



DELHI ELECTRICITY REGULATORY COMMISSION

Vinayak Bhawan, "C" Block, Shivaji, Malviya Nagar, New Delhi- 110017.

F.11(1829)/DERC/2020-21/

Petition No. 04/2021

In the matter of: **Petition for approval of True up of ARR for FY 2019-20 and Aggregate Revenue Requirement (ARR) for FY 2021-22.**

Delhi Transco Limited
Shakti Sadan, Kotla Road,
New Delhi 110002

...Petitioner/Licensee

Coram:
Hon'ble Shri Justice Shabihul Hasnain "Shastri", Chairperson
Hon'ble Dr. A. K. Ambasth, Member

ORDER

(Date of Order: 30/09/2021)


M/s Delhi Transco Ltd. (DTL) has filed the instant Petition for approval of True-up of expenses upto FY 2019-20 and Aggregate Revenue Requirement (ARR) for FY 2021-22. The Petition was admitted by the Commission vide Order dated 19/02/2021. The Petition along with Executive summary was uploaded on the website of the Commission and publicised through advertisement in newspapers for seeking response of the stakeholders.

The comments and suggestions of the stakeholders including the submissions made during the virtual public hearing held in April, 2021 and the arguments advanced by the Petitioner have been duly considered by the Commission.

In exercise of the powers vested in the Electricity Act, 2003 and Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017, the Commission hereby passes this Tariff Order signed, dated and issued on 30/09/2021.

The Petitioner shall take immediate steps to implement this Tariff Order, so as to make the revised Tariff applicable from 01/10/2021.

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.


(Dr. A. K. Ambasth)
Member


(Justice Shabihul Hasnain "Shastri")
Chairperson

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CAPITAL 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
AEEE	Alliance for an Energy Efficient Economy
AMR	Automated Meter Reading
APDRP	Accelerated Power Development and Reforms Program
AT&C	Aggregate Technical and Commercial
ATE	Appellate Tribunal for Electricity
BEE	Bureau of Energy Efficiency
BEST	Brihanmumbai 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
CER	Centre for Energy Regulation
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

Abbreviation	Explanation
DERC	Delhi Electricity Regulatory Commission
DESL	Development Environenergy Services Limited
DIAL	Delhi International Airport Limited
DISCOMs	Distribution Companies (BRPL, BYPL, TPDDL & NDMC)
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
ICAR	Indian Agricultural Research Institute
IDC	Interest During Construction
IEX	Indian Energy Exchange
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

Abbreviation	Explanation
MU	Million Units
MYT	Multi Year Tariff
NABL	National Accreditation Board for Testing and Calibration of Laboratories
NAPS	Narora Atomic Power Station
NCT	National Capital Territory
NCTPS	National Capital Thermal Power Station
NDLT	Non Domestic Low Tension
NDMC	New Delhi Municipal Council
NEP	National Electricity Policy
NGO	Non Government Organisation
NHPC	National Hydroelectric Power Corporation
NPCIL	Nuclear Power Corporation of India Limited
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
SDMC	South Delhi Municipal Corporation
SERC	State Electricity Regulatory Commission
SIP	Small Industrial Power
SJVNL	Satluj Jal Vidyut Nigam Limited
SLDC	State Load Despatch Centre
SPD	Single Point Delivery

Abbreviation	Explanation
SPUs	State Power Utilities
SVRS	Special Voluntary Retirement Scheme
TERI	The Energy and Resources Institute
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
WPI	Wholesale Price Index

A1: INTRODUCTION

1.1 This Order relates to the Petition filed by Delhi Transco Limited (DTL) (hereinafter referred to as 'DTL' or the 'Petitioner') for True-Up of Aggregate Revenue Requirement (ARR) for FY 2019-20 for Transmission 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 2021-22 in terms of Tariff Regulations, 2017 and *Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2019* (hereinafter referred to as 'Business Plan Regulations, 2019').

DELHI TRANSCO LIMITED (DTL)

1.2 Delhi Transco Limited is a Company incorporated under the Companies Act, 1956 and operates in the business of Transmission of Electricity 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 GoNCTD on 3/03/1999 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.

STATE ADVISORY COMMITTEE MEETING

1.5 The "State Advisory Committee (SAC)" have been re-constituted and notified the same

vide Gazette Notification No.F.7(37)/DERC/DS/2016-19/C.F.No.5624/253 dated 23/07/2020, comprising of Chairperson and Member of DERC, officers of the Commission and Other Members of SAC (including their nominees).

- 1.6 The 19th State Advisory Committee Meeting was held (virtually) on 27/08/2021. Apart from the Chairperson, Member and other senior officers of the Commission, the 19th SAC Meeting witnessed participation from Department of Power, GoNCTD, Department of Food Supplies, DMRC, BIS, SDMC, BEE, DESL, NABL, IEX, TERI, AEEE, Department of Health & Family Welfare, GoNCTD, CER, Labour Department, GoNCTD, Transport Department, GoNCTD and ICAR.
- 1.7 The issues which were deliberated during the meeting are as listed below

Table 1. 1: Issues Discussed in 19th State Advisory Committee Meeting

Sr. No.	Issues Discussed
a.	Tariff Petition for True up of FY 2019-20 and ARR and Tariff for FY 2021-22 for GENCOs, TRANSCO and DISCOMs
b.	Inform the State Advisory Committee with regard to DERC's order dated 15.04.2021 on release of electricity connections for residential buildings having premises within the height of 15 meters without stilt parking and 17.5 meters with stilt parking without insisting for fire clearance.

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 Transmission of Electricity under the Multi Year Tariff (MYT) framework. Further the operational norms for Transmission 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 2019-20 AND ARR FOR FY 2021-22

FILING AND ACCEPTANCE OF PETITION

- 1.9 DTL filed its Petition for approval of Truing up of Expenses upto FY 2019-20 and ARR for FY 2021-22, before the Commission on 19/01/2021.
- 1.10 The Commission admitted the Petition for approval of Truing up of Expenses upto FY

2019-20 and ARR for FY 2021-22 vide its Order dated 19/02/2021 respectively, subject to clarifications / additional information, if any, which would be sought from the Petitioner from time to time. Copies of the Admission Orders dated 19/02/2021 are enclosed as *Annexure I* to this Order.

- 1.11 The complete copy of the Petition filed by the Petitioner along with additional information was uploaded on website of the Commission (www.derc.gov.in) and the Petitioner.
- 1.12 The Executive Summary of Tariff Petition, was also uploaded on Commission's website at www.derc.gov.in.

INTERACTION WITH THE PETITIONER AND OUTBREAK OF COVID-19

- 1.13 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 for carrying out the due diligence on the Petition filed by the Petitioner for obtaining and analyzing information/clarifications received from the Petitioner and submitting all issues for consideration by the Commission.
- 1.14 The Commission relied upon the analysis conducted by various concerned Divisions of the Commission for preparation of the Order.
- 1.15 A preliminary scrutiny/analysis of the Petition submitted by the Petitioner was carried out. Additional information/clarifications were sought from the Petitioner as and when required. The Commission and the Petitioner discussed key issues raised in the Petition, which included details of O&M expenses, Assets Capitalization, Depreciation, Working Capital Requirement, Return on Capital Employed (RoCE), etc.
- 1.16 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.
- 1.17 In relation to COVID-19, as per Order no. 40-34/2020-DM-I(A) dated 19/03/2021

issued by Ministry of Home Affairs, Government of India, indicated that after steady decline in COVID-19 cases for about 5 months, for the last few weeks, the number of COVID cases were increasing in several parts of the country. Further, Ministry of Health and Family Welfare, GoI indicated on their website that COVID-19 cases are increasing on daily basis. In view of above, the Commission decided to conduct Public Hearing Virtually, for issuance of Tariff Order related to True up of FY 2019-20 and ARR of FY 2021-22 and communicated the same through Public Notice published in leading newspapers and also uploaded the same on Commission's website. Alternatively, all stakeholders were given additional time-period till 20/04/2021 for submitting comments/suggestions on Tariff Petition filed by the utilities.

- 1.18 The Commission scheduled a Virtual Public Hearing on Tariff Petitions for True Up of FY 2019-20 and ARR for FY 2021-22 on 15/04/2021, 16/04/2021, 19/04/2021 & 20/04/2021 to take a final view with respect to various issues concerning the principles and guidelines for Tariff determination.
- 1.19 A soft copy of the Petition was 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 head-office on working day till 20/04/2021 between 11 A.M. to 4 P.M. on payment of Rs.100/- either by cash or by demand draft/pay order.
- 1.20 In order to extend help to the stakeholders in understanding the ARR Petition and filing their comments, five officers of the Commission viz. Joint Director (Tariff-Engineering), Joint Director (Performance Standards & Engineering), Joint Director (Tariff-Finance), Deputy Director (Tariff-Economics) 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.
- 1.21 The Commission received written comments from stakeholders. The comments of the stakeholders were also forwarded to the Petitioner who, responded to the comments of the stakeholders with a copy of its replies to the Commission.
- 1.22 Delhi Disaster Management Authority, GoNCTD vide its Order No. F.2/07/2020/pt file III/ 381 dtd. 19/04/2021 imposed curfew, which was extended from time to time, and

restricted various activities on account of COVID-19.

- 1.23 Thereafter, Transmission Licensee viz. DTL, Distribution Licensees viz. NDMC, BRPL, BYPL and TPDDL submitted additional information for ARR & Tariff for FY 2021-22 considering the impact of such curfew.
- 1.24 Accordingly, all stakeholders were given additional time-period till 29/06/2021 for submitting comments/suggestions on additional information filed by the utilities.
- 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 in arriving at its final decision.

PUBLIC NOTICE

- 1.27 The Commission published Public Notice in the following newspaper on 9/03/2021 inviting comments/suggestions from stakeholders on the Tariff Petitions filed by the Petitioner latest by 26/03/2021 or the date of Public Hearing, whichever is later:

(a)	Hindustan Times (English)	:	9/03/2021
(b)	The Times of India (English)	:	9/03/2021
(c)	The Hindu (English)	:	9/03/2021
(d)	The Pioneer (English)	:	9/03/2021
(e)	Navbharat Times (Hindi)	:	9/03/2021
(f)	Punjab Kesari (Hindi)	:	9/03/2021
(g)	Amar Ujala (Hindi)	:	9/03/2021
(h)	Jadid-In-Dinon (Urdu)	:	9/03/2021
(i)	Jan Ekta (Punjabi)	:	9/03/2021

- 1.28 Public Notice was also uploaded on Commission's website www.derc.gov.in.
- 1.29 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 latest by 26/03/2021 or the date of Public Hearing, whichever is later, in the following newspapers on the respective dates mentioned alongside:

(a)	The Hindu (English)	:	18/03/2021
(b)	The Hindu Business Line (English)	:	18/03/2021
(c)	The Pioneer (English)	:	18/03/2021
(d)	Punjab Kesari (Hindi)	:	18/03/2021
(e)	The Daily Milap (Urdu)	:	18/03/2021
(f)	The Educator (Punjabi)	:	18/03/2021

1.30 The Commission issued Public Notice in the following newspapers (on dates mentioned alongside), indicating the date and time of Virtual Public Hearing scheduled on 15/04/2021, 16/04/2021, 19/04/2021 & 20/04/2021 and extended the time period for comments by stakeholders on the Tariff Petition filed by the Petitioner latest by 20/04/2021 and also indicated the conducting of Virtual Public Hearing.

(a)	Hindustan Times (English)	:	7/04/2021
(b)	The Times of India (English)	:	7/04/2021
(c)	The Hindu (English)	:	7/04/2021
(d)	The Pioneer (English)	:	7/04/2021
(e)	Navbharat Times (Hindi)	:	7/04/2021
(f)	Punjab Kesari (Hindi)	:	7/04/2021
(g)	Amar Ujala (Hindi)	:	7/04/2021
(h)	Jadid-In-Dinon (Urdu)	:	7/04/2021
(i)	Jan Ekta (Punjabi)	:	7/04/2021

1.31 Public Notice related to process for Virtual Public Hearing (VPH) was also uploaded on Commission's website. The platform for VPH was as follows:

Dates	15/04/2021, 16/04/2021, 19/04/2021 & 20/04/2021
Timings	11:00 AM to 01:00 PM and 02:00 PM to 05:00 PM
Last date for registration	12/04/2021 at 03:00 PM
Platform	Google Meet
Email ID for Registration	dercpublichearing@gmail.com

1.32 The Utilities submitted additional information on ARR & Tariff for FY 2021-22 considering impact of curfew on account of COVID-19.

1.33 Subsequently, the Commission issued Public notice on Commission's website (www.derc.gov.in) on 24/06/2019 seeking comments/suggestions on additional

information from stakeholders latest by 29/06/2021.

LAYOUT OF THE ORDER

1.34 This Order is organised into six (6) 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 response and views of the Commission thereon.
- c) Chapter A3 provides details/analysis of the True up of FY 2019-20 and impact of past period True up based on judgement of Hon'ble Supreme Court & 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 2021-22.
- e) Chapter A5 provides details of the Transmission Tariff for FY 2021-22.
- f) Chapter A6 provides details of the Directives of the Commission.

1.35 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 2019-20 and approval of Aggregate Revenue Requirement & Tariff for FY 2021-22.
- c) Annexure III – List of Stakeholders/consumers who attended the virtual public hearing.

APPROACH OF THE ORDER

APPROACH FOR TRUE UP OF FY 2019-20

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, 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, as follows:

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

1.38 Accordingly, ARR for FY 2019-20 has been Trued up as per Tariff Regulations, 2017 and Business Plan Regulations, 2017.

APPROACH FOR ARR AND TARIFF FOR FY 2021-22

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

1.40 The Commission has evaluated 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, the response of DELHI TRANSCO LIMITED (DTL) and Commission's view.

INTRODUCTION

- 2.2 Section 64(3) of Electricity Act, 2003, stipulates that the Commission shall determine Tariff under Section 62 of the Electricity Act, 2003 for the Transmission Licensee, after consideration of all suggestions received from the public and the response of the Licensee to the objections/suggestions of stakeholders, issue a Tariff Order accepting the application with such modifications or such conditions as may be specified in the Order.
- 2.3 The Commission examined the issues taking into consideration the comments/suggestions of various stakeholders in their written statements submitted to the Commission and also the response of the Petitioner thereon.
- 2.4 The Commission endeavours to issue Tariff Orders as per provisions of the Electricity Act, 2003.
- 2.5 In relation to COVID-19, as per Order no. 40-34/2020-DM-I(A) dated 19/03/2021 issued by Ministry of Home Affairs, Government of India, indicated that after steady decline in COVID-19 cases for about 5 months, for the last few weeks, the number of COVID cases were increasing in several parts of the country. Further, Ministry of Health and Family Welfare, GoI indicated on their website that COVID-19 cases are increasing on daily basis. In view of above, the Commission decided to conduct Public Hearing Virtually (through Google-Meet), for issuance of Tariff Order related to True up of FY 2019-20 and ARR of FY 2021-22 and communicated the same through Public Notice published in leading newspapers and also uploaded the same on Commission's website. Alternatively, all stakeholders were given additional time-period till 20/04/2021 for submitting comments/suggestions on Tariff Petitions filed by the utilities.
- 2.6 The Commission vide its Public Notice dated 7/04/2021 scheduled a Public Hearing on

Tariff Petitions for True up of FY 2019-20 and ARR for FY 2021-22 on 15/04/2021, 16/04/2021, 19/04/2021 & 20/04/2021 to take a final view on various issues concerning the principles and guidelines for Tariff determination.

- 2.7 Delhi Disaster Management Authority, GoNCTD vide its Order No. F.2/07/2020/pt file III/ 381 dtd. 19/04/2021 imposed curfew, which was extended from time to time, and restricted various activities on account of COVID-19.
- 2.8 Thereafter, Transmission Licensee viz. DTL, Distribution Licensees viz. NDMC, BRPL, BYPL and TPDDL submitted additional information for ARR & Tariff for FY 2021-22 considering the impact of such curfew.
- 2.9 Accordingly, all stakeholders were given additional time-period till 29/06/2021 for submitting comments/suggestions on additional information filed by the utilities.
- 2.10 The comments/suggestions of various stakeholders, the replies/response by the Petitioner and the views of the Commission are summarized under various subheads below.

ISSUE 1: OPERATION AND MAINTENANCE EXPENSES

STAKEHOLDERS' SUBMISSIONS

- 2.11 Impact of interim relief on account of 7th Pay Commission may be allowed/restricted to DTL on the basis of actual payments made subject to prudence check and verification by Commission.
- 2.12 Since the claim towards salary of IPGCL staff deployed in DTL was not allowed by the Commission in DTL's ARR Petition vide order dated 31/07/2019 for FY 2017-18, accordingly, the claims made under the present Petition may not be allowed.
- 2.13 The claim towards additional security expenses was not allowed by Commission in its previous Order dated 28/08/2020 for FY 2018-19. The additional expenses claimed by DTL was covered under the normative O&M expenses. While fixing the norms for O&M expenses, the Commission considered actual O&M expenses of the Petitioner for the period from FY 2011-12 to FY 2015-16 which already includes expenses on account of security expenses, license fee for land. Accordingly, claims made under the present

Petition under the head additional security expenditure may be disallowed on this account.

- 2.14 DTL claimed total O&M expenses of Rs. 384.19 Cr for FY 2021-22 against the normative O&M expenses of Rs. 333.89 Cr. The differential expenses of Rs. 50.30 Cr. may be disallowed as these expenses are already forming part of normative O&M expenses as given in Business Plan Regulations, 2019. Any amount under this head should be allowed only subject to detailed review by the Commission.
- 2.15 DTL claimed additional O&M expenses under the given different heads which are beyond the entitled scope of binding DERC Tariff Regulations, 2017, may be disallowed.
- 2.16 There is variation in Average Ckt KM for 220 kV & below lines and no. of bays for 400 kV claimed by the Petitioner against the quantity approved by the Commission for FY 2019-20 vide Tariff order dated 31/07/2019. Hence, O&M Expenses claimed by the Petitioner may be approved subject to detailed verification in terms of DERC Tariff Regulations, 2017 and Business Plan Regulations, 2019.
- 2.17 The claim towards license fee for Land was not allowed by the Commission in its previous Order dated 28/08/2020 for FY 2018-19 and observed that the additional expenses claimed by DTL was covered under the normative O&M expenses. Accordingly, same view may be considered in the present case and expenditure claimed on this account may be disallowed.

PETITIONER'S SUBMISSION

- 2.18 Impact of Rs.38.01 Cr. as interim relief on account of 7th Pay Commission was considered as per actual payments made during FY 2019-20 and are same in line with the provisions of DERC Tariff Regulations, 2017 and DERC Business Plan Regulations, 2017.
- 2.19 Provision of Rs.91.67 on the account of 7th Pay Commission was made in Financial Statements of FY 2019-20 pertaining to period 01/01/2016 to 31/03/2020 excluding the interim relief already disbursed.

Table 2.1: Petitioner Submission - Provision on the account of 7th Pay Commission

Sr. No.	Particulars	WRC Provision made (in Rs. Crore) upto FY 2019-20	Payment (in Rs. Crore) till 31.03.2021 against provision	Remarks
1.	Basic Salary	30.83	30.61	
2.	Leave Salary & Pension Contribution Arrear	49.17	-	Under Progress
3.	Over Time and Holiday Duty Allowance Arrear	11.20	-	Under Progress
4.	Leave Encashment Arrear	0.47	-	Under Progress

- 2.20 The salary of the IPGCL Staff was paid by DTL over and above the Employee Expenses allowed by the Commission to DTL. The Commission already allowed the salary of IPGCL Staff for FY 2018-19 in Tariff Order dated 28/08/2020 after prudence check. Thus, the comment of stakeholder (i.e. TPDDL) is wrong and liable to be rejected.
- 2.21 As regard to stakeholder comment regarding Additional Security Expenses, DTL deployed security personnel through Private Security Agencies (PSA) since its formation and the experience was not satisfactory and encouraging on account of various Labour Law violations, non-compliances to the terms and conditions of the contract, malpractices, litigations and had failed to improve, despite several reminders, advisories, show cause notices etc. In line with GoI directives, DTL had deployed security personnel through DGR sponsored agency in 2014. The DGR, GoI issues notices of minimum wages for the workmen deployed through its sponsored agencies. The minimum wages decided by DGR are higher than the minimum wages determined for Central/Delhi Government. The financial expenses increased due to reasons stated above and due to additional number of security personnel deployed at recently commissioned Sub-stations. Thus, the comment of stakeholder (i.e. TPDDL) is wrong and liable to be rejected.
- 2.22 As regard to stakeholder comment regarding License Fee for Land, DTL is paying license fee for use of land to GoNCTD. Earlier, such cost was added in the Gross Block of the Asset but after the implementation of the IND-AS, Accounting Policy is modified whereby such cost is now charged as expenses. As these expenses are paid by DTL

since FY 2016-17 onwards and the norms for FY 2017-18 to FY 2019-20 were created using Annual Accounts of FY 2015-16, so they are not considered in normative O&M Expenses of DERC Business Plan Regulations, 2017 and shall be allowed separately in O&M Expenses.

- 2.23 Further, the stakeholder seems to have failed to understand the provisions of Business Plan Regulations, 2019 as it is clearly mentioned in the said Regulations that such expenses i.e. Impact of 7th Pay Commission, Security Expenses, Licensee Fee for Land, etc. shall be allowed separately, and the same were not part of normative O&M expenses. Accordingly, the Petitioner considered such expenses on provisional basis.

COMMISSION'S VIEW

- 2.24 The Commission has trued up the O&M expenses of the Petitioner based on the principles specified in Tariff Regulations, 2017 & the norms determined in the Business Plan Regulations, 2017 & 2019. The details of acceptance or rejection of claim of Petitioner on account of O&M expenses is given in Chapter 3 and 4 of this Tariff Order.

ISSUE 2: ASSETS CAPITALIZATION

STAKEHOLDERS' SUBMISSIONS

- 2.25 Regulation 5 of the DERC Tariff Regulations 2017, defines the procedure to determine the Transmission Tariff of Transmission Licensee. The utility has to prepare a Business Plan comprising of business projections. In the present True-up Petition for FY 2019-20, DTL mentioned that review of Asset Capitalization for FY 2011-12 to FY 2016-17 is being done and the claims for the same is made in the current Petition. The Commission should allow such claims only subject to detailed verification as the review of Asset Capitalization is still in process. Requesting the Commission that any excess amount if claimed/received by DTL in respect of the above shall be adjusted in DTL ARR as per DERC Tariff Regulations, 2017.
- 2.26 Further, DTL in its Petition mentioned that the Asset Capitalization for FY 2018-19 & 2019-20 is under finalization and details in respect of the same are likely to be

submitted shortly. Asset Capitalization for FY 2019-20 as submitted by DTL in the instant Petition are provisional and as per the audited financial statement. Requesting the Commission that any amount under this head should be allowed only subject to detailed prudence check by the Commission.

- 2.27 In the present ARR Petition, DTL claimed proposed Asset capitalization of Rs. 1341.49 Cr. which is very high as compared to an amount of Rs. 303.80 Cr. approved by the Commission vide DTL Tariff Order dated 28/08/2020. Requesting the Commission that any amount under this head should be allowed only subject to detailed review and on the basis of past expenditure by Commission.

PETITIONER'S SUBMISSION

- 2.28 The Petitioner in its Petition provided the actual details of Assets Capitalization before the Commission and also submitted that the review of Assets Capitalization for FY 2011-12 to FY 2016-17 was carried out by DERC consultant.
- 2.29 Further, DTL provisionally considered assets capitalization for FY 2018-19 & FY 2019-20 based on Audited Financial Statement. The comment of the stakeholder that DTL claimed capitalization as per CAPEX review exercise in the current Petition is wrong and liable to be rejected as the final report is still awaited.
- 2.30 The Petitioner in its Petition considered Assets Capitalization based on the recent development in the Power sector/load growth in the region of NCT of Delhi and the impact due to COVID-19 pandemic.

COMMISSION'S VIEW

- 2.31 The Commission considered the capitalization in line with the provisions of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and DERC (Business Plan) Regulations, 2017 & DERC (Business Plan) Regulations, 2019. The refund of excess Tariff on account of variation in projected capitalisation and provisional capitalisation considered by the Commission were dealt appropriately as per provision of Tariff Regulation, 2017, in Chapter-3 of this Tariff Order.

ISSUE 3: INCOME TAX**STAKEHOLDERS' SUBMISSIONS**

2.32 Regulation 72 of the Tariff Regulations, 2017 provides Tax on Return on Equity. In the current Petition, DTL claimed Income Tax on actual basis amounting to Rs.180.52 crore. However, it is requested that the Commission may allow the same based on the Actual income tax paid by DTL or Income Tax on Return of Equity for FY 2019-20 whichever is lower which is in line with the provisions of DERC Tariff Regulations, 2017 and DERC Orders as stated above. For the purpose of allowing the Income Tax, effective Tax rate of 17.08% should be considered.

PETITIONER'S SUBMISSION

- 2.33 The Petitioner in its Petition claimed Rs.180.52 Cr. as per actual Income Tax paid on Transmission Business as per Hon'ble ATE Judgment in Appeal No. 255 of 2013. The Petitioner pays Income Tax as per the provisions of Income Tax Act 1961. The Petitioner (DTL) is Transmission Company duly governed by DERC Regulations, therefore cannot earn more than the regulated income. However, at times if the Transmission Company has been able to earn other incomes as a result of its efficient operations and/or utilization of fund in more appropriate manner, these earned incomes from other than the Regulated operations are already deducted as Non-Tariff by the Commission.
- 2.34 The very fact of Non-Tariff Income (NTI) is reduction in Wheeling Charges which is beneficial to ultimate consumer. The Commission decided to collect the Wheeling Charges from DISCOMs through ARR, however DTL paid Income Tax from their own pocket which is separate from Regulations, due to this DTL is left with, to collect the Net money after paying Income Tax to GoI which is not whole amount of wheeling charges fixed by the Commission through ARR.
- 2.35 Further, any item of income of Wheeling Charges after deducting NTI which are being collected from consumers through DISCOMs, therefore any Statutory outflow (i.e Income Tax) should be passed on to consumers through DISCOMs. Levying of Tax

effect should also be borne by general public through DISCOMs. If tax effect is not passed on to the public on actual basis then DTL should be given exemption from Income Tax Act to the extent not passed to public by GoI or limited to calculation formulated by the Commission (Tax on ROCE).

- 2.36 In absence of full re-imburement of Income Tax on actual basis are being resulted into financial penalty to DTL. Therefore, in view of the above, actual tax paid by DTL on Tariff Income as well as NTI should be reimbursed on actual basis.

COMMISSION'S VIEW

- 2.37 The Commission allowed the Income Tax to the Petitioner for applicable periods based on the provisions of Tariff Regulations, 2017 and Business Plan Regulations, 2017 & 2019.

ISSUE 4: NON – TARIFF INCOME

STAKEHOLDERS' SUBMISSIONS

- 2.38 Regulation 94 of the DERC Tariff Regulations, 2017 provides as under:

"94. The Utility shall submit forecast of Non- Tariff Income to the Commission, in such form as may be stipulated by the Commission from time to time, whose tentative 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."

- 2.39 DTL in the present Petition has not considered the following incomes in its ARR for the purpose of Tariff determination under Regulation 94 of the DERC Tariff Regulation,

2017:

- a) Operating charges SLDC
- b) Income from data ABT Meter
- c) Applications Money open Access
- d) Profit from sale of scrap
- e) Licensee fee recover
- f) Other Miscellaneous receipt
- g) Liability no longer payable
- h) Income from SLDC

2.40 Further, DTL in its Tariff Petition considered only Rs. 4.42 Cr as NTI for FY 2021-22, it is requested to the Commission that DTL should endeavour to generate more Non-Tariff Income which is accounted in reduction of DTL's ARR, as per DERC Tariff Regulations, 2017.

PETITIONER'S SUBMISSION

2.41 The Petitioner in its tariff Petition considered the Non-Tariff Income such as Income from Sale of Scrap, Tariff from ISTS lines, Expense towards Reactive Energy Charges, Miscellaneous Receipts, etc. in line with the DERC Tariff Regulations, 2017. Further, the head wise explanation of other income under Note 24 of Audited accounts is also submitted to the Commission. Therefore, the comment of the stakeholder is wrong and liable to be rejected and the Commission is requested to consider Rs.4.22 Cr under Non-Tariff Income as submitted by the DTL in Tariff Petition.

COMMISSION'S VIEW

- 2.42 The Commission considers income being incidental to electricity business and derived by the Petitioner from various other sources as Non-Tariff Income, in line with the Regulation 94 of Tariff Regulations, 2017.
- 2.43 The projection of Non-Tariff Income for FY 2021-22 are considered as per provisions of Tariff Regulations, 2017.

ISSUE 5: METHODOLOGY FOR TREATMENT OF TRANSMISSION CHARGES AND WAIVER OF STOA CHARGES**STAKEHOLDERS' SUBMISSIONS**

2.44 The Transmission Charges claimed towards the two ISTS lines (400kV Mandola-Bawana double Ckt. and 400kV Ballabhgarh- Bamnauli double Ckt. Transmission lines) are considered to be part of DTL Asset base and ARR by the Petitioner, DTL. However, for these two lines, Tariff was approved by CERC for the FY 2019-20 (approx. Rs. 3.12 Cr.) which is to be adjusted in the ARR of DTL for FY 2019-20. As charges of these lines are being accounted under POC regime by PGCIL, the Commission is requested to direct DTL to maintain separate accounts in respect of the above Assets and exclude the same from ARR of DTL. Further, DTL filed a Petition in APTEL against CERC order dated 29/06/2018 and 29/11/2019 for approval of Tariff of above mentioned lines. We request the Commission to account for any change in Tariff of the above Transmission Lines in the ARR of DTL suitably.

2.45 CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 dated 4/05/2020 mandated for no Short Term Charges to be borne by DISCOMs, as follows:

"11. Transmission charges for Short Term Open Access:

(2) Transmission charges for Short Term Open Access shall be payable by generating stations and embedded entities located in the State, as per the last published Short Term Open Access Rate for the State, along with other charges or fees as per Open Access Regulations, 2008 and the Transmission Deviation charges, if any, as per these regulations.

(3) Transmission charges for Short Term Open Access paid by an embedded intra-State entity during a month shall be reimbursed in the following billing month to the State in which such entity is located.

(5) No transmission charges for Short Term Open Access for inter-State transmission system, shall be payable by a distribution licensee which has Long Term Access or Medium Term Open Access or both, or by a trading licensee acting on behalf of such distribution licensee."

- 2.46 Provided that other charges or fees as per CERC (Open Access in inter-State Transmission) Regulations, 2008 and the Transmission Deviation Charges, if any, as per these Regulations shall be payable.
- 2.47 In view of the above provisions, wherein CTU charges were waived off for Short Term Open Access (STOA) transactions, we request the Commission to issue necessary directions to Delhi STU for ensuring that going forward no STU charges are billed to the DISCOMs for Short Term Open Access (STOA) transactions.

PETITIONER'S SUBMISSION

- 2.48 The Petitioner filed the Petition for DTL owned inter-state Transmission Lines i.e., 400 kV Mandola-Bawana Double Ckt. and 400 kV Ballabgarh-Bamnauli Double Ckt. transmission lines for period 2019-24 respectively before CERC.
- 2.49 Pending Tariff for FY 2019-20, DTL in the Petition considered the Tariff from the Inter-State Transmission Lines of Rs. 3.12 Cr for FY 2018-19, as approved by CERC vide Order dated 29/06/2018, under Non-Tariff Income for FY 2019-20.
- 2.50 Further, as per directions of CERC, the Transmission Charges allowed by CERC shall be adjusted against the ARR approved by State Commission.
- 2.51 As per clause 12 of DERC Open Access Regulations, 2005, it is mentioned that:
"The Open Access Customers shall pay the transmission charges, wheeling charges, surcharges, additional surcharges, scheduling charges (payable to State Load Dispatch Centre), unscheduled inter-change (UI) charges, reactive energy charges and such other charges as the Commission may determine from time to time, as a part of the tariff under sections 61, 62 and 86 of the Act or otherwise decide or authorise the Nodal Agency to charge in exercise of its regulatory powers under the Act."
- 2.52 Further the definition of Customer as defined in the above said Regulation is as follows:
"Open Access Customer" means a consumer permitted by the Commission to receive supply of electricity from a person, other than distribution licensee of his area of supply, and the expressions includes a generating company and a

licensee, who has availed of or intends to avail of open access.”

2.53 Accordingly, issues need to be considered as per DERC Regulations.

COMMISSION'S VIEW

2.54 The Commission considered the Transmission Tariff from ISTS lines as mentioned above, under Non-Tariff Income for respective years.

2.55 The refund of STOA along with carrying cost were appropriately dealt in this Tariff Order in line with the direction issued by the Commission in Tariff Order dated 31/07/2019 and 28/08/2020.

ISSUE 6: AUGMENTATION/UPGRADATION OF TRANSMISSION SYSTEM

STAKEHOLDERS' SUBMISSIONS

2.56 As the Timarpur Okhla Waste Management Company Limited (TOWMCL) Generating Station has enhanced its generating capacity from 16MW to 23MW, accordingly, responsibility for augmentation/upgradation of Transmission System lies with the Generating Company. Hence, it is requested to not consider Timarpur Station upgradation cost on consumers of Delhi. It should be borne by Generating station only.

2.57 The concern related to Summer Preparedness needs to be considered while allowing the ARR of FY 2021-22 of DTL.

2.58 In addition to the above, following support is required from DTL:

- a) To augment 66/11 kV PTR which are over loaded.
- b) To have new DTL Grids from Summer 2022 onwards.
- c) Allocation of 4 Nos. 33 kV Bays at Dev Nagar
- d) Early Execution of 66 kV level at Madhu Vihar
- e) Early Execution of 220 kV Bodella Substation
- f) Additional 160 MVA Power Transformer at PPK-3 Grid Substation.
- g) Augmentation of 66/11 kV or 33/11 kV PTR capacity at Najafgarh, Lodhi Road & Okhla from 20 MVA to 31.5 MVA
- h) 220 kV Substation at Punjabi Bagh
- i) 04 Nos. 33 kV Bays from 220 kV Peeragarhi for A-4 P. Vihar and Madipur

- j) New 33 kV Bays AIIMS Trauma Centre

PETITIONER'S SUBMISSION

2.59 As regards to stakeholder comment regarding TOWMCL Generating Plant, the matter relates to BRPL and TOWMCL.

2.60 As regards to stakeholder comment regarding support required from DTL, pointwise submissions are as follows:

- a) 66/11 KV PTR schemes were prepared and augmentation of the same is under Tendering.
- b) 220 kV Grid Plan (2017-18 to 2021-22) is specified in DTL 13th Business Plan Rev-02 & the same is uploaded on DTL website. Further, preparation of 14th Business Plan (2021-22 onwards) is under process and suggestions from DISCOM's were sought in SCM held on 17/12/2020, which are yet to be received from DISCOM's.
- c) As regards to stakeholder comment regarding 4 Nos. 33 kV Bays at Dev Nagar, the matter was discussed in Steering Committee meeting on 24/06/2021 wherein TPDDL and BYPL informed that, keeping in view their current and future load requirement, both DISCOMs are not in position to vacate any 33 kV Feeder Bay from 220 kV Dev Nagar Substation. After deliberating the issue in detail, the Planning Steering Committee asked BRPL to explore the feasibility of their load requirement from some other source.
- d) The schemes for 66 kV level at Madhu Vihar, 220 kV Bodella Substation, Additional Power Transformer at PPK-3 Grid Substation, 66/11 kV or 33/11 kV PTR capacity augmentation at Najafgarh, Lodhi Road & Okhla were prepared and augmentation of the same is under Tendering.
- e) The 220/33kV GIS substation at Punjabi Bagh/Zakhira is envisaged under 13th Business Plan Rev-02 (2017-18 to 2021-22). Even after serious persuasions, DDA is not allocating any land for this Substation. Later on, it was decided in SCM to explore the possibility of remodelling existing 33kV Vishal Grid of BRPL. DTL has prepared a tentative layout but finalization of same is pending due to

requirement of additional space to accommodate Transformer with proper Electrical clearances. The same was advised in SCM dated 17/12/2020 but response from BRPL is still pending.

- f) The Steering Committee advised that additional 33kV bays form 220 kV Peeragarhi is not feasible and Power requirement of the same may be met from new upcoming Grids (like Punjabi Bagh, Mangolpuri).
- g) As regards to stakeholder comment regarding New 33 kV Bays AIIMS Trauma Centre, the Steering Committee advised BRPL to explore alternate arrangement in their own network to feed to 33 kV AIIMS from other nearby 220 kV Sub-stations especially from 220 kV R. K. Puram. BRPL agreed for the same.

COMMISSION'S VIEW

- 2.61 The Commission considered the capitalization in line with the provisions of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and DERC (Business Plan) Regulations, 2017 & DERC (Business Plan) Regulations, 2019.
- 2.62 The actual details of capitalization were submitted by the Petitioner in the formats prescribed by the Commission, along with the requisite statutory clearances/certificates of the appropriate authority/ Electrical Inspector, etc. as applicable.

ISSUE 7: PAYMENT RELATED ISSUES

STAKEHOLDERS' SUBMISSIONS

- 2.63 The Commission has devised the Subsidy Guidelines/Scheme whereby the GoNCTD and DISCOMs are to abide by the terms, conditions laid therein. It is unfortunate that the GoNCTD has not been releasing the quarterly subsidy in advance as per the scheme of the Electricity Act, 2003 and the directions issued by the Commission on grant of subsidy in advance only. Even the stand of the Commission in case TATA Power DDL vs. GoNCTD and Order in WP No.422/2018 is clear that the GoNCTD has to give the subsidy in advance. Thus, it is requested that the Commission may issue fresh advisory to the GoNCTD regarding the release of subsidy in advance. Further, the

GoNCTD may also be advised not to entertain any pleas for diversion of subsidy to DTL, IPGCL, PPCL qua and disputes which are pending adjudication with the Commission. This unilateral diversion was recently witnessed in March, 2021 and we had to secure suitable restraint orders from Hon'ble Delhi High Court. Thus, delay in release of subsidy has further added to financial stress of Tata Power DDL.

PETITIONER'S SUBMISSION

2.64 Since long time there are issues of pending payment of Transmission Charges from DISCOMs. Even after directions from the Supreme Court, DISCOMs i.e. BRPL and BYPL are not making payment against the bill of monthly Transmission Charges since October, 2010, which the Hon'ble Commission approves on yearly basis in ARR. Also, subsidy is the only solution to resolve the financial crisis DTL faced year on year due to huge outstanding dues on BRPL and BYPL. Further, the decision of diversion of subsidy held with GoNCTD and considering the financial health of DTL the decision on diversion of subsidy is being taken in periodic basis by GoNCTD. Therefore, Commission is requested not to give any direction to GoNCTD in this regard.

COMMISSION'S VIEW

2.65 The matter of Payment of Transmission Chagres and release of subsidy from GoNCTD are dealt appropriately as per Section-65 of Electricity Act, 2003, as per provisions of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 and DERC (Business Plan) Regulations, 2017 & DERC (Business Plan) Regulations, 2019.

A3: TRUING UP OF AGGREGATE REVENUE REQUIREMENT FOR FY 2019-20**PETITIONER'S SUBMISSION**

3.1 The Petitioner has submitted that as per *Delhi Electricity Regulatory Commission (Terms and Condition for Determination of Tariff) Regulations 2017*, the Annual Fixed Cost (AFC) of a transmission system shall consist of the following components:

- a) Return on Capital Employed;
- b) Depreciation; and
- c) Operations and Maintenance Expenses.

OPERATION & MAINTENANCE EXPENSES**PETITIONER'S SUBMISSION**

3.2 The Petitioner has submitted that the normative O&M Expenses for FY 2019-20 has been computed on the basis of average no. of bays and ckt-kms in 2019-20 and considering the norms specified under *DERC (Business Plan) Regulations, 2017* and the same are as below:

Table 3. 2 Petitioner Submission - Normative O&M Expenses for FY 2019-20 (Rs. Cr.)

Sr. No.	Voltage levels	Average No. of Bays	Average Ckt. km	Rs. Lakh/bay	Rs. Lakh/ckm	Bay (Rs. Cr.)	Ckm (Rs. Cr.)	Total (Rs. Cr.)
1	400 kV	64	249.12	50.44	9.07	32.28	22.60	54.88
2	220 kV & below	1359.5	836.04	17.06	2.27	231.93	18.98	250.91
	Total					264.21	41.57	305.79

3.3 The Petitioner has submitted to consider the following additional expenditure in addition to normative O&M expenditure:

3.4 Interim Relief on Account of Implementation of 7th Pay Commission: As per Wage Revision Committee's Order No. WRC/2016/157 dated 14/06/2017; the Petitioner has disbursed an amount of Rs. 38.01 Cr. as Interim Relief on account of implementation of 7th Pay Commission from January, 2016 onwards and the same has been considered by the Petitioner.

3.5 Provisions of 7th Pay Commission The Board of Directors of DTL in its meeting held 24/06/2020 had approved the recommendations of Wage Revision Committee and the

report submitted by the Committee and accordingly a provision of Rs. 91.67 Cr. has been made in Financial Statements of DTL of FY 2019-20 pertaining to period 01/01/2016 to 31/03/2020, excluding the Interim Relief already disbursed.

- 3.6 Salary of IPGCL Staff deployed in Delhi Transco Limited: As per directions of Ministry of Power, Govt. of NCTD, staff of Indraprastha Power Generation Co. Ltd. (IPGCL) have been deployed in DTL on diverted capacity. The salary of the IPGCL staff is being paid by DTL since 2016-17, over and above the Employee Expenses allowed by Commission to DTL. IPGCL and DTL being separate entities, therefore DTL in its Tariff Petition has considered Rs. 10.19 Cr. for FY 2019-20 which has been incurred by DTL which also include Interim Relief on account of 7th pay Commission. The Commission has already allowed the salary of IPGCL Staff for FY 2018-19 in Tariff Order dated 28/08/2020.
- 3.7 Additional Security Expenses: The Petitioner has submitted that not satisfied with security personnel deployed through Private Security Agencies (PSA) , the Petitioner had deployed security personnel through Director General of Resettlement (DGR), Govt. of India sponsored agency in line with Govt. of India directives. The Director General of Resettlement, Govt. of India issues notices of minimum wages for the workmen deployed through its sponsored agencies which are higher than the minimum wages determined for Delhi Government. Accordingly, the Petitioner has claimed Rs. 9.30 Cr. (over and above normative security expenses allowed by the Commission) in its Petition.
- 3.8 Licence Fee for Land: The Petitioner has submitted that, as per directions of Govt. of NCTD, DTL has been paying license fee for use of land to Govt. of NCTD. Earlier, such cost was added in the Gross Block of the Asset, but after the implementation of the IND-AS, Accounting Policy is modified whereby such cost is now charged as expenses. In FY 2019-20, DTL has paid Rs. 11.59 Cr. of annual premium for land at Dev Nagar (Karol Bagh), R. K. Puram, Dwarka and Tikri Khurd, to GoNCTD and the same has been claimed in the petition.
- a. Additional works under PSDF Schemes (10% Petitioner's Share): The Ministry of Power, Govt. of India has issued Approved Guidelines/Procedures for

Disbursement of fund from Power System Development Fund (PSDF). The 90% of the funding of the project is to be done through PSDF and rest 10% through DTL internal resources/loans, etc. The said PSDF works (upto F 2017-18) have been submitted for capitalization before the Commission. Now, as per IND AS (Indian Accounting Standard), the Petitioner has claimed Rs.1.25 Cr. (10% Petitioner's Share) for FY 2019-20, and the same are over and above the Normative O&M Expenses allowed by the Commission.

Table 3. 3: Petitioner Submission - O&M Expenses for FY 2019-20 (Rs. Cr.)

Particulars	FY 2019-20
Normative O&M Expenses	305.79
Impact of Interim Relief on Account of 7 th Pay Commission	38.01
Provision for 7 th Pay Commission (For Period 01.01.2016 to 31.03.2020)	91.67
IPGCL Staff Salary (Including Interim Relief for 7 th Pay Commission)	10.19
Additional Security Expenses	9.30
License Fee for Land	11.59
Additional Works under PSDF Schemes (10% DTL's Share)	1.25
Total O&M Expenses	467.80

COMMISSION ANALYSIS

3.9 The Operation & Maintenance (O&M) expenses in *DERC (Business Plan) Regulations 2017* have been approved based on network details (*No. of bays and Line Length in circuit kilometres*), as under:

"15. OPERATION AND MAINTENANCE EXPENSES

(1) *The Normative, Bay wise and Circuit kilometers wise, Operation and Maintenance expenses of a Transmission Licensee, including Own consumption of energy for Transmission Licensee's installations and offices, shall be as follows:*

Table 5: Bay wise Norms for HVAC (Rs. Lakh/bay)

Voltage levels	2017-18	2018-19	2019-20
400 kV	45.23	47.76	50.44
220 kV & below	15.30	16.16	17.06

Table 6: Circuit km wise Norms for HVAC lines (Rs. lakh/ckm)

Voltage levels	2017-18	2018-19	2019-20
400 kV	8.13	8.59	9.07
220 kV & below	2.03	2.15	2.27

(2) 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 Transmission Licensee and prudence check at the time of true up of ARR for the relevant financial year."

3.10 The Petitioner has claimed Rs. 38.01 Cr. on account of impact of 7th pay revision. The Commission had sought the detail of payment made on account of 7th pay revision during the prudence check. The Petitioner has submitted the details vide letter No. F/DTL/203/F.1/2021-22/Oprn.GM(C&RA)/12 dated 9/04/2021.

3.11 The Petitioner has also submitted additional O&M expenditure of Rs. 10.19 Cr. on account of diverted IPGCL staff.

3.12 Further, Petitioner has claimed Rs. 91.67 Cr. for FY 2019-20 on account of provisions for 7th pay commission (for period 1/01/2016 to 31/03/2020). As per Clause 15 (2) of Business Plan Regulations, 2017, impact of any statutory pay revision has to be considered based on the actual payment made by the Transmission Licensee. Relevant extract of the same is as follows:

"(2) 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 Transmission Licensees and shall be allowed by the Commission after prudence check at the time of true up of ARR for the relevant financial year."

3.13 The Petitioner has claimed certain amount related to additional security expenses (Rs. 9.30 Cr.), Licence fee for Land (Rs. 11.59 Cr.) and additional works under PSDF schemes (Rs. 1.25 Cr.).

3.14 The norms specified by the Commission for O&M expenses contain both factors of escalation on year to year basis and increase in O&M expenses based on addition in the network capacity.

3.15 While fixing the norms for O&M expenses, the Commission has considered actual O&M expenses of the Petitioner for the period from FY 2011-12 to FY 2015-16 which already includes expenses on account of security expenses, licence fee for land.

3.16 However, as FY 2019-20 was affected from the curfew imposed in the whole country by the Central Government due to outbreak of COVID-19, Commission analysed the Actual O&M expenses of the Petitioner for FY 2019-20 from Audited Annual Accounts which is as follows:

Table 3. 4: Actual O&M Expenses for FY 2019-20 as per Audited Annual Accounts for FY 2019-20

Sr. No.	Particulars	Amount (Rs. Cr.)	Reference
1	Employee Benefit Expenses		Note 25 of Audited Annual Accounts for FY 2019-20
	Salaries, Wages, allowances and bonus	309.58	
	Contribution to provident and other funds	5.99	
	Staff welfare expenses	8.75	
	Less: Employee Cost capitalized during the year	29.62	
	Total Employee Benefit Expenses	294.70	
2	Repair and Maintenance		Note 28 of Audited Annual Accounts for FY 2019-20
	Building	2.17	
	Lines, Cables and network assets	33.87	
	Vehicles	0.05	
	Others	0.81	
	Total Repair and Maintenance	36.91	
3	Consumption of stores and spares	16.87	
4	Administration, general and other expenses	138.74	
5	Less: Provisions for 7 th Pay Commission (for period 01/01/2016 to 31/03/2020)	91.67	As per Petition
6	Less: Provisions made for payment to Pension Trust	58.32	Note 32 II of Audited Annual Accounts for FY 2019-20
7	Actual O&M Expenses for FY 2019-20	337.23	7 = (1+2+3+4-5-6)

Accordingly, in view of impact of curfew imposed due to COVID-19, the Commission approved the actual O&M Expenses for FY 2019-20 amounting to Rs. 337.23 Cr. in the interest of consumers.

ASSETS CAPITALIZATION

PETITIONER'S SUBMISSION

3.17 The Petitioner has submitted that the Review of Assets Capitalization of DTL for FY 2011-12 to FY 2016-17 is being done by the Consultant i.e. M/s ABPS Infrastructure Pvt. Ltd. appointed by the Commission. For FY 2017-18, DTL has submitted the Assets

Capitalization details vide letter no. F/DTL/203/F.1/2019-20/Oprn.GM(C&RA)/46 dated 14/06/2019. For FY 2018-19 and FY 2019-20, the Assets Capitalization is under preparation and the same is likely to be submitted shortly. The Petitioner has submitted a tentative amount of Rs. 511.01 Cr. provisionally, as assets capitalization for FY 2019-20 for consideration of the Commission. The details of the assets capitalized during the period FY 2011-12 to FY 2017-18 and tentative assets capitalization for FY 2018-19 and FY 2019-20 are as below:

Table 3. 5: Petitioner Submission - Assets Capitalization for FY 2011-12 to FY 2019-20 (Rs. Cr.)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Capitalization	601.63	333.51	279.40	835.06*	541.88	324.97	173.50	422.08#	511.01##

* Rs. 22.70 Cr. has been added in FY 2014-15 towards balance works of 220kV DSIDC Bawana as per Hon'ble Commission's Order dated 05.11.2004 in Review Petition No. 69/2004.

Based on Audited Financial Statement of FY 2018-19

Based on Audited Financial Statement of FY 2019-20

COMMISSION ANALYSIS

3.18 The Commission observed that the amount of capitalization indicated in Note 2 and 4 of Audited financial statement for FY 2019-20 is Rs. 511.01 Cr. which is also as claimed by the Petitioner. Accordingly, the Commission has considered the capitalization provisionally for FY 2019-20, based on the audited financial statement submitted by the petitioner subject to physical verification of assets capitalized during FY 2019-20.

Table 3. 6: Commission Approved - Capitalization for FY 2019-20 (Rs. Cr.)

Particular	FY 2019-20	Remarks
Additional Capitalization	511.01	Note 2 and 4 of Audited Financial Statement for FY 2019-20

3.19 The Regulations 62 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* provides as follows:

"62 In case of the existing projects/scheme, the Generating Entity or Transmission Licensee, as the case may be, shall be allowed tariff by the Commission based on the admitted capital cost as on 1st April of the relevant year and projected additional capital expenditure for the respective years of the Control Period in accordance with the Regulation:

Provided that:

- (i) *The Generating Entity or Transmission Licensee, as the case may be, shall continue to bill the beneficiaries at the existing tariff approved by the Commission for the period starting from 1st April of new Control Period till approval of tariff by the Commission for new Control Period in accordance with these Regulations;*
- (ii) *where the capital cost considered in tariff by the Commission on the basis of projected capital cost as on COD or the projected additional capital expenditure submitted by the Generating Entity or Transmission Licensee, as the case may be, exceeds the actual capital cost incurred on year to year basis by more than 5%, the Generating Entity or Transmission Licensee, as the case may be, shall refund to the beneficiaries/consumers, the excess tariff recovered corresponding to excess capital cost, as approved by the Commission along with interest at 1.20 times of the bank rate as prevalent on April 1 of respective year;*
- (iii) *The Generating Entity or Transmission Licensee, as the case may be, shall file a true up Petition to the Commission, along with all supporting documents for consideration of any upward revision in the tariff, where the capital cost considered in tariff by the Commission on the basis of projected capital cost as on COD or the projected additional capital expenditure falls short of the actual capital cost incurred on year to year basis by more than 5%, the Generating Entity or Transmission Licensee, as the case may be, shall be entitled to recover from the beneficiaries for the shortfall in tariff corresponding to addition in capital cost, as approved by the Commission along with interest at 0.80 times of bank rate as prevalent on 1st April of respective year.”*

3.20 The Commission in Tariff Order dated 31/07/2019 for FY 2019-20 has approved capitalization of Rs. 599.61 Cr. The Commission observed that the projected capitalization approved by the Commission in Tariff Order dated 31/07/2019 exceeds the provisional capitalization approved above by more than 5%. Accordingly, the Commission in terms of Regulation 62 of the *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* has considered refund to the beneficiaries/consumers, the excess tariff recovered corresponding to excess capital cost along with interest at 1.20 times of the bank rate as prevalent on 01/04/2019. The carrying cost on excess tariff has been computed as under:

Table 3. 7: Commission Approved - Refund on account of variation in Capitalization (Rs Cr.)

Sr. No.	Particulars	UOM	Amount	Remarks
A	Projected Capitalization approved in Tariff Order for FY 2019-20	Rs. Cr.	599.61	Table 29 of T.O. dated 31/07/2019
B	Capitalization as per books of accounts considered by the Commission	Rs. Cr.	511.01	Table No. 3.5
C	Projected and actual capital cost difference	Rs. Cr.	88.60	A-B
D	Amount calculated on 5% of Capitalization approved in TO for FY 2019-20	Rs. Cr.	25.55	B*5/100
E	Excess amount	Rs. Cr.	63.05	C-D
F	WACC (as projected in TO dated 31/07/2019)	%	12.21	Table 39 of T.O. dated 31/07/2019
G	Excess RoCE	Rs. Cr.	3.85	(E/2)*F
H	Rate of Depreciation	%	4.79	
I	Depreciation	Rs. Cr.	1.51	(E/2) *H
J	Excess Tariff	Rs. Cr.	5.36	G+I
K	Bank rate	%	8.55	SBI MCLR rate as on 01/04/2019
L	1.20 time of bank rate	%	10.26	K*1.2
M	Effective recovery of interest	%	5.13	L/2
N	Refund	Rs. Cr.	0.27	J*M

DEPRECIATION**PETITIONER'S SUBMISSION**

3.21 The Petitioner has submitted that the depreciation for FY 2019-20 is computed by considering the rates of Depreciation as specified in the Tariff Regulations 2017 and actual assets capitalized from FY 2011-12 to FY 2017-18 as submitted to the Commission and a tentative amount of Rs. 511.01 Cr. have been considered as assets capitalization for FY 2019-20.

3.22 The Petitioner while computing the depreciation for FY 2019-20 has taken into account the adjustment in depreciation as per the provisions in Tariff Regulations 2017 separately, for the assets which have completed 12 years of their useful life. The details of depreciation for FY 2019-20 are given under:

Table 3. 8: Petitioner Submission - Depreciation for FY 2019-20 (Rs. Cr.)

Particulars	Rate of Depreciation	FY 2019-20
Land	0.00%	0.00
Land Under Lease		0.00
Building	1.80%	0.69
Meters	6.00%	0.11
Lines Network	5.83%	108.48
Other Civil Works	3.00%	7.36
Plant And Machinery	5.83%	177.03
Office Equipment	9.00%	0.74
Computer	16.67%	9.25
Furniture	9.00%	0.53
Misc. Assets	6.33%	0.08
Vehicles	9.00%	0.51
Scada	6.33%	3.38
Depreciation		308.15
Adjustment on Account of Assets Completing 12 Years of Their Useful Life		(40.64)
Net Depreciation		267.52

COMMISSION ANALYSIS

3.23 The Commission has considered the approved GFA upto FY 2018-19 in Tariff Order dated 28/08/2020 as the opening GFA for FY 2019-20, and capital addition for FY 2019-20 has been considered as approved by the Commission as above. The Commission has considered the depreciation rate as 4.53%. The Commission has observed that the Petitioner has availed the Government grant of Rs. 237.50 Cr. till 31/03/2019 (as per true-up Order for FY 2018-19) and Rs. NIL Cr. in FY 2019-20, and the same has been taken into account for computing depreciation. The depreciation as approved by the Commission is computed as below:

Table 3. 9: Commission Approved - Depreciation for FY 2019-20

Sr. No.	Particulars	UOM	Approved	Remarks
A	Opening GFA	Rs. Cr.	5227.95	Table 8 of T.O. dated 28/08/2020
B	Addition	Rs. Cr.	511.01	Table 3. 7:
C	Assets Retired during the Year	Rs. Cr.	3.40	As per Audited Annual Accounts for FY 2019-20
D	Closing GFA	Rs. Cr.	5735.56	A+B-C
E	Average GFA	Rs. Cr.	5481.75	(A+D)/2

Sr. No.	Particulars	UOM	Approved	Remarks
F	Opening Grant	Rs. Cr.	237.50	Table 8 of T.O. dated 28/08/2020
G	Addition Grant	Rs. Cr.	-	
H	Closing Grant	Rs. Cr.	237.50	F+G
I	Average Grant	Rs. Cr.	237.50	(F+H)/2
J	Depreciation Rate	%	4.53	Para 3.22
K	Total Depreciation	Rs. Cr.	237.56	(E-I)*J

WORKING CAPITAL REQUIREMENT

PETITIONER'S SUBMISSION

3.24 The Petitioner has submitted that the working capital requirement of DTL for FY 2019-20 has been calculated as per Tariff Regulations 2017 and is tabulated below:

Table 3. 10: Petitioner Submission - Working Capital for FY 2019-20 (Rs Cr.)

Particulars	FY 2019-20
Receivables for Two Months Calculated on NATAF	217.24
Maintenance Spares @ 15% Of O&M	70.17
O&M Expenses For 1 Month	38.98
Total Working Capital	326.39

COMMISSION ANALYSIS

3.25 As per Regulations 84 (3) of the *DERC (Terms and conditions for determination of tariff) Regulations, 2017*, the Commission shall calculate the working capital requirement for Transmission Licensee as follows:

- Receivables for two months towards Transmission Tariff calculated on NATAF;
- Maintenance spares @ 15% of Operation and Maintenance expenses; and
- Operation and Maintenance expense for one month.

3.26 In line with the above Regulation, the Commission approves Working Capital requirement for FY 2019-20 as follows:

Table 3. 11: Commission Approved - Working Capital for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	FY 2019-20	Remarks
A	Total Receivables for the Year		
B	Receivables for two months calculated on NATAF	159.36	A/6
C	Total O&M Expenses	337.23	
D	Maintenance spares @ 15% of O&M	50.58	C*15%

Sr. No.	Particulars	FY 2019-20	Remarks
E	O&M Expenses for 1 month	28.67	C/12
F	Working Capital requirement	238.60	B+D+E
G	Opening balance	225.65	Table 3.10 of T.O. dated 28/08/2020
H	Change in working capital	12.95	F-G

RETURN ON CAPITAL EMPLOYED

PETITIONER'S SUBMISSION

3.27 The Petitioner has submitted that the Return on Capital Employed (ROCE) has been calculated as per Tariff Regulations 2017 by considering Regulated Rate Base (RRB) & Weighted Average Cost of Capital (WACC) i.e.

$$\text{ROCE} = \text{RRB} \times \text{WACC}$$

3.28 The Petitioner has submitted that the Opening Cost of Fixed Assets for FY 2019-20 has been considered based on the value of Closing GFA of FY 2010-11 as approved by the Commission and actual Assets Capitalization values for FY 2011-12 to FY 2017-18 as submitted by DTL before the Commission and the tentative assets capitalization for FY 2018-19, as discussed above.

3.29 The Petitioner has submitted that the Rate of Return on Equity (r_e) has been taken @ 14% as specified in the Business Plan Regulations 2017; however, the Return on Equity has not been grossed with income tax rate as that has been claimed separately. Further, the rate of Return on Debt (r_d) for FY 2019-20 has been taken @ 8.85% as per weighted average interest on actual loan portfolio for FY 2019-20 in line with the provisions of Tariff Regulations 2017.

3.30 The Petitioner has submitted that for FY 2019-20, the ROCE is computed as per the Tariff Regulations 2017 and by considering the Debt : Equity ratio of 70:30 on the actual assets capitalization values for FY 2011-12 to FY 2017-18 as submitted before the Commission and tentative assets capitalization for FY 2019-20.

Table 3. 12: Petitioner Submission - ROCE Calculation for FY 2019-20 (Rs. Cr.)

Particulars	FY 2019-20
Original Costs of Fixed Assets	5334.32
Accumulated Depreciation	1867.20

Particulars	FY 2019-20
RRB Opening	3261.55
Additional Capitalisation	511.01
Depreciation	267.52
Working Capital	326.39
Govt. Grant/Psdf (Opening)	205.56
Govt. Grant/Psdf (Addition)	0.00
Govt. Grant/Psdf (Closing)	205.56
RRB Closing	3831.43
RRB Average	3709.69
Equity (Opening)	1538.63
Equity (Addition)	153.30
Equity(Closing)	1691.93
Equity (Average)	1615.28
Debt(Opening)	3590.13
Debt(Addition)	357.71
Debt(Closing)	3947.83
Debt (Average)	3768.98
Rate Of Return On Equity	14.00%
Rate Of Debt on Capitalization	8.85%
Rate of Debt on Working Capital	10.24%
Effective rate of Interest on Debt	8.96%
Weighted Average Cost Of Capital (WACC)	10.47%
Return on Capital Employed (ROCE)	388.55

COMMISSION ANALYSIS

3.31 The Commission has specified the provisions for Return on Capital Employed (ROCE) in its *DERC (Terms and Condition for Determination of Tariff) Regulations, 2017* as follows:

“65. Return on Capital Employed (RoCE) shall be used to provide a return to the Utility, and shall cover all financing costs except expenses for availing the loans, without providing separate allowances for interest on loans and interest on working capital.

66. The Regulated Rate Base (RRB) shall be used to calculate the total capital employed which shall include the Original Cost of Fixed Assets (OCFA) and Working Capital. Capital work in progress (CWIP) shall not form part of the RRB. Accumulated

Depreciation, Consumer Contribution, Capital Subsidies / Grants shall be deducted in arriving at the RRB.

67. The RRB shall be determined for each year of the Control Period at the beginning of the Control Period based on the approved capital investment plan with corresponding capitalisation schedule and normative working capital.

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

$$RRBi = RRB_{i-1} + \Delta ABi / 2 + \Delta WCi;$$

Where,

*“*i*” is the *i*th year of the Control Period;*

*RRBi: Average Regulated Rate Base for the *i*th year of the Control Period;*

*ΔWCi : Change in working capital requirement in the *i*th year of the Control Period from (*i-1*) th year;*

*ΔABi : Change in the Capital Investment in the *i*th year of the Control Period;*

This component shall be arrived as follows:

$$\Delta ABi = Invi - Di - CCI - Reti;$$

Where,

*Invi: Investments projected to be capitalised during the *i*th year of the Control Period and approved;*

*Di: Amount set aside or written off on account of Depreciation of fixed assets for the *i*th year of the Control Period;*

*CCI: Consumer Contributions, capital subsidy / grant pertaining to the ΔABi and capital grants/subsidies received during *i*th year of the Control Period for construction of service lines or creation of fixed assets;*

*Reti: Amount of fixed asset on account of Retirement/ Decapitalisation during *i*th Year;*

*RRB *i-1*: Closing Regulated Rate Base for the Financial Year preceding the *i*th year of*

the Control period. For the first year of the Control Period, Closing RRB i-1 shall be the Opening Regulated Rate Base for the Base Year i.e. RRBO;

RRBO = OCFAO – ADO – CCO+ WCO; Where; OCFAO: Original Cost of Fixed Assets at the end of the Base Year;

ADO: Amounts written off or set aside on account of depreciation of fixed assets pertaining to the regulated business at the end of the Base Year;

CCO: Total contributions pertaining to the OCFAo, made by the consumers, capital subsidy / grants towards the cost of construction of distribution/service lines by the Distribution Licensee and also includes the capital grants/subsidies received for this purpose;

WCO: working capital requirement in the (i-1)th year of the Control Period.

69. Return on Capital Employed (RoCE) for the year “i” shall be computed in the following manner:

$$RoCE = WACC_i * RRBi$$

Where, WACC_i is the Weighted Average Cost of Capital for each year of the Control Period;

RRBi – Average Regulated Rate Base for the ith year of the Control Period.

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

$$WACC = [D/(D+E)] * r_d + [E/(D+E)] * r_e$$

Where, D is the amount of Debt derived as per these Regulations;

E is the amount of Equity derived as per these Regulations;

Where equity employed is in excess of 30% of the capital employed, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall

be considered as notional loan. The amount of equity in excess of 30% treated as notional loan. The interest rate on excess equity shall be the weighted average rate of interest on the actual loans of the Licensee for the respective years. Where actual equity employed is less than 30%, the actual equity and debt shall be considered;

Provided that the Working capital shall be considered 100% debt financed for the calculation of WACC;

Rd is the Cost of Debt; re is the Return on Equity.”

Further the Rate of Return on Equity and Interest on Loan has been dealt in DERC (Business Plan) Regulations, 2017 as follows:

“12. RATE OF RETURN ON EQUITY

Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for Transmission Licensee shall be computed at the Base Rate of 14.00% on post tax basis.

13. TAX ON RETURN ON EQUITY *The base rate of Return on Equity as allowed by the Commission under Regulation 10 of these Regulations 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:*

$$\text{Rate of Return on Equity} = 14 / [(100 - \text{Tax Rate}) / 100]$$

where, Tax Rate is Minimum Alternate Tax (MAT) or Effective Tax Rate, as the case may be.

14. MARGIN FOR RATE OF INTEREST ON LOAN:

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

Transmission 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 i.e., 14.00%.”

- 3.32 During the prudence check, the Petitioner has submitted the actual rate of interest on loan as 8.85%. The Commission has considered actual rate of interest on loan as 8.85%, and the rate of return on equity as 14% as per the provisions of *DERC (Terms and Conditions for determination of tariff) Regulations, 2017*.
- 3.33 Further, as per *DERC (Terms and Condition for Determination of Tariff) Regulations, 2017* the Petitioner is allowed Return on Equity upto maximum of 30% of the net capital employed excluding working capital requirement which should be funded through 100% debt only. Therefore, the Commission has restricted the return on equity upto 30% of the net average capital employed for FY 2019-20.
- 3.34 Accordingly, RRB, WACC & Return on Capital employed approved by the Commission for FY 2019-20 is as follows:

Table 3. 13: Commission Approved - RRB for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	Commission Approved	Reference
A	Opening Original Cost of Fixed Assets (OCFA _o)	5227.95	Table 3.8 of Order Dated 28/08/2020
B	Opening Accumulated depreciation (AD _o)	1866.74	As per Table 3.12 of TO of 20-21
C	Opening consumer contributions received / Government Grant (CC _o)	237.50	Derived Table 3.12 of TO of 20-21
D	Opening Working capital (WC _o)	225.65	Derived Table 3.10 of TO of 20-21
E	Opening RRB (RRB _o)	3349.36	A-B-C+D
F	Investment capitalised during the year (INVi)	511.01	Table No. 3.5
G	Depreciation during the year (Di)	237.56	Table No. 3.8
H	Depreciation on decapitalised assets during year	0.31	As submitted by Petitioner
I	Consumer contribution during the year / Government Grant(CC _i)	-	

Sr. No.	Particulars	Commission Approved	Reference
J	Fixed assets retired/decapitalised during the year (Reti)	3.40	As per Note 2 and 4 of Audited Financial Statement
K	Change in capital investment (Δ ABi)	270.35	(F-G+H-I-J)
L	Change in working capital during the year (Δ WCi)	12.95	Table 3. 11:
M	RRB Closing	3632.66	E+K+L
N	RRBi	3497.48	E+K/2+L

Table 3. 14: Commission Approved - WACC and RoCE for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	UOM	Approved	Reference
A	RRBi	(Rs. Cr)	3497.48	Table 3.13
B	Opening Equity for Capitalisation (limited to 30%)	(Rs. Cr)	937.11	(A-B-C) * 30%
C	Closing Equity limiting to 30% of net capitalization	(Rs. Cr)	1018.22	(A - B - C + F - G + H - I - J) * 30%
D	Average Equity for Capitalisation (limited to 30%)	(Rs. Cr)	977.67	(B+C)/2
E	Opening Debt at 70% of net capitalization	(Rs. Cr)	2186.60	(A-B-C) * 70%
F	Closing Debt at 70% of net capitalization	(Rs. Cr)	2375.84	(A - B - C + F - G + H - I - J) * 70%
G	Avg Debt at 70% of net capitalization	(Rs. Cr)	2281.22	(E+F)/2
H	Debt at 100% of working capital	(Rs. Cr)	238.60	A-D-G
I	Total Debt	(Rs. Cr)	2519.82	A-D
J	Rate of return on equity (re)	%	14.00%	As per Regulations
K	Rate of debt (rd) on capitalization	%	8.85%	Actual submitted by Petitioner
L	Rate of debt (rd) on working Capital	%	10.24%	Actual submitted by Petitioner
M	Rate of interest on debt(rd)	%	8.98%	((G*K) + (H*L))/(G+H)
N	WACC	%	10.38%	(I*M+D*J)/(D+I)
O	RoCE	(Rs. Cr)	363.19	A*N

INCOME TAX EXPENSES

PETITIONER'S SUBMISSION

3.35 The petitioner has submitted that Hon'ble Appellate Tribunal for Electricity (APTEL) in

its Judgment (dated 01/02/2016) in Appeal No. 255 of 2013 against Tariff Order dated 31.07.2013 has held regarding income tax as below:

“45.4 In our opinion, the Commission has to consider the income tax actually paid by the Appellant with due verification and the same has to be included in the Tariff computation and shall be passed on to the beneficiaries. Further, tax on any income other than through its licensed business shall not be passed through, and it shall be payable by the Transmission Licensee itself. Accordingly, the issue is decided in favour of the Appellant and the issue is remanded back to consider the Income Tax amount paid with due verification and prudence check”

- 3.36 The Remanded back Issue(s) in Appeal No. 255 of 2013 was heard by the Commission in Petition No. 62 of 2017, however, the Commission vide its Order dated 30/12/2019 has not considered the issues raised in Appeal No. 255 of 2013 related to Income Tax. Aggrieved of the Order dated 30/12/2019, DTL has filed an Appeal (DFR No. 96 of 2020) and is pending before the Hon’ble Appellate Tribunal for Electricity (ATE).
- 3.37 As per the Hon’ble Tribunal Judgment in Appeal No. 255 of 2013, the actual income tax for FY 2018-19 has been considered by DTL in the petition.
- 3.38 The summary of Income Tax Expenses for FY 2019-20 is tabulated below:

Table 3. 15: Petitioner Submission - Income Tax Expenses for FY 2019-20 (Rs. Cr.)

Particulars	FY 2019-20
Income Tax on Transmission Business	180.52
Net Income Tax	180.52

COMMISSION ANALYSIS

- 3.39 The Commission observed that as per Note 37 of Annual Audited Accounts for FY 2019-20, Income Tax expense is indicated as Rs. 180.52 Cr. and the effective income tax rate applicable to the Petitioner is 34.94%. The Commission vide Email dated 09/09/2021 sought details regarding the computation of effective tax rate along-with the Income Tax return for the period from FY 2017-18 to FY 2019-20. In this regard, the Petitioner vide Email dated 15/09/2021 submitted the Income Tax Returns for the period FY 2017-18 to FY 2019-20 and observed that the actual income tax of Rs. 60.10 Cr. is paid by the Petitioner for FY 2019-20.

3.40 During the prudence check, the Petitioner submitted that the Tax rate to be considered for FY 2019-20 as the actual tax rate @ 34.944% and as already submitted in the ARR Petition, the actual tax paid by DTL may kindly be allowed in view of judgement of Hon'ble ATE in appeal no. 255/2013.

3.41 As per Regulation 72 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017*, the base rate of return on equity as specified by the Commission in the Business Plan Regulations shall be grossed up with the effective tax rate of the respective financial year. Relevant extract of the Regulation 72 is as follows:

*"72. Tax on Return on Equity: The base rate of return on equity as specified by the Commission in the Business Plan Regulations shall be grossed up with the effective tax rate of the respective financial year. For this purpose, **the effective tax rate shall be considered on the basis of actual tax paid vis-à-vis total income of the Utility in the relevant financial year** in line with the provisions of the relevant Finance Acts. The actual tax on other income stream shall not be considered for the calculation of "effective tax rate":*

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

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

73. Rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

Rate of pre-tax return on equity = Base rate / (1-t)

Where "t" is the effective tax rate in accordance with Regulation 0 and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid by the Utility on pro-rata basis by excluding the other income stream:

Provided that wherever the Utility pays Minimum Alternate Tax (MAT), "t" shall be considered as MAT rate including surcharge and cess."

3.42 The Commission observed from the Income Tax Return of FY 2019-20, that the Petitioner has paid an amount of Rs. 60.10 Cr. as current year Tax and considering the same for computation of effective tax rate, the Commission approved a effective tax rate of 17.47% for FY 2019-20 (i.e. Rs. 60.10 (current year tax)/Rs. 343.97 Cr. (Book profit under MAT). Accordingly, Commission has considered the base rate of return on equity as 14% for grossing up with the effective tax rate of 17.47% for FY 2019-20 for the computation of tax on Return on Equity and allowed the Income Tax of Rs. 28.98

Cr. as per the Regulation 72 of the *DERC (Terms and Conditions for determination of Tariff) Regulations 2017* and Regulation 21 of *DERC (Business Plan) Regulations 2017*.
The details of Income tax approved for transmission business is as below:

Table 3. 16: Commission Approved - Income tax for FY 2019-20

Sr. No.	Income Tax	UOM	Approved	Remarks
A	Average Equity for Capitalisation (limited to 30%)	(Rs. Cr)	977.67	
B	Rate of Return (re) of Equity	(%)	14%	As per Regulations
C	Return on Equity	(Rs. Cr.)	136.87	A*B
D	Income Tax Rate	(%)	17.47%	As per Para 3.42
E	Return on Equity including income tax	(Rs. Cr.)	165.85	A*B/(1-D)
F	Income Tax	(Rs. Cr.)	28.98	E-C
G	Actual Income Tax Paid	(Rs. Cr.)	60.10	Income Tax Return for FY 2019-20
H	Income Tax allowed	(Rs. Cr.)	28.98	Minimum (F,G)

NON-TARIFF INCOME

PETITIONER SUBMISSION

3.43 The Petitioner has considered Non-Tariff Income based on the factors as per Tariff Regulations 2017, and the same have been reduced from the ARR for FY 2019-20.

3.44 The Petitioner has submitted that the tariff from the Inter-State Transmission Lines owned by DTL i.e. 400 kV Mandola-Bawana Double Ckt. and 400 kV Ballabgarh - Bamnauli Ctk. Transmission Lines for period 2019-24 respectively before the Hon'ble CERC. In absence of any approved tariff for FY 2019-20, the Petitioner has considered the tariff from the Inter-State Transmission Lines of Rs. 3.12 Cr. for FY 2018-19 as approved by the Hon'ble CERC vide Oder dated 29/06/2018, under Non Tariff income for FY 2019-20.

Table 3. 17: Petitioner Submission - ISTS Tariff for FY 2019-20 Approved by CERC (Rs. Lakh)

Sr. No.	Line Name	FY 2018-19
1	400kv D/C Mandaula-Bawana	107.68
2	400kv D/C Bamnauli-Ballabgarh	204.17
Total		311.85
Total (in Rs. Cr.)		3.12

3.45 The Petitioner has not considered the STOA Charges as Non Tariff Income as per Tariff

Order dated 31/07/2019.

3.46 The Petitioner has submitted that the Commission in its earlier Tariff Orders have also considered Reactive Energy Charges as part of Non-Tariff Income of DTL, however DTL has incurred an amount of Rs. 4.53 Cr. on account of Reactive Energy Charges. Therefore, same has been considered as an expense in Non-Tariff Income for FY 2019-20.

3.47 The Petitioner has submitted the Non-Tariff Income for FY 2019-20 as below:

Table 3. 18: Petitioner Submission - Non-Tariff Income for FY 2019-20 (Rs. Cr.)

Particulars	FY 2019-20
Income from Sale of Scrap	1.04
Tariff from ISTS Lines	3.12
Reactive Energy Charges (Expenses)	(4.53)
Miscellaneous Receipts	4.59
Non-Tariff Income	4.22

COMMISSION ANALYSIS

3.48 As per *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017*, "Non-Tariff Income "means any income incidental to the licensed business other than the income from Tariff."

3.49 The Commission in its Tariff Order dated 31/07/2019 did not consider the Short Term Open Access charges under Non-Tariff Income of the Petitioner.

3.50 The Commission in its Tariff Order dated 31/07/2019 & 28/08/2020 directed the Petitioner to disburse the Short Term Open Access charges as per the applicable rules and regulations.

3.51 It is noticed that there has been consistent default in disbursing STOA charges by the Petitioner in spite of the direction of the Commission.

3.52 As the petitioner has failed to comply with the Commission's directives to disburse the STOA charges within seven working days and the Petitioner has retained this amount during FY 2019-20 also, a carrying cost of Rs. 7.65 Cr. on STOA charges pertaining to FY 2019-20 for eight months from Aug'19 to Mar'20, is considered as Non-Tariff Income of the licensee, computed as below –

Table 3. 19: Commission Approved - Carrying Cost on STOA charges (Rs. Cr.)

Sr. No.	Parameters	FY 2019-20
A	Average Balance for FY 2019-20	112.03
B	Rate of Debt on Working Capital	10.24%
C	Carrying Cost rate for Eight months period (Aug'19 to March'2020)	6.83%
D	Carrying Cost on STOA	7.65

3.53 The Commission in its earlier Tariff Orders has been considering the Reactive Energy Charges as part of non-tariff Income and the benefit of reducing ARR has already been passed on to the consumers. Since during FY 2019-20, DTL has paid the reactive energy charges, therefore, the same has been allowed.

3.54 The Commission observed from Note 23 and 24 of the audited financial statements for FY 2019-20 that all incomes being incidental to electricity business and derived by the Licensee from other sources, including miscellaneous receipts shall constitute Non-Tariff Income of the Licensee. Therefore, the Commission has considered following revenue heads as part of Non-Tariff Income for FY 2019-20:

Table 3. 20: Commission Approved - Non-Tariff Income for FY 2019-20 (Rs. Cr.)

Sr. No.	Parameters	FY 2019-20
1	Income from Sale of Scrap	0.45
2	Income from Sale of Plant & Equipment	1.04
3	Tariff from ISTS Lines	3.12
4	Reactive Energy Charges	(4.53)
5	Licence Fee recovery	0.18
6	Miscellaneous Receipts	4.60
7	Carrying Cost on STOA [Collected and yet to be disbursed]	7.65
	Total	12.51

ADDITIONAL LIABILITY ON ACCOUNT OF REVISION OF TARIFF FOR PRIOR PERIOD 2002-07

PETITIONER'S SUBMISSION

3.55 The Petitioner has submitted that they are liable to pay the revised power purchase bill of CPSUs for period prior to March-2017, which have been arisen during the period of 2002-07 as per the Orders of ATE/CERC for revised power cost tariffs to SJVNL and others. Recently, SJVNL has billed the Petitioner on account of past power purchase liability. Since, this pertains to the past power purchase liability made by the Petitioner

before 01/04/2017, therefore the same has been additionally claimed by the Petitioner in the Petition. Commission in earlier Tariff Orders has allowed such expenses in ARR of the Petitioner.

COMMISSION ANALYSIS

3.56 During the prudence check session, the Commission has discussed the matter with the Petitioner and Commission vide its email dated 20/03/2021 and 7/04/2021 has sought certain details/information from the Petitioner w.r.t. bills raised by SJVNL and subsequent payment made by the Petitioner. The Petitioner vide its letter no. F-DTL/203/F-1/2021-22/Oprn.GM(C&RA)/12 dated 9/04/2021 has submitted the bills and internal approval note. However, the Petitioner was directed to submit the proof of payment made against the said liability. The Petitioner vide its email dated 3/06/2021 has submitted the Bank statement in support of the payment made to SJVNL against this liability. It is observed from the submitted information that the Petitioner has made the payment in 2 tranches (*Rs. 1.88 Cr in FY 2019-20 and Rs. 0.46 Cr. In FY 2020-21*) amounting to Rs. 2.34 Cr. out of total liability of Rs. 3.34 Cr. Accordingly, the Commission has allowed an amount of Rs. 1.88 Cr. payment actually made by the Petitioner during FY 2019-20 on account of these expenses as a part of ARR of the Petitioner and granted liberty to the Petitioner to claim part payment against this in next year when the payment was made actually.

TRUE UP OF AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2019-20

PETITIONER'S SUBMISSION

3.57 The Petitioner has claimed the True up of ARR for FY 2019-20 as tabulated below:

Table 3. 21: Petitioner Submission - Aggregate Revenue Requirement for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	Approved in Tariff Order Dated 31/07/2019	True-Up Petition FY 2019-20
1	O&M Expenses	325.50	467.80
2	Depreciation	241.21	267.52

Sr. No.	Particulars	Approved in Tariff Order Dated 31/07/2019	True-Up Petition FY 2019-20
3	Return on Capital Employed	433.35	388.55
4	Income Tax		180.52
	Additional Past Power Purchase Liability	0.00	3.24
5	Less: Non-Tariff Income	47.34	4.22
6	Less: Income from Other Business	-	-
	AGGREGATE REVENUE REQUIREMENT	952.72	1303.41

3.58 DTL has been billing to DISCOMs for FY 2019-20 on the basis of Transmission Tariff approved by the Commission in ARR Order dated 31/07/2019. The impact of the same is tabulated below:

Table 3. 22: Petitioner Submission - Impact of True Up for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	FY 2019-20
A	Approved ARR for FY 2019-20 in Tariff Order dated 31/07/2019	952.72
B	True Up of ARR for FY 2019-20	1303.41
A-B	Surplus/(Deficit)	(350.69)

COMMISSION ANALYSIS

3.59 The Commission, based on the above analysis of the parameters of ARR, has considered the ARR for true up of FY 2019-20 as follows:

Table 3. 23: Commission Approved - ARR for FY 2019-20 (Rs. Cr.)

Sr. No.	Parameters	Approved	Remarks
A	O&M Expenses	337.23	Table 3.4
B	Depreciation	237.56	Table 3.9
C	Income Tax	28.98	Table 3.16
D	ROCE	363.19	Table 3.14
E	Add: Additional Past Period Purchase Liability (SJVNL)	1.88	Para 3.56
F	Less: Refund on account of under capitalization	0.27	Table 3.7
G	Less: Non-Tariff Income	12.51	Table 3.20
H	AGGREGATE REVENUE REQUIREMENT (ARR)	956.06	H=(A+B+C+D+E-F-G)

BALANCE IMPACT OF TRUE UP FOR FY 2019-20

PETITIONER SUBMISSION

3.60 DTL has been billing from DISCOMs for FY 2019-20 on the basis of Transmission Tariff

approved by Commission in ARR Order dated 31/07/2019. The impact of true-up is tabulated below:

Table 3. 24: Petitioner Submission - Balance Impact of True Up for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	2019-20
A	Approved ARR for FY 2019-20 in Tariff Order dated 31/07/2019	952.72
B	True Up of ARR for FY 2019-20	1303.41
A-B	Surplus/(Deficit)	(350.69)

COMMISSION ANALYSIS

3.61 Based on the parameters discussed above, the Commission has considered the impact of True-up for FY 2019-20 as follows:

Table 3. 25: Commission Approved - Impact of True up for FY 2019-20 (Rs. Cr.)

Sr. No.	Particulars	Amount	Remarks
A	ARR for FY 2019-20 approved in Tariff Order 2019-20	884.86	Table 47 of Tariff Order dated 31/07/2019
B	Trued-up ARR for FY 2019-20	956.06	Table 3.23
C	(Gap)/Surplus	(71.20)	A-B

ACTUAL ANNUAL TRANSMISSION AVAILABILITY FACTOR

COMMISSION ANALYSIS

3.62 The Commission considered Annual Transmission System Availability factor of the Petitioner for FY 2019-20 as 98.953% as per Annual Audited Accounts of Delhi-SLDC.

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3.63 The Commission considered the Transmission losses of the Petitioner for FY 2019-20 as 0.90% as per Annual Audited Accounts of Delhi-SLDC.

A4: ANALYSIS OF AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2021-22**BACKGROUND**

4.1 The Commission has analysed the Tariff Petition submitted by the Petitioner for approval of ARR and determination of transmission charges for FY 2021-22 as per the provisions specified in *DERC (Terms & Conditions for Determination of Tariff) Regulations 2017*, as follows:

“110. The tariff for transmission of electricity shall comprise Capacity charge for recovery of annual fixed cost consisting of the components specified in these Regulations.

111. The annual fixed cost (AFC) of a transmission system (including communication system) shall consist of the following components as specified in these Regulations:

- (a) Return on Capital Employed;*
- (b) Depreciation; and*
- (c) Operation and Maintenance expenses.”*

AGGREGATE REVENUE REQUIREMENT FOR FY 2021-22**PETITIONER SUBMISSION**

4.2 The Petitioner has submitted that as per *DERC (Terms and Condition for Determination of Tariff) Regulations 2017*, the Annual Fixed Cost (AFC) of a transmission system shall consist of the following components:

- a) Return on Capital Employed;
- b) Depreciation; and
- c) Operations and Maintenance Expenses.

ASSETS CAPITALIZATION FOR FY 2021-22**PETITIONER SUBMISSION**

4.3 The Petitioner has considered the projected assets capitalization of Rs.303.80 Cr. for FY 2020-21 as approved by the Commission in ARR Order dated 28/08/2020. For FY 2021-22, an amount of Rs. 1341.49 Crore has been considered for Revised Assets Capitalization, based on the recent development in the power sector/load growth in the region of NCT of Delhi and the impact due to Covid-19 pandemic.

4.4 The Petitioner has submitted the Assets Capitalization schedule for FY 2021-22 as below:

Table 4. 1: Petitioner Submission - Proposed Assets Capitalization for FY 2021-21 (Rs. Cr.)

Particulars	2021-22
Proposed Assets Capitalization	1341.49

4.5 Further, due to outbreak of second wave of COVID-19, Petitioner vide its letter dated 21/06/2021 (Ref.: DTL Letter No. F.DTL/203/F-01/2021-22/Oprn.GM(C&RA)/31) revised its projections for Assets Capitalization for FY 2021-22 to Rs. 690.35 Cr. and requested to consider the same while approving the ARR for FY 2021-22.

COMMISSION ANALYSIS

4.6 As per Regulation 16(1) of Business Plan Regulations, 2019, the tentative capital investment plan for FY 2021-22 was projected as Rs. 1636 Cr. The capitalisation proposed by the Petitioner is lower than the projected capitalisation in Business Plan Regulations, 2019.

4.7 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. Accordingly, the Commission has considered the asset capitalization for FY 2021-22 as projected by the Petitioner vide letter dated 21/06/2021 which is as follows:-

Table 4. 2: Commission Approved - Capitalization for FY 2021-22 (Rs. Cr.)

Particulars	2021-22
Projected Assets Capitalization	690.35

OPERATION & MAINTENANCE EXPENSES

PETITIONER SUBMISSION

4.8 The Petitioner has submitted the normative O&M Expenses as per the Assets Capitalization schedule for FY 2021-22, Tariff Regulations 2017 and Business Plan Regulations 2019, are as below:

Table 4. 3: Petitioner Submission - Normative O&M Expenses for FY 2021-22 (Rs. Cr.)

Sr. No.	Voltage levels	Average No. of Bays	Average Ckt. km	Rs. Lakh/bay	Rs. Lakh/ck m	Bay (Rs. Cr.)	Ckm (Rs. Cr.)	Total (Rs. Cr.)
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Sr. No.	Voltage levels	Average No. of Bays	Average Ckt. km	Rs. Lakh/bay	Rs. Lakh/ck m	Bay (Rs. Cr.)	Ckm (Rs. Cr.)	Total (Rs. Cr.)
1	400 kV	65.5	249.19	57.261	2.463	37.74	6.14	43.88
2	220 kV & below	1395	891.47	17.867	4.573	249.24	40.77	290.01
	Total					286.99	46.90	333.89

4.9 Further the Petitioner has also considered the additional expenditure over and above the normative O&M Expenses on account of, interim relief of 7th Pay Commission, Security Expenses and Licence Fee for land.

4.10 The Petitioner has submitted the summary of Operation & Maintenance Expenses for the FY 2021-22 as tabulated below:

Table 4. 4: Petitioner Submission Operation and Maintenance Expenses for FY 2021-22(Rs. Cr.)

Particulars	FY 2021-22
Normative O&M Expenses	333.89
Impact of Interim Relief on Account of 7 th Pay Commission	13.57
Security Expenses	25.15
License Fee for Land	11.59
Total O&M Expenses	384.19

COMMISSION ANALYSIS

4.11 As per Business Plan Regulations 2019, the Operation & Maintenance (O&M) expenses have been approved based on network details (No. of bays and Line Length in circuit kilometres), as under:

“15. OPERATION AND MAINTENANCE EXPENSES

(1) The Normative, Bay wise and Circuit kilometers wise, Operation and Maintenance expenses of a Transmission Licensee, including Own consumption of energy for Transmission Licensee’s installations and offices, shall be as follows:

Table 5: Bay wise Norms for HVAC (Rs. Lakh/bay)

Voltage levels	2020-21	2021-22	2022-23
400 kV	55.493	57.621	59.830
220 kV & below	17.207	17.867	18.552

Table 6: Circuit km wise Norms for HVAC lines (Rs. lakh/ckm)

Voltage levels	2020-21	2021-22	2022-23
400 kV	2.372	2.463	2.557
220 kV & below	4.405	4.573	4.749

(2) The O&M expenses for a particular financial year of the control period shall be allowed by multiplying the norms for O&M expenses with the respective average network capacity during the financial year (i.e. average of network capacity at the start of Financial year and network capacity at the end of Financial year) excluding spare bays and bus section bays.

(3) The impact of difference of amount on account of actual implementation of Seventh Pay Revision and Interim Relief already considered for determination of norms for O&M Expenses, if any, shall be allowed separately in line with the methodology adopted for computation of norms for O&M Expenses, at the time of True up of ARR for relevant Financial year subject to prudence check.

(4) The Transmission Licensee shall claim Land Licence Fee and Security Expenses separately on actual basis at the time of true up of ARR for the relevant financial year subject to prudence check.”

- 4.12 The Commission has considered the projection of 400 kV and 200 kV & below (Both Bays and Ckt. km) on the basis of average of FY 2020-21 and FY 2021-22.
- 4.13 Further, as per Regulation 15(3) of DERC (Business Plan) Regulations, 2019, the Commission has already considered impact of interim relief for determination of norms for O&M Expenses. The impact of difference of amount on account of actual implementation of Seventh Pay Revision and Interim Relief already considered for determination of norms for O&M Expenses, if any, shall be considered separately, at the time of True up of ARR for relevant financial year subject to prudence check.
- 4.14 The Commission has provisionally considered Security Fee expenses and Licence Fee of Land for FY 2021-22, based on the actual values as per Note 28 of Annual Audited Accounts for FY 2019-20, subject to prudence check at the time of true-up of ARR for FY 2021-22.
- 4.15 Accordingly, the Commission approves the O&M Expenses for FY 2021-22 based on the norms specified in the Business Plan Regulations, 2019 as follows:

Table 4. 5: Commission Approved - O&M Expenses for FY 2021-22

Sr. No	Voltage	Rs. Lakh/bay	Rs. Lakh /ckm	No. of Bays	Ckt.km	Bay	Ckm	Total
						(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)

		A	B	C	D	E= A*C/100	F= B*D/100	G=E+F
1	400kV	57.621	2.463	63	249	36.30	6.14	42.44
2	220kV & below	17.867	4.573	1354	923	241.92	42.20	284.12
3	Total Normative O&M expenses			1417	1172	278.22	48.34	326.56
4	Provisional Security Expenses (Actual As per Note-28 of Annual Audited Accounts for FY 2019-20)							25.12
5	Provisional License Fee for Land (Actual As per Note-28 of Annual Audited Accounts for FY 2019-20)							11.59
6	Total O&M expenses allowed for FY 2021-22							363.30

DEPRECIATION

PETITIONER SUBMISSION

- 4.16 The Petitioner has submitted that depreciation for FY 2021-22 is computed by considering the rates of Depreciation as specified in the Tariff Regulations 2017, the closing GFA for FY 2019-20 (as explained in True-up petition for FY 2019-20) and assets proposed to be capitalized for FY 2020-21 and FY 2021-22.
- 4.17 The Petitioner while computing the depreciation for FY 2021-22 has taken into account the adjustment in depreciation as per the provisions in Tariff Regulations 2017 separately, for the assets which have completed 12 years of their useful life. The Petitioner has submitted the Depreciation for FY 2021-22 as tabulated below:

Table 4. 6: Petitioner Submission - Depreciation for FY 2021-22 (Rs.Cr.)

Particulars	Rate Of Depreciation	2021-22
Land	0.00%	0.00
Land Under Lease		0.00
Building	1.80%	0.69
Meters	6.00%	0.11
Lines Network	5.83%	119.45
Other Civil Works	3.00%	7.44
Plant and Machinery	5.83%	189.34
Office Equipment	9.00%	0.77
Computer	16.67%	9.30
Furniture	9.00%	0.54
Misc. Assets	6.33%	0.08
Vehicles	9.00%	0.51

Particulars	Rate Of Depreciation	2021-22
SCADA	6.33%	3.38
Depreciation		331.62
Adjustment On Account Of Assets Completing 12 Years		(51.60)
Depreciation Rate (Considering the Adjustment on account of assets completing 12 Years of their useful life)	4.79%	
Net Depreciation		280.02

COMMISSION ANALYSIS

- 4.18 The Commission has considered the opening GFA of Rs. 6039.36 Cr. for FY 2021-22 by considering the true-up value as approved for FY 2019-20 (*amounting to Rs. 5735.56 Cr.*) plus GFA addition for FY 2020-21 (*amounting to Rs. 303.80 Cr.*) as approved by the Commission in Tariff Order dated 28/08/2020. The Petitioner has submitted the weighted average rate of depreciation as 4.79% and the Commission has provisionally considered the same.
- 4.19 Further, Commission has considered the opening grant of Rs. 237.50 Cr. for FY 2021-22 by considering the true-up value as approved for FY 2019-20 plus grant approved for FY 2019-20 in Tariff Order dated 28/08/2020. The Petitioner has submitted Nil value of grant addition during FY 2021-22. Accordingly, the depreciation has been computed as below:

Table 4. 7: Commission Approved - Depreciation for FY 2021-22

Sr. No.	Particulars	FY 2021-22
A	Opening GFA	6039.36
B	Projected Addition	690.35
C	Assets Retired During the year	0.00
D	Closing GFA	6729.71
E	Average GFA	6384.54
F	Opening Grant	237.50
G	Addition	0.00
H	Closing Grant	237.50
I	Average Grant	237.50
J	Depreciation Rate	4.79%
K	Total Depreciation	294.44

WORKING CAPITAL REQUIREMENT

PETITIONER'S SUBMISSION

- 4.20 The Petitioner has submitted that the working capital requirement of the DTL for the FY 2021-22 has been calculated (based on the projections for FY 2021-22) as per Tariff Regulations 2017 and is tabulated below:

Table 4. 8: Petitioner Submission - Working Capital for FY 2021-22 (Rs. Cr.)

Particulars	FY 2021-22
Receivables for Two Months Calculated on NATAF	202.08
Maintenance Spares @ 15% Of O&M	57.63
O&M Expenses For 1 Month	32.02
Total Working Capital	291.72

COMMISSION ANALYSIS

- 4.21 The computation of Working Capital requirement for Transmission Licensee has been specified in Tariff Regulations, 2017 as follows:

“84. The Commission shall calculate the Working Capital requirement for:

(3) Transmission Licensee as follows:

(a) Receivables for two months towards transmission tariffs calculated on NATAF;

(b) Maintenance spares @ 15% of operation and maintenance expenses; and

(c) Operation and maintenance expenses for one month.”

- 4.22 In line with above, the Commission approves the working capital requirement for FY 2021-22 as follows:

Table 4. 9: Commission Approved - Working Capital for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	FY 2021-22
A	Receivables for two months calculated on NATAF	185.72
B	Maintenance spares @ 15% of O&M	54.49
C	O&M Expenses for 1 month	30.27
D	Working Capital requirement	270.49
E	Opening balance	250.84
F	Change in working capital	19.65

RETURN ON CAPITAL EMPLOYED

PETITIONER’S SUBMISSION

- 4.23 The Petitioner has submitted that the Return on Capital Employed (ROCE) has been

calculated as per Tariff Regulations 2017 by considering Regulated Rate Base (RRB) & Weighted Average Cost of Capital (WACC) i.e.

$$ROCE = RRB \times WACC$$

- 4.24 The Petitioner has submitted the Opening Cost of Fixed Assets for FY 2021-22 has been considered based on the value of Closing GFA of FY 2019-20 as discussed in True up Petition and the approved Assets Capitalization for FY 2020-21 as discussed above.
- 4.25 The Petitioner has submitted the Rate of Return on equity has been grossed up to 21.52% (by considering the income tax rate @ 34.944%) as per Tariff Regulations 2017.
- 4.26 The Petitioner has submitted For FY 2021-22, the ROCE is computed as per the Tariff Regulations 2017 and by considering the Debt : Equity ratio of 70:30 on the assets capitalized during the year FY 2011-12 to FY 2020-21, and revised assets capitalization proposed for FY 2021-22 as discussed above.

Table 4. 10: Petitioner Submission - Return on Capital Employed for FY 2021-22 (Rs. Cr.)

Particulars	FY 2021-22
Original Costs of Fixed Assets	6148.62
Accumulated Depreciation	2397.00
RRB Opening	3546.05
Additional Capitalisation	1341.49
Depreciation	280.02
Working Capital	291.72
Govt. Grant/PSDF (Opening)	205.56
Govt. Grant/PSDF (Addition)	0.00
Govt. Grant/PSDF (Closing)	205.56
RRB Closing	4899.24
RRB Average	4368.51
Equity (Opening)	1782.92
Equity (Addition)	402.45
Equity(Closing)	2185.36
Equity (Average)	1984.14
Debt(Opening)	4160.14
Debt(Addition)	939.04
Debt(Closing)	5099.18
Debt (Average)	4629.66
Rate of Return on Equity	21.52%
Rate of Return on Debt	8.85%
Weighted Avg Cost Of Capital (WACC)	12.65%
Return On Capital Employed (ROCE)	552.66

COMMISSION ANALYSIS

- 4.27 The Commission has specified the provisions for Return on Capital Employed in its

Tariff Regulations, 2017 as follows:

“65. Return on Capital Employed (RoCE) shall be used to provide a return to the Utility, and shall cover all financing costs except expenses for availing the loans, without providing separate allowances for interest on loans and interest on working capital.

66. The Regulated Rate Base (RRB) shall be used to calculate the total capital employed which shall include the Original Cost of Fixed Assets (OCFA) and Working Capital. Capital work in progress (CWIP) shall not form part of the RRB. Accumulated Depreciation, Consumer Contribution, Capital Subsidies / Grants shall be deducted in arriving at the RRB.

67. The RRB shall be determined for each year of the Control Period at the beginning of the Control Period based on the approved capital investment plan with corresponding capitalisation schedule and normative working capital.

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

$$RRBi = RRB_{i-1} + \Delta ABi / 2 + \Delta WCi;$$

Where,

“ i ” is the i th year of the Control Period;

RRBi: Average Regulated Rate Base for the i th year of the Control Period;

ΔWCi : Change in working capital requirement in the i th year of the Control Period from $(i-1)$ th year;

ΔABi : Change in the Capital Investment in the i th year of the Control Period;

This component shall be arrived as follows:

$$\Delta ABi = Invi - Di - CCI - Reti;$$

Where,

Invi: Investments projected to be capitalised during the 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 ΔAB_i 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.

69. Return on Capital Employed (RoCE) for the year “i” shall be computed in the following manner:

$$RoCE = WACCI * RRBI$$

Where, $WACC_i$ is the Weighted Average Cost of Capital for each year of the Control Period;

RRB_i – Average Regulated Rate Base for the i th year of the Control Period.

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

$$WACC = [D/(D+E)] * r_d + [E/(D+E)] * r_e$$

Where, D is the amount of Debt derived as per these Regulations;

E is the amount of Equity derived as per these Regulations;

Where equity employed is in excess of 30% of the capital employed, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as notional loan. The amount of equity in excess of 30% treated as notional loan. The interest rate on excess equity shall be the weighted average rate of interest on the actual loans of the Licensee for the respective years. Where actual equity employed is less than 30%, the actual equity and debt shall be considered;

Provided that the Working capital shall be considered 100% debt financed for the calculation of WACC;

r_d is the Cost of Debt; r_e is the Return on Equity.”

- 4.28 The Rate of Return on Equity and Interest on Loan has been dealt in Business Plan Regulations, 2019 as follows:

“12. RATE OF RETURN ON EQUITY

Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for Transmission Licensee shall be computed at the Base Rate of 14.00% on post tax basis.

13. *TAX ON RETURN ON EQUITY* The base rate of Return on Equity as allowed by the Commission under Regulation 10 of these Regulations 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.

14. *MARGIN FOR RATE OF INTEREST ON LOAN:*

The rate of interest on loan for a financial year shall be Marginal Cost of Fund based Lending Rate (MCLR) of SBI as on 1st April of that financial year plus the Margin. The Margin, in terms of Regulation 4(2) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 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 1st April of that financial year:

Provided that the Margin shall not exceed 5.00%, 4.25% and 3.50% for the first, second and third year of the control period, respectively:

Provided further that the rate of interest on loan (MCLR plus Margin) in any case shall not exceed approved base rate of return on equity i.e. 14.00%.”

4.29 It is observed from the extract of Tariff Regulations, 2017 that the Petitioner is entitled for Return on Capital Employed which shall be inclusive of Return on Equity, Interest on Loan and Interest on Working Capital. The rate of return on equity and interest on loan has been considered as per the provisions of *DERC (Business Plan) Regulations, 2019* for the purpose of computation of Return on Capital Employed. Rate of return on equity at 14.00% has been grossed up with effective tax rate of 34.94% provisionally as submitted by the Petitioner, subject to true-up based on the Income Tax paid for FY 2021-22. Therefore, effective rate of return on equity including income tax has been determined as 21.52% for the purpose of computation of Weighted Average Cost of Capital (WACC) rate.

4.30 As per DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 the

Petitioner has been allowed return on equity upto maximum of 30% of the net capital employed excluding working capital requirement which should be funded through 100% debt only. Therefore, the Commission has restricted the return on equity upto 30% of the net average capital employed for FY 2020-21.

4.31 Rate of interest on loan at 8.85% has been considered for FY 2021-22 which is as per actual rate of interest on load as considered for FY 2019-20.

4.32 Accordingly, Return on Capital Employed projected for FY 2021-22 is as follows:

Table 4. 11: Commission Approved - RRB for FY 2021-22 (Rs.Cr.)

Sr. No.	Particulars	Approved	Remarks
A	Opening Original Cost of Fixed Assets (OCFA _o)	6039.36	Table 4.7
B	Opening Accumulated depreciation (ADo)	2366.89	Table 3.13
C	Opening consumer contributions received (CCo)/ grant	237.50	
D	Opening Working capital (WCo)	250.84	
E	Opening RRB (RRBo)	3686.11	A-B-C+D
F	Investment capitalised during the year (INVi)	690.35	
G	Depreciation during the year (Di)	294.44	
H	Depreciation on decapitalised assets during the year	-	
I	Government Grant during the year (CCi)	-	
J	Fixed assets reti./decapitalised during the year (Reti)	-	
K	Change in capital investment (Δ ABi)	395.91	(F-G+H-I-J)
L	Change in working capital during the year (Δ WCi)	19.64	
M	RRB Closing	4101.67	E+K+L
N	RRBi	3903.72	E+K/2+L

* Closing OCFA as per True up FY 2019-20 + capitalization for FY 2020-21

Closing accumulated Dep. as per True up FY 2019-20 + Dep. for FY 2020-21

Table 4. 12: Commission Approved - WACC and ROCE for FY 2021-22

Sr. No.	Particulars	UOM	Approved	Remarks
A	RRBi	Rs. Cr.	3903.72	Table 4.11
B	Opening Equity for Capitalisation (limited to 30%)	Rs. Cr.	1030.58	(A - B - C)*30%
C	Closing Equity limiting to 30% of net capitalization	Rs. Cr.	1149.35	(A - B - C + F - G + H - I - J)*30%
D	Average Equity for Capitalisation (limited to 30%)	Rs. Cr.	1089.97	(B+C)/2
E	Opening Debt at 70% of net capitalization	Rs. Cr.	2404.69	(A - B - C)*70%
F	Closing Debt at 70% of net capitalization	Rs. Cr.	2681.83	(A - B - C + F - G + H - I - J)*70%

Sr. No.	Particulars	UOM	Approved	Remarks
G	Avg Debt at 70% of net capitalization	Rs. Cr.	2543.26	(E+F)/2
H	Debt at 100% of working capital	Rs. Cr.	270.49	A-C-G
I	Total Debt	Rs. Cr.	2813.75	A-D
J	Rate of Return on Equity (re)	%	14.00%	As per Regulations
K	Income Tax rate	%	34.94%	As per Petitioner
L	Grossed up rate of Return on Equity	%	21.52%	J/(1-K)
M	Rate of debt (rd) on Capitalization	%	8.85%	Actual submitted by Petitioner
N	Rate of debt (rd) on working Capital	%	8.85%	Actual submitted by Petitioner
O	Rate of interest on debt(rd)	%	8.85%	$((G*M)+(H*N))/(G+H)$
P	WACC	%	12.39%	$(I*O+D*J)/(D+I)$
Q	RoCE	Rs. Cr.	483.56	A*P

NON-TARIFF INCOME

PETITIONER'S SUBMISSION

4.33 The Petitioner has submitted that the Non-Tariff Income for FY 2021-22 has been projected on the basis of Non-Tariff Income of Rs. 4.42 Cr. for FY 2019-20. The Non-Tariff Income for FY 2021-22 is as below

Table 4. 13: Petitioner Submission - Non Tariff Income for FY 2021-22 (Rs. Cr.)

Particulars	2021-22
Non Tariff Income	4.42

COMMISSION ANALYSIS

4.34 The Commission observed that the Petitioner has not recognized any amount for LPSC in Annual Audited Accounts for FY 2019-20 under the head of "Other Operating Revenue" due to uncertainty of recovery of the same. However, in the Note 23 b) of Annual Audited Accounts for FY 2019-20, Petitioner has provided the LPSC to be recovered for FY 2019-20. As the LPSC is penal in nature and to be recovered from DISCOMs due to non-payment of dues, Commission has considered the net interest on LPSC provisionally in Non-Tariff Income for FY 2021-22 which is recoverable from the DISCOMs as follows:

Table 4. 14: Commission Approved – Interest on LPSC (Rs. Cr.)

Sr. No.	Particulars	FY 2021-22	Remarks
A	LPSC	21.68	Note 23 b) of Annual Audited Accounts for FY 2019-20
B	LPSC Rate	18%	As per Regulations
C	Principal Amount	120.45	A/B
D	Rate of Carrying Cost	8.85%	Table 4.12
E	Interest Allowed	10.66	C*D
F	Net Interest on LPSC	11.02	A-E

4.35 Further, Commission has considered the Tariff from ISTS Lines for FY 2021-22 based on the Petition filed before the Hon'ble CERC on 30/01/2021 for the period FY 2019-24 (*as per Form-1 of the Petition*) for 400 kV D/C Bawana-Mandaula Transmission Line and 400 kV D/C Bamnauli-Ballabgarh Transmission Line, as a part of non-tariff income amounting to Rs. 15.33 Cr.

4.36 Accordingly, Commission approves the Non-Tariff Income of Rs. 26.98 Cr. provisionally for FY 2021-22 as follows:

Table 4. 15: Commission Approved – Non-Tariff Income in FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	FY 2021-22	Remarks
A	Income from Sale of Scrap	0.45	As per Annual Audited Accounts for FY 2019-20
B	Tariff from ISTS Lines	15.33	
C	License Fee recovery	0.18	
D	Net Interest on LPSC	11.02	Table 4.14
E	Total NTI	26.98	(A+B+C+D)

AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2021-22

PETITIONER'S SUBMISSION

4.37 The summary of ARR for FY 2021-22 is as tabulated below:

Table 4. 16: Petitioner Submission - Aggregate Revenue Requirement for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	FY 2021-22
A	O&M Expenses	384.19
B	Depreciation	280.02
C	Return on Capital Employed	552.66
D	Less: Non Tariff Income	4.42
E	Less: Income from Other Business	-
Aggregate Revenue Requirement		1212.45

COMMISSION ANALYSIS

4.38 The ARR for FY 2021-22 projected by the Commission is as follows:

Table 4. 17: Commission Approved - ARR for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Approved	Remarks
A	Total O&M expenses	363.30	Table 4.5
B	Depreciation	294.44	Table 4.7
C	Income Tax Provisions	483.56	Table 4.12
D	ROCE		
E	Less: Non-Tariff Income	26.98	Table 4.14
F	Revenue Requirement	1114.32	A+B+C+D-E

IMPACT OF DVB ARREARS AS PER ATE JUDGEMENT IN APPEAL NO. 133/2007, 28/2008, 184/2011 & SUPREME COURT JUDGEMENT IN CIVIL APPEAL NO. 5863-64/2009, AND IMPACT OF PAST TRUE-UPS

PETITIONER SUBMISSION

4.39 The Petitioner has submitted that as per direction of Hon'ble Supreme Court in Civil Appeal No. 5863-64/2009, the Commission in its Tariff Order dated 31/08/2017 has considered the revised balance of DVB arrears and also approved the impact of the same as Rs. 1076.26 Cr. upto FY 2015-16.

4.40 The Petitioner has further submitted that the Commission has also held in its Tariff Order dated 31/08/2017, that the past arrears may be liquidated in next four years in equal instalments and accordingly, the Commission has allowed two instalments in Tariff Order dated 31/08/2017 and 28/03/2018. Later, Commission in its Tariff Order dated 28/08/2020 has also approved the opening balance of arrears for FY 2018-19 as Rs. 146.81 Cr. and the same has been considered in this petition along with the impact of True-up of FY 2018-19 and FY 2019-20 for calculating the balance impact of True up and DVB arrears.

Table 4. 18: Petitioner Submission - Balance Impact of Past True Ups and DVB Arrears (Rs.Cr.)

Sr. No.	Particulars	2018-19	2019-20	2020-21
A	OPENING GAP	146.81	-51.95	381.66
B	ADDITION ON ACCOUNT OF TRUE UP	15.26	350.69	0.00
C	AMORTIZATION IN PREVIOUS ARR ORDERS	218.25	-67.86	17.43
D	CARRYING COST RATE	9.34%	9.57%	8.95%

Sr. No.	Particulars	2018-19	2019-20	2020-21
E	CARRYING COST	4.31	15.06	33.38
F	CLOSING GAP	-51.95	381.66	397.61

COMMISSION ANALYSIS

4.41 The Commission in its Tariff Order dated 28/08/2020 trued-up the ARR of FY 2018-19 for the Petitioner and in Table 4.20 of the said Order arrived at closing balance of Rs. 51.95 Cr. as surplus till the end of FY 2018-19 for DVB Arrears' Liquidation. It is observed from the Surplus computed till true-up of FY 2018-19 in Tariff Order dated 28/08/2020 that there is no further liquidation/amortization is required for DVB arrears.

4.42 In this Tariff Order, the said surplus of Rs. 51.95 Cr. is carried forward to FY 2019-20 and during the year surplus or gap is adjusted to arrive at closing balance till True-up of FY 2019-20 alongwith the impact of Carrying Cost.

4.43 The Carrying Cost is computed as per Regulation 155 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* wherein carrying cost is provided on the Opening balance for the full year and for (Gap)/Surplus during the year, the same provided for the half of the year. Relevant extract of Regulation 155 is as follows:

"155. Carrying cost on average balance of accumulated revenue gap shall be allowed to the Utility at carrying cost rate approved by the Commission in the ARR of the relevant financial year:

Provided that average balance of accumulated revenue gap shall be determined based on opening balance of accumulated revenue gap and half of the Revenue Gap /Surplus during the relevant year."

4.44 From the past Tariff Orders, it may be noted that the Commission has provided approximately Rs. 901 Cr. as principal amount for DVB arrears and carrying cost of around Rs. 186 Cr. to the Petitioner tabulated as below:-

Table 4.19: Commission Approved - DVB arrears liquidation (Cr.)

Sr. No.	Particulars	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	Total
A	Opening Balance	1089.67	1125.56	976.77	881.86	146.81	-
B	Addition	(84.57)	30.13	95.97	(483.63)	15.26	
C	Amortization	-	192.25	192.24	298.12	218.25	900.86
D	Closing Balance	1005.10	963.44	880.50	100.11	(56.18)	-

Sr. No.	Particulars	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	Total
E	Carrying Cost Rate	11.50%	10.80%	10.86%	9.51%	9.34%	-
F	Carrying Cost amount	120.45	13.32	1.36	46.69	4.23	186.05
G	Closing Balance	1125.56	976.77	881.86	146.80	(51.95)	

4.45 Accordingly, the impact of surplus of Rs. 51.95 Cr. and during the year gap of Rs. (71.20) Cr. has been considered in Transmission charges for FY 2021-22 is tabulated as below:-

Table 4.20: Commission Approved - Impact of True-up in Transmission Charges

Sr. No.	Particulars	FY 2019-20	FY 2020-21
A	Opening Balance	51.95	(17.78)
B	Surplus/(Gap) – As per Table 3.25	(71.20)	17.43
C	Total	(19.25)	(0.35)
D	Carrying Cost Rate	8.99%	8.95%
E	Carrying Cost Amount	1.47	(0.81)
F	Closing Balance	(17.78)	(1.16)

TARIFF ORDER DATED 31/07/2019 (TRUE-UP OF FY 2017-18) AND 28/08/2020 (TRUE-UP OF FY 2018-19)

4.46 The Commission vide its Tariff Order dated 31/07/2019 and 28/08/2020 has determined the True-up of FY 2017-18 and FY 2018-19 respectively and considered the Income Tax Rate of 25.25% and 33.77% for FY 2017-18 and FY 2018-19 respectively. However, it is observed from the Income Tax Returns submitted by the Petitioner vide its Email dated 15/09/2021 that the effective Income Tax as per Regulation 72 & 73 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* and Regulation 4 of Business Plan Regulations, 2017 is lower than the rates considered in Tariff Order dated 31/07/2019 and 28/08/2020. Relevant extract of Regulation 72 & 73 are as follows:

*“72. Tax on Return on Equity: The base rate of return on equity as specified by the Commission in the Business Plan Regulations shall be grossed up with the effective tax rate of the respective financial year. For this purpose, **the effective tax rate shall be considered on the basis of actual tax paid vis-à-vis total income of the Utility in the relevant financial year** in line with the provisions of the relevant Finance Acts. The actual tax on other income stream shall not be*

considered for the calculation of “effective tax rate”:

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

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

73. Rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

Rate of pre-tax return on equity = Base rate / (1-t)

Where “t” is the effective tax rate in accordance with Regulation 0 and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid by the Utility on pro-rata basis by excluding the other income stream:

Provided that wherever the Utility pays Minimum Alternate Tax (MAT), “t” shall be considered as MAT rate including surcharge and cess.”

- 4.47 Accordingly, Commission has revised the Income Tax expenses allowed for FY 2017-18 and FY 2018-19 and impact of the same is computed as follows:

Table 4.21: Income Tax for FY 2017-18

Sr. No.	Particulars	UoM	As per Order 31/07/2019	Revised as per Regulation 72 of DERC Tariff Regulations, 2017
A	Average Equity for Capitalisation (Limited to 30%)	Rs. Cr.	896.28	896.28
B	Rate of Return (re)	%	14%	14%
C	Return on Equity (A*B)	Rs. Cr.	125.48	125.48
D	Income Tax Rate	%	25.25%	24.99%* (Rs. 165.67 Cr. / Rs. 662.95 Cr.)
E	Return on Equity including Income Tax	Rs. Cr.	167.87	167.28
F	Income Tax	Rs. Cr.	42.39	41.80
G	Actual Income Tax Paid	Rs. Cr.	165.21	129.24
H	Income Tax Allowed	Rs. Cr.	42.39	41.80
I	Income Tax to be recovered	Rs. Cr.		0.58

*Income Tax Rate is calculated after dividing the Total Tax paid during the year by Total Income/Deemed Total Income under MAT as per Income Tax Return

Table 4.22: Income Tax for FY 2018-19

Sr. No.	Particulars	UoM	As per Order 28/08/2020	Revised as per Regulation 72 of DERC Tariff Regulations, 2017
A	Average Equity for Capitalisation (Limited to 30%)	Rs. Cr.	912.31	912.31

Sr. No.	Particulars	UoM	As per Order 28/08/2020	Revised as per Regulation 72 of DERC Tariff Regulations, 2017
B	Rate of Return (re)	%	14%	14%
C	Return on Equity (A*B)	Rs. Cr.	127.72	127.72
D	Income Tax Rate	%	33.77%	21.65% (Rs. 129.24 Cr./Rs.597.02 Cr.)
E	Return on Equity including Income Tax	Rs. Cr.	192.85	163.01
F	Income Tax	Rs. Cr.	65.12	35.29
G	Actual Income Tax Paid	Rs. Cr.	143.45	129.24
H	Income Tax Allowed	Rs. Cr.	65.12	35.29
I	Income Tax to be recovered	Rs. Cr.		29.84

**Income Tax Rate is calculated after dividing the Total Tax paid during the year by Total Income/Deemed Total Income under MAT as per Income Tax Return*

- 4.48 In line with above, refund on account of Income Tax to be recovered from the Petitioner is as follows:

Table 4.23: Refund on account of Income Tax allowed (Rs. Cr.)

Sr. No.	Particulars	FY 17-18	FY 18-19	FY 19-20	FY 20-21
A	Opening Balance	-	0.61	31.90	34.76
B	Surplus/(Gap)	0.58	29.84	-	-
C	Total	0.58	30.45	31.90	34.76
D	Carrying Cost Rate	9.51%	9.34%	8.99%	8.95%
E	Carrying Cost Amount	0.03	1.45	2.87	3.11
F	Closing Balance	0.61	31.90	34.76	37.88

- 4.49 Therefore, from the Table 4.20, it is observed that the Petitioner is left with a gap of Rs. 1.16 Cr. at closing of FY 2020-21 and from Table 4.23, it is observed that Rs. 37.88 Cr. is to be recovered from the Petitioner for the excess Income Tax allowed by the Commission in previous Tariff Orders.
- 4.50 Accordingly, Commission has reduced an amount of Rs. 36.72 Cr. from the ARR of FY 2021-22 which is being dealt in Chapter 5 of the Tariff Order.

A5: TRANSMISSION TARIFF FOR FY 2021-22**PETITIONER'S SUBMISSION**

5.1 The Petitioner has proposed transmission tariff for FY 2021-22 including the amortization as per below:

Table 5. 1: Petitioner Submission - Transmission Tariff submitted by the Petitioner for FY 2021-22 (Rs. Cr.)

Particulars	FY 2021-22
ARR for FY 2021-22	1212.45
Amortization of Balance Impact of True Up and DVB Arrears	397.61
Transmission Tariff for FY 2021-22	1610.06

COMMISSION ANALYSIS

5.2 The Commission has specified the principles for computation of Transmission Tariff in Tariff Regulations, 2017 as follows:

“112. Annual Transmission Charges to be billed by the Transmission Licensee shall be computed in the Annual Tariff Order, in accordance with norms contained in these Regulations, aggregated as appropriate, and recovered on monthly basis as transmission charge from the users, who shall share these charges in the manner specified in these Regulations.

113. Normative Annual Transmission System Availability Factor (NATAF): The Target Availability for recovery of full annual transmission charges for a Control Period shall be approved by the Commission before commencement of the Control Period;

Provided that recovery of annual transmission charges below the target availability shall be on a pro rata basis.

114. The Transmission charge (inclusive of incentive) to be billed for a calendar month for transmission system or part shall be:

$$ARR \times (NDM / NDY) \times (TAFM / NATAF)$$

Where,

ARR = Aggregate Revenue Requirement specified for the year, in Rupees;

NATAF = Normative annual transmission availability factor, in per cent as approved by the Commission for a Control Period;

NDM = Number of days in the month;

NDY = Number of days in the year; and

TAFM = Transmission system availability factor for the month, in Percent,

115. The Transmission Licensee shall raise the bill for the transmission charge (inclusive of incentive) for a month based on its estimate of TAFM.

Provided that the adjustments, if any, shall be made on the basis of the TAFM to be certified by the SLDC within 30 days from the last day of the relevant month.”

- 5.3 In view of the above, the Petitioner shall raise the monthly bills for Annual Transmission Charges for FY 2021-22 on the basis of ARR projected. Accordingly, the ARR to be recovered by the Petitioner in FY 2021-22 has been projected as follows:

Table 5. 2: Commission Projected - ARR to be recovered for FY 2021-22 (Rs. Cr.)

Sr. No.	Particulars	Amount	Remarks
A	ARR for 2021-22	1114.32	Table No. 4.17
B	Impact of Past Period	(36.71)	Para 4.50
C	Total	1077.61	A+B

- 5.4 The Transmission Charges shall be recovered every month on pro-rata basis and shall be shared by all Long term Transmission users including Distribution Licensees, Deemed Licensees in proportion to the allotted transmission capacity or contracted capacity, as the case may be.
- 5.5 The Transmission Service Charge (net of ARR for transmission business) shall be recovered fully during the financial year only if the transmission system availability is 98% or above, as specified in the *Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017* and *Business Plan Regulations, 2019*. The charges shall be recovered on a pro-rata basis in case the availability is lower than the target level.

A6: DIRECTIVES

- 6.1. The Commission directs the Petitioner to submit the quarterly progress report for the capital expenditure schemes being implemented within 15 days of the end of each quarter.
- 6.2. The Commission directs the Petitioner 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.
- 6.3. The Commission directs the Petitioner to adhere to the Normative Annual Transmission System Availability Factor (NATAF) as specified in the DERC Business Plan Regulations, 2019 and submit quarterly reports of voltage wise availability to the Commission.
- 6.4. The Commission directs the Petitioner to submit the actual details of Security Fee Expenses and Licence Fee of Land for FY 2021-22 along-with the Payment vouchers and Bank Statements at the time of Truing-up.
- 6.5. The Commission directs the Petitioner to disburse Short Term Open Access Charges to DISCOMS as per applicable rules and regulations, on monthly basis on the date of raising Transmission charge bills. Further, no adjustment of STOA charges shall be made towards any past dues/ or adjustment in transmission bills of utilities.
- 6.6. The Commission directs the Petitioner to expedite the commissioning of 2nd Circuit LILO of 220 kV Pragati-Sarita Vihar Transmission Line at Maharani Bagh and to ensure that there are no Transmission constraints for power flow from PPS III-Bawana Power Plant to Pragati Load Centre.



DELHI ELECTRICITY REGULATORY COMMISSION

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

F.11(1829)/DERC/2020-21/

Petition No. 04/2021

In the matter of: **Petition for approval of True up of ARR for FY 2019-20 and Aggregate Revenue Requirement (ARR) for FY 2021-22.**

Delhi Transco Limited
Shakti Sadan, Kofia Road,
New Delhi 110002

...Petitioner/Licensee

Coram:

Hon'ble Sh. Justice S S Chauhan, Chairperson
Hon'ble Sh. A. K. Ambasht, Member

Appearance:

1. Mr. K.K. Verma, DTL
2. Mr. Sumit Gupta, DTL
3. Mr. Gaurav Gupta, DTL

INTERIM ORDER

(Date of Hearing: 16.02.2021)
(Date of Order: 19.02.2021)

1. The Representative of the Petitioner states that the instant Petition has been filed by M/s. Delhi Transco Ltd. for approval of True up of ARR for FY 2019-20 and Aggregate Revenue Requirement (ARR) for FY 2021-22.
2. The Petition has been scrutinised and found generally in order as per the DERC Comprehensive (Conduct of Business) Regulations, 2001.
3. The Petition is admitted. The Petitioner shall furnish Clarifications/additional information, if and when required by the Commission.


(A.K. Ambasht)
Member


(Justice S S Chauhan)
Chairperson

Annexure-II**LIST OF RESPONSES RECEIVED FROM STAKEHOLDERS ON TRUE UP OF EXPENSES FOR FY 2019-20 AND AGGREGATE REVENUE REQUIREMENT (ARR) AND TARIFF FOR FY 2021-22**

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
1.	1	The Midland Fruit and Vegetable products (India) Pvt. Ltd	Jumbo House, Dr Jha Marg, Near Okhla Rly Station, Okhla Industrial Area, Phase III New Delhi 110 020	Industrial	DISCOMS	05/03/2021
2.	2	Jumbo International	Jumbo House, Dr Jha Marg, Near Okhla Rly Station, Okhla Industrial Area, Phase III New Delhi 110 020	Industrial	DISCOMS	05/03/2021
3.	3	Sh. B.S. Sachdev President	Elderly Peoples Forum, Varishth Nagrik Manoranjan Kendra, 1st Floor, C-4 Block, Keshav Puram, Delhi 110 035	RWA	DISCOMS	15/03/2021
4.	4	Sh. S.R. Abrol	L-2, 91B, DDA, LIG, Kalkaji New Delhi	Domestic	DISCOMS	17/03/2021
5.	5	Ms. Neeta Gupta	Sector 14-Extension, Rohini Delhi 110 085	Domestic	DISCOMS	24/03/2021
6.	6	Sh. Vipin Gupta	A-17, Antriksh Apartments, Sector 14-Extension- Rohini Delhi 110 085	Domestic	DISCOMS	21/03/2021
7.	7	Sh. Deepak Suri	A1-3 Near Moti Nagar Metro Station, Moti Nagar, New Delhi	Domestic	DISCOMS	25/03/2021
8.	8	Sh. Suresh Kumar	E-20A Moti Nagar, Delhi	Domestic	DISCOMS	25/03/2021
9.	9	Sh. Nitin Sehgal	H.No. 69 Blk DF, Pitampura Delhi	Domestic	DISCOMS	25/03/2021
10.	10	Sh. Kawaljeet Singh	H.No. 122, Sector-1 Avantika Rohini, New Delhi	Domestic	DISCOMS	25/03/2021
11.	11	Sh. Sunil Kumar	Mukherjee Nagar, Delhi	Domestic	DISCOMS	25/03/2021
12.	12	Sh. Dinesh Singh	GF, House No. 54, Pkt 5 Sector-6, Rohini, Delhi	Domestic	DISCOMS	25/03/2021
13.	13	Sh. Subhash Suri	Blk FD, H. No. 79 Pitampura, Delhi	Domestic	DISCOMS	25/03/2021
14.	14 14 A 14 B 14 C	Sh. Pankaj Gupta General Manager/ Tr./O&M	Delhi Metro Rail Corporation Ltd.	Govt.	BRPL BYPL TPDDL NDMC	25/03/2021
15.	15	Sh. Ashish Dikshit	H. No. 09, Block –JD Pitampura 110 034	Domestic	DISCOMS	30/03/2021

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
16.	16	Sh. Janak Singh	Plot No. 65, 3rd Floor, Block-D, Ashok Vihar Phase I Delhi 110 052	Domestic	DISCOMs	26/03/2021
17.	17	Ms. Lata Jain	House No. 110, First Floor, Gali No. 9 Andha Mugal Pratap Nagar, Delhi 110 007	Domestic	DISCOMs	26/03/2021
18.	18	Sh. Arun Kumar	Plot No. 22, Third Floor Karol Bagh, Block No. D New Rohtak Road,	Domestic	TPDDL	26/03/2021
19.	19	Ms. Jaspreet Kaur	HNo. 13, Block –C, PH-3, Near Laxmi Bai College Ashok Vihar, 110 052	Domestic	DISCOMs	26/03/2021
20.	20	Sh. Jagdish Goel	Plot No. 41, Block E, Near Kali Maa Mandir Shakti Nagar Exten. Delhi 110 052	Domestic	DISCOMs	26/03/2021
21.	21	Sh. Jogendra Behera VP (Market Design & Economics) IEX	Okit Bi, C-001/A/1, 9th Floor, Max Towers, Sector 16B, Noida UP 201 301	Industrial	DISCOMs	30/03/2021
22.	22	Ms. Mansi Kapoor	FF, House No. 264, Near Dispensary, Mangolpur Khurd New Delhi	Domestic	DISCOMs	30/03/2021
23.	23	Sh. Amrit Lal	GF, Blk-DP/175, Pitampura 110 034	Domestic	DISCOMs	30/03/2021
24.	24	Sh. Amar Gupta	126/223, First Floor, Block –F, Nr. Natraj Cinema Moti Nagar, New Delhi	Domestic	DISCOMs	30/03/2021
25.	25 25A 25B	Sh. Bharat Kumar Bhadawat Head (Regulatory, Legal and PM)	Tata Power Delhi Distribution Ltd NDPL House, Hudson Lines, Kingsway Camp, Delhi 110 009	Licensee	IPGCL PPCL DTL	26/03/2021
26.	26 26A 26B 26C	Sh. K.M. Lal General Manager (C&RA)	Delhi Transco Ltd. Shakti Sadan, Kotla Road, New Delhi 110 002	Govt.	BRPL BYPL TPDDL DTL	30/03/3021
27.	27	Sh. Manoj Taneja	House No. 59/257 Sarai Rohila Delhi 110 035	Domestic	DISCOMs	31/03/2021
28.	28	Sh. Arvind Rastogi	House No. 105, 1st Floor, Block-D Sarai Basti Sari Rohila Near Usha Mata Mandir Delhi 110 035	Domestic	TPDDL	31/03/2021
29.	29	Sh. Bhram Pal	Flat No. 7, 3rd Floor Pkt-B	Domestic	DISCOMs	31/03/2021

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
			Sector 28 Near Shahbad Dairy Rohini 110 042			
30.	30	Sh. Ashish Kumar	House No. 21/89 Block –D, Shahbad Dairy New Delhi	Domestic	DISCOMs	31/03/2021
31.	31	Ms. Neetu Chopra	House No. 2233, Plot No. 35, 3rd Floor, Ganeshpura Tri Nagar Near Tota Ram Bazar Delhi 110 035	Domestic	DISCOMs	31/03/2021
32.	32	Sh. Ramesh Yadav	Housne No. 2344, Near Aggarwal Nursing Home Onkar Nagar, Tri Nagar 110035	Domestic	DISCOMs	05/04/2021
33.	33	Sh. Ravinder	BR-124, 3 rd Floor SFS Flats, Shalimar Bagh, Delhi 110 088	Domestic	DISCOMs	05/04/2021
34.	34	Sh. Jagdish	Flat No. 93, Ground Floor, Landmark Near, Bhagwan Mahavir Hospital, Pitampura	Domestic	TPDDL	05/04/2021
35.	35	Sh. Sandeep Agarwal	House No. 89, 3 rd Floor, Block-AC Shalimar Bagh, Near Shiv park 110 088	Domestic	DISCOMs	05/04/2021
36.	36	Sh. Chander Shekar	House No. 166, Block RN Shalimar Bagh West 110 088	Domestic	DISCOMs	05/04/2021
37.	37	Sh. Sunil Kumar	House No. 56, 3 rd Floor Kewal Park Extn. Opp Azadpur Subzi Mandi	Domestic	DISCOMs	05/04/2021
38.	38	Sh. Mohan Lal	H.No.66, Block-DR Pitampura, Delhi-110034	Domestic	DISCOMs	05/04/2021
39.	39	Sh. Syed Khalid Anwar General Secretary	Pension Fighters, 14A, Shivam Enclave, Jhilmil Colony, Shahdara- 110034	Pension Trust	DISCOMs	26/03/2021
40.	40	Sh. Naresh Kumar	GF, H.NO.92, Block F, Pkt, 29, Sec.3, Rohini, Delhi-110085	Domestic	DISCOMs	12/04/2021
41.	41	Sh. Raj Mohan	H.No. 67, New Lawrence Road, Narang Colony, Tri Nagar-110035	Domestic	DISCOMs	12/04/2021
42.	42	Sh. Rohit Jha	H.No. C-8, Back portion, 3rd floor, Block-C, Kewal Park Extension- 110033	Industrial	DISCOMs	12/04/2021
43.	43	Sh. Raj Chaurasia	H.No 17, Pkt.19, Sector, 24 Rohini- 110085	Domestic	DISCOMs	12/04/2021
44.	44	Sh. Sachin Singhal	H.No.20, Block-1, Phase-2, Ashok Vihar-110052	Domestic	DISCOMs	12/04/2021
45.	45	Sh. Anurag Gupta	First Floor,	Domestic	DISCOMs	12/04/2021

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
			Flat No.27, Block -PQ, Pitampura Delhi			
46.	46	Sh Manmohan Bansal	H.No.23, Block-15, Shakti Nagar, Delhi-110007	Domestic	DISCOMs	12/04/2021
47.	47	Sh. Sanjay Chawla	Plot No.12, Third ground floor, Gurunanak Road Block-D, Adarsh Nagar, Near Mukundpur Metro Station -110033	Domestic	DISCOMs	12/04/2021
48.	48	Sh. Paramjeet Singh	KH-4451, Jeevan Park, Siraspur, Delhi-110042	Domestic	DISCOMs	12/04/2021
49.	49	Sh. Pankaj Mathur	H.No.27, 2nd floor, Keshavpuram Indl. Area, Lawrence Road-110035	Domestic	DISCOMs	12/04/2021
50.	50	Sh. Abhinav Sinha	Flat No.727 C, Block 10 Sec-3, Near Fire Station Sec.3, DSIDC, Bawana-110039	Domestic	DISCOMs	12/04/2021
51.	51	Sh. Kailash Sachdev	H.No.A-45, Back Portion, 3rd floor, Kalyan Vihar-110009	Domestic	DISCOMs	12/04/2021
52.	52	Sh. Prabhu Dayal	F.No.22, Pkt. 2, Sec, 6, DDA, Narela, Delhi-110040	Domestic	DISCOMs	12/04/2021
53.	53	Ms. Gurpreet Kaur	H.No.12 , Block-AC, Shalimar Bagh East-110088	Domestic	DISCOMs	12/04/2021
54.	54	Sh. Sanjeev Gupta, President	Jan Samaj Seva Samiti P-Block, 1779, Jhandwalan Chowk, Gali No. 17, Baljeet Nagar New Delhi	RWA	DISCOMs	15/04/2021
55.	55	Sh. Jagdish Khetarpal Vice President	RWA , D2 Block, Janakpuri, New Delhi-110058	RWA	DISCOMs	02/04/2021
56.	56	Sh. Rajesh Aggarwal, Gen Secretary	Shahdara Residents Welfare Association Regd	RWA	DISCOMs	13.04.2021
57.	57	Sh. A.K.Dutta	H.No. 222, Pkt. E, Mayur Vihar, Phase-II, Delhi-110091	Domestic	DISCOMs	15/04/2021
58.	58 58 A 58 B 58 C 58 D 58 E	Ms. Preeti, Jt.Secretary	Jan Kalyan Samiti, Vir Sewa Mandir Building, 4674/21, Ansari Road, Daryaganj, New Delhi-110002	RWA	DISCOMs	19/04/2021
59.	59	Sh. Sumer Chand Gupta, Secretary	RWA, Ghas Mandi Ahata Kidara Pahari Dhiraj, 4570 GF, Gali Nathan Singh, Pahari Dhiraj, Delhi-110006	RWA	DISCOMs	19/04/2021
60.	60	Sh. Saurabh Gandhi Gen. Secretary	RWA, United Residents of Delhi, C-6/7 Rana Pratap Bagh, Delhi-110007	RWA	DISCOMs	19/04/2021

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
61.	61	Sh. K. Muraleedharan Nair Hon. Secretary	Kaveri co-operative Group Housing Society Ltd. Plot No.4, Sector-6 Dwarka Phase-I, New Delhi-110075	RWA	DISCOMs	19/04/2021
62.	62	Sh.Pawan Kumar Jain Gen. Secretary	Pahadi Dheeraj Kapda Committee, 4460, New Cloth Market, Sadar Bazar Delhi-110006	RWA	DISCOMs	19/04/2021
63.	63	Sh. Parsuram Rawat President	RWA, I-10, Street No.10, Brahampuri, Delhi-110053	RWA	DISCOMs	19/04/2021
64.	64	Sh. Kunwar Pratap Singh President	Bhajanpura Jan Sehyog Sabha, D-408, Street No.9 D, Bhajanpura, Delhi-110053	Domestic	DISCOMs	19/04/2021
65.	65 65 A	Sh. Kapil Verma Vice President	RWA, 276-B, LIG Flats, Dilshad Garden, Delhi-110095	RWA	DISCOMs	19/04/2021
66.	66	Sh. Bhopal Singh Jatav Member	RWA, H-16/830, Bapa Nagar, Pyare Lal Marg, Karol Bagh< New Delhi-110005	RWA	DISCOMs	18/04/2021
67.	67	Sh. Ajay Malhotra Executive Member	RWA, E-221, West Patel Nagar, New Delhi-110008	RWA	DISCOMs	18/04/2021
68.	68	Sh. Pal Sharma	RWA, Jan Sudhar Parishad Delhi, Vijay Marg, Gali No.2, Baba Balaknath Mandir, Baljeet Nagar, New Delhi-110008	RWA	DISCOMs	18/04/2021
69.	69	Sh. Kaushar Khan Gen. Secretary	General Secy. ,RWA F-10, Gali No.1, Shastri Park, Delhi-110053	RWA	DISCOMs	19/04/2021
70.	70	Sh. Rajiv Narang Executive Engineer	SDMC, M.C. Primary School, Policy Colony, Hauz Khas, New Delhi-110016	Govt.	DISCOMs	19/04/2021
71.	71	Sh. D.K. Bhandari President	President, Awasiya Kalyan Samiti, Dilshad Garden, Pocket J & K , (Flat no. 1-A to 204-D) Dilshad Garden, Delhi-110095	RWA	DISCOMs	19/04/2021
72.	72 72 A	Sh. Sunil Kumar President	68A, Pocket SG Dilshad Garden, Delhi 110 095	RWA	DISCOMs	07/06/2021
73.	73 73 A 73 B 73 C 73 D 73 E	Sh. Yogesh Jain General Secretary	Federation of RWA of Daryaganj Keynote House 4525A, 7/33, Ansari Road, Darya Ganj, New Delhi 110 002 yogpreet@gmail.com	RWA	DISCOMs	19/04/2021
74.	74	Sh. Shashi Goyal DGM	BSES Rajdhani Power Ltd. BSES Bhawan, Nehru Place, New Delhi 10 019	Licensee	Generation & transmission	29/06/2021

Sr. No.	R. No.	Name	Address	Category	Company/ Licensee	Date of Receipt
75.	75	Sh. Bharat Kumar Bhadawat Head (Regulatory, Legal and PM)	Tata Power Delhi Distribution Ltd NDPL House, Hudson Lines, Kingsway Camp, Delhi 110 009	Licensee	Generation & Transmission	29/06/2021
76.	76 76 A 76 B 76 C	Sh. K.M. Lal General Manager (C&RA)	Delhi Transco Ltd. Shakti Sadan, Kotla Road, New Delhi 110 002	Govt.	BRPL BYPL TPDDL NDMC	29/06/2021

Annexure-III

STAKEHOLDERS WHO HAVE ATTENDED THE VIRTUAL PUBLIC HEARING FOR THE PETITION FILED BY DISCOMs, GENCOs, AND TRANSCO ON THE APPROVAL PETITION FOR TRUING UP OF EXPENSES UPTO FY 2019-20 AND ANNUAL TARIFF PETITION FOR FY 2021-22

Sr. No.	Name	Organization
1	Sh. Bharat Kumar Bhadawat	TPDDL
2	Sh. N. P. Bhargava	Jumbo International The Midland Fruit and Vegetable Products
3	Sh. J. K. Gupta	Domestic/ RWA
4	Sh. Balram Chawla	RWA North West District
5	Sh. Lalit Chopra	NDMC
6	Dr. Gauri Shankar	Domestic consumer
7	Ms. Sarla Rani	Jan Kalyan Sewa Samiti
8	Sh. Satvir Singh Rana	RWA
9	Sh. Brij Mohan Verma	RWA Adarsh Welfare
10	Sh. Vijay Kumar Dabas	Domestic/ Non-Domestic
11	Sh. Pawan Kaushik	RWA Hargovind Vihar
12	Sh. Raj Kumar Garg	RWA Krishan Vihar
13	Dr. Kunal Tanwar	RWA
14	Sh. Pradeep Kumar	RWA
15	Sh. Sant Kumar Shukla	RWA Kirari Extension
16	Sh. Mukesh Aggarwal	RWA Lake Area
17	Sh. Gursharan Singh	Baba Banda Singh Bahudar Committee
18	Sh. Harish Bither	Domestic Consumer/ RWA
19	Sh. R. K. Gupta	RWA
20	Sh. Tej Pal Singh	RWA
21	Sh. Vijay Singh	TPDDL
22	Dr. Rajesh Sood	RWA
23	Sh. P.S. Grover	Domestic Consumer
24	Ms. Kusum Sharma	Kaatyani Mahila Shakti Welfare
25	Sh. P. S. Gaira	TPDDL
26	Sh. Hari Bhardwaj	Senior Citizen Welfare Association Narela
27	Sh. R. K. Gulati	RWA Keshav Puram
28	Sh. Manmohan Negi	RWA Pratap Vihar Part 1
29	Sh. Chandrakant Shrivastava	DMRC
31	Sh. Rajeev Kumar	Bawana Manufactureres Welfare Association
32	Sh. Ashish Garg	Narela Industrial Complex Welfare Association
33	Sh. Keshav Mohan Lal	DTL
34	Dr. Rajendra Kumar Yadav	IPGCL & PPCL

Sr. No.	Name	Organization
35	Er. Sundeep Gaur	NDMC
36	Er. P. K. Shokeen	NDMC
37	Sh.R. K. Mamgain	NDMC
38	Sh. Naveen Bhardwaj	NDMC
39	Sh. Mahesh Kumar Mittal	NDMC
40	Er. Sudeep	NDMC
41	Er. Khushboo Sharma	NDMC
42	Sh. C M Jain	NDMC
43	Sh. Akshaya Arora	NDMC
44	Sh. Piyush Jain	WRI
45	Dr. Pradeep Kumar	Examining Body for Para-Medical Training for Bhartiya Chikitsa, Govt. of Delhi
46	Sh. Hemant Sachdeva	Unity Groups
47	Sh. Subhash Vashisht Sh. Suresh Elwadhi	Foundation of Rubber & Polymer Manufacturers (FORM)
48	Sh. Rajul Agarwal	BYPL
49	Ms. Prachi Jain	BYPL
50	Sh. Abhishek Shrivastava	BYPL
51	Sh. Vikas Dixit	BYPL
52	Sh. Sameer Singh	BYPL
53	Sh. Brajesh Kumar	BYPL
54	Sh. Garima Belwal	BYPL
55	Ms. Vinita Vishwakarma	BYPL
56	Sh. Ravi Shandilya	BRPL
57	Sh. Vineet Wasan	Domestic Consumer
58	Sh. Arindam Das	BRPL
59	Ms. Monika Dhyani	BRPL
60	Sh. Abhishek Mahapatra	BRPL
61	Sh. Gaurav Thapan	BRPL
62	Sh. Mayank Ahlawat	BRPL
63	Sh. Vishnu Kumar	BRPL
64	Sh. Deepak Shankar	BRPL
65	Sh. Megha Bajpeyi	BRPL
66	Sh. Prashant Dua	BRPL
67	Sh. Pal Sharma	Jansudhar Parishad (RWS)
68	Sh. Digbijay Narayan Majhi	BRPL
69	Sh. Dipankar Majumdar	BRPL
70	Sh. Rajesh Doshi	BRPL
71	Sh. R. K. Jagdish	RWA
72	Ms. Anita Prasad	RWA

Sr. No.	Name	Organization
73	Sh. Rajiv Verma	RWA
74	Sh. R. L. Dhawan	RWA
75	Sh. Asit Tyagi	BRPL
76	Sh. Surendra Yadav	BRPL
77	Sh. Varun Chandel	BRPL
78	Sh. Vineet Sikka	BRPL
79	Sh. Harmeet Singh	RWA Koshish
80	Sh. Shobhit Dhar	BRPL
81	Sh. Saurabh Gandhi	RWA
82	Sh. Sanjay Srivastav	BRPL
83	Sh. A. K. Dutta	RWA
84	Sh. Nalin Tripathi	URD
85	Sh. Himanshu Chauhan	BRPL
86	Sh. Hemanta Madhab Sharma	Domestic Consumer
87	Dr. Arun Kumar	DRGSA
88	Sh. Satyawan Singh	Future Enterprise (BA TPDDL)
89	Ms. Kamlesh Yadav	BRPL
90	Sh. Shashi Goyal	BRPL
91	Sh. Kanishk Khettarpal	BRPL
92	Sh. D.M Narang	RWA
93	Ms. Neena Narang	RWA
94	Ms. Manisha Kumari	Domestic Consumer
95	Sh. Satveer Singh	Domestic Consumer
96	CA Sanjay Gupta	RWA
97	Sh. Rajiv Kakria	RWA
98	Sh. Rajan Asthana	RWA
99	Sh. Kapil Verma	RWA
100	Sh. Pawan Gaur	RWA
101	Sh. D.K. Bhandari	RWA
102	Sh. R.K. Soni	RWA
103	Sh. Satbir Bansal	RWA
104	Azhar Hussain	RWA
105	Dr. O.P. Dhingam	RWA
106	Sh. B.B. Tiwari	RWA
107	Sh. Prannav Khanna	Domestic Consumer
108	Sh. Rajiv Narang	SDMC
109	Sh. Vikas Jain	SDMC
110	Sh. Rizwan Ahmed Ansari	SDMC