

A. Introduction

- 1.1 BSES Rajdhani Power Limited (BRPL), the Distribution Licensee, has filed its Petition for Approval of True up for FY 2014-15 & FY 2015-16.
- 1.2 This Executive Summary contains the summary of the Petition filed by BRPL for True up for FY 2014-15 & FY 2015-16 (based on audited accounts) and FY 2017-18 (based on projections) in the Multi Year ARR.
- 1.3 The Commission shall true-up the ARR for FY 2014-15 & FY 2015-16 as per MYT Regulations, 2011, after prudence check.
- 1.4 ARR and Tariff for FY 2017-18 shall be based on the provisions of Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017, which broadly has the following components:
 - a. Power Purchase Cost including transmission charges
 - b. Operation and Maintenance (O&M) expenses
 - i. Employee Expenses
 - ii. Administrative & General Expenses
 - iii. Repair & Maintenance Expenses
 - c. Return on Capital Employed
 - d. Depreciation
 - e. Income Tax.
 - f. Non-tariff Income, etc.
- 1.5 Depreciation and RoCE shall be trued up based on the actual capital expenditure and actual capitalization vis-à-vis capital investment plan (capital expenditure and capitalization) approved by the Commission - Controllable parameters.
- 1.6 Variation in revenue / expenditure on account of uncontrollable sales / power purchase respectively – Uncontrollable parameters.
- 1.7 The figures of various components in the executive summary have been extracted from the Petitions filed by BRPL for ease of understanding to various stakeholders however the complete Petition is also available on DERC website <http://www.derc.gov.in/>

B. TRUE UP OF FY 2014-15

- 1.8 BRPL has submitted that its energy sales in FY 2014-15 was 10179 MU compared to 10684 MU approved by the Commission for FY 2014-15 in Tariff Order dated July 23, 2014. based on actual as shown below:

Table 1: Sales for FY 2014-15 (MU)

S. No	Category	Tariff Order dated July 23, 2014	Actual
A	Domestic	6072	5,788
B	Non Domestic	2949	2,827
C	Industrial	527	507
D	Agriculture	15	16
E	Mushroom Cultivation		0
F	Public Lighting	167	188
G	Delhi Jal Board (DJB)	279	207
H	Delhi International Airport Limited (DIAL)	225	218
I	Railway Traction	35	24
J	DMRC	273	271
K	Advertisement and Hoardings	3	1
L	Temporary Supply		74
M	Others	139	60
N	Total Energy Sales	10684	10179

- 1.9 The AT&C loss along with Distribution loss and collection efficiency for FY 2014-15 vis-à-vis that approved in MYT Order dated July 13, 2012 sought by BRPL is tabulated as under:

Table 2: AT&C Loss for FY 2014-15 (%)

S. No	Particulars	MYT Order dated July 13, 2012	Actual
1	Distribution Losses	12.06%	13.67%
2	Collection Efficiency	99.50%	101%
3	AT&C Loss level	12.50%	14.73%

- 1.10 The Power Purchase Quantum is tabulated below:

Table 3: Power Purchase Quantum for FY 2014-15 (MU)

S. No	Particulars	Tariff Order dated July 23, 2014	Submission
A	Power Purchase:		
i	Gross Power Purchase Quantum	13932	13476
ii	Power sold to other sources	1883	1057
iii	Net Power Purchase	12049	12419

S. No	Particulars	Tariff Order dated July 23, 2014	Submission
B	Transmission Loss:		
I	Inter-State Transmission Loss	385	481
II	Intra-State Transmission Loss	116	
III	Total transmission loss	501	481
C	Net power available after Transmission Loss	11548	11938

1.11 The following table shows the actual power purchase cost submitted by BRPL for FY 2014-15:

Table 4: Power Purchase Cost for FY 2014-15 (Rs. Cr.)

S. No	Particulars	TO dt. July 23, 2014	Submission
A	Power Purchase Cost		
I	Gross Power Purchase Cost	5935	6408
ii	Power sold to other sources	668	340
iii	Net Power Purchase Cost	5267	6068
B	Transmission Charges		
I	Inter-state transmission charges	319	367
ii	Intra-state transmission charges	487	475
iii	Other Transmission charges		71
iv	Total Transmission charges	806	913
C	Rebate		
I	Power Purchase Rebate	116	26
ii	Rebate on Transmission Charges	12	
iii	Total rebate	128	26
D	Net Power Purchase Cost	5944	6955

1.12 The O&M Expenses as considered by BRPL during FY 2014-15 is tabulated below:

Table 5: O&M Expenses for FY 2014-15 (Rs. Cr.)

S. No	Particulars	FY 2014-15	
		Tariff Order	Petition
A	Employee	315	350
B	A&G Expenses	109	117
C	R&M Expenses	110	143
D	Total O&M Expenses	534	611
E	Efficiency factor (%)	4%	0%
F	Efficiency factor	21	0

S. No	Particulars	FY 2014-15	
		Tariff Order	Petition
G	SVRS Pension	7	7
H	Revision in salary of Head Clerk/ Jr. Stenographer		11
I	Total O&M Expenses	520	629

1.13 The miscellaneous expenses incurred during FY 2014-15 is tabulated below:

Table 6: Other uncontrollable costs/ expenses during FY 2014-15

S. No	Particulars	Amount (Rs. Cr.)
1	Incremental License fees paid to DERC	3
2	Ombudsman Expenses	0.04
3	Incremental license fees paid on assets	0.12
4	Syndication fees/ borrowing costs	26
5	Geo-spatial fees	0.29
6	Special Audit related expenses	4
7	Total	33

1.14 The Non-Tariff Income claimed by BRPL in True-up of FY 2014-15 is tabulated below:

Table 7: Non-Tariff Income for FY 2014-15 (Rs. Cr.)

S. No	Particulars	TO dated July 23, 2014	Amount
1	Other Operating Revenue		172
2	Other Income		67
3	Total Income as per Accounts		239
4	Add: Interest on CSD		55
5	Add: Difference in SLD		11
6	Total Other Income		305
7	Income from other business		
<i>a</i>	<i>Street Light Maintenance</i>		<i>28</i>
<i>b</i>	<i>Consulting Business</i>		<i>13</i>
8	Net Income to be considered		264
9	Less: Interest on inter-company loans		25
10	Less: Interest on Contingency Reserve		3
11	Less: Interest on loans and advances to staff		0
12	Less: LPSC		25
13	Less: Rebate of PP Cost		26
14	Less: Write-back of misc. provisions		6
15	Less: Short term gain		10
16	Less: Recoveries from employees		0

S. No	Particulars	TO dated July 23, 2014	Amount
17	Less: Transfer from Consumer contribution for capital works		10
18	Less: Bad debts recovered		4
19	Less: Penalties from contractors		1
20	Less: Sale of scrap		10
21	Less: Commission on ED		11
22	Net Non-Tariff Income	125	134

1.15 BRPL has submitted that the depreciation has been calculated after excluding consumer contribution from the Gross Fixed Assets in accordance with DERC MYT Regulations, 2011. BRPL has submitted the total depreciation from FY 2007-08 to FY 2014-15 (after implementation of ATE Judgments) as under:

Table 8: Depreciation from FY 2007-08 to FY 2014-15 (Rs. Cr.)

S. No	Particulars	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
A	Average GFA	3127	3478	3848	4169	4374	4555	4852	5153
B	Average Consumer Contribution and Grants	68	126	201	256	291	332	389	447
C	Average assets net of consumer contribution	3059	3352	3647	3913	4083	4223	4463	4707
D	Average depreciation as above	3.61%	3.65%	3.66%	3.66%	3.67%	3.67%	3.68%	3.69%
E	Depreciation	110	122	133	143	150	155	164	174

1.16 The Annual Revenue Requirement claimed during FY 2014-15 vis-à-vis that approved in Tariff Order dated July 23, 2014 is tabulated below:

Table 9: Annual Revenue Requirement for FY 2014-15 (Rs. Cr.)

S. No	Particulars	TO dated July 23, 2014	Petition
1	Purchase of power including Transmission and SLDC Charges	5944	6955
2	O&M Expenses	509	629
3	Other Expenses/ Statutory levies		32
4	Depreciation	150	174
5	Return on Capital Employed (RoCE)	362	505
6	Income Tax	33	62
7	Sub-total	6997	8356
8	Less: Non-Tariff Income	125	134
9	Less: Income from other business		14

S. No	Particulars	TO dated July 23, 2014	Petition
10	Less: Interest on CSD		
11	Aggregate Revenue Requirement	6872	8209
12	Add: Impact of DERC/ APTEL/ High/ Supreme Court Judgments		
13	Add: PPAC (Balance of Q4-FY 14)	67	
14	Net Aggregate Revenue Requirement	6940	8209
15	Add: Carrying cost	692	
16	ARR	7631	8209
17	Revenue	7636	7499
18	Revenue (Gap)/ Surplus	5	(710)

1.17 The Revenue Surplus/(Gap) for FY 2014-15 is tabulated below :

Table 10: Revenue (Gap) for FY 2014-15 (Rs. Cr.)

S. No	Particulars	TO dt. July 23, 2014	Submission
A	ARR for FY 2014-15	7631	8209
B	Revenue available towards ARR	7636	7499
C	Revenue (Gap)/ Surplus	5	(710)

C. TRUE UP OF FY 2015-16

- 1.18 BRPL has submitted that its energy sales in FY 2015-16 was 10505 MU compared to 10683 MU approved by the Commission for FY 2015-16 in Tariff Order dated September 29, 2015 based on actual as shown below:

Table 11: Sales for FY 2015-16 (MU)

S. No	Particulars	TO dt. Sep 29, 2015	Actual
1	Domestic	6094	5924
2	Non-Domestic	2906	2941
3	Industrial	507	501
4	Public Lighting	198	175
5	Irrigation and Agriculture	16	16
6	Railway Traction	28	40
7	DMRC	287	279
8	DIAL	220	222
9	DJB	279	213
10	Others	148	194
11	Total	10683	10505

- 1.19 The AT&C loss along with Distribution loss and collection efficiency for FY 2015-16 vis-à-vis that approved in MYT Order dated July 13, 2012 sought by BRPL is tabulated as under:

Table 12: AT&C Loss for FY 2015-16 (%)

S. No	Particulars	Approved in MYT Order July 2012	Submission	Revised AT&C Loss Target
1	FY 2015-16	11.67%	11.90%	13.03%

- 1.20 Based on the revised AT&C Loss Trajectory, BRPL will be entitled for an incentive on account of over-achievement of AT&C Loss as under:

Table 13: Impact of over achievement in AT&C Loss for FY 2015-16

S. No	Particulars	FY 2015-16
A	Target AT&C Loss level for ith year (Xi)	13.03%
B	Actual AT&C Loss level for ith year (Yi)	11.90%
C	Target AT&C Loss level for (i-1)th year (Xi-1)	13.92%
D	Additional Return on Equity (%)	1.27%

- 1.21 The Power Purchase Quantum is tabulated below:

Table 14: Power Purchase Quantum for FY 2015-16 (MU)

S. No	Particulars	Approved in TO dated Sep 29, 2015	Submission
A	Power Purchase		
I	Gross Power Purchase Quantum	12860	13418
ii	Power sold to other sources	432	963
lii	Net Power Purchase	12428	12455
B	Transmission Loss:		
I	Inter-State Transmission Loss	308	439
ii	Intra-State Transmission Loss	85	
lii	Total transmission loss	393	439
C	Net power available after Transmission Loss	12035	12017

1.22 The following table shows the actual Power Purchase Cost submitted by BRPL for FY 2015-16:

Table 15: Power Purchase Cost for FY 2015-16 (Rs. Cr.)

S. No	Particulars	TO dt. Sep 29, 2015	Submission
A	Power Purchase Cost		
I	Gross Power Purchase Cost	5870	5690
ii	Power sold to other sources	151	301
iii	Less UI Charges		6
iv	Net Power Purchase Cost	5718	5383
B	Transmission Charges		
I	Inter-state transmission charges	319	377
ii	Intra-state transmission charges	676	574
iii	Other Transmission charges		56
iv	Total Transmission charges	995	1007
C	Rebate		
I	Power Purchase Rebate	115	1
ii	Rebate on Transmission Charges	15	
iii	Total rebate	130	1
D	Net Power Purchase Cost	6583	6389

1.23 The O&M Expenses as considered by BRPL during FY 2015-16 is tabulated below:

Table 16: O&M Expenses for FY 2015-16 (Rs. Cr.)

S. No	Particulars	FY 2015-16	
		Tariff Order	Petition
A	Employee	340	378

S. No	Particulars	FY 2015-16	
		Tariff Order	Petition
B	A&G Expenses	118	127
C	R&M Expenses	117	152
D	Total O&M Expenses	575	657
E	Efficiency factor (%)	4%	0%
F	Efficiency factor	23	0
G	SVRS Pension	7	2
H	Revision in salary of Head Clerk/ Jr. Stenographer		9
I	Total O&M Expenses	560	667

1.24 The miscellaneous expenses incurred during FY 2015-16 is tabulated below:

Table 17: Other uncontrollable costs/ expenses for FY 2015-16

S. No	Particulars	Amount (Rs.Cr.)
1	Incremental License fees paid to DERC	2.61
2	Ombudsman Expenses	0.02
3	Incremental license fees paid on assets	0.52
4	Syndication fees/ borrowing costs	8.75
5	Geo-spatial fees	0.29
6	Special Audit related expenses	2.71
7	Food Allowance	1.06
8	Children Education Allowance	1.82
	Total	17.77

1.25 The Non-Tariff Income claimed by BRPL in True-up of FY 2015-16 is tabulated below:

Table 18: Non-Tariff Income during FY 2015-16 (Rs. Cr.)

S. No	Particulars	TO dated Sep 29, 2015	FY 2015-16
1	Other Operating Revenue		124
2	Other Income		112
3	Total Income as per Accounts		237
4	Add: Interest on CSD		61
5	Add: Difference in SLD		5
6	Total Other Income		303
7	Less: Income from other business		
a	<i>Street Light Maintenance Business</i>		15
b	<i>Consulting Business</i>		11
8	Net Income		277

S. No	Particulars	TO dated Sep 29, 2015	FY 2015-16
9	Less: Interest on Contingency Reserve		2
10	Less: Interest on loans and advances to staff		0.01
11	Less: LPSC		27
12	Less: Rebate of PP Cost		1
13	Less: write-back of misc. Provisions		22
14	Less: Short term gain		3
15	Less: recoveries from employees		0.01
16	Less: Transfer from Consumer contribution for capital works		14
17	Less: Bad debts recovered		4
18	Less: Penalties from contractors		0.26
19	Less: Sale of scrap		7
20	Less: Interest on inter-company loans		44
21	Less: Commission on ED		11
	Net NTI to be considered for ARR	190	142

1.26 BRPL has submitted that the depreciation has been calculated after excluding consumer contribution from the Gross Fixed Assets in accordance with DERC MYT Regulations, 2011.

BRPL has submitted the total depreciation from FY 2007-08 to FY 2015-16 as under:

Table 19: Depreciation from FY 2007-08 to FY 2015-16 (Rs. Cr.)

S. No	Particulars	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
A	Average GFA	3127	3478	3848	4169	4374	4555	4852	5153	5480
B	Average Consumer Contribution and Grants	68	126	201	256	291	332	389	447	521
C	Average assets net of consumer contribution	3059	3352	3647	3913	4083	4223	4463	4707	4960
D	Average depreciation as above	3.61%	3.65%	3.66%	3.66%	3.67%	3.67%	3.68%	3.69%	3.70%
E	Depreciation	110	122	133	143	150	155	164	174	184

1.27 The Annual Revenue Requirement claimed during FY 2015-16 vis-à-vis that approved in Tariff Order dated September 29, 2015 is tabulated below:

Table 20: Annual Revenue Requirement for FY 2015-16 (Rs. Cr.)

S. No	Particulars	TO dated Sep 29, 2015	Submission
A	Purchase of power including Transmission and SLDC Charges	6583	6389
B	O&M Expenses	560	667
C	Other Expenses/ Statutory levies		18
D	Depreciation	147	184
E	Return on Capital Employed (RoCE)	373	529
F	Income Tax	39	68
G	Sub-total	7703	7855
H	Less: Non-Tariff Income	190	142
I	Less: Income from other business		
J	Less: Interest on CSD		
K	Aggregate Revenue Requirement	7513	7713
L	Add: Impact of DERC/ APTEL/ High/ Supreme Court Judgments		
M	Add: PPAC (Balance of Q4-FY 14)		
N	Net Aggregate Revenue Requirement	7513	7713
O	Add: Carrying cost	451	
P	ARR	7964	7713
Q	ARR for FY 2015-16	7964	7713
R	Revenue available towards ARR	8042	7658
S	Revenue (Gap)/ Surplus	78	(54)

1.28 The Revenue Surplus/(Gap) for FY 2015-16 is tabulated below :

Table 21: Revenue (Gap) for FY 2015-16 (Rs. Cr.)

S. No	Particulars	TO dt. Sep 29, 2015	Submission
A	ARR for FY 2015-16	7964	7713
B	Revenue available towards ARR	8042	7658
C	Revenue (Gap)/ Surplus	78	(54)

D. ARR OF FY 2017-18

Table 22: Energy Requirement for FY 2017-18

A	Energy sales (MU)	11070
B	Distribution Loss (%)	12.0%
C	Energy Requirement (MU)	12579

Table 23: Power Purchase for FY 2017-18 (Rs. Cr.)

S. No.	Particulars	Qty (MU)	Amt (Rs. Cr.)	Avg. Rate (Rs./kWh)
1	Power Purchase @ exbus- FIRM	12906	6196	4.80
2	Inter-State Losses	323	456	
3	Cost towards REC		219	
4	Power Available at Delhi Periphery	12583	6872	5.46
5	Intra-state Loss & Charges (Including SLDC charges)	88	424	
6	Power Available to DISCOM	12495	7296	5.84
7	Banking Import	438	175	4.00
8	Shortfall to be met at Discom Periphery	575	182	3.17
9	Total Available	13508	7654	5.67
10	Sales	11070		
11	Distribution Loss	1510		
12	Energy Requirement at Distribution Periphery	12579	7340	5.84
13	Sale of Surplus power	469	130	2.77
14	Sale of Power through Banking	460	184	4.00
15	Total Sale of Surplus Power	929	314	3.38

Table 24: O&M Expenses for FY 2017-18 (Rs. Cr.)

A	Employee Expenses	459
B	A&G Expenses	248
C	R&M Expenses	241
D	Net O&M Expenses	948

Table 25: CAPEX for FY 2017-18 (Rs. Cr.)

Performance Obligation	Loss reduction	20
	Metering	72
	Consumer Contribution	30
Power Reliability	Load Growth	222
	System Improvement	17
	Automation	14
Infrastructure Development	IT and Communication	13
	Civil Infrastructure	31
	Vehicle	5
	Safety	4
	Test Equipment, Tools & Tackles	5
Total		432

Table 26: ARR for FY 2017-18 (Rs. Cr.)

Sl No.	Particulars	Amount
1	Power purchase expenses (a)	7340
2	O&M (b)	948
3	Interest & Finance charges (c)	236
4	Depreciation (d)	220
5	Interest on working capital (e)	127
6	Gross expenditure (F=a+b+c+d+e)	8871
7	Return on Equity (G)	328
8	Net Expenditure (H=F+G)	9200
9	Less: Non- Tariff Income	148
10	Net ARR (I)	9052
11	Revenue at existing Tariff	8028
12	Collection Efficiency (CE)	99.5%

Sl No.	Particulars	Amount
13	Revenue at existing tariff grossed up with CE (J)	7988
14	Surplus/(Gap) (J-I)	(1063)