



DELHI ELECTRICITY REGULATORY COMMISSION

Viniyamak Bhawan, C-Block, Shivalik, Malviya Nagar, New Delhi – 110 017

F.3(130-A)/Law/DERC/2011-12/Part file

In the matter of: Extension of MYT Regulations (2007-08-2011)/MYT Principles for FY 2011-12 and Fixation of AT & C Loss Reduction Targets for FY 2011-12.

Coram:

**Sh. P. D. Sudhakar, Chairman, Sh. Shyam Wadhera, Member &
Sh. J. P. Singh, Member.**

Appearance:

1. Sh. Sunil Wadhwa, Managing Director, NDPL;
2. Sh. Vivek Singla, NDPL;
3. Sh. Hemant Goyal, General Manager, F&A, NDPL;
4. Sh. Anurag Bansal, Sr. Manager, Corporate Legal, NDPL;
5. Sh. Ajay Kumar, CFO, NDPL;
6. Sh. Varun Sharma, Manager, CCR, NDPL;
7. Sh. Dhiraj Bengani, Sr. Manager, NDPL;
8. Sh. Amit Kapur, Advocate for NDPL;
9. Sh. Anupam Varma, Advocate for NDPL;
10. Ms. Deepika Kalia, Advocate for NDPL;
11. Sh. S. C. Sharma, Head (Regulatory), BYPL;
12. Sh. Sanjeev Seth, Vice President, BYPL;
13. Sh. Sai Krishna, BYPL;
14. Sh. Ajeet Kumar, AM, BYPL;
15. Sh. Ramesh Narayanan, CEO, BYPL;
16. Sh. Mandan Pal, AEE, NDMC;
17. Sh. Samik, NDMC(CRISIL);
18. Sh. Vivek Agarwal, NDMC(CRISIL);
19. Sh. Gopal Saxena, CEO, BRPL;
20. Sh. Prem Kumar, VP, P&C, BRPL;
21. Sh. Raj Arya, Head-Legal, BRPL;
22. Sh. R. C. Natrajan, Consultant, BRPL;
23. Sh. Harsh Gulati, Manager, BRPL;
24. Sh. Deepak Sharma, VP, BRPL;
25. Sh. Prashant Deb, DGB, BRPL;
26. Sh. Dushyant Manocha, Advocate for BRPL;
27. Sh. V. P. Singh, Advocate for BSES;
28. Sh. H. M. Sharma, Stakeholder;
29. Sh. Arun Kumar Datta, Stakeholder;
30. Sh. D. C. Khanna, Stakeholder;
31. Sh. Ganga Datt Gupta, Stakeholder;
32. Sh. M. M. Lal Bhasin, Stakeholder;
33. Sh. Sanjay Sharma, Stakeholder;
34. Sh. S. R. Abrol, Stakeholder;
35. Sh. K. L. Katyal, Stakeholder;
36. Sh. D. C. Datta, Stakeholder;
37. Sh. Sarabjit Roy, Stakeholder;
38. Sh. Hemant Kumar, Stakeholder;
39. Sh. Satya Pal, Stakeholder;
40. Sh. Ashok Bhasin, Stakeholder;
41. Sh. Atul Goyal, Stakeholder;
42. Sh. Lakhmi Singh, Stakeholder;

MS

Shyam

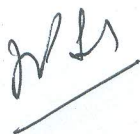
43. Sh. Ram Prashad, Stakeholder;
44. Sh. Ashish Gulabani, Stakeholder;
45. Sh. F. D. Dixit, Stakeholder;
46. Sh. Pankaj Pal, Stakeholder;
47. Sh. B. B. Tewari, Stakeholder;
48. Sh. Watwani, Stakeholder.

ORDER

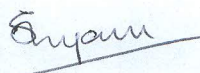
(Date of Hearing: 02.05.11)

(Date of Order: /0 .05.11)

1. The Commission has issued a Public Notice for Tariff Determination for FY 2011-12 on 18.03.2011. Subsequently, the Commission has issued another Public Notice dated 12.04.2011 in which the Commission sought comments from all stakeholders for fixation of AT&C Loss Reduction Targets for each of the Distribution Licensee for FY 2011-12 .
2. Sh. H. M. Sharma, Stakeholder has submitted that as per Regulation 4.1 of DERC Tariff Regulations, 2007 the Control Period shall commence from the date of MYT Order and shall extend till 31.03.2011. As DERC did not initiate appropriate action for framing of the new Regulations for the succeeding period, the Commission cannot now undertake ad-hoc action which is contrary to the law and is impermissible. Further, without amendment of the Regulations the Commission has neither authority nor jurisdiction to make such changes even though it is a Rule making Authority. Therefore, the action of extending the DERC Tariff Regulations, 2007 is impermissible according to the law.
3. Sh. Sharma further submitted that as per the provisions of Section 181 of the Electricity Act, 2003, the State Commission may by Notification make Regulations consistent with this Act and Rules generally to carry out the provisions of this Act. Further, Section 181(3) of the Electricity Act, 2003 provides that all Regulations made by the State Commission under this Act shall be subject to the condition of previous publications. As such, it is a statutory requirement for the Commission to publish the draft Tariff Regulations for the period beginning on 01.04.011, which the Commission has not done yet, inviting comments from the stakeholders and hearing conducting to finalize the draft Regulations. As such, the Tariff Regulations, 2007 cannot be extended by the Commission beyond its expiry date of 31.03.2011.
4. Sh. Arun Kumar Datta, Stakeholder submitted that the Tariff Determination process is guided by MYT Regulations, 2007. Since, the MYT Regulations, 2007-2011 expired on 31.03.2011, therefore, no tariff can be determined without MYT

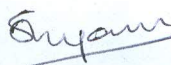




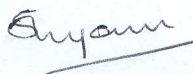


Regulations starting from 01.04.2011. Any tariff claimed by the DISCOMs/Generation Company/Transmission Company will be without any valid authority and would be illegal and void and shall not stand the scrutiny of Court of Law.

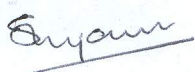
5. Sh. Datta, further submitted that MYT Regulations beginning from 01.04.2011 are mandatorily to be in place before determination of any future tariff and not the vice versa. Therefore, the Commission may undertake exercise for determination of the MYT Regulations beyond 31.03.2011 immediately. He further submitted that the notice for Tariff Determination for FY 2011-12 is premature.
6. Sh. Datta further submitted that MYT Regulations 2007-2011 is valid for the relevant period. The Commission has no power to extend the same for any period. According to him extension of MYT Regulations 2007-2011 to FY 2011-12 by the Commission shall be construed as extra constitutional act and shall be illegal and void.
7. Sh. D. C. Khanna, Stakeholder submitted that since the Tariff Order for FY 2010-11 is not yet issued, the Tariff Determination process of FY 2011-12 cannot commence. There is no provision of leap frogging in tariff exercise. The Commission is bound to follow the Electricity Act, 2003 and the Regulations framed by the Commission.
8. Further, Sh. Khanna reiterated the issues/objections raised by Sh. H. M. Sharma and Sh. Arun Kumar Datta.
9. Sh. M. M. Lal Bhasin, Stakeholder, submitted that it is presumed that the Commission cannot go ahead with the exercise.
10. Sh. Bhasin further submitted that the Hon'ble High Court of Delhi has quashed GNCTD Order dated 03.05.2010 which debarred DERC from issuing Tariff Orders for FY 2010-11. Pending issuance of these Orders, Tariff Orders for 2011-12 cannot be issued. Besides MYT Regulations have already expired on 31.03.2011.
11. Sh. Sanjay Sharma, Stakeholder, submitted that international standard for AT&C Loss is 3% and this is maintained by countries in world, but not by DISCOMs of Delhi.



12. Sh. Sharma further submitted that large scale of theft and major gap between the billing and collection, to get over this problem, the concept of AT&C Loss was introduced.
13. Sh. Sharma further submitted that DISCOMs are diverting the loss on account of managerial incompetence and improper planning in the name of AT&C Loss from their shoulders to consumers of Delhi.
14. Some other stakeholders also reiterated the issues raised earlier by Sh. H. M. Sharma, Sh. Arun Kumar Datta and ors.
15. Sh. Hemant Kumar, Stakeholder submitted that the Commission should not adopt AT&C Loss approach for approving the ARR and Tariff of DISCOMs. It would be more appropriate to approve the Tariff taking into account the distribution losses only.
16. Sh. Kumar further submitted that is seen that the loss level fixed at the beginning of FY 2007-08 with respect to the base year in case of BRPL was 3.23% and against which it achieved only 2.41%, which means a shortfall of 0.82%. In case of NDMC, if the figures are correct instead of the loss level reduction of 0.37% there is an increase of AT&C Losses by 3.29% and anticipated reduction levels shown for the subsequent years also show an increase of the losses.
17. Sh. Kumar further submitted that as per the MYT Order 2008-11, the AT&C Loss reduction for each year of the Control Period for all the three DISCOMs varies between minimum of 0.37% for NDMC and maximum of 4.25% for BYPL as average reduction being 2.31% per-year of the Control Period. Now, the targets for AT&C loss for FY 2011-12, as notified by the Commission do not elaborate on any analysis or criteria for fixing them.
18. Sh. Kumar is of the view that loss level could be further reduced to the international standards which may result in more savings for the contingency reserve or beyond a certain level to the profits of the relevant DISCOM. He has cited the example of BSES Mumbai which is maintaining a much lesser AT&C Losses as compared to DISCOMs of Delhi.
19. Sh. Kumar further submitted that the Commission should ensure 100% metering at all levels starting from feeder level to DTL level, to consumer level (all categories) before fixing the targets for the FY 2011-12.



20. Sh. A.K. Datta, Sh. D.C. Khanna, Sh. D.K. Aggarwal and some other stakeholders submitted that determination of AT & C loss reduction can only be discuss and deliberated in MYT Petition and not by any executive or ad-hoc decision. The reduction of AT & C loss by 1% is arbitrary, low and unrealistic, is suspect of favouring DISCOMs to make windfall gain.
21. Sh. A.K. Dutta stated that targets for FY 2011-12 may be fixed by reducing 2010-11 targets by the higher year to year difference in actual losses for 2008-09 to 2010-11.
22. Sh. Atul Goyal Stakeholder submitted that reduction by 1% AT & C losses is completely arbitrary and will provide illegal enrichment to DISCOMs.
23. Sh. Bhupesh Devgan, Stakeholders submitted that AT & C loss target in place off reducing by 1% should be increased by 1%. There is lot of opportunity to reduce losses and increase efficiency.
24. Sh. Hemant Kumar submitted that AT & C loss reduction target for FY 2011-12 should be further reduced.
25. Sh. Amit Kapur, Ld. Counsel appearing for NDPL, referred the judgment dated 17.02.010 of the Hon'ble Supreme Court in Civil Appeal No. 3902 of 2006 in the matter of **PTC India Limited versus Central Electricity Regulatory Commission**. The Hon'ble Supreme Court of India has observed that Electricity Act, 2003 contemplates three kinds of delegated legislation. Firstly, under Section 176, the Central Government is empowered to make rules to carry out the provisions of the Act. Secondly, under Section 177, the Central Authority is also empowered to make regulations consistent with the Act and the rules to carry out the provisions of the Act. Thirdly, under Section 178, the Central Commission can make regulations consistent with the Act and the rules to carry out the provisions of the Act. The Rules and Regulations have to be placed before Parliament, as the case may be. The Parliament has the power to modify the rules/ regulations. This power is not conferred upon the State Legislature. A holistic reading of the 2003 Act leads to the conclusion that regulations can be made as long as two conditions are satisfied, namely, that they are consistent with the Act and that they are made for carrying out the provisions of the Act.
26. Sh. Kapur further submitted that the price fixation exercise is really legislative in character, unless by the terms of a particular statute it is made quasi-judicial as in the case of Tariff fixation under Section 62 made appealable under Section 111



of the 2003 Act, though Section 61 is an enabling provision for the framing of Regulations by CERC/State Commissions. If one takes "Tariff" as a subject matter, one finds that under Part VII of the 2003 Act actual determination/fixation of tariff is done by the Appropriate Commission under Section 62 whereas Section 61 is the enabling provision for framing of regulations containing generic propositions in accordance with which the Appropriate Commission has to fix the tariff.

27. Sh. Kapur further submitted that Central Commission/State Commissions are empowered under Section 79 and Section 86 respectively to perform certain functions. Such functions under the above-mentioned Sections have to be in conformity with Regulations under Section 178/181 wherever such Regulations are applicable. As stated, if there is a Regulation, then the measure under Section 79(1) and Section 86(1) has to be in conformity with such Regulations under Section 178 and Section 181 respectively.

28. Sh. Kapur further submitted that Clause 13.2 of the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2007 provides that:


"Notwithstanding anything contained in these Regulations, the Commission shall have the authority, either suo motu or on a petition filed by any interested or affected party, to determine the tariff of any Licensee."

29. Sh. Kapur further submitted that Clause 13.8 Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2007 provides that:

"The Commission, for reasons to be recorded in writing, may at any time vary, alter or modify any of the provision of these Regulations by amendment."

30. Sh. Kapur opines that Commission is empowered to determine the tariff of any Licensee for FY 2011-12 and in doing so, they are empowered to extend the existing MYT Regulations for one more year up to 31.03.2012.

31. Sh. V. P. Singh, Ld. Counsel appearing for BRPL and BYPL, largely adopted the submissions of Sh. Amit Kapur, Ld. Counsel for NDPL. Sh. Singh further submitted that Clause 5.3(h) of National Tariff Policy provides that:



"Section 61 of the Act states that the Appropriate Commission, for determining the terms and conditions for the determination of tariff, shall be guided inter-alia, by multi-year tariff principles. The MYT framework is to be adopted for any tariffs to be determined from April 1, 2006. The framework should feature a five-year control period. The initial control period may however be of 3 year duration for transmission and distribution if deemed necessary by the Regulatory Commission on account of data uncertainties and other practical considerations. In cases of lack of reliable data, the Appropriate Commission may state assumptions in MYT for first control period and a fresh control period may be started as and when more reliable data becomes available ."

32. Sh. Singh further submitted that the Commission can extend the MYT Regulations 2007-2011 under Clause 13.3 and 13.8 respectively. The same are reproduced hereunder:

"13.3 If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may, by a general or special order, not being inconsistent with the provisions of these Regulations or the Act, do or undertake to do things or direct the Licensee to do or undertake such things which appear to be necessary or expedient for the purpose of removing the difficulties.

13.8 The Commission, for reasons to be recorded in writing, may at any time vary, alter or modify any of the provision of these Regulations by amendment."

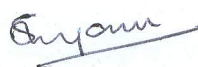
33. The Commission has heard the stakeholders at length. The Commission has perused the comments of various stakeholders received in the Commission in response to the Public Notices dated 18.03.2011 and 12.04.2011. Further, the Commission has examined the Judgment of the Hon'ble Supreme Court in Civil Appeal No. 3902 of 2006 in the matter of PTC India Limited versus Central Electricity Regulatory Commission and also examined other relevant Orders of the Hon'ble Supreme Court of India and Hon'ble Appellate Tribunal for Electricity. Further, the Commission has considered the relevant provisions of the Electricity Act, 2003 Rules and Regulations made thereunder.

34. The Commission noticed in the case of PTC India Limited versus Central Electricity Regulatory Commission, the Hon'ble Supreme Court has held that price fixation

exercise is really legislative in character, unless by the terms of a particular statute it is made quasi-judicial as in the case of Tariff fixation under Section 62 made appealable under Section 111 of the 2003 Act, though Section 61 is an enabling provision for the framing of regulations by Appropriate Commission. If one takes "Tariff" as a subject matter, one finds that under Part VII of the 2003 Act actual determination/fixation of tariff is done by the Appropriate Commission under Section 62 whereas, Section 61 is the enabling provision for framing of Regulations containing generic propositions in accordance with which the Appropriate Commission has to fix the tariff.

35. Further, the Hon'ble Supreme Court of India has held that power to tax is a legislative power which can be exercised by the legislature directly or subject to certain conditions. The Central Commission is the decision making authority. Such decision-making under Section 79(1) is not dependent upon making of Regulations under Section 178 by the Central Commission. Therefore, functions of Central Commission enumerated in Section 79 are separate and distinct from function of Central Commission under Section 178. This is true also in the case of State Commissions. Further, to regulate is an exercise which is different from making of the Regulations. **However, making of Regulations under Section 178 is not a pre condition to the Central Commission taking any steps/measures under Section 79(1).** As stated, if there is a Regulation than the measure under Section 79(1) has to be in conformity with such Regulation under Section 178. This analogy of the Hon'ble Supreme Court of India is also true for State Commissions. In the case of State Commission, measures under Section 86(1) have got to be in conformity with the Regulations under Section 181.
36. The Commission has also examined the case of City Board, Mussoorie versus State Electricity Board and Ors.; U.P. State Electricity Board, Lucknow versus City Board, Mussoorie; M/s Jagdamba Paper Industries (Pvt.) Ltd. and Ors. versus Haryana State Electricity Board and Ors.; and the case of Kerala State Electricity Board versus S.N. Govinda Prabhu and Bros. and Ors. **In these Cases the Hon'ble Supreme Court of India has decided that Regulation is not a pre condition to the determination of a tariff by the Competent Authority.**
37. The Commission has also examined the case of SIEL Limited and Ors. versus The Punjab State Electricity Regulatory Commission and Ors. wherein, the Hon'ble Appellate Tribunal for Electricity has held as under:

"Having regard to the aforesaid discussion and the judgments of the Supreme Court, we are of the opinion that the Commission may be under



a legal obligation to frame the Regulations but the existence of Regulations is not a condition precedent for determination of tariff under Section 62 of the Act of 2003. The Act of 2003 does not intend that power to determine tariff should remain in suspended animation till tariff Regulations are framed. The exercise of power conferred by the statute on the Commission to determine the tariff does not depend upon the existence of Regulations since the Statute does not provide so."

38. The Commission has also considered Clause 13.2, 13.3 and 13.8 of the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2007 wherein, Clause 13.2 provides that:

"Notwithstanding anything contained in these Regulations, the Commission shall have the authority, either suo motu or on a petition filed by any interested or affected party, to determine the tariff of any Licensee."

39. Clause 13.3 of the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2007 provides that:

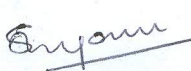
"If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may, by a general or special order, not being inconsistent with the provisions of these Regulations or the Act, do or undertake to do things or direct the Licensee to do or undertake such things which appear to be necessary or expedient for the purpose of removing the difficulties."

40. Clause 13.8 of the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2007 provides that:

"The Commission, for reasons to be recorded in writing, may at any time vary, alter or modify any of the provision of these Regulations by amendment."

41. On legal evaluation of the comments of most of the Stakeholders, it is noticed that some of the stakeholders have an apprehension that the MYT Regulations 2007-08-2011 legally cannot be extended by the Commission. Further, Commission needs to frame fresh regulations for new control period before





taking up tariff determination for FY 2011-12 and tariff determination exercise for FY 2011-12 cannot be undertaken by the Commission till tariff is decided for FY 2010-11. The Commission has considered in depth the issues mentioned above.

42. The Commission has examined Clause 2.1(g) of the Delhi Electricity Regulatory Commission (Terms & Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2007 which provides that **"Control period" means a multiyear period fixed by the Commission, from the date of issuing Multi Year Tariff Order till 31st March, 2011.** The Commission has also examined Clause 4.1 which provides that the Commission shall adopt Multi Year Tariff framework for approval of ARR and expected revenue from tariffs and charges. **The Control period shall commence from the date of issue of the Multi Year Tariff Order and shall extend till 31st March, 2011.** Clause 13.4 deals with power of relaxation which provides that the Commission may in public interest and for the reasons to be recorded in writing, relax any of the provisions of these regulations. Further, clause 13.5 provides that if question arises relating to the interpretation of any provision of these regulations the decision of the Commission shall be final. Thus from the above it is clear that Commission is empowered to relax any of the provisions of these regulations in the public interest. Commission can relax the provision of clause 2.1(g) and 4.1 in order to extend regulations alongwith Control Period for one year i.e. upto 31st March, 2012. Hence, in view of the above, Commission is of the considered view that there is no legal hurdle in extending the MYT regulations 2007-11 for one year i.e. upto 31st March, 2011.
43. The Commission through the public notice dated 18.03.2011, has already brought to the notice of the public at large that the Commission has initiated the exercise for framing new regulations for the next control period. The new regulations will be effective for the next control period from 01.04.2012 onwards.
44. The argument that the Commission cannot initiate the exercise for determination of tariff for 2011-12 till tariff is decided for the FY 2010-11 is legally not sustainable. As per the MYT regulations, the Aggregate Revenue Requirement for wheeling and retail supply tariff of the distribution licensees for each year of the control period is a separate and distinct annual exercise to be carried out by the Commission for each year of the control period. Hence there is no legal bar to initiate the tariff determination exercise for FY 2011-12 even though the tariff for FY 2010-11 is subjudice in the High Court
45. The Commission is in the process of determination of tariff for all the DISCOMs namely, M/s. BSES Rajdhani Power Ltd., M/s BSES Yamuna Power Ltd., M/s. North

Delhi Power Ltd. & M/s. New Delhi Municipal Council; Generating Companies namely, M/s. Indraprastha Power Generation Company Ltd. & M/s. Pragati Power Corporation Ltd. and Transmission Company namely, M/s. Delhi Transco Ltd. for FY 2011-12. This exercise has already been delayed due to factors/reasons beyond the control of the Commission. It is not expedient or in public interest to delay the tariff process for FY 11-12 by waiting for the MYT Regulations to be finalized for the next Control Period since this process is time consuming and is likely to be ready only the later part of FY 11-12. Any delay in determination of tariff will only result in delay of recovery of cost which would eventually be passed on to the consumers with interest. Such delay is, therefore, not in the public interest. At the same time, the Commission intends to ensure that tariff for all the DISCOMs, Generating Companies and Transmission Company will be determined as per relevant provisions of the Act, Rules and Regulations made there under. In view of the provisions of law and the cited Supreme Court and other judgments, it is clear that the Commission is legally empowered to extend the MYT regulations 2007-08-2011 by one year i.e. FY 2011-12. The reasons for stipulating such an extension have been clearly given above. Further, in order to avoid any doubt or ambiguity the Commission in its wisdom consider it appropriate that not only principles contained in MYT Regulations but the MYT Regulation in totality (i.e. Control Period) should be extended for one year i.e. upto FY 2011-12. Therefore, the Commission is of the considered view that public interest is best served by extending the MYT Regulations 2007-08-2011 as well as the Control Period for the further period of one year i.e. FY 2011-12 to enable finalization of the tariff process for FY 2011-12 in a few months time.

46. In respect of fixation of AT&C loss targets for FY 11-12, the Commission noted the general trend of the trajectory for target loss reduction during the Control Period (FY 07-11) as well as the actual performance as claimed by the DISCOMs during 2010-11. The Commission also took note of the comments of various stakeholders that the formula given in public notice for target fixation was too soft & would lead to unjust enrichment of the private Discoms. The Commission felt that in public interest we may by and large follow the earlier trajectory and at the same time ensure that the target is lower than the actual achievement during 2010-11. This approach would obviate the argument by some stakeholders that the formula for loss reduction given in the public notice is too soft. The Commission observed that progressive reduction in AT&C losses is necessary for reducing power purchase so that the consumers are benefited through a reduction in ARR.



Hence, the Commission has decided that the following target levels are reasonable and fair for both the DISCOMs and the average consumer:-

BYPL	-	18%
BRPL	-	15%
NDPL	-	13%
NDMC	-	9.6%


47. In respect of incentives for over-achievement of targets, it was generally felt that in the case of the private utilities i.e. NDPL, BRPL and BYPL, the profits due to over-achievement may be shared on a 50:50 basis with the consumers upto a further reduction of 1% below the targets stipulated above. Beyond 1%, the reduction will qualify for 100% retention of the profit by the DISCOM. In the case of NDMC, it was decided to adhere to the earlier MYT stipulation that further reduction upto 9% will result in the profit shared equally between the Utility and the consumer while 100% retention by the Utility will be possible only if losses fall below 9%.


48. Conclusion

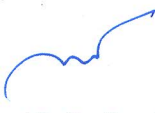
Thus, in the light of the above detailed discussion, the Commission extends the MYT Regulations 2007-08-2011 as well as the Control Period for FY 2011-12 subject to the following :

- (i) AT&C loss targets for the FY 2011-12 for the distribution licensees will be as follows:
- | | | | |
|-------|------|---|------|
| (i) | BYPL | - | 18% |
| (ii) | BRPL | - | 15% |
| (iii) | NDPL | - | 13% |
| (iv) | NDMC | - | 9.6% |
- (ii) Loss reduction below the above levels in the case of BYPL, BRPL & NDPL will qualify for 50:50 sharing of profit upto a further reduction of 1% with 100% profit being retained by DISCOMs if the losses are below 1% of the targets given. In the case of NDMC, further reduction upto 9% will result in the profit shared equally between the Utility and the consumer while 100% retention by the Utility will be possible only if losses fall below 9%.

49. Ordered accordingly


(J. P. Singh)
Member


(Shyam Wadhera)
Member


(P. D. Sudhakar)
Chairman