



**Delhi Electricity Regulatory Commission**  
**Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi – 17.**

No. F.11(1776)/DERC/2019-20/C.F,

**Petition No. 15/2020**

**In the matter of :      Petition for Recovery of Power Purchase Cost Adjustment Charges (PPAC) for October – December '19.**

**BSES Rajdhani Power Ltd.**

**.... Petitioner**

**In the matter of :      Petition for recovery of Power Purchase Cost Adjustment Charges (PPAC) for January-March' 2020.**

**BSES Rajdhani Power Ltd.**

**.... Petitioner**

**Coram:**

**Hon'ble Sh. Justice S S Chauhan, Chairperson**

**Hon'ble Sh. A.K. Singhal, Member**

**Hon'ble Dr. A. K. Ambasht, Member**

**ORDER**

(Date of Order:13.11.2020)

1. The instant Petitions have been filed by BSES Rajdhani Power Ltd (BRPL) seeking permission to Levy and consequently recover the Power Purchase Adjustment Charges (PPAC) pertaining to the quarters October to December 2019 and January to March, 2020 (Q3 & Q4), respectively, in accordance with Section 62 (2) 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, 2017.
2. Petitioner's submission:
  - i. Based on the audited accounts and records, the Petitioner has calculated the PPAC percentage for the period October' 19 to December' 19(Q3) and for January'20 to March' 20 (Q4) in line with the PPAC methodology specified by the Commission, which are as under:

S.No.	Period	PPAC %
1.	October-December, 2019 (Q3)	23.91
2.	January-March, 2020 (Q4)	20.16

- ii. The Petitioner has levied PPAC of 4.50% pertaining to the period from October' 19 to December' 19(Q3) and for January'20 to March' 20 (Q4) from the respective next billing cycles, i.e. for next three months.
- iii. Further, the instant Petitions have been filed for seeking permission of this Commission to levy differential PPAC claim on the consumers of the Petitioner.

3. **COMMISSION'S ANALYSIS:**

- i. The Petitioner BRPL has filed PPAC claims to the tune of 23.91% and 20.16% for the period Q3 and Q4, respectively of FY 2019-20. It has been observed that the reasons for such large PPAC claims are the following True-up/Arrear Orders of CERC pertaining to PPS-III Bawana and PGCIL:
  - CERC Order dated 26/11/2019 regarding 'Determination of tariff of Pragati-III Combined Cycle Power Station (1371.2 MW) for the period 2014-19.
  - CERC Order dated 17/12/2019 regarding approval of transmission tariff for various transmission lines of Power Grid Corporation of India Limited (PGCIL) from Date of Commercial Operation up to 31/03/2019.
- ii. Since the aforesaid Orders of CERC have substantial impact on PPAC, the Commission vide its letter dated 06/03/2020 had requested CERC to consider spreading of the Arrear bills for longer duration (billed to DISCOMs in more than one instalment) so as to avoid tariff shock to the Delhi Consumers. At the same time, taking reference of above mentioned DERC letter, TPDDL had also filed a Petition in CERC in this regard. However, CERC vide its Order dated 30/07/2020 dismissed the petition treating it as not maintainable.
- iii. Pending adjudication of instant petitions and in order to avoid future tariff shock to the end consumers because of the above referred unrecovered PPAC amount and the carrying cost during True-up, vide its letter dated 19/08/2020 and Tariff Order dated 28.08.2020, the Commission has allowed the Petitioner to continue to levy PPAC @ 7.94% till March, 2021.
- iv. The Figures and Formula as submitted by the Petitioner have been examined on the basis of audited power purchase certificate and actual bills submitted by the Petitioner. On scrutiny following has been discussed:

- a. The arrears w.r.t. stations like IP Station, Rajghat and Badarpur Thermal Power Station (BTPS) which do not form part of base Average Power Purchase Cost (APPC) from Long Term (LT) Sources approved by Commission vide Tariff Orders dated 31/07/2019, have been excluded while calculating the APPC for the relevant Quarter.
- b. Normative rebate on Power Purchase and Transmission Charges bills from Central and State GENCOs & TRANSCO has been considered as per Tariff Order and accordingly, the base and actual values have been computed.
- v. PPAC for Q3 and Q4 has been computed as per figure and formula as indicated in the following table:

Legend	Description	Unit	Details	
			Q3	Q4
A	Total units procured from long term PPAs	MU	2631.21	2821.50
B	Proportionate Bulk Sale of Power	MU	332.45	550.41
C	Difference in base and actual PPC	Rs./kWh	1.32	1.27
D	Actual Transmission charges	In Rs. Cr	267.50	218.25
E	Base Transmission charges	In Rs. Cr	230.28	230.28
Z	Units on which PPAC shall be applicable	MU	2239.48	2206.78
Losses	Distribution Losses	%age	9.50	9.50
ABR	$\frac{\text{Revenue at Revised tariff}}{\text{Approved Energy sales}}$	Rs./kWh	7.15	7.15
<b>PPAC</b>	PPAC (nth Qtr) %= $\frac{(A-B)*C+(D-E)}{(Z*(1-\text{Distribution Loss in \%})*ABR)}$ 100	%	<b>23.46</b>	<b>19.41</b>

- vi. Accordingly, PPAC for the Quarter 3 (October' 19 to December'19) and Q4 (January'20 to March'20) for FY 2019-20 in respect of the Petitioner BRPL as per the PPAC formula are 23.46% and 19.41%, respectively. The PPAC claim being substantial, in order to avoid tariff shock to the consumers, it is prudent to extend period of recovery as per provisions of the *DERC (Terms and condition for determination of Tariff) Regulations, 2017* and Regulation 30(3) of *DERC (Business Plan) Regulations, 2017*.
- vii. As already stated that pending adjudication of instant petition, the Commission vide letter dated 19/08/2020 has allowed the Petitioner to charge PPAC @ 7.94% per month till further orders. The expected revenue recovery on provisional basis has been considered which will vary depending upon actual billing during the period. The Petitioner has already levied 4.50% PPAC on the Consumer as per Business Plan Regulations, 2017.

The amount to be recovered through PPAC and the amount already recovered by the Petitioner have been tabulated in the table as follows:

S.No.	Particulars	Unit	Q3	Q4
1.	PPAC allowed by the Commission	%	23.46	19.41
		Rs. Cr.	332.10	277.12
2	Recovery on self-charged PPAC @4.5%	%	4.5	4.5
		Rs. Cr.	65.00	64.00
3.	Recovery allowed vide letter dated 19.08.2020 till March' 21	%	7.94	7.94
		Rs. Cr.	225.00	175.00
4.	Balance to be recovered in one quarter	Rs. Cr.	41.91	37.87

4. In view of the aforesaid discussion, for recovery of the unrecovered PPAC for Q3 & Q4 after adjusting provisional recovery already allowed till March'21, the Petitioner shall continue to levy PPAC at the same rate i.e. 7.94% till May, 2021. The expected recovery by levying the allowed % of PPAC, will depend on actual billing of DISCOMs (Fixed Charges and Energy Charges) during the period. The difference, if any, in actual PPAC & its recovery shall be trued up as per provisions of the extant Regulations.

5. The Petition is disposed of accordingly.

**Sd/-**  
**(A.K. Ambasht)**  
**Member**

**Sd/-**  
**(A.K. Singhal)**  
**Member**

**Sd/-**  
**(Justice S S Chauhan)**  
**Chairperson**