DELHI ELECTRICITY REGULATORY COMMISSION
Viniyamak Bhawan, C Block, Shivalik, Malviya Nagar, New Delhi – 110 017
Website: www.derc.gov.in . Telefax: 26673608

PUBLIC NOTICE
REQUEST FOR PUBLIC RESPONSE
True up Petition for FY 07-08 and revised Aggregate Revenue Requirement (ARR) and determination of tariff for FY 09-10 filed by BSES Rajdhani Power Ltd. (BRPL), BSES Yamuna Power Ltd. (BYPL) and North Delhi Power Ltd. (NDPL)

1. The Distribution Companies in the NCT of Delhi viz. BSES Rajdhani Power Ltd. (BRPL), BSES Yamuna Power Ltd. (BYPL) and the North Delhi Power Ltd. (NDPL) have filed their tariff petitions for FY 09-10 before the Delhi Electricity Regulatory Commission (Commission). The Petitioners have filed their respective petitions under the provisions of the Electricity Act, 2003, the Delhi Electricity Reform Act, 2000 and the Distribution Tariff Regulations dated May 30, 2007 issued by the Delhi Electricity Regulatory Commission. The Commission has since admitted the Petitions for further examination and hearing the parties on their proposals.
2. The three Distributions Companies i.e. the BRPL, the BYPL and the NDPL have, subsequent to the admission of their petitions by the DERC, issued Public Notice in the following newspapers of Delhi.

NDPL	23.12.2008	Times of India, Hindustan Times	English
		Hindustan, Navbharat Times	Hindi
	24.12.2008	Milap	Urdu
BRPL / BYPL	23.12.2008	Times of India, Hindustan Times	English
		Navbharat Times	Hindi
	25.12.2008	Milap	Urdu

The Public Notices have also been posted on the website of the Distribution Companies as well as that of the Commission.

3. The three Distribution Companies have sought revision of tariff for FY 09-10 for various consumer categories to meet the revenue gap in their respective Annual Revenue Requirements (ARRs). The tariff proposals have been summarized in the respective Public Notices of the three Distribution Companies.
4. In accordance with the provisions of the Delhi Electricity Regulatory Commission Comprehensive (Conduct of Business) Regulations, 2001 notified by the Commission, the Commission invites comments from consumers and other stakeholders on the above petitions. **Comments may be sent to the Secretary of the Commission at the above office address by 15.01.2009**, either personally or by post, or by email at secyderc@nic.in.

Other issues

5. In addition to the comments on the petitions filed by the Distribution Companies, the Commission seeks the views of all stakeholders, i.e., licencees and consumers, on the following issues as well:

I. Power Procurement

The Distribution Companies of Delhi are purchasing power through long term contracts with NTPC, NHPC, IPGENCO, PPCL etc. Additional power has also been tied up from various projects under implementation and this additional power would be available progressively with the commissioning of the new generating units. The demand for power varies significantly between the day time peak hours and the night time non-peak hours. Since the demand and supply of electricity has to be matched in real time, the Distribution Companies have to undertake a continuous balancing exercise to meet any additional shortfall during peak hours and sell or bank the surplus power which may be available to them during non-peak hours. Since additional power purchases are often required to be made at higher cost to meet emergency situations, such as, high silt in hydro power stations, unscheduled break-down of various generating plants, non-availability of critical transmission links etc., the Commission has been allowing certain quantum of power purchase at higher than average price. In the MYT Tariff Order, additional power purchase allowed for various distribution companies for FY

2008-09 is as follows:

S.No.	Name of the Discoms	Quantum (MU)	Average Rate (Rs./Kwh)
1.	NDPL	239.19	6.40
2.	BYPL	188.33	6.40
3.	BRPL	331.82	6.40

The difference between the peak power requirements and non-peak power requirements in Delhi is quite substantial. Utilities are, therefore, required to contract for capacity which is able to meet the peak requirements and then sell or bank the surplus power available to them during the non-peak hours without being able to exploit its full economic value. In case, the contracted power is not sufficient to meet the peak hour requirements, additional peak power would be purchased at market rates which are significantly higher. It is, therefore, imperative for the sake of economical operation to reduce the differential between peak hour requirements and the non-peak hour requirements. Various steps, if initiated by electricity consumers, the Distribution Utilities and other stakeholders in this direction could enable Distribution Companies to meet power requirements with lower power purchase cost which, in turn, would reduce the need for increase in electricity tariffs.

II. Water Pumping Requirements:

While the primary responsibility for water pumping in the city is that of the Delhi Jal Board, the increase in number of 3-4 storeyed structures (commercial as well as residential premises) as well as significant increase in population density has drastically altered the water pumping requirements. The limitations of the existing water supply system in handling the higher water pressures necessitate the use of localized second stage pumping by individual premises to overhead tanks. In many cases where underground/ground level storage is not available, water users resort to installation of online boosters on the main supply line to pump the water to overhead tanks. This secondary pumping can be de-linked from the timing of the main water supply by the Delhi Jal Board, in case underground sumps are created in individual premises. This pumping requirement is mostly between 5-7 A.M. and contributes significantly to the morning peak demand. Creation of underground sumps of adequate capacity could enable electricity consumers to shift the timing of boosting operations to a time other than the peak demand period, thereby reducing the need for purchase of expensive peak power by the Distribution Companies which results in higher electricity tariffs. With the installation of electronic meters in the city, it is now possible to separately identify the consumption during peak and non-peak hours. In case it is possible to offer a lower tariff for non-peak hours, electricity consumers could be induced to create underground water storage and resort to pumping to their overhead tanks without linking with the peak hour pumping by the Delhi Jal Board. This would enable the Distribution Utilities to pass on a major part of the savings in higher peak hour purchase cost to those consumers who undertake their water pumping during non peak hours.

III. Time Differential Tariffs:

There is a possibility for domestic consumers to self-regulate the timing of various power uses provided the tariff structure gives them sufficient incentive to do so. For example, electric storage water heaters can be switched on at night so as to avoid this consumption during morning peak hours. Use of washing machines, kitchen appliances and several other domestic uses can be shifted to non-peak periods. Since electronic meters now installed in case of most electricity consumers have the facility to record consumption during different time periods, it should be possible for the Distribution Utilities to offer differential tariffs for different times of the day with consequential savings in power purchase cost being largely passed on to the electricity consumers. An added advantage would be that consumers who do not yet have electronic meters would have to get their meters changed to avail these incentives.

IV. Two-Part Tariff for Domestic Consumers:

Domestic consumers in the city are charged flat rates for various levels of energy consumption. Thus, a domestic consumer does not need to differentiate between maximum power usage and the average power usage, while the Distribution Company pays a much higher rate for power purchase during peak hours than the average rate paid for the normal power purchase. In case the maximum rate of power usage (KVA demand) is much higher than the normal rate of power usage (average Kwh requirement), the Distribution Company is required to purchase additional power at the time of maximum power usage at a higher rate. The existing flat energy tariff applicable to the domestic consumers does not provide any incentive to them to regulate their usage to avoid imposing a maximum demand which is not commensurate with the average energy requirement. The tariff for domestic consumers could be changed to a two part tariff with a maximum demand and an energy charge so that domestic consumers also have incentive to avoid concurrent use of a large number of appliances thereby reducing the

maximum demand and as a result, the average tariff paid by them. This would have the effect of passing on a part of the savings in power purchase cost of the Distribution Companies to the domestic consumers as well.

V. Energy Conservation and Demand Side Management:

A large number of consumers are unaware of the potential of reducing energy consumption by using energy efficient devices. Bureau of Energy Efficiency has a rating programme for calibrating the energy efficiency of energy intensive appliances such as air conditioners, water heaters, refrigerators etc. Use of these appliances which carry higher star ratings, offers the possibility of reducing energy consumption in these applications. The full potential of demand reduction by use of energy efficient devices has not been realized partly on account of the higher cost of such star rated devices, although such higher cost would be off-set by the saving in energy cost in relatively short period of time. Although the efforts to promote the use of energy efficient devices through public awareness programmes could be continued, the Govt. could also consider imposing a ban on sale of such appliances which do not have a minimum prescribed star rating as an additional measure to promote energy conservation. Some such measures which have been adopted in the past was to introduce compact fluorescent lamps (CFLs), increased awareness programmes for switching off the appliances completely instead of through remote devices etc. The Commission is of the view that a separate fund be created for energy conservation and demand side management which can be used for carrying out various studies relating to these concepts and pilot studies are taken up. These pilot studies will ultimately lead to commercial use of such schemes. The Commission desires to initiate a debate on this subject and based on the suggestions received from the stakeholders, certain guidelines on these issues could be prepared.

6. The Commission shall deliberate on above mentioned issues while deciding on the tariff for various classes of consumers. As done in the past, the Commission would also hold public hearings with the responding stakeholders and the date of hearing shall be notified separately.

7. The Commission shall scrutinize the petitions and may seek further clarifications from the Petitioners, if required. By way of an Order, the Commission shall approve the ARR and Revenue Gap with respect to each of the Petitioners and explore the ways and means for bridging this gap including support/subsidy, if any, from the GoNCT of Delhi, tariff increase and/or other regulatory measures. The Orders on the petitions shall be issued after considering the suggestions received from various stakeholders.

8. In the past, there have been requests that the Commission may extend help to consumers in understanding the petitions and also help them to file their comments in this regard. The Commission has accordingly nominated certain officers to extend necessary help to all such consumers, who may so desire. Discussions may be held with the following officers after seeking prior appointment:

- Sh. B.K. Jain, Joint Director (26680734)
- Smt. Rinku Gautam, Joint Director (26680433)
- Sh. Anish Garg, Deputy Director (26673606)

9. A copy of the petition of each Petitioner could be purchased from the respective head office of the Petitioners on any working day from 23.12.2008 to 12.01.2009 between 11 am to 4 pm on payment of Rs.100/- either by cash or by Demand Draft/Pay Order payable at New Delhi as per the details provided herewith.

BSES Yamuna Power Ltd.
Shakti Kiran Building, Karkardooma,
Delhi – 110092
Website: www.bsesdelhi.com
Demand Draft/Pay Order in favour of
BSES Yamuna Power Limited.

BSES Rajdhani Power Ltd.
BSES Bhawan, Nehru Place,
New Delhi – 110019
Website: www.bsesdelhi.com
Demand Draft/Pay Order in favour of
BSES Rajdhani Power Limited.

North Delhi Power Limited
Substation Building, Hudson Lane,
Kingsway Camp, Delhi – 110009
Website: www.ndplonline.com
Demand Draft/Pay Order in favor of North Delhi Power Limited.

10. The complete petitions filed by the Petitioners are available at the website of the Commission (www.derc.gov.in) and that of the Petitioners. Copies of the Petitions are also available for inspection at the Commission's Office, as well as at the head offices of the Petitioners at the addresses provided above on any working day till 12.01.2009 between 11 am to 4 pm.

Secretary
Delhi Electricity Regulatory Commission