



DELHI ELECTRICITY REGULATORY COMMISSION

Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi- 110017.
F.11(2173)/DERC/2023-24/7947

Petition No. 18/2024

In the matter of: Petition for approval of true up for FY 2022-23.

Indraprastha Power Generation Company Ltd.
Through its: Director (Technical)
Himadri,
Rajghat Power House Complex
New Delhi 110 002.

...Petitioner

Coram:

Sh. Ram Naresh Singh, Member and Sh. Surender Babbar, Member

ORDER

(Date of Order: 31.12.2025)

M/s Indraprastha Power Generation Company Limited (IPGCL) has filed the instant Petition for approval of True-up of expenses for FY 2022-23. The Petition was admitted by the Commission vide Order dated 07.06.2024. The Petition along with Executive summary was uploaded on the website of the Commission and publicised through advertisement in newspapers for seeking response of the stakeholders.

The comments/suggestions of the stakeholders including the submissions made during the public hearing held on 27.03.2025 and the arguments advanced by the Petitioner have been duly considered by the Commission.

In exercise of the powers conferred under the Electricity Act, 2003 and considering Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 & DERC (Business Plan) Regulations, 2019, this True-up Order is hereby passed and issued on this 31st day of December' 2025.


(Surender Babbar)

Member


(Ram Naresh Singh)

Member

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ABBREVIATIONS

Abbreviation	Explanation
ARR	Aggregate Revenue Requirement
A&G	Administrative and General
AAD	Advance Against Depreciation
ABT	Availability Based Tariff
ACD	Advance Consumption Deposit
AEET	Alliance for an Energy Efficient Economy
AMR	Automated Meter Reading
APDRP	Accelerated Power Development and Reforms Program
AT&C	Aggregate Technical and Commercial
ATE	Appellate Tribunal for Electricity
BEE	Bureau of Energy Efficiency
BEST	Brihanmumbai 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
CER	Centre for Energy Regulation
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
COVID	Corona Virus Disease
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

Abbreviation	Explanation
DESL	Development Environergy Services Limited
DIAL	Delhi International Airport Limited
DISCOMs	Distribution Companies (BRPL, BYPL, TPDDL & NDMC)
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
FERV	Foreign Exchange Rate Variation
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
ICAR	Indian Agricultural Research Institute
IDC	Interest During Construction
IEX	Indian Energy Exchange
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

Abbreviation	Explanation
NAPS	Narora Atomic Power Station
NCT	National Capital Territory
NCTPS	National Capital Thermal Power Station
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
SDMC	South Delhi Municipal Corporation
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
TERI	The Energy and Resources Institute
THDC	Tehri Hydro Development Corporation
ToD	Time of Day
TOWMCL	Timarpur Okhla Waste Management Company (P) Limited

Abbreviation	Explanation
TPDDL	Tata Power Delhi Distribution Limited
TPS	Thermal Power Station
UI	Unscheduled Interchange
UoM	Unit of Measurement
WACC	Weighted Average Cost of Capital
WC	Working Capital
WPI	Wholesale Price Index

CHAPTER 1: INTRODUCTION

1.1 This Order relates to the Petition filed by INDRAPIRASTHA POWER GENERATION COMPANY LIMITED (IPGCL) (hereinafter referred to as 'IPGCL' or the 'Petitioner') for True-Up of Aggregate Revenue Requirement (ARR) for FY 2022-23 for Generation Business 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, 2019* (hereinafter referred to as 'Business Plan Regulations, 2019').

INDRAPRASTHA POWER GENERATION COMPANY LIMITED (IPGCL)

1.2 IPGCL is a company owned by the Government of National Capital Territory of Delhi and operates Gas Turbine Power Station (GTPS) with current capacity of 90 MW for power supply to the National Capital Territory of Delhi w.e.f. 1/04/2021 onwards.

DELHI ELECTRICITY REGULATORY COMMISSION

1.3 Delhi Electricity Regulatory Commission (*hereinafter referred to as the 'DERC' or the Commission*) was constituted by the GoNCTD on 3/03/1999 and 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, the National Tariff Policy, and the Delhi Electricity Reform Act 2000 (hereinafter referred to as 'DERA'). 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 the formulation of Tariff Regulations and Tariff Determination.

MULTI YEAR TARIFF REGULATIONS

1.5 The Commission issued Tariff Regulations, 2017 vide Gazette notification dated 31/01/2017 specifying Terms and Conditions for Determination of Tariff for Generation of Electricity under the Multi Year Tariff (MYT) framework. Further the operational norms for Generation utilities have also been approved by the Commission in Business Plan Regulations, 2017

under Tariff Regulations, 2017 for the period FY 2017-18 to FY 2019-20, and, in Business Plan Regulations, 2019 under Tariff Regulations, 2017 for the period FY 2020-21 to FY 2022-23.

FILING OF PETITION FOR TRUE-UP OF FY 2022-23

FILING AND ACCEPTANCE OF PETITION

- 1.6 IPGCL filed its Petition for approval of Truing up of the Expenses upto FY 2022-23 before the Commission on 7/12/2023.
- 1.7 The Commission admitted the Petition for approval of Truing up of Expenses upto FY 2022-23 vide its Order dated 7/06/2024, subject to clarifications/additional information, if any, which would be sought from the Petitioner from time to time. Copy of the Admission Order dated 7/06/2024 is enclosed as ***Annexure I*** to this Order.
- 1.8 The complete copy of the Petition filed by the Petitioner was uploaded on website of the Commission (www.derc.gov.in) and the Petitioner.
- 1.9 The Executive Summary of Tariff Petition, was also uploaded on the Commission's website at www.derc.gov.in.

INTERACTION WITH THE PETITIONER

- 1.10 The Order has referred to various actions taken by the "Commission" at numerous places. For the sake of clarity, it may be mentioned that the term "Commission" in most of the cases refers to the officers of the Commission for carrying out due diligence on the Petition filed by the Petitioner for obtaining and analyzing information/clarifications received from the Petitioner and submitting all issues for consideration by the Commission.
- 1.11 The Commission relied on the analysis conducted by various concerned Divisions of the Commission for the preparation of the Order.
- 1.12 A preliminary scrutiny/analysis of the Petition submitted by the Petitioner was conducted. Additional information/clarifications were sought from the Petitioner as and when required. The Commission and the Petitioner 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.

- 1.13 The Commission also conducted multiple validation sessions with the Petitioner during which discrepancies in the Petition and additional information as required by the Commission, were sought. Subsequently, the Petitioner submitted replies to the issues raised and provided details and documentary evidence to substantiate its claims regarding various submissions.
- 1.14 The Commission decided to conduct a Public Hearing for issuance of the Tariff Order related to True-up of FY 2022-23 and communicated the same through a Public Notice published on 8/03/2025 and also uploaded the same on Commission's website. Stakeholders were given a time-period until 27/03/2025 for submitting comments/suggestions on the Tariff Petition filed by the utilities.
- 1.15 A soft copy of the Petition was made available in CD form on payment of Rs. 25/- per CD or a copy of the Petition was also made available for purchase from the respective Petitioner's head-office on all working days till 27/03/2025 between 11 A.M. to 4 P.M. on payment of Rs.100/- either by Cash or by Demand Draft/Pay Order.
- 1.16 To help the stakeholders understand the Petition and file their comments, officers of the Commission, viz. Executive Director (Engineering/Tariff), Joint Director (Tariff-Engineering), Joint Director (Tariff-Finance), Joint Director (Engineering), Deputy Director (Tariff-Economics) and Deputy Directors (Tariff-Engineering) were nominated for discussion on the Petition. This was mentioned in the Public Notices published by the Commission.
- 1.17 The Commission decided to conduct a Public Hearing on 27/03/2025 on Tariff Petition for the True-Up of FY 2022-23.
- 1.18 Accordingly, the Commission scheduled a Public Hearing on Tariff Petition for True-Up of FY 2022-23 on 27/03/2025 to take a final view with respect to various issues concerning the principles and guidelines for Tariff determination.
- 1.19 The Commission received written comments from the stakeholders. The comments of the stakeholders were also forwarded to the Petitioner who responded to the comments of the stakeholders with a copy of its replies to the Commission.

1.20 The Commission examined the issues and concerns raised by various stakeholders. The major issues raised by the stakeholders, the responses of the Petitioner thereon and the views of the Commission, are summarized in **Chapter 2**.

1.21 The Commission has therefore considered the inputs/comments received from various stakeholders, along with the due diligence conducted by the officers of the Commission, in arriving at its final decision.

PUBLIC NOTICE

1.22 The Commission published Public Notice in the following newspapers inviting comments/suggestions from stakeholders on the Tariff Petition filed by the Petitioner latest by 16/12/2024 or the date of Public Hearing, whichever is later:

(a)	Hindustan Times (English)	:	3/12/2024
(b)	The Times of India (English)	:	3/12/2024
(c)	Indian Express (English)	:	3/12/2024
(d)	Millennium Post (Hindi)	:	3/12/2024
(e)	Navbharat Times (Hindi)	:	3/12/2024
(f)	Punjab Kesari (Hindi)	:	3/12/2024
(g)	Taasir (Urdu)	:	3/12/2024
(h)	Qaumi Patrika (Punjabi)	:	3/12/2024

1.23 Public Notice was also uploaded on the Commission's website www.derc.gov.in.

1.24 The Commission issued Public Notice in the following newspapers (*on dates mentioned alongside*), indicating the date and time of Public Hearing scheduled on 27/03/2025, for comments by stakeholders on the Tariff Petition filed by the Petitioner, latest by 27/03/2025;:

(a)	Hindustan Times (English)	:	8/03/2025
(b)	The Times of India (English)	:	8/03/2025
(c)	Indian Express (English)	:	8/03/2025
(d)	Millennium Post (Hindi)	:	8/03/2025
(e)	Navbharat Times (Hindi)	:	8/03/2025
(f)	Punjab Kesari (Hindi)	:	8/03/2025
(g)	Taasir (Urdu)	:	8/03/2025
(h)	Qaumi Patrika (Punjabi)	:	8/03/2025

1.25 A Public Notice related to the process for the Public Hearing (PH) was also uploaded on Commission's website. The platform for PH was as follows:

Dates	27/03/2025
Timings	11:30 AM onwards
Last date for registration	24/03/2025 at 05:00 PM
Platform	Google Meet
Email ID for Registration	dercpublichearing@gmail.com

LAYOUT OF THE ORDER

1.26 This Order is organised into Three (3) Chapters:

- Chapter 1** provides details of the Tariff setting process and the approach of the Order.
- Chapter 2** provides brief overview of the comments of various stakeholders, the Petitioner response and the Commission's views thereon.
- Chapter 3** provides details/analysis of the True up of FY 2022-23 and impact of past period True-up based on judgement of Hon'ble Supreme Court & Hon'ble APTEL, if any, Review Order of the Commission, if any, and its directives on the matter.

1.27 The Order contains the following Annexures, which are an integral part of the Tariff Order:

- Annexure I** - Admission Order.
- Annexure II** - List of stakeholders who submitted their comments on True-up of expense for FY 2022-23.
- Annexure III** – List of Stakeholders/consumers who attended the public hearing.

APPROACH OF THE ORDER

APPROACH FOR TRUE UP OF FY 2022-23

1.28 The Commission, in its Business Plan Regulations, 2019, has indicated that Regulations shall remain in force for a period of three (3) years, as follows:

“1(2) These Regulations shall remain in force for a period of 3 (three) years i.e., for FY 2020-21, FY 2021-22 and FY 2022-23, unless reviewed earlier.”

1.29 The Commission in its Tariff Regulations, 2017, specified that Regulations shall be deemed to have come into effect from 1st February, 2017, as follows:

“(2) These Regulations shall be deemed to have come into force from 1st February, 2017 and shall remain in force till amended or repealed by the Commission.”

1.30 Accordingly, the ARR for FY 2022-23 has been Trued-up as per Tariff Regulations, 2017 and Business Plan Regulations, 2019.

CHAPTER 2: RESPONSE FROM THE STAKEHOLDERS, PETITIONER'S SUBMISSIONS AND COMMISSION'S VIEWS

2.1 In pursuance of the invitation of comments by the Commission from the stakeholders, the Comments were received from the stakeholders in respect of True-up Petition for FY 2022-23 as well as ARR Petition for FY 2024-25. However, as the Commission in this Order is only Truing-up for FY 2022-23, the comments related to the True-up Petition for the FY 2022-23 only have been dealt with in this Chapter.

2.2 Summary of Objections/ suggestions from stakeholders, the response of INDRAPIRASTHA POWER GENERATION COMPANY LIMITED (IPGCL) and Commission's view.

INTRODUCTION

2.3 Section 64(3) of the Electricity Act, 2003, stipulates that the Commission shall determine the Tariff under Section 62 of the Electricity Act, 2003, for the Generating Company, after consideration of all suggestions received from the public and the response of the Generating Company to the objections/suggestions of stakeholders, and will issue a Tariff Order accepting the Petition with such modifications or such conditions as may be specified in the Order.

2.4 The Commission examined the issues, taking into consideration the comments/ suggestions offered by various stakeholders in their written statements and the response of the Petitioner thereon.

2.5 The Commission endeavours to issue Tariff Orders as per the provisions of the Electricity Act, 2003.

2.6 The Commission decided to conduct the Public Hearing, for the issuance of the True-up Order of FY 2022-23 and communicated the same through Public Notice published in leading newspapers and uploaded the same on the Commission's website.

2.7 The Commission, vide its Public Notice dated 8/03/2025 scheduled Public Hearing on True up Petition of FY 2022-23 on 27/03/2025 to take a final view on various issues concerning the principles and guidelines for Tariff Determination.

2.8 Accordingly, all stakeholders were given additional time-period until 27/03/2025 to submit comments/suggestions on additional information filed by the utilities.

2.9 The comments/suggestions of various stakeholders, the replies/responses by the Petitioner and the views of the Commission are summarized under various subheads below:

ISSUE 1: AUXILIARY POWER CONSUMPTION (APC) AND STATION HEAT RATE (SHR)**STAKEHOLDERS' VIEW**

2.10 The Petitioner claimed the actual SHR of 2570 Kcal/kwh in Combined Cycle (CC) and 3434 Kcal/kwh in Open Cycle (OC) for GTPS as against the Normative SHR specified by the Hon'ble Commission in DERC (Business Plan) Regulations, 2019 for FY 22-23. It is hereby submitted that IPGCL-GTPS needs to achieve Normative Parameters specified by the Hon'ble Commission & no relaxation on account of SHR be allowed. Hence, SHR as claimed by IPGCL-GTPS should be rejected.

2.11 IPGCL-GTPS has requested in its True-up Petition to consider APC of 5.46% (CC). It is submitted that IPGCL-GTPS needs to achieve Normative Parameters specified by the Commission in its Business Plan Regulations & no relaxation on account of APC be allowed.

PETITIONER'S SUBMISSION

2.12 The Auxiliary Consumption refers to the energy used by the plant's own equipment and systems (such as pumps, fans, and control systems) to operate. It is usually expressed as a percentage of the total energy generated. It is a basic concept that when a plant operates at part load, the efficiency of the auxiliary systems can decrease, leading to higher auxiliary consumption because the equipment may still be consuming energy designed for full-load operations. Since the plant was operating at part load, it is clear that the actual auxiliary consumption will likely be higher than the target norm of 2.75%. The Commission is requested to approve the Auxiliary Consumption based on the actual consumption rather than the fixed target.

2.13 The Commission allowed the operating parameters @ NAPLF of 85%. However, the PLF of the station during FY 2022-23 was only 42.70%. It is pertinent to note that normative heat rate is achieved only when the scheduled generation of the plant is @ normative NAPLF i.e.

85% or in the cases of continuous running of full module without frequent starts/stops and backing down. At 85% PLF, the station can generate 670.14 MU. However, GTPS station generated only 331.661 MU during FY 2022-23. The NAPLF was only 42.07%. Thus, it is clear that the station was running at part load operation in the FY 2022-23 resulting in higher Station Heat rate. The Commission is requested to allow the Station Heat Rate as per actual as the deviation is due to less scheduling resulting in part load operation.

2.14 Further, the CEA has also recognized that the heat rate and other performance parameters of a Thermal Power Station depend on a number of factors, which can be broadly classified as under:

- Technology and equipment
- Ambient Conditions
- Fuel Quality
- Plant Operation and Maintenance Practices.
- Unit Sizes

2.15 As per clause (f) of the National Tariff Policy, 2005, relaxed norms are to be provided for below par old stations. The relevant extracts of the policy is reproduced as under:

“In case where operations have been much below the norms for many previous years, the SERC’s may fix relaxed norms suitably and draw a transition path over the time for achieving the norms notified by the Central Commission.”

2.16 Further, the CERC in its tariff regulations for FY 2019-24 has fixed a Heat Rate of 2600 kCal/kWh in combined cycle mode and 3578 kCal/kWh in open cycle mode for similar Assam gas based station of NEEPCO which consists of similar class of gas turbines as of GTPS. In view of above, the Commission is requested to relax the operational norms for GTPS station during FY 2022-23.

COMMISSION’S VIEW

2.17 The Commission has considered the Auxiliary Power Consumption and Station Heat Rate as approved in the Business Plan Regulations, 2019, for the respective periods.

ISSUE 2: O&M EXPENSES**STAKEHOLDERS' VIEW**

2.18 GTPS has claimed O&M expenses as Rs. 75.05 Cr for FY 22-23 and 81.66 Cr for FY 24-25 and submitted details for FY 22-23 as given below as mentioned in additional submission dated 14/11/2024:

For FY 2022-23

Employee Expenses - 50.12 Cr

A&G Expenses - 17.93 Cr

R&M Expenses - 7.00 Cr

2.19 O&M expenses claimed by IPGCL is much higher than the normative O&M approved as per Business Plan Regulations. The Normative O&M of Rs. 31.75 lacs per MW for FY 22-23 allowed for GTPS plants should only be considered and any amount above the normative O&M should not be allowed. Further, IPGCL has not submitted head wise detail for the O&M amount as claimed.

PETITIONER'S SUBMISSION

2.20 The normative O&M allowed under the DERC (Business Plan) Regulations is Rs. 31.75 lacs per MW for FY 2022-23 and Rs. 34.65 lacs per MW for FY 2024-25, it is submitted that the plant is running beyond its useful life. Therefore, the actual O&M expenditure may be higher than the normative values approved by the Commission.

2.21 The Commission, vide its order dated 24/03/2021 in Petition No. 35/2020, has accorded 'in-principle' approval for life extension of GTPS for a further 10 years beyond March 2021. In line with this, IPGCL has made all necessary efforts to ensure the plant's availability for generation corresponding to 90 MW capacity. This includes maintaining adequate manpower, ensuring availability of fuel, O&M spares, and security personnel, and maintaining sufficient funds for timely payment of gas bills (which arise on a fortnightly basis), among other operational requirements.

2.22 Accordingly, the claimed O&M expenses, which also include security expenses, reflect the actual efforts and resources required to maintain the plant in an operational condition under life-extension, and therefore merit consideration in tariff computation.

COMMISSION'S VIEW

2.23 The Commission has considered the provisions of Tariff Regulations, 2017 alongwith Business Plan Regulations, 2019, while considering the O&M and R&M Expenses for the Petitioner for the respective period.

ISSUE 3: ENERGY CHARGE RATE (ECR) & FUEL COST

2.24 There was extension of plant's life for another 10 years as per DEREC order dated 24.03.2021 where plant to be run on APM gas only on 90 MW, however as per the Hon'ble Commission's Order dated 21.10.2021, GTPS plant was to declare availability for 90 MW on APM gas or any other alternative fuel available, as an interim measure. Availability of GTPS on other than APM gas was an interim arrangement; however, GTPS is running continuously on RLNG gas. GTPS has failed to show any effort for arrangement of APM gas. Hence, the Commission's order dated 21.10.2021 should be revoked and GTPS should be run on APM gas only.

2.25 GTPS is claiming total RLNG gas as 90.23967 MMSCM and total cost of fuel as Rs. 485.83 Cr. for the True-up FY 2022-23. Further, while calculating the requirement of working capital, GTPS has considered fuel expenses for 1 month as Rs. 77.98 Cr. and fuel cost for the year as Rs. 935.71 Cr. The data submitted by GTPS is contradictory and needs to be re-verified with all the supporting documents.

PETITIONER'S SUBMISSION

2.26 It is submitted that the Commission's Order dated 21.10.2021, permitting GTPS to declare availability on APM gas or any other alternative fuel available as an interim measure, remains in force and GTPS has been operating fully in compliance with this direction.

2.27 The DISCOMs including TPDDL are aware of existing contract of Gas, its quantum of availability and government orders from time to time. The supply of cheaper domestic gas though contracted, to meet out the full requirement of the station of the petitioner company has reduced due to prioritization of allocation of domestic gas to other sectors and placing gas based station at low priority. Further, w.e.f 16.06.2021 due to Tauktae Cyclone

at Gujarat port on reduction of compressing capacity, as per directive of Ministry of Petroleum & Natural Gas, GOI, GAIL has applied 100% cut in supply of domestic gas to Delhi Power Generating Stations.

2.28 In order to ensure continued generation and minimize cost impact, the plant is being operated on long-term RLNG, which is more economical than spot RLNG. Hence, the stakeholder's request to revoke the interim order dated 21.10.2021 and mandate exclusive operation on APM gas is neither justified nor feasible under the prevailing circumstances.

2.29 IPGCL have submitted the actual fuel cost as Rs 485.83 Cr. incurred during the FY 2022-23. The details had already been provided to beneficiaries along with energy bills and also published on the web page of the petitioner as per Form-15.

2.30 While calculating the working capital, IPGCL considered fuel expenses for the year as Rs 935.71 Cr. on normative generation, in this regard, it is submitted that it cannot be predicted that the plant will run either at lower PLF or at Normative PLF. For the purpose of computation of working capital requirement, the regulation 107 of DERC Tariff Regulations, 2017 states as under: -

"The landed fuel cost of primary fuel and secondary fuel for tariff determination shall be based on actual weighted moving average cost of respective fuel before the start of the tariff period for existing and new generating stations."

2.31 Therefore, Petitioner has computed the working capital in terms of above said regulation.

COMMISSION'S VIEW

2.32 ECR is determined in the Tariff Order based on the prices of fuel during the applicable period as per the provisions of Tariff Regulations, 2017 along with Business Plan Regulations, 2019 for the respective period. The Commission has appropriately considered the prices of the fuel in the relevant section of this Order.

ISSUE 4: CAPEX**STAKEHOLDERS' VIEW**

2.33 It is submitted that the Commission has extended life of GTPS plant for another 10 years as per its order dated 24.03.2021 and mentioned that no further capex to be allowed during extended life of 10 years of GTPS. Relevant extract of the said order given below:

"e) No further additional CAPEX shall be allowed to IPGCL during the extended life of 10 years of GTPS."

2.34 As per petition filed by IPGCL, additional capital expenditure has been mentioned as 0.21 Cr for FY 22-23 and Rs. 47.90 Cr for FY 24-25. In line with the Commission's order dated 24.03.2021, no Capex should be allowed in extended life and IPGCL claim for additional Capital expenditure should be rejected.

PETITIONER'S SUBMISSION

2.35 The Commission has extended life of GTPS plant for another 10 years as per Its order dated 24.03.2021 and mentioned that no further capex to be allowed during extended life of 10 years of GTPS.

2.36 Also Hon'ble commission vide its order dt 24.03.2021 has allowed Capex of amounting Rs. 90.8 Cr for life extension of the plant for combined cycle operation. IPGCL has planned to use this in phased manner without effecting the plant generation. Therefore, out of 90.8 Cr, IPGCL claim capital expenditure has been mentioned as 0.21 Cr for FY 22-23.

COMMISSION'S VIEW

2.37 The Commission has determined the CAPEX for the Petitioner in line with the provisions of Tariff Regulations, 2017, along with Business Plan Regulations, 2019.

ISSUE 5: WORKING CAPITAL**STAKEHOLDERS' VIEW**

2.38 It is pertinent to mention that on account of vague data submitted by GTPS, interest on working capital and further total AFC needs to be revised as per actual figures for FY 22- 23.

PETITIONER'S SUBMISSION

2.39 It is submitted that as per Regulation 84 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, the requirement of working capital for generating stations is to be determined on a normative basis, not on the basis of actual past data. Regulation 84 (2) of DERC Tariff Regulations, 2017 states as under:

(2) Open-cycle Gas Turbine/Combined Cycle thermal generating stations as follows :
(a) Fuel Cost for 30 days corresponding to the Normative Annual Plant Availability Factor, duly taking into account mode of operation of the generating station on gas fuel and liquid fuel;
(b) Liquid fuel stock for 15 days corresponding to the normative annual plant availability factor, and in case of use of more than one liquid fuel, cost of main liquid fuel duly taking into account mode of operation of the generating stations of gas fuel and liquid fuel;
(c) Maintenance spares @ 30% of Operation and Maintenance expenses specified in this Regulation;
(d) Receivables equivalent to two months of capacity charge and energy charge for sale of electricity calculated on normative plant availability factor, duly taking into account mode of operation of the generating station on gas fuel and liquid fuel; and
(e) Operation and maintenance expenses for one month”

2.40 In view of above, the request for revision of working capital (and related interest or AFC) based on “actuals” for FY 2022-23 should be rejected, and normative computations as per Regulation 84 should be applied instead.

COMMISSION'S VIEW

2.41 The Commission has determined the Working Capital for the Petitioner in line with the provisions of Tariff Regulations, 2017 along with Business Plan Regulations, 2019.

CHAPTER-3: TRUE-UP OF FY 2022-23

3.1 Regulation 9 & 10 of the Tariff Regulations, 2017 specifies the following:

"9. The Commission shall issue Annual Tariff Order for each year of the Control Period based on the principles laid down in these Regulations read with Business Plan Regulations for the respective Control Period notified by the Commission.

10. The Commission shall true up various components of the ARR of the Generating Entity and Transmission Licensee at the end of the Financial Year as detailed out in these Regulations."

3.2 Regulation 62 of the Tariff Regulations, 2017 specifies the following:

"62. In case of the existing projects/scheme, the Generating Entity or Transmission Licensee, as the case may be, shall be allowed tariff by the Commission based on the admitted capital cost as on 1st April of the relevant year and projected additional capital expenditure for the respective years of the Control Period in accordance with the Regulation: Provided that:

(i) The Generating Entity or Transmission Licensee, as the case may be, shall continue to bill the beneficiaries at the existing tariff approved by the Commission for the period starting from 1st April of new Control Period till approval of tariff by the Commission for new Control Period in accordance with these Regulations;

(ii) where the capital cost considered in tariff by the Commission on the basis of projected capital cost as on COD or the projected additional capital expenditure submitted by the Generating Entity or Transmission Licensee, as the case may be, exceeds the actual capital cost incurred on year to year basis by more than 5%, the Generating Entity or Transmission Licensee, as the case may be, shall refund to the beneficiaries/consumers, the excess tariff recovered corresponding to excess capital cost, as approved by the Commission along with interest at 1.20 times of the bank rate as prevalent on April 1 of respective year;

(iii) The Generating Entity or Transmission Licensee, as the case may be, shall file a true up Petition to the Commission, along with all supporting documents for consideration of any upward revision in the tariff, where the capital cost considered in tariff by the Commission on the basis of projected capital cost as on COD or the projected additional

capital expenditure falls short of the actual capital cost incurred on year to year basis by more than 5%. The Generating Entity or Transmission Licensee, as the case may be, shall be entitled to recover from the beneficiaries for the shortfall in tariff corresponding to addition in capital cost, as approved by the Commission along with interest at 0.80 times of bank rate as prevalent on 1st April of respective year.”

3.3 Regulation 146 of the Tariff Regulations, 2017 specifies the following:

“146. The Commission shall carry out truing up of tariff based on the performance for generating stations and taking into account of the following Uncontrollable parameters:

Force Majeure;

Change in Law;

Re-financing of Loan; and

Primary Fuel Cost.”

3.4 Therefore, in accordance with the Tariff Regulations, 2017 and the Business Plan Regulations, 2019, the Commission has trued up the expenses for the Petitioner for FY 2022-23.

3.5 The Petitioner vide its emails dated 18/02/2025 & 13/06/2025 has submitted the Audited Books of Accounts and Cost Audit Report for FY 2022-23 of GTPS respectively. Accordingly, the Commission has considered Audited Books of Accounts and Cost Audit Report of the Petitioner for True-up of FY 2022-23.

NORMS OF OPERATION

PLANT AVAILABILITY

PETITIONER'S SUBMISSION

3.6 The Petitioner has submitted that the Commission has fixed the norm of 85 % availability factor for full fixed cost recovery. However, the station availability during FY 2022-23 is 91.79%. The Petitioner has been making its best effort to make the plant available for generation of power on its full capacity. Petitioner has an agreement with GAIL for supply of 0.60 MMSCMD RLNG gas to GTPS in May 2009 for 20 years, subject to Take or Pay clause

and also the Petitioner has time to time signed the GSPN for imported Gas in case of shortage of gas. Therefore, Plant has sufficient availability of gas to achieve the target availability of 85%.

3.7 Accordingly, the Commission is requested to allow the availability as follows:

Table 3. 1: Petitioner's Submission: Plant Availability for FY 2022-23

Sr. No.	Particulars	UoM	FY 2022-23
1	Plant Availability	%	85.00%

COMMISSION ANALYSIS

3.8 The Commission in its Business Plan Regulations, 2019, has approved the availability of 85% for GTPS for FY 2020-21 to FY 2022-23 as follows:

“8. NORMS OF OPERATION FOR GENERATING STATIONS:

(1) Normative Annual Plant Availability Factor and Normative Annual Plant Load Factor for existing generating stations of Delhi shall be as follows:

I. Normative Annual Plant Availability Factor (NAPAF): 85%

II. Normative Annual Plant Load Factor (NAPLF) : 85%

3.9 The Petitioner vide its email dated 30/06/2025 has provided the SLDC Certificate for Plant Availability Factor for True-up of GTPS for FY 2022-23. Therefore, the impact of Plant Availability shall be allowed on the Normative basis:

Table 3. 2: Commission Approved: Plant Availability for FY 2022-23

Sr. No.	Station	UoM	FY 2022– 23	
			Actual as submitted by Petitioner	Approved as per Norms
1	GTPS	%	91.79%	85%

STATION HEAT RATE (SHR)

PETITIONER'S SUBMISSION

3.10 The Commission has allowed the Station Heat Rate of 2450 kCal/kWh in combined cycle operation and 3125 kCal/kWh in open cycle mode for the Gas Turbine Power Station as per DERCB Business Plan Regulations, 2019 which is very low as compared to the actual heat rate achieved by the Station for the period FY 2022-23.

3.11 The heat rate achieved by the Petitioner for GTPS for FY 2022-23 is as follows:

Table 3. 3: Petitioner Submission: Station Heat Rate (kCal/kWh)

Particulars	UoM	FY 2022-23
Station Heat Rate (CC)	(kCal/kWh)	2570
Station Heat Rate (OC)	(kCal/kWh)	3434

3.12 From the above table it is clear that the heat rate achieved by the Station is on higher side as compared to the target allowed by the Commission. The deterioration in heat rate is due to frequent start/stops and par load operation of the units. Hence, IPGCL requests the Commission to relax the norms of SHR and allow the heat rate on actual basis for FY 2022-23.

COMMISSION ANALYSIS

3.13 The Commission has specified the Station Heat Rate (SHR) for existing generating stations of Delhi in Business Plan Regulations, 2019 and relevant extract is as follows:

"8. NORMS OF OPERATION FOR GENERATING STATIONS:

...

...

(2) GROSS STATION HEAT RATE (GHR)

Gross Station Heat Rate for existing generating stations of Delhi shall be as follows:

Gross Station Heat Rate (GHR)

Sr. No	Generating Station	Combined Cycle	Open Cycle
		(kCal/ kWh)	
1	Gas Turbine Power Station (GTPS)	2450	3125
2	Pragati Power Station I (PPS-I)	2000	2900

....."

3.14 The Commission has not considered the prayer of the Petition for relaxation of norms as the operating norms of Gas Turbine Stations depends upon its design, margins, manufacturer, make, the vintage of the plant, atmospheric conditions, operating environment, geographical locations, maintenance of the stations, etc. and the Commission has already considered the same while finalizing the above stated Regulation for the Petitioner. In view of the above, the Commission allows the Gross Station Heat Rate for GTPS Station for true up of FY 2022-23 as per the approved norms in Business Plan Regulations, 2019 as follows:

Table 3. 4: Commission Approved: Station Heat rate

Sr. No	Station	Mode of Operation	UoM	FY 2022-23	
				Actual as submitted by Petitioner	Approved as per Business Plan Regulations, 2019
1	GTPS	Combined Cycle	kcal/kWh	2570	2450
2		Open Cycle	kcal/kWh	3434	3125

AUXILIARY POWER CONSUMPTION (APC)

PETITIONER'S SUBMISSION

3.15 The Petitioner has submitted that the Plant has to maintain its auxiliary whether it is running on half capacity or full capacity. Therefore, the actual APC achieved by the station for the period FY 2022-23 is on higher side due to partial operation of the units and non-scheduling of plants up to available generation. The actual APC achieved by the station during FY 2022-23 is as under:

Table 3. 5: Petitioner's Submission: Auxiliary Power Consumption

Sr. No.	Particulars	UoM	FY 2022-23
1	Auxiliary Consumption (CC)	%	5.46
2	Auxiliary Consumption (OC)	%	1.00

3.16 In view of above, IPGCL requests the Hon'ble Commission to relax the norms of APC and allow it on actual basis for FY 2022-23.

COMMISSION ANALYSIS

3.17 The Commission has specified the Auxiliary Energy Consumption for existing generating stations of Delhi in Business Plan Regulations, 2019 as follows:

"8. NORMS OF OPERATION FOR GENERATING STATIONS:

...

...

(3) AUXILIARY ENERGY CONSUMPTION

Auxiliary Energy Consumption for existing Gas based Generating Stations of Delhi shall be as follows:

Auxiliary Energy Consumption (%)

S.No	Mode of operation	Percentage
1	Combined Cycle	2.75%
2	Open Cycle	1.00%

3.18 The Commission approves the Auxiliary Power Consumption for GTPS for True-up of FY 2022-23 as per the approved norms in Business Plan Regulations, 2019 as follows:

Table 3. 6: Commission Approved: Auxiliary Power Consumption

Sr. No	Station	Mode of Operation	UoM	FY 2022-23	
				Actual as submitted by Petitioner	Approved as per Business Plan Regulations , 2019
1	GTPS	Combined Cycle	%	5.46	2.75
2		Open Cycle	%	1.00	1

PLANT LOAD FACTOR (PLF)

COMMISSION ANALYSIS

3.19 The Petitioner has submitted the Plant Load Factor (PLF) of 42.07% for FY 2022-23 and accordingly, the Commission has considered the same Plant Load Factor for FY 2022-23.

Table 3. 7: Commissions Approval: Plant Load Factor for FY 2022-23

Year	UoM	Norm	PLF
PLF	%	85	42.07

3.20 The Commission has not considered any relaxation in the norms for Station Heat Rate based on the actual PLF of the station as the norms of operation were approved based on the past performance.

3.21 Accordingly, as per above discussion, the summary of Operational Norms of the Petitioner for FY 2022-23 are as follows:

Particulars	Unit	Actual as per Petitioner	As per Business Plan Regulations 2019
Plant Availability	%	91.79	85
Gross Station Heat Rate – Combined Cycle	kCal/kWh	2570	2450
Gross Station Heat Rate – Open Cycle	kCal/kWh	3434	3125
Auxiliary Consumption – Combined Cycle	%	5.46	2.75
Auxiliary Consumption – Open Cycle	%	1.00	1.00

3.22 The Regulation 148 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* states that:

“148. The financial gains to a generating company or the transmission licensee, as the case may be, on account of normative parameters shall be shared between generating

company/transmission licensee and the beneficiaries on monthly basis with annual reconciliation.”

3.23 The Regulation 149 of the *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* states that:

“149. The financial gains in case of generating station or transmission licensee, as the case may be, on account of operational parameters shall be shared in the ratio as specified by the Commission in the Business Plan Regulations.”

3.24 The Regulation 10 of the *DERC (Business Plan) Regulations, 2019* states that:

“10. INCENTIVE SHARING MECHANISM WITH RESPECT TO OPERATIONAL PARAMETERS
*(1) The incentive sharing mechanism with respect to operational parameters in terms of Regulation 149 of the *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* shall be applicable on controllable parameters viz. Gross Station Heat Rate (GHR) and Auxiliary Energy Consumption. (2) The Net Gain shall be calculated as under - Net Gain = (Normative ECR – Actual ECR) x Actual Generation Where, Normative Energy Charge rate shall be computed on the basis of norms specified for Station Heat rate and Auxiliary Energy Consumption, Actual Energy Charge rate shall be computed on the basis of actual Station Heat rate and Auxiliary Energy Consumption.*

(3) The Net Gain shall be computed as above on annual basis and shall be shared in 50:50 ratio between the Generating Entity and the beneficiaries.”

3.25 Accordingly, the financial gains, if any, on account of Normative and Operational parameters as stipulated in Regulation 148 and 149 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* shall be shared with the beneficiaries taking into cognizance of Regulation 10 of *DERC (Business Plan) Regulations, 2019*. However, any financial loss consequent upon not meeting the Target Technical parameters shall be borne by the Petitioner.

ENERGY CHARGES FOR GTPS

FUEL CONSUMPTION

PETITIONER'S SUBMISSION

3.26 GT Station of IPGCL runs on the Natural Gas being supplied by GAIL. Earlier, GTPS has an

allocation of 0.84 MMSCMD domestic gas from MoPNG. IPGCL has signed the agreement with GAIL for different gases. However, APM gas allocation was reduced to zero since 16/06/2021. Therefore, Petitioner has an agreement with GAIL for supply of 0.6 MMSCMD R-LNG. As per the agreement with GAIL, the contracted quantity is subject to Take or Pay clause. Accordingly, the Petitioner is to bear the cost of this contracted quantity even if there is no off take of supply. Petitioner is also using spot R-LNG, subject to amount of power schedule and requirement of RLNG to meet the shortage of gas, if any.

3.27 The Commission is requested to take the note of above and direct Delhi SLDC to run the GTPS station to consume atleast 90% of contracted RLNg gas so as to avoid Take or Pay Liability on DISCOMs.

3.28 Further, DERC vide its order dated 24/03/2021 directed IPGCL to declare availability on 90 MW for GTPS. Accordingly, the total gas required to run the 90 MW on full load (2 GT's and 1 STG) is = $0.24 \times 2 = 0.48$ MMSCMD. Thus, GTPS has sufficient gas to run the GT's on base load.

3.29 Vide DERC order dated 09/10/2021 & 21/10/2021, plant was allowed to run on any gas upto 90 MW capacity. The extract of DERC order dated 09/10/2021 is as under: -

"2. After going through the prayers made by the Petitioner and due to scarcity/non-availability of APM gas, we are of the considered opinion that the direction 83 b) of Order dated 24/03/2021 be relaxed and the same is revised as follows:

As per Order dated 24/03/2021:

"83 b) IPGCL to declare availability for 90 MW of GTPS only on Administered Pricing Mechanism (APM) gas or cheaper gas than APM Gas used by the Generating Station, if any"

Revised:

"IPGCL to declare availability for 270 MW of GTPS on Administered Pricing Mechanism (APM) gas or any other alternative fuel available, as an interim measure, until further Orders."

3.30 Further the relevant extract of DERC order dated 21/10/2021 is as under: -

"2. It is observed that since 9/10/2021 till 20/10/2021, the average schedule from GTPS to Delhi is around 31.5 MW at Regasified Liquefied Natural Gas (RLNG). The Petitioner has also mentioned about the non-availability of APM gas.

3. The Interim Order dtd. 9/10/2021 is vacated. Further, due to scarcity/non-availability of APM gas, we are of the considered opinion that the direction 83 (b) of the Order dtd. 24/03/2021 be modified as follows:

"83 b) IPGCL to declare availability for 90 MW of GTPS on Administered Pricing Mechanism (APM) gas or any other alternative fuel available, as an interim measure, until further Orders."

3.31 Based upon the availability of gas, the total consumption at different type of gases in FY 2022-23 are shown as under:

Table 3. 8: Petitioner's Submission: Total Gas Consumption

Particulars	Unit	FY 2022-23
R-LNG Gas	MMSCM	90.23967
Total Gas	MMSCM	90.23967

3.32 The Commission has specified the formula for computation of Energy Charge Rate in the Tariff Regulations, 2017 as follows:

"103. Energy charge rate (ECR) in Rupees per kWh on ex-power plant basis shall be determined to three decimal places in accordance with the following formulae:

(b) For gas and liquid fuel based stations $ECR = GHR \times LPPF \times 100 / \{CVPF \times (100 - AUX)\}$

Where, AUX =Normative auxiliary energy consumption in percentage;

CVPF = (b) Weighted Average Gross calorific value of primary fuel as received, in kCal per kg, per litre or per standard cubic meter, as applicable for lignite, gas and liquid fuel based stations;

ECR = Energy charge rate, in Rupees per kWh sent out;

GHR =Gross station heat rate, in kCal per kWh;

LPPF =Weighted average landed price of primary fuel, in Rupees per kg, per litre or per standard cubic metre, as applicable, during the month."

3.33 The prices of the domestic gases are determined by the GoI whereas the price of imported gas is driven by market fundamentals in the LNG market worldwide and is varying every year. Due to 100% cut in Domestic Gas supply since 16/06/2021, Plant is run on imported Gas only.

3.34 Fuel cost for FY 2024-25 has been computed considering the heat rate of 2600 kCal/kWh in combined cycle mode @ PLF of 85%. The weighted average price of the Gas has been computed by considering the Gas consumption and its price for preceding three months i.e. August to October, 2023. The weighted average landed price of gas comes around 47.538 Rs./SCM and weighted average GCV is 9453.023 kCal/SCM.

3.35 Thus, details of total gas consumption, rate per SCM and total cost of the gas for FY 2022-23 as per actual is depicted in the following table:

Table 3. 9: Petitioner's Submission: Energy Charge Rate and Fuel Cost

Particulars	Unit	FY 2022-23
Total Gas Consumption	MMSCM	90.240
Average Gas Price	Rs./SCM	53.838
Weighted Average GCV	kCal/SCM	9446.683
Total Gas Cost	Rs. Crore	485.83
Net Generation	MU	313.718
Variable Cost-CC	Rs./kWh	15.486

COMMISSION ANALYSIS

3.36 The Commission in its Business Plan Regulations, 2019 has specified the norms of operation for generating stations for FY 2020-21 to FY 2022-23. The norms of operation as applicable as per Business Plan Regulations, 2019 determine the Fuel Cost and Energy Charge Rate.

3.37 As the Commission had not issued any ARR for FY 2022-23 and billing for the period was done on the basis of Annual Fixed Charges available for FY 2021-22, the Commission has considered the actual Fuel Cost for FY 2022-23 are as follows:

Table 3. 10: Commission Approved - Energy Charge Rate and Fuel Cost

Sr. No.	Particulars	UoM	Petitioner Submission	Approved Value
1	Net Generation	MU	313.718	313.718
2	ECR	Rs./kWh	15.486	15.486

FIXED COST

OPERATION & MAINTENANCE (O&M) EXPENSES

PETITIONER'S SUBMISSION

3.38 The Petitioner has submitted that the Commission has specified Normative Operation and

Maintenance expenses in *Business Plan Regulations, 2019* which is as below for GTPS for FY 2022-23:

Table 3. 11: Petitioner's Submission: O&M Expenses (Rs.Lakh/MW)

Year	FY 2020-21	FY 2021-22	FY 2022-23
GTPS	29.45	30.58	31.75

3.39 The Commission vide its Order dated 24/03/2021 has stated that actual O&M expenses for 120 MW of operation in synchronous mode operation will be allowed. Therefore, the Commission has intended to allow the total O&M expenses of GTPS. The provisional O&M expenses incurred for GTPS for FY 2022-23 including headquarters share is Rs. 74.55 Cr. Further, it is to submit that the above expenses include an arrear of Rs. 9.57 Lakhs in FY 2022-23 to the employees of IPGCL for the past period on amount of 7th Pay Commission implementation. Therefore, the Commission is requested to allow the same on actual basis.

3.40 Accordingly, the O &M expenses for FY 2022-23 is as follows: -

Table 3. 12: Petitioner Submission: O & M Expenses for FY 2022-23 (Rs. Cr.)

Sr.No.	Particulars	UoM	FY 2022-23	Remarks
A	O&M expenses	Rs Cr.	74.55	
B	Total O&M Expenses	Rs Cr.	74.55	

COMMISSION ANALYSIS

O&M EXPENSES

3.41 The Commission has specified the normative Operation and Maintenance Expenses for existing generating stations in *Business Plan Regulations, 2019* as follows:

“6. OPERATION AND MAINTENANCE EXPENSES

(1) Normative Operation and Maintenance expenses in terms of Regulation 4(3) and Regulation 92 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Generating Entity shall be as follows:

O&M Expenses (Rs. Lakh/ MW)

Station	2020-21	2021-22	2022-23
Gas Turbine Power Station (GTPS)	29.45	30.58	31.75
Pragati Power Station (PPS-I)	23.02	23.90	24.82

(2) Additional Repair & Maintenance expenses on account of Dry Low NOx (DLN) burners and Sewage Treatment Plant (STP), if any, shall be allowed

on actual basis during the Control Period after prudence check at the time of True Up on submission of documentary evidence.

(3) The impact of difference of amount on account of actual implementation of Seventh Pay Revision and Interim Relief already considered for determination of norms for O&M Expenses, if any, shall be allowed separately in line with the methodology adopted for computation of norms for O&M Expenses, at the time of True up of ARR for relevant Financial year subject to prudence check."

3.42 DERC vide its Order dated 9/10/2021 directed IPGCL to declare the availability of 270 MW of GTPS on any gas as an interim measure until further orders. Further, DERC vide its Order dated 21/10/2021 mentioned that the Interim Order dated 9/10/2021 shall stands vacated and due to scarcity/non-availability of APM gas, directed IPGCL to declare availability for 90 MW of GTPS on any gas, as an interim measure, until further Orders. Accordingly, total O&M expenses considered by Commission for FY 2022-23 is Rs. 28.575 Cr. $[(90*31.75)/100]$.

3.43 During the prudence check, the Commission vide its email dated 10/10/2024 sought the details comprising of the Audited Book of Accounts 2022-23, additional O&M expenses for FY 2022-23, Auditor's Certification for Seventh Pay Commission, capitalization, De-capitalization and Depreciation Rate.

3.44 The Petitioner vide letter no. IPGCL/Comml./F.12/2024-25/151 dated 14/11/2024 has also not submitted any details and bifurcation w.r.t. implementation of 7th Pay revision. Therefore, the Commission has not considered any amount under the head of 7th Pay revision as per the submission of Petitioner.

3.45 Accordingly, the Commission approves the O&M Expenses for GTPS for FY 2022-23 as follows:

Table 3. 13: Commission Approved - O&M Expenses

Sr. No.	Particulars	UoM	FY 2022-23
			Amount
A	Base O&M Expenses as per BPR, 2019	Rs. Cr.	28.58
B	Diff. of amount on account of actual implementation of 7 th Pay Revision	Rs. Cr.	-
C	Total	Rs. Cr.	28.58

CAPITAL EXPENDITURE

PETITIONER'S SUBMISSION

3.46 The Petitioner has submitted that the Commission in Tariff Order dated 30/09/2021 has approved the opening GFA amounting to Rs. 123.87 Cr for retrofitting of 1 module (*i.e. 90 MW*) (*inclusive of remaining depreciable value of 210 MW capacity*) provisionally subject to prudence check at the time of Truing-up. Assuming Proportionate value for retained asset of 210 MW out of 270 MW is of Rs 33.06 Cr.

3.47 The Commission vide its Order dated 24/03/2021 allowed Capex amounting to Rs. 90 Cr. for GTPS plant for its life extension for combined cycle operation. IPGCL has planned to use this expenditure in phase manner without affecting the plant generation. Therefore, out of Rs. 90 Cr., the Commission has allowed the Capex of Rs. 25 Cr. for FY 2022-23 in DERC Business Plan Regulations, 2023. However, the scheme was not implemented in FY 2022-23. Accordingly, it is requested the Commission to spill over the above capex schemes for the FY 2024-25 and allow the total capex of Rs. 47.90 for FY 2024-25. The above schemes are to be implemented subject to the approval of the Board.

3.48 Since no capital investment/Capex was done by GTPS on account of retrofitting of 1 module during the FY 2021-22 and FY 2022-23, IPGCL has considered the opening GFA of Rs 33.06 Cr. However, the Station has made the capitalization of Rs. 0.21 Cr. towards Capital Spares during FY 2022-23. Also an amount of Rs. 1.03 Cr. has been de-capitalized for the period FY 2022-23.

3.49 Accordingly, the GFA of GTPS for FY 2022-23 is calculated as below:

Table 3. 14: : Petitioner's Submission: Capital Expenditure

Sr. No.	Particulars	Unit	FY 2022-23
A	Opening GFA	Rs. in Cr.	33.06
B	Addition	Rs. in Cr.	0.21
C	Deletion	Rs. in Cr.	1.03
D	Closing GFA	Rs. in Cr.	32.24
E	Average GFA	Rs. in Cr.	32.65

COMMISSION ANALYSIS

3.50 The Commission had approved the Capitalization of Rs. 90.81 Cr. as per the its Order dated 24/03/2021 in the Petition No. 24/2020 and 35/2020 towards life extension of 90 MW

Module 1 (2GTs & 1 ST -30 MW each) for 10 years to be funded through CAPEX. However, the Petitioner in its Petition has submitted that the Petitioner has not done any capitalization of assets for FY 2022-23. Therefore, the Commission has not considered any Capitalization for FY 2022-23 as per Petitioner submission.

3.51 Accordingly, the Commission has considered the Opening GFA of GTPS Plant as Rs. 33.06 Cr. (*Closing of FY 2021-22 True-up Order dated 25/10/2025*) for FY 2022-23.

3.52 Further, IPGCL has claimed De-capitalization of Rs. 1.03 Cr. in its Petition. During prudence check, IPGCL has submitted that in FY 2022-23, there was de-capitalisation of assets of Rs. 1.03 Cr. in GTPS. The Petitioner has further submitted that an amount of Rs. 1.03 Cr. belongs to consumption of capital spares which was not initially capitalised as part of GFA by DER. Since, these capital spares were not part of GFA the same shall not be deducted from GFA. Therefore, the Commission has not considered any de-capitalization for FY 2022-23.

3.53 Accordingly, the GFA approved by the Commission for FY 2022-23 is as follows:

Table 3. 15: Commission Approved: Capital Expenditure

Sr. No.	Particulars	UoM	FY 2022-23	
			Petitioner Submission	Commission Approved
A	Opening GFA	Rs. Cr.	33.06	33.06
B	Addition	Rs. Cr.	0.21	-
C	Deletion	Rs. Cr.	1.03	-
D	Closing GFA	Rs. Cr.	32.24	33.06
E	Average GFA	Rs. Cr.	32.65	33.06

DEPRECIATION

PETITIONER'S SUBMISSION

3.54 The Commission has specified the provisions for calculating depreciation in regulation 78 to 83 of Tariff Regulations, 2017. Based on the provisions of these regulations, the Petitioner has calculated Depreciation for FY 2022-23 as under:

Table 3. 16: Petitioner's Submission: Depreciation

Sr. No.	Particulars	Unit	FY 2022-23	Remarks
A	Average GFA	Rs. in Cr.	32.68	Table 5-3
B	Opening Accumulated Depreciation	Rs. in Cr.	2.98	As per DERC tariff order dt 30/09/2021
C	Balance Depreciation	Rs. in Cr.	26.41	C = 90% of A – B
D	Balance Useful Life opening	Years	9	
E	Current Year Depreciation	Rs. in Cr.	2.93	E=C/D
F	Depreciation on account of retired Assets	Rs. in Cr.	0.66	
G	Closing Accumulated Depreciation	Rs. in Cr.	5.25	B+E-F
H	Average Accumulated Depreciation	Rs. in Cr.	4.11	(B+G)/2
I	Average Net Fixed Asset	Rs. in Cr.	28.54	A-H

COMMISSION'S ANALYSIS

3.55 The Commission vide its Order dated 24/03/2021 extended the life of GTPS Plant for 10 years. Accordingly, Depreciation approved by the Commission for True-up of FY 2022-23 considering the closing values from True-up Order of FY 2021-22 is as follows:

Table 3. 17: Commission Approved: Depreciation FY 2022-23

Sr. No.	Particulars	Unit	Claimed for FY 2022-23	FY 2022-23
A	Average GFA	Rs. Cr.	32.65	33.06
B	Opening Accumulated Depreciation	Rs. Cr.	2.98	2.98
C	Adjustment of De-capitalization	Rs. Cr.	-	-
D	Balance Depreciation [90% of A- (B+C)]	Rs. Cr.	26.41	26.77
E	Balance Useful Life	Years	9	9
F	Current Year Depreciation	Rs. Cr.	2.93	2.97
G	Depreciation on account of retired Assets	Rs. Cr.	0.66	-
H	Closing Accumulated Depreciation	Rs. Cr.	5.25	5.95
I	Average Accumulated Depreciation	Rs. Cr.	4.11	4.47
J	Average Net Fixed Asset	Rs. Cr.	28.54	28.59

WORKING CAPITAL**PETITIONER'S SUBMISSION**

3.56 The Commission has not determined the Tariff Order for FY 2022-23. Therefore, the Petitioner has calculated the working capital based on actual performance of the station for FY 2022-23 @ Normative parameters. Accordingly, the working capital requirement for

FY 2022-23 is shown as under:

Table 3. 18: Petitioner's Submission: Requirement of Working Capital

Sr.No.	Particulars	Unit	FY 2022-23	Remarks
A	Fuel expenses for 1 month	Rs Cr	77.98	
B	Liquid Fuel for 1/2 month	Rs Cr	-	
C	Maintenance spares @ 30% of O&M	Rs Cr	22.36	
D	O&M expenses for 1 month	Rs Cr	6.21	
E	Annual Fixed Cost for the year	Rs Cr	100.07	
F	Fuel Cost for the year	Rs Cr	935.71	
G	Receivables equivalent to 2 months of capacity and energy charge	Rs Cr	172.63	G=(E+F)/6
H	Total Working Capital	Rs Cr	279.18	H=A+B+C+D+G

3.57 In view of the above, the Petitioner has requested DERC to consider the working capital for FY 2022-23 as shown in the table above.

COMMISSION ANALYSIS

3.58 The Commission in Tariff Order dated 30/09/2021 for ARR & Tariff for FY 2021-22 determined the working capital of GTPS based on the provisions of DERC Tariff Regulations, 2017.

3.59 As the Commission had not issued any ARR for FY 2022-23 and billing for the period was done on the basis of Annual Fixed Charges available for FY 2021-22.

3.60 Further, it is observed that the Petitioner has actually spent Rs. 485.83 Cr. on account of Fuel Cost for FY 2022-23. IPGCL vide its letter dated 30/12/2025 has submitted that:

"In the said Petition, the Interest on Working Capital has been claimed in accordance with the provisions of Clause 84(2) of the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 (hereinafter referred to as "the Tariff Regulations, 2017") read with the relevant provisions of the Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2019 (hereinafter referred to as "the Business Plan Regulations, 2019").

As per the Business Plan Regulations, 2019, a normative Plant Availability Factor (PAF) of 85% has been prescribed for GTPS. In line with the said normative parameters, all components of working capital, including employee expenses, security expenses, O&M spares, insurance, fuel stock and fuel-related payments, etc., have been determined and claimed on normative basis. It is respectfully submitted that, in order to achieve and maintain generation corresponding to the normative availability of 85%, it is imperative

for the generating station to continuously deploy the requisite manpower, engage security staff, maintain adequate O&M spares and insurance coverage, and comply with the binding obligations under the Fuel Supply Agreement. These obligations include, *inter alia*, maintenance of an irrevocable Letter of Credit in favour of the fuel supplier, M/s GAIL (India) Limited, to secure uninterrupted supply of natural gas insure generation up to Normative availability. The said Letter of Credit has been opened by IPGCL strictly in accordance with the quantum permitted by the Hon'ble Commission based on normative availability.

The aforesaid components of working capital are fixed and recurring in nature and are necessarily incurred irrespective of the actual plant availability or actual generation achieved during the year. These expenses and obligations do not vary with the actual level of plant operation below the normative availability and are essential for ensuring readiness of the plant to generate up to the prescribed normative level.

Accordingly, the fuel cost component for the purpose of computation of Interest on Working Capital has also been considered on the basis of normative generation parameters as stipulated in the Regulations, rather than on actual gas consumption.”

3.61 Accordingly, in view of above submission of IPGCL, the Commission has approved the following Working Capital requirement of the Petitioner for FY 2022-23 as claimed:

Table 3. 19: Computation of Fuel Cost on Normative Basis

Sr. No.	Particulars	Unit	FY 2022-23
A	Capacity	MW	90
B	Gross Generation	MU	670.14
C	Aux. Consumption	MU	18.43
D	Net Generation	MU	651.71
E	Weighted Average LPPF	Rs./SCM	53.838
F	Weighted Average GCV	kCal/SCM	9446.683
G	Energy Charge Rate	Rs./kWh	14.358
H	Total Fuel Cost	Rs. Cr.	935.71

Table 3. 20: Commission Approved - Requirement of Working Capital

Sr. No.	Particulars	Unit	FY 2022-23
A	Fuel expenses for 1 month	Rs. Cr.	77.98
B	Maintenance spares @ 30% of O&M	Rs. Cr.	8.57
C	O&M expenses for 1 month	Rs. Cr.	2.38
D	Annual Fixed Cost for the year	Rs. Cr.	37.46
E	Fuel Cost for the year	Rs. Cr.	935.71
F	Receivables equivalent to 2 months of capacity and energy charge	Rs. Cr.	162.19
G	Total Working Capital	Rs. Cr.	251.13

REQUIREMENT OF LOAN AND EQUITY

PETITIONER'S SUBMISSION

3.62 The GTPS plant has completes its useful life in March 2021. Since the DERc has allowed running the GTPS plant for further 10 years due to its basic features, petitioner has been considered the Debt : Equity ratio of 70:30 for FY 2021-22:

Table 3. 21: Petitioner Submission - Requirement of Loan & Equity

Sr. No.	Particulars	Unit	FY 2022–23	Remarks
A	Average Net Fixed Assets	Rs. Cr.	28.54	Table 5-4
B	Average Equity	Rs. Cr.	8.56	30% of A
C	Average CAPEX Loan	Rs. Cr.	19.98	70% of A
D	Working Capital Loan	Rs. Cr.	279.18	Table 5-5
E	Total Loan Requirement	Rs. Cr.	299.16	C+D
F	Average RRB	Rs. Cr.	307.72	B+E

COMMISSION ANALYSIS

3.63 Regulation 63 of the Tariff Regulations, 2017 deals with financing of the capital cost in Debt Equity ratio to be allowed for existing project or scheme and the relevant extract is as follows:

"63. For determination of Tariff, the debt-equity ratio for any project or scheme under commercial operation shall be considered as 70:30:

Provided that:

- (i) Where equity actually deployed is less than 30% of the capital cost, actual equity shall be considered for determination of tariff;*
- (ii) Where equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as notional loan;*
- (iii) The equity invested in foreign currency shall be designated in Indian rupees on the date of each investment;*
- (iv) Any grant/contribution/deposit obtained for the execution of the project/scheme shall not be considered as a part of capital structure for the purpose of debt: equity ratio."*

3.64 The Commission has determined the requirement of Loan & Equity in terms of above stated Regulation as follows:

Table 3. 22: Commission Approved: Requirement of Loan & Equity

Sr. No.	Particulars	Unit	FY 2022-23
A	Average Net Fixed Asset	Rs. Cr.	28.59
B	Average Equity	Rs. Cr.	8.58
C	Average CAPEX Loan	Rs. Cr.	20.01
D	Working Capital Loan	Rs. Cr.	251.13
E	Total Loan Requirement	Rs. Cr.	271.14
F	Average RRB	Rs. Cr.	279.72

RETURN ON CAPITAL EMPLOYED

PETITIONER'S SUBMISSION

3.65 The Petitioner has submitted that Commission has specified the methodology for allowing Return on Capital Employed in *Tariff Regulations, 2017* as follows:

"65. 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.

66. 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.

67. 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 capitalization schedule and normative working capital."

69. Return on Capital Employed (RoCE) for the year "i" shall be computed in the following manner:

$$RoCE = WACCI * RRB_i$$

Where, WACCI

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

RRBi – Average Regulated Rate Base for the ith year of the Control Period.

70. 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;"

3.66 The Petitioner has considered the rate of interest on loan by considering the Bank Rate as Marginal Cost of Fund based Lending Rate (MCLR) of SBI as notified by the State Bank of India and margin as approved in *Business Plan Regulations, 2019*. Accordingly rate of interest on loan for FY 2022-23 has been calculated on the basis of SBI MCLR of 7.00% as on 1/4/2022.

3.67 Further, the Petitioner has considered the base rate of return on equity at 14% and the same has been grossed up with rate of income tax @ 25.168% for FY 2022-23. Accordingly, the grossed up rate of return on equity has been computed at 18.709% for FY 2022-23.

3.68 Accordingly, the Petitioner has computed Weighted Average Cost of Capital (WACC) and Return on Capital Employed (RoCE) for FY 2022-23 as follows:

Table 3. 23: Petitioner's Submission: WACC and RoCE

Sr.No.	Particulars	Unit	FY 2022-23	Remarks
A	Average RRB	Rs in Cr.	307.72	Table 5-6
B	Total Loan	Rs in Cr.	299.16	Table 5-6
C	Average Equity	Rs in Cr.	8.56	Table 5-6
D	Cost of Debt, Rd	%	7.00	Para 35
E	Return on Equity, Re	%	18.709	Para 36
F	WACC	%	7.33	As per DERC Regulation, 2017
G	RoCE	Rs in Cr.	22.54	$G = A * F$

COMMISSION ANALYSIS

3.69 Regulation 3 and 4 of the Business Plan Regulations, 2019 deal with Return on Equity (RoE) and Tax on Return on Equity as follows:

“3. 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 Generating Entity shall be computed at the Base Rate of 14.00% on post tax basis.

4. TAX ON RETURN ON EQUITY

The base rate of Return on Equity as allowed by the Commission under Regulation 3 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 DER (Terms and Conditions for Determination of Tariff) Regulations, 2017, as per the following formula:

Rate of Return on Equity= 14/[(100-Tax Rate)/100]

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

3.70 Regulation 77 of the Tariff Regulations, 2017 deal with interest on Loan as follows:

“77. The rate of interest on loan shall be based on weighted average rate of interest for actual loan portfolio subject to the maximum of bank rate as on 1st April of the year plus the margin as approved by the Commission in the Business Plan Regulations for a Control Period: Provided that in no case the rate of interest on loan shall exceed approved rate of return on equity:

Provided further that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:

Provided also that if the Utility does not have actual loan then the rate of interest shall be considered at the bank rate plus margin, as specified by the Commission in the Business Plan Regulations, for the notional loan of the relevant control period:

Provided also that the loan availed through open tendering process (Competitive Bidding) among Scheduled Banks, Financial Institutions etc., shall be considered at the rate discovered through open tendering process.”

3.71 Further, for Margin for Interest on Loan, the Business Plan Regulations, 2019, is to be followed. Relevant extract of Business Plan Regulations, 2019 is as follows:

“5. MARGIN FOR RATE OF INTEREST ON LOAN

The rate of interest on loan for a financial year shall be Marginal Cost of Fund based Lending Rate (MCLR) of SBI as on 1st April of that financial year plus the Margin. The Margin, in terms of Regulation 4(2) of the DER (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Generating Entity, is allowed as the difference between the weighted average rate of interest on actual loan portfolio and the MCLR as on 1st April of that financial year:

Provided that the Margin shall not exceed 5.00%, 4.25% and 3.50% for the first, second and third year of the control period, respectively:

Provided further that the rate of interest on loan (MCLR plus Margin) in any case shall not exceed approved base rate of return on equity i.e. 14.00%.”

3.72 During the prudence check, it was submitted by the Petitioner that GTPS doesn't have any actual loan remaining, thus SBI MCLR rate as on 1/04/2022 i.e. 7.00% has been considered by the Commission in terms of Tariff Regulations, 2017 and Business Plan Regulations, 2019 for the period FY 2022-23.

3.73 Regulation 85 and 86 of Tariff Regulations, 2017 deal with the Interest on Working Capital and the relevant extract is as follows:

“85. Rate of Interest On Working Capital shall be considered as the bank rate as on 1st April of the year plus margin as specified by the Commission for the Control Period and shall be trued up on the basis of prevailing bank rate as on 1st April of the respective financial year:

Provided that the rate of interest availed through open tendering process (Competitive Bidding) among Scheduled Banks, Financial Institutions etc., shall not be trued up.

86. Interest on working capital shall be payable on normative basis notwithstanding that the Utility has availed any loan for the working capital.”

3.74 Further, the Commission has specified the methodology for allowing Return on Capital Employed in Tariff Regulations, 2017 as follows:

“65. 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.

66. 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.

67. 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.

68. 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 i^{th} year of the Control Period;

CCi : Consumer Contributions, capital subsidy / grant pertaining to the ΔABI and capital grants/subsidies received during i^{th} 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 i^{th} Year;

RRB_{i-1} : Closing Regulated Rate Base for the Financial Year preceding the i^{th} 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.

69. Return on Capital Employed (RoCE) for the year "i" shall be computed in the following manner:

$$\text{RoCE} = \text{WACCI} * \text{RRBi}$$

Where,

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

RRBi – Average Regulated Rate Base for the ith year of the Control Period.

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

$$\text{WACC} = \left[\frac{D}{D + E} \right] * r_d + \left[\frac{E}{D + E} \right] * r_e$$

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."

3.75 The Commission has sought the acknowledgement and calculation of Income Tax Return filed by IPGCL for FY 2022-23 and the same was submitted by the Petitioner. The Commission

has considered the effective Tax Rate as 25.17% for FY 2022-23.

3.76 Accordingly, the Commission has trued up the Return on Capital Employed for FY 2022-23 as follows:

Table 3. 24: Commission Approved: WACC and RoCE

Sr. No.	Particulars	Unit	FY 2022-23
A	Average RRB	Rs. Cr.	279.72
B	Average Capex loan	Rs. Cr.	20.01
C	Loan for Working Capital Requirement	Rs. Cr.	251.13
D	Average Net Fixed Asset	Rs. Cr.	28.59
E	Total Loan	Rs. Cr.	271.14
F	Average Equity	Rs. Cr.	8.58
G	Cost of Debt, Rd	%	7.00
H	Return on Equity, Re	%	18.71
I	WACC	%	7.36
J	RoCE	Rs. Cr.	20.58

NON-TARIFF INCOME

COMMISSION ANALYSIS

3.77 Para 94 of the Tariff Regulations, 2017 specifies the following about Non-Tariff Income (NTI):

“94. The Utility shall submit forecast of Non-Tariff Income to the Commission, in such form as may be stipulated by the Commission from time to time, whose tentative list is as follows:

- (i) Income from rent of land or buildings;*
- (ii) Net Income from sale of de-capitalised assets;*
- (iii) Net Income from sale of scrap;*
- (iv) Income from statutory investments;*
- (v) Net Interest on delayed or deferred payment on bills;*
- (vi) Interest on advances to suppliers/contractors;*
- (vii) Rental from staff quarters;*
- (viii) Rental from contractors;*
- (ix) Income from Investment of consumer security deposit;*
- (x) Income from hire charges from contractors and others, etc.*

95. The Non Tariff Income shall be reduced from ARR.”

3.78 The Commission has considered the component of NTI based on the Audited Books of Accounts and Cost Audit Report for FY 2022-23. Further, the Petitioner vide its email dated 13/06/2025 has submitted bifurcation of Plant-wise component for NTI. Accordingly, the amount of component of NTI for FY 2022-23 considered by the Commission is as follows:

Table 3. 25: Commission Approved - Computation of LPSC (Rs. Cr.)

Sr. No.	LPSC for FY 2022-23	Amount
A	LPSC amount collected	22.86
B	Principal amount @ 18%	126.99
C	LPSC Amount allowed for retention @7.00% (Rate of Interest on Loan-SBI MCLR rate as on 01/04/2022)	8.89
D	LPSC amount considered as NTI	13.97

Table 3. 26: Commission Approved: Computation of NTI for FY 2022-23

Sr. No.	Component of NTI	Amount (Rs Cr)
A	Miscellaneous income	0.38
B	NTI on account of LPSC	13.97
C	Rental from staff quarters	0.13
D	Sale of Scrap	0.19
E	Profit on Sale of Plant and Equipment	0.01
F	Total Non-Tariff Income	14.68

SUMMARY OF FIXED COST

PETITIONER'S SUBMISSION

3.79 The DERCI tariff regulation 2017 has following provisions regarding fixed cost which reads as under: -

“99. The annual fixed cost (AFC) of a Generating Entity shall consist of the following components as specified in these Regulations:

- (a) Return on capital employed;*
- (b) depreciation & operation &*
- (c) maintenance expenses.”*

3.80 The Annual Fixed Cost for FY 2022-23 submitted by the Petitioner is as under:

Table 3. 27: Petitioner Submission: Annual Fixed Cost

Sr.No.	Particulars	Unit	FY 2022-23	Remarks
A	Return on Capital Employed	Rs. Cr.	22.54	Table 5-7
B	Depreciation	Rs. Cr.	2.93	Table 5-4
C	Operation and Maintenance Expenses	Rs. Cr.	74.55	Table 5-2
E	Annual Fixed Cost	Rs. Cr.	100.02	E=A+B+C+D
F	Net Generation	MU	313.718	Table 3-5
G	Fixed Cost Per Unit	Rs/ kWh	3.188	G=E/F*10

3.81 On the basis of the above submissions, IPGCL requests DERC to true-up the total fixed cost for FY 2022-23 as per the details submitted above.

COMMISSION ANALYSIS:

3.82 Regulation 99 of Tariff Regulations, 2017 provides components to be considered for computation of Annual Fixed Cost for a Generating Entity and relevant extract is as follows:

“99. The annual fixed cost (AFC) of a Generating Entity shall consist of the following components as specified in these Regulations:

- (a) Return on Capital Employed;*
- (b) Depreciation; and*
- (c) Operation and Maintenance expenses.”*

3.83 Accordingly, the Commission has Trued-up the AFC for FY 2022-23 as follows:

Table 3. 28: Commission Approved: Annual Fixed Cost

Sr. No.	Particulars	UoM	Petitioner's Submission	Approved
A	Return on Capital Employed	Rs. Cr.	22.54	20.58
B	Depreciation	Rs. Cr.	2.93	2.97
C	Operation and Maintenance Expenses	Rs. Cr.	74.55	28.58
D	Annual Fixed Cost	Rs. Cr.	100.02	52.14
E	Less: Non-Tariff Income (NTI)	Rs. Cr.	-	14.68
F	Annual Fixed Cost (Net of NTI)	Rs. Cr.	100.02	37.46
G	Net Generation	MU	313.718	313.718
H	Fixed Cost per unit	Rs./kWh	3.188	1.194

3.84 The Petitioner is directed to claim/refund based on the True-up of Annual Fixed Cost as indicated in the above table as per Regulation 151 of Tariff Regulations, 2017.

Annexure-I**DELHI ELECTRICITY REGULATORY COMMISSION**Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi- 110017.

F.11(2173)/DERC/2023-24/7947

Petition No. 18/2024

In the matter of: Petition under section 62 of the Electricity Act, 2003 for truing up of tariff for FY 2022-23 and determination of Annual Revenue Requirement (ARR) for FY 2024-25 for GTPS Station.

Indraprastha Power Generation Company Ltd.**...Petitioner****Coram:****Hon'ble Justice (Retd.) Jayant Nath, Chairperson****Appearance:****Mr. Sehendra Singh, General Manager, IPGCL****Record of Proceedings**

(Date of Hearing: 07.06.2024)

(Date of Order: 07.06.2024)

Heard. Admitted.

Sd/-
(Justice (Retd.) Jayant Nath)
Chairperson



Annexure IILIST OF RESPONSES RECEIVED FROM STAKEHOLDERS ON TRUE UP OF FY 2022-23

Sr.	Name	Address	Category	Company / Licensee	Date of Receipt
1	Pankaj Gupta	Delhi Metro Rail Corporation Ltd. Metro Bhawan, Fire Brigade Lane, Bharakhamba Road, New Delhi 110 001	Govt.	BRPL, TPDDL	13-Dec-24
2	Pradeep Khullar	All India Cold Storages Association Plot No. C-5, Lawrence Road Industrial Area, Delhi 110005	RWA & industry associations	TPDDL	14-Dec-24
3	Gyan Chand Dhamija	Ugyog Nagar Factory Owner's Association Z-101, (Opp. H-18), Udyog Nagar, Rohtak Road, Delhi 110 041	RWA & industry associations	BRPL	14-Dec-24
4	Sanjay Kumar	Association of Manufacturers of Ayurvedic Medicines T-10, Okhla Industrial Area, Phase-2, New Delhi 110 020	RWA & industry associations	BRPL	16-Dec-24
5	Navdeep Varshneya	Mohan Estate Welfare Association J-3, Block B-1, Mohan Co- operative Industrial Estate New Delhi 110 044	RWA & industry associations	BRPL	16-Dec-24
6	Nishchal Pandey	GNA Energy Private Limited 706, Palm Spring Plaza, Sector-54 Gurugram, Haryana 122 009	Commercial	Generating and Transmission Licensee	16-Dec-24
7	Arun Popli	Plot No. B-19 Okhla Industrial Area, Phase II, Delhi 110 002	Industrial area	BRPL	14-Dec-24
8	Harvinder Singh	Basera Engineering Works Plot No. 86 Pocket C, Sector-2 DSIDC Industrial Area, Bawana, Delhi	Industrial area	TPDDL	16-Dec-24
9	P.D. Kabeer	Municipal Corporation of Delhi Dr. S.P.M Civic Centre, Minto Road, New Delhi 110 002	Govt.	BRPL, TPDDL	16-Dec-24
10	Ajay Aggarwal	Jan Seva Welfare Society (Regd.) Office No. 17, Saraswati Vihar, DDA Market A-Block, Pitampura, Delhi 110 034	RWA & industry associations	BRPL BYPL TPDDL	17-Dec-24
11	Nikita Gupta	Nikita.gupta@powerfoundation.org.in	Govt.	DISCOMs	3-Jan-25

Sr.	Name	Address	Category	Company / Licensee	Date of Receipt
12	K.K. Verma	Delhi Transco Ltd. General Manager (Commercial & Regulatory Affairs) 33kV Grid S/Station Building, I.P. Estate, New Delhi 110 002	Govt.	BYPL, TPDDL & NDMC	30-Jan-25
	K.K. Verma	Delhi Transco Ltd. General Manager (Commercial & Regulatory Affairs) 33kV Grid S/Station Building, I.P. Estate, New Delhi 110 002	Govt.	BRPL	23-Jan-25
13	Abhishek Roy	Bharti Airtel Limited Airtel Center, Plot No. 16 Udyog Vihar, Phase – IV Gurugram 122015	Public Ltd. Co.	Discoms, Gencos & Transco	26-Mar-25

Annexure-III

**STAKEHOLDERS WHO HAVE REGISTERED AT THE VIRTUAL PUBLIC HEARING FOR THE PETITION
FILED BY DISCOMs, GENCOs, AND TRANSCO ON THE APPROVAL PETITION FOR TRUING UP OF
EXPENSES UPTO FY 2022-23**

Sr. No.	Name	Organisation/Category
1	Balram Chawla	Maitreyi Federation of RWA
2	Satwan Singh	Domestic Consumer
3	Ritu Gupta	TPDDL
4	Nikhil kumar	DMRC
5	Somya Tripathi	DMRC
6	Shubham Kumar	DMRC
7	Vikas Dixit	DISCOM
8	Amarjeet Singh	DISCOM
9	Brajesh Kumar	DISCOM
10	Naveen Vats	DISCOM
11	Garima Belwal	DISCOM
12	Sameer Singh	DISCOM
13	Rajeev Chowdhury	DISCOM
14	Jaya Rathi	DISCOM
15	Gaurav Thapan	DISCOM
16	Kanishk Khetarpal	DISCOM
17	Amal Sinha	DISCOM
18	Akash Gupta	DISCOM
19	Shweta Chaudhary	DISCOM
20	Rajul Agarwal	DISCOM
21	N D Arora	RWA
22	Sanket Sharma	TPDDL
23	RajKumar	RWA
24	Amar Ramanuj Yadav	RWA
25	Narender Kumar	RWA
26	Abhishek Roy	Industrial
27	Dr. Anu Chhakara	Domestic Consumer
28	Suresh Goyal	RWA
29	Rajeev Kumar	Industrial
30	Suranjit Mishra	TPDDL
31	Harmeet Singh	Koshish RWA
32	Dr. Kunal Tanwar	RWA
33	Manisha	TPDDL
34	Deepak Patel	NDMC
35	Prachi Mishra	NDMC
36	Tarun Manik	DERC
37	Buddhdev Shastri	DTL
38	Brij Mohan Garg	Industrial
39	Ashok Bhasin	North Delhi Residents Welfare Federation
40	Chetan Garg	Bharti Airtel
41	Raj Kumar Garg	Domestic Consumer