



DELHI ELECTRICITY REGULATORY COMMISSION

Vinayak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi-110017.

F.11(1550)/DERC/2017-18/

Petition No.03/2018

In the matter of: **Petition for True up of ARR for FY 2016-17 and Aggregate Revenue Requirement for FY 2018-19.**

Delhi Transco Limited
Through its: **General Manager (C&RA)**
Shakti Sadan, Kolia Marg,
New Delhi - 110 002.

...Petitioner

Coram: **Sh. B. P. Singh, Member.**

ORDER

(Date of Order: 28.03.2018)

M/s. Delhi Transco Limited (DTL) has filed the instant Petition for True up of Expenses for FY 2016-17, approval of Aggregate Revenue Requirement and Transmission Tariff for FY 2018-19 for wheeling Business under the Multi Year Tariff Framework. The Petition was admitted by the Commission vide Order dated 25.01.2018. The Petition along with Executive summary was uploaded on the website of the Commission seeking response of the stakeholders; and was also widely publicised through advertisement in newspapers.

The comments and suggestions of the stakeholders, the submissions made during the public hearing held on 23.03.2018 and the arguments advanced by the Petitioner have been duly considered and the Commission in exercise of the power vested in it by the Electricity Act, 2003 and Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017, hereby pass this Tariff Order signed, dated and issued on 28.03.2018.

The Petitioner shall take immediate steps to implement the said Order, so as to make the revised tariffs applicable from 01.04.2018.

This Tariff Order shall remain in force till replaced by a subsequent Tariff Order and/or is amended, reviewed or modified, in accordance with the provisions of the Electricity Act, 2003 and the Regulations made there under.

(B. P. Singh)
Member

A1: INTRODUCTION.....	10
DELHI TRANSCO LIMITED (DTL)	10
DELHI ELECTRICITY REGULATORY COMMISSION	10
THE STATE ADVISORY COMMITTEE MEETING	10
FILING OF PETITION FOR TRUE UP AND ARR.....	12
FILING AND ACCEPTANCE OF PETITION	12
INTERACTION WITH THE PETITIONER	12
PUBLIC NOTICE.....	13
LAYOUT OF THE ORDER.....	15
APPROACH OF THE ORDER	16
APPROACH FOR TRUE-UP OF FY 2016-17	16
APPROACH FOR ARR OF FY 2018-19	17
A2: STAKEHOLDER’S COMMENTS.....	18
INTRODUCTION.....	18
ISSUE 1: METHODOLOGY FOR TREATMENT OF TRANSMISSION CHARGES	18
ISSUE 2: EMPLOYEE EXPENSES	20
ISSUE 3: A&G EXPENSES	21
ISSUE 4: R&M EXPENSES	22
ISSUE 5: EFFICIENCY FACTOR.....	23
ISSUE 6: INCOME TAX.....	24
ISSUE 7: NON TARIFF INCOME.....	26
ISSUE 8: CALCULATION OF WORKING CAPITAL	30
ISSUE 9: COMPUTATION OF WEIGHTED AVERAGE COST OF CAPITAL	30
ISSUE 10: NON TRUING UP OF SLDC ARR.....	31
ISSUE 11: CARRYING COST.....	32
ISSUE 12: DVB ARREARS	32
ISSUE 13: NON-UTILISATION OF DSM POOL ACCOUNT	34
A3: TRUE UP FOR FY 2016-17	36
OPERATION & MAINTENANCE EXPENSES	36

DETERMINATION OF INFLATION FACTOR	36
EMPLOYEE EXPENSES	36
A&G EXPENSES.....	37
REPAIR & MAINTENANCE EXPENSES.....	38
EMPLOYEE EXPENSES	40
A&G EXPENSES.....	41
R&M EXPENSES	42
ASSETS CAPITALIZATION.....	43
DEPRECIATION	44
WORKING CAPITAL REQUIREMENT	45
RETURN ON CAPITAL EMPLOYED.....	46
NON TARIFF INCOME	48
INCOME TAX EXPENSES	50
TRUE UP OF AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2016-17	51
BALANCE IMPACT OF TRUE UP FOR FY 2016-17	51
A4: ANALYSIS OF AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2018-19	53
BACKGROUND.....	53
OPERATION & MAINTENANCE EXPENSES	53
EMPLOYEE EXPENSES	53
WORKING CAPITAL.....	56
ASSETS CAPITALIZATION.....	57
DEPRECIATION	58
RETURN ON CAPITAL EMPLOYED.....	60
NON TARIFF INCOME	67
AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2018-19	67
IMPACT OF DVB ARREARS AS PER ATE JUDGEMENT	68
A5 TRANSMISSION TARIFF DESIGN	70
A6: DIRECTIVES	73

Table 1: 17 th State Advisory Committee Meeting	11
Table 2: List of Correspondence with the Petitioner	13
Table 3: Month wise details of STOA amount received and refunded by DTL	27
Table 4: Petitioner Submission - Employee Expenses for FY 2016-17 (Rs.Crore)	37
Table 5: Petitioner Submission - A&G Expenses for FY 2016-17 (Rs. Crore).....	38
Table 6: Petitioner Submission - R&M Expenses for FY 2016-17 (Rs. Crore)	39
Table 7: Petitioner Submission - O&M Expenses for FY 2016-17 (Rs. Crore)	39
Table 8: Commission Approved - Trued up Employee Expenses for FY 2016-17 (Rs. Crore)	41
Table 9: Commission Approved - Trued up A&G Expenses for FY 2016-17 (Rs. Crore).....	42
Table 10: Commission Approved - Trued- up R&M Expenses for FY 2016-17	43
Table 11: Commission Approved - Trued- up O&M Expenses for FY 2016-17 (Rs. Crore)	43
Table 12: Petitioner Submission - Assets Capitalisation for FY 2011-12 to FY 2016-17 (Rs. Cr) ..	43
Table 13: Commission Approved - Capitalization provisionally (Rs. Crore)	44
Table 14: Petitioner Submission - Depreciation for FY 2016-17 (Rs. Crore)	44
Table 15 : Commission Approved - Depreciation for FY 2016-17 (Rs. Crore)	45
Table 16: Petitioner Submission - Working Capital for FY 2016-17 (Rs. Crore)	45
Table 17: Commission Approved - Working Capital for FY 2016-17 (Rs. Crore)	46
Table 18: Petitioner Submission - ROCE Calculation for FY 2016-17 (Rs. Crore)	47
Table 19: Commission Approved - RoCE for FY 2016-17 (Rs. Crore)	48
Table 20: Petitioner Submission - Non Tariff Income for FY 2016-17 (Rs. Crore)	49
Table 21: Commission Approved - Non Tariff Income for FY 2016-17 (Rs. Crore)	50
Table 23: Commission Approved - Income Tax for FY 2016 -17 (Rs. Crore).....	50
Table 24: Petitioner Submission - Truing up of (ARR) for FY 2016-17 (Rs. Crore).....	51
Table 25: Commission Approved - Trued Up ARR for FY 2016-17 (Rs. Crore)	51
Table 26: Petitioner Submission - Balance Impact of True up for FY 2016-17 (Rs. Crore)	52
Table 27: Commission Approved - Impact of True up for FY 2016-17 (Rs. Crore)	52
Table 29: Petitioner Submission - Circuit KM wise Norms for HVAC Lines (Rs.Lakh/CKM)	54
Table 30: Petitioner Submission - Normative O&M Expenses for FY 2018-19 (Rs. Crore)	54
Table 31: Petitioner submission - Operation & Maintenance Expenses for FY 2018-19 (Rs.Cr) ..	54

Table 32: Commission Approved - O&M Expenses for FY 2018-19.....	56
Table 33: Petitioner Submission - Working Capital for FY 2018-19 (Rs. Crore)	56
Table 34: Commission Approved - Working Capital Requirement for FY 2018-19 (Rs. Crore)	57
Table 35: Petitioner Submission - Proposed Assets Capitalization for FY 2018-19	58
Table 36: Petitioner Submission - Depreciation for FY 2018-19 (Rs. Crore)	58
Table 37: Details of Rate of Depreciation	59
Table 38: Commission Projected - Depreciation for FY 2018-19.....	60
Table 39: Petitioner Submission - Return on Capital Employed for FY 2018-19 (Rs. Crore).....	61
Table 40: Commission Projected - Return on Capital Employed for FY 2018-19 (Rs. Crore)	66
Table 41: Petitioner Submission - Non Tariff Income for FY 2018-19 (Rs. Crore)	67
Table 42: Petitioner Submission - ARR for FY 2018-19 (Rs. Crore)	67
Table 43: Commission Projected - ARR for FY 2018-19 (Rs. Crore)	68
Table 44: Petitioner Submission - Balance Impact of True Up and DVB Arrears (Rs. Crore)	68
Table 45: Commission Approved - Impact of true up and DVB arrear upto FY 2018-19	69
Table 46: Petitioner Submission - Transmission Tariff for FY 2018-19 (Rs. Crore).....	70
Table 47 : Commission Projected - ARR to be recovered for FY 2018-19 (Rs. Crore)	71

LIST OF ABBREVIATIONS

Abbreviation	Explanation
ARR	Aggregate Revenue Requirement
A&G	Administrative and General
AAD	Advance Against Depreciation
ABT	Availability Based Tariff
ACD	Advance Consumption Deposit
AMR	Automated Meter Reading
APDRP	Accelerated Power Development and Reforms Program
AT&C	Aggregate Technical and Commercial
ATE	Appellate Tribunal for Electricity
BEST	Birhanmumbai Electric Supply and Transport
BHEL	Bharat Heavy Electricals Limited
BIS	Bureau of Indian Standards
BPTA	Bulk Power Transmission Agreement
BRPL	BSES Rajdhani Power Limited
BST	Bulk Supply Tariff
BTPS	Badarpur Thermal Power Station
BYPL	BSES Yamuna Power Limited
CAGR	Compounded Annual Growth Rate
CCGT	Combined Cycle Gas Turbine
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CFL	Compact Fluorescent Lamp
CGHS	Cooperative Group Housing Societies
CGS	Central Generating Stations
CIC	Central Information Commission
CISF	Central Industrial Security Force
CoS	Cost of Supply
CPI	Consumer Price Index
CPRI	Central Power Research Institute
CPSUs	Central Power Sector Utilities
CSGS	Central Sector Generating Stations
CWIP	Capital Work in Progress
DA	Dearness Allowance
DDA	Delhi Development Authority
DERA	Delhi Electricity Reform Act
DERC	Delhi Electricity Regulatory Commission
DIAL	Delhi International Airport Limited
DISCOMs	Distribution Companies (BRPL, BYPL, TPDDL & NDMC)

Abbreviation	Explanation
DMRC	Delhi Metro Rail Corporation
DPCL	Delhi Power Company Limited
DTL	Delhi Transco Limited
DVB	Delhi Vidyut Board
DVC	Damodar Valley Corporation
EHV	Extra High Voltage
EPS	Electric Power Survey
FBT	Fringe Benefit Tax
FPA	Fuel Price Adjustment
GFA	Gross Fixed Assets
GIS	Geographical Information System
GoNCTD	Government of National Capital Territory of Delhi
GTPS	Gas Turbine Power Station
HEP	Hydro Electric Power
HPSEB	Himachal Pradesh State Electricity Board
HRA	House Rent Allowance
HT	High Tension
HVDS	High Voltage Distribution System
IDC	Interest During Construction
IGI Airport	Indira Gandhi International Airport
IPGCL	Indraprastha Power Generation Company Limited
JJ Cluster	Jhuggi Jhopadi Cluster
KSEB	Kerala State Electricity Board
LED	Light Emitting Diode
LIP	Large Industrial Power
LT	Low Tension
LVDS	Low Voltage Distribution System
MCD	Municipal Corporation of Delhi
MES	Military Engineering Service
MLHT	Mixed Load High Tension
MMC	Monthly Minimum Charge
MoP	Ministry of Power
MTNL	Mahanagar Telephone Nigam Limited
MU	Million Units
MYT	Multi Year Tariff
NABL	National Accreditation Board for Testing and Calibration of Laboratories
NAPS	Narora Atomic Power Station
NCT	National Capital Territory
NCTPS	National Capital Thermal Power Station

Abbreviation	Explanation
NDLT	Non Domestic Low Tension
NDMC	New Delhi Municipal Council
NEP	National Electricity Policy
NGO	Non Government Organisation
NHPC	National Hydroelectric Power Corporation
NPCIL	Nuclear Power Corporation of India Limited
NRPC	Northern Regional Power Committee
NTI	Non Tariff Income
NTP	National Tariff Policy
O&M	Operations and Maintenance
OCFA	Original Cost of Fixed Assets
PGCIL	Power Grid Corporation of India
PLF	Plant Load Factor
PLR	Prime Lending Rate
PPA	Power Purchase Agreement / Power Purchase Adjustment
PPCL	Pragati Power Corporation Limited
PTC	Power Trading Corporation
PWD	Public Works Department
R&M	Repair and Maintenance
RAPS	Rajasthan Atomic Power Station
REA	Regional Energy Account
RoCE	Return on Capital Employed
ROE	Return on Equity
RRB	Regulated Rate Base
RTI	Right to Information
RWA	Resident Welfare Associations
SBI	State Bank of India
SERC	State Electricity Regulatory Commission
SIP	Small Industrial Power
SJVNL	Satluj Jal Vidyut Nigam Limited
SLDC	State Load Despatch Centre
SPD	Single Point Delivery
SPUs	State Power Utilities
SVRS	Special Voluntary Retirement Scheme
THDC	Tehri Hydro Development Corporation
ToD	Time of Day
TOWMCL	Timarpur Okhla Waste Management Company (P) Limited
TPDDL	Tata Power Delhi Distribution Limited
TPS	Thermal Power Station

Abbreviation	Explanation
UI	Unscheduled Interchange
UoM	Units of Measurement
WACC	Weighted Average Cost of Capital
WC	Working Capital
WPI	Wholesale Price Index

A1: INTRODUCTION

- 1.1 This Order relates to the Petition filed by Delhi Transco Limited (hereinafter referred to as 'DTL' or the 'Petitioner') for True-Up of ARR for 2016-17 for Transmission Business in terms of *Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2011* (hereinafter referred to as the '2nd MYT Transmission Regulations, 2011') and approval of Aggregate Revenue Requirement & Tariff for FY 2018-19 in terms of *Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017* (hereinafter referred to as 'Tariff Regulations, 2017') and *Delhi Electricity Regulatory Commission Business Plan Regulations, 2017* (hereinafter referred to as 'Business Plan Regulations' 2017).

DELHI TRANSCO LIMITED (DTL)

- 1.2 Delhi Transco Limited is a Company incorporated under the Companies Act, 1956 and is engaged in the business of transmission of electricity in the National Capital Territory (NCT) of Delhi.

DELHI ELECTRICITY REGULATORY COMMISSION

- 1.3 Delhi Electricity Regulatory Commission (hereinafter referred to as 'DERC' or the 'Commission') was constituted by the GoNCTD on 03/03/1999 and it became operational from 10/12/1999.
- 1.4 The Commission's approach to regulation is driven by the Electricity Act, 2003, the National Electricity Plan and the National Tariff Policy. The Electricity Act, 2003 mandates the Commission to take measures conducive to the development and management of the electricity industry in an efficient, economic and competitive manner, which inter alia includes tariff determination.

THE STATE ADVISORY COMMITTEE MEETING

- 1.5 The Commission has, since constitution of the State Advisory Committee on

27/03/2003, in terms of Section 87 of the Act, has held 17 meetings. In the 17th State Advisory Committee Meeting held on 16th March, 2018, the Commission discussed the following:

Table 1: Issues discussed in 17th State Advisory Committee Meeting

Sr. No.	Issues Discussed
I	Tariff Petition for True up of FY 2016-17 and ARR for FY 2018-19 for GENCOs, TRANSCO and DISCOMs
II	Approach Paper on Tariff Rationalization
III	Energy Audit of the DISCOMs

MULTI YEAR TARIFF REGULATIONS

- 1.6 The Commission issued Tariff Regulations vide gazette notification dated 31.01.2017 specifying Terms and Conditions for Determination of Tariff for Transmission of electricity under the Multi Year Tariff (MYT) framework. Further the operational norms for Transmission utilities have also been approved by the Commission in Delhi Electricity Regulatory Commission Business Plan Regulations, 2017 under Tariff Regulations for the period FY 2017-18 to FY 2019-20.
- 1.7 The Commission issued 'MYT Transmission Regulations, 2011' vide Order dated 02.12.2011 specifying Terms and Conditions for Determination of Tariff for Transmission of electricity under the Multi Year Tariff (MYT) framework for the period FY 2012-13 to FY 2014-15.
- 1.8 The Commission vide order dated October 22, 2014 has extended the MYT period of FY 2012-13 to FY 2014-15 for a further period of one year till FY 2015-16.
- 1.9 The Commission has extended the applicability of MYT Transmission Regulations, 2011' for FY 2016-17 in Tariff Regulations as follows:

"NORMS OF OPERATION AND TRUING UP

139. Performance review and adjustment of variations in the ARR and Revenue for the Utilities for FY 2016-17 shall be considered in accordance with the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations, 2011, Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2011 and Delhi Electricity Regulatory

Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011.”

FILING OF PETITION FOR TRUE UP AND ARR

FILING AND ACCEPTANCE OF PETITION

- 1.10 The Petitioner (DTL) has filed its Tariff Petition before the Commission on 24/01/2018 for True-up for FY 2016-17 and Aggregate Revenue Requirement for FY 2018-19. The Commission admitted the Tariff Petition vide its Order dated 25/01/2018 subject to clarifications/additional information, if any, which would be sought from the Petitioner from time to time. A copy of the Admission Order dated 25/01/2018 is enclosed as Annexure I to this Order.

INTERACTION WITH THE PETITIONER

- 1.11 The Order has referred at numerous places to various actions taken by the “Commission”. It may be mentioned for the sake of clarity, that the term “Commission” in most of the cases refers to the officers of the Commission and the Staff Consultants appointed by the Commission for carrying out the due diligence on the petition filed by the Petitioner, obtaining and analyzing information/clarifications received from the utilities and submitting all issues for consideration by the Commission.
- 1.12 For this purpose, the Commission's Officers and Staff Consultants held discussions with the Petitioner, obtained information/clarifications wherever required and carried out technical validation with regard to the information provided.
- 1.13 The Commission held Public Hearing on 23/03/2018 to take a final view with respect to various issues concerning the principles and guidelines for tariff determination. The Commission has considered the inputs/comments received from various stakeholders alongwith the due diligence conducted by the officers of the Commission and the Staff Consultants in arriving at its final decision. The use of the term “Commission” may, therefore, be read in the context of the above clarification.
- 1.14 A preliminary scrutiny/analysis of the Petition submitted by the Petitioner was conducted and certain deficiencies were observed. Accordingly, deficiency notes were

issued to the Petitioner. Further, additional information/clarifications were solicited from the Petitioner as and when required. The Commission and the Petitioner also discussed key issues raised in the Petition, which included details of O&M Expenses, Assets Capitalization, Depreciation, Working Capital Requirement, Return on Capital Employed (RoCE), etc. The Petitioner submitted additional information through various letters/Emails, as listed in Table 2.

- 1.15 The Commission also conducted validation sessions with the Petitioner during which discrepancies in the petition and additional information required by the Commission were sought. Subsequently, the Petitioner submitted replies to the issues raised in these sessions and provided documentary evidence to substantiate its claims regarding various submissions.
- 1.16 The replies of the Petitioner, as mentioned in the Table 2 as follows have been considered for approval of the ARR of the Petitioner:

Table 2: List of Correspondence with the Petitioner

Sr. No.	Letter/E-Mail	Date
1	DERC Email	02/03/2018
2	DTL Email	12/03/2018

PUBLIC NOTICE

- 1.17 The Commission published a Public Notice in the following newspapers on 01/02/2018 inviting comments from stakeholders on the Tariff Petitions filed by the Petitioner latest by 21/02/2018:

(a)	Indian Express (English)	:	01/02/2018
(b)	The Pioneer (English)	:	01/02/2018
(c)	Times of India (English)	:	01/02/2018
(d)	Navbharat Times (Hindi)	:	01/02/2018
(e)	Hindustan (Hindi)	:	01/02/2018
(f)	Jadid-in-Dinon (Urdu)	:	01/02/2018
(g)	Educator (Punjabi)	:	01/02/2018

- 1.18 Copies of the above Public Notices are available on Commission's website (www.derc.gov.in).

1.19 The Petitioner also published a Public Notice indicating salient features of its Petition for inviting comments from the stakeholders and requesting to submit response on the petition on or before 21/02/2018 in the following newspapers on the respective dates mentioned alongside:

(a)	The Hindu (English)	:	17/02/2018
(b)	The Business Standard (English)	:	17/02/2018
(c)	Punjab Kesari (Hindi)	:	17/02/2018
(d)	Business Standard (Hindi)	:	17/02/2018
(e)	Quami Patrika (Punjabi)	:	17/02/2018
(f)	The Daily Milap (Urdu)	:	17/02/2018

1.20 Copies of the above Public Notices are available on Commission's website (www.derc.gov.in).

1.21 A copy of the petition was also made available for purchase from the head-office of the Petitioner on any working day between 11 A.M. and 4 P.M. on payment of Rs.100/- for hard copy of each petition either by cash or demand draft/pay order. A copy of the complete petition was also uploaded on the website of the Commission, as well as that of the Petitioner, requesting for comments of the stakeholders thereon.

1.22 In order to extend help to the stakeholders in understanding the ARR Petition and filing their comments, the Commission prepared an Executive Summary highlighting salient features of the Tariff Petition filed by the Petitioner, which was uploaded on the Commission's website. In this regard, three officers of the Commission viz. Joint Director (Tariff-Finance), Joint Director (Engineering) and Joint Director (PS&E) were nominated for discussion on the ARR Petitions. This was duly highlighted in the Public Notices published by the Commission.

1.23 Further, the Commission published a Public Notice indicating the venue, date and time of public hearing on 23/3/2018 in the following newspapers on the respective dates mentioned alongside:

(a)	Hindustan Times (English)	:	09/03/2018
(b)	Time of India (English)	:	09/03/2018
(c)	Mail Today (English)	:	09/03/2018

(d)	The Hindu (English)	:	13/03/2018
(e)	Navbharat Times (Hindi)	:	09/03/2018
(f)	Punjab Kesari (Hindi)	:	09/03/2018
(g)	Dainik Jagran (Hindi)	:	09/03/2018
(h)	Jan Ekta (Punjabi)	:	09/03/2018
(i)	Jadid-in-Dinon (Urdu)	:	09/03/2018

- 1.24 Copies of the above Public Notices are available on Commission's website (www.derc.gov.in).
- 1.25 The Commission received written comments from stakeholders. The comments of the stakeholders/consumers were forwarded to the Petitioner. The Petitioner responded to the comments of the stakeholders with a copy of its replies to the Commission. The Commission invited all stakeholders, including those who had filed their objections and suggestions, to attend the Public Hearing.
- 1.26 The public hearing was held at the Auditorium of Scope Convention Centre, Scope Complex, New Delhi for all stakeholders on 23/03/2018 to discuss the issues related to the petition filed by the Petitioner. The issues and concerns voiced by various stakeholders have been examined by the Commission. The major issues discussed during the public hearing and/or written comments made by the stakeholders, the responses of the Petitioner thereon and the views of the Commission, have been summarized in Chapter A2.

LAYOUT OF THE ORDER

- 1.27 This Order is organised into six Chapters:
- (a) **Chapter A1** provides details of the tariff setting process and the approach of the Order.
 - (b) **Chapter A2** provides a brief of the comments of various stakeholders including the comments during the Public Hearing, the Petitioner's response and views of the Commission thereon.
 - (c) **Chapter A3** provides details/analysis of the True up for FY 2016-17.
 - (d) **Chapter A4** provides analysis of the petition for determination of the Aggregate Revenue Requirement for FY 2018-19.

(e) **Chapter A5** provides details of the possible options for determination of Wheeling and Retail Supply Tariff for all consumer categories for FY 2018-19 and the approach adopted by the Commission in its determination.

(f) **Chapter A6** provides details of the Directives of the Commission.

1.28 The Order contains following Annexure, which are an integral part of the Tariff Order:

(a) **Annexure I** - Admission Order.

(b) **Annexure II** - List of the stakeholders who submitted their comments on True-up of expense for FY 2016-17 and approval of Aggregate Revenue Requirement & Tariff for FY 2018-19.

(c) **Annexure III** – List of Stakeholders/consumers who attended the public hearing.

APPROACH OF THE ORDER

APPROACH FOR TRUE-UP OF FY 2016-17

1.29 The Commission in its *DERC Tariff Regulations, 2017*, has indicated that True up of FY 2016-17 shall be considered in accordance *DERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2011*. The relevant Regulation, in this regard, is as follows:

“ 139. Performance review and adjustment of variations in the ARR and Revenue for the Utilities for FY 2016-17 shall be considered in accordance with the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations, 2011, Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2011 and Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2011.”

1.30 Accordingly, ARR for FY 2016-17 has been trued up as per Regulation 4.16 of the 2nd MYT Transmission Regulations, 2011:

“4.16 For controllable parameters,

a. Any surplus or deficit of Operation and Maintenance (O&M) expenses shall be to the account of the Licensee and shall not be trued up in ARR; and

- b. *Depreciation and Return on Capital Employed shall be trued up every year based on the actual capital expenditure and actual capitalisation vis-à-vis capital investment plan (capital expenditure and capitalisation) approved by the Commission:*

Provided that any surplus or deficit in Working Capital shall be to the account of the Licensee and shall not be trued up in ARR:

Provided further that the Commission shall not true up the interest rate, if variation in State Bank of India Base Rate as on April 1, 2012, is within +/- 1% during the Control Period. Any increase / decrease in State Bank of India Base Rate beyond +/- 1% only shall be trued up.”

APPROACH FOR ARR OF FY 2018-19

- 1.31 The Commission vide its Notification dated January 31, 2017 had issued the *Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017*.
- 1.32 Further, the Commission has issued the *Delhi Electricity Regulatory Commission Business Plan Regulations, 2017*.
- 1.33 The ARR for FY 2018-19 is determined inter alia based on the provisions of the Tariff Regulations 2017 read with Business Plan Regulations 2017 relevant to the Transmission Business.
- 1.34 The Commission has evaluated the ARR submitted by the Petitioner on the basis of the provisions in *Tariff Regulations, 2017* read with *Delhi Electricity Regulatory Commission Business Plan Regulations, 2017* and other factors considered appropriate by the Commission.

A2: STAKEHOLDER'S COMMENTS**INTRODUCTION**

- 2.1 Section 64(3) of Electricity Act, 2003, stipulates that the Commission shall determine tariff under Section 62 of the Electricity Act, 2003 for the transmission licensee, after consideration of all suggestions received from the public and the response of the Licensee to the objections/suggestions of stakeholders, issue a tariff order accepting the application with such modifications or such conditions as may be specified in the order. Public hearing, being a platform to understand the problems and concerns of various stakeholders, the Commission has encouraged transparent and participative approach in hearings to obtain necessary inputs required for tariff determination. Accordingly public hearings were held in the Auditorium of SCOPE Convention Centre, SCOPE Complex, New Delhi on 23.03.2018 for consumers to discuss the issues related to the petition filed by Delhi Transco limited for true up of expenses for FY 2016-17 and ARR public hearings, the stakeholders offered their comments and suggestions before the Commission in the presence of the Petitioner.
- 2.2 The Commission has examined the issues taking into consideration the comments/suggestions offered by the various stakeholders in their written statements and during the public hearings and also the response of the Petitioner thereon.
- 2.3 The comments/suggestions of various stakeholders, the replies/response by the Petitioner and the views of the Commission thereon are summarised under various subheads below.

ISSUE 1: METHODOLOGY FOR TREATMENT OF TRANSMISSION CHARGES**STAKEHOLDER'S VIEW****BYPL**

- 2.4 Two D/C transmission lines of DTL (Bawana – Mandaula and Bamnauli – ballabhgarh) were identified as inter-State transmission lines, in order dated 14.3.2012 in Petition No. 15/SM/2012 and DTL was directed vide the above mentioned order to file tariff

petition for the purpose of inclusion in the POC charges, for the these two D/C transmission lines.

- 2.5 Accordingly CERC, vide order in Petition No. 218/TT/2013 dated 21.03.2016, has determined the Transmission tariff for abovementioned lines.
- 2.6 The Commission agreed and considered the charges to be adjusted under Non Tariff Income. However, charges were not adjusted in the ARR of DTL FY 17-18.
- 2.7 In view of above, the Commission may adjust the transmission charges of DTL owned ISTS lines in the present petition.

TPDDL

- 2.8 DTL to explain the methodology for treatment of transmission charges in respect of 400 KV Mandola-Bawana Double Ckt and 400 KV Ballabhgarh Bamnauli Double Ckt and 400 KV bays at Ballabhgarh and Mandola, in Overall ARR of DTL for FY 2016-17 to 2018-19, so as to enable in understanding that where/under which head the tariff of these two Transmission Assets has been accounted for and what is the reduction in overall ARR of DTL on account of the same.
- 2.9 As per the details of Non-Tariff Income provided in the tariff order of DTL dated 31st August 2017 issued by DERC it is not clear that where the Annual Tariff of the above two transmission assets as approved by Hon'ble CERC has been captured under the head of Non-tariff income. Details of adjustment of Annual Tariff of these two ISTS lines of DTL against year wise ARR of DTL may be provided separately for each for the period beyond 1st July 2011 (i.e. for the period of 1st July 2011 to 31st March 2012 & FY 2012-13 to FY 18-19).

PETITIONER'S SUBMISSION

- 2.10 DTL in its petition has already submitted the details pertaining to the transmission charges of Interstate Transmission Lines owned by DTL.

COMMISSION'S VIEW

- 2.11 The Commission has analyzed the audited financial statements and the income other than the operating revenue including LPSC has already been considered under Non Tariff Income. Further, the Commission has directed the petitioner to indicate the income, O&M and corresponding GFA including depreciation pertaining to ISTS transmission lines separately in its audited financial statements from FY 2017-18 onwards to bring transparency in this matter.

ISSUE 2: EMPLOYEE EXPENSES

STAKEHOLDER'S VIEW

BYPL

- 2.12 DTL has claimed an additional amount of Rs 8.52 crores for FY 16-17 on account of salary of the IPGCL staff diverted to DTL.
- 2.13 In this regard we would like to submit that the Hon'ble DERC may please allow the O&M expenses as per the applicable regulations and with due verifications.

TPDDL

- 2.14 DTL has considered escalation factor of 8.06% to compute the employee expenses and A&G Expenses, thus resulting into higher claim towards Employee Expenses.
- 2.15 DTL in its true up petition has sought additional employee expenses towards impact of 7th pay commission on ad-hoc Basis. Since, the amount is provisionally booked and not paid in FY 2016-17, it should not be allowed as a part of employee cost for FY 2016-17.
- 2.16 DTL in its tariff Petition has sought an amount of Rs. 8.52 Cr on account of salary in respect to IPGCL staff diverted to DTL. The expenses should be restricted to normative O&M expenses plus the actual payout for 7th pay Commission, if any.

PETITIONER'S SUBMISSION

- 2.17 DTL has claimed the amount Rs. 8.52 Crore additionally on account of salary of IPGCL staff deployed in DTL (on diverted capacity) as the same was not included in the base value of Employee Expenses.

- 2.18 Further, DTL has considered the escalation as per provisions of MYT Regulations, 2011 and approved by DERC in Tariff orders.

COMMISSION'S VIEW

- 2.19 The Commission has not allowed the additional expenditure on account of salary in respect to IPGCL staff diverted to DTL during true up of FY 2016-17.

ISSUE 3: A&G EXPENSES

STAKEHOLDER'S VIEW

TPDDL

- 2.20 DTL in its Tariff Petition has sought an amount of Rs 1.63 Cr paid a property Tax under protest. As the amount is paid under protest, meaning thereby that it is just a cash outflow, hence it should not be allowed till the outcome of final judgment. It is worth to mention that the Hon'ble Commission has already considered an amount of Rs 1.49 cr on account of property tax in base year expenses (i.e. FY 2011-12) and thereafter allowed the actual property tax also from FY 2012-13 onwards, hence while allowing the property tax amount on actual basis, adjustment of property tax considered in base year should be considered and reduced from the actual property tax amount.
- 2.21 DTL in its Tariff Petition has sought incremental amount of Rs 10.56 Cr towards security expenses. As the security expenses are covered as part normative expenses, the same should be disallowed. It is worth to mention that these expenses are also not allowed in earlier year.

PETITIONER'S SUBMISSION

- 2.22 The amount of Property Tax in the True up of FY 2016-17 has been made on the basis of the actual amount of Property Tax paid by DTL during this period based on the demand raised and enforced by the respective Municipal Corporations. During FY 2016-17, Rs. 8.20 Crore has been booked provisionally on account of property tax and will be claimed

as and when the amount is paid. Apart from the amount paid i.e. Rs. 1.34 Crore against property tax and amount of Rs. 1.63 Crore paid under protest. It is submitted that since DTL has paid the Property Tax, the same is being claimed in the ARR even though it has been legally challenged by DTL. The effect of the outcome of the matter in Court shall be taken as and when the same is decided.

- 2.23 DTL had deployed security personnel through Private Security Agencies (PSA) since its formation and the experience has not been very satisfactory and encouraging on account of various labour law violations, non compliance to the terms and conditions of the contract, malpractices, litigations and had failed to improve, despite several reminders, advisories, show cause notices etc. This has forced DTL to invoke the clause of termination of the contract before the expiry of its tenure. In line with Govt. of India directives, DTL had deployed security personnel through DGR sponsored agency in 2014. The Director General of Resettlement, Govt. of India issues notices of minimum wages for the workmen deployed through its sponsored agencies. The minimum wages decided by DGR are higher than the minimum wages determined for Delhi Government. Therefore, the financial expenses had increased as well as number of personnel increased due to deployment of security in various offices/sub-stations/installations of DTL as well as due to commissioning of new Sub-Stations.

COMMISSION'S VIEW

- 2.24 The Commission has allowed A&G expenses for FY 2016-17 based on prudence check and in that additional security expenses have not been allowed.

ISSUE 4: R&M EXPENSES

STAKEHOLDER'S VIEW

TPDDL

- 2.25 It is submitted that DTL in its True up Petition has sought the R&M expenses based on K factor as considered in Tariff Order dated 31.08.2017. It is worth to mention that the aforesaid K factor has been approved in Tariff Order dated 31.07.2013. In response to

the determination of value of k factor TPDDL would like to bring in kind attention of the Hon'ble Commission the computation of k factor based on the information provided in Tariff Order dated 31.07.2013.

- 2.26 Average K factor for the first Control period, i.e., FY 2007-08 to FY 2010-11 comes to 1.403%. Accordingly, for the 2nd MYT control period K factor should be considered at 1.403% as against the K factor of 1.424% as sought by DTL.
- 2.27 Hon'ble Commission in its Tariff Order dated 31.08.2017 has considered K factor of 1.42% instead of 1.424% .
- 2.28 As per DTL as amount of Rs. 62.85 Cr has been sought towards R&M expenses; where as in the audited financial statement R&M expenses comes to Rs. 38.84 Cr. The Hon'ble Commission is requested to see the same in the interest of consumers. Further DTL is requested to give the justification why the R&M expenses are too lower.

PETITIONER'S SUBMISSION

- 2.29 DTL has considered the K factor as per provisions of MYT Regulations 2011 and approved by Hon'ble DERC in MYT Order dated 13.07.2012. So, the contention of TPDDL is incorrect.

COMMISSION'S VIEW

- 2.30 The Commission has trued up the ARR of the Petitioner based on the principles specified in MYT Transmission Regulations, 2011 and R&M expenses has been considered under controllable parameters, therefore no adjustment is required for R&M expenses in the true up exercise for FY 2016-17

ISSUE 5: EFFICIENCY FACTOR

STAKEHOLDER'S VIEW

TPDDL

- 2.31 Given DTL in its tariff Petition has proposed nil efficiency factor while computing O&M expenses for the purpose of ARR. It is humbly requested to the Hon'ble Commission to apply efficiency factor in accordance with the MYT Regulation's, 2011.

PETITIONER'S SUBMISSION

- 2.32 DTL has not considered Efficiency Factor due to various factors such as ageing of assets/grids, etc.

COMMISSION'S VIEW

- 2.33 The Commission is of the view that Efficiency factor may not be levied if there is no target for the same in the ARR projected. Therefore, the Commission has not considered any efficiency in true up of O&M Expenses for FY 2016-17.

ISSUE 6: INCOME TAX

STAKEHOLDER'S VIEW

TPDDL

- 2.34 DTL has been seeking Income tax expenses based on actual payment on Income tax at Rs. 101.25 Cr for FY 2016-17. It is submitted that as per Regulation 5.22 of DERC (Terms and Conditions for determination of Transmission Tariff) Regulations, 2011, tax on Income if any liable to be paid, shall be limited to tax on return on the equity component. It is therefore submitted that the Commission may be pleased to allow Income Tax in terms of the Regulations 5.22 of the DERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2011.
- 2.35 As per the Cash flow statement, the cash outflow with respect to Income tax paid during the FY 2016-17 is shown at Rs. 26.54 Cr. only. Also, Rs. 7.84 Cr. is shown as Interest Income from Income tax refund. The benefit of such refund should be passed to the beneficiaries.

BYPL

- 2.36 Hon'ble DERC during the True up of ARR of DTL for FY 2007-08 to FY 2011-12 and Revised ARR for FY 2013-14, vide order dated 31.07.2013, had directed DTL to return

- the additional income tax reimbursed from the Discoms for FY 2007-08 to FY 2011-12. However despite direction from Hon'ble DERC, no credit was given by DTL.
- 2.37 The Hon'ble DERC vide Tariff order dated 31.08.2017 held that it has allowed the Income Tax as per the provisions of the MYT 2011 and the directions of Hon'ble ATE (Page 26 of DTL tariff order dated 31.08.17).
- 2.38 Hon'ble DERC allowed the income tax on lower of actual tax or tax in return of equity which is also in line with the clause 5.5 of MYT Regulations 2011.
- 2.39 Hon'ble DERC has clearly indicated that Income tax shall be allowed limited to tax on ROE component in line with the provisions of the MYT 2011 and the directions of Hon'ble ATE (Page 26 of DTL tariff order dated 31.08.17), but DTL in present petition, has again requested to consider the total income tax assessed for FY 16-17 as Rs 101.25 crores.
- 2.40 We request Hon'ble DERC to consider the income tax limited to ROE i.e. Rs 97 Cr instead of claimed by DTL i.e. Rs 101.25 Cr (Differential amount Rs. 4.45 Cr)
- 2.41 Moreover, despite directions from this Hon'ble Commission through order dated 31.07.2013 in DTL true up ARR for FY 07-08 to FY 11-12 & revised ARR for FY 13-14, DTL has not refunded the excess income tax claimed from the Delhi Discoms. BYPL has also written to DTL vide its letter dated 01.07.2015 to reimburse the Income Tax amount of Rs 82 Cr. (Letter enclosed as Annexure-1) We request Hon'ble Commission to direct the Petitioner to comply with the earlier directions contained in the order dated 31.07.2013.

PETITIONER'S SUBMISSION

- 2.42 As per the Hon'ble ATE Judgement in Appeal No. 255/2013, the income tax actually paid by DTL for FY 2016-17 has been considered in the Petition. The relevant extract of the judgment is as below:

"45.4 In our opinion, the Commission has to consider the income tax actually paid by the Appellant with due verification and the same has to be included in the Tariff computation and shall be passed on to the beneficiaries. Further, tax on any income other than that through its

licensed business shall not be passed through, and it shall be payable by the Transmission Licensee itself. Accordingly, the issue is decided in favour of the Appellant and the issue is remanded back to consider the Income Tax amount paid with due verification and prudence check.”

COMMISSION’S VIEW

- 2.43 The Commission has allowed the Income Tax for FY 2016-17 to the petitioner based on the provisions of MYT Transmission Regulations, 2011. The Income tax related to FY 2007-08 to FY 2011-12 is under review by the Commission after remand back by Hon’ble ATE in appeal no. 255 of 2013.

ISSUE 7: NON TARIFF INCOME

STAKEHOLDER’S VIEW

TPDDL

- 2.44 DTL, in its True Up Petition has considered non-tariff income of Rs. 1.02 Cr. on account of receipts derived from regular sources like sale of scrap, sale of tender documents, interest on investment etc.
- 2.45 While comparing the ARR filing of DTL with Audited Financial Statements of DTL , some of components of Non-tariff Income are not taken into consideration by DTL in its ARR Petition.
- 2.46 DTL has only offered Rs 1.02 Cr as Non-tariff Income against the total non tariff income of Rs 102.73 Cr. DTL is requested to provide the reasons why the same is not considered as a part of Non-Tariff Income for FY 2016-17.
- 2.47 Issues such as STOA Credit, Interest income of FD/CLTD etc may be reviewed for the purpose of NTI computation.

BYPL

- 2.48 The Petitioner have not considered the amount received from various entities like NRLDC, WRLDC,NERLDC, CTU on account of STOA refund towards Non-tariff income.

- 2.49 The".Clause 6.13 of the Hon'ble DERC "(Terms and Conditions for Determination of Transmission Tariff) Regulations, 2011 stipulates the treatment of STOA collected by the DTL.
- 2.50 Based on the above Regulations, DTL has to retain the 25 % of STOA amount collected from various agencies. The month wise details of STOA amount received and refunded by DTL is as follows:

Table 3: Month wise details of STOA amount received and refunded by DTL

Distribution of ST Charges as per DTL Monthly Tr bill FY 16-17				
Sr. No.	Month	Total receipt (Rs)*	DISCOM Share (75%) (Rs)	Amt Retained by DTL (Rs)
1	Apr-16	78849024	59136768	19712256
2	May-16	135074880	101306160	33768720
3	Jun-16	145749181	109311886	36437295
4	Jul-16	207789841	155842381	51947460
5	Aug-16	197223879	147917909	49305970
6	Sep-16	167620408	125715306	41905102
7	Oct-16	52687015	39515261	13171754
8	Nov-16	104336692	78252519	26084173
9	Dec-16	92020619	69015464	23005155
10	Jan-17	117893911	88420433	29473478
11	Feb-17	103547283	77660462	25886821
12	Mar-17	87067832	65300874	21766958
Grand total (Rs)		1489860564	1117395423	372465141
Grand total (Crs)		149	112	37

* As per DTL monthly wheeling charges bills

- 2.51 As shown above DTL received an amount of Rs 149 crores and disbursed Rs 112 Crores to Delhi DISCOMs (BYPL share is Rs 24 Crores), and retained an amount of Rs 37 Crores with them. This amount of Rs 37 Crores needs to be adjusted in DTL ARR under Non-tariff income head.
- 2.52 Hon'ble DERC has also adjusted the STOA refund for FY 2014-15 and FY 2015-16 (Rs. 38.44 Crores and Rs 44 Crores respectively) in DTL tariff order 31.08.2017 (Please see Page 65 Table 39 of DTL Tariff Order for FY 2017-18).
- 2.53 We request Hon'ble DERC to adjust the STOA refund of Rs 37 Crores as NTI in its true up Petition for FY 16-17.

- 2.54 Further, BYPL has also in DTL ARR petition for FY 2017-18 had requested Hon'ble DERC to adjust the STOA refund retained by DTL w.e.f. FY 2012-13 onwards. Accordingly Hon'ble DERC adjusted the STOA refund for FY 2014-15 and FY 2015-16 (Rs 38.44 Crores and Rs 44 Crores respectively) in DTL Tariff Order dated 31.08.2017 (Please see Page 65 Table 39 of DTL Tariff Order for FY 2017-18). However, the STOA refund for FY 2012-13 and FY 2013-14 were not adjusted by Hon'ble DERC.
- 2.55 We would request Hon'ble DERC to kindly adjust the STOA refund of FY 2012-13 and FY 2013-14 retained by DTL in this ARR petition.
- 2.56 Hon'ble DERC's (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2017 ("2017 Regulations") were notified on 31st January, 2017 (to be effective from 1st February, 2017). The 2017 Regulations holds the field now. 2017 Regulations does not make any such provision that provides that 25% of the charges collected from the short term open access customer shall be retained by the transmission licensee.
- 2.57 Further, as per the CERC (Open Access in inter-State Transmission) (Second Amendment) Regulations, 2013, the treatment of the STOA charges other than the state network has been revised.
- 2.58 Based on the above amended clause, PGCIL (CTU) has started to refund the 100% of the STOA charges as received from the Nodal Agency to its long term beneficiaries.
- 2.59 However, DTL is still refunding only 75% STOA credit received to Delhi Discoms as per the clause 6.13 of DERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2011.
- 2.60 BYPL through letters to DERC and in ARR petition of DTL for FY 2017-18, requested DERC to make necessary arrangements in MYT regulation and also direct DTL for 100% STOA refund. However, no direction was given by DERC on this account in the DTL ARR dated 31.08.2017.
- 2.61 Considering the fact that the regulation from central commission has been revised and the fact that the non-declaration of fund retained by DTL on account of 25% STOA

credits, in its ARR petitions, it is requested to amend the MYT Regulations-2017 by the Hon'ble DERC.

- 2.62 DTL has considered the Non-tariff income as Rs 1.02 Crores. No STOA refund has been considered while submitting the Non Tariff income for FY 2018-19.
- 2.63 BYPL has considered the NTI for FY 2018-19 similar to the NTI of FY 2017-18 as approved by this Hon'ble Commission in DTL tariff order dated 31.08.2017 i.e.Rs 82.25 Crores.

PETITIONER'S SUBMISSION

- 2.64 As per the provision in MYT Regulations 2011, DTL has to retain the 25% of STOA amount collected from various agencies. DERC for the first time has deducted the retained amount by considering the same in Non Tariff Income in the ARR Order dated 31.08.2017. The issue has been also been raised in the Appeal No. 15/2018 before Hon'ble ATE.
- 2.65 Further, DTL has projected NTI for FY 2018-19 on the basis of NTI for FY 2016-17 which includes income or receipts derived from sale of tender document, interest on investment, etc. Further, as DERC has not mentioned anything about the treatment of STOA charges in Tariff Regulations 2017, the same has not been considered as NTI for FY 2018-19.
- 2.66 DTL is already following the provisions of MYT Regulations 2011 for STOA charges and appropriate credits have already been given in the wheeling charges bills of DISCOMs. Further, DERC has not mentioned anything about the treatment of STOA charges in Tariff Regulations 2017. In respect to 100% of refund of STOA charges, it is submitted that as per the clause no. 6.13 in MYT Regulations 2011, 25% of STOA charges is to be retained by the transmission licensee and the balance 75% is to be considered as non tariff income and adjusted towards reduction in the transmission service charges payable by the long term and medium term users.

COMMISSION'S VIEW

- 2.67 The Commission has considered the Short Term Open Access charges indicated in the audited financial statements under Non tariff Income. Further, interest on FD has not been considered under Non Tariff Income as the principle amount on which the interest has been accrued is not part of ARR or Tariff computation. However, the interest on the amount of UI pool account fund including the principle amount will be utilized based on the direction of the Commission. Therefore the interest on UI pool account fund has not been considered the part of Non tariff Income of the petitioner.

ISSUE 8: CALCULATION OF WORKING CAPITAL

STAKEHOLDER'S VIEW

TPDDL

- 2.68 DTL in its Petition has sought working capital requirement based on gross O&M expenses. Whereas Working Capital is required to be computed based on net O&M expenses (i.e. after capitalized) as these capitalized expenses are forming part of CWIP/ Capitalization for which funding is done separately through Debt : Equity Ratio.

PETITIONER'S SUBMISSION

- 2.69 The contentions of TPDDL are wrong as the working capital has been calculated as per the provisions of MYT Regulations 2011.

COMMISSION'S VIEW

- 2.70 The Commission has followed the principles of MYT Transmission regulations, 2011 for computation of Working Capital and accordingly net O&M has been considered for the same.

ISSUE 9: COMPUTATION OF WEIGHTED AVERAGE COST OF CAPITAL

STAKEHOLDER'S VIEW

TPDDL

- 2.71 DTL has computed WACC @ 11.80% for FY 2016-17, considering Return on Equity @ 14% and Cost of Debt @ 10.86%. Cost of Debt has been considered equal to Cost of Debt considered for True up of FY 2015-16.
- 2.72 DTL has not factored any financing of working capital for the purpose of computation of WACC.
- 2.73 Value of Gross Fixed Assets not matched with the Audited Financial Statement. It is requested to the DTL to provide the back up of year wise addition / deletion relating to GFA.
- 2.74 Impact of Retirement of Assets how factored in RRB is separately required.

PETITIONER'S SUBMISSION

- 2.75 DTL has considered cost of debt @ 10.86% as approved in Tariff Order dated 31.08.2017.

COMMISSION'S VIEW

- 2.76 The Commission has followed the principles of MYT Transmission regulations, 2011 for computation of RRB, WACC and RoCE.

ISSUE 10: NON TRUING UP OF SLDC ARR**STAKEHOLDER'S VIEW****TPDDL**

- 2.77 DTL has not filed any information about the truing up of SLDC's ARR. Therefore it is requested that the Hon'ble Commission should take necessary steps for truing up of ARR for previous years and determination of separate ARR for SLDC.

PETITIONER'S SUBMISSION

- 2.78 SLDC files separate ARR before the Commission and DTL has no role in Truing up of SLDC's ARR.

COMMISSION'S VIEW

- 2.79 The Commission is allowing the ARR for SLDC on adhoc basis based on ARR projected for FY 2012-13 and no increase has been considered subsequently because of non submission of ARR by SLDC.

ISSUE 11: CARRYING COST

STAKEHOLDER'S VIEW

TPDDL

- 2.2 DTL in its petition has considered carrying cost rate @ 10.80% for FY 2016-17 without providing any basis for the same. It is requested to the Hon'ble Commission to consider the carrying cost rate based on actual cost of debt.

PETITIONER'S SUBMISSION

- 2.80 DTL has considered the carrying cost rate @ 10.80% for FY 2016-17 as per approved by DERC in Tariff Order dated 31.08.2017.

COMMISSION'S VIEW

- 2.81 The Commission has followed the principles of MYT Transmission Regulations, 2011 and interest rates as computed in Tariff Order dated 13.07.2012

ISSUE 12: DVB ARREARS

STAKEHOLDER'S VIEW

TPDDL

BYPL

- 2.82 DTL has claimed the Trued up ARR for FY 2016-17 as Rs 985.55 Crore against the recovered ARR of FY 2016-17 of Rs 1018.41 Crores , resulting recovery of additional amount of Rs 32.86 Crore from Delhi DISCOMs.
- 2.83 As per Table 13 Page 21 of the main petition, there is a difference of Rs 32.86 Crore on account of True-up of FY 2016-17. However, the impact on account of True up of ARR for FY 2016-17 (Rs 32.86 Crores) has been added into the impact of DVB arrears which should have been subtracted from opening gap.

- 2.84 We request Hon'ble Commission to subtract the amount over-recovered from Approved ARR.
- 2.85 Hon'ble DERC vide its order dated 31.08.2017 in DTL ARR for FY 2017-18 has considered the impact of DVB arrears. Further, the Commission has decided that the past arrears may be liquidated in next four years in equal installments subject to true up of the relevant years in subsequent tariff orders. Accordingly out of Rs 1192.49 crores an amount of Rs 298.12 Crores was liquidated in ARR of FY 2017-18.
- 2.86 In this regard we would like to submit that, while approving the impact of DVB arrears in DTL's Tariff order dated 31.08.2017, the Hon'ble DERC allowed the amortiation of Rs.192.24 Crores as approved in DTL's ARR of FY 15-16. However, the carrying cost of Rs.99.49 Crores (allowed in DTL's ARR of FY 15-16 dated 29.09.2015 and recovered by DTL in FY 15-16 and FY 16-17 was not considered by Hon'ble DERC. (Page 82 Table 63 of DTL submission)
- 2.87 We request the Hon'ble DERC to consider the impact of carrying cost of Rs. 99.49 Crores allowed in FY 2015-16 Tariff Order off DTL, in present ARR petition of DTL.
- 2.88 Further, the impact of UI pool balance available with DTL of about Rs 450 Crores also need to be adjusted in the true up of DTL account . Till 07.08.2013, amounts of Rs. 250 Crores were available with Delhi SLDC .
- 2.89 The amortization for FY 2018-19 to be allowed by Hon'ble DERC is Rs 105.52 Crores only, and the balance of Rs 236.59 Crores shall be amortized in next two years.
- 2.90 The above is for kind consideration of Hon'ble DERC.

PETITIONER'S SUBMISSION

- 2.91 Hon'ble Commission may consider the impact of True up for FY 2016-17 & DVB arrears in the ARR Order.

COMMISSION'S VIEW

- 2.92 The Commission has allowed DVB arrears based on the judgment of hon'ble ATE and amortization is allowed in three equal installments from FY 2018-19 onwards.

ISSUE 13: NON-UTILISATION OF DSM POOL ACCOUNT**STAKEHOLDERS' VIEW****BYPL**

- 2.93 For Interstate beneficiaries, respective RLDCs of the region are maintaining the DSM pool and for Intra state settlement, the state SLDCs are maintain the pool. Delhi SLDC has been maintaining the DSM pool account of Delhi DISCOMs.
- 2.94 In accordance to amendment of CERC dated 28.04.2010 (quoted above), Hon'ble DERC vide order dated 03.08.2010 approved the methodology for UI mechanism in Delhi (Annexure-3). Further, the Hon'ble DERC also approved the methodology for utilization of balance fund available in the pool account. Clause 5 of DERC order dated 03.08.2010 is reproduced below:
- 2.95 We understand that the utilization of the UI pool fund is similar to the utilisation as proposed by Hon'ble CERC in its order dated 28.04.2010 as quoted above. However, the fund available in SLDC UI pool account is lying idle without any utilization. We are unaware that the details of UI pool account are being intimated by SLDC Delhi to the DERC or not.
- 2.96 Till 07.08.2013, amounts of Rs. 250 crores were available with Delhi SLDC (SLDC letter is enclosed as Annexure-4). As per informal discussion, as on date approximately Rs 450 crores are available in SLDC UI pool account which can be utilized in transmission system augmentation or reduction in ARR of DTL.
- 2.97 We propose Hon'ble Commission to adjust the UI pool balance from DTL DVB arrear balance as shown above in Table no 2. Alternatively, we propose DERC to consider the UI pool amount under DTL capex head for reduction in transmission charges.

PETITIONER'S SUBMISSION

- 2.98 As per DERC order dated 21.04.2009 and 03.08.2010: "The charges for UI, additional UI etc. shall be paid to the Intra-State UI pool account maintained by SLDC and the payments from the pool account to the utilities shall be made by the SLDC in accordance

with the procedure evolved in the meeting held in SLDC on 04.04.2007 as per directions at para 18(iii) of the Commission's order dated 31.03.2007. Balance in the UI pool account shall be intimated to the Commission by the SLDC in the month of April of each financial year indicating the amounts available till the end of the previous financial year and the Commission shall issue necessary orders with regard to the utilization of such funds." From above it is clear that, the ownership of UI pool Account does not belong to DTL and SLDC is the nodal agency for collection and disbursement of UI charges. The utilization of UI fund has to be in line with the CERC Regulations in absence of DERC Regulations.

COMMISSION'S VIEW

- 2.99 The interest on the amount of UI pool account fund including the principle amount will be utilized based on the direction of the Commission. Therefore the interest on UI pool account fund has not been considered the part of Non tariff Income of the petitioner.

A3: TRUE UP FOR FY 2016-17**OPERATION & MAINTENANCE EXPENSES****PETITIONER'S SUBMISSION**

- 3.1 The Petitioner has submitted that as per DERC Transmission MYT Regulations, 2011 for determination of Transmission Tariff, Employee Expenses and A&G Expenses for the Control Period are determined by using the following methodology:

$$EMP_n + A\&G_n = (EMP_{n-1} + A\&G_{n-1}) \times (INDX_n / INDX_{n-1})$$

Where

$$INDX_n = (0.55 \times CPI_n) + (0.45 \times WPI_n)$$

DETERMINATION OF INFLATION FACTOR

- 3.2 The Inflation Factor used for indexing the O&M expenses are determined using a combination of the Consumer Price Index (CPI) and the Wholesale Price Index (WPI), which are expected to contribute to the employee expenses and the A&G expenses respectively.
- 3.3 The Petitioner has considered the Escalation Factor as approved by the Commission in Tariff Order dated 31/08/2017.

EMPLOYEE EXPENSES

- 3.4 The Petitioner has considered the Employee Expenses for FY 2015-16 as approved by the Commission in its Tariff Order dated 31/08/2017 for computing the Employee Expenses for FY 2016-17. Further, the Petitioner has also considered certain additional expenditures on account of Employee Expenses which were not part of the base year expenses for FY 2011-12.
- 3.5 **Impact of 7th Pay Commission on Ad-hoc basis:** GoNCTD has constituted the Wage Revisions Committee to review the structure of pay scales and allowances/benefits of various categories of Power Sector Enterprises. The Committee is yet to issue its final recommendations. Pending issuance of the same, provision for the year amount to

Rs. 1,536.05 Lakh has been made towards pay revision in FY 2016-17.

- 3.6 **Salary of IPGCL staff deployed with Petitioner:** The Petitioner has submitted that the salary in respect of IPGCL staff amounting to Rs.8.52 Crore diverted to them has also been considered additionally in the petition.
- 3.7 The Details of Employee Expenses for FY 2016-17, as submitted by the Petitioner, is as follows:

Table 4: Petitioner Submission - Employee Expenses for FY 2016-17 (Rs.Crore)

Particulars	FY 2015-16	FY 2016-17
Escalation Factor		1.08
Employee Expenses	158.40	171.17
Impact due to 7 th Pay Commission		15.36
IPGCL Staff on Diverted Capacity		8.52
Total		195.05

A&G EXPENSES

- 3.8 The Petitioner has considered approved A&G Expenses for FY 2015-16 for computing the A&G Expenses for FY 2016-17. Further, the Petitioner has also considered certain additional expenditures on account of A&G Expenses which were not part of the base year expenses for FY 2011-12.
- 3.9 **Annual Transmission Licensee Fee:** The Petitioner has submitted that as per directions of the Commission, they had been paying the Annual Transmission Licensee Fee of Rs.50 Lakh per annum to the Commission. However, the same were not included in the accounts of the Petitioner for FY 2011-12. The Petitioner had paid Rs.50 Lakh on account of Annual License Fee for FY 2016-17 and the same had been considered additionally in the True up Petition.
- 3.10 **Additional Property Tax:** The Petitioner has submitted that the amount of Property Tax in the True up of FY 2016-17 has been made on the basis of the actual amount of Property Tax paid by the Petitioner during this period based on the demand raised and enforced by the respective Municipal Corporations. During FY 2016-17, Rs. 8.20 Crore has been booked provisionally on account of property tax and will be claimed as and when the amount is paid. Apart from the amount paid i.e., Rs. 1.34 Crore against property tax and amount of Rs. 1.63 Crore paid under protest. The Petitioner further submitted that since the Petitioner has paid the Property Tax, the same is being claimed in the ARR even though it has been legally challenged by the Petitioner. The effect of the

outcome of the matter in Court shall be taken as and when the same is decided.

- 3.11 **Additional Security Expenses:** The Petitioner has submitted that they have been striving their all efforts in order to ensure the safety of the personals as well as the grids. Also, there has been an exponential rise in the security expenses on account of increase in deployment of security personnel at various installations, revision in minimum wages, etc. The Security Expenses considered in Base Year FY 2011-12, when escalated by factor 1.0806 w.e.f. FY 2011-12 onwards, the value comes out to Rs. 4.26 Crore for FY 2016-17. The difference of the amount towards additional security expenses has been considered in the petition.
- 3.12 **Licence Fee for Land:** As per directions of GoNCTD, the Petitioner has been paying license fee for use of land to GNCTD. Earlier, such cost was added in the Gross Block of the asset but after the implementation of the IND-AS, Accounting Policy is modified whereby such cost is now charged as expenses. The Petitioner has paid Rs. 1.34 Crore of annual premium for land at Molarband to GoNCTD in FY 2016-17 and the same has been claimed in the petition.
- 3.13 The details of A&G Expenses for FY 2016-17 is as tabulated as follows:

Table 5: Petitioner Submission - A&G Expenses for FY 2016-17 (Rs. Crore)

Particulars	2015-16 (Already Approved)	2016-17
Escalation Factor		1.0806
A&G Expenses	26.12	28.23
Additional Property Tax		1.63
Additional Security Expenses		10.56
Licence Fee for Land		1.34
Transmission Licence Fee		0.50
Total A&G Expenses		42.26

REPAIR & MAINTENANCE EXPENSES

- 3.14 The Petitioner has submitted that as per the MYT Regulations, 2011 for Transmission, the Repairs and Maintenance (R&M), expenses for the petitioner has to be determined based on the following formulae:

$$R\&M_n = K \times GFA_{n-1}$$

Where, 'K' is a constant (expressed in %) governing the relationship between R&M Costs and Gross Fixed Assets (GFA) for the n^{th} year.

- 3.15 R&M Expenses has been computed for FY 2016-17 by the Petitioner considering the

closing GFA of FY 2010-11 as approved by the Commission and actual assets capitalization values as submitted by the Petitioner before the Commission for FY 2011-12 to FY 2016-17. The "K" factor has been considered as 1.424% approved by the Commission in the latest Tariff Order dated 31/08/2017.

- 3.16 Accordingly, the R&M Expenses for FY 2016-17, as submitted by the Petitioner, is tabulated as follows:

Table 6: Petitioner Submission - R&M Expenses for FY 2016-17 (Rs. Crore)

Particulars	2016-17
GFA Opening	4413.69
K Factor	1.424%
Total R&M Expenses	62.85

- 3.17 In view of above, the Petitioner has submitted the summary of Operation & Maintenance (O&M) Expenses for FY 2016-17, tabulated as follows:

Table 7: Petitioner Submission - O&M Expenses for FY 2016-17 (Rs. Crore)

Particulars	2016-17
Employee Expenses	195.05
A&G Expenses	42.26
R&M Expenses	62.85
Total R&M Expenses	300.15

COMMISSION'S ANALYSIS

- 3.18 The Commission had revised O&M Expenses for FY 2012-13 to FY 2015-16 based on the direction of Hon'ble Tribunal in Appeal No. 255/2013 in its Tariff Order dtd. 31/08/2017 as follows:

" 3.28 The Commission has revised O&M Expenses for FY 2012-13 to FY 2015-16 based on the direction of Hon'ble Tribunal in Appeal No. 255/2013. Employee Expenses and A&G Expenses have been considered for the base year FY 2011-12 as per the Audited financial statement for FY 2011-12. The Expenditure incurred on account of SLDC employees has been reduced from the Employee expenditure for the base year as the Employee expenses for SLDC is part of ARR of SLDC. Further it is also observed that the Petitioner has capitalized more than 30% of the total employee expenses in its audited financial statement for FY 2009-10 to FY 2014-15. Therefore, the Commission considered 30% of the total employee expenses

towards capitalization and remaining 70% towards O&M expenses for the base year and escalation factor of 1.08 has been factored in for projection of employee expenses for FY 2012-13 to FY 2015-16. Accordingly, revised employee expenses approved by the Commission for FY 2012-13 to FY 2015-16 as follows ”

EMPLOYEE EXPENSES

- 3.19 The Commission has not considered the claim on account impact of 7th Pay Commission of Rs.15.36 Cr. as per the Petitioner's submission in the Petition. It is observed that GoNCTD has constituted the Wage Revisions Committee to review the structure of pay scales and the Committee is yet to issue its final recommendations. Therefore, the Commission directs the Petitioner to submit the actual expenses on account of 7th Pay Commission, post finalisation of recommendations of the Wage Revisions Committee constituted by GoNCTD. Further, it is also pertinent to state that the Petitioner has themselves submitted in their Appeal against Tariff Order dtd. 31/08/2017 before Hon'ble APTEL that payment on account of 7th Pay Commission has been made by them in July, 2017 which pertains to FY 2017-18, as follows:

“The State Commission has failed to appreciate that the impact of the 7th Pay Commission recommendations have already been implemented by the Appellant based on the provisional fixation and the amount has been paid in July, 2017 with effect from January, 2016. The Appellant has suffered the cash outflow and postponing the recovery of the same seriously prejudices the Appellant while also resulting in addition of carrying cost for the future.”

- 3.20 The Petitioner has claimed Rs.8.52 Cr. in respect of IPGCL staff diverted to them. It is observed from the true up of IPGCL that normative O&M expenses allowed to IPGCL is higher in comparison to the actual O&M expenses incurred by IPGCL partly due to reduced employee expenses burden to IPGCL. Therefore, the Commission has not considered additional claim of the Petitioner on account of Salary of IPGCL staff deployed with Petitioner as the same was part of employee expenses of IPGCL of the base year.

- 3.21 It is further observed from the Audited accounts of FY 2015-16 that Employee Expenses is approximately equal to that approved in normative Employee Expenses by the Commission in Tariff Order dtd. 31/08/2017. The normative expenditure as per the 2nd MYT Transmission Regulations, 2011 should not be trued up. Therefore, no additional claims on account of additional employee expenses are allowed for FY 2016-17.
- 3.22 It is observed from the above that the Commission has considered 30% of the total employee expenses towards capitalization and remaining 70% towards O&M expenses for the base year. Escalation Factor of 1.08 has been factored in for projection of employee expenses for FY 2012-13 to FY 2015-16. Based on the same principles, the Employee Expenses trued up for FY 2016-17 is as follows:

Table 8: Commission Approved - Trued up Employee Expenses for FY 2016-17 (Rs. Crore)

Particulars	FY 2016-17
Employee Expenses	171.07
Less: Employee Expenses Capitalised	51.32
Net Employee Expenses	119.75

A&G EXPENSES

- 3.23 The Petitioner has claimed Rs. 50 lakh for FY 2016-17 separately on account of Licence Fee. As per the Regulations, the Commission has directed the Petitioner to pay the Annual Licence fee of Rs. 50 lakh for transmission business. Accordingly, the Commission has considered Rs. 50 lakh for FY 2016-17 on account of transmission licence fee.
- 3.24 Further, the Petitioner has claimed Rs. 1.63 Crore for FY 2016-17 on account of Property Tax. Accordingly, the Commission has considered Rs. 1.63 Crore for FY 2016-17 on account of Property Tax subject to the outcome of appeal filed by the Petitioner.
- 3.25 The Petitioner has claimed Rs. 1.34 Crore for FY 2016-17 on account of Licence Fee for land at Molarband to GoNCTD. The Commission observes from Note 27 of the Audited Accounts of FY 2016-17 that DTL has booked expense of Rs. 1.34 Crore as Licence fee for Land. This expense is un-controllable and can be equated as Force Majeure, therefore, the Commission has considered this expense.
- 3.26 The Petitioner has also claimed amount of Rs. 10.56 Cr. on account of additional

Security Expenses. The Commission has not considered this expense because as per Regulation 4.16 (a) of DERC MYT Regulations, 2011 any surplus or deficit on account of Operation and Maintenance (O&M) expenses shall be to the account of the Licensee and shall not be trued up in ARR. As this expense is controllable and does not depend upon any external factor which can be equated as Force Majeure. The Commission has also verified from the audited financial statement of the base year and it is observed that there is no indication of security expenses as a separate line item as claimed by the petitioner of Rs.4.26 Cr., therefore, the Commission has not considered this expense.

- 3.1 As discussed above, the Commission has revised O&M Expenses for FY 2012-13 to FY 2015-16 in Tariff Order dtd. 31/08/2017, accordingly, based on the same principles the Commission has considered 10% of the total A&G expenses towards capitalization and escalation Factor of 1.08 for true-up of A&G Expenses for FY 2016-17.
- 3.2 Accordingly, the trued up A&G Expenses for FY 2016-17, is as follows:

Table 9: Commission Approved - Trued up A&G Expenses for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	FY 2016-17
A	A&G Expenses	28.21
B	Less: A&G Expenses Capitalized	2.82
C	Net A&G Expenses (A-B)	25.39
D	Licence Fee	0.50
E	Property Tax	1.63
F	Licence Fee for land	1.34
G	Total A&G Expenses (C+D+E+F)	28.86

R&M EXPENSES

- 3.3 As per DERC MYT Transmission Regulations 2011, the Repairs and Maintenance (R&M) Expenses of the Petitioner for the Control Period are to be determined based on the following formula:

$$R\&M_n = K * GFA_{n-1}$$

Where,

R&M_n is Repair and Maintenance Costs of the Licensee for the nth year;

“K” is a constant (could be expressed in %).

Value of K for each year of the Control Period shall be determined by the

Commission in the MYT Tariff order based on Applicant's filing, benchmarking, approved cost by the Commission in past and any other factor considered appropriate by the Commission.

- 3.4 Accordingly, the Commission has considered closing GFA for FY 2015-16 as opening for FY 2016-17 and k-factor as approved in MYT Order dtd. 13/07/2012 for truing-up R&M Expenses for FY 2016-17 as follows:

Table 10: Commission Approved - Trued- up R&M Expenses for FY 2016-17

Sr. No.	Particulars	UoM	FY 2016-17
A	Opening GFA	Rs. Cr.	4335.72
B	K Factor	%	1.42%
C	R&M Expenses	Rs. Cr.	61.74

- 3.5 In view of above, the Trued-up O&M Expenses for FY 2016-17, as per DERC MYT Transmission Regulations, 2011, is as follows:

Table 11: Commission Approved - Trued- up O&M Expenses for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Petitioner's Submission	Trued Up
A	Employee Expenses	195.05	119.75
B	A&G Expenses	42.26	28.86
C	R&M Expenses	62.85	61.74
D	Total O&M Expenses	300.15	210.35

ASSETS CAPITALIZATION

PETITIONER'S SUBMISSION

- 3.6 The Petitioner has submitted the actual details of the assets capitalized during the period FY 2011-12 to FY 2016-17 to the Commission, as follows:

Table 12: Petitioner Submission - Assets Capitalisation for FY 2011-12 to FY 2016-17 (Rs. Crore)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Capitalization	601.63	333.51	279.40	835.06*	541.88	324.97

* Rs. 22.70 Crore has been added in FY 2014-15 towards balance works of 220kV DSIDC Bawana as per Hon'ble Commission's Order dated 05.11.2004 in Review Petition No. 69/2004.

COMMISSION'S ANALYSIS

- 3.7 The Commission had trued up the capitalization from FY 2011-12 to FY 2015-16 in its Tariff Order dtd. 31/08/2017. However, the Petitioner has submitted the capitalisation

lesser than the amount of capitalisation indicated in Audited financial statement for FY 2016-17. Accordingly, the Commission has now considered the capitalization for FY 2016-17, based on the submission of capitalisation by the petitioner subject to physical verification of assets capitalized of FY 2016-17, as follows:

Table 13: Commission Approved - Capitalization provisionally (Rs. Crore)

Particular	FY 2016-17	Remarks
Additional Capitalization	324.97	As Submitted by the Petitioner subject to physical verification

DEPRECIATION

PETITIONER'S SUBMISSION

3.8 The Petitioner has submitted that the depreciation for FY 2016-17 is computed by considering the rates of Depreciation as specified in the 2nd MYT Transmission Regulations 2011 and actual assets capitalized for FY 2011-12 to FY 2016-17 as submitted to the Commission. The Petitioner while computing the depreciation for FY 2016-17 has taken into account the adjustment in depreciation as per the provisions in 2nd MYT Regulations 2011 separately, or the assets which have completed their useful life of 12 years.

3.9 The details of depreciation for FY 2016-17 are given below:

Table 14: Petitioner Submission - Depreciation for FY 2016-17 (Rs. Crore)

Particulars	Rate of Depreciation	2016-17
Land	0.00%	0.00
Land Under Lease	3.34%	0.00
Building	3.34%	1.27
Meters	3.34%	0.09
Lines Network	5.28%	87.80
Other Civil Works	3.34%	7.05
Plant and Machinery	5.28%	123.98
Office Equipment	6.33%	0.45
Computer	15.00%	7.88
Furniture	6.33%	0.32
Misc. Assets	6.33%	0.08
Vehicles	9.50%	0.50
SCADA	6.33%	3.38
Depreciation		232.79

Particulars	Rate of Depreciation	2016-17
Adjustment on account of Assets Completing 12 Years of Useful Life		(32.96)
Net Depreciation		199.83

COMMISSION'S ANALYSIS

- 3.10 The Petitioner has submitted the computation of depreciation based on the depreciation schedule and the provision of 2nd. MYT Transmission Regulations, 2011. Relevant extract from the Regulation is as follows:

"5.19 Depreciation shall be calculated annually, based on the straight line method, over the useful life of the asset. The base value for the purpose of depreciation shall be original cost of the asset.

Provided that , the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the Date of Commercial Operation shall be spread over the balance useful life of the assets."

- 3.11 The Commission has considered the provisional depreciation at 4.88% as per the rates prescribed for individual class of assets in the depreciation schedule in 2nd MYT Transmission Regulations, 2011, as follows:

Table 15 : Commission Approved - Depreciation for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	FY 2016-17	Remarks
A	Original Costs of Fixed Assets	4335.72	
B	Additional Capitalisation	324.97	
C	Closing GFA	4660.79	A+B
D	Avg GFA	4498.21	(A+C)/2
E	Rate of Depreciation (%)	4.88%	
F	Depreciation	219.32	D*E

WORKING CAPITAL REQUIREMENT

PETITIONER'S SUBMISSION

- 3.12 The Petitioner has submitted working capital requirement for the FY 2016-17 based on DERC MYT Transmission Regulations 2011 as follows:

Table 16: Petitioner Submission - Working Capital for FY 2016-17 (Rs. Crore)

Particulars	2016-17
-------------	---------

Particulars	2016-17
Receivables for Two Months Calculated on NATAF	164.26
Maintenance Spares @ 15% of O&M	45.02
O&M Expenses for 1 Month	25.01
Total Working Capital	234.29

COMMISSION'S ANALYSIS

- 3.13 As per Regulation 4.16 of DERC MYT Transmission Regulations, 2011 for Transmission Tariff:

“Provided that any surplus or deficit in Working Capital shall be to the account of the Licensee and shall not be trued up in ARR”

- 3.14 In line with the above Regulation, the Commission approves Working Capital requirement for FY 2016-17 as follows:

Table 17: Commission Approved - Working Capital for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Petitioner's Submission	Approved
A	Receivables for two months calculated on NATAF	164.26	121.11
B	Maintenance spares @ 15% of O&M	45.02	31.55
C	O&M Expenses for 1 month	25.01	17.53
D	Working Capital requirement	234.29	170.19
E	Opening Working capital		165.49
F	Change in Working Capital		4.71

RETURN ON CAPITAL EMPLOYED

PETITIONER'S SUBMISSION

- 3.15 The Petitioner has submitted that Return on Capital Employed (ROCE) has been calculated as per DERC MYT Transmission Regulations, 2011 by considering Regulated Rate Base (RRB) & Weighted Average Cost of Capital (WACC) as:

$$\text{ROCE} = \text{RRB} \times \text{WACC}$$

- 3.16 Further, the Petitioner has submitted that the Opening Cost of Fixed Assets for FY 2016-17 has been considered based on the value of Closing GFA of FY 2010-11 as approved by the Commission and actual Assets Capitalization values for FY 2011-12 to FY 2016-17 as submitted by the Petitioner before the Commission.

- 3.17 The Petitioner has submitted that the Rate of Return on Equity (r_e) has been taken @ 14% as per MYT Regulations 2011. However, the same has been challenged in Civil Writ Petition No. 1380/2013 before Hon'ble Delhi High Court. Further, the rate of Return on Debt (r_d) for FY 2016-17 has been taken @ 10.86% as approved by the Commission for FY 2015-16 in Tariff Order dated 31.08.2017.
- 3.18 The Petitioner has further submitted that the ROCE is computed for FY 2016-17 as per the MYT Regulations 2011 and by considering the Debt : Equity ratio of 70:30 on the actual assets capitalization values for FY 2011-12 to FY 2016-17 as submitted before the Commission. The Petitioner has submitted the calculation of RoCE as below:

Table 18: Petitioner Submission - ROCE Calculation for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	2016-17
A	Original Costs Of Fixed Assets	4413.69
B	Accumulated Depreciation	1230.10
C	RRB Opening	3150.62
D	Additional Capitalisation	324.97
E	Depreciation	199.83
F	Working Capital	234.29
G	Addition Govt. Grant	171.03
H	Accumulated Govt. Grant	204.00
I	RRB Closing	3339.02
J	RRB Average	3361.97
K	Equity (Opening)	1324.11
L	Equity (Addition)	36.29
M	Equity(Closing)	1360.40
N	Equity (Average)	1342.25
O	Debt(Opening)	3089.58
P	Debt(Addition	84.68
Q	Debt(Closing)	3174.26
R	Debt(Average)	3131.92
S	Rate Of Return On Equity	14.00%
T	Rate Of Return On Debt	10.86%
U	Weighted Avg Cost of Capital (WACC)	11.80%
V	Return on Capital Employed (ROCE)	396.78

COMMISSION'S ANALYSIS

- 3.19 The Commission has considered the rate of interest on loan at 10.86% as approved in MYT order dated 13/07/2012 for FY 2014-15 as per the following provision of DERC MYT Transmission Regulations, 2011:

“Provided further that the Commission shall not true up the interest rate, if variation in State Bank of India Base Rate as on April 1, 2012, is within +/- 1% during the Control Period. Any increase / decrease in State Bank of India Base Rate beyond +/- 1% only shall be trued up.”

- 3.20 The rate of return on equity has been considered at 14% and approved Return on Capital Employed as follows:

Table 19: Commission Approved - RoCE for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	FY 2016-17	Remarks
A	Original Costs of Fixed Assets	4335.72	
B	Accumulated Depreciation	1220.55	
C	RRB Opening	3116.92	
D	Additional Capitalisation	324.97	
E	Depreciation	233.91	
F	Change in Working Capital	4.71	
G	RRB Closing	3225.53	A-B+D-E+F
H	RRB Average	3174.45	C+(D-E)/2+F
I	Equity (Opening)	1206.31	
J	Equity (Addition)	97.49	
K	Equity (Closing)	1303.80	
L	Equity (Average)	1255.05	
M	Debt(Opening)	3011.11	
N	Debt addition	232.19	
O	Debt (Closing)	3243.29	
P	Debt (Average)	3127.20	
Q	Rate of Return on Equity	14%	DERC MYT Regulations,2011
R	Rate of Return on Debt	10.86%	MYT order dated 13/07/2012
S	Weighted Avg Cost of Capital (WACC)	11.76%	
T	Return on Capital Employed	373.29	S*H

NON TARIFF INCOME

PETITIONER'S SUBMISSION

- 3.21 The Petitioner has submitted that the income or receipts derived from regular sources like gain on sale of scrap, sale of tender documents, interest on investments, etc have been reduced from the ARR for FY 2016-17.
- 3.22 The Petitioner has submitted the revenue from cost plus construction contracts or

project management and supervision services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to actual progress/technical assessment of work executed, in line with the terms of the respective consultancy contracts.

- 3.23 The details of Non-Tariff income for FY 2016-17 as submitted by the Petitioner is as follows:

Table 20: Petitioner Submission - Non Tariff Income for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	2016-17
A.	Gain on Sale of Fixed Assets	0.13
B.	External Project Revenue	0.18
C.	Miscellaneous Receipts	0.71
D.	Non Tariff Income	1.02

COMMISSION'S ANALYSIS

- 3.24 It is observed that Non Tariff Income should not result into additional burden in the ARR of the Licensee because this is not primary function of the licensee as per Regulation 5.24 and 5.25 of the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2011:

"5.24 All incomes being incidental to electricity business and derived by the Licensee from sources, including but not limited to profit derived from disposal of assets, rents, delayed payment surcharge and miscellaneous receipts from the Beneficiaries shall constitute Non-Tariff Income of the Licensee.

5.25 The amount received by the Licensee on account of Non-Tariff Income shall be deducted from the Aggregate Revenue Requirement in calculating the net revenue requirement of such Licensee."

- 3.25 It is observed from the audited accounts that the Petitioner has not considered STU Charges for Open Access, Reactive Energy Charges, External Projects Revenue and Net Gain on in its Petition. However, as per Regulation 5.24 of Transmission Tariff Regulations, 2011, all incomes being incidental to electricity business and derived by the Licensee from sources, including miscellaneous receipts shall constitute Non-Tariff Income of the Licensee. Further the Petitioner has not considered LPSC under Non Tariff

income for FY 2016-17 however in note 23 of the audited financial statement the same has been indicated as Rs. 20.35 Crore to the extent of TDS credited to the company. Therefore, the Commission has considered these revenue heads including LPSC indicated in the Note 23 & 24 of the audited financial statement as part of Non Tariff Income for FY 2016-17 as follows:

Table 21: Commission Approved - Non Tariff Income for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	2016-17
A	STU Charges –Open Access	37.63
B	Reactive Energy Charges	4.45
C	Gain on Sale Scrap	1.36
D	Other Misc. Receipt	0.56
E	External Project – Revenue	0.18
F	LPSC	20.35
F	Total	70.78

INCOME TAX EXPENSES

PETITIONER'S SUBMISSION

3.26 The Petitioner has submitted that the income tax actually paid by the Petitioner for FY 2016-17 as per the ATE Judgement in Appeal No. 255/2013 has been considered in the petition as follows:

Table 22: Petitioner Submission - Income Tax Expenses for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	2016-17
A	Income Tax on Actual Basis	101.25
B	Total Income Tax	101.25

COMMISSION'S ANALYSIS

3.27 It is observed from the Tariff Order of 31/08/2017 that income tax return filed by the Petitioner indicates that it has paid excess advanced tax and claim has been made towards refund of excess tax paid during FY 2012-13 to FY 2015-16. Therefore Income Tax has been allowed based on actual tax assessed for FY 2016-17, advanced tax paid and tax on return on equity of the Petitioner during FY 2016-17 on provisional basis subject to any refund granted by Income Tax department as follows:

Table 23: Commission Approved - Income Tax for FY 2016 -17 (Rs. Crore)

Sr. No.	Particulars	2016-17
---------	-------------	---------

A	Income Tax on Actual Basis	101.25
B	Return on Equity	175.71
C	Grossed up Return on Equity	266.18
D	Income Tax on Return on Equity	90.48
E	Income Tax Allowed	90.48

TRUE UP OF AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2016-17

PETITIONER'S SUBMISSION

3.28 The Petitioner has submitted the truing up of Aggregate Revenue Requirement (ARR) for FY 2016-17. The same is tabulated below:

Table 24: Petitioner Submission - Truing up of (ARR) for FY 2016-17 (Rs. Crore)

Sr.No.	Particulars	2016-17
1	O&M Expenses	300.16
a	Employee Expenses	195.05
b	R&M Expenses	62.85
c	A&G Expenses	42.26
2	Depreciation	199.83
3	Return on Capital Employed	396.78
4	Income Tax Provisions	101.25
5	Less: Expenses Capitalized	11.44
6	Less: Non Tariff Income	1.02
7	Less: Income from other Business	-
Aggregate Revenue Requirement		985.55

COMMISSION'S ANALYSIS

3.29 The Commission, based on the detailed analysis of the cost parameters of the ARR, has considered the ARR in true up for FY 2014-15 and FY 2015-16 as follows:

Table 25: Commission Approved - Trued Up ARR for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	FY 2016-17
A	O&M Expenses	210.35
B	Depreciation	219.32
C	Income Tax Provisions	90.48
D	Return on Capital Employed	373.29
E	Less: Non Tariff Income	70.78
F	Aggregate Revenue Requirement	822.65

BALANCE IMPACT OF TRUE UP FOR FY 2016-17

PETITIONER'S SUBMISSION

- 3.30 The Petitioner has submitted that they have been billing from DISCOMs for FY 2016-17 provisionally on the basis of Transmission Tariff approved for FY 2015-16 in ARR Order dated 29/09/2015 in the absence of ARR Order for FY 2016-17. The impact of the same is as follows:

Table 26: Petitioner Submission - Balance Impact of True up for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	2016-17
A	ARR for FY 2015-16 in Tariff Order dated 29.09.2015	726.68
B	Impact of Past True up and DVB Arrears	291.73
C=A+B	Provisional ARR for FY 2016-17 (As approved by Commission for the ARR of FY 2015-16)	1018.41
D	True up of ARR for FY 2016-17	985.55
E=C-D	Difference on Account of True up	32.86

COMMISSION'S ANALYSIS

- 3.31 The Commission observes that the Petitioner has been billing DISCOMs for FY 2016-17 provisionally on the basis of Transmission Tariff approved for FY 2015-16 its Tariff Order dated 29/09/2015 and accordingly, the impact for True up of FY 2016-17 is as follows:

Table 27: Commission Approved - Impact of True up for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	2016-17
A	ARR for FY 2015-16 in Tariff Order dated 29/09/2015	726.68
B	Liquidation of 20% of the gap during FY 2015-16	192.24
C	Public Grievance Cell for Meter Testing and Consumer Advocacy	0.70
D	Carrying cost	99.49
E	Total Revenue Requirement as per Tariff Order dated 29/09/2015	1019.11
F	Trued-Up ARR for FY 2016-17	822.65
F=D-E	Surplus on account of True up of FY 2016-17	180.62

A4: ANALYSIS OF AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2018-19**BACKGROUND**

4.1 The Commission has analysed the Tariff Petition submitted by the Petitioner for approval of ARR and determination of Transmission Charges for FY 2018-19 as per the provisions specified in *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* (hereinafter referred to as “Tariff Regulations 2017”) and *DERC (Business Plan) Regulations, 2017* as follows:

“110. The tariff for transmission of electricity shall comprise Capacity charge for recovery of annual fixed cost consisting of the components specified in these Regulations.

111. The annual fixed cost (AFC) of a transmission system (including communication system) shall consist of the following components as specified in these Regulations:

(a) Return on Capital Employed;

(b) Depreciation; and

(c) Operation and Maintenance expenses.”

OPERATION & MAINTENANCE EXPENSES**EMPLOYEE EXPENSES****PETITIONER'S SUBMISSION**

4.2 The Petitioner has submitted that the Commission has specified in Tariff Regulations 2017 that the Commission shall notify the Business Plan Regulation for each control period based on the Business Plan submitted by the utility and Business Plan shall contain the operational parameters.

4.3 Further, the Commission has notified Business Plan Regulations 2017 wherein O&M Expenses has been approved by the Commission based on the network details (No. of bays and line Length in circuit kilometres) as follows:

Table 28: Petitioner Submission - Bay wise Norms for HVAC (Rs.Lakh/Bay)

Voltage levels	2017-18	2018-19	2019-20
400 kV	45.23	47.76	50.44
220 kV & below	15.30	16.16	17.06

Table 29: Petitioner Submission - Circuit KM wise Norms for HVAC Lines (Rs.Lakh/CKM)

Voltage levels	2017-18	2018-19	2019-20
400 kV	8.13	8.59	9.07
220 kV	2.03	2.15	2.27

4.4 Accordingly, the Petitioner has projected O&M Expenses for FY 2018-19 as follows:

Table 30: Petitioner Submission - Normative O&M Expenses for FY 2018-19 (Rs. Crore)

Sr. No.	Voltage levels	No. of Bays	Ckt.km	Rs. Lakh/bay	Rs. Lakh/ckm	Bay (Rs.Cr.)	Ckm (Rs.Cr.)	Total (Rs.Cr.)
1	400 kV	70	249.19	47.76	8.59	33.43	21.41	54.84
2	220 kV & below	1479	858.15	16.16	2.15	239.01	18.45	257.46
	Total	1218	1062.43			272.44	39.86	312.29

4.5 The Petitioner has submitted that they have also considered the additional expenditure which were not considered by the Commission while calculating the norms of O&M Expenses for FY 2018-19 i.e., impact on account of implementation of 7th Pay Commission, salary of IPGCL staff of diverted capacity, additional security expenses, license fee for land, etc.

4.6 In view of above, the Petitioner has submitted the Operation & Maintenance Expenses for the FY 2018-19 as follows:

Table 31: Petitioner submission - Operation and Maintenance Expenses for FY 2018-19 (Rs. Crore)

Particulars	2018-19
Normative O&M Expenses	312.29
Impact of 7 th Pay Revision on Ad-Hoc Basis	15.02
IPGCL Staff-Provisional	8.52
Additional Security Expenses	10.56
License Fee for Land	1.34
Total O&M Expenses	347.73

COMMISSION'S ANALYSIS

4.7 It is observed that the Petitioner has not submitted the details of network addition during FY 2017-18 linked with the capitalization. Therefore, the Commission vide its e-mail dtd. 02/03/2018 has sought the detail transmission network addition during FY 2017-18 for the purpose of determination of O&M expenses of the Petitioner for FY 2018-19 as follows:

- a) Numbers & types of Voltage wise Bays considered for FY 2018-19, Actual addition in FY 2016-17 & FY 2017-18 till Dec'17
- b) Details of Voltage wise line length in circuit kilometres considered for FY 2018-19, Actual addition in FY 2016-17 & FY 2017-18 till Dec'17.
- 4.8 The Petitioner vide its e-mail dtd. 12/03/2018 had submitted the information in response to above mentioned e-mail of the Commission. The Commission observes that the Petitioner has considered Spare Bays & Bus-Section bays for computation of number of bays. The Commission in its Explanatory Memorandum on Business Plan Regulations, 2017 had indicated that No. of Bays to be computed excluding Spare Bays & Bus-Section bays. Therefore, the commission has determined the O&M expenses based on the network addition and the normative expenditure approved in the Business Plan Regulations, 2017.
- 4.9 Further, Regulation 15 (2) of the Business Plan Regulations, 2017 specified that impact of any Statutory Pay revision shall be considered separately, based on actual payment made by the Transmission Licensees and shall be allowed by the Commission after prudence check at the time of true up of ARR for the relevant financial year. The relevant Regulation is as follows:
- “Part 3*
- BUSINESS PLAN FOR TRANSMISSION LICENSEE*
- ...
- 15. OPERATION AND MAINTENANCE EXPENSES*
- ...
- (2) Impact of any statutory Pay revision on employee’s cost as may be applicable on case to case basis shall be considered separately, based on actual payment made by the Transmission Licensees and shall be allowed by the Commission after prudence check at the time of true up of ARR for the relevant financial year.”*
- 4.10 The Petitioner has claimed Rs.15.02 Crore on account of impact of 7th pay revision on ad hoc basis. The Commission has sought the detail of payment due on account of 7th pay revision during the prudence check and additional information sought in e mail dated

02/03/2018. Therefore, the Commission has considered additional O&M Expenses on provisional basis subject to final payment by the Petitioner after prudence check at the time of true up of ARR for FY 2018-19.

- 4.11 The Petitioner has also submitted additional O&M expenditure on account of IPGCL staff and security expenses for FY 2018-19. The Commission has sought the detail of these additional expenditure that whether these type of expenditure are over and above the base year expenses of the Petitioner. In this regard, it is pertinent to state that the Commission has already allowed O&M expenses on the basis of network from FY 2017-18 onwards and detail reason for non allowance of additional employee expenses on account of salary of IPGCL staff deployed with Petitioner has been indicated in the relevant section of true up of ARR for FY 2016-17 in this Order. Therefore, the Commission observed that O&M expenses on account of any addition in the existing network will be allowed automatically and additional O&M expenses on account of IPGCL staff and Security expenses has not been considered in the O&M expenses on FY 2018-19. Accordingly, the Commission approves the O&M Expenses for FY 2018-19 based on the norms specified in the Business Plan Regulations as follows:

Table 32: Commission Approved - O&M Expenses for FY 2018-19

Sr. No	Voltage levels	No. of Bays	Ckt.km	Rs. Lakh/bay	Rs. Lakh/ckm	Bay	Ckm	Total
				as per BPR 2017		(Rs. Cr.)	(Rs. Cr.)	(Rs. Cr.)
		A	B	C	D	E=A*C/100	F=B*D/100	G=E+F
1	400 kV	58	249.19	47.76	8.59	27.70	21.41	49.11
2	220 kV & below	1191	823.27	16.16	2.15	192.47	17.70	210.17
3	Normative O&M					220.17	39.11	259.27
4	Impact of 7th. pay revision							15.02
5	Total							274.29

WORKING CAPITAL

PETITIONER'S SUBMISSION

- 4.12 The Petitioner has calculated the Working Capital For FY 2018-19 (based on the projections for FY 2018-19) as per Tariff Regulations 2017 as tabulated below:

Table 33: Petitioner Submission - Working Capital for FY 2018-19 (Rs. Crore)

Particulars	2018-19
Receivables for Two Months Calculated on NATAF	176.83
Maintenance Spares @ 15% of O&M	52.16
O&M Expenses for 1 Month	28.98
Working Capital	257.97

COMMISSION'S ANALYSIS

4.13 The computation of working capital requirement for Transmission Licensee has been specified in Tariff Regulations 2017 as follows:

"84. The Commission shall calculate the Working Capital requirement for:

(3) Transmission Licensee as follows:

(a) Receivables for two months towards transmission tariffs calculated on NATAF;

(b) Maintenance spares @ 15% of operation and maintenance expenses; and

(c) Operation and maintenance expenses for one month."

4.14 Accordingly requirement of working capital has been computed for FY 2018-19 as follows:

Table 34: Commission Approved - Working Capital Requirement for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Petitioner's Submission	Commission Approved
A	Receivables for Two Months Calculated On NATAF	176.83	150.05
B	Maintenance Spares @ 15% Of O&M	52.16	38.89
C	O&M Expenses for 1 Month	28.98	21.61
D	Working Capital Requirement	257.97	210.55
E	Opening balance		182.29
F	Change in working capital		28.26

ASSETS CAPITALIZATION

PETITIONER'S SUBMISSION

4.15 The Petitioner has considered the asset capitalization of Rs. 204.00 Crore for FY 2017-18 as approved by the Commission in Tariff Order dated 31.08.2017 and for FY 2018-19 an amount of Rs. 807.60 Crore has been considered as per the revised proposed capitalization based on the recent development in the power sector/load growth in the region of NCT of Delhi.

4.16 The Petitioner has proposed Assets Capitalization for FY 2018-19 is as tabulated below:

Table 35: Petitioner Submission - Proposed Assets Capitalization for FY 2018-19

Particulars	2018-19
Proposed Assets Capitalization	807.60

COMMISSION'S ANALYSIS

4.17 The Commission had approved tentative Capital Investment Plan for the Petitioner for FY 2018-19 in Business Plan Regulations, 2017 as Rs. 906 Cr. The Petitioner has submitted revised Assets Capitalization for FY 2018-19 as Rs. 807.60 Cr. and the same has been considered by the Commission.

DEPRECIATION

PETITIONER'S SUBMISSION

4.18 The Petitioner has computed Depreciation for FY 2018-19 by considering the rates of Depreciation as specified in the Tariff Regulations 2017, the existing GFA, assets addition as approved for FY 2017-18 in Tariff Order dated 31.08.2017 and assets proposed to be capitalized for FY 2018-19.

4.19 The Petitioner has further submitted that while computing the depreciation for FY 2018-19 it has taken into account the adjustment in depreciation as per the provisions in Tariff Regulations 2017 separately, for the assets which have completed their useful life of 12 years.

4.20 The Petitioner has projected depreciation for FY 2018-19 as follows:

Table 36: Petitioner Submission - Depreciation for FY 2018-19 (Rs. Crore)

Particulars	Rate of Depreciation	FY 2018-19
Land	0.00%	0.00
Land Under Lease		0.00
Building	1.80%	0.68
Meters	6.00%	0.11
Lines Network	5.83%	101.39
Other Civil Works	3.00%	7.78
Plant And Machinery	5.83%	168.94
Office Equipment	9.00%	0.64
Computer	16.67%	8.80
Furniture	9.00%	0.46

Particulars	Rate of Depreciation	FY 2018-19
Misc. Assets	6.33%	0.08
Vehicles	9.00%	0.47
SCADA	6.33%	3.38
Depreciation		292.73
Adjustment on Account of Assets Completing 12 Years		(52.15)
Net Depreciation		240.58

COMMISSION'S ANALYSIS

4.21 The Commission has approved GFA upto FY 2016-17 in Chapter 3 of this Order. GFA addition for FY 2018-19 has been considered based on the Petitioner submission. Further, the Petitioner has also indicated the impact of adjustment due to change in the rate of depreciation for the period upto 12 years from CoD and the period beyond 12 years from CoD. The Petitioner has computed the weighted average rate of depreciation based on the depreciation schedule of Tariff Regulations, 2017 at 5.92% however there is an error in computation as the Petitioner has not considered the capital addition during FY 2018-19 projected by the Petitioner in the denominator whereas 50% depreciation for the year on individual asset class has been considered in the value of depreciation. Further, the Petitioner has considered the value of GFA through consumer contribution in the denomination for the purpose of weighted average rate of depreciation. The revised weighted average rate of depreciation computed by the Commission is 5.69% without considering adjustment due to revised rate of depreciation on the assets for the period beyond 12 years from CoD (FY 2006-07) has already completed. The Commission has considered the weighted average rate of depreciation based on the revised rate of depreciation on the assets at 4.69%. Details of rate of depreciation is as follows:

Table 37: Details of Rate of Depreciation

Sr. No	Particulars	Dep. Rate (%) (A)	Opening GFA (B)	GFA Addition During the Year (C)	Dep. for the year (D)
(a)	Land owned under full title	0.00%	71.52	20.00	0.00
(b)	Offices & showrooms (buildings)	1.80%	37.96		0.68

Sr. No	Particulars	Dep. Rate (%) (A)	Opening GFA (B)	GFA Addition During the Year (C)	Dep. for the year (D)
(c)	Others (other civil work)	3.00%	248.11	22.70	7.78
(d)	Transformers (including foundations) having a rating of 100 kilo volt amperes and over	5.83%	2570.23	654.95	168.94
(e)	Switchgear, including cable connections (Line and Cable Network)	5.83%	1684.14	109.95	101.39
(f)	Meters	6.00%	1.78		0.11
(g)	Self propelled vehicles	9.00%	5.22	0.00	0.47
(h)	Others (computers)	16.67%	52.78	0.00	8.80
(i)	Office furniture and fittings	9.00%	5.13	0.00	0.46
(j)	Office equipments	9.00%	7.16	0.00	0.64
(k)	Communication equipment (SCADA & PLCC)	6.33%	53.34		3.38
(l)	Small Value Assets	6.33%	1.28	0.00	0.08
(m)	Total		4738.65	807.60	292.73
(n)	Adjustment on a/c of assets completing 12 years				(52.15)
(o)	Net Depreciation				240.58
(p)	Actual Depreciation rate	4.68%	$(292.73 - 52.15) / (4738.65 + 807.6/2)$		
(q)	Petitioner Depreciation rate	5.92%	$(292.73 / (4738.65 + 204.00))$ (204 cr. consumer contribution)		
(r)	Revised petitioner Depreciation rate	5.69%	$(292.73) / (4738.65 + 807.6/2)$		

4.22 Accordingly, depreciation projected for FY 2018-19 is as follows:

Table 38: Commission Projected - Depreciation for FY 2018-19

Sr. No.	Particulars	UOM	Projected by the Commission
A	Original Costs of Fixed Assets	Rs. Crore	4864.69
B	Additional Capitalisation	Rs. Crore	807.60
C	Closing GFA	Rs. Crore	5672.29
D	Avg GFA	Rs. Crore	5268.49
E	Rate of Depreciation	%	4.68%
F	Depreciation	Rs. Crore	246.48

RETURN ON CAPITAL EMPLOYED

PETITIONER'S SUBMISSION

- 4.23 The Petitioner has calculated the Return on Capital Employed (RoCE) as per Tariff Regulations 2017 by considering Regulated Rate Base (RRB) & Weighted Average Cost of Capital (WACC) as:

$$ROCE = RRB \times WACC$$

- 4.24 The Rate of Return on equity has been grossed up to 21.41% (by considering the income tax rate @ 34.608%).
- 4.25 The Petitioner has computed the ROCE For FY 2018-19 as per the Tariff Regulations 2017 and by considering the Debt : Equity ratio of 70:30 on the assets capitalized during the year FY 2012-13 to FY 2016-17 and the assets capitalization proposed for FY 2017-18 and FY 2018-19.

Table 39: Petitioner Submission - Return on Capital Employed for FY 2018-19 (Rs. Crore)

Particulars	2018-19
Original Costs of Fixed Assets	4942.66
Accumulated Depreciation	1693.02
RRB Opening	3045.64
Additional Capitalisation	807.60
Depreciation	240.58
Working Capital	257.97
Addition Govt. Grant	0.00
Accumulated Govt. Grant	204.00
RRB Closing	3870.63
RRB Average	3587.12
Equity (Opening)	1421.60
Equity (Addition)	242.28
Equity (Closing)	1663.88
Equity (Average)	1542.74
Debt (Opening)	3317.06
Debt (Addition)	565.32
Debt (Closing)	3882.38
Debt (Average)	3599.72
Rate of Return on Equity	21.41%
Rate of Return on Debt	9.69%
Weighted Avg Cost of Capital (WACC)	13.21%
Return on Capital Employed RoCE	473.71

COMMISSION'S ANALYSIS

- 4.26 The Commission has specified the provisions for return on equity and interest on loan in its Tariff Regulations, 2017 as follows:

“RETURN ON CAPITAL EMPLOYED (RoCE)

Return on Capital Employed shall be used to provide a return to the Utility, and shall cover all financing costs except expenses for availing the loans, without providing separate allowances for interest on loans and interest on working capital.

The Regulated Rate Base (RRB) shall be used to calculate the total capital employed which shall include the Original Cost of Fixed Assets (OCFA) and Working Capital. Capital work in progress (CWIP) shall not form part of the RRB. Accumulated Depreciation, Consumer Contribution, Capital Subsidies / Grants shall be deducted in arriving at the RRB.

The RRB shall be determined for each year of the Control Period at the beginning of the Control Period based on the approved capital investment plan with corresponding capitalisation schedule and normative working capital.

The Regulated Rate Base for the i th year of the Control Period shall be computed in the following manner:

$$RRBi = RRB_{i-1} + \Delta ABi / 2 + \Delta WCi;$$

Where,

“ i ” is the i th year of the Control Period;

RRBi: Average Regulated Rate Base for the i th year of the Control Period;

ΔWCi : Change in working capital requirement in the i th year of the Control Period from $(i-1)$ th year;

ΔABi : Change in the Capital Investment in the i th year of the Control Period;

This component shall be arrived as follows:

$$\Delta ABi = Invi - Di - CCI - Reti;$$

Where,

Invi: Investments projected to be capitalised during the i th year of the Control

Period and approved;

Di: Amount set aside or written off on account of Depreciation of fixed assets for the ith year of the Control Period;

CCi: Consumer Contributions, capital subsidy / grant pertaining to the ΔAB_i and capital grants/subsidies received during ith year of the Control Period for construction of service lines or creation of fixed assets;

Reti: Amount of fixed asset on account of Retirement/ Decapitalisation during ith Year;

RRB i-1: Closing Regulated Rate Base for the Financial Year preceding the ith year of the Control period. For the first year of the Control Period, Closing RRB i-1 shall be the Opening Regulated Rate Base for the Base Year i.e. RRBO;

RRBO = OCFAO – ADO – CCO+ WCO;

Where;

OCFAO: Original Cost of Fixed Assets at the end of the Base Year;

ADO: Amounts written off or set aside on account of depreciation of fixed assets pertaining to the regulated business at the end of the Base Year;

CCO: Total contributions pertaining to the OCFAO, made by the consumers, capital subsidy / grants towards the cost of construction of distribution/service lines by the Distribution Licensee and also includes the capital grants/subsidies received for this purpose;

WCO: working capital requirement in the (i-1)th year of the Control Period.

Return on Capital Employed (RoCE) for the year “i” shall be computed in the following manner:

*RoCE = WACC_i * RRB_i*

Where,

$WACC_i$ is the Weighted Average Cost of Capital for each year of the Control Period;

RRB_i – Average Regulated Rate Base for the i th year of the Control Period.

The WACC for each year of the Control Period shall be computed at the start of the Control Period in the following manner:

$$WACC = [D/(D+E)] * r_d + [E/(D+E)] * r_e$$

Where,

D is the amount of Debt derived as per these Regulations;

E is the amount of Equity derived as per these Regulations;

Where equity employed is in excess of 30% of the capital employed, the amount of equity for the purpose of tariff shall be limited to 30% and the balance amount shall be considered as notional loan. The amount of equity in excess of 30% treated as notional loan. The interest rate on excess equity shall be the weighted average rate of interest on the actual loans of the Licensee for the respective years. Where actual equity employed is less than 30%, the actual equity and debt shall be considered;

Provided that the Working capital shall be considered 100% debt financed for the calculation of WACC;

r_d is the Cost of Debt;

r_e is the Return on Equity.”

4.27 Further the Rate of Return on Equity and Interest on Loan has been dealt in Business Plan Regulations 2017 as follows:

“12. RATE OF RETURN ON EQUITY

Return on Equity in terms of Regulation 4(1) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for Transmission Licensee shall be computed at the Base Rate of 14.00% on post tax basis.

13. TAX ON RETURN ON EQUITY

The base rate of Return on Equity as allowed by the Commission under Regulation 10 of these Regulations shall be grossed up with the Minimum Alternate Tax or Effective Tax Rate of the respective financial year in terms of Regulation 72 and 73 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, as per the following formula:

$$\text{Rate of Return on Equity} = 14 / [(100 - \text{Tax Rate}) / 100]$$

where, Tax Rate is Minimum Alternate Tax (MAT) or Effective Tax Rate, as the case may be.

Illustration-

In case of the Transmission Licensee paying Minimum Alternate Tax (MAT), say @ 20.96% including surcharge and cess, then,

$$\text{Rate of Return on Equity shall be} = 14 / [(100 - 20.96) / 100] = 17.71\%$$

In case of Transmission Licensee paying normal Corporate Tax including surcharge and cess:

(a) Estimated Gross Income from Transmission Business for FY 2017-18 is, say Rs. 1000 Cr. and,

(b) If estimated Advance Tax for the year on above is Rs. 240 Cr., then,

$$\text{Effective Tax Rate for the year 2017-18} = 240 / 1000 = 0.24 \text{ or } 24\% \text{ and}$$

$$\text{Rate of Return on Equity shall be} = 14 / [(100 - 24) / 100] = 18.42\%$$

14. MARGIN FOR RATE OF INTEREST ON LOAN:

Margin for rate of interest for the Control Period in terms of Regulation 4(2) of

the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Transmission Licensee shall be allowed as the difference in weighted average rate of interest on actual loan as on 1st April 2017 and 1 (one) year Marginal Cost of Fund based Lending Rate (MCLR) of SBI as on 1st April 2017: Provided that the rate of interest on loan (MCLR plus Margin) shall not exceed approved base rate of return on equity i.e., 14.00%."

- 4.28 It is observed from the extract of Tariff Regulations 2017 that the Petitioner is entitled for return on capital employed which shall be inclusive of return on equity, interest on loan and interest on working capital. The rate of return on equity and interest on loan has been considered as per the provisions of Business Plan Regulations 2017 for the purpose of computation of return on capital employed. Rate of return on equity at 14% has been grossed up with effective tax rate of 32.07% as per the income tax return filed by the Petitioner for Assessment Year 2017-18. Therefore effective rate of return including income tax has been considered at 20.61% for the purpose of computation of Weighted Average Cost of Capital (WACC) rate.
- 4.29 Further, as per Tariff Regulations, 2017 the Petitioner is allowed return on equity upto maximum of 30% of the net capital employed excluding working capital requirement which should be funded through 100% debt only. Therefore, the Commission has restricted the return on equity upto 30% of the net average capital employed for FY 2018-19.
- 4.30 Rate of interest on loan, as on 01/04/2018, has been projected at 9.84%, based on the prevailing SBI MCLR of 8.15% plus margin of 1.69% as submitted by the Petitioner.
- 4.31 Accordingly, return on capital employed projected for FY 2018-19 is as follows:

Table 40: Commission Projected - Return on Capital Employed for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved FY 2018-19	
A	Average Fixed Assets	5268.49	
B	Accumulated Depreciation	1687.52	
C	Depreciation	246.48	
D	Working Capital	210.55	
E	RRB Average	3668.28	A-B-C/2+D
F	Equity @ 30% of net GFA	1037.32	(A-B-C/2)*30%

Sr. No.	Particulars	Approved FY 2018-19	
G	Balance debt	2630.96	E-F
H	Rate of Return on Equity	20.61%	
I	Rate of Return on Debt	9.84%	
J	Weighted Avg Cost of Capital (WACC)	12.87%	
K	Return on Capital Employed	450.32	

NON TARIFF INCOME

PETITIONER'S SUBMISSION

4.32 The Petitioner has submitted the details of Non Tariff Income (Projected) for FY 2018-19 on the basis of Non Tariff Income for FY 2016-17 as discussed in Part-I and the details of the same as below:

Table 41: Petitioner Submission - Non Tariff Income for FY 2018-19 (Rs. Crore)

Particulars	FY 2018-19
Non Tariff Income	1.02

COMMISSION'S ANALYSIS

4.33 The Commission has projected Non Tariff Income as per the true up of ARR for FY 2016-17 of Rs. 70.78 Crore for FY 2018-19.

AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2018-19

PETITIONER'S SUBMISSION

4.34 The Petitioner has submitted the summary of ARR FY 2018-19 tabulated as below:

Table 42: Petitioner Submission - ARR for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	2018-19
1.	O&M EXPENSES	347.73
2.	Depreciation	240.58
3.	Returned on Capital Employed	473.71
4.	Less: Non Tariff Income	1.02
Aggregate Revenue Requirement		1061.00

COMMISSION'S ANALYSIS

4.35 The ARR for FY 2018-19 projected by the Commission is as follows:

Table 43: Commission Projected - ARR for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Petitioner Submission	Approved
A	O&M Expenses	347.73	274.29
B	Depreciation	240.58	246.48
C	ROCE	473.71	450.32
D	Less: Non Tariff Income	1.02	70.78
Aggregate Revenue Requirement		1061.00	900.32

IMPACT OF DVB ARREARS AS PER ATE JUDGEMENT**PETITIONER'S SUBMISSION**

Impact of DVB arrears as per ATE Judgement in appeal no. 133/2007, 28/2008, 184/2011 & Hon'ble Supreme Court judgement in Civil Appeal No. 5863-64/2009 and impact of APTEL Judgment in Appeal No. 255/2013 on true up of ARR upto FY 2013-14.

4.36 As per direction of Hon'ble Supreme Court in Civil Appeal No. 5863-64/2009, the Commission in its latest Tariff Order dated 31/08/2017 has considered the revised balance of DVB arrears and also approved the impact of the same as Rs. 1076.26 Crore upto FY 2015-16. The same has been considered as opening balance for FY 2016-17 and the impact of true up of FY 2016-17 has been considered for calculating the balance impact of True up and DVB arrears.

4.37 Further the Commission has also held in its Tariff Order dated 31.08.2017 that the past arrears may be liquidated in next four years in equal instalments. Accordingly, the Petitioner has considered an amount of Rs. 344.49 Crore (1/3rd of Closing Balance for FY 2017-18 of Rs. 1033.48 Crore) for amortization for FY 2018-19.

Table 44: Petitioner Submission - Balance Impact of True Up and DVB Arrears (Rs. Crore)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gap	1089.67	1125.56	1076.26	1227.13	1033.48
Addition	-84.57	30.13	32.86		
Amortization		192.24		298.12	344.49
Carrying Cost Rate	11.50%	10.80%	10.80%	9.69%	9.69%
Carrying Cost	120.45	112.81	118.01	104.47	83.45
Closing Gap	1125.56	1076.26	1227.13	1033.48	772.44

COMMISSION'S ANALYSIS

4.38 The Commission observes that the Petitioner has billed its beneficiaries as per approved

ARR of FY 2015-16 of Rs. 1018.41 Cr. for FY 2015-16 & FY 2016-17 which includes amortisation amount of Rs. 192.24 Cr. as an impact of DVB Arrears. The Commission had allowed carrying cost on past DVB arrears of Rs.99.49 Crore in ARR for FY 2015-16 which had not been adjusted in the true up of ARR for FY 2015-16 therefore the same has been factored in this tariff order. Further, the Commission had decided to recover revenue gap on account of DVB arrears in 4 instalment from FY 2017-18 onwards in tariff order dated 31/08/2017. Accordingly, the Commission is allowing to appropriately recover the remaining balance after true up upto FY 2016-17 in ARR of FY 2018-19 as follows:

Table 45: Commission Approved - Impact of true up and DVB arrear upto FY 2018-19

Particulars	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Op. Balance	1089.67	1125.56	976.77	881.86	654.74
Addition	-84.57	30.13	95.97	0	0
Amortisation		192.24	192.24	298.12	218.25
Carrying Cost Rate	11.50%	10.80%	10.86%	9.69%	9.84%
Carrying Cost	120.45	13.32	1.36	71.01	53.69
Closing Balance	1125.56	976.77	881.86	654.74	490.18

A5 TRANSMISSION TARIFF DESIGN**PETITIONER'S SUBMISSION**

5.1 The Petitioner has proposed transmission tariff for FY 2018-19 as follows:

Table 46: Petitioner Submission - Transmission Tariff for FY 2018-19 (Rs. Crore)

Particulars	2018-19
ARR for FY 2018-19	1061.00
Amortisation of Balance Impact of True Up and DVB Arrears	344.49
Transmission Tariff for FY 2018-19	1405.69

COMMISSION'S ANALYSIS

5.2 The Commission has specified the principles for computation of transmission tariff in Tariff Regulations, 2017 as follows:

"112. Annual Transmission Charges to be billed by the Transmission Licensee shall be computed in the Annual Tariff Order, in accordance with norms contained in these Regulations, aggregated as appropriate, and recovered on monthly basis as transmission charge from the users, who shall share these charges in the manner specified in these Regulations.

113. Normative Annual Transmission System Availability Factor (NATAF): The Target Availability for recovery of full annual transmission charges for a Control Period shall be approved by the Commission before commencement of the Control Period;

Provided that recovery of annual transmission charges below the target availability shall be on a pro rata basis.

114. The Transmission charge (inclusive of incentive) to be billed for a calendar month for transmission system or part shall be:

$$ARR \times (NDM / NDY) \times (TAFM / NATAF)$$

Where,

ARR = Aggregate Revenue Requirement specified for the year, in Rupees;

NATAF = Normative annual transmission availability factor, in per cent as approved by the Commission for a Control Period;

NDM = Number of days in the month;

NDY = Number of days in the year; and

TAFM = Transmission system availability factor for the month, in Percent,

115. *The Transmission Licensee shall raise the bill for the transmission charge (inclusive of incentive) for a month based on its estimate of TAFM.*

Provided that the adjustments, if any, shall be made on the basis of the TAFM to be certified by the SLDC within 30 days from the last day of the relevant month."

5.3 In view of the above the Petitioner may raise the bills for annual transmission charges for FY 2018-19 on the basis of ARR projected of Rs. 900.32Crore. Further there is accumulated revenue gap including past DVB arrear of Rs. 654.74 Crore as opening balance in FY 2018-19. Therefore, the Commission has decided that the past arrears may be liquidated in next three years in equal instalments subject to true up of the relevant years in subsequent tariff orders. Accordingly the ARR to be recovered by the Petitioner in FY 2018-19 has been projected as follows:

Table 47 : Commission Projected - ARR to be recovered for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Amount
A	ARR for 2018-19	900.32
B	Liquidation of DVB Arrears	218.25
C	Total	1118.57

5.4 The Transmission charges shall be recovered every month on prorata basis and shall be shared by all the Distribution Licensees and Long Term Open Access Consumers including Deemed Licensees in proportion to the allotted transmission capacity or contracted capacity, as the case may be.

5.5 The Transmission Service Charge (net of ARR for transmission business) shall be recovered fully during the financial year only if the transmission system availability is 98% or above, as specified in the *Delhi Electricity Regulatory Commission (Terms and*

Conditions for Determination of Tariff) Regulations, 2017. The charges shall be recovered on a pro-rate basis in case the availability is lower than the target level.

A6: DIRECTIVES

- 6.1 The Commission directs the Petitioner to submit the quarterly progress reports for the capital expenditure schemes being implemented within 15 days of the end of each quarter including Number of Bays & Line length voltage wise.
- 6.2 The Commission directs the Petitioner to submit the actual details of capitalization for each quarter for the year within one month of the end of the quarter for consideration of the Commission. All information regarding capitalization of assets shall be furnished in the formats prescribed by the Commission, along with the requisite statutory clearances/certificates of the appropriate authority/ Electrical Inspector, etc. as applicable
- 6.3 The Commission directs the Petitioner to adhere to the Normative Annual Transmission System Availability Factor (NATAF) as specified in the DERC Business Plan Regulations, 2017 and submit quarterly reports of voltage wise availability to the Commission.

Annexure-I

**DELHI ELECTRICITY REGULATORY COMMISSION**

Viniyamak Bhawan, 'C' Block, Shivajik, Malviya Nagar, New Delhi- 110017.

F.11(1550)/DERC/2017-18/

Petition No.03/2018

In the matter of: Petition for True up of ARR for FY 2016-17 and Aggregate Revenue Requirement for FY 2018-19.

Delhi Transco Limited
Through its: **General Manager (C&RA)**
Shakti Sadan, Kotla Marg,
New Delhi – 110 002.

...Petitioner

Coram:

Sh. B. P. Singh, Member.

ORDER

(Date of Order: 25.01.2018)

1. M/s. Delhi Transco Limited (DTL) has filed the instant Petition for Truing up of Expenses for FY 2016-17 and approval of Aggregate Revenue Requirement and Transmission Tariff for FY 2018-19 for wheeling Business under the Multi Year Tariff Framework. The said Petition has been scrutinised and found generally in order as per the DERC Comprehensive (Conduct of Business) Regulations, 2001. Clarifications/additional information, if and when required would be sought from the Petitioner.
2. The Petition is admitted.


(B. P. Singh)
Member

Annexure-II

**LIST OF RESPONSES RECEIVED FROM STAKEHOLDERS ON THE TRUE UP OF EXPENSES UPTO
FY 2016-17 AND ANNUAL REVENUE REQUIREMENT (ARR) AND TARIFF FOR FY 2018-19.**

S. No.	R. No.	Name	Address	Date of Receipt
1.	1	Sh. Raj Kumar Member	rajkumaraapka@gmail.com	03.01.2018
2.	2	Sh. S.R. Abrol	L-2-97B, DDA, LIG Kalkaji, New Delhi 110 019 Nyayabhoomi2003@gmail.com	04.01.2018
3.	3	Sh. Jagdish Khetarpal	jagdishpowerip@yahoo.co.in	04.01.2018
4.	4	Dr. Pradeep Gupta	Plot No. 4, Sukhbir Nagar, Karala, Delhi 110 081 pradeepgupta111@yahoo.in	04.01.2018
5.	5 5A 5B	Sh. Vivek Agarwal General Manager/Electrical	Metro Bhawan, Fire Brigade Lane, Barakhamba Road, New Delhi 110 001	12.01.2018
6.	6	Sh. Anil Sood Hony President CHETNA	A-403-414-415, Somdutt Chamber-1 5 Bhikajicama Place, New Delhi anilsood@spchetna.com	15.01.2018
7.	7	Sh. S.K. Jain	4509, Trilok Bhawan, 7 Darya Ganj, New Delhi 110 002	16.01.2018
8.	8	Sh. Ashok Bhasin	North Delhi Residents Welfare Association 1618, Main Chandrawal Road Delhi 110 007	19.01.2018
9.	9	Sh. Kanwar Ajay Singh	Kanwarajaysingh74@icloud.com	19.01.2018
10.	10	Sh. R.D. Singh	J6C, East Vinod Nagar, Delhi 110 091 Rdsingh1949@gmail.com	19.01.2018
11.	11 11A	Sh. B.S. Sachdev President	B-2/13A, Keshav Puram, Delhi 110 035	23.01.2018 12.03.2018
12.	12 12A 12B 12C	Sh. V.K. Malhotra General Secretary	DVB Engineers' Association D-3, Vikas Puri, New Delhi 110 018	29.01.2018
13.	13	Sh. Harmeet Singh President	Koshish Resident's Welfare Association (regd.) 2462, Basti Punbian, Roshnara Road, Subzi Mandi	29.01.2018

S. No.	R. No.	Name	Address	Date of Receipt
			Delhi 110 0017	
14.	14	Sh. Jagdish Khetarpal	jagdishpowerip@yahoo.co.in	29.01.2018
15.	15	Sh. Sanjay Dangi	Gali No. 20, Plot 12 Uttam Nagar, Delhi Sanjudangi88@yahoo.in	30.01.2018
16.	16	Sh. Kuldeep Kumar General Secretary	Delhi State Electricity Workers Union, Genco, Transo DISCOM iii L-2, Main Road, Brahmpuri, Delhi	30.01.2018
17.	17	Sh. Bittu Bhardwaj	Bittoobhardwaj42@gmail.com	30.01.2018
18.	18	Sh. Krishan Kumar	Krishankumar2360@gmail.com	31.01.2018
19.	19	Dr. Pradeep Gupta	Plot No. 4, Sukhbir Nagar, Karala, Delhi 110 081 Pradeepgupta111@yahoo.in	31.01.2018
20.	20	Sh. B.B. Tiwari	sarwasharpan@gmail.com	20.02.2018
21.	21 21A	Sh. A.K. Datta	222, Pocket E, Mayur Vihar, Phase 2 Delhi 110 091 Mmathur2001@yahoo.com	20.02.2018
22.	22 22A	Sh. Saurabh Gandhi Gen. Secretary	United Residents of Delhi C-6/7, Rana Pratap Bagh Delhi 110 007 urdwas@gmail.com	21.02.2018
23.	23 23A 23B	Sh. Sudhir Aggarwal Secretary	Brotherhood Society G-3/5, Model Town III Delhi 110 009	21.02.2018
24.	24	Sh. Anil Chandi Gen. Secretary	C-8/1, Rana Pratap Bagh, Delhi 110 007	21.02.2018
25.	25	Sh. Rajan Gupta	H. No. 355, Udyan, Nerala Delhi 110 040	16.02.2018
26.	26	Ms. Neeta Gupta	A-17, Antriksh Apartments New Town Co-op. Group Housing Society Ltd. Sector : 14 Extn. Rohini, Delhi 110 085 Neetagupta.vg111@gmail.com	20.02.2018
27.	27	Sh. Rohit Arora President	Gyan Park Welfare Society (Regd.) 12A, Gyan Park, Chander Nagar, Krishna Nagar, Delhi 110 051	21.02.2018
28.	28	Sh. Vipin Gupta	A-17, Antriksh Apartments New Town Co-op. Group Housing Society Ltd. Sector : 14 Extn. Rohini,	20.02.2018

S. No.	R. No.	Name	Address	Date of Receipt
			Delhi 110 085 Vipin.bfi@gmail.com	
29.	29	Sh. Mukesh Rikhi Gen. Secretary	Resident Welfare Association Hakikat Nagar, (Regd.) 97, Hakikat Nagar, GTB Nagar, Delhi 110 009	22.02.2018
30.	30	Sh. Chander Singh Kataria Gen. Secretary	Keshav Nagar Jan Kalyan Samiti Regd. B-246/4, Keshav Nagar, Near Mukti Ashram Burari Road, Delhi 110 036	22.02.2018
31.	31	Sh. Rajiv Kakria Hony President Chetna	A-403-414-415, Somdutt Chamber-1, 5, Bhikajicama Place New Delhi Rkakria2@gmail.com	22.02.2018
32.	32	Sh. Anil Sood Hony President Chetna	A-403-414-415, Somdutt Chamber-1,5, Bhikajicama Place New Delhi	22.02.2018
33.	33	Sh. Alam Gir President	Rani Garden Resident's Welfare Association REgd. C-17, Rani Garden, Geeta Colony, Near Taj Enclave Delhi 110 031	23.02.2018
34.	34	Ms. Madhu Malhotra President	Krishna Nagar Janhit Vikas Samiti E-7/12, Krishna Nagar, Delhi 110 051	23.02.2018
35.	35	Sh. Sarvesh Kumar Verma President	Resident Welfare Association A-2/219, New Kondli Delhi 110 096	26.02.2018
36.	36	Sh. P.S. Tomar	C-7/89 Yamuna Vihar, Delhi 110 053	26.02.2018
37.	37	Sh. K. Pratab Singh	D-408, St. No. 90 Bhajan Pura, Delhi 110 53	26.02.2018
38.	38 38A	Sh. D.M. Narang President	R-Block Welfare Association R-599, New Rajinder Nagar, New Delhi 110 060	26.02.2018
39.	39	Dr. Faheem Baig Gen. Secretary	Jafirabad Resident Welfare Association 1202, Street No. 39/4 Jafirabad, Delhi 110 053	27.02.2018
40.	40	Smt Sushma Sharma President	Resident's Welfare Association, Control Romm Gate No. 1 Pocket B, Dilshad Garden, Delhi 110 095	28.02.2018

S. No.	R. No.	Name	Address	Date of Receipt
41.	41	Sh. Anil Kumar Jha	A-4, St. No. 13 Mandawali Unchepar, Delhi 110 092	27.02.2018
42.	42 42A	Sh. K.K. Verma Gen. Manager (C&RA)	33KV Grid S/Station Building, IP Estate, New Delhi 110 002	22.02.2018 06.03.2018
43.	43 43A 43B	Sh. Bharat Kumar Bhadawat HoD Regulatory	Tata Power Delhi Distribution Ltd. NDPL House Hudson Lines Kingsway Camp, Delhi 110 009	23.02.2018 12.03.2018 12.03.2018
44.	44	Sh. Abhishek Srivastava Authorised Signatory	BSES Yamuna Power Ltd. Shakti Kiran Building, Karkardooma, Delhi 110 032	28.02.2018
45.	45	Sh. Deepak Narang LPresident	Resident's Welfare Association, Pkt H-164A, Dilshad Garden, Delhi 110 095	28.02.2018
46.	46	Sh. Syed Khalid Akbar Gen. Secretary	DVB Pensioners Association 85, Ram Nagar, Krishna Nagar, Delhi 110 051	28.02.2018
47.	47	Sh. Kulwant Rana President	Dilshad Colony Residents Welfare Association G-87, 1st Floor, Dilshad Colony Delhi 11 095	05.03.2018
48.	48	Sh. Harbansh Sharma	RWA, 295 Kucha Ghasi Ram, Chandni Chowk, Delhi 110 006	05.03.2018
49.	49	Sh. Kishan Kumar	Kucha Brijnath Resident Welfare Association, 420, Kucha Brijnath, Chandni Chowk, Delhi 110 006	05.03.2018
50.	50	SH. Daya Ram Dwivedi Vide President	Daily Passengers Association 262, Katra Pyare Lal Chandni Chowk, Delhi 110 006	05.03.2018
51.	51	Sh. Vijay S. Rawat Vice President	DDA Janta Flats Resident Welfare Association 12-A, Pkt. D2, Mayur Vihar Phase III, Delhi 110 096	05.03.2018
52.	52	Sh. Gyanender Kaushik Vice President	East Babarpur Residential Welfare Association E-1044-4/F, Inder Gali,	05.03.2018

S. No.	R. No.	Name	Address	Date of Receipt
			Babarpur, Shahdara, Delhi 110 032	
53.	53	SH. Pradeep Arora President	Resident Welfare Association A-87, East Nathu Colony, Main Mandoli Road, Delhi 110 093	05.03.2018
54.	54	Sh. Pawan Salwan President	Residents' Welfare Association Pocket IV, Mayur Vihar, Phase -1 Delhi 110 091	05.03.2018
55.	55	Sh. Mini Shreekumar President	Residents' Welfare Association Pocket-2, Mayur Vihar, Phase-1 Delhi 110 091	05.03.2018
56.	56	Sh. Sanjeev Singh Tomar President	Vikas Simiti, Durga Puri Vistar Loni Road, Delhi 110 093	05.03.2018
57.	57	Sh. Subhash Chand Saxena	Resident Welfare Association 4996, Ground Floor, Ghas Mandi Ahata Kidara Pahari Dhiraj, Delhi-110 006	05.03.2018
58.	58	Sh. Shivkumar Sharma	Brijpuri Residents Welfare Association D-8/154, Brij Puri, Delhi 110 094	05.03.2018
59.	59	Dr. Arjun Kumar Founder Chairman	Dignity Restoration & Grievance Settlement Association B-4/84/2, Safdarjung Enclave, New Delhi 110 029	05.03.2018
60.	60	Sh. Arvind K. Mehta President	Residents Welfare Association 542, Double Storey, New Rajinder Nagar, New Delhi	28.02.2018
61.	61	Sh. Farooq Engineer	Rehayeshi Welfare Anjunman Shivaji Road, Azad Market, Delhi 110 006	28.02.2018
62.	62	Sh. B.S. Vohra President	East Delhi RWAs Joint Front- Federation F-19/10, Krishna Nagar, Delhi-51 rwabhagidari@yahoo.com	06.03.2018
63.	63	Sh. Samson Frederick Joseph Gen. Secretary	All India Minorities Fundamental Rights Protection Committee 2109/18, Turkman Gate, New Delhi	06.03.2018
64.	64	Sh. Ompal Singh	New Chauhan Pur Residents Welfare Association	06.03.2018

S. No.	R. No.	Name	Address	Date of Receipt
			40/240, New Chauhanpur, Karawal Nagar Road, Delhi 110 094	
65.	65	Sh. Vivek Agarwal General Manager	Delhi Metro Rail Corporation Ltd. Metro Bhawan, Fire Brigade Lane, Barakhamba Road, New Delhi 110 001	07.03.2018
66.	66 66A 66B	Sh. B.B. Tiwari	sarwasharpan@gmail.com	07.03.2018 12.03.2018 14.03.2018
67.	67	Sh. Sanjeev Bhatnagar President	Resident's Welfare Association New MIG Flats Prasad Nagar, New Delhi	08.03.2018
68.	68	Sh. Prem Nagpal Vice President	E-221, West Patel Nagar, New Delhi 110 008	08.03.2018
69.	69	Sh. Deepak Kumar Goyal President	Delhi Dall Mill Association 4122, Ground Floor, Main Road Naya Bazar, Delhi 110 006	12.03.2018
70.	70	Sh. Rajesh Chhabra Vice President	West Patel Nagar Veopar Mandal A/31, West Patel Nagar, Main Market, New Delhi 110 008	08.03.2018
71.	71	Sh. Sushil Mishra Patrons	Jhilmil DDA Flats Residents Welfare Association Gate No. 2, Satyam Enclave, Delhi 110 095	09.03.2018
72.	72	Sh. G.R. Luthra Secretary	Vivek Vihar Phase-II, A-Block Residents Welfare Association A-98, Vivek Vihar, Phase II, Delhi 110 095	12.03.2018
73.	73	Choori Walan Welfare Society	Choori Walan, Tokri Walan, Pahari Imli, Chitla Gate, Delhi 110 006	09.03.2018
74.	74	Sh. Mazar Ullah President	Resident Welfare Association 1855, Gali Pattey Wali Sui Walan, Darya Ganj New Delhi 110 002 galipatteywalidaryaganj@in.com	08.03.2018
75.	75	Sh. Mahesh Chand General Secretary	Khatik Kalyan Parisad 1820, Gali Khatikan, Chowk Shan Mubarak, Baar Silta Ram, Delhi 110 006	09.03.2018
76.	76	Ms. Kalpana Chawla, Adv. President	Wall City Mahila Panchayat Samiti 1831-32, Gali Mandir Wali, Chowk Shah Mubarak,	09.03.2018

S. No.	R. No.	Name	Address	Date of Receipt
			Bazar Sita Ram, Delhi 110 006	
77.	77	Sh. Atul Chawla	Chawla.atul@yahoo.com	09.03.2018
78.	78	Sh. Arun Kumar Chairman	Dignity Restoration & Grievance Settlement Association B4/84/2, Safdarjung Enclave, New Delhi 110 029 director@dignityindia.org	18.03.2018
79.	79	Sh. J.B. Sahdev	Qutab Enclave MIG Residents Welfare Association Qutab Enclave, Phase-1 New Delhi 110 016	19.03.2018
80.	80	Sh. V.S. Mahindra	H-3/45, VIKASPURI, New Delhi 110 018	19.03.2018
81.	81	Sh. S.K. Bhatia	3/102, Subhash Nagar, New Delhi 110 027	19.03.2018
82.	82	Sh. Suresh Gupta	B-71, New Town Cooperative Group Housing Society Limited Sector – 14 Extension Rohini, New Delhi 110 085	19.03.2018
83.	83	Sh. V.P. Garg	B-2/48A, Keshavpuram New Delhi 110 035	19.03.2018
84.	84	Sh. A.K. Jain	DDA Flats, Kalkaji New Delhi 110 019	19.03.2018
85.	85	Sh. Jagdish Prasad	A-129, Pulprhalad New Delhi 110 019	19.03.2018
86.	86	Sh. J.N. Bagehi	F-1152, C.R. Park New Delhi	19.03.2018
87.	87	Sh. Vishvas, President,	1, North West Avenue, Punjabi	19.03.2018

S. No.	R. No.	Name	Address	Date of Receipt
			Bagh, New Delhi-110026	
88.	88	Sh. Gyanender Kaushik	RWA, Babur Pur, Delhi	23.03.2018
89.	89	Sh. Ashok Bhasin	President, North Delhi Residents Welfare Federation 1618, Main Chandrawal Road, Delhi-110007	23.03.2018
90.	90	Sh. Deepak Joshi	17D, Pocket B Dilshad Garden, Delhi	23.03.2018
91.	91	Sh. K.K. Verma	DVB-ETBF-2002, Pre-Fabricated Building, Rajghat Power House, New Delhi-110002	23.03.2018
92.	92	Sh. Harmeet Singh	Koshish Residents' Welfare Association(Regd.) 2462 Basti Punjabiyan, Roshanara Road, Subzi Mandi , Delhi-110007	23.03.2018
93.	93	Sh. Hemanta Madhab Sharma	146 Vinobha Puri(FF), Lajpat Nagar-II, New Delhi-110024	23.03.2018
94.	94	Sh. Narender Kumar	RWA, New Usman Pur, Delhi	23.03.2018
95.	95	Sh. Ompal Singh Ahlawat	E-186, Chhattarpur Ext., New Delhi-110074	23.03.2018
96.	96	Sh. Ved Prakash Arya	RWA, 895A-1 Ward, No 8, Mehrauli-110030	23.03.2018

Annexure-III

STAKEHOLDERS WHO HAVE ATTENDED THE HEARING FOR THE PETITION FILED BY DISCOMS, GENCOS, AND TRANSCO ON THE APPROVAL PETITION FOR TRUING UP OF EXPENSES UPTO FY 2016-17 AND ANNUAL TARIFF PETITION FOR FY 2018-19

Sr. No.	Name	Address
1	Sh. Vivek Aggarwal	DMRC
2	Sh. Manoj Singhal	DMRC
3	Sh. Subodh Pandey,	DMRC
4	Sh. Satish Moza	DMRC
5	Sh. Reddy Sai Raj	DMRC
6	Sh. Sukhdev Raj, Kalkaji	South Delhi
7	Sh. Om Pal Singh Ahlawat	RWA Chhattapur Extn.
8	Sh. Ved Prakash Arya	RWA Mehrauli
9	Sh. Shankar Swami	RWA Mehrauli
10	Sh. Gyanendra	RWA Babar Pur
11	Sh. G. S. Kohli	RWA Vasant Kunj
12	Mrs. Mini Sree Kumar	RWA Pkt.-2, Mayur Vihar-I
13	Sh. Vishal Malhotra	Naraina
14	Sh. Harsh Puri	Galaxy Print Process
15	Sh. Rajender Singh	DMRC
16	Sh. Gokul Chander Mittal	Model Town
17	Sh. Gaurav Mittal	
18	Sh. Rohit Arora	RWA Krishan Nagar
19	Sh. Noor Mohd. Khurashi	Krishna Nagar
20	Sh. Shubham	DMRC
21	Sh. B. B. Tiwari	URD
22	Sh. Narender Kumar	RWA North East, Usman Pur
23	Sh. Kunwar Pratap Singh	RWA Bhajan Pura
24	Sh. Vijay Singh Rawat	RWA, Mayur Vihar Phase-II
25	Sh. Rajeev Kakaria	GK-I, RWA
26	Sh. Ashok Bhasin	NDRWF, Delhi

Sr. No.	Name	Address
27	Sh. Harban Sharma	RWA Chandni Chowk
28	Sh. Kishan Kumar	RWA Chandni Chowk
29	Sh. Harsh Swaroop Bakshi	RWA Rohini
30	Sh. Dharmender Gupta	RWA Mangol Puri
31	Sh. H. M Sharma	Lajpat Nagar, Delhi
32	Sh. Saurav Gandhi	URD
33	Sh. Ramesh Chand	RWA Karol Bagh
34	Sh. Har Bhajan Singh	RWA Shashtri Nagar
35	Sh. Dharminder Kumar	RWA Pritam Pura
36	Sh. Jatin	ES&S Hospitality Services Inc.
37	Sh. Deepak Joshi,	RWA Dilshad Garden
38	Sh. J. G. Abrol	RWA Jasola
39	Sh. Mahesh Chand Chola	RWA Darya Ganj
40	Sh. Daya Ram Diwedi	Chandani Chowk RWA
41	Md. Etbar Ahmed	RWA Darya Ganj
42	Smt. Sudha Sharma	Mahila Panchayat Sumiti
43	Sh. Mazhar Ullah	RWA Gali Pattey Wali Darya Ganj
44	Sh. Man Mohan Verma	RWA Rohini
45	Sh. H. C. Dhupar	RWA Rohini
46	Sh. Prem Pal Sharma	RWA Sultan puri
47	Sh. Dharamveer	RWA Sultan Puri
48	Sh. Dharam Pal Pawar	RWA Sultan Puri
49	Sh. Harmeet Singh	RWA Subzi Mandi
50	Sh. Dilip Chadha	RWA RP-I
51	Sh. Surender	RWA N.W. Sultan Pur
52	Sh. Mohan Kumar	D-1/249, Sultan Pur
53	Sh. Jagjeet Singh	RWA Hudson Line GTB Nagar
54	Sh. Prem Singh	RWA Khanpur
55	Sh. Balvinder Singh Thaper	RWA Vikas Puri

Sr. No.	Name	Address
56	Sh. Paramjeet Singh	RWA Vikas Puri
57	Sh. Dharmender Kumar	RWA Vikas Nagar
58	Sh. Shushil Kumar	RWA, Nagloi
59	Sh. Harish Kumar	RWA Nagloi
60	Sh. Surender Saini	RWA Nangloi
61	Sh. Satya Galla.	Mercados Energy Markets India Pvt. Ltd
62	Sh. Shiv Kumar	RWA, Brijpuri
63	Sh. Surendra Sharma	RWA, Brijpuri
64	Sh. Rakesh Sharma	RWA Prem Nagar, Karawal Nagar
65	Sh. Vijay Batra	Kirti Nagar, Industrial Association
66	Sh. V. K. Malhotra,	DVB Pension Trust
67	Sh. Rajan Gupta	DVB Pension Trust
68	Capt. Anju	Dwarka Sector- 8
69	Dr. Naresh	Dwarka, Sector – 8
70	Sh. A. K. Dutta	Mayur Vihar Phase-II
71	Sh. Ashok Sikka	Kirti Nagar Industrial Association.
72	Sh. Jitender Tyagi	President URD
73	Sh. Karnail Singh	Kirti Nagar Indl. Area
74	Sh. Balbir Singh	Kirti Nagar Indl. Area
75	Smt. Poonam	MMTC
76	Smt. Anita Guptrishi	MMTC
77	Sh. B.D. Sharma	RWA Mundka Division
78	Sh. Dharamveer	RWA Mundka Division