

A. Introduction

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

B. TRUE UP OF FY 2014-15

- 1.8 BYPL has submitted that its energy sales in FY 2014-15 was 5405 MU compared to 5731 MU approved by the Commission for FY 2014-15 in Tariff Order dated July 23, 2014 based on actual as shown below:

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

S. No.	Category	Approved in Tariff order dated 23 rd July 2014	Actual
A	Domestic	3,057	2,930
B	Non Domestic	1,822	1,639
C	Industry	258	282
D	Public Lighting	107	101
E	Agriculture & Mushroom Cultivation	0	0
F	DMRC	193	161
G	DJB	141	141
H	Others	153	150
Total		5,731	5,405

- 1.9 The following table shows the actual AT&C loss along with Distribution loss and collection efficiency for FY 2014-15 vis-à-vis that approved in MYT Order dated July 13, 2012 and the revised trajectory sought by BYPL as under:

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

S. No	Particulars	MYT Order dated July 13, 2012	Actuals
1	Distribution Losses	14.07%	19.54%
2	Collection Efficiency	99.50%	100.76%
3	AT&C Loss level	14.50%	18.93%

- 1.10 Based on the revised AT&C Loss Trajectory, the impact of under-achievement of AT&C Loss target is as below:

Table 3: Impact of Under achievement in AT&C Loss for FY 2014-15

S.No	Particulars	As per revised AT&C Loss	FY 2014-15
A	AT&C Loss Target (%)	16.92%	18.93%
B	Underachievement (%)		2.01%

S.No	Particulars	As per revised AT&C Loss	FY 2014-15
C	Energy Input (MU)	6,717	6,717
D	Units Realized (MU)	5581	5,446
E	Average Billing Rate (Rs./ Kwh)	7.33	7.33
F	Amount Realized (Rs. Cr)	4,090	3,991
G	Financial Impact on account of underachievement (Rs. Cr)		-99
H	Total Revenue Available towards ARR for FY 2014-15 (excluding Electricity Duty, LPSC and 8% RA surcharge) (Rs. Crore)		4,090

1.11 The actual power purchase cost submitted by BYPL for FY 2014-15 is tabulated below:

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

S. No	Particulars	Tariff Order dated July 23, 2014	Submission
A	Power Purchase Cost		
i	Gross Power Purchase Cost	3315	3794
ii	Power sold to other sources	705	358
iii	Net Power Purchase Cost	2610	3435
B	Transmission Charges		
i	Inter-state transmission charges	252	243
ii	Intra-state transmission charges	282	291
iii	Other Transmission charges	-	57
iv	Total Transmission charges	533	590
C	Rebate		
i	Power Purchase Rebate	65	13
ii	Rebate on Transmission Charges	8	0
iii	Total rebate	73	13
D	Net Power Purchase Cost including Transmission charges net of rebate	3070	4013

1.12 The Power Purchase Quantum is tabulated below:

Table 5: Power Purchase Quantum for FY 2014-15 (MU)

S. No	Particulars	Tariff Order dated July 23, 2014	Submission
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S. No	Particulars	Tariff Order dated July 23, 2014	Submission
A	Power Purchase:		
i	Gross Power Purchase Quantum	8608	8032
ii	Power sold to other sources	1985	1051
iii	Net Power Purchase	6623	6981
B	Transmission Loss:		
i	Inter-State Transmission Loss	245	264
ii	Intra-State Transmission Loss	64	
iii	Total transmission loss	309	264
C	Net power available after Transmission Loss	6315	6717

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

Table 6: O&M Expenses for FY 2014-15 (Rs. Crore)

S. No	Particulars	Tariff Order dated July 23, 2014	Submission
A	Employee Expenses	234	276
B	A&G Expenses	76	82
C	R&M Expenses	72	87
D	Gross O&M Expenses	382	445
E	Efficiency factor%	4%	
F	Less: Efficiency Improvement	15	0
G	SVRS Pension	5	5
H	Revision in salary of Head Clerk/ Jr. Stenographer		7
I	Net O&M Expenses	371	457

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

Table 7: Other uncontrollable costs/ expenses during FY 2014-15

S. No	Particulars	Amount (Rs. Cr.)
1	Incremental License fees paid to DERC	0.79
2	Incremental Ombudsman expenses	0.004
3	Syndication fees/ borrowing costs	23.78
4	Special Audit related expenses	1.66
5	Total	26.24

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

Table 8: Non-Tariff Income during FY 2014-15 (Rs. Crore)

S. No	Particulars	Tariff Order dated July 23, 2014	Amount
A	Other Operating Revenue		88.76
B	Other Income		38.12
I	Total Income as per Accounts		126.88
C	Add: Interest on CSD		35.95
D	Add: Difference in SLD		2.71
II	Total Other Income		165.53
E	Less: Income from other business		
a	<i>Street Light Maintenance</i>		<i>14.54</i>
b	<i>Reap</i>		<i>0.06</i>
III	Net Income to be considered		150.94
A	Less: LPSC		21.12
B	Less: Rebate on Power Purchase and Transmission Charges		12.97
C	Less: Write-back of misc. provisions		6.13
D	Less: Short term gain		7.01
E	Less: Recoveries from employees		0.01
F	Less: Connection/Reconnection charges		0.29
G	Less: Commission on ED		5.73
H	Less: Bad debts recovered		3.98
I	Less: Transfer from Consumer contribution for capital works		5.58
J	Less: Sale of scrap		7.04
IV	Net Non-Tariff Income	79	81.07

1.16 BYPL has submitted that the depreciation has been calculated after excluding consumer contribution from the Gross Fixed Assets in accordance with DERC MYT Regulations, 2011. BYPL has submitted the total depreciation from FY 2007-08 to FY 2014-15 is as under:

Table 9: Depreciation from FY 2007-08 to FY 2014-15 (Rs. Cr.)

S. No	Particulars	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
A	Average GFA	1,403	1,664	1,895	2,092	2,242	2,299	2,381	2,564
B	Average Consumer Contribution and Grants	29	41	60	100	134	144	162	188
C	Average assets net of consumer contribution	1,373	1,623	1,836	1,993	2,108	2,155	2,219	2,375

S. No	Particulars	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
D	Average rate of depreciation	3.89%	3.86%	3.83%	3.81%	3.81%	3.81%	3.80%	3.80%
E	Depreciation	53	63	70	76	80	82	84	90

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

Table 10: Annual Revenue Requirement for FY 2014-15 (Rs. Crore)

S. No	Particulars	TO dated July 23, 2014	Submission
A	Purchase of power including Transmission and SLDC Charges	3070	4013
B	O&M Expenses	371	457
C	Other Expenses/ Statutory levies	0	26
D	Depreciation	80	90
E	Advance Against Depreciation (AAD)	34	5
F	Return on Capital Employed (RoCE)	181	289
G	Income Tax	13	37
H	Sub-total	3749	4916
I	Less: Non-Tariff Income	79	81
J	Less: Income from other business	0	5
K	Less: Interest on CSD		
L	Aggregate Revenue Requirement	3670	4832
M	Add: Impact of DERC/ APTEL/ High/ Supreme Court Judgments		
N	Add: PPAC (Balance of Q4-FY 14)	46	
O	Net Aggregate Revenue Requirement	3716	4832
P	Add: Carrying cost	433	
Q	ARR	4148	4832
R	Revenue	4188	4090
S	Revenue (Gap)/Surplus	40	(743)

1.18 The revenue gap during FY 2014-15 is tabulated as under:

Table 11: Revenue Gap during FY 2014-15 (Rs. Crore)

S. No	Particulars	TO dt. July 23, 2014	Submission
A	ARR for FY 2014-15	4148	4832
B	Revenue available towards ARR	4188	4090
C	Revenue (Gap)/ Surplus	40	(743)

C. TRUE UP OF FY 2015-16

1.19 BYPL has submitted that its energy sales in FY 2015-16 was 5676 MU compared to 5629 MU approved by the Hon'ble Commission in its Tariff Order dated September 29, 2015 based on actual as shown below:

Table 12: Energy Sales for FY 2015-16 (MU)

Sr. No	Category	Approved in Tariff order dated September 29,2015	Actual
A	Domestic	3,045	3,107
B	Non Domestic	1,715	1,708
C	Industry	282	284
D	Public Lighting	104	114
E	Agriculture & Mushroom Cultivation	0	0
F	DMRC	165	164
G	DJB	141	147
H	Others	176	152
Total		5,629	5,676

1.20 The computation of AT&C Loss level of 15.66% during FY 2015-16 is summarised below:

Table 13: AT&C Loss for FY 2015-16 (%)

S. No	Particulars	Approved in MYT Order July 2012	Submission	Revised AT&C Loss Target
1	FY 2015-16	13.33%	15.66%	15.55%

1.21 Based on the revised AT&C Loss Trajectory, the impact of under-achievement of AT&C Loss target is as below:

Table 14: Impact of over achievement in AT&C Loss for FY 2015-16

S.No	Particulars	As per revised AT&C Loss Target	FY 2015-16 (submission)
A	AT&C Loss Target (%)	15.55%	15.66%
B	Underachievement (%)		0.11%
C	Energy Input (MU)	6764	6764
D	Units Realized (MU)	5712	5704
E	Average Billing Rate (Rs./ kWh)	7.61	7.61
F	Amount Realized (Rs. Cr)	4349	4343
G	Financial Impact on account of underachievement (Rs. Cr)		-6

S.No	Particulars	As per revised AT&C Loss Target	FY 2015-16 (submission)
H	Total Revenue Available towards ARR for FY 2015-16 (excluding E-Tax, LPSC and 8% RA surcharge)		4349

1.22 The following table shows the actual power purchase cost submitted by BYPL for FY 2015-16:

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

S. No	Particulars	Tariff Order dated Sept. 29, 2015	Submission
A	Power Purchase Cost		
i	Gross Power Purchase Cost	3348	2888
ii	Power sold to other sources	753	351
iii	Net Power Purchase Cost	2595	2537
B	Transmission Charges		
i	Inter-state transmission charges	252	274
ii	Intra-state transmission charges	384	338
iii	Other Transmission charges		47
iv	Reactive energy charges		1
v	Total Transmission charges	636	660
C	Rebate		
i	Power Purchase Rebate	66	1
ii	Rebate on Transmission Charges	10	
iii	Total rebate	76	1
	water cess	22	
D	Net Power Purchase Cost including Transmission charges net of rebate	3177	3196

1.23 The summary of power purchase quantum during FY 2015-16 as approved by the Hon'ble Commission in the tariff Order dated September 29, 2015 and actual power purchase quantum procured by BYPL is tabulated below:

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

S. No	Particulars	Tariff Order dated September 29, 2015	Submission
A	Power Purchase:		

S. No	Particulars	Tariff Order dated September 29,2015	Submission
i	Gross Power Purchase Quantum	8895	8117
ii	Power sold to other sources	2152	1093
iii	Net Power Purchase	6744	7025
B	Transmission Loss:		
i	Inter-State Transmission Loss	236	261
ii	Intra-State Transmission Loss	46	
iii	Total transmission loss	282	261
C	Net power available after Transmission Loss	6462	6764

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

Table 17: O&M Expenses for FY 2015-16 (Rs. Cr.)

S. No	Particulars	Tariff Order dated September 29, 2015	Submission
A	Employee Expenses	252.86	298.23
B	A&G Expenses	82.02	88.21
C	R&M Expenses	79.41	96.08
D	Gross O&M Expenses	414.29	482.52
E	Efficiency factor %	4%	
F	Less: Efficiency Improvement	16.57	0.00
G	SVRS Pension	4.92	0.90
H	Net O&M Expenses	402.64	483.42

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

Table 18: Other uncontrollable costs/ expenses during FY 2015-16 (Rs. Crore)

S. No	Particulars	FY 2015-16
1	Incremental License fees paid to DERC	1
2	Syndication fees/ borrowing costs	14
3	Special Audit related expenses	1
4	Impact due to change in Service Tax rate	3
5	Food Allowance	0.90
6	Children Education Allowance	1.42
7	Total	19

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

Table 19: Non-Tariff Income for FY 2015-16 (Rs. Cr.)

S. No	Particulars	Tariff Order dated September 29, 2015	Amount
A	Other Operating Revenue		71
B	Other Income		42
I	Total Income as per Accounts		112
C	Add: Interest on CSD		38
D	Add: Difference in SLD		4
II	Total Other Income		154
E	Less: Income from other business		6
a	<i>Street Light Maintenance</i>		5
b	<i>Pole Rental Income</i>		1
III	Net Income to be considered		148
A	Less: LPSC		19
B	Less: Rebate on Power Purchase and Transmission Charges		1
C	Less: Write-back of misc. provisions		13
D	Less: Short term gain		2
E	Less: Recoveries from employees		0
F	Less: Commission on ED		6
G	Less: Bad debts recovered		6
H	Less: Transfer from Consumer contribution for capital works		6
I	Less: Sale of scrap		8
IV	Net Non-Tariff Income	169	88

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

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

Table 20: Depreciation from FY 2007-08 to FY 2015-16 (Rs. Cr.)

S. No	Particulars	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
A	Average GFA	1,403	1,664	1,895	2,092	2,242	2,299	2,381	2,564	2,784
B	Average Consumer Contribution and Grants	29	41	60	100	134	144	162	188	209
C	Average assets net of consumer contribution	1,373	1,623	1,836	1,993	2,108	2,155	2,219	2,375	2,575

S. No	Particulars	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
D	Average rate of depreciation	3.89%	3.86%	3.83%	3.81%	3.81%	3.81%	3.80%	3.80%	3.79%
E	Depreciation	53	63	70	76	80	82	84	90	98

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

Table 21: Annual Revenue Requirement for FY 2015-16

S. No	Particulars	Tariff Order dated September 29, 2015	Submission
A	Purchase of power including Transmission and SLDC Charges	3177	3196
B	O&M Expenses	403	483
C	Other Expenses/ Statutory levies		22
D	Depreciation	82	98
E	Advance Against Depreciation (AAD)	0	20
F	Return on Capital Employed (RoCE)	231	318
G	Income Tax	25	40
H	Sub-total	3917	4177
I	Less: Non-Tariff Income	169	88
J	Less: Income from other business		0
K	Less: Interest on CSD		
L	Aggregate Revenue Requirement	3749	4090
M	Add: Impact of DERC/ APTEL/ High/ Supreme Court Judgments		
N	Net Aggregate Revenue Requirement	3749	4090
O	Add: Carrying cost	271	
P	ARR	4020	4090

1.29 The Revenue Gap during FY 2015-16 is tabulated as below:

Table 22: Revenue Gap for FY 2015-16

S. No	Particulars	Tariff Order dated September 29, 2015	Submission
A	ARR for FY 2015-16	4020	4090
B	Revenue available towards ARR	4195	4077
C	Revenue (Gap)/ Surplus	175	(12)

D. ARR OF FY 2017-18

Table 23: Energy Requirement for FY 2017-18

A	Energy sales (MU)	6079
B	Distribution Loss (%)	14.3%
C	Energy Requirement (MU)	7093

Table 24: Power Purchase Cost for FY 2017-18

S. No.	Particulars	Qty (MU)	Amt (Rs. Cr.)	Avg. Rate (Rs./kWh)
1	Power Purchase @Exbus- FIRM	8531	3312	3.88
2	Inter-State Losses/ PGCIL Charges	222	313	
3	Cost towards REC		116	
4	Power Available at Delhi Periphery	8310	3740	4.50
5	Intra-state Loss & Charges (Including SLDC charges)	58	242	
6	Power Available to DISCOM	8251	3982	4.83
7	Banking Import	307	123	4.00
8	Shortfall to be met at Discom Periphery	176	56	3.17
9	Total Available	8734	4160	4.76
10	Sales	6079		
11	Distribution Loss	1014		
12	Energy Requirement at Distribution Periphery	7093	3737	5.27
13	Sale of Surplus power	1319	294	2.23
14	Sale of Power through Banking	322	129	4.00
15	Total Sale of Surplus Power	1641	423	2.58

Table 25: O&M Expenses for FY 2017-18

S.No.	O&M Expenses (Rs. Cr.)	FY 17-18
A	Employee Expenses	320
B	A&G Expenses	179
C	R&M Expenses	149
D	Net O&M Expenses	648

Table 26: CAPEX for FY 2017-18

Budget Head	Sub Head	FY 17-18
Performance	Loss reduction	41

Budget Head	Sub Head	FY 17-18
Obligation	Metering	53
	Consumer Contribution	11
Power Reliability	Load Growth	143
	System Improvement	44
	Automation	25
Infrastructure Development	IT and Communication	9
	Civil Infrastructure	5
	Vehicle	4
	Safety	3
	Test Equipment, Tools & Tackles	2
Total		340

Table 27: ARR for FY 2017-18

Particulars	UoM	FY 2017-18 (Estimated)
Power Purchase Cost (includes transmission charges)	Rs. Crore	3737
O&M Expense	Rs. Crore	648
Depreciation including AAD	Rs. Crore	126
ROCE (Return + Interest)/RoE	Rs. Crore	421
Other Expenses	Rs. Crore	0
Income Tax	Rs. Crore	45
Less: Non Tariff Income	Rs. Crore	86
Aggregate Revenue Requirement	Rs. Crore	4892
Revenue available at existing tariff	Rs. Crore	4369
Revenue (Gap) at existing Tariff	Rs. Crore	(523)