



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

No. F.11(1590)/DERC/2018-19/

Review Petition No. 32/2018

**In the matter of : Review Petition seeking review of the order dated 28.03.2018,
passed by the Commission in Petition no. 67 of 2017.**

Tata Power Delhi Distribution Ltd.

Through its : Managing Director

NDPL House, Hudson Lane

Kingsway Camp,

Delhi 110 009

...Petitioner

**Coram: Hon'ble Mr. Justice S S Chauhan, Chairperson
Hon'ble Mr. B.P. Singh, Member**

ORDER

(Date of Order: 24.09.2018)

1. The instant petition has been filed by M/s TPDDL for review/revision/clarification of the following issues as contained in the Commission's Tariff Order dated 28.03.2018 in Petition No. 67 of 2017 filed by the Petitioner:
 - i. Inadvertent omission of FY 2012-13 for allowance of financing cost at the approved Working Capital Rate of 11.62%;
 - ii. Inadvertent error in computation of Carrying Cost at the rate of 11.98% instead of 12.08% for FY 2016-17 while computing Prior Period Claim;
 - iii. Inadvertent consideration of negative Power Purchase Cost for Rithala Power Plant while truing up Power Purchase Cost for FY 2016-17;
 - iv. Arithmetic error in calculation of Non-Tariff Income for FY 2016-17;
 - v. Non-allowance of Income Tax while approving the Income from other Business;
 - vi. Error in submitting the rate of Income Tax as 33.99% in Tariff Petition instead of 34.61%;
 - vii. Inadvertent consideration of amount of Revenue Billed instead of Revenue Realized/Collected while computing the Revenue Gap/Surplus for FY 2016-17;
 - viii. Non-consideration of Depreciation towards retired/de-capitalized assets while computing Regulated Rate Base ("RRB") for FY 2016-17;
 - ix. Inadvertent consideration of ARR instead of Revenue Billed for the purpose of computing 2 months Receivables; and
 - x. Inadvertent consideration of collected amount of 8% surcharge for the purpose of computation of Revenue Gap/Surplus for the FY 2016-17.

2. The review petitioner has also submitted an additional affidavit stating three additional issues, which are as follows:-
 - i. Arithmetical Error in calculation of base cost of Power Purchase from long term sources for the purpose of computation of quarterly Power Purchase Adjustment Cost (PPAC);
 - ii. Inadvertent consideration of Gross Energy Input for the purpose of Truing up of actual Aggregate Technical and Commercial (AT&C) loss for FY 2016-17; and
 - iii. Clarification of disallowance of Rs. 1.56 crores for FY 2016-17 on account of Merit Order Violation.
3. The matter was admitted vide order dated 14.06.2018. Further, pursuant to the Commission's Interim Order dated 09.08.2018; the Petitioner had a meeting with the officers of the Commission and has provided additional documents information for consideration of issues.
4. The submissions made by the Petitioner have been considered and analysed to arrive at the decision. The issue wise analysis and decision are as follows:

4.1 Issue No. 1.

Inadvertent omission of FY 2012-13 for allowances of Financing Cost at the approved working capital rate of 11.62%.

Petitioner's Submission:

- 4.1.1 In view of the APTEL judgment in Appeal No. 14 of 2012, this Commission by its Tariff Order dated 31.08.2017 had allowed the Financing Cost of the LPSC for FY 2013-14 at rate of 11.62%. However, in the present Tariff Order dated 28.03.2018 the Commission has allowed the financing cost on the LPSC at the rate approved for working capital for the entire Second Control Period except the first financial year of the Second Control Period, i.e., FY 2012-13.
- 4.1.2 Accordingly, the Review petitioner humbly prays before this Commission to allow the differential amount of financing cost of LPSC at a rate of 11.62% (i.e., rate for Working Capital which comes out to be Rs. 2.35 crores) against the interest rate of 9.97% considered for FY 2012-13.

Commission's Analysis

- 4.1.3 The LPSC rate for the entire control period is at the same rate as the rate approved for working capital for the control period. Accordingly, the impact on account of LPSC Financing Cost for FY 2013-14 to FY 2015-16 has already been considered in Tariff Orders dated 31.08.2017 and 28.03.2018. As much as it is related to FY 2012-13, shall also be at 11.62%.

4.2 Issue No. 2.

Inadvertent Error in computation of Carrying Cost at the rate of 11.98% instead of 12.08% for FY 2016-17 while computing Prior Period Claim.

Petitioner's Submission:

- 4.2.1 That the Commission while implementing its own judgments passed in previous Review Petitions as well as judgements passed by the Hon'ble Tribunal has computed financial impact and Trued up the same along with carrying cost.
- 4.2.2 However, while allowing the rate of carrying cost for FY 2016-17, this Commission has inadvertently considered 11.98% as rate of carrying cost for FY 2016-17, which should have been 12.08% as approved by this Commission at Serial No. G at Table 146 in the Tariff Order dated 28.03.2018/Order under Review, while approving the Revenue (Gap)/Surplus upto FY 2016-17.
- 4.2.3 In view of the above, it is humbly prayed before the Commission to rectify the amount of additional impact of past period True up by considering 12.08% as rate of Carrying Cost instead of 11.98% which has been inadvertently considered for FY 2016-17.

Commission's Analysis

- 4.2.4 In this regard, it is observed that in table no. 146 of the Tariff Order dated 28.03.2018 of TPDDL, the rate of carrying cost for FY 2016-17 has been considered as 12.08% whereas in Table at Page No.111, the rate of carrying cost for FY 2016-17 has been considered as 11.98%, which is an inadvertent error. Accordingly, the carrying cost rate of FY 2016-17 in table at page 111 shall be read as 12.08% and the impact of the same shall be considered in the subsequent Tariff Order.

4.3 Issue No. 3:

Inadvertent consideration of negative Power Purchase Cost for Rithala Power Plant while truing up of Power Purchase Cost for FY 2016-17.

Petitioner's Submission:

- 4.3.1 That in Para 3.66 has been observed that the review petitioner has preferred an appeal against the Commission's Rithala Order dated 31.08.2017 and therefore, this Commission has not considered any cost of Rithala in the Power Purchase Cost for FY 2016-17. However, it is submitted that the Commission while truing up the Power Purchase Cost for FY 2016-17 has inadvertently considered the negative Power Purchase Cost towards Rithala Power Plant to the tune of Rs. 128.18 crores.
- 4.3.2 The Review petitioner while submitting its Plant wise Power Purchase Cost

for FY 2016-17 at Table 14 has first included Power Purchase Cost towards Rithala Power Plant to the tune of Rs. 128.18 crores while computing the Power Purchase Cost for Truing up in line with Power Purchase Cost as per the audited financial statement.

- 4.3.3 Thus, while seeking Truing up of Power Purchase Cost for FY 2016-17, the Review Petitioner at Serial No. E of Table 25 had sought add back of the negative Power Purchase Cost towards Rithala Power plant to the tune of Rs. 128.18 crores. However, this Hon'ble Commission while Truing up the Power Purchase Costs for FY 2016-17 has considered the negative power purchase Cost of Rithala plant at Serial No. 1 of table 27 as the Power Purchase Cost but inadvertently this Commission has not added back the amount of RS. 128.18 crores at Serial No. 10 of table 27 while truing up the Power Purchase Cost for FY 2016-17.
- 4.3.4 It is therefore humbly prayed before this Commission to review the aforesaid finding and allow the add back of the Power Purchase Cost from Rithala Power Plant i.e. Rs. 128.18 crores while Truing up the Power Purchase Cost for FY 2016-17.

Commission's Analysis

- 4.3.5 In Table 3.13 of the Petition filed by TPDDL, they have indicated the negative cost of Rithala Power Plant for FY 2016-17 i.e. Rs.(128.18) Cr. However, they have not indicated any reason for consideration of such negative cost of Rithala Power Plant in their power purchase cost of FY 2016-17. Further, in Table-3.21 of the Petition, they have added back this negative power purchase cost of Rithala as Rs.128.18 Cr.
- 4.3.6 In the Tariff Order dated 28.03.2018, the Commission has not added back Rs.128.12 Cr. for computation of trued up power purchase cost and has considered Rs. (128.18) Cr. in the Gross Power Purchase Cost.
- 4.3.7 Further, in their Review Petition also TPDDL has not submitted any reason for adding back Rs. Cr.128.18 in the Gross Power Purchase Cost. It is observed from the form F1 of the True-up Petition of FY 2016-17, which is prepared from the audited Power Purchase Cost, that TPDDL has claimed Fixed Cost of Rs.96.50 Cr. and the arrear amount of Rs. (224.78) Cr. The reasons for arrear of Rs. (224.78) Cr. have not been indicated by TPDDL in their True up Petition. Such negative arrears may have been raised by various gas suppliers with which TPDDL has tied up like GAIL, RIL, NICO and BP which may pertain to the past period for which on provisional basis the tariff (either UI rate or APPC rate depending upon drawl position) cost has already been given to TPDDL. The net effect of Fixed Cost of Rs.96.50 Cr. and the arrear amount of Rs. (224.78) Cr. is Rs. (128.18) Cr. which has been

claimed by TPDDL.

- 4.3.8 Therefore, TPDDL was directed to submit the detailed reasons along-with relevant documents for arrears of Rs.(224.78) Cr. for Rithala CCPP considered in F1 of the True up Petition for FY 2016-17 which is prepared on the basis of Audited Power Purchase Cost.
- 4.3.9 TPDDL has submitted such negative arrears are not against any cost of gas supplied by GAIL and has also furnished a statement from their Statuary Auditor certifying the genesis and indication of cost of Rs. 128.18 Cr. for Rithala Power Plant.
- 4.3.10 The power purchase cost of Rs.128.18 Cr. for TPDDL from Rithala Power Plant was due to disallowance by this Commission in earlier Tariff Orders. Once the Commission had disallowed the power purchase cost to TPDDL then resultantly the non allowance in the instant Tariff Order leads to the conclusion of having negative impact on power purchase cost.
- 4.3.11 In view of the above and considering the certification from the Auditor, the cost of Rs. 128.18 Cr. for Rithala Power Plant is allowed.

4.4 Issue No. 4:

Arithmetic Error in calculation of Non-Tariff Income for FY 2016-17.

Petitioner's Submission:

- 4.4.1 It is submitted that the review Petitioner is seeking review of the findings of the Commission at Serial No. G of Table 51 wherein there seems to be an arithmetic error which has crept in while approving the Non-Tariff Income.
- 4.4.2 The Commission while calculating the Non-Tariff Income for FY 2016-17 has arrived at a figure of Rs. 168.82 crores instead of Rs. 167.33 crores i.e., $107.90 + 57.06 + 5.74 + 20.59 + (28.00) + 4.04 = 167.32$. The said error has resulted in the higher consideration of Non-Tariff income by Rs. 1.50 crores.

Commission's Analysis

- 4.4.3 The Commission has considered the Open Access Charges as Rs.7.23 Cr in the computation of Non Tariff Income which has been printed as Rs.5.74 Cr. in the Table-51 of the Tariff Order for Non Tariff Income. As per Note-32 of Audited Accounts of FY 2016-17, the income from Open access charges is Rs.7.23 Cr. Therefore, Non-Tariff Income for FY 2016-17 remains unchanged. Therefore, the amount of Rs.5.74 Cr. shall be read as Rs.7.23 Cr. There is no financial impact in the ARR.

4.5 Issue No. 5:

Non allowance of Income tax while approving the Income from Other Business.

Petitioner's Submission:

- 4.5.1 That the review Petitioner under the present issue is seeking allowance of Income tax on the Net Income Trued up by this Commission for FY 2016-17 in line with the earlier Tariff Order dated 31.08.2017. The same is with prejudice to the rights of the Review Petitioner to challenge the disallowance of indirect expenses incurred by the Review Petitioner to the tune of Rs. 17.43 crores, under Section 51 of the Electricity Act, 2003, read with the DERC (Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee) Regulations, 2005 (hereinafter referred to as Other Business Regulations).
- 4.5.2 That this Commission in its Tariff Order dated 31.08.2017 has allowed Income tax pertaining to "Income from Other Business" and the Income net of expenses and tax has been shared in the ratio of 80:20 for FY 2008-09 to FY 2015-16.
- 4.5.3 While truing up the Other Income of the Review Petitioner for FY 2016-17 has computed the Net Income of Rs. 30.72 crores by reducing the Indirect Expenses of Rs. 21.86 crores (against Rs. 39.29 crores sought by the review petitioner) from the Income of Rs. 52.58 Crores. Thereafter, as per the Regulation 5 (5) of the Other Business Regulations, the Net Income of Rs. 30.72 crore is shared in the ratio of 80:20 where 80% of the Net Income has been allowed to be retained in ARR and 20% share is allowed by the petitioner. However, inadvertently this Commission has not taken into consideration the reduction of Income Tax @ 34.61% from the Net Income of Rs. 30.72 crore.
- 4.5.4 Therefore, the review petitioner humbly prays before the Commission to allow the differential; amount of Rs. 8.51 crores as Income Tax for FY 2016-17.

Commission's Analysis

- 4.5.5 Income Tax on the Income from Other Business has been allowed by the Commission in previous Tariff Orders, however, the same was inadvertently not allowed in True up of FY 2016-17.
- 4.5.6 Further, maximum tax which can be paid on account of Income Tax from other Business is the difference between actual tax paid & tax already allowed on Return on Equity (RoE). In the instant case the amount of actual tax paid is Rs. 57.48 and the tax allowed is Rs. 52.45 Cr, which

includes 0.93 Cr. allowed under issue No.6 hereafter. Therefore, an amount of Rs. 5.03 Cr is allowed on account of Income Tax on Income from other Business.

4.6 Issue No. 6:

Error in submitting the rate of Income Tax as 33.99% in Tariff Petition instead of 34.61%.

Petitioner's Submissions:

- 4.6.1 It is humbly submitted to cure an error apparent on the face of record. The review petitioner in its petition no. 67 of 2017 has inadvertently submitted an incorrect rate of Income tax for FY 2016-17, i.e., 33.99% instead of Income Tax rate of 34.61%. As such the Income tax allowed by the Commission was based on the clerical error made by the petitioner in its petition.
- 4.6.2 In this regard it is noteworthy that the correct rate of Income Tax is 34.61% as notified by the Finance Act, 2017. It is further noteworthy that the aforesaid calculation of Income tax is without prejudice to the rights of the review petitioner to challenge the Return on Equity approved by this Commission while trueing up the Income tax.
- 4.6.3 In view of the aforesaid submissions it is humbly prayed before this Commission to approve the Income Tax at the statutory rate of 34.61% as against 33.99% inadvertently submitted by the review petitioner.

Commission's Analysis

- 4.6.4 TPDDL has submitted that they themselves had made clerical mistake during filing of the Petition and have indicated the Income Tax rate of 33.99% instead of 34.61% for FY 2016-17. The Commission has considered the same Income Tax rate as submitted by TPDDL i.e. 33.99%. It is, therefore, submitted that the Commission has considered the same rate of 33.99% for all Delhi Utilities for FY 2016-17. The C&AG empanelled Auditor appointed by the Commission for True up of FY 2016-17 has also considered the Income Tax rate of 33.99%.
- 4.6.5 It is observed from the Table-77 of the Tariff Order of TPDDL that they had actually paid total Income tax of Rs.57.48 Cr. in FY 2016-17 as indicated in audited financial statement of TPDDL and Commission had allowed Rs.51.52 Cr. as Income tax on Return of Equity. TPDDL was directed to submit copy of Income Tax returns to substantiate the rate of Income tax applicable in FY 2016-17 against their claim of 34.61% instead of 33.99%.
- 4.6.6 TPDDL vide its reply received on 03.08.2018 has submitted the detailed

computation of Income Tax Rate of 34.61% along-with relevant documents of Income Tax Department. Therefore, the impact on account of Income Tax Rate of 34.61% for FY 2016-17 may be allowed to TPDDL. Therefore, consequent upon revision of the rate of Income Tax from 33.99% to 34.61%, an amount of Rs. 0.93 Cr. is allowed to the petitioner.

4.7 Issue No. 7

Inadvertent consideration of amount of Revenue Billed instead of Revenue Realized/Collected while computing the Revenue Gap/Surplus for FY 2016-17.

Petitioner's Submissions:

- 4.7.1 That the Commission while approving the Revenue Gap for FY 2016-17 has inadvertently considered the amount of Revenue billed instead of amount of Revenue collected by the review petitioner during FY 2016-17. In this regard it is noteworthy that the Revenue Gap/Surplus is computed by this Commission based on the actual Revenue Realized/collected by the review petitioner against the ARR in a particular financial year.
- 4.7.2 Further, this Commission has always approved the Revenue Gap/Surplus for a particular Financial Year based on the actual revenue collection, which is evident from the past Tariff Orders. In this regard, it is noteworthy that this Commission in the Tariff Order dated 28.03.2018 has approved the Revenue billed as Rs. 6,129.82 crores and Revenue Realized as Rs. 6,118.98 crores for FY 2016-17.
- 4.7.3 Therefore, this Commission while computing the Revenue Gap had to consider Revenue Realized by the review petitioner during FY 2016-17, i.e., Rs. 6,118.98 crores instead of considering Rs. 6,129.82 crores i.e., the Revenue billed by the review petitioner. In this regard the review petitioner has placed reliance upon the tariff Orders dated 31.08.2017 wherein the Commission has Trued up the Revenue/Gap for FY 2014-15 and FY 2015-16.

Commission's Analysis

- 4.7.4 It is observed that inadvertently the Revenue Billed has been considered instead of Revenue collected for computing of Revenue Gap for TPDDL. Therefore, the amount of Revenue collected is rectified to Rs. 6118.98 Cr. against Rs.6129.18 Cr. as has been considered in the Tariff Order.

4.8 Issue No. 8

Non-consideration of Depreciation towards retired/de-capitalized assets while computing RRB for FY 2016-17.

Petitioner's Submissions:

4.8.1 That the Commission under the present issue while computing the Regulated Rate Base (RRB) for FY 2016-17 has inadvertently not considered the Depreciation net of De-capitalization. In this regard it is noteworthy that:

- a. This Commission has approved the financing of net capitalization (i.e. Total Capitalization minus Retired/De-capitalized Assets) for the year through Debt and Equity in the ratio of 70:30 after considering funding through consumer contribution;
- b. Accordingly, the Commission has reduced the Retirement of Assets from total capitalization, i.e, Rs. 50.16 crores. Further, while approving the RRB for FY 2016-17 this Commission has considered the Net Investment in Capital Expenditure during the FY 2016-17 after deducting the original cost of Retirement of Assets from the total Capitalization i.e., Rs. 455.11 crores- 50.16 crores, which comes out to Rs. 404.95 crores however not considered the depreciation net of de-capitalization;
- c. In view of the same this Commission while allowing Depreciation for FY 2016-17 at Serial No. E of Table 64 the same figure has been considered at Serial no. G of Table 69, as such it seems that the Commission has inadvertently not considered Depreciation net of De-capitalization, i.e., reducing the Accumulated Depreciation of the Retired Assets from the Depreciation.

4.8.2 Apart from the above, it is further noteworthy that this Commission has always approved the Depreciation net of De-capitalization, which can be gauged at Serial No. D in Table 201 from the earlier Tariff Order dated 31.08.2017.

4.8.3 In view of the aforesaid submissions, it is humbly prayed before the Commission to review the aforesaid finding and rectify the amount of RRB by considering the amount of Depreciation for FY 2016-17 net of De-capitalization.

Commission's Analysis

4.8.4 While computing the Regulated Rate Base (RRB) for FY 2016-17, inadvertently the depreciation net of De-capitalisation was not considered, which ought to be allowed. Accordingly, the impact of Depreciation towards retired/de-capitalized assets of Rs. 50.16 Cr. for FY

2016-17 is allowed.

4.9 Issue No. 9

Inadvertent consideration of ARR instead of Revenue Billed for the purpose of computing 2 months receivables.

Petitioner's Submissions:

4.9.1 It is humbly submitted that this Commission, while truing up the Working Capital requirement for FY 2016-17, has inadvertently considered ARR of the review petitioner instead of the Revenue Billed by the review petitioner for the purpose of computing 2 months receivables from sale of electricity.

Commission's Analysis

4.9.2 The Commission has inadvertently considered the ARR of FY 2016-17 as receivables for 2 months for computing of working capital in Tariff Order dated 31.08.2017. The amount billed shall be considered for computing of working capital instead of ARR.

4.10 Issue No. 10

Inadvertent consideration of collected amount of 8% surcharge for the purpose of computation of Revenue Gap/Surplus for the FY 2016-17.

Petitioner's Submissions:

4.10.1 That this Commission while approving the Revenue (Gap)/ Surplus for the review petitioner for FY 2016-17 has inadvertently considered a figure of Rs. 498.53 crores as 8% Surcharge for the year instead of Rs. 491.03 crores as approved by this Commission at Serial no. B of Table 11 of the Tariff Order.

4.10.2 As is evident from the Table 11(B), the correct figure to be incorporated in at Serial no. (E) of Table 146, ought to have been Rs. 491.03 Crores instead of Rs. 498.53 Crores. Thus being a typographical error, it is humbly prayed that the Commission be pleased to review the findings and consider the correct figure of 8% Deficit Revenue Recovery Surcharge i.e., Rs. 491.03 crores while calculating the Revenue Gap/Surplus for FY 2016-17.

Commission's Analysis

4.10.3 As per Note 47.2 of the audited accounts for FY 2016-17, the amount collected through 8% surcharge is Rs.491.03 Cr. against Rs. 498.53 Cr. considered in the Tariff Order dated 28.03.2018. In view of the above, the 8% surcharge amount of Rs. 491.03 Cr. shall be read in the relevant place against Rs. 498.53 Cr.

4.11 Issue No.11

Arithmetical Error in calculation of base cost of Power Purchase from long term sources for the purpose of computation of quarterly PPAC.

Petitioner's Submissions:

4.11.1 That this Commission under Table 98 of the Order under review has approved the base cost of Power Purchase from long term sources as Rs. 3.91 per unit for FY 2018-19. However, after preliminary assessment of the costs it appears that there is some arithmetical error which has crept in while calculating the base cost of Power Purchase which, as per the petitioner comes out to be Rs. 4.11 per unit.

4.11.2 The base cost for Power Purchase per unit comes out to be Rs. 4.11/kWh instead of Rs. 3.91/kWh as approved by this Commission. As a consequence of which this Commission at Para 4.98 (b) for the purpose of charging the PPAC on quarterly basis, has considered weighted average base cost Rs. 3.91/kWh instead of Rs. 4.11/kWh. It is therefore submitted that this Commission may be pleased to review the base cost of Power Purchase per unit for FY 2018-19 for the purpose of computation of quarterly PPAC.

Commission's Analysis

4.11.3 The matter has already been addressed by the Commission on 15.05.2018 even before filing of this Review Petition.

4.12 Issue No.12

Clarification of disallowance of Rs.1.56 Cr. for FY 2016-17 on account of Merit Order Violation.

Petitioner's Submissions

4.12.1 That this Commission at Para 3.44 of the Order under Review has deducted an amount of Rs. 1.56 crores for FY 2016-17 on account of avoidable Power Purchase Cost due to scheduling of Power without considering Merit Order Dispatch. However, no analysis and information regarding the disallowance has been shared with the review petitioner.

4.12.2 It is therefore prayed before the Commission to clarify the basis on which the deduction has been made along with the instances wherein there has been violation on part of the review petitioner attracting the disallowance of Rs. 1.56 crores. Accordingly, this Commission may grant an opportunity to the review petitioner to make submissions and explain the circumstances which led to such Power Purchase. Apart from the above, the same will also aid the review petitioner to ensure that there is no

violation of the Merit Order Dispatch in the future.

Commission's Analysis

4.12.3 The review petitioner has failed to adhere the Merit Order Dispatch principle for FY 2016-17 and accordingly the Commission has disallowed Rs. 1.56 Cr. As prayed by the review petitioner, the details of disallowance of Rs.1.56 Cr. for FY 2016-17 on account of Merit Order Violation is as under:-

Actual MU Purchased											
Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
69.70	119.55	115.77	103.95	105.06	114.93	114.59	77.82	73.12	59.83	57.05	55.70

MU qualify for Backed Down											
Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
0.00	11.46	7.67	0.00	0.00	6.83	6.50	0.00	0.00	0.00	0.00	0.00

Marginal Loss											
Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17
0.00	0.50	0.36	0.00	0.00	0.25	0.45	0.00	0.00	0.00	0.00	0.00
											Total 1.56

4.13 Issue No. 13

Inadvertent consideration of Gross Energy Input for the purpose of Truing up of actual AT&C loss for FY 2016-17.

Petitioner's Submissions:

4.13.1 While truing up the AT&C loss for FY 2016-17 has inadvertently considered gross total energy input into the distribution system of the Review Petitioner i.e., 9062.97 Mus, based on e-mail dated 02.02.2018 issued by the State Load Despatch Centre (SLDC). However, the SLDC while providing the energy input as sought by this Commission (by its letter dated 18.12.2018) has not clearly mentioned that the said energy input includes the energy consumed by the Open Access Consumers in the area of supply of the Review Petitioner. The said amount of energy input at gross level cannot be considered for Truing up of AT&C loss level as the same is against Regulation 4.7 (b) of the DERC (Terms and conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011. The said error had also occurred in the past Financial Years i.e., FY 2014-15 and FY 2015-16.

4.13.2 It is humbly prayed before this Commission to review the aforesaid finding and revise the AT&C loss level based on the net energy input into the distribution system of the review petitioner for FY 2016-17. Further, the same analogy may also be considered for the past Financial Years as well, i.e., FY 2014-15 and FY 2015-16.

Commission's Analysis

- 4.13.3 The Commission has considered the Gross Energy Input for truing up of AT&C loss for FY 2016-17 as was submitted by SLDC vide its email dated 02.02.2018.
- 4.13.4 However, TPDDL has submitted that the said energy input provided by SLDC includes energy consumed by open access consumers in their area of supply which needs to be deducted for AT&C computation.
- 4.13.5 TPDDL has also furnished a letter from SLDC dated 28.05.2018, wherein it is indicated that the energy input of 9062.97 MU for TPDDL for FY 2016-17 includes energy consumption by open access consumers. Based on the clarification by SLDC the impact of open access consumption is allowed to the Petitioner.
- 5 The Petition is disposed of as per the directions and decisions contained in the paragraph 4 of this order, which would be given effect to in the subsequent Tariff Order.
- 6 Ordered Accordingly.

**Sd/-
(B.P. Singh)
Member**

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