



Delhi Electricity Regulatory Commission
Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi – 110 017.

No. F.11(1923)/DERC/2021-22/7224

Petition No. 56/2021

In the matter of: Petition regarding levy of Power Purchase Adjustment Cost (PPAC) for the quarter of April' 2021 to June' 2021 in NDMC area in accordance with Regulation No. 30 of DERC of Business Plan Regulations, 2019 read with Regulation No. 134 of the Terms & Conditions for Determination of Tariff Regulations, 2017.

New Delhi Municipal Council

.... Petitioner

Petition No. 63/2021

In the matter of: Petition regarding levy of Power Purchase Adjustment Cost (PPAC) for the quarter of July' 2021 to September' 2021 in NDMC area in accordance with Regulation no.30 of DERC of Business Plan Regulations, 2019 read with Regulation No.134 of the Terms & Conditions for determination of Tariff Regulations, 2017.

New Delhi Municipal Council

.... Petitioner

Petition No. 15/2022

In the matter of: Petition regarding levy of Power Purchase Adjustment Cost (PPAC) for the quarter of October' 2021 to December' 2021 in NDMC area in accordance with reg. No.30 of DERC of Business Plan Regulations, 2019 read with reg. No. 134 of the Terms & Conditions for determination of Tariff Regulations, 2017.

New Delhi Municipal Council

.... Petitioner

Coram:

Hon'ble Shri Justice Shabihul Hasnain 'Shastri', Chairperson

Hon'ble Dr. A.K. Ambast, Member

Appearance:

Ms. Ritika Priya, Advocate, NDMC

ORDER

(Date of Order: 04.08.2022)

1. The instant Petitions have been filed by New Delhi Municipal Council seeking permission to levy Power Purchase Adjustment Cost (herein after called PPAC) and consequently recover the differential PPAC pertaining to the following quarters of the FY 2021-22:
 - (i) April' 2021 to June' 2021
 - (ii) July' 2021 to September' 2021

WEAR FACE MASK WASH HANDS REGULARLY MAINTAIN SOCIAL DISTANCING

(iii) October '2021 to December' 2021

in accordance with Section 62 (4) of the Electricity Act, 2003 read with Regulation 134 of the DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 and Regulation 30 of the DERC (Business Plan) Regulations, 2019.

2. **PETITIONER'S SUBMISSION:**

- i. The Petitioner has levied PPAC of 8.75% pertaining to the period (i) April' 2021 to June' 2021; (ii) July' 2021 to September' 2021; and (iii) October '2021 to December' 2021 from the respective next billing cycles, i.e. for next three months, in terms of the DERC (Business Plan) Regulations, 2019.
- ii. Based on the audited accounts and records, the Petitioner has calculated the differential PPAC percentage for the period (i) April' 2021 to June' 2021 (ii) July' 2021 to September' 2021 and (iii) October '2021 to December' 2021 in line with the PPAC methodology specified by the Commission, which are as under:

S.No.	Petition No.	Period	Differential PPAC %
1.	56/2021	April' 2021 to June' 2021	2.73%
2.	63/2021	July' 2021 to September' 2021	3.98%
3.	15/2022	October '2021 to December' 2021	18.26%

3. **COMMISSION'S ANALYSIS**

i. **PPAC for the period April' 2021 to June' 2021 (Q1)**

The PPAC has been computed as **(-)15.09%** against **11.48%** submitted by NDMC. The reasons for such huge variation is on account of different base rates and refund of Rs. 8.73 Crore from Bawana Power Plant in the Power Purchase Cost. NDMC has considered the base rate of Average Power Purchase Cost and Transmission Charges as per the Tariff Order for FY 2020-21 instead of the Tariff Order for FY 2021-22, since they had filed the PPAC Petition before the uploading of the Tariff Order for FY 2021-22. Further, NDMC has not considered Rs 8.73 Crore in PPAC computation.

ii. **PPAC for the period July' 2021 to September' 2021 (Q2)**

PPAC has been computed as **12.69%** against **12.73%** submitted by NDMC. The minor variation is due to consideration of rebate by NDMC in the Power

Purchase Cost and Transmission Charges by the DISCOM which is not as per PPAC formula.

iii. PPAC for the period October' 2021 to December' 2021 (Q3)

PPAC has been computed as **27.67%** against **27.01%** submitted by NDMC. The minor variation is due to consideration of rebate by NDMC in the Power Purchase Cost and Transmission Charges which is not as per PPAC formula and excluding the quantum and cost of the GT plant.

iv. The brief detail of the PPAC allowed by the Commission is stated as under:

Sr. No.	Particular	Unit	Q1	Q2	Q3
A	Total units procured in last quarter from Power stations having long term PPAs	MU	188.06	152.99	163.88
B	Proportionate bulk sale of power from Power stations having long term PPAs in (n-1)th Qtr (in kWh)	MU	21.54	15.57	24.30
C	Difference in Actual average Power Purchase Cost (PPC) vs. Projected average Power Purchase Cost (PPC) from power stations	Rs./kWh	-0.35	2.20	3.37
D	Actual Transmission Charges paid in the (n-1)th Qtr	In Rs. Cr	7.58	7.67	8.94
E	Base Cost of Transmission Charges for (n-1)th Qtr = (Approved Transmission Charges/4)	In Rs. Cr	23.13	23.13	23.13
Z	Power Purchased		164.83	136.01	138.06
Losses	Distribution Loss	%	8.75%	8.75%	8.75%
ABR	Revenue of Revised Tariff Approved Energy Sales	Rs./kWh	9.42	9.42	9.42
PPAC	PPAC (nth Qtr) %= (A-B)*C+(D-E)/((Z*(1-Distribution Loss in %)*ABR)		-15.09%	12.69%	27.67%
	100				

4. The Prime reason of increase in the Power Purchase Cost is the increase in energy charges due to escalation in Gas Prices. The differential impact on account of balance PPAC (over recovery/under recovery) cumulatively is **Rs. (-)6.73** Crore for all the above Petitions. The summary of the financial impact of balance PPAC is given as under:

S.No.	Quarter	PPAC claimed	PPAC self levied by Utilites	Differential PPAC	Actual PPAC as per Bills verification and prudence check	Balance PPAC (%)	Balance PPAC (Rs. Cr.) (Over recovery/ Under recovery.)
1	Q1	11.48%	8.75%	2.73%	-15.09%	-23.84%	-33.79

S.No.	Quarter	PPAC claimed	PPAC self levied by Utilites	Differential PPAC	Actual PPAC as per Bills verification and prudence check	Balance PPAC (%)	Balance PPAC (Rs. Cr.) (Over recovery/ Under recovery.)	
2.	Q2	12.73%	8.75%	3.98%	12.69%	3.94%	4.60	
3.	Q3	27.01%	8.75%	18.26%	27.67%	18.92%	22.46	
Total								-6.73

5. The claim relating to PPAC of the Petitioner will be subsumed appropriately in the ensuing Tariff Order for FY 2022-23 and the difference, if any, will be considered/allowed with Carrying Cost, on verification of Power Purchase and Transmission Bills, on true up.
6. Ordered accordingly.

Sd/-
(Dr. A.K. Ambast)
Member

Sd/-
(Justice Shabihul Hasnain'Shastri')
Chairperson