

NOTIFICATION

F.3(758)/Tariff-Engg./DERC/2025-26/8553: In exercise of powers conferred under Section 181 read with Section 61 and Section 86(1)(b) of the Electricity Act, 2003 (Act 36 of 2003) and all other powers enabling it in this behalf, the Delhi Electricity Regulatory Commission hereby makes the following Regulations to amend the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 (hereinafter referred to as “the Principal Regulations”):

1.0 Short title and commencement:

- (1) These Regulations shall be called the *Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) (Second Amendment) Regulations, 2026*.
- (2) These Regulations shall be applicable from 1st June 2026 (corresponding to the Power Procurement by the DISCOMs from 1st April 2026 onwards)

2.0 Amendment to Regulation 134 of the Principal Regulations:

2.1 Regulation 134 of the Principal Regulations shall be substituted as under:

“134 Fuel and Power Purchase Adjustment Surcharge (FPPAS)

- (a) For these Regulations “Fuel and Power Purchase Adjustment Surcharge” (FPPAS) means the change in cost of power, supplied to consumers, due to change in Fuel cost, power purchase cost and transmission charges with reference to cost of supply approved by the Commission.
- (b) FPPAS shall be calculated and billed to consumers, automatically, without going through regulatory approval process, on a monthly basis, according to the formula, prescribed by the Commission in these Regulations, 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.

- (c) FPPAS shall be computed and charged by the Distribution Licensee, in (n+2)th month, on the basis of actual variation, in cost of fuel & power purchase and Interstate/Intrastate Transmission

Charges for the power procured during the nth month.

Explanation: For example, the fuel and power purchase adjustment surcharge on account of changes in cost of power supplied during the month of April in a financial year shall be billed in the month of June of the same financial year. Similarly, if FPPAS is on account of changes in cost of power supplied during the month of February in a financial year it shall be computed and billed in the month of April of the next financial year.

Provided that in case of positive FPPAS, if the distribution licensee fails to compute and charge fuel and power purchase adjustment surcharge in full, subject to the ceiling as provided in Regulation-134(d), within this timeline, except in case of any force majeure condition, its right to recovery of costs on account of fuel and power purchase adjustment surcharge shall be forfeited and, in such cases, the right to recover the fuel and power purchase adjustment surcharge at the time of true-up shall also be forfeited.

Provided also that in case of negative FPPAS, if the distribution licensee fails to compute and refund fuel and power purchase adjustment surcharge in full, within this timeline, except in case of any force majeure condition, such FPPAS would be recoverable from the licensee at the time of true up along with carrying cost to be charged at 1.20 times of the carrying cost rate under these Regulations and the same shall be adjusted from the revenue available towards ARR.

- (d) The percentage increase on account of FPPAS shall be applied as a surcharge on the total of Energy Charges & Fixed Charges billed to a consumer of utility and shall be capped at 10% (of the total Energy Charges and Fixed Charges).

The Commission may have periodic review and revise the capping of PPAC as specified in this Regulations from time to time considering the effect of carrying cost and other regulatory aspects.

Provided that the claims of FPPAS calculated as per this Regulation over and above the ceiling of 10% shall be carried forward and shall be adjusted by the Distribution Licensee in subsequent months for that financial year subject to the ceiling as specified in this clause.

- (e) The revenue recovered on account of FPPAS by the Distribution Licensee, shall be trued up for the year concerned.

- (f) The amount of FPPAS billed to the consumers in excess of the amount of FPPAS admissible as per these Regulations shall be recovered from the Distribution Licensee at the time of true up along with carrying cost at 1.20 times of the carrying cost rate specified and the same shall be adjusted from the revenue available towards ARR. The under recovery of FPPAS shall be allowed during true up.
- (g) The Distribution Licensee shall submit such details, regarding the variation between expenses incurred and FPPAS recovered, and the detailed computations and supporting documents, as may be required by the Commission, at the time of true up. The stipulated formats for the aforesaid purpose shall be as specified and communicated by the commission from time to time.

Provided that the Distribution Licensee shall also make monthly submissions of the detailed FPPAS computations in the formats specified by the Commission. Further, Statutory Auditor's certificate on quarterly basis with monthly breakup of power purchase cost indicating plant wise details of fixed charges, variable charges, other charges, units billed by each plant/source and actual transmission charges and other relevant information/details for (n-2)th month shall also be furnished to the Commission. The said details and the auditor's certificate shall be accompanied by the affidavit to be signed by the officer of the Distribution Companies not less than the rank of the Head of the concerned division in the format as per Annexure-II.

- (h) The Distribution Licensee shall publish all details including the FPPAS formula, calculation of monthly FPPAS and recovery of FPPAS on its website and archive the same through a dedicated web address.
- (i) To ensure smooth implementation of the FPPAS mechanism and its recovery, the Distribution Licensee shall ensure that the licensee billing system is updated to take this into account and a unified billing system shall be implemented to ensure uniform billing irrespective of the billing and metering vendor through interoperability or use of open source software as available.
- (j) Formula for computation of FPPAS:

Monthly FPPAS for nth month (in %)=

$$\frac{(A-B) \times C + (D-E) + F^*}{\{Z \times (1 - \text{Distribution losses in \%}/100)\} \times \text{ABR}} \times 100$$

Where,

n^{th} month means the month in which billing of FPPAS component is done. This FPPAS is due to changes in tariff for the power supplied in $(n-2)^{\text{th}}$ month.

Where, A is Total units procured in $(n-2)^{\text{th}}$ Month (in kWh) from all Sources 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 from all Sources in $(n-2)^{\text{th}}$ Month. (in kWh) = (to be taken from provisional accounts to be issued by Delhi State Load Dispatch Centre by the 10th day of each month).

C is incremental Average Power Purchase Cost (including the change of fuel cost) = Actual average Power Purchase Cost (PPC) from all Sources in $(n-2)^{\text{th}}$ month (Rs./ kWh) (computed) - Projected average Power Purchase Cost (PPC) from all Sources (Rs./ kWh) as per tariff order

D = Actual inter-state and Intra-State Transmission Charges in the $(n-2)^{\text{th}}$ Month, (From the bills by Transcos to Discom) (in Rs)

E = Base Cost of Transmission Charges for $(n-2)^{\text{th}}$ Month. = (Approved Transmission Charges/12) (in Rs)

F (computed for FPPAS billing in n^{th} month) = (Incremental power purchase cost i.e. $(A-B) \times C + (D-E)$, computed upto $(n-3)^{\text{th}}$ month) - (Incremental power purchase cost allowed upto $(n-3)^{\text{th}}$ month as per the Regulation) (in Rs)

* Provided that initially value of F shall be zero. F shall be computed for FPPAS bills raised from Jul'26 onwards. Value of F shall be cumulated upto 12-month period and reset in July month of every Financial Year.

Explanation: For example, FPPAS bill raised in Jul'26 shall include monthly FPPAS of May'26 and F component for incremental power purchases of Apr'26. Similarly, FPPAS bill raised in Aug'26 shall include monthly FPPAS of Jun'26 and F computed for incremental power purchases upto May'26. Further, FPPAS bill raised in July'27 shall have F component for incremental power purchase of April'27 only.

$Z = \{[\text{Actual Power purchased from all the sources outside the State in } (n-2)^{\text{th}} \text{ Month. (in kWh)} \times (1 - \text{Interstate transmission losses in } \% / 100) + \text{Power purchased from all the sources within the State (in kWh)}] \times (1 - \text{Intra-State losses in } \% / 100) - B\}$ in kWh

ABR = Average Billing Rate for the year as approved by the Commission (in Rs/kWh) (to be taken from the latest tariff order)

Distribution Losses (in %) = Target Distribution Losses as approved by the Commission

Inter-state transmission Losses (in %) as approved by the Commission in the Tariff Order.

Intra-state transmission Losses (in %) as approved by the Commission in the Tariff Order.

Illustrative examples attached as an Annexure-I

Note:

The Power Purchase Cost shall exclude any charges on account of Deviation Settlement Mechanism.

Other charges which include Ancillary Services and Security Constrained Economic Despatch shall not be included in Fuel and Power Purchase Adjustment Surcharge and adjusted through the true-up approved by the Commission.

- (k) FPPAS being claimed by the DISCOMs based on the Tariff Order dated-30.09.2021 issued by the Commission for the financial year 2021-22 shall not be claimed by them with effect from the applicability of these Regulations.
- (l) Against the claims of FPPAS, if any, for the intervening period i.e. after expiry of the period concerned as per the last order passed by this Commission for PPAC (FPPAS) and before the applicability of these Regulations the DISCOMs shall be allowed to recover PPAC (FPPAS) at the rates approved by the Commission in its last order issued for PPAC, irrespective of the rates as may be applicable for the relevant quarter (falling under the intervening period) as per clause-30 of the existing Business Plan Regulations (BPR), 2023. The rates to be claimed for the intervening period shall be as under: TPDDL (7.24%), BRPL (5.76%), BYPL (2.96%), NDMC (8.75%).

3.0 Principal Regulations 135 and 136 shall be deleted.

Sd/-

(Amit Arora)
Joint Director (Tariff-Engineering)

Date: 30.04.2026

Place: New Delhi

Annexure-I

(as amended from time to time)

ILLUSTRATIVE EXAMPLES FOR THE COMPUTATIONS OF FPPAS

Following Assumptions have been taken in the Calculation: -

- i. Target Distribution Loss= 6%
- ii. Inter-state Transmission Loss= 2.00%
- iii. Intra-state Transmission Loss= 0.92%
- iv. Approved Average Billing Rate (ABR)= ₹8.00/kWh
- v. Base Transmission Cost (E)= ₹100 Cr
- vi. Projected PPC (Base Cost) = ₹4.50/kWh

1. Scenario-1 (Power Purchase Bills of April'26, FPPAS levied in the month of June'26): F=0 and FPPAS > 10 %: -

- a) A (Units Procured) =1,500 MU
- b) B (Bulk Sale) =100 MU
- c) Actual Power Purchase Cost= ₹5.40/kWh
- d) C (Incremental PPC): ₹0.9/kWh (Actual ₹5.40 - Projected ₹4.50)
- e) D (Actual Transmission Charges): ₹105 Cr
- f) E (Base Transmission Cost) = ₹100 Cr
- g) **Calculation of Incremental Power Purchase Cost, for (n-2)th month, i.e. April'26:-**
 - i. Incremental power purchase cost (Computed) = (A - B) * C + (D - E)
 - ii. Incremental power purchase cost (Computed) = (1500 - 100) * 0.9/10 + (₹105 Cr. - ₹100 Cr.) = ₹131 Cr.
- h) **Calculation of Z (for (n-2)th month) :-**
 - i. $Z = \{ \text{Actual Power purchased from all the sources outside the State in (n-2)th Month} * (1 - \text{Interstate transmission losses}/100) + \text{Power purchased from all the sources within the state} * (1 - \text{Intra State losses}/100) - B \}$
 - ii. Power Purchased from all sources outside the state = 1000 MU
 - iii. Power Purchased from all sources within the state = 500 MU
 - iv. $Z = \{ \{ 1000 * (1 - 2.00/100) + 500 \} * (1 - 0.92/100) - 100 \} = 1366 \text{ MU}$
- i) **Calculation of F: -**
 - i. F=0 (in the present case, as per the regulation)
- j) **Total FPPAS percentage: -**
 - i. Formula =
$$\frac{\{ (A-B)*C+(D-E)+ F \}}{\{ Z * (1 - \frac{\text{Distribution losses in \%}}{100}) \} * ABR}$$
 - ii. Numerator = ₹131 Cr. + 0 (as F is zero)
 - iii. Denominator = $\{ 1366 * (1 - 6/100) \} * 8/10 = ₹1027 \text{ Cr.}$
 - iv. Total FPPAS % = $\frac{131}{1027} * 100 = \sim 12.75\%$
 - v. FPPAS levied to Consumer = 10% (because of 10% capping)
 - vi. Incremental power purchase cost allowed for Apr'26 = $10\% * 1027 = ₹102.7 \text{ Cr.}$
 - vii. Incremental power purchase cost computed up-to Apr'26 = ₹131 Cr.
 - viii. Incremental power purchase cost allowed up-to Apr'26 = ₹102.7 Cr.
 - ix. Deficit = ₹131 Cr. - ₹102.7 Cr. = ₹28.3 Cr.

2. Scenario-2 (Power Purchase Bills of May'26, FPPAS levied in the month of July'26): F>0 and FPPAS>10%: -

- a) **A (Units Procured)** =2000 MU
- b) **B (Bulk Sale)** =200 MU
- c) **Actual Power Purchase Cost**= ₹5.50/kWh
- d) **C (Incremental PPC):** ₹1/kWh (Actual ₹5.50 - Projected ₹4.50)
- e) **D (Actual Transmission Charges):** ₹103 Cr
- f) **E (Base Transmission Cost)** = ₹100 Cr
- g) **Calculation of Incremental Power Purchase Cost for (n-2)th month, i.e. May'26): -**
 - i. Incremental power purchase cost (Computed) = (A - B) * C + (D - E)
 - ii. Incremental power purchase cost (Computed) = (2000 - 200) * 1/10 + (₹103 Cr.- ₹100 Cr.) = ₹183 Cr
- h) **Calculation of Z (for (n-2)th month) :-**
 - i. $Z = \{ \text{Actual Power purchased from all the sources outside the State in (n-2)^{\text{th}} \text{ Month} * (1 - \text{Interstate transmission losses}/100) + \text{Power purchased from all the sources within the state} * (1 - \text{Intra State losses}/100) - B \}$
 - ii. Power Purchased from all sources outside the state =1700 MU
 - iii. Power Purchased from all sources within the state = 300 MU
 - iv. $Z = \{ \{ 1700 * (1 - 2.00/100) + 300 \} * (1 - 0.92/100) - 200 \} = 1748 \text{ MU}$
- i) **Calculation of F: -**
 - i. F (computed for FPPAS billing in nth month) = (Incremental power purchase cost i.e. (A-B) * C+(D-E), computed upto (n-3)th month) -(Incremental power purchase cost allowed upto (n-3)th month as per the Regulation)
 - ii. $F = ₹131 \text{ Cr.} - ₹102.7 \text{ Cr.} = ₹28.3 \text{ Cr.}$
- j) **Total FPPAS percentage: -**
 - i. Formula =
$$\frac{\{(A-B)*C+(D-E) + F\}}{\left\{ Z * \left(1 - \frac{\text{Distribution losses in \%}}{100} \right) \right\} * ABR}$$
 - ii. Numerator = ₹183 Cr.+ ₹28.3 Cr.= ₹211.3 Cr.
 - iii. Denominator = {1748* (1 - 6/100)} * 8/10 = ₹1314 Cr
 - iv. Total FPPAS % = $\frac{211.3}{1314} * 100 = \sim 16.08\%$
 - v. FPPAS levied to Consumer =10% (because of 10% capping)
 - vi. Incremental power purchase cost allowed for May'26= 10%*1314= ₹131.4 Cr.
 - vii. Incremental power purchase cost computed up-to May'26= ₹131 Cr. + ₹183 Cr.= ₹314 Cr.
 - viii. Incremental power purchase cost allowed up-to May'26= ₹102.7 Cr.+ ₹131.4 Cr. = ₹234.1 Cr.
 - ix. Deficit= ₹314 Cr.- ₹234.1 Cr. = ₹79.9 Cr.

3. Scenario-3 (Power Purchase Bills of June'26, FPPAS levied in the month of Aug'26): F>0 and FPPAS<10% : -

- a) **A (Units Procured)** =1400 MU
- b) **B (Bulk Sale)** =300 MU
- c) **Actual Power Purchase Cost**= ₹4.41/kWh
- d) **C (Incremental PPC)** = (-₹0.09/kWh) (Actual ₹4.41 - Projected ₹4.50)
- e) **D (Actual Transmission Charges):** ₹100 Cr
- f) **E (Base Transmission Cost)** = ₹100 Cr
- g) **Calculation of Incremental Power Purchase Cost for (n-2)th month, i.e. June'26): -**
 - i. Incremental power purchase cost (Computed) = (A - B) * C + (D - E)
 - ii. Incremental power purchase cost (Computed) = (1400 - 300) * (-0.09)/10 + (100 - 100) = ₹(9.9) Cr
- h) **Calculation of Z (for (n-2)th month) :-**

- i. $Z = \{ \text{Actual Power purchased from all the sources outside the State in } (n-2)^{\text{th}} \text{ Month} * (1 - \text{Interstate transmission losses}/100) + \text{Power purchased from all the sources within the state} \} * (1 - \text{Intra State losses}/100) - B$
- ii. Power Purchased from all sources outside the state = 1200 MU
- iii. Power Purchased from all sources within the state = 200 MU
- iv. $Z = \{ \{ 1200 * (1 - 2.00/100) + 200 \} * (1 - 0.92/100) - 300 \} = 1063 \text{ MU}$

i) **Calculation of F: -**

- i. F (computed for FPPAS billing in n^{th} month) = (Incremental power purchase cost i.e. $(A-B) * C + (D-E)$, computed upto $(n-3)^{\text{th}}$ month) - (Incremental power purchase cost allowed upto $(n-3)^{\text{th}}$ month as per the Regulation)
- ii. $F = ₹314 \text{ Cr.} - ₹234.1 \text{ Cr.} = ₹79.9 \text{ Cr.}$

j) **Total FPPAS percentage: -**

- i. Formula =
$$\frac{\{(A-B)*C+(D-E) + F\}}{\{Z*(1 - \frac{\text{Distribution losses in \%}}{100})\} * ABR}$$
- ii. Numerator = $(-9.9) + 79.9 = 70 \text{ Cr}$
- iii. Denominator = $\{1063 * (1 - 6/100)\} * 8/10 = ₹799.37 \text{ Cr}$
- iv. Total FPPAS % = $\frac{70}{799.37} = \sim 8.75\%$
- v. FPPAS levied to Consumer = 8.75%
- vi. Incremental power purchase cost allowed for June'26 = $8.75\% * ₹799.37 \text{ Cr.} = ₹70 \text{ Cr.}$
- vii. Incremental power purchase cost computed up-to June'26 = $₹131 \text{ Cr.} + ₹183 \text{ Cr.} + ₹(9.9) \text{ Cr.} = ₹304.1 \text{ Cr.}$
- viii. Incremental power purchase cost allowed up-to June'26 = $₹102.7 \text{ Cr.} + ₹131.4 \text{ Cr.} + ₹70 \text{ Cr.} = ₹304.1 \text{ Cr.}$
- ix. Deficit = $₹304.1 \text{ Cr.} - ₹304.1 \text{ Cr.} = 0.$

4. Scenario-4 (Power Purchase Bills of July'26, FPPAS levied in the month of Sep'26): F=0 and FPPAS % is negative: -

- a) **A (Units Procured)** = 1100 MU
- b) **B (Bulk Sale)** = 300 MU
- c) **Actual Power Purchase Cost** = ₹4.30/kWh
- d) **C (Incremental PPC):** (-₹0.20/kWh) (Actual ₹4.30 - Projected ₹4.50)
- e) **D (Actual Transmission Charges):** ₹99 Cr
- f) **E (Base Transmission Cost)** = ₹100 Cr
- g) **Calculation of Incremental Power Purchase Cost for $(n-2)^{\text{th}}$ month, i.e. July'26): -**
 - i. Incremental power purchase cost (Computed) = $(A - B) * C + (D - E)$
 - ii. Incremental power purchase cost (Computed) = $(1100 - 300) * (-0.20)/10 + (99 - 100) = ₹(17) \text{ Cr.}$
- h) **Calculation of Z (for $(n-2)^{\text{th}}$ month) :-**
 - i. $Z = \{ \text{Actual Power purchased from all the sources outside the State in } (n-2)^{\text{th}} \text{ Month} * (1 - \text{Interstate transmission losses}/100) + \text{Power purchased from all the sources within the state} \} * (1 - \text{Intra State losses}/100) - B$
 - ii. Power Purchased from all sources outside the state = 900 MU
 - iii. Power Purchased from all sources within the state = 200 MU
 - iv. $Z = \{ \{ 900 * (1 - 2.00/100) + 200 \} * (1 - 0.92/100) - 300 \} = 772 \text{ MU}$
- i) **Calculation of F: -**
 - i. F (computed for FPPAS billing in n^{th} month) = (Incremental power purchase cost i.e. $(A-B) * C + (D-E)$, computed upto $(n-3)^{\text{th}}$ month) - (Incremental power purchase cost allowed upto $(n-3)^{\text{th}}$ month as per the Regulation)
 - ii. $F = ₹304.1 \text{ Cr.} - ₹304.1 \text{ Cr.} = 0$

j) **Total FPPAS percentage: -**

- i. Formula =
$$\frac{\{(A-B)*C+(D-E) + F\}}{\left\{Z*\left(1 - \frac{\text{Distribution losses in \%}}{100}\right)\right\} * ABR}$$
- ii. Numerator = ₹(17) Cr. +0= ₹(17) Cr.
- iii. Denominator = {772* (1 – 6/100)} * 8/10 = ₹580.54 Cr
- iv. Total FPPAS % = $\frac{-17}{580.54} * 100 = (-2.93\%)$
- v. FPPAS to be refunded in the consumer bills @ (-2.93%)
- vi. Incremental power purchase cost computed up-to July'26= ₹131 Cr. + ₹183 Cr.+ ₹(9.9) Cr. + ₹(17) Cr. = ₹287.1 Cr.
- vii. Incremental power purchase cost allowed up-to July'26 = ₹102.7+ ₹131.4 Cr.+ ₹70 Cr.+ ₹(17) Cr.= ₹287.1 Cr.
- viii. Deficit= ₹287.1 Cr. - ₹287.1 Cr. =0

AFFIDAVIT

I, (Name of Person) aged _____ years, (Designation) of (Name of DISCOM), do hereby solemnly firm and declare as under :

1. That (Name of DISCOM) has charged Fuel and Power Purchase Adjustment Surcharge (FPPAS) from its consumers during the months of _____ in the monthly electricity bills, which is strictly in accordance with clause (j) of para 2.1 of the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) (Second Amendment) Regulations, 2026, (herein after referred to as Regulations)
2. That for calculating the monthly FPPAS, the formula as specified in clause (j) of para 2.1 of the Regulation has been strictly followed and applied.
3. That for the calculation of FPPAS for each month, the actual Power Purchased Cost has been computed as per the bills of Power Procurement paid or incurred by (Name of DISCOM) from all the sources i.e. long term, medium term and short term power procurement during the said months, which have been duly accounted for in the accounts of (Name of DISCOM)
4. That the base (Projected) Power Purchase Cost from all the sources i.e. long term, medium term and short term has been taken in the calculation of FPPAS as per the Tariff Order dated 30.09.2021 for the FY 2021-2022.
5. That the inter-state and intra-state transmission charges considered in the calculation of FPPAS are as per the bills raised by the transmission utilities for each month for which the FPPAS has been charged to the consumers by (Name of DISCOM)
6. That the base (Projected) transmission charges are as per the Tariff Order dated 30.09.2021 passed by this Commission for FY 2021-2022.
7. That amount of actual Power Purchase Cost considered in the calculation of FPPAS do not include the charges on account of Deviation Settlement Mechanism and Ancillary Services and Security Constrained Economic Despatch.
8. That as per the requirement of the Regulations, we have also furnished Auditor Certificate dated _____ to certify the correctness of the calculation of FPPAS for the months of (the period of FPPAS)

DEPONENT

VERIFICATION

I _____ the above named deponent do hereby verify that the contents of the above affidavit are true and correct to the best of my knowledge and information as per the records of (Name of DISCOM) and nothing has been concealed there from.

Verified at New Delhi this _____ day of _____ 2026.

DEPONENT