



सत्यमेव जयते

## Delhi Electricity Regulatory Commission

विनियामक भवन, सी-ब्लॉक, शिवालिक,  
मालवीय नगर, नई दिल्ली-110017  
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F.3(604)/Tariff-Engg./DERC/2019-20/6731/1028

Dated: 19/10/2020

To

Secretary (Power)  
Govt. of NCT of Delhi  
Department of Power  
Delhi Secretariat  
New Delhi - 110002

### **Sub: Statutory Advice under Section 86(2) of Electricity Act, 2003**

Madam,

The Statutory Advice, as approved by the Commission, relating to applicability of Electricity Subsidy by GoNCT of Delhi to poorer and needy categories of consumers in line with various provisions of Electricity Act, 2003 and Tariff Policy 2016 is enclosed for necessary action.

Encl: As stated.

Yours faithfully

(Mukesh Wadhwa)  
Secretary

**STATUTORY ADVICE UNDER SECTION 86(2) OF  
ELECTRICITY ACT, 2003**

1. During Prudence check sessions held in the office of the Commission for Tariff Order of FY 2020-21, the Commission, based on the information provided by Distribution Licensees, observed that Subsidy is also being availed by the High End Consumers. GoNCTD has disbursed an amount of Rs. 2414.03 Cr. in the form of Subsidy to Domestic Consumers for FY 2019-20. Sanctioned load wise details of Domestic Consumers along with the subsidy provided was sought from the DISCOMs for FY 2019-20 which is analyzed further and summarized as follows:

**Table 1: Subsidy by BRPL Domestic Consumers**

<b>Sanctioned Load (kW)</b>	<b>Total Yearly Consumption (MU)</b>	<b>Billed Amount (Rs. Cr.)</b>	<b>Subsidy Disbursed (Rs. Cr.)</b>
1 - 3	5169.46	2953.06	930.85
4 - 5	908.84	742.97	62.31
6 - 10	1254.91	1161.52	68.49
11 - 20	1258.12	1431.01	30.52
21 - 30	335.55	438.84	1.63
>30	3567.81	4059.67	15.85
<b>Total Subsidy (A)</b>			<b>1109.65</b>
<b>Subsidy 1-3 kW (I)</b>			<b>930.85</b>
<b>Subsidy upto 5 kW (i)</b>			<b>993.16</b>

**Table 2: Subsidy by BYPL Domestic Consumers**

<b>Sanctioned Load (kW)</b>	<b>Total Yearly Consumption (MU)</b>	<b>Billed Amount (Rs. Cr.)</b>	<b>Subsidy Disbursed (Rs. Cr.)</b>
1 - 3	3380.64	2041.77	585.95
4 - 5	543.37	529.17	26.64
6 - 10	653.93	652.84	33.14
11 - 20	449.88	555.91	9.64
21 - 30	148.95	195.74	0.16
>30	1470.71	1670.70	1.54
<b>Total Subsidy (B)</b>			<b>657.07</b>
<b>Subsidy 1-3 kW (II)</b>			<b>585.95</b>
<b>Subsidy upto 5 kW (ii)</b>			<b>612.59</b>

**Table 3: Subsidy by TPDDL\_ Domestic Consumers**

Sanctioned Load (kW)	Total Yearly Consumption (MU)	Billed Amount (Rs. Cr.)	Subsidy Disbursed (Rs. Cr.)
1 – 3	3341.36	1914.64	603.37
4 – 5	500.22	435.02	26.85
6 – 10	736.20	704.01	33.33
11 – 20	549.66	664.21	5.97
21 – 30	267.45	353.69	0.11
>30	3678.47	4260.95	0.05
<b>Total Subsidy (C)</b>			<b>669.68</b>
<b>Subsidy 1-3 kW (III)</b>			<b>603.37</b>
<b>Subsidy upto 5 kW (iii)</b>			<b>630.22</b>

2. Further, Domestic Consumers upto 3 kW and 5 kW availing Subsidy has been analyzed as follows:

**Table 4: Domestic Consumers upto 3 kW and 5 kW availing Subsidy**

(Approx. in Lakhs)

DISCOMs	Subsidized Consumers	Subsidized Consumers upto 3 kW sanctioned Load	Subsidized Consumers upto 5 kW sanctioned Load
A	B	C	D
BRPL	17.66	15.96	16.72
BYPL	10.82	10.07	10.40
TPDDL	14.24	12.95	13.56
<b>Total</b>	<b>42.72</b>	<b>38.98</b>	<b>40.68</b>
<b>Percentage of C:B</b>		<b>91%</b>	
<b>Percentage of D:B</b>			<b>95%</b>

3. The Tariff Policy, 2016 states that the Subsidy to be provided to poorer and needy categories of consumers only. Relevant section of Tariff Policy, 2016 are as follows:

“ 8.3 Tariff design: Linkage of tariffs to cost of service

.....

*The State Governments can give subsidy to the extent they consider appropriate as per the provisions of section 65 of the Act. **Direct subsidy is a better way to support the poorer categories of consumers** than the mechanism of crosssubsidizing the tariff across the board. Subsidies should be*

targeted effectively and in transparent manner. As a substitute of cross subsidies, the State Government has the option of raising resources through mechanism of electricity duty and **giving direct subsidies to only needy consumers**. This is a better way of targeting subsidies effectively.

4. As concluded from the above provisions of Tariff Policy that Subsidy is to be extended to the poorer and needy categories of consumers rather than presently extended to the entire consumers of Domestic Categories irrespective of their Sanctioned Load.
5. Considering the essential home appliances, the Sanctioned Load along with units consumed in a month tentatively works out as follows:

**Table 5: Sanctioned Load and Tentative Monthly Units**

Sr. No.	Appliances	Qty. (Nos.)	Load (Watt)	Hours Usage	Units
1	Led Bulb	4	20	10	24
2	Tube Lights	3	40	6	22
3	Fans	4	50	20	120
4	Electric Iron	1	500	0.5	8
5	Refrigerator (4* rating) - as per catalogue)	1	80	24	58
6	Window Air Conditioner (1 Ton)	1	1100	4	132
7	Desert Cooler (medium)	1	200	4	24
8	Washing Machine	1	300	0.5	5
9	Television	1	150	5	23
10	Mixer-cum-grinder	1	200	0.5	3
11	Pump Motor	1	500	0.5	8
<b>Total</b>			<b>3140</b>		<b>424</b>
<b>Sanctioned Load (kW)</b>			<b>3.14</b>		

***\*In winters, Window AC and Desert Cooler will be replaced by Geyser and Room Heater.***

**#Source:** (Dakshin Haryana Bijli Vitran Nigan (DHBVN) electricity consumption calculator)

### **Recommendations:**

6. In view of above, it is proposed that Subsidy may be extended upto Sanctioned Load of 3 kW or 5 kW, as these Domestic Consumers are mainly under the poorer and needy category. Further, Savings in Subsidy if ceiling is done upto 3 kW or 5 kW is of the following order:

**Table 6: If Extended upto 3 kW or upto 5 kW**

<b>Particulars</b>	<b>Amount (Rs. Cr.)</b>
Total Subsidy given to Domestic Consumers (A+B+C)	2436.40
Savings if limited upto 3 kW (A+B+C) - (I+II+III)	316.23
Savings if limited upto 5 kW (A+B+C) - (i+ii+iii)	200.43

7. If, Electricity Subsidy may be extended for consumers having Sanctioned Load upto 3 kW, then it will have the coverage of 91% of Total Subsidized Consumers (based on FY 2019-20 data) and it will result in approximately savings of Rs. 315 Crore of Subsidy amount per year.
8. Further, if Electricity Subsidy may be extended for consumers having Sanctioned Load upto 5 kW, then it will have the coverage of 95% of Total Subsidized Consumers (based on FY 2019-20 data) and it will result in approximately savings of Rs. 200 Crore of subsidy amount per year.
9. The savings in Subsidy may be utilised for funding the Pension Trust Liability and corresponding reduction of Pension Trust Surcharge may be passed on to all the Consumers of Delhi.

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