



**Delhi Electricity Regulatory Commission**  
**Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi –110 017.**

F.11(2321)/DERC/2024-25/8398

**Petition No. 21/2025**

**In the matter of: Petition regarding levy of Power Purchase Cost Adjustment Charges (PPAC) for the Quarter of July, 2024 to September, 2024 (Q-2) in NDMC Area in accordance with Regulation No. 30 of DERC of Business Plan Regulations, 2023 read with Regulation No. 134 of the Terms and Conditions for Determination of Tariff Regulations, 2017.**

**New Delhi Municipal Council.**

**.... Petitioner**

**Coram:**

**Justice Umesh Kumar, Former Judge, Chairman, DERC**  
**Sh. Ram Naresh Singh, Member**  
**Sh. Surender Babbar, Member**

**Appearance:**

**Tushar Sannu, Learned Counsel, NDMC**

**ORDER**

(Date of Order: 03.07.2025)

1. The instant Petition has been filed by the Petitioner/New Delhi Municipal Council (NDMC) seeking permission to levy and consequently recover the Power Purchase Cost Adjustment Charges (hereinafter "PPAC") from its consumers for the period from July' 2024 to September' 2024, i.e., Q2 of FY 2024-25, with the following prayers;
  - a. To take on record that the Petitioner/NDMC will levy a PPAC of 8.75% on the bills of consumers 'for a period of 3 months' in Quarter – 2 (July' 2024 to September' 2024) FY 2024-25; and
  - b. In terms of Business Plan Regulations 2023, for the Quarter – 2 i.e. July' 2024 to September' 2024, permit the Petitioner/NDMC to levy the PPAC claim of 50.29% (i.e. 59.04% - 8.75%) on the bills of all consumers for the period of three months.
2. The Order was reserved on 26.03.2025 with directions to the Petitioner that the officers of the Petitioner shall give necessary inputs/clarifications, as may be required by the Officers of the Commission.
3. During prudence check of the Petition, it was observed that although the Petitioner has submitted energy bills from generating stations having long term PPAs, however, as required under Clause 4.69 of the Tariff Order dated 30.09.2021 pertaining to the Petitioner, the Petitioner did not provide the requisite Auditor's Certificate indicating plant-wise details of fixed charges, variable charges, other

charges and units purchased from each plant having long term PPAs. The audited details were sought by the Commission from the Petitioner time and again, which, was submitted by the Petitioner only on 02.07.2025. Considering the details submitted by the Petitioner and supported by the auditor's certificate, it is noted that more than 80% of the total power purchased by the Petitioner in the current quarter is from short term and medium term sources, cost of which is much less than the cost of power from long term sources. Since the Petitioner will be charging PPAC on the total power purchase cost, i.e., from long term as well as short term and medium term power purchase, the additional PPAC as claimed by the Petitioner will be a substantial increase in the consumer Tariff for the current quarter. Therefore, considering the fact that the Petitioner is already recovering *suo-moto*, the PPAC @ 8.75% on the total quantum of the power purchase during current quarter, the Commission is not considering to permit any additional PPAC to the Petitioner. Hence, the prayer of the Petitioner seeking permission to levy the PPAC claim of 50.29% (i.e. 59.04% - 8.75%) on the bills of all consumers for the period of three months cannot be allowed at this stage. However, the Petitioner is at liberty to levy *suo-moto* PPAC within the permissible limits. Surplus/deficit, if any, will be allowed with carrying cost, subject to prudence check of Power Purchase and Transmission Bills, in True-up of the relevant Financial Year.

4. Ordered accordingly.

**Sd/-**  
**(Surender Babbar)**  
**Member**

**Sd/-**  
**(Ram Naresh Singh)**  
**Member**

**Sd/-**  
**(Justice Umesh Kumar)**  
**Former Judge**  
**Chairman DERC**