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**Clarification about suo-moto PPAC applicable for Q4 of FY 2023-24**

Mrinal Anand to: Rajeev Choudhary BRPL, sameer singh
Cc: "Director Tariff", "S Kalyana Venkatesan"

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Sir,

With reference to your Letter dated 25/04/2024, it is informed that you can levy suo-moto PPAC for Quarter-4 FY 2023-24 as per clauses of Regulation 30(4) of DERC (Business Plan) Regulations, 2023 i.e., 6.15% for a period of 3 months.

Regards,
Mrinal Anand Aggarwal
Dy. Director (Tariff-Engg.)

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BSES

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Ref: RA/BYPL/24-25/27



Date: 25 April 2024

To,
The Secretary
Delhi Electricity Regulatory Commission
Viniyamak Bhavan, Shivalik
Malviya Nagar
New Delhi-110017

Sub: Power Purchase Adjustment Charges (PPAC) for January-March, 2024
Ref: Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2023
and DERC's Tariff Order dated 30.09.2021

Dear Sir,

We refer to the Regulation 30 of Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2023 which provides for mechanism for recovery of Power Purchase Cost Adjustment (PPAC). The relevant extract is as below:

"30. MECHANISM FOR RECOVERY OF POWER PURCHASE COST ADJUSTMENT CHARGES

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 2023-24 to FY 2025-26 of the Distribution Licensees shall be as follows:

(4) The treatment of PPAC computation as per the specified formula shall be as follows:

- a) in case PPAC does not exceed 5% for any quarter, the Distribution Licensee may levy PPAC at 90% of computed PPAC with prior intimation to the Commission without going through the regulatory proceedings.
- b) in case PPAC exceeds 5% but does not exceed 10% for any quarter, the Distribution Licensee may levy PPAC of 5% and 75% of balance PPAC (Actual PPAC% - 5%) with prior intimation to the Commission without going through the regulatory proceedings.
- c) in case PPAC exceeds 10% for any quarter, the Distribution Licensee may levy PPAC as per sub-regulation (a) and (b) as above without going through the regulatory proceedings and shall



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- c) *in case PPAC exceeds 10% for any quarter, the Distribution Licensee may levy PPAC as per sub-regulation (a) and (b) as above without going through the regulatory proceedings and shall*

file an application for prior approval of the Commission for the differential PPAC claim (Actual PPAC% – 8.75%).

- d) The Distribution Licensee shall file Petition only for their claim of PPAC.

(5) The Distribution Licensee shall upload the computation of PPAC on its website before the same is levied in the consumers' electricity bills prospectively..."

We would like to intimate the Hon'ble Commission, that our PPAC for the period January-March 2024 (i.e Q4 of FY 2023-2024) is computed at 6.53%.The same is capped at 6.15% in accordance with Regulation 30(4)(b) mentioned above Moreover, in terms of Rule 14 of Electricity Rules 2005 (As amended by Electricity (Amendment) Rules, 2022) our computed PPAC is 7.89% for the same period. The detailed computation is attached as **Annexure-1**.

Other details like the Power Purchase Audited statement and SLDC energy accounts for Q-4 of FY 2023-24 attached as **Annexure-2** for reference.

Further, Hon'ble Commission vide its Order dated 08.03.2024, while approving PPAC for Q-1 and Q-2 of FY 2023-24 had continued existing PPAC of 31.60% to avoid a tariff shock for consumers. However, as per the Hon'ble Commission's own calculations in the said order, the PPAC to be actually recovered was more. This eventually left BYPL with an unrecovered PPAC of 26.28%.The details are tabulated below:

S.No.	Description	PPAC Claimed	PPAC Allowed as per Para 8(h) of the DERC Order dated 08.03.24	PPAC inbuilt in Revenue side in Tariff Order dated 30/09/2021	Total PPAC
		(1)	(2)	(3)	(4=2+3)
A	Q-1 FY 23-24	25.11%	25.04%	7.43%	32.47%
B	Q-2 FY 23-24	18.05%	17.98%	7.43%	25.41%
C	Total PPAC to be recovered C=A+B				57.88%
D	PPAC Allowed in Order dated 08.03.2024				31.60%
E	Balance PPAC yet to be recovered E=C-D				26.28%

Additionally, this Hon'ble Commission vide its Tariff Order dated 30.09.2021 of BYPL, had considered the PPAC of 7.43% equivalent to Rs. 512.14 Cr. for meeting the revenue gap arising in the Annual Revenue Requirement (ARR) for FY 2021-22. The relevant extracts are as under:

"Table 4.71: Commission Approved: Revenue (Gap) for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Amount
A	ARR	4461.43
B	Carrying Cost for FY 2021-22	280.15
C	PPAC Cost Subsumed	18.40
D	Revised ARR	4759.98
E	Revenue at Revised Tariff	4259.40
F	Revenue from PPAC	512.14
G	Total Revenue	4771.54
H	Revenue (Gap)/ Surplus	11.56

As is evident from the above table, entire PPAC of 7.43% has been utilized to meet the fixed cost recovery forming part of ARR of FY 2021-22. In past, the Hon'ble Commission has allowed PPAC including 7.43% along with other quarterly PPAC.

In view of the above, the actual PPAC required for recovering of Power Purchase Cost is 40.24% (i.e. 6.53% + 7.43%+ 26.28%)

In any event and without prejudice to the above, given that the Hon'ble Commission vide its Order dated 19.01.2024 has withdrawn its directions issued in para 2 of its earlier Order dated 21.07.23 for all Discoms including BYPL.

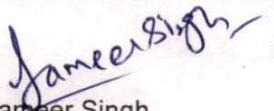
In view of the details mentioned above and considering unrecovered Regulatory Assest , we request Hon'ble Commission to clarify, whether BYPL should levy the PPAC at 6.15% (As per Regulation 30(4)(b) of BPR 2023) or 8.75% (As per Regulation 30(4)(c) of BPR 2023) on the bills of all consumers from the billing cycle w.e.f. 01.05.2024 for a period of 3 months.

For the balance PPAC, we shall be filling the separate petition before Hon'ble Commission.

Submitted for kind perusal of the Hon'ble Commission.

Thanking You,
Yours faithfully

For BSES Yamuna Power Limited


Sameer Singh
DGM- Regulatory Affairs

Encl: As above

Sr No	Parameters	DERC Methodology	As per MOP
1	A (in Kwh)	2,059.96	2,074.74
2	B (in Kwh)	651.10	680.60
3	C (in Kwh)	0.60	0.68
4	D (Rs. Cr.)	142.93	142.93
5	E (Rs. Cr.)	172.41	172.41
6	Z	1,351.23	1,336.08
7	Distribution Loss	7.72%	7.72%
8	ABR	6.68	6.68
9	Avg PPA base	3.54	3.54
10	PGCIL Loss	2.00%	2.00%
11	DTL Loss	0.92%	0.92%
12	Distribution Loss	7.72%	7.72%
13	Total unit sold other than Direct Consumer (Provisional figure)	680.60	680.60
14	Gross power Purchase	2,153.31	2,153.31
15	Avg PPC [#]	4.13	4.21
16	Base	3.54	3.54
17	PGCIL Losses	2.00%	2.00%
18	DTL Losses	0.92%	0.92%
19	Z	1,351.23	1,336.08
20	CGS	1,952.22	1,967.00
21	SGS	107.75	107.75
22	PPAC (nth Qtr) %= [#]	6.53%	7.89%

Excluding the Cost and Quantum of Power Station whose cost is not approved in Base Cost

- A Total unit procured in (n-1)th Qtr from power station having Long term PPA (in KWH) -(To be taken from bills of the Genco issued to Discom)
- B Proportionate bulk sale of power from power station having long Term PPA (in Kwh)
= Total unit Sold (Other than sold to direct consumer KWH) in (n-1) Qtr/ Gross Power Purchase (Kwh) in (n-1) Qtr X A
- C Actual Avg PPC (n-1) Qtr from bill - Projected avg PPC base from Tariff order
- D Actual Transmission Charges
- E Approved Transmission Charges
- Z $\{[(\text{Power purchase from CGS having LTPP}) * (1 - \text{PGCIL loss in \%} / 100) + (\text{PP from Delhi Genco including BTPS}) * (1 - \text{DTL loss \%} / 100) - B] \text{ in KWH}$
- ABR Average Billing Rate