



Delhi Electricity Regulatory Commission
Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi – 110017.

F.11(2048)/DERC/2023-24/7576

Petition No. 67/2022

Petition No.04/2023

And

Petition No. 19/2023

In the matter of: **Petition under Section 62(4) of the Electricity Act, 2003 read with Regulation 134 of the Delhi Electricity Regulatory Commission (Terms and Conditions for determination of Tariff) Regulations, 2017 Regulation No. 30 of DERC of Business Plan Regulations, 2019 seeking this Commission to allow Petitioner to levy Differential Power Purchase Cost Adjustment Charges (PPAC) pertaining to period commencing from (i) July' 2022 to September' 2022 of FY 2022-23; (ii) October' 2022 and ending in December' 2022; and (iii) January' 2023 to March' 2023, respectively of FY 2022-23.**

Tata Power Delhi Distribution Ltd.

...Petitioner

Coram:
Hon'ble Dr. A. K. Ambasht, Member

Appearance:
Mr. Anand Srivastava, Adv. TPDDL

ORDER

Date of Order: 07.06.2023)

1. The instant Petitions have been filed by Tata Power Delhi Distribution Ltd. seeking permission to Levy Power Purchase Adjustment Cost (hereinafter called PPAC) and consequently recover the differential PPAC pertaining to the following quarters of the FY 2022-23:

- (i) July' 2022 to September' 2022;
- (ii) October' 2022 to December' 2022;
- (iii) January' 2023 to March' 2023

in accordance with Section 62 (4) of the Electricity Act, 2003 read with Regulation 134 of the DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 and Regulation 30 of the DERC (Business Plan) Regulations, 2019.

PETITIONER'S SUBMISSION:

2. The Petitioner has levied PPAC of 31.92%, 35.96% and 29.36% pertaining to the period (i) July' 2022 to September' 2022; (ii) October '2022 to December' 2022; and (iii) January' 2023 to March' 2023, respectively from the billing cycles, i.e. for the next consecutive three quarters, in terms of DERC (Business Plan) Regulations, 2019.
3. Based on the audited accounts and records, the Petitioner has calculated the differential PPAC percentage for the (i) July' 2022 to September' 2022; (ii) October' 2022 to December' 2022; and (iii) January' 2023 to March' 2023 in line with the PPAC methodology specified by the Commission, which are as under:

S.No.	Petition No.	Period	PPAC computed by DISCOM as per Commission approved methodology	PPAC claimed by DISCOM
1.	67/2022	July' 2022 to September' 2022	21.42%	31.92%
2.	04/2023	October' 2022 to December' 2022	27.46%	35.96%
3.	19/2023	January' 2023 to March' 2023	20.86%	29.36%

4. In terms of Regulation 134 of the Tariff Regulations and Regulation 30 of the Business Plan Regulations, the Petitioner is entitled to levy and recover incremental power purchase costs on a quarterly basis. The Commission in exercise its 'power to relax' stipulated under Regulation 172 of the Tariff Regulations 2017 and Regulation 37 of the Business Plan Regulations had allowed to levy 10.50% of PPAC i.e. 8.50% vide letter dated 06.05.2022 and 2% vide letter dated 10.06.2022. In furtherance to the above additional PPAC, the Petitioner levied 8.75% suo-moto levy vide its letter dated 26.07.2022, as has been provided under Regulation 30 of the Business Plan Regulations. Accordingly, the Petitioner in total with effect from 26.07.2022 was levying 19.25% PPAC in line with the various orders, directions, and/or letters of the Commission read with Regulation 30(4)(c) of Business Plan Regulations.
5. The Commission in the matter of "*Impact of Blending of Imported Coal, Increase in Gas Price and reallocation of 500MW of Dadri-II Power from Delhi to Haryana*" keeping in view the rising cost of fuel, passed an Order dated 31.08.2022 ("*Continuance of PPAC Order*") wherein the Commission directed BRPL, BYPL and TPDDL that the PPAC as applicable on 31.08.2022 shall continue till any further

orders are passed in this regard. It is pertinent that admittedly as on 31.08.2022, the PPAC as applicable was 19.25% in the case of the Petitioner.

COMMISSION'S ANALYSIS

6. The PPAC submissions made by TPDDL have been scrutinized, the summary is as follows:

- a) In three months i.e., July' 22, Nov' 22 & Feb' 23, PPAC computed by TPDDL is more than 30% which is mainly due to payment of arrears of PGCIL in July' 22 which was around Rs. 129 Cr. Further, demand fluctuations in Nov'22 and Feb' 23 have led to decrease in sales and resultant increase in PPAC.
- b) The Commission vide its email dated 7/04/2022, directed DISCOMs not to consider refund of STOA Transmission Charges in the computation of PPAC. The same was followed by the DISCOMs and their Petition No. 10 of 2022 was on this line.
- c) TPDDL has now prayed not to subsume the cost in True-up rather allow in PPAC. The relevant extract of the Interim order dated 23/05/2023 is as follows:

"... the PPAC amount should not be merged or subsumed with the Tariff order."

Accordingly, after considering the request of the Petitioner and also considering the credit of STOA raised by DTL, the PPAC for Q2, Q3 & Q4 FY 2022-23 has been considered.

- d) Hon'ble Supreme Court vide its Judgment dated 6/04/2023 in CA No. 11826 of 2018 - HPPC v/s Sasan Power Ltd. & Ors., has set aside APTEL Order dated 20/11/2018 related to "Change in Law" for Sasan UMPP. The year wise impact, if any, in Power Purchase Bills raised earlier by Sasan UMPP w.r.t. such "Change in Law" was sought from all DISCOMs including TPDDL vide email dated 19/05/2023.

In reply, TPDDL vide email dated 26/05/2023 submitted that provisional credit of Rs. 5.74 Crore is expected, however, till now Sasan Power Ltd. has not provided any credit Invoice. TPDDL further submitted that credit whenever received will be adjusted in the respective Month Power Purchase Cost and PPAC. Accordingly, the impact of provisional credit has not been considered now but the Petitioner is directed to expedite the credit bill from Sasan Power Ltd. and consider the same in future PPAC.

7. After Prudence check, the PPAC is computed as under:

Quarter	PPAC Computed by DISCOM as per the Commission approved methodology	PPAC computed by Tariff Division after considering credit of STOA	Remarks
Quarter-2	21.42%	18.65%	Generating Plants like Cosmos Hydro and Tehkand WTE was not considered as they are not approved in Tariff Order dated 30/09/2021
Quarter-3	27.46%	24.89%	
Quarter-4	20.86%	18.34%	

8. In view of TPDDL's request to allow 8.50% as per Commission Order dated 6/05/2022 since it was allowed to meet the fixed cost recovery of ARR for FY 2021-22, the same has been considered by the Commission as it is part of the Tariff Order dated 30/09/2021 and is currently in force. Accordingly, the average PPAC for Q2, Q3 & Q4 FY 2022-23 is as follows:

Particulars	PPAC
TPDDL request to allow PPAC equal to avg. of Q2, Q3 & Q4 FY 2022-23	32.41%
PPAC computed by Tariff Division (with STOA)	29.13% (20.63%+8.50%)

9. Further, the Commission vide its Order dated 16/03/2023 continued the PPAC applicable as on 15/03/2023 till 30/06/2023. As per the Order, the applicable PPAC to TPDDL as on date is 27.64%.
10. Accordingly, the differential PPAC to be allowed to TPDDL is as follow:

PPAC currently levied by TPDDL	27.64%
PPAC computed after considering STOA	29.13%
Differential PPAC to be allowed to TPDDL till next 9 months (since computed PPAC is for three quarters) from date of issuance of Order.	1.49%

11. The Surplus/deficit, if any, will be allowed with carrying cost, on verification of Power Purchase Cost and Transmission Bills, in True-up of relevant Financial Year.
12. Ordered Accordingly.

Sd/-
(Dr. A.K. Ambasht)
Member