

DRAFT NOTIFICATION

F.3(679)/Tariff/DERC/2022-23/7460: In exercise of powers conferred under Section 181 read with Section 61 and Section 86(1)(b) of the Electricity Act, 2003 (Act 36 of 2003) and all other powers enabling it in this behalf, the Delhi Electricity Regulatory Commission hereby makes the following Regulations to amend the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2017 (hereinafter referred to as “the Principal Regulations”):

1.0 Short title and commencement:

- (1) These Regulations may be called the *Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) (Second Amendment) Regulations, 2025*.
- (2) These Regulations shall be applicable from the date of publication in the official gazette.

2.0 Amendment to Regulation 134 of the Principal Regulations:

2.1 Regulation 134 of the Principal Regulations shall be substituted as under:

“134 Fuel and Power Purchase Adjustment Surcharge (FPPAS)

- (a) For these Regulations “Fuel and Power Purchase Adjustment Surcharge” (FPPAS) means the change in cost of power, supplied to consumers, due to change in Fuel cost, power purchase cost and transmission charges with reference to cost of supply approved by the Commission.
- (b) FPPAS shall be calculated and billed to consumers, automatically, without going through regulatory approval process, on a monthly basis, according to the formula, prescribed by the Commission in these Regulations, subject to true up, on an annual basis:

Provided that the automatic pass through shall be adjusted for monthly billing in accordance with these Regulations;

- (c) FPPAS shall be computed and charged by the Distribution Licensee, in (n+2)th month, on the basis of actual variation, in cost

of fuel & power purchase and Interstate/Intrastate Transmission Charges for the power procured during the nth month.

Explanation: For example, the fuel and power purchase adjustment surcharge on account of changes in cost of power supplied during the month of April in a financial year shall be computed and billed in the month of June of the same financial year. Similarly, if FPPAS is on account of changes in cost of power supplied during the month of February in a financial year it shall be computed and billed in the month of April of the next financial year.

Provided that in case of positive FPPAS, if the distribution licensee fails to compute and charge fuel and power purchase adjustment surcharge in full, subject to the ceiling as provided in Draft Regulation-134(d), within this timeline, except in case of any force majeure condition, its right to recovery of costs on account of fuel and power purchase adjustment surcharge shall be forfeited and, in such cases, the right to recover the fuel and power purchase adjustment surcharge at the time of true-up shall also be forfeited.

Provided also that in case of negative FPPAS, if the distribution licensee fails to compute and charge fuel and power purchase adjustment surcharge in full, within this timeline, except in case of any force majeure condition, such FPPAS would be recoverable from the licensee at the time of true up along with carrying cost to be charged at 1.20 times of the carrying cost rate under these Regulations.

- (d) The percentage increase on account of FPPAS shall be applied as a surcharge on the total energy charges & fixed charges billed to a consumer of utility and shall be capped at 10% (of the total Energy Charges and Fixed Charges) or as may be decided by the commission through a separate order/direction of the commission from time to time.

Provided that any under-recovery in the fuel and power purchase adjustment surcharge on account of such ceiling shall be carried forward and shall be adjusted by the Distribution Licensee in subsequent months for that financial year subject to the ceiling under these Regulations.

- (e) The revenue recovered on account of pass through of FPPAS by the Distribution Licensee, shall be trued up later for the year under consideration.

- (f) In case of excess revenue recovered for the year against the FPPAS, the same shall be recovered from the Distribution Licensee at the time of true up along with carrying cost to be charged at 1.20 times of the carrying cost rate under these Regulations and the under recovery of revenue against FPPAS shall be allowed during true up, along with carrying cost to be charged at carrying cost rate under these Regulations.
- (g) The Distribution Licensee shall submit such details, in the stipulated formats, of the variation between expenses incurred and FPPAS recovered, and the detailed computations and supporting documents, as required by the Commission, during true up of the normal tariff. The stipulated formats for the aforesaid purpose shall be as specified and communicated by the commission from time to time.

Provided that the Distribution Licensee shall also make monthly submissions of the detailed FPPAS computations. Further, Auditor's certificate on quarterly basis with monthly breakup of power purchase cost indicating plant wise details of fixed charges, variable charges, other charges, units billed by each plant/source and actual transmission charges for (n-2) th month shall also be furnished to the commission.

- (h) The Distribution Licensee shall publish all details including the FPPAS formula, calculation of monthly FPPAS and recovery of FPPAS on its website and archive the same through a dedicated web address.
- (i) To ensure smooth implementation of the FPPAS mechanism and its recovery, the Distribution Licensee shall ensure that the licensee billing system is updated to take this into account and a unified billing system shall be implemented to ensure uniform billing irrespective of the billing and metering vendor through interoperability or use of open source software as available.
- (j) Formula for computation of FPPAS:

$$\text{Monthly FPPAS for Nth Month (\%)} = \frac{G+F*}{\{Z * (1 - \text{Distribution losses in\%/100})\} * \text{ABR}}$$

Where,

Nth month means the month in which billing of FPPAS component is done. This FPPAS is due to changes in tariff for the power

supplied in (n-2)th month.

$G = \text{Fuel \& Power Purchase Cost computed as } (A-B)*C+(D-E)$

Where, A is Total units procured in (n-2) th Month (in kWh) from all Sources including Long- term, Medium-term and Short-term Power purchases (to be taken from the bills issued to Distribution Licensees)

B is bulk sale of power from all Sources in (n-2) th Month. (in kWh) = (to be taken from provisional accounts to be issued by Delhi State Load Dispatch Centre by the 10th day of each month).

C is incremental Average Power Purchase Cost (including the change of fuel cost) = Actual average Power Purchase Cost (PPC) from all Sources in (n-2) month (Rs./ kWh) (computed) - Projected average Power Purchase Cost (PPC) from all Sources (Rs./ kWh) as per tariff order

D = Actual inter-state and Intra-State Transmission Charges in the (n-2) th Month, (From the bills by Transcos to Discom) (in Rs)

E = Base Cost of Transmission Charges for (n-2)th Month. = (Approved Transmission Charges/12) (in Rs)

F = (G computed upto (n-3)th month for the corresponding Financial Year) -(G billed upto (n-3)th month for the corresponding Financial Year) (in Rs)

* Provided that initially value of F shall be zero and F shall be computed for FPPAS bills raised from Jul'26 onwards.

Explanation: For example, FPPAS bill raised in Jul'26 shall include monthly FPPAS of May'26 and F component of Apr'26. Similarly, FPPAS bill raised in Aug'26 shall include monthly FPPAS of Jun'26 and F component upto May'26.

$Z = \{[\text{Actual Power purchased from all the sources outside the State in (n-2) th Month. (in kWh) } * (1 - \text{Interstate transmission losses in \% /100}) + \text{Power purchased from all the sources within the State(in kWh) }]*(1 - \text{Intra-State losses in \%}) - B\} / 100 \text{ in kWh}$

ABR = Average Billing Rate for the year as approved by the Commission (in Rs/kWh)

Distribution Losses (in %) = Target Distribution Losses as approved by the Commission

Inter-state transmission Losses (in %) as approved by the

Commission.

Note:

The Power Purchase Cost shall exclude any charges on account of Deviation Settlement Mechanism.

Other charges which include Ancillary Services and Security Constrained Economic Despatch shall not be included in Fuel and Power Purchase Adjustment Surcharge and adjusted through the true-up approved by the Commission.

3.0 Principal Regulations 135 and 136 shall be deleted.

(Rajesh Dangi)
Secretary

Date: 27.08. 2025

Place : New Delhi