

PUBLIC NOTICE

REQUEST FOR PUBLIC RESPONSE

Petition for approval of True up for FY 2010-11, Review & Provisional True up for FY 2011-12 & MYT Petition for Distribution (Wheeling & Retail Supply) Business for FY 2012-13 to FY 2014-15

1. Under the provisions of the Electricity Act, 2003, Delhi Electricity Reform Act, 2000 to the extent applicable and the DERC (Terms & Conditions for determination of Wheeling Tariff & Retail supply Tariff) Regulations, issued by the Commission vide Order dated December 2, 2011 and MYT Regulations dated May 30, 2007 applicable to erstwhile MYT Period for FY 2007-08 to FY 2011-12, BSES Rajdhani Power Limited (hereinafter referred to as "BRPL") has filed a Multi Year Tariff (MYT) Petition on 30.01.2012 before the Delhi Electricity Regulatory Commission (DERC or Commission) for True up of FY 2010-11 and approval of Aggregate Revenue Requirement (ARR) and corresponding Tariff adjustments. The Commission has admitted the Petition vide Order dated 09.02.2012.

2. The salient features of the Petition are as under:

Summary of ARR and Revenues for BRPL at existing Retail Supply Tariff (RST)

| S. No. | Particulars | UoM | MYT Period | | | | |
|--------|--|----------|------------|------------|----------|---------|---------|
| | | | FY11 | FY12 | FY13 | FY14 | FY15 |
| A | Energy Input | MU | 10,461 | 11,523 | 12,644 | 13,929 | 15,384 |
| B | Energy Billed | MU | 8,576 | 9,572 | 10,623.9 | 11,839 | 13,205 |
| C | AT&C Loss for the year | % | 16.85% | 18.18% | 17.24% | 16.27% | 15.45% |
| D | Average Power Purchase Rate | ₹/kWh | 4.31 | 5.33 | 4.32 | 4.27 | 4.16 |
| E | Average Billing Rate | ₹/kWh | 4.64 | 4.94 | 5.42 | 5.42 | 5.42 |
| F | Power Purchase Cost | ₹ Crores | 4,511.9 | 6,138 | 5,468 | 5,951 | 6,405.5 |
| G | O&M expenses allowed/sought in ARR | ₹ Crores | 400.8 | 427.5 | 645.5 | 751.6 | 871.4 |
| H | Depreciation | ₹ Crores | 129.9 | 145.8 | 147.0 | 175.5 | 205.1 |
| I | ROCE (Return + Interest) | ₹ Crores | 302 | 346.4 | 499.8 | 594.4 | 697.7 |
| J | Other expenses | ₹ Crores | 104.6 | 5.0 | 90.7 | 107.3 | 126.0 |
| K | Less: Non Tariff Income/ Other Income | ₹ Crores | 133.7 | 54.6 | 54.6 | 54.6 | 54.6 |
| L | Aggregate Revenue Requirement (F+G+H+I+J-K) | ₹ Crores | 5,315.5 | 7,008.0 | 6,796.4 | 7,525.2 | 8,251.1 |
| M | Revenue available for the purposes of ARR | ₹ Crores | 3,836.2 | 4,652.0 | 5,674.8 | 6,322.7 | 7,051.6 |
| N | Revenue Gap for the year at Existing Tariffs (L-M) | ₹ Crores | 1,479.3 | 2,356.0 | 1,121.6 | 1,202.5 | 1,199.5 |
| O | Carrying cost during the year upto FY 2011-12 | ₹ Crores | | 855.1 | | | |
| P | Gap on account of ATE judgment including carrying cost | | | 2649.1 | | | |
| Q | Opening revenue gap approved upto 2009-10 | ₹ Crores | 1,679.6 | | | | |
| R | Total cumulative revenue gap | | 3,158.9(*) | 9,019.1(#) | | | |

(*) Cumulative Gap without carrying cost

(#) Cumulative Gap with carrying cost

3. Capex Proposal

| Particulars | UoM | FY 12-13 | FY 13-14 | FY 14-15 |
|--------------------------------|-------|----------|----------|----------|
| Estimated Capex to be incurred | ₹ Cr. | 671 | 784 | 798 |

4. Revenue Gap during FY 2012-13 to FY 2014-15 proposed to be recovered through tariff hike

| Particulars | UoM | FY 12-13 | FY 13-14 | FY 14-15 |
|--|-------|-----------|-----------|-----------|
| Annual Revenue Requirement | ₹ Cr. | 6,796.4 | 7,525.2 | 8,251.0 |
| Revenue Realised | ₹ Cr. | 5,674.8 | 8,322.7 | 7,051.6 |
| Revenue (Gap)/Surplus | ₹ Cr. | (1,121.6) | (1,202.5) | (1,199.4) |
| Tariff Hike required from existing level | % | 19.8% | | |
| Revenue at revised tariff | ₹ Cr. | | 7,572.3 | 8,401.3 |
| Revised Revenue (Gap)/Surplus | ₹ Cr. | | 47.2 | 150.3 |
| Tariff Hike proposed during the financial year | % | 19.8% | -0.6% | -1.8% |

5. In the event of any variation in Power Purchase costs vis a vis Tariff Order, the Gap is proposed to be recovered through implementation of a suitable Power Purchase Price Adjustment Charge.

6. Recovery of Revenue Gap up to 31.03.2012 is proposed to be recovered through-

- A mechanism of the Regulatory Asset with carrying cost accrued till FY 12.
- Minimum of 15% recovery of the outstanding principal amount in a year and carrying cost on the balance un-recovered principal amount.
- The amount towards principal and carrying cost be indicated separately to instill confidence amongst lenders.

7. Performance of BRPL during FY 2010-11

| Particulars | Regulatory Target | Achieved | Remarks |
|---|-------------------|-------------|---|
| AT&C Loss | 17.00% | 16.85% | The over achievement has lead to additional revenue of ₹ 7.8 crores to the benefit of the consumers in FY 2010-11. |
| Distribution Loss | 18.90% | 18.02% | |
| Average consumers added to the Billing Fold | | 1.23 lakh | |
| Non Tariff Income/ Other Income | ₹ 54.6 Cr. | ₹ 133.7 Cr. | The above increase in Non Tariff Income has led to additional revenue of ₹ 79.1 crores to the benefit of the consumers. |

8. Peak demand 1920 MW was met on 1st July 2010 during FY 10-11

9. Reliability indices

| SAIFI | SAIDI | MAIFI |
|-------|-------|-------|
| 3.105 | 3.887 | 0.041 |

10. In accordance with the provisions of the Delhi Electricity Regulatory Commission Comprehensive (Conduct of Business) Regulations, 2001 notified by the Commission, the consumers and stakeholders are requested to submit the response on the above Petition. The response may be sent to the Secretary of the Commission at the following address by 30th March 2012. The response may be submitted personally or by post to the Commission at the address given below. The response can also be e-mailed to the Secretary of the Commission at the e-mail address mentioned below.

DELHI ELECTRICITY REGULATORY COMMISSION

Vinayak Bhawan, C-Block, Shivajik, Malviya Nagar, New Delhi-110 017.
Email id: secyderc@nic.in Telefax: 011-26673608

11. The Commission would hold public hearings with the responding stakeholders subsequently. The date of the public hearings shall be notified separately by the Commission.

12. A copy of the Petition in English or Hindi can be purchased from the head-office of the BRPL located at BSES Bhawan, Nehru Place, New Delhi -110019 on any working day from 9th March 2012 to 29th March 2012, between 11 a.m. and 4 p.m. on payment of Rs. 100/-, either by cash or by Demand Draft/Pay Order in favour of "BSES-Rajdhani Power Limited" payable at New Delhi.

The complete Petition is available at our website [http://www.bsesdelhi.com] as well as the web-site of the Commission [http://www.derc.gov.in]. Copy of the Petition is available for inspection at our Head Office as well as the Commission's office at the addresses provided herewith, on any working day between 11 a.m. to 4 p.m.

For BSES Rajdhani Power Limited

Sd/-
Rajeev Chowdhury
H.O.D - Regulatory Affairs

Save Energy, Save Money