

BSES
BSES Yamuna Power Limited



Index

Sanjeev Singh



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Sanjeev Singh



BSES
BSES Yamuna Power Limited



Affidavit

Sanjeev Singh



Sanjeev Singh



BEFORE THE DELHI ELECTRICITY REGULATORY COMMISSION
C BLOCK, SHIVALIK, MALVIYA NAGAR, NEW DELHI

PETITION NO. _____ OF 2023

IN THE MATTER OF:-

BSES Yamuna Power Limited

Shakti Karan Building, Karkardoma,
Delhi - 110032

..... PETITIONER

AND

IN THE MATTER OF:- Truing-up upto the Financial Year (hereinafter referred to as "FY") FY 2022-23, in accordance with Section 62 of the Electricity Act, 2003 read with Sections 11 and 28 of Delhi Electricity Reforms Act, 2000 (hereinafter "DERA") to the extent applicable, the DERC (Conduct of Business) Regulation 2001 and Condition 24 of the License for Distribution and Retail Supply of Electricity issued by the Hon'ble Delhi Electricity Regulatory Commission (hereinafter referred to as "the Hon'ble Commission / Hon'ble DERC") along with Regulation 13 read with Regulation 139 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 (hereinafter referred to as "DERC Tariff Regulations, 2017") read with DERC (Business Plan) Regulations, 2017 and DERC (Business Plan) Regulations, 2019 (hereinafter referred to as "Business Plan Regulations, 2019") along with the provisions of the DERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011 (hereinafter referred to as "DERC MYT Regulations, 2011") and DERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2007 (hereinafter referred to as "DERC MYT Regulations, 2007").

AND

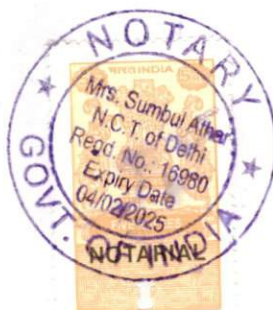
IN THE MATTER OF:- Aggregate Revenue Requirement ("ARR") and Tariff Petition filed for FY 2024-25 under Section 62 of the Electricity Act, 2003 read with Regulation 11 & 12 and other relevant provisions under DERC Tariff Regulations, 2017, DERC Business Plan Regulations, 2019 and the DERC Business Plan Regulations, 2023 (hereinafter collectively referred to as "Business Plan Regulations") and also under Sections 11 and 28 of Delhi Electricity Reforms Act 2000 to the extent applicable, the DERC (Conduct of Business) Regulations, 2001 and Condition 24 of the License for Distribution and Retail Supply of Electricity issued by the Hon'ble Commission.



AFFIDAVIT VERIFYING THE PETITION:

I, Sameer Singh, S/o Shri Rao Surendra Singh, aged about 37 years, having my office at Shakti Karan Building, Karkardoma, Delhi – 110032, do hereby solemnly affirm and state as follows:

1. I am working with BSES Yamuna Power Limited, the Petitioner herein, as Deputy General Manager (Regulatory Affairs) and I am duly authorized by the said Petitioner to make the present affidavit.
2. I say that on behalf of BSES Yamuna Power Limited, I am filing the present ARR Petition for Truing up of expenses upto FY 2022-23 and Annual Revenue Requirement for FY 2024-25.
3. I further say that the statements made and data presented in the present ARR Petition are to the best of my knowledge derived from records of the Company and based on estimations arising from data and/or records of the Company. Further, to my knowledge and belief, no material information has been concealed in the aforesaid Petition.



Sameer Singh

DEPONENT
Sameer Singh
Authorized Signatory
BSES Yamuna Power Limited

VERIFICATION:

I, Sameer Singh, the Petitioner hereby solemnly affirms that the contents of above affidavit are true to the best of my knowledge, no part of it is false and nothing material has been concealed there from.

31 OCT 2023

Verified by me on this ____ day of October, 2023 at New Delhi.



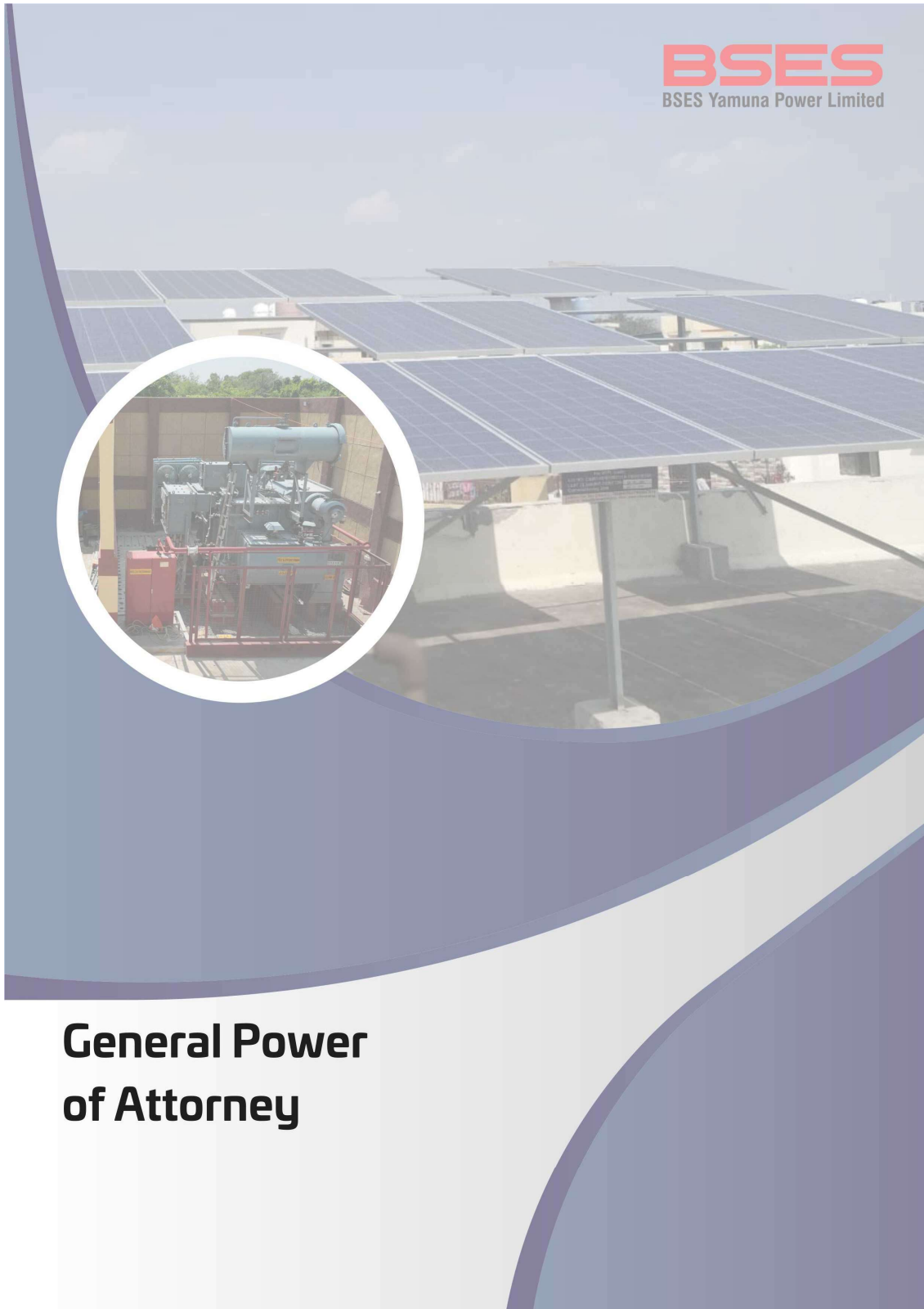
Sameer Singh

DEPONENT
Sameer Singh
Authorized Signatory
BSES Yamuna Power Limited

ATTESTED

[Signature]
NOTARY PUBLIC, DELHI

31 OCT 2023



General Power of Attorney

Sanjeev Singh



Sanjeev Singh



INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

e-Stamp

Certificate No.	: IN-DL77721482150439U
Certificate Issued Date	: 24-Aug-2022 11:43 AM
Account Reference	: IMPACC (IV)/ dl1053603/ DELHI/ DL-DLH
Unique Doc. Reference	: SUBIN-DLDEL105360336507553349805U
Purchased by	: SAMEER SINGH
Description of Document	: Article 48(c) Power of attorney - GPA
Property Description	: Not Applicable
Consideration Price (Rs.)	: 0 (Zero)
First Party	: CEO BSES YAMUNA POWER LTD
Second Party	: SAMEER SINGH
Stamp Duty Paid By	: SAMEER SINGH
Stamp Duty Amount(Rs.)	: 100 (One Hundred only)

Registrar Entry No. 508/22
Page No. 230 - 231
Date 01/09/2022
Document GPA

Please write or type below this line

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS THAT this power of Attorney is executed on this 1st day of September, 2022 at New Delhi by:

Sh. Amarjeet Singh, Chief Executive Officer (CEO) of, BSES Yamuna Power Ltd., (the Company) a company duly incorporated under the provisions of Companies Act 1956, having its Registered Office at Shakti Kiran Building, Karkardooma, New Delhi.

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Statutory Alert
The authenticity of the Stamp certificate should be verified at www.sholestamp.com or using e-Stamp Mobile App of Stock Holding Corporation of India Limited. In case of checking the legitimacy is on the basis of the certificate.
In case of any discrepancy please inform the Competent Authority

BSES Yamuna Power Ltd. DELHI

BSES Yamuna Power Ltd. DELHI

Amarjeet Singh



WHEREAS the Company being the Licensee, is in the business of distribution and retail supply of electricity in the licensed area of supply within Delhi.

WHEREAS the Company in furtherance of its business operation, in strict adherence of the law and for the enforcement of the provisions of law in this regard, time and again initiate legal proceedings and /or has to prosecute/represent/defend the legal proceedings initiated against the Company before various Courts, Judicial and Quasi-Judicial Authorities.

WHEREAS the company in legal proceedings instituted by/or against it is required to defend, appear, compound, settle in any claim, demand or dispute before any court, tribunal, commission or board whether at civil, criminal or labour and whether original or appellate and for such purposes it is required to appoint or remove, replace any consultant, professional, advocate, attorney, lawyer, solicitor on retainer basis or otherwise and to fix the terms & remuneration.

WHEREAS the company for the purpose of appointment of advocates /attorneys / lawyers on regular or retainer basis is required to delegate this authority. In furtherance, the Company's board of Directors in their meeting held on 29th day of June, 2021, delegated authority on the Chief Executive Officer of BSES Yamuna Power Ltd. to put his hands on this General Power of Attorney.

NOW THIS DEED WITNESSETH that CEO, do hereby constitute, appoint and declare Sh. Sameer Singh S/o Sh. Rao Surendra Singh currently working as Dy. General Manager (Regulatory) with the Company as its duly constituted lawful attorney and to do, perform all or any of the acts, deeds on behalf of the Company, as specified herein below:-

1. To represent, act, appear and plead on behalf of the Company before various Courts in India including Hon'ble High Courts of various states and Hon'ble Supreme Court, Consumer Forums/ Commissions, Arbitral Tribunal and/ or before all other authorities /bodies whether Judicial, Quasi- judicial or Administrative Authorities, Government including State Governments hereinafter referred to as the "Authorities") and to perform such other acts as required to be performed in furtherance of the performance of the task under this instant clause.
2. To make, declare, swear, affirm, execute, seal, deliver, refer to arbitration, file complaints including criminal complaints before Special Court of Electricity constituted under Electricity Act, 2003/ other courts or before police station of respective jurisdiction and record statement before Such Courts / police authorities, verify pleadings, applications, affidavits, claims, counter claims, caveats, deeds, assurances, instruments, documentations including but not limited to presenting / filling / drafting / signing pleading, appeals, cross



Sameer Singh

Sameer Singh



objections, petitions, arbitration claims, writs, special leave petition, bail application, supardari application, and other misc, applications for initiation of legal proceedings and/ or representation in ongoing litigation including Suit, execution proceedings, review, revisions, writ, appeals, SLP's, Arbitration Proceedings and to withdraw, compromise, recording of settlement, execution, and filling of settlement agreement, to receive the settlement amount and to file and /or authorize to file applications for compounding/settlement the case be that it be of civil and/or criminal nature and pending before any authority /court/quasi-judicial authority and to take all essential/ancillary actions in furtherance of the performance of the task under this instant clause including but not limited to leading evidence, cross examination of the witnesses, etc.

3. To file and procure/obtain documents/orders/notices for and on behalf of the Company and to apply and /or to obtain copies including certified copies of the documents and papers for and on behalf of the Company.
4. To take all action necessary for filing/conducting execution proceedings including initiating / filing the execution proceedings for the Enforcement Orders / Settlements / Decree amongst other legal proceedings.
5. To retain, engage and remunerate Advocates, Solicitors, and other legal practitioners and advisors and to sign " Warrants", "Vakalatnama" and other necessary authorities including to take/procure opinions from Advocates/Solicitors and /or to brief them for appearance before various Courts/Authorities.
6. To do all other lawful acts and deeds which are necessary to be performed for the progress and in the course of proceedings and the other prosecutions of various nature including Suits, Writs, Arbitrations, SLP, Complaints, Execution Proceedings and other cases & proceedings, including ongoing litigation and the Company do hereby agree that all the acts and the things lawfully done by and performed by the above said Attorney of the company shall be construed as the acts and the things done by the company. The Company do hereby undertake to ratify and confirm all the tasks lawfully performed by the said Attorney in furtherance of this instant GPA and the same cause to be done for and on behalf of the company by virtue of the powers vested herein.
7. The power as vested vide this instant GPA in duly constituted lawful attorney are solely at the discretion of the Company and the same may be varied/withdrawn at the sole discretion of the Company.
8. That, notwithstanding the foregoing, this power of attorney shall be deemed to be automatically revoked immediately upon disassociation of the lawful attorney with the company as Employee, Retainer, Officer on Special Duty or Otherwise.



Janak Singh


8

Janak Singh

Janak Singh



IN WITNESS WHEREOF the Chief Executive Officer of BSES Yamuna Power Ltd., has put his hands on this General Power of Attorney, pursuant to the authority delegated to him by a resolution passed by the Board of Directors in their meeting held on 29th day of June, 2021.

For and on behalf of/-
BSES Yamuna Power Ltd.

Sameer Singh
Accepted
(Sh. Sameer Singh)

Amarjeet Singh
(Amarjeet Singh)
Chief Executive Officer

WITNESSES:-

1 *Rohit Sharma*

Rohit Sharma, 52-A, Pocket - I, Dilshad Garden, Delhi - 110095

(Signature Name & Address)

2 *Uddhab Jyoti Barman*

Uddhab Jyoti Barman, B-3/308, Bharat City, Gaziabad, U.P. - 201003

(Signature Name & Address)



ATTESTED

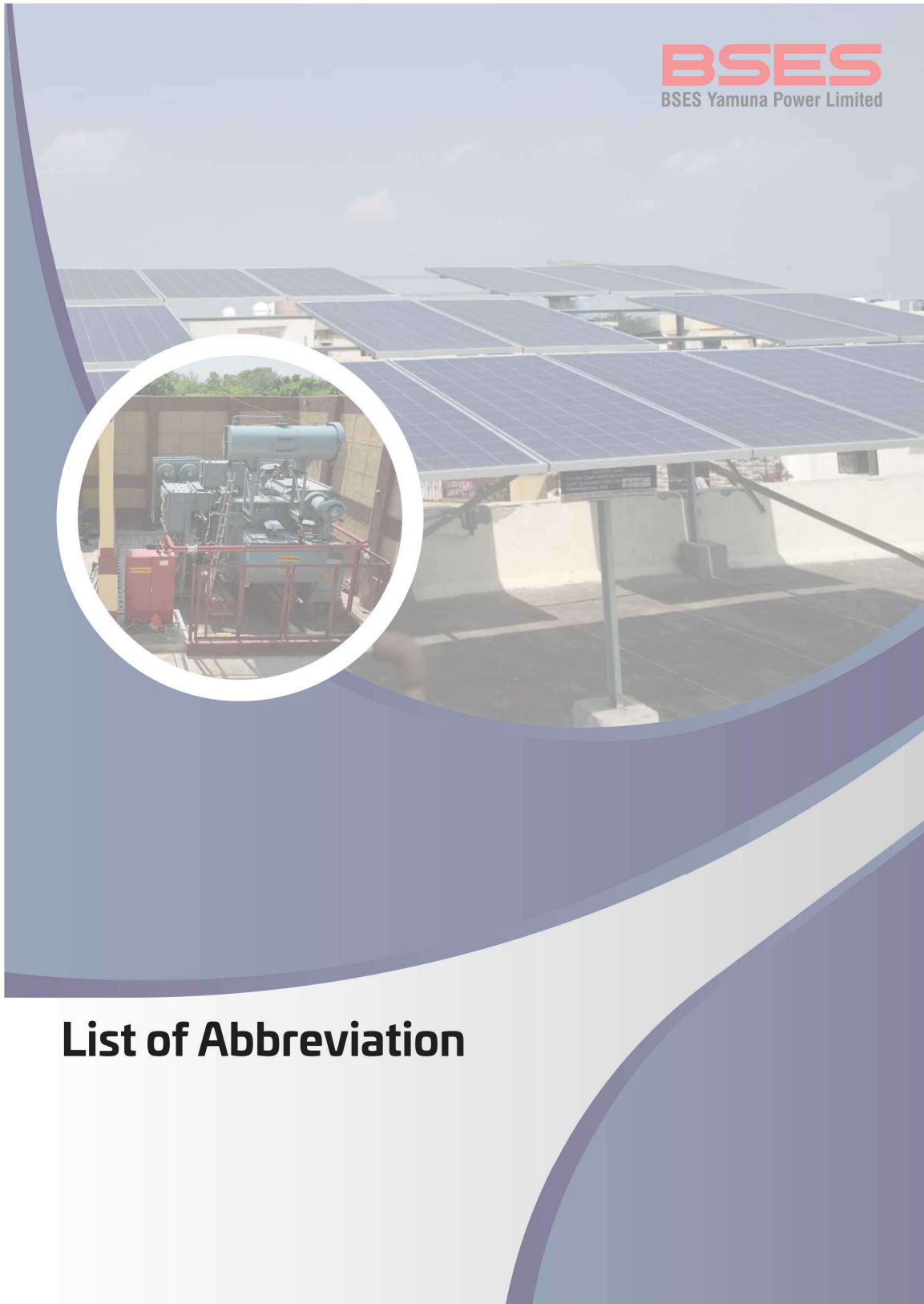
TSV
Notary Public, Delhi
Govt. of India

[- 1 SEP 2022



Sameer Singh





Sanjeev Singh



Sanjeev Singh



Abbreviation	Full Form
AAD	Advance Against Depreciation
ABR	Average Billing Rate
Act	Electricity Act' 2003
ACOS	Average Cost of Supply
AFC	Annual Fixed Charges
A & G	Administrative & General
AMI	Advance Metering Infrastructure Service
APCPL	Aravali Power Company Private Limited
ATE / APTEL	Appellate Tribunal for Electricity
APDRP	Accelerated Power Development and Reform Programs
ARR	Aggregate Revenue Requirement
AT & C	Aggregate Technical and Commercial
Avg.	Average
BG	Bank Guarantee
BERC	Bihar Electricity Regulatory Commission
BOQ	Bill of Quantities
BPR	Business Plan Regulations
BSPHCL	Bihar State Power Holding Company Limited
BRPL	M/s BSES - Rajdhani Power Limited
BYPL	M/s BSES - Yamuna Power Limited
CAPEX	Capital Expenditure
CAGR	Compounded Annual Growth Rate
CAIDI	Customer Average Interruption Duration Index
CC	Consumer Contribution
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CGS	Central Generating Stations
CGHS	Central Government Health Scheme
CGRF	Consumer Grievance Redressal Forum
ckt. km	Circuit kilometer
COD	Commercial Operation Date
COS	Cost of Supply
COVID-19	Corona Virus Disease - 2019
CPI	Consumer Price Index
CTPS	Chandrapura Thermal Power Station
CSD	Consumer Security Deposit
CSGS	Central Sector Generating Stations
CYT	Current Year Target




Abbreviation	Full Form
DBFOOT	Design, Build, Fund, Own, Operate and Transfer
DERA, 2000	Delhi Electricity Reforms Act, 2000
DERC	Delhi Electricity Regulatory Commission
DIAL	M/s. Delhi International Airport Limited
DISCOM	Distribution Company
DJB	M/s. Delhi Jal Board
DMC	Delhi Municipal Corporation
DMRC	M/s Delhi Metro Rail Corporation
DMSW	Delhi Municipal Solid Waste Plant
DPPG	Delhi Power Procurement Group
DT	Distribution Transformer
DTC	Delhi Transport Corporation
DTL	M/s Delhi Transco Limited
DSM	Demand Side Management
DVB	M/s Delhi Vidyut Board
DVC	M/s Damodar Valley Corporation
ECR	Energy Charge Rate
ED	Electricity Duty
EDMC	East Delhi Municipal Corporation
EDWPCL	East Delhi Waste Processing Company Limited
EHV	Extra High Voltage
EI	Electrical Inspector
EIC	Electrical Inspector Clearance
ELR	Energy Law Reports
ERLDC	Eastern Regional Load Despatch Centre
EV	Electric Vehicle
FAR	Fixed Asset Register
FGD	Flue-gas desulfurization
FIFO	First-In, First-Out
FPPAC	Fuel Power Purchase Adjustment Cost
FPA	Fuel Purchase Adjustment
FRSR	Fundamental Rule & Supplementary Rule
FY	Financial Year
GENCO	Generation Company
GERC	Gujarat Electricity Regulatory Commission
GFA	Gross Fixed Assets
GHS	Group Housing Society
GIS	Geographical Information System




Abbreviation	Full Form
GoNCTD	Government of National Capital Territory of Delhi
Grid S/s	Grid Sub-station
GST	Goods and Service Tax
GT	Gas Turbine
GTAM	Green Term Ahead Market
GDAM	Green Day Ahead Market
HEC	Hydro Energy Certificates
HEP	Hydro Electric Project
HPO	Hydro Purchase Obligations
HR	Human Resources
hrs	Hours
HT	High Tension
HVDS	High Voltage Distribution System
IDBI	M/s. Industrial Development Bank of India
IDT	Inter Discom Transfer
IEGC	Indian Electricity Grid Code
IEX	Indian Energy Exchange
IP/ IPGCL	M/s Indraprastha Power Generation Co. Ltd
IPP	Independent Power Producers
ISGS	Inter-State Generating Stations
IT	Information Technology
JV	Joint Ventures
JERC	Joint Electricity Regulatory Commission
kV	Kilo Volt
kVA	Kilo Volt Ampere
kVAh	Kilo Volt Ampere hour
kVArh	Kilo Volt Ampere Resistance hour
kW	Kilo Watt
kWh	Kilo Watt Hour
LC Charges	Letter of Credit Charges
LHP	Large Hydro Project
LIC	Life Insurance Corporation of India
LPSC	Late Payment Surcharge
LSC/PC	Leave Salary Contribution/ Pension Contribution
LT	Low Tension
MAT	Minimum Alternate Tax
MCD	M/s Municipal Corporation of Delhi
MCLR	Marginal Cost of Fund based Lending Rate




Abbreviation	Full Form
MDI	Maximum Demand Indicator
MERC	Maharashtra Electricity Regulatory Commission
MNRE	Ministry of New and Renewable Energy
MOD	Merit Order Dispatch
MoM	Minutes of Meeting
MoP	Ministry of Power
MSW	Municipal Solid Waste
MU	Million Units
MUPL	MPSEZ Utilities Private Limited
MVA	Million Volt Ampere
MW	Mega Watt
MYT	Multi Year Tariff
NAPS/NAPP	Narora Atomic Power Station /Narora Atomic Power Plant
NCR	National Capital Region
NCT	National Capital Territory
NCTPS	National Capital Thermal Power Station
NDMC	New Delhi Municipal Corporation
NDPL	M/s North Delhi Power Limited
NHPC	M/s National Hydroelectric Power Corporation Ltd.
NJPC	NathpaJhakri Power Corporation Ltd.
NLDC	National Load Dispatch Center
NMCD	North Municipal Corporation of Delhi
No.	Number
NOIDA	New Okhla Industrial Development Authority
NPCIL	M/s Nuclear Power Corporation India Limited
NRLDC	Northern Region Load Dispatch Centre
NTI	Non-Tariff Income
NTP	National Tariff Policy
NTPC	M/s National Thermal Power Company Ltd.
O&M	Operation and Maintenance
OP	Original Petition
PFC	M/s. Power Finance Corporation
PL	Public Lighting
PLF	Plant Load Factor
PM	Preventive Maintenance
PPA	Power Purchase Agreement
PPC	Power Purchase Cost
PPAC	Power Purchase Adjustment Cost




Abbreviation	Full Form
PPCL	M/s Pragati Power Corporation Ltd.
PSA	Power Sale Agreement
PSERC	Punjab State Electricity Regulatory Commission
PSU	Public Service Utility
PRAAPTI	Payment Ratification and Analysis in Power Procurement
PTC	Power Trading Corporation
PTW	Permit To Work
PYT	Previous Year Target
QCFI	Quality Circle Forum of India
RA	Regulatory Asset
RAPP	Rajasthan Atomic Power Project
RBI	Reserve Bank of India
R&M	Repair and Maintenance
RE	Renewable Energy
REC	Renewable Energy Certificates
REC PDCL	Rural Electrification Corporation - Power Distribution Company Limited
REL	M/s Reliance Energy Limited
REL - D	Reliance Energy - Distribution Division
RFP	Request For Proposal
Rms value	Root Mean Square
ROE	Return on Equity
RoCE	Return on Capital Employed
RPH	Rajghat Power House
RPO	Renewable Purchase Obligation
RRB	Regulated Rate Base
Rs./	Indian Rupees
Rs. Cr./ Cr.	Indian Rupees in Crores
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SBI	State Bank of India
SBI - PLR	State Bank of India-Prime Lending Rate
SC	Supreme Court
SECI	Solar Energy Corporation of India Limited
SDMC	South Delhi Municipal Corporation
SERC	State Electricity Regulatory Commission
SGS	State Generating Stations
SHP	Small Hydro Project
SJVNL	M/s SatlujJalVidyut Nigam Limited




Abbreviation	Full Form
SLD	Service Line Development Charges
SLDC	State Load Dispatch Centre
SMS	Short Message Service
SPD	Single Point Delivery
Sq. Kms	Square Kilometers
SoP	Standard of Performance
SOR	Statement of Reasons
SPPA	Supplementary Power Purchase Agreement
STPS	Super Thermal Power Station
ST Purchase	Short Term Purchase
SVRS	Special Voluntary Retirement Scheme
T&D	Transmission and Distribution
TehriPSP	Tehri Pumped Storage Plant
THDC	Tehri Hydro Development Corporation Ltd.
TNERC	Tamil Nadu Electricity Regulatory Commission
TO	Tariff Order
TOD/TOU	Time of Day/ Time of Utility
TOTEX Model	Capital Expenditure+Operational Expenditure
TOWMCL	Timarpur-Okhla Waste Management Company Ltd.
TPDDL	Tata Power Delhi Distribution Limited (formerly NDPL, North Delhi Power Limited)
TPS	Thermal Power Station
TRANSCO	Transmission Company
TVM	Tri-Vector Meter
TVS	Technical Validation Session
UI	Unscheduled Interchange
UPERC	Uttar Pradesh Electricity Regulatory Commission
UT	Union Territory
UOM	Unit of Measuring
UMPP	Ultra Mega Power Project
VC	Variable Cost
WACC	Weighted Average Cost of Capital
W.P.	Writ Petition
WPP	Wind Power Projects
WPI	Wholesale Price Index
WRLDC	Western Region Load Dispatch Centre
WTE	Waste-to-Energy Plant
Y-o-Y	Year on Year




BSES
BSES Yamuna Power Limited



Chapter 1A Background

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Background

- 1A.1 BSES Yamuna Power Limited (hereinafter referred to as “**the Petitioner/BYPL**”), a company incorporated under the Companies Act, 1956, and having its registered office at Shakti Kiran Building, Karkardooma, New Delhi – 110032, having granted a license for carrying on the business of Distribution and Retail Supply of electrical energy within the Area of Supply as specified in the “License for Distribution and Retail Supply of Electricity” (“License Conditions”) issued by the Hon’ble Commission. The Petitioner came in existence in 1 July, 2002 post the unbundling of the erstwhile Delhi Vidyt Board (DVB). It is a joint venture between Reliance Infrastructure Limited and Government of National Capital Territory of Delhi (hereinafter referred to as “GoNCTD”).
- 1A.2 The present Petition is being filed for Truing up of Costs upto FY 2022-23 (hereinafter referred to as the “**True Up Petition**”) and Aggregate Revenue Requirement for FY 2024-25 (hereinafter referred to as the “**ARR Petition**”). The True up Petition and ARR Petition hereinafter collectively referred to as the “**Petition**”.
- 1A.3 The present Petition contains the following chapters:
- a) Chapter 1A – Background
 - b) Chapter 1B – Executive Summary
 - c) Chapter 1C – Preamble
 - d) Chapter 2A - Performance during FY 2022-23
 - e) Chapter 2B - Compliance to Directives



- f) Chapter 3A - True-Up for FY 2022-23
- g) Chapter 3B – Past Period Claims
- h) Chapter 4 – ARR for FY 2024–25
- i) Chapter 5 – Tariff Proposal

- 1A.4 The above chapters are essentially a part and parcel of the Present Petition In accordance with the Electricity Act, 2003 (hereinafter referred to as “**the 2003 Act**”), the License Conditions, DERC MYT Tariff Regulations, 2007, DERC MYT Tariff Regulations, 2011, DERC Tariff Regulations, 2017, DERC Business Plan Regulations, 2017, DERC Business Plan Regulations, 2019 and DERC Business Plan Regulations, 2023, the Petitioner is filing this Petition for Truing up of Costs upto FY 2022-23 and Aggregate Revenue Requirement for FY 2024-25.
- 1A.5 A brief list of dates and events relevant to the present Petition are provided as under:



List of Dates and events:

Dates	Events
On or about 20.11.2001	<p>GoNCTD, in exercise of the powers conferred by Section 60 read with Sections 15 and 16 of the DERA notified the Delhi Electricity Reforms (Transfer Scheme), Rules 2001 (hereinafter "Transfer Scheme").</p> <p>GoNCTD issued notification No. F.II (118)12001-Power containing Policy Directions under Section 12 of the DERA to enable restructuring of the Delhi Vidyut Board and sale of 51% equity shares in the 3 distribution companies to private sector through competitive bidding process.</p> <p>GoNCTD issued an Information Memorandum to the six prequalified entities which were shortlisted on the basis of the criteria specified in the RFQ.</p> <p>GoNCTD issued the Request for Proposal ("RFP") document to the six qualified bidders representing the following key factors (for privatization process. It was held out that with a view to ensure certainty and enable the bidders to bid based on clean balance sheets.</p> <p>TRANSCO and three DISCOMs filed a joint Petition No. 4 of 2001 before this Hon'ble Commission, pursuant to the Transfer Scheme and the Policy Directions.</p>
09.03.2001	The Hon'ble Commission notified DERC Comprehensive (Conduct of Business) Regulations, 2001.
22.02.2002	Prior to privatization, the Hon'ble Commission passed Bulk Supply Tariff Order.
10.04.2002	Bids were opened and successful bidders were declared.
31.05.2002	GoNCTD amended the Policy direction to increase loan amount from ₹ 2,600 Cr. to over ₹ 3,450 Cr., in order to bridge the gap between revenue requirement of Transco and revenue realised from DISCOMs.

James Singh



Dates	Events
26.06.2002	GoNCTD notified Delhi Electricity Reform Transfer Scheme (Amendment) Rules, 2002.
27.06.2002	Share Acquisition Agreements and Shareholders Agreements executed between selected bidders and three DISCOMs.
01.07.2002	This is the effective date of privatization of Discoms. The Petitioner thus became Distribution Licensees in Delhi with effect from this date. Unbundling of Delhi Vidyut Board and sale of 51% shareholdings of DISCOMS came into effect.
10.06.2003	Electricity Act, 2003 notified by Ministry of Power (hereinafter referred to as " MOP ").
12.02.2005	MOP notified the National Electricity Policy under Section 3 of Electricity Act, 2003.
06.01.2006	MOP issued National Tariff Policy, 2006, under section 3 of the 2003 Act. In terms of Section 3 and Section 61 (i), the State Commission is required to be guided by the provisions of the Tariff Policy in discharge of its functions under the 2003 Act.
21.07.2006	The Petitioner has challenged the Tariff Order dated 09.06.2004 wherein the Hon'ble Commission, as recorded by the Hon'ble Appellate Tribunal for Electricity (hereinafter referred to as " Hon'ble Tribunal "), had directed the Petitioner to create a Regulatory Asset in its books. The Hon'ble Tribunal by its judgment dated 21.07.2006 in Appeal No. 155, 156 & 157 of 2005 set aside the findings of the Hon'ble Commission whereby Hon'ble Commission deferred the payments of Petitioner's legitimate dues by creating Regulatory Asset. The Hon'ble

James Singh



Dates	Events
	Tribunal held that the direction to create a Regulatory Asset was bad in law.
31.03.2007	The Policy Direction Period came to an end. Henceforth, the distribution licensees in Delhi were mandated arrange power for themselves which, prior to this date was being undertaken by DTL. On this date, the Hon'ble Commission also passed as detailed order assigning the existing PPAs (enter in to by the DVB / DTL) amongst the distribution licensees of Delhi.
30.05.2007	The Hon'ble Commission notified DERC (Terms and Conditions of Tariff) Regulations, 2007. These Regulations were for the MYT Period which was to commence from the date the MYT Order would be passed and till 31.03.2011. This was subsequently extended up to 31.03.2012.
23.02.2008	The Hon'ble Commission issued Multi-year Tariff Order determining the Aggregate Revenue Requirement for the MYT Control Period i.e. FY 2007-08 to FY 2010-22 and distribution tariff for the period 01.03.2008 to 31.03.2009. Further, in this Order the Hon'ble Commission conducted true-up of the Policy Direction Period i.e. FY 2002-03 to 2006-07. This order was carried in Appeal before Hon'ble Tribunal in Appeal 36/ 37 of 2008.
28.05.2009	Tariff Order issued by Hon'ble Commission for FY 2009-10 and also true up of FY 2007-08. This order was carried in Appeal before Hon'ble Tribunal in Appeal 142 / 147 of 2009. TPDDL carried this judgment before the Hon'ble Tribunal in Appeal 153 of 2009.
06.10.2009 30.10.2009	The Hon'ble Tribunal passed judgment in Appeal No. 36 & 37 of 2008 against Tariff Order dated 23.02.2008 holding in favour of the Petitioner on

James Singh



Dates	Events
	<p>issues pertaining to -Sales projections and power purchase , Distribution loss and AT&C losses, Capital expenditure and capitalisation, Employees expenses, Non-inclusion of Reactive Energy Charges, Disallowance of R&M, A&G expenses and Lower approval of interest rates for loans.</p> <p>This judgment was carried by this Hon'ble Commission to the Supreme Court in Civil Appeal No. 884 and 980 of 2010.</p> <p>The APTEL judgment has attained finality by Hon'ble Supreme Court Judgment dated 01.12.2021.</p>
30.07.2010	<p>The Hon'ble Tribunal pronounced judgment in Appeal 153 of 2009 (TPDDL Vs DERC) inter-alia holding 4 out of 5 issues in favor of TPDDL. The Commission carried this judgment in Appeal before the Supreme Court in CA no. 19428 of 2012. However, the said civil appeal was dismissed by the Hon'ble Supreme Court on the ground of delay.</p>
15.10.2010	<p>Statutory advice was issued by Hon'ble Commission under Section 86(2) (iv) of EA, 2003, stating, <i>inter-alia</i>:</p> <p>(a) The tariff during previous years has not been cost reflective causing DISCOMs to resort to extensive borrowing.</p> <p>(b) Hon'ble Commission's past practice was to assume higher surplus for tariff fixation which did not consider rise in power procurement cost.</p> <p>(c) Revenue from sale of electricity has not been able to meet even the power purchase. Accumulation of revenue gaps are beyond sustainable levels.</p> <p>(d) There is a need for a fuel cost adjustment Mechanism.</p>
FY 2010-11	<p>Due to stay imposed on determination of tariff by Hon'ble Delhi High Court in PIL entitled 'N.K.</p>

James Singh



Dates	Events
	<i>Garg Vs. Union of India'</i> , no tariff Order was passed for the FY 2010-11.
12.07.2011	The Hon'ble Tribunal passed judgment in Appeal No. 142 and 147 of 2009 against Tariff Order dated 28.05.2009 holding in favor of the petitioner on issues pertaining to Power Purchase Rebate, Late payment Surcharge-funding, Carrying cost rate, True up of first 11 months as per Policy direction period. This judgment was carried by this Commission to the Supreme Court in Civil Appeal 9003 / 9004 of 2011. The APTEL judgment has attained finality by Hon'ble Supreme Court Judgment dated 01.12.2021.
26.08.2011	Tariff Order issued by Hon'ble Commission for FY 2011-12. This was carried by the Petitioner in Appeal before the Hon'ble Tribunal in Appeal No. 61 / 62 of 2012. Appeal decided by Hon'ble APTEL in judgment dated 28.11.2014.
02.12.2011	The Hon'ble Delhi Commission notified DERC (Terms and conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011. This was to be effective for the period 01.04.2012 to 31.03.2015. This was subsequently extended for a period of one year, i.e. 31.03.2016.
02.12.2011	Hon'ble Commission vide its letter issued by Hon'ble Commission assured the Petitioner of a roadmap for liquidation of revenue gap.
01.02.2012	BSES Discoms filed Original Petition No. 1 and 2 of 2012 under Section 121 of the 2003 Act before the Hon'ble Tribunal.
05.07.2012	The Hon'ble Commission filed Interim Application (IA) before Hon'ble Supreme Court, seeking stay of Judgment dated 12.07.2011 passed by the Hon'ble Tribunal in Appeal Nos. 142 /147 of 2009

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Dates	Events
	and also stay of the proceedings of O.P. Nos. 1 and 2 of 2012.
13.07.2012	The Hon'ble Commission passed Tariff Order determining ARR for the MYT Control Period i.e FY 2012-13 to 2014-15 and true up for FY 2010-11. This was subsequently challenged before Hon'ble Tribunal by the Petitioner in Appeal 177 and 178 of 2012. Appeal decided by Hon'ble APTEL in judgment dated 02.03.2015.
01.10.2012	The Hon'ble Commission notified DERC (Renewable Purchase Obligation and Renewable energy Certificate Framework Implementation) Regulations, 2012. .
28.02.2013	The Hon'ble Supreme Court passed an order in IA No. 3 and 4 of 2013 filed by the Hon'ble Commission in CA No. 9003/9004 of 2011 along with IA No.5 of 2013 in CA No. 980 of 2010 directing that the Hon'ble Tribunal may pass judgment in OP 1 and 2 of 2012 however the same shall not be implemented without the leave of the Court.
31.07.2013	The Hon'ble Commission issued Tariff Order for ARR for FY 2013-14 and True up FY 2011-12. This was subsequently challenged before the Hon'ble Tribunal by the Petitioner in Appeal 265 / 266 of 2013. The aforesaid Appeal is currently pending before Hon'ble APTEL.
14.11.2013	The Hon'ble Tribunal pronounced judgment in O.P. No. 1 and 2 of 2012.
01.05.2014	In terms of the Hon'ble Supreme Court Order dated 26.03.2014, the Hon'ble Commission submitted an amortization schedule for liquidation of Regulatory Asset recognized in its

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Dates	Events
	Tariff Order dated 31.07.2013 issued for the Petitioner, in 6/7 years.
23.07.2014	The Hon'ble Commission issued Tariff Order for ARR for FY 2014-15 and True up FY 2012-13. This was subsequently challenged before the Hon'ble Tribunal by the Petitioner in Appeal 235 / 236 of 2014. The aforesaid Appeal is currently pending before Hon'ble APTEL.
28.11.2014	The Hon'ble Tribunal passed judgment in Appeal No. 61 and 62 of 2012 against Tariff Order dated 26.08.2011 holding in favor of the Petitioner on 26 issues and on 10 issues, refusing to interfere with the findings of the Hon'ble Commission. The Petitioner challenged the APTEL judgment before Hon'ble Supreme Court in C.A. No. 4323 and 4324 of 2015. The Hon'ble Commission has also filed an Appeal against the judgment bearing CA no. 8660 and 8661 of 2015. Hon'ble Supreme Court by judgment dated 18.10.2022 allowed the Petitioner's CA. No. 4323 and 4324 of 2015. Appeal No. 8660 and 8661 of 2015 is currently pending before Hon'ble Supreme Court.
02.03.2015	The Hon'ble Tribunal passed judgment in Appeal No. 177 and 178 of 2012 for Tariff Order dated 13.07.2012 holding in favor of the Petitioner on 27 and on 9 in favor of the Hon'ble Commission. The Petitioner challenged the APTEL judgment before Hon'ble Supreme Court in CA No. 4906 and 4933 of 2015. The Hon'ble Commission has also filed an Appeal against the judgment in CA no. 6959 and 6960 of 2015. The aforesaid Appeals are currently pending before Hon'ble Supreme Court. The Petitioner also filed Review of the APTEL judgment being RP 16/17 of 2015 before Hon'ble APTEL which has been disposed of by Order dated 21.04.2023.

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Dates	Events
29.09.2015	<p>The Hon'ble Commission issued Tariff Order for ARR for FY 2015-16 and True up FY 2013-14. This was carried by the Petitioner before the Hon'ble Tribunal in Appeal No. 290/ 297 of 2015.</p> <p>The aforesaid Appeal is currently pending before Hon'ble APTEL.</p>
28.01.2016	MOP issued revised Tariff policy, 2016.
01.02.2017	The Hon'ble Commission notified DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017. These Regulations were to apply prospectively with effect from 01.02.2017. However, Clause 139 of the Regulations retrospectively applied the DERC Tariff Regulations, 2011 to FY 2016-17.
31.08.2017	<p>The Hon'ble Commission issued Tariff Order for ARR and Tariff for FY 2017-18 and True-up pf FY 2014-15 and FY 2015-16. This was carried by the Petitioner before the Hon'ble Tribunal in Appeal No. 69 & 72 of 2018 and 70 & 71 of 2018.</p> <p>The Petitioner also preferred a review Petition being Petition No. 66 of 2017 before this Hon'ble Commission, which was allowed vide order dated 22.03.2018.</p> <p>The aforesaid Appeal is currently pending before Hon'ble APTEL.</p>
31.08.2017	The Hon'ble Commission notified DERC Business Plan Regulations, 2017. These Regulations were issued in Terms of the DERC MYT Regulations, 2017.
28.03.2018	The Hon'ble Commission passed Tariff Order for ARR and Tariff for FY 2018-19 and True-up of FY 2016-17. This was carried by the Petitioner in

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Dates	Events
	<p>Appeal No. 193/ 214of 2018 before Hon'ble Tribunal.</p> <p>The Petitioner also preferred a review Petition being Review Petition No. 31 of 2018 before the Hon'ble Commission, which was partially allowed vide order dated 13.12.2019</p> <p>The aforesaid Appeal is currently pending before Hon'ble APTEL.</p>
31.07.2019	<p>The Hon'ble Commission passed Tariff Order for ARR and Tariff of FY 2019-20 and True-up of FY 2017-18. This was carried by the Petitioner in Appeal No. 376 of 2019/ 105 of 2020 before the Hon'ble Tribunal.</p> <p>The Petitioner also preferred a review Petition being Review Petition No. 64 of 2019 before this Hon'ble Commission, which was partially allowed vide order dated 18.06.2021.</p> <p>The aforesaid Appeal is currently pending before Hon'ble APTEL.</p>
30.09.2019	<p>The Hon'ble Tribunal pronounced judgment in Appeal No. 246 of 2019 in the matter of TPDDL V/s. DERC filed against Tariff Order dated 23.07.2014.</p>
21.10.2019	<p>The Petitioner submitted its Business Action Plan for FY the period 2020-21 to FY 2024-25 before the Hon'ble Commission.</p>
27.12.2019	<p>The Hon'ble Commission notified DERC Business Plan Regulations, 2019</p>
28.08.2020	<p>The Hon'ble Commission issued Tariff Order for ARR and Tariff of FY 2020-21 and True-up of FY 2018-19. This was carried by the Petitioner in Appeal No. 246/247 of 2021 before the Hon'ble Tribunal.</p> <p>The Petitioner also preferred a review Petition being Review Petition No. 49 of 2020 before this</p>

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Dates	Events
	Hon'ble Commission, which was partially allowed vide order dated 11.03.2021. The aforesaid Appeal is currently pending before Hon'ble APTEL.
15.04.2021	The Petitioner vide its communication requested Hon'ble Commission to allow timely recovery of cost through cost reflective Tariff, Non-creation of Regulatory Assets and 100% adjustment of PPAC self-True-up on monthly basis.
19.04.2021	The Petitioner vide its communication requested the Hon'ble Commission for implementation of the Judgments/ Orders passed by the Hon'ble APTEL in the ensuing Tariff proceedings.
07.06.2021	Hon'ble APTEL by Order partly allowed Appeal No. 235/236 of 2014 directing the Hon'ble Commission to follow the directions of the Tribunal on 15 issues as held in Appeal No.246 of 2014 judgment dated 30.09.2019 and Appeal No. 213 of 2018- and allow the impact in the tariff proceedings pending before the Commission.
09.06.2021	Petitioner vide its communication requested the Hon'ble Commission for implementation of issues as per the directions of Hon'ble APTEL vide Order dated 07.06.2021 passed in IA no. 860 and 861 of 2021 in Appeal no. 235/236 of 2014.
23.06.2021, 28.06.2021 and 07.07.2021	The Petitioner vide its communications submitted information as sought by the Hon'ble Commission for implantation of Hon'ble APTEL Order added 07.06.2021.
09.08.2021	Hon'ble APTEL passed Order in Appeal No. 290/297 of 2015
31.08.2021	Hon'ble APTEL passed Judgment in Appeal No. 6 of 2019 & 34 of 2020 in consumer contribution matter.
30.09.2021	The Hon'ble Commission issued Tariff Order for ARR and Tariff of FY 2021-22 and True-up of FY 2019-20. This was carried by the Petitioner in Appeal No. 158/159 of 2023 before the Hon'ble Tribunal.

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Dates	Events
	The Petitioner also preferred a review Petition being Review Petition No. 61 of 2021 before this Hon'ble Commission, which was partially allowed vide order dated 09.09.2022. The aforesaid Appeal is currently pending before Hon'ble APTEL.
05.10.2021	BYPL by its communication informed the Hon'ble Commission about the persistent issue of severe coal shortage for consideration.
09.10.2021	Hon'ble Commission vide its letter relaxed the directives in view of the coal crisis.
26.10.2021	Hon'ble Commission revoked the relaxation by observing no short term purchases from 12.10.2021 to 18.10.2021.
01.12.2021	Hon'ble Supreme Court passed final Order in Civil Appeal Nos. 884 & 980 of 2010, 9003 & 9004 of 2011 and 1854 & 1855 of 2014 directing Hon'ble Commission to implement Orders and directions in judgments passed by Hon'ble APTEL.
14.12.2021	The Petitioner vide its communication submitted its claim in terms of Hon'ble Supreme Court Order dated 01.12.2021.
15.12.2021	The Petitioner filed its Petition for Truing up of Expenses upto FY 2020-21 and ARR for FY 2022-23
03.01.2022	The Petitioner by its communication made detailed submissions alongwith total claim (duly certified by the CAG Empaneled Auditors) to assist the Hon'ble Communication in implementation of Hon'ble APTEL Orders and compliance of Hon'ble Supreme Court Order dated 01.12.2021.
17.03.2022	The Hon'ble Commission by Order admitted the Petition for Truing up of Expenses upto FY 2020-21 and ARR for FY 2022-23
22.04.2022	The Petitioner by its communication informed the Hon'ble Commission about the persistent issue of severe coal shortage

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Dates	Events
29.04.2022	The Hon'ble Commission relaxed various directives till 31.07.2022
24.05.2022	Hon'ble APTEL passed Order in eal No. 213 of 2018 TPDDL Vs. DERC
16.06.2022	The Petitioner informed the Hon'ble Communication about the Tender for Smart Meter and AMISP
26.08.2022	Hon'ble APTEL passed Order in IA No. 1262 and 1263 in Appeal No. 246 of 2021 regarding true-up the O&M expenses in terms of Tariff Regulations, 2017 read with Business Plan Regulations.
15.09.2022	The Petitioner filed Petition for ARR of Business Plan Period i.e. FY 2023-24 to 2027-28
28.09.2022	Hon'ble Supreme Court passed Order in I.A. No. 145037/ 145051 of 2022 filed by the Petitioner in pending W.P. No. 104/105 of 2014, directing all parties to maintain Status Quo till further Orders. The Petitioner vide its communication dated 30.09.2022 intimated the Hon'ble Commission regarding Hon'ble Supreme Court Order dated 28.09.2022.
30.09.2022	M/s RECPDCL submitted its Final Report on Review of Capex and Capitalisation of assets of the Petitioner for the period FY 2004-05 to FY 2015-16.
12.10.2022	The Petitioner vide its communication requested Hon'ble Commission to share copy of the final report of M/s Feedback Infra on similar lines as submitted by M/s RECPDCL (with revised financial implications after incorporating Petitioner's comments) on 30.09.2022. It was also requested that if the final report does not have the revised Financial Implications, the same may kindly be called upon from M/s Feedback Infra at the earliest.
18.10.2022	Hon'ble Supreme Court passed the Final Order and Judgment in Civil Appeal No. 4323 and 4324

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Dates	Events
	of 2015 filed by the Petitioner against Hon'ble APTEL's judgment dated 28.11.2014.
30.11.2022	The Petitioner filed Petition for True up upto FY 2021-22 before the Hon'ble Commission.
15.12.2022	Hon'ble Supreme Court passed Order in M.A. No. 633-634 of 2022 in C.A. No. 9003-04 of 2011 with M.A. No. 1261- 1262 of 2022 and M.A. No. 918-919 of 2022 in C.A. No. 884 and 980 of 2010.
29.12.2022	Ministry of Power notified the Electricity (Amendment) Rules, 2022
24.01.2023	Hon'ble Commission admitted the Petition for True-up upto FY 2021-22 filed by the Petitioner.
30.01.2023 and 31.01.2023	The Petitioner made detailed submission w.r.t. implementation of Hon'ble Supreme Court order directions in Order dated 15.12.2022 for consideration of the Hon'ble Commission.
17.02.2023, 26.03.2023	The Petitioner made various submissions regarding Compliance Hon'ble Supreme Court order dated 01.12.2021 read with order dated 15.12.2022 and Judgment dated 18.10.2022
10.02.2023, 17.02.2023, 24.02.2023, 12.04.2023, 20.06.2023 and 19.07.2023	The Petitioner vide its various communications submitted information for implementation of Hon'ble Supreme Court Judgment in C.A. No. 4323 and 4324 of 2015, by the Hon'ble Commission.
29.03.2023	The Hon'ble Commission notified the Business Plan Regulation, 2023 applicable for the period of 3 years i.e. FY 2023-24 to FY 25-26. The Petitioner has challenged the said Regulations before the Hon'ble Delhi High Court in Writ Petition no. 6719 of 2023 which is currently pending.
17.04.2023	Hon'ble APTEL disposed of IA 1262 and 1263 of 2022 filed by the Petitioner in Appeal No. 246 /247 of 2021 directing Hon'ble commission to allow O&M expenses as per Regulations 87, 92 and 93 of the DERC (Terms & Conditions for Determination of Tariff) Regulations, 2017 and also Regulation 23 of the DERC (Business Plan) Regulations, 2019

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Dates	Events
21.04.2023	Hon'ble APTEL passed final Order in RP 16/17 of 2015 filed by the Petitioner seeking review of APTEL judgment in Appeal 177/178 of 2012, disposing the Review Petition in view of the Hon'ble Supreme Court Order dated 15.2.2022.
24.04.2023	BYPL Filed Amendment Petition before Hon'ble Commission in regard to the RPO for FY 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 seeking deferment of RPO Target
03.05.2023	The Petitioner by its communication intimated the Hon'ble Commission about tender for appointment of AMISP for smart metering
14.05.2023	The Hon'ble Commission passed Order in Compliance of Directions by Hon'ble Supreme Court order dated 15.12.2022
22.05.2023	The Petitioner filed Petition for ARR of FY 2023-24
23.05.2023	Ministry of Power notified the Electricity (Promoting Renewable Energy Through Green Energy Open Access) (Second Amendment) Rules, 2023.
26.05.2023	Hon'ble Commission vide its Order admitted the Petition of ARR of FY 2023-24
14.06.2023	Ministry of Power notified the Electricity (Rights of Consumers) Amendment Rules, 2023
22.06.2023	Hon'ble Commission passed Order approving additional PPAC for recovery of cost with respect to different quarters of FY 2022-23, having validity till nine months from the issuance of Order.
28.06.2023	Ministry of Power issued the guidelines for Resource adequacy planning framework for India
30.06.2023	Ministry of Power notified the Electricity (Amendment) Rules, 2023
03.07.2023	In terms of Rule 15 of the Electricity Amendment Rules, 2022, Ministry of Power, issued the SOP for Subsidy Accounting and Payment by States/UTs/Discoms/PDs

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Dates	Events
10.07.2023	The Hon'ble Commission passed Orders in Compliance of Directions by Hon'ble Supreme Court order dated 15.12.2022 and 18.10.2022. The said Compliance Orders did not provide the quantification of the financial impact on account of the entitlements of the Petitioner under various heads as approved by the Hon'ble Commission.
26.07.2023	Ministry of Power has notified Electricity (Second Amendment) Rules, 2023
26.07.2023	The Petitioner vide its communication submitted its asset wise claim w.r.t. Loss on retirement of asset for the period FY 2004-05 to FY 2021-22 in terms of the methodology specified by the Hon'ble Commission.
01.08.2023, 11.08.2023	The Petitioner updated the Hon'ble Commission about the progress of smart meter implementation project.
18.10.2023	The Petitioner, without prejudice to its rights and contentions in the Contempt Petitions and Miscellaneous Application, requested the Hon'ble Commission to at least quantify the entitlements of the Petitioner under various heads respectively along with carrying cost, which have been found acceptable and approved by the Hon'ble Commission in the Compliance Orders dated 14.05.2023 and 10.07.2023.

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Sanjeev Singh





Chapter 1B Executive Summary

Sanjeev Singh



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1B Executive Summary**Introduction**

- 1B.1. This Executive Summary contains the summary of Petition filed by the Petitioner for True Up upto FY 2022-23 and ARR and Tariff for FY 2024-25 (based on projections).
- 1B.2. The Hon'ble Commission notified the Tariff Regulations, 2017 vide its Gazette Notification dated 31.01.2017 which were made applicable from 01.02.2017 onwards. Thereafter, the Hon'ble Commission on 29.03.2023 issued the First Amendment to the Tariff Regulations, 2017, to be applicable for 01.04.2023. In terms of Tariff Regulations, 2017, the Hon'ble Commission has approved the operational norms in Business Plan Regulations for Distribution utilities as follows:
- i. Business Plan Regulations, 2019 for the Control Period FY 2020-21 to FY 2022-23 notified on 27.12.2019;
 - ii. Business Plan Regulations, 2023 for the Control Period FY 2023-24 to FY 2025-26 notified on 29.03.2023
- 1B.3. Accordingly, the True up for FY 2022-23 is done based on the provisions of Tariff Regulations, 2017 and Business Plan Regulations, 2019.
- 1B.4. Aggregate Revenue Requirement (ARR) and Tariff for FY 2024-25 is determined based on the Tariff Regulations, 2017, Business Plan Regulations, 2019 and Business Plan Regulations, 2023 which broadly has the following components:
- a) Power Purchase cost including Transmission charges
 - b) Operation and Maintenance (O&M) expenses
 - c) Return on Capital Employed (ROCE)

- d) Depreciation
- e) Income tax
- f) Non-tariff income

True up for FY 2022-23

Energy Sales and Revenue

- 1B.5. The Petitioner has billed Energy & Revenue (net of Electricity Tax, 8% Deficit Recovery Surcharge & Pension Trust Surcharge of 7%) of Rs. 5,592.9 Crore (6,958.3 MU) at approved Retail Supply Tariffs for FY 2022-23 as tabulated below:

Table 1B. 1: Sales and Revenue for FY 2022-23

S.No	Category	Units Billed	Net revenue Billed	Revenue Collected
		MU	Rs Cr	Rs Cr
1	Domestic	4,397.3	2,788.0	2,041.6
2	Non Domestic	1,714.8	2,682.1	2,772.3
3	Industrial	380.6	538.2	542.7
4	Agriculture & Mushroom Cultivation	0.3	0.1	0.1
5	Public Utilities	222.7	250.7	243.0
8	DMRC	114.1	119.6	137.0
9	Advertisement and Hoardings	0.0	0.1	1.0
10	Charging Stations for EV	25.0	15.6	17.1
11	Others*	103.6	140.7	22.5
	Total	6,958.3	6,535.1	5,777.5
12	Add Deemed Collection			837.5
13	Less: Regulatory Asset Surcharge		375.5	380.0
14	Less: Pension Surcharge		328.2	330.7
15	Less: Etax		238.6	240.1
16	Less: LPSC			23.0
17	Net Amount Considered for calculation of Revenue Gap	6,958.3	5,592.9	5,641.2

*includes temporary supply, enforcement, self-consumption

- 1B.6. The Petitioner realised revenue amounting to Rs. 5,641.2 Crore (excluding 8% Surcharge, Pension Surcharge, LPSC and Electricity Tax).

Distribution Loss for FY 2022-23

1B.7. The Petitioner has claimed the impact on account of overachievement of Distribution Loss for FY 2022-23 as detailed below:

Table 1B. 2: Overachievement Incentive on account of reduction in Distribution Loss Level

S.No.	Particulars	UOM	FY 2022-23	Remarks
A	Distribution loss Target for Previous Year (PYT)	%	8.75%	As per Reg. 24(2) of BPR 2019
B	Distribution loss Target for Current Year (CYT)	%	8.50%	As per Reg. 25(1) of BPR 2019
C	Actual Distribution Loss	%	7.24%	
D	50% of (PYT - CYT)	%	0.12%	50%*(A-B)
E	CYT-50% of (PYT - CYT)	%	8.38%	B-D
F	Energy Input	MU	7,501.1	
G	Average Power Purchase Cost	₹/Unit	5.87	
H	Total Financial Gain	₹ Cr.	55.7	(B-C)*F*G/10
I	Petitioner Share 1 of incentive (less than Loss Target-50%*(PYT-CYT))	₹ Cr.	1.8	(B-E)*F*G/10(1/3)
J	Petitioner Share 2 of incentive (up to Loss Target-50%*(PYT-CYT))	₹ Cr.	33.5	(E-C)*F*G/10(2/3)
K	Share of financial gain to be retained by the Petitioner	₹ Cr.	35.3	I+J
L	Share of financial gain passed on to the consumers	₹ Cr.	20.4	H-K

Collection Efficiency for FY 2022-23

1B.8. The Petitioner has claimed the impact on account of overachievement of Collection Efficiency for FY 2022-23 as detailed below:

Table 1B. 3: Overachievement Incentive on account of Collection Efficiency

S.No.	Particulars	UOM	FY 2022-23	Remarks
A	Net Revenue Billed	₹ Cr.	5,592.87	
B	Actual Collection Efficiency	%	100.86%	
C	Collection Efficiency Target	%	99.50%	As per BPR, 2019
D	Revenue Realised over 99.50% Collection Efficiency Target	₹ Cr.	76.2	A*(B-C)

S.No.	Particulars	UOM	FY 2022-23	Remarks
E	Share of financial gain passed on to the consumers	₹ Cr.	14.0	D/2
F	Share of financial gain to be retained by the Petitioner	₹ Cr.	62.3	D/2

Power Purchase Requirement:

- 1B.9. The Petitioner purchases most of the power from generating companies owned and/ or fully controlled by the Central Government and State Government by virtue of long term power purchase agreements which have been inherited from DTL.
- 1B.10. The summary of actual power purchase quantum procured by the Petitioner during FY 2022-23 is as follows:

Table 1B. 4: Actual Power Purchase Quantum (MUs)

S. No	Particulars	FY 2022-23	Remarks/ Ref.
A	Power Purchase:		
i	Gross Power Purchase Quantum	9,806.4	includes Banking
ii	Power sold to other sources	1,893.1	
iii	Net Power Purchase	7,913.2	i-ii
B	Transmission Loss*:		
i	Inter-State and Intra-State Transmission Loss	315.4	
ii	Open Access	104.8	
	Total transmission loss including Open Access	420.2	i+ii
C	Net Metering and Self Generation	8.1	
D	Net power available after Transmission Loss	7,501.1	A-B+C

*includes Open Access

- 1B.11. The actual power purchase cost claimed during FY 2022-23 is tabulated below:

Table 1B. 5: Power Purchase Cost (₹ Crore)

S. No	Particulars	FY 2022-23	Reference
A	Long Term Power Purchase	3,870.0	
B	Short Term Power Purchase	658.4	
C	Less: Banking Sale	585.9	
D	Other Payments	1.431	
E	Less: Bulk Sale of Power	369.6	
F	Total	3,574.4	(A+B-C+D-E)
H	Transmission and Open Access cost	863.7	
I	Less: Rebate	38.5	
J	Add: Net Metering	3.7	
K	Add: Self Generation (at BYPL Roof Top)*	0.1	
L	Total Gross Power Purchase Cost net of LPSC and rebate	4,403.4	(F+H-I+J+K)

O&M Expenses:

1B.12. The Petitioner has computed the O&M expenses for FY 2022-23 as per Business Plan Regulations, 2019 as shown below:

Table 1B. 6: O&M Expenses in FY 2022-23 (₹ Crore)

Particulars	Unit	FY 2022-23		
		Average Capacity	Norms	Amt. (₹ Cr.)
66KV Line (CKT KMS)	₹ Lakh/ckt. km	244	5.236	12.8
33KV Line (CKT KMS)	₹ Lakh/ckt. km	428	5.236	22.4
11KV Line (CKT KMS)	₹ Lakh/ckt. km	3165	2.195	69.5
LT line (CKT KMS)	₹ Lakh/ckt. km	5840	9.890	577.6
66/11 & 66/33 KV Grid S./Stn. (MVA)	₹ Lakh/MVA	1865	1.247	23.3
33/11 KV Grid S./Stn. (MVA)	₹ Lakh/MVA	2095	1.247	26.1
11/0.415 KV DT (MVA)	₹ Lakh/MVA	3607	2.732	98.5
Total				830.2

Additional O&M and Other Expenses

1B.13. The Petitioner has claimed certain amount on account of statutory levies/Taxes and miscellaneous expenses which are uncontrollable in nature and not covered in the above normative O&M expenses during FY 2022-23 as tabulated below:

Table 1B. 7: Additional O&M and Other Expenses in FY 2022-23 (₹ Crore)

S. No	Particulars	FY 2022-23	Reference
1	7 th Pay Commission impact	93.5	Note 38 of Audited Accounts
2	Legal Expenses	23.4	Note 41 of Audited Accounts
3	Property Tax	11.6	Note 41 of Audited Accounts
4	Loss on Sale of Retired Assets	4.9	Note 38 & 41 of Audited Accounts
5	LC Charges	3.2	
6	Expenses for raising loan	1.0	
7	Ombudsman Fees	0.2	Note 41 of Audited Accounts
8	Licensee Fees paid on assets	1.8	
9	Incremental GST Paid	3.9	
10	New Initiatives	0.1	
	Total	143.7	Sum(1 to 10)

Capital Expenditure & Capitalisation

1B.14. Actual capitalization and de-capitalisation as per the Audited Accounts for FY 2022-23 has been considered to derive the closing balance of GFA as tabulated below:

Table 1B. 8: Gross Fixed Assets for FY 2022-23 (₹ Crore)

S. No	Particulars	Amount
A	Opening GFA	4405.5
B	Capitalisation during the year	289.3
C	De-capitalisation	15.5
D	Closing GFA	4679.2
E	Average GFA	4542.3

Funding of Capitalisation

1B.15. The financing of Capitalisation (net of de-capitalisation and consumer contribution) through debt and equity in the ratio of 70:30 as shown below:

Table 1B. 9: Financing of Capitalisation for FY 2022-23 (₹ Crore)

S. No	Particulars	Amount
A	Total Capitalisation	289.3
B	De-capitalisation	15.5
C	Consumer Contribution	10.7
D	Balance Capitalisation	263.1
E	Debt	184.1
F	Equity	78.9

Consumer Contribution and Grants:

1B.16. The average consumer contribution including Grants for FY 2022-23 is tabulated below:

Table 1B. 10: Consumer contribution including Grants for FY 2022-23 (₹ Crore)

S. No	Particulars	Amount
A	Opening Balance	370.2
B	Additions during the year	10.7
C	Closing Balance	380.9
D	Average Consumer Contribution	375.5

Depreciation:

1B.17. The average rate of Depreciation for FY 2022-23 based on the Audited Accounts of the Petitioner is tabulated below:

Table 1B. 11: Computation of avg. rate of Depreciation for FY 2022-23 (₹ Crore)

S. No	Particulars	FY 2022-23
A	Opening GFA as per audited accounts	4376.1
B	Closing GFA as per audited accounts	4649.8
C	Average of GFA	4512.9
D	Depreciation as per Audited Accounts	212.1
E	Average depreciation rate (%)	4.70%

Table 1B. 12: Depreciation for FY 2022-23 (₹ Crore)

S. No	Particulars	FY 2022-23
A	Average GFA	4,542.3
B	Less: Average Consumer Contribution and Grants	375.5
C	Average GFA net of consumer contribution & Grants	4,166.8
D	Average rate of depreciation (%)	4.70%
E	Depreciation	195.8

Working Capital

1B.18. The Petitioner has computed the Working Capital Requirement for FY 2022-23 is tabulated below:

Table 1B. 13: Working Capital Requirement (₹ Crore)

S. No	Particulars	Amount
A	Annual Revenues from Tariff & Charges	6140.6
A1	Receivables equivalent to two months average	1023.4
B	Power Purchase Expenses	4403.4
B1	Less: 1/12th of power purchase expenses	366.9
C	Working Capital	656.5
D	Opening Working Capital	579.4
E	Change in Working Capital	77.1

Regulated Rate Base (RRB)

1B.19. The Regulated Rate Base (RRB) for FY 2022-23 has been computed as tabulated below:

Table 1B. 14: Regulated Rate Base for FY 2022-23 (₹ Crore)

S. No	Particulars	Amount
A	RRB Opening	2530.7
B	ΔAB (Change in RRB)	76.9
C	Investments Capitalized	273.8
D	Depreciation (incl AAD)	195.8
E	Add: Depreciation on De-capitalised Assets	10.7
F	Consumer Contribution	9.6
G	Change in WC	77.1
H	RRB Closing	2684.7
I	RRB (i)	2646.2

1B.20. The Petitioner has considered the actual rate of interest of capex loans during 2022-23 i.e. and RoE at 16% (post tax) for computation of WACC as tabulated below:

Table 1B. 15: Weighted Average Cost of Capital (WACC)

S. No	Particulars	UoM	Amount
A	Average Equity	₹ Cr.	1206.9
B	Average Debt	₹ Cr.	1587.8
C	Return on Equity	%	16.00%
D	Income Tax Rate (%)	%	25.17%
E	Grossed up Return on Equity	%	21.38%
F	Rate of Interest	%	11.36%
G	Weighted average cost of Capital (%)	%	15.69%

1B.21. Based on the aforesaid submissions, the RoCE for FY 2022-23 is computed as tabulated below:

Table 1B. 16: RoCE for FY 2022-23 (₹ Crore)

S. No	Particulars	Amount
A	Weighted Average Cost of Capital (WACC) (%)	15.69%
B	RRB (i)	2,646.2
C	RoCE	415.2

Non-Tariff Income (NTI):

1B.22. The Non-Tariff Income claimed by the Petitioner in True-up of FY 2022-23 is ₹ 105 Crore.

Table 1B. 17: NTI for FY 2022-23 (₹ Crore)

S. No	Particulars	Actuals
1	Other Operating Income	73.4
2	Other Income	43.6
I=1+2	Total Income as per Accounts	117.0
3	Add: Interest on CSD	20.9
4	Add: Differential in SLD	40.0
II=I+3+4	Total Other Income	178.0
E	Less: Income from other business	9.8
a	Pole Rental Income	4.7
b	Street light Maintenance	5.1
III=II-E	Net Income to be considered	168.2
A	Less: LPSC	12.4
B	Less: Write-back of misc. provisions	2.5
C	Less: Short term gain	10.9
D	Less: Transfer from Consumer contribution for capital works	19.7
E	Less: Bad debts recovered	3.5
F	Less: Collection charges of Electricity Duty	7.5
G	Less: Incentive towards MNRE*	0.7
H	Less: Interest on Income Tax Refund	0.2
I	Less: Gain on Retirement of assets	1.1
J	Less: Sale of Scrap	4.8
IV	Net Non-Tariff Income	104.9

Annual Revenue Requirement and Revenue (Gap)/ Surplus for FY 2022-23:

1B.23. Based on the above submissions, the Annual Revenue Requirement for FY 2022-23 sought for True-up is tabulated below:

Table 1B. 18: Annual Revenue Requirement for FY 2022-23 (₹ Crore)

S. No	Particulars	Amount
A	Power Purchase including Transmission & SLDC Charges	4,403.4
B	O&M Expenses	830.2
C	Other Expenses/ Statutory levies	143.7
D	Depreciation	195.8
F	Return on Capital Employed (RoCE)	415.2
I	Sub-total	5,988.3
J	Less: Non-Tariff Income	104.9
L	Less: Income from Open Access	22.9
M	Aggregate Revenue Requirement (ARR)	5,860.5
N	Add: Carrying Cost	280.2
O	ARR with Carrying Cost	6,140.6

1B.24. Revenue Available to meet ARR is tabulated as tabulated below:

Table 1B. 19: Revenue Available to meet ARR

Particulars	Amount
Revenue Collected from Consumers	5641.2
Less: Incentive on overachievement of T&D Loss Targets (Petitioner share)	35.3
Less: Incentive on overachievement of Collection Efficiency Target (Petitioner share)	62.3
Less: Incentive on Surplus Sale Rate	13.6
Revenue Available towards ARR	5,530.0

1B.25. The Revenue (Gap) during FY 2022-23 is tabulated as tabulated below:

Table 1B. 20: Revenue (Gap) for FY 2022-23 (₹ Crore)

S. No	Particulars	Amount
A	ARR for FY 2022-23	6,140.6
B	Revenue available towards ARR	5,530.0
C	Revenue (Gap)/ Surplus	(610.6)

Past period claims:

- 1B.26. The Petitioner in its Petition No. 70 of 2022 filed on 30.11.2022 (True Up upto FY 2021-22) Petition has claimed its tariff entitlements under various categories.
- 1B.27. Owing to the pendency of Petition No. 70 of 2022 before the Hon'ble Commission and subject to outcome of matters pending before the Hon'ble Supreme Court and Hon'ble APTEL, the Petitioner craves leave of the Hon'ble Commission to approach this Hon'ble Commission, if necessary, in the present Petition.
- 1B.28. The total financial impact of past period issues including carrying cost upto FY 2022-23 is ₹ 22,040 Crore.

ARR for FY 2024-25**Energy Sales and Revenue**

- 1B.29. The Petitioner has considered the Adjusted Trend Analysis Method for the purpose of accurate projection of sales. The Petitioner has projected the energy sales at 7,355 MU for FY 2024-25 and has requested the Hon'ble Commission to approve the same.

Table 1B. 21: Sales projected for FY 2024-25

S.No.	Category	Sales (MU)
1	Domestic	4,694
2	Non-Domestic	1,700
3	Industrial	386
4	Agriculture & Mushroom	0.3

S.No.	Category	Sales (MU)
	cultivation	
4.1	Agriculture	0.3
4.2	Mushroom Cultivation	0.02
6	Public Utilities	366
6.3	Public Lighting	60
6.2	Delhi Jal Board	173
6.1	Delhi Metro Rail Corporation	133
8	EV Charging	102
9	Advertisement & Hoardings	0.04
10	Self-Consumption	18
11	Others	89
12	Total	7,355

Table 1B. 22: Revenue estimated for FY 2024-25

S. No.	Particulars	Fixed Charges (₹ Crores)	Energy Charges (₹ Crores)	TOD Charges (₹ Crores)	Revenue Billed (₹ Crores)
1	Domestic	219.4	1,857.2	-	2,076.6
1.1	Domestic	206.1	1,793.1	-	1,999.2
1.2	CGHS	1.8	7.2	-	9.0
1.3	DVB Staff	0.2	3.6	-	3.8
1.4	11 KV (Worship/ Hospitals)	11.3	53.3	-	64.6
2	Non Domestic	524.8	1,403.7	6.1	1,934.6
2.1	Non-Domestic LT (up to 3KVA)	161.9	256.1	-	418.0
2.2	Non-Domestic LT (above 3KVA)	300.5	889.8	4.8	1,195.1
2.3	Non-Domestic HT	62.5	257.8	1.3	321.5
4	Industrial	69.3	306.0	2.8	378.1
4.1	Industrial- LT	57.5	244.8	2.5	304.8
4.2	Industrial-HT	11.8	61.2	0.3	73.3
5	Agriculture & Mushroom Cultivation	0.05	0.05	-	0.10
5.1	Agriculture	0.05	0.04	-	0.09
5.2	Mushroom Cultivation	0.00	0.01	-	0.01
6	Public Utilities	56.6	235.2	1.0	292.8
6.1	Public Lighting	8.6	40.9	0.0	49.5
6.2	Delhi Jal Board (DJB)	29.1	114.4	-0.3	143.1
6.3	DMRC	18.9	79.9	1.3	100.1
7	E-Rickshaw/E-Vehicle	-	42.0	0.8	42.7
8	Advertisement/Hoarding	0.2	0.04	-	0.2
9	Others	25.0	81.7	-	106.7
	Total	895.4	3,925.8	10.7	4,831.8
	Revenue Realised @ 99.5% Collection Eff.				4,807.7

Distribution Loss& Collection Efficiency

- 1B.30. Regulation-25 (1) of Business Plan Regulations, 2023 specifies the Distribution Loss Target from FY 2023-24 to FY 2025-26 as under:

Table 1B. 23: Distribution Loss during FY 2023-24 to FY 2025-26

S. No	Distribution Licensee	FY24	FY25	FY26
1	BSES Yamuna Power Limited	7.72%	7.54%	7.33%

- 1B.31. Regulation-26 (1) of the DERC (Business Plan) Regulations, 2023 specifies targets for Collection Efficiency from FY 2023-24 to FY 2025-26 @ 99.80%, with a provision that there shall be no penalty for Collection Efficiency if the same is in range of 99.50% to 99.80%. Accordingly, the Petitioner has considered the collection efficiency of 99.50%.

Energy Requirement

- 1B.32. The energy sales for the year is grossed up by the loss levels of that year, to arrive at the required quantum of power purchase for that year in the following manner:

$$\text{Quantum of Power Purchase (MU)} = \frac{\text{Energy Sales (MU)}}{1 - (\text{Distribution loss}(\%)/100)}$$

- 1B.33. Based on the sales projected for FY 2024-25 and Distribution loss specified for FY 2024-25 in the Business Plan Regulations, 2023, the estimated energy requirement and energy balance is tabulated as under:

Table 1B. 24: Energy Requirement & Energy Balance (MU)

S. No.	Particulars	Quantity (MU)
	Energy Availability	
1	Power Purchase @Exbus-FIRM	9,572.2
2	Inter-State Losses	317.8
3	Power Available at Delhi Periphery	9,254.4
4	Intra-state Loss & Charges (Including SLDC charges)	81.4
5	Power Available to DISCOM	9,173.0
	Power Available to DISCOM (including WTE, self Generation & Net Metering)	9,272.1
6	Short term Purchase	281.2
7	Total Available	9,553.3
	Energy Requirement	
8	Sales	7,355.5
9	Distribution Loss	7.54%
10	Energy Requirement at Distribution Periphery	7,955.3
11	Total Sale of Surplus	1,598.0

Power Purchase Cost

1B.34. The Petitioner has submitted that it sources its power requirement through a mix of long term and short term sources to meet the demand of BYPL area. Long term sources include Central Generating Stations which are owned and/or fully controlled by Central Government and State Generating Stations which are owned and/or fully controlled by State Government. The Petitioner has been assigned the share based on the PPAs which have been inherited from Delhi Transco Limited. The allocation of power within Delhi is being done by the Hon'ble Commission.

Table 1B. 25: Power Purchase cost proposed for FY 2024-25

S. No.	Plant	MU	Fixed Cost (₹ Cr.)	Variable Cost (₹ Cr.)	Other Cost (₹ Cr.)	Total Cost (₹Cr.)	Per Unit Cost (₹/kWh)
1	NTPC	2,524.6	387.5	813.8	-	1,201.4	4.76
2	APCPL	328.0	80.9	152.9	-	233.7	7.13
3	NPCIL	94.1	-	36.9	-	36.9	3.92
4	DVC	1,385.6	274.6	473.4	-	748.0	5.40
5	SGS (excluding RE)	669.5	274.5	489.3	-	763.9	11.41
6	SASAN	2,454.0	35.6	314.1	-	349.7	1.42
7	Renewable Purchase:						
7.1	NHPC - (included in other RPO)	535.5	68.8	76.2	24.4	169.3	3.16
7.2	SJVNL (included in other RPO)	167.3	16.6	20.2	-	36.8	2.20
7.3	TALA (included in other RPO)	29.0	-	6.6	-	6.6	2.27
7.4	Other RPO	856.9	-	255.3	-	255.3	2.98
7.5	HPO	248.8	168.4	52.0	-	220.4	8.86
7.6	Wind RPO	346.1	-	96.5	-	96.5	2.79
7.7	Net Metering	31.8	-	18.7	-	18.7	5.87
7.8	Self Generation	0.2	-	0.1	-	0.1	5.87
	Total RPO	2,215.6	253.9	525.6	24.4	803.8	3.63
8	Arrears		149.1			149.1	
9	Total Long term	9,671.3	1,456.1	2,806.0	24.4	4,286.5	4.43
10	Short Term Purchase	281.2		233.8		233.8	8.31
11	Short Term Sale	1,598.0		722.7		722.7	4.52
12	Transmission Loss/Charges	-399.3	943.8			943.8	-23.64
13	Rebate					71.1	0.00
14	Net Power Purchase Cost	7,955.3	2,399.9	2,317.1	24.4	4,670.2	5.87

Renewable Purchase Obligation

1B.35. Regulation-27 of DERC Business Plan Regulations, 2023 specifies the target for Renewable Purchase Obligation from FY 2020-21 to FY 2022-23 as under:

“27. TARGET FOR RENEWABLE PURCHASE OBLIGATION

(1) The targets for Renewable Purchase Obligation (RPO) in terms of Regulation 124 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 of a Distribution Licensee from FY 2023-24 to FY 2025-26 shall be computed as a percentage of Total Sale of Power to its Retail Consumers in its Area of Supply.

(2) The target for RPO shall be met through purchase of Power from various Renewable Energy Sources or purchase of Renewable Energy Certificates (“REC”) or purchase of Hydro Energy Certificates (“HEC”) or combination of these and shall be as follows:

Table 14: Targets for Renewable Purchase Obligation

Sr No.	RPO Targets for Distribution Licensee	FY 2023-24	FY 2024-25	FY 2025-26
1	Wind RPO	1.60%	2.46%	3.36%
2	Other RPO	24.81%	26.37%	28.17%
3	HPO Target	0.66%	1.08%	1.48%
4	Total RPO Target	27.07%	29.91%	33.01%

..”

1B.36. The cost of deficit purchase for meeting RPO for FY 2024-25 is tabulated below:

Table 1B. 26: Renewable Purchase Obligation (RPO) for FY 2024-25

Sl.No.	Particulars	UoM	FY 2024-25
A	Energy sales	MU	7355.5
B	RPO target (%)		
	Other RPO	%	26.37%
	HPO	%	1.08%
	Wind RPO	%	2.46%
C	RPO target (MUs)		
	Other RPO	MU	1939.6
	HPO	MU	79.4
	Wind RPO	MU	180.9
D	Availability		
	Other RPO	MU	1620.7
	HPO	MU	248.8
	Wind RPO	MU	346.1
E	Shortfall (-) / Surplus (+)		
	Other RPO	MU	-318.9
	HPO	MU	169.3
	Wind RPO	MU	165.2
E	Surplus (+) available from Wind RPO & HPO for Other RPO	MU	334.5
F	Total Surplus (+)/ Deficit (-)	MU	15.6

1B.37. Petitioner vide Letter No. RA/BYPL/2022-23/344 dated 06.03.2023 has requested to Hon'ble Commission to adjust the surplus in RE adjustment during the control period from FY 2023-24 to FY 2025-26 with the RE shortfall of previous years.

Transmission Charges

1B.38. The Petitioner has projected the Intra State and Inter State Transmission charges for FY 2024-25 as below:

Table 1B. 27: Transmission Loss and Charges projected for FY 2024-25

S. No	Particulars	FY 2024-25
i	Inter -State Generating Stations (MU)	8,902.7
ii	Inter State Transmission Losses (%)	3.57%
iii	Inter State Transmission Losses (MU)	317.8
iv	State Generating Stations (MU)	669.5
v	Intra State Transmission Losses (%)	0.88%
vi	Intra State Transmission Losses (MU)	81.4
vii	Total Transmission losses (MU)	399.3
viii	Transmission Charges (₹Crore)	943.8

O&M Expenses

1. Normative O&M Expenses as per Business Plan Regulations, 2019 (BPR, 2019)

1B.39. Regulation – 23 of Business Plan Regulation, 2019 provides as under:

“23. Operation and Maintenance Expenses

(1) Normative Operation and Maintenance Expenses in terms of Regulation 4(3) and Regulation 92 of the DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 for the Distribution Licensees shall be follows:

Table 8: O&M Expenses for BYPL for the Control Period

Particulars	Unit	2020-21	2021-22	2022-23
66 kV Line	Rs. Lakh/ Ckt. Km	4.857	5.043	5.236
33 kV Line	Rs. Lakh/ Ckt. Km	4.857	5.043	5.236
11 kV Line	Rs. Lakh/ Ckt. Km	2.036	2.114	2.195
LT lines system	Rs. Lakh/ Ckt. Km	9.173	9.524	9.89
66/11 kV Grid	Rs. Lakh/ MVA	1.157	1.201	1.247

Particulars	Unit	2020-21	2021-22	2022-23
S/s				
33/11 kV Grid S/s	Rs. Lakh/ MVA	1.157	1.201	1.247
11/0.415 kV DT	Rs. Lakh/ MVA	2.534	2.631	2.732

.....”

1B.40. Accordingly, the Petitioner has computed the normative O&M expenses for FY 2024-25 considering an escalation of 3.83% on the norms specified for computation of O&M expenses for FY 2022-23 and computed the O&M expenses.

Table 1B. 28: O&M Expenses estimated during FY 2024-25 (₹ Crores)

Particulars	Average Capacity for FY 2024-25	O&M expenses		O&M expenses
		per unit		
66 kV Line 33 KV Line	696.9	₹ Lakh/ckt. km	5.64	39.3
11kV Line	3,273.0	₹ Lakh/ckt. km	2.37	77.45
LT Line system	6,051.0	₹ Lakh/ckt. km	10.66	645.2
66/11 kV 33/11 kV Grid S/s	4,092.0	₹ Lakh/MVA	1.34	55.0
11/0.415 kV DT	3,778.3	₹ Lakh/MVA	2.95	111.3
Total O&M Expenses				928.2

(i) Additional Expenses in accordance with the Business Plan Regulations.

2019:

1B.41. In terms of Regulation 11(9) of Tariff Regulation, 2017 read with Regulation 23 of the Business Plan Regulation 2019, the Petitioner has projected the additional O&M and other expenses of ₹ 264 Crores for FY 2024-25.

Table 1B. 29: expenses and other Expenses estimated for FY 2024-25 based on norms of BPR, 2019 (₹ Crores)

S. No.	Particulars	As per BPR, 2019
1	Licensee Fees paid on assets	0.6
2	License Fee paid to DERC	1.8
3	Property Tax	11.6
4	Smart Meters	221.5
5	Ombudsman Fees	0.2
6	CGRF Expenses	0.5
7	Legal Expenses	21.2
8	Expenses for raising loan, Rating Fees on Non Fund based working capital (LC/BGs) & existing Term Loan, Charges corresponding to LC towards PPA, BG Charges	12.0
9	Loss on Sale of Retired Assets	4.8
10	Incremental GST Paid	3.9
11	Total	278.2

2. Normative O&M Expenses as per Business Plan Regulations, 2023

1B.42. The Petitioner has considered the O&M expenses (including employees expenses of non-FRSR employees) of ₹ 528.1 Crore for FY 2024-25, as provided by the Hon'ble Commission in SOR of Business Plan Regulations, 2023.

1B.43. The Regulation 23 (5) of the Business Plan Regulations, 2023 provides as under:

"23. OPERATION AND MAINTENANCE EXPENSES:

.....

(5) The Employee benefits pertaining to Employees transferred under the Tripartite Agreement are considered uncontrollable in nature, therefore not forming part of Normative O&M Expenses as tabulated below, accordingly, shall be Trued up for relevant Financial year subject to prudence check

1B.44. Accordingly, the Petitioner requests the Hon'ble Commission to kindly consider the latest available actual FRSR employee expenses of the Petitioner amounting to ₹221.1 Crore for FY 2024-25.

(i) Additional Expenses

1B.45. The Petitioner has estimated the additional expenses for FY 2024-25 in terms of Business Plan Regulation, 2023 as under:

Table 1B. 30: Additional Expenses estimated for FY 2024-25 (₹ Crores)

S. No	Particulars	FY 2024-25
1	Employee Expenses pertaining to FRSR employees	221.1
2	License Fee paid to GoNCTD	0.6
3	License Fee paid to DERC	1.8
4	Property Tax	11.6
5	Smart Meters	221.5
6	Ombudsman Expenses	0.2
7	CGRF Expenses	0.5
8	Charges corresponding to LC towards PPA not included in A&G expenses/ norms of O&M Expenses in BPR, 2023	10.6
9	Amortization fees of existing loan and Rating Fees of existing loan and rating fee of non-fund based working capital not included in A&G/O&M norms of BPR, 2023	1.5
10	BG Charges not included in A&G expenses/ norms of O&M Expenses in BPR, 2023	0.01
11	Loss on Sale of Retired Assets	4.8
12	Total	474.1

3. Total O&M Expenses for FY 2024-25

1B.46. The Petitioner has projected the total O&M expenses for FY 2023-24 in terms of the Business Plan Regulations, 2019 and Business Plan Regulations, 2023 as tabulated under:

Table 1B. 31: Total O&M Expenses estimated for FY 2024-25 (₹ Crores)

S. No.	Particulars	FY 2024-25	
		BPR, 2019	BPR, 2023
1	Normative O&M Expenses		
2	Based on network capacity (BPR-2019)	928.2	
3	Based on absolute O&M (BPR – 2023)		528.1
4	Additional O&M Expenses		
5	Employee Expenses pertaining to FRSR employees	included in normative O&M	221.1
6	License Fee paid to GoNCTD	0.6	0.6
7	License Fee paid to DERC	1.8	1.8
8	Property Tax	11.6	11.6
9	Smart Meters	221.5	221.5
10	Ombudsman Expenses	0.2	0.2
11	CGRF Expenses	0.5	0.5
12	Annual Charges towards opening and maintaining LC towards PPA not included in A&G expenses/ norms of O&M Expenses in BPR, 2023	10.6	10.6
13	Amortization fees of existing loan and Rating Fees of existing loan and rating fee of non-fund based working capital not included in A&G/O&M norms of BPR, 2023	1.5	1.5
14	Loss on Sale of Retired Assets	4.8	4.8
15	Legal Fees and Expenses	21.2	-
16	Incremental GST Impact	3.9	-
17	BG Charges not included in A&G expenses/ norms of O&M Expenses in BPR, 2023	0.01	0.01
18	Additional O&M Expenses Sub-Total	278.2	474.1
19	Total O&M Expenses	1,206.5	1,002.3

Capital Expenditure and Capitalization

1B.47. As regards, Capital Investment, Regulation-24 (1) of DERC Business Plan Regulations, 2023 states as under:

“24. Capital Investment Plan

(1) The tentative Capital Investment Plan in terms of Regulation 4 (4) of the DERC (terms and conditions for determination of tariff) Regulations, 2017 for the Distribution Licensee shall be as follows:

Table 12: Capitalisation for BYPL for the Control Period (in Rs. Cr.)

Particulars	2023-24	2024-25	2025-26	Total
Capitalization	359	372	385	1116
Smart Meter	150	150	150	450
Less: Deposit Work	72	76	80	228
Total	437	446	455	1338

“

- 1B.48. The Petitioner has considered the gross capitalisation of ₹522Crore including consumer contribution (Deposit work) (₹76 Crore) during FY 2024-25 as approved by the Commission, provided that the same may be trued-up based on the actuals incurred to meet the loss targets issued by the Commission for FY 2024-25.

Consumer Contribution

- 1B.49. For the purpose of computation of RRB, the Petitioner has considered actual Consumer contribution capitalized upto FY 2022-23. For FY 2023-24 & FY 2024-25the Petitioner has considered ₹72 Crore & ₹76 Crore of consumer contribution capitalized as approved by the Hon'ble Commission in Regulation 24 (1) the Business Plan Regulations, 2023.

Table 1B. 32: Consumer Contribution for FY 2024-25(in ₹ Crore)

S. No	Particulars	Amount	Remarks/Ref.
A	Consumer Contribution & Grants capitalized upto FY 2022-23	380.9	
B	Consumer Contribution Capitalized for FY 2023-24	72.0	B.P Regulations, 2023
C	Opening Balance of Consumer Contribution capitalized for FY 2024-25	452.9	A+B

S. No	Particulars	Amount	Remarks/Ref.
D	Consumer Contribution Capitalized for FY 2024-25	76.0	B.P Regulations, 2023
E	Closing Consumer Contribution and Grants for FY 2024-25	528.9	C+D
F	Average Consumer Contribution and Grants	490.9	(C+E)/2

Depreciation

1B.50. The Petitioner has considered the rate of depreciation of 4.70% for FY 2024-25 as claimed in FY 2022-23. However, the depreciation rate of 4.70% so computed, may undergo change at the end of FY 2024-25 based on actual capitalization.

1B.51. The depreciation for FY 2024-25 is tabulated below:

Table 1B. 33: Depreciation for FY 2023-24 (in ₹ Crore)

S.No.	Particulars	Amount	Remarks/Ref.
A	Opening GFA for FY 2023-24	4,679.2	
B	Addition during FY 2023-24	509.0	As per BPR, 2023
C	Opening GFA for FY 2024-25	5,188.2	A+B
D	Additions during FY 2024-25	522.0	Regulation 24(1) Business Plan Regulation, 2023
E	Closing GFA for FY 2024-25	5,710.2	C+D
F	Average GFA	5,449.2	Average(C,F)
G	Less: Average Consumer Contribution	490.9	
H	Average GFA net of CC	4,958.3	F-G
I	Average rate of depreciation	4.70%	
J	Depreciation for FY 2024-25	233.0	I*J
K	Opening Accumulated Depreciation for FY 2024-245	2,718.2	
L	Closing Accumulated Depreciation for FY 2024-245	2,951.2	J+K

Return on Capital Employed (RoCE)

- 1B.52. Interest on Loan (IOL): The Petitioner has estimated the actual rate of interest on capex-loan and working capital loan as 12.33% and 10.41% for FY 2023-24. IOL computed for FY 2023-24 is as under:

Table 1B. 34: Rate of Interest on Loan as per BPR, 2019 and BPR, 2023

S. No	Particulars	As per BPR, 2019	As per BPR, 2023	Remarks
A	SBI MCLR as on Oct'23	8.55%	8.55%	
B	Normative Margin	4.25%	2.50%	As per respective Regulation
C	Margin for Term Loan for FY 2024-25	4.25%	2.50%	C=Min (A-B,C)
D	Margin for Working Capital Loan for FY 2024-25	4.25%	2.50%	D=Min (A-D,D)
E	Rate of Interest on Term Loan	12.80%	11.05%	E= A+C
F	Rate of Interest on Working Capital	12.80%	11.05%	F= A+D

- 1B.53. Accordingly, the cost of debt computed for FY 2024-25 on the basis of norms specified in Business Plan Regulations, 2019 and Business Plan Regulations, 2023 is as under:

Table 1B. 35: Blended Rate of interest for FY 2024-25 as per BPR, 2019

S. No	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)
A	Opening Debt	1,477.6	240.3
B	Opening Working Capital Debt		696.9
C	Capex Addition		312.2
D	Repayment	147.8	93.7
E	Capex Loan - Closing Balance	1,329.8	458.7
F	Change in Working Capital		17.6
G	Working Capital Loan -		714.5

S. No	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)
	Closing Balance		
H	Actual/Normative Rate of Interest	12.80%	12.80%
I	Rate of Working Capital Loan		12.80%
J	Rate of interest on debt (rd)- Blended	12.80%	12.80%

Table 1B. 36: Rate of interest for FY 2024-25 as per BPR, 2023

S. No	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)
A	Opening Debt	1,477.6	240.3
B	Opening Working Capital Debt		661.9
C	Capex Addition		312.2
D	Repayment	147.8	90.2
E	Capex Loan - Closing Balance	1,329.8	462.2
F	Change in Working Capital		12.3
G	Working Capital Loan - Closing Balance		674.2
H	Actual/Normative Rate of Interest	11.05%	11.05%
I	Rate of Working Capital Loan		11.05%
J	Rate of interest on debt (rd)- Blended	11.05%	11.05%

1B.54. Return on Equity (ROE): For computation as per Business Plan regulations, 2019, the Petitioner has considered Rate of Return on Equity (hereinafter “ROE”) for FY 2024-25 as 16%. However, for computation as per Business Plan Regulations, 2023, the Petitioner has considered Rate of Return on Equity (hereinafter “ROE”) for FY 2024-25:

- As 16% for assets capitalised till 31.03.2023 and during FY 2023-24 in accordance with Regulation 20 (1) and 20(2) of Business Plan Regulation, 2019.

- As 14% for all assets to be capitalised on and from 01.04.2023 in accordance with Regulation 1 (1) and 20(1) of Business Plan Regulation, 2023 and 16% for assets capitalised prior to 01.04.2023 in accordance with earlier Regulations for respective control period.

1B.55. Return on Capital Employed (ROCE): The Petitioner has computed RoCE in terms of Business Plan Regulation, 2019 and Business Plan Regulation, 2023 as tabulated under:

Table 1B. 37: RoCE for FY 2024-25 (₹ Crores)

S. No	Particulars	as per BPR, 2019	as per BPR, 2023
A	ROCE	511.4	473.7

Non-Tariff Income

1B.56. The Non-Tariff Income during FY 2024-25 has been considered same as for FY 2022-23 as ₹104.9 Cr.

Aggregate Revenue Requirement

1B.57. The Aggregate Revenue Requirement during FY 2024-25 is tabulated as under:

Table 1B. 38: Aggregate Revenue Requirement for FY 2024-25 (in ₹ Crore)

S. No	Particulars	As per BPR, 2019	As per BPR, 2023
A	Net Power Purchase Cost including Transmission and SLDC Charges	4,670.2	4,670.2
B	O&M Expenses	928.2	528.1
C	Additional Expenses	278.2	474.1
E	Depreciation	233.0	233.0
F	Return on Capital Employed (RoCE)	511.4	473.7
G	Other Expenses*	105.8	105.8
H	Sub-total- H= Sum (A to G)	6,726.9	6,485.0

S. No	Particulars	As per BPR, 2019	As per BPR, 2023
I	Non-Tariff Income	104.9	104.9
J	Aggregate Revenue Requirement (J=H-I)	6,622.0	6,380.1

* in terms of APTEL Judgment dated 31.08.2021.

Revenue (Gap)/ Surplus for FY 2024-25 at Existing Tariffs

1B.58. The Revenue (Gap)/ Surplus for FY 2024-25 at Existing Tariffs is tabulated below:

Table 1B. 39: Revenue (Gap)/ Surplus at Existing Tariff for FY 2024-25 (₹ Crore)

S. No	Particulars	As per BPR, 2019	As per BPR, 2023
A	ARR for FY 2024-25	6,622.0	6,380.1
B	Revenue available towards ARR	4,807.7	4,807.7
C	Revenue (Gap)/ Surplus	(1,814.3)	(1,572.5)
D	Less: Revenue Gap on account of Power Purchase cost proposed to recovered through PPAC	(1355.9)	(1355.9)
E	Net Revenue Gap proposed to be recovered through cost reflective Tariff	(458.4)	(216.6)

Tariff Hike Proposed

1B.59. The revenue gap is primarily on account of Power Purchase Cost which is not within the control of the Petitioner. The other contributing factors include (i) lower revenue on account of lower tariff recovery i.e. non cost reflective tariff and (ii) gap on account of financing of huge accumulated deficit.

1B.60. To address the revenue gap indicated above and to fully meet the tariff requirement of the Petitioner, it is proposed that:

a) The revenue gap of ₹1355.9 Crore, difference between the power purchase cost projected for FY 2024-25 in the instant petition and that

approved in the Tariff Order dated 30.09.2021 for ARR year, is proposed to be recovered through additional PPAC during FY 2024-25.

- b) Balance revenue gap of ₹458.4 Crore in terms of Business Plan Regulations, 2019 and ₹216.6 Crore in terms of Business Plan Regulations, 2023 is proposed to be recovered through a cost reflective tariff.

The Hon'ble Commission is requested to allow tariff hike to make cost reflective tariff during FY 2024-25, apart from a surcharge towards recovery of both principal and interest component, on the past accumulated deficit on account of RA.

Sanjeev Singh



BSES
BSES Yamuna Power Limited



Chapter 1C Preamble

Petition for Truing-up upto FY 2022-23 & ARR for FY 2024-25

James Singh



Sanjeev Singh



BEFORE THE HON'BLE DELHI ELECTRICITY REGULATORY COMMISSION

C BLOCK, SHIVALIK, MALVIYA NAGAR, NEW DELHI

PETITION NO. _____ OF 2023

IN THE MATTER OF:

BS&S Yamuna Power Limited

Shakti Kiran Building, Karkardooma,

New Delhi – 110 032.

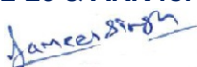
...**PETITIONER**

AND

IN THE MATTER OF: Truing-up upto the Financial Year (hereinafter referred to as “FY”) FY 2022-23, in accordance with Section 62 of the Electricity Act, 2003 read with Sections 11 and 28 of Delhi Electricity Reforms Act, 2000 (hereinafter “**DERA**”) to the extent applicable, the DERC (Conduct of Business) Regulation 2001 and Condition 24 of the License for Distribution and Retail Supply of Electricity issued by the Hon'ble Delhi Electricity Regulatory Commission (hereinafter referred to as “**the Hon'ble Commission / Hon'ble DERC**”) along with Regulation 13 read with Regulation 139 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 (hereinafter referred to as “**DERC Tariff Regulations, 2017**”) read with **DERC (Business Plan) Regulations, 2017** and **DERC (Business Plan) Regulations, 2019** (hereinafter referred to as “**Business Plan Regulations, 2019**”) along with the provisions of the DERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011 (hereinafter referred to as “**DERC MYT Regulations, 2011**”) and DERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2007 (hereinafter referred to as “**DERC MYT Regulations, 2007**”).

AND

IN THE MATTER OF: Aggregate Revenue Requirement (“**ARR**”) and Tariff Petition filed for FY 2024-25 under Section 62 of the Electricity Act, 2003 read with Regulation 11 & 12 and other relevant provisions under DERC Tariff Regulations, 2017, DERC Business Plan Regulations, 2019 and the DERC Business Plan Regulations, 2023 (hereinafter collectively referred to as “**Business Plan Regulations**”) and also under Sections 11 and 28 of Delhi Electricity Reforms Act 2000 to the extent applicable, the DERC (Conduct of Business) Regulations, 2001 and Condition 24 of the License for Distribution and Retail Supply of Electricity issued by the Hon’ble Commission.



PETITION FOR TRUING-UP UPTO FY 2022-23

AND

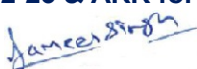
AGGREGATE REVENUE REQUIREMENT FOR FY 2024-25

MOST RESPECTFULLY SHOWETH:

1. BSES Yamuna Power Limited (hereinafter referred to as **“the Petitioner/ BYPL”**), a company incorporated under the Companies Act, 1956, and having its registered office at Shakti Kiran Building, Karkardooma, New Delhi – 110032, has been granted a license for carrying on the business of Distribution and Retail Supply of electrical energy within the Area of Supply as specified in the *“License for Distribution and Retail Supply of Electricity”* (**“License Conditions”**) issued by the Hon’ble Commission.
2. The present petition is being filed for: -
 - (a) Truing-up of Costs upto FY 2022-23 (hereinafter referred to as the **“True Up Petition”**)
 - (b) Aggregate Revenue Requirement for FY 2024-25 (hereinafter referred to as the **“ARR Petition”**).

The True up Petition and ARR Petition hereinafter collectively referred to as the **“Petition”**.

3. In accordance with the Electricity Act, 2003 (hereinafter referred to as **“the 2003 Act”**), the License Conditions, DERC Tariff Regulations, 2017, Business Plan Regulations, 2017, Business Plan Regulations, 2019, Business Plan Regulations, 2023 and DERC MYT Regulations 2011 and 2007, the Petitioner is required to file the Aggregate Revenue Requirement Petition for FY 2024-25



and Truing-up of costs upto FY 2022-23. The Petitioner is praying to this Hon'ble Commission to allow the present Petition and inter alia permit the claims and expenses as sought for by the Petitioner and to allow the truing-up as sought for hereinbelow in terms of law laid down by Hon'ble Supreme Court and the Hon'ble APTEL from time to time.

4. In accordance with Section 62 of the 2003 Act and Revised Tariff Policy 2016, the Hon'ble Commission has notified the DERC Tariff Regulations, 2017 and under Section 61, 86(1)(b) and Section 181 of the 2003 Act, which are required to be followed by the Licensees for filing the Petition for determination of ARR and Tariff determination for any particular year.
5. In Delhi, the Distribution Licensees in addition to DERC Tariff Regulations, 2017 are also required to follow the DERC Business Plan Regulations, issued by Hon'ble Commission for each Control Period while filing the ARR and Tariff Petitions.
6. The DERC Business Plan Regulations, 2023 issued by the Hon'ble Commission on 06.04.2023 are in force for a period of three (3) years i.e. FY 2023-24, FY 2024-25 and FY 2025-26. The ARR Petition for FY 2024-25 is being filed under DERC Business Plan Regulations, 2023 without prejudice to the Petitioner's rights and contentions as regards the challenge to the legality, validity and vires of the DERC Business Plan Regulations, 2023 pending adjudication before the Hon'ble High Court of Delhi in W.P. (C) No. 6618 & 6719 of 2023. However, subject to pendency / outcome of the Writ Petition before the Hon'ble High Court of Delhi, the Petitioner in the present Petition has also submitted its claims for approval of Annual Revenue Requirement for FY 2024-25 in terms of the norms and parameters as laid down under the Delhi Electricity

Regulatory Commission (Business Plan), Regulations, 2019 to seek legitimate allowances entitlements of the Petitioner and demonstrate the financial and operational prejudice being caused to the Petitioner.

7. The ARR Petition of a Distribution Company / Licensee / Utility (hereinafter referred to as “**the Discom / Discoms**”) comprises various components like Power Purchase Cost, Operation and Maintenance Expenses, Capital expenditure related expenses, Income Tax, Revenue from tariff, Non-Tariff Income etc.
8. The Power Purchase Cost including Transmission Charges is a major component of the total ARR of which constitutes almost 75% - 80% of the total ARR of a Discom. Most of the power is being purchased from Central Generating Stations like NTPC Limited, NHPC Limited, DVC as well as State Generating Companies, etc. Most of these Central/ State Generating Stations are Government Entities / Public Sector Undertakings (“**PSUs**”) for which audit is already being carried by the Comptroller and Auditor General of India. Petitioner purchases power from Central Generating Stations at the tariff determined by the Hon’ble Central Electricity Regulatory Commission (hereinafter referred to as “**Hon’ble CERC**”) and from the State-owned Generators after this Hon’ble Commission determines tariff for the sale of power in its various Tariff Orders. All the Power Purchase Agreements (hereinafter referred to as the “**PPAs**”) are approved by the Hon’ble Commission.
9. Under the provisions of the DERC Tariff Regulations, 2017, the Tariff Petition for determination of ARR for any Financial Year is required to be filed 150 days before the commencement of that particular year.

Legal Provisions for filing of Petition:

10. Filing of the Petition is based on the following legal provisions / principles which needs to be followed by the Hon'ble Commission while deciding the same:

a) **Section 61** of the 2003 Act lays down the guiding principles for tariff determination which essentially require that:

"61. The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following, namely:-

(a) the principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and transmission licensees;

(b) the generation, transmission, distribution and supply of electricity are conducted on commercial principles;

(c) the factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments;

(d) safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner;

(e) the principles rewarding efficiency in performance;

(f) multiyear tariff principles;

(g) that the tariff progressively reflects the cost of supply of electricity and also, reduces and eliminates cross-subsidies within the period to be specified by the Appropriate Commission;

(h) the promotion of co-generation and generation of electricity from renewable sources of energy;

(i) the National Electricity Policy and tariff policy:"

b) **Section 62** of the 2003 Act provides for determination of tariff for supply of electricity by a generating company to distribution licensee; retail supply and wheeling tariff etc.

c) **Section 64** of the 2003 Act provides for the procedure for passing Tariff Order by the Appropriate Commission.

d) **Revised Tariff Policy, 2016 notified by the Central Government under**

Section 3 of the Electricity Act, 2003:

“Uncontrollable costs should be recovered speedily to ensure that future consumers are not burdened with past costs. Uncontrollable costs would include (but not limited to) fuel costs, costs on account of inflation, taxes and cess, variations in power purchase unit costs including on account of hydro- thermal mix in case of adverse natural events.”

Furthermore, the Revised Tariff Policy also mandates approval of capital expenditure necessary to meet the minimum service standards. There is a need to accelerate performance improvement and reduction in losses which will be in long term interest of consumers by way of lower tariffs.

“a) Return on Investment

Balance needs to be maintained between the interests of consumers and the need for investments while laying down rate of return. Return should attract investments at par with, if not in preference to, other sectors so that the electricity sector is able to create adequate capacity. The rate of return should be such that it allows generation of reasonable surplus for growth of the sector.

...

Making the distribution segment of the industry efficient and solvent is the key to success of power sector reforms and provision of services of specified standards. Therefore, the Regulatory Commissions need to strike the right balance between the requirements of the commercial viability of distribution licensees and consumer interests. Loss making utilities need to be transformed into profitable ventures which can raise necessary resources from the capital markets to provide services of international standards to enable India to achieve its full growth potential. Efficiency in operations should be encouraged. Gains of efficient operations with reference to normative parameters should be appropriately shared between consumers and licensees.

....

At the beginning of the control period when the “actual” costs form the basis for future projections, there may be a large uncovered gap between required tariffs and the tariffs that are presently applicable. The gap should be fully met through tariff charges and through alternative means that could inter-alia include financial restructuring and transition financing.

....

Working capital should be allowed duly recognizing the transition issues faced by the utilities such as progressive improvement in recovery of

bills. Bad debts should be recognized as per policies developed and subject to the approval of the State Commission.

Pass through of past losses or profits should be allowed to the extent caused by uncontrollable factors.

....

The facility of a regulatory asset has been adopted by some Regulatory Commissions in the past to limit tariff impact in a particular year. This should be done only as a very rare exception in case of natural calamity or force majeure conditions and subject to the following:

- a. Under business as usual conditions, no creation of Regulatory Assets shall be allowed;*
- b. Recovery of outstanding Regulatory Asset along with carrying cost of Regulatory Assets should be time bound and within a period not exceeding seven years. The State Commission may specify the trajectory for the same."*

[Emphasis Supplied]

e) Hon'ble Supreme Court in its various judgments has time and again held that the Tariff Policies are **statutory and binding** including in: -

- (i) ***Energy Watchdog v. CERC, (2017) 14 SCC 80 [Para. 57]***
- (ii) ***Reliance Infrastructure Limited v. State of Maharashtra, (2019) 3 SCC 352 [Para. 29 & 32]***
- (iii) ***Tata Power Co. Ltd. Transmission v. MERC, 2022 SCC OnLine SC 1615 [Para. 123, 124, 129 and 131].***
- (iv) ***GRIDCO Ltd. Vs. Western Electricity Supply Company of Orissa Ltd. & Ors., etc. 2023 SCC OnLine SC 1249 [Para. 40 and 53]***

f) **The Electricity (Second Amendment) Rules, 2023** dated 26.07.2023 notified under Section 176 of the 2003 Act inter-alia lay down the framework for financial sustainability as under:

"20. Framework for Financial Sustainability: (1) The Aggregate

Technical and Commercial loss reduction trajectory to be approved by the State Commissions for tariff determination shall be in accordance with the trajectory agreed by the respective State Governments and approved by the Central Government under any national scheme or programme, or otherwise.

(2) The trajectory for both collection and billing efficiency, for distribution licensee shall be determined by the State Commission in accordance with the trajectory approved under sub-rule (1).

(3) **All the prudent costs of power procurement, incurred by distribution licensee for ensuring 24x7 supply of electricity to consumers under the Electricity (Rights of Consumers) Rules, 2020 and for meeting requirements as per Resource Adequacy plan prepared under the Electricity (Amendment) Rules 2022 shall be taken into account, provided that the procurement of power has been done in a transparent manner or procurement price has been approved by the Appropriate Commission.**

(4) **All the prudent costs incurred by the distribution licensee for creating the assets for development and maintenance of distribution system in accordance with sub-section (1) of section 42 of the Act shall be pass through:**

Provided that such pass-through of the cost for the assets created by the distribution licensee shall be subject to following conditions:-

(i) the asset has been created in accordance with the capex roll out plan for the licensee approved by the respective State Commission.

(ii) the asset has been procured in competitive and transparent manner.

(iii) the asset is geo-tagged and properly recorded in Fixed Asset Register.

(5) **Gains or losses accrued to distribution licensee due to deviation from approved Aggregate Technical and Commercial loss reduction trajectory shall be quantified on the basis of Average Power Purchase Cost and shared between the distribution licensee and consumers. Two third of the gains shall be passed on to the consumers in tariff and rest shall be retained by the distribution licensee. Two third of the losses shall be borne by the distribution licensee and rest shall be borne by the consumers.**

(6) **The operation and maintenance norms for distribution licensee shall be determined by the State Commissions in accordance with the guidelines issued by the Authority.**

(7) **Reasonable Return on Equity shall be permitted, with the assessment of overall risk and the prevalent cost of capital.**

(8) **The Return on Equity by the State Commission shall be aligned with the Return on Equity specified by the Central Commission for generation and transmission in its Tariff Regulations for the relevant period, with appropriate modification taking into account the risks involved in distribution business."**

- g) **Regulation 11 of the DERC Tariff Regulations, 2017** laid down the provisions for tariff filing by the distribution licensees inter-alia as follows:

“11. The Distribution Licensee shall submit Annual Tariff Petition, at least, one hundred and fifty (150) days prior to the end of relevant financial Year which shall contain:

- (1) Sales Forecast for the ensuing year and audited Sales for previous Year on monthly basis as prescribed in the Appendix-2;*
- (2) Expected Revenue to be billed for the ensuing year and audited Revenue Billed and Realized for previous Year as prescribed in the Appendix-2;*
- (3) Power Procurement Quantum & Cost for ensuing Year and audited Power Purchase Quantum & Cost for previous Year on monthly basis indicating Long Term and Short Term, Renewable Energy Purchase and other applicable Charges as prescribed in the Appendix -2:*

Provided that the Distribution Licensee shall propose the indicative cost of power procurement taking into account revenues from Short term sale of Surplus Power and maximum normative rebate available from each entity;

Provided that the Renewable Purchase Obligation of the Distribution Licensee as per the Delhi Electricity Regulatory Commission (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2012 as amended from time to time shall be part of the Distribution Licensee's Power Procurement Cost;

- (4) Actual and Expected intra- State & inter-State Transmission Loss & Charges including Load Dispatch Charges, Open Access Charge indicating maximum normative rebate available from each entity for the previous and ensuing Year respectively:*

Provided that the Distribution Licensee shall propose Wheeling Charges in case the distribution network of other Distribution Licensee is used for procurement of power for the Retail Supply Business;

- (5) Actual and Expected amount on account of Cross-Subsidy Surcharge and Additional Surcharge to be received by the Licensee, as approved by the Commission from time to time in accordance with the Delhi Electricity Regulatory Commission (Terms and Conditions of Open Access) Regulations 2005 as amended from time to time, shall be indicated separately against the consumer category by the Distribution Licensee;*

- (6) Actual Voltage wise Distribution Loss and Collection Efficiency for the previous Year;*

- (7) Energy Audit Report of distribution network of the Distribution Licensee for previous Year by certified energy auditor from Bureau of Energy Efficiency;*
- (8) Monthly Energy Balance for the ensuing & previous Year;*
- (9) Actual and Expected Additional Expenses on account of O&M beyond the Control of Distribution Licensee for the ensuing & previous Year respectively;*
- (10) Actual and Expected Capitalisation and Depreciation Schedule for the previous and ensuing Year respectively;*
- (11) Actual and Expected Non-Tariff Income including Other Business Income for the previous and ensuing Year respectively;*
- (12) Actual weighted average rate of interest on loan."*

- h) Applicable provisions of DERC Business Plan Regulations.
11. Projections for ensuing year are done on the basis of previous years' numbers and data analysis, few of which are outlined below:
- a) **Energy Sales**, to various consumer categories are projected on the basis of Past Year Compounded Annual Growth Rate ("**CAGR**").
 - b) **Distribution Loss and Collection Efficiency** are projected in accordance with the DERC Tariff Regulations, 2017 and the target specified by the Hon'ble Commission in DERC Business Plan Regulations, 2023.
 - c) **Power Quantum** to be purchased is projected on the basis of sales and Distribution Loss projected for the ensuing year. Various Power Purchase Agreements/ Short term and long term Contracts approved by the Hon'ble Commission are taken into consideration while projecting power purchase quantum.
 - d) **Power Purchase Cost** is projected on the basis of bills raised by Generating & Transmission companies in terms of the orders issued by

Hon'ble CERC, various Petitions filed by the Generating & Transmission Companies before Hon'ble CERC and/or this Hon'ble Commission based upon the applicability.

- e) **Operation and Maintenance Expenses** are projected on the basis of applicable provisions of the Tariff Regulations, 2017 and Business Plan Regulations.
- f) **Capital expenditure related expenses** are projected on the basis of capitalisation approved by the Hon'ble Commission in the Business Plan Regulations and in terms of the methodology specified in the Tariff Regulations, 2017.
- g) **Return on Capital Employed (RoCE)** is projected in terms of the methodology specified in the Tariff Regulations, 2017 and on the basis of the norms specified by the Hon'ble Commission in DERC Business Plan Regulations.

The above is subject to the orders passed by Hon'ble Delhi High Court in the pending Writ Petitions as well as any modification/ amendment of the DERC Business Plan Regulations in terms of the Electricity (Second Amendment) Rules, 2023.

- 12. Clause 24 of the License Conditions of Petitioner issued by the Hon'ble Commission also provides for the provision of revenue calculation and tariffs.
- 13. Therefore, it is respectfully submitted that this Hon'ble Commission may consider the following while deciding the instant Petition:
 - a) There has been **significant variation in Power Purchase Cost** as approved by the Hon'ble Commission in the Tariff Order dated 30.09.2021

vis-à-vis Power Purchase Cost incurred by the Petitioner during FY 2022-23 on account of various factors which were beyond the control and not attributable to the Petitioner including **change in law, fuel cost, increase in demand-supply gap** resulting in more frequent short term power purchases at higher costs. It is noteworthy that there has been no Tariff Order issued by the Commission for ARR of FY 2022-23 and FY 2023-24, and True Up of FY 2020-21 and FY 2021-22. Thus, it would be incumbent on this Hon'ble Commission to address this problem as power purchase cost constitutes around 75% - 80% of the total ARR of the Petitioner.

- b) The Petitioner has been facing imminent cash-flow challenges due to unrecovered expenses primarily on account of uncontrollable increase in the power purchase cost as well as accumulation and under recovery of Regulatory Asset (hereinafter referred to as the "**RA**").
- c) The Petitioner is aggrieved by the fact that undeniably, a cost reflective tariff has not been provided to the Petitioner ever since privatization. The Hon'ble Commission in its Statutory Advice to the Government of National Capital Territory of Delhi (hereinafter referred to as "**GoNCTD**") dated 15.12.2010 and 01.02.2013 has admitted that the Petitioner is facing an adverse financial position. Even independent experts appointed by GoNCTD, such as M/s. Price Waterhouse Coopers (hereinafter referred to as "**PwC**") in its report titled '*Advisory to Delhi Government Report on operational issues of Delhi Discoms*' have corroborated the said findings of the Hon'ble Commission on various occasions.

- d) The Petitioner has been and continues to be in a situation where its financial health and ability to pay for power procurement (which constitutes 75% - 80% of the Petitioner's expenses) besides statutory dues has been constrained and that too not for any reasons attributable to the Petitioner but for the legitimate costs and expenses being withheld in the form of RA.
- e) In addition to the above, the Petitioner is also not allowed the legitimate entitlements that have been approved through directives or the Orders issued by the Hon'ble Supreme Court, Hon'ble Tribunal in various appellate proceedings as well as the Orders of this Hon'ble Commission itself.
- f) The above position was admitted by the Hon'ble Commission itself in its Analysis (Annexure-XII) released along with the Hon'ble Commission's Tariff Order for FY 2011-12 wherein the Hon'ble Commission admitted that in the FY 2010-11 onwards, the power purchase cost was actually 154.65% of the total revenue billed of the Petitioner, as under:

"Based on the audited accounts of the DISCOMs, the Commission, in its advice dated 15.12.2010 to the GNCTD under Section 86(2) (iv) of the Electricity Act, 2003, had observed that there has been a very considerable increase in power purchase costs incurred by the distribution licensees during FY 2009-10 and FY 2010-11. The power purchase cost which normally does not exceed 80% of the revenue from retail sale of electricity has increased much beyond this level. Table-4 of the advice which summarizes the percentage of power purchase cost vs. total revenue billed is reproduced below:-

Name of Licensee	2008-09	2009-10	2010-11
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NDPL	76%	98%	104.02%
BRPL	83%	94%	131.83%
BYPL	73%	77%	154.65%
NDMC	65.5%	76.25%	114.05% (For April-Sep. 10-11)

g) The position has further aggravated which is evident from the fact that the RA has increased from ₹ 1627.58 Cr. (approved till FY 2011) to ₹ 3111 Cr. (approved till FY 2020). It is noteworthy that these approved figures do not include the impact of various directives/Orders issued by the Hon'ble Supreme Court, Hon'ble APTEL in various appellate proceedings as well as the Orders of this Hon'ble Commission.

14. It is imperative to note that in terms of Section 61 and 62 of the 2003 Act, the determination of ARR has to be based on the Petition in a manner ensuring timely recovery of all costs so that ultimately consumers do not have to bear burden of avoidable carrying cost on those amounts and costs that are not passed through in the retail tariffs on a regular basis.

15. Accordingly, the Petitioner is filing the present Petition to ensure prompt determination of ARR and Tariff for FY 2024-25 and requests the Hon'ble Commission to permit recovery of all expenses as prayed for to enable the Petitioner to:

- (a) comply with various directions of the Hon'ble Commission;
- (b) meet performance standards and mitigate the impact of the large increase in power purchase costs and other uncontrollable costs.

- (c) achieve realistic trajectory for various aspects of the regulated business based on the actual performance of the Petitioner during previous period.
 - (d) achieve the trajectory for controllable items under various heads based on the criteria mentioned for each of the individual tariff items in the Petition.
 - (e) Provide payment security mechanism to the generating and transmission companies subject to proceedings pending before various fora including the Hon'ble Supreme Court.
16. Further, the filing of Petition also includes Truing-up of Previous Year based upon the Audited Accounts available and applicable Regulations for that particular financial year.

PRINCIPLES OF TRUE UP UPTO FY 2022-23:

17. It is submitted that the present True Up Petition is filed in accordance with the principles contained in:
- a) Electricity Act, 2003;
 - b) DERC Tariff Regulations, 2007;
 - c) DERC Tariff Regulations, 2011;
 - d) DERC Tariff Regulations, 2017;
 - e) DERC Business Plan Regulations, 2017;
 - f) DERC Business Plan Regulations, 2019;
 - g) Tariff Policy, 2016 and National Electricity Policy, 2005;

- h) Judgment dated 18.10.2022 passed by the Hon'ble Supreme Court in Civil Appeal Nos. 4323 and 4324 of 2015 inter-alia laying down principles for true-up.
 - i) Various Judgments of Hon'ble Supreme Court/APTEL regarding:
 - (i) true-up of uncontrollable factors such as power purchase costs, energy sales, new initiatives, etc.; and
 - (ii) recovery of accumulated Revenue Gaps and allow suitable Tariff revision to recover estimated revenue shortfall;
 - (iii) fixation of financial and performance targets before the Tariff Year;
 - (iv) Regulations framed under the 2003 Act could not operate retrospectively.
 - (v) Approval of all expenses in the trueing up while determining ARR without deferring any or part of the expense in the form of RA.
18. Apart from the above, it is humbly submitted that the Hon'ble Commission while deciding the present True Up Petition may be pleased to consider:
- a) Actual energy procured and sold by the Petitioner during FY 2022-23.
 - b) Principles laid down by the Hon'ble Supreme Court and the Hon'ble APTEL in various Judgments and consequential impact thereof.
 - c) All costs prudently incurred by the Petitioner without any deferment in terms of the applicable Regulations.
 - d) Tariff Orders issued by Hon'ble CERC for various generating stations and Tariff Orders issued by this Hon'ble Commission for the Generating and

Transmission companies from which the Petitioner draws power, while
Truing-up the power purchase and transmission costs of the Petitioner.

19. Therefore, it is humbly submitted that allowing truing-up on urgent basis in terms of the principles of true up set out herein above is pivotal for the Petitioner to **(a)** meet its power purchase costs and other uncontrollable costs, **(b)** meet the performance standards as well as **(c)** comply with various directives specified by the Hon'ble Commission, which particularly entails expenditure. Timely completion of the true-up exercise allowing recovery of costs in a reasonable manner will not only have a positive impact on the Petitioner's ability to service the consumers/public but will also reduce the avoidable burden of carrying cost on deferred costs.
20. Accordingly, the Petitioner is filing the present Petition to ensure judicious Truing-up of expenses upto FY 2022-23 so as to permit recovery of expenses as prayed for in the present Petition as it impacts the Petitioners functioning in various ways (specifically for disallowances which are not in control of the Petitioner).
21. Further, it is respectfully submitted that the Hon'ble APTEL has in catena of judgments underscored the necessity for carrying truing-up of expenses for the financial viability of the licensees and utilities. The Hon'ble Tribunal has also emphasized on the requirement to carry out the exercise for true-up in a time bound manner and ensure speedy recovery of costs. Reliance is placed on Full Bench Judgment of Hon'ble Tribunal dated 11.11.2011 in OP No. 1 of 2011 In fact the Hon'ble Tribunal by subsequent Full Bench Judgment dated 14.11.2013 in **OP No. 1 & 2 of 2012 – BRPL v. DERC & Ors., 2013 SCC Online APTEL 137 [Paras. 38 & 40]** while reiterating the directions contained

in Para 65 (reproduced hereinbelow under Para 23 (b)) of Judgment dated 11.11.2011 in O.P No. 1 of 2011 had inter-alia directed Hon'ble Commission to take immediate steps for recovery of the admitted Revenue Gap and decide amortization schedule to avert the problems of cash flow, which may come in the way of smooth operation of the Distribution system and meeting the requirements of electricity of the consumers in the national capital in a reliable manner if not remedied in time. Full Bench Judgment in OP No1 and 2 of 2012 was upheld by the Hon'ble Supreme Court by Final Order and Judgment dated 01.12.2021, while dismissing this Hon'ble Commission's Civil Appeal Nos. 1854-55 of 2014.

22. Furthermore, Ministry of Power in its **Letter bearing No. 23/04/2021- R&R [257161] dated 01.04.2021** issued to various State Commissions ("SERCs") including this Hon'ble Commission has categorically stated that:

"timely issuance of the Tariff Orders and full cost of reflectiveness of tariff are important pre requisites for ensuring sustainability of the power sector and is also in the interest of the electricity consumers."

23. In the said letter dated 01.04.2021, the Ministry of Power has:

- a) Emphasised on 2003 Act and the Tariff Policy, 2016 and directed SERCs to avoid any further delays leading financial implications or non-compliance or deviation from the Statutes and policies and non-creation of RA. Para 4 of the letter states that:

"As per the act, the tariff should reflect and recover the cost of supply besides a reasonable return. There is no provision of creating regulatory assets. Para 8.2.2 of the Tariff policy 2016 states that the facility of a regulatory asset has been adopted by some regulatory commissions in the past to limit tariff impact in a particular year. This should be done only as a very rare exception"

in case of natural calamity or force majeure conditions and subject to the following:

- a. *Under business-as-usual conditions, **no creation of Regulatory Assets shall be allowed;***
- b. ***Recovery of Outstanding Regulatory Assets along with carrying cost of Regulatory Assets should be time bound and within a period not exceeding seven years (from the date of notification of Tariff Policy, 2016), the State Commission may specify the trajectory for the same."***

[Emphasis Added]

- b) The Ministry of Power has specifically relied upon Para 65 of Hon'ble Tribunal's Judgement dated 11.11.2011 in OP 1 of 2011 as extracted below:

"65 In view of the analysis and discussion made above, we deem it fit to issue the following directions to the State Commissions:

- i. *Every State Commission have to ensure that Annual Performance Review, true-up of past expenses and Annual Revenue Requirement and tariff determination is conducted year to year basis as per the time schedule specified in the Regulations.*
- ii. *It should be the endeavour of every State Commission to **ensure that the tariff for the financial year is decided before 1st April of the tariff year.** For example, the ARR & tariff for the financial year 2011- 12 should be decided before 1st April, 2011. The State Commission could consider making the tariff applicable only till the end of the financial year so that the licensees remain vigilant to follow the time schedule for filing of the application for determination of ARR/tariff.*
- iii. *In the event of **delay in filing of the ARR, truing up and Annual Performance Review**, one month beyond the scheduled date of submission of the petition, the State Commission must initiate Suo-moto proceedings for tariff determination in accordance with Section 64 of the Act read with clause 8.1 (7) of the Tariff Policy.*
- iv. *In **determination of ARR/tariff**, the revenue gaps ought not to be left and **Regulatory Asset** should not be created as a matter of course except where it is justifiable, in accordance with the Tariff Policy and the Regulations. The recovery of the Regulatory Asset should be time bound and within a period not exceeding three years at the most and preferably within Control Period. Carrying cost of the Regulatory Asset should be allowed to the*

utilities in the ARR of the year in which the Regulatory Assets are created to avoid problem of cash flow to the distribution licensee.

- v. **Truing up** should be carried out regularly and preferably every year. For example, truing up for the financial year 2009-10 should be carried out along with the ARR and tariff determination for the financial year 2011-12.
- vi. Fuel and Power Purchase cost is a major expense of the distribution Company which is uncontrollable. Every State Commission must have in place a mechanism for Fuel and Power Purchase cost in terms of Section 62 (4) of the Act. The Fuel and Power Purchase cost adjustment should preferably be on monthly basis on the lines of the Central Commission's Regulations for the generating companies but in no case exceeding a quarter. Any State Commission which does not already have such formula/mechanism in place must within 6 months of the date of this order must put in place such formula/ mechanism."

- c) Ministry of Power in Para 6 of the letter has specifically highlighted the ballooning regulatory asset as under:

*"despite the above explicit legal provisions, there are **significant delays in issuance of the Tariff Orders** by some of the State Commissions. **Regulatory Assets are being created by some of the State Electricity Regulatory Commissions** as a matter of routine. This is against the letter and spirit of the law and not only negatively impacts financials of the Distribution Licensees and their business sustainability but is also prejudicial to the public interest as the Discoms do not have enough money to buy power or maintain distribution systems. **As per the PRAAPTI portal, as on 28.02.2021, the overdue outstanding amounts to GENCOs payable by DISCOMS has crossed Rs. 1,24,437 Crore. The outstanding loans of distribution utilities is in the range of 6, 00, 000 Crore. The average gap of retail tariff vis-a-vis the annual revenue requirement is in the range of 72 Paise per unit (2018-19). The Regulatory assets is of the Order of 77,939 Crore"**.*

[Emphasis Added]

- 24. Ministry of Power on 03.05.2021 in furtherance of its communication dated 01.04.2021, has categorically emphasised on the provisions of the 2003 Act and Hon'ble Tribunal's Judgment in OP No. 1 of 2011 dated 11.11.2011 passed

by the Full Bench regarding timely determination of ARR and Truing up by the State Commissions and issues related to tariff revision.

25. Further, Ministry of Power in its Letter dated 11.11.2022 has directed all SERCs/JERC/s of all the States/UTs for determination of cost reflective tariff and liquidation of RA, to comply with the provision of 2003 Act and Tariff Policy and directions of the Hon'ble Tribunal and the Hon'ble Supreme Court. The Ministry of Power has specifically stated that:

*"It is observed that large Regulatory Assets have been created by some Commissions, without specifying the mandatory trajectory for recovery of such Regulatory Assets. This is in contravention of the law. The State Commissions are required to comply with the provisions of the Electricity Act, 2003 and the Tariff Policy and lay down a trajectory for recovery of Regulatory Assets along with carrying costs. **The State Commissions should also ensure that no fresh Regulatory Assets are created. The State Commissions should ensure that the provisions of the Electricity Act and the Tariff Policy, and directions of Hon'ble APTEL and Hon'ble Supreme Court are implemented.** Government are advised that any wilful violation of the law would come under the ambit of Section 90 (2) (f) of the Electricity Act.*

*For the financial viability of the Distribution licensees and the whole power sector, it is essential that the Regulatory Assets are liquidated at the earliest. It is requested that the latest status of Regulatory Assets and the **plan for liquidation of the same may be submitted to this Ministry within 30 days.***

This issues with the approval of Hon'ble Minister of Power & NRE"

26. The Hon'ble Supreme Court by its Judgment dated 18.10.2022 in Civil Appeal Nos. 4323 and 4324 of 2015 titled '**BYPL v. DERC**' and '**BRPL v. DERC**' respectively has *inter alia* held that:

- a) Tariff Order is quasi-judicial in nature which becomes final and binding on the parties unless it is amended or revoked under Section 64(6) or set aside by the Appellate Authority. At the stage of 'truing up', the DERC cannot

change the rules / methodology used in the initial tariff determination by changing the basic principles, premises and issues involved in the initial projection of ARR. **[Para. 51].**

- b) Truing Up been held by Hon'ble APTEL in **SLDC v. GERC, 2015 SCC Online APTEL 50 (Para. 17)** to mean the adjustment of actual amounts incurred by the licensee against the estimated / projected amounts determined under the ARR. Concept of 'truing up' has been dealt with in much detail by the APTEL in its judgment in **NDPL v. DERC, 2007 ELR (APTEL) 193(Para. 60)**. This view has been consistently followed by the Hon'ble APTEL in its subsequent judgments. **[Para. 52-53]**
- c) True up stage is not an opportunity for the Hon'ble Commission to rethink *de novo* on basic principles, premises and issues involved in initial projections of the revenue requirement of the licensee. **[Para. 53 & 66]**
- d) **True up exercise cannot be done to retrospectively change the methodology / principles of tariff determination and re-opening the original tariff determination order thereby setting the tariff determination process to a naught at 'true-up' stage. [Para. 53]**
- e) Revision or re-determination of tariff already determined by the DERC on the pretext of prudence check and truing up would amount to amendment of the Tariff Order, which can be done only as per the provisions of Section 64(6) of 2003 Act within the period for which the Tariff Order was applicable. DERC cannot amend the Tariff Order in the guise of 'true-up' after the relevant financial year is over and the same is replaced by a subsequent Tariff Order. This would amount to a retrospective revision of tariff when the

relevant period for such Tariff Order is already over. It is not permissible to amend the Tariff Order made under Section 64 of the 2003 Act during the 'truing up' exercise. [**Para 55**]

27. It is trite law that the tenets of judicial discipline and propriety requires that the orders of the higher Appellate authorities/superior courts must be followed scrupulously and unreservedly by its subordinate authorities. The direction of the Hon'ble APTEL and the Hon'ble Supreme Court are binding on the Hon'ble Commission. If the subordinate authority refuses to carry out the directions or to follow the dictums issued by the superior court in the exercise of Appellate powers, the result would be chaos in the administration of the justice. In fact, it will be destructive of one of the basic principles of the administration of justice. Therefore, the judgments delivered by the Hon'ble Tribunal and Hon'ble Supreme Court ought to be implemented in their true letter and spirit by the Hon'ble Commission. This principle of law has been upheld in a catena of judgments, viz.:

Hon'ble Supreme Court's Judgments:

- a) Judgment dated 05.10.2023 in Civil Appeal No. 414 of 2007 titled '*GRIDCO Ltd. v. Western Electricity Supply Company of Orissa Ltd. & Ors.*'
- b) Order dated 15.12.2022 in MA Nos. 633-634 and 1261-1262 of 2022 in CA Nos. 9003-04 of 2011 and CA Nos. 884 & 980 of 2010 respectively.
- c) Judgment dated 18.10.2022 in CA No. 4323-4324 of 2015;
- d) Judgment dated 01.12.2021 in Civil Appeal No. 980 of 2010 – BSES Yamuna Power Ltd. V Delhi Electricity Regulatory Commission and Batch
- e) (2004) 5 SCC 1-Tirupati Balaji Developers (P) Ltd V State of Bihar;

- f) (1992) Supp (1) SCC 443-Smt Kausalya Devi Bogra and Ors V Land Acquisition Officer, Aurangabad an Anr;
- g) (1984) 2 SCC 324 –Union of India v Kamalkshi Finance Corporation
- h) (2013) 2 SCC 398-Kishore Samrite v State of UP and Ors;

Hon'ble Tribunal's Judgments:

- a) Order dated 23.03.2023 of Hon'ble APTEL's in I.A. No. 1766 of 2022 in Appeal No. 334 of 2021 filed by TPDDL
 - b) Order dated 09.08.2021 in IA No.956 & 968 of 2021 in Appeal No. 290 & 297 of 2015
 - c) Order Dated 07.06.2021 in IA No. 861& 860 of 2021 in Appeal No. 235 & 236 of 2014
 - d) Judgment dated 24.05.2022 in Appeal No. 332 of 2021 (and batch)
 - e) Judgment dated 27.02.2013 in Appeal No. 184 of 2011 (Para 39)
 - f) Judgment dated 31.01.2013 in Appeal No. 59 of 2012 (Para 32)
 - g) Judgment dated 30.01.2013 in Appeal No. 55 of 2012 (Para 37)
28. In a similar view, it is trite law that mere filing of an appeal does not amount to automatic stay of a judgment and these Judgments have to be implemented. Mere filing of the Appeal without getting stay of the operation of the judgment of the Hon'ble Tribunal and/or mere proposal to file the Appeal before the Hon'ble Supreme Court could not be the ground for refusal to implement the judgment of the Hon'ble Tribunal. This principle has been laid down in the following judgments:

- h) *Atma Ram Properties (P) Ltd. vs. Federal Motors Pvt. Ltd. reported as (2005) 1 SCC 705 (Paras 9 & 10)***
- i) *Madan Kumar Singh vs. District Magistrate Sultanpur reported as (2009) 9 SCC 79 (Para 14)***
- j) *Thirunavukkarasu Mudaliar (Dead) by LRs. vs. Gopal Naidu (Dead) by LRs. reported as (2006) 12 SCC 390 (Para 26)***

29. It is further submitted that any action or omission by a subordinate authority/court which negates or violates or refuses to give effect to a direction given by a superior court/tribunal has been repeatedly held to be a denial of justice which is destructive of basic principles in the administration of justice and majesty of courts. This aspect has been dealt by the Hon'ble Supreme Court in various decisions in detail. Those decisions are as under:

- k) *Bhopal Sugar Industries Ltd. vs. ITO, Bhopal reported as AIR 1961 SC 182 (Paras 7-10 and 12)***
- l) *RBF Rig Corp. vs. Commissioner of Customs reported as (2011) 3 SCC 573 (Paras 17-19, 23-27)***
- m) *Smt. Kausalya Devi Bogra vs. Land Acquisition Officer reported as (1984) 2 SCC 324 (Paras 6-8 & 14)***

30. It is well settled that the direction of the Appellate Court is certainly binding on the courts subordinate thereto. Judicial discipline requires and decorum known to law warrants that appellate directions should be taken as binding and followed. Mere fact that the order of the appellate authority is not "acceptable" to the subordinate authority cannot and should not be the ground for not following the said directions. Filing of the Petition should not be treated as

curtailing any right or claim of the Petitioner, which it is permitted to recover in terms of its License and Orders of the Hon'ble Commission, Hon'ble Tribunal (including the principle of parity / equality in treatment of Discoms) and or any other proceedings relevant to the entitlement of the Petitioner.

31. Infact, the Hon'ble Supreme Court in a recent Judgment dated 05.10.2023 in Civil Appeal No. 414 of 2007 titled '*GRIDCO Ltd. v. Western Electricity Supply Company of Orissa Ltd. & Ors.*' was pleased to hold that Hon'ble Supreme Court has serious doubt about the propriety and legality of the act of the Commission of preferring appeals against the orders of the Hon'ble APTEL in appeal by which its own orders have been corrected, as under:

*"The Appellate Tribunal in appeals has dealt with the legality and validity of the decisions of the Commission rendered in the exercise of quasi-judicial power. In short, the Appellate Tribunal has tested the correctness of the orders of the Commission. **The Commission is bound by the orders of the Appellate Tribunal. Therefore, we have serious doubt about the propriety and legality of the act of the Commission of preferring appeals against the orders of the Appellate Tribunal in appeal by which its own orders have been corrected. The Commission cannot be the aggrieved party except possibly in one appeal where the issue was about the non-compliance by the Commission of the orders of the Appellate Tribunal. If the Commission was exercising legislative functions, the position would have been different.**"*

JUDGMENTS OF HON'BLE SUPREME COURT AND HON'BLE APTEL

32. The Petitioner humbly requests the Hon'ble Commission to comply with the Orders and directives issued by the Hon'ble Supreme Court and the Hon'ble APTEL in the Appeals against Orders of the Hon'ble Commission. It is settled law that directions of superior courts i.e., the Hon'ble Supreme Court and the Hon'ble APTEL, are binding on the Hon'ble Commission being the subordinate

authority. As such, consequential impact of the following judgments and directions contained therein must be granted to the Petitioner without any further delay:

- a) Hon'ble Supreme Court's Judgment dated 01.12.2021 passed in Civil Appeal Nos. 884 & 980 of 2010, 9003-04 of 2011 and 1854-1855 of 2014 respectively in the matter of Delhi Electricity Regulatory Commission v. BSES Yamuna Power limited / BSES Rajdhani Power Limited.
- b) Hon'ble Supreme Court's Judgment dated 18.10.2022 passed in Civil Appeal Nos. 4323 & 4324 of 2015 respectively in the matter of BSES Yamuna Power limited / BSES Rajdhani Power Limited v. Delhi Electricity Regulatory Commission.
- c) Hon'ble Supreme Court's Judgment dated 15.12.2022 passed in Miscellaneous Application Nos. 633 & 634 of 2022 in Civil Appeal No. 9003 & 9004 of 2011, Miscellaneous Application Nos. 918 & 919 of 2022 in Civil Appeal No. 884 & 980 of 2010, Miscellaneous Application Nos. 1261 & 1262 of 2022 in Civil Appeal No. 884 & 980 of 2010.
- d) Hon'ble APTEL order dated 21.04.2023 in RP No. 16 & 17 of 2015 in Appeal No.177 & 178 of 2012 in the matter of BSES Yamuna Power limited / BSES Rajdhani Power Limited v. Delhi Electricity Regulatory Commission.
- e) Hon'ble APTEL's order dated 17.4.2023 in IA No. 1262 & 1263 of 2022 in Appeal No. 246 & 247 of 2021 in the matter of BSES Yamuna Power limited / BSES Rajdhani Power Limited v. Delhi Electricity Regulatory Commission.

- f) Judgment dated 31.08.2021 passed in Appeal No. 5 & 6 of 2019 & 34 of 2020 respectively in the matter BSES Yamuna Power limited / BSES Rajdhani Power Limited v. Delhi Electricity Regulatory Commission
- g) Order dated 09.08.2021 in IA No.956 & 968 of 2021 in Appeal No. 290 & 297 of 2015 in the matter of BSES Yamuna Power limited / BSES Rajdhani Power Limited v. Delhi Electricity Regulatory Commission
- h) Order dated 07.06.2021 in IA No. 861& 860 of 2021 in Appeal No. 235 & 236 of 2014 in the matter of BSES Yamuna Power limited / BSES Rajdhani Power Limited v. Delhi Electricity Regulatory Commission

33. **Delay in granting consequential impact of issues already decided in favor of the Petitioner which have either attained finality or have no stay by a superior Court operational against them are as under: -**

- a) Hon'ble Supreme Court Order dated 15.12.2022 in Miscellaneous Application Nos. 633 & 634 of 2022 in Civil Appeal No. 9003 & 9004 of 2011, Miscellaneous Application Nos. 918 & 919 of 2022 in Civil Appeal No. 884 & 980 of 2010, Miscellaneous Application Nos. 1261 & 1262 of 2022 in Civil Appeal No. 884 & 980 of 2010. **[320] days**
- b) Hon'ble Supreme Court Order dated 18.10.2022 in Civil Appeal Nos. 4323 and 4324 of 2015 against APTEL judgment dated 28.11.2014; **[377] days**
- c) Hon'ble Supreme Court Order dated 01.12.2021 in Civil Appeal Nos.1854 & 1855 of 2014 against OP No. 1 & 2 of 2012 in Order dated 14.11.2013; **[3938] days**

- d) Hon'ble APTEL Judgment dated 31.08.2021 passed in Appeal No. 5 & 6 of 2019 & 34 of 2020 respectively in the matter BSES Yamuna Power limited / BSES Rajdhani Power Limited v. Delhi Electricity Regulatory Commission; **[491] days**
- e) Hon'ble APTEL Order dated 09.08.2021 passed in Appeal No. 290 & 297 of 2015 respectively in the matter of BSES Yamuna Power limited /BSES Rajdhani Power Limited Vs. Delhi Electricity Regulatory Commission; **[813] days**
- f) Hon'ble APTEL Order dated 07.06.2021 passed in Appeal No. 235 & 236 of 2014 respectively in the matter of BSES Rajdhani Power limited /BSES Yamuna Power Limited Vs. Delhi Electricity Regulatory Commission; **[876] days**
- g) Hon'ble APTEL Judgment dated 11.11.2011 passed in O.P. No. 1 of 2011; respectively in the matter of BSES Rajdhani Power limited /BSES Yamuna Power Limited Vs. Delhi Electricity Regulatory Commission; **[4372] days**
- h) Hon'ble APTEL Judgment dated 28.11.2014 in Appeal No. 61 & 62 of 2012; 02.03.2015 in Appeal No. 177 & 178 of 2012; respectively in the matter of BSES Rajdhani Power Limited/ BSES Yamuna Power Limited vs. Delhi Electricity Regulatory Commission & Others.; **[5144], [4494], [3259], [3165] & [3091] days**
- i) Hon'ble APTEL Judgment dated 30.07.2010 in Appeal No. 153 of 2009, 31.05.2011 in Appeal No. 52 of 2008, 28.11.2013 in Appeal No. 14 of 2012 and 30.09.2019 in Appeal No. 246 of 2014, respectively in the matter of North Delhi Power Limited/TPDDL vs. DERC., in accordance with the

principle of maintaining equity and parity amongst all the Discoms. It is trite law that the Commission has to treat all the distribution licensees on the same scale and no one of them can be either victimized or favoured on account of the stands or pleas taken by them during the tariff hearings, as held by the Hon'ble APTEL in the Judgment dated 06.10.2009 in Appeal No.36 & 37 of 2008 (Para 56). **[4841], [4536], [3624], [1492] days.**

PENDING PROCEEDINGS IN VARIOUS FORA:

34. In addition to the above, various issues are pending in the following Appeals before Hon'ble APTEL. In the event the Hon'ble Commission renders relief to the Petitioner on the said issues, then to that extent the same will have twin benefits in as much as further litigation can be contained as well as the exposure of carrying costs on the consumers could also be contained.
- a) Appeal No. 158 & 159 of 2023, Appeal Nos. 246 & 247 of 2021, 105 of 2020 & 376 of 2019, 193 & 214 of 2018, 69/72 & 70/71 of 2018, 290 & 297 of 2015, 235 & 236 of 2014, and 265 & 266 of 2013 pending adjudication before the Hon'ble Tribunal.
 - b) Appeal No. 155 & 156 of 2015 and Appeal No. 230 & 231 of 2014
 - c) Appeal No. 16 of 2019
 - d) Appeal No. 30 & 31 of 2019 and Appeal No. 397 & 441 of 2019.
35. Accordingly, the Petitioner is filing the present Petition for True Up till FY 2022-23 and ARR for FY 2024-25 seeking timely truing up and determination of cost reflective tariff. The Petitioner humbly requests the Hon'ble Commission to permit recovery of all expenses as prayed for in the present petition.

FACTORS IMPACTING THE PETITIONER AND THE CONSUMERS:

36. A commercially sustainable tariff is a *sine qua non* for the health of the electricity sector. The financial health of Discom is in the larger interests of the consumers themselves. The entire scheme and intent of the 2003 Act is premised on safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner (Section 61(d)). As such, consumer interest does not lie in lower tariff alone. It lies equally, if not more, in the financial health of the Utilities which are dedicated to serve their consumers as mandated under Section 61 (d) and (g) of the 2003 Act.
37. It is further submitted that the Petitioner is severely affected owing to the following factors amongst others, and therefore the Petitioner requests the Hon'ble Commission to take the same into consideration while disposing of the present Petition, including: -
- a) Creation of new RA and non-amortization of existing RA in a time bound manner and continuance of non-cost-reflective tariff over the years, for the Petitioner;
 - b) Absence of justifiable True up of uncontrollable expenditure including but not limited to power purchase costs;
 - c) Long Regulatory time taken in True up of uncontrollable expenditure;
 - d) Variation in the power purchase costs nationwide which is uncontrollable;
 - e) Realistic rate of short-term power purchase is higher than the rate factored in by the Hon'ble Commission and the differential amount from the total power purchase cost creates an adverse impact on the Petitioner

- f) Continued buildup of Revenue Gap and RA since FY 2006-07;
- g) Absence of any time bound mechanism for recovery of accumulated shortfall;
- h) Lower rates of carrying costs which should be revised in accordance with Hon'ble Supreme Court's directions.
- i) Very low rate of recovery of carrying cost of RA, which ought to be in consonance with various judgments of the Hon'ble Supreme Court thereby ensuring that the Petitioner not only recovers the carrying cost on the RA during the year but also one-third of the outstanding RA principal. In terms of the same, the surcharge ought to be revised appropriately so that the RA is recovered speedily without burdening the future consumers with the past costs. It is submitted that the prior decisions of the Hon'ble Commission to continue to retain a meagre surcharge of 8% over the revised tariff hikes at the very root of the ability of the Petitioner to be in a position to clear its outstanding dues to the generating companies and the transmission licensee who have/had issued disconnection notices and Ministry of Power letters on payment security mechanism.
- j) Non-implementation of various Judgments of the Hon'ble Supreme Court and the Hon'ble APTEL.
- k) Non-implementation of power purchase cost adjustment on a monthly basis for speedy recovery of (i) Variation in Price of Fuel from long term sources of Generation; (ii) Variation in Fixed Cost on account of Regulatory Orders from Long Term sources of Generation; (iii) Variation

in Transmission Charges and (iv) variation on account of short-term purchase and sale of surplus power.

- l) Long Pending Truing up of Capex and Capitalization since FY 2004-05 despite undertaking by this Hon'ble Commission to the Hon'ble APTEL. Further, provisional allowance of reduced capitalization on account of delay in physical verification exercise contrary to the statutory mandate for quarterly physical verification under Business Plan Regulations, resulting in deferred Truing up of Capex and Capitalization.
 - m) Challenges faced by the Petitioner in raising funds from financial institutions due to the continued absence of time bound amortization schedule of the Regulatory Asset by the Hon'ble Commission which is required in line with the Revised Tariff Policy, 2016 and findings of the Hon'ble Tribunal in its various judgments.
 - n) No financial support to the Petitioner under the various Central Government Schemes which are otherwise available to State Discoms.
 - o) Seriously exacerbating the financial crisis owing to the non-cost reflective tariffs as determined under the various tariff orders as well as creation of revenue gap year after year and creation of regulatory assets as an ordinary course rather than the statutory mandate of it being required to be created only as a matter of exception. Consequentially, resulting in a situation where financial institutions are not willing to extend financial assistance to the Petitioner to carry on its licensed business.
38. The Petitioner is filing the present Petition to seek the truing up of expenses up to FY 2022-23 and determination of tariff for FY 2024-25. Though the Petitioner

has made all efforts and has tried diligently to ensure the filing of a comprehensive Petition, it may be possible that some aspects/ components/ claims have not been dealt in detail and/or may have been inadvertently omitted. It is submitted that such inadvertent omission/deficiency, if any, would not amount to any waiver of any entitlement/claim by the Petitioner. The Petitioner craves leave of this Hon'ble Commission and reserves its rights to supplement the present Petition with additional facts, additional affidavits, additional submissions and claims, if any.

39. The filing of the Petition should not be treated as curtailing any right or claim of the Petitioner, which it is permitted to recover in terms of its License and Orders of the Hon'ble Commission, Hon'ble Tribunal (including the principle of parity / equality in treatment of Discoms), the Hon'ble Supreme Court and or any other proceedings relevant to the entitlement of the Petitioner.

PRAYERS AND RELIEF SOUGHT:

40. In view of the above, the Petitioner most respectfully prays that the Hon'ble Commission may be pleased to grant the following prayers / reliefs to the Petitioner:

- A. Take the present Petition on record and admit the same;
- B. Approve the true up of expenses and revenue for FY 2022-23 along with financial impact of past claims up to FY 2021-22 by implementing the Judgments of the Hon'ble Supreme Court and that of the Hon'ble Tribunal;

- C. Approve time bound amortization of the accumulated Revenue Gap up to FY 2022-23 as also the approved Regulatory Asset and carrying cost thereof through a surcharge;
- D. Approve the ARR as submitted in Chapter-4 and Tariff for FY 2024-25 as submitted in Chapter-5;
- E. Adjust the gap in power purchase cost by reassigning the allocation of power in terms of Regulation 121 of DERC Tariff Regulations, 2017;
- F. Adjust the gap between the power purchase cost projected for FY 2024-25 in the instant petition and that approved in the Tariff Order dated 30.09.2021 for ARR year, through suitable additional PPAC during FY 2024-25;
- G. Defer and/or carry forward the compliance of RPO for FY 2022-23;
- H. Determine carrying costs in compliance with the directions of the Hon'ble Supreme Court as contained in its Order dated 15.12.2022 passed in Miscellaneous Application Nos. 633 & 634 of 2022 in Civil Appeal No. 9003 & 9004 of 2011.
- I. Allow O&M expenses as per Regulations 87, 92 and 93 of the DERC (Terms & Conditions for Determination of Tariff) Regulations, 2017 and also Regulation 23 of the DERC (Business Plan) Regulations, 2019 in compliance with the Hon'ble Tribunal Order dated 17.4.2023 passed in IA No. 1262 & 1263 of 2023 in Appeal No. 246 & 247 of 2021;
- J. Provide tariff entitlements of the Petitioner, accruing out of implementation of Hon'ble Supreme Court's Judgments dated 01.12.2021 and 18.10.2022 and Order dated 15.12.2022, Judgments / Orders of Hon'ble APTEL as well as own Orders of the Hon'ble Commission, to be allowed to be recovered in

- 7 years on the analogy for amortization of Regulatory Asset under the Tariff Policy 2016, through a separate surcharge over and above the existing surcharge with immediate effect;
- K. Provide for suitable surcharge for amortisation of balance RA in terms of Hon'ble APTEL's Judgment dated 14.11.2013 in OP No. 1 and 2 of 2012 read with Judgment dated 11.11.2011 in OP 1 of 2011 and the Tariff Policy 2016;
- L. Grant tariff entitlements (principal and carrying cost) in terms of directions issued in IA No. 1265 & 1264 of 2022 in Appeal No. 246 & 247 of 2021 & IA No. 1262 & 1263 of 2022, IA No. 956 & 968 of 2021 in Appeal No. 290 & 297 of 2015, IA No. 861 & 860 of 2021 in Appeal No. 235 & 236 of 2014, Appeal No. 142 of 2009, Appeal No. 36 and 37 of 2008, Appeal No. 61 of 2012 and Appeal No. 177 of 2012 and RP No. 13 of 2015; Appeal 103 of 2017 and Appeal No. 110 of 2014; Appeal No. 153 of 2009, Appeal No. 52 of 2008, Appeal No. 14 of 2012 and Appeal No. 246 of 2014 by the Hon'ble APTEL;
- M. In line with the Ministry of Power Letter No. F.No.07/01/2021-RCM-Part (1) dated 11.11.2022, it is humbly submitted to consider the Statutes and policies on non-creation of regulatory assets and provide a full cost reflective tariff;
- N. In terms of Section 62(4) of the 2003 Act read with the Electricity (Amendment) Rules, 2022 dated 29.12.2022 and Electricity (Amendment) Rules, 2023 dated 30.06.2023, it is humbly requested to align the existing power purchase cost adjustment formula to include the following:

- (a) Variation in Price of Fuel from long term sources of Generation;
 - (b) Variation in Fixed Cost on account of Regulatory Orders from Long Term sources of Generation;
 - (c) Variation in Transmission Charges and
 - (d) Variation on account of short-term purchase and sale of surplus power.
 - (e) Recovery of all of the above on monthly basis without any capping
- O. In terms of Section 61 (a) to (i) of 2003 Act read with the Electricity (Second Amendment) Rules, 2022 dated 26.07.2023, it is humbly requested to allow pass-through of all prudent costs incurred by the Petitioner including reasonable Return on Equity in order to ensure financial sustainability of the Petitioner;
- P. Give effect to all orders/directions/ judgments that are issued by the Hon'ble Supreme Court and the Hon'ble APTEL or including directions that may be passed by the Superior Courts (Hon'ble Supreme Court, Hon'ble Delhi High Court and Hon'ble APTEL) during the pendency of this Petition and grant reliefs in terms of the directions therein;
- Q. Approve the Tariff Proposal as prayed in Chapter 5 of this Petition;
- R. Grant liberty, if necessary, to allow additions / alterations / changes/ modifications to the Petition and permit the Petitioner to place on record any developments/ facts/ documents, computations of financial impact pursuant to Orders and directions of Superior courts that come to the knowledge of the Petitioner at a future date;

S. Condone any inadvertent omissions/ errors/ rounding off difference/ shortcomings; and

T. Pass any order or further order/s and grant any other relief which this Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.

Prayed accordingly

Petitioner

Through:

DGM - Regulatory

Authorized Signatory

BSES Yamuna Power Limited

Amee Singh



Sanjeev Singh



BSES
BSES Yamuna Power Limited



Chapter 2A

Performance during FY 2022-23

Sanjeev Singh



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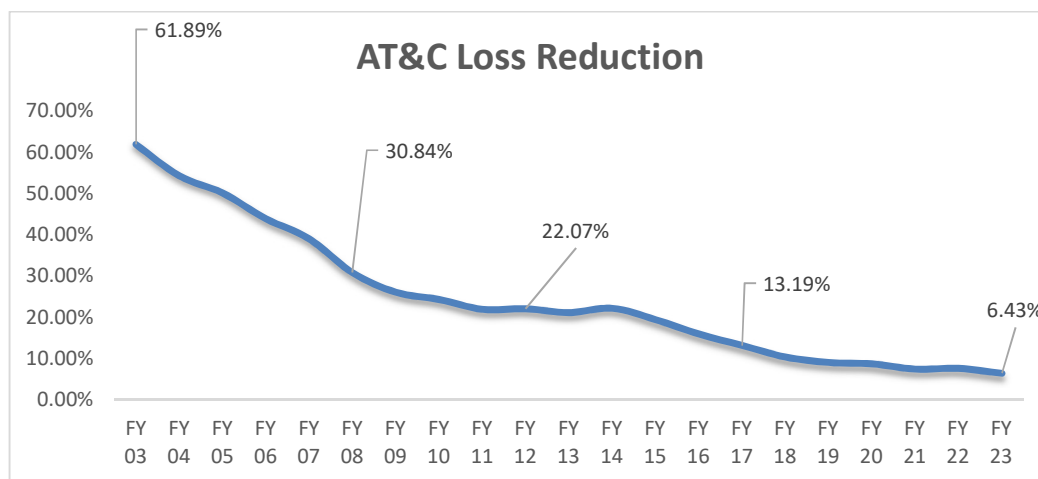


2A. PERFORMANCE DURING FY 2022-23**Distribution Loss Reduction Performance of the Petitioner**

- 2A.1 Reduction in Distribution loss level is a pivotal benchmark for any distribution utility like the Petitioner. The privatization of the distribution business in Delhi had the fundamental mandate of accelerated reduction in Distribution loss levels. The Business Plan Regulations, 2019 read with DERC Tariff Regulations, 2017 incorporate stringent Distribution loss reduction trajectory for the Petitioner.
- 2A.2 The Petitioner has been able to consistently reduce Distribution loss levels year-on-year since privatization and has the distinction of achieving one of the highest per year average loss reduction for any private distribution utility in the country. The Petitioner has achieved Distribution Loss of 7.24% over the target of 8.50% approved by the Hon'ble Commission.
- 2A.3 During FY 2022-23, the AT&C Losses were reduced from a level of over 61.89% in FY 2002-2003 to 6.43% at the end of FY 2022-23. Thus, the Petitioner has shown exemplary performance in the loss reduction with an average reduction of ~3% per annum in absolute terms since July 2002. The reduction is amongst the highest average loss reduction rate achieved by any power distribution utility in the country.
- 2A.4 Further, REC, appointed by Government of India (GoI) through Ministry of Power (MoP), has published a report on Consumer Service Rating of DISCOMs (CSRD) on 12.04.2023 wherein it has rated the Petitioner amongst the top DISCOM in the country for Customer Services.

2A.5 The graph below shows a steep and consistent decline in the AT&C loss levels in last 20 years indicating considerable results from various loss reduction initiatives taken from time to time:

Figure 2A 1: AT&C Loss levels since takeover



Performance Standards

2A.6 The Petitioner has been consistent in delivering services adequately meeting the standards of performance prescribed by the Hon'ble Commission. The Standards of Performance that has been achieved by the Petitioner with respect to targets specified by the Hon'ble Commission is tabulated here as follows:

I. Power Supply Failure

- a) **Continuous power failure affecting individual consumer and group of consumer upto 100 connected at Low voltage supply:** The Petitioner has been able to achieve compliance of 99% against Hon'ble Commission's benchmark of 95%.

- b) **Continuous power failure affecting more than 100 consumers connected at Low voltage supply:** The Petitioner has been able to achieve compliance of 96% against Hon'ble Commission's benchmark of 95%.
- c) **Continuous power supply failure requiring replacement of distribution transformer:** The Petitioner has been able to achieve compliance of 100.0% against Hon'ble Commission's benchmark of 95%.
- d) **Continuous power failure affecting consumers connected through High Voltage Distribution System (HVDS):** The Petitioner has been able to achieve compliance of 100.0% against Hon'ble Commission's benchmark of 95%.
- e) **Continuous scheduled power outages:** The Petitioner has been able to achieve compliance of 100.0% against Hon'ble Commission's benchmark of 95%.
- f) **Replacement of burnt meter or stolen Meter:** The Petitioner has been able to achieve compliance of 98% against Hon'ble Commission's benchmark of 95%.
- g) **Scheduled Outage:** The Petitioner has been able to achieve compliance of 100.0% in 'maximum duration in single stretch' and 100.0% in 'Restoration of supply by 6 PM' against Hon'ble Commission's benchmark of 95%.

- h) **Faults in street light maintained by the Licensee:** The Petitioner has been able to achieve compliance of 99% against Hon'ble Commission's benchmark of 90%.
- i) **Percentage billing mistakes:** The Petitioner has been able to be under the limit of 0.011% against the Hon'ble Commission's benchmark of limit of 0.2%.

Table 2A. 1: Performance during FY 2022-23

Sr. No.	Service Area	Overall Standards of Performance	Total Cases Received/ Reported (A)	Complaints Attended (B)		Standard of Performance achieved (C)%
				Within Specified Time	Beyond specified time	
1	Power Supply Failure					
(i)	Continuous power failure affecting individual consumer and group of consumer upto 100 connected at Low voltage supply, excluding the failure where distribution	At least 95% calls received should be rectified within prescribed time limits	403921	400527	2719	99%

Sr. No.	Service Area	Overall Standards of Performance	Total Cases Received/ Reported (A)	Complaints Attended (B)		Standard of Performance achieved (C)%
				Within Specified Time	Beyond specified time	
	transformer requires replacement					
(ii)	Continuous power failure affecting more than 100 consumers connected at Low voltage supply excluding the failure where distribution transformer requires replacement		3414	3293	112	96%
(iii)	Continuous power supply		28	28	0	100%

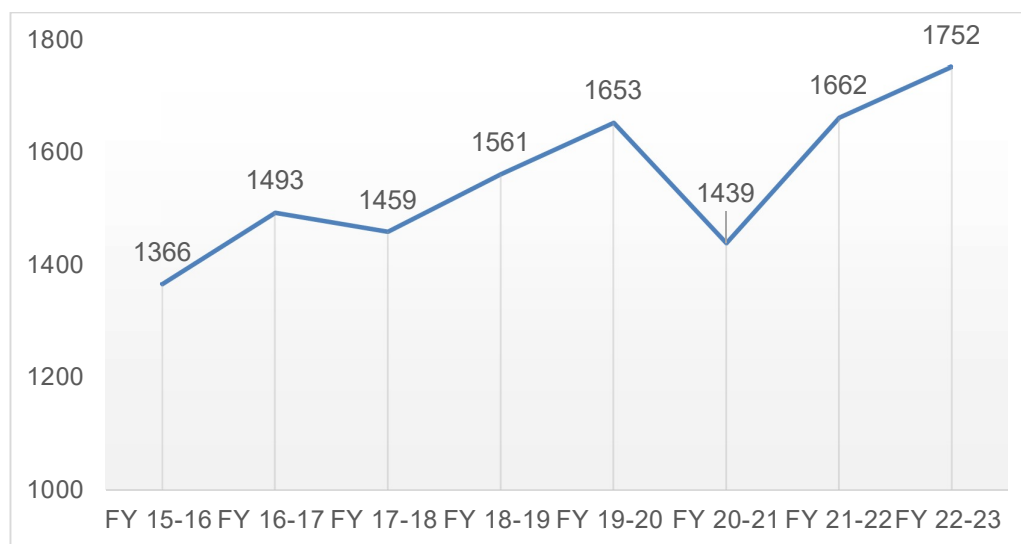
Sr. No.	Service Area	Overall Standards of Performance	Total Cases Received/ Reported (A)	Complaints Attended (B)		Standard of Performance achieved (C)%
				Within Specified Time	Beyond specified time	
	failure requiring replacement of distribution transformer.					
(iv)	Continuous power failure affecting consumers connected through High Voltage Distribution System (HVDS) and not covered under (i) and (ii) above		5693	5691	2	100%
(v)	Continuous scheduled power outages	At least 95% of cases resolved within time limit	18393	18388	0	100%
(vi)	Replacement of burnt		502	490	7	98%

Sr. No.	Service Area	Overall Standards of Performance	Total Cases Received/ Reported (A)	Complaints Attended (B)		Standard of Performance achieved (C)%
				Within Specified Time	Beyond specified time	
	meter or stolen Meter					
Period of scheduled outage						
2	Maximum duration in a single stretch	At least 95% of cases resolved within time limit	5518	5518	0	100%
	Restoration of supply by 6:00 PM		5518	5516	2	100%
3	Faults in street light maintained by the Licensee	At least 90% cases should be complied within prescribed time limits	15079	14880	199	99%
Reliability Indices						
4	SAIFI	To be laid down by the Commission based on SAIDI the targets proposed by the Licensees.	2.39			
	SAIDI		1.79			
	CAIDI		0.75			
5	Frequency variation	To maintain supply frequency				

Sr. No.	Service Area	Overall Standards of Performance	Total Cases Received/ Reported (A)	Complaints Attended (B)		Standard of Performance achieved (C)%
				Within Specified Time	Beyond specified time	
		within range as per IEGC.				
6	Voltage imbalance	Maximum of 3% at point of commencement of supply				
			Total Bills received during the year	No. of Bills with Mistakes		
4	Percentage billing mistakes	Shall not exceed 0.2%	22347725	2362		0.011%

Peak Demand

2A.7 The Petitioner has successfully met the peak demand of 1,752 MW during FY 2022-23 as against the 1,662 MW in FY 2021-22. The growth in peak demand witnessed in the last 8 years is given below:

Figure 2A 2: Trajectory of Peak Power demand in last 8 years

Growth in Consumer Base

2A.8 Total number of consumers being served by the Petitioner at the end of FY 2022-23 was 19.04 lakh as against 18.29 lakh consumers during the previous year, an annual growth of 4.10%. Evidently, our consumer density is one of the largest among the private distribution utility in the country.

Improvement in Distribution Network

2A.9 To maintain service quality, strengthening, upgrading and modernizing the distribution network is a consistent effort put by the Petitioner. There has been a commensurate increase in the distribution network capacity across all levels - EHV/HT/LT for improving the services and supply reliability. This is despite regular challenges with respect to space constraints and other hindrances in the license area being served by the Petitioner.

2A.10 The network augmentation during FY 2022-23 is tabulated below:

Table 2A. 2: Network Augmentation during FY 2022-23

Sr. No.	Particulars	Addition during FY 22-23
1	No. of Power Transformers	2
2	EHV Capacity (MVA)	59
3	Shunt Capacitors (MVar)	7.2
4	No. of Distribution Transformers*	29
5	Distribution Transformer Capacity** (MVA)	62.4
6	No. of 11 kV feeders	10
7	Length of 11 kV cables (Ckt.kms.)	83.6
8	Total No. of LT feeders	547
9	Length of LT lines laid (Ckt.kms.)	150.1

(*) Excludes HVDS DT (Nos.) added during FY 22-23

(**) Includes HVDS DT Capacity (MVA) added during FY 22-23

Technological Initiatives:

2A.11 The Petitioner has taken following technological initiative during FY 2022-23:

i. Smart Package Sub-Station (PSS) with Bus-Coupler:

The Petitioner has started installing Smart Package Sub-Station (PSS) with Bus-Coupler having following advantages:

- Providing N-1 redundancy in case of transformer faults which helps in maintaining continuous power supply.
- It enables control of substation through SCADA leading to enhanced reliability.

ii. Compact LT Panel

To resolve the issue of large space requirement for Distribution substations, the Petitioner has taken the initiative to install compact LT panel resulting in 60%

saving in space of Distribution substations. This initiative will lead to further addition of new transformers in order to meet the increasing load of consumers.

iii. Heat Shrinkable Resin Encapsulated Single Core Repair Joints suitable for 11 and 33 kV three core Cable

It is observed that in several cable fault instances, only single core of the three cores is found faulty. In such situation, the old practice of repairing requires complete cutting of cable (including the healthy cores) and adding of new cable section, thereby resulting in increased network downtime and costs.

The Petitioner has now adopted 'Heat Shrinkable Resin Encapsulated Single Core Repair' technique. In this, only the damaged core is repaired which is a cost effective method and results in lesser network downtime so as to provide 24 X 7 continuous power supply to consumers.

iv. Surveillance of Transmission line through Drone fitted with thermal imaging camera

Drone fitted with thermal imaging camera is now used for capturing the aerial view of Grid and Transmission Lines in BYPL. These visual analytics is used to identify the defects in transmission lines and Grid to take corrective actions so as to ensure 24 X 7 continuous power supply to consumers.

v. Payment through Digital Mode:

There have been 85.6% of the bill payment through various digital mode available to the consumers. This level of transactions reflect the convenience and provision of digital platforms for our customers.

Customer Care Initiatives

2A.12 The Petitioner has taken following initiative under Customer Care services during FY 2022-23:

i. Call back request:

The Petitioner has now launched “Call Back Facility” for its consumers by which they can request for call back on our toll free no 19122 (IVRS option 8) and can also select their convenient date for call back. This initiative reduces the waiting time and call abandoned rate at BYPL call centre and saves time for consumers

ii. Braille bill:

In endeavour to reach every section of its consumer base, the Petitioner has launched “**Braille bill**” on the occasion of World Braille Day on 04.01.2023. With this, visually impaired consumers of the Petitioner will now have access to Petitioner’s services like electricity bill in Braille language, doorstep services and voice enabled “BYPL Connect” application.

iii. Online Digi Seva Kendra (DSK) services process enhancement:

Consumers can now apply and upload documents for new connection, name change, load revision or any other changes in existing connection on BYPL website.

In case of deficiency, an SMS with a link is sent to the consumers to view the deficiency letter and option to upload the documents for deficiency removal. This fully digitalized initiative enables document uploading facility for applicants from the comfort of their location and saves mobility costs without any physical visits for BYPL DSK services.

CSR Initiatives

2A.13 The Petitioner has undertaken following various initiatives under Corporate Social Responsibility (CSR), the cost for which is not being claimed in the True Up and ARR:

a. Support to Government hospitals:

The Petitioner has provided medical equipment's to 2 Government hospitals. Electromyography machine was handed over to Institute of Human Behaviour and Allied Sciences (IHBAS). A high-end 4D Echo Cardiography Scanning machine was donated to the Govind Ballabh Pant Institute of Postgraduate Medical Education and Research (GIPMER).

b. Supporting Differently-abled person:

The Petitioner organized 4 programs through implementing partner Artificial Limbs Manufacturing Corporation of India (ALIMCO) to distribute appliances and assistive aid to people with disability. Distribution programmes were held at ALIMCO Head Office, Anukriti Special School, Govt. Primary School for the Deaf and School for Mentally Retarded Children where the Company's team distributed aids and appliances to 164 people with disabilities.

c. Eye Care Screening Camps:

The Petitioner organized 8 free eye screening camps with NGO partner Ishwar Charitable Trust (unit of I Care eye hospital, Noida). At these camps free eye consultations including screening for cataract, reading glasses and eye medications, were provided to 3428 beneficiaries.

d. Tobacco de-addiction Camps:

The Petitioner partnered with the Society for Advancement of Village Economy successfully conducted 2 tobacco de-addiction camps in Janta Colony (Yamuna Vihar division), benefiting 173 men and women.

e. Support to Public Libraries:

The Petitioner donated books and equipment to the Dyal Singh Public Library, the Shaheed Ratanlal Library at Nand Nagri police station, and the Umeed Delhi Police Public Libraries at Karawal Nagar and Jyoti Nagar, all of which are run for the consumer of Delhi.

Renewable and Sustainability:

- i. About 5 MW of Solar Rooftop capacity added in FY22-23, making the total capacity 34.5 MW
- ii. The Petitioner has successfully commissioned 470 Nos. of EV charging points under Switch Delhi scheme
- iii. The Petitioner has introduced 7 E-vehicles in company's corporate fleet of EVs
- iv. 13 Battery swapping stations commissioned in collaboration with Sun mobility
- v. The Petitioner has implemented smart E-mobility portal for EV connections for smooth implementation of EV infrastructure projects

Awards and Recognition

2A.14 The major awards received during the FY 2022-23 are as follows:

Table 2A. 3: Awards and Recognition during FY 2022-23

S. No.	Month	Award Title	Forum	Award Details
1.	April-22	IPPAI- Power Awards 2022	Independent Power Producers Association of India (IPPAI)	<p>Petitioner bagged 3 Awards in IPPAI Awards 2022 held at Belgaum.</p> <ul style="list-style-type: none"> Outstanding Performance Award for Best Performing Distribution Company (DISCOM) Outstanding Performance Award for best Distribution Company to Promote Consumer Awareness Innovation Award for Micro Substation
2.	Aug-22	A+ rating in Consumer Service Rating	REC (Rural Electrification Corporation Limited)	The Petitioner has achieved "A+" rating in Consumer Service Rating by REC for FY 2020-21 and "A" rating for FY 2021-22.
3.	Sep-22	National Award for Excellence in Energy Management 2022	Confederation of Indian Industry (CII)	The Petitioner has been adjudged as 'Energy Efficient Unit' for its efforts in inducing innovative practices to reduce AT&C Losses, adoption of various Energy Efficiency measure, Consumer Outreach programs, DSM measures, Adoption of new and green technologies and collaborations with National and

S. No.	Month	Award Title	Forum	Award Details
				International agencies for creation of innovative ecosystem for future technologies etc.
4.	Nov-22	CCQC (Delhi Chapter) 2022	Quality Circle Forum of India (QCFI)	Petitioner has successfully bagged 5 Gold Awards at the 33 rd CCQC, Delhi Chapter Convention of the QCFI against more than 300 participated teams from 80+ reputed organizations participated.
5.	Dec-22	Par Excellence Award 2022	National Convention on Quality Concepts (NCQC)	All 5 teams of the Petitioner won Par Excellence Award in NCQC 2022 held on 27 th -30 th December 2022.
6.	Jan-23	Certificate of Recognition to BYPL's Training Centre, Delhi as Category -I (Grade A) Training Institute	Central Electricity Authority (CEA)	"Certificate of Recognition" as Category -I (Grade A) Training Institute has been received to Training Centre (Knowledge Centre) of the Petitioner.
7.	Mar-23	ISGF Innovation Award 2023	India Smart Grid Forum (ISGF)	Petitioner was awarded for installing 'Smart Managed EV Charging Station' at Mayur Vihar in the category of "Emerging Innovation in Electric Mobility Domain - Smart Innovations in Smart Charging Infrastructure."

S. No.	Month	Award Title	Forum	Award Details
8.	Jun-23	Leading HR Practices in Diversity and Inclusion Award	Transformation Forum, Mumbai	It was organized by Transformation Forum in Mumbai for promoting a culture that acknowledges and values differences in terms of gender, ethnicity, age, physical abilities or even thought processes.
9.	Aug-23	Annual Green-tech Quality and Innovation Award 2023	Green-tech Foundation	Petitioner received this award for outstanding achievements towards Quality improvement.

Sanjeev Singh





Chapter 2B

Compliance with Directives

Sanjeev Singh



Chapter 2B: Compliance with Directives

2B.1. The Hon'ble Commission has given various directives in Chapter 6 of Tariff Order dated 30.09.2021. The Petitioner is hereby submitting the compliance status as follows:

2B.2. Directive – 6.1

“The Commission directs the Petitioner to make timely payment of bills/dues to Central & State Generating Stations and Transmission Utilities. No Late Payment Surcharge shall be allowed as a pass through in the ARR, on account of delayed payments.”

Compliance to Directive 6.1:

The matter regarding payment to Central & State Generating Stations and Transmission Utilities is presently sub-judice before Hon'ble Supreme Court in W.P. (C) 104 & 105 of 2014, Civil Appeal Nos. 8464-66 and 8387-89 of 2014 and connected matters as also before Hon'ble APTEL in Appeal Nos. 27, 28 & 32 of 2014.

Without prejudice to the above, it is humbly submitted that pursuant to Hon'ble Supreme Court's order dated 26.03.2014 (continued by Orders dated 06.05.2014 and 03.07.2014), Petitioner is endeavoring to make payment of current dues to Central Generating and Transmission Utilities. As regards the State Generating and Transmission Companies, Hon'ble Supreme Court by its Order dated 12.05.2016 in Contempt Petition No. 83 of 2015 and connected contempt petitions had modified its earlier orders and directed for payment of 70% of current dues to the Delhi Utilities.

The Petitioner has submitted month wise audited cash flow statement to the Hon'ble Commission. It is noteworthy that the payments of current dues are being made, even though the Petitioner has been suffering from regulatory interdict owing to non-cost reflective tariff, unlawful creation and non-amortization of Regulatory Asset by deferring prudently incurred costs, and unlawful appropriation of subsidy (which is part of the current revenue stream of the Petitioner).

2B.3. Directive 6.2:

"The Petitioner shall directly deposit the amount of pension trust surcharge collected from the consumer as per the tariff schedule in the following bank account, of Pension trust:

1	A/C No.	10021675545
2	MICR No.	110002103
3	Bank	State Bank of India
4	IFSC Code	SBIN0004281
5	Name	DVB-ETBF-2002
6	Branch	Rajghat Power House, New Delhi – 110002

Compliance to Directive 6.2:

The Petitioner submits that it has complied with the aforesaid directive and it is an ongoing process. The details of the month wise payment for FY 2022-23 are tabulated below:

Table 2B. 1: Details of Month wise Pension Trust Payment

Month	Amount Due (A) (In Cr.)	Date of Payment	Amount Paid (B) (In Cr.)	Bank UTR No.	Total Payment (C) (In Cr.)	Balance (D)= (A)-(C)
Apr	19.66	31.05.22	10.00	CMP00000000488916004AOG1118266	19.66	-

Month	Amount Due (A) (In Cr.)	Date of Payment	Amount Paid (B) (In Cr.)	Bank UTR No.	Total Payment (C) (In Cr.)	Balance (D)= (A)-(C)
		07.06.22	9.66	CMP00000000492081891AOG2952539		
May	27.83	14.06.22	5.00	CMP00000000495173296AOG5213828	27.83	-
		22.06.22	5.00	CMP00000000497819535AOG7214581		
		27.06.22	10.00	CMP00000000499208899AOG8289288		
		28.06.22	7.83	CMP00000000499429661AOG8440669		
Jun	32.90	07.07.22	15.00	Fund Transfer	32.90	-
		19.07.22	10.00	CMP00000000509639135AOG767305		
		21.07.22	7.90	CMP00000000510396281AOGF307275		
Jul	35.77	08.08.22	10.00	CMP00000000517984574AOGJ418609	35.77	-
		10.08.22	10.00	CMP00000000519636990AOGK595555		
		16.08.22	15.77	CMP00000000521610372AOG805582		
Aug	34.54	07.09.22	34.54	CMP00000000530527030AOG320053	34.54	-
Sep	34.42	07.10.22	34.42	CMP00000000545080007AOH1403776	34.42	-
Oct	30.41	07.11.22	30.41	CMP00000000560093464AOHA497608	30.41	-
Nov	25.84	07.12.22	25.84	CMP00000000574995714AOHK559612	25.84	-
Dec	21.90	09.01.23	5.00	CMP00000000589327241AOHT908031	21.90	-
		11.01.23	7.00	CMP00000000590987094AOHV24407		
		13.01.23	9.90	CMP00000000591687370AOHV580431		
Jan	21.60	07.02.23	21.60	CMP00000000602557474AOI2932495	21.60	-
Feb	21.81	07.03.23	5.00	CMP00000000616710097AOIB970998	21.81	-
		15.03.23	7.00	CMP00000000620713731AOIF022294		
		18.03.23	5.00	CMP00000000621815086AOIG100968		

Month	Amount Due (A) (In Cr.)	Date of Payment	Amount Paid (B) (In Cr.)	Bank UTR No.	Total Payment (C) (In Cr.)	Balance (D)= (A)-(C)
		21.03.23	4.81	CMP00000000622554168AOIG931710		
Mar	24.03	29.04.23	5.00	CMP00000000643889334AOIX199206	24.03	-
		31.05.23	7.00	CMP00000000660151598AOJB903670		
		07.06.23	5.00	CMP00000000665036199AOJG877163		
		16.06.23	5.00	CMP00000000670402256AOJL925621		
		22.06.23	2.03	CMP00000000673208920AOJP398012		
Total	330.72		330.72		330.72	-

2B.4. Directive 6.3:

“The Commission directs the Pension Trust to intimate the total amount collected through Pension Trust surcharge on quarterly basis by 15th day of end of each quarter.”

Compliance to Directive 6.3:

The direction relates to Pension Trust. We trust that the Pension Trust has complied with the directive as copy of the intimation has not been provided to the Petitioner.

2B.5. Directive 6.4:

“If the Petitioner purchases any expensive power to meet the demand during any time zone for which cheaper power has been regulated due to non-payment of dues, in such an eventuality, the cost of such expensive power purchases shall be restricted to the variable cost of regulated cheaper power to that extent at the time of true up.”

Compliance to Directive 6.4:

The Petitioner submits that there has been no regulation of power during FY 2022-23. Thus, the scenario contemplated in aforesaid Directive does not arise.

2B.6. Directive 6.5:

“In case the power is regulated by DTL/Interstate Transmission Licensee due to non-payment of their dues, in such case the transmission charges borne by the Petitioner shall also not be allowed.”

Compliance to the Directive 6.5:

The Petitioner submits that there has been no regulation of power by DTL in FY 2022-23.

2B.7. Directive 6.6:

“The Commission vide its letter No. F.17(47)/Engg./DERC/2009-10/CF No. 2147/2956 dated 21/10/2009 has directed the Petitioner to ensure availability of power supply for meeting the demand. The Petitioner shall ensure that the electricity which could not be served due to any reason what-so-ever, shall not exceed 1% of the total energy supplied in units (kWh) in any particular month except in the case of force-majeure events which are beyond the control of the Petitioner as per the provisions of above referred letter dated 21/10/2009”

Compliance to the Directive 6.6:

The Petitioner submits that adherence to the aforesaid Directive is ongoing and is being complied with. Further, the Petitioner submits weekly outage reports to the Hon'ble Commission to this effect.

2B.8. Directive 6.7:

"It is directed that the Petitioner shall not accept payment from its consumers at its own collection centres/mobile vans in cash towards electricity bill exceeding Rs 4,000/- except from blind consumers and for court settlement cases or any other cases specifically permitted by the Commission. The limit for accepting payment through cash by the consumers at designated scheduled commercial bank branches shall be Rs. 50,000/-. Violation of this directive shall attract penalty to the level of 10% of total Cash collection exceeding these limits."

Compliance to Directive 6.7:

It is submitted that the Petitioner has taken appropriate measures to ensure that no cash collection exceeding Rs. 4,000 towards electricity bill is accepted by counters/mobile vans of the Petitioner, except from blind consumers and for court settlement cases or any other cases specifically permitted by the Commission. Further, no cash collection above Rs. 50,000 towards electricity bill is being accepted at designated scheduled commercial bank branches. The Petitioner is thus complying with the aforementioned Directive.

2B.9. Directive 6.8:

"The Commission directs the Petitioner to restrict the adjustment in units billed

on account of delay in meter reading, raising of long duration provisional bills etc. to a maximum of 1% of total units billed. The adjustment in units billed shall be considered on a yearly basis. Further, the adjustment of Contra Entry, adjustment for Open Access consumers and adjustment on account of Provisional Billing related to period till two (2) months shall not be form the part of adjustment in units billed. Further, also the real adjustments/other adjustments shall be considered without sign change i.e. such adjustments either resulting into increase in revenue billed or decreased into revenue billed shall be considered on gross basis rather than net basis.”

Compliance to Directive 6.8:

It is submitted that the instant matter is presently sub-judice before Hon'ble APTEL in Appeal 214 of 2018 and Appeal 105 of 2020. Without Prejudice to the above, till such time, the matter is heard and decided by Hon'ble APTEL, the Petitioner has taken appropriate measures to ensure that the said Directive is being complied with in terms of the Hon'ble Commission's Orders and, accordingly, restricted the adjustment in units billed on account of delay in meter reading, raising of long duration provisional bills etc. to less than 1% of total units billed for FY 2022-23.

2B.10. Directive 6.9 and 6.10:

“6.9 The Commission directs the Petitioner to submit the statement of interest on all types of loans availed from various Banks/Financial institutions on an annual basis at the end of every Financial year. This statement shall be duly

supported by certificates from every lending Bank/Financial institution for each loan....

- *Opening balance of loan*
- *Loan disbursed during the year*
- *Repayment during the year*
- *Interest rates as applicable in accordance with the terms of sanction*
- *Additional interest if any levied on account of non-creation of required charge/not providing required security*
- *Interest charges levied and paid*
- *Penal charges levied and paid*
- *Processing charges and/or fees of any other kind as levied and paid as per the terms of sanction*

6.10 This Statement and Certificate shall be submitted within 60 days from the end of the Financial Year.”

Compliance to Directive 6.9 and 6.10:

The Petitioner has complied with the aforesaid Directive and submitted the statement of interest on all types of loans availed by the Petitioner during FY 2022-23 from various Banks/Financial institutions and certificate by the CAG Empaneled Auditors, vide letter no. RA/BYPL/2023-24/55 dated 30.05.2023.

2B.11. Directive 6.11(a):

“The Commission further directs the Petitioner:

- a. *To provide the information to the consumer through SMS on various items such as scheduled power outages, unscheduled power outages, Bill Amount, Due date and Maximum Demand during the month, etc. as directed by the Commission from time to time*

Compliance to Directive 6.11(a):

The Petitioner has complied with the aforesaid Directive.

2B.12. Directive 6.11(b):

“b. To maintain toll free number for registration of electricity grievances and to submit the quarterly report;”

Compliance to Directive 6.11(b):

The Petitioner has complied with the aforesaid Directive and quarterly progress report have been submitted to the Hon'ble Commission by following letter/ mails:

1. Ref No. RA/BYPL/2022-23/110 dated 12.07.2022 (Q1 of FY 2022-23).
2. Ref No. RA/BYPL/2022-23/207 dated 11.10.2022 (Q2 of FY 2022-23).
3. Ref No. RA/BYPL/2022-23/305 dated 23.01.2023 (Q3 of FY 2022-23).
4. Ref No. RA/BYPL/2023-24/22 dated 24.04.2023 (Q4 of FY 2022-23).

2B.13. Directive 6.11(c):

“c. To conduct a safety audit and submit a compliance report within three months;”

Compliance to Directive 6.11(c):

The Petitioner has complied with the aforesaid Directive and the Information has already been submitted to the Hon'ble commission vide letter ref no. RA/BYPL/2021-22/228 dated 15.11.2021.

2B.14. Directive 6.11(d):

“d. To carry out preventive maintenance as per schedule;”

Compliance to Directive 6.11(d):

The Petitioner has complied with the aforesaid Directive during FY 2022-23.

2B.15. Directive 6.11(e):

“e. To submit the information in respect of Form 2.1 (a) as per revised format issued by the Commission to the utilities on monthly basis latest by 21st day of the following month;”

Compliance Directive 6.11(e):

The Petitioner has complied with the aforesaid Directive for FY 2022-23. The Information has been submitted to the Hon'ble Commission vide the following letters:

- i. Letter ref no. RA/BYPL/2022-23/84 dated 08.06.2022 (April, 2022)
- ii. Letter ref no. RA/BYPL/2022-23/89 dated 20.06.2022 (May, 2022)
- iii. Letter ref no. RA/BYPL/2022-23/124 dated 18.07.2022 (June, 2022)
- iv. Letter ref no. RA/BYPL/2022-23/161 dated 18.08.2022 (July, 2022)

- v. Letter ref no. RA/BYPL/2022-23/185 dated 19.09.2022 (August, 2022)
- vi. Letter ref no. RA/BYPL/2022-23/224 dated 21.10.2022 (September, 2022)
- vii. Letter ref no. RA/BYPL/2022-23/250 dated 18.11.2022 (October, 2022)
- viii. Letter ref no. RA/BYPL/2022-23/275 dated 19.12.2022 (November, 2022)
- ix. Letter ref no. RA/BYPL/2022-23/303 dated 20.01.2023 (December, 2022)
- x. Letter ref no. RA/BYPL/2022-23/328 dated 20.02.2023 (January, 2023)
- xi. Letter ref no. RA/BYPL/2022-23/360 dated 23.03.2023 (February, 2023)
- xii. Letter ref no. RA/BYPL/2023-24/25 dated 25.04.2023 (March, 2023)

2B.16. Directive 6.11(f):

“f. To submit the annual energy audit report in respect of their network at HT level and above;”

Compliance to Directive 6.11(f):

The Petitioner has complied the aforesaid Directive during FY 2022-23 and has submitted the Energy Audit Report vide letter no. RA/BYPL/2023-24/146 dated 23.08.2023.

2B.17. Directive 6.11(g):

“f. To submit the compliance report related to the findings of the Energy Audit conducted by the Commission within 30 days from the issuance of this Tariff Order;”

Compliance to Directive 6.11(g):

The Petitioner has complied with the aforesaid Directive. Compliance report was submitted to the Hon'ble Commission vide letter no. RA/BYPL/2021-22/226 dated 12.11.2021.

2B.18. Directive 6.11(h):

“h. To submit the Auditor's certificate in respect of Form 2.1(a) on quarterly basis within the next quarter bifurcating the adjustment in sales as stipulated in directive 6.8 and above;

Compliance to Directive 6.11(h):

The Petitioner has complied with the aforesaid Directive. The Information has been submitted to the Hon'ble Commission vide the following letters;

- i. Letter ref no. RA/BYPL/2022-23/200 dated 29.09.2022 (Q1 of FY 2022-23).
- ii. Letter ref no. RA/BYPL/2022-23/283 dated 29.12.2022 (Q2 of FY 2022-23).
- iii. Letter ref no. RA/BYPL/2022-23/361 dated 23.03.2023 (Q3 of FY 2022-23).
- iv. Letter ref no. RA/BYPL/2023-24/82 dated 27.06.2023 (Q4 of FY 2022-23).

2B.19. Directive 6.11(i):

“i. To submit the details of network capacity as per the particulars specified for determination of O&M expenses on quarterly basis by the end of next month);

Compliance to Directive 6.11(i):

The Petitioner has complied with the aforesaid Directive. The Information has been submitted to the Hon'ble Commission vide the following letters:

- i. Letter ref no. RA/BYPL/2022-23/139 dated 27.07.2022 (Q1 of FY 2022-23).
- ii. Letter ref no. RA/BYPL/2022-23/231 dated 31.10.2022 (Q2 of FY 2022-23).
- iii. Letter ref no. RA/BYPL/2022-23/309 dated 30.01.2023 (Q3 of FY 2022-23).
- iv. Letter ref no. RA/BYPL/2023-24/31 dated 28.04.2023 (Q4 of FY 2022-23).

2B.20. Directive 6.11(j):

“j. To incorporate the following information in the annual audited financial statements;

- i. Category-wise Revenue billed and collected,
- ii. Category-wise breakup of regulatory and pension trust surcharge billed and collected,
- iii. Category-wise PPAC billed and collected,
- iv. Category- wise Electricity Duty billed and collected,
- v. Category-wise subsidy passed on to the consumers during the financial year, if any,
- vi. Category-wise details of the surcharge billed on account of ToD,
- vii. Category-wise details of the rebate given on account of ToD,
- viii. Street light incentive and material charges for street light maintenance,
- ix. Direct expenses of other business,

- x. Revenue billed on account of Own Consumption,
- xi. Revenue collected on account of enforcement/theft cases,

Compliance to Directive 6.11(j):

The Petitioner has complied with the above Directive and the aforesaid information has been incorporated in Note-59 of the Audited financial statements for FY 2022-23.

2B.21. Directive 6.11(k):

“k. To submit annual auditor certificate in respect of power purchase details of the previous year by 30th July of the next financial year considering normative rebate of Banking Transactions as approved by the Commission. The power purchase invoices received upto April month of next financial year but pertaining to the previous year only will be considered towards power purchase cost of the said financial year;”

Compliance to Directive 6.11(k):

The Petitioner has complied with the above Directive and has submitted Annual Auditor's certificate in respect of power purchase details for FY 2022-23 to the Hon'ble Commission vide letter no. RA/BYPL/2023-24/61 dated 01.06.2023.

2B.22. Directive 6.11(l):

“l. To submit the reconciliation statement in respect of power purchase cost/Transmission cost on a quarterly basis with respective

Generation/Transmission companies;”

Compliance to Directive 6.11(l):

The Petitioner has complied with the aforesaid Directive. The information has been submitted to the Hon'ble commission vide the following letters:

- i. Letter Ref no. RA/BYPL/2022-23/127 dated 19.07.2022 (Q1 of FY 2022-23).
- ii. Letter Ref no RA/BYPL/2022-23/222 dated 18.10.2022 (Q2 of FY 2022-23).
- iii. Letter Ref no RA/BYPL/2022-23/298 dated 16.01.2023 (Q3 of FY 2022-23).
- iv. Letter Ref no RA/BYPL/2023-24/20 dated 20.04.2023 (Q4 of FY 2022-23).

2B.23. Directive 6.11(m):

“m. To submit the status and validity of power purchase agreements on quarterly basis within 15 days of end of each quarter (Ref: Para 6.11 (m) of the Tariff Order dated 30.09.2021);”

Compliance to Directive 6.11(m):

The Petitioner has complied with the aforesaid Directive. The information has been submitted to the Hon'ble Commission vide the following letters/emails;

- i. Letter Ref no. RA/BYPL/2022-23/108 dated 11.07.2022 (Q1 of FY 2022-23).
- ii. Letter Ref no. RA/BYPL/2022-23/208 dated 12.10.2022 (Q2 of FY 2022-23).
- iii. Letter Ref no. RA/BYPL/2022-23/297 dated 13.01.2023 (Q3 of FY 2022-23).
- iv. Letter Ref no. RA/BYPL/2023-24/04 dated 13.04.2023 (Q4 of FY 2022-23).

2B.24. Directive 6.11(n):

“n. To strictly adhere to the guidelines on short-term power purchase/sale of power issued by the Commission from time to time and to take necessary steps to restrict the cost of power procured through short term contracts, except trading through Power Exchange & IDT, at Rs.5 per kWh. In case the cost of power proposed to be procured exceeds the above ceiling limit, this may be brought to the notice of the Commission within 24 hours detailing the reasons or exceptional circumstances under which this has been done. In absence of proper justification towards short term power purchase at a rate higher than the above ceiling rate (of Rs. 5 per kWh), the Commission reserves the right to restrict allowance of impact of such purchase on total short term power purchase not exceeding 10 paisa/kWh during the financial year;”

Compliance to Directive 6.11(n):

The Petitioner vide letter dated 22.04.2022 submitted before the Hon'ble Commission about the force majeure condition which occurred due to power crisis arising out of coal shortage and substantial increase in prices of Short Term Power.

In this regard, the Hon'ble Commission, in order to mitigate such power crisis and safeguard the interest of the Consumers & Distribution Licensees, vide letter dated 29.04.2022 approved the exemption for non-intimation and non-consideration of the Power Procured above Rs.5/kWh for computing restriction

in impact of such purchase on total Short Term Power Purchase not exceeding 10 Paise/kWh for True-up of FY 2022-23 till 31.07.2022.

Accordingly, the Petitioner has complied with the aforesaid directive in terms of the letter of the Hon'ble Commission dated 29.04.2022.

2B.25. Directive 6.11(o):

“o. To raise the bills for their own consumption of all their installations including offices at zero tariffs to the extent of the normative self-consumption approved by the Commission and exceeding the normative limit of self-consumption at Non-Domestic tariff for actual consumption recorded every month;”

Compliance to Directive 6.11(o):

The Petitioner has complied with the above Directive.

2B.26. Directive 6.11(p):

“p. To submit the quarterly progress reports for the capital expenditure schemes being implemented within 15 days of the end of each quarter”;

Compliance to Directive 6.11(p):

The Petitioner has complied with the aforesaid directive. The information has been submitted to the Hon'ble Commission vide letters;

- i. Letter Ref no. RA/BYPL/2022-23/117 dated 14.07.2022 (Q1 of FY 2022-23).
- ii. Letter Ref no. RA/BYPL/2022-23/213 dated 14.10.2022 (Q2 of FY 2022-23).

- iii. Letter Ref no. RA/BYPL/2022-23/293 dated 15.01.2023 (Q3 of FY 2022-23).
- iv. Letter Ref no. RA/BYPL/2023-24/21 dated 21.04.2023 (Q4 of FY 2022-23).

2B.27. Directive 6.11(q):

“To submit the actual details of capitalization for each quarter for the year within one month of the end of the quarter for consideration of the Commission. All information regarding capitalization of assets shall be furnished in the formats prescribed by the Commission, along with the requisite statutory clearances/certificates of the appropriate authority/ Electrical Inspector, etc. as applicable;”

Compliance to Directive 6.11(q):

The Petitioner has complied with the aforesaid Directive. The information has been submitted to the Hon'ble Commission vide letters;

- i. Letter Ref no. RA/BYPL/2022-23/230 dated 31.10.2022 (Q2 of FY 2022-23).
- ii. Letter Ref no. RA/BYPL/2022-23/138 dated 27.07.2022 (Q1 of FY 2022-23).
- iii. Letter Ref no. RA/BYPL/2022-23/310 dated 30.01.2023 (Q3 of FY 2022-23).
- iv. Letter Ref no. RA/BYPL/2023-24/30 dated 28.04.2023 (Q4 of FY 2022-23).

2B.28. Directive 6.11(r):

“To submit the status of installation of smart meters on quarterly basis within 15 days of end of each quarter.”

Compliance to Directive 6.11(r):

The Petitioner has complied with the aforesaid Directive. The information has been submitted to the Hon'ble Commission vide letters;

- i. Letter Ref no. RA/BYPL/2022-23/119 dated 15.07.2022 (Q1 of FY 2022-23).
- ii. Letter Ref no. RA/BYPL/2022-23/215 dated 14.10.2022 (Q2 of FY 2022-23).
- iii. Letter Ref no. RA/BYPL/2022-23/292 dated 13.01.2023 (Q3 of FY 2022-23).
- iv. Letter Ref no. RA/BYPL/2023-24/07 dated 12.04.2023 (Q4 of FY 2022-23).

In addition to the aforesaid letters, the Petitioner from time to time vide its letters dated 16.06.2022, 03.05.2023, 01.08.2023 and 11.08.2023 has apprised the Hon'ble Commission about the progress of Tender for Appointment of Advanced Metering Infrastructure Service Provider (AMISP) for Smart Prepaid Metering in Petitioner's area on DBFOOT Basis for implementation of Smart Metering as per Ministry of Power's Notification dated 23.05.2022.

2B.29. Directive 6.11(s):

“s. To submit the status of compliance of Renewal Purchase Obligation (RPO) on quarterly basis within 15 days of end of each quarter.”

Compliance to Directive 6.11(s):

The Petitioner has complied with the aforesaid Directive. The Information has been submitted to the Hon'ble Commission vide letters;

- i. Letter Ref no. RA/BYPL/2022-23/115 dated 14.07.2022 (Q1 of FY 2022-23).
- ii. Letter Ref no. RA/BYPL/2022-23/217 dated 14.10.2022 (Q2 of FY 2022-23).
- iii. Letter Ref no. RA/BYPL/2022-23/295 dated 13.01.2023 (Q3 of FY 2022-23).
- iv. Letter Ref No. RA/BYPL/2023-24/09 dated 13.04.2023 (Q4 of FY 2022-23).

In addition to the above, the Petitioner has filed an amendment application no. I.A. 3 of 2023 in Petition no. 23 of 2021 pending before the Hon'ble Commission, seeking relaxation/ waiver of RPO targets for FY 2022-23.



Chapter 3A

True Up for FY 2022-23

Petition for Truing-up upto FY 2022-23 & ARR for FY 2024-25

James Singh



Sanjeev Singh



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Sanjeev Singh



3A. TRUE UP FOR FY 2022-23**Background**

- 3A.1 The Petitioner in this chapter seeks truing-up of expenditure and revenue for FY 2022-23 in terms of Business Plan Regulations, 2019 applicable for the control period from FY 2020-21 to FY 2022-23 read with the Regulation 13 of Tariff Regulations, 2017.
- 3A.2 The Petitioner vide its letter reference no. RA/BYPL/2023-24/201 dated 26.10.2023 has already submitted its Audited Financial Statement for FY 2022-23. Copy of the same is enclosed herewith as **Annexure – 3A.1**.

Legislative Provisions of Truing-up

- 3A.3 The Petitioner respectfully submits that before adverting to the issues of Truing up on merits, the Petitioner seeks to highlight the statutory provisions and judicial decisions with respect to the concept of Truing up.
- 3A.4 The Hon'ble Commission notified Tariff Regulations, 2017 vide official Gazette dated 31.01.2017 which were applicable from 01.02.2017 onwards. Further, the operational norms for Distribution utilities have also been approved by the Hon'ble Commission for the Control Period FY 2020-21 to FY 2022-23 in the Business Plan Regulations, 2019 notified vide Gazette Notification dated 02.06.2020.
- 3A.5 Distribution licensee has to file petition for true-up of previous year and determination of tariff in line with Regulation 13 of DERC Tariff Regulations, 2017 which states as under:

“13. The Utility shall file a Petition for True up of ARR for previous years

and determination of tariff in such form and in such manner as specified in these Regulations along with relevant formats of Generating Entity, Transmission Licensee and Distribution Licensee, as the case may be, duly supported with detailed computations.”

- 3A.6 The Hon’ble Supreme Court vide its Judgement dated 18.10.2022 passed in Civil Appeal No. 4323 & 4324 of 2015 has laid down the principles of Truing up. The relevant extract of the Judgment is reproduced below:

*“.....51... As noticed above, a tariff order is quasi-judicial in nature which becomes final and binding on the parties unless it is amended or revoked under Section 64(6) or set aside by the Appellate Authority. Apart from this, we are also of the view that **at the stage of ‘truing up’, the DERC cannot change the rules/methodology used in the initial tariff determination by changing the basic principles, premises and issues involved in the initial projection of ARR.***

*52. ‘Truing up’ has been held by APTEL in SLDC v. GERC to mean **the adjustment of actual amounts incurred by the Licensee against the estimated/projected amounts determined under the ARR.....***

*53. In our opinion, ‘truing up’ stage is not an opportunity for the DERC to rethink de novo on the basic principles, premises and issues involved in the initial projections of the revenue requirement of the licensee. **‘Truing up’ exercise cannot be done to retrospectively change the methodology/principles of tariff determination and reopening the original tariff determination order thereby setting the tariff determination process to a naught at ‘trueup’ stage.***

[Emphasis Added]

- 3A.7 Hon’ble APTEL in its Judgement dated 17.04.2023 passed in Appeal No. 247 of 2021 & IA No. 1263 of 2022 has directed the Hon’ble Commission to allow O&M expenses strictly in terms of Regulation 87, 92 and 93 of Tariff Regulations and Regulation 23 of Business Plan Regulation 2019. The relevant extract of the APTEL’s Judgement is reproduced below:

*“Mr. Sujit Ghosh, learned Counsel for the **Respondent Commission, would submit that the Commission would strictly adhere to Regulations 87, 92 and 93 of the DERC (Terms & Conditions for Determination of Tariff) Regulations, 2017 as also Regulation 23 of the DERC (Business Plan) Regulations,***

2019.

*In the light of the unequivocal submission of Mr. Sujit Ghosh, learned Counsel for the Respondent Commission, that the Commission would abide by the aforementioned Regulations, it is unnecessary for us to dwell on the question whether or not an application of this nature is maintainable. **Recording the submissions of Mr. Sujit Ghosh, learned Counsel for the Respondent Commission, as aforesaid, the IA is closed.***

[Emphasis Added]

3A.8 In accordance with the abovementioned regulation and aforesaid facts, the Petitioner is filing the true-up of FY 2022-23 before the Hon'ble Commission. The methodology adopted by the Petitioner for the purpose of True-up of FY 2022-23 in the instant petition is based on the above legal framework in compliance with the Tariff Regulations, 2017 and the Business Plan Regulations 2019 read with the judgements and orders of the Hon'ble Supreme Court and the Hon'ble APTEL. The relevant extracts of prevailing regulations which have been relied upon in the instant petition are as follows:

a) Distribution Loss and Collection Efficiency:

Regulation 4(9) (a) and Regulation 4(9)(b) of the Tariff Regulations, 2017 provides targets of Distribution Loss and Collection Efficiency to be specified under Business Plan Regulations for a control period, relevant excerpt is reproduced here as follows:

"4. The Business Plan Regulations shall contain the following parameters applicable for a Control Period:

....

(9) Distribution Norms:

(a) Distribution Loss Target;

(b) Collection Efficiency Target;

...."

In view of above, the Hon'ble Commission specified the targets of Distribution Loss and Collection Efficiency and their financial impact for the

Petitioner and consumer, thereon in Regulation 25 and 26 of DERC Business Plan Regulations, 2019 for the control period FY 2020-21 to FY 2022-23 as reproduced under:

“25. TARGET FOR DISTRIBUTION LOSS

(1) The Distribution Loss target in terms of Regulation 4(9)(a) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensees shall be as follows:

Table 15: Target for Distribution Loss for the Control Period

Sr. No.	Distribution Licensee	2020-21	2021-22	2022-23
1	BSES Rajdhani Power Limited	8.10%	8.00%	7.90%
2	BSES Yamuna Power Limited	9.00%	8.75%	8.50%
3	Tata Power Delhi Distribution Limited	7.90%	7.80%	7.70%
4	New Delhi Municipal Council	9.00%	8.75%	8.50%

(2) The amount for Overachievement/Underachievement on account of Distribution Loss target shall be computed as per the formula specified in the Regulation 159 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee.

(3) Any financial impact due to Underachievement on account of Distribution Loss target by the distribution licensee for the relevant year, (i.e. Actual Loss > Loss Target) shall be to the account of distribution licensee as specified in Regulation 161 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017.

(4) Any financial impact due to Overachievement on account of Distribution Loss target by the distribution licensee for the relevant year shall be shared between the Distribution Licensee and Consumers as follows:

i. in case actual Distribution Loss is between the loss target and loss target minus $[50\% \times (\text{Previous Year Target} - \text{Current Year Target})]$ for the relevant year shall be shared in the ratio of 2/3rd to Consumers and 1/3rd to the Distribution Licensee;

ii. in case actual Distribution Loss is less than loss target minus $[50\% \times (\text{Previous Year Target} - \text{Current Year Target})]$ for the relevant year shall be shared in the ratio of 1/3rd to Consumers and 2/3rd to the Distribution Licensee.

26. TARGET FOR COLLECTION EFFICIENCY

- (1) The targets for Collection Efficiency for FY 2020-21 to FY 2022-23 of the Distribution Licensees shall be 99.50%.
- (2) The financial impact on account of Collection Efficiency target shall be computed as per the formula specified in Regulation 163 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee.
- (3) The financial impact on account of over-achievement in terms of Regulation 164 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee, from 99.50% to 100% shall be shared equally between Consumers and the Distribution Licensees.”

b) Power Purchase Cost

The principles to be followed for true-up of power purchase cost for any Financial Year is to be carried out in line with the Regulation 123 and 152 of the Tariff Regulations 2017, relevant excerpt is reproduced here as follows:

“152. True up of ARR for Distribution (Wheeling & Retail Supply) Licensee shall be conducted on the following principles:

....

- (b) Variation in long term power purchase quantum and cost of the distribution licensee based on merit order dispatch principle of projected long term power purchase quantum and cost vis-a-vis actual long term power purchase quantum and cost
Provided that the distribution licensee shall submit report from State Load Despatch Centre (SLDC) for instances of forced scheduling due to the reasons not attributable to the Distribution licensee for scrutiny of dispatch of power in Delhi on merit order basis in it's area of supply;
Provided that the cost of credit to the net metering consumer on account of net surplus unit of power injected into the grid as specified in Delhi Electricity Regulatory Commission (Net Metering for Renewable Energy) Regulations, 2014 shall be allowed to the distribution licensee in the power purchase cost of the relevant year;
- (c) Variation in short term power purchase quantum and cost of the distribution licensee based on projected short term power purchase quantum and cost vis-a-vis actual short term power purchase quantum and cost:

Provided that Trading Margin, Transmission Charges and Transmission Losses incurred on Forward and Reverse transaction in the same time slot executed within three months for Forward/Reverse power procurement/sale through Banking And Bilateral shall not be allowed in the Power Purchase Cost of the Distribution Licensee;

Provided that Sale through Deviation Settlement Mechanism (Unscheduled Interchange) transactions other than forced scheduling of power as certified by SLDC on monthly basis shall be limited to the contingency limit as specified by the Commission in the Business Plan Regulations in order to promote Grid Discipline and optimise Power Purchase Cost;

Provided that any Additional/Penal Deviation Settlement Mechanism (Unscheduled Interchange) Charges other than forced scheduling of power as certified by SLDC paid by the Distribution Licensee shall not be allowed in Power Purchase Cost;

....”

The Petitioner would like to highlight that power purchase being an uncontrollable parameter has to be trued up on the basis of actuals. The rebate on power purchase being an intrinsic and inseparable part of power purchase must also be trued up on actual in terms of Regulation 152 of the said Regulations.

Further, the Petitioner submit that a large part of tariff of the DISCOMs is unrecovered in the form of Regulatory Assets. The accumulated Regulatory Assets is of no immediate value to the Petitioner in discharging contractual liabilities for carrying out its business year on year. The Petitioner has faced an acute stringency of cash flow on account of the huge accumulated Regulatory Assets. Factually, on account of cash crunch (due to accumulated Regulatory Asset), the Petitioner was unable to avail the benefit of rebate offered by Genco/Transcos.

In view of the above, we humbly request the Hon'ble Commission to consider the actual rebate earned by the Petitioner while truing up the uncontrollable

Power Purchase Cost.

Accordingly, the power purchase cost, for the purpose of Truing up, has been considered in the instant Petition based on the actual Power Purchase Cost during FY 2022-23.

c) Operation and Maintenance Expenses

Regulation 4(3) of the Tariff Regulations, 2017 provides Operation and Maintenance Expenses to be specified under Business Plan Regulations for a control period, relevant excerpt is reproduced here as follows:

“4. The Business Plan Regulations shall contain the following parameters applicable for a Control Period:

....

(3) Operation and Maintenance Expenses

....”

Further, Regulation 92 of the Tariff Regulations, 2017 define the components of Operation and Maintenance expenses, relevant excerpt is reproduced here as follows:

“92. Normative Operation and Maintenance expenses of a Distribution Licensee shall consist of:

(a) Employee Expenses,

(b) Administrative and General Expenses; and

(c) Repair and Maintenance Expenses.”

In line with above, the Hon'ble Commission has defined normative Operation and Maintenance expenses in Regulation 23 of the Business Plan Regulations 2019, relevant excerpt is reproduced here as follows:

“23. OPERATION AND MAINTENANCE EXPENSES

(1) Normative Operation and Maintenance expenses in terms of Regulation 4(3) and Regulation 92 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2019 for the Distribution Licensees shall be as follows:

Table 9: Norms for O&M Expenses for BYPL for the Control Period

Particulars	Unit	2020-21	2021-22	2022-23
66 kV Line	Rs. Lakh/ckt. km	4.857	5.043	5.236

33 kV Line	Rs. Lakh/ckt. km	4.857	5.043	5.236
11kV Line	Rs. Lakh/ckt. km	2.036	2.114	2.195
LT Line system	Rs. Lakh/Ckt. km	9.173	9.524	9.890
66/11 kV Grid S/s	Rs. Lakh/MVA	1.157	1.201	1.247
33/11 kV Grid S/s	Rs. Lakh/MVA	1.157	1.201	1.247
11/0.415 kV DT	Rs. Lakh/MVA	2.534	2.631	2.732

Accordingly, the Petitioner has considered normative O&M Expenses for FY 2022-23, details of which have been elaborated later in this chapter. Further, the additional expenses which are not part of the actual O&M expenses considered by the Hon'ble Commission while determining aforesaid norms for the control period from FY 2020-21 to FY 2022-23, have also been considered under Regulation 45 of the Tariff Regulations, 2017 and Regulation 23 of the Business Plan Regulations, 2019.

Also, Hon'ble APTEL in its Judgement dated 24.05.2022 passed in Appeal No. 213 of 2018 has directed the Hon'ble Commission to consider the impact of increase in rate of service tax and revisit its order. The relevant extract of the APTEL's Judgement is reproduced below:

"...It is apparent that the decisions taken by Order dated 30.09.2021 on the subjects of re-determination of AT&C loss trajectory and impact of increase in rate of Service Tax were influenced by the Suo Motu order dated 29.09.2019 which had illegally attempted to dislodge the Compliance Order dated 04.02.2021. Since the Suo Motu order has been found to be improper, unjust, and bad in law and is being vacated, consequently rendering the Compliance Order operative and in force, the decisions on the above-mentioned subject by the Tariff Order dated 30.09.2021 cannot be allowed to stand. We order accordingly. It would be the obligation of the State Commission to revisit the same and pass fresh orders in accordance with law on such issues, also for the period covered by the Tariff Order dated 30.09.2021."

The detailed explanation of aforesaid claim is provided in subsequent paragraphs of this True Up Petition.

d) Depreciation

The principles to be followed for true-up of depreciation for any Financial Year is to be carried out in line with Regulation 152 (e) of the Tariff Regulations 2017, relevant excerpt is reproduced here as follows:

“152. True up of ARR for Distribution (Wheeling & Retail Supply) Licensee shall be conducted on the following principles:

....

(e) Depreciation, Return on equity and interest on loan shall be trued up every year based on the actual capitalisation vis-a-vis capital investment plan (capitalisation) approved by the Commission:

Provided further that the Commission shall true up the interest rate on the basis of increase/decrease in State Bank of India Base Rate as on April 1 of the relevant financial year vis-a-vis State Bank of India Base Rate as on April 1 of the immediately preceding financial year in accordance with Regulation 77 of these Regulations;

....”

Further, Regulation 29 of the Tariff Regulations 2017 provides that any grant/contribution which does not imply any debt-equity service or any liability is to be excluded from capital cost for determination of depreciation, relevant excerpt is reproduced here as follows:

“Any grant or contribution or facility or financial support received by the Utility from the Central and/or State Government, any statutory body, authority, consumer or any other person, whether in cash or kind, for execution of the project or scheme, which does not involve any servicing of debt or equity or otherwise carry any liability of payment or repayment or charges shall be excluded from the Capital Cost for the purpose of computation of interest on loan, return on equity and depreciation.”

Accordingly, the Petitioner has computed depreciation on average GFA net of Consumer Contribution for FY 2022-23 as also elaborated in the subsequent paragraphs.

e) Return on Capital Employed (RoCE)

Regulation 68 of the Tariff Regulations 2017 provides methodology for computation of RRB for any Financial Year, reproduced herein as under:

“68. The Regulated Rate Base for the i^{th} year of the Control Period shall be computed in the following manner:

$$RRB_i = RRB_{i-1} + \Delta AB_i / 2 + \Delta WCI_i;$$

..”

Accordingly, the Petitioner has computed RRB for FY 2022-23. Further, WACC has been computed in terms of Regulation 70 of Tariff Regulation, 2017 reproduced here as follows:

“70. The WACC for each year of the Control Period shall be computed at the start of the Control Period in the following manner:

$$WACC = \left[\frac{D/E}{1 + D/E} \right] * r_d + \left[\frac{1}{1 + D/E} \right] * r_e$$

Where,

....

rd is the cost of debt and shall be determined at the beginning of the Control Period after considering Licensee's proposals, present cost of debt already contracted by the Licensee, credit rating, benchmarking and other relevant factors (risk free returns, risk premium, prime lending rate etc.)

re is the Return on Equity and shall be considered at 16% post-tax:

...”

In continuation to above, RoCE for FY 2022-23 has been computed by multiplying WACC with RRB as specified in the Regulation 69 of Tariff Regulations, 2017, reproduced herein as under:

“69. Return on Capital Employed (RoCE) for the year "i" shall be computed in the following manner:

$$RoCE = WACC * RRB_i$$

”

Regulation 72 and Regulation 73 of Tariff Regulations, 2017 provides for computation of Tax on Equity. relevant excerpt is reproduced here as follows:

*“72. **Tax on Return on Equity:** The base rate of return on equity as specified by the Commission in the Business Plan Regulations shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid vis-a-vis total income of the Utility in the relevant financial year in line with the provisions of the relevant Finance Acts....*

Provided that if the rate of return on equity for a Control Period is allowed on pre-tax basis, then income tax on the return on equity shall not be allowed separately as a pass through in ARR;

Provided further that no amount shall be considered towards tax exceeding the actual amount of tax paid by the corporate entity of the Utility as an assessee.

73. Rate of return on equity shall be rounded off to three decimal places and shall be computed as per formula given below:

Rate of pre-tax return on equity = Base rate / (1-t)

Where “t” is the effective tax rate in accordance with Regulation 0 and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid by the Utility on pro-rata basis by excluding the other income stream:

Provided that wherever the Utility pays Minimum Alternate Tax (MAT), “t” shall be considered as MAT rate including surcharge and cess.”

Further, Regulation 21 of the Business Plan Regulation, 2019 provides the methodology for computation of Tax on Equity, relevant excerpt is reproduced here as follows:

“21. TAX ON RETURN ON EQUITY

The base rate of return on equity as allowed by the Commission under Regulation 20(1) and Regulation 20(2) of these Regulations shall be grossed up with the Minimum Alternate Tax or Effective Tax Rate of the respective financial year in terms of Regulation 72 and 73 of the DERC (Terms and Conditions for Determination of Tariff)

Regulations, 2017, as per the following formula:

Rate of Return on Equity= 16/[(100-Tax Rate)/100]

where, Tax Rate is Minimum Alternate Tax (MAT) or Effective Tax Rate, as the case may be.

....”

The Petitioner humbly submits that the Income tax ought to be considered as per applicable DERC's Tariff Regulations 2017 and principle laid down by Hon'ble APTEL in various judgments. A conjoint reading of the Regulations of the Hon'ble Commission in the light of the ratio laid down by the Hon'ble APTEL would clearly establish that:

- (a) The Distribution Business must be treated as if in a watertight compartment;
- (b) The RoE is not only the income of the Distribution Business;
- (c) A 16% return on equity has been assured to the distribution business and must be given to the entity meaning thereby all other taxes payable by the distribution business computed on a normative basis must be allowed as a pass through.

Further, it is highlighted that the Hon'ble Supreme Court in its Order and Judgment dated 18.10.2022 has also laid down the principle of Truing up i.e. *'Truing up' exercise cannot be done to retrospectively change the methodology/principles of tariff determination and reopening the original tariff determination order thereby setting the tariff determination process to a naught at 'true up' stage.*

Rate of Interest on Loan

Regulation 77 of the Tariff Regulations 2017 provides for the methodology for computation of Interest on loan, reproduced here as follows:

“77. the rate of interest on loan shall be based on weighted average rate of interest for actual loan portfolio subject to the maximum of bank rate as on 1st April of the year plus the margin as approved by the Commission in the Business Plan Regulations for a Control Period...

Provided that in no case the rate of interest on loan shall exceed approved rate of return on equity:

Provided further that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:

Provided also that if the Utility does not have actual loan then the rate of interest shall be considered at the bank rate plus margin, as specified by the Commission in the Business Plan Regulations, for the notional loan of the relevant control period:

Provided also that the loan availed through open tendering process (Competitive Bidding) among Scheduled Banks, Financial Institutions etc., shall be considered at the rate discovered through open tendering process”

In view of the above, the Hon'ble Commission has specified the margin for rate of interest on loan in Regulation 22(1) of the Business Plan Regulations, 2019 stated as under:

“22. MARGIN FOR RATE OF INTEREST ON LOAN

(1) The rate of interest on loan for a financial year shall be Marginal Cost of Fund based Lending Rate (MCLR) of SBI as on 1st April of that financial year plus the Margin. The Margin, in terms of Regulation 4(2) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 towards capitalisation of Assets, Working Capital and Regulatory Assets for Distribution Licensee, is allowed as the difference between the weighted average rate of interest on actual loan portfolio and the MCLR as on 1st April of that financial year:

Provided that the Margin shall not exceed 5.00%, 4.25% and 3.50% for the first, second and third year of the control period, respectively:

Provided further that the rate of interest on loan (MCLR plus Margin) in any case shall not exceed approved base rate of return on equity i.e. 14.00%.”

Accordingly, the Petitioner has considered the blended rate of interest on debt at the rate of 11.36% and post-tax ROE at the rate of 21.38% for computation

of WACC for FY 2022-23.

f) Non-Tariff Income:

Regulation 11(11) of the Tariff Regulations 2017, provides as under:

“11. The Distribution Licensee shall submit Annual Tariff Petition, at least, one hundred and fifty (150) days prior to the end of relevant financial Year which shall contain:

....

(11) Actual and Expected Non-Tariff Income including Other Business Income for the previous and ensuing Year respectively;
....”

Further, Regulation 94 of Tariff Regulation 2017 provides tentative list of components of Non-Tariff Income as under:

“94. The Utility shall submit forecast of Non-Tariff Income to the Commission, in such form as may be stipulated by the Commission from time to time, whose tentative lists as follows:

- (i) Income from rent of land or buildings;*
- (ii) Net Income from sale of de-capitalised assets;*
- (iii) Net Income from sale of scrap;*
- (iv) Income from statutory investments;*
- (v) Net Interest on delayed or deferred payment on bills;*
- (vi) Interest on advances to suppliers/contractors;*
- (vii) Rental from staff quarters;*
- (viii) Rental from contractors;*
- (ix) Income from Investment of consumer security deposit;*
- (x) Income from hire charges from contractors and others, etc.*

95. The Non-Tariff Income shall be reduced from ARR.”

Accordingly, the Petitioner has submitted the details of Non-Tariff Income for FY 2022-23 elaborated in the subsequent paragraphs.

3A.9 Based on the above statutory provisions, the Petitioner prays for True-up of expenses and revenue for FY 2022-23 as elaborated in the subsequent paragraphs.

Energy Sales

3A.10 Regulation 152 of the DERC Tariff Regulations, 2017 provides that true up of ARR for Distribution (Wheeling & Retail Supply) Licensee shall be conducted on the principles of variation in revenue and sales of the distribution licensee based on projected revenue and sales vis-à-vis actual revenue and sales. The quantum of energy sales is an uncontrollable factor and therefore any variation and its impact thereto ought to be allowed by the Hon'ble Commission. Accordingly, the Petitioner requests the Hon'ble Commission to carry out the true-up of the variation in the revenue and sales for FY 2022-23.

3A.11 It may be noted that the methodology followed by the Hon'ble Commission regarding Enforcement sales i.e. calculation of units billed on account of enforcement by dividing the amount realised by twice ABR has been set aside by the Hon'ble Supreme Court in its judgment dated 18.10.2022 wherein the Hon'ble Supreme Court has directed the Hon'ble Commission as under:

*“ 79... We are of the view that **the methodology adopted by the DERC is contrary to the settled principle of law** that when the law deems a certain imaginary state of affairs as real, DERC would not let its imagination boggle at treating the 100 units as sales. We are of the view that such imaginary state of affairs must be taken to its logical end and commend the treatment of 100 units as 'sales'. 80. We are of the view that the **assessed energy has to be considered as supply** by the appellants in enforcement cases. Therefore, **we direct the DERC to consider assessed energy for calculation of enforcement sales and allow the impact of the same along with carrying costs**. In view of our conclusion as above, we do not deem it necessary to answer the other contentions on this issue.”*

[Emphasis Added]

3A.12 In view of the directions of the Hon'ble Supreme Court in the aforesaid judgment, the Petitioner has considered 19.8 MU as enforcement sales in the

instant petition for True-up of FY 2022-23. Further, the Petitioner has claimed the impact of energy sales on account of theft/enforcement for previous years in Chapter 3B of this Petition.

3A.13 The actual energy sales during FY 2022-23 after taking into account the impact of Hon'ble Supreme Court judgment dated 18.10.2022 is 6,958 MU. The category-wise bifurcation of connected load, no. of consumers and energy sales during FY 2022-23 for truing up is tabulated here as follows:

Table 3A 1: Category-wise connected load, consumers and energy sales for FY 2022-23

S. No.	Category	Load	Consumers	Energy Sales
		MW	No.	MU
1	Domestic	3,180	14,82,641	4,397.3
1.1	Domestic	3,126	14,79,757	4,300.1
1.2	SPD for GHS (CGHS)	8	16	16.6
1.3	Worship & Hospital	37	27	68.8
1.4	DVB Staff	9	2,841	11.9
2	Non-Domestic	1,626	4,07,045	1,714.7
2.1	Non-Domestic LT (up to 3kVA)	502	3,06,672	400.5
2.2	Non-Domestic LT (above 3kVA)	917	1,00,059	1,006.3
2.3	Non-Domestic HT	207	314	307.9
3	Industrial	214	7,654	380.6
3.1	Industrial LT	180	7,620	301.5
3.2	Industrial HT	34	34	79.0
4	Agriculture	0.30	40	0.3
5	Mushroom Cultivation	0	1	0.0
6	Public Utilities	184	4,637	336.8
6.1	Public Lighting	28	2,872	57.7
6.2	Delhi Jal Board (DJB)	94	1,762	165.0
6.3	Delhi Metro (DMRC)	62	3	114.1
7	Advertisement and Hoardings	1	325	0.03
8	Charging Stations for EV	18	934	25.0
8.1	EV Charging at LT	12	932	19.5
8.2	EV Charging at HT	7	2	5.5
9	Self-Consumption	7	280	10.1
10	Temporary Supply	-	-	73.7
11	Enforcement	-	-	19.8
	Total	5,230	19,03,557	6,958.3

3A.14 The actual revenue billed (net of Electricity tax and Pension Trust Surcharge) from sale of power by the Petitioner at approved Retail Supply Tariffs during FY 2022-23 is ₹ 5,592.9 Crore. The category wise and component wise revenue billed during the year is tabulated here as follows:

Table 3A 2: Category-wise Energy Sales and Revenue for FY 2022-23

S. No.	Category	Energy Sales	Fixed Charges	Energy Charges (incl. Other)	PPAC	Total Charges	Avg. Billing Rate	Regulatory Assets Surcharge
		MU	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹ /Unit	₹ Cr.
1	Domestic	4,397.3	185.6	1,786.8	405.0	2,377.4	0.36	157.9
2	Non-Domestic	1,714.7	481.7	1,429.8	394.3	2,305.8	0.89	152.7
3	Industrial	380.6	67.5	314.0	79.0	460.5	0.81	30.9
4	Agriculture & Mushroom	0.3	0.0	0.1	0.0	0.1	0.26	0.0
5	Public Utilities	336.8	43.1	218.0	53.7	314.9	0.75	25.3
6	Adv. & Hoardings	0.03	0.0	0.0	0.0	0.1	1.29	0.0
7	Temporary	73.7	13.1	70.6	17.4	101.1	0.91	6.7
8	Charging Stations for EV	25.0	-0.0	10.9	2.3	13.2	0.35	0.9
9	Others	29.9	-0.0	19.8	0.0	19.8	0.42	1.3
10	Total	6,958.3	791.1	3,850.1	951.7	5,592.9	8.04	375.5

Own Consumption:

3A.15 It includes energy sales towards self-consumption of the Petitioner in its establishment i.e. its offices, call centres, sub-stations, etc. There is a mandatory direction by the Hon'ble APTEL in its judgment dated March 2, 2015 to inter alia arrive at the quantum of self-consumption based on the actual figure. The Hon'ble APTEL in Judgment dated March 2, 2015 (Appeal No. 178 of 2012) ruled as under:

“25.5 This issue has also been dealt by us in Appeal no. 195 of 2013 filed by a consumer and the Tribunal decided as under:

*“We feel that the Appellant should have installed meters for self-consumption in all its offices, call centres, sub-stations, etc. The Respondent no.2 does not need specific instructions for the same. When the Respondent no.2 is including self-consumption in its energy sale figures, then it was legally bound to supply electricity for gross consumption only through correct meters. We feel that the State Commission should have allowed self-consumption only to the extent of actual consumption for metered installations. The formula proposed by the Respondent no. 2 for calculating own consumption in its installations is for calculating energy consumption for consumers in case of faulty meters. Accordingly, **we direct the State Commission to re-determine the self-consumption based on the metered data only.** We also do not feel that this would result in change in procedure in true up with respect to the MYT order dated 23.02.2008. In the MYT order the consumption is based on the projections. In the MYT order the State Commission has not approved that the self-consumption would not be metered and would only be assessed by a formula considering the load, number of days/hours, load factor, etc.”*

3A.16 Further, Regulation 23 (2) of the Business Plan Regulations, 2019 specifies as follows:

“23...(2) The Distribution Licensee shall be allowed own (Auxiliary) consumption including e-vehicle charging stations installed at Distribution Licensee offices and sub-stations, at Zero Tariff for actual recorded consumption subject to a maximum of 0.25% of total sales excluding own consumption to its retail consumers for the relevant financial year as part of O&M expenses for the relevant year”

3A.17 It is submitted that the actual units metered and billed by the Petitioner towards Own Consumption during FY 2022-23 is 10.2 MU which is also within the normative limit as specified by the Hon'ble Commission in the aforesaid Business Plan Regulations, 2019. The details of the same is tabulated below:

Table 3A 3: Comparison of Normative Self consumption and actual self-consumption during FY 2022-23

S.No	Particulars	Units
		(in MU)
A	Units Billed Excluding Self consumption	6,948.3
B	Self-consumption on Normative basis 0.25% of A	17.4
C	Actual Self consumption claimed by Petitioner	10.2

Pension Trust Surcharge:

3A.18 Hon'ble Commission in the Tariff Order dated 30.09.2021 has revised the Pension Trust surcharge to 7% with effect from 01.10.2021 over the approved retail supply tariff to meet the Pension Trust liability of erstwhile DVB employees/ Pensioners as recommended by GoNCT of Delhi.

3A.19 Further, Hon'ble Commission vide directive 6.2 of the Tariff Order dated 30.09.2021 directed the Petitioner to deposit the amount of pension trust surcharge collected from consumer directly to the Pension Trust.

3A.20 It is submitted that the Petitioner has collected an amount of ₹ 330.7 Crore towards Pension Trust Surcharge during FY 2022-23 against billed amount of ₹ 328.2 Crore as tabulated below:

Table 3A 4: Pension Trust Surcharge for FY 2022-23

S.No.	Particulars	UOM	FY 2022-23
1	Revenue Billed on account of Pension Trust Surcharge	₹ Cr.	328.2
2	Amount Collected on account of Pension Trust Surcharge*	₹ Cr.	330.7

**Deposited in the Bank account of Pension trust in compliance with the directions of the Hon'ble Commission.*

Distribution loss for FY 2022-23

3A.21 Further, the Petitioner in its Para 3.4.2 to 3.4.3 of Petition for True up of FY 2020-21 and Para No 3.4.2 to 3.4.3 of Petition for True up of FY 2021-22, had submitted its request to consider the adverse impact of COVID-19 and Lockdown as force majeure event and requested the Hon'ble Commission to revise the Targets of Distribution loss for FY 2020-21 and FY 2021-22 and allow the consequential impact of the same on the Distribution loss Target for FY 2022-23. Since, the True up of FY 2020-21 and FY 2021-22 is still pending, The Petitioner would like to request the Hon'ble Commission to kindly allow the adverse impact of COVID-19 on the distribution loss trajectory for FY 2020-21 and FY 2021-22 and its consequential impact for FY 2022-23.

3A.22 Without prejudice to the above, the Petitioner is submitting its claim based on the Distribution Loss targets approved in the Business Plan Regulations, 2019. The actual distribution loss level achieved by the Petitioner during FY 2022-23 is tabulated below:

Table 3A 5: Distribution loss for FY 2022-23

S.No.	Particulars	UoM	Figure	Remarks/ Reference
A	Energy Input	MU	7501.1	
B	Energy Billed	MU	6958.3	Table 3A 1
C	Distribution loss	%	7.24%	(A-B)/A
D	Distribution Loss Target	%	8.50%	
E	Reduction in Distribution Loss from target	%	1.26%	D-C

3A.23 Regulation 25(2) of the Business Plan Regulations, 2019 states that the amount for Overachievement/Underachievement on account of Distribution

Loss target shall be computed as per the formula specified in the Regulation 159 of the Tariff Regulations, 2017 which is reproduced as under:

“159. The Financial impact on account of over achievement or under achievement of distribution loss target shall be computed as under:

Incentive or penalty = $Q1(L1-L2)*P*10^6$*

Where,

Q1 = Actual Quantum of energy Purchased at Distribution periphery.

L1 = Distribution Loss Target in %

L2 = Actual Distribution Loss in %

P = Trued up Average Power Purchase Cost (APPC) per unit at distribution periphery in (Rs. /KWh).”

3A.24 Further, Regulation 25(4) of Business Plan Regulations 2019 specifies the computation of sharing the financial impact on account of overachievement of distribution loss target, between the Petitioner and consumers.

3A.25 Accordingly, the total financial impact on account overachievement of 1.26% towards Distribution Loss target for FY 2022-23 is ₹ 55.7 Cr, out of which ₹ 35.3 Crore is to be retained by the Petitioner and ₹ 20.4 Crore is to be passed on to the consumers. The detailed computation is tabulated below:

Table 3A 6: Financial Impact of overachievement in Distribution loss target

S.No.	Particulars	UOM	FY 2022-23	Remarks
A	Distribution loss Target for Previous Year (PYT)	%	8.75%	As per Reg. 24(2) of BPR 2019
B	Distribution loss Target for Current Year (CYT)	%	8.50%	As per Reg. 25(1) of BPR 2019
C	Actual Distribution Loss	%	7.24%	Table 3A 5
D	50% of (PYT - CYT)	%	0.12%	$50\%*(A-B)$
E	CYT-50% of (PYT - CYT)	%	8.38%	B-D
F	Energy Input	MU	7,501.1	Table 3A 5
G	Average Power Purchase Cost	₹/Unit	5.87	Table 3A 25
H	Total Financial Gain	₹ Cr.	55.7	(B-C)*F*G/10
I	Petitioner Share 1 of incentive (less than Loss Target-50%*(PYT-CYT)	₹ Cr.	1.8	$(B-E)*F*G/10(1/3)$
J	Petitioner Share 2 of incentive (up to Loss Target-50%*(PYT-CYT)	₹ Cr.	33.5	$(E-C)*F*G/10(2/3)$

S.No.	Particulars	UOM	FY 2022-23	Remarks
K	Share of financial gain to be retained by the Petitioner	₹ Cr.	35.3	I+J
I	Share of financial gain passed on to the consumers	₹ Cr.	20.4	H-K

Collection efficiency during FY 2022-23

3A.26 Hon'ble Commission has defined the collection efficiency in Regulation 5(11) of Tariff Regulations, 2017 as reproduced below:

“5 (11) Collection efficiency shall be measured as ratio of total revenue realized to the total revenue billed in same year.

Provided that Revenue realised or revenue billed on account of electricity duty, late payment surcharge, any other surcharge shall be excluded from the computation of collection efficiency”

3A.27 Further, Regulation-26 (1) of Business Plan Regulations, 2019 specifies targets for Collection Efficiency from FY 2020-21 to FY 2022-23 at 99.50%. the relevant extract of Regulation 26 of Business Plan Regulations, 2019 is reproduced below:

“26. TARGET FOR COLLECTION EFFICIENCY

(1) The targets for Collection Efficiency for FY2020-21 to FY2022-23 of the Distribution Licensees shall be 99.50%.

(2) The financial impact on account of Collection Efficiency target shall be computed as per the formula specified in Regulation 163 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee.

(3) The financial impact on account of over-achievement in terms of Regulation 164 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee, from 99.50% to 100% shall be shared equally between Consumers and the Distribution Licensees.”

3A.28 The Petitioner has billed gross amount of ₹ 6,535.1 Crore during FY 2022-23 which includes amount on account of Electricity Tax, 8% RA Surcharge, and Pension Surcharge. The net Revenue Billed considered for the purpose of

computation of Collection Efficiency during FY 2022-23 is tabulated below:

Table 3A 7: Revenue Billed for FY 2022-23 (₹ Crore)

S. No	Particulars	FY 2022-23	Reference
A	Total Revenue Billed	6,535.1	Note 59 of the Audited Accounts
B	Less: Electricity Tax Billed	238.6	Note 59 of the Audited Accounts
C	Less: 8% RA surcharge Billed	375.5	Note 59 of the Audited Accounts
D	Less: Pension Surcharge	328.2	Note 59 of the Audited Accounts
E	Revenue Billed for AT&C True up	5,592.9	A-B-C-D

3A.29 In continuation to above, the Petitioner has realised the gross revenue of ₹ 6,615.0 Crore during FY 2022-23 which includes collection on account of Electricity Tax, Late Payment Surcharge, 8% RA Surcharge and Pension Trust Surcharge. The net Revenue Realised considered for the purpose of computation of Collection Efficiency during FY 2022-23 is tabulated here as follows:

Table 3A 8: Revenue Collected for FY 2022-23 (₹ Crore)

S. No	Particulars	FY 2022-23	Reference
A	Total Revenue Realised as per Form 2.1 A	6,615.0	Note 59 of the Audited Accounts
B	Less- Electricity Tax	240.1	Note 59 of the Audited Accounts
C	Less- Regulatory Asset Surcharge	380.0	Note 59 of the Audited Accounts
D	Less- Pension Trust Surcharge	330.7	Note 59 of the Audited Accounts
E	Less- Late Payment Surcharge	23.0	Note 59 of the Audited Accounts
F	Net revenue Collected	5,641.2	A-B-C-D-E

3.5.1 Accordingly, in terms of Regulation 5(11) of the Tariff Regulations 2017, the Petitioner has achieved collection efficiency of 100.86% during FY 2022-23 against the target of 99.50% i.e. an overachievement of 1.36% from the target. The detailed computation of actual collection efficiency during FY 2022-23 is tabulated here as follows:

Table 3A 9: Collection Efficiency Over/(Under) Achievement during FY 2022-23

S.No.	Particulars	UOM	FY 2022-23	Remarks
A	Net Revenue Billed	₹ Cr.	5,592.9	Table 3A 7
B	Net Revenue Realised	₹ Cr.	5,641.2	Table 3A 8
C	Actual Collection Efficiency	%	100.86%	B/A
D	Target Collection Efficiency	%	99.50%	As per BPR, 2019
E	Over/ (Under) Achievement	%	1.36%	D-C

3A.30 Regulation 26(2) and Regulation 26(3) of the Business Plan Regulations, 2019 provides that gain on account of overachievement in Collection Efficiency target is to be computed as per Regulation 163 of the Tariff Regulations, 2017 and gain corresponding to actual collection efficiency between 99.50% to 100% is to be equally shared between consumers and licensee.

3A.31 Further, Regulation 163 and Regulation 164 of the Tariff Regulations, 2017 provides methodology for computation of gain on account of overachievement in Collection Efficiency target and the sharing mechanism of the same, relevant excerpt is reproduced here as follows:

“163. The financial impact on account of over or under achievement of Collection Efficiency target shall be computed as under:

$$\text{Incentive or (Penalty)} = (C1 - C2) * A_b$$

where,

$$C1 (\text{Actual Collection Efficiency}) = \left[\frac{Ar}{Ab} \right] * 100$$

A_r = Actual amount collected excluding electricity duty, late payment surcharge, any other surcharge in Rs. Crore;

A_b = Actual amount billed excluding electricity duty, late payment surcharge, any other surcharge in Rs. Cr.;

C_2 = Target Collection Efficiency in %;

164. Any financial impact on account of underachievement less than the target and overachievement above 100% with respect to Collection Efficiency targets shall be to the Licensee's account:

Provided that any financial impact on account of over achievement over and above the target and limited to 100% with respect to Collection Efficiency targets shall be shared as per the mechanism indicated in the Business Plan Regulations of the Control Period."

3A.32 Accordingly, in terms of abovementioned Regulation 163 and Regulation 164 of the Tariff Regulations 2017 and Regulation 26(2) and Regulation 26(3) of the Business Plan Regulations 2019, the total financial gain on account of overachievement of 1.36% towards collection efficiency target is ₹ 76.2 Crore, out of this ₹ 62.3 Cr is to be retained by the Petitioner and ₹ 14.0 Cr to be passed on to the consumers, detailed computation is tabulated here as follows

Table 3A 10: Financial Impact of Overachievement of Collection Efficiency Target

S.No.	Particulars	UOM	FY 2022-23	Remarks
A	Net Revenue Billed	₹ Cr.	5,592.87	Table 3A 7
B	Actual Collection Efficiency	%	100.86%	Table 3A 9
C	Collection Efficiency Target	%	99.50%	As per BPR, 2019
D	Revenue Realised over 99.50% Collection Efficiency Target	₹ Cr.	76.2	$A*(B-C)$
E	Share of financial gain passed on to the consumers	₹ Cr.	14.0	D/2
F	Share of financial gain to be retained by the Petitioner	₹ Cr.	62.3	D/2

Net Revenue for FY 2022-23

3A.33 The computation of net revenue available after adjusting the incentive towards lower Distribution Loss Level and Higher Collection Efficiency is tabulated below. It is worth to mention here that for the purpose of computing surplus or deficit for the year, the amount of net revenue is considered based on actual collection only.

Table 3A 11: Net Revenue for FY 2022-23

S.No.	Particulars	UOM	FY 2022-23	Remarks
A	Net Revenue Realised (Excluding E. Tax, LPSC, RA Surcharge & PT Surcharge)	₹ Cr.	5,641.2	Table 3A 8
B	Less - Overachievement due to Lower Distribution Loss	₹ Cr.	35.3	Table 3A 6
C	Less - Overachievement due to Higher Collection Efficiency	₹ Cr.	62.3	Table 3A 10
D	Net Revenue for FY 2022-23	₹ Cr.	5,543.6	A-B-C

Power Purchase Quantum

3A.34 The Petitioner purchases most of the power from generating companies owned and/ or fully controlled by the Central Government and State Government by virtue of long term power purchase agreements which have been inherited from DTL (initially signed by M/s DTL) and assigned/approved by the Hon'ble Commission to the Petitioner.

3A.35 The Petitioner vide its below listed letters has already submitted to the Hon'ble Commission the details of monthly power purchase cost and invoices raised by Generating Companies and Transmission Companies for the period April 2022 to March 2023.

Table 3A 12: Correspondences with DERC regarding power purchase bills

Sr. No.	Month	Letter Reference No.	Date
1	Apr-22	RA/BYPL/2022-23/72	31.05.2022
2	May-22	RA/BYPL/2022-23/98	29.06.2022
3	Jun-22	RA/BYPL/2022-23/128	19.07.2022
4	Jul-22	RA/BYPL/2022-23/164	22.08.2022
5	Aug-22	RA/BYPL/2022-23/188	22.09.2022
6	Sep-22	RA/BYPL/2022-23/221	18.10.2022
7	Oct-22	RA/BYPL/2022-23/248	17.11.2022
8	Nov-22	RA/BYPL/2022-23/272	19.12.2022
9	Dec-22	RA/BYPL/2022-23/298	18.01.2023
10	Jan-23	RA/BYPL/2022-23/332	21.02.2023
11	Feb-23	RA/BYPL/2022-23/353	15.03.2023
12	Mar-23	RA/BYPL/2023-24/14	17.04.2023

3A.36 The Petitioner vide its Letter No. RA/BYPL/2023-24/61 dated 01.06.2023 has also submitted the Power Purchase Cost Statement for the period April 2022 to March 2023 duly certified by the Statutory Auditor.

3A.37 All the PPAs were submitted to the Hon'ble Commission and approved by the Hon'ble Commission respectively. Further, the details of all PPAs have also been submitted as part of the Business Plan submissions dated 15.09.2022.

3A.38 The summary of actual power purchase quantum procured by the Petitioner at its Periphery during FY 2022-23 is as follows:

Table 3A 13: Power Purchase Quantum for FY 2022-23 (MU)

S. No	Particulars	FY 2022-23	Remarks/ Ref.
A	Power Purchase:		
i	Gross Power Purchase Quantum	9,806.4	includes Banking
ii	Power sold to other sources	1,893.1	
iii	Net Power Purchase	7,913.2	i-ii
B	Transmission Loss/Open Access and others	420.2	
C	Net Metering and Self Generation	8.1	

S. No	Particulars	FY 2022-23	Remarks/ Ref.
D	Net power available after Transmission Loss	7,501.1	A-B+C

3A.39 The Petitioner has considered abovementioned energy input of 7,501.1 MU at periphery of the Petitioner, subject to certification by Delhi SLDC. The Petitioner craves leave of the Hon'ble Commission to explain the workings if and when required by the Hon'ble Commission.

Short term Purchase

3A.40 During FY 2022-23, the Petitioner has procured a total of 1,168 MU through Bilateral/Banking/Intrastate/UI under short term purchase. The summary of source-wise details of short term power purchase is tabulated below:

Table 3A 14: Details of Short Term Power Purchase

S. No	Particulars	FY 2020-21		FY 2021-22		FY 2022-23	
		Energy	(%)	Energy	(%)	Energy	(%)
		(MU)		(MU)		(MU)	
A	Bilateral	62	9%	17	2%	28	2%
B	Banking	426	62%	548	76%	856	73%
C	Exchange	192	28%	154	21%	283	24%
D	Intra-State	0	0%	0	0%	0	0%
E	UI	7	1%	4	1%	1	0.1%
F	Total	687		723		1,168	

3A.41 Out of the total short term purchase of 1168 MUs, almost ~98% is through Banking and Exchange (same was ~97% in FY 2021-22). The banking transactions involve marginal cost and the prices at exchange are market discovered prices and are determined transparently.

3A.42 In addition to above, it is noteworthy that the Petitioner has faced impact of severe coal shortage in Central Generating Power Plants on several

occasions during FY 2021-22 which has remained persistent in FY 2022-23.

The Petitioner vide letter dated 22.04.2022 has submitted before the Hon'ble Commission about the detailed representation of the circumstances beyond the control of the Petitioner. After considering the reasons mentioned in the aforesaid letter and information from SLDC and Short Term Power Market situation, the Hon'ble Commission vide its letter no. F.3(598)/Tariff-Engg./DERC/2019-20/Part-II/6647/1019 dated 29.04.2022 granted relaxation on various directives till 31.07.2022.

3A.43 Further, the Petitioner vide its letter dated 12.07.2022, 27.07.2022 and 29.07.2022 again requested the Hon'ble Commission to extend the aforesaid relaxation. The Hon'ble Commission vide letter no. F.3(598)/Tariff-Engg./DERC/2019-20/Part-II/6647/1019 dated 02.08.2022 further extended following relaxations till 31.10.2022:

- Exemption in seeking prior approvals for Banking and Bilateral Contracts.
- Allowance of Overlapping in Bilateral and Banking transactions.

3A.44 In view of the above, we request the Hon'ble Commission to take cognizance of the Force Majeure/extreme circumstances are beyond the control of the Petitioner.

3A.45 Further, the Petitioner entered into Banking transaction as it is assured and more reliable and never defaulted source. Whereas in other sources, like in bilateral Generating stations have option to curtail depending on market situation. The same can be validated from non-clearance of bids in power exchange. During FY 2022-23 the power exchange clearance was 55%.

Short term power sales

3A.46 During FY 2022-23, the Petitioner has sold total of 1,992 MU under short term sale through Bilateral/Banking/Intrastate/UI mode. The source-wise details of sale of surplus power are tabulated below:

Table 3A 15: Details of Short Term Power Sales

S. No	Particulars	FY 2019-20		FY 2020-21		FY 2022-23	
		Energy	(%)	Energy	(%)	Energy	(%)
		(MU)		(MU)		(MU)	
A	Bilateral	267	19%	73	4%	57	3%
B	Banking	466	33%	908	47%	1102	58%
C	Exchange	614	43%	932	48%	734	39%
D	Intra-State	0	0%	0	0%	0	0%
E	UI	66	5%	38	2%	0	0%
F	Total	1,412		1,950		1893	

3A.47 The Hon'ble Commission in Tariff Order dated 23.07.2014 and 29.09.2015 has advised that "the Petitioner should endeavour to maximise revenue from sale of surplus power and enter into more banking, intrastate and bilateral transactions."

3A.48 Accordingly, the Petitioner has maintained majority of its share in sale of surplus power towards banking arrangement i.e. ~ 55% which is tariff neutral and has sold ~40% of surplus power through Bilateral and Intra-State Transactions during FY 2022-23.

3A.49 In continuation to the above, the total quantum purchased during FY 2022-23 and Plant-wise Petitioner's share is tabulated below:

Table 3A 16: Details of Power Purchase Quantum Station wise

S. No	Stations	Total Generation	Energy received at Delhi Periphery	Petitioner Share
		MU	MU	MU
Central Sector Generating Stations (CSGS)				
A	NTPC	*	*	
1	ANTA GAS POWER PROJECT			0.4
2	AURAIYA GAS POWER STATION			0.5
3	BADARPUR THERMAL POWER STATION			-
4	DADRI GAS POWER STATION			3.7
5	FEROZE GANDHI UNCHAHAR TPS 1			27.0
6	FEROZE GANDHI UNCHAHAR TPS 2			68.9
7	FEROZE GANDHI UNCHAHAR TPS 3			45.9
8	FARAKKA STPS			28.1
9	KAHALGAON THERMAL POWER STATION 1			79.7
10	NATIONAL CAPITAL THERMAL POWER			0.0
11	RIHAND THERMAL POWER STATION 1			0.0
12	RIHAND THERMAL POWER STATION 2			257.9
13	SINGRAULI STPS			529.3
14	KAHALGAON THERMAL POWER STATION 2			271.5
15	TALCHER			0.0
16	DADRI TPS-II			812.3
17	RIHAND THERMAL POWER STATION 3			404.1
18	KOLDAM HPS-I			0.0
A	Sub Total			2529.4
B	NHPC Ltd.			
1	BAIRASIUL P S	17.0		
2	SALAL P S	90.5		
3	CHAMERA I P S	37.0		
4	TANAKPUR P S	13.5		
5	URI P S	75.0		
6	DHAULIGANGA PS	42.6		
7	CHAMERA - II PS	44.3		

S. No	Stations	Total Generation	Energy received at Delhi Periphery	Petitioner Share
		MU	MU	MU
8	DULHASTI PS			65.5
9	SEWA-II			17.3
10	CHAMERA - III PS			32.0
11	URI II			51.5
12	PARBATI-III			20.3
B	Sub Total			506.5
C	Nuclear Power Corp. of India Ltd.			
1	Nuclear Power Corp. of India Ltd. Narora			0.0
2	Nuclear Power Corp. of India Ltd. Kota UNIT - 5&6 RAPP			104.1
C	Sub Total			104.1
D	Satluj Jal Vidyut Nigam Ltd.			
1	Satluj Jal Vidyut Nigam Ltd.			168.1
D	Sub Total			168.1
E	Tehri Hydro Development Corp. Ltd.			
1	Tehri			0.0
2	KOTESHWAR			0.0
E	Sub Total			0.0
F	Tala Power thru PTC			17.7
G	Damodar Valley Corporation			
1	Mejia Units 6			142.6
2	CTPS 7 & 8			456.7
3	MTPS Unit 7			786.2
G	Sub Total			1385.6
H	Power stations in Delhi			
1	Indraprastha Power Generation Co. Ltd. IP			0.0
2	Indraprastha Power Generation Co. Ltd. RPH			0.0
3	Indraprastha Power Generation Co. Ltd. GT			77.9
4	Pragati Power Corp. Ltd. Pragati I			142.5



S. No	Stations	Total Generation	Energy received at Delhi Periphery	Petitioner Share
		MU	MU	MU
5	Pragati Power Corp. Ltd. Pragati III (Bawana)			425.0
	Total SGS			645.4
I	Others	*	*	
1	Delhi MSW Solution Limited			33.0
2	Tekhhand WTEPL			7.8
I	Total Other			40.7
	Power stations in Delhi			686.1
J	Aravali Power Corporation Ltd .			
	JHAJJAR			328.0
J	Sub Total			328.0
K	Sasan			2235.9
L	SECI			
1	SECI - Sitac KRPL			107.7
2	SECI - Thar Surya 1			107.5
3	SECI - SBSR PCEPL			128.1
4	SECI - EDEN RCPL			126.8
5	SECI - Kilaj S(M)PL			124.9
6	SECI - Alfarnar EPL			138.3
7	SECI - EDEN MSPL			43.0
	Sub Total			776.3
	Total (Sum of A to L)			8737.7

*Total generation and energy received at Delhi periphery data yet to be received from SLDC.

3A.50 In view of the above, it is prayed that the Hon'ble Commission may kindly consider the actual gross power purchase quantum of 8,738 MU during FY 2022-23 as submitted in the above table.

Power Purchase Cost**a) Long Term Power Purchase**

3A.51 The Power Purchase cost is primarily based on the Tariff determined by the Appropriate Commission under section 62(1)(a) or adopted under Section 63 of the 2003 Act for the supply of electricity from generating companies to distribution licensees. Accordingly, when the generating company is owned and/or controlled by the Central Govt. or is supplying to more than one State, Hon'ble CERC determines/adopts the tariff for those generating companies. In rest of the cases, this Hon'ble Commission determines/adopts the tariff of the generating companies owned and/or controlled by the GoNCT of Delhi. As stated above, the Petitioner has already submitted the monthly invoices raised, to the Hon'ble Commission. The Petitioner has considered the total cost on account of long term sources during FY 2022-23 which includes fixed cost, variable cost, arrears, other charges etc. as scheduling of power is controlled by SLDC.

3A.52 It is pertinent to mention that during FY 2022-23 force majeure/exceptional circumstances persisted due to decline in coal supply to TPPs. The details of such circumstances are explained as below:

- i. Ministry of Power (MoP) in press release dated 29.08.2021 highlighted that there has been issue of severe coal shortage in Central Generating Power Plants supplying power to GoNCT of Delhi. This unprecedented coal shortage has adversely affected the Petitioner's power procurement position in FY 2021-22 and FY 2022-23. In this regard, the Petitioner vide letter no. RA/BYPL/2022-23/17 dated 22.04.2022 intimated the Hon'ble Commission of the situation and request to take

cognizance of the matter as Force Majeure/exceptional circumstances for FY 2022-23 and sought suitable relief.

ii. After considering the aforesaid request of the Petitioner, the Hon'ble Commission letter no. F.3(598)/Tariff-Engg./DERC/2019-20/Part-II/6647/236 dated 29.04.2022 has approved the following relaxations as an interim measure till 31.07.2022:

- a. Additional UI Charges and Sustain Deviation Charges as a pass through in Power Purchase Cost;
- b. Exemption in seeking prior approvals for Banking and Bilateral Contracts.
- c. Allowance of Overlapping in Bilateral and Banking transactions;
- d. Exemption for non-intimation and non-consideration of the Power Procured above Rs.5/kWh for computing restriction in impact of such purchase on total Short Term Power Purchase not exceeding 10 Paise/kWh for True-up of FY 2022-23;
- e. To consider Bilateral Contract linked to International Coal Cost; and
- f. To consider Market Spot rates (IEX) as Energy Charges for those Open Access Consumers who are opting back power from DISCOMs.

iii. Thereafter, Hon'ble CERC vide its Order dated 30.06.2022 has extended the capping on exchange prices till September, 2022 by monitoring the trend in prices and volume of electricity transacted at the Power Exchanges, and other related factors having impact on the demand and supply of electricity. Moreover, due to the sharp increase in electricity demand and the consequent power shortage, Ministry of

Power, vide its press release dated 18.05.2022 directed all gencos for timely Import of Coal for blending purposes and the power plants (who have not yet started blending by imported coal) will ensure that they blend coal at the rate of 15 % upto October, 2022 and thereafter at the rate of 10% from November 2022 to March 2023.

- iv. Under this situation, the dependency on gas station supplying power to Delhi increased but gas plants supplying power to Delhi do not have adequate APM gas to run full capacity and fully relies on RLNG/Spot market. Further, Ministry of Power, NRPC vide its letter dated 29.06.2022 has re-allocated 500 MW of Delhi's Power to Haryana from Dadri-II thermal Power Station till 31.10.2022.
- v. Owing to the above force majeure condition, the Petitioner through various communication dated 12.07.2022, 27.07.2022 and 29.07.2022 requested the Hon'ble Commission to further extend the above exemptions till 31.03.2023.
- vi. Taking cognizance of the aforesaid letters, the Hon'ble Commission vide letter no. F.3(98)/Tariff-Engg./DERC/2019-20/Part-II/6647/1019 dated 02.08.2022, has relaxed the following directives till 31.10.2022 as stated below:
 - a. Exemption in seeking prior approvals for Banking and Bilateral Contracts.
 - b. Allowance of Overlapping in Bilateral and Banking transactions.
- vii. Subsequently, the Petitioner vide its letter dated 05.08.2022 sought the following to the Hon'ble Commission till 31.03.2023:
 - a. Exemption for non-intimation and non-consideration of the power

procured above INR 5/kWh for computing restriction in impact of such purchase on total Short Term Power purchase not exceeding 10 paise/kWh for True-up of FY 2022-23;

- b. Additional UI Charges and Sustained Deviation Charges as a pass through in Power Purchase Cost

3A.53 Therefore, in view of the above, the Petitioner request the Hon'ble Commission to consider the power crisis position during FY 2022-23 and relax applicable Regulation 37 of Business Plan Regulation, 2019 read with Regulation 172 of Tariff Regulations, 2017.

3A.54 In addition to above aspect, following vital aspects may also be kindly noted with respect to actual power purchase cost.

- a) SLDC has clearly intimated that scheduling of Central Generating Stations and other inter-state Generating Stations is controlled by RLDC and hence DISCOM wise scheduling is not possible.
- b) The availability of Plants is beyond the control of DISCOMs and the actual availability of Plants differs from the projections. The monthly MOD submitted by the DISCOMs is based on past Month ECR which may not be valid on real time basis.
- c) Further, CERC (IEGC) 4th amendment 2016 Regulation provides as under:

"The CGS or ISGS may be directed by concerned RLDC to operate its unit(s) at or above the technical minimum but below the normative plant availability factor on account of grid security or due to the fewer schedules given by the beneficiaries and it is further stated that where the CGS or ISGS, whose tariff is either determined or adopted by the Commission, is directed by the concerned RLDC to operate below normative plant availability

factor but at or above technical minimum, the CGS or ISGS may be **compensated** depending on the average unit loading duly taking into account the forced outages, planned outages, PLF, generation at generator terminal, energy sent out ex-bus, number of start-stop, secondary fuel oil consumption and auxiliary energy consumption, in due consideration of actual and normative operating parameters of station heat rate, auxiliary energy consumption and secondary fuel oil consumption etc. on monthly basis duly supported by relevant data verified by RLDC or SLDC, as the case may be...

In case of coal / lignite based generating stations, following station heat rate degradation or actual heat rate, whichever is lower, shall be considered for the purpose of compensation:

Sr. No.	Unit loading as a % of Installed Capacity of the Unit	Increase in SHR (for supercritical units) (%)	Increase in SHR (for sub-critical units) (%)
1.	85-100	Nil	Nil
2.	75-84.99	1.25	2.25
3.	65-74.99	2	4
4.	55.64.99	3	6

Compensation for the Station Heat Rate and Auxiliary Energy Consumption shall be worked out in terms of energy charges."

As can be inferred from above, there are multiple buyers from each generator and this part load operation will impact the MOD schedule of the buyers.

- d) Further to the above, it is submitted that operation of Plant is not under the control of DISCOMs, and Delhi DISCOMs allocation is around 10%-20% in a significant number of Plants. Since allocation of these Plants are on shared basis and operation of the same is on the basis of aggregation of demand and keeping into account the Grid Security, therefore, the decision of actual operation/availability of plant is not under control of the DISCOMs.

- 3A.55 Besides the above uncontrollable situations, the Petitioner strictly follows the Merit Order Dispatch (MOD) while giving request of schedules to Delhi SLDC on daily basis.
- 3A.56 However, as per Para 3.148 of Tariff Order for FY 2021-22, the Hon'ble Commission has excluded various power stations from Merit Order Dispatch principle which have must run status like Nuclear & Hydro, State GENCOs which are considered in the islanding scheme of Delhi and Eastern Region Plants where there is time delay in revision of schedule.
- 3A.57 Further, the Petitioner also requests the Hon'ble Commission to consider forced outage/Force Majeure data while considering scheduling and other factors which are beyond the control of Petitioner. In this regard, we request the Hon'ble Commission to also consider the following aspects:

b) Force Scheduling while following Merit Order Despatch Principle:

- 3A.58 Regulations 123 & 152 of the Tariff Regulations, 2017 provide as under:

*"123.To promote economical procurement of power as well as maximizing revenue from Sale of Surplus Power the distribution licensee shall ensure the cost benefit for rate of sale of surplus power in the relevant slots through Banking, Bilateral and Power Exchange transactions **other than the forced scheduling, as certified by the SLDC**, in comparison with the next higher variable cost of the generating stations from which power is surplus after meeting the demand of power in its area of supply;*

152. True up of ARR for Distribution (Wheeling & Retail Supply) Licensee shall be conducted on the following principles:

*.....Provided that the distribution licensee shall **submit report from State Load Despatch Centre (SLDC) for instances of forced scheduling** due to the reasons not attributable to the Distribution licensee for scrutiny of dispatch of power in Delhi on merit order basis*

in its area of supply;

*Provided that Sale through Deviation Settlement Mechanism (Unscheduled Interchange) transactions other than **forced scheduling of power as certified by SLDC on monthly basis** shall be limited to the contingency limit as specified by the Commission in the Business Plan Regulations in order to promote Grid Discipline and optimise Power Purchase Cost;*

*Provided that any Additional/Penal Deviation Settlement Mechanism (Unscheduled Interchange) Charges other than **forced scheduling of power as certified by SLDC paid by the Distribution Licensee** shall not be allowed in Power Purchase Cost,*

.....”

3A.59 Accordingly, the Petitioner vide letter dated 18.10.2023 has requested Delhi SLDC for certifying the Force Scheduling during FY 2022-23. Hence, the Petitioner requests the Hon'ble Commission to not disallow Power Purchase cost on account of Merit Order Dispatch (MOD).

3A.60 Considering the above, the details of station-wise power purchase cost during FY 2022-23 is tabulated below:

Table 3A 17: Details of Power Purchase Cost Station wise for FY 2022-23

S. No.	Stations	Petitioner Share	Fixed Cost	Variable Cost	Other Charges	Arrears	Total Charges	Average Rate
		MU	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹ / kWh
1	2	3	4	5	6	7	8	9
Central Sector Generating Stations (CSGS)								
A	NTPC							
1	ANTA GAS POWER PROJECT	0.36	5.5	0.7	0.0	-0.04	6.1	171.34
2	AURAIYA GAS POWER STATION	0.54	8.0	1.1	0.0	0.06	9.1	170.47
3	BADARPUR THERMAL POWER STATION	0.00	0.0	0.0	0.0	0.00	0.0	

S. No.	Stations	Petitioner Share	Fixed Cost	Variable Cost	Other Charges	Arrears	Total Charges	Average Rate
		MU	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹ / kWh
1	2	3	4	5	6	7	8	9
4	DADRI GAS POWER STATION	3.69	8.0	7.3	0.0	0.12	15.4	41.64
5	FEROZE GANDHI UNCHAHAH TPS 1	27.04	4.2	11.9	0.4	1.27	17.8	6.57
6	FEROZE GANDHI UNCHAHAH TPS 2	68.92	8.8	28.4	0.6	3.09	40.8	5.92
7	FEROZE GANDHI UNCHAHAH TPS 3	45.92	5.9	20.1	0.4	0.86	27.3	5.95
8	FARAKKA STPS	28.06	3.2	10.7	0.7	2.01	16.5	5.89
9	KAHALGAON THERMAL POWER STATION 1	79.72	9.2	29.6	1.0	2.85	42.6	5.34
10	NATIONAL CAPITAL THERMAL POWER	0.00	0.0	0.0	0.0	-0.12	-0.1	
11	RIHAND THERMAL POWER STATION 1	0.00	0.0	0.0	0.0	0.00	0.0	
12	RIHAND THERMAL POWER STATION 2	257.92	17.2	40.3	2.9	4.14	64.5	2.50
13	SINGRAULI STPS	529.33	33.9	79.0	2.8	10.71	126.4	2.39
14	KAHALGAON THERMAL POWER STATION 2	271.55	25.2	95.9	3.6	11.39	136.0	5.01
15	TALCHER	0.00	0.0	0.0	0.0	0.00	0.0	
16	DADRI TPS-II	812.28	138.5	384.8	0.1	2.61	526.0	6.48



S. No.	Stations	Petitioner Share	Fixed Cost	Variable Cost	Other Charges	Arrears	Total Charges	Average Rate
		MU	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹ / kWh
1	2	3	4	5	6	7	8	9
17	RIHAND THERMAL POWER STATION 3	404.06	54.1	62.4	3.3	8.37	128.2	3.17
18	KOLDAM HPS-I	0.00	0.0	0.0	0.0	0.00	0.0	
	Sub Total	2529.38	321.5	772.0	15.9	47.3	1156.7	4.57
B	NHPC Ltd.							
1	BAIRASIUL P S	17.0	2.1	1.9	0.0	1.7	5.7	3.36
2	SALAL P S	90.5	10.6	5.7	9.9	9.9	36.0	3.98
3	CHAMERA I P S	37.0	3.7	4.2	0.0	-1.6	6.3	1.69
4	TANAKPUR P S	13.5	3.1	2.2	0.3	0.8	6.4	4.74
5	URI P S	75.0	7.3	6.2	3.1	2.2	18.8	2.50
6	DHAULIGANGA PS	42.6	6.0	5.2	0.3	3.1	14.7	3.44
7	CHAMERA - II PS	44.3	5.4	4.5	0.0	1.2	11.1	2.50
8	DULHASTI PS	65.5	14.3	14.5	3.2	-12.1	20.0	3.06
9	SEWA-II	17.3	5.3	4.6	0.3	0.4	10.5	6.08
10	CHAMERA - III PS	32.0	7.7	6.3	0.0	0.6	14.7	4.58
11	URI II	51.5	10.5	9.7	4.0	1.2	25.4	4.94
12	PARBATI-III	20.3	9.7	3.1	0.0	0.6	13.4	6.60
	Sub Total	506.5	85.8	68.1	21.1	7.9	183.0	3.61
C	Nuclear Power Corp. of India Ltd.							
1	Nuclear Power Corp. of India Ltd. Narora	0.0	0.0	0.0	0.0	0.0	0.0	
2	Nuclear Power Corp. of India Ltd. Kota UNIT - 5&6 RAPP	104.1	0.0	38.9	1.9	0.6	41.4	3.98
	Sub Total	104.1	0.0	38.9	1.9	0.6	41.4	3.98



S. No.	Stations	Petitioner Share	Fixed Cost	Variable Cost	Other Charges	Arrears	Total Charges	Average Rate
		MU	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹ / kWh
1	2	3	4	5	6	7	8	9
D	Satluj Jal Vidyut Nigam Ltd.							
	Satluj Jal Vidyut Nigam Ltd.	168.1	22.1	19.8	0.0	0.2	42.1	2.50
	Sub Total	168.1	22.1	19.8	0.0	0.2	42.1	2.50
E	Tehri Hydro Development Corp. Ltd.							
	Tehri	0.0	0.0	0.0	0.0	0.3	0.3	0
	KOTESHWAR	0.0	0.0	0.0	0.0	-0.3	-0.3	0
	Sub Total	0.0	0.0	0.0	0.0	0.0	0.0	0
F	Tala Power thru PTC	17.7	0.0	4.0	0.0	0.0	4.0	0
G	Damodar Valley Corporation							
1	Mejia Units 6	142.6	22.3	53.3	0.0	5.6	81.2	5.69
2	CTPS 7 & 8	456.7	78.8	167.8	0.0	15.2	261.8	5.73
3	MTPS Unit 7	786.2	113.3	276.9	0.0	23.5	413.6	5.26
	Sub Total	1385.6	214.4	497.9	0.0	44.2	756.6	5.46
H	Power stations in Delhi							
1	Indraprastha Power Generation Co.Ltd. IP	0.0	0.0	0.0	0.0	0.0	0.0	-
2	Indraprastha Power Generation Co.Ltd. RPH	0.0	0.0	0.0	0.0	0.0	0.0	-
3	Indraprastha Power Generation Co.Ltd. GT	77.9	12.1	112.3	0.0	-0.1	124.3	15.96

S. No.	Stations	Petitioner Share	Fixed Cost	Variable Cost	Other Charges	Arrears	Total Charges	Average Rate
		MU	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹ Cr.	₹ / kWh
1	2	3	4	5	6	7	8	9
4	Pragati Power Corp.Ltd. Pragati I	142.5	24.6	229.0	0.0	-1.0	252.6	17.73
5	Pragati Power Corp.Ltd. Pragati III (Bawana)	425.0	220.1	286.7	-0.2	-0.5	506.1	11.91
	Total SGS	645.4	256.7	628.1	-0.2	-1.7	882.9	13.68
1	Delhi MSW Solution Limited	33.0	0.0	23.2	0.0	0.0	23.2	7.03
2	Tehkhand WTEPL	7.8	0.0	3.3	0.0	0.0	3.3	4.30
	Power stations in Delhi	686.13	256.74	654.56	-0.18	-1.67	909.45	13.25
I	Aravali Power Corporation Ltd							
	JHAJJAR	328.0	76.0	150.8	4.6	1.3	232.7	7.10
	Sub Total	328.0	76.0	150.8	4.6	1.3	232.7	7.10
J	Sasan	2235.9	35.6	257.0	33.9	1.9	328.4	1.47
K	SECI							
1	SECI - Sitac KRPL	107.7	0.0	29.8	0.0	0.0	29.8	2.77
2	SECI - Thar Surya 1	107.5	0.0	23.2	0.0	0.0	23.2	2.15
3	SECI - SBSR PCEPL	128.1	0.0	34.3	0.0	1.1	35.4	2.76
4	SECI - EDEN RCPL	126.8	0.0	33.9	0.0	0.0	33.9	2.67
5	SECI - Kilaj S(M)PL	124.9	0.0	32.6	2.3	0.0	34.9	2.80
6	SECI - Alfarnar EPL	138.3	0.0	34.9	0.0	0.0	34.9	2.52
7	SECI - EDEN MSPL	43.0	0.0	23.6	0.0	0.0	23.7	5.51
	SECI Total	776.3	0.0	212.2	2.4	1.1	215.6	2.78
	Grand Total	8737.7	1012.1	2675.3	79.6	103.0	3870.0	4.43

3A.61 In accordance with the above submissions, the Petitioner prays that the Hon'ble Commission may kindly allow the aforesaid power purchase cost incurred from long term sources during FY 2022-23.

3A.62 The aforesaid Power Purchase Cost may vary as and when the CERC disposes off claims made by the Petitioner in regard to disputed bills of various Generating Companies. The Petitioner will apprise the Hon'ble Commission of the change, if any, in the Power Purchase cost post decision of the Hon'ble CERC

c) Short Term Power Purchase

3A.63 The Hon'ble Commission in its previous Tariff Orders has noted that the load curve in Delhi is peculiar in nature with high morning and evening peaks and very low load demand during night hours. It is neither possible nor practical to tie up power procurement on long term basis/ Sources for the entire demand in the area of supply as the demand is dynamic and fluctuating. Hence, long term sources are tied up only for the base load and for any exigencies such as shut down of any plant.

3A.64 Furthermore, there is a peculiar load curve due to the fact that a majority of the load in Delhi is of commercial establishments, office buildings, which have requirement primarily during day time. Further the Hon'ble Commission directed the Licensee to ensure that electricity which could not be served due to any reason what-so-ever (including maintenance schedule, break-downs, load shedding etc.) shall not exceed 1% of the total energy supplied by them in any particular month, except in cases of force majeure events which are beyond the control of the Licensee. Accordingly, during peak hours, the

Licensee was required to procure power from short term sources to meet the demand.

3A.65 Also, the Hon'ble Commission vide letter dated 22.04.2022 and 02.08.2022 has relaxed the certain directives till 31.10.2022 as explained in preceding paragraphs. The Petitioner has considered the power purchase cost through short term sources during FY 2022-23 which includes the cost on account of purchase through bilateral, banking, Exchange, intra-state and UI.

d) Banking Transactions:

a. Overlapping of Banking

3A.66 During FY 2022-23, there is no overlapping of banking transactions of the Petitioner and also, the Petitioner is in line with the Regulations 152 of the Tariff Regulations, 2017.

3A.67 The Hon'ble Commission in the Short Term Power Procurement Guidelines contained in its letter dated 20.01.2010 stated that arrangement/ disposal of power through banking transactions is preferred. This was reiterated in the various Orders, wherein the Hon'ble Commission directed the DISCOMs to optimize power purchase cost through Banking transactions.

b. Banking power is construed as Reliable power

3A.68 Banking power is assured and never defaulted. Whereas in other sources, in bilateral have option to curtail depending upon market situation. In case of exchange also power clearance ratio is not 100%. Its avg. clearance is only 55% during FY 2022-23. In terms of Hon'ble Appellant Tribunal Order dated 23.03.23, wherein it is held that there shall be interim suspension of the letter dated 16.11.2018. Relevant extracts of the same is reproduced below:

*“118. Viewed from any angle, we are satisfied that application of the formula prescribed in the DERC letter dated 16.11.2018 falls foul of the prescription in Regulation 121(3) of the 2017 Regulations. As there are other distribution licensees falling within the jurisdiction of the DERC, and it is only the appellant which has questioned the validity of the letter dated 16.11.2018, **there shall be interim suspension of the letter dated 16.11.2018**, in so far as the Appellant is concerned, during the pendency of the present appeal before this Tribunal. Needless to state that the Order now passed by us shall be subject to the result of the main appeal. This I.A. is, accordingly, disposed of.”*

3A.69 In accordance with the above, the Petitioner requests the Hon'ble Commission to allow all banking transactions as they are revenue neutral in nature and economical.

e) Contingency Limit of 5% on UI:

3A.70 In terms of Regulation 28(1) of the Business Plan Regulations 2019, the Hon'ble Commission has defined a contingency limit on UI. Relevant extract is shown below:

“28. CONTINGENCY LIMIT FOR SALE OF POWER THROUGH DEVIATION SETTLEMENT MECHANISM (UNSCHEDULED INTERCHANGE CHARGES)

(1) The Contingency Limit for disposing off of Power through Deviation Settlement Mechanism in terms of the Regulation 152 (c) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2020-21 to FY 2022-23 of the Distribution Licensees shall be 5% of Net Power Procured by the Distribution Licensee for the relevant month.”

3A.71 It is also submitted that Petitioner is well within the limits during the FY 2022-

23 as stipulated by the Hon'ble Commission in Business Plan Regulations, 2019.

f) Additional UI Charges and Sustained UI Charges:

3A.72 As explained in above paragraphs, the Hon'ble Commission vide letter dated 22.04.2022 and 02.08.2022 has relaxed the directive related to Additional UI Charges and Sustain Deviation Charges till 31.10.2022 and directed the same to be allowed as a pass through in Power Purchase Cost.

3A.73 Further, the Hon'ble Commission in Tariff Order dated 13.07.2012 had deducted the additional UI Charges borne below 49.5 Hz frequency based on the recommendations given by Forum of Regulators (FOR). The Petitioner had challenged the issue of additional UI Charges borne on account of UI power purchased below 49.50 Hz before Hon'ble APTEL. The Hon'ble APTEL in Judgment dated March 2, 2015 (Appeal 177 & 178 of 2012) has given its observations on the said issue against the Petitioner. However, the Petitioner has preferred a statutory appeal before the Hon'ble Supreme Court against the aforesaid Judgment of the Hon'ble APTEL dated 02.03.2015. Without prejudice to the pendency of aforesaid Appeal, and without admitting or waiving any of its contentions against the said Judgment dated 02.03.2015 or this Hon'ble Commission's order dated 13.07.2012 insofar as the decision on additional UI Charges is concerned, the Petitioner has considered the actual UI purchase while computing the power purchase cost.

3A.74 Further, the Petitioner has jointly raised various concerns in following Petitions (wherein the Petitioner is also a party) before the Hon'ble Commission for issues related to Additional UI and sustained deviation. The Hon'ble

Commission is requested to consider the same while Truing-up of FY 2022-23:

- a. Petition (42 of 2017) under Section 86(1) (k) read with Section 33(4) of the Electricity Act, 2003 seeking adjudication of dispute regarding incorrect methodology adopted by SLDC while preparing intra-state deviation settlement accounts and unlawfully retaining the UI Pool Accounts.
- b. Petition (45 of 2020) seeking inter alia appropriate directions to DTL to install necessary infrastructure including technical infrastructure which would enable the Petitioner to implement the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2014 (hereinafter “the 2014 Regulations”), as amended.
- c. Petition (47 of 2020) under Regulation 57 of the Delhi Electricity Regulatory Commission Comprehensive (Conduct of Business) Regulations, 2001 for direction for revision of the methodology for levying Sustained Deviation Penalty to Distribution Licensees of NCT of Delhi.
- d. The Petitioner has filed a Writ Petition under Article 226 of the Constitution of India challenging the legality and validity of Clause Nos. 4.4, 4.19 and 4.20 of the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) (Fourth Amendment) Regulations, 2018 as being ultra vires the provisions of the Electricity act, 2003 and the Constitution of India bearing W.P. (C) No. 5249 of 2019 BRPL & Anr. v. CERC before Delhi High Court.

3A.75 Further, Regulation 152 of Tariff Regulations, 2017, states as below:

*“Provided that any Additional/Penal Deviation Settlement Mechanism (Unscheduled Interchange) Charges **other than forced scheduling of power as certified by SLDC** paid by the Distribution Licensee shall not be allowed in Power Purchase Cost; **(Emphasis Added)**”*

3A.76 The Petitioner has requested Delhi SLDC for certifying the Force Scheduling during FY 2022-23 vide letter dated 18.10.2023

3A.77 Accordingly, we request the Hon'ble Commission for considering the Additional UI and Sustained Deviation Charges in Power Purchase cost of the Petitioner pending certification from Delhi SLDC and force majeure events which are beyond the control of the Petitioner.

3A.78 The source-wise details of short term power purchase cost during the last 3 years are tabulated below:

Table 3A 18: Details of Short Term Power Purchase for last 3 years

S. No	Particulars	FY 2020-21		FY 2021-22		FY 2022-23	
		Rate per unit	Amount	Rate per unit	Amount	Rate per unit	Amount
		(₹ / kWh)	(₹ Cr.)	(₹ / kWh)	(₹ Cr.)	(₹ / kWh)	(₹ Cr.)
A	Bilateral	4.65	29	6.69	11	9.20	26
B	Banking	4.63	197	4.68	256	4.96	425
C	Exchange	3.51	67	6.02	93	8.29	235
D	Intra-State	-	0	-	0	-	0
E	UI	4.90	3	10.05	4	2.72	1
F	Total		297		364		686

3A.79 With regard to the Banking Transactions, Regulation 121(3) of the Tariff Regulations, 2017 states as under:

“121. While approving the cost of power purchase, the Commission shall determine the quantum of power to be purchased considering:

....

(3) Normative cost of banking transaction at the rate of average power purchase cost of the portfolio of the distribution licensee;"
(Emphasis Added)

- 3A.80 However, the Hon'ble Commission vide its letter dated 16.11.2018 indicated that the normative cost of banking transactions shall be weighted average rate of all long term sources considering only variable cost for the relevant year.
- 3A.81 In such event of conflict between the provisions of Regulations and letter of the Hon'ble Commission, the Petitioner has considered the average rate of banking transactions @ ₹ 4.68/kWh as per applicable Tariff Regulations, 2017, as the Hon'ble Commission in its Order dated 28.12.2017 in Petition No. 39 of 2017 has itself taken the view that *"if there is some conflict between the provisions of Regulations and the provisions of the Orders made thereunder, the law is very clear on the supremacy of the Regulations over the Orders."*
- 3A.82 In view of the above, the Petitioner requests the Hon'ble Commission to kindly allow the power purchase cost of ₹ 686 Crore during FY 2022-23 from short term sources as submitted in the above table.

g) Sale of Surplus Energy

- 3A.83 The Hon'ble Commission vide letter dated 22.04.2022 and 02.08.2022, after considering the request of the Petitioner relating to Power crisis, has granted exemption for non-intimation and non-consideration of the Power Procured above ₹ 5/kWh for computing restriction in impact of such purchase on total Short Term Power Purchase not exceeding ₹ 10 Paise/kWh till 31.07.2022.
- 3A.84 Further, the Petitioner has put significant efforts to maximize the revenue through sale of surplus power. The Petitioner has realized the revenue of ₹ 983 Crore from sale of surplus power during FY 2022-23.

3A.85 The source-wise details of revenue realized through sale of surplus energy during the last 3 years are tabulated below:

Table 3A 19: Details of Short Term Power Sales for last 3 years

S. No	Particulars	FY 2020-21		FY 2021-22		FY 2022-23	
		Rate per unit	Amount	Rate per unit	Amount	Rate per unit	Amount
		(₹ / kWh)	(₹ Cr.)	(₹ / kWh)	(₹ Cr.)	(₹ / kWh)	(₹ Cr.)
A	Bilateral	2.97	79	4.84	35	6.21	35
B	Banking	4.53	211	4.62	420	5.32	586
C	Exchange	2.27	139	3.44	321	4.55	334
D	Intra-State	-	0	-	-	-	-
E	UI	2.06	14	2.08	8	-	28
			443		784		983

3A.86 Thus, the Petitioner requests the Hon'ble Commission to consider the revenue on account of sale of surplus power while approving the net power purchase cost as submitted in the above table.

h) Transmission Charges:

3A.87 The Petitioner has considered the Transmission charges for FY 2022-23 tabulated as under:

Table 3A 20: Transmission Charges (₹ Crore)

S. No	Particulars	FY 2022-23	Reference
	Transmission Charges		
i	Power Grid Corp. of India Ltd.	592.8	
ii	Delhi Transco Ltd. Wheeling Charges	179.0	
iii	Other Transmission etc.	12.3	
	Sub-Total (i+ii+iii)	784.0	
iv	Open Access Charges etc.	79.7	
v	Less: Transmission Rebate	7.8	
	Total Transmission and Open Access charges(i+ii+iii+iv+v)	855.9	Sum (I to IV)-V

i) Gross Power Purchase Cost:

3A.88 Based on the above submissions, the Petitioner has considered the gross power purchase cost of ₹4,773 Crore during FY 2022-23 as tabulated below:

Table 3A 21: Gross Power Purchase Cost before rebate (₹ Crore)

S. No	Particulars	FY 2022-23	Reference
A	Audited Gross Power Purchase Cost (Before Rebate)		
i	Cost of purchase of Energy including net metering and self-generation	3947.8	Note 36 of Audited Accounts
ii	Transmission Charges	784.0	
iii	Open Access	79.7	
iv	Less: Rebate*	38.5	
B	Total Gross Power Purchase Cost net of rebate (i+ii+iii+iv)	4,773.0	

*includes transmission rebate

3A.89 The reconciliation of the Power cost as per Audited accounts in the break-up of the same as per requirement by the Hon'ble Commission is submitted in the following table:

Table 3A 22: Reconciliation with Gross Power Purchase cost (₹ Crore)

S. No	Particulars	FY 2022-23	Reference
A	Long Term Power Purchase	3,870.0	
B	Short Term Power Purchase	658.4	Table 3A 18
C	Less: Banking Sale	585.9	Table 3A 19
D	Other Payments	1.431	
E	Less: Bulk Sale of Power	369.6	
F	Total	3,574.4	Table 3A 20
G	Transmission cost	863.7	Table 3A 23
H	Less: Rebate	38.5	
I	Add: Net Metering	3.7	
J	Add: Self Generation (at BYPL Roof Top)*	0.1	

S. No	Particulars	FY 2022-23	Reference
	Total Gross Power Purchase Cost excluding LPSC and rebate	4,403.4	

* Self-Generation @ ₹ 5.36/unit as per Hon'ble Commission order dated 26.02.18

Rebate on power purchase and Transmission Charges

3A.90 The Hon'ble Commission vide letter dated 05.06.2014 has specified the format for submission of details of rebate on power purchase and transmission charges. As regards the long term generating and transmission company's charges, rebate is not allowed on interest charges and other billing items which are in nature of reimbursement, such as Income Tax, Other Taxes, Cess, Duties etc. Rebate is generally allowed on all other billing items. The actual rebate on power purchase and Transmission Charges during FY 2022-23 is tabulated below:

Table 3A 23: Details of Rebate and Non Rebate amount (₹ Crore) FY 2022-23

S. No.	Party/ Company	Rebatable Amount	Non-Rebatable Amount	Actual Rebate Claimed
1	NTPC	1123.3	33.4	17.6
2	NHPC	183.0	0.0	2.3
3	Nuclear	40.0	1.5	0.5
4	SJVNL	42.1	0.0	0.6
5	THDC	0.0	0.0	0.0
6	Tala HEP	4.0	0.0	0.0
7	DVC	713.1	43.5	0.0
8	Power stations in Delhi			
8.1	PPCL	758.6	0.0	0.0
8.2	IPGCL	124.3	0.0	0.0
9	ARAVALI	234.0	-1.3	0.0
10	SASAN	292.5	35.8	6.5

S. No.	Party/ Company	Rebatable Amount	Non-Rebatable Amount	Actual Rebate Claimed
11	SECI	184.8	30.8	2.7
12	EDWPCPL	3.3	0.0	0.0
13	DMSWSL	23.2	0.0	0.5
A	Total Long Term Purchase	3726.2	143.8	30.8
14	Short Term Purchase	25.7		
15	Short Term sale	35.3		
16	Transmission Charges			
16.1	Power Grid Corp. of India Ltd.	592.8	0.0	7.8
16.2	Delhi Transco Ltd.	179.0	0.0	0.0
16.3	Bhakra Beas Management Board	0.0	0.2	0.0
16.4	NTPC	4.3	0.0	0.0
16.5	Damodar Valley Corporation	1.3	0.0	0.0
16.6	SECI	0.0	6.2	0.0
16.7	DTL SLDC Chg	0.0	-0.5	0.0
B	Total Transmission Charges	777.3	5.9	7.8
C	Total (A+B)	4503.5	149.7	38.5

3A.91 In this regard, it is respectfully submitted that the normative rebate ought not be applied at the time of truing-up due to the following reasons:

- a) Power purchase being an uncontrollable parameter has to be trued up on the basis of actuals. The rebate on power purchase being an intrinsic and inseparable part of power purchase must also be trued up on actual in terms of Regulation 152 of the Tariff Regulations, 2017. In terms of Regulation

119 of the Tariff Regulations, 2017, normative rebate is to be considered only while projecting the tariff i.e. at the time of ARR and not truing up. Considering the normative rebate in the truing up is *ex facie* contrary not only to the aforesaid Regulation 152 of the Tariff Regulations but also to the truing up principles held by the Hon'ble Supreme Court in its Order and judgment dated 18.10.2022.

- b) The Revenue from the Tariff was not enough during FY 2021-22 to meet actual power purchase cost and other expenses. Therefore, the recovery of power purchase cost during FY 2021-22 was deferred due to delay in issuance of PPAC Orders. Also, the Hon'ble Commission itself directed Delhi Discoms to approach CERC for deferment of huge arrears bills of Genco/Transco.
- c) A large part of the tariff of the Discoms is unrecovered in the form of Regulatory Assets. The accumulated Regulatory Assets is of no immediate value to the Petitioner in discharging contractual liabilities for carrying out its business year on year. The Petitioner has faced an acute stringency of cash flow on account of the huge accumulated Regulatory Assets. It is no consolation to the Petitioner that someday the tariff may be revised by taking into account of the Regulatory Asset. Factually, on account of cash crunch (due to accumulated Regulatory Asset) the Petitioner was unable to avail the benefit of the rebate offered by Genco/Transcos.
- d) A similar issue is pending before Hon'ble Tribunal in the Tariff Appeals filed against the previous Tariff Orders.
- e) The concept of normative rebate is based on assumptions that the system is perfect and business is being conducted as usual. The assumption that:

- i. There is no creation of Regulatory Asset. However, there is an accumulated figure of ₹3111 Crore upto FY 2019-20 as Regulatory Asset (as per Tariff Order dated 30.09.2021);
- ii. Various APTEL's judgments have been implemented. However, in point of fact, that is not the case and various judgments are yet to be implemented;
- iii. There is no major variation in power purchase cost, which is also not the case.

Pertinently, to the best of the knowledge of the Petitioner, in no other state any DISCOM has been able to avail maximum normative rebate when aforesaid conditions are not met.

3A.92 Without prejudice to the above, the Hon'ble Commission in the past Tariff Orders has considered rebate on entire power purchase cost incurred by the Petitioner. However, the Hon'ble Commission has made certain disallowances. Therefore, the Hon'ble Commission has considered the rebate even on disallowed power purchase cost thereby doubly penalizing the Petitioner.

3A.93 The Petitioner has been burdened with deduction of an artificial Rebate on Power Purchase Cost @ 2%. The Hon'ble Commission cannot in law assume that the maximum normative Rebate was availed of by the Petitioner, when the same is not actually the factual position since Petitioner is not left with sufficient funds, owing to the non-cost reflective tariff and accumulation of Regulatory Asset, to be able to avail the maximum Rebate.

- 3A.94 If, in the true up, the two parameters that determine if and whether a licensee can avail rebate, i.e. Sales and Power Purchase, both are “uncontrollable”, then even the Rebate that can be availed is “uncontrollable”. Hence it ought to be trued up on actuals.
- 3A.95 Additionally, the Petitioner also has to pay LPSC to the generators which is not allowed by Hon'ble Commission and where there is a difference in the rate of LPSC charges (18%) vis-a-vis rate of funding & carrying cost resulting in further adverse financial constraint to the Petitioner.
- 3A.96 In view of the above submissions read with the Regulation 152, the Petitioner requests the Hon'ble Commission to consider the actual rebate on power purchase and Transmission Charges during FY 2022-23.

Incentive on Sale rate of Surplus Power

- 3A.97 The Petitioner always tries to dispose-off its surplus power in an economic manner, which is also the mandate under Regulation 123, 157 and Regulation 165 of the Tariff Regulations 2017. The relevant extract is reproduced below:

*“123. To promote economical procurement of power as well as maximizing revenue from Sale of Surplus Power the distribution licensee shall ensure the cost benefit for rate of sale of surplus power in the **relevant slots** through Banking, Bilateral and Power Exchange transactions other than the **forced scheduling**, as certified by the SLDC, in comparison with the next higher variable cost of the generating stations from which power is surplus after meeting the demand of power in its area of supply;*

....

157. The Utility shall be subject to incentive or dis-incentive, as the case may be, based on the performance vis-a-vis target achieved by the respective Utility:

(c) In case of a Distribution Licensee incentive/penalty shall be

applicable on the basis of:

(i) Distribution Loss;

(ii) Collection Efficiency; and

(iii) Sale of Surplus Power.

165. Any financial impact of over realization on account sale of Surplus Power as, specified in Regulation 123 of these Regulations, shall be adjusted as per the mechanism indicated in the Business Plan Regulations of the control period:

Provided that any financial impact of under realization account sale of Surplus Power as specified in Regulation 123 of these Regulations shall be to the account of distribution licensee."

3A.98 Further, in Business Plan Regulations, 2019, Regulation 29 on incentive sharing mechanism for sale rate of surplus power stipulates as follows:

"(1) The computation of incentive for Sale Rate of Surplus Power in terms of the Regulation 165 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2020-21 to FY 2022-23 of the Distribution Licensees shall be as follows:

i. The variable cost of the generating station for which power is surplus and required to be sold through Power Exchanges shall be considered as the previous month's billed variable cost of such generating station.

ii. The variable cost of the generating station for which power is surplus and required to be sold through Banking and Bilateral arrangements shall be considered as the previous month's billed variable cost of such generating station prevalent at the date of entering into such contracts: Provided that the normative cost of banking transactions shall be weighted average rate of variable cost of all long term sources.

iii. The incentive shall be the product of rate difference (Actual Sale Rate-Variable Cost) and Quantum of Power actually sold during the month.

(2) The incentive computed under sub-clause (1) above shall be shared between the Consumers and the Distribution Licensees in the following prescribed manner:

i. The incentive realisation upto 100% recovery of Average Fixed Cost per unit of all Generating sources of relevant year, projected by the Commission in the relevant Tariff Order, prorated to actual sale of Surplus Power shall be shared in the ratio of 2/3rd to the Consumers and 1/3rd to the Distribution Licensee.

ii. The incentive realisation above 100% recovery of Average Fixed Cost per unit of all Generating sources of relevant year, projected by the

Commission in the relevant Tariff Order, prorated to actual sale of Surplus Power shall be shared in the ratio of 1/3rd to the Consumers and 2/3rd to the Distribution Licensee.

Illustration:-

a) Quantum of Sale of Surplus Power (A) = 1000 MU

b) Applicable Variable Cost per Unit (B) = Rs. 2.00/kWh c) Actual Sale rate of Surplus Power (C) = Rs. 3.50/kWh d) Incentive $[D=A*(C-B)]$ = Rs. 150 Cr.

e) Approved Average Fixed Cost per unit in the Tariff Order (E)= Rs. 1.00/kWh

Incentive realisation upto 100% recovery of Average Fixed Cost per unit = $(E*A)$ = Rs. 100 Cr. shall be shared in the ratio of 2/3rd (Rs. 67 Cr.) to the Consumers and 1/3rd (Rs. 33 Cr.) to the Distribution Licensees.

Incentive realisation above 100% recovery of Average Fixed Cost per unit = $[D-(E*A)]$ = Rs. 50 Cr. shall be shared in the ratio of 1/3rd (Rs. 16.67 Cr.) to the Consumers and 2/3rd (Rs. 33.33 Cr.) to the Distribution Licensees.

Therefore,

i. Total incentive to the Distribution Licensees = Rs. 66.33 Cr. (33+33.33)

ii. Total incentive to the Consumers = Rs. 83.67 Cr. (67+16.67)

3A.99 The Petitioner respectfully submits that the extant Regulations contemplate a slot-wise/time block basis for the computation of incentives and not on monthly basis. Additionally, as per the Indian Electricity Grid Code (IEGC) all the power (Long term + Short term) is scheduled/managed on a 15 minutes' time block. Further, it is a settled law that Regulations made under the Electricity Act, 2003 are also binding upon the Regulatory Commissions including this Hon'ble Commission and any deviation from the same/derogation is illegitimate. Without Prejudice to the above, the Petitioner has computed Incentive on sale of surplus in line with the letter dated 16.11.2018 of the Hon'ble Commission.

3A.100 The computed incentive based on the above letter is tabulated below:

Table 3A 24: Details of Total Sale Rate Incentives (₹ Crore)

S. No	Particulars	Amount
1	Total Incentive earned	26.5
2	DISCOM Share (as per BPR 2019)	13.6

**Excludes banking incentive*

3A.101 In view of the above, the Petitioner requests the Hon'ble Commission to allow aforesaid incentive of ₹ 13.6 Crore for FY 2022-23.

RPO Obligation

3A.102 On 01.03.2021, the Petitioner has filed a detailed representation in Petition no. 23 of 2021 before the Hon'ble Commission in the matter of waiver/deferment/relaxation of RPO targets for FY 2019-20 and FY 2020-21 and relaxation of norms of RPO for period FY 2019-20 onwards up till FY 2021-22. Thereafter, the Petitioner has filed an amendment application no. I.A. 3 of 2023 to the aforesaid Petition seeking relaxation/ waiver of RPO targets for FY 2022-23. As this Petition is pending for adjudication before the Hon'ble Commission, the Petitioner requests the Hon'ble Commission to waive off/relax RPO target for FY 2022-23.

3A.103 It is also noteworthy that in view of the extension granted by SECI to the RE Generators, the Ministry of Power (MoP) vide its letter dated 09.03.2021 to the various state regulatory commissions including this Hon'ble Commission has requested that no penalty be imposed on the discoms such as the Petitioner for such shortfall in RE procurement due extension in SCOD of RE capacity tied up by the DISCOMS.

3A.104 Therefore, it is requested that the Hon'ble Commission takes cognizance of the pending adjudication matter before the Hon'ble Commission and allow the

prayers in Petition No. 23 of 2021.

Total Power Purchase Cost for the purpose of Truing-up

3A.105 Based on the above submissions, the power purchase cost claimed during FY 2022-23 is shown below:

Table 3A 25: Power Purchase Cost based on Auditor's Certificate (₹ Crore)

S. No	Particulars	FY 2022-23	Reference
A	Long Term Power Purchase	3,870.0	
B	Short Term Power Purchase	658.4	
C	Less: Banking Sale	585.9	
D	Other Payments	1.431	
E	Less: Bulk Sale of Power	369.6	
F	Total	3,574.4	(A+B-C+D-E)
H	Transmission and Open Access cost	863.7	
I	Less: Rebate	38.5	
J	Add: Net Metering	3.7	
K	Add: Self Generation (at BYPL Roof Top)*	0.1	
L	Total Gross Power Purchase Cost excluding LPSC and rebate	4,403.4	(F+H-I+J+K)

3A.106 The Petitioner requests the Hon'ble Commission to approve the Power Purchase cost of ₹ 4,403.4 Crore and incentive on short term sale of surplus power amounting to ₹ 14 Crore (Petitioner's share) during FY 2022-23 as submitted in the above table.

Operation & Maintenance Expenses

3A.107 Regulation 4(3) read with Regulation 87 and 92 of the Tariff Regulations, 2017 provides that Utilities shall be allowed O&M Expenses on normative basis as

specified by the Hon'ble Commission in its Business Plan Regulations for the respective Control Period. The relevant excerpt of aforesaid Regulations is reproduced here as follows:

"4. The Business Plan Regulations shall contain the following parameters applicable for a Control Period:

(3) Operation and Maintenance Expenses....

.....

87. The Utilities shall be allowed Operation and Maintenance expenses on normative basis including expenses for raising the loan for funding of Working Capital and Regulatory Asset as specified by the Commission in the Business Plan Regulations for the respective Control Period:

....

92. Normative Operation and Maintenance expenses of a Distribution Licensee shall consist of:

(a) Employee Expenses,

(b) Administrative and General Expenses; and

(c) Repair and Maintenance Expenses."

3A.108 Regulation 23 of Business Plan Regulations, 2019 regarding the Operation and Maintenance Expenses for the period FY 2020-21 to FY 2022-23 states as under:

"23. OPERATION AND MAINTENANCE EXPENSES

(1) Normative Operation and Maintenance expenses in terms of Regulation 4(3) and Regulation 92 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensees shall be as follows:

.....

Table 9: O&M Expenses for BYPL for the Control Period

Particulars	Unit	2020-21	2021-22	2022-23
66 kV Line	Rs. Lakh/ckt. Km	4.857	5.043	5.236
33 kV Line	Rs. Lakh/ckt. Km	4.857	5.043	5.236
11kV Line	Rs. Lakh/ckt. Km	2.036	2.114	2.195
LT Line system	Rs. Lakh/Ckt. Km	9.173	9.524	9.890
66/11 kV Grid S/s	Rs. Lakh/MVA	1.157	1.201	1.247
33/11 kV Grid S/s	Rs. Lakh/MVA	1.157	1.201	1.247
11/0.415 kV DT	Rs. Lakh/MVA	2.534	2.631	2.732

....

(4) The Distribution Licensee shall be allowed O&M expenses for a particular financial year of the control period by multiplying the norms for

O&M expenses of that particular year with the respective average network capacity during the financial year i.e. (average of network capacity at start of Financial year and network capacity at the end of Financial year)”

3A.109 As evident from the above, the normative O&M expenses for FY 2022-23 are computed by multiplying the average capacity of transformers and average line length during FY 2022-23 with approved per unit rates for the same year. Accordingly, the Petitioner has computed the average network capacity as given below:

Table 3A 26: Network Capacity for FY 2022-23

Particulars	Unit	Opening as on 01.04.2022	Additions	Closing as on 31.03.2023	Average Capacity
66KV Line (CKT KMS)	₹ Lakh/ckt. Km	244	0	244	244
33KV Line (CKT KMS)	₹ Lakh/ckt. Km	423	9	432	428
11KV Line (CKT KMS)	₹ Lakh/ckt. Km	3123	84	3207	3165
LT line (CKT KMS)	₹ Lakh/ckt. km	5765	150	5915	5840
66/11 & 66/33 KV Grid S./Stn. (MVA)	₹ Lakh/MVA	1865	0	1865	1865
33/11 KV Grid S./Stn. (MVA)	₹ Lakh/MVA	2065	59	2124	2095
11/0.415 KV DT (MVA)	₹ Lakh/MVA	3575	62	3638	3607

3A.110 The Petitioner vide its letter No. RA/BYPL/2023-24/31 dated 28.04.2023 had submitted to the Hon'ble Commission the details of network capacity addition during FY 2022-23.

3A.111 Based on the above average network capacity, the normative O&M expenses for FY 2022-23 is computed below:

Table 3A 27: O&M Expenses for FY 2022-23 (₹ Crore)

Particulars	Unit	FY 2022-23		
		Average Capacity	Norms	Amt. (₹ Cr.)
66KV Line (CKT KMS)	₹ Lakh/ckt. km	244	5.236	12.8
33KV Line (CKT KMS)	₹ Lakh/ckt. km	428	5.236	22.4
11KV Line (CKT KMS)	₹ Lakh/ckt. km	3165	2.195	69.5
LT line (CKT KMS)	₹ Lakh/ckt. km	5840	9.890	577.6
66/11 & 66/33 KV Grid S./Stn. (MVA)	₹ Lakh/MVA	1865	1.247	23.3
33/11 KV Grid S./Stn. (MVA)	₹ Lakh/MVA	2095	1.247	26.1
11/0.415 KV DT (MVA)	₹ Lakh/MVA	3607	2.732	98.5
Total				830.2

3A.112 In view of the directions of the Hon'ble Supreme Court in Order dated 18.10.2022 and Hon'ble APTEL in Order dated 17.04.2023 as referred in Para 3A.7 above, the Petitioner requests the Hon'ble Commission to allow the normative O&M expenses of ₹ 830.2 Crore during FY 2022-23 as submitted in the above table as per the DERC Business Plan Regulation, 2019.

Additional O&M and Other Expenses

3A.113 As regards additional expenses, Regulation 11 (9) of Tariff Regulations, 2017 states as follows:

“11.

...

(9) Actual and expected additional expenses on account of O&M beyond the control of Distribution Licensee for the ensuing & previous year respectively;

...”

3A.114 Further, Regulation 87 of Tariff Regulations, 2017 provides that in addition to the normative expenses, additional expenses which are uncontrollable in nature will be allowed during truing-up, relevant extract of the regulation is

reproduced here below:

“87.

...

Provided further that the water charges, statutory levy and taxes under O&M expenses if indicated separately in the audited financial statement shall not form part of Normative O&M expenses.”

3A.115 Accordingly, the Petitioner is submitting its item wise claim on account of additional expenses which are uncontrollable in nature and not covered in the above-mentioned normative O&M expenses and are to be allowed in terms of the above Regulations.

a) Impact on account of 7th Pay Commission

3A.116 Regulation-23 (5) of DERC Business Plan Regulations, 2019 states as under:

“23. Operation and Maintenance Expenses

(5) The impact of difference of amount on account of actual implementation of Seventh Pay Revision and Interim Relief already considered for determination of norms for O&M Expenses, if any, shall be allowed separately in line with the methodology adopted for computation of norms for O&M Expenses, at the time of True up of ARR for relevant Financial year subject to prudence check.”

3A.117 A Wage Revision Committee was constituted by the GoNCT of Delhi vide office memorandum bearing No. F.11(62)/2015/Power/271 dated January 25, 2016 to examine and recommend to the Government the Pay Revision for the employees. Such recommendations become applicable on the Petitioner as per the tripartite agreement. The Committee had given recommendation vide order no DTL/108/04/2017-HR(Policy) /101 dated July 28, 2017 for payment of Interim Relief (IR) to the eligible employees at the rate of 2.57 times of Basic pay + Grade Pay w.e.f. January 01, 2016. Accordingly, the Petitioner has disbursed ₹128.04 Crore from FY 2017-18 to FY 2019-20 as Special Interim

Relief (IR) to the eligible employees as per aforesaid order of Wage Revision Committee.

3A.118 Thereafter, DTL Board vide its office order HR/CC/2020-211208 dated October 15, 2020 accepted the recommendation for payment of 7th Pay Commission to the eligible employees of the erstwhile DVB during the year.

3A.119 In compliance to the said order, the Petitioner has implemented the recommendations of Wage Revision Committee (WRC) Report during financial year 2020-21 for payment of 7th Pay commission benefits and paid the differential amount as arrears to the eligible employees of erstwhile DVB employees.

3A.120 However, the Petitioner vide letter dated 27.08.2021 and 09.09.2021 has apprised the Hon'ble Commission that in view of the financial constraints coupled with the then impediments created by COVID-19 pandemic, the Petitioner was not able to pay provisional amount on account of 7th pay commission to its GPA Employees and was not in a position to discharge its liabilities to make such payments in the absence of sufficient cash flow.

3A.121 The Petitioner has fully paid out the provisions made earlier in FY 2022-23 as tabulated below:

Table 3A 28: Total impact of 7th Pay Commission (₹ Crore)

Particulars	Gross Earnings	Provisions	Total	Actual Payment out of gross earnings	Actual Payment out of provisions	Actual Payment
	A	B	C	D	E	F=D+E
FY 2017-18 (Including Arrear w.e.f. 01.01.2016)	47.62	42.52	90.14	47.62	0.00	47.62
FY 2018-19	36.16	18.16	54.32	36.16	0.00	36.16
FY 2019-20	44.26	18.36	62.62	44.26	0.00	44.26
FY 2020-21	107.93	47.74*	155.67	107.93	0.00	107.93
FY 2021-22	0.00	11.01	11.01	0.00	43.89	43.89
FY 2022-23	0.00	0.00	0.00	0.00	93.52^	93.52
Total-till FY 2022-23	235.97	137.79	373.77	235.97	137.41	373.38

*includes ₹ 0.93 Crore of SVRS of retirees on account of 7th Pay commission implementation

^includes ₹ 0.55 Crore of SVRS of retirees on account of 7th Pay commission implementation

3A.122 As depicted from the above table, the total provisions for 7th pay commission upto FY 2022-23 was ₹ 137.79 Crore which pertains to LSC and PC both for active employees and retirees and also includes SVRS pension amount for retirees which amounts to ₹ 0.93 Crore during FY 2020-21 on account of 7th pay commission.

3A.123 Out of the total provision of ₹ 137.79 Crore, the Petitioner has paid an amount of ₹43.9 and 93.52 Crore during FY 2021-22 and FY 2022-23 respectively. Further, the amount 93.52 Crore paid during FY 2022-23 also includes ₹ 0.55 Crore of SVRS pension paid to retirees of FRSR employees.

3A.124 Accordingly, the Petitioner requests the Hon'ble Commission to allow ₹ 93.52 Crore on account of actual payment of 7th Pay Commission over and above the normative O&M expenses.

b) Incremental Property Tax paid

3A.125 The Petitioner has paid property tax in respect of properties which were transferred to it as licensee through Delhi Electricity Reforms Act-Transfer Scheme Rules 2001. MCD as land owning agency, raises bills for payment of property tax against which payments are made by the Petitioner. Such levy of tax is beyond the control of the Petitioner and it is a statutory requirement to pay such tax by the Petitioner. In this regard, the Petitioner has paid ₹ 13.02 Crore in FY 2022-23. This amount includes arrears of ₹ 11.72 Crore from FY 2016-17 to FY 2021-22 duly paid in FY 2022-23.

3A.126 It is noteworthy that the Hon'ble Commission has not considered the aforesaid arrears as a part of the expenses considered for computation of normative O&M Expenses for the control period from FY 2020-21 to FY 2022-23.

3A.127 In view of the aforesaid facts, the net incremental impact of the property tax paid in FY 2022-23 is ₹ 11.6 Crore . The detailed computation is tabulated here as follows:

Table 3A 29: Incremental Property Tax paid (₹ Crore)

Particulars	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
Property Tax	1.17	1.17	1.16				
Average Base		1.17					
Escalation Factor			3.83%	3.83%	3.83%	3.83%	3.83%
Normative Payment							1.4
Actual Payment							13.0
Difference							11.6

c) Loss on Sale of Retired Assets

3A.128 Regulation 45, 46 and 47 of Tariff Regulations, 2017 provides for the methodology for allowance of loss or gain on retired/ de-capitalised assets as under:

“45. Loss or Gain due to de-capitalisation of asset based on the directions of the Commission due to technological obsolescence, wear & tear etc. or due to change in law or force majeure, which cannot be re-used, shall be adjusted in the ARR of the Utility in the relevant year.

46. Loss or Gain due to de-capitalisation of asset proposed by the Utility itself for the reasons not covered under Regulation 45 of these Regulations shall be to the account of the Utility.

47. Loss or Gain due to de-capitalisation of asset after the completion of useful life of asset shall be to the account of the Utility”

3A.129 Further, the Hon'ble Commission held a meeting on 06.06.2023 directing the Petitioner to claim loss on sale of retirement of assets in terms of the methodology specified in Regulation 45, 46 and 47 of Tariff Regulations, 2017.

3A.130 In view of above, the Petitioner has computed the loss on sale of retirement of assets during FY 2022-23 as per Regulation 45, 46 and 47 of Tariff Regulations 2017. Accordingly, we request the Hon'ble Commission to allow ₹ 4.8 Crore towards loss on sale of retirement of assets for FY 2022-23.

d) LC Charges:

3A.131 Hon'ble Commission vide their Order No. F.17(115)Engg./DERC/2006-07/4757 dated 31.03.2007, has allocated the capacities in Generating Stations from all the Power Purchase Agreements (PPAs) executed by DESU, DVB and DTL to the Petitioner. Effectively, all the PPAs is inherited to the Petitioner's portfolio from erstwhile successors, which contains clause of

payment security mechanism i.e. of maintaining unconditional, revolving and irrevocable letter(s) of credit (LC) from scheduled Bank(s) in favour of generating station.

3A.132 Consequently, the Petitioner has to incur the cost of making Letter of credit (LC) i.e LC Charges to the scheduled bank(s). Despite of non-cost reflective tariffs and accumulated Regulatory Assets, the Petitioner still able to maintain LC on its ability. Accordingly, the Petitioner incurs LC Charges on as and when Petitioner maintains it.

3A.133 Accordingly, the levy of LC charges cannot be considered as controllable since:

- (i) LC amount depends on the Power purchase expense which itself is uncontrollable.
- (ii) LC charges are fixed at the instance of the concerned bank and is not within the control of the Petitioner; and
- (iii) LC is related to purchase of electricity and therefore any variation in the quantum of sale will automatically affect the amount of LC and consequential charges.

3A.134 Therefore, the LC charges should be allowed on actual basis as such charges are beyond the control of the Petitioner. Infact, the Hon'ble APTEL vide its Order dated 30.09.2019 on Petitioner no. 246 of 2014 are stated that the LC charges are uncontrollable in nature and such charges should be allowed by the Hon'ble Commission. The relevant extract of the said Order is reproduced below:

*“16.4.1. ... It is not in dispute that the Appellant has actually incurred various expenses as claimed by it in the petition which the State Commission has disallowed while truing up for FY 2012-13 giving reasoning that these expenses are controllable. **It is, however, seen that many of the expenses so claimed by the Appellant are in the category of uncontrollable in nature and need to be looked into by the Commission by adopting a judicious approach instead of disallowing all of them in totality.** This Tribunal in its judgment dated 10.2.2015 in Appeal no. 171 of 2012 has held that **enhancement in expenses due to reasons beyond the control of the utility, such as statutory obligations are uncontrollable in nature and, therefore, ought to be allowed.....**”*

3A.135 Further, MoP vide its order dated 28.06.2019 has specified rules for “Opening and Maintaining of adequate Letter of Credit (LC) as Payment Security Mechanism under Power Purchase Agreement by Distribution Licensee”. It is pertinent to mention that under aforesaid rules, the Petitioner has to forcefully maintain a LC in order to maintain 24 X 7 power supply for consumers of Delhi. The relevant extract of the said rules are replicated as below:

“It is essential therefore that all the provisions mentioned above are implemented strictly. NLDC & RLDC are therefore directed as follows:

- i. In accordance with Section 28 (3) (a), **the NLDC & RLDC shall despatch power only after it is intimated by the Generating Company and /Distribution Companies that a Letter of Credit for the desired quantum of power has been opened and copies made available to the concerned Generating Company.***
- ii. The intimation to NLDC and RLDC shall specify the period of supply.*
- iii. RLDC shall dispatch electricity only up to the quantity equivalent of value of Letter of Credit.*
- iv. The dispatch shall stop once the quantum of electricity under LC is supplied.*
- v. The concerned generating company shall be entitled to encash the LC after expiry of grace period, i.e. 45 to 60 days as provided in the PPA.*
- vi. In the event power is not dispatched for any reason given above, the Distribution licensee shall continue to pay the Fixed Charge to the*

Generating Company.

6.0 It shall also be ensured by the Load Despatch Centre that the regulated entity, during the period of regulation, **has no access to procure power from the Power Exchanges and they shall not be granted Short Term Open Access (STOA).**"

3A.136 Thereafter, MOP issued various corrigendum and clarification dated 17.07.2019, 23.07.2019 and 09.08.2019 further for strengthening the payment security mechanism.

3A.137 The Petitioner has incurred ₹ 3.2 Crore on account of LC charges for FY 2022-23. Therefore, the Petitioner is claiming said expenses due to its uncontrollable nature and under the provisions of aforesaid MOP rules in order to maintain 24 X 7 continuous power supply to consumers of Delhi.

e) Legal Expenses

3A.138 The Petitioner has incurred ₹ 23.6 Crore towards legal expenses as per Audited books of Accounts during FY 2022-23. This total expense includes Ombudsman fee of ₹ 0.22 Crore paid by the Petitioner for FY 2022-23 which has been claimed separately in subsequent paragraphs. Accordingly, the Petitioner has incurred ₹ 23.4 Crore towards legal fee and claims in FY 2022-23.

3A.139 Regulation 23(7) of Business Plan Regulations, 2019 states as under:

"23...

(7) The Distribution Licensee may claim the legal expenses separately, subject to prudence check at the time of true up on submission of documentary evidence:

Provided that the legal expenses on account of cases filed against the Orders or Regulations of the Commission before any Court and the legal claims (compensation/penalty) paid to the consumer, if any, shall not be allowed."

3A.140 In terms of above regulation, ₹2.2 Crore is towards filing appeals against the Orders (including Tariff Orders) of the Hon'ble Commission out of ₹ 23.4 Crore towards legal fee and claims in FY 2022-23.

3A.141 However, the Petitioner would like to mention that Regulation 23(7) of the Business Regulations Plan, 2019 seeks to exclude the Legal Expenses which are challenged against the Hon'ble Commission from the allowable cost of the Petitioner and impinges upon Petitioner's fundamental right to be represented by a lawyer before any court / forum of its choice as well as its freedom of trade guaranteed under Article 19(1)(g) of Constitution of India. This Regulation restrict and curtail the Petitioner's rights and freedoms.

3A.142 In fact, Business Plan Regulations, 2019 discriminate between the Petitioner and other Power Generation and Transmission Utilities ("Delhi Power Utilities") in the NCT of Delhi, by arbitrarily: -

- Excluding Legal Expenses from O&M Expenses of the Petitioner under Regulation 23(7), whereas allowing the Legal Expenses to other Delhi Power Utilities in the NCT of Delhi as part of their O&M Expenses. Legal Expenses are incurred for the purpose of the licensed business of the Petitioner i.e., Distribution and Retail Supply of electricity, for risk mitigation, reducing financial exposure and enforcement of their legal rights.
- Discriminating between various categories of similarly situated and equivalent employees of the Petitioner and also amongst the employees of other Delhi Power Utilities under Regulation 23(5) and 23(6) while allowing Employee Expenses as part of the O&M Expenses.

This adversely impacts the Petitioner's ability to retain talent to conduct its business in the most efficient manner, as it has been doing till date.

3A.143 Since, Delhi Generation and Transmission Utilities are also regulated by the Hon'ble Commission, there is no intelligible differentia for such different treatment given for costs incurred by them vis-à-vis the Petitioner. Moreover, the Electricity Act, 2003, allows the Petitioner the right to avail its statutory remedies under section 111 and other applicable provisions.

3A.144 Therefore, actual legal expenses of ₹ 23.4 Crore without any distinction should be allowed as an expense in the ARR. The details of legal expenses are provided in Form 7(a) submitted along with this Petition.

3A.145 Accordingly, the Petitioner requests the Hon'ble Commission to allow the legal expenses amounting to ₹ 23.4 Crore over and above the normative O&M expenses in True-up of FY 2022-23.

f) Ombudsman Fees

3A.146 As per directions of the Hon'ble Commission, the Petitioner has paid Ombudsman Fees of ₹ 0.22 Crore for FY 2022-23. It is pertinent to mention that Ombudsman Fees was accounted in legal expenses (part of Administrative and General Expenses) in the Profit and Loss account of the Petitioner. Since, the entire legal expenses were excluded from the O&M expenses while determining the normative O&M expenses for the Control Period, Ombudsman expenses were not allowed as part of normative expenses for FY 2022-23 also.

3A.147 Accordingly, the Petitioner requests the Hon'ble Commission to allow the

ombudsman expenses of ₹ 0.22 Crore over and above the normative O&M expenses in True-up of FY 2022-23.

g) Expenses for raising loan of Working Capital

3A.148 The Hon'ble Commission has not considered aforesaid expenses while computing normative rates of O&M expenses. Further, the Hon'ble Commission in Regulation 23(6) of the Business Plan Regulations 2019 states as under:

"23..(6) The Distribution Licensee may claim the expenses for raising loan for working capital and regulatory assets under O&M expenses separately, subject to prudence check at the time of true up on submission of documentary evidence:

Provided that if this amount has been included in the interest on working capital and/or Regulatory assets, the same shall not be allowed."

3A.149 Accordingly, the Petitioner requests the Hon'ble Commission to allow the expenses incurred towards raising loan for funding of Working Capital amounting to ₹ 1.0 Crore over and above the normative O&M expenses in True-up of FY 2022-23.

h) Licensee Fees Paid on Assets:

3A.150 License Fee paid for land rights / distribution assets is a statutory levy and uncontrollable in the hands of the Petitioner. It is pertinent to mention that pursuant to Ind AS 116 notified by MCA on March 30, 2019, the nature of expenses has changed from lease rent in previous years to depreciation cost for the right-of-use assets (RoU), and finance cost for interest accrued on lease liability. Accordingly, from April 2019 such expenses are not reflected in A&G expenses but included in Depreciation & Finance Cost and hence are

not reflected in O&M expenses since FY 2019-20 onwards.

3A.151 Accordingly, the Petitioner requests the Hon'ble Commission to allow the license fees of ₹ 1.8 Crore paid to GoNCT, over and above the normative O&M expenses in True-up of FY 2022-23.

i) Incremental GST Paid:

3A.152 With effect from 01.07 2017, the Petitioner is mandated to pay GST (@18%) instead of service tax (12% to 15%). Further, as per the circular no. 34/8/2018 – GST, there are few services that are provided by the Petitioner to consumers which are now deemed as GST taxable services. However, the GST rate is 18% which is higher than the service tax rate.

3A.153 The Hon'ble Commission has allowed the GST charges on normative basis for FY 2022-23 by considering an escalation factor of 3.83% on the average value of FY 2017-18 to FY 2018-19. It is submitted that law is very clear towards implementation of any new tax and time and again the impact on account of the same have been allowed by various statutory authorities as pass through. It is submitted that there are plethora of Orders approving impact of increase in tax/introduction of new taxes, Change in law and such additional costs have been allowed as pass through. The said relief has also been approved by the Hon'ble CERC/APTEL for various competitively Bid Projects awarded under Section 63 of the Electricity Act, 2003 and therefore not allowing such impact to be recovered on actual basis for tariff determined under Section 62 of the Electricity Act 2003 shall be in gross violation to the statute and therefore the impact needs to be allowed on actual basis due to change in law.

3A.154 The incremental impact on account of GST charges is ₹ 3.9 paid by the Petitioner during FY 2022-23, detailed computation is tabulated here as under:

Table 3A 30: Additional O&M Expenses for FY 2022-23 (₹ Crore)

Particulars	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
GST	25	40	45				
Average		37					
Escalation Factor			3.83%	3.83%	3.83%	3.83%	3.83%
Normative GST							44.4
Actual GST Paid							48.3
Difference							3.9

3A.155 Accordingly, the Petitioner requests the Hon'ble Commission to allow the incremental impact on account of GST charges of ₹ 3.9 Crore over and above the normative O&M expenses in True-up of FY 2022-23.

j) Expenses on account of New Initiatives:

3A.156 The Petitioner has incurred expenses on account of new initiative undertaken in FY 2022-23 stated as under:

a) Digital Platform for Energy Management:

3A.157 The digital energy management platform is established which involves analytics & data integration across DISCOM's multiple data sources for accurate and timely monitoring of various energy vectors viz., solar rooftop systems, energy storage systems and EV chargers along with operational & planning decisions. It is intended to integrate Solar, EV charger and Energy storage on a single platform for testing integrated operation in view of varying grid conditions and prices. This cloud-based platform would help in lowering maintenance costs, reducing failure rates, and extending the life of distribution

assets. It provides proactive and predictive reporting of data and is easily scalable to support voluminous structured data points. For this, the Petitioner has paid an amount of ₹ 0.06 Crore during FY 2022-23.

b) Charging Management by Balancing Dynamic Demand Through EV with Static Load

3A.158 The main objective of this project was to demonstrate Smart Managed EV Charging with Load Balancing which optimizes the cost and reduces the network congestion and can act as a demand side management tool for power distribution utilities. Smart chargers installed are able to regulate charging demand through load balancing feature.

3A.159 The successful demonstration of this smart EV Charging system was to demonstrate the load balancing feature of the smart Chargers through the Cloud Management System by altering the output load of electricity from the Chargers in accordance with the dynamic demand of the EVs and input static load of electricity available ("Available Load") from the distribution transformer ("DTR") at a given time. This paves the way for a huge positive impact on the way the stakeholders are doing business in the EV Charging industry, making way for the next generation of technological advancement, including Vehicle Grid Integration (VCI), Demand Response, Smart Grid, V2G and V2H. Under this project, the Petitioner has paid ₹ 0.08 Crore during FY 2022-23.

3A.160 Since, the aforesaid expenses are not the part of normative O&M expenses, the Petitioner requests the Hon'ble Commission to allow ₹ 0.14 Crore towards the expenses incurred in FY 2022-23 on account of new initiatives undertaken by the Petitioner over and above the normative O&M expenses.

3A.161 In view of the above submissions, the additional O&M expenses claimed as a part of truing-up requirement for FY 2022-23 are shown below:

Table 3A 31: Additional O&M Expenses for FY 2022-23 (₹ Crore)

S. No	Particulars	FY 2022-23	Reference
1	7 th Pay Commission impact	93.5	Note 38 of Audited Accounts
2	Legal Expenses	23.4	Note 41 of Audited Accounts
3	Property Tax	11.6	Note 41 of Audited Accounts
4	Loss on Sale of Retired Assets	4.9	Note 38 & 41 of Audited Accounts
5	LC Charges	3.2	
6	Expenses for raising loan	1.0	
7	Ombudsman Fees	0.2	Note 41 of Audited Accounts
8	Licensee Fees paid on assets	1.8	
9	Incremental GST Paid	3.9	
10	New Initiatives	0.1	
	Total	143.7	Sum(1 to 10)

3A.162 The Petitioner requests the Hon'ble Commission to allow the amount of ₹ 143.7 Crore while truing up the expenses for FY 2022-23.

Capital Expenditure and Capitalisation

3A.163 The Petitioner has considered the capital expenditure and capitalisation for FY 2022-23 as per the audited accounts.

3A.164 The opening Gross Fixed Assets (GFA) for FY 2022-23 has been considered in terms of the Hon'ble Supreme Court Order dated 01.12.2021. Hence, the closing balance of GFA for FY 2021-22 as filed in the True-up Petition dated 30.11.2022, has been considered as the opening GFA for FY 2022-23.

3A.165 De-capitalisation of assets upto FY 2022-23 has been considered as per the audited accounts provided that the Hon'ble Commission allows the loss on

sale of retired assets for the respective years in terms of the Tariff Regulations 2017.

3A.166 The actual capitalisation and de-capitalisation as per the Audited Accounts for FY 2022-23 has been considered to derive the closing balance of GFA as under:

Table 3A 32: Gross Fixed Assets for FY 2022-23 (₹ Crore)

S. No	Particulars	FY 2022-23	Remarks/ Reference
A	Opening GFA	4405.5	
B	Capitalisation during the year	289.3	Note 3 and 4 of the Audited Accounts
C	De-capitalisation	15.5	Note 3 and 4 of the Audited Accounts
D	Closing GFA	4679.2	A+B-C
E	Average GFA	4542.3	(A+D)/2

Provisions capitalised towards 7th Pay Commission

3A.167 As already explained in Para 3A.117 to 3A.125, it is evident that all the provisions which were made till FY 2021-22 has now been completely paid by the Petitioner.

3A.168 In this regard, it is pertinent to note that the Hon'ble Commission has reduced the provision capitalised on account of 7th pay commission from FY 2017-18 to FY 2019-20 reproduced as below:

Table 3A 33: Capitalisation to be approved by Hon'ble Commission(₹ Crore)

S.No.	Particulars	FY 18	FY 19	FY 20	Total
A	Assets Capitalised	347	338	247	932.47
B	Less: Reduction of capitalisation by provision capitalised	5.67	2.23	1.98	9.88

S.No.	Particulars	FY 18	FY 19	FY 20	Total
	on a/c of 7th pay				
	Reference	Table 3. 93 of TO FY 2019-20	Table 3.58 of TO FY 2020-21	Table 3. 67 of TO FY 2021-22	
C	Net Assets capitalised approved by DERC [A-B]	341	336	245	922.59

3A.169 The above table clearly depicts that the Hon'ble Commission has reduced ₹9.88 Crores towards the provisions capitalised from the total capitalisation on account of 7th pay commission from FY 2017-18 to FY 2019-20 by merely stating the reason that such amount has not been paid by the Petitioner. The relevant extract of the Tariff Order dated 31.07.2019 is reproduced below:

*“.....3.394However, the Commission observed that the Petitioner has also capitalised the Employee expenses amounting to Rs. 5.67 Cr. out of the provision for leave salary and Pension for FY 2017-18 on account of 7th pay Commission. **The Commission has not allowed the provision for the leave salary and pension, therefore the corresponding capitalisation of such expenses is also not being allowed.**”*

[Emphasis Added]

3A.170 Since, the provision of 7th pay commission has now been full paid in FY 2021-22 and 2022-23, the Petitioner requests the Hon'ble Commission to allow the actual capitalisation amount from FY 2017-18 to FY 2019-20 based on the audited accounts of the Petitioner by reversing the amount of ₹ 9.88 Crore disallowed by the Hon'ble Commission.

Consumer Contribution

3A.171 The actual consumer contribution and grants capitalised till FY 2006-07 is Rs. 8.71 Crore and Rs. 16.22 Crore respectively. However, the Hon'ble Commission has considered consumer contribution received instead of actual

consumer contribution capitalised from FY 2002-03 to FY 2006-07.

3A.172 Also, in terms of Tariff Regulations 2007, the actual data pertaining to capital expenditure and capitalization is required to be considered while truing-up Return on Capital Employed ("RoCE") and depreciation at the end of the Control period. The relevant extracts are as below:

"5.6 The Regulated Rate Base (RRB) shall be used to calculate the total capital employed which shall include the original cost of assets and working capital, less the accumulated depreciation. Capital work in progress (CWIP) shall not form part of the RRB. Consumer Contribution, capital subsidies / grants shall be deducted in arriving at the RRB."

3A.173 In contrary to the above, the Hon'ble Commission has allowed lower RoCE and Depreciation for subsequent years by considering an incorrect figure of Consumer Contribution assets capitalised from FY 2002-03 to FY 2006-07 by invalidly relying on Petitioner's letter 12.03.2010 and not as per actuals.

3A.174 It is pertinent to note that the Hon'ble Commission vide e-mail dated March 24, 2015 directed the Petitioner to submit the consumer contribution data duly audited in a specified format. The Petitioner vide letter dated May 18, 2015 submitted the data duly certified by Auditor with respect to consumer contribution. Accordingly, the Petitioner request the Hon'ble Commission to consider the actual data for opening balance of Consumer Contribution from FY 2007-08 onwards.

3A.175 Based on the above submissions, the average Consumer Contribution including grants for FY 2022-23 is tabulated below:

Table 3A 34: Consumer Contribution including grants for FY 2022-23 (₹ Crore)

S. No	Particulars	FY 2022-23	Remarks/ Reference
A	Opening Balance	370.2	
B	Additions during the year	10.7	
C	Closing Balance	380.9	A+B
D	Average Consumer Contribution	375.5	(A+C)/2

Details of Grants

3A.176 The average Grants for FY 2022-23 is tabulated below:

Table 3A 35: Grants for FY 2022-23 (₹ Crore)

S. No	Particulars	FY 2022-23	Remarks/ Reference
A	Opening Balance	16.22	
B	Additions during the year	-	
C	Closing Balance	16.22	A+B
D	Average Grants	16.22	(A+C)/2

Funding of Capitalisation

3A.177 During FY 2022-23, the Petitioner has capitalised ₹289.3 Crore which includes ₹15.5 Crore and ₹10.7 Crore on account of De-capitalisation and Consumer Contribution capitalised respectively. The Petitioner has sought funding of Capitalisation (net of de-capitalisation and Consumer Contribution) through debt and equity in the ratio of 70:30 as shown below:

Table 3A 36: Funding of Capitalisation for FY 2022-23 (₹ Crore)

S. No	Particulars	FY 2022-23	Remarks/ Reference
A	Total Capitalisation	289.3	
B	De-capitalisation	15.5	
C	Consumer Contribution	10.7	Note 24 of the Audited Accounts
D	Balance Capitalisation	263.1	A-B-C

S. No	Particulars	FY 2022-23	Remarks/ Reference
E	Debt	184.1	70% of D
F	Equity	78.9	30% of D

Depreciation

3A.178 For the purpose of computing depreciation for True-up of FY 2022-23, the Petitioner has considered the average rate of Depreciation based on the Audited Accounts applied on the average GFA net of Consumer Contribution and Grants for the purpose of True-up of depreciation for FY 2022-23 in line with the provisions of the Tariff Regulations, 2017 and the computation methodology being adopted by the Hon'ble Commission for the true-up of past years.

3A.179 The average rate of Depreciation for FY 2022-23 based on the Audited Accounts of the Petitioner is tabulated below:

Table 3A 37: Depreciation Rate for FY 2022-23 (₹ Crore)

S. No	Particulars	Actual	Remarks/ Reference
A	Opening GFA as per audited accounts	4376.1	Note 3 and Note 4 of Audited Accounts
B	Closing GFA as per audited accounts	4649.8	
C	Average of GFA	4512.9	(A+B)/2
D	Depreciation as per Audited Accounts	212.1	P&L account
E	Average depreciation rate (%)	4.70%	(D/C)*100

3A.180 As per Companies Act, the depreciation rate in case of a regulated entity has to be adopted as prescribed by the Regulator. Accordingly, the depreciation has been computed in the audited accounts based on the schedule of depreciation (specifying the rates and useful life) provided in DERC Tariff Regulations, 2017 and the industry practice.

3A.181 It is pertinent to mention that the Petitioner vide its various communications

including letter dated 01.10.2019 and 15.11.2022 has taken up with the Hon'ble Commission the issue of rationalization of useful life of Distribution assets particularly meters. In December 2021, Forum of Regulators (FoR) has also published a report on the **“Evolving Principles of Depreciation for Distribution Assets and Operating and Financial Norms for Distribution Sector”** with the following key recommendations:

- 1) Depreciation rates based on the useful life of the asset: Such useful life determination may be periodically reviewed especially in the cases where there are technological developments in the asset that impacts their usage. Such periodic determination of the useful life must be done keeping in mind the following factors as per the Accounting Standards:
 - a. Expected usage of the asset
 - b. Expected physical wear and tear including the expected repair and maintenance.
 - c. Technical or commercial obsolescence.
 - d. Legal or similar limits on the use of the asset.
- 2) To the extent possible, the depreciation rates by all State Regulatory Commissions may be standardized. This would help in normalizing the distribution tariffs across all States.
- 3) The percentage of salvage value (normally at 10%) may also be reviewed considering that costs of removal/disposal of assets and the realization of scrap for these assets is not so significant.

3A.182 In view the representations made by the Petitioner, Hon'ble Commission is requested to revisit the useful life of various asset classes in the Depreciation Schedule 1 of the Tariff Regulations, 2017 so as to accommodate the

suggestions of the FOR study. This will also help in ensuring 24x7 Power to consumer by timely replacement of old assets post completion of useful life.

3A.183 Further, the Petitioner has calculated the depreciation after excluding consumer contribution and Grants from the Gross Fixed Assets as under:

Table 3A 38: Depreciation for FY 2022-23 (₹ Crore)

S. No	Particulars	FY 2022-23	Remarks/ Reference
A	Average GFA	4542.3	
B	Average Consumer Contribution and Grants	375.5	
C	Average assets net of consumer contribution & Grants	4166.8	A-B
D	Average rate of depreciation (%)	4.70%	Table 3A 37
E	Depreciation	195.8	C*D

3A.184 The cumulative depreciation on fixed assets at the end of FY 2022-23 is tabulated below:

Table 3A 39: Cumulative Depreciation on fixed assets upto FY 2022-23 (₹ Crore)

S. No	Particulars	FY 2022-23	Remarks/ Reference
A	Opening balance of cumulative depreciation*	2310.1	
B	Additions during the year	195.8	Table 3A 38
C	Closing balance of cumulative depreciation	2505.9	A+B

*includes AAD

3A.185 Accordingly, the depreciation has been utilised for repayment of loan as under:

Table 3A 40: Utilisation of Depreciation for FY 2022-23 (₹ Crore)

S. No	Particulars	FY 2022-23	Remarks/ Reference
A	Depreciation	195.8	
B	Depreciation utilised for debt repayment	195.8	

Working Capital

3A.186 Regulation 84 (4) of the Tariff Regulations 2017 provides as under:

(4)

(i) Working capital for wheeling business of electricity shall consist of ARR for two months of Wheeling Charges.

(ii) Working capital for Retail Supply business of electricity shall consist of:

(a) ARR for two months for retail supply business of electricity;

(b) Less: Net Power Purchase costs for one month;

(c) Less: Transmission charges for one month;

3A.187 Accordingly, the Petitioner has computed the Working Capital Requirement for FY 2022-23 as under:

Table 3A 41: Working Capital Requirement (₹ Crore)

S. No	Particulars	FY 2022-23	Remarks/ Reference
A	Annual Revenues from Tariff & Charges	6140.6	Table 3A 54
A1	Receivables equivalent to two months average	1023.4	A/6
B	Power Purchase Expenses	4403.4	Table 3A 25
B1	Less: 1/12 th of power purchase expenses	366.9	B/12
C	Working Capital	656.5	A1-B1
D	Opening Working Capital	579.4	
E	Change in Working Capital	77.1	D-E

3A.188 The Working capital as shown above has been considered for calculation of Regulated Rate Base for FY 2022-23.

Debt and Equity

3A.189 Debt and Equity has been considered as per the directions and principles laid down by the Hon'ble Supreme Court in Order and Judgment dated 01.12.2021 and 18.10.2021 passed in case of the Petitioner. Accordingly, the average debt and equity for FY 2022-23 is tabulated below:

Table 3A 42: Average Debt and Equity for FY 2022-23 (₹ Crore)

S. No	Particulars	Debt	Equity	Remarks/ Reference
A	Opening	1533.9	1167.5	
B	Additions during the year			
i	Capex	184.1	78.9	
ii	Working capital	77.1		
C	Less: Repayment	153.4		
D	Closing	1641.7	1246.4	A+B-C
E	Average	1587.8	1206.9	Average(A,D)

3A.190 The Petitioner has considered the aforesaid average debt and equity for the purpose of computation of RoCE.

Regulated Rate Base (RRB)

3A.191 Based on the above submissions, the Regulated Rate Base (RRB) for FY 2022-23 has been computed as below:

Table 3A 43: Regulated Rate Base for FY 2022-23 (₹ Crore)

S. No	Particulars	FY 2022-23	Remarks/ Reference
A	RRB Opening	2,530.7	
B	ΔAB (Change in Capital Investments)	76.9	C-D+E-F
C	Investments Capitalized	273.8	Table 3A 32
D	Depreciation	195.8	Table 3A 38
E	Add: Depreciation on De-capitalised Assets	9.6	Note 3 and Note 4 of Audited Accounts
F	Consumer Contribution	10.7	Table 3A 35
G	Change in WC	77.1	Table 3A 41
H	RRB Closing	2,684.7	A+B+G
I	RRB (i)	2,646.2	

Rate of Interest on Loan

3A.192 The rate of interest applicable to a Capital Expenditure (CAPEX) loan would necessarily have to be the allowable interest as per the Regulation applicable on the date of capitalisation/COD. This is clear from harmonious reading of Regulation 1(2) proviso read with Regulation 74 to 77. There is nothing in Regulation 74 to 77, either express or implied, which provides that where the interest on a CAPEX loan taken in a previous year has been allowed by the Commission for that year, that such interest now needs to be reworked for every subsequent year. Therefore, the interest on CAPEX loan is worked out with reference to the date of commissioning/capitalisation of the assets in accordance with aforesaid Regulations. Accordingly, the rate of interest on CAPEX loan is 12% for FY 2022-23.

3A.193 For the computation of rate of interest on working capital, Regulation 85 of Tariff Regulations, 2017 states that:

“85. Rate of Interest On Working Capital shall be considered as the bank rate as on 1st April of the year plus margin as specified by the Commission for the Control Period and shall be trued up on the basis of prevailing bank rate as on 1st April of the respective financial year.”

3A.194 Further, Regulation 22 of Business Plan Regulations, 2019 specifies capping of 3.50% on margin for FY 2022-23. Accordingly, the margin for computation of interest on working capital is considered as under:

Table 3A 44: Rate of Interest on Loan (%)

S. No.	Particulars	Rate	Remarks/ Reference
A	Rate of Interest on Working Capital	10.41%	A
B	SBI MCLR as on 01.04.2021*	7.00%	B
C	Margin for FY 2022-23	3.41%	C = (A-B)
D	Margin for FY 2022-23	3.41%	Min(C, 3.50%)

*SBI MCLR Rate enclosed as **Annexure 3A.2**

3A.195 Hence, in the terms of the aforesaid Regulations, the rate of interest on term loan and working capital shall be minimum of (i) approved base rate of RoE of 14.00%, (ii) rate of interest w.r.t actual loan and working capital portfolio during FY 2022-23 and (iii) Bank Rate of 7.00% as on April 1, 2022 plus margin for rate of interest on loan as per Business Plan Regulations, 2019.

3A.196 Accordingly, the blended rate of interest rate on loan is computed as under:

Table 3A 45: Weighted Average Interest Rate on Loan (₹ Crore)

S. No.	Particulars	FY 2022-23	Remarks/ Reference
A	Closing Balance of Debt	1641.7	Table 3A 42
B	Closing Debt at 100% Working Capital	656.5	Table 3A 41
C	Closing Balance of CAPEX Loan	985.2	C=A-B
D	Rate of Interest on Loan (%)	12.00%	
E	Rate of Interest on Working Capital (%)	10.41%	
F	Blended Rate of Interest on Loan (%)	11.36%	((B*E)+(C*D))/A

3A.197 The Petitioner requests the Hon'ble Commission to approve the rate of interest on debt (rd) as 11.36% for determination of FY 2022-23.

3A.198 Further, in order to comply with the directives issued by the Hon'ble Commission, the Petition vide letter no. RA/BYPL/2022-23/55 dated 30.05.2023 has submitted the statement of interest on all type of loans availed from various Banks/Financial Institutions for FY 2022-23.

Weighted Average Cost of Capital (WACC)

3A.199 For computation of WACC for FY 2022-23, the Petitioner has considered rate of interest of loans at 11.36% and RoE at 16%.

3A.200 Further, as per Regulation 21 of Business Plan Regulations, 2019:

“21. TAX ON RETURN ON EQUITY

The base rate of Return on Equity as allowed by the Commission under Regulation 3, shall be grossed up with the Minimum Alternate Tax or Effective Tax Rate of the respective financial year in terms of Regulation 72 and 73 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, as per the following formula:

Rate of Return on Equity= $14/[(100-\text{Tax Rate})/100]$

where, Tax Rate is Minimum Alternate Tax (MAT) or Effective Tax Rate, as the case may be.”

3A.201 It is pertinent to mention that Hon'ble APTEL in its various judgements has laid down the ratio that the income tax assessment of the licensee must be done on standalone basis. Further, in Appeal No.173 of 2011 the Tribunal has provided the methodology for assessing the income tax liability of the licensee.

3A.202 Therefore, if a computation of actual income tax is to be done, a conjoint reading of the above Regulations of the Hon'ble Commission in the light of the ratio laid down by the Hon'ble Tribunal would clearly establish that:

- (a) The Distribution Business must be treated as if in a watertight compartment;
- (b) The RoE is not only the income of the Distribution Business;
- (c) A 16% return on equity has been assured to the distribution business and must be given to the entity meaning thereby all other taxes payable by the distribution business computed on a normative basis must be allowed as a pass through.

3A.203 In addition to above, it is pertinent to mention that w.e.f. FY 2019-20, the Petitioner has opted for the new tax regime u/s 115BAA. A detailed submission in this regard has already been made by the Petitioner vide its letter no. RA/BYPL/2022-23/212 dated 12.10.2022 to the Hon'ble

Commission.

3A.204 Without prejudice to above, it is highlighted that the Hon'ble Supreme Court in its Order and Judgment dated 18.10.2022 has also laid down the principle of Truing up i.e. *'Truing up' exercise cannot be done to retrospectively change the methodology/principles of tariff determination and reopening the original tariff determination order thereby setting the tariff determination process to a naught at 'true up' stage.*

3A.205 Accordingly, WACC for FY 2022-23 has been computed considering the grossed-up return on equity of 21.38% is as under:

Table 3A 46: Weighted Average Cost of Capital (WACC) (₹ Crore)

S. No.	Particulars	FY 2022-23
A	Average Equity	1206.9
B	Average Debt	1587.5
C	Return on Equity	16.00%
D	Income Tax Rate	25.17%
E	Grossed up Return on Equity	21.38%
F	Rate of Interest	11.36%
G	Weighted average cost of Capital	15.69%

Return on Capital Employed (RoCE)

3A.206 Based on the aforesaid submissions, RoCE for FY 2022-23 is computed as below:

Table 3A 47: RoCE for FY 2022-23 (₹ Crore)

Particulars	FY 2022-23	Remarks/ Reference
Weighted Average Cost of Capital (WACC)	15.69%	Table 3A 46
RRB (i)	2,646.2	Table 3A 43
RoCE	415.2	A*B

3A.207 The Petitioner requests the Hon'ble Commission to allow RoCE based on the above computations.

Non-Tariff Income

3A.208 The items which have been added apart from the Other Income and Other Operating Income shown in Audited Accounts are as under:

i. Interest on Consumer Security Deposit (CSD)

3A.209 In line with the treatment followed by the Hon'ble Commission in the previous Tariff Orders, the difference of normative interest on CSD and the actual interest booked as expense in the Audited Accounts has been added in NTI as under:

Table 3A 48: Interest on CSD (₹ Crore)

S. No	Particulars	FY 2022-23	Remarks/ Reference
A	Opening Balance of CSD	543.1	Note 22 and 31 of Audited Accounts
B	Closing Balance of CSD	597.7	
C	Average Balance	570.4	$C = (A+B)/2$
D	Interest Rate	10.41%	
E	Normative Interest on CSD	59.4	$E = C \times D$
F	Interest booked as expense in Audited Accounts	38.5	
G	Net Interest to be considered	20.9	$G = E - F$

ii. Difference on account of Service Line Development (SLD) Charges:

3A.210 The Hon'ble Commission in Tariff Order dated September 29, 2015 ruled as under:

“3.355 The Commission has observed from the audited financial statements (Note 8) that the service line charge received from the consumers amounting to ₹23.76 Crore is remained unadjusted and kept in deposit account. These service line charges are collected from the consumers and by deferring and not treating as nontariff income will

inflate the ARR by the same extent which tantamount to collection of the same from the consumers again through tariffs.”

3A.211 The Petitioner has challenged the aforesaid issue before Hon'ble ATE in Appeal 290 of 2015 and is sub-judice. Without prejudice to the contentions in the Appeal, the Petitioner has considered the SLD on receipt basis and added the difference between the SLD Charges received during FY 2022-23 and that appearing in the Other Income in the Audited Accounts for the purpose of computation of Non-Tariff Income as under:

Table 3A 49: Difference on account of SLD (₹ Crore)

S. No	Particulars	FY 2022-23	Remarks/ Reference
1	Received during the year	67.5	Note 25 of Audited Accounts
2	SLD Appearing in Other Income	27.5	
3	Difference Considered	40.0	3 = 1-2

3A.212 Accordingly, the Petitioner has adjusted ₹40.0 Crore during FY 2022-23 for the purpose of computation of Non-Tariff Income.

3A.213 The explanation for each of the item not to be considered as Non-Tariff Income is as under:

iii. Income from Other Business

a. Street Light Maintenance Charges

3A.214 Apart from distribution licensee's business, the Petitioner is also generating revenue from other business. These other businesses are being operated in parallel by the Petitioner along with the Distribution Business. The Petitioner is allowed under the applicable laws to carry out these unrelated business.

3A.215 Section 51 of the 2003 Act entitles the Distribution Licensee such as the Petitioner to engage in any other business for optimum utilization of its assets. Section 51 also requires that a certain proportion of “the revenues” derived from such business be utilized for reducing the wheeling charges. Section 51 is an enabling provision contained in the legislation with some purpose. Disallowance of the legitimate expenses relating to other business would be ex-facie contrary to Section 51 of the 2003 Act and would lead to discouraging the distribution licensee such as the Petitioner from generating income from other business, which is otherwise undertaken considering the interest of consumers at large and optimum utilization of assets of distribution business. The Petitioner has engaged in the businesses (as described in subsequent paragraphs) which are within the scope of Section 51 of the 2003 Act and has hereinafter provided reasons for this Hon’ble Commission to consider: (1) The Income by deducting the expenditure from the Revenue; and (2) Reworking of the proportion of the Revenues to be retained by the Petitioner in excess of the 20% which was stipulated in the 2005 Regulations as “a general principle” and entitling the Petitioner to “approach the Commission for change of the aforesaid sharing formula with proper justification, for approval of the Hon’ble Commission”.

3A.216 It is submitted that the responsibility of maintaining street light is not contained in the Distribution License of the Petitioner. The Electricity Act, 2003 does not mandate the Distribution Licensee to maintain Street Lights. Further, as per Section-42 of Delhi Municipal Corporation Act, 1957, it is the responsibility of MCD to maintain Street lighting system which is reproduced below:

42. Obligatory functions of the Corporation

....

(o) the lighting, watering and cleansing of public streets and other public places;

...

(w) the maintenance and development of the value of all properties vested in or entrusted to the management of the Corporation;”

3A.217 With the unbundling and restructuring of Delhi Vidyut Board (DVB) into corporate entities and privatisation of Distribution Business, the past legacy of maintenance of public lighting was passed on to the Petitioner as matter of course, though as distribution licensee the maintenance of public lighting was not their function. In fact, the Petitioner vide letter dated March 24, 2004 intimated the Hon’ble Commission that maintenance of street lighting is the responsibility of MCD under DMC Act and not the Petitioner. Also the Hon’ble Commission in Order dated September 3, 2003 ruled as under:

“10. Having heard the submission of the parties, the Commission observed that it was the prerogative of the MCD, either to get the work done themselves or through the DISCOMs, in the latter alternative, scope of works, as also the commercial terms and conditions, shall need to be proposed by MCD. Thereafter, the Commission shall determine the maintenance charges, etc. after having considered the responses of the DISCOMs.”

3A.218 Therefore, it is clear that maintenance of street lighting is an activity assigned to the Petitioner by MCD under DMC Act and does not fall under Regulated Business.

3A.219 However, there was a dispute between the Delhi DISCOMs and MCD on scope of work of the activities and charges at which the maintenance is to be undertaken by Delhi DISCOMs. During FY 2003-04, the Hon’ble Commission received number of complaints on the poor conditions of street light prevailing

in respect of Public Lighting in Delhi. Consequently, in order to settle the matter, the Hon'ble Commission vide letter dated October 15, 2003, identified the scope of works as maintenance of existing streetlights, addition of new streetlights, installing of high mast lights, transformers, etc. Further, the Hon'ble Commission vide Order dated March 5, 2004 determined the rates for maintenance of street lights. These rates were further amended by the Order issued by the Hon'ble Commission on September 24, 2009.

3A.220 It is further submitted that the determination of rates and scope of work by the Hon'ble Commission does not mean that maintenance of streetlights fall under Licensed Activity and is a part of regulated business. The scope of work and determination of rates by the Hon'ble Commission has helped MCD and the Petitioner to reach at a consensus.

3A.221 Therefore, the Petitioner is maintaining Street Lights not as an obligation under Licensed Business or a part thereof but on behalf of road owning agencies, viz. MCD, NHAI, PWD in the areas comprising East and Central Delhi.

3A.222 For carrying out the maintenance services the Petitioner optimally engages its existing manpower, Technicians, Electricians, Electric Men, Line Engineers and also outsources further manpower.

3A.223 Since the activity of maintenance of Street Lights is neither a licensed activity nor an activity related to licensed business so no part of the cost of such activity nor the revenue accrued therefrom should form part of the ARR of the licensed business. Aforesaid principle of demarcation has been well recognized by Hon'ble Appellate Tribunal in a catena of Judgments

specifically in Income Tax starting from Judgment dated 04.04.2007 in ***Appeal No. 251 of 2006 titled 'Reliance Energy Limited v. MERC & Ors.'*** [Para. 25 - 32], which is carried forth all the way up to the ***Judgment dated 28.11.2013 in Appeal No.138 of 2012, [Para. 13 - 15]***.

3A.224 In these Judgments, it has been categorically held that the licensed business must be treated as a watertight compartment and only the expenses and revenue of that business as form a part of business activity and statement of affairs of the licensed business could be attributed to that business. Hence, no part of an unlicensed and / or an unrelated activity could form either a cost component or a revenue component in the ARR. The streetlights do not part of the assets of the Distribution Business, no part of income from the maintenance of streetlight can form part of the ARR of the distribution business.

3A.225 In point of fact, this cost of street light maintenance is not part of the O&M cost in the ARR, since the O&M costs is permitted by the Hon'ble Commission on normative base which has no reference to the actual expenses of the Petitioner on this account. For instance, R&M expenses are given as a percentage of grossed fixed assets. Since streetlights are not part of the assets passed on to the Petitioner, no R&M is given qua such property.

3A.226 In view of the aforesaid discussion, the Petitioner prays that entire income on account of maintenance of Street Lights may be allowed to be retained by the Petitioner as it is neither a non-tariff income nor an income within the scope of Section 51 of the 2003 Act.

3A.227 Accordingly, the Petitioner has earned income from street light maintenance

charges of ₹ 5.1 Crore which also includes incentive of ₹ 0.2 Crore. Thus, in view of above submission, the Petitioner requests the Hon'ble Commission to reduce ₹ 5.1 Crore on account of total income from street light maintenance charges from Non-Tariff Income of FY 2022-23.

b. Pole Rental Income

3A.228 The Hon'ble Commission in its Order dated 06.10.2006 in Petition No. 4 of 2005 filed by NDPL has stated that the DISCOM's LT Poles can be used for laying the cable TV network and such usage can be done by way of an agreement between the cable operator and the Licensee for generating revenue. The relevant extract of the Order is reiterated as below:

*"29. The Commission is therefore, of the opinion that the poles other than the Central Verge and the HT Poles can be used for laying the cable TV network and such usage can be done by way of an agreement between the cable operator and the Licensee. **Any revenue generated thereto shall be subject to the Regulations made by the Commission on the Treatment of Income from Other Business.**"*

[Emphasis added]

3A.229 Regulation 5(5) of DERC (Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee) (First Amendment) Regulations, 2017 is as follows:

"5(5) In addition to the sharing of costs under sub-clause (3) above, the Licensee shall account for and ensure due payment to the Licensed Business a certain proportion of revenues from the other Business as follows:

(a) where the Licensee utilizes the assets and facilities of the licensed business for other business the Licensee shall retain 40% of the net revenue from such business and pass on the remaining 60% of the net revenue to the regulated business; and

(b) where the Licensee does not utilize the assets and facilities of the licensed business for other business, the Licensee shall retain 60% of the net revenue from such business and pass on the remaining 40% of

the net revenue to the regulated business;

Provided that any deficit on account of such other business shall be to the account of the licensee."

3A.230 The Petitioner had earned total income of ₹ 4.7 Crore during FY 2022-23 on account of rent from the cable operators for using Petitioner's LT poles for laying their cables/set up. It is further clarified that Proper agreements have been executed between the Petitioner and the operator for such usage in terms of the above Order of the Hon'ble Commission.

Table 3A 50: Pole Rental Income for FY 2022-23 (₹ Crore)

S. No	Particulars	Total Income	Consumer's Share	Petitioner's Share
A	Pole Rental Income	11.75	7.05	4.70

3A.231 Thus, the total "Other Business Income" during FY 2022-23 which needs to be reduced from Non-Tariff Income (NTI) is ₹ 9.8 Crore as shown below:

Table 3A 51: Other Business Income for FY 2022-23 (₹ Crore)

S. No	Particulars	FY 2022-23
A	Street Light Maintenance	5.1
B	Pole Rental Income	4.7
	Total	9.8

iv. Late Payment Surcharge:

3A.232 As regards LPSC, it is submitted that the Petitioner levied LPSC @ 1.5% per month on flat basis till FY 2012-13. The Hon'ble Commission was therefore allowing only financing cost of LPSC to the Petitioner by computing the principal amount (LPSC divided by 18% (12 x 1.5%)) and allowing carrying cost on the principal amount. The difference between the amount of LPSC and the interest on principal amount was passed on the consumers by way of NTI.

3A.233 Based on the representation of Foundation of Rubber & Polymer Manufacturers, the Hon'ble Commission vide letter dated December 13, 2012 communicated that LPSC should be charged proportional to the number of days of delay in receiving payment from the consumers by the Petitioner. The Hon'ble Commission in Tariff in is Order dated September 29, 2015 again directed the Petitioner to charge LPSC proportionate to the number of days of delay in receiving the payment from the consumers of the DISCOMs.

3A.234 The Petitioner in this Petition requests the Hon'ble Commission to allow the entire LPSC instead of financing cost of LPSC during FY 2022-23 as the Petitioner charged LPSC proportionate to the number of days of delay and not on flat basis. The methodology of charging LPSC proportionate to the number of days of delay leads to recovery of only financing cost of LPSC for the delay in payment and not on flat basis. However, the Hon'ble Commission without referring to its' direction for change in charging of LPSC continued with the earlier methodology which was utilised for computation of financing of LPSC till FY 2012-13. Such treatment has actually resulted in allowance of financing cost of LPSC at much lower rate.

3A.235 It is further submitted that the concept of financing cost of LPSC was introduced by the Hon'ble Commission in Tariff Order dated August 26, 2011 as LPSC was considered as a part of revenue realisation for the purpose of computation of AT&C Loss as per Clause-4.7 (c) of DERC Tariff Regulations, 2007. As per DERC Tariff Regulations, 2011, the methodology of computation of revenue realisation for the purpose of computation of AT&C Loss has been changed and LPSC is no longer being included as a part of revenue realisation for computation of AT&C Loss from FY 2012-13 onwards. Since the

methodology for computation of AT&C Loss has been changed, the Petitioner ought to be allowed entire LPSC instead of financing cost of LPSC.

3A.236 Further, the financing cost of LPSC is based on the principle that the Petitioner will fund the amount delayed through loans whereas, it is practically not possible to arrange for the funding of such delayed payment as the Petitioner does not know in advance as to which consumer will pay the bill on deadline and which consumers will not pay the bill on deadline. The process of raising loans for funding any expenditure is time taking process and therefore, in case of any default on part of consumers to pay electricity bills in time, the Petitioner has to face the following penalties:

a) **Penalty on account of under-achievement of Distribution Loss and**

Collection Efficiency: In case of any under-achievement of Distribution Loss and Collection Efficiency, the Hon'ble Commission levies penalty on the Petitioner irrespective of the fact that the default in collection efficiency is on account of consumers.

b) **Penalty in repayment of Loans:** In present scenario, the Petitioner is not operating in business as usual situation. Apart from normal capex loan and working capital loan, the Petitioner is required to fund huge amount of regulatory assets and the revenue gap during the year on account of variation between the estimated ARR and actual ARR. In such a situation any default in payment of billed amount put financial constraints on the ability of the Petitioner to efficiently discharge its debt obligations. As a result, the Petitioner has to face penalty on account of delay in repayment of loans which is not being passed in the ARR.

c) **Penalty by Generators:** Generators levy penalty of 1.5% per month in

case of non-payment of dues within time.

3A.237 It is most respectfully submitted that the Hon'ble Commission's treatment tantamount to discrimination between Gencos, Transcos and DISCOMs which is depicted in the table below:

Table 3A 52: Treatment of LPSC to various utilities in Delhi

S. No	Particulars	Delhi Gencos and Transcos	Delhi DISCOMs
1	Before FY 2013-14	<ul style="list-style-type: none"> LPSC @ 1.5% per month; LPSC collected allowed to Gencos and Transcos irrespective of actual cost of financing delay in payment; Therefore, LPSC not considered as Non-Tariff Income. 	<ul style="list-style-type: none"> LPSC @ 1.5% per month; Only financing cost of delayed payment by computing principal amount, i.e., LPSC Collected/ 18% allowed to DISCOMs; Difference between LPSC collected and financing cost of delayed payment considered as NTI.
2	From FY 2013-14	<ul style="list-style-type: none"> Same treatment continued. 	<ul style="list-style-type: none"> LPSC @ 1.5% proportional to number of days of delay; Same formulae for computing principal amount despite of change in treatment;

3A.238 Based on the aforesaid submissions, the Petitioner requests the Hon'ble Commission to allow entire LPSC of ₹ 12.4 Crore during FY 2022-23 to be retained by the Petitioner as the same merely meets the financing cost of delay in payment.

v. Short term gain:

3A.239 The Hon'ble Commission in Tariff Order dated August 31, 2017 has ruled as under

"3.544 The Petitioner has submitted that Short Term gain is on account of interest received on fixed deposits maintained by the Petitioner as margins kept with the funding agency for loans availed. Therefore, the

Commission is of the view that interest on these fixed deposits should be allowed to be reduced from the Non-Tariff Income ...”

3A.240 Further, the Hon'ble Commission in the last Tariff Order has ruled as under:

“3.271 Regulation 94 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 stipulates that income from statutory investments will form part of Non tariff Income.

3.272 As short term investments with the banks are not considered towards financing of Capitalization and Regulatory Asset funding, accordingly, the Commission allows the income from such investments amounting to Rs. 9.04 Cr. to be reduced from NonTariff Income.”

3A.241 Accordingly, the Petitioner requests the Hon'ble Commission to allow the Petitioner to retain the income of ₹10.9 Crore on account of interest received on fixed deposits during FY 2022-23 and reduce the same from the Non-Tariff Income.

vi. Transfer from Consumer Contribution and Capital works:

3A.242 The Hon'ble Commission in previous Tariff Orders has allowed transfer from consumer contribution for capital works to be reduced from NTI on the ground that the consumer contribution is not considered for calculation of Depreciation and RoCE and the Petitioner is making book adjustments in compliance of accounting standards and has no impact on the cash flows. Therefore, amount transferred from Consumer contribution and capital works are allowed to be reduced from Non-Tariff Income.

3A.243 Accordingly, the Petitioner requests the Hon'ble Commission to reduce the amount of ₹19.7 Crore from the Non-Tariff Income during FY 2022-23.

vii. Income on account of bad debts recovered:

3A.244 The Hon'ble Commission in the previous Tariff Orders while dealing with this issue has held that since the amount of bad debt recovered is already considered as part of Revenue realised during the year and utilised towards meeting the ARR, the same ought to be excluded from Non-Tariff Income to avoid double accounting.

3A.245 Accordingly, the Petitioner requests the Hon'ble Commission to exclude ₹3.5 Crore of income recovered on account of bad debts (shown in Note 35 of Audited Accounts) from Non-Tariff Income during FY 2022-23.

viii. Write-back of Miscellaneous Provisions:

3A.246 The Hon'ble Commission in Para 3.26 of the Tariff Order dated 30.09.2021 has allowed the excess provisions written back pertaining to O&M expenses related to reversal on provisions of O&M expenses and retirement of assets. Relevant extract reproduced as under:

"...3.25 There was hardly any time left for the Commission to examine and verify the authenticity of the data furnished by the DISCOMs, as the Commission was committed to issue the Tariff Order for FY2021-22 before 30/09/2021

3.26 Until the final disposal of the issue by the Commission based on the additional submissions made by the Petitioner, the Commission has provisionally considered the write back of miscellaneous provisions pertaining to O&M Expense provisions relating to reversal on provisions on O&M expenses and retirement of assets."

3A.247 In this regard, it is submitted that the amount of ₹2.5 Crore appearing as Excess provisions written back in Note - 35 of the Audited Accounts is an accounting entry reversing the amount of Provisions pertaining to Obsolete /

Non Moving / Slow Moving Inventories (shown as "Provisions" in the Audited Accounts) created in previous years. Also, if such provisions pertaining to Obsolete / Non Moving / Slow Moving Inventories does not part of the O&M expenses, the write back of such provisions cannot form a part of Non-Tariff income for the purpose of ARR. Hence, the amount of ₹ 2.5 Crore ought not to be considered as part of Non-Tariff Income for FY 2022-23.

ix. Collection charges on Electricity Duty:

3A.248 The Petitioner, as an agent on behalf of Municipal Corporation of Delhi (MCD), collects and pays to the MCD the Electricity Duty in terms of the 'By laws'. For undertaking this activity, there is incidence of use of assets and facilities of the licensed business towards collection of the Electricity Duty. As such this collection activity is a separate business and optimally utilizes the assets of the Petitioner. Section-51 of the 2003 Act, as well as, Delhi Electricity Regulatory Commission (Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee) Regulations, 2005 permit the Petitioner to engage in any other business for optimal utilization of its assets.

3A.249 It is submitted that MCD pays commission/ collection charges to the Petitioner for collecting Electricity Duty on its behalf. These charges paid by MCD is purely Other Business within Section-51 of the 2003 Act, as well as, Delhi Electricity Regulatory Commission (Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee) Regulations, 2005 and accordingly the same would apply to the aforesaid amount earned by the Petitioner as the commission paid by MCD. For undertaking the activity of

collection of Electricity Duty, the Petitioner has expended certain expenses towards incentivizing the existing manpower, engaging additional and external collection agencies which are included in the actual employee expenses.

3A.250 Further, the Petitioner has to perform in-house operations also for which the Petitioner is required to incur additional O&M Expenses. Some of these in-house activities involve maintenance of records regarding Electricity Duty (Amount of Electricity Billed, Collected, Outstanding, paid to GoNCT of Delhi etc., cash-handling activities, interaction with GoNCT of Delhi etc. which involves cost. The Petitioner incurs security and conveyance expenses towards transfer of money. Additionally, the Petitioner has also engaged various collection agencies for which the Petitioner has to pay service charges for such engagement. All these expenses are not being allowed by Hon'ble Commission since O&M Expenses are allowed on a normative basis. It is further submitted that the commission of Electricity Duty is being provided as compensation in lieu of the Petitioner's efforts in collecting and accounting and other services rendered by the Petitioner to GoNCT of Delhi. It is submitted that if GoNCT of Delhi were to perform such similar activity, it would have involved costs. The Petitioner has reduced the efforts on behalf of GoNCT of Delhi, required for collection of Electricity Duty in terms of manpower and other Expenses. It is submitted that the income earned as commission on collection of Electricity Duty ought to be utilized to defray the additional expenses incurred by the Petitioner while undertaking such activities.

3A.251 Since these expenses incurred are not being separately allowed by the Hon'ble Commission, the entire income earned through this activity ought not to be reduced from the ARR by treating it as non-tariff income. However, the

Hon'ble Commission in previous Tariff Orders has treated the entire income earned on the aforesaid activity as part of non-tariff income and reduced the ARR of the Petitioner in contravention of its very own 2005 Regulations.

3A.252 It is submitted that simply because the Electricity Duty is collected along with the electricity bills, that does not mean that the activity of collecting, managing and accounting for the electricity duty, do not attract the incidence of any expenses. For example, if in future, the Petitioner were to engage in another business i.e., to collect water supply bills or telephone bills or gas utility bills, it cannot be said that because the Petitioner collects these amounts along with its electricity bills, these other businesses are distribution functions of the Petitioner or no separate expenses are required for carrying out these other businesses.

3A.253 The collection of electricity duty by the Petitioner is not a licensed activity. The responsibility for collection of Electricity Duty does not fall upon the licensee either under Section 12 of EA, 2003, nor under the license granted to the Petitioner by the Hon'ble Commission. It is an activity carried out by the Petitioner as a part of the legacy inherited by it from the erstwhile DVB. Even the erstwhile DVB carried out such functions, not as a part of its function of distribution of electricity, but under a statutory mandate of Section 3 of the Delhi Municipal Corporation (Assessment and Collection of Tax on the Consumption, sale or supply of electricity) Bye laws 1962 ("Bye Laws").

3A.254 Delhi Municipal Corporation (Assessment & Collection of tax on the consumption, sale or supply of electricity) Bye-Laws, 1962 enacted in terms of the provisions of the DMC Act provide for collection of Electricity Tax.

Clause 3 of DMC Bye-Laws provides for 'Collection of Electricity Tax' on consumption, sale or supply of electricity, by the Licensee within its area of supply on behalf of DMC, as under: -

"3. Collection of Electricity Tax. - (1) Where within the limits of the Corporation:

(a) Electricity is supplied by the Delhi Electricity Supply Undertaking, a tax on the consumption, sale or supply of electricity (hereinafter in these by-laws referred to as the electricity tax) payable under the provisions of the Act, shall be collected by the General Manager (Electricity); and

(b) Electricity is supplied by any licensee other than the Delhi Electricity Supply Undertaking, the electricity tax shall be collected by that licensee on behalf of the Corporation."

[Emphasis Supplied]

3A.255 As evident from the above, the Petitioner is obligated to collect Electricity Tax on behalf of DMC under Clause 3 (1) (b) of DMC Bye- Laws, which cast a statutory obligation upon the Licensee / Petitioner. Thus, collection of Electricity Tax / Duty is not a licensed activity and the responsibility for collection of the said Tax / Duty neither arises from the Electricity Act, 2003 nor from the license granted to the Petitioner by the Hon'ble Commission.

3A.256 The income/commission which is earned by the Petitioner has no connection whatsoever to the ARR of the Petitioner or to the licensed business. As such, this income/commission can never be categorised as non-tariff income. This is particularly so when Regulation 4.7(c) of the MYT Regulations, 2011 clearly provides that the collection of Electricity Duty will not be taken into account in computing the Collection Efficiency. If the revenue realisation from the collection of Electricity Duty does not add to the revenue collection for the purpose of 'Collection Efficiency', the income/commission on such collection earned by the Petitioner cannot form a part of the ARR as Non-Tariff income.

3A.257 Therefore, the commission/collection charges received on account of collection of Electricity Duty i.e. ₹ 7.5 Crore ought to be deducted from Non-Tariff Income during FY 2022-23.

x. MNRE Incentive:

3A.258 Phase – II of Grid Connected Rooftop Solar Programme was launched by MNRE vide order dated 08.03.2019 for achieving 40 GW capacity from RTS by the year 2022. The detailed operational guidelines were issued by MNRE on 20.08.2019 and amendment thereof was issued on incentive calculation by MNRE on 29.06.2021 and 05.12.2022 which is enclosed as **Annexure – 3A.3**. This Scheme consists of two components:

- a. Component A: Central Financial Assistance (CFA) for setting-up of 4GW RTS in residential sector.
- b. Component B: Incentive to DISCOMs based on achievement for installing additional grid connected rooftop capacity over and above the capacity installed till FY 2018-19.

3A.259 Component B of aforesaid scheme includes the incentive mechanism as stated below:

- c. Incentives to be provided to DISCOMs for each MWp capacity of solar rooftop, added by them in their distribution area over and above 10% of base capacity installed at the end of previous year.
- d. The incentive pattern is a progressive one with higher incentive rates for higher levels of achievement as under:

S.No.	Parameter	Incentive to be Provided
1.	For installed capacity achieved above 10 % and up to 15 % over and above of the installed base capacity within a financial year	5% of the applicable cost for capacity achieved above 10% of the installed base capacity
2.	For installed capacity achieved beyond 15% over and above of the installed base capacity within one financial year	5% of the applicable cost for capacity achieved above 10% and up to 15% of the installed base capacity PLUS 10% of the applicable cost for capacity achieved beyond 15% of the installed base capacity

3A.260 As per the scheme, the incentive is based on incremental RTS capacity installed by the DISCOMs in their distribution area from the installed base capacity (at the end of previous FY) within time line of 12 months.

3A.261 As per MNRE Guidelines on implementation of Phase – II of Grid Connected Rooftop Solar Programme for achieving 40 GW capacity from Rooftop Solar by the year 2022 dated 20.08.2019 the incentive under the guidelines is to the account of Discoms. The relevant extracts of guidelines is reproduced below:

“5.2.7 As the incentives are proposed for various reasons mentioned in 5.2.1 and 5.2.2, the above incentives proposed may not be a part of Tariff Determination & Tariff Rationalisation process of SERC /JERC.”

3A.262 Accordingly, the Petitioner has claimed the incentive amounting to ₹ 0.65 Crore for FY 2022-23 as also reflected in Note 35 of the Audited Accounts.

xi. Interest on Income Tax Refund:

3A.263 During FY 2022-23, the Petitioner had received refund of ₹ 3.50 Crore which includes interest on Income Tax refund of ₹ 0.17 Crore. This refund is against ₹ 3.3 Crore of TDS and TCS paid by the Petitioner in FY 2021-22. Further, the said reversal was necessitated as the Petitioner had opted for the Tax Regime under section 115 BAA while filing the Income Tax Return for FY 2020-21 (in FY 2021-22).

3A.264 Accordingly, the Petitioner requests the Hon'ble Commission to kindly allow the aforesaid amount of ₹ 0.17 Crore received towards interest on Income Tax refund to be retained by the Petitioner.

xii. Income from Sale of Scrap

3A.265 As per Regulation 80 of the Tariff Regulations 2017, depreciation of any asset funded through equity and debt is allowed up to 90% of the capital cost and balance 10% is to be considered as salvage value, relevant excerpt is reproduced here as follows:

"80. The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset:

Provided that any depreciation disallowed on account of lower availability of the generating station or generating unit or transmission system as the case may be, shall not be allowed be recovered at a later stage during the useful life and the extended life."

3A.266 The residual value/salvage value, i.e., 10% of the invested capital cost of asset is not recovered by the Petitioner through Depreciation throughout the useful life of the Asset. The Petitioner recovers its investment against this salvage value through sale of scrap.

3A.267 The Petitioner has earned ₹ 4.8 Crore through Sale of Scrap during FY 2022-

23. It is submitted that Terms and Conditions for the determination of Tariff under Section 61 of the Electricity Act 2003 are to be defined by the Hon'ble Commission based on Commercial Principles which allows recovery of the cost of supply of electricity in a reasonable manner.

3A.268 In view of the fact that Commercial Principle allows the Petitioner to recover the cost against residual value. Therefore, the Petitioner hereby requests the Hon'ble Commission to allow the aforesaid amount of ₹ 4.8 Crore received as income from sale of scrap to be retained by the Petitioner.

xiii. Gain on Retirement of Assets

3A.269 As per Regulation 45, 46 and 47 of the Tariff Regulations 2017, any gain on account of sale of assets retired before or after useful life is to be retained by the utility except for the assets retired due to reasons covered under regulation 45, relevant extract is reproduced here as follows:

"45. Loss or Gain due to de-capitalisation of asset based on the directions of the Commission due to technological obsolescence, wear & tear etc. or due to change in law or force majeure, which cannot be re-used, shall be adjusted in the ARR of the Utility in the relevant year.

46. Loss or Gain due to de-capitalisation of asset proposed by the Utility itself for the reasons not covered under Regulation 45 of these Regulations shall be to the account of the Utility.

47. Loss or Gain due to de-capitalisation of asset after the completion of useful life of asset shall be to the account of the Utility."

3A.270 The Petitioner has earned ₹ 1.11 Crore on account of gain from sale of retired assets during FY 2022-23. Accordingly, the Petitioner hereby requests the Hon'ble Commission to kindly allow the aforesaid amount of ₹1.11 Crore on

account of gain from sale of retired assets to be retained by the Petitioner.

3A.271 Based on the above submissions, the Non-Tariff Income during FY 2022-23 is tabulated as under:

Table 3A 53: Non-Tariff Income (₹ Crore)

S. No	Particulars	Amount (₹ Cr.)	Remarks/ Reference
A	Other Operating Income	73.4	Note 34 of Audited Accounts
B	Other Income	43.6	Note 35 of Audited Accounts
I	Total Income as per Accounts	117.0	(A+B)
C	Add: Interest on CSD	20.9	Table 3A 49
D	Add: Differential in SLD	40.0	Table 3A 50
II	Total Other Income	178.0	(I+C+D)
	Less: Income from other business	9.8	
E	Pole Rental Income	4.7	Table 3A 51
F	Street Light Maintenance Charges	5.1	Note 35 of Audited Accounts
III	Net Income to be considered	168.2	(II-E-F)
G	Less: LPSC	12.4	Note 34 of Audited Accounts
H	Less: Transfer from Consumer contribution for capital works	19.7	Note 34 of Audited Accounts
I	Less: Short term gain	10.9	Note 35 of Audited Accounts
J	Less: Bad debts recovered	3.5	Note 35 of Audited Accounts
K	Less: MNRE Incentive	0.7	
L	Less: Write-back of miscellaneous provisions	2.5	Note 35 of Audited Accounts
M	Less: Collection charges of Electricity Duty	7.5	Note 35 of Audited Accounts
N	Less: Income Tax Refund	0.2	Note 35 of Audited Accounts
O	Less: Gain on Retirement of Assets	1.1	
P	Less: Income from sale of scrap	4.8	
IV	Net Non-Tariff Income	104.9	(III-sum G to P)

3A.272 The Petitioner requests the Hon'ble Commission to allow the NTI during FY 2022-23 as submitted in the above table.

Income from Open Access

3A.273 In addition to the income received from Other Business, the income of ₹ 22.9

Crore (Note 34 of the Audited Accounts) recovered as Open Access Charges during FY 2022-23 has been considered for offsetting the revenue (Gap)/Surplus for the year.

Aggregate Revenue Requirement for Truing-up of FY 2022-23

3A.274 Based on the above submissions, the Annual Revenue Requirement for FY 2022-23 sought for True-up is tabulated below:

Table 3A 54: Aggregate Revenue Requirement for FY 2022-23 (₹ Crore)

S. No	Particulars	FY 2022-23	Remarks/ Reference
A	Power Purchase Cost (including Transmission Charges)	4,403.4	
B	O&M Expenses	830.2	
C	Other expenses/ statutory levies	143.7	
D	Depreciation	195.8	
E	Return on Capital Employed (RoCE)	415.2	
F	Sub-total	5,988.3	Sum (A to E)
G	Less: Non-Tariff Income	104.9	
H	Less: Income from Open Access	22.9	
I	Aggregate Revenue Requirement	5,860.5	F-(G+H)
J	Carrying Cost	280.2	
K	Gross ARR	6,140.6	I+J

Revenue available towards ARR

3A.275 The revenue available towards ARR is tabulated as under:

Table 3A 55: Revenue available towards ARR for FY 2022-23 (₹ Crore)

S. No	Particulars	FY 2022-23	Remarks/ Reference
A	Total Revenue Collected	5,641.2	Table 3A 8
B	Less: Amount to be retained by Petitioner on account of overachievement of Distribution Loss Targets	35.3	Table 3A 6
C	Less: Amount to be retained by Petitioner on account of Overachievement of Collection Efficiency Targets	62.3	Table 3A 10
D	Less: Incentive on sale of Surplus power	13.6	Table 3A 24
E	Revenue available towards ARR	5,530.0	A-B-C-D

Revenue (Gap)/ Surplus

3A.276 The revenue gap during FY 2022-23 is tabulated as under:

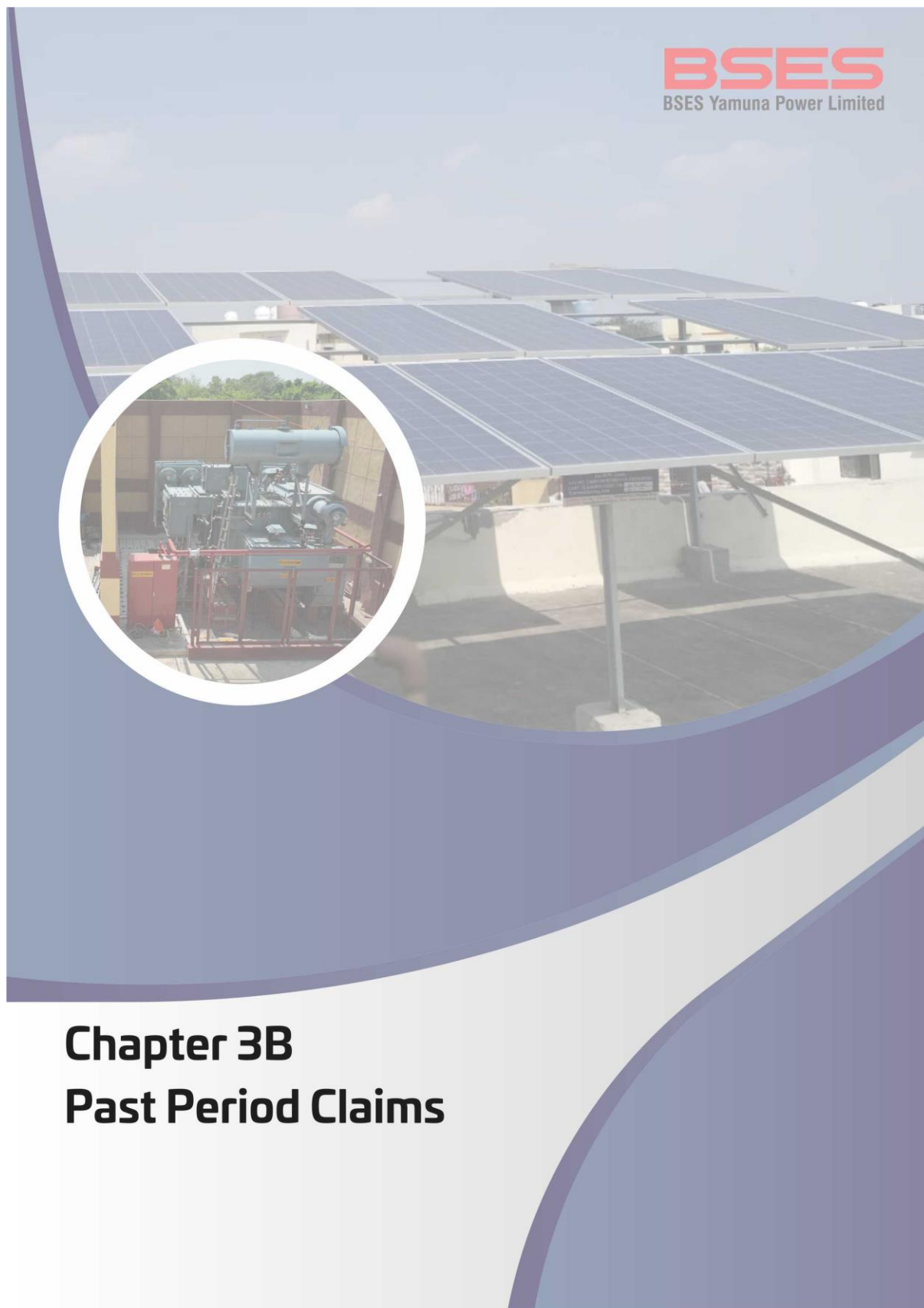
Table 3A 56: Revenue (Gap) for FY 2022-23 (₹ Crore)

S. No	Particulars	FY 2022-23	Remarks/ Reference
A	Aggregate Revenue Requirement (ARR)	6,140.6	Table 3A 54
B	Revenue available towards ARR	5,530.0	Table 3A 55
C	Revenue (Gap)/Surplus	(610.6)	B-A

3A.277 The Petitioner requests the Hon'ble Commission to True Up for FY 2022-23 as submitted above.

Sanjeev Singh





Chapter 3B

Past Period Claims

Sanjeev Singh



Past Period Claims:

- 3B.1 The present Chapter deals with the tariff entitlements of the Petitioner pertaining to the period upto FY 2019-20, in terms of the applicable Regulations, Orders passed by the Hon'ble APTEL, Hon'ble Supreme Court as well as this Hon'ble Commission. Such entitlements are over and above the amount approved by the Hon'ble Commission in the last Tariff Order dated 30.09.2021.
- 3B.2 It is respectfully submitted that for almost 14 years, this Hon'ble Commission did not implement Judgments of Hon'ble APTEL passed in the years 2009 and 2011 on the pretext of pendency of Civil Appeals filed by the Hon'ble Commission before the Hon'ble Supreme Court. The issue stands resolved in terms of: -
- (a) Judgment dated 01.12.2021 passed by the Hon'ble Supreme Court in this Hon'ble Commission's Civil Appeal Nos. 884 and 980 of 2010, 9003-04 of 2011 and 1854-55 of 2014 *inter alia* holding that the Civil Appeals do not raise any substantial questions of law. Hon'ble Commission was directed to implement the issues decided by Hon'ble APTEL in favour of the Petitioner, within a period of three (3) months from date of the Judgment if not already complied with and file a compliance report before the Hon'ble Supreme Court within two (2) weeks thereafter; read with
- (b) Order dated 15.12.2022 passed by the Hon'ble Supreme Court in MA Nos. 633-634, 918-919 and 1261-1262 of 2022 *inter alia* re-affirming the Judgment dated 01.12.2021 and directing the Hon'ble Commission to implement the Judgments of Hon'ble APTEL.

3B.3 The Hon'ble Commission has also not allowed the tariff entitlements of the Petitioner arising from the following: -

- (a) Hon'ble Supreme Court's Judgment dated 01.12.2021 in Civil Appeal Nos. 884 and 980 of 2010, 9003-04 of 2011 read with Order dated 15.12.2022 in MA Nos. 633-634, 918-919 and 1261-1262 of 2022.
- (b) Hon'ble Supreme Court's Judgment dated 01.12.2021 in Civil Appeal Nos. 1854-55 of 2014.
- (c) Hon'ble Supreme Court's Judgment dated 18.10.2022 in Civil Appeal 4323-4324 of 2015 titled **BRPL v. DERC, 2023 4 SCC 788** (arising from Hon'ble APTEL's judgment dated 28.11.2014 in Appeal No. 61 & 62 of 2012) as also the impact of the principles decided in the said Judgment on other issues.
- (d) Issues allowed by the Hon'ble APTEL in various Orders passed in favour of the Petitioner as well as other Distribution Licensee (M/s TPDDL).
- (e) Issues allowed by the Hon'ble Commission in various Review Orders, Miscellaneous Orders as well as Tariff Orders.
- (f) Hon'ble APTEL's Judgement in favour of similarly placed Distribution Utilities, Regulations, arbitrary disallowances which are pending for adjudication before the Hon'ble APTEL.

3B.4 In addition to non-implementation of orders and judgments of superior courts, the Hon'ble Commission has continued to determine a non-cost reflective tariff year on year leading to creation and non-amortization of the accumulated Regulatory Asset against the prescription of Sections 61 and 62 of the Electricity

Act, 2003 and the statutory Tariff Policy (2006 and revised in 2016) notified by the Central Government. This has been admitted by the Hon'ble Commission in its Statutory Advice dated 15.12.2010 and 01.02.2013 given to the GoNCTD under Section 86(2)(iv) of the Electricity Act as also in the communication to the Ministry of Power, Government of India sent on 20.12.2021.

3B.5 This is in spite of the fact that: -

(a) **Prior to privatization in 2002**, during the Delhi Vidyut Board ("**DVB**") period, there were frequent power cuts / power disruptions and voltage fluctuations. In addition, DVB was facing acute financial crisis and the GoNCTD had to regularly infuse substantial funds to meet shortfall in payment obligations towards power suppliers as also for operational and capital expenditures in the form of budgetary support.

(b) **Since privatization in 2002:**

- (ii) The Petitioner has been able to bring down AT&C loss levels below 7% in 2023 from 63.1% in 2002 at the time of privatization.
- (iii) AT&C loss levels of the Petitioner are now comparable to that of many developed Countries.
- (iv) This improvement in reduction of AT&C loss level to below 7% has supported to ensure 24*7 reliable and quality power supply by strengthening and creating a strong distribution network and providing enhanced consumer friendly services to 19 lakh consumers in Petitioner's area. In fact, inverters and generators have become virtually redundant in Delhi.

- (iv) The Petitioner is also providing direct employment to a large number of people.
- (v) The Petitioner has invested in capital expenditure of ~ ₹ 4,700 Crores to achieve the aforesaid operational efficiencies and for improving the quality of power supply in Delhi and strengthening the distribution network to cater to nearly threefold rise in demand.
- (c) The Petitioner is amongst the best performing Discoms in the Country and has been consistently rated as one of the top performing Discom in studies conducted by REC Ltd.in relation to services provided to the consumers.

3B.6 Despite all the above improvements in operational efficiencies ushered by the Petitioner to provide 24 X 7 reliable power, the Petitioner is being faced with *inter alia* non-fixation of tariff that reflects the cost of the Petitioner. This violates Section 61 of the Electricity Act contrary to numerous orders and judgments of superior courts, including the Hon'ble Supreme Court, leading to creation of substantial Revenue Gap / Regulatory Asset.

3B.7 Since privatization (2002), the ARR of the Petitioner for each Financial Year as approved by this Hon'ble Commission has not been sufficient to sometimes meet even the actual Power Purchase Cost which would ordinarily constitute about 75-80% of the total ARR. In its Statutory Advice dated 15.12.2010 and 01.02.2013 issued to GoNCTD under Section 86(2), the Hon'ble Commission has admitted to artificially suppressing tariff in Delhi. Further, Hon'ble Commission in its communication dated 20.12.2021 has also admitted to

belated implementation of some Judgments of Hon'ble APTEL due to mere pendency of Civil Appeals filed by the Hon'ble Commission before Hon'ble Supreme Court against the said Judgments even when there was no stay operational.

3B.8 It is also noteworthy that: -

- (a) The Hon'ble Commission has been constantly re-opening and re-writing the Tariff Orders of the past in "truing-up" proceedings, contrary to law. The Hon'ble Supreme Court has in its Judgment dated 18.10.2022 in Civil Appeal Nos. 4324 and 4323 of 2015 titled **BRPL v. DERC, 2023 4 SCC 788 [Para. 51]**, *inter alia* upheld and re-affirmed the legal principle laid down by the Hon'ble APTEL that, at the stage of 'truing up', the Hon'ble Commission cannot change the rules / methodology used in the initial tariff determination by changing the basic principles, premises and issues involved in the initial projection of ARR.
- (b) Recently, the Hon'ble Supreme Court by Judgment dated 05.10.2023 in Civil Appeal No. 414 of 2007 titled '*GRIDCO Ltd. v. Western Electricity Supply Company of Orissa Ltd. & Ors.*' and batch has *inter alia* held that there is serious doubt about the propriety and legality of the act of the Hon'ble Orissa Electricity Regulatory Commission (Appellant therein) of preferring appeals against the orders of the Hon'ble APTEL in appeal by which its own orders have been corrected.

3B.9 It is submitted that, from FY 2014-15, there has been virtually no increase in tariff though amount of all components of ARR have increased. In spite of noting the shortfall in ARR to even meet the cost of supply since 2010, the issue still remains unresolved. This is primarily because the Hon'ble Commission has assumed projections of surplus revenues in the Tariff Orders which, upon true up based on actuals, caused deficit year-on-year.

3B.10 The Hon'ble Commission has also: -

(a) Not implemented Judgments of Hon'ble APTEL passed in favor of the Petitioner without there being any stay in operation.

(b) Not allowed legitimate claims of the Petitioner ignoring the judgments of Hon'ble Supreme Court and Hon'ble APTEL and acting contrary to its statutory Regulations as also own Orders.

3B.11 Owing to the above:

(a) Appeal against Tariff Orders for FY 2013-14 to FY 2021-22 are pending before Hon'ble APTEL involving substantial claims.

(b) In February 2014, the Petitioner was constrained to approach the Hon'ble Supreme Court by Writ Petition bearing W.P. (C) No. 105 of 2014, having suffered due to inadequate tariff to make timely payments to Generating and Transmission Utilities and consequent threat of regulation of power supply.

3B.12 While adjudicating upon W.P. (C) No. 105 of 2014, the Hon'ble Supreme Court took cognizance of this chronic regulatory haemorrhage to issue its Order dated 26.03.2014 *inter alia* directing the Hon'ble Commission to submit a roadmap for

liquidation of Regulatory Asset. In terms of Order dated 26.03.2014, the Hon'ble Commission had proposed a roadmap on 01.05.2014 for recovery of accumulated Revenue Gap upto FY 2012-13 of the Petitioner in 7 years i.e., by FY 2020-21.

- 3B.13 Admittedly, the road map for the liquidation of Regulatory Asset proposed by the Hon'ble Commission before the Hon'ble Supreme Court on 01.05.2014 has been completely inadequate. The 8% surcharge proposed and applied by the Hon'ble Commission for recovery of Regulatory Asset has been and continues to be inadequate to recover the build-up of Regulatory Asset.
- 3B.14 Regulatory Asset has not only remained unliquidated but has actually increased. Hon'ble Commission had proposed recovery of the Regulatory Asset of ₹ 2,855 Crores within a period of 7 years, and by the end of FY 2020-21 projected a surplus of ₹ 671 Crores. Whereas in reality, the Regulatory Asset approved by the Hon'ble Commission upto 31.03.2020 is ₹ 3,111 Crores. This shortfall is over and above the Petitioner's claims pending before this Hon'ble Commission, Hon'ble APTEL and the Hon'ble Supreme Court.
- 3B.15 Notably, by the Judgment dated 14.11.2013 in OP No. 1 & 2 of 2012 – *BRPL v. DERC & Ors.*, 2013 SCC Online APTEL 137, Hon'ble APTEL had *inter alia* directed this Hon'ble Commission to maintain judicial decorum and implement the decisions of Hon'ble APTEL in letter and spirit based on its own undertaking. The said judgment was upheld by the Hon'ble Supreme Court by Final Order and Judgment dated 01.12.2021, while dismissing this Hon'ble Commission's Civil Appeal Nos. 1854-55 of 2014.

3B.16 The recognized Regulatory Asset of the Petitioner as per the Hon'ble Commission's own Tariff Orders has ballooned from ~ ₹ 159 Crores upto FY 2006-07 to ~ ₹ 3,111 Crores upto FY 2019-20 as per Tariff Order dated 30.09.2021 – an increase of ~ 1857%. This is despite the fact that: -

(a) Tariff Policy, notified under Section 3 of the Electricity Act requires: -

- (i) Regulatory Asset to be created **“only as exception”** including only in **“natural causes or force majeure conditions”**.
- (ii) Recovery of Regulatory Asset **“should be time-bound and within a period not exceeding three years at the most and preferably within control period”**[*Clause 8.2.2 of Tariff Policy, 2006*]. The period for amortization was increased to seven (7) years by the Tariff Policy, 2016 [*Clause 8.2.2 of Tariff Policy, 2016*].

(b) Hon'ble Supreme Court has time and again held that the Tariff Policies are **statutory and binding** including in: -

- (i) ***Energy Watchdog v. CERC, (2017) 14 SCC 80 [Para. 57]***
- (ii) ***Reliance Infrastructure Limited v. State of Maharashtra, (2019) 3 SCC 352[Para. 29 & 32]***
- (iii) ***Tata Power Co. Ltd. Transmission v. MERC, 2022 SCC OnLine SC 1615 [Para. 123, 124, 129 and 131].***
- (iv) ***GRIDCO Ltd. vs. Western Electricity Supply Company of Orissa Ltd. &Ors., etc. 2023 SCC OnLine SC 1249 [Para. 40 and 53]***

- 3B.17 Notably, Regulations 154 to 156 of this Hon'ble Commission's Tariff Regulations, 2017 do not provide for the period for amortization of Regulatory Asset, but merely provide that accumulated revenue gap, if approved by the Hon'ble Commission in the relevant Tariff Order, shall be treated as Regulatory Asset. Further, in such a case when no time frame for amortization of Regulatory Asset has been specified under the Tariff Regulations, the Tariff Policy, 2016 must be relied upon in terms of which *"8.2.2. (b) ... Recovery of outstanding Regulatory Assets along with carrying cost of Regulatory Assets should be time bound and within a period not exceeding seven years."*
- 3B.18 Notably, this Hon'ble Commission in its Tariff Orders including the last Tariff Order dated 30.09.2021 has itself stated that recovery of accumulated Regulatory Asset is to be as per Clause 8.2.2 of the Tariff Policy as under: -

"COMMISSION'S VIEW

2.248 Recovery of accumulated revenue gap, Regulatory Asset as envisaged in clause 8.2.2 of Tariff policy is as under:

'Carrying cost of Regulatory Assets should be allowed to the utilities. Recovery of Regulatory Assets to be time-bound and within a period not exceeding three years at the most, preferably within the control period.

The use of the facility of Regulatory Assets should not be retrospective.

In case when Regulatory Asset is proposed to be adopted, it should be ensured that the ROE should not become unreasonably low in any year so that the capability of a licensee to borrow is not adversely affected.'

...

2.249 The Appellate Tribunal for Electricity (APTEL) has also reiterated the above policy in its judgment dated 11/11/2011 (OP 1 of 2011).

2.250 The Commission in terms of the National Tariff Policy and in accordance with the APTEL judgment and has allowed carrying cost to DISCOMs. For liquidation of the past accumulated revenue gap, the

*Commission introduced a surcharge of 8% over the Tariff, in Tariff Order dated 13/07/2012, and has been fixing Tariff every year to a reasonable level to provide additional revenue to DISCOMs and also to reduce the burden of carrying cost on the consumers of Delhi. **Desired level of dedication could not take place due to petitioner burden on account of implementation of Hon'ble APTEL Judgment and Review Orders. It will be reviewed in future Tariff Orders.**" [Emphasis Added]*

3B.19 It is respectfully submitted that in spite of the aforesaid statutory / regulatory framework, the continued determination of a non-cost reflective tariff, non-implementation of judgments of superior courts, creation and non-amortization of Regulatory Asset: -

- (a) continues to burden the future consumers with the past period cost.
- (b) has a cascading effect on the entire electricity sector in Delhi.
- (c) involves the Petitioner in a vicious cycle of claim, success, non-implementation, and repeated rounds of appeal to correct such non-implementation. This would be against the letter and spirit of time-bound design under Electricity Act.

3B.20 Without prejudice to the proceedings pending before the Hon'ble Supreme Court and Hon'ble APTEL, the Petitioner has claimed its tariff entitlements in Petition No. 70 of 2022 filed on 30.11.2022 (True Up upto FY 2021-22) under the following broad categories:

1. Category-1: Implementation of Hon'ble Supreme Court's judgments:

- 1A. Impact of Hon'ble APTEL's Judgements which have attained finality vide Hon'ble Supreme Court's Order dated 01.12.2021

- i. Impact of issues decided in Civil Appeal Nos. 884-980 of 2010 (arising from Hon'ble APTEL's judgment dated 06.10.2009 & 30.10.2009 In Appeal No. 36 & 37 of 2008)
 - ii. Impact of issues decided In Civil Appeal Nos. 9003-9004 of 2011 (arising from APTEL Judgment dated 12.07.2011 In Appeal No. 142 & 147 of 2009)
 - iii. Impact of Principles laid down in the judgment in Civil Appeal Nos. 1854-1855 of 2014 (arising from APTEL Judgment dated 14.11.2013 In O.P. 1 and 2 of 2012)
- 1B. Impact of Hon'ble Supreme Court Judgment and Order dated 18.10.2022
- i. Impact of issues decided in Civil Appeal Nos. 4323-4324 of 2015 (arising from APTEL judgment dated 28.11.2014 in Appeal Nos. 61 & 62 of 2012)
 - ii. Impact of the Principles decided in the Judgment on other Issues.
2. **Category-2: Impact of Issues pending before Hon'ble Commission for Implementation.**
3. **Category-3: Impact of Issues challenged In Appeal and pending adjudication before the Hon'ble APTEL.**
- 3B.21 The total tariff entitlements of the Petitioner as claimed in Para 3B.59 (Table 3B 15) of the Petition No. 70 of 2022 along with carrying cost upto FY 2021-22 is reproduced here as under:

"3B.59 The Petitioner requests the Hon'ble Commission to allow the total unrecognised Regulatory Assets as per the claims submitted in

Category – 1 to 3 above along with carrying cost as summarized below:

Table 3B 15: Total unrecognised Regulatory Assets including carrying cost upto FY 2021-22(Rs. Crore)

S. No.	Particulars	Principle	Carrying Cost	Total
1	Implementation of Hon'ble Supreme Court (SC) judgments			
1A	Impact of APTEL Judgements which have attained finality vide Hon'ble SC Order dated 01.12.2021			
i	Impact of issues decided in Civil Appeal No. 884-980 of 2010	936	4049	4985
ii	Impact of issues decided in Civil Appeal No. 9003-9004 of 2011	2208	1188	3396
iii	Impact of Principles laid down in the judgment in Civil Appeal No. 1854-1855 of 2013	923	1146	2070
	Total (1A)	4,067	6,383	10,451
1B	Impact of Hon'ble Supreme Court Judgment and Order dated 18.10.2022			
i	Impact of issues decided in Civil Appeal 4323-4324 of 2015	244	710	954
ii	Impact of the Principles decided in the Judgment on other issues	599	505	1104
	Total (1B)	842	1,215	2,057
2	Impact of issues pending before Hon'ble Commission for Implementation	412	1,421	1,833
3	Impact of issues challenged in Appeal and pending adjudication before the Hon'ble APTEL	1,869	3,437	5,306
	Total (1A+1B+2+3)	7,191	12,457	19,647

...

Relevant extracts of Petition No. 70 of 2022 is annexed herewith and marked as **Annexure 3B.1.**

3B.22 The total impact of the above issues including carrying cost upto FY 2022-23 is ₹ 22,040 Crore as tabulated below:

Table 3B-1: Total impact of past period issues including carrying cost upto FY 2022-23 (₹ Crore)

S. No.	Particulars	Total impact (Principle + Carrying Cost upto 31.03.2023)
1	Implementation of Hon'ble Supreme Court (SC) judgments	
1A	Impact of APTEL Judgements which have attained finality vide Hon'ble SC Order dated 01.12.2021	
<i>i</i>	<i>Impact of Issues in Civil Appeal No. 884 and 980 of 2010</i>	4,997
<i>ii</i>	<i>Impact of Issues in Civil Appeal No. 9003 and 9004 of 2011</i>	3,788
<i>iii</i>	<i>Impact of Principles laid down in the judgment in Civil Appeal No. 1854-1855 of 2013</i>	2,309
	Total (1A)	11,094
1B	Impact of Hon'ble Supreme Court Judgment and Order dated 18.10.2022	
<i>i</i>	<i>Impact of issues decided in Civil Appeal 4323-4324 of 2015</i>	1,064
<i>ii</i>	<i>Impact of the Principles decided in the Judgment on other issues</i>	1,231
	Total (1B)	2,295
2	Impact of issues pending before Hon'ble Commission for Implementation	2,249

S. No.	Particulars	Total impact (Principle + Carrying Cost upto 31.03.2023)
3	Impact of issues challenged in Appeal and pending adjudication before the Hon'ble APTEL	6,402
	Total (1A+1B+2+3)	22,040

3B.23 It is noteworthy that above issues pertain to past period and each year delay in recognition and allowance of the claims not only violates principles of tariff determination under Section 61, 62 and 64 of 2003 Act but also attract substantial amount of carrying cost to be borne by the consumer which can be avoided if the claims are allowed in a timely manner.

3B.24 It is further submitted that Petition No. 70 of 2022 filed by the Petitioner before this Hon'ble Commission on 30.11.2022 and was admitted by Order dated 24.01.2023 and is under consideration. Further, the Hon'ble Commission in the Orders dated 10.07.2023 has held that the statutory process for issuance of Tariff Order has already begun and the financial impact claimed by the Petitioner will be provided in the Tariff Order. Further, there has been certain developments post filing of the said Petition viz.: -

- (a) Post Judgment dated 01.12.2021 of the Hon'ble Supreme Court, the Hon'ble Commission had filed Compliance Affidavits stating that Hon'ble APTEL's Judgments stand implemented. This purported compliance was contested by the Petitioner before the Hon'ble Supreme Court in MA Nos.

633-64 of 2022 and 1262 of 2022 (“**MA**”), wherein the Petitioner has sought implementation of Hon’ble APTEL’s Judgments in letter and spirit. The MAs were allowed / partially allowed in favour of the Petitioner by the Hon’ble Supreme Court by Order dated 15.12.2022.

- (b) Applications for Modification and Clarification and thereafter Review Petition was also filed by the Hon’ble Commission against the MA Order dated 15.12.2022, which were dismissed by the Hon’ble Supreme Court on 02.05.2023 and 03.08.2023 respectively.
- (c) On 14.05.2023 and 10.07.2023, the Hon’ble Commission has passed 3 separate Compliance Orders to show compliance of the Hon’ble Supreme Court Judgments and Order. However, the said Compliance Orders are not in compliance with the Hon’ble Supreme Court’s direction in letter and spirit.
- (d) Owing the above, the Petitioner was constrained to file Contempt Petitions and Miscellaneous Application before the Hon’ble Supreme Court against non-compliance of Judgment dated 01.12.2021 and Order dated 15.12.2022 by the Hon’ble Commission, which are pending adjudication before the Hon’ble Supreme Court.
- (e) Hon’ble APTEL on 17.04.2023 passed an Order in IA 1262 and 1263 of 2022 in Appeal Nos. 246 and 247 of 2021 directing the Hon’ble Commission to abide by the statutory Regulations and allow O&M expenses strictly in terms of Regulation 87, 92 and 93 of Tariff Regulations, 2017 and Regulation 23 of Business Plan Regulation, 2019.

(f) Hon'ble Commission's directions dated 06.06.2023 regarding submission of claims with respect to loss on sale of retirement of assets for the period from FY 2004-05 to FY 2021-22 in terms of the methodology specified in Regulation 45, 46 and 47 of DERC Tariff Regulations, 2017. In compliance of the same, the Petitioner vide its letter dated 26.07.2023 has submitted the claims along with asset wise and year wise detailed working on loss on sale of retirement of assets.

3B.25 Owing to the pendency of Petition No. 70 of 2022 before the Hon'ble Commission and subject to outcome of matters pending before the Hon'ble Supreme Court and Hon'ble APTEL, the Petitioner craves leave of the Hon'ble Commission to approach this Hon'ble Commission, if necessary, in the present Petition.

3B.26 We request the Hon'ble Commission to provide tariff entitlements of the Petitioner, accruing out of implementation of Hon'ble Supreme Court's Judgments dated 01.12.2021 and 18.10.2022 and Order dated 15.12.2022, Judgments / Orders of Hon'ble APTEL as well as own Orders of the Hon'ble Commission, to be allowed to be recovered in 7 years on the analogy for amortization of Regulatory Asset under the Tariff Policy 2016, through a separate surcharge over and above the existing surcharge with immediate effect.

BSES
BSES Yamuna Power Limited



Chapter 4

ARR for FY 2024-25

Sanjeev Singh



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4. ARR for FY 2024-25

Background

- 4.1 On 31.01.2017, the Hon'ble Commission notified the Tariff Regulations, 2017 applicable from 01.02.2017 and will remain in force till amended or repealed by the Hon'ble Commission.
- 4.2 As per Regulation 11 of the Tariff Regulations, 2017 the Distribution Licensee shall submit Annual Tariff Petition, at least, one hundred and fifty (150) days prior to the end of relevant financial year which shall contain the following information for the ensuing year:
1. Sales forecast
 2. Expected revenue to be billed
 3. Power Procurement Quantum and Cost proposal taking into account revenues from Short term sale of Surplus Power, maximum normative rebate available from each entity and Renewable Purchase Obligation as per the DERC (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2012 as amended from time to time
 4. Expected intra- State & inter-State Transmission Loss and Charges including Load Dispatch Charges, Open Access Charge indicating maximum normative rebate available from each entity.
 5. Proposed Wheeling Charges in case the distribution network of other Distribution Licensee is used for procurement of power for the Retail Supply Business;
 6. Expected amount on account of Cross-Subsidy Surcharge and Additional Surcharge to be received by the Licensee, as approved by the

Commission from time to time in accordance with the DERC (Terms and Conditions of Open Access) Regulations 2005 as amended from time to time

7. Monthly Energy Balance
8. Expected additional Expenses on account of O&M beyond the Control of Distribution Licensee
9. Expected Capitalisation and Depreciation Schedule
10. Expected Non-Tariff Income including Other Business Income

4.3 As per Regulation 3 of the Tariff Regulations, 2017, Hon'ble Commission notify the Business Plan Regulations containing the following parameters and norms applicable for a Control Period:

“

1. *Rate of Return on Equity,*
2. *Margin for rate of interest on loan,*
3. *Operation and Maintenance Expenses,*
4. *Capital Investment Plan,*
5. *Mechanism for sharing of incentive-disincentive mechanism,*
6. *Allocation of overhead expenses incurred on account of Administrative expenditure out of Operation and Maintenance Expenses for creation of Capital Assets,*
.....
9. *Distribution Norms:*
 - a. *Distribution Loss Target,*
 - b. *Collection Efficiency Target,*
 - c. *Targets for Solar and Non Solar RPO,*
 - d. *Contingency Limit for Sale through Deviation Settlement Mechanism (Unscheduled Interchange) Transactions,*
 - e. *The ratio of various ARR Components for segregation of ARR into Retail Supply and Wheeling Business.”*

4.4 Accordingly, the Hon'ble Commission on 27.12.20219 notified the Business Plan Regulations, 2019 applicable for a period of 3 years i.e., FY 2020-21, FY

2021-22 and FY 2022-23. Further, on 29.03.2023, the Hon'ble Commission notified the Business Plan Regulations, 2023 applicable for a period of 3 years, i.e., FY 2023-24, FY 2024-25 and FY 2025-26.

- 4.5 The Petitioner has challenged the Business Plan Regulations, 2023 and Regulation 23(7) of the Business Plan Regulations, 2019, before the Hon'ble High Court of Delhi in Writ Petition No. 6719 of 2023 which is currently pending.
- 4.6 The ARR for FY 2024-25 is being filed under the Business Plan Regulations, 2023 without prejudice to the Petitioner's rights and contentions as regards the challenge to the legality, validity and vires of the Business Plan Regulations, 2023 pending adjudication before the Hon'ble High Court of Delhi. However, subject to pendency /outcome of the Writ Petition before the Hon'ble High Court of Delhi, the Petitioner in the present Petition has also submitted its claims for approval of ARR for FY 2024-25 in terms of the norms and parameters as laid down under the Business Plan Regulations, 2019 to seek legitimate allowances/ entitlements of the Petitioner and demonstrate the financial and operational prejudice being caused to the Petitioner.

Principles of Tariff Fixation

- 4.7 The principles of Tariff Fixation are stated as follows:
1. Section 61(1) of the Electricity Act, 2003 Act lays down the principles for tariff determination which essentially requires that the Commission shall be guided by the following:
 - (a) principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating

companies and transmission licensees

- (b) Tariff to reflect the cost of supply of electricity and also reduces and eliminates cross subsidies within a specified period
 - (c) Generation, Transmission, Distribution and supply to be conducted on commercial principles.
 - (d) Promotion of co-generation and generation of electricity from renewable sources of energy
 - (e) Factors which would encourage competition, efficiency, economical use of resources, good performance and optimum investments
 - (f) Safeguarding of consumer's interest at the same time recovery of the cost of electricity in a reasonable manner
 - (g) National Electricity Policy and tariff policy
 - (h) Multi-year tariff principles
2. Section 62(4) mandates revision of tariffs under fuel surcharge formula.
 3. Section 64(3) mandates ERCs to issue tariff order within 120 days from receipt of application
 4. Section 65 mandates the State Government to pay the subsidy in advance to the distribution licensees.
 5. Tariff Policy, 2016 notified by the Central Government under Section 3 of the 2003 Act, inter-alia, provides that the Regulatory assets can be created only as an exception subject to the following guidelines:
 - i. Only natural causes or force majeure conditions can be circumstances for creation of regulatory asset;
 - ii. Under business as usual conditions, the opening balances of

unrecovered gaps must be covered through financing arrangement or capital restructuring;

- iii. Carrying cost of regulatory asset should be allowed to the utilities;
- iv. Recovery of regulatory asset should be time bound and within a period not exceeding three years, at the most and preferably within the control period;
- v. Use of regulatory asset should not be repetitive;
- vi. While creating regulatory asset it should be ensured that Return on Equity (ROE) should not become unreasonably low in any year so that the capability of the licensee to borrow is not adversely affected.

4.8 Furthermore, the Tariff Policy, 2016 also mandates approval of the capital expenditure necessary to meet the minimum service standards. It further deals with the sector specific aspects which are reproduced below:

“a) Return on Investment

Balance needs to be maintained between the interests of consumers and the need for investments while laying down rate of return. Return should attract investments at par with, if not in preference to, other sectors so that the electricity sector is able to create adequate capacity. The rate of return should be such that it allows generation of reasonable surplus for growth of the sector.

.. Making the distribution segment of the industry efficient and solvent is the key to success of power sector reforms and provision of services of specified standards. Therefore, the Regulatory Commissions need to strike the right balance between the requirements of the commercial viability of distribution licensees and consumer interests. Loss making utilities need to be transformed into profitable ventures which can raise necessary resources from the capital markets to provide services of international standards to enable India to achieve its full growth potential. Efficiency in operations should be encouraged. Gains of efficient operations with reference to normative parameters should be appropriately shared between consumers and licensees.

....

At the beginning of the control period when the “actual” costs form the basis for future projections, there may be a large uncovered gap between required tariffs and the tariffs that are presently applicable. The gap should be fully met through tariff charges and through alternative means that could inter-alia include financial restructuring and transition financing.

....

Working capital should be allowed duly recognizing the transition issues faced by the utilities such as progressive improvement in recovery of bills. Bad debts should be recognized as per policies developed and subject to the approval of the State Commission.

Pass through of past losses or profits should be allowed to the extent caused by uncontrollable factors.

....

The facility of a regulatory asset has been adopted by some Regulatory Commissions in the past to limit tariff impact in a particular year. This should be done only as a very rare exception in case of natural calamity or force majeure conditions and subject to the following:

- a. Under business as usual conditions, no creation of Regulatory Assets shall be allowed;*
- b. Recovery of outstanding Regulatory Asset along with carrying cost of Regulatory Assets should be time bound and within a period not exceeding seven years. The State Commission may specify the trajectory for the same.”*

(Emphasis supplied)

4.9 It is therefore respectfully submitted that the Hon'ble Commission consider the mandates of the 2003 Act, the Tariff Policy, 2016 and the Statutory Rules and Regulations while deciding the present ARR Petition.

4.10 The projections for ensuing year i.e. FY 2024-25 are done on the basis of previous years' data analysis as outlined below:

- a) **Energy Sales** to various consumer categories is projected on the basis of Past Year Compounded Annual Growth Rate (CAGR).
- b) **Distribution Loss and Collection Efficiency** are projected in accordance with the Tariff Regulations, 2017 and the targets specified by the Hon'ble

Commission in Regulations 25 and 26 of the Business Plan Regulations, 2023.

- c) **Power Quantum** to be purchased is projected on the basis of energy Sales and Distribution Loss projected for the ensuing year. Various Power Purchase Agreements/ Short term and long term Contracts are taken into consideration while projecting power purchase quantum.
- d) **Power Purchase Cost** is projected on the basis of bills raised by the Generating & Transmission companies in terms of the Orders issued by the Hon'ble CERC, various Petitions filed by the Generating & Transmission companies before Hon'ble CERC and/or this Hon'ble Commission.
- e) **Operation and Maintenance Expenses** are projected on the basis of applicable provisions of the Tariff Regulations, 2017 and Business Plan Regulations.
- f) **Capital expenditure related expenses** are projected on the basis of capitalisation approved by the Hon'ble Commission in Regulation 24 of the Business Plan Regulations, 2023 and in terms of the methodology specified by the Hon'ble Commission in the Tariff Regulations, 2017.
- g) **Return on Capital Employed (RoCE)** is projected in terms of the methodology specified in the Tariff Regulations, 2017 and on the basis of the norms specified by the Hon'ble Commission in the Business Plan Regulations.

Each of the claims made by the Petitioner in the ARR for FY 2024-25 is discussed in detail here in below:

Energy Sales

- 4.11 The Petitioner has considered the Adjusted Trend Analysis Method for projection of sales for FY 2024-25. This method assumes the underlying factors which drive the demand for electricity and are expected to follow the same trend as in the past. However, this approach also discounts any outliers (relative to the trend) observed in the growth rates over the period of 5 years and excludes them while projecting energy sales for each year of the control period. By adopting such a method, the Petitioner is enabled to further tune the projection by eliminating any abnormal pattern observed under any category.
- 4.12 The Adjusted Trend Analysis Method makes use of a statistical tool, namely the Compound Annual Growth Rate (CAGR) and, accordingly, Compound Annual Growth Rates (CAGRs) have been calculated from the past figures for each consumer category, corresponding to different lengths of time in the past six years, along with the year-on-year growth rates from FY 2017-18 to FY 2022-23. Similarly, the Hon'ble Commission and the State Commission of other states like Himachal Pradesh, Jharkhand, Assam, Gujarat, Chattisgarh etc. also followed the same approach of CAGR for projection of Sales.
- 4.13 Since, the actual sales for FY 2020-21 and FY 2021-22 have been significantly affected by the Pandemic as both the years witnessed lockdowns there by resulting in reduced sales. Therefore, such years are excluded while projecting the sales for various consumer categories during FY 2024-25.
- 4.14 The Energy Sales to electricity consumers served by the Petitioner has been projected under the following consumer categories as specified by the Hon'ble Commission in the last Tariff Order dated 30.09.2021:

1. Domestic

2. Non-Domestic
3. Industrial
4. Agriculture & Mushroom Cultivation
5. Public Utilities (including Public Lighting, DJB, DMRC)
6. Advertisement & Hoardings
7. Charging Stations for E-Rickshaw/E-Vehicle on Single Point Delivery
8. Own Consumption
9. Others

4.15 The actual consumer category wise sales from FY 2017-18 to FY 2022-23 are as shown in the table below:

Table 4-1: Actual sales from FY 2017-18 to FY 2022-23 (MU)

S. No.	Particulars	Sales (MU)					
		FY18	FY19	FY20	FY21	FY22	FY23
1	Domestic	3,756	3,838	4,057	3,963	4,018	4,397
1.1	Domestic	3,640	3,723	3,946	3,879	3,929	4,300
1.2	CGHS	19	21	21	20	18	17
1.3	DVB Staff	20	19	16	15	14	12
1.4	11 KV (Worship/ Hospitals)	77	75	74	50	56	69
2	Non Domestic	1,882	1,791	1,737	1,221	1,382	1,715
3	Industrial	310	374	373	318	326	381
4	Agriculture & Mushroom cultivation	0.27	0.23	0.22	0.27	0.25	0.29
4.1	Agriculture	0.27	0.23	0.22	0.25	0.23	0.27
4.2	Mushroom Cultivation	-	-	-	0.02	0.02	0.02
5	Public utilities	472	425	392	285	314	337
5.1	Public Lighting	119	104	93	63	59	58
5.2	DJB(11 kV)	135	137	137	139	134	151
5.3	DJB (LT)	12	12	13	13	13	14
5.4	DMRC	207	171	150	70	108	114
6	Advertisement/Hoarding	0.58	0.06	0.04	0.03	0.03	0.04
7	Temporary	45	46	52	47	61	74
8	E-Rickshaw/E-Vehicle	0	7	16	13	17	25
9	Theft	20	14	13	9	18	20
10	Own Consumption	16	15	13	9	9	10

S. No.	Particulars	Sales (MU)					
		FY18	FY19	FY20	FY21	FY22	FY23
11	Net Metering	1	2	3	-	-	-
	Total	6,504	6,513	6,658	5,866	6,145	6,958
	Y-o-Y Increase (%)	-32.48%	0.15%	2.21%	-11.90%	4.76%	13.24%
	CAGR with Base FY 2022-23		5 years	4 years	3 years	2 years	1 year
			1.36%	1.67%	1.48%	8.92%	13.24%

4.16 The actual consumer category wise number of consumers from FY 2017-18 to FY 2022-23 is as shown in table below:

Table 4-2: Actual no. of consumers from FY 2017-18 to FY 2022-23

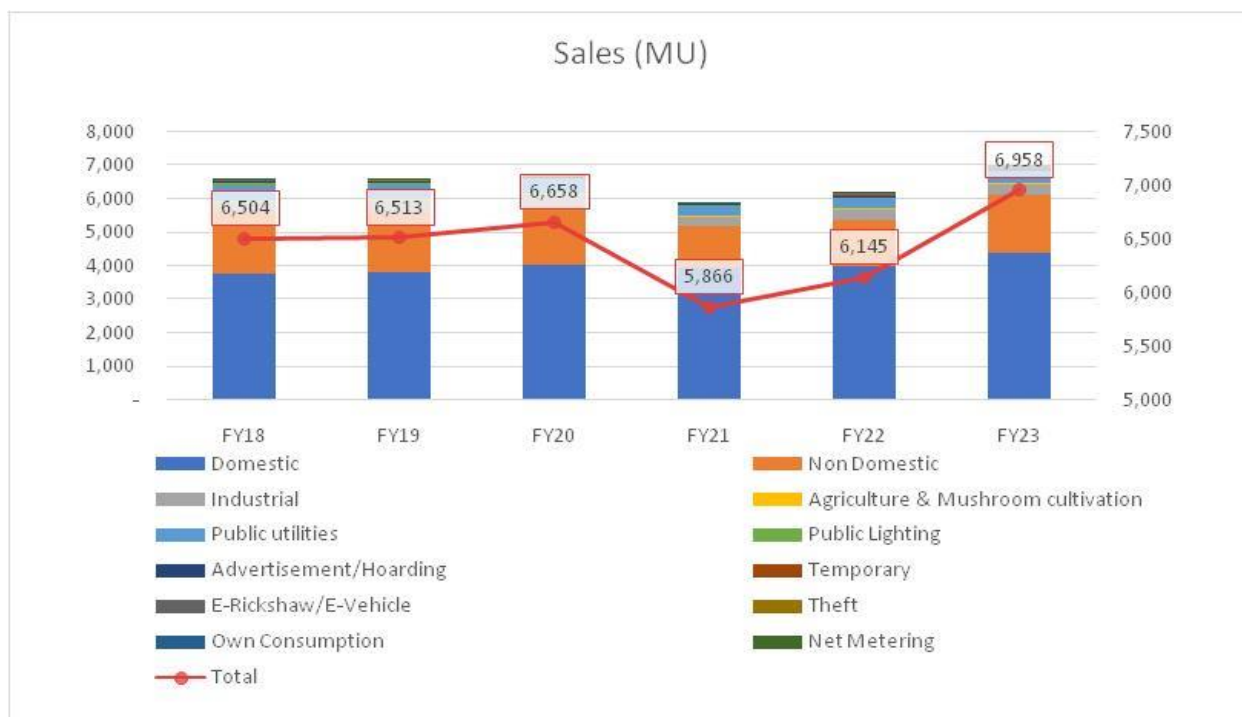
S. No.	Particulars	No. of Consumers (No.)					
		FY18	FY19	FY20	FY21	FY22	FY23
1	Domestic	12,49,570	12,88,536	13,31,796	13,68,466	14,22,314	14,82,641
1.1	Domestic	12,44,638	12,83,735	13,28,152	13,64,802	14,19,583	14,79,757
1.2	CGHS	18	18	17	17	17	16
1.3	DVB Staff	4,881	4,752	3,597	3,617	2,682	2,841
1.4	11 KV (Worship/ Hospitals)	33	31	30	30	32	27
2	Non Domestic	3,86,590	3,83,911	3,85,348	3,87,337	3,93,050	4,07,045
3	Industrial	7,648	7,555	7,568	7,576	7,644	7,654
4	Agriculture & Mushroom cultivation	45	43	42	42	42	41
4.1	Agriculture	45	43	42	41	41	40
4.2	Mushroom Cultivation				1	1	1
5	Public utilities	4,579	4,790	5,052	5,242	4,765	4,637
5.1	Public Lighting	3689	3835	3896	3739	3152	2,872
5.2	DJB(11 kV)	69	69	69	70	96	72
5.3	DJB (LT)	819	883	1084	1430	1514	1,690
5.4	DMRC	2	3	3	3	3	3
6	Advertisement/Hoarding	285	344	348	310	320	325
7	Temporary	-	-	-	-	-	-
8	E-Rickshaw	119	552	790	800	768	934
9	Theft	-	-	-	-	-	-
10	Own Consumption	14	3	192	203	206	280
11	Net Metering	-	-	-	-	-	-
	Total	16,48,850	16,85,734	17,31,136	17,69,976	18,29,109	19,03,557
	Y-o-Y Increase (%)		2.24%	2.69%	2.24%	3.34%	4.07%
	CAGR with Base FY 2022-23		5 years	4 years	3 years	2 years	1 year
			2.91%	3.08%	3.22%	3.70%	4.07%

4.17 The actual consumer category wise sanctioned load from FY 2017-18 to FY 2022-23 is as shown in table below:

Table 4-3: Actual sanctioned load from FY 2017-18 to FY 2022-23 (MW)

S. No.	Particulars	Sanctioned (MW)					
		FY18	FY19	FY20	FY21	FY22	FY23
1	Domestic	2,678	2,799	2,927	2,971	3,046	3,180
1.1	Domestic	2,601	2,728	2,863	2,906	2,978	3,126
1.2	CGHS	17	11	10	10	10	8
1.3	DVB Staff	17	15	12	12	9	9
1.4	11 KV (Worship/ Hospitals)	44	44	43	43	50	37
2	Non Domestic	1,700	1,647	1,626	1,595	1,589	1,626
3	Industrial	179	215	215	213	215	214
4	Agriculture & Mushroom cultivation	0.27	0.28	0.30	0.30	0.30	0.31
4.1	Agriculture	0.27	0.28	0.30	0.29	0.29	0.30
4.2	Mushroom Cultivation	-	-	-	0.01	0.01	0.01
5	Public utilities	146	164	193	183	180	184
5.1	Public Lighting	33	46	43	32	29	28
5.2	DJB(11 kV)	72	74	74	75	75	77
5.3	DJB (LT)	12	13	14	14	14	16
5.4	DMRC	28	31	62	62	62	62
6	Advertisement/Hoarding	1	1	1	1	1	1
7	Temporary	-	-	-	-	-	-
8	E-Rickshaw	0.4	3	6	6	8	18
9	Theft	-	-	-	-	-	-
10	Own Consumption	0.1	0.1	6	6	6	7
11	Net Metering	-	-	-			-
	Total	4,705	4,828	4,974	4,975	5,046	5,230
	Y-o-Y Increase (%)		2.62%	3.02%	0.02%	1.43%	3.64%
	CAGR with Base FY 2022-23		5 years	4 years	3 years	2 years	1 years
			2.14%	2.02%	1.69%	2.53%	3.64%

Figure 4-1: Actual Sales from FY 2017-18 to FY 2022-23



4.18 As depicted from the above graph, sales in FY 2020-21 and FY 2021-22 were severely affected due to COVID-19 pandemic and lockdown imposed by the Govt. of India and Govt. of NCT of Delhi. The restrictions of lockdown were eased out gradually in phased manner due to this, in FY 2022-23, the power demand have revived to pre-pandemic levels, with energy sales of 6,958 MU.

4.19 The Sales forecast for FY 2024-25 has been carried out considering the Adjusted Trend Analysis Method i.e. Compound Annual Growth Rate (CAGR). The sales for FY 2020-21 and FY 2021-22 have been badly affected by pandemic therefore the sales of these years is not considered while computing CAGR for those categories that have been affected by pandemic. Further, FY 2022-23 has witnessed revival of consumption at pre-pandemic level Therefore, while projecting sales for the FY 2024-25, growth rate (CAGR/YOY) is computed on the basis of FY 2022-23 as it suggests the business-as-usual condition.

4.20 For forecasting the category wise Energy Sales, consumer number and sanctioned load for FY 2024-25, the actual sales, number of consumers and sanctioned load for FY 2022-23 have been considered as the base.

4.21 In view of the above, following approach is adopted for projection of category wise sales for FY 2024-25:

1. Domestic

4.22 The consumption of energy by domestic consumers constitutes substantial part of total sales of the Petitioner. The domestic category comprises of Domestic Consumers, Single Point Delivery Supply for GHS (CGHS), Places of Worship / Hospitals being billed on Domestic Tariff and DVB Staff connections.

4.23 The actual sales, number of consumers and sanctioned load under the Domestic category for last 6 years is as shown in Table below:

Table 4-4: Actual sales, number of consumers and sanctioned load under Domestic category- FY 2017-18 to FY 2022-23

S.No.	Particulars	UOM	FY18	FY19	FY20	FY21	FY22	FY23
1	Sales	MU	3,756	3,838	4,057	3,963	4,018	4,397
2	YOY % change	%	6.80%	2.19%	5.70%	-2.31%	1.37%	9.45%
3	No. of Consumers	No.	12,49,570	12,88,536	13,31,796	13,68,466	14,22,314	14,82,641
4	YOY % change	%	4.57%	3.12%	3.36%	2.75%	3.93%	4.24%
5	Sanctioned Load	MW	2,678	2,799	2,927	2,971	3,046	3,180
6	YOY % change	%	-28.50%	4.49%	4.60%	1.48%	2.54%	4.39%
7	CAGR			5 years	4 years	3 years	2 years	1 years
8	Sales	%		3.20%	3.46%	2.72%	5.33%	9.45%
9	No. of Consumers	%		3.48%	3.57%	3.64%	4.09%	4.24%
10	Sanctioned Load	%		3.49%	3.25%	2.80%	3.46%	4.39%

4.24 The domestic category comprises of Domestic Consumers (including Residential consumers & those specified in above paras of other terms & conditions of tariff approved by the Hon'ble Commission in its Tariff Order dated

30.09.2021), Single Point Delivery Supply for GHS (CGHS), Places of Worship / Hospitals and DVB Staff connections being billed on Domestic Tariff.

4.25 The Petitioner has carried out separate projections for the above sub-categories to cater to the specificity associated with these sub-categories.

a) Domestic other than CGHS, DVB Staff and 11 kV (Worship/hospitals)

4.26 The actual sales, number of consumers and sanctioned load under this sub-category is as shown in Table below:

Table 4-5: Actual sales, number of consumers and sanctioned load under Domestic category other than CGHS, DVB Staff and 11 kV (Worship/hospitals)- FY 2017-18 to FY 2022-23

S.No.	Particulars	UOM	FY18	FY19	FY20	FY21	FY22	FY23
1	Sales	MU	3,640	3,723	3,946	3,879	3,929	4,300
2	YOY % change	%	6.36%	2.29%	5.98%	-1.70%	1.30%	9.44%
3	No. of Consumers	No.	12,44,638	12,83,735	13,28,152	13,64,802	14,19,583	14,79,757
4	YOY % change	%	4.59%	3.14%	3.46%	2.76%	4.01%	4.24%
5	Sanctioned Load	MW	2,601	2,728	2,863	2,906	2,978	3,126
6	YOY % change	%	-29.41%	4.88%	4.93%	1.52%	2.46%	4.99%
7	CAGR			5 years	4 years	3 years	2 years	1 years
8	Sales	%		3.39%	3.67%	2.91%	5.29%	9.44%
9	No. of Consumers	%		3.52%	3.62%	3.67%	4.13%	4.24%
10	Sanctioned Load	%		3.75%	3.46%	2.98%	3.72%	4.99%

4.27 It is depicted from the above table that the CAGR of sales under this sub-category after considering FY 2022-23 as base level varies within the range of 2.91%(3 Years CAGR) to 9.44%(1 Year CAGR). Therefore, a moderate growth rate of 5 year CAGR of 3.39% is considered for projecting sales for FY 2024-25.

- 4.28 As regard to Number of Consumers, it is observed that this sub-category have witnessed consistent growth in number of consumers similar to what was witnessed before pandemic. Therefore, growth rate of 3.52% based on 5 years CAGR has been considered over FY 2022-23 level. Similarly, Sanctioned Load with growth rate of 3.75% has been considered based on 5-year CAGR.
- 4.29 Accordingly, the sales, number of consumers and sanctioned load projected under this sub-category for FY 2024-25 is as shown in Table below:

Table 4-6: Sales Forecast for Domestic category other than CGHS, DVB Staff and 11 kV (Worship/hospitals) during FY 2024-25

S. No.	Particulars	UOM	FY22	FY23	FY25
			(Actual)	(Actual)	(Projected)
1	Sales	MU	3,929	4,300	4,597
2	YOY % change	%		9.44%	3.39%
3	No. of Consumers	No.	14,19,583	14,79,757	15,85,803
4	YOY % change	%		4.24%	3.52%
5	Sanctioned Load	MW	2,978	3,126	3,365
6	YOY % change	%		4.99%	3.75%

b) Single point delivery supply for CGHS

- 4.30 The actual sales, number of consumers and sanctioned load under this sub-category is as shown in Table below:

Table 4-7: Actual sales, number of consumers and sanctioned load under CGHS sub-category- FY 2017-18 to FY 2022-23

S. No.	Particulars	Units	FY18	FY19	FY20	FY21	FY22	FY23
1	Sales	MU	19	21	21	20	18	17
2	YOY % change	%	12.79%	10.86%	-2.10%	-6.68%	-6.07%	-10.02%
3	No. of Consumers	No.	18	18	17	17	17	16
4	YOY % change	%	-	-	-5.56%	-	-	-5.88%
5	Sanctioned Load	MW	17	11	10	10	10	8
6	YOY % change	%	-	-32.15%	-12.83%	-2.01%	-	-16.24%
7	CAGR			5 years	4 years	3 years	2 years	1 years
8	Sales	%		-3.06%	-6.26%	-7.60%	-8.06%	-10.02%
9	No. of Consumers	%		-2.33%	-2.90%	-2.00%	-2.99%	-5.88%
10	Sanctioned Load	%		-13.46%	-8.03%	-6.37%	-8.48%	-16.24%

- 4.31 For CGHS, Sales have been consistently reducing since FY 2017-18 and similar reducing trend in number of consumer and load. In view of consistent reducing trend, no growth has been considered for sales, number of consumer & load.
- 4.32 Accordingly, the sales, number of consumers and sanctioned load projected under this sub-category for FY 2024-25 is as shown in Table below:

Table 4- 8: Sales, number of consumers and sanctioned load forecast for CGHS Sub-Category during FY 2024-25

S. No.	Particulars	UOM	FY22	FY23	FY25
			(Actual)	(Actual)	(Projected)
1	Sales	MU	18	17	17
2	YOY % change	%		-10.02%	0.00%
3	No. of Consumers	No.	17	16	16
4	YOY % change	%		-5.88%	0.00%
5	Sanctioned Load	MW	10	8	8
6	YOY % change	%		-16.24%	0.00%

c) DVB Staff

- 4.33 The actual sales, number of consumers and sanctioned load under this sub-category is as shown in Table below:

Table 4-9: Actual sales, number of consumers and sanctioned load under DVB Staff sub-category- FY 2017-18 to FY 2022-23

S. No.	Particulars	UOM	FY18	FY19	FY20	FY21	FY22	FY23
1	Sales	MU	20	19	16	15	14	12
2	YOY % change	%	0.95%	-5.00%	-13.40%	-7.96%	-10.01%	-12.79%
3	No. of Consumers	No.	4,881	4,752	3,597	3,617	2,682	2,841
4	YOY % change	%	-2.24%	-2.64%	-24.31%	0.56%	-25.85%	5.93%
5	Sanctioned Load	MW	17	15	12	12	9	9
6	YOY % change	%	-2.79%	-7.25%	-23.76%	0.02%	-25.59%	3.68%
7	CAGR			5 years	4 years	3 years	2 years	1 years
8	Sales	%		-9.88%	-11.07%	-10.27%	-11.41%	-12.79%
9	No. of Consumers	%		-10.26%	-12.07%	-7.56%	-11.37%	5.93%
11	Sanctioned Load	%		-11.41%	-12.42%	-8.28%	-12.17%	3.68%

- 4.34 For DVB Staff, sales have been consistently reducing since FY 2016-17 and consumer number and load trend has also reduced between FY 2017-18 to FY

2022-23. In view of consistent reducing trend, no growth has been considered for sales, number of consumer & load.

4.35 Accordingly, the sales, number of consumers and sanctioned load projected under this sub-category for FY 2024-25 is as shown in Table below:

Table 4-10: Sales, number of consumers and sanctioned load forecast for DVB Staff Sub-Category during FY 2024-25

S. No.	Particulars	UOM	FY22	FY23	FY25
			(Actual)	(Actual)	(Projected)
1	Sales	MU	14	12	12
2	YOY % change	%		-12.79%	0.00%
3	No. of Consumers	No.	2,682	2,841	2,841
4	YOY % change	%		5.93%	0.00%
5	Sanctioned Load	MW	9	9	9
6	YOY % change	%		3.68%	0.00%

d) 11 KV (Worship/ Hospitals)

4.36 The actual sales, number of consumers and sanctioned load under this sub-category is as shown in Table below:

Table 4-11: Actual sales, number of consumers and sanctioned load under 11 kV (Worship/Hospitals) sub-category- FY 2017-18 to FY 2022-23

S. No.	Particulars	UOM	FY18	FY19	FY20	FY21	FY22	FY23
1	Sales	MU	77	75	74	50	56	69
2	YOY % change	%	2.93%	-2.94%	-1.32%	-32.56%	12.98%	22.01%
3	No. of Consumers	No.	33	31	30	30	32	27
4	YOY % change	%	-	-6.06%	-3.23%	-	6.67%	-15.63%
5	Sanctioned Load	MW	44	44	43	43	50	37
6	YOY % change	%	-	-0.57%	-1.08%	-	16.12%	-27.01%
7	CAGR			5 years	4 years	3 years	2 years	1 years
8	Sales	%		-2.30%	-2.13%	-2.40%	17.41%	22.01%
9	No. of Consumers	%		-3.93%	-3.39%	-3.45%	-5.13%	-15.63%
11	Sanctioned Load	%		-3.57%	-4.31%	-5.37%	-7.94%	-27.01%

- 4.37 During the pandemic, the sales dipped significantly in FY 2020-21 and recovered marginally in FY 2022-23, reaching to pre-pandemic levels. On analysing the previous data, sales under this sub-category appears to have reached saturation level. Hence, no growth rate has been considered for FY 2024-25.
- 4.38 The variation in number of consumers is observed to be in the range of 22-32 for the last 10 years. Hence, no growth rate has been considered and same number of consumers of FY 2022-23 have been considered for FY 2024-25.
- 4.39 Similarly, for sanction load under this sub-category, no growth rate has been considered and sanction load of FY 2022-23 has been considered for FY 2024-25.
- 4.40 Accordingly, the sales, number of consumers and sanctioned load projected under this sub-category for FY 2024-25 is as shown in Table below:

Table 4-12: Sales Forecast for 11 KV (Worship/ Hospitals) Sub-Category during FY 2024-25

S. No.	Particulars	UOM	FY22	FY23	FY25
			(Actual)	(Actual)	(Projected)
1	Sales	MU	56	69	69
2	YOY % change	%		22.01%	0.00%
3	No. of Consumers	No.	32	27	27
4	YOY % change	%		-15.63%	0.00%
5	Sanctioned Load	MW	50	37	37
6	YOY % change	%		-27.01%	0.00%

- 4.41 Based on the above projections of sub-categories of Domestic consumers, the sales, number of consumers and sanctioned load projected under Domestic category for FY 2024-25 is as shown in Table below:

Table 4-13: Sales Forecast for Domestic category during FY 2024-25

S. No.	Particulars	UOM	FY22	FY23	FY25
			(Actual)	(Actual)	(Projected)
1	Sales	MU	4,018	4,397	4,694
2	YOY % change	%		9.45%	3.32%
3	No. of Consumers	No.	14,22,314	14,82,641	15,88,687
4	YOY % change	%		4.24%	3.51%
5	Sanctioned Load	MW	3,046	3,180	3,419
6	YOY % change	%		4.39%	3.68%

2. Non-Domestic

4.42 The actual sales, number of consumers and sanctioned load under the Non-Domestic category is tabulated here as below:

Table 4-14: Actual sales, number of consumers and sanctioned load under Non-Domestic category- FY 2017-18 to FY 2022-23

S. No.	Particulars	UOM	FY18	FY19	FY20	FY21	FY22	FY23
1	Sales	MU	1,882	1,791	1,737	1,221	1,382	1,715
2	YOY % change	%	6.20%	-4.79%	-3.06%	-29.68%	13.20%	24.04%
3	No. of Consumers	No.	3,86,590	3,83,911	3,85,348	3,87,337	3,93,050	4,07,045
4	YOY % change	%	3.52%	-0.69%	0.37%	0.52%	1.47%	3.56%
5	Sanctioned Load	MW	1,700	1,647	1,626	1,595	1,589	1,626
6	YOY % change	%	0.99%	-3.11%	-1.24%	-1.94%	-0.34%	2.33%
7	CAGR			5 years	4 years	3 years	2 years	1 years
8	Sales	%		-1.84%	-1.09%	-0.42%	18.50%	24.04%
9	No. of Consumers	%		1.04%	1.47%	1.84%	2.51%	3.56%
11	Sanctioned Load	%		-0.88%	-0.31%	0.00%	0.99%	2.33%

4.43 It is observed that the sales for Non-Domestic category was in reducing trends during the pre-pandemic level for FY 2017-18, FY 2018-19 and FY 2019-20 with 1882 MUs, 1791 MUs & 1737 MUs respectively. It is also submitted that the sales under this category during FY 2022-23 (1715 MUs) is almost at the same level of FY 2015-16 (1708 MUs). Hence, no growth is observed in this category from past 8 years. However, the sales during FY 2020-21, was dipped significantly by over 30% due to COVID-19 pandemic, however partially recovered in FY 2021-22 and witnessed Y-O-Y growth of 13.20%. During FY

2023-24, there is a declining trend observed in the first half in comparison to FY 2022-23 due to the change in weather conditions and drop in temperature as compared to previous year's corresponding period. Non Domestic category includes many activities other than commercial offices. New demand in case of small & medium shops, Showrooms, Shopping malls, banks and many other activities may increase. However, no major increase in consumption envisaged due to shift towards remote working and more encouragement to cloud based applications and online shopping. Further, the CAGR from 5 year to 3 year is negative and is in the range of -1.84% to -0.42% respectively. Hence, considering the negative CAGR and decrease in sales during FY24, the 3 year CAGR of -0.42% has been considered for FY 2024-25.

- 4.44 Unlike the declining trend in sales under this category, the number of consumers did not reduce by much in FY 2020-21 and has witnessed slight uptick of 1.47% in FY 2021-22 vis-à-vis FY 2020-21. The CAGR for 5 year and 3 year is in the range of 1.04% to 1.84% respectively, hence, in line with sales growth rate, the 3 year CAGR growth rate of 1.84% (base FY 2022-23) is considered.
- 4.45 The sanctioned load under Non-Domestic category has also been reducing due to slow down in commercial activity during the FY 2020-21 and FY 2021-22. The CAGR for 5 year and 3 year is in the range of -0.88% to 0.00% respectively, hence, in line with sales growth rate, the 3 year CAGR growth rate of 0.00% (base FY 2022-23) is considered.
- 4.46 Accordingly, the sales, number of consumers and sanctioned load projected under Non-Domestic category for FY 2024-25 is as shown in Table below:

Table 4-15: Sales Forecast for Non-Domestic category during FY 2024-25

S. No.	Particulars	UOM	FY22	FY23	FY25
			(Actual)	(Actual)	(Projected)
1	Sales	MU	1,382	1,715	1,700
2	YOY % change	%		24.04%	-0.42%
3	No. of Consumers	No.	3,93,050	4,07,045	4,22,184
4	YOY % change	%		3.56%	1.84%
5	Sanctioned Load	MW	1,589	1,626	1,626
6	YOY % change	%		2.33%	0.00%

3. Industrial

4.47 The actual sales, number of consumers and sanctioned load under the Industrial category is as shown in Table below:

Table 4-16: Actual sales, number of consumers and sanctioned load under Industrial category- FY 2017-18 to FY 2022-23

S. No.	Particulars	UOM	FY18	FY19	FY20	FY21	FY22	FY23
1	Sales	MU	310	374	373	318	326	381
2	YOY % change	%	12.21%	20.67%	-0.40%	-14.63%	2.38%	16.77%
3	No. of Consumers	No.	7,648	7,555	7,568	7,576	7,644	7,654
4	YOY % change	%	-1.06%	-1.22%	0.17%	0.11%	0.90%	0.13%
5	Sanctioned Load	MW	179	215	215	213	215	214
6	YOY % change	%	0.17%	19.91%	-0.15%	-0.83%	0.79%	-0.44%
7	CAGR			5 years	4 years	3 years	2 years	1 years
8	Sales	%		4.17%	0.41%	0.68%	9.34%	16.77%
9	No. of Consumers	%		0.02%	0.33%	0.38%	0.51%	0.13%
10	Sanctioned Load	%		3.57%	-0.16%	-0.16%	0.17%	-0.44%

4.48 The Consumption under industrial category has been dipped in FY 2020-21 though witnessed revival y-o-y in consumption by 2.38% in FY 2021-22 and 16.77% in FY 2022-23.

4.49 In FY 2022-23, sales under this category is 336MUs, which is almost at the same level of FY 2019-20 (pre-pandemic). The CAGR for 5 year and 3 year is in the range of 4.17% to 0.68% respectively, hence, the 3 year CAGR growth rate of 0.68% (base FY 2022-23) is considered for FY 2024-25.

- 4.50 The number of consumers has shown a slow growth in the CAGR range of 0.02% and 0.38% for 5 year and 3 year respectively. Hence, in line with sales growth rate, the 3 year CAGR growth rate of 0.38% (base FY 2022-23) is considered.
- 4.51 The sanctioned load under the Industrial category have been observe no growth due to increasing restrictions imposed on account of environmental concerns. Thus, considering business as usual growth before pandemic, petitioner has considered the no growth in projections.
- 4.52 Accordingly, the sales, number of consumers and sanctioned load projected under Industrial category for FY 2024-25 is as shown in Table below:

Table 4-17: Sales Forecast for Industrial category during FY 2024-25

S. No.	Particulars	UOM	FY22	FY23	FY25
			(Actual)	(Actual)	(Project ed)
1	Sales	MU	326	381	386
2	YOY % change	%		16.77%	0.68%
3	No. of Consumers	No.	7,644	7,654	7,712
4	YOY % change	%		0.13%	0.38%
5	Sanctioned Load	MW	215	214	214
6	YOY % change	%		-0.44%	0.00%

4. Agriculture & Mushroom cultivation category

- 4.53 The actual sales, number of consumers and sanctioned load under the agriculture category is as shown in Table below:

Table 4-18: Actual sales, number of consumers and sanctioned load under Agriculture & Mushroom category- FY 2017-18 to FY 2022-23

S. No.	Particulars	UOM	FY18	FY19	FY20	FY21	FY22	FY23
1	Sales	MU	0.27	0.23	0.22	0.27	0.25	0.29
2	YOY % change	%	10.85%	-12.65%	-5.89%	25.01%	-9.50%	15.63%
3	No. of Consumers	No.	45	43	42	42	42	41
4	YOY % change	%	-4.26%	-4.44%	-2.33%	-	-	-2.38%
5	Sanctioned Load	MW	0.27	0.28	0.30	0.30	0.30	0.31
6	YOY % change	%	-3.57%	3.70%	5.81%	0.00%	1.44%	3.79%
7	CAGR			5 years	4 years	3 years	2 years	1 years

S. No.	Particulars	UOM	FY18	FY19	FY20	FY21	FY22	FY23
8	Sales	%		1.46%	5.34%	9.37%	2.30%	15.63%
9	No. of Consumers	%		-1.84%	-1.18%	-0.80%	-1.20%	-2.38%
10	Sanctioned Load	%		2.93%	2.74%	1.73%	2.61%	3.79%

4.54 There is marginal increase in the sales every year under this category. The 5 year and 3 year CAGR is in the range of 1.46% and 9.37% respectively. Hence, the 5 year CAGR growth rate of 1.46% (base FY 2022-23) is considered for FY 2024-25.

4.55 Further, the number of consumer and sanctioned load is almost constant, hence, there is no growth in number of consumer and load has been considered for projections.

4.56 Accordingly, the sales, number of consumers and sanctioned load projected under Agriculture & Mushroom category for FY 2024-25 is as shown in Table below:

Table 4-19: Sales Forecast for Agriculture category during FY 2024-25

S. No.	Particulars	UOM	FY22	FY23	FY25
			(Actual)	(Actual)	(Projected)
1	Sales	MU	0.23	0.27	0.28
2	YOY % change	%		18.22%	1.46%
3	No. of Consumers	No.	41	40	40
4	YOY % change	%		-2.44%	0.00%
5	Sanctioned Load	MW	0.29	0.30	0.30
6	YOY % change	%		3.25%	0.00%

Table 4-20: Sales Forecast for Mushroom category during FY 2024-25

S. No.	Particulars	UOM	FY22	FY23	FY25
			(Actual)	(Actual)	(Projected)
1	Sales	MU	0.02	0.02	0.02
2	YOY % change	%		-16.88%	1.46%
3	No. of Consumers	No.	1	1	1
4	YOY % change	%		0.00%	0.00%
5	Sanctioned Load	MW	0.01	0.01	0.01
6	YOY % change	%		18.18%	0.00%

5. Public Utilities category

4.57 The actual sales, number of consumers and sanctioned load under the Public Utilities category is as shown in Table below:

Table 4-21: Actual sales, number of consumers and sanctioned load under Public utilities- FY 2017-18 to FY 2022-23

S. No.	Particulars	UOM	FY18	FY19	FY20	FY21	FY22	FY23
1	Sales	MU	472	425	392	285	314	337
2	YOY % change	%	1.80%	-10.07%	-7.59%	-27.42%	10.10%	7.37%
3	No. of Consumers	No.	4,579	4,790	5,052	5,242	4,765	4,637
4	YOY % change	%	2.28%	4.61%	5.47%	3.76%	-9.10%	-2.69%
5	Sanctioned Load	MW	146	164	193	183	180	184
6	YOY % change	%	4.56%	12.23%	17.63%	-4.96%	-1.66%	1.88%
7	CAGR			5 years	4 years	3 years	2 years	1 years
8	Sales	%		-6.54%	-5.63%	-4.97%	8.73%	7.37%
9	No. of Consumers	%		0.25%	-0.81%	-2.82%	-5.95%	-2.69%
10	Sanctioned Load	%		4.68%	2.87%	-1.62%	0.09%	1.88%

4.58 The sub-category of consumers falling under Public Utilities category are as follows.

a)Public Lighting

4.59 The actual sales, number of consumers and sanctioned load under the Public Lighting category is as shown in Table below:

Table 4-22: Actual sales, number of consumers and sanctioned load under Public Lighting Sub-Category- FY 2017-18 to FY 2022-23

S. No.	Particulars	UOM	FY18	FY19	FY20	FY21	FY22	FY23
1	Sales	MU	119	104	93	63	59	58
2	YOY % change	%	-18.31%	-12.49%	-10.84%	-31.62%	-6.80%	-2.24%
3	No. of Consumers	No.	3,689	3,835	3,896	3,739	3,152	2,872
4	YOY % change	%	1.40%	3.96%	1.59%	-4.03%	-15.70%	-8.88%
5	Sanctioned Load	MW	33	46	43	32	29	28
6	YOY % change	%	1.37%	37.98%	-6.12%	-25.51%	-8.73%	-4.81%
7	CAGR			5 years	4 years	3 years	2 years	1 years
8	Sales	%		-13.43%	-13.67%	-14.59%	-4.55%	-2.24%
9	No. of Consumers	%		-4.88%	-6.97%	-9.67%	-12.36%	-8.88%
10	Sanctioned Load	%		-3.47%	-11.71%	-13.50%	-6.79%	-4.81%

- 4.60 It is submitted that the sales under this sub-category have been reducing since FY 2017-18. This was due to shift to energy efficient lighting and implementation of the Delhi Mukhyamantri Street Light Yojana, 2023. Under such Yojana, Building owners can volunteer to set up LED streetlights on the edge of the premises through a simple process. It is submitted that under Delhi Mukhyamatri Street Light Yojana, the Delhi government has installed over 117,000 LED streetlights across the city until August 2021. Delhi Distribution Companies are required to provide technical and knowledge support for the implementation of the Scheme with the eventual goal of installing 2,10,000 streetlights covering all the dark spots of Delhi., In view of the above, and due to absence of any reference growth rates, a nominal sales growth rate of 2% (base FY 2022-23) has been considered for FY 2024-25.
- 4.61 It is observed that the number of consumers & load shows a declining trend since FY 2019-20, Therefore, no growth has been considered for number of consumers.
- 4.62 Accordingly, the sales, number of consumers and sanctioned load projected under Public Lighting category for FY 2024-25 is as shown in Table below:

Table 4-23: Sales Forecast for Public Lighting Sub-category during FY 2024-25

S. No.	Particulars	UOM	FY22	FY23	FY25
			(Actual)	(Actual)	(Projected)
1	Sales	MU	59	58	60
2	YOY % change	%		-2.24%	2.00%
3	No. of Consumers	No.	3,152	2,872	2,872
4	YOY % change	%		-8.88%	0.00%
5	Sanctioned Load	MW	29	28	28
6	YOY % change	%		-4.81%	0.00%

b) DJB (Supply at 11 KV)

4.63 The actual sales, number of consumers and sanctioned load under the DJB (Supply at 11 kV) category is as shown in Table below:

Table 4-24: Actual sales, number of consumers and sanctioned load under DJB (Supply at 11kV) Sub-Category- FY 2017-18 to FY 2022-23

S. No.	Particulars	UOM	FY18	FY19	FY20	FY21	FY22	FY23
1	Sales	MU	135	137	137	139	134	151
2	YOY % change	%	3.11%	1.14%	-0.06%	1.92%	-3.96%	12.46%
3	No. of Consumers	No.	69	69	69	70	96	72
4	YOY % change	%	1.47%	-	-	1.45%	37.64%	-25.27%
5	Sanctioned Load	MW	72	74	74	75	75	77
6	YOY % change	%	2.04%	1.76%	0.03%	1.63%	-0.27%	3.56%
7	CAGR			5 years	4 years	3 years	2 years	1 years
8	Sales	%		2.16%	2.42%	3.26%	3.93%	12.46%
9	No. of Consumers	%		0.85%	1.07%	1.43%	1.42%	-25.27%
10	Sanctioned Load	%		1.33%	1.23%	1.63%	1.63%	3.56%

4.64 The Petitioner has considered 5 year CAGR growth of 2.16% in sales, 0.85% in consumer number and 1.33% in load for FY 2024-25.

4.65 Accordingly, the sales, number of consumers and sanctioned load projected under DJB (Supply at 11 kV) category for FY 2024-25 is as shown in Table below:

Table 4-25: Sales Forecast for DJB (Supply at 11kV) Sub-category during FY 2024-25

S. No.	Particulars	UOM	FY22	FY23	FY25
			(Actual)	(Actual)	(Projected)
1	Sales	MU	134	151	157
2	YOY % change	%		12.46%	2.16%
3	No. of Consumers	No.	96	72	73
4	YOY % change	%		-25.27%	0.85%
5	Sanctioned Load	MW	75	77	79
6	YOY % change	%		3.56%	1.33%

c) DJB (Supply at LT)

4.66 The actual sales, number of consumers and sanctioned load under the DJB (Supply at LT) category is as shown in Table below:

Table 4-26: Actual sales, number of consumers and sanctioned load under DJB (Supply at LT) Sub-Category- FY 2017-18 to FY 2022-23

S. No.	Particulars	UOM	FY18	FY19	FY20	FY21	FY22	FY23
1	Sales	MU	12	12	13	13	13	14
2	YOY % change	%	9.02%	6.42%	2.05%	-0.80%	1.16%	12.62%
3	No. of Consumers	No.	819	883	1,084	1,430	1,514	1,690
4	YOY % change	%	6.36%	7.81%	22.76%	31.92%	5.85%	11.65%
5	Sanctioned Load	MW	12	13	14	14	14	16
6	YOY % change	%	8.57%	8.14%	5.93%	1.63%	-0.27%	14.90%
7	CAGR			5 years	4 years	3 years	2 years	1 years
8	Sales	%		4.18%	3.63%	4.17%	6.74%	12.62%
9	No. of Consumers	%		15.59%	17.62%	15.95%	8.71%	11.65%
10	Sanctioned Load	%		5.93%	5.39%	5.21%	7.05%	14.90%

4.67 It is observed that the sales under this category is in the range of 12 MUs to 14 MUs, hence, 5 year CAGR of 4.18% has been considered for FY 2024-25, for number of consumers a moderate growth rate of 2% has been considered and for load 5 year CAGR of 5.93% is considered.

4.68 Accordingly, the sales, number of consumers and sanctioned load projected under DJB (Supply at LT) category for FY 2024-25 is as shown in Table below:

Table 4-27: Sales Forecast for DJB (Supply at LT) Sub-category during FY 2024-25

S. No.	Particulars	UOM	FY22	FY23	FY25
			(Actual)	(Actual)	(Projected)
1	Sales	MU	13	14	16
2	YOY % change	%		12.62%	4.18%
3	No. of Consumers	No.	1,514	1,690	1,758
4	YOY % change	%		11.65%	2.00%
5	Sanctioned Load	MW	14	16	18
6	YOY % change	%		14.90%	5.93%

d) Delhi Metro Rail Corporation (DMRC)

4.69 The actual sales, number of consumers and sanctioned load under the DMRC category is as shown in Table below:

Table 4-28: Actual sales, number of consumers and sanctioned load under DMRC Sub-Category- FY 2017-18 to FY 2022-23

S. No.	Particulars	UOM	FY18	FY19	FY20	FY21	FY22	FY23
1	Sales	MU	207	171	150	70	108	114
2	YOY % change	%	16.95%	-16.96%	-12.32%	-53.78%	55.33%	5.70%
3	No. of Consumers	No.	2	3	3	3	3	3
4	YOY % change	%	100.00%	50.00%	-	-	-	-
5	Sanctioned Load	MW	28	31	62	62	62	62
6	YOY % change	%	14.20%	10.55%	99.23%	-	-	-
7	CAGR			5 years	4 years	3 years	2 years	1 years
8	Sales	%		-11.19%	-9.68%	-8.79%	28.13%	5.70%
9	No. of Consumers	%		8.45%	-	-	-	-
10	Sanctioned Load	%		17.11%	18.81%	-	-	-

4.70 The sales, consumer number & load under this category have been projected based on the estimates received from DMRC vide its email dated September 27, 2023.

4.71 Accordingly, the sales, number of consumers and sanctioned load projected under DMRC category for FY 2024-25 is as shown in Table below:

Table 4-29: Sales Forecast for DMRC Sub-category during FY 2024-25

S. No.	Particulars	UOM	FY22	FY23	FY25
			(Actual)	(Actual)	(Projected)
1	Sales	MU	108	114	133
2	YOY % change	%		5.70%	7.96%
3	No. of Consumers	No.	3	3	3
4	YOY % change	%		0.00%	0.00%
5	Sanctioned Load	MW	62	62	62
6	YOY % change	%		0.00%	0.00%

4.72 Based on projections done for categories of Public Lighting, DJB and DMRC, the sales, number of consumers and sanctioned load projected under Public Utilities category for FY 2024-25 is as shown in Table below:

Table 4-30: Sales Forecast for Public Utilities category during FY 2024-25

S. No.	Particulars	UOM	FY22	FY23	FY25
			(Actual)	(Actual)	(Projected)
1	Sales	MU	314	337	366
2	YOY % change	%		7.37%	5.78%
3	No. of Consumers	No.	4,765	4,637	4,707
4	YOY % change	%		-2.69%	0.75%
5	Sanctioned Load	MW	180	184	188
6	YOY % change	%		1.88%	1.10%

6. Advertising & Hoardings

4.73 The actual sales under Advertisement & Hoardings category in FY 2022-23 were 0.04 MU. The sales under this category for FY 2024-25 have been projected to be at the same level of FY 2022-23.

Table 4-31: Sales Forecast for Advertising & Hoardings during FY 2024-25

S. No.	Particulars	UOM	FY22	FY23	FY25
			(Actual)	(Actual)	(Projected)
1	Sales	MU	0.03	0.04	0.04
2	No. of Consumers	No.	320	325	325
3	Sanctioned Load	MW	1	1	1

7. Charging Stations for E-Rickshaw/E-Vehicle on Single Point Delivery

4.74 The actual sales, number of consumers and sanctioned load under E-Rickshaw/ E-Vehicle on Single Point Delivery category is as shown in Table below:

Table 4-32: Actual Sales, Consumers and Sanctioned Load of E-Vehicle

Category- FY 2017-18 to FY 2022-23

S. No.	Particulars	Units	FY18	FY19	FY20	FY21	FY22	FY23
1	Sales (LT)	MU	0.4	7	16	13	16	19
2	Sales (HT)	MU			-	-	1	6
3	Sales (Total)	MU	0.4	7	16	13	17	25

S. No.	Particulars	Units	FY18	FY19	FY20	FY21	FY22	FY23
4	YOY % change	%	-	1,897.22%	124.67%	-19.22%	29.53%	47.96%
5	No. of Consumers (LT)	No.	119	552	790	800	767	932
6	No. of Consumers (HT)	No.	-	-	-	-	1	2
7	No. of Consumers (Total)	No.	119	552	790	800	768	934
8	YOY % change	%	-	363.87%	43.12%	1.27%	-4.00%	21.61%
9	Sanctioned Load (LT)	MW	0.4	3	6	6	6	12
10	Sanctioned Load (HT)	MW	-	-	-	-	3	7
11	Sanctioned Load (Total)	MW	0.4	3	6	6	8	18
12	YOY % change	%	-	571.43%	107.79%	-0.22%	40.77%	120%
13	CAGR			5 years	4 years	3 years	2 years	1 years
14	Sales	%		122.15%	28.29%	6.43%	22.17%	20.58%
15	No. of Consumers	%		50.99%	14.05%	5.74%	8.05%	21.61%
16	Sanctioned Load	%		112.27%	59.17%	45.64%	75.95%	119.94%

4.75 The actual sales under this category in FY 2022-23 is 25.01 MU. The sales under this category have been projected by considering the growth rate of 30% for LT.

4.76 In case of HT, one DTC Depot has been energized in Sep'23 and for FY 2024-25 is as follows:

- 4 no. new depot is expected to be energized in Jan'24,
- 2 no. new depot is expected to be energized in Mar'24,
- 3 no. new depot is expected to be energized in June'24,

Accordingly, the HT sale for FY 2024-25 is projected to be 102.5 MUs with the total projected load of 102 MW.

4.77 Accordingly, the sales, number of consumers and sanctioned load projected under E-Rickshaw/E-Vehicle category for FY 2024-25 is as shown in Table below:

Table 4-33: Sales Forecast for E-Vehicles during FY 2024-25

S. No.	Particulars	UOM	FY22	FY23	FY25
			(Actual)	(Actual)	(Projected)
1	LT	MU	16	19	35
2	HT	MU	1	6	68
3	Total Sales	MU	17	25	102
4	YOY % change	%		47.96%	102.42%
5	LT	no.	767	932	1562
6	HT	no.	1	2	12
7	Total no. of Consumers	No.	768	934	1,574
8	YOY % change	%		21.61%	29.82%
9	LT	MW	6	12	30
10	HT	MW	3	7	72
11	Total Sanctioned Load	MW	8	18	102
12	YOY % change	%		119.94%	137.38%

8. Own-Consumption

4.78 The sales under this category for FY 2024-25 has been considered as 0.25 % of the total estimated sales as per Regulation 23 (2) of the Business Plan Regulation, 2023.

Table 4-34: Sales Forecast for Own Consumption during FY 2024-25

S. No.	Particulars	UOM	FY22	FY23	FY25
			(Actual)	(Actual)	(Projected)
1	Sales	MU	9	10	18
2	No. of Consumers	No.	206	280	280
3	Sanctioned Load	MW	6	7	7

4.79 Regulation 23(2) and (3) Business Plan Regulations, 2023 provides as follows:

“(2) The Distribution Licensee shall be allowed own (Auxiliary) consumption including E-vehicle charging stations installed at Distribution Licensee offices and sub-stations, at Zero Tariff for actual recorded consumption subject to a maximum of 0.25% of total sales

excluding own consumption to its retail consumers for the relevant financial year as part of O&M expenses for the relevant year:

(3) Actual recorded own (Auxiliary) consumption in excess of 0.25% of total sales excluding own consumption to its retail consumers for the relevant financial year, shall be billed at Non Domestic Tariff of respective year's Tariff Schedule and shall form part of revenue billed and collected for the same year." [**Emphasis Added**]

4.80 It is however submitted that for faster adoption of e-vehicles the above provision should be increased to at least 0.30% as with higher adoption of e-vehicles the above limit shall not be enough which will act as a disincentive for the Petitioner thus affecting sustainability goals. Hence, the Hon'ble Commission is requested to review the norms for own consumption.

9. Others

4.81 The actual sales under Others in FY 2022-23 is 89 MU. The sales under this category for FY 2024-25 have been projected to be at the same level of FY 2022-23 since there is no specific trend in consumption under this category.

Table 4-35: Sales Forecast for Others Supply during FY 2024-25

S.No.	Particulars	UOM	FY22	FY23	FY25
			(Actual)	(Actual)	(Projected)
1	Sales	MU	79	94	89

Total sales

4.82 Petitioner would like to submit that the sales projected above is exclusive of consumption of various consumers under Open Access. Based on the consumer category wise analysis discussed above, the Sales Forecast for FY 2024-25 is as shown in Table below:

Table 4-36: Sales Forecast for FY 2024-25

S.No.	Category	Sales (MU)
1	Domestic	4,694
2	Non-Domestic	1,700
3	Industrial	386
4	Agriculture & Mushroom cultivation	0.3
4.1	Agriculture	0.3
4.2	Mushroom Cultivation	0.02
6	Public Utilities	366
6.3	Public Lighting	60
6.2	Delhi Jal Board	173
6.1	Delhi Metro Rail Corporation	133
8	EV Charging	102
9	Advertisement & Hoardings	0.04
10	Own Consumption	18
11	Others	89
12	Total	7,355

Estimated Consumers and Sanctioned Load for FY 2024-25

4.83 As already discussed in the above paras, the Projected number of consumers and connected load and energy sales during FY 2024-25 is tabulated below:

Table 4-37: Projected number of consumers, sanctioned load and sales for FY 2024-25

S. No.	Particulars	Sales	Consumers	Load
		MU	No.	MW
1	Domestic	4,694	15,88,687	3,419
2	Non Domestic	1,700	4,22,184	1,626
3	Industrial	386	7,712	214
4	Agriculture & Mushroom cultivation	0.29	41	0.31
4.1	Agriculture	0.28	40	0.30
4.2	Mushroom Cultivation	0.02	1	0.01
5	Public utilities	366	4,707	188
5.1	Public Lighting	60	2,872	28
5.2	DJB(11 kV)	157	73	79
5.3	DJB (LT)	16	1,758	18
5.4	DMRC	133	3	62
6	Advertisement/Hoarding	0.04	325	0.61
7	E-Rickshaw/E-Vehicle	102	1,574	102
8	Own Consumption	18	280	7
9	Others	89	-	-
	Total	7,355	20,25,510	5,557

4.84 The Petitioner requests the Hon'ble Commission to consider the above submissions for estimation of sales, connected load and number of consumers during FY 2024-25.

Revenue in FY 2024-25 at Existing Tariff

4.85 Methodology adopted for projection of Revenue from existing Tariff is as follows

- a) Energy Sales have been divided among sub-categories and Slabs (wherever applicable) on monthly basis based on actuals of FY 2022-23.
- b) Number of Consumers and Sanctioned Load (MW) for various sub-categories has been divided in the ratio of actual sanctioned load and actual number of consumers during FY 2022-23.
- c) The fixed charges and energy charges as approved by the Hon'ble Commission in Tariff Order dated 30.09.2021 has been considered for calculation of revenue from existing tariff.
- d) No revenue from PPAC has been considered during FY 2024-25 in terms of the Hon'ble Commission Orders dated 22.06.2023 and 21.07.2023.
- e) For the sub-categories where the energy charges have been specified in ₹/kVAh, the Petitioner has considered actual monthly power factor as per actuals of FY 2022-23.
- f) The above methodology in general has been utilised for estimation of revenue from existing tariff for all consumer categories

Revenue estimated for FY 2024-25

4.86 The revenue estimated on account of sales to various consumer categories during FY 2024-25 is tabulated below:

Table 4-38: Revenue estimated for FY 2024-25

S. No.	Particulars	Fixed Charges (₹ Crores)	Energy Charges* (₹ Crores)	TOD Charges (₹ Crores)	Revenue Billed (₹ Crores)
1	Domestic	219.4	1,857.2	-	2,076.6
1.1	Domestic	206.1	1,793.1	-	1,999.2
1.2	CGHS	1.8	7.2	-	9.0
1.3	DVB Staff	0.2	3.6	-	3.8
1.4	11 KV (Worship/ Hospitals)	11.3	53.3	-	64.6
2	Non Domestic	524.8	1,403.7	6.1	1,934.6
2.1	Non-Domestic LT (up to 3KVA)	161.9	256.1	-	418.0
2.2	Non-Domestic LT (above 3KVA)	300.5	889.8	4.8	1,195.1
2.3	Non-Domestic HT	62.5	257.8	1.3	321.5
4	Industrial	69.3	306.0	2.8	378.1
4.1	Industrial- LT	57.5	244.8	2.5	304.8
4.2	Industrial-HT	11.8	61.2	0.3	73.3
5	Agriculture & Mushroom Cultivation	0.05	0.05	-	0.10
5.1	Agriculture	0.05	0.04	-	0.09
5.2	Mushroom Cultivation	0.00	0.01	-	0.01
6	Public Utilities	56.6	235.2	1.0	292.8
6.1	Public Lighting	8.6	40.9	0.0	49.5
6.2	Delhi Jal Board (DJB)	29.1	114.4	-0.3	143.1
6.3	DMRC	18.9	79.9	1.3	100.1
7	E-Rickshaw/E-Vehicle	-	42.0	0.8	42.7
8	Advertisement/Hoarding	0.2	0.04	-	0.2
9	Others	25.0	81.7	-	106.7
	Total	895.4	3,925.8	10.7	4,831.8
	Revenue Realised @ 99.5% Collection Efficiency				4,807.7

* Energy charge is net of Voltage rebate as approved by the Hon'ble Commission in its Tariff order dated 30.09.2021.

Distribution Loss and Collection Efficiency Target

4.87 Regulation 25 (1) of the Business Plan Regulations, 2023 specifies the

Distribution Loss Target from FY 2023-24 to FY 2025-26 as under:

"25. TARGET FOR DISTRIBUTION LOSS

(1) The Distribution Loss target in terms of Regulation 4(9)(a) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution licensees shall be as follows:

Table 13: Target for Distribution Loss for the Control Period

S. No	Distribution Licensee	FY 2023-24	FY 2024-25	FY 2025-26
1	BSES Rajdhani Power Limited	7.30%	7.14%	6.96%
2	BSES Yamuna Power Limited	7.72%	7.54%	7.33%
3	Tata Power Delhi distribution Limited	6.91%	6.83%	6.74%
4	New Delhi Municipal Council	7.72%	7.54%	7.33%

4.88 Regulation 26 (1) of the Business Plan Regulations, 2023 specifies targets for Collection Efficiency from FY 2023-24 to FY 2025-26 of 99.80%, provided that there shall be no penalty for Collection Efficiency if the same is in range of 99.50% to 99.80%. Accordingly, the Petitioner has considered the collection efficiency of 99.50%.

4.89 Based on sales projected for FY 2024-25 and Distribution loss as specified for FY 2024-25 in the Business Plan Regulations, 2023, the energy requirement has been estimated as tabulated below:

Table 4-39: Energy Requirement for FY 2024-25

S. No.	Category	UOM	FY 2024-25	Remarks
A	Energy Sales	MU	7355	Table 4-37
B	Distribution Loss	%	7.54%	BPR, 2023
C	Energy Requirement	MU	7,955	A/(1-B)
D	Distribution Loss	MU	600	C-A

Power Purchase

4.90 The Petitioner sources its power requirement through mix of long term and short-term sources to meet the demand in its licensed area. The power procured under long term PPAs from thermal, hydro and renewable power plants forms the bulk of the power purchase by the Petitioner.

4.91 The power procurement through Long term sources include Central Generating Stations (CGS) which are owned by Central Government, State Generating

Stations (SGS) which are owned by State Government, Independent Power Producers (IPP) and Joint Ventures (JVs). The deficit in power against the demand is arranged by means of short term power procurement through various sources like Power Exchange, Banking and other sources. The Petitioner has been assigned the share based on the PPAs which have been inherited from Delhi Transco Limited (DTL). The allocation of power within Delhi is being done by the Hon'ble Commission.

- 4.92 The forecast of Power Availability has been done based on existing long-term sources and from new sources for which the Petitioner has entered into the PPAs and which are expected to be commercially operational during FY 2024-25. The Petitioner has also considered solar energy available from the existing Rooftop sources as well as forecasted to be installed in the Petitioner's licensed area.
- 4.93 The energy from various existing and upcoming generating stations has been estimated by applying Merit Order Dispatch Scheduling principle in the following manner:

i. NCTPS (Dadri – I)

- Since 30.11.2020, the Petitioner is not considering the Dadri-I Station of NTPC, as part of its power purchase costs after expiry of the PPA. However, NTPC took a contrary stand and continued to raise bills for fixed charges towards Dadri-I. Petitioner approached CERC against the actions of NTPC and NRLDC. CERC by Order dated 01.07.2021 allowed all issues however directed the Petitioner to approach the MoP and seek de-allocation for Regulation 17(2) to come into effect.

- The direction of the CERC was challenged by the Petitioner before the Hon'ble APTEL. The final Judgment APTEL pronounced on 08.02.2022 in favour of Petitioner setting aside the CERC Order dated 01.07.2021. In the said judgment, Hon'ble APTEL directed NTPC not to raise any invoices with respect to any charges qua Dadri – I Station w.e.f. 01.12.2020 and immediately refund the payment made by the Appellants (the Petitioner herein) under protest along with interest as specified in the PPA/ SPPA challenging to the above direction, NTPC on 26.02.2022 has challenged the Hon'ble APTEL's Judgment dated 08.02.2022 before Hon'ble Supreme Court, and the same is sub-judice.
- Subject to the outcome of the aforesaid proceedings pending before various fora, the Petitioner reserves its rights to make further submissions and file appropriate intimation/information/ pleadings in this regard if there are any developments on this issue in the near future, which may have bearing on the power purchase costs of the Petitioner for FY 2024-25.

ii. All other NTPC Stations, Sasan, NPCIL, DVC and SGS stations.

- No Power has been scheduled from Anta Gas Power Project, Auraiya Gas Power Station and Dadri Gas Power Station following Merit Order principle.
- Energy has been projected considering actual generation of each generating station during the last financial year FY 2022-23.
- Allocation of various generating stations is considered as per last

Tariff Order dated 30.09.2021 issued by the Hon'ble Commission for FY 2021-22.

- The power availability from thermal generating stations viz NTPC stations, Sasan, DVC, Jhajjar, etc. other than SGS, has been considered by applying Merit Order Dispatch (MOD) Scheduling principles as specified by the Hon'ble Commission.
- Regarding GT Station, the Petitioner reserves its rights to make submissions and file appropriate intimation/information/ pleadings in this regard if there are any developments on this issue in the near future, which may have bearing on the power purchase costs of the Petitioner for FY 2024-25.

iii. NHPC & other Hydro Stations:

- The power availability has been estimated as per actual generation during the last financial year FY 2022-23.
- Allocation of various generating stations is considered as per the last Tariff Order dated 30.09.2021 issue by the Hon'ble Commission for FY 2021-22.

iv. Renewable Energy Sources:

- For existing Renewable Energy (RE) sources, availability is projected based on the average of actual availability of the plants during past years.
- Energy availability from most of the Renewable Energy Sources has been projected considering capacity utilisation factor of 24% for Solar Plants and 34% for Wind Plants and the Petitioner's allocation from such sources.

v. New Generating Stations:

- The new stations which are expected to be commissioned during FY 2024-25 are Parbati-II (COD- June'24), Tehri PSP (COD- Sep'24) & SECI Hybrid (COD-Dec'24) as provided in the CEA Report.
- The Power availability from Parbati-II and Tehri PSP has been considered based on PPA.
- Power availability from SECI Hybrid (100 MW) is projected considering capacity utilisation factor of 24% for Solar Plants and 34% for Wind Plants.

4.94 Based on the above, the energy estimated to be available from various long term sources during FY 2024-25 is tabulated below:

Table 4-40: Energy available for FY 2024-25

S. No.	Stations	Installed Capacity	Share Allocation to Petitioner		Petitioner's Share
		(MW)	(%)	(MW)	(MU)
A	NTPC				
1	Anta-Gas	419.3	2.67%	11.2	-
2	Auraiya-Gas	663.4	2.76%	18.3	-
3	Dadri - Gas	829.8	2.78%	23.1	-
4	Feroze Gandhi Unchahar TPS 1	420.0	1.45%	6.1	29.0
5	Feroze Gandhi Unchahar TPS 2	420.0	2.84%	11.9	61.6
6	Feroze Gandhi Unchahar TPS 3	210.0	3.51%	7.4	40.9
7	Farakka	1,600.0	0.35%	5.6	40.8
8	Kahalgaoon-1	840.0	1.54%	13.0	75.8
9	Kahalgaoon-II	1,500.0	2.66%	40.0	241.0
10	Dadri-I	840.0	0.00%	-	-
11	Dadri-II	980.0	17.84%	174.8	898.7
12	Rihand-I	1,000.0	0.00%	-	-
13	Rihand-II	1,000.0	3.20%	32.0	234.8
14	Rihand-III	1,000.0	5.40%	54.0	372.6
15	Singrauli	2,000.0	3.72%	74.3	529.2
	Sub-total	13,722.5		471.7	2,524.6
B	NHPC				
1	Bairasiul	180.0	2.79%	5.0	17.4
2	Salal	690.0	2.95%	20.4	94.7

S. No.	Stations	Installed Capacity	Share Allocation to Petitioner		Petitioner's Share
		(MW)	(%)	(MW)	(MU)
3	Tanakpur	120.0	2.56%	3.1	13.5
4	Chamera-I	540.0	2.01%	10.8	44.9
5	Uri	480.0	2.80%	13.5	87.3
6	Chamera-II	300.0	3.39%	10.2	44.4
7	Chamera-III	231.0	3.23%	7.5	32.4
8	Dhauri Ganga	280.0	3.36%	9.4	42.9
9	Dulhasti	390.0	3.26%	12.7	67.1
10	Sewa-II	120.0	3.39%	4.1	17.0
11	Uri-II	240.0	3.42%	8.2	53.1
12	Parbati-III	520.0	3.23%	16.8	20.8
	Sub-total	4,091.0		121.6	535.5
C	THDC				
1	Tehri-Hydro	1,000.0	0.00%	-	-
2	Koteshwar	400.0	0.00%	-	-
	Sub-total	1,400.0		-	-
D	SatluJ Jal Vidyut Nigam Ltd.				
1	Nathpa Jhakri	1,500.0	2.41%	36.1	167.3
	Sub-total	1,500.0		36.1	167.3
E	Nuclear Power Corp. of India Ltd.				
1	NAPP	440.0	0.00%	-	-
2	RAPP C#5 & 6	440.0	3.22%	14.2	94.1
	Sub-total	880.0		14.2	94.1
F	PTC				
1	Tala	1,020.0	0.75%	7.6	29.0
	Sub-total	1,020.0		7.6	29.0
G	Power stations in Delhi				
1	Indraprastha Power Generation Co.Ltd. GT	90.0	23.3%	21.0	74.0
2	Pragati Power Corp.Ltd. Pragati I	330.0	16.2%	53.3	149.6
3	Pragati Power Corp.Ltd. Pragati III (Bawana)	1,371.0	18.0%	246.8	445.9
4	EDWPCPL	12.0	47.8%	5.7	-
5	Tehkhand-Okhla	25.0	24%	6.0	34.2
6	Delhi MSW Solution Limited	24.0	23.9%	5.7	33.0
7	Net Metering				31.8
8	Self Generation				0.2
	Sub-total	1,852.0		338.6	768.6
H	Damodar Valley Corporation				
1	Mejia Unit 6	250.0	10.16%	25.4	142.6
2	Mejia Unit 7	500.0	22.23%	111.1	786.2
3	CTPS Units 7 & 8	500.0	15.24%	76.2	456.7
	Sub-total	1,250.0		212.7	1,385.6
I	UMPP				
1	Sasan	3,960.0	8.89%	352.0	2,454.0

S. No.	Stations	Installed Capacity	Share Allocation to Petitioner		Petitioner's Share
		(MW)	(%)	(MW)	(MU)
	Sub-total	3,960.0		352.0	2,454.0
J	Aravali Power Corporation Ltd .				
1	Jhajjar	1,500.0	4.61%	69.2	328.0
	Sub-total	1,500.0		69.2	328.0
K	SECI				
1	SECI - Thar Surya 1	210.0	43%	90.0	188.7
2	SECI - SBSR PCEPL	300.0	33%	100.0	130.0
3	SECI - EDEN RCPL	300.0	17%	50.0	104.9
4	SECI - Kilaj S(M)PL	50.0	100%	50.0	104.9
5	SECI - Alfamar EPL	250.0	20%	50.0	148.5
6	SECI Wind (Sitac)	300.0	33%	100.0	297.1
7	SECI (Acme)	700.0	3%	20.0	42.8
	Sub-total	2,110.0		460.0	1,016.9
L	New Stations				
	Parbati -II	800.0	2%	17.0	53.0
	Tehri PSP	1,000.0	15%	152.0	195.8
	SECI Hybrid (Wind)	1,000.0	3%	33.0	49.0
	SECI Hybrid (Solar)		7%	67.0	70.0
	Sub-total	2,800.0		269.0	367.8
	Grand Total			2,352.7	9,671.3

Power Purchase Cost

4.95 The Petitioner has estimated the power purchase cost corresponding to the quantum from power plants as listed above in the following manner:

i. Central Generating Stations:

- Annual fixed Charges (AFC) have been considered as per the Tariff Orders issued by Hon'ble CERC for FY 2023-24. In case, of non-issuance of Tariff Orders of any Central Generating Stations, AFC is considered as per the Petitions filed by respective Central Generating station before Hon'ble CERC.
- Variable Costs considered as per average Energy Charge Rate (ECR) billed during quarter-1 of FY 23-24 (Apr'24-June'24) along with impact of emission control system.

- Water Cess is considered as Other Charges for Hydro Stations.

ii. State Generating Stations:

- Annual fixed Charges (AFC) has been considered as per latest Tariff Petition filed by respective generating stations for FY 2023-24 before the Hon'ble Commission.
- Variable Costs considered as per average Energy Charge Rate (ECR) billed during quarter-1 of FY 2023-24 (Apr'24-June'24).

iii. RE Sources:

- The cost of procurement from SECI Solar, SECI Wind and Non Solar Generating plants have been considered as per the PPAs/ PSA's and/or billed, as the case may be.

iv. New Stations

- The cost of procurement from Parbati-II and SECI Hybrid is considered as per the PPAs/PSAs.

v. Arrears

- Majority of Central Generating station have filed their respective True up petitions for FY 2014-19 and ARR of FY 2019-24 before the Hon'ble CERC. Tariff Orders by the Hon'ble CERC and Hon'ble DERC for some of the Generating stations are expected to be pronounced for the appropriate Central and State Utilities, which may have substantial impact on the Power Purchase cost for FY 2024-25. Accordingly, a conservative amount of ₹ 149.1 Crores has been considered as part of Power purchase cost for FY 2024-25 on account of arrears.
- The Petitioner requests the Hon'ble Commission to kindly consider

the estimated arrears in power purchase cost while approving the ARR for FY 2024-25. Further, all variations in the power purchase cost projected in the ARR for FY 2024-25 and actual shall be allowed to be recovered through monthly PPAC in terms of the 2003 Act and the Tariff Policy as well as Electricity Amendment Rules notified by the Ministry of Power under 2003 Act.

4.96 Accordingly, the power purchase cost as proposed for various stations during FY 2024-25 is tabulated below:

Table 4-41: Power Purchase Cost for FY 2024-25 (₹Crore)

S. No.	Particulars	Energy Purchase (MU)	AFC (₹ Cr.)	Energy Charges (₹ Cr.)	Other Charges (₹ Cr.)	Total PPC (₹ Cr.)	Average Rate (₹/ kWh)
I	Existing Sources						
A	NTPC						
1	Anta-Gas	-	5.1	-		5.1	0.00
2	Auraiya-Gas	-	11.0	-		11.0	0.00
3	Dadri – Gas	-	8.9	-		8.9	0.00
4	Feroze Gandhi Unchahar TPS 1	29.0	5.1	14.2		19.3	6.65
5	Feroze Gandhi Unchahar TPS 2	61.6	10.9	21.8		32.7	5.30
6	Feroze Gandhi Unchahar TPS 3	40.9	7.3	20.2		27.5	6.71
7	Farakka	40.8	4.4	13.4		17.7	4.34
8	Kahalgaon-I	75.8	11.6	24.7		36.3	4.79
9	Kahalgaon-II	241.0	30.4	75.1		105.4	4.37
10	Dadri-I	-	-	-		-	0.00
11	Dadri-II	898.7	165.5	464.3		629.8	7.01
12	Rihand-I	-	-	-		-	0.00
13	Rihand-II	234.8	19.2	38.7		57.9	2.47
14	Rihand-III	372.6	58.9	61.0		119.9	3.22
15	Singrauli	529.2	49.2	80.6		129.8	2.45
	Sub-total	2,524.6	387.5	813.8	-	1,201.4	4.76
B	NHPC						
1	Bairasiul	17.4	2.5	1.9	-	4.4	2.56
2	Salal	94.7	6.2	7.4	11.5	25.0	2.65
3	Tanakpur	13.5	2.5	3.4	0.5	6.4	4.69
4	Chamera-I	44.9	3.3	5.1	-	8.4	1.88
5	Uri	87.3	7.3	7.2	3.5	18.1	2.07

S. No.	Particulars	Energy Purchase (MU)	AFC (₹ Cr.)	Energy Charges (₹ Cr.)	Other Charges (₹ Cr.)	Total PPC (₹ Cr.)	Average Rate (₹/ kWh)
6	Chamera-II	44.4	5.1	4.5	-	9.6	2.17
7	Chamera-III	32.4	6.4	6.6	-	13.0	4.01
8	Dhauli Ganga	42.9	4.2	5.5	0.5	10.3	2.40
9	Dulhasti	67.1	12.6	15.6	3.3	31.5	4.70
10	Sewa-II	17.0	4.1	4.5	0.4	9.0	5.30
11	Uri-II	53.1	7.2	11.3	4.6	23.1	4.35
12	Parbati-III	20.8	7.3	3.2	-	10.5	5.04
	Sub-total	535.5	68.8	76.2	24.4	169.3	3.16
C	Satluj Jal Vidyut Nigam Ltd.						
1	Nathpa Jhakri	167.3	16.6	20.2		36.8	2.20
	Sub-total	167.3	16.6	20.2	-	36.8	2.20
D	Nuclear Power Corp. of India Ltd.						
1	RAPP C#5 & 6	94.1	-	36.9		36.9	3.92
	Sub-total	94.1	-	36.9	-	36.9	3.92
E	PTC						
1	Tala	29.0	-	6.6		6.6	2.27
	Sub-total	29.0	-	6.6	-	6.6	2.27
F	Power stations in Delhi						
1	Indraprastha Power Generation Co.Ltd. GT	74.0	14.6	93.3		108.0	14.60
2	Pragati Power Corp.Ltd. Pragati I	149.6	37.0	151.1		188.1	12.58
3	Pragati Power Corp.Ltd. Pragati III (Bawana)	445.9	222.9	244.9		467.8	10.49
4	EDWPCPL	-	-	-		-	0.00
5	Delhi MSW Solution Limited	33.0	-	23.2		23.2	7.03
6	Net Metering	31.8		18.7		18.7	5.87
7	Self Generation	0.2		0.1		0.1	5.87
8	Tehkhand-Okhla	34.2	-	17.5		17.5	5.13
	Sub-total	768.6	274.5	548.8	-	823.3	10.71
G	Damodar Valley Corporation						
1	Mejia Unit 6	142.6	23.8	53.9		77.8	5.45
2	Mejia Unit 7	786.2	149.4	270.2		419.7	5.34
3	CTPS Units 7 & 8	456.7	101.3	149.3		250.6	5.49
	Sub-total	1,385.6	274.6	473.4	-	748.0	5.40
H	UMPP						
1	Sasan	2,454.0	35.6	314.1		349.7	1.42
	Sub-total	2,454.0	35.6	314.1	-	349.7	1.42
I	Aravali Power Corporation Ltd.						
1	Jhajjar	328.0	80.9	152.9		233.7	7.13

S. No.	Particulars	Energy Purchase (MU)	AFC (₹ Cr.)	Energy Charges (₹ Cr.)	Other Charges (₹ Cr.)	Total PPC (₹ Cr.)	Average Rate (₹/ kWh)
	Sub-total	328.0	80.9	152.9	-	233.7	7.13
J	SECI						
1	SECI - Thar Surya 1	188.7	-	46.1		46.1	2.44
2	SECI - SBSR PCEPL	130.0	-	34.8		34.8	2.68
3	SECI - EDEN RCPL	104.9	-	28.0		28.0	2.67
4	SECI - Kilaj S(M)PL	104.9	-	27.4		27.4	2.61
5	SECI - Alfamar EPL	148.5	-	37.4		37.4	2.52
6	SECI Wind (Sitac)	297.1	-	84.4		84.4	2.84
7	SECI (Acme)	42.8	-	23.6		23.6	5.51
	Sub-total	1,016.9	-	281.6	-	281.6	2.77
K	New Stations						
1	Parbati -II	53.0	17.2	17.2		34.5	6.50
2	Tehri PSP	195.8	151.2	34.8		186.0	9.50
3	SECI Hybrid (Wind)	49.0	-	12.2		12.2	2.48
4	SECI Hybrid (Solar)	70.0	-	17.4		17.4	2.48
	Sub-total	367.8	168.4	81.6		250.0	6.80
L	Arrear		149.1			149.1	
M	Total Quantum from Firm Source	9,671.3	1,456.1	2,806.0	24.4	4,286.5	4.43

Cost of Power from other sources (Short term power purchase)

4.97 The Petitioner requires short term power to meet the peak demand so as to ensure uninterrupted and quality supply of power to the consumers and also to comply with the directives issued by the Hon'ble Commission.

4.98 The Petitioner always attempts to dispose-off its surplus power in an economic manner. Given the seasonal and within a day variations in temperatures in Delhi, the demand for power varies widely between the peak and the off peak hours during a day and between the summer and winter months. As the demand varies hugely within a day, it becomes essential for the Discoms like the Petitioner to prepare or arrange the power on slot-wise basis. Delhi has a huge variation between peak demand and lean demand. Such rampant fluctuations in demand necessitate the Petitioner to arrange for buffer power so

as to ensure uninterrupted supply to Delhi Consumers. In order to cater to the rising demand, Petitioner has to arrange for power from long and short term sources.

- 4.99 The Petitioner has projected the energy requirement and energy availability on monthly basis by applying MOD principles. The deficit thus observed has been considered to be met through short term purchases i.e. banking, exchange etc. as under:

Table 4-42: Month-wise projection from short term power purchase (MU)

Month	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Total
Power Deficit (-)	0.0	-55.8	-94.2	-71.6	-56.1	-3.5	0.0	0.0	0.0	0.0	0.0	0.0	-281.2
Power Surplus (+)	64.0	0.0	0.0	0.0	0.0	0.0	121.3	220.8	262.0	263.5	302.5	363.9	1598.0

- 4.100 The Petitioner has considered the aforesaid energy to be met through short term procurement for FY 2024-25. For the purpose of short term purchase cost, the average actual rate of ₹ 8.31/kWh for FY 2022-23 has been considered.
- 4.101 Accordingly, the short term power purchase cost for FY 2024-25 is tabulated below:

Table 4-43: Short term power purchase for FY 2024-25

S.No.	Source	Energy Purchased	Cost per Unit	Total Cost
		(MU)	(₹/unit)	(₹Crores)
1	2	3	4	5=3x4
A	Short Term Purchase	281.2	8.3	233.8

Renewable Purchase Obligation (RPO)

- 4.102 Regulation 27 of the Business Plan Regulations, 2023 specifies the target for Renewable Purchase Obligation from FY 2023-24 to FY 2025-26 as under:

“27. TARGET FOR RENEWABLE PURCHASE OBLIGATION

(1) The targets for Renewable Purchase Obligation (RPO) in

terms of Regulation 124 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 of a Distribution Licensee from FY 2023-24 to FY 2025-26, shall be computed as a percentage of total sale of power to its retail consumers in its area of supply.

- (2) The target for RPO shall be met through purchase of power from various Renewable Energy sources or purchase of Renewable Energy Certificates ("REC") or purchase of Hydro Energy Certificates ("HEC") or combination of these and shall be as follows:

Table 14: Targets for Renewable Purchase Obligation

Sr. No.	RPO Targets for Distribution Licensee	FY 2023-24	FY 2022-25	FY 2025-26
1	Wind RPO	1.60%	2.46%	3.36%
2	Other RPO	24.81%	26.37%	28.17%
3	HPO Target	0.66%	1.08%	1.48%
4	Total RPO Target	27.07%	29.91%	33.01%

- (3) Wind RPO shall be met by Energy produced from Wind Power Projects (WPPs) commissioned after 31st March 2022 and the Wind Energy consumed over and above 7% from WPPs commissioned till 31st March 2022.
- (4) HPO shall be met by Energy produced from Hydro Power Projects [including Large Hydro Projects (LHPs), Pumped Storage Projects & Small Hydro Projects (SHPs)] commissioned after 8th March 2019.
- (5) Other RPO shall be met by Energy produced from any Renewable Energy Power Project not mentioned in 27 (3) & 27 (4) above and shall include Hydro Power Projects [including Large Hydro Projects (LHPs), Pumped Storage Projects & Small Hydro Projects (SHPs)] commissioned before 8th March 2019.
- (6) Any shortfall remaining in achievement of 'Other RPO' category in a particular year shall be met with either the excess energy consumed from WPPs, commissioned after 31st March 2022 beyond 'Wind RPO' for that year or with excess energy consumed from eligible LHPs [including Large Hydro Projects (LHPs), Pumped Storage Projects & Small Hydro Projects (SHPs)] , commissioned after 8th March 2019 beyond 'HPO' for that year or partly from both. Further, any shortfall in achievement of 'Wind RPO' in a particular year shall be met with excess energy consumed from Hydro Power Plants, which is in excess of 'HPO' for that year and vice versa.

4.103 Accordingly, the RPO compliance for FY 2024-25 is tabulated below:

Table 4-44: Renewable Purchase Obligation (RPO) for FY 2024-25

Sl.No.	Particulars	UoM	FY 2024-25
A	Energy sales	MU	7355.5
B	RPO target (%)		
	Other RPO	%	26.37%
	HPO	%	1.08%
	Wind RPO	%	2.46%
C	RPO target (MUs)		
	Other RPO	MU	1939.6
	HPO	MU	79.4
	Wind RPO	MU	180.9
D	Availability		
	Other RPO	MU	1620.7
	HPO	MU	248.8
	Wind RPO	MU	346.1
E	Shortfall (-) / Surplus (+)		
	Other RPO	MU	-318.9
	HPO	MU	169.3
	Wind RPO	MU	165.2
E	Surplus (+) available from Wind RPO & HPO for Other RPO	MU	334.5
F	Total Surplus (+)/ Deficit (-)	MU	15.6

4.104 It is respectfully submitted that in the previous years, the Petitioner has endeavoured to comply with the RPO targets, however due to practical difficulties and/or reasons beyond its control, it could not fully comply with the same and therefore have sought waiver/ deferment of the targets by the Hon'ble Commission. Without prejudice to the pending proceedings before various fora and in view of the fact that the Petitioner anticipate to overachieve its RPO targets during FY 2024-25, the Petitioner vide Letter No. RA/BYPL/2022-23/344 dated 06.03.2023 has requested the Hon'ble Commission to allow adjustment of the surplus RE power after meeting the Targets for the control period from FY 2023-24 to FY 2025-26 with the RE shortfall of previous year on FIFO basis. Bihar Regulatory Commission in its Tariff Order dated 26.03.2021, has directed the Bihar Discoms to carry forward the short-fall of RPO of FY 2019-20 into FY 2020-21. Similarly, Punjab

Regulatory Commission vide Order dated 13.10.2021 has allowed the PSPCL's prayer to carry forward the surplus after compliance of RPO of FY 2020-21 to FY 2021-22. Hence, the Petitioner requests the Hon'ble Commission to issue appropriate directions for adjustment of RE surplus with the past deficit on FIFO basis similar to the other State Commission.

Transmission Loss and Transmission Charges

4.105 The following assumptions are made for calculation of Transmission Charges and Losses:

Transmission losses:

- Intra-State: The Intra-State Transmission Loss during FY 2023-24 has been considered @ 0.88% (based on DTL losses for FY 2022-23).
- Inter-State: The Inter-State Transmission Loss during has been considered @ 3.57% (based on NLDC's applicable transmission losses data for FY 2022-23).

Transmission Charges:

4.106 The total transmission cost considered for FY 2024-25 is ₹943.8 Cr. The following escalation rates has been considered over the actual charges of FY 2022-23:

- 16% annual escalation has been considered on actual interstate transmission charges of the Petitioner for FY 2022-23. Such escalation is based on the capex by Central Transmission Utility. Additionally, from 01.10.2023, the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System)

Regulations, 2022 are also applicable and transmission charges are expected to go up further.

- 9.50% annual escalation has been considered on actual intrastate transmission charges of the Petitioner for FY 2022-23. Such escalation is based on increase in transmission charges claimed by DTL for FY 2023-24 (DTL ARR Petition for FY 2023-24) in comparison to transmission charges claimed by DTL for FY 2022-23 (DTL ARR Petition for FY 2022-23).

4.107 Accordingly, the Intra-State and Inter-State Transmission losses and Charges projected for FY 2024-25 is tabulated below:

Table 4-45: Transmission Loss and Transmission Charges projected for FY 2024-25

S. No	Particulars	FY 2024-25
i	Inter -State Generating Stations (MU)	8,902.7
ii	Inter State Transmission Losses (%)	3.57%
iii	Inter State Transmission Losses (MU)	317.8
iv	State Generating Stations (MU)	669.5
v	Intra State Transmission Losses (%)	0.88%
vi	Intra State Transmission Losses (MU)	81.4
vii	Total Transmission losses (MU)	399.3
viii	Transmission Charges (₹Crore)	943.8

4.108 The Petitioner requests the Hon'ble Commission to allow the transmission charges as projected in the aforesaid table in the ARR of FY 2024-25.

Energy Balance

4.109 Based on the above submissions, the energy balance during FY 2024-25 is tabulated below:

Table 4-46: Energy Balance projected for FY 2024-25

S. No.	Particulars	Quantity (MU)
	Energy Availability	
1	Power Purchase @Exbus-FIRM	9,572.2

S. No.	Particulars	Quantity (MU)
2	Inter-State Losses	317.8
3	Power Available at Delhi Periphery	9,254.4
4	Intra-state Loss & Charges (Including SLDC charges)	81.4
5	Power Available to DISCOM	9,173.0
6	Power Available to DISCOM (including WTE, self Generation & Net Metering)	9,272.1
7	Short term Purchase	281.2
8	Total Available	9,553.3
	Energy Requirement	
9	Sales	7,355.5
10	Distribution Loss	7.54%
11	Energy Requirement at Distribution Periphery	7,955.3
12	Total Sale of Surplus Power	1,598.0

Sale of surplus power

4.110 The Petitioner has considered the aforesaid excess energy to be sold through short term sale during FY 2024-25. For the purpose of short term sale, the actual average rate for FY 2022-23 of ₹4.52/kWh has been considered for FY 2024-25. Accordingly, the estimated short term sale for FY 2024-25 is tabulated below:

Table 4-47: Revenue from sale of surplus power during FY 2024-25

S.No	Source	Energy sold	Cost per Unit	Total revenue
		(MU)	(₹/unit)	(₹Crores)
1	2	3	4	5=3x4
A	Short Term Sale	1598.0	4.52	722.7

Rebate on Power Purchase and Transmission Charges

4.111 The Petitioner submits that the actual rebate to be availed in FY 2024-25 depends on the Tariff determined by the Hon'ble Commission, RA recovery allowed and consequent available cash with the Petitioner.

4.112 The concept of normative rebate is based on assumptions that the system is perfect and business as usual as under:

- i. There is no creation of Regulatory Asset;
- ii. Various APTEL's judgments are yet to be given effect to by the Hon'ble Commission entitling cash flow to the Petitioner;
- iii. There is no major variation in power purchase cost.

4.113 In fact, to the best of the knowledge of the Petitioner, in no other State any DISCOM has been able to avail maximum normative rebate when aforesaid conditions are not met.

4.114 Additionally, the Petitioner also has to pay LPSC to the generators which is not allowed by the Hon'ble Commission in the ARR of the Petitioner.

4.115 Without prejudice to the above, the Petitioner has estimated normative rebate on power purchase and Transmission Charges during FY 2024-25 as tabulated below.

Table 4-48: Rebate during FY 2024-25

S. No	Particulars	Rebate (₹ Crores)
A	Total Rebate	71.1

Total Power Purchase Cost

4.116 The total power purchase cost during FY 2024-25 is tabulated below:

Table 4-49: Total Power Purchase Cost during FY 2024-25

S. No.	Plant	MU	Fixed Cost (₹ Cr.)	Variable Cost (₹ Cr.)	Other Cost (₹ Cr.)	Total Cost (₹ Cr.)	Per Unit Cost (₹/kWh)
1	NTPC	2,524.6	387.5	813.8	-	1,201.4	4.76
2	APCPL	328.0	80.9	152.9	-	233.7	7.13
3	NPCIL	94.1	-	36.9	-	36.9	3.92
4	DVC	1,385.6	274.6	473.4	-	748.0	5.40
5	SGS (excluding RE)	669.5	274.5	489.3	-	763.9	11.41
6	SASAN	2,454.0	35.6	314.1	-	349.7	1.42
7	Renewable Purchase:						
7.1	NHPC - (included in other RPO)	535.5	68.8	76.2	24.4	169.3	3.16
7.2	SJVNL (included in other	167.3	16.6	20.2	-	36.8	2.20

S. No.	Plant	MU	Fixed Cost (₹ Cr.)	Variable Cost (₹ Cr.)	Other Cost (₹ Cr.)	Total Cost (₹Cr.)	Per Unit Cost (₹/kWh)
	RPO)						
7.3	TALA (included in other RPO)	29.0	-	6.6	-	6.6	2.27
7.4	Other RPO	856.9	-	255.3	-	255.3	2.98
7.5	HPO	248.8	168.4	52.0	-	220.4	8.86
7.6	Wind RPO	346.1	-	96.5	-	96.5	2.79
7.7	Net Metering	31.8	-	18.7	-	18.7	5.87
7.8	Self Generation	0.2	-	0.1	-	0.1	5.87
	Total RPO	2,215.6	253.9	525.6	24.4	803.8	3.63
8	Arrears		149.1			149.1	
9	Total Long term	9,671.3	1,456.1	2,806.0	24.4	4,286.5	4.43
10	Short Term Purchase	281.2		233.8		233.8	8.31
11	Short Term Sale	1,598.0		722.7		722.7	4.52
12	Transmission Loss/Charges	-399.3	943.8			943.8	-23.64
13	Rebate					71.1	0.00
14	Net Power Purchase Cost	7,955.3	2,399.9	2,317.1	24.4	4,670.2	5.87

4.117 The Petitioner requests the Hon'ble Commission to allow the power purchase cost of ₹4670.2 Crores during FY 2024-25 as estimated by the Petitioner in the above table. Further, any variation (approved vs. actual) in total Power Purchase cost during FY 2024-25 is requested to be allowed through Power Purchase cost adjustment charges (PPAC) as prayed for.

Re-allocation of Power Stations

4.118 Regulation 121 (4) of Tariff Regulations, 2017 provides for reassigning the allocation of power as follows:

“ 4) The gap between average Power Purchase Cost of the power portfolio allocated and average revenue due to different consumer mix of all the distribution licensee: Provided that the Commission may adjust the gap in power purchase cost by reassigning the allocation of power amongst the distribution licensees out of the overall power portfolio allocated to the National Capital Territory of Delhi by Ministry of Power, Government of India.”

4.119 In order to balance the gap between costs and revenue of the Petitioner and to make level playing field across the DISCOMs, the Petitioner requests the Hon'ble Commission to continue allocation of higher quantum from cheaper stations to the Petitioner and decrease allocation from costly stations.

Operation and Maintenance (O&M) Expenses

4.120 As mentioned earlier, subject to pendency / outcome of the Writ Petition before the Hon'ble High Court of Delhi, the Petitioner in this ARR Petition has submitted its claims of O&M expenses both in terms of the norms and parameters laid down under the Business Plan, Regulations, 2019 and also under the Business Plan Regulations, 2023.

1. Normative O&M Expenses as per Business Plan Regulations, 2019 (BPR, 2019)

4.121 Regulation 23 of Business Plan Regulation, 2019 provides as under:

“23. Operation and Maintenance Expenses

(1) Normative Operation and Maintenance Expenses in terms of Regulation 4(3) and Regulation 92 of the DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 for the Distribution Licensees shall be follows:

Table 8: O&M Expenses for BYPL for the Control Period

Particulars	Unit	2020-21	2021-22	2022-23
66 kV Line	Rs. Lakh/ Ckt. Km	4.857	5.043	5.236
33 kV Line	Rs. Lakh/ Ckt. Km	4.857	5.043	5.236
11 kV Line	Rs. Lakh/ Ckt. Km	2.036	2.114	2.195
LT lines system	Rs. Lakh/ Ckt. Km	9.173	9.524	9.89
66/11 kV Grid S/s	Rs. Lakh/ MVA	1.157	1.201	1.247
33/11 kV Grid S/s	Rs. Lakh/ MVA	1.157	1.201	1.247
11/0.415 kV DT	Rs. Lakh/ MVA	2.534	2.631	2.732

(2) The Distribution Licenses shall be allowed own (Auxiliary) consumption including e-vehicle charging stations installed at Distribution Licensee offices and sub-stations, at zero tariff for

- actual recorded consumption subject to a maximum of 0.25% of total sales to its retail consumers for the relevant financial year as part of O&M expenses for the relevant year.
- (3) Actual recorded own (Auxiliary) consumption in excess of 0.25% of total sales to its retail consumers for the relevant financial year, shall be billed at Non Domestic Tariff of respective year's Tariff schedule and shall form part of revenue billed and collected for the same year.
 - (4) The Distribution Licensee shall be allowed O&M expenses for a particular financial year of the control period by multiplying the norms for O&M expenses of that particular year with the respective average network capacity during the financial year i.e. (average of network capacity at start of Financial year and network capacity at the end of Financial year).
 - (5) The impact of difference of amount on account of actual implementation of Seventh Pay Revision and Interim Relief already considered for determination of norms for O&M Expenses, if any, shall be allowed separately in line with the methodology adopted for computation of norms for O&M Expenses, at the time of True up of ARR for relevant Financial year subject to prudence check.
 - (6) The Distribution Licensee may claim the expenses for raising loan for working capital and regulatory assets under O&M expenses separately, subject to prudence check at the time of true up on submission of documentary evidence:
Provided that if this amount has been included in the interest on working capital and/or Regulatory assets, the same shall not be allowed.
 - (7) The Distribution Licensee may claim the legal expenses separately, subject to prudence check at the time of true up on submission of documentary evidence:
Provided that the legal expenses on account of cases filed against the Orders or Regulations of the Commission before any Court and the legal claims (compensation/penalty) paid to the consumer, if any, shall not be allowed.
 - (8) The Distribution Licensee shall allocate the O&M expenses on actual basis under the heads of lines and grid substation voltage wise as specified for determination of norms for O&M expenses:
Provided that the Distribution Licensee shall submit the above details of O&M expenses within thirty (30) days from the end of finalization of audited accounts of the relevant year."

4.122 Accordingly, the Petitioner has computed the normative O&M expenses for FY 2023-24 considering an escalation of 3.83% on the norms specified for

computation of O&M expenses for FY 2022-23 in terms of Regulation 23 of Business Plan Regulations, 2019 and subsequently the norms for FY 2024-25 has been computed on the above computed norms of FY 2023-24 by considering escalation rate of 3.83%. The computation is tabulated here as below:

Table 4-50: Network Capacity wise O&M expenses norms projected for FY 2024-25

S.No.	Particulars	Units	FY 2022-23	Inflation factor	FY 2023-24	Inflation factor	FY 2024-25
			Approved		Norm		Norm
1	66 kV Line	Rs. Lakh/ckt. km	5.24	3.83%	5.44	3.83%	5.64
2	33 kV Line	Rs. Lakh/ckt. km					
3	11 kV Line	Rs. Lakh/ckt. km	2.20		2.28		2.37
4	LT Line System	Rs. Lakh/ckt. km	9.89		10.27		10.66
5	66/11 kV Grid S/s	Rs. Lakh/MVA	1.25		1.29		1.34
6	33/11 kV Grid S/s	Rs. Lakh/MVA					
7	11/0.415 kV DT	Rs. Lakh/MVA	2.73		2.84		2.95

4.123 The Petitioner has considered the actual network capacity as on 31.03.2023 and projected capacity addition during FY 2023-24 and FY 2024-25 based on the capitalisation schedule during these financial years as tabulated below:

Table 4-51: Network Capacity in FY 2024-25

S. No.	Particulars	Units	FY 2022-23	Addition	FY 2023-24	Addition	FY 2024-25	Average
1	66 kV Line	ckt. km	676.4	8.0	684.4	25.0	709.4	696.9
2	33 kV Line							
3	11 kV Line	ckt. km	3207.0	39.0	3246.0	54.0	3300.0	3273.0
4	LT Line System	ckt. km	5915.5	81.0	5996.5	109.0	6105.5	6051.0
5	66/11 kV Grid S/s	MVA	3989.0	48.0	4037.0	110.0	4147.0	4092.0
6	33/11 kV Grid S/s							
7	11/0.415 kV DT	MVA	3637.8	86.0	3723.8	109.0	3832.8	3778.3

4.124 The computation of normative O&M expenses for FY 2024-25 in terms of Regulation 23 of the Business Plan Regulations, 2019 is tabulated below:

Table 4-52: O&M Expenses estimated during FY 2024-25 (₹ Crores) as per BPR, 2019

S.No.	Particulars	Average Capacity for FY 2024-25	O&M expenses		O&M expenses (₹ Crore)
			per unit		
1	66 kV Line 33 KV Line	696.9	₹ Lakh/ckt. km	5.64	39.3
2	11kV Line	3,273.0	₹ Lakh/ckt. km	2.37	77.45
3	LT Line system	6,051.0	₹ Lakh/ckt. km	10.66	645.2
4	66/11 kV 33/11 kV Grid S/s	4,092.0	₹ Lakh/MVA	1.34	55.0
5	11/0.415 kV DT	3,778.3	₹ Lakh/MVA	2.95	111.3
6	Total O&M Expenses				928.2

4.125 Accordingly, the Petitioner requests the Hon'ble Commission to allow the normative O&M Expenses of ₹ 928.2Crores for FY 2024-25.

Additional Expenses in accordance with the Business Plan Regulations, 2019:

4.126 In terms of Regulation 11(9) of Tariff Regulation, 2017 read with Regulation 23 of the Business Plan Regulation 2019, the Petitioner has proposed the additional O&M and other expenses of ₹278.2Crores for FY 2024-25 as tabulated below:

Table 4-53: Additional Expense and other Expenses estimated for FY 2024-25 based on norms of BPR, 2019 (₹ Crores)

S. No.	Particulars	As per BPR, 2019
1	Licensee Fees paid on assets	0.6
2	License Fee paid to DERC	1.8
3	Property Tax	11.6
4	Smart Meters	221.5

S. No.	Particulars	As per BPR, 2019
5	Ombudsman Fees	0.2
6	CGRF Expenses	0.5
7	Legal Expenses	21.2
8	Expenses for raising loan, Rating Fees on Non Fund based working capital (LC/BGs) & existing Term Loan, Charges corresponding to LC towards PPA, BG Charges	12.0
9	Loss on Sale of Retired Assets	4.8
10	Incremental GST Paid	3.9
11	Total	278.2

4.127 The additional expenses claimed in the above table are discussed in detail in the subsequent paras.

2. O&M Expenses as per Business Plan Regulations, 2023

i. Normative O&M expenses for FY 2024-25:

4.128 The Regulation 23 of Business Plan Regulation, 2023 provides as under:

“23. Operation and Maintenance Expenses

....

(5) The Employee benefits pertaining to Employees transferred under the Tripartite Agreement are considered uncontrollable in nature, therefore not forming part of Normative O&M Expenses as tabulated below, accordingly, shall be Trued up for relevant Financial year subject to prudence check:

...

(6) Expenses on account of Statutory Levies towards Property Tax/ Land Licence Fee to GoNCTD, Licence Fee paid to DERC shall be Trued up for relevant Financial year subject to prudence check:

...

(7) The Legal Expenses including that on account of cases filed against the Orders or Regulations of the Commission before any Court and the legal claims (compensation/penalty) paid to the consumer, if any, shall not be allowed in the Aggregate Revenue Requirement (ARR).

(8) The Performance Related Incentives forming part of Employees Salary and not out of Profit of Company shall be allowed subject to Prudence Check.

(9) The expenses on account of Corporate Social Responsibility of the Licensee shall not be allowed in the ARR.

(10) The Normative Operation and Maintenance Expenses of a Distribution Licensees for the Control Period, after considering Inflationary Growth Rate of 4.66% , shall be as follows:

Table 8: Table 8: Norms of O&M Expenses for DISCOMs for the Control Period
[Rate / Unit of sale (Paise)]

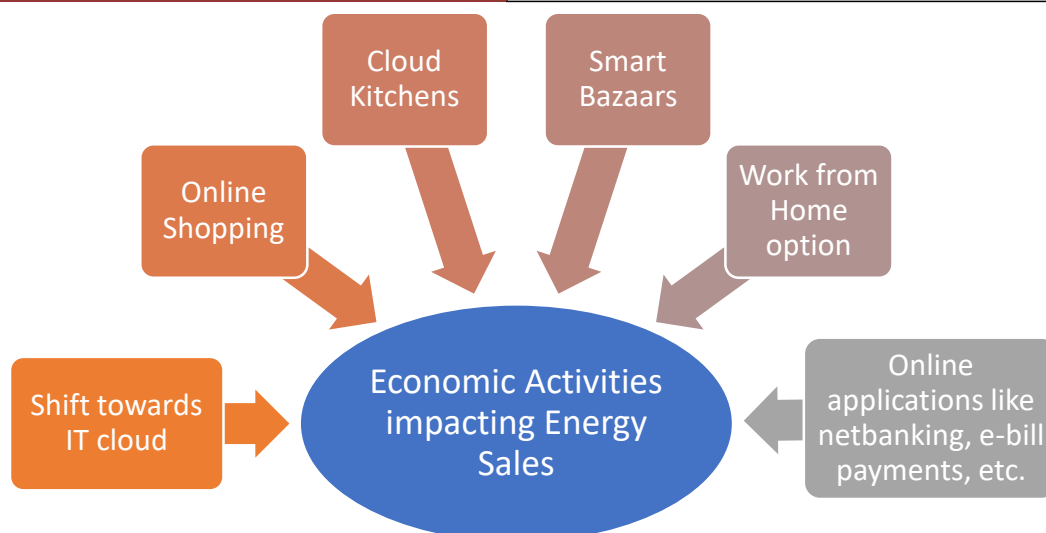
Distribution Licensees	FY 2023-24	FY 2022-25	FY 2025-26
BRPL	54.72	54.92	55.13
BYPL	64.15	64.40	64.64
TPDDL	61.46	62.09	62.73
NDMC	54.72	54.92	55.13

4.129 The Hon'ble Commission in aforesaid regulation read with the SOR has specified the norms for O&M expenses per unit of sales, thereby linking a fixed parameter of O&M Expenses with an uncontrollable and continuously varying parameter of Energy Sales.

4.130 The electricity consumption is entirely dependent upon following factors which are uncontrollable in nature for Discoms:

- Economic Conditions of consumers in sectors
- Weather conditions
- Per Capita Income
- Utilisation of energy efficient equipments
- Consumers migrating to open access
- Infrastructure development in NCR cities
- Green Initiatives

Figure 4-2: Economic Conditions of Consumers in Sectors



4.131 As evident from above, energy sales as projected by the Hon'ble Commission in SOR of Business Plan Regulation, 2023 is 7545 MU for FY 2022-23 which is on higher side as compared to actual sales of Petitioner during FY 2022-23 which is 6,958 MU.

4.132 As such the sales considered for FY 2022-23 in the SOR i.e. 7,545 MUs cannot be linked to compute norms for O&M expenses for the control period i.e. FY 2023-24 to FY 2025-26 as intended by the Hon'ble Commission in its Business Plan Regulations, 2023, considering the escalation factor of 4.66% in O&M expenses.

4.133 Accordingly, without prejudice to the rights and contentions of the Petitioner in its Writ Petition no. 6719 of 2023, it is humbly prayed that this Hon'ble Commission may exercise its Power to Relax under Regulation 37 of Business Plan Regulations, 2023 read with Regulation 57 of DERC Conduct of Business Regulations, 2001 and Regulation 172 of DERC Tariff Regulations, 2017 to consider the O&M expenses (including employees expenses of non-FRSR employees) of ₹ 528.1 Crore for FY 2024-25, as provided by the Hon'ble Commission in SOR of Business Plan Regulations, 2023 which would also be

in line with escalation factor of 4.66% considered by the Hon'ble Commission for the control period.

4.134 Accordingly, Petitioner requests the Hon'ble Commission to allow O&M Expenses (including employees expenses of non-FRSR employees) of ₹ 528.1 Crore for FY 2024-25.

ii. Employee Expenses corresponding to FRSR Employees

4.135 The Regulation 23 (5) of the Business Plan Regulations, 2023 provides as under:

"23. OPERATION AND MAINTENANCE EXPENSES:

.....

(5) The Employee benefits pertaining to Employees transferred under the Tripartite Agreement are considered uncontrollable in nature, therefore not forming part of Normative O&M Expenses as tabulated below, accordingly, shall be Trued up for relevant Financial year subject to prudence check

.."

4.136 Further, SOR of the aforesaid Regulations, provides as under:

".....m) Uncontrollable expenses such as FRSR expenses, Rates & Taxes shall be allowed in the ARR equally to last available actual FRSR expenses which shall be trued-up...."

4.137 Accordingly, the Petitioner requests the Hon'ble Commission to kindly consider the FRSR employee expenses of the Petitioner amounting to ₹221.1 Crore for FY 2024-25.

iii. Additional Expenses

4.138 In terms of Regulation 11(9) of the Tariff Regulations, 2017 and Regulation 23 of Business Plan Regulation, 2023 the petitioner has proposed the following additional expenses beyond the control of the Petitioner and/or not covered in the above-mentioned normative O&M expenses for FY 2024-25:.

- Licensee Fee Paid to GoNCTD
- Licensee Fee Paid to DERC
- Property Tax
- Expenses towards Smart Meter implementation
- Ombudsmen Fees and CGRF expenses
- Charges corresponding to LC towards PPA
- Loan Amortisation Fees, Rating Fee, etc
- Loss on Sale of Retired Assets
- Other Expenses

a) License Fees Paid to GoNCTD

4.139 License Fee paid for land rights / distribution assets is a statutory levy and uncontrollable in the hands of the Petitioner. It is pertinent to mention that pursuant to Ind AS 116 notified by MCA on March 30, 2019, the nature of expenses has changed from lease rent in previous years to depreciation cost for the right-of-use assets (RoU), and finance cost for interest accrued on lease liability. Accordingly, from April 2019 such expenses are not reflected in A&G expenses but included in Depreciation & Finance Cost and hence are not reflected in O&M expenses since FY 2019-20 onwards.

4.140 Further, in terms of Regulation 23(6) of Business Plan Regulation 2023, the Petitioner has considered license fee paid on assets to ₹0.6 Crore based on

actual of FY 2022-23. Accordingly, the Petitioner requests the Hon'ble Commission to allow the same for FY 2024-25.

b) Licensee Fees Paid to DERC

4.141 The Petitioner has considered Licensee fees to be paid to DERC as ₹1.8 Crore based on actual for FY 2022-23. Accordingly, the Petitioner requests the Hon'ble Commission to allow the same for FY 2024-25.

c) Property Tax

4.142 The Petitioner has considered Property Tax to ₹11.6 Crore based on actual during FY 2022-23. Accordingly, in terms of Regulation 23 (6) of the Business Plan Regulation, 2023, the Petitioner requests the Hon'ble Commission to allow the property tax of ₹11.6 Crore for FY 2024-25.

d) Expenses towards Smart Meters implementation

4.143 Pursuant to the Ministry of Power's Notification directing for installation of smart meters for all consumers, the Petitioner has planned to implement smart metering program. For the rollout, Petitioner has published tender (for Appointment of Advanced Metering Infrastructure (AMI) Service Provider for Smart Prepaid Metering in BSES Yamuna Power Limited on DBFOOT basis. The RFP to the tender is mostly based on the standard bidding document (AMISBD ver 4) published by REC for project execution on TOTEX model. As per the RFP, AMI Service Provider shall be responsible for supply and installation of smart meters and software applications like head end software, meter data management system, prepaid application, mobile app, data analytics, integration and maintenance. The Petitioner vide its letter no.

RA/BYPL/2023-24/37 dated 03.05.2023 has intimated the Hon'ble Commission regarding the implementation of the smart meter program. Further progress is also being reported to the Hon'ble Commission from time to time.

- 4.144 The Petitioner is expected to incur an additional expense of ₹221.1 Cr towards opex for FY 2024-25 on account of implementation of Smart meters and associated AMI (Advance Metering Infrastructure Service) applications, which may change subject to outcome of the tender. The tender is under techno-commercial evaluation, and, therefore, the actual cost discovered post financial bid opening shall be informed to the Hon'ble Commission for approval. The progress of the tender shall be periodically updated to the Hon'ble Commission.
- 4.145 While the Petitioner in the present ARR has considered Opex of ₹221.1 Cr towards smart meter implementation, the Hon'ble Commission is also requested to specify a mechanism for timely realisation of this amount may be through a fixed charge (like meter rent) so as to ensure adequate cash flows for onward payment to the vendors.

e) Ombudsmen Fees & CGRF expenses

- 4.146 The legal expenses reflected in the Audited Financial Statements of the Petitioner includes the Ombudsmen Fees & CGRF expenses and hence have not been considered by the Hon'ble Commission in the norms as the total legal expenses is not the part of the normative O&M expenses of the Business Plan Regulations, 2023. It may be noted that the expenses towards Electricity Ombudsmen and CGRF are incurred pursuant to the directions of the Hon'ble Commission and hence are beyond the control of the Petitioner.

4.147 Accordingly, Petitioner requests the Hon'ble Commission to allow Ombudsmen fees of ₹ 0.2 Crores and CGRF expense of ₹ 0.5 Crores, considered same as actual of FY 2022-23.

4.148 Point (h) of Commission View (Page 56) in SOR of Business Plan Regulation, 2023, provides as under:

“

h) Bank charges as cheque book issuance, demand draft charges, LC Charges etc. that are attributable to day to day business and not directly linked to any particular loan may be included in the A&G Expenses. All charges that are directly attributable to particular loan to be included in the interest on such loan under relevant Regulations of DERC (Terms and Conditions for determination of Tariff) Regulations, 2017.....”

4.149 As per the explanation provided by the Hon'ble Commission, the Petitioner has projected the charges which are not directly attributable to loan and shall form part of A&G expenses. Further, the Petitioner has accounted such expense in its Audited Financial Statement in the interest and finance charges which is not considered in the computation of RoCE and not covered in the norms for O&M expenses and hence, the Petitioner proposes the following expenses to be considered as additional expense for FY 2024-25 as explained below:

f) Charges corresponding to LC towards PPA:

4.150 As per the terms & conditions of existing long term PPA, the Petitioner is required to create and maintain LC towards its payable Gencos. In this regards Petitioner is charged one-time expense by respective creditors towards creation and maintenance of each LC.

4.151 Further, the Hon'ble Commission has also substantiated that such expenses shall form the part of A&G expenses as it is not directly attributable to the loan of the Petitioner.

4.152 Accordingly, such expenses not considered by the Hon'ble Commission in the norms of O&M expenses for FY 2024-25 and thus, the Petitioner requests the Hon'ble Commission to allow ₹ 10.6 Crores as an additional expense projected for FY 2024-25.

g) Amortization fees of existing loan and Rating Fees of existing loan and rating fee of non-fund based working capital not included in A&G/O&M norms of BPR, 2023

4.153 As regards the amortization fees of existing loan, the Hon'ble Commission in its Business Plan Regulation, 2019 has considered such fees as an additional expense for previous control period i.e from FY 2017-18 to FY 2019-20. As per IND-AS, the Petitioner has accounted such expense in its Audited Financial Statement by spreading the same over the tenure of loan from the date of its disbursement.

4.154 As regards the rating fees on existing loan prior to FY 2024-25 and non-fund based working capital(LC/BG), the creditor charges for conducting annual rating exercise of the Petitioner for maintaining the loans and non-fund based working capital.

4.155 Accordingly, the Petitioner has projected to ₹1.5 Crores for FY 2024-25 on account of above said expenses and requests the Hon'ble Commission to allow the same.

h) BG Charges included in A&G/O&M norms of BPR, 2023

4.156 In this regard, the creditor charges for opening the Bank Guarantees which are not directly attributable to the loans. Further, in terms of Business Plan Regulation, 2023, the Hon'ble Commission has also substantiate that such expenses which is not directly attributable to the loan of the petitioner and shall form part of A&G expenses. Accordingly such expense is not considered by the Hon'ble Commission while computing the norms of O&M expenses for FY 2024-25.

4.157 In view of above, the Petitioner has projected to ₹ 0.01 Crores for FY 2024-25 on account of above said expenses and requests the Hon'ble Commission to allow the same.

i) Loss on Sale of Retired Assets

4.158 Regulation 45, 46 and 47 of Tariff Regulations, 2017 provides the methodology for allowance of loss or gain on retired/ de-capitalised assets as under:

"45. Loss or Gain due to de-capitalisation of asset based on the directions of the Commission due to technological obsolescence, wear & tear etc. or due to change in law or force majeure, which cannot be re-used, shall be adjusted in the ARR of the Utility in the relevant year.

46. Loss or Gain due to de-capitalisation of asset proposed by the Utility itself for thereasons not covered under Regulation 45 of these Regulations shall be to the account of the Utility.

47. Loss or Gain due to de-capitalisation of asset after the completion of useful life of asset shall be to the account of the Utility"

4.159 Accordingly, the Petitioner has considered ₹4.8 Crores towards loss due to retirement of assets based on actual of FY 2022-23 and requests the Hon'ble Commission to allow the same for FY 2024-25.

j) Performance related incentives:

4.160 In terms of Regulation 23(8) of the Business Plan Regulations, 2023, the Performance Related Incentives forming part of Employees Salary and not out of Profit of Company shall be allowed subject to Prudence Check. The Petitioner is not projecting any such amount in the ARR for FY 2024-25. However, the Petitioner requests the Hon'ble Commission to allow the actual performance related incentives to be claimed at the time of True Up for FY 2024-25

4.161 Based on the above, the Petitioner has estimated the additional expenses on account of O&M for FY 2024-25 in terms of Tariff Regulations, 2017 read with Business Plan Regulation, 2023 as under:

Table 4-54: Additional O&M Expenses estimated for FY 2024-25 as per BPR, 2025(₹ Crores)

S. No	Particulars	FY 2024-25
1	Employee Expenses pertaining to FRSR employees	221.1
2	License Fee paid to GoNCTD	0.6
3	License Fee paid to DERC	1.8
4	Property Tax	11.6
5	Smart Meters	221.5
6	Ombudsman Expenses	0.2
7	CGRF Expenses	0.5
8	Charges corresponding to LC towards PPA not included in A&G expenses/ norms of O&M Expenses in BPR, 2023	10.6
9	Amortization fees of existing loan and Rating Fees of existing loan and rating fee of non-fund based working capital not included in A&G/O&M norms of BPR, 2023	1.5
10	BG Charges not included in A&G expenses/ norms of O&M Expenses in BPR, 2023	0.01
11	Loss on Sale of Retired Assets	4.8

S. No	Particulars	FY 2024-25
12	Total	474.1

4.162 The Petitioner requests the Hon'ble Commission to allow the additional expenses of ₹474.1 Crore on account of additional O&M expenses which is beyond the control of the Petitioner.

Total O&M Expenses for FY 2024-25

4.163 The Petitioner has projected the total O&M expenses for FY 2024-25 in terms of the Tariff Regulations, 2017, Business Plan Regulations, 2019 as well as Business Plan Regulations, 2023 as tabulated under:

Table 4-55: Total O&M Expenses estimated for FY 2024-25 (₹ Crores)

S. No.	Particulars	FY 2024-25	
		BPR, 2019	BPR, 2023
1	Normative O&M Expenses		
2	Based on network capacity (BPR-2019)	928.2	
3	Based on absolute O&M (BPR – 2023)		528.1
4	Additional O&M Expenses		
5	Employee Expenses pertaining to FRSR employees	included in normative O&M	221.1
6	License Fee paid to GoNCTD	0.6	0.6
7	License Fee paid to DERC	1.8	1.8
8	Property Tax	11.6	11.6
9	Smart Meters	221.5	221.5
10	Ombudsman Expenses	0.2	0.2
11	CGRF Expenses	0.5	0.5
12	Annual Charges towards opening and maintaining LC towards PPA not included in A&G expenses/ norms of O&M Expenses in BPR, 2023	10.6	10.6

S. No.	Particulars	FY 2024-25	
		BPR, 2019	BPR, 2023
13	Amortization fees of existing loan and Rating Fees of existing loan and rating fee of non-fund based working capital not included in A&G/O&M norms of BPR, 2023	1.5	1.5
14	Loss on Sale of Retired Assets	4.8	4.8
15	Legal Fees and Expenses	21.2	-
16	Incremental GST Impact	3.9	-
17	BG Charges not included in A&G expenses/ norms of O&M Expenses in BPR, 2023	0.01	0.01
18	Additional O&M Expenses Sub-Total	278.2	474.1
19	Total O&M Expenses	1,206.5	1,002.3

Capitalisation

4.164 Regulation 24 (1) of the Business Plan Regulations, 2023 provides for the tentative Capital Investment Plan as under:

“24. Capital Investment Plan

(1) The tentative Capital Investment Plan in terms of Regulation 4 (4) of the DERC (terms and conditions for determination of tariff) Regulations, 2017 for the Distribution Licensee shall be as follows:

**Table 12: Capitalisation for BYPL for the Control Period
(in Rs. Crores)**

Particulars	FY 2023-24	FY 2024-25	FY 2025-26	Total
Capitalization	359	372	385	1116
Smart Meter	150	150	150	450
Less: Deposit Work	72	76	80	228
Total	437	446	455	1338

4.165 The Hon'ble Commission has considered the capitalization of ₹150 Crore towards installation of smart meters. However, as already submitted in above para, the Petitioner proposes to implement the Smart Meter Project on TOTEX model in line with the Standard Bidding Document published by REC for project execution. The tender for the same has already been issued by the Petitioner,

which is under techno-commercial evaluation and the actual cost discovered post financial bid opening shall be informed to the Hon'ble Commission for approval. Hence, the Petitioner in the present ARR Petition is not seeking any capital expenditure towards Smart Meter implementation. However, the capital expenditure of Rs. 150 crore allowed by the Hon'ble Commission as part of tentative capital investment plan has been considered towards normal capex by the Petitioner.

4.166 Accordingly, the Petitioner has considered the gross capitalisation of ₹ 522 Crore including consumer contribution (Deposit work) during FY 2024-25 as approved by the Hon'ble Commission in the Business Plan Regulations, 2023. The Petitioner requests the Hon'ble Commission to allow the amount of ₹ 522 Crore for FY 2024-25 as the gross capex (other than smart meters).

4.167 Accordingly, the capitalisation of FY 2024-25 is tabulated below:

Table 4-56: Capitalisation for FY 2024-25 (₹ Crores)

S.No.	Particulars	Approved in Business Plan Regulations, 2023	Submission
A	Capitalization	522.0*	522.0*

* Gross amount including consumer contribution for deposit works.

Consumer Contribution & Grants

4.168 For the purpose of computation of Regulated Rate Base (RRB), the Petitioner has considered actual Consumer contribution capitalized upto FY 2022-23. For FY 2023-24 & FY 2024-25, the Petitioner has considered ₹72 Crore and ₹76 Crore of consumer contribution capitalized as approved by the Hon'ble Commission in Business Plan Regulations, 2023.

4.169 The average balance of consumer contribution during FY 2024-25 is tabulated below:

Table 4-57: Consumer Contribution & Grants Capitalized for FY 2024-25
(₹ Crores)

S. No	Particulars	Amount	Remarks/Ref.
A	Consumer Contribution & Grants capitalized upto FY 2022-23	380.9	Table-3A 34
B	Consumer Contribution Capitalized for FY 2023-24	72.0	BPR, 2023
C	Opening Balance of Consumer Contribution capitalized for FY 2024-25	452.9	A+B
D	Consumer Contribution Capitalized for FY 2024-25	76.0	BPR, 2023
E	Closing Consumer Contribution and Grants for FY 2024-25	528.9	C+D
F	Average Consumer Contribution and Grants	490.9	(C+E)/2

Depreciation

4.170 The Petitioner has considered the rate of depreciation of 4.70% for FY 2024-25 as per the Audited Financial Statements of FY 2022-23. Accordingly, the depreciation for FY 2024-25 is calculated as below:

Table 4-58: Depreciation for FY 2024-25 (₹ Crores)

S.No.	Particulars	Amount	Remarks/Ref.
A	Opening GFA for FY 2023-24	4,679.2	
B	Addition during FY 2023-24	509.0	As per BPR, 2023
C	Opening GFA for FY 2024-25	5,188.2	A+B
D	Additions during FY 2024-25	522.0	Para 4.163 and 4.164
E	Closing GFA for FY 2024-25	5,710.2	C+D
F	Average GFA	5,449.2	Average(C,F)
G	Less: Average Consumer Contribution	490.9	Table 4-57
H	Average GFA net of CC	4,958.3	F-G
I	Average rate of depreciation	4.70%	
J	Depreciation for FY 2024-25	233.0	I*J

S.No.	Particulars	Amount	Remarks/Ref.
K	Opening Accumulated Depreciation for FY 2024-25	2,718.2	Table 3A-39 + ₹ 212.3 Cr for FY24
L	Closing Accumulated Depreciation for FY 2024-25	2,951.2	J+K

4.171 The Petitioner requests the Hon'ble Commission to allow the depreciation as computed above for FY 2024-25.

Means of finance for new investments

4.172 The Petitioner has considered the funding of capitalisation through consumer contribution, debt and equity.

4.173 In accordance with Regulation 1(1) of the Business Plan Regulations, 2023 the fresh assets capitalised on or after 1.4.2023 and its financing is to be governed by Regulation 20, 21, 22 of the Business Plan Regulations, 2023. The assets capitalized as on 31.03.2023 would be governed by earlier Regulations for that respective control period.

4.174 The projected capitalisation during FY 2024-25 has been considered net of consumer contribution which is to be funded in debt-equity ratio of 70:30. Accordingly, the means of finance for capitalization during FY 2024-25 is tabulated below:

Table 4-59: Means of Finance for FY 2024-25 (₹ Crores)

S. No	Particulars	FY 2024-25	Remarks
A	Capitalisation during the year	522.0	Table 4-58
B	Means of finance		
i	Consumer contribution	76.0	Table 4-57
ii	Grants	0	
C	Capitalisation net of Consumer Contribution to be funded through debt and equity	446.0	A-B(i)-B(ii)
i	Equity	133.8	C x 0.3
ii	Debt	312.2	C x 0.7

Working Capital

4.175 The Petitioner has computed the working capital requirement for FY 2024-25 as per Regulation 84 (4) of Tariff Regulations, 2017 as below:

Table 4- 60: Working Capital for FY 2024-25 (₹ Crores)

S. No	Particulars	as per BPR, 2019	as per BPR, 2023	Remarks
A	Annual Revenue Requirement	6,622.0	6,380.1	Table 4-77
B	Receivables equivalent to 2 months of revenue from wheeling charges and sale of electricity	1,103.7	1,063.4	(A)/ 12 X 2
C	Less: Net purchase expenses (incl. Transmission Charges)	4,670.2	4,670.2	Table 4-49
D	Less: One month power purchase expenses (incl. Transmission Charges)	389.2	389.2	(C)/12
E	Total Working Capital	714.5	674.2	(B-D)
F	Less: Opening Working Capital	696.9	661.9	
G	Change in Working Capital	17.6	12.3	(E-F)

4.176 The Petitioner requests the Hon'ble Commission to consider the working capital as indicated above for FY 2024-25.

Regulated Rate Base (RRB)

4.177 For the computation of Regulated Rate Base for FY 2024-25, the Petitioner has bifurcated the computation into two parts:

- RRB as on 31.03.2023
- RRB during FY 2024-25

4.178 Based on the above discussions, the Regulated Rate Base (RRB) till FY 2024-25 has been computed in accordance with norms specified in Business Plan Regulation, 2019 as well as Business Plan Regulation, 2023 as below:

Table 4-61: Regulated Rate Base for FY 2024-25 as per BPR, 2019 (₹ Crores)

Sr. No.	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Remarks
A	Opening GFA	4,679.2	509.0	Table 4-58
B	Opening Accumulated Depreciation incl. AAD	2,505.9	212.3	
C	Opening Consumer Contribution	380.9	72.0	Table 4-57
D	Opening Working Capital	656.5	40.4	Table 3A-39
E	Accumulated Depreciation on De-capitalised Assets	235.7		Table 3A-32
F	Opening RRB	2,684.6	265.2	(A-B-C+D+E)
G	Change in Capital RRB		213.0	(H-I-J)/2
H	Net Capitalisation		522.0	Table 4-58
I	Depreciation		233.0	Table 4-58
J	Consumer Contribution		76.0	Table 4-57
K	Change in Working Capital		17.6	Table 4-60
L	Regulated Rate Base - Closing	2,684.6	495.7	(F+H-I-J+K)
M	RRB (i)	2,684.6	389.2	(F+(G/2)+K)

Table 4-62: Regulated Rate Base for FY 2024-25 as per BPR 2023(₹ Crores)

Sr. No.	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Remarks
A	Opening GFA	4,679.2	509.0	Table 4-58
B	Opening Accumulated Depreciation incl. AAD	2,505.9	212.3	
C	Opening Consumer Contribution	380.9	72.0	Table 4-57
D	Opening Working Capital	656.5	5.4	Table 3A-39

Sr. No.	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Remarks
	Capital			
E	Accumulated Depreciation on De-capitalised Assets	235.7		Table 3A-41
F	Opening RRB	2,684.6	230.1	(A-B-C+D+E)
G	Change in Capital RRB		213.0	(H-I-J)/2
H	Net Capitalisation		522.0	Table 4-56
I	Depreciation		233.0	Table 4-58
J	Consumer Contribution		76.0	Table 4-57
K	Change in Working Capital		12.3	Table 4-60
L	Regulated Rate Base - Closing		455.4	(F+H-I-J+K)
M	RRB (i)	2,684.6	348.9	(F+(G/2)+K)

Equity and Debt

4.179 Equity and Debt upto FY 2024-25 has been considered based on the closing equity and debt upto FY 2022-23 and addition during FY 2023-24 and FY 2024-25 based on capitalization net of consumer contribution in the ratio of 30:70 respectively.

4.180 Accordingly, the average equity and average debt for FY 2024-25 is tabulated below:

Table 4-63: Equity and Debt for FY 2024-25 as per BPR, 2019 (₹ Crores)

S.No.	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Remarks/Ref
Equity				
A	Closing Balance upto FY 2022-23	1,246.4	-	
B	Addition during FY 2023-24	-	131.1	30% of net capitalisation
C	Opening Balance for FY 2024-25	1,246.4	131.1	A+B

S.No.	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Remarks/Ref
D	Addition during FY 2024-25	-	133.8	30% of net capitalisation
E	Closing Balance for FY 2024-25	1,246.4	264.9	C+D
F	Average Equity for FY 2024-25	1,246.4	198.0	(C+E)/2
Debt				
G	Closing Balance upto FY 2022-23	1,641.7	-	
H	Addition during FY 2023-24	-	346.3	i+ii
I	Capex	-	305.9	70% of net capitalisation
II	Working Capital	-	40.4	
I	Repayment	164.2	-	1/10 * G
J	Opening Balance for FY 2024-25	1,477.6	346.3	G+H-I
K	Addition during FY 2024-25	-	329.8	i+ii
I	Capex	-	312.2	70% of net capitalisation
II	Working Capital	-	17.6	
L	Repayment	147.8	34.6	1/10 * J
M	Closing Balance for FY 2024-25	1,329.8	641.5	J+K-L
N	Average Debt for FY 2024-25	1,403.7	493.9	(J+M)/2

Table 4-64: Equity and Debt for FY 2024-25 as per BPR, 2023 (₹ Crores)

S.No.	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Remarks/Ref
Equity				
A	Closing Balance upto FY 2022-23	1,246.4	-	
B	Addition during FY 2023-24	-	131.1	30% of net capitalisation
C	Opening Balance for FY 2024-25	-	131.1	A+B
D	Addition during FY 2024-25	1,246.4	133.8	30% of net capitalisation
E	Closing Balance for FY 2024-25	1,246.4	264.9	C+D
F	Average Equity for FY 2024-25	-	198.0	(C+E)/2

S.No.	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Remarks/Ref
Debt				
G	Closing Balance upto FY 2022-23	1,641.7	-	
H	Addition during FY 2023-24	-	311.3	i+ii
I	Capex	-	305.9	70% of net capitalisation
II	Working Capital	-	5.4	
I	Repayment	164.2	-	1/10 * G
J	Opening Balance for FY 2024-25	1,477.6	311.3	G+H-I
K	Addition during FY 2024-25	-	324.5	i+ii
I	Capex	-	312.2	70% of net capitalisation
II	Working Capital	-	12.3	
L	Repayment	147.8	31.1	1/10 * J
M	Closing Balance for FY 2024-25	1,329.8	604.7	J+K-L
N	Average Debt for FY 2024-25	1,403.7	458.0	(J+M)/2

Rate of Interest on Loan

4.181 In terms of Regulation 77 of the Tariff Regulations, 2017, interest on loan shall be based on weighted average rate of interest for actual loan portfolio subject to maximum of bank rate as on 1st April of the year plus margin as approved by the Hon'ble Commission in Business Plan Regulations for the Control Period.

The Regulation 77 is reproduced as below:

"77. the rate of interest on loan shall be based on weighted average rate of interest for actual loan portfolio subject to the maximum of bank rate as on 1st April of the year plus the margin as approved by the Commission in the Business Plan Regulations for a Control Period... Provided that in no case the rate of interest on loan shall exceed approved rate of return on equity: Provided further that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:

Provided also that if the Utility does not have actual loan then the rate of interest shall be considered at the bank rate plus margin, as specified by the Commission in the Business Plan Regulations, for the notional loan of the relevant control period:

Provided also that the loan availed through open tendering process (Competitive Bidding) among Scheduled Banks, Financial Institutions etc., shall be considered at the rate discovered through open tendering process”

4.182 It is pertinent to note that the MCLR rates during the last 2-3 years has been volatile on account of adverse pandemic condition, however, the Petitioner is bound by the terms and conditions of the Loan agreement with its lender Power Finance Corporation (PFC).

4.183 The Petitioner would also like to apprise the Hon'ble Commission that the interest rate applicable by PFC is based on various parameters and not on the SBI MCLR rate. Since, there is no correlation in the interest rates applicable by the PFC and SBI MCLR rates, the volatility of SBI MCLR rates does not affect the actual finance cost of the Petitioner. A comparison of SBI MCLR and PFC lending rate of the Petitioner is tabulated below:

Table 4-65: Comparison of SBI MCLR & PFC Rates

S.No.	Particulars	FY18	FY19	FY20	FY21	FY22	FY23	as on Oct'23
1	SBI MCLR (1 Yr.)	8.00%	8.15%	8.55%	7.75%	7.00%	8.50%	8.55%
2	PFC lending rate-BYPL	13.50%	13.91%	12.33%	12.18%	12.47%	12.33%	12.33%

4.184 Further, post pandemic, it is evident that PFC is the only lender interested in providing funds in the power distribution section, hence, it would be irrational and unrealistic to limit the norms based on SBI MCLR.

4.185 Further, the margin approved in the Business Plan Regulations 2023 neither anticipate any unexpected situation in future nor it is linked with the current

situation of licensee business of the Petitioner. Hence, it is impractical to cap the margin while determining the rate of interest on loan as per the Regulations.

4.186 Notwithstanding the above, a comparison of provision of other States and CERC with respect to interest rate would reveal that the same is linked to the actual loan portfolio of respective business. A comparative table is tabulated under:

Table 4-66: Comparison of other state provision

Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019	Gujarat Electricity Regulatory Commission (MYT), Regulations 2016	Maharashtra Electricity Regulatory Commission (MYT), 2019	Uttar Pradesh Electricity Regulatory Commission (MYT) Regulation, 2019
32(5) The <u>rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized:</u> ...	38.5 The <u>rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the Generating Company or the Transmission Licensee or SLDC or the Distribution Licensee:</u>	30.5 The <u>rate of interest shall be the weighted average rate of interest computed on the basis of the actual long-term loan portfolio at the beginning of each year:</u> Provided that <u>at the time of Truing-up, the weighted average rate of interest computed on the basis of the actual long-term loan portfolio during the concerned year shall be considered as the rate of interest:</u> ...	23.5 The <u>rate of interest shall be the weighted average rate of interest computed on the basis of the actual loan portfolio at the beginning of each year:</u> Provided that <u>at the time of Truing-Up, the Weighted average rate of interest of the actual long term loan portfolio during the concerned year shall be considered as the rate of interest:</u> ..

4.187 In view of the above submissions, it is humbly prayed that Hon'ble Commission may allow the weighted average rate of interest for FY 2024-25 on the basis of the actual loan portfolio of the Petitioner.

4.188 Without prejudice to the contentions raised by the Petitioner before the Hon'ble Delhi High Court, for FY 2024-25 the Petitioner is considering the rate of interest on capex loan and working capital loan as 12.80% and 11.05% respectively, in accordance with the Business Plan Regulations, 2019 and Business Plan Regulations, 2023.

4.189 Further, as regards interest on working capital loans, Regulation 85 of DERC Tariff Regulations, 2017 states as under:

“85. Rate of Interest on Working Capital shall be considered as the bank rate as on 1st April of the year plus margin as specified by the Commission for the Control Period and shall be trued up on the basis of prevailing bank rate as on 1st April of the respective financial year: Provided that the rate of interest availed through open tendering process (Competitive Bidding) among Scheduled Banks, Financial Institutions etc., shall not be trued up.”

4.190 Without prejudice to the above, the Petitioner has considered the ceiling margin for FY 2024-25 as per Business Plan Regulation, 2019 and Business Plan Regulation, 2023 as stated below:

- a) **BPR, 2019** – Margin for rate of interest on loan considered limiting to 4.25% in accordance with Regulation 22(1) of Business Plan Regulations, 2019.
- b) **BPR, 2023** – Margin for rate of interest on loan considered limiting to 2.50% in accordance with Regulation 22(1) of Business Plan Regulations, 2023.

The Regulation 22(1) of Business Plan Regulations, 2019 is reproduced below:

“22. MARGIN FOR RATE OF INTEREST ON LOAN

(1) The rate of interest on loan for a financial year shall be Marginal Cost of Fund based Lending Rate (MCLR) of SBI as on 1st April of that financial year plus the Margin. The Margin, in terms of Regulation 4(2) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 towards capitalisation of Assets, Working Capital and Regulatory Assets for Distribution Licensee, is allowed as the difference between the weighted

average rate of interest on actual loan portfolio and the MCLR as on 1st April of that financial year:

Provided that the Margin shall not exceed 5.00%, 4.25% and 3.50% for the first, second and third year of the control period, respectively:

Provided further that the rate of interest on loan (MCLR plus Margin) in any case shall not exceed approved base rate of return on equity i.e. 14.00%.”

The Regulation 22(1) of Business Plan Regulations, 2023 is reproduced below:

“22. MARGIN FOR RATE OF INTEREST ON LOAN

(1) The rate of interest on loan for a financial year shall be Marginal Cost of Fund based Lending Rate (MCLR) of SBI as on 1st April of that financial year plus the Margin. The Margin, in terms of Regulation 4(2) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 towards capitalisation of Assets, Working Capital and Regulatory Assets for Distribution Licensee, is allowed as the difference between the weighted average rate of interest on actual loan portfolio and the MCLR as on 1st April of that financial year:

Provided that Weighted Average Rate of Interest for any Financial Year shall be arrived by including the Interest Paid, all Bank Charges, Syndication Fee and other Charges paid during that year for Raising and Maintaining of the respective loans;

Provided that the Margin shall not exceed 3.00%, 2.50% and 2.25% for the first, second and third year of the control period, respectively:

Provided further also that the Rate of Interest on Loan (MCLR plus Margin) in any case shall not exceed Base Rate of Return on Equity minus One (1.00%) percent, accordingly, maximum rate of Interest on Loan for all power utilities shall be 13.00%.

4.191 Thus, the rate of interest on term loan and working capital loan as per Regulation 22(1) of Business Plan Regulations, 2019 and Regulation 22(1) of Business Plan Regulations, 2023 is tabulated below:

Table 4-67: Rate of Interest on Loan (%) as per BPR, 2019 and BPR, 2023

S. No	Particulars	As per BPR, 2019	As per BPR, 2023	Remarks
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S. No	Particulars	As per BPR, 2019	As per BPR, 2023	Remarks
A	SBI MCLR as on Oct'23	8.55%	8.55%	
B	Normative Margin	4.25%	2.50%	As per respective Regulation
C	Margin for Term Loan for FY 2024-25	4.25%	2.50%	Min (A-B,C)
D	Margin for Working Capital Loan for FY 2024-25	4.25%	2.50%	Min (A-D,D)
E	Rate of Interest on Term Loan	12.80%	11.05%	A+C
F	Rate of Interest on Working Capital	12.80%	11.05%	A+D

4.192 Accordingly, the Blended Rate of interest for FY 2024-25 as per Business Plan Regulation, 2019 and Business Plan Regulation, 2023 is as under:

Table 4-68: Blended Rate of interest (%) for FY 2024-25 as per BPR, 2019

S. No	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Remarks
A	Opening Debt	1,477.6	240.3	Table 4-63
B	Opening Working Capital Debt		696.9	Table 4- 60
C	Capex Addition		312.2	Table 4-58
D	Repayment	147.8	93.7	Table 4-63
E	Capex Loan - Closing Balance	1,329.8	458.7	Table 4-63
F	Change in Working Capital		17.6	Table 4- 60
G	Working Capital Loan - Closing Balance		714.5	Table 4- 60
H	Actual/Normative Rate of Interest	12.80%	12.80%	Table 4-67
I	Rate of Working Capital Loan		12.80%	
J	Rate of interest on debt (rd)- Blended	12.80%	12.80%	(ExH+GxI)/(E+G)

Table 4- 69: Blended Rate of interest for FY 2024-25 as per BPR, 2023

S. No	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Remarks
A	Opening Debt	1,477.6	240.3	Table 4-63

S. No	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Remarks
B	Opening Working Capital Debt		661.9	
C	Capex Addition		312.2	Table 4-58
D	Repayment	147.8	90.2	Table 4-63
E	Capex Loan - Closing Balance	1,329.8	462.2	Table 4-63
F	Change in Working Capital		12.3	Table 4- 60
G	Working Capital Loan - Closing Balance		674.2	Table 4- 60
H	Actual/Normative Rate of Interest	11.05%	11.05%	Table 4-67
I	Rate of Working Capital Loan		11.05%	
J	Rate of interest on debt (rd)-Blended	11.05%	11.05%	(ExH+GxI)/(E+G)

Rate of Return on Equity

4.193 As mentioned earlier, subject to pendency / outcome of the Writ Petition before the Hon'ble High Court of Delhi, the Petitioner in this ARR Petition has submitted its claims (to the extent challenged) both in terms of the norms and parameters laid down under the Business Plan, Regulations, 2019 and also under the Business Plan Regulations, 2023. Accordingly, the Petitioner has considered the following Rate of Return on Equity for FY 2024-25:

- BPR 2019** - As 16% for assets capitalised till 31.03.2023 in accordance with Regulation 20 (1) and 20(2) of Business Plan Regulation, 2019.
- BPR 2023** - As 14% for all assets to be capitalised on and from 01.04.2023 in accordance with Regulation 20(1) of Business Plan Regulation, 2023 and 16% for assets capitalised prior to 01.04.2023 in accordance with earlier Regulations for respective control period.

Table 4-70: Return on Equity (%) for FY 2024-25

S.No.	Particulars	FY 2024-25	
		BPR, 2019	BPR, 2023
1	RoE(On assets capitalized upto 31.03.2023)	16%	16%
2	RoE(On assets capitalized on and from 01.04.2023)	16%	14%

4.194 Further, the effective income tax rate of FY 2022-23 has been considered for FY 2024-25.

Weighted Average Cost of Capital (WACC)

4.195 In line with above submission, the detailed computation of WACC as per Business Plan Regulation, 2019 and Business Plan Regulation, 2023 for FY 2024-25 is tabulated as under:

Table 4-71: Weighted Average Cost of Capital (WACC) for FY 2024-25 as per BPR, 2019

S. No	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Remarks
A	Average Equity (₹ Crores)	1,246.4	198.0	Table 4-63
B	Average Debt (₹ Crores)	1,403.7	493.9	
C	Total (₹ Crores)	2,650.1	691.9	(A+B)
D	Return on Equity	16.00%	16.00%	BPR, 2019
E	Effective Tax Rate	25.17%	25.17%	
F	Grossed up Return on Equity	21.38%	21.38%	D/(1-E)
G	Cost of Debt	12.80%	12.80%	
F	Weighted Average Cost of Capital	16.84%	15.26%	((B/C)*D)+((A/C)*G)

Table 4-72: Weighted Average Cost of Capital (WACC) for FY 2024-25 as per BPR, 2023

S. No	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Remarks
A	Average Equity (₹ Crores)	1,246.4	198.0	Table 4-63
B	Average Debt (₹ Crores)	1,403.7	458.0	
C	Total (₹ Crores)	2,650.1	656.0	(A+B)
D	Return on Equity	16.00%	14.00%	BPR, 2019
E	Effective Tax Rate	25.17%	25.17%	
F	Grossed up Return on Equity	21.38%	18.71%	D/(1-E)
G	Cost of Debt	11.05%	11.05%	
F	Weighted Average Cost of Capital	15.91%	13.36%	((B/C)*D)+((A/C)*G)

4.196 The Petitioner requests the Hon'ble Commission to consider the WACC for FY 2024-25 as above while determining the ARR for FY 2024-25.

Return on Capital Employed (RoCE)

4.197 The Petitioner has computed RoCE during FY 2024-25 based on the norms specified by the Hon'ble Commission in BPR, 2023 and BPR, 2019 as under:

4.198 The Petitioner has computed RoCE during FY 2024-25 as under:

Table 4-73: RoCE for FY 2024-25 as per BPR, 2019 (₹Crore)

S. No	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Remarks
A	RRB (i)	2,684.6	389.2	Table 4-61
B	WACC	16.84%	15.26%	Table 4-71
C	ROCE	452.0	59.4	(A*B)
D	Total ROCE	511.4		

Table 4- 74: RoCE for FY 2024-25 as per BPR, 2023 (₹Crore)

S. No	Particulars	corresponding to capitalisation upto 31.03.2023	corresponding to capitalisation from 01.04.2023 onwards (during FY 2024-25)	Remarks
A	RRB (i)	2,684.6	348.9	Table 4-62
B	WACC	15.91%	13.36%	Table 4-72
C	ROCE	427.1	46.6	(A*B)
D	Total ROCE	473.7		

Table 4- 75: RoCE for FY 2024-25 (₹Crore)

S. No	Particulars	As per BPR, 2019	As per BPR, 2023
A	ROCE	511.4	473.7

Claim pursuant to Hon'ble APTEL judgment dated 31.08.2021

4.199 On August 31, 2021, Hon'ble APTEL pronounced the Judgment in Appeal No. 06 of 2019 and 34 of 2020 directing the Hon'ble Commission to allow the unspent Consumer Contribution to be refunded by the DISCOMs as an expenditure in the subsequent Tariff Order, which will be recovered through Tariff first and thereafter be refunded to the identified consumers by the DISCOMs within the same Financial Year. The Petitioner by its communication dated 21.09.2021 had submitted the audited information for consideration of the Hon'ble Commission as directed by Hon'ble APTEL and sought allowance of the same in the Tariff for FY 2021-22. However, the Hon'ble Commission while determining the Tariff for FY 2021-22, in Tariff Order dated 30.09.2021 decided to consider the aforesaid issue in the next Tariff Order. Accordingly, the Petitioner in the present ARR has considered the estimated amount of ₹105.8 Crore towards unspent amount of consumer contribution with interest@12% to be allowed by the Hon'ble Commission.

Non-Tariff Income

4.200 The Non-Tariff Income during FY 2024-25 has been considered as per actuals of FY 2022-23 as under:

Table 4- 76: Non-Tariff Income for FY 2024-25 (₹Crore)

S. No	Particulars	FY 2024-25
1	Non-Tariff Income	104.9

Aggregate Revenue Requirement

4.201 Based on the above discussions, the Petitioner has sought the ARR in accordance with Business Plan Regulation 2019 as well as Business Plan Regulation, 2023 for FY 2024-25 as tabulated below:

Table 4-77: Aggregate Revenue Requirement for FY 2024-25 (₹ Crores)

S. No	Particulars	As per BPR, 2019	As per BPR, 2023	Remarks
A	Net Power Purchase Cost including Transmission and SLDC Charges	4,670.2	4,670.2	Table 4-49
B	O&M Expenses	928.2	528.1	Table 4-55
C	Additional Expenses	278.2	474.1	
E	Depreciation	233.0	233.0	Table 4-58
F	Return on Capital Employed (RoCE)	511.4	473.7	Table 4-73 Table 4- 74
G	Claim pursuant to Hon'ble APTEL judgment dated 31.08.2021	105.8	105.8	Para 4.199
H	Sub-total	6,726.9	6,485.0	Sum (A to G)
I	Non-Tariff Income	104.9	104.9	I
J	Aggregate Revenue Requirement	6,622.0	6,380.1	H-I

Revenue Available towards ARR

4.202 The Revenue available towards ARR computed in accordance with Business Plan Regulation, 2019 as well as Business Plan Regulation, 2023 for FY 2024-25, is tabulated as under:

Table 4-78: Revenue towards ARR for FY 2024-25 (₹ Crores)

S. No	Particulars	FY 2024-25
1	Revenue Billed	4,831.8
2	Collection Efficiency	99.50%
3	Revenue available towards ARR	4,807.7

Revenue (Gap)/ Surplus

4.203 Based on the above sub/missions, the Revenue (Gap)/ Surplus for FY 2024-25 in accordance with Business Plan Regulation 2019 and Business Plan Regulation, 2023 is tabulated as under:

Table 4-79: Revenue (Gap) for FY 2024-25 (₹ Crores)

S. No	Particulars	As per BPR, 2019	As per BPR, 2023	Reference
A	ARR for FY 2024-25	6,622.0	6,380.1	Table 4-77
B	Revenue available towards ARR	4,807.7	4,807.7	Table 4-78
C	Revenue (Gap)/ Surplus	(1,814.3)	(1,572.5)	C=B-A
D	Less: Revenue Gap on account of Power Purchase cost proposed to be recovered through PPAC	(1355.9)	(1355.9)	
E	Net Revenue Gap proposed to be recovered through cost reflective Tariff	(458.4)	(216.6)	E=C-D

4.204 Further, the revised Tariff Policy notified by the Central Government under Section 3 of the 2003 Act provides that:

“8.1....

5) At the beginning of the control period when the “actual” costs form the basis for future projections, there may be a large uncovered gap between required tariffs and the tariffs that are presently applicable. This gap should be fully met through tariff charges and through alternative means that could inter-alia include financial restructuring and transition financing.”

Allocation for Wheeling and Retail Business

4.205 Regulation 32 of Business Plan Regulations, 2023 states as under:

“32. RATIO OF ALLOCATION OF ARR INTO WHEELING & RETAIL SUPPLY

The ratio of allocation of ARR into Wheeling & Retail Supply Business in terms of the Regulation 4(9)(e) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 shall be as follows:

Table 17: Retail Business

Particulars	BRPL	TPDDL	BYPL	NDMC
Cost of Power Purchase	100%	100%	100%	100%
Inter-State Transmission charges	100%	100%	100%	100%
Intra-state Transmission charges	100%	100%	100%	100%
SLDC fees and charges	100%	100%	100%	100%
Operation & Maintenance Costs	40%	38%	38%	38%
Depreciation (including AAD)	21%	23%	19%	23%
Return on Capital Employed	26%	28%	28%	28%
Income Tax	26%	28%	28%	28%
Non-Tariff Income	85%	60%	85%	60%

Table 18: Wheeling Business

Particulars	BRPL	TPDDL	BYPL	NDMC
Operation & Maintenance Costs	60%	62%	62%	62%
Depreciation(including AAD)	79%	77%	81%	77%
Return on Capital Employed	74%	72%	72%	72%
Income Tax	74%	72%	72%	72%
Non-Tariff Income	15%	40%	15%	40%

....”

4.206 The Aggregate Revenue Requirement estimated for FY 2024-25 has been allocated into wheeling and retail business in the ratios approved by the Hon'ble Commission in Business Plan Regulations, 2023 as under:

Table 4- 80: Allocation for wheeling and retail business as per BPR, 2019 - FY 2024-25 (₹ Crores)

Particulars	Wheeling	Retail	Total
Cost of Power Procurement	-	4,670.2	4,670.2
Operation and Maintenance expenses (including other expenses)	723.9	482.6	1,206.5
Depreciation	184.1	48.9	233.0
Return on Capital Employed	378.4	133.0	511.4
Other Expense	63.5	42.3	105.8
Less: Non-Tariff Income	15.7	89.2	104.9
Aggregate Revenue Requirement	1,334.2	5,287.8	6,622.0

Table 4-81: Allocation for wheeling and retail business as per BPR, 2023 - FY 2024-25 (₹ Crores)

Particulars	Wheeling	Retail	Total
Cost of Power Procurement	-	4,670.2	4,670.2
Operation and Maintenance expenses (including other expenses)	601.4	400.9	1,002.3
Depreciation	184.1	48.9	233.0
Return on Capital Employed	350.5	123.2	473.7
Other Expense	63.5	42.3	105.8
Less: Non-Tariff Income	15.7	89.2	104.9
Aggregate Revenue Requirement	1,183.8	5,196.4	6,380.1

Carrying cost on revenue gap

4.207 In this regard, the Hon'ble Supreme Court in order dated 15.12.2022 passed in MA No. 633/634 of 2022 in Civil Appeal No. 9003 of 2011 has directed as under:

"14. we direct DERC to allow SBI PLR as provided in table above, on 70% debt component for funding regulatory asset/revenue gap in the ratio of 70:30."

4.208 The Hon'ble Commission has defined the Carrying Cost rate in Regulation 2(16) of Tariff Regulations 2017 which states as under:

"2...(16) "Carrying Cost Rate" means the weighted average rate of interest for funding of Regulatory Asset/ accumulated Revenue Gap through debt and equity in an appropriate ratio ,as specified by the Commission in the relevant Orders.."

4.209 Further, the Hon'ble Commission has specified the rate of Return on Equity as 14% and 13% for computation of Carrying Cost rate in terms of Regulation 20 of the Business Plan Regulations, 2019 and Business Plan Regulations, 2023 respectively.

4.210 Accordingly, subject to the outcome of the Writ Petition pending before Hon'ble High Court of Delhi, the carrying cost rate calculated for FY 2024-25 in

accordance with the Business Plan Regulations, 2019 and Business Plan Regulations, 2023 is as tabulated below:

Table 4-82: Rate of carrying cost for FY 2024-25

S. No	Particulars	FY 2024-25	
		As per BPR, 2019	As per BPR, 2023
1	Rate of Interest	12.80%	11.05%
2	Return on Equity	14.00%	13.00%
3	Carrying cost	13.16%	11.64%

4.211 The Petitioner respectfully submits that the intend to allow carrying cost on Regulatory Asset/ Accumulated Revenue Gap in the ARR is to permit the Discom recovery of its financing cost for the ensuing year in Tariff without any deferment. However, the Petitioner is not able to recover such costs in Tariff as the entire revenue is first utilized to offset the ARR during the year and in case anything is left then only the same can be utilised towards meeting the carrying cost. In such situation there is no carrying cost which is being realized through tariff. Therefore, the carrying cost allowed ought to be recovered through separate surcharge and ought not be clubbed with the ARR/tariffs which is actually meant to address the gap estimated for the ensuing year. This will also enable separate accounting of revenue realised on account of carrying cost.

Sanjeev Singh



BSES
BSES Yamuna Power Limited



Chapter 5 Tariff Proposal

Sanjeev Singh



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5. Tariff Proposal for FY 2024-25

Background

- 5.1 Under Section 62 (1) of the 2003 Act, determination of tariff for Electricity Distribution Business/ Retail Tariff is the sole prerogative of the Hon'ble Commission. Therefore, in the treatment of Revenue Gap as proposed by the Petitioner, the Hon'ble Commission has the final say while finalizing tariff for Wheeling of Electricity and Retail Supply.
- 5.2 Despite various yearly tariff determination exercises undertaken by the Hon'ble Commission in the past, there is huge unrecovered Regulatory Assets which is yet to be realized in terms of recovery through tariffs.
- 5.3 As it is evident from the Petitioner's own past experience, the increase in Regulatory Assets has been mainly on account of legacy of issues including increase in power purchase expenses and other uncontrollable expenses. A comparison of Power purchase cost projected / allowed by the Hon'ble Commission on a year-to-year basis vis-à-vis the actual power purchase cost incurred by the Petitioner for respective financial years (as approved by this Hon'ble Commission during true-up exercise) shows a consistent trend wherein the projected power purchase cost (which is allowed by the Hon'ble Commission in Tariff Determination process) always fell far short of the actual cost that was incurred by the Petitioner, as shown in the table below:

Table 5. 1: Power Purchase Cost-ARR versus Truing-up (₹ Crore)

S. No	Particulars	Power Purchase Cost		
		ARR	True Up#	Deficit
1	FY 2008-09	1268	1282	-14
2	FY 2009-10	1471	1819	-348
3	FY 2010-11	1471	2606	-1135
4	FY 2011-12	2619	3286	-667

S. No	Particulars	Power Purchase Cost		
		ARR	True Up#	Deficit
5	FY 2012-13	2786	3482	-696
6	FY 2013-14	3039	3634	-595
7	FY 2014-15	3070	3701	-631
8	FY 2015-16	3177	3083	94
9	FY 2016-17	3177	3225	-48
10	FY 2017-18	3191	3299	-108
11	FY 2018-19	3143	3283	-140
12	FY 2019-20	3271	3628	-357
13	FY 2020-21	2894	3086*	-192
14	FY 2021-22	5192	4667*	-525
15	FY 2022-23	5192	4403*	-789
	Total	40751	42777	-4654

*. As claimed by the Petitioner in its petition for true up of FY 2020-21, FY 2021-22& FY 2022-23

- 5.4 The only exception being FY 2015-16 during which the Petitioner incurred significantly lower Power purchase cost due to late implementation of CERC's Regulations and entire credit being passed to the Petitioner for the interim period during this financial year. The Hon'ble Commission in the recent past has taken serious efforts towards recovery of the power purchase cost through the PPAC. However, given the COVID-19 situation and power crisis situation there has been a revenue gap in the previous year primarily due to the uncontrollable factors. The Petitioner has endeavoured to raise loans to fund the revenue gap on account of increase in power purchase cost in the past and to the extent of recognised Regulatory Asset. The Regulatory Assets are nothing but cost incurred (inter-alia on account of power purchase cost and other uncontrollable factors) in the previous years by the Petitioner as approved by Hon'ble Commission, which is yet to be

recovered. The Petitioner is continuously requesting the Hon'ble Commission to amortise the Regulatory Assets.

5.5 Despite the Petitioner's best efforts in raising and/or maintaining loan, lenders have been getting increasingly reluctant in extending credit to the Petitioner owing to substantial unamortized Regulatory assets which in turn has a bearing on the credit rating of the Petitioner. The Ministry of Power has recently advised SBI to follow strict prudential norms while lending to DISCOMs warning that the unchecked lending to the financially stressed entities can expose the bank's loan assets to risk. Further, RBI has also time and again cautioned banks on tightening the norms for lending to power sector.

5.6 In view of the aforesaid submissions, it becomes necessary that the Revenue Gap is allowed to be amortised by the Hon'ble Commission in a time bound manner.

Revenue at existing tariff for FY 2024-25

5.7 The methodology adopted for computation of revenue at existing tariffs for FY 2024-25 is detailed in Chapter-4 of this Petition.

5.8 The revenue estimated on account of sales to various consumer categories during FY 2024-25 is tabulated as under:

Table 5.2: Revenue estimated during FY 2024-25 (₹ Crore)

S. No.	Particulars	Fixed Charges (₹ Crores)	Energy Charges* (₹ Crores)	TOD Charges (₹ Crores)	Revenue Billed (₹ Crores)
1	Domestic	219.4	1,857.2	-	2,076.6
1.1	Domestic	206.1	1,793.1	-	1,999.2
1.2	CGHS	1.8	7.2	-	9.0
1.3	DVB Staff	0.2	3.6	-	3.8

S. No.	Particulars	Fixed Charges (₹ Crores)	Energy Charges* (₹ Crores)	TOD Charges (₹ Crores)	Revenue Billed (₹ Crores)
1.4	11 KV (Worship/ Hospitals)	11.3	53.3	-	64.6
2	Non Domestic	524.8	1,403.7	6.1	1,934.6
2.1	Non-Domestic LT (up to 3KVA)	161.9	256.1	-	418.0
2.2	Non-Domestic LT (above 3KVA)	300.5	889.8	4.8	1,195.1
2.3	Non-Domestic HT	62.5	257.8	1.3	321.5
4	Industrial	69.3	306.0	2.8	378.1
4.1	Industrial- LT	57.5	244.8	2.5	304.8
4.2	Industrial-HT	11.8	61.2	0.3	73.3
5	Agriculture & Mushroom Cultivation	0.05	0.05	-	0.10
5.1	Agriculture	0.05	0.04	-	0.09
5.2	Mushroom Cultivation	0.00	0.01	-	0.01
6	Public Utilities	56.6	235.2	1.0	292.8
6.1	Public Lighting	8.6	40.9	0.0	49.5
6.2	Delhi Jal Board (DJB)	29.1	114.4	-0.3	143.1
6.3	DMRC	18.9	79.9	1.3	100.1
7	E-Rickshaw/E-Vehicle	-	42.0	0.8	42.7
8	Advertisement/Hoarding	0.2	0.04	-	0.2
9	Others	25.0	81.7	-	106.7
	Total	895.4	3,925.8	10.7	4,831.8
	Revenue Realised @ 99.5% Collection Eff.				4,807.7

* Energy charges is net of Voltage Rebate as approved by the Hon'ble Commission in its Tariff Order dated 30.09.2021.

Revenue (Gap)/ Surplus for FY 2024-25 at Existing Tariffs

5.9 The Revenue (Gap)/ Surplus for FY 2024-25 at Existing Tariffs is tabulated as under:

Table 5. 3: Revenue (Gap)/ Surplus at Existing Tariff for FY 2024-25 (₹ Crore)

S. No	Particulars	As per BPR, 2019	As per BPR, 2023	Reference
A	Revenue Requirement for the year (excluding carrying cost)	6,622.0	6,380.1	Table 4- 81
B	Revenue at existing tariff	4,807.7	4,807.7	Table 4-80 (Total x 99.50%)
C	Revenue (Gap)/ Surplus for the year	(1,814.3)	(1,572.5)	B-A
D	Less: Revenue Gap on account of Power Purchase cost proposed to recovered through PPAC	(1355.9)	(1355.9)	
E	Net Revenue Gap proposed to be recovered through cost reflective Tariff	(458.4)	(216.6)	E=C-D

Cost of Service Model

- 5.10 As regards to the ratio of allocation of ARR into Wheeling and Retail Supply, Regulation 32 of DERC (Business Plan) Regulations, 2019 states as under:

“32. Ratio of Allocation of ARR into Wheeling & Retail Supply

The ratio of allocation of ARR into Wheeling & Retail Supply Business in terms of the Regulation 4(9) (e) of the DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 shall be as follows:

Table 17: Retail Business

Particulars	BRPL	TPDDL	BYPL	NDMC
Cost of Power Purchase	100%	100%	100%	100%
Inter-State Transmission Charges	100%	100%	100%	100%
Intra-State Transmission Charges	100%	100%	100%	100%
SLDC fees and charges	100%	100%	100%	100%
Operation & Maintenance Costs	40%	38%	38%	38%
Depreciation (including AAD)	21%	23%	19%	23%
Return on Capital Employed	26%	28%	28%	28%
Income Tax	26%	28%	28%	28%
Non Tariff Income	85%	60%	85%	60%

Table 18: Wheeling Business

Particulars	BRPL	TPDDL	BYPL	NDMC
Operation & Maintenance Costs	60%	62%	62%	62%
Depreciation (including AAD)	79%	77%	81%	77%
Return on Capital Employed	74%	72%	72%	72%
Income Tax	74%	72%	72%	72%
Non Tariff Income	15%	40%	15%	40%

....”

- 5.11 The Hon’ble Commission in Regulation 32 of Business Plan Regulations, 2023 has continued the same allocation of ARR, as above.
- 5.12 Considering the aforesaid ratios, the Petitioner has bifurcated the ARR into Retail and Wheeling Business as per the Table given below:

Table 5. 4: Allocation of ARR into Retail and Wheeling Business as per BPR, 2019 (₹ Crore)

Particulars	Wheeling	Retail	Total
Cost of Power Procurement	-	4,670.2	4,670.2

Particulars	Wheeling	Retail	Total
Operation and Maintenance expenses (including other expenses)	723.9	482.6	1,206.5
Depreciation	184.1	48.9	233.0
Return on Capital Employed	378.4	133.0	511.4
Other Expense	63.5	42.3	105.8
Less: Non-Tariff Income	15.7	89.2	104.9
Aggregate Revenue Requirement	1,334.2	5,287.8	6,622.0

Table 5.5: Allocation of ARR into Retail and Wheeling Business as per BPR, 2023 (₹ Crore)

Particulars	Wheeling	Retail	Total
Cost of Power Procurement	-	4,670.2	4,670.2
Operation and Maintenance expenses (including other expenses)	601.4	400.9	1,002.3
Depreciation	184.1	48.9	233.0
Return on Capital Employed	350.5	123.2	473.7
Other Expense	63.5	42.3	105.8
Less: Non-Tariff Income	15.7	89.2	104.9
Aggregate Revenue Requirement	1,183.8	5,196.4	6,380.1

5.13 Accordingly, the Petitioner requests the Hon'ble Commission to consider the aforesaid allocation into wheeling and retail supply business.

Tariff Proposal

5.14 The Petitioner has estimated the revenue deficit of ₹1814.3 Crore and ₹1572.5 Crore for FY 2024-25 at existing tariff as per Business Plan Regulations, 2019 and Business Plan Regulations, 2023 respectively.

5.15 The reasons for such deficit are listed as under:

- a. Existing consumer mix which has resulted in a lower distribution margin of the Petitioner as compared to its peers; High power purchase and transmission cost due to increased costs approved by CERC or as anticipated by Gencos & Transcos in their

- respective petitions before CERC;
- b. High Power Purchase and Transmission cost due to non-availability of power across India, which resulted into power crisis due to coal availability, high gas and short term prices.
 - c. Migration of cross subsidizing consumers to nearby NCR cities resulting into increase in ACOS and ABR gap;

Table 5.6: ABR Comparison (₹/kWh) of Cross Subsidizing Consumers in NCR cities

Particulars	Industrial	Non-Domestic
Delhi (BYPL)	9.42	11.39
Punjab	7.64	8.44
Uttar Pradesh	8.26	9.58
Himachal Pradesh	5.64	6.19
Madhya Pradesh	7.55	9.45

- d. Tariffs being not reflective of their cost of supply, which make high end consumer(s) susceptible to open access, adversely impacting the revenue realization of the Petitioner;
- e. Increase in uncontrollable O&M Expenses due to statutory pay revision of employees.

5.16 The revenue gap is primarily on account of Power Purchase Cost which is not within the reasonable control of the Petitioner. The other contributing factors include (i) lower revenue on account of lower tariff recovery i.e. non cost reflective tariff (ii) higher sales in cross subsidized categories and (iii) gap on account of financing of huge accumulated deficit.

5.17 To address the revenue gap indicated above and to fully meet the tariff requirement of the Petitioner, it is proposed that:

- a) The revenue gap of ₹1355.9 Crore, difference between the power purchase cost projected for FY 2024-25 in the instant petition and that approved in the Tariff Order dated 30.09.2021 for ARR year, is proposed to be recovered through additional PPAC during FY 2024-25.
- b) Balance revenue gap of ₹458.4 Crore in terms of Business Plan Regulations, 2019 and ₹216.6 Crore in terms of Business Plan Regulations, 2023 is proposed to be recovered through a cost reflective tariff.
- 5.18 Accordingly, the Hon'ble Commission is requested to determine a cost reflective tariff.
- 5.19 Provide tariff entitlements of the Petitioner, accruing out of implementation of Hon'ble Supreme Court's Judgments dated 01.12.2021 and 18.10.2022 and Order dated 15.12.2022, Judgments / Orders of Hon'ble APTEL as well as own Orders of the Hon'ble Commission.
- 5.20 Give effect to all orders/directions/ judgments that are issued by the Hon'ble Supreme Court and the Hon'ble APTEL or including directions that may be passed by the Superior Courts (Hon'ble Supreme Court of India, Hon'ble Delhi High Court and Hon'ble APTEL) during the pendency of this petition and grant reliefs in terms of the directions therein.

Other Proposal on Tariff

Implementation of Regulation-130, Regulation-131 and Regulation-132 of DERC Tariff Regulations, 2017

- 5.21 Regulation-130, 131 and 132 of DERC Tariff Regulations, 2017 states as under:

“130. The Fixed Charge of the Distribution Licensee shall consist of the following components:

- (a) Capacity Charges of Generating Stations as approved/adopted by the appropriate Commission;*
- Capacity Charges of Transmission Licensee including Load Dispatch Charges Stations as approved/adopted by the appropriate Commission;*
- Fixed Cost of Distribution Licensee:*
 - (i) Return on Capital Employed;*
 - (ii) Depreciation; and*
 - (iii) Operation and Maintenance expenses.*

131. The Variable Charge of a Distribution Licensee shall consist of the following components:

- (a) Energy Charges (Power Purchase Cost excluding Capacity Charges);*
- (b) Trading Margin, if any, ; and*
- (c) Open Access Charges, if any.*

132. The Commission shall design the Tariff Schedule, indicating Tariff for various categories of consumers in the area of the Distribution Licensee, in the relevant Tariff Order in order to enable recovery of ARR.”

- 5.22 The Hon'ble High Court of Delhi in its judgment in W.P.(C) 12260/2018 dated September 17, 2019 also held that the fixed charges are meant for varieties of infrastructure installations by the distribution licensee. The relevant extracts of judgment dated September 17, 2019 are reproduced below:

“11. By no stretch of imagination, can it be said that Section 45(3)(a) of the Electricity Act, 2003 is violative of any of the provisions of Constitution or of the Electricity Act, 2003, as contended by the petitioner in person. On the contrary, looking to the provisions of the Electricity Act, 2003 the fixed charges are to be levied for the purposes

as stated hereinabove, i.e., for the infrastructure, which is to be provided by the respondents. In fact, huge infrastructure is required for the distribution of the electricity. It is also submitted by the counsel for respondent nos. 5 and 6 **that fixed charges are meant for varieties of infrastructure installations by the distribution company, which includes the generator installation, transformer installation, grid sub-station, distribution, lines and wires etc. Moreover, the distribution company has to pay the similar type of fixed charges to the generating company.** Thus, fixed charges are part and parcel of the composite tariff to be fixed by the Delhi Electricity Regulatory Commission. Thus, the philosophy behind the fixed charges to be levied, is scientific in nature. It is meant for compensating the fixed installation cost, to be incurred by generating company and distribution company; therefore, it is made part and parcel of the tariff to be fixed by the Delhi Electricity Regulatory Commission. Even otherwise, petitioner is at liberty to challenge the tariff order fixed by the Delhi Electricity Regulatory Commission in accordance with law before the appropriate forum.”

- 5.23 As evident from above, the fixed charges ought to include all fixed costs and energy charge ought to include all variable costs. Further, the Hon'ble Commission in February 2018 had issued Approach Paper for “*Tariff Rationalization*” to simplify the tariff structure and create conditions conducive for competition in Retail Supply of Electricity. Based on its approach in abovementioned paper, Hon'ble Commission in Tariff Order dated March 28, 2018 re-structured the fixed and variable charges with an attempt to have minimal impact on the consumers' bill. The relevant paras of Approach Paper elaborating the rationale for “*Tariff Rationalization*” is extracted as under:

“Ideally the fixed cost should be recovered through fixed charges and variable cost should be recovered through energy charges of the tariff respectively. However, the present retail tariff applicable in most of the states in India includes only a part of the fixed cost into recovery as fixed charges, whereas major portion of the fixed cost is recovered through energy charge component of the retail tariff. This kind of tariff structure leads to mismatch in the cash flow of the utilities as the Distribution Licensee have obligations to pay fixed monthly charges to GENCOs & TRANSCO

irrespective of the quantum of power procured besides their own fixed cost liabilities.

As the major part of fixed cost is recovered through energy charges and the monthly collection on account of energy charge is dependent on sales, which varies by more than 50% due to seasonal/weather conditions i.e., sales is maximum in Summer season & minimum in Winter season, therefore there is always a mismatch between the real fixed cost liability v/s the amount collected thereof through tariff.

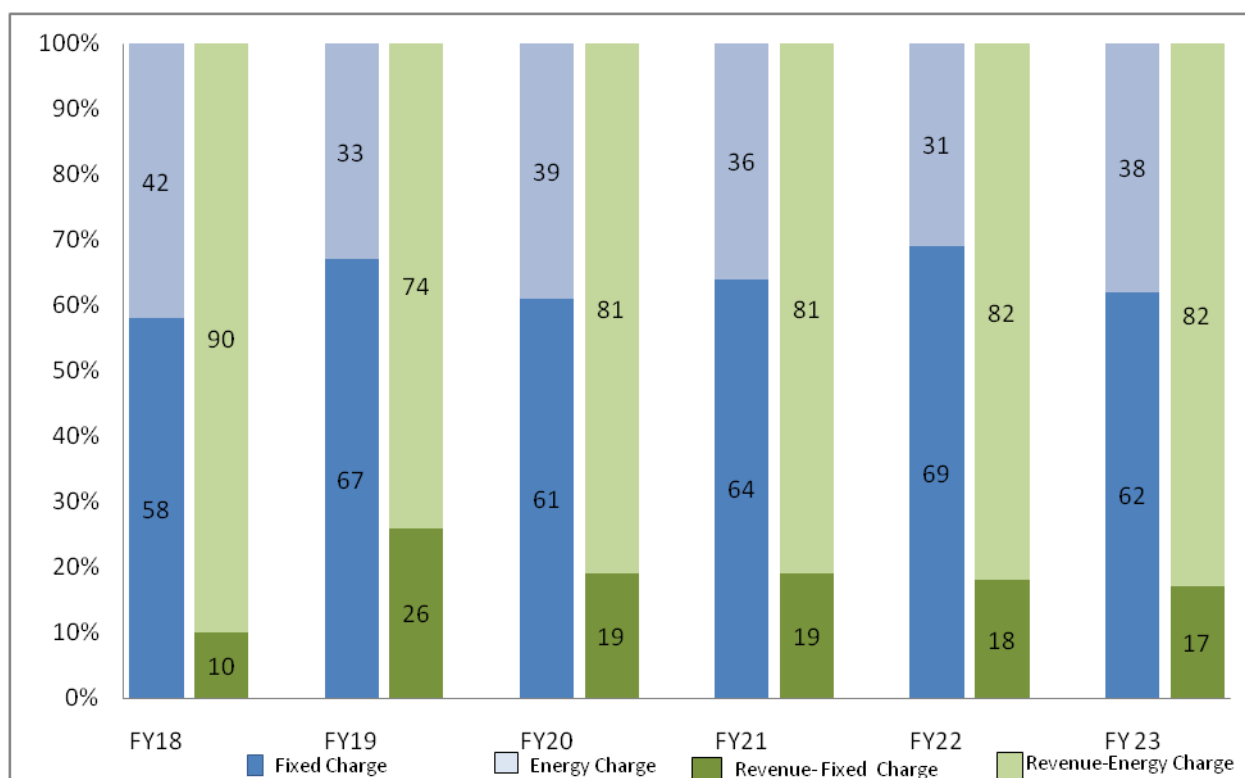
Ministry of Power constituted two committees for simplification of tariff categories of consumers and rationalization of tariff structure and Price Waterhouse Coopers (PwC) has been appointed as a consultant to assist for the assignment. During the combined meeting of the committees at Ministry of Power on 8th December, 2016, PwC had presented an analysis on the present cost and revenue component of the distribution licensees prevalent in the state of Maharashtra. It is observed from the ARR that total fixed cost in the ARR is 45% to 55% against revenue from fixed charges of 10% to 15% whereas variable cost component in ARR is 45% to 55% against revenue from variable charges of 80% to 85%.

...
Taking a cue from the above study, the Commission has analyzed the present cost and revenue component of the distribution licensees prevalent in the state of Delhi and it is observed from the ARR that total fixed cost in the ARR is 45% to 55% against revenue from fixed charges of 8% to 10% only. Whereas variable cost component in ARR is 45% to 55% against revenue from variable charges of 90% to 92%.

...
It is pertinent to state that major reason of variation in cost breakup of Delhi and Maharashtra is due to reasons like Majority of power required is generated within the state of Maharashtra whereas in Delhi Majority of power required is procured from outside Delhi."

- 5.24 Accordingly, the Hon'ble Commission had revised the fixed to energy charge ratio from 10:90 to 26:77 (S.No.1 of table below) in Tariff Order dated March 28, 2018. Thereafter, the condition has deteriorated instead of improvement from 26:74 (in FY 2018-19) to 18:82 (in FY 2021-22) 17:82 (in FY 2022-23) as tabulated below:

Table 5. 7: Fixed to Variable Cost (Cost Vs Revenue)



S. N o.	Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
		Tariff Order dated 31.08.2017	Tariff Order dated 28.03.2018	Tariff Order dated 31.07.2019	Tariff Order dated 28.08.2020	Tariff Order dated 30.09.2021	As per actual
1	Fixed cost to Energy cost ratio	58:42	67:33	61:39	64:36	69:31	62:38
3	Fixed to energy charges ratio (Revenue)	10:90	26:74	19:81	19:81	18:82	17:83

5.25 The detailed breakup of the actual ratio of fixed charges to energy charges based on actual revenue billed during FY 2022-23 and fixed cost to variable cost based on the actual ARR claim for FY 2022-23 is tabulated below:

Table 5. 8: Trued Up ARR and Revenue for FY 2022-23 – Fixed and Variable Components (₹ Crore)

Particulars	FY 2022-23 (Actual)		
	Total	Fixed	Variable
ARR cost for FY 2022-23			
Purchase of power including Transmission and SLDC Charges:			
- Capacity/ Variable Charges of Generating Stations	3875.2	1196.13	2679.1
- Capacity Charges of Transmission Licensee	863.7	863.7	
- Short Term Power Purchase	658.4		658.4
- Short Term Power Sales	955.5		955.5
- Other Charges	38.5		38.5
Total Power Purchase Cost	4403.3	2059.8	2343.5
O&M Expenses	970.7	970.7	
Depreciation	195.8	195.8	
Return on Capital Employed (RoCE)	415.1	415.1	
Less: Non-Tariff income	101.5	101.5	
Less: Income from Open Access	22.9		22.9
Aggregate Revenue Requirement excluding carrying cost	5860.5	3539.9	2320.6
Add: Carrying cost	280.2	280.2	
ARR including Carrying Cost	6140.7	3820.1	2320.6
		62	38
A. Fixed cost to variable cost ratio		62:38	
Total Revenue billed (excluding surcharge & E-Tax and excluding PPAC)	5393.8	915.0	4478.8
B. Fixed to Energy charges ratio		17:83	

5.26 Even in the neighbouring states like Uttar Pradesh, the fixed to variable component in revenue is better to 21:79 as tabulated below:

Table 5- 9: Fixed to Variable ratio in Uttar Pradesh

Particulars	Tariff Order dated March 24, 2023 by UPERC for State Discoms
Fixed to variable charges ratio(Revenue)	21:79
Fixed cost to variable cost ratio	55.35

- 5.27 Thus, the Petitioner requests the Hon'ble Commission to determine fixed and variable charges in accordance with Regulation-130 and 131 of DERC Tariff Regulations, 2017, so that fixed cost should be recovered through fixed charges and variable cost should be recovered through energy charges of the tariff respectively.

Time bound recovery of Regulatory Assets/ Revenue Gap

- 5.28 As regards recovery of Regulatory Assets, Clause-8.2.2 of Tariff Policy 2016 states as under:

“8.2.2 The facility of a regulatory asset has been adopted by some Regulatory Commissions in the past to limit tariff impact in a particular year. This should be done only as a very rare exception in case of natural calamity or force majeure conditions and subject to the following:

- a. Under business as usual conditions, no creation of Regulatory Assets shall be allowed;*
- b. Recovery of outstanding Regulatory Assets along with carrying cost of Regulatory Assets should be time bound and within a period not exceeding seven years. The State Commission may specify the trajectory for the same.”*

- 5.29 As stated above, the Regulatory Assets along with carrying cost if created as a very rare exception in case of natural calamity or force majeure conditions, is to be recovered within a period of maximum 7 years.
- 5.30 The Hon'ble Commission vide affidavit dated May 01, 2014 had submitted a liquidation plan before Hon'ble Supreme Court for amortisation of Regulatory assets within a period of 7-8 years through 8% surcharge. As per the amortisation plan, the Regulatory Assets recognised till FY 2011-12, i.e., ₹2855 Crore was to be amortised by FY 2020-21.

- 5.31 The Hon'ble Commission in latest Tariff Order dated September 30, 2021 has itself recognised Regulatory Assets of ₹ 3111 Crore till FY 2019-20. It is pertinent to note that the Hon'ble Commission in Tariff Order dated September 30, 2021 has maintained the Tariff at same level as was approved in Tariff Order dated August 28, 2020, and thereafter no tariff order has been approved. Such Regulatory Assets have accumulated despite the fact that the Petitioner has actively taken steps to bring down the uncontrollable power purchase costs through re-allocation/ surrender of costly PPAs and substantial loss reduction.
- 5.32 Also, Tariff Orders issued by the Hon'ble Commission itself show that 8% Regulatory Asset Surcharge towards recovery of past accumulated deficit is not sufficient as tabulated below:

Table 5- 10: Revenue (Gap)/Surplus of BYPL as approved in past Tariff Orders (₹ Crore)

S.No.	Particulars	TO dated July 31, 2019 upto FY 2017-18	TO dated August 28, 2020 upto FY 2018-19	TO dated September 30, 2021 upto FY 2019-20
1	Opening Regulatory Assets	(2,906.2)	(2,677.0)	(2,292.0)
2	Impact of Past Period True Up	(132.9)	(169.0)	(869.1)
3	Gap during the year	335.6	503.0	65.5
4	Revenue from 8% surcharge	377.1	382.0	376.7
5	Carrying Cost	(350.9)	(331.0)	(369.4)
6	Closing Regulatory Assets	(2,677.2)	(2,292.0)	(3,110.9)

- 5.33 As evident from the above, the currently applicable 8% Regulatory Asset surcharge is not sufficient to recover the Regulatory Asset along with the carrying cost approved by the Hon'ble Commission till FY 2019-20 in its tariff order dated 30.09.2021.

5.34 Further, the Petitioner vide its letter no RA/BYPL/2021-22/16 dated April 16, 2021 has already submitted to the Hon'ble Commission that the MoP while ensuring the timely payments to Gencos has also taken cognizance of the financial position of the Petitioner. In order to ensure viability of the financially stressed the Petitioner, the MoP by its communication dated April 01, 2021 issued to CERC and SERCs has directed as under:

"6. It has been brought to the notice of the Government that despite above explicit legal provisions, there are significant delays in issuance of tariff orders by some {of} the State Commissions. Regulatory Assets are being created by some of the State Electricity Regulatory Commissions as a matter of routine. This is against the letter and spirit of the law and not only negatively impacts financial of the Distribution licensees and their business sustainability but is also prejudicial to the public interest as the DISCOMs do not have enough money to buy power or maintain the distribution system. As per the PRAAPTI portal, as on 28.02.2021, the overdue outstanding amounts to GENCOs payable by DISCOMs has crossed Rs.1,24,437 crore. The outstanding loans of distribution utilities is in the range of Rs.6,00,000 crore. The average gap of retail tariff vis-a-vis the annual revenue requirement is in the range of 72 paise per unit (2018-19). The regulatory assets is of the order of Rs. 77,939 crore.

7. In view of the legal provisions in the Electricity Act 2003, and the Tariff Policy 2016,

i. All Tariff Orders of the licensees and the generating companies are issued before 1st April of the tariff year.

ii. No creation of Regulatory Assets under business as usual conditions.

Recovery of outstanding Regulatory Assets along with its carrying cost should be time bound and as per the period defined in the Tariff Policy 2016.

*8. The Central Commission and State Commissions are requested to send **the status of compliance of above provisions, as applicable, by 31st May every year.**"*

5.35 The aforesaid directions are in consonance with the Hon'ble Tribunal Judgment in O.P. 1 of 2011 dated November 11, 2011, which requires determination of Tariff before 1st April of the ensuing year and Regulatory Asset should not be created as a matter of course except where it is

justifiable, in accordance with Tariff Policy and Regulations. The recovery of the Regulatory Asset should be time bound and within a period not exceeding seven years. Carrying cost of the Regulatory Asset should be allowed to the utilities in the true up/ARR of the year in which the Regulatory Assets are created to avoid problem of cash flow to the distribution licensee.

- 5.36 Further, Ministry of Power in its recent Letter No. F.No.07/01/2021-RCM-Part (1) dated November 11, 2022 has directed all SERCs/JERC/s of all the States/UTs for determination of cost reflective tariff and liquidation of RA, to comply with the provision of Electricity Act, 2003 and Tariff Policy and directions of the Hon'ble Tribunal and the Hon'ble Supreme Court. The Ministry of Power has specifically stated that:

*"It is observed that large Regulatory Assets have been created by some Commissions, without specifying the mandatory trajectory for recovery of such Regulatory Assets. This is in contravention of the law. The State Commissions are required to comply with the provisions of the Electricity Act, 2003 and the Tariff Policy and lay down a trajectory for recovery of Regulatory Assets along with carrying costs. **The State Commissions should also ensure that no fresh Regulatory Assets are created. The State Commissions should ensure that the provisions of the Electricity Act and the Tariff Policy, and directions of Hon'ble APTEL and Hon'ble Supreme Court are implemented.***

*For the financial viability of the Distribution licensees and the whole power sector, it is essential that the Regulatory Assets are liquidated at the earliest. It is requested that the latest status of Regulatory Assets and the **plan for liquidation of the same may be submitted to this Ministry within 30 days.***

This issues with the approval of Hon'ble Minister of Power & NRE"

The Ministry of Power has also advised that any wilful violation of the law would come under the ambit of Section 90 (2) (f) of the Electricity Act.

5.37 Further, we would like to submit that similar distribution utilities in other states like Torrent Power Ltd., Adani Electricity Mumbai Ltd., etc. either do not have regulatory asset or negligible amount as compared to regulatory asset of the Petitioner, which is unacceptably high and in turn directly impacts the credit rating of the Petitioner.

5.38 In view of the above directions from MoP and in order to ensure adequate liquidity to meet the MoP's direction, it is very critical that the following prayers are allowed by the Hon'ble Commission:

1. Plan for liquidation of Regulatory Asset
2. No creation of any fresh regulatory assets through cost reflective tariff

5.39 The creation and maintenance of the Regulatory asset for such a long period is against the principles of natural justice to both the petitioner and its consumers. The Petitioner is aggrieved due to the reason that the financial health of the petitioner is adversely affected and the banks are reluctant to disburse any further loans to the petitioner. The consumer of the petitioner is also adversely affected as they are burdened with the past cost.

5.40 In order to ensure recovery of the accumulated Regulatory asset of the Petitioner, the Hon'ble Commission is requested to approve a suitable surcharge for amortization of recognized Regulatory Asset till FY 2019-20 approved in Tariff Order dated 30.09.2021, in terms of Hon'ble APTEL's Judgment dated 14.11.2013 in OP No 1 and 2 of 2012 read with Judgment dated 11.11.2011 in OP 1 of 2011 and the tariff Policy:

Recovery of Tariff Entitlements arising out of various Judgment of Hon'ble Supreme Court/ Hon'ble APTEL/ Hon'ble Commission through a separate surcharge

- 5.41 The Petitioner would like to request the Hon'ble Commission to approve the tariff entitlements of the Petitioner, arising out of implementation of Hon'ble Supreme Court's Judgments dated 01.12.2021 and 18.10.2022 and Order dated 15.12.2022, Judgments / Orders of Hon'ble APTEL as well as own Orders of the Hon'ble Commission that are existing as on date or are being pronounced during the pendency of this petition, to be allowed to be recovered in 7 years on the analogy for amortization of Regulatory Asset under the Tariff Policy 2016, through a separate surcharge over and above the existing surcharge with immediate effect. This would ensure a timely recovery and identification of the legitimate cost of the petitioner along with the carrying cost.

Removal of capping and allowance of Short Term Purchase in PPAC:

- 5.42 Clause-5.11 (h) (4) of Tariff Policy, 2016 states as under:

"Uncontrollable costs should be recovered speedily to ensure that future consumers are not burdened with past costs. Uncontrollable costs would include (but not limited to) fuel costs, costs on account of inflation, taxes and cess, variations in power purchase unit costs including on account of adverse natural events."

As evident from above, the power purchase costs are required to be recovered speedily.

- 5.43 Also the Hon'ble Tribunal in Judgment dated November 11,2011 (OP1 of 2011) has directed the various State Electricity Regulatory Commissions as under:

“65. In view of the analysis and discussion made above, we deem it fit to issue the following directions to the State Commissions:

...

*(vi) Fuel and Power Purchase cost is a major expense of the distribution Company which is uncontrollable. **Every State Commission must have in place a mechanism for Fuel and Power Purchase cost in terms of Section 62 (4) of the Act. The Fuel and Power Purchase cost adjustment should preferably be on monthly basis on the lines of the Central Commission's Regulations for the generating companies** but in no case exceeding a quarter. Any State Commission which does not already have such formula/mechanism in place must within 6 months of the date of this order must put in place such formula/ mechanism. **“(Emphasis added)***

- 5.44 In line with the Tariff Policy 2016 and the Hon'ble Tribunal Judgment dated November 11, 2011, the Petitioner requests the Hon'ble Commission to allow the recovery of uncontrollable power purchase costs on monthly basis.
- 5.45 Further, as per Clause 12 (14) Electricity (Amendment) Rules, 2022 dated December 29,2022, the PPAC shall include recovered on monthly basis. It is also mentioned that while computing the Fuel and Power Purchase Adjustment Surcharge the units procured from Long-term, Medium –term and Short-term Power purchases to be considered. The Clause 12(14) is quoted below:

*“The Appropriate Commission shall within ninety days of publication of these rules, specify a price adjustment formula for recovery of the costs, arising on account of the variation in the price of fuel, or power purchase costs and the impact in the cost due to such variation shall be **automatically passed through in the consumer tariff, on a monthly basis**, using this formula and such monthly automatic adjustment shall be trued up on annual basis by the Appropriate Commission”*

- 5.46 Currently the Petitioner is charging variations in power purchase costs through existing PPAC mechanism on quarterly basis. Recovery of unrecovered power purchase costs for entire quarter actually considerably increases the PPAC surcharge percentage and is levied in bills of consumers during entire next quarter. Recovery of PPAC on monthly basis will actually enable the Petitioner to recover the power purchase costs quickly through considerably less percentage of surcharge and will also be beneficial for consumers as PPAC back-log won't be created. In any case, the Petitioner won't levy PPAC surcharge more than suo-motu limit as specified in Business Plan Regulations and shall seek approval of the Hon'ble Commission in case the variation is more than the suo-motu limit.
- 5.47 Further other states like Madhya Pradesh, Karnataka, etc. have already approved for recovery of PPAC including variation of short term and on monthly basis without any ceiling limit. In this regard, relevant extract of Regulation 9 of the Madhya Pradesh Electricity Regulatory Commission(Terms and Conditions for Determination of Tariff for Supply and Wheeling of Electricity and Methods and Principles for Fixation of Charges) (1stAmendment) Regulations, 2021 is as under:

“3. Amendment to Regulation 9

In Principal Regulations, Regulation 9 shall be substituted as follows:

9.1 The Fuel and power purchase adjustment surcharge (FPPAS) formula has been specified in terms of Section 62(4) of the Act.

9.2 Fuel and power purchase adjustment surcharge shall be calculated and billed to consumers, automatically, without going through regulatory approval process, on a monthly basis, according to the formula, specified by the Commission, subject to true up, on an annual basis:

Provided that the automatic pass through shall be adjusted for monthly billing in accordance with these Regulations:

...

9.3 Fuel and Power Purchase Adjustment Surcharge shall be computed and charged by the Distribution Licensee, in (n + 2)th month,

on the basis of actual variation, in cost of fuel and power purchase for the power procured during the nth month.

...

9.13 Computation of Fuel and Power Purchase Adjustment Surcharge: The formula for Computation of Fuel and Power Purchase Adjustment Surcharge (FPPAS) for nth month is as follows:

$$\text{Monthly FPPAS for } n^{\text{th}} \text{ Month (\%)} = \frac{(A-B) \times C}{\left\{ Z \times \left(1 - \frac{\text{Distribution losses in \%}}{100} \right) \right\} \times \text{ABR}} \times 100$$

Where,

"nth" month means the month in which billing of fuel and power purchase adjustment surcharge component is done. This fuel and power purchase adjustment surcharge is due to changes in fuel and power purchase cost for the power supplied in (n - 2)th month;

A is total units procured from all sources in Cn - 2)th Month (in kWh) including Long-term, Medium-term and Short-term Power purchases (To be taken from the bills issued to Distribution Licensees);

B is bulk sale of power out of total units procured (as per A) in Cn - 2)th Month (in kWh) = (to be taken from provisional accounts to be issued by State Load Dispatch Centre in each month);

C is incremental Average Power Purchase Cost in Rs/kWh = D – E

D is Actual average Power Purchase Cost (PPC) for procurement of A-B units in (n - 2)th month (Rs./kWh) (computed)

E is Projected Average Power Purchase Cost (PPC) from all Sources (Rs. /kWh) (from Retail Supply Tariff Order of respective year);
(Note: D = (power purchase cost of A- Income from power sale of B)/ (A-B))

Z = [(Actual Power purchased from all the sources outside the State in Cn - 2)th Month (in kWh) * (1 - Inter-state transmission losses in % /100) + Actual Power purchased from all the sources within the State (in kWh)] * (1 - Intra-state losses in %/100) - B] in kWh

ABR = Average Billing Rate for the year (to be taken from the Tariff Order in Rs/kWh)

Distribution Losses (in %) = Normative Distribution Losses as given in table under Regulation 26.1.

Inter-state Transmission Losses (in %) = As per Tariff Order."

5.48 Further, Karnataka Electricity Regulatory Commission (Fuel and Power Purchase Cost Adjustment) (First Amendment) Regulations, 2023 provides

recovery of Fuel and Power Purchase Cost Adjustment Charges including variation of short term and on monthly basis as extracted below:

*“Distribution Licensees shall determine the per unit **Fuel and Power Purchase Cost Adjustment recoverable from consumers on the basis of the variation in the fuel and power purchase cost on energy purchased from Generators as specified in Clause 5 of these Regulations duly considering the incremental gain or loss incurred on the sale of purchased power through Energy Exchanges or Other Agencies over the actual average power purchase cost incurred for the relevant month.**”*

- 5.49 Hence, in line with the above rule as mentioned in Clause 12(14) of the Electricity (Amendment) Rules, 2022, Petitioner proposes that the Hon'ble Commission may devise a mechanism where the formula for recovery of PPAC be appropriately modified to allow recovery of variation in power purchase costs including short term purchases on a monthly basis without any ceiling limit.
- 5.50 It is further prayed to adjust the gap between the power purchase cost projected for FY 2024-25 in the instant petition and that approved in the Tariff Order dated 30.09.2021 for ARR year, through suitable additional PPAC during FY 2024-25.

Cross subsidy as per Tariff Policy

- 5.51 Section 61(g) of Electricity Act 2003 mandates that Appropriate Commission while determining tariff shall be guided by the objective that the Tariff progressively reflects the cost of supply of electricity and also reduces and eliminates cross subsidies within the specified period. Accordingly, for achieving the objective, the Government of India in Tariff Policy, 2016 has laid down framework for tariff design for distribution that the SERCs would notify a roadmap such that tariffs are brought within

±20% of the average cost of supply. Further, the road map would also have intermediate milestones, based on the approach of a gradual reduction cross subsidy. Following are the relevant clauses of Tariff Policy 2016 regarding the cross subsidization of consumers:

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

It has been widely recognised that rational and economic pricing of electricity can be one of the major tools for energy conservation and sustainable use of ground water resources.

In terms of the Section 61(g) of the Act, the Appropriate Commission shall be guided by the objective that the tariff progressively reflects the efficient and prudent cost of supply of electricity.

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 cross subsidizing 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.

Accordingly, the following principles would be adopted:

1. Consumers below poverty line who consume below a specified level, as prescribed in the National Electricity Policy may receive a special support through cross subsidy. Tariffs for such designated group of consumers will be at least 50% of the average cost of supply.

2. For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy.

3. While fixing tariff for agricultural use, the imperatives of the need of using ground water resources in a sustainable manner would also need to be kept in mind in addition to the average cost of supply. Tariff for agricultural use may be set at different levels for different parts of a state depending on the condition of the ground water table to prevent excessive depletion of ground water. Section 62 (3) of the Act provides that geographical position of any area could be one of the criteria for tariff differentiation. A higher level of subsidy could be considered to support poorer farmers of the region where adverse ground water table

condition requires larger quantity of electricity for irrigation purposes subject to suitable restrictions to ensure maintenance of ground water levels and sustainable ground water usage.

4. Extent of subsidy for different categories of consumers can be decided by the State Government keeping in view various relevant aspects. But provision of free electricity is not desirable as it encourages wasteful consumption of electricity. Besides in most cases, lowering of water table in turn creating avoidable problem of water shortage for irrigation and drinking water for later generations. It is also likely to lead to rapidrise in demand of electricity putting severe strain on the distribution network thus adversely affecting the quality of supply of power. Therefore, it is necessary that reasonable level of user charges is levied. The subsidized rates of electricity should be permitted only up to a pre-identified level of consumption beyond which tariffs reflecting efficient cost of service should be charged from consumers. If the State Government wants to reimburse even part of this cost of electricity to poor category of consumers the amount can be paid in cash or any other suitable way..."

The Tariff Policy 2016 mandates SERCs to determine roadmap for reduction of cross subsidy and bring tariff at $\pm 20\%$ of Average Cost of Supply. It is essential that the SERCs perform their statutory role independent of the intervention from the Government. The Cross Subsidy should breach the $\pm 20\%$ limit prescribed in the Tariff Policy. Thereafter, if the State Government wishes, they can always provide the Subsidy under Section 65 of the Electricity Act to any category of consumers. Hence it is essential for the SERCs to determine tariff independently and in- terms of the National Tariff Policy.

- 5.52 The Petitioner would like to bring to the kind notice of the Hon'ble Commission that the cross subsidy in the approved tariff is more than norms as mentioned in the Tariff Policy, 2016. Thus, the Hon'ble Commission has not adhered to the statutory prescription of the Electricity Act, 2003 and Clause 8.3.2 of the Tariff Policy 2016, and therefore, in the

NCT of Delhi cross subsidization of various categories of consumers is not within the prescribed limits and the same is gross violation of the Tariff Policy. A comparative table of cross subsidy approved by the Hon'ble Commission in its tariff order from FY 2019-20 to FY 2021-22 is tabulated below:

Table 5- 11: Comparison of Cross subsidy approved in respective tariff orders

S.No	Category	% Energy Sales	Tariff as % of ACOS		
			Approved in TO dtd 31.07.2019	Approved in TO dtd 28.08.2020	Approved in TO dtd 30.09.2021
		FY 2022-23	FY 2019-20	FY 2020-21	FY 2021-22
1	Domestic	63%	-29%	-32%	-39%
2	Non Domestic	25%	63%	69%	54%
3	Industrial	5%	36%	44%	27%
4	Agriculture and mushroom cultivation	0%	-55%	-45%	-57%
5	Public Utilities (including Public Lighting, DMRC and DJB)	6%	5%	18%	4%
9	E Vehicle	63%	-29%	-32%	-39%

5.53 As depicted from the above table, 63% of consumption is being cross subsidized by 29% Consumption which is one of the major contributors of Revenue Gap.

5.54 The issue related to cross subsidy and tariff simplification has also been addressed in agenda item no 4(a) of 60th Meeting of Forum of Regulator Dated June 23, 2017 which mentions that Domestic category may have within itself three sub-categories i.e. Cross subsidizing, Cross Subsidized, and cross subsidy neutral.

5.55 It is pertinent to mention that as per cross subsidy approved in Tariff Order dated September 30, 2021 by the Hon'ble Commission for FY 2021-22 for

Domestic category is not in line with the EA 2003, NTP and several Judgments of the Hon'ble Tribunal (OP 1 of 2011).

5.56 It is also pertinent to mention that the cross subsidization in tariff structure is comparatively balanced in neighbouring NCR cities and States in northern India. The statewise details of cross subsidy as approved by various State Electricity Regulatory Commissions are as under:

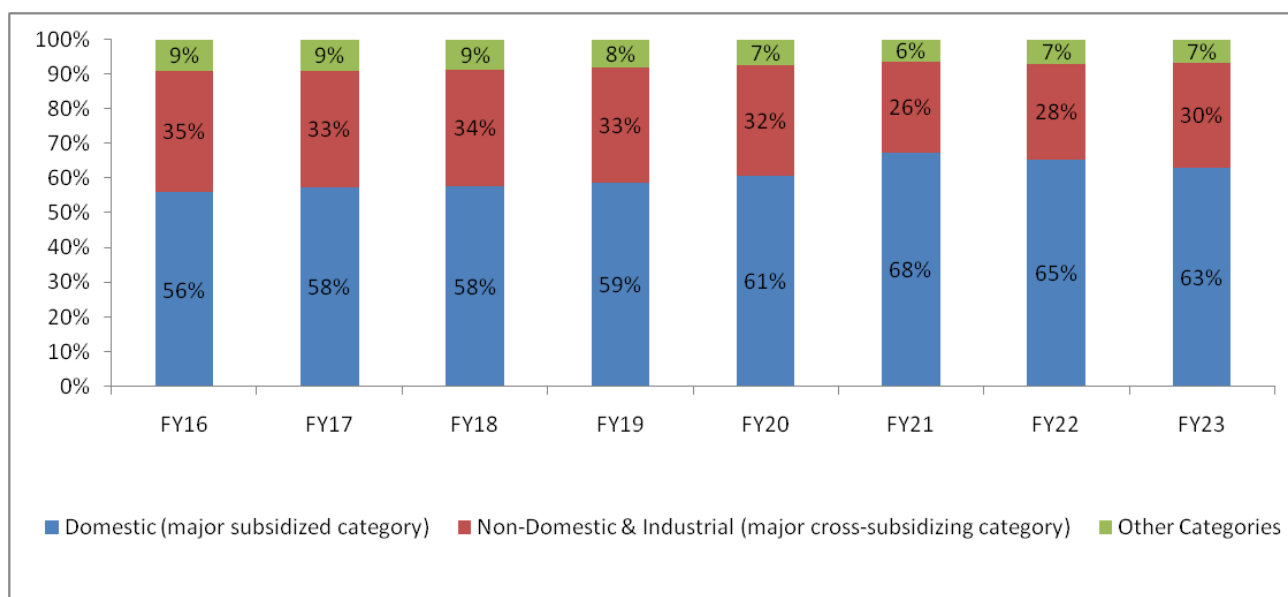
Table 5- 12: Comparison of Cross subsidisation as approved in various States

S.No.	Particulars	BYPL Tariff Order FY 2021-22	Punjab Tariff Order FY 2023-24	Uttar Pradesh Tariff Order FY 2023-24	Uttarakhand Tariff Order FY 2023-24
1	Domestic	-39%	-10%	-4%	-20%
2	Non-Domestic	54%	20%	28%	16%
3	Industrial	27%	9%	11%	9%
4	Agriculture	-57%	-9%	-32%	-64%
5	EV	-39%	-	-2%	-6%

5.57 As seen from above table, the cross subsidization across the tariff categories in Delhi is not in line with the Tariff Policy, 2016 and the tariff for cross subsidizing categories like Non Domestic category is more than 54% of Average cost of Supply of the Petitioner.

5.58 The sales under the cross subsidizing categories like Non Domestic and Industrial categories (which constitutes to around 30% of sales) is stagnant from last 8 years and the growth in cross subsidized categories like domestic category (contributing to around 63% of energy sales of the petitioner) in in continuous increasing trend. This has resulted into lower revenue realization to Petitioner.

Table 5- 13: Sales under Major Cross Subsidized and Subsidizing Categories



5.59 In view of the above, Hon'ble Commission is requested to kindly address the issue of cross subsidization among all categories by restructuring the existing tariff structure. It is also suggested that common tariff may be adopted across all categories of consumer matching with average cost of supply of the Petitioner.

Revision of Security Deposit on 2 months average billing

5.60 The Petitioner is presently charging consumer security deposit as per Regulation 20 of DERC (Supply Code and Performance Standards) Regulations 2017, whereby all new consumers and in case of load enhancement of the existing consumers are to be charged a fixed rate based on their applied load.

5.61 The Hon'ble Commission in its Schedule of Charges and the Procedure (First Amendment) Order, 2017 dated September 28, 2017 approved the

charges for security deposit for various categories of consumers. The relevant extract is reproduced below: -

“1. The table for security deposit under clause 3(1) of the principal order shall be substituted, namely:

S.No.	Tariff Category (as per Tariff Order)	Security Deposit for Permanent Connection (Rs. Per kW or per kVA as the case may be)
(1)	(2)	(3)
1	Domestic	
(i)	Upto 2 KW	600
(ii)	Above 2 kW upto 5 kW	900
(iii)	Above 5 kW	1200
2	Non-Domestic	4500
3	Industrial	4500
4	Agriculture	300
5	Public Lighting	3000
6	Railway, DMRC, DIAL, DJB	3000
7	Mushroom Cultivation	600
8	Advertisement and Hoardings	4500
9	Charging Stations for E-Rickshaw/ E- Vehicle	2500

“

- 5.62 The current methodology of collecting Security Deposit is not equitable. Firstly, it does not have equality between two consumers having same load profile but varying consumption levels. The consumers falling in higher unit slabs end-up paying lesser deposit than what is collected based on the per KW norms as specified by the Hon'ble Commission. Secondly, a consumer who has taken a connection in the past has already paid the security deposit at the then prevailing rate. Since then, the electricity tariff has increased. The security deposit paid by such consumers is inadequate to cover the consumption for period of billing cycle.

5.63 Ideally, Consumer Security deposit has to be linked with the consumption on individual consumer, the prevailing tariff as well as billing cycle. Therefore, it is proposed that the security deposit collected from the consumers to be linked to the consumption profile and applicable tariff of individual consumers i.e. to the bill amount and bill amount equivalent to billing period. The rationale behind charging consumer security deposit is to safeguard the interest of honest paying consumers against any default in payment of electricity dues by defaulting consumers and to protect the revenue of Discoms.

5.64 The security deposit should include the amount corresponding to two months' average billing. The time flow chart from serving of bill to disconnection of consumer in case of default is tabulated below: -

S.No	Particulars	Duration
1	Energy Bill	30 days consumption
2	Due date	15 days
3	Disconnection notice	15 days
Total		60 days

5.65 It is also pertinent to mention that the currently applicable security deposit is not sufficient enough to recover the two months' bill of the consumer. A comparison table of security deposit with two months bill for various category of consumer is tabulated below:-

Table 5. 14: Security Deposit with 2 months billing

Category	Load (KW/KVA)	Existing Security Deposit Rate (Rs/KW or KVA)	Security Deposit (Rs)	Avg of 2 Months Consumption (based on LDHF) (KWh/KVA h)	Avg of 2 months Billed amount (Rs)	Shortfall (Rs)
Domestic Upto 2 KW	2	600	1200	390	1,916	-716
Domestic Above 2 KW to 5 KW	5	900	4500	976	7,097	-2,597
Domestic Above 5 KW	10	1200	12000	1952	19,310	-7,310
Non Domestic	5	4500	22500	3660	51,444	-28,944
Industrial	5	4500	22500	3660	47,228	-24,728
Agriculture	5	300	1500	1525	5,346	-3,846
Public Lighting	5	3000	15000	1464	17,718	-2,718
Railway	5	3000	15000	4392	45,823	-30,823
DMRC	5	3000	15000	3660	38,796	-23,796
DIAL	5	3000	15000	4392	55,941	-40,941
DJB	5	3000	15000	3660	38,796	-23,796
Mushroom Cultivation	5	600	3000	1525	11,129	-8,129
Advertisement & Hoardings	5	4500	22500	3660	51,444	-28,944
Charging Stations for E Vehicle	5	2500	12500	3660	25,295	-12,795

5.66 The Hon'ble Commission is requested to allow revision of security deposit on annual basis for all existing consumers.

5.67 The proposed mechanism will also benefit low end consumers as they will have to pay lower deposits, this methodology is adapted by various SERCs throughout the nation. One such extract of Tamil Nadu Electricity Supply Code Notification No. TNERC/SC/7-24, dated 18.03.2021 is as follows:

“(5) Additional Security Deposit

(i) The adequacy of security deposit may be reviewed and refixed once in a year in case of HT consumers and once in every two years in case of LT consumers taking into account the interest due for credit. Such reviews shall be made in the month of April/May. The rate of interest on the security deposit shall be on the basis of the Commission's directive to the Licensees in this regard.

(ii) The adequacy of security deposit shall be based on the periodicity of billing for the respective category.

(a) For the categories of consumer under monthly billing, the Security Deposit is equivalent to two times of the monthly

average of the electricity charges for the preceding twelve months prior to April.

(b) For the categories of consumer under bi-monthly billing, the Security Deposit is equivalent to three times of the monthly average of the electricity charges for the preceding twelve months."

(c) For the categories of consumer under half yearly billing, the security deposit is equivalent to seven times of the average charges per month."

- 5.68 Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021 also provides for security deposit equivalent to twice the average billing of the billing cycle period as extracted hereunder:

"13. Security Deposit

13.1 Subject to the provisions of sub-section (5) of Section 47 of the Act, the Distribution Licensee may require any person to whom supply of electricity has been sanctioned to deposit a security in accordance with the provisions of clause of sub-section (1) of Section 47 of the Act.

13.2 The amount of the security referred to in Regulation 13.1 above shall be twice the average billing of the billing cycle period. For the purpose of determining the average billing under this Regulation 13.2, the average of the billing to the Consumer for the last Twelve (12) months, or in cases where supply has been provided for a shorter period, the average of the billing of such shorter period, shall be considered:

Provided that for Consumers having quarterly billing cycle, amount of the security shall be 1.5 times the average billing of the billing cycle period:

Provided further that in the case of seasonal Consumers, the billing for the season for which supply is provided shall be used to calculate the average billing for the purpose of this Regulation 13.2:

Provided further that in case of installation of pre-paid meters, the security deposit shall not be collected by the Distribution Licensee and that the Consumer shall be eligible for a rebate/incentive as approved by the Commission for making the prepayment....."

- 5.69 In view of the above, we request the Hon'ble Commission to kindly review the security deposit and allow the security deposit on the basis of average bill of two months.

Lead plus Lag for high voltage consumers

- 5.70 The kVAh consumption of consumer meters is being recorded in lag only mode as per the Hon'ble Commission's directive issued vide letter no. 5284 dated August 27, 2004.
- 5.71 The present KVAh based billing accounts only lagging reactive power. The reactive drawl and injection both occupy the networks capacity and reduce the useful capacity of the distribution system. Therefore, it is proposed to include lead reactive power for billing consumption. Currently, consumers use fixed capacity capacitors extensively for improving power factor but it hampers the installations of the distribution licensee and consumers.
- 5.72 Consumer mostly use of fixed capacitors, bulk compensation on HT in fixed mode, use of substandard controllers having erratic and inconsistent performance, thereby, leading to additional Reactive (lead) Power Charges causing burden on the distribution licensee.
- 5.73 It is important to note that, more particularly, during off peak period, there is hardly any reactive injection, and due to high capacitive injection by high end consumers, the voltage becomes very high and sometimes so much so that it becomes difficult to control the same.
- 5.74 The reactive compensation is effective when it is nearer to the load and the extra reactive compensation by HT consumers cannot be used / compensated against extra reactive energy drawl. Current is higher at lagging or leading power factor as compared to unity power factor and hence losses are also higher. Under leading power factor, excessive over voltages may occur thus endangering the system stability. Also, for serving the same

load, a transformer of higher capacity is required due to increase in current due to leading power factor.

- 5.75 Absence of any punitive measures for overcompensation prompted the consumers to use capacitors indiscriminately, much in excess of their requirements. CEA mandates that power factor of the bulk consumer shall be within ± 0.95 and hence the lead power factor also has to be within prescribed limits and to maintain it, adequate reactive compensation is to be provided and its burden is also on the bulk consumer apart from the distribution licensee.
- 5.76 The most effective remedy to remove such anomaly is to introduce KVAh billing in lag as well lead mode i.e. KVAh consumption in the leading power factor mode has to be taken in account as consumption. Introduction of KVAh metering and tariffs in lead as well lag mode will also encourage the consumers to reduce their electricity bill by ensuring that they do not draw reactive power and switch over to using efficient devices with proper power factor correctors or will install only appropriate capacitors at their premises.
- 5.77 Therefore, to ensure better quality and reliable supply of power for the consumers, it is proposed to charge even the leading power factor cases on KVAh basis so that the injection by high end consumers (11 kV and above) is as per their actual requirement and proper voltage is maintained for all the consumers. It will not only be helpful and beneficial for distribution licensee but also for the concerned consumers.
- 5.78 KVAh metering and tariffs in lead as well lag mode is being adopted by various SERCs like Uttar Pradesh and Maharashtra. UPERC vide its Tariff Order dated. May 24, 2023 for UP Discoms ordered as below:

“kVAh based tariffs’ shall be applicable on all consumers having contracted load of 10 kW / 13.4 BHP and above, under different categories with TVM / TOD / Demand recording meters (as appropriate). The rates prescribed in different categories in terms of kW and kWh will be converted into appropriate kVA and kVAh by multiplying Fixed / Demand Charges and Energy Charges by an average power factor of 0.90. Similarly, the Fixed / Demand Charges expressed in BHP can be converted into respective kVA rates in accordance with formula given below:

*Fixed Charges in kVA = (Fixed Charges in BHP / 0.746) * 0.90*

*Fixed Charges in kVA = (Fixed Charges in kW * 0.90)*

*Energy Charges in kVAh = (Energy Charges in kWh * 0.90)*

The converted rates (i.e. Energy charge in Rs. / kVAh and Fixed / Demand charges in Rs. / kVA) will be rounded up to two decimal places.

Further, for converting energy slabs of different categories specified in kWh to kVAh, average power factor of 0.90 will be used as a converting factor for converting each energy slab (specified in kWh) into energy slabs (in kVAh). The converted energy slabs (in kVAh) will be rounded to next higher kVAh.”

- 5.79 Similarly, Maharashtra Electricity Regulatory Commission vide its Tariff Order dated March 31, 2023 for Adani Electricity Mumbai Limited (Distribution Business) (AEML-D) has directed as under:

“Power Factor Computation

Where the average Power Factor measurement is not possible through the installed meter, the following formula for calculating the average Power Factor during the billing period shall be applied:

$$\text{Average Power Factor} = \frac{\text{Total (kWh)}}{\text{Total (kVAh)}}$$

Wherein the kVAh is = $\sqrt{\sum(\text{KWh})^2 + \sum(\text{RkVAh Lag} + \text{RkVAh Lead})^2}$

Further, average PF so computed can be considered as leading or lagging based on the following test:

If “RkVAh lead” > “RkVAh lag” then “Average P.F.” is to be treated as “Lead P.F.”

If “RkVAh lead” = < “RkVAh lag” then “Average P.F.” is to be treated as “Lag P.F.”

- 5.80 The Petitioner would like to apprise the Hon’ble Commission that the current meters installed at the consumer end can measure both lead and the lag parameter of kVAh billing, however, the recording of leading parameter in kVAh are disabled as per the Hon’ble Commission’s Order August 27, 2004. Thus, for the purpose of billing, Petitioner records only the lag parameter from the meter reading. On pilot basis, Petitioner would install a parallel/check meter for the purpose of recording lead plus lag consumption for few sets of consumers. The analysis would be submitted in due course.
- 5.81 Hence, the Petitioner requests to the Hon’ble Commission to introduce KVAh billing in both lag and lead mode.

Fixed charges on Sanctioned Load/ Contract Demand or MDI (Whichever is higher) for Domestic Consumers

- 5.82 As per DERC (Supply Code & Performance Standards) Regulations, 2017, the billing demand is defined as:

“(16) “Billing Demand” means highest of the following:

(i) the contract demand or the sanctioned demand wherever contract demand has not been provided in the supply agreement.

(ii) the maximum demand indicated by the meter during the billing cycle.”

- 5.83 Presently, the fixed charges are being levied on Sanctioned Load/ Contract Demand or MDI (Whichever is higher) for all categories of consumers except the Domestic category. As per Regulation 17 of DERC (Supply Code and

Performance Standards) Regulations 2017, the sanctioned load is revised once in a year on the basis of highest of average of maximum demand recorded as per billing cycle covering any four consecutive calendar month in the preceding financial year and not immediately on exceeding the sanctioned load.

5.84 The Fixed charges for domestic consumers, if levied on the basis of billing demand as defined in DERC (Supply Code and Performance Standards) Regulations, 2017 would deliver the following benefits in the tariff structure of Delhi:

- i. In recovering the fixed cost according to the load usage of the consumer.
- ii. Ensuring timely recovery of expenses which would otherwise take a financial year under the load revision exercise.
- iii. The amount so recovered would be pass through in the ARR of the petitioner as additional revenue would be realized and benefit the consumer in future tariff proceedings.

5.85 Further, the Ministry of Power in Electricity (Rights of Consumers) Amendment Rules, 2023 also states for billing based on actual recorded maximum demand in case maximum demand recorded by the smart meter exceeds the Sanctioned Load in a month. The amendment Rule is reproduced below for ready reference:

"(5B) In case maximum demand recorded by the smart meter exceeds the Sanctioned Load in a month, the bill, for that billing cycle, shall be calculated based on the actual recorded maximum demand and consumers shall be informed of this change in calculation through Short Message Service or mobile application:

Provided that the revision of the Sanctioned Load, if any, based on the actual recorded maximum demand shall be as under:

(a) in case of increase in recorded maximum demand, the lowest of the monthly maximum demand, where the recorded maximum demand has exceeded the sanctioned load limit atleast three times during a financial year, shall be considered as the revised Sanctioned Load, and the same shall be automatically reset from the billing cycle in next financial year; and

(b) in case of reduction of maximum demand, the revision of sanctioned load shall be done in accordance with the Supply codes/ Standard Operating Procedures issued by the respective Regulatory Commission."

- 5.86 In view of the above, the Petitioner would like to request the Hon'ble Commission to kindly allow to recover the fixed charges for all categories of consumers including domestic category on the basis of Sanctioned Load/ Contract Demand or MDI (whichever is higher).

Surcharge on Excess load for Domestic Consumers

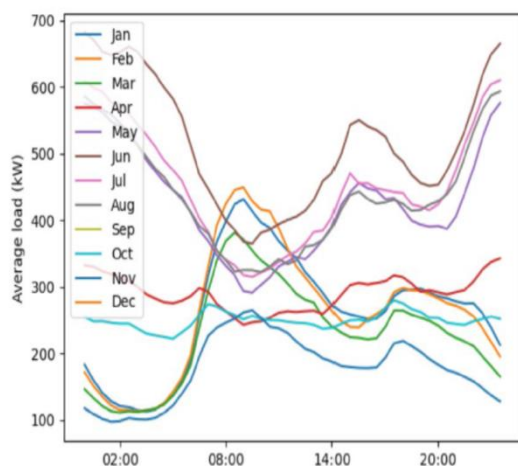
- 5.87 A surcharge of 30% is levied on the fixed charges corresponding to excess load beyond sanctioned load / contract demand during any billing cycle. This surcharge is currently not applicable on domestic consumers. This results into over burdening of distribution network and does not encourage discipline as consumers are extracting more load than what is sanctioned to him without any penal provision but surcharge on account of load violation is being levied on other categories. Domestic consumers constitute of 60% of total load served by the petitioner such measures would help in timely recovery of costs and ensure discipline on load usage.

- 5.88 As submitted in above Para 5.85, Electricity (Rights of Consumers) Amendment Rules, 2023 also provides for billing based on actual recorded maximum demand in case maximum demand recorded by the smart meter exceeds the Sanctioned Load in a month.

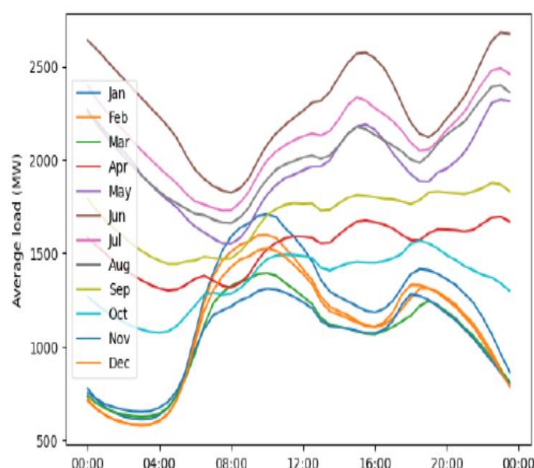
- 5.89 In terms of the Supreme Court Judgment in Executive Engineer and Anr. Vs. M/s Sri Seetaram Rice Mills (2012) 2 SCC 108, any drawl by the consumer in excess of the Contract Demand would tantamount to “unauthorised use” of electricity under Section 126 of the EA 2003. It may therefore kindly be directed by this Hon’ble Commission that the surcharge of 30% on excess drawl would be without prejudice to its other consequences under the Act.

Review of Time-of-Day Tariff

- 5.90 TOD tariff is implemented wherein peak hour consumption is charged at a higher rate reflecting the higher cost of power purchase during peak hours. At the same time, a rebate is offered on consumption during the off-peak hours. This is meant to incentivise customers to shift a portion of their loads from peak hours to off-peak-hours thereby improving the system load factor, flatten the load curve and optimize the cost of power purchase which constitute over 80% of the tariff charged from the consumers. Both these steps were envisaged to facilitate flattening of the load curves for the DISCOMs.
- 5.91 A published study report on “Preparing distribution utilities for the future- Unlocking Demand Side Management Potential - A Novel Analytical Framework” assessed load curve of all the categories of Delhi and it was realised that the energy consumption pattern of domestic consumers (which accounts for ~65% of total consumption) drives the overall system-level demand. Pictographic representation of the load profile from the report is as under:



Domestic consumers' daily average profile



System daily average profile

- 5.92 Considering the consumption mix of the Petitioner, keeping the domestic consumers away from the ambit of TOD tariff is impractical and inappropriate to meet primary objective of the TOD regime. In order to motivate all the consumers to contribute in the improvement of system load curve and efficiency of the licensee, it is proposed that TOD tariff may be introduced and made applicable for all the categories of the consumers including domestic consumers.
- 5.93 It may also be noted here that the current TOD tariff is not motivating most of the consumers to shift their load to off-peak hours as the current disincentive/incentive for consumption during peak/off-peak hours is having miniscule impact on respective bills and hence is not a decisive factor.
- 5.94 In view of the above, it is requested to make TOD applicable for all the category of consumers irrespective of any load band and re-introduce the TOD peak Surcharge and Rebate to at least +/-30% to make it more attractive to the consumers and may be a win-win situation for both consumers and the licensee.

Tariff for EV Charging Stations to be in parity with other SERCs

5.95 The Ministry of Power vide its Notification dated January 14, 2022 provides for EV charging stations tariff to not exceed "Average Cost of Supply" till March 31, 2025. The relevant Para of the guidelines is stated as under:

"7. Tariff for supply of electricity to EV Public Charging Stations:

7.1 The tariff for supply of electricity to Public EV Charging Stations shall be a single part tariff and shall not exceed the "Average Cost of Supply" till 31st March, 2025. The same tariff shall be applicable for Battery Charging Station (BCS)."

5.96 Further, the Tariff Policy, 2016 provides that the appropriate Commission would notify a roadmap such that tariffs are brought within $\pm 20\%$ of the Average cost of Supply. Clause 8.3 of Tariff policy 2016 is reproduced below:

"2. For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within $\pm 20\%$ of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy."

5.97 Current tariff applicable for the EV charging stations is less than the ACOS of the DISCOM in order to motivate the EV adoption in Delhi. The EV tariff in various cities is as under:

Table 5. 15: EV Tariff in various States

S.NO.	Cities	Applicable Tariff for EV Category			
		Supply at LT		Supply at HT	
		Fixed charge (in ₹/KW/KVA/month)	Energy charge in (₹/ Unit)	Fixed charge (in ₹/KW/KVA/month)	Energy charge in (₹/ Unit)
1	Delhi	NA	4.50	NA	4.00
2	Mumbai	75	7.25	75	7.50

S.NO.	Cities	Applicable Tariff for EV Category			
		Supply at LT		Supply at HT	
		Fixed charge (in ₹/KW/KVA/month)	Energy charge in (₹/ Unit)	Fixed charge (in ₹/KW/KVA/month)	Energy charge in (₹/ Unit)
3	Kolkata	NA	6.00	NA	6.00
4	Hyderabad	50	6.00	100	6.00
5	Ahmedabad	25	4.20	25	4.10
6	Bengaluru	70	4.50	200	4.50
7	Amritsar	NA	6.00	NA	6.28

5.98 The EV Tariff approved by various SERCs is attached as **Annexure- 5.1**. Accordingly, it is requested that EV tariff should be approved in parity with that approved in other SERCs.

5.99 Petitioner would also like to submit here that the projected ACOS during FY 2024-25 is ₹9.00/kWh and ₹8.67/kWh as per BPR, 2019 and BPR, 2023, respectively. On the contrary the tariff of the EV charging stations is ₹4.00/kWh and ₹4.50/kWh for LT and HT respectively. Hence, Current TOD regime with tariff much less than the ACOS of DISCOM is having close *tonil* impact on respective bills and is not a decisive factor at all for the consumer.

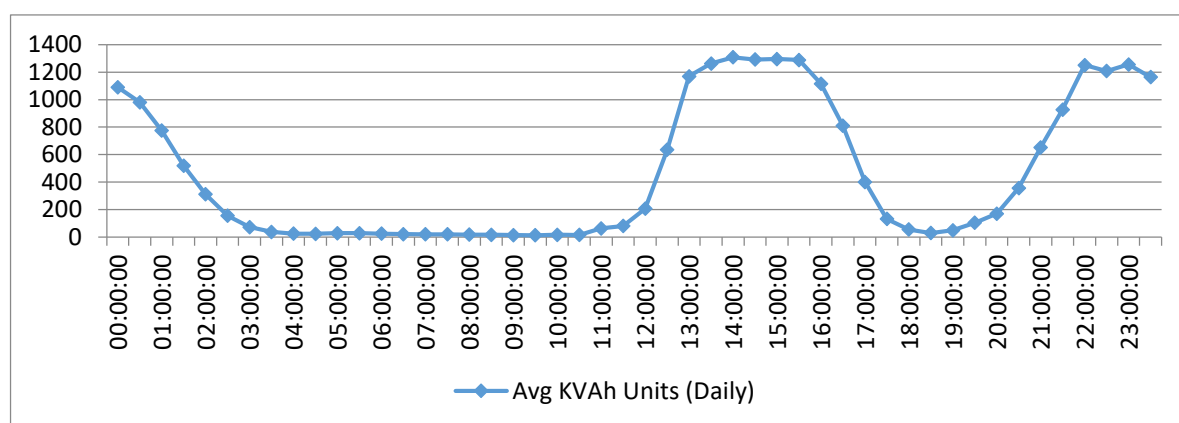
5.100 In view of above mentioned paras of MoP Notification dated January 14, 2022 and Tariff Policy, 2016, Petitioner would like to request the Hon'ble Commission to kindly revise the tariff for charging stations of E-Vehicle in parity with that approved in other SERCs.

Different TOD regime for EV charging stations

5.101 Usually, charging of E-Vehicles takes place from 1400 hrs to 1700 hrs in afternoon and 2200 to 0100 hrs in night which coincides with the Delhi

Discoms peak hours. The chart is drawn for the energy consumption pattern of E- bus charging at Rajghat-II, New Delhi DTC Bus Depot for the period May to Sep (ToD applicable period) as under:

Table 5. 16: Energy consumption pattern of E- bus charging at Rajghat-II DTC Bus Depot for the period May to Sep



5.102 From the above graph, it can be observed that DTC consumption is usually in peak slots,

5.103 Hon'ble Tamil Nadu Electricity Regulatory Commission in Tariff Order for FY 2023-24 has approved different TOD tariff for EV Charging Stations as under:

"Low Tension Tariff VII (EV Charging Stations)"

This tariff is applicable for the purpose of Electric Vehicle charging including Battery swapping station / Battery charging stations for Electric vehicle. Energy recorded during following hours shall be billed at corresponding charges mentioned against each time slot as discussed below.

For FY 2023-24

Tariff category	FY 2023-24			
	(Commission Determined Tariff)			
	Time slot in hours	Energy charge in Paise per kWh(Unit)	Fixed Charge in Rs./kW/month	
Low Tension Tariff VII	06.00 to 09.00 and 18.00 to 22.00	900	0-50kW -	25
	09.00 to 16.00	600	50-112 kW -	75
	16.00 to 18.00 and 22.00 to 06.00	750	Above 112kW -	138

...

High Tension Tariff V: (Public EV Charging Stations)

This tariff is applicable for the Public Electric Vehicle Charging Station including Battery swapping station for Electric vehicle.

Energy recorded during following hours of time slot shall be billed at corresponding charges mentioned against each:

For FY 2023-24

Tariff category	FY 2023-24		
	(Commission Determined Tariff)		
	Time slot in hours	Energy charge in Paise per kWh(Unit)	Demand Charge in Rs./kVA/month
High Tension Tariff V	06.00 to 09.00 and 18.00 to 22.00	900	138
	09.00 to 16.00	600	
	16.00 to 18.00 and 22.00 to 06.00	750	

- 5.104 Further, as submitted in the projected sales, it is envisaged that there will be a huge increment in consumption of EV charging stations in the forthcoming period. However, based on current consumption of EV charging stations being experienced by the DISCOM, it is appropriate to infer that the peak hours of the consumption of licensee and that of utilisation of EV charging stations are coinciding. It has been observed that EVs are being utilised during peak traffic hours as a result of which corresponding charging

consumption coincides with the rest of categories' peak consumption hours. Therefore, the Hon'ble Commission is requested to provide different ToD charges for EV-category in line with the Other State Commission.

Delivery of E-bill to all Consumers

- 5.105 The Petitioner vide various communications had apprised the Hon'ble Commission on the status of delivery of electricity bills through physical mode to the consumers. Further, many consumers of the petitioner are getting 100% subsidy on the electricity bill. It is apparent that printing and delivery of such paper bills is eco-unfriendly and results in unproductive utilisation of the associated resources of the Petitioner.
- 5.106 The DERC Supply Code 2017 has provided delivery of bills either in hard copy or through electronic modes based on the consumer preference. Further, Organisation around the globe and Government are promoting eco-friendly ways of doing business by way of digitisation in the processes.
- 5.107 The softcopy of the bill can be sent to the consumer on email, SMS and/or WhatsApp with a link to download the corresponding bill. These e-Bills will contain all the information which is currently made available on the paper bill.
- 5.108 The Petitioner would like to highlight the following major benefits of Delivery of E-Bill through digital modes like WhatsApp/ SMS/ E-mails etc for the consumers and environment at large:
- a) **Convenience:** Consumers can access their billing information online at any time and from any location. This would eliminate of the need of storage of physical bills. Unlike paper bills E-bills could not be lost or misplaced and can be referred in future without any hassle.

- b) **Environment friendly and sustainability:** As per the available information, on an average basis, 16.67 reams of A4 size paper where each ream include 500 pages can be produced from 1 tree. The petitioner is having 19 lacs consumers and the bill is served consisting of 2 pages to each and every consumer on monthly basis. This means around 456 trees are cut down every month to serve the physical bills to the consumers of the Petitioner. Embracing the E-bills would help in reducing the paper consumption and carbon foot prints. This would contribute in more sustainable future.
- c) **Timely Notification:** E-bills allow for real time updates and notification to consumers to stay informed about their energy consumption, tariff updates and due date etc.
- d) **Improved customer experience:** This would enhance the customer experience, fostering trust and satisfaction with the services of the Petitioner.
- e) **Cost efficiency:** Switching to the E-bills would reduce the administrative cost associated with the printing, postage and bill distribution. It would also enable the Petitioner to allocate its resources more efficiently.

5.109 Accordingly, the Hon'ble Commission is requested to kindly allow for delivery of E-bills through digital modes to all of its consumers where the information like phone number, E-mail id is available with the Petitioner.

Collection of nominal fees for certain services

- 5.110 The Petitioner in its digital initiatives introduced online and end to end application for New Connection through website for consumers digital self-service option where-in consumers can directly fill in their relevant details, upload their self- attested supporting documents and apply for new connection at the comfort of theirhome. However, it is being observed that a substantial percentage of applications are being rejected due to incomplete or improper application submission by applicant resulting into delayed processing & over utilization of manpower resources.
- 5.111 The Petitioner requests the Hon'ble Commission to introduce the non refundable fees that should be equivalent to the SD charges of 1 kW depending on the category while applying for a new connection which will be aimed towards reducing the rejection rate&ensuring the applicant is vigilant towards application submission. The fee may be adjusted with demand note payable amount if the application is submitted correctly first time without any document deficiency.

Collection Charges to be provided on collection of Pension Trust Surcharge

- 5.112 Currently, the Petitioner is charging the collection charges@3% on amount of Electricity Duty collected by it through the Electricity Bills on behalf of Delhi Municipal Corporation (DMC). The collection of Electricity Duty is the responsibility of Delhi Municipal Corporation (DMC) under DMC Act. Since the Petitioner is collecting the same on behalf of Government, the Petitioner gets commission of 3% on collection of Electricity Duty.

- 5.113 The basic objective behind such commission is to compensate the Petitioner against the expenses incurred towards collection of Electricity Duty. The Petitioner has to separately account for such collections and has to keep a proper vigilance towards the same. Further the cash collection charges and bank charges incurred towards maintenance of separate account for the same is also borne by the Petitioner. Thus, the Petitioner meets its cost through such collection charges/commission received from the Government.
- 5.114 Similarly, the Petitioner is also incurring the cost towards collection of Pension Trust Surcharge. The entire collection on account of Pension Trust Surcharge is given to Pension Trust. Thus, the Petitioner requests that a suitable percentage preferably 3% may be allowed to be retained by the Petitioner out of the total collection of Pension Trust Surcharge to meet its associated costs.

Proposal of Green Tariff option for consumers

- 5.115 Various consumers in the area of supply of the Petitioner are in transition to become zero-carbon Entities. To meet this goal, such consumers are taking various steps including procurement of 100% Renewable Power ("RE Power") to meet their entire load/ contract demand. In fact, some of the consumers have already initiated the process by opting to receive RE under Open Access mechanism as approved by this Hon'ble Commission.
- 5.116 However, many consumers do not wish to go through this process of sourcing RE on account of various issues which are detailed herein below including the reliability of such RE Power. Accordingly, these consumers have approached the Petitioner seeking a reliable supply of RE power to meet their 100% contract demand/ load. The Petitioner aims to cater to the

requests of these consumers by procuring reliable RE power for them under the various long term and short-term arrangements including procurement through Green Term-Ahead Market ("G-DAM").

- 5.117 The State Electricity Regulatory Commissions of Karnataka, Gujarat, Punjab, Uttar Pradesh, etc. have already approved the Green Tariff over and above the normal tariff. The Hon'ble Gujarat Electricity Regulatory Commission in Tariff Order for FY 2023-24 has fixed the Green Tariff at additional rate of ₹1.50 per Unit for Torrent Power Ltd. (Ahmedabad and Surat) license areas.
- 5.118 In order to compute the Green Tariff over and above the normal tariff, the Petitioner has referred to the methodology adopted by Hon'ble Karnataka Electricity Regulatory Commission in Tariff Order for FY 2011 and further Tariff Orders, wherein Ld. KERC has determined the Green Tariff by computing the difference of per unit cost between non-conventional and conventional power sources and grossed up the same with the transmission loss and distribution loss.
- 5.119 The Petitioner has considered certain deviations considering the scenario of demand and supply of RE Power and other factors in the NCT of Delhi i.e.:
- a) The generation mix and power availability scenario in the NCT of Delhi is different from that of Karnataka as it is rich in RE Sources i.e., Solar and Wind. RE power is readily available as compared to Delhi. However, in the NCT of Delhi, the RE sources are limited.
 - b) As such procurement of RE power to meet the demand of such consumers, before the power is made available and scheduled from the tied up PPAs, would be done from the G-DAM. Accordingly, the Petitioner proposes a different methodology for determination of

Green Tariff which may be best suited for the conditions and situations in the NCT of Delhi

5.120 In view of the above, it is proposed that: -

- a) The consumers opting for Green Tariff shall be required to provide their demand.
- b) Based on the proposed demand, the Discoms shall procure power from G-DAM or uses already tied up RE power.
- c) The consumers shall be liable to make payment of the Green Tariff which may be determined as under: -

Table 5- 17: Green Tariff proposed

Sr. No	Particulars	value
1	Average Price of RE as per GDAM in IEX for FY 23 (Rs./kWh)	6.49
2	Average Price at IEX in DAM for FY 23 (Rs./kWh)	5.94
3	Difference between RE & Non-RE power (Rs/kWh)	0.55
4	Green Power Charges (Rs/kWh)	0.55
4	Intra-state Transmission Loss (%)	0.90%
5	Distribution Loss (%) as approved for FY 23	8.50%
6	Grossed Up Cost (Rs/kWh)	0.60
7	Other Administrative Cost /O&M Costs (Rs/kWh)	1.10
8	Green Power Charges (Rs/kWh)	1.71

5.121 Accordingly, the Petitioner requests to the Hon'ble Commission to determine Green Power Tariff of Rs. 1.71/kWh in addition to applicable tariff for those to the consumers who wish to opt for the same.

Expected Revenue with tariff revision proposed

5.122 The expected revenue from existing tariff and revised revenue as per proposal is tabulated below:

Table 5. 18: Expected Revenue category-wise during FY 2024-25**(₹ Crore)**

S. No.	Particulars	Fixed Charges (₹ Crores)	Energy Charges* (₹ Crores)	TOD Charges (₹ Crores)	Revenue Billed (₹ Crores)
1	Domestic	219.4	1,857.2	-	2,076.6
1.1	Domestic	206.1	1,793.1	-	1,999.2
1.2	CGHS	1.8	7.2	-	9.0
1.3	DVB Staff	0.2	3.6	-	3.8
1.4	11 KV (Worship/ Hospitals)	11.3	53.3	-	64.6
2	Non Domestic	524.8	1,403.7	6.1	1,934.6
2.1	Non-Domestic LT (up to 3KVA)	161.9	256.1	-	418.0
2.2	Non-Domestic LT (above 3KVA)	300.5	889.8	4.8	1,195.1
2.3	Non-Domestic HT	62.5	257.8	1.3	321.5
4	Industrial	69.3	306.0	2.8	378.1
4.1	Industrial- LT	57.5	244.8	2.5	304.8
4.2	Industrial-HT	11.8	61.2	0.3	73.3
5	Agriculture & Mushroom Cultivation	0.05	0.05	-	0.10
5.1	Agriculture	0.05	0.04	-	0.09
5.2	Mushroom Cultivation	0.00	0.01	-	0.01
6	Public Utilities	56.6	235.2	1.0	292.8
6.1	Public Lighting	8.6	40.9	0.0	49.5
6.2	Delhi Jal Board (DJB)	29.1	114.4	-0.3	143.1
6.3	DMRC	18.9	79.9	1.3	100.1

S. No.	Particulars	Fixed Charges (₹ Crores)	Energy Charges* (₹ Crores)	TOD Charges (₹ Crores)	Revenue Billed (₹ Crores)
7	E-Rickshaw/E-Vehicle	-	42.0	0.8	42.7
8	Advertisement/Hoarding	0.2	0.04	-	0.2
9	Others	25.0	81.7	-	106.7
	Total	895.4	3,925.8	10.7	4,831.8
	Revenue Realised @ 99.5% Collection Efficiency				4,807.7

* Energy charge is net of Voltage rebate as approved by the Hon'ble Commission in its Tariff order dated 30.09.2021.

- 5.123 The revenue gap at current tariff is ₹1814.3 Crore and ₹1572.5 Crore as per BPR, 2019 and BPR, 2023, respectively. In order to meet the above revenue gap, the retail tariff ought to be determined in terms of Regulation-130 and 131 of the Tariff Regulations, 2017 in such a manner that the same should ensure recovery of 100% fixed and variable costs through fixed and Energy charges respectively.
- 5.124 The impact of various Judgments is pending for implementation by the Hon'ble Commission. The revenue realised by virtue of the assets installed by the Petitioner by incurring the capital expenditure is being considered in each year's ARR. However, the cost is pending to be allowed even after 14 years. Same is also against the provisions of tariff design and recovery of Regulatory Assets provided in National Tariff Policy, 2016 which states that the tariff should reflect the efficient and prudent cost of supply of electricity and any outstanding Regulatory Assets ought to be recovered within a period of maximum 7 years.
- 5.125 Deferment of legitimately incurred costs for such long period is not in the interest of future consumers as they will be burdened with the past costs.

Clause-5.11 (h) (4) of National Tariff Policy, 2016 states that future consumers should not be burdened with past costs.

5.126 Therefore, the same ought to be given effect in the ongoing tariff determination exercise so as to ensure recovery of the pending amount within 7 years.

5.127 It has to be ensured that the DISCOM should realise return on equity employed in the business which can only happen when all costs including impact of Hon'ble Tribunal and Supreme Court Judgments are recovered.

Ratio of Average Billing Rate to Average Cost of Supply

5.128 The ratio of Average Billing Rate (ABR) to Average Cost of Supply (ACoS) at existing tariff and proposed tariff is tabulated below:

Table 5. 19: Ratio of ABR to ACoS for FY 2024-25

S. No	Category	% of total Sales	Average Cost of Supply, as per BPR, 2019	Average Cost of Supply, as per BPR, 2023	Average Billing rate at current tariff	Revision in Tariff	Average Billing rate as per revised tariff	% ABR to COS at existing tariff, BPR 2019	% ABR to COS at existing tariff, BPR 2023	% ABR to COS at proposed tariff
		%		Rs./ Unit	Rs./ Unit	%	Rs./ Unit	%		%
1	Domestic	63.81%	9.00	8.67	4.42	To meet the revenue gap, the retail tariff ought to be determined in such a manner that after considering a suitable collection efficiency, there ought not to be any revenue gap during FY 2024-25.		49%	51%	To be determined by Hon'ble Commission
1.1	Domestic	62.49%	9.00	8.67	4.35			48%	50%	
1.1.1	Domestic upto 2 KW Connected load	40.06%	9.00	8.67	3.69			41%	43%	
1.1.2	Between 2 KW to 5 KW Connected Load	14.09%	9.00	8.67	4.70			52%	54%	
1.1.3	Between 5 KW to 15 KW Connected Load	7.48%	9.00	8.67	6.57			73%	76%	

S. No	Category	% of total Sales	Average Cost of Supply, as per BPR, 2019	Average Cost of Supply, as per BPR, 2023	Average Billing rate at current tariff	Revision in Tariff	Average Billing rate as per revised tariff	% ABR to COS at existing tariff, BPR 2019	% ABR to COS at existing tariff, BPR 2023	% ABR to COS at proposed tariff
		%		Rs./ Unit	Rs./ Unit	%	Rs./ Unit	%		%
1.1.4	Between 15 KW to 25 KW Connected Load	0.29%	9.00	8.67	9.20			102%	106%	
1.1.5	Above 25 KW Connected Load	0.57%	9.00	8.67	10.19			113%	117%	
1.2	Single Delivery Point on 11 KV GHS	0.23%	9.00	8.67	5.43			60%	63%	
1.3	11 KV Workshop/Hospital	0.94%	9.00	8.67	9.39			104%	108%	
1.4	DVB Staff	0.16%	9.00	8.67	3.19			35%	37%	
2	Non Domestic	23.12%	9.00	8.67	11.38			126%	131%	
2.1	Non Domestic Upto 3 KVA	5.40%	9.00	8.67	10.53			117%	121%	
2.2	Non Domestic Above 3 KVA	14.27%	9.00	8.67	11.64			129%	134%	
3	Industrial	5.24%	9.00	8.67	9.80			109%	113%	
4	Agriculture & Mushroom Cultivation	0.77%	9.00	8.67	3.24			36%	37%	
5	Public Utilities	4.97%	9.00	8.67	8.00			89%	92%	
6	Temporary Supply	1.20%	9.00	8.67	12.04			134%	139%	
7	Advertisement and Hoardings	0.00%	9.00	8.67	55.38			615%	638%	
8	E Vehicle	1.39%	9.00	8.67	4.17			46%	48%	
10	Self consumption	0.25%	9.00	8.67	-			0%	0%	
12	Total		9.00	8.67	6.57			73%	76%	

Tariff Schedule Proposed

- 5.129 The Petitioner proposes the Hon'ble Commission to determine a cost reflective tariff in terms of Regulation-130 and Regulation-131 of Tariff Regulations, 2017, so as to recover the projected Revenue Gap (refer to Para 5.17 above).