TPDDL	26.06.2020
73	73 73A 73B	Sh. Raju Aggarwal (Head Regulatory	BSES Yamuna Power Limited Shakti Kiran Building, Karkardooma, Delhi 110 032	Licensee	IPGCL PPCL	03.07.2020 03.07.2020

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
					DTL	03.07.2020
74	74	Sh. M.K.Poddar Ececutive Engineer (Comml.)	New Delhi Municipal Council Room No. 103, First Floor, S.B.S. Place, Gole Market, New Delhi 110001	Licensee	DISCOMs	19.08.2019
75	75	Dr. Ashok Kumar	1064, Gandhi Ashram, Narela, Delhi 110040	Association	DISCOMs	04.03.2020
76	76	Dr. Anil Kumar Sharma	National Council for Teacher Education	GOVT.	DISCOMs	22.10.2019
77	77	Sh. Sanjay Vig (General Secretary)	D.S.I.D.C. S F S Entrepreneur Association (Regd.)	Association	DISCOMs	18.10.2019
78	78	Sh. Surender Gupta (General Secretary)	Mangolpuri Industrial Area (Phase-I&II) C.E.T.P. Society (Regd.)	Association	DISCOMs	18.10.2019