

Delhi Electricity Regulatory Commission

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Press Note

24th September 2015

The Distribution Utilities in Delhi namely Tata Power Delhi Distribution Limited (TPDDL), BSES Rajdhani Power Limited (BRPL), BSES Yamuna Power Limited (BYPL) and New Delhi Municipal Council (NDMC), had filed their Petitions for true up of Annual Revenue Requirement (ARR) for FY 2013-14 and for determination of Annual Revenue Requirement (ARR) and Tariff for FY 2015-16. After admission of the Petitions, Executive Summary of the Petitions were prepared and uploaded along with their Petitions on Commission's website for information to all stakeholders. Simultaneously, the comments were invited from all stakeholders on various tariff issues for which a Public Notice was issued in newspapers by the Commission. The Commission conducted the "Public Hearing" to consider the suggestions/inputs received from stakeholders, thereby giving adequate opportunity to all stakeholders to express their views on the matters pertaining to tariff determination.

The Commission, after duly analyzing the petitions submitted by the Utilities and considering the suggestions / inputs from stakeholders has trued up the ARR for FY 2013-14. Penalties have been imposed on the Distribution licensees for non compliance of directives/ license conditions i.e. cash collection over Rs. 4000/-, delay in completion of GIS mapping, non achievement of AT&C loss targets etc. Accordingly liquidation of revenue gap has been observed for FY 2013-14 which has been indicated in the table below:

Table 1: Revenue Surplus/(Gap) at end of FY 2013-14 (Rs. Cr.)

Sl.No.	Revenue Surplus/(Gap)	BRPL	BYPL	TPDDL	NDMC	Total
A	Revenue (Gap) Upto FY 2012-13 - As per Tariff Order dated 23.07.2014	(6,016)	(3,795)	(3,847)	(324)	(13,982)
B	Revenue (Gap) reduction upto FY 2012-13	649	655	350	489	2,143
C	Reduction/(Addition) in Revenue (Gap) after true up for FY 2013-14	288	(295)	(21)	(133)	(161)
D	Revenue Surplus /(Gap) after True up upto FY 2013-14	(5,078)	(3,436)	(3,518)	32	(12,000)

The reason for such liquidation of revenue gap is broadly on account of true up of past period based on de-capitalization, actual equity and other factors including penalties and disallowance on account of costly power purchase from Anta, Auraiya and Dadri stations without prior approval of the Commission. The above past period true up is likely to further reduce the revenue gap in subsequent years.

The Commission has also undertaken work of physical verification of assets and billing audit, which may lead to further reduction in the revenue gap during the subsequent years.

In addition, the Annual Revenue Requirement (ARR) for FY 2015-16 has been estimated based on the normative parameters as applicable for controllable parameters for the extended Multi Year Tariff (MYT) Regulations 2011 as per Commission's Order dated 22.10.2014 and the uncontrollable parameters viz., fuel cost, power purchase and sales based on actual available information.

The ARR of FY 2015-16 as now approved and revenue surplus/(gap) for FY 2015-16 is as below:

Table 2: Summary of Annual Revenue Requirement (ARR) for FY 2015-16 (Rs. Cr.)

Sl.No.	Particulars	FY 2015-16				
		BRPL	BYPL	TPDDL	NDMC	Total
A	ARR as claimed by Petitioner	8,862	4,858	6,790	1,253	21,763
B	ARR as approved by Commission	7,949	4,158	5,878	1,131	19,115
C	Revenue at existing Tariff	8,042	4,195	6,200	1,123	19,561
D	Revenue Surplus/(Gap) during the year	92	37	323	(8)	445

As there is surplus revenue for BRPL, BYPL & TPDDL which will additionally liquidate the principal amount of the accumulated revenue gap, the Commission has decided to retain the tariff for FY 2015-16 at prevailing levels, with minor structural changes, based on the stakeholders' suggestions/inputs. In case of NDMC, the impact of past true up upto FY 2013-14 has resulted into a revenue surplus at the end of FY 2013-14. Since there is only minimal revenue gap projected during FY 2015-16 which will be offset against the current surplus available at the end of FY 2013-14, thus there is no need for levy of 8% surcharge in the area of NDMC.

The salient features of the Tariff Schedule for FY 2015-16 are as under:

1. No change in the existing tariff except for Cooperative Group Housing Societies (CGHS) category.
2. Tariff for Group Housing Societies (GHS) for supply at 11kV has been rationalized as follows:
 - a. Composite Tariff for GHS has been fixed at Rs.6.00/kWh based on Average Billing Rate of the domestic consumers against earlier tariff.
 - b. Individual Consumers availing the supply at single delivery point through Group Housing Society may claim the benefit of subsidy, applicable if any, as per the Order of GoNCTD. Group Housing Society shall submit the details of eligible consumers with consumption details and lodge claims for subsidy on behalf of individual members from DISCOMs
 - c. The definition of GHS has been broadened to cover all the GHS including residential complex developed by a developer.
 - d. The Single Point Delivery Supplier (GHS) shall charge the Domestic tariff as per slab rate of Tariff Schedule 1.1 to its Individual Members. Any Deficit/Surplus due to sum total of the billing to the Individual Members as per slab rate of Tariff Schedule 1.1 and the billing as per the Tariff Schedule 1.2 including the operational expenses of the Single Point Delivery Supplier shall be passed on to the members of the Group Housing Societies on pro rata basis of consumption.
3. The Tariff for Non Domestic, Industrial and DJB category consumers having sanctioned load of 10kW (11kVA) - 100kW (108kVA) has been extended to 10kW (11kVA) - 140kW (150kVA).
4. The Commission has reviewed the ToD time slots as per the suggestions/comments received from various stakeholders including GoNCTD and the latest available trend for demand and supply of power.

It is observed that during the months of October - April, the maximum demand is less than the available base supply of power. Accordingly, the ToD Tariff has been modified and shall be applicable for remaining five (5) months i.e., May – September of the year as follows:

Time Slots for ToD	Existing Time Slots	Revised Time Slots
Peak Hours	1500 – 2400 hours	1300 – 1700 hours 2100 – 2400 hours
Off peak Hours	0000 – 0600 hours	0300 – 0900 hours

- a) The Rebate during the Off Peak hours has been reduced from 25% to 20%, whereas for Peak hours Surcharge shall continue at existing 20%.
 - b) For other than Peak and Off Peak period, Normal charges as defined shall be applicable.
 - c) It shall be now applicable for all consumers (other than domestic) whose sanctioned load/ MDI is 25kW/ 27kVA and above instead of 50kW/ 54kVA.
 - d) Option of TOD tariff is also available for all consumers (other than Domestic) whose sanctioned load/MDI (whichever is higher) is 11kW/12kVA to 25kW/27kVA. Such ToD Consumers will have the option to move back to non-ToD regime only once within one Financial Year.
5. The restriction of connected load upto 2kW under Domestic Category for Cattle/Dairy Farm/Dhobhi Ghat has been removed. The only applicable criteria will be monthly consumption upto 400 units.
 6. The term "month" indicated in the Tariff Schedule has been defined and shall mean a period of 30 (thirty) days.

All parameters related to billing including eligibility of consumer for Subsidy shall be prorated on 30 (thirty) days irrespective of the number of days in calendar month/ number of days billed.
 7. The Power Purchase Adjustment Cost (PPAC) shall be continued to be levied as per the Commission's Order dated 12.06.2015.
 8. There is no change in levy of additional surcharge of 8% on the consumers of the DISCOMs for gradual liquidation of principal amount of the accumulated revenue gap as submitted by the Commission before the Hon'ble Supreme Court of India in Civil Appeal no. 884 of 2010.
 9. The Commission in order to make the processes customer-centered and to streamline and implement an effective metering and billing system has allowed the distribution licensee for spot billing which will enable Consumers to pay their bill conveniently.
 10. The Commission has allowed payment of Rs. 0.70 Crore towards Public Grievances Cell (PGC) for meter testing and consumer advocacy.
 11. The Commission has also allowed payment of Rs 573 Crores towards Pension Trust Fund.
 12. The Tariff Schedule shall be applicable with effect from 01.10.2015.