



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

F.11(2090)/DERC/2022-23/7702

Petition No.14/2023

and

Petition No. 29/2023

In the matter of: Petition regarding levy of Power Purchase Adjustment Cost (PPAC) for the quarter of (i) October' 2022 to December' 2022 and (ii) January' 2023 to March' 2023 in NDMC Area in accordance with Regulation No. 30 of DERC of Business Plan Regulations – 2019 read with Regulation 134 of the Delhi Electricity Regulatory Commission (Terms and Conditions for determination of Tariff) Regulations 2017

New Delhi Municipal Council (NDMC)

...Petitioner

Coram:

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

Appearance:

Mr. Tushar Sannu, Advocate, NDMC

ORDER

(Date of Order: 12.07.2023)

1. The instant Petitions have been filed by New Delhi Municipal Council (NDMC), seeking permission of the Commission to levy and consequently recover the Power Purchase Adjustment Charges (PPAC) from its consumers in accordance with law including but not limited to the DERC (Business Plan) Regulations, 2019 (hereinafter Business Plan Regulations 2019) pertaining to the following quarters of FY 2022-23:
 - (i) October' 2022 to December' 2022;
 - (ii) January' 2023 to March' 2023

PETITIONER'S SUBMISSION:

2. The Petitioner has claimed to levy PPAC of 102.09% and 79.84% pertaining to the period (i) October' 2022 to December' 2022; and (ii) 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.

WEAR FACE MASK

WASH HANDS REGULARLY

MAINTAIN SOCIAL DISTANCING

3. Based on the audited accounts and records, the Petitioner has calculated the differential PPAC percentage for the (i) October' 2022 to December' 2022; and (ii) 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 NDMC as per Commission approved methodology	PPAC claimed by NDMC
1.	14/2023	October' 2022 to December' 2022	110.84%	102.09%
2.	29/2023	January' 2023 to March' 2023	88.59%	79.84%

4. The Commission notified the Business Plan Regulations 2019, which are to remain in force from FY 2020-21 to FY 2022-23, unless reviewed earlier by the Commission. That the Regulation 30 of the Business Plan Regulations, 2019 provides for the mechanism for recovering of PPAC.
5. In accordance with the aforesaid Regulation 30 of the Business Plan Regulations, 2019, the Commission specified the formula for computation of the PPAC vide its Tariff Order dated 30.09.2021. As per the Business Plan Regulations, 2019, the Petitioner is required to file an Application/Petition before the Commission in case the PPAC for a given Quarter exceeds 10%.
6. The Petitioner respectfully submits that in accordance with the Business Plan Regulations, 2019, the Petitioner will levy a PPAC of 8.75% on the bills of consumers 'for a period of 3 months'. Moreover, in compliance with the Business Plan Regulations, 2019 the Petitioner has duly uploaded the computation of PPAC on its website prior to levying the same on the electricity bills of the consumers.
7. The Petitioner respectfully submits that the bills pertaining to supply of power from GTPS have not been considered in the PPAC computation, as the Petitioner/NDMC has challenged the allocation made by the Commission from GTPS before the Hon'ble APTEL. The impact of this power shall be subject to decision by the Hon'ble APTEL. The Petitioner has received 43.48 MU of power from GTPS Power Plant during the period from October 2022 to December 2022 for which the billed amount was Rs. 7.10 Crore and 3.62 MU of power from GTPS Power Plant during the period from January' 2023 to March' 2023 for which the billed amount was Rs. 5.35 Crore, which has not been considered in the above PPAC.

8. Besides GTPS, PPAC does not include the following withheld payments of Dadri-I Thermal, POC, Non POC and wheeling charges/Transmission Charges of PGCIL, NRLDC, DTL application for Dadri-I Thermal Power as Petitioner has not scheduled and drawn any power from this Power Station, as the PPA between parties had expired on 30.11.2020.

S.No.	Utility	Amount	Remarks
For the period from October'2022 to December'2022			
a)	GTPS	71062651	GTPS power is allocated w.e.f. 01.04.2021 without NDMC consent. GTPS bill is withheld.
	Total	71062651	
Transmission Charges			
a)	DTL-SLDC	13182	GTPS withheld
b)	DTL-Wheeling Charges	1555187	--do--
	Total	1568369	
For the period from January'2023 to January'2023			
a)	GTPS	53521507	GTPS power is allocated w.e.f. 01.04.2021 without NDMC consent. GTPS bill is withheld.
	Total	53521507	
Transmission Charges			
a)	DTL-SLDC	12425	GTPS withheld
b)	DTL-Wheeling Charges	1487987	--do--
	Total	1500412	

COMMISSION'S ANALYSIS

9. The PPAC submissions made by NDMC have been scrutinized, the summary is as follows:
- i. In Q4 FY 2022-23 computation, NDMC has considered power from Tehkhand Waste to Electricity Project Limited (TWEPL), which does not form part of the base cost approved in Tariff Order dated 30/09/2021;
 - ii. After Prudence check, the PPAC computed as per formula approved in Tariff Order dated 30/09/2021 is as follows:

Quarter	PPAC submitted by NDMC in Petition	PPAC Computed by Commission
Quarter-3 FY 2022-23	110.84%	111.28%
Quarter-4 FY 2022-23	88.59%	93.16%

- iii. During analysis of the Power Purchase and Transmission Bills, it is observed that major reason for high PPAC is drastic increase in Gas Prices during the said period. Summary of approved ECR (Energy Charge Rate) vis-a-vis actual ECR and increased Gas Prices for few months during the period is tabulated as follows:

(Rs./kWh)

Plant	Approved ECR as per TO dated 30/9/2021	Nov'22	Dec'22	Jan'23	Feb'23
PPS-I Pragati	6.27	0.00	13.63	11.15	10.63
PPS-III Bawana	1.78	6.76	6.73	7.13	6.73

(Rs./SCM)

Plant	Sept'21	Dec'22	Jan'23	Feb'23
PPS-I Pragati	37.649	50.086	49.434	48.794
PPS-III Bawana	11.709	33.553	35.880	33.742

- iv. Summary of PPAC claimed, PPAC levied and actual PPAC is as under:

Quarter	PPAC claimed by NDMC	PPAC self-levied by NDMC	Differential PPAC as claimed by NDMC	Actual PPAC computed as per Commission	Balance PPAC (%) to be allowed
	A	B	C = A-B	D	E = D-B
Q3 FY23	110.84%	8.75%	102.09%	111.28%	102.53%
Q4 FY23	88.59%	8.75%	79.84%	93.16%	84.41%

10. The Commission vide its Order dated 30/09/2022, allowed NDMC to levy 22.18% PPAC on provisional basis w.e.f. 1/10/2022 till further Orders. Further, Commission vide its Order dated 9/01/2023 allowed additional PPAC of 5.82% over and above 22.18% for a period of 3 months. Considering the expected surge in Power Demand during Summer, the Commission continued the applicable PPAC as on 15/03/2023 till 30/06/2023.
11. Further, Commission vide its Order dated 22/06/2023 allowed additional PPAC of 2% over and above 28.00% (22.18%+5.82%) till 31/03/2024. As per the said Order, the applicable PPAC to NDMC as on date is 30.00%. The Commission now decides

to subsume the PPAC for Q3 & Q4 FY 2022-23 in its True-up. Surplus/deficit, if any, will be allowed with carrying cost, on verification of Power Purchase and Transmission Bills, in True-up of relevant Financial Year. No other PPAC shall be levied by NDMC till 31/03/2024 unless specifically approved by the Commission.

12. Ordered Accordingly.

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