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DELHI ELECTRICITY REGULATORY COMMISSION

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

F.11(2188)/DERC/2023-24/7983

Petition No. 22/2024

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

New Delhi Municipal Council
Through its: Director (Power)
Palika Kendra, Sansad Marg
New Delhi 110 001 **...Petitioner/Licensee**

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

ORDER

(Date of Order: 31.12.2025)

M/s New Delhi Municipal Council (NDMC) 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**

Contents

CHAPTER-1 INTRODUCTION

1.1 This Order relates to the Petition filed by New Delhi Municipal Council (NDMC) *(hereinafter referred to as 'NDMC' or the 'Petitioner')* for True-Up of FY 2022-23 for Distribution 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 the 'Business Plan Regulations, 2019').

NEW DELHI MUNICIPAL COUNCIL (NDMC)

1.2 New Delhi Municipal Council (NDMC) is a Municipal Council engaged in the distribution of electricity to the consumers in the New Delhi area under Sections 195 to 201 of the New Delhi Municipal Council Act, 1994. NDMC is a Deemed Licensee under the Electricity Act, 2003 in respect of the specified area in New Delhi.

DELHI ELECTRICITY REGULATORY COMMISSION

1.3 Delhi Electricity Regulatory Commission (hereinafter referred to as the 'DERC' or 'the Commission') was constituted by GoNCTD on 3/03/1999 and it became operational from 10/12/1999.

1.4 The Commission's approach to Regulation is driven by the Electricity Act, 2003, the National Electricity Plan, 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 the Tariff Regulations, 2017 vide Gazette notification dated 31/01/2017 specifying Terms and Conditions for Determination of Tariff for Transmission of Electricity under the Multi Year Tariff (MYT) framework. Further the operational norms for Distribution utilities have also been approved by the

Commission 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 NDMC filed its Petition for the approval of Truing up of the Expenses upto FY 2022-23 before the Commission on 18/01/2024.

1.7 The Commission admitted the Petition for True up of ARR for 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 Orders dated 7/06/2024 is enclosed as Annexure I to this Order.

1.8 The complete copy of the True-up Petition filed by the Petitioner along with additional information was uploaded on the website of the Commission (www.derc.gov.in).

1.9 The Executive Summary and one-page snapshot Summary of True-up of FY 2022-23 was also prepared and uploaded on the Commission's website (www.derc.gov.in) for quick glance of Tariff Petitions and for ease to consumers.

INTERACTION WITH THE PETITIONER AND PUBLIC HEARING

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 the 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 Long Term & Short Term Power Purchase, Sales, Billing, Collection, Capital expenditure and capitalisation plan 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 in leading newspapers on 6/03/2025 and also uploaded the same on Commission's website. Stakeholders were given additional 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 head-office on working day 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 Public Hearing on 27/03/2025 on Tariff Petitions for True Up of FY 2022-23.

1.18 Accordingly, the Commission scheduled a Public Hearing on Tariff Petitions 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 also 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)	Quami Patrika (Punjabi)	:	3/12/2024

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

1.24 The Commission issued a 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 and also indicated the conducting of Public Hearing.

(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)	Quami Patrika (Punjabi)	:	8/03/2025

1.25 A Public Notice related to the process for 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 organized into following Chapters:

a) ***Chapter 1*** provides details of the Tariff setting process and the approach of the Order.

b) ***Chapter 2*** provides brief overview of the comments of various stakeholders, the Petitioner's response and views of the Commission thereon.

c) ***Chapter 3*** provides details/analysis of the True up of FY 2022-23.

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

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

b) ***Annexure II*** - List of stakeholders who submitted their comments on True-up of expense for FY 2022-23.

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

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:

> *"(4) 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 RESPONSES AND COMMISSION'S VIEWS

RESPONSE FROM STAKEHOLDERS

2.1 Pursuant to the Commission's invitation seeking comments from the stakeholders, responses were received concerning the True-Up Petition for FY 2022-23 as well as the ARR Petition for FY 2024-25. However, since the present Order is confined to the true-up of the expenses for FY 2022-23 only, this Chapter addresses exclusively those comments that pertain to the True-Up Petition for FY 2022-23.

2.2 Summary of objections/suggestions from stakeholders, response of Utilities and the Commission's view.

INTRODUCTION

2.3 Section 64(3) of the Electricity Act, 2003, provides that tariff determination for Distribution Licensees shall be carried out in accordance with Section 62 of the Act, after due consideration of all objections and suggestions received from the public and the responses of the DISCOMs thereto. Thereafter, the Commission shall issue a tariff Order, accepting the applications with such modifications or conditions as may be specified in the Order.

2.4 The Commission has examined the issues, taking into consideration the comments/ suggestions offered by various stakeholders in their written statements and also the responses submitted by the Petitioners thereon.

2.5 The Commission endeavours to issue Tariff Orders in accordance with the provisions of the Electricity Act, 2003.

2.6 The Commission decided to conduct a 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 Petitions 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 Commission's views are summarized under various subheads below.

ISSUE 1: DISTRIBUTION INFRASTRUCTURE

STAKEHOLDER'S VIEW:

2.10 DMRC's network spreads across length and breadth of the city, and DMRC is taking power supply at 17 locations within Delhi crisscrossing across the jurisdiction of all the DISCOMs. DMRC has been allotted Contract Demand at each of the drawl point, and is penalised for breach of admissible drawl, even though the overall demand of DMRC remains stable / unchanged. The admissible drawl at a particular point of connection is generally breached only when the power supply from the adjacent sub-station is disrupted, which is beyond the control of DMRC.

2.11 At present, metering is done separately for each drawl point of DMRC and for taking power though open access. DMRC is required to submit power schedule for each drawl point separately. However, Delhi SLDC considers DISCOM wise cumulative schedule for DMRC. Even in the drawl schedule of DISCOM, cumulative schedule of DMRC is considered. But, for the purpose of billing, DISCOMS are considering drawl point-wise for open access demand. This methodology creates complications and leads to non-realistic accountable of energy which often leads to overestimation of energy consumed through DISCOMS.

2.12 Keeping this in view, the Commission is requested to permit DISCOM wise cumulative/ single billing for DMRC.

2.13 Further, it is also to state that there are two circuits at every receiving substation of DMRC for better reliability of supply and one separate meter is installed for each circuit. The reading of each meter is individually recorded for billing cycle and then manually added to arrive at the total Consumption and demand for billing purpose. To make the system reliable and more precise/ accurate, it is requested to allow the installation of summation meters at each grid substation, so that manual intervention during billing may be avoided.

2.14 There should be flexibility to the consumer to purchase meter from any of the DISCOMs to avoid delay in release of connection.

2.15 Overhead lines may be converted to underground cables in phases. In case of DISCOMs, Poles are often clustered with telecom companies' /cable companies, Wi-Fi wires etc. These wires should be properly clustered to avoid any mishaps.

2.16 Further in the villages, Galis being congested, the safety rules are difficult to be met with. DISCOMs may be asked to consider underground connectivity instead of overhead lines.

2.17 There are difficulties in release of new connections from the existing wires in the congested area leading to accidents.

2.18 For certain buildings where there is separate entrance for multiple floors, connections may be issued by a separate meter.

2.19 Installation of street lights in improper manner was raised which was advised to be referred to MCD.

PETITIONERS' RESPONSE:

BRPL

2.20 For each of its supply point, DMRC has unique CA Number, The Petitioner considers each CA number as its individual consumer and, therefore, individual consumers could not be clubbed for billing purpose.

2.21 Further, the Petitioner agrees with installation of summation meters as proposed by DMRC in case of two feeders being billed under single CA. In similar case, BRPL has allowed to install summation meter at DTL Mehrauli Grid.

TPDDL

2.22 TPDDL follows the DERC (Supply Code and Performance Standards) Regulations, 2017, and Tariff Orders issued by the Commission for the billing of the consumers. There is no concept of cumulative billing and each connection of consumer is treated and serviced separately by distribution utilities. Further, the issue of summation meters is not related to Tariff petition.

NDMC

2.23 Query does not pertain to NDMC.

COMMISSION'S VIEW:

2.24 Regulation 11 (1) (iii) of DERC *(Supply Code and Performance Standards) Regulations, 2017* specifies that:

"11. New Electricity Connection:-

The Licensee shall process the application for new connection, within the time frame as specified in these Regulations

(1) Submission of application along with all documents:-

(i) The Applicant shall make application for new connection to the Licensee in the form notified in the Commissions Orders:

Provided that a non-refundable registration cum processing fee as notified in the Commission's Orders shall be levied on the applicant applying connection at Extra High Tension or High Tension voltage level.

(ii) The applicant can also make application for new connection online on the website of Licensee:

Provided that the applications for new connection for 50 kVA and above, unless any other lower value as may be notified by the Commission from time to time, shall be submitted through online system only.

(iii) If the Applicant wishes to provide his own meter of approved specifications, he shall explicitly inform the same to the Licensee at the time of making the application.

….."

2.25 It is stated that above-quoted Regulation 11(1)(iii) specifies that the consumer can purchase a meter of approved specifications on his own. However, there is no provision specifying that the consumer can purchase the meter from any of the

DISCOMs.

2.26 Any addition to or deletion of the provisions of above-stated clauses shall require an amendment to the Regulations, in consultation with stakeholders.

2.27 The above referred issues shall form part of ARR proceedings and shall accordingly be taken up for review at the time of hearing the ARR Petitions.

ISSUE 2: REGULATORY ASSET SURCHARGE

STAKEHOLDER'S VIEW:

2.28 DISCOMs have mentioned in their Petitions that the 8% Regulatory Asset Surcharge towards recovery of past accumulated deficit is not sufficient to recover the Regulatory asset.

2.29 DISCOMs have proposed for increase of Regulatory Surcharge. Since the carrying cost is already included in the ARR for Tariff determination and Principal amount needs to be recovered through 8% regulatory surcharge, therefore, there is no ground for increasing regulatory surcharge or imposition of new surcharge as proposed by the DISCOM.

2.30 Tata Power-DDL's request of allowing 8% surcharge (DRS) on another surcharge (i.e. PPAC) is not justified and cannot be accepted.

2.31 DMRC may be exempted from payment of regulatory surcharge.

2.32 From October 2012 a new surcharge under the head Deficit Revenue Recovery Surcharge @ 8 % was imposed on the consumers of electricity in Delhi without assigning any reason and this surcharge is continued and now increased to 18.3 % in February 2023. Such type of surcharge has never been imposed by any Power Utility in the entire country but as a special case it was imposed to the consumers of Delhi and it was allowed without assigning any reason. Even in executive summary issued by the respondent aforesaid surcharge was not shown in the summary and hence it is not known how much money was collected on this account and where it is gone, there is no accountability. It is respectfully requested to this Commission to drop Deficit Revenue Recovery Surcharge because each and every citizen of Delhi is affected from this surcharge and the respondent company was allowed to charge such amount without showing the recovery on the amount under any head.

2.33 Regulatory surcharge should not be levied on PPAC in the Consumer Bills.

2.34 The Commission may restrain BRPL & BYPL from collecting 8% surcharge from consumers of Delhi, as these entities are collecting money from consumers but not making payments to DTL. This will reduce the burden on consumers of Delhi. Commission may provide for the opening of Escrow Account wherein these entities will deposit all its receivables and the payment be released to DTL for current as well as past dues.

PETITIONERS' RESPONSE:

BRPL

2.35 Tariff Policy dated 28/01/2016, notified under Section 3 of the Electricity Act, 2003 requires Regulatory Asset to be created only as a very rare exception in case of natural calamity or force majeure conditions. It further provides that the recovery of outstanding Regulatory Assets along with carrying cost of Regulatory Assets should be time bound and within a period not exceeding seven years.

2.36 The Commission vide its Tariff Order dated 13/07/2012 had introduced 8% Regulatory surcharge (on fixed & energy charges) for liquidation of accumulated Revenue Gap. The rationale given by the Commission in its Tariff Order dated 13/07/2012 is as under:
"5.9 The revenue deficit for FY 2012-13 of the three DISCOMs is Rs.1402.32 Cr. While, the accumulated revenue deficit till FY 2010-11 (along with carrying cost) is Rs. 6,919 Cr. Keeping in view the significant deficit with all three DISCOMs and in an attempt to make tariffs cost reflective, the Commission has decided to revise the tariff for all consumer categories in order to enable the DISCOMs to at least recover the approved revenue requirement for FY 2012-13.

5.10 For meeting carrying cost of the revenue gap till FY 2010-11 and liquidation of revenue gap, the Commission has decided to introduce a surcharge of 8% over the revised tariff."

2.37 The above mentioned Regulatory Surcharge of 8% was decided by the Commission in Tariff Order dated 13/07/2012 for meeting carrying cost of the revenue gap till FY 2010-11 and liquidation of revenue gap. However, there is continuous creation of Regulatory Asset in further Tariff Orders. Eventually, Regulatory Surcharge of 8% is continued by the Commission till date without any increase.

2.38 Further, as per Rule 23 of the Electricity Rules, 2005 (amended on 10/01/2024), notified by Ministry of Power, Regulatory Asset shall be liquidated in maximum seven numbers of equal yearly installments starting from the next financial year as provided below:

"Provided also that any gap between approved Annual Revenue Requirement and estimated annual revenue from approved tariff existing on the date of notification of these rules, along with the carrying costs at the base rate of Late Payment Surcharge as specified in the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, as amended from time to time shall be liquidated in maximum seven numbers of equal yearly installments starting from the next financial year."

2.39 Hence, the present surcharge of 8% as levied is not enough to recover even the entire carrying cost on approving Regulatory Assets. The surcharge ought to be revised appropriately in consonance with various judgments of the Hon'ble Supreme Court so that the RA is recovered speedily without burdening the future consumers with the past costs.

2.40 In case, exemption from payment of regulatory surcharge is allowed to the stakeholder, not only BRPL's cash flow will be adversely affected, the burden of such exemption will fall on the other consumers.

2.41 PPAC is levied to recover the incremental Power Procurement Cost on quarterly basis, over and above the Power Procurement Cost approved in the Tariff Order of the relevant year.

2.42 Now, the Commission vide its Tariff Order dated 30/09/2021 has subsumed the revenue of Rs 626.57 Crore from PPAC for meeting the ARR requirement for the FY 2021¬22. Thus, the PPAC has been subsumed in the Tariff Charges by the Commission. Hence, the Tariff was notified for various consumer categories by utilizing this PPAC amount in revenue of ARR. Thus, PPAC has already become part of Base Fixed Charge or Variable / Energy Charge as the revenue is considered against both as a whole.

2.43 Since DRS is levied on basic tariff and PPAC has become part of base Energy Charge and Fixed Charge Tariff (excluding Taxes surcharges etc), hence DRS should be applicable on PPAC Charges.

2.44 The surcharge of 8% for recovery of Regulatory Asset being allowed to BRPL & BYPL by the Commission is inadequate as itself acknowledged by the Commission in its Statutory Advise dated 1/02/2013 given to the GoNCTD under Section 86(2)(iv) of the Electricity Act wherein it was *inter alia* noted that M/s SBI Capital Markets Ltd. in their presentation have assessed that liquidation of pending Revenue Gap will require a surcharge of 20% for BRPL and 25% for BYPL on the applicable tariff from 2012-13 up to 2018-19. Issue of insufficiency of 8% surcharge has been raised by BRPL & BYPL before this Commission, in matters before Hon'ble APTEL as well as before the Hon'ble Supreme Court.

TPDDL

2.45 Regulatory surcharge is levied to recover the carrying cost of Regulatory assets built up during the last 15 years due to non-cost reflective tariff. DMRC was also part of the consumers where the tariff was non-cost reflective and hence cannot be exempted from the Regulatory surcharge.

NDMC

2.46 Query does not pertain to NDMC.

COMMISSION'S VIEW:

2.47 The Commission in terms of the National Tariff Policy, 2016 and in accordance with the APTEL judgment and has allowed carrying cost to DISCOMs. For liquidation of the past accumulated revenue gap, the Commission introduced a surcharge of 8% over the Tariff, in Tariff Order dated 13/07/2012, and has been fixing Tariff every year to a reasonable level to provide additional revenue to DISCOMs and also to reduce the burden of carrying cost on the consumers of Delhi.

2.48 The build-up of the revenue gap commenced in 2009-10 when power purchase costs went up substantially and the rate of sale of surplus power steeply declined due to stringent frequency controls imposed by CERC.

2.49 The Tariff Order for FY 2010-11 was not issued due to court proceedings. Therefore, while the tariff increase from FY 2011-12 onwards has to some extent offset the incremental increase in revenue gap, however, cumulative revenue gap along with applicable carrying costs still remained uncovered. Thus, the formula evolved by the Commission i.e., including carrying costs in the ARR every year, for tariff determination and using 8% surcharge for liquidating the principal over time is expected to liquidate the Regulatory Assets in a reasonable period of 6 to 8 years.

2.50 The Commission has submitted before the Hon'ble Supreme Court of India in Civil Appeal No. 884 of 2010 that additional surcharge of 8% shall liquidate the principal amount of the accumulated revenue gap within 6 to 8 years.

2.51 The Commission determines the ARR for the DISCOMs as per the provisions of Regulation 154 & 155 of *Tariff Regulations, 2017* along with *Business Plan Regulation, 2019*, as follows.

"REGULATORY ASSETS

154. The accumulated revenue gap, if approved by the Commission in the relevant Tariff Order shall be treated as

Regulatory Assets:

Provided that such revenue gap shall be computed on the basis of excess of ARR over Revenue approved after true up of the relevant financial year.

155. Carrying cost on average balance of accumulated revenue gap shall be allowed to the Utility at carrying cost rate approved by the Commission in the ARR of the relevant financial year:

Provided that average balance of accumulated revenue gap shall be determined based on opening balance of accumulated revenue gap and half of the Revenue Gap /Surplus during the relevant year."

2.52 The Hon'ble Supreme Court of India vide its Judgment dated 06/08/2025 with amendment vide Order dated 28/10/2025 directed to liquidate the Regulatory Assets within 7 years and directed the Hon'ble APTEL to monitor the same. The Commission endeavour to implement the directions of higher court and submitted the liquidation plan of existing Regulatory Assets before the Hon'ble APTEL. Further, as per the plan submitted before the Hon'ble APTEL in O.P. No.1 of 2025, the liquidation of Regulatory Assets will start from 1/04/2026 in line with Hon'ble Supreme Court's Order dated 6/08/2025 read with 28/10/2025.

ISSUE 3: PENSION TRUST SURCHARGE

STAKEHOLDER'S VIEW:

2.53 A tripartite agreement was entered into between the Government of NCT of Delhi. DVB and The Delhi Vidyut Board Joint Action Committee on 28th day of October, 2000 and as per the agreement the Government shall create a Pension Fund in the form of a Trust and the pensionary benefits of absorbed employees shall be paid out of such pension fund.

2.54 The Principal Secretary (Power) of the GNCT of Delhi shall be the Chairperson of the Board of Trustees which shall include representatives of the Departments of Finance, Personnel, Labour, the employees and experts in the relevant field to be nominated. The procedure and the manner in which pensionary benefits are to be sanctioned and disbursed from the Pension Fund shall be determined by the Govt. on recommendation of the Board of Trustees.

2.55 Pension Trust Surcharge should be completely withdrawn as GoNCTD is liable to pay pension to its employees.

2.56 Till August'2017, no pension trust surcharge was charged from the consumer but suddenly in Oct.2017 the consumers were billed with 3.7% surcharge on account of pension surcharge, thereafter it was increased to 3.8% in Oct. 2020 during the COVID, then it was increased to 5 % in Nov. 2020 knowing very well that the whole world is dying due to COVID but the Govt. Of NCT and DISCOMs have increased the pension trust surcharge to 7% in December 2021, illegally and arbitrarily and gradually the surcharge is increasing, which required to be either reduced and completely withdrawn.

2.57 BRPL has Collected Rs. 355.66 Cr. during the financial year 2021-22 from the area of the BRPL company. Similarly, other DISCOMs have collected the huge amount from the consumers on account of the Pension Trust for the year 2022-23, whereas it was not the responsibility of the Consumers to make the payment of the pension to the employees of the erstwhile DVB and it was the responsibility of the Govt. of NCT of Delhi or the DISCOMs.

2.58 The Pension Trust Surcharge should not form part of electricity bills and it should be borne by the GoNCTD as the liability belongs to erstwhile DVB employees.

2.59 Before unbundling, if there are any unsettled dues from the consumers, that should be independently audited and recovered.

PETITIONERS' RESPONSE:

TPDDL

2.60 Pension Trust Surcharge has been made applicable vide the Commission's various Tariff Orders and the same may be re-looked by the Commission.

BRPL

2.61 With regard to comment on levy of Pension Trust Surcharge, we submit that the Pension trust surcharge is being levied in terms of the surcharge rate determined by the Commission in the Tariff Order dated 30/09/2021. As per the Directives 6.2 and 6.3 of the Tariff Order dated 30/09/2021, the Petitioner deposits the entire collected amount on account of such surcharge to the Pension Trust.

NDMC

2.62 Query does not pertain to NDMC.

COMMISSION'S VIEW:

2.63 The Pension Trust was established as a part of Transfer Scheme Rules, 2001 framed under Delhi Electricity Reform Act, 2000 (DERA) and the Tripartite Agreement executed by GoNCTD with Unions of employees and Associations of officers of the erstwhile DVB. In terms of the aforesaid Rules and Tripartite Agreement, the Pension Trust was funded at the time of unbundling of the DVB by way of one lump sum payment by GoNCTD. Subsequent contributions from the date of unbundling have to be made to the Pension Trust by the successor entities of DVB. The Commission has been releasing ad-hoc payments in DTL Tariff Orders from FY 2011-12 onwards up to FY 2015-16. Further, in the Tariff Order dated August'2017, the Commission has directed the DISCOMs for submitting the reconciliation statement and deposit the amount directly to the pension trust, instead of the past practice of routing it through DTL.

2.64 Section 86 of the Electricity Act, 2003, which defines the functions of the State Commission, does not empower it to frame or issue Regulations governing the Pension Trust. This position has also been affirmed by the Hon'ble APTEL in Appeal No. 238 of 2013 (Mahendra Gupta & Others Vs DERC), wherein it has held that "the learned State Commission has no jurisdiction to go into disputes between the Appellants and the Pension Trust with regard to release of terminal benefits in their favour. The grievances of individual employees/appellants relating to service matters relating to the terminal benefits including pension are not under the jurisdiction of the State Commission". Accordingly, the Commission reiterates its view that it is beyond its jurisdiction to regulate the Pension Trust or to frame any Regulations in this regard.

2.65 The Hon'ble Supreme Court in the matter of NDPL Vs. GoNCTD & Ors. in Civil Appeal no. 4269 of 2006 (Judgement dated 3/05/2010) had *inter alia* held that any liability towards DVB employees and existing pensioners are the responsibility and liability of the successor utility or employer.

2.66 The Commission vide letter no. F.17(44)/Engg./DERC/201213/C.F. No.3481/3320 dated 11/09/2012 has issued Statutory Advice under Section 86(2) of the Electricity Act, 2003 to Govt. of NCT of Delhi to constitute an Oversight Committee to look into the issues related to pensioners of erstwhile DVB. The subject matter is presently *sub judice* before the Hon'ble High Court of Delhi and the parties to the dispute should expedite the matter before the Court and explore other avenues for settlement of the dispute.

2.67 The Commission vide letters dated 8/12/2016 and 13/7/2020 have requested the GoNCTD for conducting a forensic audit of Pension Trust for authentication of the data of pension disbursement from FY 2002-03 to till date to ascertain the actual liability of Pension Trust.

ISSUE 4: TARIFF HIKE

STAKEHOLDER'S VIEW:

2.68 The Commission is requested to reduce the tariff for DMRC so that the agreed principle for fixing tariff for DMRC (i.e. cost of purchase to DISCOM plus reasonable service cost) is adhered to. Tariff for DMRC may be decided separately.

2.69 That as the tariff rate in Haryana is around Rs.6.65 per units/ fixed charges Rs.165/- per KVA with no additional surcharge, whereas in Delhi it is Rs.7.75 per units+ more than 50% surcharge / Rs.250 as fixed charges and due to this reason the Cold Storage from Delhi are shifting to Haryana and thus slowly all the Cold storages are forced to close down from Delhi. Also, due to this reason the industries from Delhi are shifting to the Haryana or to Uttar Pradesh.

2.70 That in Haryana per unit rate of electricity is less than Rs.7/- per unit but in Delhi it is more than Rs.11.50 per units beside the fixed charges and in both the states the electricity is received from the almost same sources but due to reason that the distribution in Delhi is under the head of Private Companies they are earning huge profit by charging surcharge more than 50% under the garb of different surcharges illegally.

PETITIONERS' RESPONSE:

TPDDL

2.71 Tariff Determination and tariff design for all consumer categories is the sole prerogative of the Commission.

2.72 Further, DMRC is covered under Tariff of Public Utility and is given benefit of lower tariff along with other public utilities in comparison to other industrial & commercial consumers.

BRPL

2.73 The determination of electricity tariff to be charged from a consumer is the sole prerogative of the Commission under Section 45 of the Electricity Act, 2003.

NDMC

2.74 Query does not pertain to NDMC

COMMISSION'S VIEW:

2.75 The Commission determines the ARR for the DISCOMs as per the provisions of the relevant Regulations. The Commission in its Tariff Order has provided the break-up of the major components considered for projecting costs of supply like power purchase cost, O&M costs, CAPEX, financing cost, the gap in True up to FY 2022-23 and carrying cost for the Regulatory Assets etc. This forms the basis for the projection of the gap/surplus between present requirement in terms of ARR and revenue available at existing Tariff. It is in the consumer's overall interest, that the gap between these two figures is filled by adjusting the Tariffs so as to reduce the accumulated Revenue Gap/Regulatory Assets and the Carrying Cost thereof, which otherwise would impose an additional burden on the average consumer. The Tariff Order is issued after prudence check of the Petitions submitted by the DISCOMs and after considering each element of cost projected in the Petitions with due analysis and ensuring proper justification.

ISSUE 5: TARIFF CATEGORY

STAKEHOLDER'S VIEW:

2.76 DMRC should be treated as special category and tariff based upon the Actual Cost of Supply (i.e cost of purchase to DISCOMs plus reasonable service cost), at 220 / 66 kV without either the cross subsidy or subsidy elements should be charged. Therefore, Electricity tariff of DMRC is to be decided as per Agreed Principle i.e. cost of purchase to DISCOM plus reasonable service cost.

2.77 The Commission is requested to direct the DISCOMS to provide separate ACoS for DMRC without considering distribution loss & wheeling charges and reduce the tariff of DMRC so that the "Agreed Principle for fixing electricity tariff of DMRC (i.e. cost of purchase to DISCOM plus reasonable service cost) as decided and reiterated from time to time, is adhered to.

2.78 Tariff for Public Utility Category (applicable to DMRC) may be decided upon actual cost of supply (i.e. cost of purchase to DISCQMs plus reasonable service cost), keeping in view the facts.

2.79 Retail Tariff (i.e. the tariff at which a distribution licensee supplies electricity to consumers) is determined by the State Commissions under Section 62 of the Electricity Act, 2003 ("EA 2003"). While determining such Retail Tariff, the State Commission enjoys an absolute discretion in terms of Section 62(3) to differentiate between consumers by specifying separate categories, where each category has a separate tariff.

2.80 Classification of consumers into different categories under EA 2003 can be done as per the stipulation provided under Section 62(3) on the basis of the following:

(i) the consumer's load factor;

(ii) power factor;

(iii) voltage;

(iv) total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area;

(v) the nature of supply; and

(vi) the purpose for which the supply is required

2.81 It is further submitted that creation of a different category for a particular class of consumers can only be undertaken within the scope and ambit of Section 62(3) of EA 2003.

2.82 All material activities/ processes which consume electricity for the purpose of providing telecommunication and data services should be levied industrial category tariff as the telecom sector is considered as an "industry" and is engaged in a public utility function being an essential service.

2.83 The mobile towers are to be considered as part of telecommunication equipment which are used for the purpose of effectively transmitting and receiving communication signals, and hence, the same is to be considered as "Industry". Thus, it is clear that no differentiation can be made between mobile tower and other telecom infrastructure/ equipment which is material for providing telecommunication and data services, and these all have been considered as part of telecommunication.

2.84 Mobile telecommunication and data services provided by Airtel are essential public utility services and the installations comprising in the mobile telecommunication network have been declared and recognized as part of the infrastructure industry as demonstrated above. Apart from the same, it must also be taken into consideration that the telecom sector as a whole performs a critical public function which relates to providing an essential and public utility services.

2.85 Mobile/ telecom towers do not function in isolation and as such, certain other infrastructure is also required so as to ensure effective transmission of signals. Therefore, such associated infrastructure cannot be subjected to a different tariff rate, when the function performed is one and the same. In fact, the Judgment dated

12/02/2020 passed by the Hon'ble APTEL is also premised on the same interpretation that when the service/ function does not change, there is no justification to subject similarly placed entities differently.

2.86 Thus, not granting the benefit of Industrial Tariff to the telecom infrastructure/ equipment, which are material in providing telecommunication and data services would be completely unjust, arbitrary, illegal and contrary to the legislative intent of Section 62(3) of the EA 2003, and would result in making telecom services expensive for the end consumers.

2.87 The Commission should categorize all the telecommunication infrastructures/ equipment's under the Industry (General) Tariff Category, as applicable to mobile towers, by prescribing a new category/ sub-category for IT and IT enabled services.

2.88 There should be re-look in the tariff provision and Cold Storage be kept under the Agriculture tariff or a separate category under the head Agriculture be created and some benefit may kindly be extended to the Cold Storage.

2.89 Municipal Corporation of Delhi is providing essential services to the urban and rural populations. Accordingly, the Commission may please re-look in the tariff provision for the Public Utilities Services and put the pumping load and water treatment plants of the MCD at par with the DJB and same be kept under the head Public Utilities Services.

PETITIONERS' RESPONSE:

BRPL

2.90 In view of the role of DMRC as a public utility service, BRPL has special consideration for maintaining quality of power supply to DMRC. BRPL endeavours to maintain the uninterrupted power supply to all its consumers including DMRC. These arrangements ensure uninterrupted and better quality of service to all its consumers. To maintain this level of quality power supply, associated costs (i.e., other than Power Purchase cost) are also borne by the Petitioner, which needs to be factored by the Commission in the Tariff Determination for supply to DMRC and other consumers.

2.91 In order to provide reliable power supply to all consumers and to meet the continuously increasing peak demand, BRPL has entered into long term Power Purchase Agreements (PPAs) with various Central Govt, /State Govt. owned Generating stations & IPPs, In addition to this, the Petitioner also purchases power from other sources such as Power Exchanges, Bilateral & Banking arrangements etc, to meet the energy demand/rate variations, Thus, the cumulative cost of power procurement from all these sources is applicable to all consumers of BRPL including DMRC.

2.92 Considering DMRC as an essential utility service for transportation of passengers, we have been making consistent efforts to ensure supply of reliable and consistent power. In every critical situation, the crucial responsibility of providing quality and reliable power supply to DMRC lies on the shoulders of the Petitioner, for which it has to even arrange power from power market at higher prices.

2.93 In addition to the above, determination of electricity tariff to be charged from a certain category of consumers is the sole prerogative of The Commission under Section 61, 62 and Section 45 of the Electricity Act, 2003.

BYPL

2.94 In response to the issue raised regarding the shifting of pumping load and water treatment plants of MCD from Non-domestic category to Public Utility Category (at par with DJB), we would like to submit that the determination of tariff, including categorization, solely under the sole prerogative of The Commission under Sec.45 of the Electricity Act, 2003. BYPL is required to comply with the Tariff Schedule issued by The Commission in Tariff Order dated 30/09/2021, applicable till date.

2.95 With regard to the concern raised by the stakeholder, we would like to clarify that Delhi Jal Board (DJB) is classified as Public Utility based on the distinct functions, which are different from MCDs. Therefore, MCD’s categorization under the Non-domestic tariff is in line with the current regulatory framework. Accordingly, the Petitioner requests that the Commission may take an appropriate view on the concern raised by Stakeholder regarding categorization of its pumping loads and water treatment plants.

TPDDL

2.96 Tariff Determination and tariff design for all consumer categories is the sole prerogative of The Commission.

2.97 However, even in Haryana and Punjab which are major agricultural states, cold storage is not considered under Agricultural Tariff.

2.98 Further, the State Electricity Regulatory Commissions have been given power to frame regulations under Section 181 of the Electricity Act 2003 with regard to methods and principles by which charges for electricity shall be fixed. Under Section 62(3) of the Act, it is for the State Electricity Regulatory Commission to decide as to under which category a consumer should be placed.

2.99 TPDDL is billing all its consumers as per the Tariff Order FY 2021-22. The Commission may decide the tariff differentiating it on the basis which have been provided for in the Electricity Act, 2003.

2.100 Section 62(3) of the Electricity Act, 2003 provides that the Commission while determining the tariff may differentiate according to the purpose for which the supply is required as reproduced below:

"62(3) The Appropriate Commission shall not while determining the tariff under this Act, show undue preference to any consumer of electricity but may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required."

NDMC

2.101 NDMC submits that though Telecom services play a significant role in providing seamless connectivity for digital banking, e-governance, healthcare and other crucial services, and Central Government and Government of NCT of Delhi have recognized telecom as part of the Infrastructure Industry, they may be entitled to get promotional benefits by the Government in that category but the aforesaid provisions do not support the claim for special power tariff to the sector on that ground. If the commercial consumers are brought into the subsidized tariff category and the subsidy is not given by the Government, the level of cross-subsidy paid by the other consumers would increase and that would be contrary to provisions of the Electricity Act.

2.102 According to the provisions of Section 61 (d) & (g) of the Electricity Act 2003, tariff of any consumer should be reflective of the cost of supply of electricity and it should reduce cross-subsidies. The tariff is determined by adopting rationalization measures allowing almost equal tariff to all consumers barring a few such as Agriculture, Domestic and other subsidized consumers.

2.103 The National Tariff Policy 2016 also provides for bringing tariff within +/- 20% of average cost of supply and as such any preferential tariff at a reduced rate would be against the said policy. As per the Section 62(3) of the Electricity Act 2003, differentiating between consumers by specifying separate categories is under the complete jurisdiction and purview of the Commission.

COMMISSION'S VIEW:

2.104 This is beyond the purview of True-up Petition and shall form part of ARR proceedings and accordingly shall be taken up at the time of hearing of the ARR Petitions and any change in Tariff Category will be discussed during finalization of Tariff Schedule.

ISSUE 6: FIXED CHARGE

STAKEHOLDER'S VIEW:

2.105 DMRC has been paying Rs. 61.05 Cr. per year as fixed charges against the contract demand/ admissible drawl of 203.5 MVA. The fixed charge constitutes approx. 8-10% of energy bill of DMRC.

2.106 Fixed charges should be reduced for DMRC as there is no significant deviation in actual and projected energy consumption of DMRC and also no DISCOM network is being used.

2.107 Fixed charges should be reduced and charged based on MDI only and not on sanctioned load since the peak is 7500 MW and total sanctioned load of Delhi is 25000 MW. DISCOMs should be allowed to charge fixed charges only to the extent they pay fixed charges.

2.108 In many state fixed charges are not charged from domestic consumers e.g. in Haryana no fixed charge is charged from domestic consumer and from single point consumer fixed charges of Rs.80 is charged from the housing societies based on MDI and hence in Delhi also fixed charges are required to be charged based on MDI only.

2.109 TPDDL is charging fixed charges for 6215 MW load amounting to Rs.1111.60 crore, similarly in Delhi other companies i.e. BRPL, BYPL, NDMC and so on are charging separately fixed charges from their consumers and total sanctioned load in Delhi is more than 25000 MW , whereas the peak load of Delhi never excess 7500 MW during summer and in winter it is very less and thus against maximum demand of 7500 MW charging for 25000 MW on account of fixed charges is illegal and hence the fixed charges if at all allowed to be charged then it should be allowed to be charged on MDI load only and not on sanctioned load. Moreover, the fixed for all category should be reduced because in Haryana the maximum fixed charges is Rs. 165 per KVA.

2.110 The DISCOMS should not be allowed to charge more than the fixed charges they are paying.

2.111 Presently sanction load is being increased based on 3 Months average billing whereas during balance of the year period the consumption is quite low, there may be mechanism for reduction in the consumption load considering the same.

2.112 Whenever there is an increase in sanction load, proper intimation should be given to the consumers.

PETITIONERS' RESPONSE:

BRPL:

2.113 Retail tariff has been divided into two parts, viz. Fixed Charge and Energy Charge. Further, Regulation 130 of the Tariff Regulations, 2017 provides that fixed components including capacity charge of generating stations and transmission licensees, return on capital employed, depreciation and O&M expenses of distribution licensee are required to be recovered through Fixed Charge of Tariff. Similarly, Regulation 131 of the Tariff Regulations, 2017 provides that cost components including energy charges (Power Purchase Cost excluding Capacity Charges), trading margin and open access charges are required to be recovered through Energy Charge of Tariff. However, during FY 2022-23, the ratio of fixed and variable components of ARR are 46:54, while the fixed and energy charges component in revenue are 16:84, The detailed working of the same is already submitted by the Petitioner at ARR Petition for FY 2024-25.

TPDDL

2.114 Fixed charges are part of Total tariff and is used for part recovery of fixed cost of DISCOMs. Further, the levy of Fixed charges is in line with Section 45(3) of the Electricity Act, 2003. Fixed charges are levied so as to be able to cover the fixed expenses / costs of DlSCOMs. DlSCOMs need to establish and maintain infrastructure and network so as to ensure uninterrupted power supply irrespective of the fact whether such load demand is actually used or not. DISCOMs also needs to establish its network in N-1 configuration to maintain the redundancy in electrical network in case of fault. Further, the Peak of the different category of consumer varies in time and period and all consumer demand doesn't peak at same time and period. So Peaks for different types of consumptions do not occur simultaneously and hence network is to be maintained in accordance to local peak of network. It is because of above reasons, the installed capacity of network is higher that the peak load. Further, one of the objectives of the Tariff Policy is to ensure creation of adequate capacity including reserves in generation, transmission and distribution in advance for reliability of supply of electricity to consumers as per Section 4 (i) of the Tariff Policy. Lower recovery of fixed costs of a distribution utility from the Fixed Charges increases the variability of recovery of its costs as recovery of Energy Charges depends on the consumption thereby pushing the distribution utility to cut down on building efficient network. Recovery from fixed charges as per Tariff Order for FY 21-22 is only around 17% against around 60% fixed cost of the ARR. In the interest of consumer and financial viability of the Delhi DISCOMs, the Commission is requested to kindly revert to the fixed charges of FY 2018-19 and specify a trajectory in increase in Fixed Charge so as to ensure full recovery of fixed costs from fixed charges and ensure that the ensuing tariff should be cost reflective for each category of consumer as well as recover fixed cost of DISCOMs from fixed part of Tariff.

2.115 For all categories other than domestic, fixed charges are levied based on billing demand. For Domestic consumers, there is no timely updation by the consumer of enhanced load being used by them since there is no surcharge levied on excess load. This leads to excessive use of electricity which has a definitive impact on the electricity network. DISCOMs have to arrange for network augmentation since network has to be in conformity with load being supplied. Such excessive load at times leads to burning of meter and enhances consumer indiscipline.

2.116 Fixed charges for Domestic consumers if levied on billing demand will help recover costs according to the actual usage of the consumer. Also, the surcharge on excess load will help ensure discipline amongst Domestic consumers. We welcome this suggestion to bill fixed charges on billing demand.

NDMC

2.117 Query does not pertain to NDMC.

COMMISSION'S VIEW:

2.118 Aggregate Revenue Requirement (ARR) of DISCOMs recoverable through Electricity Tariff has two parts i.e., Fixed Cost and Variable Cost. The Fixed Cost raised to DISCOMs from Generating Companies/ Transmission Companies includes Capacity Charges to Generating Companies/ Transmission Companies, Depreciation, O&M Expenses, Interest on Loan Expenses related to Infrastructure Cost of DISCOMs based on

Sanctioned Load of consumers etc. and Variable Cost raised to DISCOMs from Generating Companies mainly includes Fuel cost of Generating Companies.

2.119 The Fixed Charges, as determined by the Commission mandated under Section 45 of the Electricity Act, 2003, are levied by DISCOMs so as to recover their above mentioned Fixed Costs. These Fixed Costs have to be paid uniformly to Generating Companies and Transmission Companies irrespective of electricity consumption. Any under-recovery on account of these Fixed Charges shall have severe impact on cash inflows of DISCOMs and may disturb timely payments to Generation Companies and Transmission Companies.

2.120 Further, the non-payment of Fixed Charges by consumers leads to non-payment of Fixed Cost to Generation Companies and Transmission Companies by DISCOMs. It results into creation of vicious circle and disturbs the equilibrium of the Power Sector which may lead to non-availability of 24X7 uninterrupted power supply.

2.121 As the distribution company needs to pay the fixed cost to Generating Stations and Transmission Companies uniformly during the year, this erratic cash inflow makes it difficult to make timely payments to Generation Companies and Transmission Companies which derails the entire system. The Commission in its DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 has specified the components which are part of fixed charges and the variable charges separately.

2.122 Further, the issue is beyond the purview of the True-up Petition shall form part of the ARR proceedings and accordingly will be taken up at the time of hearing of the ARR Petitions and any change in Tariff Category will be discussed during finalization of Tariff Schedule.

ISSUE 7: TRANSMISSION LOSS & CHARGES

STAKEHOLDER'S VIEW:

2.123 The average cost of supply for DMRC ought to be lesser than that for other consumer due to the following two reasons:

2.124 DMRC Receiving sub-stations (RSS's) are directly connected to the Intra-State Transmission Network of DTL at 66 kV or 220 kV. Being a public transport utility, DMRC has done huge investment from beginning in laying their own distribution network which is directly connected to DTL network for ensuring reliability of the system. Also, DMRC is doing maintenance of all distribution network system laid by DMRC and DISCOM is not having any role between DTL and DMRC except billing. Therefore, DISCOMS are primarily only billing entities.

2.125 Rather, the distribution losses in DMRC's network are already being billed to DMRC and are being borne/ paid by DMRC, since the energy meters for DMRC's connections are at DTL Grid substation feeders. Since Distribution network system of DISCOMs is not involved / utilized for wheeling of conventional / open access power by DMRC, therefore the question of Distribution losses cannot arise technically and hence, are not applicable for accounting of power being availed by DMRC for tariff determination.

2.126 It is submitted to the Commission for kind consideration that over past 20 years, DMRC has created an extensive 33 kV distribution system spread across the entire city through cable network along the metro route and at every station, the voltage is stepped down to 415 V, 3-phase, which is being utilized for passenger facilities and safety services viz. lifts, escalators, air-conditioning, lighting, water pumps, fire detection & suppression system, signalling etc. The 25 KV, 1-phase power supply is distributed along the route through extensive overhead catenary network of DMRC.

2.127 All these arrangements have been made by DMRC by investing a substantial cost of more than Rs. 1,500 crores to ensure reliable and economic power supply. Thus, there are no significant expenses being incurred by DISCOMs in case of DMRC, except the cost of purchase of power.

2.128 Hence, as the Distribution network system of DISCOMs is not involved / utilized for wheeling of power by DMRC, hence the Wheeling charges are also not applicable on DMRC.

2.129 TPDDL for FY 2022-23 has claimed Rs. 390.07 Cr. as DTL Wheeling Charges, against the bills raised by DTL amounting to Rs. 352.65 Cr. towards wheeling charges. Further,FY 2024-25, TPDDL has projected an amount of 360 Cr. as DTL & SLDC charges.

2.130 As per SLDC data, the actual. Intra-state Transmission Losses is 0.84% for FY 2022-23, however TPDDL has not specified any percentage for Intra-State Transmission Losses and has considered Intra-State Transmission Losses as 98.09 MU for FY 2022-23.

2.131 NDMC in its True-up Petition for FY 2022-23 has claimed Rs. 48.09 Cr. towards intra-state transmission losses/ charges against the bills raised by DTL amounting to Rs. 47.72 Cr. towards wheeling charges (including incentive / disincentive).

2.132 As per SLDC data, the actual Intra-State Transmission Losses are 0.84% for FY 2022-23, however, NDMC has considered the Intra-State Transmission Loss as 11.31 MU @ 0.88% (Table No. 12) for FY 2022-23. This needs to be considered while passing orders on True up Petitions.

PETITIONERS' RESPONSE:

TPDDL

2.133 For FY 22-23 total bill of Rs. 390.07 Cr. was raised by DTL against the wheeling charges Break up is : Rs. 352.96 Cr. for FY 2022-24 & Rs.37.12 Cr. arrears for previous Financial Year. Similarly, Tata Power-DDL has considered Rs. 360 Cr. for FY 2024-25 on account of DTL wheeling charges and SLDC charges etc. on the basis of the past trend.

2.134 Tata Power-DDL computes the losses as difference of the actual power scheduled and energy received at Tata Power-DDL periphery and the losses are prorated under Intra state and Interstate losses as follows:

1. For Intra State Losses: - DTL losses have been factored in as per the data shown on the Delhi SLDC Website i.e 0.84% approx. (Delhi STU Loss).
2. For Inter State Losses: - Remaining difference is booked under Interstate head.

2.135 Tariff determination and tariff design for all consumer categories is the sole prerogative of the Commission.

2.136 Further, DMRC is covered under Tariff of Public Utility and is given benefit of lower tariff along with other public utilities in comparison to other industrial & commercial consumers.

NDMC

2.137 NDMC has verified bills for Rs. 47.04 Cr. from DTL (wheeling charges) for FY 2022-23. NDMC has made payment against DTL Wheeling Charges bills amounting to Rs. 41.25 Cr.

2.138 The intra-state transmission charges including DTL Wheeling Charges (Rs. 41.25 Cr.) + SLDC Charges (Rs. 34,73,177/-), 1% rebate (on Wheeling Charges bills) and Income Tax & Surcharges (on both Wheeling & SLDC Charges bills) + Reactive Charges (Rs. 64,24,779/-). The amount considered in the Petition is Rs. 48.09 Cr. The Projected amount of Rs. 45.40 Cr. for FY 2024.25 is based on the anticipated power purchase through intra-state transmission system. Transmission Losses for FY 2022-23 are (-11.31) MUs @ 0.88% of 1,455.98 MUs. The projected Transmission Losses for FY 2024-25 as 0.88% i.e. 20.88 MU of 1435.12 MUs in ARR is based on the anticipated power purchase through intra-state transmission system.

BRPL

2.139 In view of the role of DMRC as a public utility service, BRPL has special consideration for maintaining quality of power supply to DMRC. BRPL endeavours to maintain the uninterrupted power supply to all its consumers including DMRC. These arrangements ensure uninterrupted and better quality of service to all its consumers. To maintain this level of quality power supply, associated costs (i.e., other than Power Purchase cost) are also borne by the Petitioner, which needs to be factored by Hon'ble Commission in the tariff determination for supply to DMRC and other consumers.

2.140 In order to provide reliable power supply to all consumers and to meet the continuously increasing peak demand, BRPL has entered into long term Power Purchase Agreements (PPAs) with various Central Govt, /State Govt. owned

Generating stations & IPPs, In addition to this, the Petitioner also purchases power from other sources such as Power Exchanges, Bilateral & Banking arrangements etc, to meet the energy demand/rate variations, Thus, the cumulative cost of power procurement from all these sources is applicable to all consumers of BRPL including DMRC.

2.141 Considering DMRC as an essential utility service for transportation of passengers, we have been making consistent efforts to ensure supply of reliable and consistent power. In every critical situation, the crucial responsibility of providing quality and reliable power supply to DMRC lies on the shoulders of the Petitioner, for which it has to even arrange power from power market at higher prices.

2.142 In addition to above, determination of electricity tariff to be charged from a certain category of consumers is the sole prerogative of the Commission under Section 61, 62 and Section 45 of the Electricity Act, 2003.

COMMISSION'S VIEW:

2.143 The Commission determines the transmission charges of DTL as per Tariff Regulations, 2017 & Business Plan Regulations, 2019. Further, the transmission losses and availability are being considered as provided by Delhi SLDC. With regards to the dues to DTL by DISCOMs, it is made clear that in case DISCOMs do not pay State GENCO and DTL as per timelines mandated in the Tariff Regulations, 2017 then they are liable for LPSC as stipulated in the said Regulations. LPSC paid by DISCOMs to State GENCO and DTL is not passed through in their ARR.

2.144 Further, Directives has been issued in previous Tariff Order to DISCOMs to make timely payment of bills to all the Generating Companies and Transmission Utilities. No Late Payment Surcharge shall be allowed as a pass through in the ARR on account of delayed payments.

ISSUE 8: TIME OF DAY (TOD) TARIFF

STAKEHOLDER'S VIEW:

2.145 In the submitted petition, BRPL has submitted following proposal to the Commission regarding applicability of Time of Day (ToD) Tariff

Tariff	May-Sept	(%)	Oct-Apr
Surcharge	14.00 — 17.00 hrs 22.00 - 01.00hrs	30	No ToD
Rebate	04.00 — 10.00 hrs	30	
Normal	01.00 — 04.00hrs 10.00 — 14.00hrs 17.00 — 22.00hrs	-	

2.146 It is important to note that DMRC is an essential utility service for transportation of passengers and is required to run trains according to a time table to meet demand of commuters. Moreover, in order to help in mitigating Delhi's air pollution, DMRC has to operate additional trips based on directions of the statutory authorities. The maximum commuter demand is between 08:00 hours to 11:00 hours during morning and 16.00 to 20.00 hrs during evening which coincides with the period of maximum energy demand. The general consumption pattern of DMRC is as under:

00:00 hrs to 06:00 hrs — 5%
06:00 hrs to 15:00 hrs — 45%
15:00 hrs to 24:00 hrs — 50%

2.147 Therefore, unlike other industries it is not feasible for DMRC to control the energy consumption during the peak demand of commuter traffic without causing inconvenience to daily commuters. The present rate & time slot of ToD as applicable on DMRC is given in the following table: -

Tariff	May-Sept	*(%)*	*Oct-Apr*

Surcharge	14.00 — 17.00 hrs 22.00 - 01.00hrs	*20*	*No ToD*
Rebate	04.00 — 10.00 hrs	*20*	
Normal	01.00 — 04.00hrs 10.00 — 14.00hrs 17.00 — 22.00hrs	-	

2.148 From the above table, it is evident that due to application of ToD in Summer months (May to September), DMRC is liable to pay 20% extra during the period from 14.00 hrs to 17.00 hrs and from 22.00 hrs to 24.00 hrs.

2.149 DMRC is carrying passenger traffic during the peak hours and thereby de-congesting the roads and therefore contributing in reducing the pollution hence protecting the environment.

2.150 The request of BRPL to increase the ToD peak Surcharge & rebate to atleast 30% should not be applicable for Public utility like DMRC since they are serving the general public for 18-20 hrs. every day and load pattern as per the commuters' load cannot be changed to reduce the liability on account of ToD with respect to the peak period.

2.151 In view of above, Commission is requested to exempt DMRC from ToD metering to avoid additional burden on energy efficient public transport system being used primarily by common men of Delhi NCR.

2.152 The demand of BRPL for increasing regulatory surcharge & introducing new surcharge is not justified.

2.153 Time of Day surcharge should not be applicable on DMRC keeping in view the nature of operations of DMRC, which does not allow any flexibility of shifting the loads.

2.154 ToD surcharge should not be applicable on DMRC, keeping in view the nature of operations, which does not allow any flexibility of shifting of loads.

PETITIONERS' RESPONSE:

BRPL

2.155 BRPL has proposed in the ARR Petition that ToD peak Surcharge and Rebate to be at least +/-30% so that objective of ToD may be fulfilled by shifting a portion of their loads from peak hours to off-peak-hours thereby improving the system load factor, flatten the load curve and optimize the cost of power purchase which constitute over 80% of the tariff charged from the consumers. Both these steps were envisaged to facilitate flattening of the load curves for the DISCOM.

2.156 Further, TOD tariff should reflect the changing power markets and the tariff on offer for peak and off-peak period should reflect the price unpredictability of the market. The marginal impact of power purchase during peak hours as compared to normal hours is considerably higher and not covered under the current margins of TOD tariff. Therefore, the current TOD tariff is not motivating most of the consumers to shift their load to off-peak hours as the current disincentive/incentive for consumption during peak/off-peak hours is having miniscule impact on respective bills and hence is not a decisive factor.

2.157 On the contrary it is observed that the cross-subsidising consumers who have opted open access are availing power from the DISCOM during the peak hours as the power from short term markets are higher thus rendering the TOD mechanism futile.

2.158 In view of the above, it is requested to make TOD applicable for all the category of consumers irrespective of any load band and re-introduce TOD peak Surcharge and Rebate to at least +/-30% to make it more attractive to the consumers and may be a win-win situation for both consumers and the licensee.

2.159 Further, the determination of electricity tariff to be charged from a certain category of consumers is the sole prerogative of the Commission under Section 61, 62 and Section 45 of the Electricity Act, 2003, hence, the DISCOM is bound to levy tariff and charges on consumers for a period as determined and approved by the Commission under the Electricity Act 2003.

TPDDL

2.160 Any exemption in tariff is the prerogative of the Commission. However, DISCOM need to purchase High Cost Power up to Rs 10 per unit during the Peak Period and are forced to sell the power in exchange at lower rate during off Peak Period in order to meet the fluctuating Demand of Consumers. Thus, the Tariff of consumer should reflect the actual cost of supply during that period irrespective of its ability to shift the load.

2.161 Further, the present ToD Tariff is applicable since last 8 years and hence, Tata Power-DDL requests the Commission to review its performance basis the load curves noticed during the summer months (April – September) and winter months (October – March) in its distribution area which is as follows:

Two distinct peaks and two distinct off-peak periods are noticed in the load curves for summer as well as winter months:

Summer:
Peak Periods: 0000 — 0100 hrs, 1300 — 1700 hrs. and 2100 — 2400 hrs
Winter
Peak Periods: 0600 — 1200 hrs, and 1700 — 2200 hrs
Off peak Period: 0000 — 0400 hrs

2.162 While the average power purchase cost at base load is 1400 MW April — September and is 900 MW during October —March is almost the same based on the Merit Order Despatch (MOD) principles, the power purchase cost increases by —150% to meet the peak load during April — September and 30% to meet the peak load during October – March. Accordingly; Tata Power-DDL has submitted the following proposal for ToD:

Month	Peak Period	Surcharge on energy charges	Off peak period	Rebate on energy charges

Apr. – Sept.	0000 – 0100 hrs 1300 – 1700 hrs 2100 – 2400 hrs	50%	0300 – 0900 hrs	20%
Oct. – Mar.	0600 – 1200 hrs. 1700 – 2200 hrs.	20%	0000 – 0400 hrs.	20%

NDMC

2.163 Query does not pertain to NDMC.

COMMISSION'S VIEW:

2.164 Currently, ToD surcharge is applicable to as specified in Tariff Schedule issued by the Commission:

"ToD tariff shall be applicable on all consumers (other than Domestic) whose sanctioned load/MDI (whichever is higher) is 10kW/11kVA and above."

MONTHS	PEAK HOURS (HRS)	SURCHARGE ON ENERGY CHARGES	OFF-PEAK HOURS (HRS)	REBATE ON ENERGY CHARGES
May - September	1400– 1700 & 2200 – 0100	20%	0400 – 1000	20%

2.165 Though DMRC being a Public Utility, abolition of above stated ToD Surcharge will form part of ARR proceedings and accordingly will be taken up at the time of hearing the Petitions of ARR.

ISSUE 9: POWER PURCHASE ADJUSTMENT CHARGES (PPAC) & OTHER SURCHARGES

STAKEHOLDER'S VIEW:

2.166 Various surcharges like pension trust, PPAC, differential PPAC, deficit Revenue Recovery Surcharge be withdrawn and PPAC be charged in amount instead of percentage terms and also reduce it.

2.167 DISCOM is allowed to charge Deficit Revenue Recovery Surcharge without assigning any reason but recovery is not shown under any head. This surcharge has increased from 8% in 2012 to 18.3% in Feb. 2023. Hon'ble Commission is requested to drop this surcharge.

2.168 Till July 2018 there was neither PPAC surcharge nor differential PPAC surcharge imposed on the consumers but suddenly from September 2018 a 2.7% PPAC surcharge was imposed but there was no differential PPAC, PPAC was then increased to 4.4.% in Oct.2018, thereafter reducing it to 1.8% in Nov.2020 and so on, thereafter it was increased to 8.7% from Sept.2022 illegally. In Haryana for the last 2 to 3 years there was no fuel surcharge and from April 2023 it is again imposed and an amount of 0.47p per unit is charged which shows that in Delhi PPAC surcharge is on very higher side. PPAC should not be allowed to be charged on percentage, it should be allowed in terms of money, so that no surcharge can be charged on fixed charges.

2.169 Besides PPAC, differential PPAC surcharge was allowed from the consumer from June 2020 starting from 2.63% and it is increased to 13.5%. Such surcharge should not be allowed to be charged from the consumer. Allowing such differential PPAC surcharge is another way to increase the tariff by indirect way as it has no relevance when PPAC was already charged continuously. That differential PPAC surcharge should not be charged continuously because PPAC can be adjusted quarterly and there is no requirement to charge differential PPAC.

PETITIONERS' RESPONSE:

TPDDL:

2.170 Tariff determination and tariff design for all consumer categories is the sole prerogative of the Commission. The PPAC mechanism has been implemented pursuant to the statutory provisions of Electricity Act 2003 and Hon'ble APTEL directions. Timely levy of PPAC / Differential PPAC helps to recover any increase of power purchase in timely manner and minimize the carrying cost burden on consumers.

2.171 Tariff determination falls under the purview of the Commission, which considers multiple factors such as past Regulatory Assets, revenue requirements for the current year and other economic considerations while setting tariffs. Regulatory Assets got created due to non-cost reflective tariff for previous years. Therefore, to address this issue the Commission had introduced Regulatory Surcharge of 8% so that the interest burden can be met out to save the consumers from further accumulation of interest.

BRPL

2.172 The Distribution Licensees procure power from central generating stations, state generating stations through the long-term power purchase agreements and through short-term purchases. The power purchase cost accounts for about 80% of Annual Revenue Requirement of the Distribution Licensees and includes the cost paid for procurement of power, transmission charges, UI charges, SLDC/RLDC charges. The net power purchase cost after deducting amounts realized from sale of surplus power is considered for purpose of ARR.

2.173 Since the power purchase costs are uncontrollable in nature, any variation in the cost approved by Hon'ble Commission at the time of Tariff fixation and actual cost incurred by DISCOM is a pass through.

2.174 Regarding the contention raised by the Stakeholder for PPAC to be charged in terms of money in place of percentage basis, the Petitioner would like to submit that Regulation 135 of DERC Tariff Regulations, 2017 provides that The Commission has to specify a detailed formula for PPAC in the Tariff Orders of the relevant year and that the Distribution Licensees shall be allowed to recover the incremental Power Procurement Coat on quarterly basis. The PPAC formula as specified by The Commission in applicable Tariff Order dated 30/09/2021 is on percentage basis to be charged on quarterly basis, Moreover, the PPAC formula specified by the Ministry of Power in Schedule II of Rule 14 of the Electricity (Amendment) Rules, 2022 is on percentage basis to be charged on monthly basis without any cap.

NDMC

2.175 Query does not pertain to NDMC.

COMMISSION'S VIEW:

2.176 The DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, specifies that:

"*134. The Distribution Licensee shall be allowed to recover the incremental Power Procurement Cost on quarterly basis, over and above the Power Procurement Cost approved in the Tariff Order of the relevant year, incurred*

due to the following:

(a) Variation in Price of Fuel from long term sources of Generation;

(b) Variation in Fixed Cost on account of Regulatory Orders from long term sources of Generation;

(c) Variation in Transmission Charges.

135. The Commission shall specify the detailed formula and procedure for recovery of such incremental Power Procurement Cost as Power Purchase Cost Adjustment Charges (PPAC) formula in the Tariff Order."

2.177 The DERC vide its Tariff Orders specifies that:

"e) The percentage increase on account of PPAC will be applied as a surcharge on the total energy and fixed charges (excluding short term arrears, LPSC, Electricity Duty etc.) billed to a consumer of the Utility. Further, PPAC surcharge shall not be levied on the 8% surcharge and also the 8% surcharge towards recovery of past accumulated deficit shall not to be levied on PPAC."

2.178 As seen from above quoted Regulations, PPAC Charges covered variation in Fuel Cost, Fixed Cost on account of Regulatory Orders and variation in Transmission Charges, the same is levied by the Commission on both Fixed and Energy Charges.

2.179 Surcharges levied by the DISCOMs are specified in the Regulations/Tariff Orders as specified above regarding 8% Regulatory Assets Surcharge, Pension Trust Surcharge or PPAC.

2.180 Further, changes in such surcharge is beyond the purview of True-up Petition and will form part of ARR proceedings and accordingly will be taken up at the time of hearing the Petitions of ARR.

ISSUE 10: CHARGING OF LEADING POWER FACTOR WHILE BILLING

STAKEHOLDER'S VIEW:

2.181 BRPL has proposed to charge impact of leading power factor on consumers being billed on kVAh basis so that proper voltage is maintained in the grid. Therefore, BRPL has proposed to include lead reactive power for billing consumption.

2.182 DMRC is connected to DISCOM, as a Consumer and is being billed as per DERC Tariff Orders on "kVAh consumption basis" and "Lag only" metering has been accepted by The Commission vide letter dated 27/08/2004 and 1/07/2012. This is in-line with the practice of blocking leading power factor readings in case of Railways and Metro systems being followed by other states as well.

2.183 BRPL in its ARR petition has quoted the UPERC's Order dated May 24, 2023 but BRPL has not quoted the last para and thus not produced the complete picture of UPERC's order. The last para of the Order mentioned by M/s BRPL is reproduced as under: *"..................However, the aforesaid provision of treating power factor below 0.95 (lead) as the commensurate lagging power factor, for the purposes of billing shall not be applicable on HV-3 category" (applicable for Railway Traction and Metro Rail Corporation) "and shall be treated as unity.* Hence, for HV-3, "lag only" logic of the meter should be used which blocks leading kVArh.

2.184 The above para clearly indicates that Hon'ble UPERC has directed DISCOM to consider unity power factor for Railway and Metro Rail Corporation (HV- 3) category in case of leading power factor.

2.185 It is pertinent to note that being an open access consumer, reactive energy is already being charged / incentivized to DMRC by DISCOMS.

2.186 Hence, the request of BRPL to introduce kVAh billing in both lag and lead mode may not be accepted for DMRC and the existing practice of KVAh billing under "lag only" metering may be continued for DMRC. The existing practice of KVAh billing under

"Lag only" metering may be continued for DMRC.

PETITIONERS' RESPONSE:

BRPL:

2.187 Existing practice of kVAh billing under "lag only" metering may be continued for DMRC.

2.188 BRPL have proposed to include lead reactive power for billing consumption owing to the fact that consumer use fixed capacitors, bulk consumption, HT in fixed mode, use of substandard controllers having erratic and inconsistent performance, thereby, leading to additional Reactive (lead) Power Charges causing burden on the distribution licensee. During off-peak period, voltage become high due to high capacitive injection by high end consumers using fixed capacitors vis-a-vis absence of adequate reactive injection which endanger the system stability. Such overconsumption requires transformer of higher capacity to limit increased burden on the distribution utility. In order to limit such anomaly, Discom has proposed the Commission to introduce kVAh billing in lag as well as lead mode.

2.189 Further, determination of electricity tariff to be charged from a certain category of consumers is the sole prerogative of the Commission under Section 61, 62 and Section 45 of the Electricity Act, 2003.

2.190 Consumers don't provide its equipment and installation with appropriate and adequate capacitor compensation. Mostly consumer uses fixed capacitors or bulk compensation on HT in fixed mode, thereby leading to additional Reactive (lead) Power Charges, which is causing undesirable unwarranted burden on other Tata Power-DDL consumers. It is important to note that, more particularly, during winter season, there is hardly any reactive injection, and due to high capacitive injection by high end consumers, the voltage becomes very high and sometimes so much so that it becomes difficult to control the same. Further, it has been observed that some of the high end consumers are using fix type capacitors matching with maximum demand. In these cases, the reduction in load/less load, causes excess injection of leading reactive power leading to billing of reactive charges by DTL to DISCOMs. However, actions from only DISCOM will not serve the purpose of reactive power management in power system as reactive injection and drawl can be from generator as well as transmission system. It is only the distribution companies who are paying for the inefficiency of other entities in power sector value chain. The reactive compensation is effective when it is nearer to the load and the extra reactive compensation by industrial consumers cannot be used / compensated against extra reactive energy drawl by agricultural section.

2.191 The most effective remedy to remove such anomaly is to introduce kVAh billing in lag as well lead mode i.e. kVARh consumption in the leading power factor mode has to be taken in account as consumption. Introduction of kVAh metering and tariffs in lead as well lag mode will also encourage the consumers to reduce their electricity bill by ensuring that they do not draw reactive power and switch over to using efficient devices with proper power factor correctors or will install only appropriate capacitors at their premises.

2.192 Therefore, to ensure better quality and reliable supply of power for the consumers, it is proposed to charge even the leading power factor cases on kVAh basis so that the injection by high end consumers (More than 30 KVA) is as per their actual requirement and proper voltage is maintained for all the consumers.

NDMC

2.193 Query does not pertain to NDMC.

COMMISSION'S VIEW:

2.194 This is beyond the purview of True-up Petition shall form part of the ARR proceedings and accordingly shall be taken up at the time of hearing of the ARR Petitions and any change in the billing will be discussed during finalization of Tariff Schedule.

ISSUE 11: HARMONICS

STAKEHOLDER'S VIEW:

2.195 DISCOMs may be advised to create awareness regarding harmonics among HT/EHT consumers so that they can take steps to minimize harmonics voluntarily at their level but imposition of penalties is not the correct approach.

PETITIONERS' RESPONSE:

TPDDL

2.196 It has to be noted that Tata Power-DDL is creating suitable awareness among the consumers to minimise the harmonics. However, it is not yielding the impact. The presence of harmonic distortion is highly detrimental to the health of electrical network. Bulk consumers of electricity have higher capability to inject current harmonics in the network by virtue of large nonlinear loads. The Forum of Regulators has specified such group of customers as "Designated customers" based on their potential to inject harmonics in the electrical network. The end users and utilities share responsibility for limiting harmonic current injections and voltage distortion at the point of common coupling.

2.197 Regulation 8 of DERC (Supply Code and Performance Standards) Regulations, 2017, also talks of penal charges on non-compliance which are to be notified by the Commission. This Regulation is reproduced below for ready reference:

> *"(5) Failure to comply with the permissible limits of Harmonics after inspection as in sub-regulation (3) above may attract penal charges, as may be notified by the Commission from time to time:"*

2.198 However, since the Commission has not notified any penal charges till date, Tata Power-DDL requests for notification of the same at the earliest and direct all the HT/EHT consumers to install Power Quality meters in accordance to Central Electricity Authority (Technical Standards for Connectivity of the Distributed Generation Resources) Amendment Regulations, 2019 and also specify the periodicity for sharing the recorded data of PQ meters with the DISCOMs as stipulated in the Amended Regulations of CEA.

NDMC

2.199 Query does not pertain to NDMC.

COMMISSION'S VIEW:

2.200 DISCOM has proposed Penal Charges @ 20-30% on Energy Charges of the respective consumer category tariff for HT consumers for failing to provide adequate harmonic filtering equipment to avoid dumping of harmonics into DISCOM's network beyond the permissible limits as specified by CEA Regulation. Further, the Petitioner has asked DERC to direct all HT/EHT consumers to install Power Quality meters in accordance to CEA and also specify the periodicity for sharing the recorded data of PQ meters with the DISCOMs.

2.201 DMRC has submitted that they are not using any Distribution power supply network of any of the DISCOMs. Being a Public Utility, efforts are being made by DMRC to maintain grid stability.

2.202 Further, this is beyond the purview of True-up Petition and shall form part of ARR proceedings and accordingly shall be taken up at the time of hearing the Petitions of ARR for FY 2025-26.

ISSUE 12: OTC PLATFORMS

STAKEHOLDER'S VIEW:

2.203 CERC introduced OTC Platforms for buyers and sellers of power in their Power Market Regulation 2021 (PMR 2021). In line with PMR 2021, GNA Energy started operating its OTC Platform upon approval of its bye-laws and business rules by the Hon'ble CERC. Further, GNA Energy is also assisting Buyer/Sellers through Data Analytics to take informed decisions on power procurement.

2.204 In this regard, we would also like to bring to your attention that several state regulatory commissions are already allowing utilities in their respective states to use CERC-regulated OTC Platforms.

2.205 Madhya Pradesh Electricity Regulatory Commission (MPERC) in the Discom ARR have directed them to use new Platforms like Power Exchanges/HP-DAM, PUShP Portal, and OTC Platforms for their power market operation. A relevant extract is provided below for your ready reference:

2.206 MPERC Aggregate Revenue Requirement and Retail Supply Tariff Order for FY2024-25:

"Based on analysis of actual surplus energy sold, it is observed that sale of surplus energy in open market is showing increasing trend. Therefore, considering the realistic scenario of sale of surplus power through open market and considering gradual increasing trend in previous years, the Commission has considered 5,619 MU as likely scenario for sale of surplus power through power exchanges, bilateral arrangements or through bidding. Although the estimation by the Commission is based on aforesaid numbers, the Commission directs the Petitioners to maximise sale of surplus energy through Power Exchanges, bilateral arrangements or through bidding in order and also make best use of new platforms like HP-DAM (High Price Day Ahead Market), surplus power portal (PUShp) and OTC Platform for sale of surplus power. The Petitioners are also directed to comply with the directions given by the Commission in para 7.11 of this Order on disposal of Surplus Power"

2.207 Assam Electricity Regulatory Commission (AERC) in its draft framework for resource adequacy framework have allowed distribution licensees to contract power through OTC Platforms recognised and approved by CERC. A relevant extract is as below:

"Distribution Licensee may contract power through State Generating Stations / Central Generating Stations/ Independent Power Producers (lPPs) / Captive Power Plants(CPPs)/ Renewable Power Plants including Co-Generation Plants / Central Agencies / State Agencies/ Intermediaries/ traders/Aggregators/ Power Exchanges or through bilateral agreements / Banking arrangements with other Distribution Licensee, over-the-counter (OTC) or any other platform recognized

and approved by the Central Electricity Regulatory Commission and any other sources as may be approved by the Commission under Section 62 or Section 63 of the Act in compliance with competitive bidding guidelines."

2.208 In view of the above, we request the DERC to allow Distribution Companies in Delhi to use CERC-regulated digital OTC Platforms for the sale of surplus power, procurement of power from other DISCOMss and generators to fulfil short-term, medium-term, and long-term power requirements, and banking with other DISCOMs. Allowing OTC Platforms shall provide several advantages to the DISCOMs and the state of Delhi:

2.209 When buying/selling or banking through trading licensees, DISCOMs have access to a limited number of options. However, listing requirements on an OTC Platform will enable DISCOMs to have greater visibility on options available at a Pan-India level. This will empower them to make better decisions that will benefit the DISCOMs and the state of Delhi.

2.210 OTC Platforms allow direct interaction between utilities, allowing them the safety and assurance of engaging directly with a secure entity. the Commission may thus allow DISCOMs to execute buy/sell and banking arrangements by listing their requirements on OTC Platforms when the counterparty is another utility and no other intermediary/trading licensee is involved.

2.211 DISCOMs are currently paying an average trading margin of 4 paise per unit to trading licensees for banking tenders executed through them. However, OTC Platforms (specifically GNA Energy) are charging a maximum of only 1.5 paise per unit resulting in +60% savings in the cost of banking for power. Thus, DISCOMs can gain significant savings by banking through OTC Platforms. Such savings shall greatly benefit the state and the people of Delhi.

2.212 We request the Commission to kindly consider this request and suitably include in the ARR to allow DISCOMs to procure power through CERC-regulated OTC Platforms in line with other SERCs as indicated above. We shall be happy to provide additional input required by the DERC.

PETITIONERS' RESPONSE:

TPDDL

2.213 A suggestion has been provided to the Commission to consider allowing usage of CERC regulated OTC platforms. It is related to the introduction of OTC platforms and is not directly related to the Tariff Petition.

BRPL & BYPL

2.214 They have submitted that in terms of Hon'ble CERC Power Market Regulations 2021:

"2. Definitions and Interpretation

(ap) "Over the Counter (OTC) Platform" is an electronic platform for exchange of information amongst the buyers and sellers of electricity.

41. The objectives of the OTC Platform shall be:

(1) To provide an electronic platform with the information of potential buyers and sellers of electricity,'

(2) To maintain a repository of data related to buyers and sellers and provide such historical data to Market Participants, '

(3) To provide such services as advanced data analysis tools to Market Participants.

46. Obligations of the OTC Platforms

1) *The OTC platform shall not engage in the negotiation, execution, clearance or settlement of the contracts.*

2) The OTC platform shall maintain neutrality without influencing the decision making of the Market Participants in any manner.

2.215 Moreover, on the matter of approving OTC Platforms for the sale of surplus power, procurement of power and banking in line with other DISCOMs, we would like to clarify that, the DISCOMs procure, sale power after Hon'ble Commission's approval/Order/Regulations.

NDMC

2.216 The Commission may take a view on this.

COMMISSION'S VIEW:

2.217 This is beyond the purview of True-up Petition shall form part of the ARR proceedings and accordingly shall be taken up at the time of hearing of the ARR Petitions.

ISSUE 13: OUTSTANDING DUES OF WHEELING / TRANSMISSION CHARGES OF DTL

STAKEHOLDER'S VIEW:

2.218 Outstanding dues of DTL to be paid by BRPL is Rs. 2,643.71 Cr. since October 2010 due to which DTL's financial health has deteriorated and it has become challenging for DTL to maintain the Transmission system.

2.219 It is likely that DTL may have to suffer an under-recovery at the end of the license period of BRPL due to non-payment of Transmission Charges by BRPL for the last 14 years. Hon'ble Commission may take necessary steps to ensure timely recovery of outstanding Transmission Charges within the next 1-2 years.

2.220 BRPL is in breach of the terms of the Bulk Power Transmission Agreement dated 9/10/2009 ("BPTA") due to BRPL's default in payment to DTL. This Commission by Order dated 25/01/2012 in Petition Nos. 67 & 68 of 2011 directed BRPL to continue to pay the current dues of the transmission charges to DTL. The matter was also raised by DTL before this Commission in Petition No. 46 of 2018 for alleged non-payment of wheeling charges, income tax and incentives since October, 2010. Also the issues of violations of provisions of BPTA, timely payment of outstanding amounts along with the applicable surcharge, to establish Letter of Credit (LC), and for opening of Escrow Account, were raised in Petition No. 46 of 2013. Thereafter, Hon'ble Commission disposed of the Petition No. 46 of 2013 by Order dated 22/11/2013 for the constitution of Empowered Committee, and aggrieved of this, DTL filed an Appeal No. 32 of 2014 before Hon'ble Appellate Tribunal for Electricity, which is adjourned tilt the final judgment of the Hon'ble Supreme Court in W.P. (C)

No. 104/ 2014.

2.221 In spite of Orders of this Commission as also the Hon'ble Supreme Court in W.P. (C) No. 104 of 2014 filed by BRPL, BRPL has neither remitted the payment to DTL nor established the requisite Letter of Credit (”LC") by communication 1/06/2018, BRPL had submitted a Liquidation Plan for liquidation of principal overdue. However, after payment of the initial installment, BRPL did not honor its own commitment to make payments as per the Liquidation Plan.

2.222 Hon'ble Commission may direct BRPL to clear the outstanding dues of DTL pending since October 2010 at the earliest including Late Payment Surcharge (“LPSC") @15%/18%

2.223 Hon'ble Supreme Court by its Order dated 12/05/2016 in W.P. (C) No. 104 of 2014 has directed BRPL to clear 70% of the current dues. However, BRPL has been defaulting in the payments to DTL. BRPL has not complied with the directions of Hon'ble Supreme Court for payment of 70% of current dues and has made payment of 437.34% of current dues.

2.224 The GoNCTD by its letter dated 13/05/2016 directed that the subsidy amount would be adjusted against the outstanding dues only. Accordingly, DTL is adjusting the portion of subsidy against the outstanding dues of BRPL, pending since October, 2010, The said adjustment of subsidy against the outstanding dues was also upheld by the Hon'ble APTEL in the Order dated 23/05/2014 in I.A. No, 164 of 2014 in Appeal No. 32 of 2014. Therefore, DTL is bound to adhere to the above mentioned decisions of Hon'ble APTEL and directions of the GoNCTD.

2.225 BRPL in its True-Up Petition has claimed Rs. 236.8 Cr. (i.e., Rs.233.5 Cr. as Rebatable Amount and Rs. 3.4 Cr. as Non-Rebatable Amount) towards Transmission Charges of DTL for FY 2022-23, against the bills raised by DTL amounting to Rs. 403.07 Cr.

2.226 However, BRPL has not remitted any amount to DTL against Transmission / Wheeling Charges. Therefore, no amount should be allowed to BRPL by the Commission towards Transmission Charges of DTL for FY 2022-23. BRPL has made a payment of only Rs. 50

Cr. which has been adjusted against old outstanding dues of BRPL.

2.227 For FY 2024-25, BRPL has projected the total Transmission Charges of Rs. 1,626.80 Cr. However, BRPL has not specified: -

a. Any bifurcation for Intra-State Transmission Charges
b. Any roadmap for payment of outstanding dues of DTL

2.228 Despite clear directions from the Commission in past Tariff Orders for timely payment of bills, BRPL has failed to pay Transmission Charges to DTL for the last 14 years. This Commission has also been allowing carrying cost on the Revenue Gap / Regulatory Asset and BRPL is also enjoying interest on the outstanding payments to DTL (Rs. 2643.71 Cr.) withheld by BRPL from October -2010 to March - 2024. Hence the Commission may take a suitable decision on carrying cost / incentives being allowed to BRPL in view of BRPL's default in payment to DTL since October 2010.

2.229 BRPL & BYPL have retrospectively reduced the rate of LPSC payable to DTL on the outstanding dues from 15%/18% to 12% from the past period, which is a clear violation of the provisions of the BPTA, the Tariff Regulations *("Tariff Regulations,* 2017" as well as Electricity Act.

2.230 The Commission should take necessary steps to ensure the timely recovery of outstanding dues of DTL within the next 1-2 years.

2.231 By withholding the amount of the Transmission Charges payable to DTL, BRPL & BYPL have already enjoyed the interest on the unpaid amount of Rs. 2,643.71 Cr. & Rs. 2,050.77 Cr. over the period of last 13-14 years.

2.232 The Commission may direct BRPL & BYPL to re-instate the figures of outstanding dues payable to DTL along with LPSC @ 15%/18% for the past periods in the Balance Sheet of BRPL & BYPL.

2.233 Clause 5.1 of the BPTA mandates BRPL & BYPL to provide unconditional, un-assignable and irrevocable LC to DTL to duly secure the payment of monthly invoices raised by DTL.

2.234 Since 2011, DTL has been requesting BRPL & BYPL every year to provide the requisite LC, however, the same has not been provided by BRPL & BYPL. Hon'ble Commission may direct BRPL & BYPL to open the LC for FY 2023-24 w.e.f. 1/04/2023, at the earliest.

PETITIONERS' RESPONSE:

BRPL & BYPL

2.235 Contentions raised by DTL are erroneous and misconceived. As regards the contentions of DTL qua alleged non- payment of dues / non-compliance with Orders of the Commission and the Hon'ble Supreme Court, detailed submissions have been made hereinabove at Paras. 2 to 2.9 which may be read as part of the response and the same are not being repeated for the sake of brevity and to avoid prolixity.

2.236 On the issue of opening of LC in favor of DTL, considering the stressed financial condition of BRPL, for reasons not attributable to it as explained hereinabove, it is submitted that the issue of opening of LC was raised by DTL before the Commission in Petition No. 46 and 47 of 2013 wherein the Commission by its Order dated 22/11/2013 directed for constitution of an Empowered Committee. The said Order was challenged by DTL and is pending adjudication in Appeal No. 32 of 2014 before the Hon'ble APTEL. As such, at this stage, DTL ought not to insist upon BRPL to open LC. Further, IPGCL & PPCL by their Communications dated 23/09/2022 had directed BRPL to establish LC in terms of the Electricity (Late Payment Surcharge and related matters) Rules, 2022 which was challenged by BRPL in lA No. 145037 of 2022 in W.P. (C) No. 104 of 2014, wherein Hon'ble Supreme Court has directed the parties to maintain Status Quo as on 28/09/2022.

2.237 As regards the Liquidation Plan proposed by BRPL, it is submitted that: -

2.238 As stated hereinabove BRPL has been making 100% payment of all current bills of DTL since November 2017 and from June 2018 BRPL has made additional payments to DTL of Rs. 157.50 Cr. to DTL during FY 2018-19 & 2019-20 over and above the 100% current dues of respective financial year, in order to demonstrate and establish BRPL's bona fide intent to pay the admitted dues of DTL. However, BRPL could not sustain the additional payments mainly due to reduction in Retail Tariff (on account of reduction in fixed charges) by the Commission in the Tariff Order dated 31/07/2019 applicable since FY 2019-20.

2.239 BRPL by its communications dated 2/07/2022 and 17/08/2022, without prejudice to its rights and contentions in proceedings pending in various fora, had proposed a consolidated and comprehensive One Time Settlement ("OTS") plan for liquidation of overdues of Delhi Utilities.

2.240 Proposed OTS plan was also placed before The Commission by BRPL for its guidance and imprimatur by way of Interim Applications in Review Petition Nos. 59 and 60 of 2019 which were disposed of by order dated 15/09/2022, as under:

"Heard Mr. Rahul Kinra, holding brief of Sr. Advocate, Mr. Bhatt. We have been informed that IPGCL and PPCL have filed an affidavit before this Commission categorically denying the willingness to participate in the reconciliation proceedings as proposed by the Commission on request of the Petitioner. Earlier also they had appeared and shown reluctance, today the affidavit is on record. Mr. Kinra has pleaded that he may he granted a week's time to consult his clients and the case may be fixed on the next date. However, after going through the contents of the IPGCL and PPCL, the Commission feels that this was an attempt for a reconciliation and the Commission had passed orders in a persuasive manner in the hope lhat the matter can be settled amicably in the interest of all the parties. However, if the other party has filed a categorical denial to the reconciliation proceedings, no rejoinder can be filed by the Petitioner. Ms. Shandilya, Counsel for DTL, has also ***submitted*** *orally that as per the instructions fhey are not willing to come to the table for discussion. Mr. Kinra has pleaded vehemently that the matter should be kept pending but we feel it will be totally unnecessary as the prayer of the Petitioner is categorically denied. The interim relief applications bearing Nos. 3 and 4 of 2022, on which these reconciliation proceeding ware sought to be started, stands disposed of. Disposal of these applications will not mean that the*

contentions of the Petitioner have been rejected or the stand of the opposite parties has been legally accepted."

2.241 The said Review Petitions are still pending before the Commission and were last listed on 4/03/2025 wherein the Commission had adjourned the hearing in the matters and directed the same to be listed after two weeks.

2.242 By a Brief Note tendered on behalf of BRPL and BYPL on 18/09/2024 before the Hon'ble Supreme Court, it was mentioned that in order to achieve resolution between BSES DISCOMs and DTL, two issues need either an agreed formulation between the parties for approval of this Hon'ble Court or a decision of the Hon'ble Court.

(i) Computation of principal amount of outstanding dues payable by BSES DISCOMs to Delhi Utilities, in terms of the Hon'ble Supreme Court's Order dated 26/03/2014:

(j) Payment made directly by DISCOMs have to be appropriated first against current dues (amounts payable from 1/01/2014)

(k) Subsidy amounts unilaterally adjusted by GoNCTD towards pre- 1/01/2014 dues of Delhi Utilities have to be appropriated against current dues

(l) Rate for LPSC payable on such outstanding dues.

2.243 The above issues are pending consideration before the Hon'ble Supreme Court and the GoNCTD by its Affidavit dated 6/01/2025 has inter-alia stated that the proposal is under consideration. Hon'ble Supreme Court by its Order dated 20/02/2025 reserved the judgment on the issue relating to creation and continuation of the Regulatory Asset by Electricity Regulatory Commissions.

2.244 In view of the above, it is submitted that BRPL has been taking proactive steps to liquidate the outstanding dues of DTL, while suffering on account of the non-cost reflective tariff determined by the Commission year-on-year. Aforesaid contentions of DTL are erroneous and misconceived, and as such, liable to be rejected by the Commission. The Commission is requested to allow the claims of BRPL in the True Up Petition and the ARR Petition in the ensuing Tariff Order.

2.245 As stated hereinabove, in compliance of the Order dated 12/05/2016 passed by the Hon'ble Supreme Court, BRPL has been endeavoring to make 70% payment of the current dues to DTL while also considering the adjustment of Subsidy released by GoNCTD, which is a current receivable to BRPL. BRPL has been making 100% payment of all current bills of DTL since November 2017 and from June 2018 BRPL has made additional payments to DTL of Rs. 157.50 Cr. during FY 2018-19 & 2019-20 over and above the 100% current. dues of respective financial year, in order to demonstrate and establish BRPL's bona fide intent to pay the admitted dues of DTL.

2.246 DTL's contention that Subsidy amount released by the GoNCTD must be adjusted against the outstanding dues only, is misconceived, erroneous and unlawful as it has been the consistent stand of BRPL that the Subsidy amount cannot be adjusted unilaterally towards payment of outstanding dues of other State utilities.

2.247 The subsidy received by BRPL under Section 65 of the Electricity Act is a current receivable / revenue required to meet the current expenses incurred by BRPL including obligations towards power purchase costs on a monthly basis. Had these amounts been recovered as tariff from the consumers, the same would have been utilized to pay only the current dues and could not have been appropriated towards any dues other than current dues related to the period w.e.f. 1/01/2014. The distortion of the device of 'disbursal of Subsidy' cannot be used to divert and alter the payment and appropriation mechanism established by law under Section 65 of the Electricity Act.

2.248 Any adjustment of the subsidy against past dues impairs the ability of BRPL to pay the monthly dues for power purchase cost of the Generating and transmission Companies and also exposes BRPL to levy of unwarranted LPSC.

2.249 On 3/07/2023, Ministry of Power, Government of India ("MoP") has issued the Standard Operating Procedure to ensure compliance with subsidy accounting and payment which *inter alia* provides that *"xi. The State Government / UT Administration shall release the asessed subsidy amount in advance to DISCOMs /*

PDs for every month / quarter within the first 7 days of the month / within the first 15 days of the start of the quarter"

2.250 On 26/07/2023, the MoP has notified the Electricity (Second Amendment) Rules, 2023 wherein Rule 15 of the Electricity Rules, 2005 has been amended to inter alia provide that subsidy must be provided by State Government in accordance with Section 65 of Electricity Act. In case the subsidy has not been paid in advance, then the State Commission shall issue the order for implementation of the tariff without subsidy, in accordance with provisions of Section 65. Relevant extracts of the Electricity (Second Amendment) Rules, 2023 are as under.

2. For rule 15 of the Electricity Rules, 2005 (hereinafter referred to as the said rules), the following rule shall be substituted, namely."-

'15. Subsidy accounting and payment. -(1) The accounting of the subsidy payable under section 65 of the Act, shall be done by the distribution licensee in accordance with the Standard Operating Procedures issued by the Central Government. In this regard.

(2) A quarterly report shall be issued by the State Commission for each distribution licensee, in its jurisdiction, giving findings whether demands for subsidy were raised by the distribution licensee in the relevant quarter based on accounts of the energy consumed by the subsidised category and consumer category wise per unit subsidy declared by the State Government, the actual payment of subsidy in accordance with section 65 of the Act and the gap in subsidy due and paid as well as other relevant details.

Explanation. For the purpose of this rule (the term "unit" means Kilo watt hour (kWh) or Kilo Watt (KW) or Horse Power (HP) or Kilo Volt Ampere (kVA). in accordance with the relevant Regulations or the Tariff Orders issued by the Appropriate Commission. The quarterly report shall be submitted by the Distribution licensee within thirty days from end date of the respective quarter and the State Commission shall examine the report, and issue it with corrections, if any, in accordance with sub rule (2), within thirty days of the submission. In case the subsidy has not been paid in advance, then the State Commission shall issue order for implementation of the tariff without subsidy, in accordance with provisions of the section 65 of the Act. If subsidy *accounting and the raising bills for subsidy is not found in accordance with the Act or Rules or Regulations issued there under, the State Commission shall take appropriate action against the concerned officers of the licensee for non-compliance as per provisions of the Act.*

2.251 Since Section 65 provides for subsidy to be released in advance for the same to be passed on to the consumers for the respective quarter of the Financial Year, it is evident that subsidy released under section 65 of the Electricity Act is meant for the current quarter and therefore a part of the current revenue. In case the subsidy amount is adjusted towards past dues, BRPL will not be able to discharge its payment obligations towards current dues.

2.252 In fact, even the Subsidy Sanction Orders of the GoNCTD categorically mention that Subsidy amounts are being diverted towards outstanding dues of DTL. However, DTL has not considered the Subsidy amount owed to BRPL, which is being paid directly by the GoNCTD to DTL, as payment against the current dues.

2.253 This unilateral adjustment and appropriation of subsidy amounts against the past outstanding dues is contrary to specific instructions of BRPL to adjust the subsidy amounts against the current dues payable in terms of the Orders dated 26/03/2014 and 12/05/2016 of the Hon'ble Supreme Court as well as provisions of Indian Contract Act, 1872.

2.254 Reliance cannot be placed upon the Hon'ble APTEL's Order dated 23/05/2014 which only relates to the adjustment done in terms of the GoNCTD Letters dated 12/09/2013 and 24/03/2014, and being an Interim Order does not hold any precedent value and cannot be applied as a matter of right and principle for adjustment of subsidy amounts against the old outstanding dues for perpetuity. The GoNCTD Letter dated 13/05/2016 is a response to the representation by BSES DISCOMs and does not direct adjustment of the subsidy towards the old outstanding dues, the GoNCTD Letter refers to the APTEL Order and reiterates that the GoNCTD by its Sanction Orders for adjusting the subsidy against past dues, which is disputed by BRPL and the issue of unilateral adjustment of subsidy amounts contrary to the orders passed by the Hon'ble Supreme Court pending consideration before the Hon'ble Supreme Court.

2.255 Even otherwise, the Order dated 23/05/2014 merely follows the directive of the GoNCTD to adjust Subsidy amounts towards past dues, without examining the issue of whether:

Such a direction of the GoNCTD was itself permissible in the light of Section 65 of the Electricity Act, which in fact was / is against the Statute.

Such a direction was itself in violation of the Hon'ble Supreme Court's Order dated 26/03/2014

2.256 Order dated 23/05/2014 does not finally or conclusively decide an issue of adjustment of Subsidy. Further - Order dated 23/05/2014 has been challenged by BRPL in Civil Appeal Nos. 8464-66 of 2014 and 8387-89 of 2014 before the Hon’ble Supreme Court inter alia contending that subsidy amount has to be allowed as per mandate of Section 65 of Electricity Act and should be adjusted towards current dues only as per Order dated 26/03/2014 as specifically requested by BRPL and not otherwise. Matters are currently pending before the Hon'ble Supreme Court and being taken up along with other matters including the Writ Petitions.

2.257 By Order dated 19/09/2014, Hon'ble Supreme Court was pleased to issue notice on I.A. No. 2 of 2014 in aforesaid Civil Appeals filed by BRPL seeking stay of the Order dated 23/05/2014.

2.258 By Order dated 9/02/2015, Hon'ble Supreme Court stayed the proceedings before Hon'ble APTEL, wherein the issue of inter alia establishment of Payment Security Mechanism has been raised by the Delhi Utilities, till disposal of W.P. (C) No, 104 of 2014, as under

> *“The learned counsel for the parties have brought it to the notice of this Court that the main issue is posted for hearing before this Court on 18.02.2015.*

therefore, the Appellate Tribunal is directed to defer the hearing slated to 12.02.3015 till the writ petitions are disposed of."

2.259 As such, it cannot be said that the issue of adjustment of subsidy has been finally adjudicated or attained finality in terms of the Order dated 23/05/2014 and the subsidy is liable to be adjusted against the old outstanding only.

2.260 It is also submitted that credit of STOA charges to be refunded by DTL to BRPL on monthly basis is to be adjusted with current bills of DTL. DTL cannot be allowed to adjust the same with past alleged overdues, as directed by the Commission in Tariff Order dated 30/09/2021, as under: -

The Commission directs the Petitioner to disburse Short Term Open Access Charges to DISCOMS as per applicable rules and regulations, on monthly basis on the date of raising Transmission charge bills, Further, no adjustment of STOA charges shall be made towards any past dues or adjustment in transmission bills of utilities.

2.261 In view of the above, it is submitted that the aforesaid contentions of DTL are erroneous and misconceived, and as such, liable to be rejected by the Commission. The Commission is requested to allow the claims of BRPL in the True Up Petition and the ARR Petition in the ensuing Tariff Order.

2.262 Regarding LPSC, it is submitted that there is no reduction in the LPSC liability and the same has been considered as Trade Payables (12%) and remaining as Contingent Liability based on various background facts, including: -

a) Regulations specified by the Commission / Hon'ble Central Electricity Regulatory Commission;

b) Ministry of Power, Government of India's ("MoP") Advisory dated 20/08/2020;

c) Trend of reducing LPSC rates in the country recognized inter alia in the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 ("LPSC Rules, 2022") even though the same are not strictly applicable. MoP by its Affidavit dated 12/12/2022 filed in W.P. (C) No 105 of 2014 has stated that: "...the Late Payment Surcharge fixed by most of the Commissions was about 18% which was usurious considering the fact that the present lending rate in Banks is around 6 to 7 percent."

d) This Commission's Order dated 13/05/2019 in Petition Nos. 8 and 26 of 2018 wherein The Commission has inter alia expressed its 'no-objection' to a Bilateral Settlement between the parties;

e) Ongoing settlement talks between the Delhi Utilities, BRPL & BYPL;

f) Proceedings pending adjudication before various fora including the Hon'ble Supreme Court and The Commission.

Constrained ability of BRPL & BYPL to pay LPSC at exorbitant rates especially in view of non-cost reflective tariff fixed by The Commission, year-on-year, resulting in accumulation of substantial Regulatory Asset.

g) Constrained ability of BRPL & BYPL to pay LPSC at exorbitant rates especially in view of non-cost reflective tariff fixed by The Commission, year-on-year, resulting in accumulation of substantial Regulatory Asset.

h) Further, the fact that no bills were raised by DTL after June 2014 and the manner of treatment of LPSC in the Books of Accounts of DTL would show that DTL has been recognizing LPSC in a very conservative manner.

i) BRPL & BYPL has been consistently, honestly, with the highest standards of corporate governance and to provide a true and fair view recognizing and disclosing, in its accounts, even a possible claim of LPSC. LPSC is levied as a penalty for willful non-payment or delay in payment under the Electricity Act and the Regulations framed under it.

6.2 On one hand, BRPL & BYPL is not being fully allowed to recover its cost from the consumers in tariff and, on the other hand, is being burdened with high LPSC rate from the Delhi Utilities on account of delay in payment. LPSC, being levied on account of an artificially induced inability to pay, leads to an incidence of LPSC liability being levied for no fault of BRPL & BYPL. There is clear inconsistency in the rate of LPSC accrued (15% p.a. / 18% p.a.) on BRPL & BYPL as: -

a) Rate of Carrying Cost being allowed to BRPL & BYPL on the Regulatory Asset which is much lower than the rate of LPSC.

b) Cost of borrowings of BRPL & BYPL, which was in the range of 13% to 15% p.a. due to the weakened financial position and substantial volume of Trade Payables caused by accumulation of substantial Regulatory Asset being created year-on-year and insufficient tariff being determined by the Commission.

c) Cost of borrowings of the Delhi Utilities which is at an average rate of - 9% p.a.

6.3 Aforesaid differential impact of 6% p.a. is a perpetual drain on the net worth of BRPL & BYPL, which is not a pass through in tariff, and has deteriorated its financial position and creditworthiness for reasons beyond the control of BRPL & BYPL and which can be fairly considered to be a circumstance akin to Force Majeure. Since the reversal of 6% was neither recovered nor is eligible to be recovered through tariff, there is no question of wrongful gains or illegal profiteering by the BRPL & BYPL. The same issue has been raised by DTL in Petition No. 24 and 25 of 2024. In view of the above, it is submitted that the aforesaid contentions of DTL are erroneous and misconceived, and as such, liable to be rejected by the Commission. The Commission is requested to allow the claims of BRPL & BYPL in the True-up Petition and the ARR Petition in the ensuing Tariff Order.

2.263 The aforesaid contentions raised by DTL are erroneous and misconceived. Detailed submissions as regards opening of LC by BRPL & BYPL in favor of DTL have been made hereinabove which may be read as part of the response and the same are not being repeated for the sake of brevity and to avoid prolixity. Hon'ble Commission is requested to allow the claims of BRPL & BYPL in the True-up Petition and the ARR Petition in the ensuing Tariff Order.

BRPL

2.264 The contentions raised by DTL are erroneous and misconceived. BRPL has claimed total Transmission Charges of Rs. 957 Cr. including Rs. 236 Cr. paid to DTL. Notably, BRPL has been making payment of current dues of DTL in terms of Orders of the Hon'ble Supreme Court in W.P. (C) No. 104 of 2014, viz.: -

a) Order dated 26/03/2014 wherein the Hon'ble Supreme Court directed BRPL to make 100% payment of the current dues w.e.f. 1/03/2014 which will relate to the billing period from 1/01/2014, as under: -

"In our opinion, the suggestion made by Mr. Rohatgi is reasonable. This would avoid unnecessary delay on the ground that necessary information has not been given. Let the necessary questionnaire/proforma be given to Ihe Distribution companies within 10 days from today. The information would befurnished / supplied by the distribution companies within 10 days thereafter to the DERC and within two weeks thereafter, the road map will be prepared by the DERC. In the meantime, the distribution companies will continue to pay the current payments to the generating and transmission companies with effect from 1sf March, 2014 which will relate to the billing period from 1st January, 2014. The interim order dated 7th February, 2014 with regard to no disconnection in the supply of electricity shall continue."

2.265 Order dated 26/03/2014 was continued by Orders dated 06/05/2014 and 03/07/2014.

2.266 Order dated 12/05/2016 wherein the Hon'ble Supreme Court directed BRPL to pay 70% of the current dues to Indraprastha Power Generation Co. Ltd. ("IPGCL"). Pragati Power Corporation Ltd. ("PPCL") and DTL (collectively "Delhi Utilities") as under: -

"We make it clear that till further orders, the alleged contemnors-respondents shall pay 70 per cenf of the current dues". (Emphasis Supplied]

2.267 In compliance with the above and contrary to DTL's contentions BRPL has been making 100% payment of all current bills of DTL since November 2017, despite the Order dated 12/05/2016 directing payment of 70% of the current dues. As on 20/03/2025, BRPL has already paid 102.86% of the current bills of DTL since January 2014 in terms of directions of Hon'ble Supreme Court.

2.268 It is ex-facie arbitrary on the part of DTL to contend that BRPL has not remitted any amount to DTL against Transmission / Wheeling Charges. Tabulated statement of the payments made by BRPL against the bills raised by DTL during FY 2022-23 in terms of Orders dated 26/03/2014 and 12/05/2016 of the Hon'ble Supreme Court and after considering adjustment of Subsidy released by the Government of NCT of Delhi ("GoNCTD") directly to DTL is as under:

Table 2: Payment of transmission bills for FY 2022-23 (Rs Crore):

Particulars	Bill for FY 22-23	Payment Through Subsidy	Payment Cash & TDS	Payment STOA Credit	Total Payment
Wheeling charges	**362.17**	**310.95**	**56.99**	**128.7**	**496.64**
DTL SLDC	**3.36**		**3.33**	**-**	**3.33**
Total	**365.53**	**310.95**	**61.39**	**127.63**	**499.97**

2.269 Therefore, as against the bill of Rs. 365.53 Cr., the Petitioner has paid Rs. 499.97 Cr., which is 137% of the total invoice raised for FY 2022- 23.

2.270 The aforesaid is without prejudice to the rights and contentions of BRPL as regards the unlawful adjustment of Subsidy by the GoNCTD towards dues of DTL against the prescription of Section 65 of the Electricity Act.

2.271 In BRPL's Tariff Petition, Transmission Charges of Rs. 1626.8 Cr. have been projected based on the escalation observed in the past trend, as referred in the BRPL Tariff Petition. Further, as admitted by DTL in its Letter under response, DTL has been adjusting the amounts paid by BRPL against the old outstanding amounts and showing current dues outstanding and levying LPSC on the same. This is contrary to the express request of BRPL by its Letters dated 11/02/2025, 21/02/2025, and 20/03/2025, wherein, it has been requesting DTL to adjust the payments against the current dues. The action of DTL in adjusting the payments against the old outstanding is not only contrary to the Hon'ble Supreme Court's Orders dated 26/03/2014 and 12/05/2016 but also causes a dual burden on LPSC on BRPL. This issue has also been raised before the Hon'ble Supreme Court. Any alleged dues of DTL prior to 1/01/2014 have been stayed by the Hon'ble Supreme Court and are subject to final adjudication of W.P. (C)

No. 104 of 2014 and connected matters. Contention of DTL that BRPL is liable to pay alleged dues which have accumulated since October 2010 is contumacious and in willful defiance of the Orders and directions including Orders dated 26/03/2014, 12/05/2016 and 28/09/2022 of the Hon'ble Supreme Court. It is pertinent to note that, in case the payments including Subsidy are adjusted against the current dues as per the mandate of the Hon'ble Supreme Court's Orders and Section 65, the entire outstanding of DTL has been cleared by BRPL and there are no outstanding dues pending towards DTL.

2.272 As regards the contention that the Commission has also been allowing carrying cost and surcharge on the Revenue Gap / Regulatory Asset to BRPL, it is submitted that varying cost and surcharge for recovery of Regulatory Asset is to be allowed by the Commission to BRPL in terms of: -

a) *Clause 8.2.2 of the statutory Tariff Policy, 2016 notified under Section 3 of the Electricity Act;*

b) *Judgments dated 11.11.2011 in OP No. 1 of 2011 (2011 SCC OnLine APTEL. 188) (Paras. 65 & 66) and 14.11.2013 in OP No. 1 and 2 of 2012 [2013 SCC Online APTEL 137) (Paras. 38 & 40) of the Hon'ble Appellate Tribunal for Electricity ("Hon'ble APTEL"), and*

c) *Order dated 15.12.2022 in MA Nos. 638-634 of 2022 passed by the Hon'ble Supreme Court.*

2.273 Without prejudice to the above, issue of recovery of Regulatory Asset and insufficiency of 8% surcharge has been raised by BRPL before this Commission, Hon'ble APTEL as well as before the Hon'ble Supreme Court. Surcharge allowed by this Commission was / is inadequate or not commensurate to the revenue requirements of BRPL since the same is insufficient even to recover the Carrying Cost.

2.274 Precarious financial condition of BRPL as also the inadequacy of 8% surcharge allowed by the Commission was admitted by the Commission itself in its Statutory Advice dated 15/12/2010 and 1/02/2013 issued under Section 86(2)(iv) of the Electricity Act to the GoNCTD. Admittedly there has been no tariff hike in retail supply tariff since 2014.

2.275 As stated hereinabove, the Regulatory Asset recognized by Hon'ble Commission in True Up Order dated 19/07/2024, upto FY 2020-21, is Rs. 12,994 Cr. for BRPL, without any liquidation plan for the same. In view of the above, it is submitted that the suggestions / contentions of DTL are erroneous and misconceived, and as such, liable to be rejected by the Commission. Hon'ble Commission is requested to allow the claims of BRPL in the True Up Petition and the ARR Petition in the ensuing Tariff Order.

2.276 Tariff Petitions for True-up FY 2023-24 and ARR FY 2025-26 are under consideration by the Commission and will be available on the website of the Commission and TPDDL after admission. With respect to the Stakeholder's request, we would like to confirm that the Tariff Petition for True-Up of expenses upto FY 2023-24 and ARR for FY 2025-26 have already been submitted to the Commission within timeline approved by the Commission and is yet to be admitted by the Commission

2.277 Further, it may be noted that the current public notice for stakeholder's comments pertain to the Petition for True Up of expenses upto FY 2022-23 and Annual Tariff for FY 2024-25 (hereinafter referred to as "the ARR Petition". Accordingly, we are confining our response limited to matters directly pertaining to the present ARR Petition. However, we would be pleased to respond to the stakeholder's comments on the said Petition for True Up of expenses upto FY 2022-23 and Annual Tariff for FY 2024-25.

NDMC

2.278 Query does not pertain to NDMC.

COMMISSION'S VIEW:

2.279 The Commission determines the transmission charges of DTL as per Tariff Regulations, 2017 & Business Plan Regulations, 2019. Further, the transmission losses and availability are being considered as provided by Delhi SLDC. With regards to the dues to DTL by DISCOMs, it is made clear that in case DISCOMs do not pay State GENCO and

DTL as per timelines mandated in the Tariff Regulations, 2017 then they are liable for LPSC as stipulated in the said Regulations. LPSC paid by DISCOMs to State GENCO and DTL is not passed through in their ARR.

2.280 Further, directives have been issued in previous Tariff Order to DISCOMs to make timely payment of bills to all the Generating Companies and Transmission Utilities. No Late Payment Surcharge shall be allowed as a pass through in the ARR on account of delayed payments.

ISSUE 14: RENEWABLE PURCHASE OBLIGATION

STAKEHOLDER'S VIEW:

2.281 Tata Power-DDL should not raise the matter again in ARR regarding renewable power purchase by open access consumers being included in its RPO compliance since it has already been decided against it - by the Commission in petition no. 21/2020.

PETITIONERS' RESPONSE:

TPDDL:

2.282 There is a steep RPO trajectory for Delhi DISCOMs for which arrangements have to be made. Proposal for inclusion of consumers such as DMRC in TPDDL's RPO compliance will add to the reduction in Power Purchase Cost. The Petition bearing No 21 of 2020 was filed under the relevant provisions of DERC (Renewable Purchase Obligation and Renewable Energy Certificate Framework Implementation) Regulations, 2012. However, these Regulations have now been repealed. Hence, DMRC's objections are not valid.

NDMC

Query does not pertain to NDMC.

COMMISSION'S VIEW:

2.283 The Commission has issued its DERC (Business Plan) Regulations, 2019 and DERC (Renewable Purchase Obligation and Renewable Energy Certificate Framework

Implementation) Regulations, 2021. The Commission considers and evaluate the RPO Targets as defined under these Regulations.

CHAPTER 3: TRUE UP OF FY 2022-23

BACKGROUND

3.1 The True up of FY 2022-23 shall be considered in accordance with the provisions of DERC *(Terms and Conditions for Determination of Tariff) Regulations, 2017 and DERC (Business Plan) Regulations, 2019*.

3.2 The Commission was carrying out verification of Books of Accounts of Distribution Licensees, however from FY 2016-17, the Commission started Regulatory Audit for verification of Books of Accounts of Distribution Licensees through C&AG Empanelled Auditors *(except for FY 2019-20)*. In line with the same, the Commission has appointed C&AG Empanelled Auditor, (M/s Shridhar & Associates) for Regulatory Audit of the Books of Accounts of the Petitioner for FY 2022-23. M/s Shridhar & Associates (hereinafter referred to as "Consultant") has submitted the report based on the detailed scope of work specified in the Award.

3.3 The report of the Consultant has been considered appropriately by the Commission for True-up of various parameters of ARR of FY 2022-23 as submitted in the Petition by the Petitioner in accordance with the applicable principles laid down under the *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017*, *DERC (Business Plan) Regulations, 2019*.

3.4 The Commission has also conducted various prudence check sessions with the Petitioner for True-up of various parameters of ARR for FY 2022-23 submitted in the Petition. Wherever required clarifications were sought on various issues from the Petitioner in accordance with the applicable principles laid down under the *DERC (Terms and Conditions for Determination of Tariff) Regulations 2017*, *DERC (Business Plan) Regulations, 2019*. The Commission has considered all information submitted by the Petitioner as part of True-up Petition, response to queries raised during discussions and also considered the stakeholder's submission during Public Hearing process and those submitted in written for finalization of the True-up Order as per the principle laid down under *DERC (Terms and Conditions for Determination of Tariff) Regulations 2017* and *DERC (Business Plan) Regulations, 2019*.

ENERGY SALES

PETITIONER SUBMISSION

3.5 The Petitioner has submitted category-wise energy sales data for FY 2022-23. The actual energy sales for FY 2022-23 were 1190.25 MU. The Energy Sales is being on higher side due to reduced distribution losses and efficiency measures adopted by the Petitioner:

Table 3. 1 : Petitioner Submission: Category-wise Sales for FY 2022-23 (MU)

Sr. No.	Category	Actual FY 2022-23
1	Domestic	288.95
2	Non-Domestic	872.47
2.1	Non-Domestic (Low Tension)	212.76
2.2	Mix Load (High Tension) – Sanction Load >100kw	659.70
3	Small Industrial Power (SIP)	0.02
4	Public Lighting	5.47
5	Delhi Metro Rail Corporation (DMRC)	0.00
6	Others	23.34
7	**Grand Total**	**1,190.25**

COMMISSION'S ANALYSIS

3.6 The Regulatory Auditor has verified category wise Energy Sales from the Form-2.1(a) submitted by the Petitioner. Accordingly, the Commission has trued-up Category-wise Energy Sales for FY 2022-23 indicated in the table as follows:

Table 3. 2 Commission Approved -Energy Sales for FY 2022-23 (MU)

Sr. No.	Category	Petitioner's Submission	Commission Approved
1	Domestic	288.95	288.94
2	Non Domestic		
	(I) NDLT	212.76	212.76
	(II) Mixed Load	659.70	659.71
3	Small Industrial Power	0.02	0.02
4	Public Lighting	5.47	5.47
5	DMRC	-	-
6	Others	23.34	23.34
	Total	**1190.25**	**1190.25**

REVENUE FROM ENERGY SALES

PETITIONER SUBMISSION

3.7 The Petitioner has submitted that the category wise Revenue billed for FY 2022-23 against the sales achieved by the utility is as follows:

Table 3. 3 Petitioner Submission: Category-wise Revenue Billed for FY 2022-23 (Rs. Cr.)

Sr. No.	Particulars	Fixed Charges	Energy Charges (including Misuse charges)	E. Tax Actual	PPAC Actual	Subsidy	Actual Total FY 2022-23
1	Domestic	33.20	180.81	12.24	28.63	-15.05	239.82
2	Non-domestic	83.13	279.82	20.62	50.82	-6.98	427.41
3	Mixed Load	123.69	583.27	39.56	94.34	-11.32	829.53
4	Industrial (Small Industrial Power)	0.01	0.02	0.00	0.00	-	0.03
5	Public Lighting	0.49	3.49	0.24	0.57	-	4.78
6	DMRC	-	-	-	-	-	-
7	Others	3.54	18.12	1.42	3.21	-0.54	25.74
	Total	**244.05**	**1,065.52**	**74.07**	**177.57**	**-33.89**	**1,527.32**

3.8 The Petitioner has submitted the consolidated Revenue approved for FY 2022-23 and the Sales achieved by the utility is as under:

Table 3. 4 Petitioner Submission: Revenue from Sale of Power for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Actual
1	Energy Charges Billed (excluding Electricity Tax)	1,065.52
2	Fixed Charges	244.05
3	PPAC	177.57
4	Subsidy	-33.89
5	Total (1 + 2)	1,453.24
7	E-tax billed	74.07
8	**Revenue Billed Including Electricity tax (3 + 4)**	**1,527.32**

3.9 The Petitioner has submitted that the organization is not registered under Company Act. The Accounts are audited first internally and subsequently by CAG. Owing to this, The Petitioner will not be able to furnish Auditor's Certificate and requests The Commission to accept this submission.

NUMBER OF CONSUMERS

3.10 The Petitioner has submitted the detailed list of category wise consumer's addition and deletion in FY 2022-23 as follows:

Table 3. 5 Petitioner Submission: Category Wise Consumers for FY 2022-23

Sr. No.	Category	Total no. of Consumers as on 31.03.2023
1	Domestic	35,738
2	Non-Domestic	17,365
2.1	Non-Domestic (Low Tension)	16,889
2.2	Mix Load (High Tension) – Sanction Load >100kw	476
3	Small Industrial Power (SIP)	4
4	Public Lighting	63
5	Delhi Metro Rail Corporation (DMRC)	0
6	Temporary Connection more or equal to 16 days	2,151
7	Others	0
8	JJ Cluster (Flat Rate)	840
9	**Grand Total**	**56,161**

REVENUE COLLECTION

3.11 The Petitioner has submitted that the revenue billed and collected excluding Late Payment Surcharge (LPSC) and Electricity Duty (ED) for FY 2022-23 is as below:

Table 3. 6 Petitioner Submission: Revenue Billed and Revenue Collected for FY 2022-23

Sr. No.	Particulars	Actual
1	Revenue Billed (Rs. Crore)	1453.24
2	Revenue Collected (Rs. Crore)	1387.56

COMMISSION'S ANALYSIS

3.12 The Regulation 23(2) & 23(3) of *DERC (Business Plan) Regulations, 2019* provides as below:-

"23

(2) The Distribution Licensee shall be allowed own (Auxiliary) consumption including e-vehicle charging stations installed at Distribution Licensee offices and sub-stations, at Zero Tariff for actual recorded consumption subject to a

maximum of 0.25% of total sales excluding own consumption to its retail consumers for the relevant financial year as part of O&M expenses for the relevant year:

(3) Actual recorded own (Auxiliary) consumption in excess of 0.25% of total sales excluding own consumption to its retail consumers for the relevant financial year, shall be billed at Non-Domestic Tariff of respective year's Tariff Schedule and shall form part of revenue billed and collected for the same year."

3.13 The Commission has trued-up Revenue Billed for the Petitioner for FY 2022-23 as Rs. 1453.34 Cr. (excluding E-Tax). Further, it is observed from the submitted data the Petitioner has collected Rs. 1455.89 Cr. (including E-Tax and LPSC). Accordingly, the Commission has considered revenue collected as Rs. 1387.57 Cr. after excluding Rs. 62.95 Cr. on account of E-Tax and Rs. 5.38 Cr. on accounts of LPSC.

DISTRIBUTION LOSS AND COLLECTION EFFICIENCY

PETITIONER'S SUBMISSION

3.14 The Petitioner has submitted its Distribution Losses achieved against the losses approved by the Commission as follows:

Table 3. 7 Petitioner Submission: Distribution Loss for FY 2022-23

Sr. No.	Particulars	Actual
A	Energy Requirement / Procured (MU)	1350.02
B	Energy Sales (MU)	1190.25
C	Distribution Loss (MU)	159.78
D	**Distribution Loss (%)**	**11.84%**

INCENTIVE FOR OVER ACHIEVEMENT OF DISTRIBUTION LOSS

PETITIONER SUBMISSION

3.15 The Petitioner has submitted that it has achieved distribution loss as 11.84% against the target of 8.50% and therefore the petitioner has not considered for incentive on account of over achievement of distribution loss targets as per Regulation 25.

INCENTIVE FOR OVER ACHIEVEMENT OF COLLECTION EFFICIENCY

PETITIONER SUBMISSION

3.16 The Petitioner has submitted that the DERC Tariff Regulations, 2017 specifies:

"11) Collection Efficiency shall be measured as ratio of total revenue realised to the total revenue billed in the same year:

Provided that Revenue Realised or Revenue Billed on account of electricity duty, late payment surcharge, any other surcharge shall be excluded from the computation of Collection Efficiency;"

3.17 The Petitioner has submitted that the collection efficiency based on revenue collected and revenue billed (excluding E. Tax) for FY 2022-23 is as below:

Table 3. 8 Petitioner Submission: Computation of Collection Efficiency for FY 2022-23

Sr. No.	Particulars	Actual
A	Revenue Billed	1453.24
B	Revenue Collected	1387.56
C	Collection Efficiency FY 2022-23 (%)	95.48%

3.18 The Revenue Billed includes Fixed Charge, Energy Charges, Other Charges and PPAC. Additionally, NDMC has also submitted the Actual Revenue Billed Including Electricity Tax. Therefore, the total Revenue Billed as per Form 2.1 (a) including E-tax is as Rs. 1,527.32 Crore and without E. Tax Rs. 1,453.24 Crore. Against the same, as per RPT105 the total revenue collected is Rs. 1455.89 Crore and revenue collected without considering LPSC, and E. Tax works out to Rs. 1,387.56 Crore. (Excluding Rs. 62.95 Crore E Tax, and Rs. 5.38 Crore LPSC).

3.19 The Petitioner has submitted that it has achieved collection efficiency to the tune of 95.48% against the approved target of 99.50% and therefore the petitioner has not considered for incentive on account of over achievement in Collection efficiency loss target as per Regulation 26.

REVENUE AVAILABLE FOR FY 2022-23

3.20 The computation of net revenue available after adjusting incentive on account of Over achievement in distribution loss and Over achievement in collection efficiency is given in table below:

Table 3. 9 : Petitioner Submission: Computation of Revenue Available for FY 2022-23

Sr. No.	Particulars	Collection
A	Total Collection	1387.56
B	Less – Over achievement Incentive towards lower Distribution Loss Level (NDMC's share)	0.00
C	Less - Overachievement Incentive towards collection efficiency (NDMC's share)	0.00
D	**Collection available towards ARR**	1387.56

COMMISSION'S ANALYSIS

3.21 The Commission vide its Letter dated 22/05/2025 directed Delhi SLDC to submit Statement for Energy Input *(net of Open Access and Net Metering if any)*, Station Wise Power Procurement, Short Term Transactions – Exchange, Bilateral, Banking etc., Additional UI Charges and Sustain Deviation Charges for the purpose of True-up of FY 2022-23. Accordingly, the SLDC vide its email dated 13/06/2025 has submitted the joint signed statement. However, the Power Purchase units for FY 2022-23 as approved by the Commission correspond to 1357.56 MU. Accordingly, the Commission has computed the Distribution Loss for the Petitioner as follows:

Table 3. 10: Commission Approved – Distribution Loss for FY 2022-23

Sr. No.	Particulars	Unit	Actual	Remarks
A	Energy Input	MU	1357.56	
B	Energy Billed	MU	1190.25	
C	Actual Distribution Loss Level	%	12.32%	(A-B)/A
D	Target Distribution Loss Level	%	8.50%	

3.22 The Regulations 159 & 161 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017*, states:

> "*159.*The *Financial impact on account of over achievement or under achievement of distribution loss target shall be computed as under:*

*Incentive or penalty = Q1 * (L1-L2) * P * 10^6*

Where,

Q1 = Actual Quantum of energy Purchased at Distribution periphery.

L1 = Distribution Loss Target in %

P = Trued up Average Power Purchase Cost (APPC) per unit at distribution periphery in (Rs./KWh)."

L2 = Actual Distribution Loss in % = $[1 - \frac{Q2}{Q1}] * 100$

Q2 =Actual quantum of Energy Billed in MU.

"161 Any financial impact on account of underachievement with respect to Distribution Loss targets shall be to the Distribution Licensee's account"

3.23 The Regulations 25 (1) of DERC (Business Plan) Regulations, 2019 provides as follows:

"(1) The Distribution Loss target in terms of Regulation 4(9) (a) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution licensees shall be as follows:

Target for Distribution Loss for the Control Period

Distribution Licensee	***2020-21***	***2021-22***	***2022-23***
New Delhi Municipal Council	*9.00%*	*8.75%*	*8.50%*

3.24 The Regulation 25(1) of *DERC (Business Plan) Regulations, 2019* has specified the Distribution Loss Targets for the Petitioner for FY 2022-23 at 8.50%. The Regulation 25(2) of *DERC (Business Plan) Regulations, 2019* states that the amount for Overachievement/ Underachievement on account of Distribution Loss target shall be computed as per formula specified in the Regulation 159 of the *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017* for the Distribution Licensee.

3.25 It is observed that the actual Distribution loss achieved by the Petitioner is higher than the Distribution loss target for FY 2022-23, therefore, the Commission has computed the penalty on account of underachievement of Distribution loss for FY 2022-23 as follows:

Table 3. 11 Commission Approved: Incentive/Penalty on account of Overachievement/Underachievement of Distribution Loss for FY 2022-23

S.No	Particulars	UoM	Petitioner's Submission	As per Commission	Remarks
A	Billed Sales	MU	1,190.25	1,190.25	
B	Actual Distribution Loss	%	11.84%	12.32%	
C	Target Distribution Loss	%	0.00%	8.50%	
D	Actual input @ Actual Distribution loss level	MU	1,350.02	1,357.56	
E	Desired input @ Target distribution loss level	MU	1190.25	1300.82	A/(1-C)
F	Loss due to Higher Distribution Loss	MU	0.00	-56.74	E-D
G	Average Power purchase Cost	Rs/KWh	0.00	9.28	
H	**Total Penalty**	**Rs. Cr**	-	**-52.65**	F*G/10

COLLECTION EFFICIENCY

3.26 The Regulation 163 of *DERC (Terms and Conditions for Determination of Tariff) Regulations 2017* states:

"163. The financial impact on account of over or under achievement of collection efficiency targets shall be computed as under:-

*Incentive or (Penalty) = (C1 – C2) * A_b*

Where,

*C1 = Actual Collection Efficiency in % =[$\frac{Ar}{Ab}$]*100*

A_r = Actual amount collected excluding electricity duty, late payment surcharge, any other surcharge in Rs. Cr.;

A_b = Actual Amount Billed excluding Electricity Duty, LPSC and any other surcharges in Rs. Cr.;

C2 = Target Collection Efficiency in %

3.27 The Regulation 164 of *DERC (Terms and Conditions for Determination of Tariff) Regulations 2017* states:

"Any financial impact on account of underachievement less than the target and overachievement above 100% with respect to Collection Efficiency targets shall be to the Licensee's account:

Provided that any financial impact on account of over achievement over and above the target and limited to 100% with respect to Collection Efficiency targets shall be shared as per the mechanism indicated in the Business Plan Regulations of the Control Period."

3.28 The Regulation 26 of *DERC (Business Plan) Regulations, 2019* states:

"26. TARGET FOR COLLECTION EFFICIENCY

(1) The targets for Collection Efficiency for FY2020-21 to FY2022-23 of the Distribution Licensees shall be 99.50%.

(2) The financial impact on account of Collection Efficiency target shall be computed as per the formula specified in Regulation 163 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee.

(3) The financial impact on account of over-achievement in terms of Regulation 164 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for the Distribution Licensee, from 99.50% to 100% shall be shared equally between Consumers and the Distribution Licensees."

3.29 Accordingly, the Collection Efficiency is as follows:

Table 3. 12 : Commission Approved: Penalty/Incentive on account of Over-achievement of Collection efficiency for FY 2022-23

Sr. No	Particulars	UoM	Petitioner's Submission	As per Commission	Remarks
A	Revenue Billed	Rs. Cr	1453.24	1453.34	
B	Revenue Collected	Rs. Cr	1387.56	1387.57	
C	Actual Collection efficiency	%	95.48%	95.47%	
D	Target Collection efficiency	%	99.50%	99.50%	
E	Revenue collected @ 99.50%	Rs. Cr	1445.97	1446.07	A*D
F	Over-achievement/ (Under-achievement)	Rs. Cr	-	(58.50)	B-E

3.30 Accordingly, the Commission has approved the revenue available towards ARR for FY 2022-23 as below:

Table 3. 13 : Commission Approved: Revenue Available towards ARR for FY 2022-23

Sr. No	Particulars	Amount (Rs. Crore)
1	Revenue Realized	1387.57
2	Add: Penalty on account of under achievement of Distribution Loss	52.65
3	Add: Penalty on account of under-achievement towards lower collection efficiency	58.50
4	**Total revenue available towards ARR for FY 2022-23**	**1498.72**

POWER PURCHASE QUANTUM

PETITIONER'S SUBMISSION

3.31 The Petitioner has submitted that the Commission has approved the following energy available for FY 2022-23

Table 3. 14 : : Energy available from Central and State Generating stations approved for FY 2022-23.

Sr. No.	Power Plant	Total Installed Capacity (MW)	Firm % Share FY 2021-22	Capacity in MW	Energy in MU
1	PPS-I	330	30.30%	100	430
2	PPS-III	1,371	7.30%	100	401
3	DMSWSL	24	5.09%	1.22	6
4	Tehkhand (TWEPL) COD from 26 Jan'23	25	4.86%	1.22	32
5	GTPS	90	5.00%	4.50	16.73
6	**Total**	**1840**		**202**	**869**

3.32 The Petitioner has allocations of power from various Power Stations. The Petitioner has requested the Commission to allow the actual gross power purchase quantum as follows:

Table 3. 15 : Petitioner Submission: Power Purchase Quantum for FY 2022-23 (MU)

Sr. No.	Particulars	Actual
A	ISGS	629.93
B	TUL	30.59
C	GEE	10.38
D	SJVNL	0.30
F	TOTAL IEX PURCHASE	111.60
H	PXIL PURCHASE TAM	11.66
I	**Total Interstate: Power Purchase**	794.46
J	Interstate Transmission Losses (@3.57%)	-28.36

Sr. No.	Particulars	Actual
	Net Power Purchase from Central stations and Small Hydro	766.10
K	PRAGATI	243.25
L	BAWANA	212.27
M	DMSWSL	7.02
N	Tehkhanda	1.62
O	Bilateral GoHP	22.75
P	SAINJ HEP BILATERAL	15.65
Q	GTPS	16.73
R	Inter-discom purchase	0.03
S	**Power Available at Delhi Periphery**	1,285.41
T	Intra-State Transmission Loss (@ 0.88%)	-11.31
U	Power Available at NDMC Periphery	1,274.10
V	Power Purchase from UI	5.63
W	Solar: Power From Grid Connected	1.63
X	Power Purchase from IEX (GTAM & GDAM)	174.62
Y	Total	1,455.98
Z	Sale of Power IEX & UI	105.96
	Net Power Available for Retail Sale	**1,350.02**

3.33 The Petitioner has submitted that in FY 2022-23, they have engaged long-term power procurement from Intra state generating stations viz. Pragati Power Stations (Pragati-1 and PPS-III CCGT, Bawana), alongside sourcing power from Renewable Waste to energy source DMSWSL and Tehkhand WTE.

3.34 The Petitioner has submitted that The Commission has revised the allocation of power from PPS-III, Bawana from present 9.12% to 12.12% w.e.f. 01st October, 2021 to 31st March, 2022 vide Tariff order dated 30/09/2021.

3.35 The Petitioner has submitted that in FY 2022-23 also sourced 1.63 MUs from solar power via grid connected solar PV plants and 9.92 MUs through net metering solar installations.

3.36 The average inter-state transmission losses and intra-state losses are considered as 3.57% and intra-state losses @ 0.88%. The petitioner requests The Commission to kindly consider the actual value of such losses.

3.37 The Petitioner has submitted that currently no payments are being made towards solar power procured from the generating units / net metering units located within licensed area. However, the Petitioner requested the Commission to allow recovery of payments made towards such purchases as and when actual payments are made towards the same in future year (s).

3.38 The Petitioner has submitted that the details of actual power drawn from each source of generation is provided in the appropriate forms specified by the Commission. The Petitioner requests the Commission to kindly consider the actual purchase and approve the same for the purpose of truing up.

COMMISSION ANALYSIS

3.39 The Commission vide its Letter dated 22/05/2025 directed Delhi SLDC to verify the figures of Long Term Power Purchase and Short Term Power purchase/sale for Delhi DISCOMs and submit a reconciliation to the Commission. The jointly signed statement by SLDC and the Petitioner for source wise Long Term Power Purchase and Short Term Power purchase/sale was submitted.

3.40 Prudence check with the petitioner was held on dated-15/12/2025. During the prudence check, the petitioner has submitted that at the time of submission of the Petition, Banking power were inadvertently left out. Further, the Petitioner has also revised the Short-Term Power quantum for ISGS.

3.41 Accordingly, based on the Regulatory Auditor’s Report, Power Purchase Bills, submission of SLDC and revised submission by the petitioner during the prudence check, the Power Purchase Quantum of the petitioner is Trued up for FY 2022-23 as follows:

Table 3. 16: Commission Approved - Power Purchase Quantum for FY 2022-23 (MU)

Sr. No	Power Generating Stations	Petitioner	Commission
1	Dadri TPS	-	-
2	Pragati – I	243.25	243.19
3	PPS -III, Bawana	212.27	212.50
4	DMSWSL and TWEPL	8.64	8.64
5	Solar Power - Installed by NDMC on ownership basis	1.63	1.63
6	GTPS	16.73	16.73

Sr. No	Power Generating Stations	Petitioner	Commission
7	**Total Quantum**	**482.51**	**482.68**
8	Bilateral	79.67	76.88
9	Short Term Power Purchase	933.47	966.30
10	Inter-State Transmission Loss	-28.36	-28.63
11	Intra-State Transmission Loss	-11.31	-10.88
12	Short Term Sale of Power	105.96	128.79
	Total	**1350.02**	**1357.56**

LONG TERM POWER PURCHASE COST

PETITIONER'S SUBMISSION

3.42 The Petitioner has submitted that the cost of long-term & Short-Term power purchase are as follows FY 2022-23 and prays to the Commission to approve the same:

Table 3. 17 : Petitioner Submission: Total Cost of Long Term Power Purchase FY 2022-23

S. No.	Particulars	Power Purchase (MU)	Power Purchase Cost (Rs. Crore)	Average Rate (Rs./kWh)
1	Pragati I	243.25	437.77	18.00
2	Pragati III - CCGT Bawana	212.27	252.65	11.90
3	DMSWSL	7.02	4.93	7.03
4	TWEPL	1.62	0.70	4.30
5	GTPS	16.73		
6	Solar Power – Installed by NDMC on Ownership basis, Through Developer Mode Grid Connected	1.63	0.00	0.00
7	Total	482.51	696.05	14.43
8	Short Term: Power Purchase	933.47	532.59	5.77
9	Bilateral	79.67	39.02	
10	Inter State Transmission Loss/Charges (3.57%)	-28.36	33.53	
11	Intra State Transmission Loss/Charges (0.88%)	-11.31	48.09	
12	OA Charges for Small Hydro - PTC		1.00	
13	OA Charges for Large Hydro - PTC		3.50	
14	Less Refund from for STOA, RRAS & SCED Charges		25.13	
15	**Power Purchase Cost with ST & Transmission Charges**	**1,455.98**	**1,328.66**	**9.13**
16	Less Timely Payment Rebate Power Purchase		(24.52)	
17	**Net Power Purchase cost after Rebate**	**1,455.98**	**1,304.14**	**8.96**

S. No.	Particulars	Power Purchase (MU)	Power Purchase Cost (Rs. Crore)	Average Rate (Rs./kWh)
18	Less: Short Term Sale of Power	(105.96)	(40.48)	3.82
19	**Total Power Purchase**	**1,350.02**	**1,263.66**	**9.36**

SHORT TERM POWER PURCHASE COST

3.43 The Petitioner has requested the Commission to approve the cost of Short-Term Power Purchase as tabulated below:

Table 3. 18: Petitioner Submission: Short Term Power Purchase for FY 2022-23

Sr. No.	Particulars	Power Quantum	Amount (Rs. Crore)	Average Rate (Rs./kWh)
1	Banking		0.00	
2	IDT	0.03	0.04	12.10
3	UI	5.63	6.20	11.01
4	ISGS	629.93	318.54	5.06
5	IEX	**286.22**	**190.52**	**6.66**
(a)	DAM	38.28	34.25	8.95
(b)	RTM	56.63	33.75	5.96
(c)	GTAM	15.07	9.06	6.01
(d)	GDAM	159.55	100.81	6.32
(e)	TAM	16.69	12.64	7.58
6	PXIL	11.66	17.29	14.83
	Total Purchases	**933.47**	**532.59**	**5.71**

3.44 The Petitioner has submitted that the details of Short-Term Power Purchased from Small Hydro Project (Renewable Energy Source) for the purpose of fulfilling the RPO requirements and Large Hydro Projects through PTC Ltd. and Tata Power Trading Corporation Ltd.

3.45 The Petitioner has submitted Power Purchase from Bilateral source as follows:

Table 3. 19 : Petitioner Submission: Cost of Power Purchase from Bilateral Sources FY 2022-23

S. No.	Particulars	Power Purchase (MU)	Power Purchase Cost (Rs. Crore)	Average Rate (Rs./kWh)
1	Bilateral Purchase-(TUL)	30.59	11.35	3.71
2	Bilateral Purchase-(GoHP)	22.75	13.92	6.12
3	Bilateral Purchase-(Sainj HEP)	15.65	8.90	5.69
4	Bilateral Purchase-(GEE)	10.38	4.69	4.51

S. No.	Particulars	Power Purchase (MU)	Power Purchase Cost (Rs. Crore)	Average Rate (Rs./kWh)
5	Bilateral Purchase-(Through SJVN Ltd.)	0.30	0.17	5.63
B	**Total**	**79.67**	**39.02**	**4.90**

SHORT TERM POWER SALE

3.46 The Petitioner prays to the Commission to approve the Revenue from Short Term Power Sale as tabulated below:

Table 3. 20 : Petitioner Submission: Short Term Power Sale for FY 2022-23

Sr. No.	Particulars	Power Quantum (MU)	Amount (Rs. Crore)	Average Rate (Rs./kWh)
1	Bilateral	0.00	0.00	-
2	Banking	0.00	0.00	-
3	IDT	0.00	0.00	-
4	UI	52.06	14.13	2.72
5	IEX	90.72	26.35	2.90
(a)	DAM	36.59	2.60	0.71
(b)	RTM	54.13	23.75	4.39
6	PXIL	11.56	17.29	15.52
	Total Sales	**153.92**	**57.78**	**3.75**

3.47 The Petitioner has submitted to consider information regarding short term power purchase and sale as follows:

a) Bilateral Purchase of Small Hydro Project - – From GEE, has been accounted for the FY 2022-23 based on the bills paid during the financial year.

b) Bilateral Purchase from Large Hydro Projects - From TUL, GoHP and Sainj plant have been accounted for the FY 2022-23 based on the bills paid during the financial year.

c) Purchase / Sales through Indian Energy Exchange (IEX) Exchange have been accounted for the FY 2022-23 based on the bills paid during the financial year.

d) IDT Purchases / Sales – During this financial year no transactions were carried out with other DISCOMs.

e) UI Purchase / Sales – The Petitioner has submitted the entire quantum of sales / purchases and corresponding amount realized / likely to be realized from such transactions on accrual basis for FY 2022-23.

f) Solar RPO Obligation – The Petitioner is procuring Solar Power from Solar Plant Installed by NDMC on Ownership basis, through Developer Mode, IEX and Net metering / Grid Connected within its licensed area through net metering.

3.48 Refund Received from DTL: DTL has paid an amount of Rs. 25.13 Cr. towards refund from RRAS, SCED and STOA and the same has been considered in the cost of power purchase.

3.49 Further, the Petitioner has submitted that the Net Metering is provided as per the terms of DERC (Net Metering for Renewable Energy) Regulations, 2014 to all the consumers who are eligible and willing to opt for Net metering by installing Rooftop Solar Plants. The total Generation is to the tune of 9.92 MU.

COMMISSION'S ANALYSIS

3.50 The Commission has verified the Long Term Power Purchase Cost based on the bills raised by various Generating stations for power procured from various sources by the Petitioner during FY 2022-23 and payment made by the Petitioner.

3.51 The power purchase cost based on the bills raised by various parties for power procured/sold from short term sources during FY 2022-23 were also verified.

LONG TERM POWER PURCHASE COST

3.52 Commission has considered following Long Term Quantum and Power Purchase cost:-

Table 3. 21 : Commission Approved: Long Term Power Purchase FY 2022-23

Sr. No	Power Generating Stations	Quantum (MUs)	Power Purchase Cost (Rs Cr.)
1	Dadri TPS	-	-
2	Pragati - I	243.19	436.26
3	PPS -III, Bawana	212.50	252.28
4	DMSWSL + TWEPL	8.64	5.63

Sr. No	Power Generating Stations	Quantum (MUs)	Power Purchase Cost (Rs Cr.)
5	Solar Power - Installed by NDMC on ownership basis.	1.63	-
6	GTPS	16.73	
7	**Total**	**482.68**	**694.17**

SHORT TERM POWER PURCHASE COST

3.53 The Commission has considered following Short Term Quantum and Power Purchase cost:-

Table 3. 22 : Commission Approved: Short Term and Bilateral Power Purchase FY 2022-23

Sr. No.	Particulars	Power Quantum (MUs)	Amount (Rs. Crore)
1	Banking	22.55	0.00
2	IDT	0.03	0.04
3	UI	5.63	4.32
4	ISGS	640.42	325.09
5	IEX	286.01	191.42
(a)	DAM	38.28	34.25
(b)	RTM	56.63	33.75
(c)	GTAM	15.07	9.06
(d)	GDAM	159.55	100.81
(e)	TAM	16.48	13.55
6	PXIL	11.66	17.29
	Total	**966.30**	**538.16**
7	Bilateral	**76.88**	**38.48**

SHORT TERM POWER SALE COST

3.54 The Commission has considered following Short Term Quantum and Amount towards short term power sale:-

Table 3. 23 : Commission Approved: Short Term Power Sale FY 2022-23

Sr. No.	Particulars	Power Quantum (MUs)	Amount (Rs. Crore)
1	Banking	22.55	0.00
2	IDT	0.00	0.00
3	UI	52.34	17.60
4	IEX	53.90	26.35
(a)	DAM	2.94	2.60
(b)	RTM	50.96	23.75
5	PXIL	0.00	0.00
	Total	**128.79**	**43.95**

3.55 The Commission approves the Power Purchase Cost from various sources as given above subject to Disallowances discussed in subsequent paras.

3.56 The Regulation 28 of *DERC (Business Plan) Regulations, 2019* specifies as follows:

"28 Contingency Limit for Sale of Power through Deviation Settlement Mechanism (Unscheduled Interchange Charges)

(1) The Contingency Limit for disposing off of Power through Deviation Settlement Mechanism in terms of the Regulation 152 (c) of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 from FY 2017-18 to FY 2019-20 of the Distribution Licensees shall be 5% of Net Power Procured by the Distribution Licensee for the relevant month.

(2) In case the Distribution Licensee disposes off more than 5% of the net Power procured by the Licensee for the relevant month through Deviation Settlement Mechanism (Unscheduled Interchange Charges) than the rate of realisation through UI shall be considered at the average rate of power purchase/sale through exchange during same month for Delhi region."

3.57 The Commission has observed that the Petitioner has disposed off more than 5% of the net Power procured for the relevant month through Deviation Settlement Mechanism (Unscheduled Interchange Charges). Accordingly, the Commission in terms of the Regulation 152 (c) of the *DERC (Terms and Conditions for Determination* *of Tariff) Regulations, 2017* and Regulation 28 of *DERC (Business Plan) Regulations, 2019* has considered the net power sold more than 5% of power procured at the average rate of power purchase/ sale through exchange during same month. Accordingly, the Commission has deducted Rs. 0.29 Cr. on account of disposing off more than 5% of the Net power procured by the Petitioner of the relevant months through Deviation Settlement Mechanism. The details of sale of power in UI for more than 5% is as follows:

Table 3. 24 : Commission Approved: Penalty on account of UI sale for FY 2022-23

Month	Net Power Purchase excluding UI (MU)	UI sale (MU)	%	UI Sale above 5% (MU)	IEX Avg. Sale Rate (Rs./kWh)	UI Rate (Rs./kWh) Sale	Difference in rate	Difference Amount (Rs. Cr.)
Apr-22	118.69	6.63	5.59	0.04	8.61	4.83	3.78	0.0147
Aug-22	139.01	7.09	5.10	0.01	3.74	4.62	-	-
Sept-22	130.66	6.65	5.09	0.01	3.73	4.23	-	-
Nov-22	79.69	5.46	6.85	0.10	3.56	3.74	-	-
Jan – 23	103.05	9.22	8.95	0.36	3.66	0.87	2.79	0.10158
Feb-23	73.97	8.75	11.83	0.60	6.46	3.57	2.89	0.17285
Total								**0.28913**

TRANSMISSION CHARGES

PETITIONER'S SUBMISSION

Transmission Charges claimed by the petitioner in the petition are given below: -

Table 3. 25 : Petitioner Submission: Transmission Charges for FY 2022-23

Sr.No.	Transmission Charges	
1.	Inter-State Transmission Charges	33.53
2.	Intra-State Transmission Charges	48.09
3.	Open Access for Small Hydro	1.00
4.	STOA Charges for Large Hydro	-
5.	Payment for Goodwill to PTC	-
6.	OA Charges for Large Hydro- TPL	3.50
7.	Less : Refund from for STOA, RRAS & SCED Charges	25.13
	Total	**60.99**

COMMISSION'S ANALYSIS

3.58 Regulatory Auditor in its report has submitted Transmission Charges from Open Access for Small Hydro as Rs 1.23 Crore. During the Prudence Check session held on 15/12/2025, the Petitioner has informed that inadvertently figures for transmission charges for Open Access for small Hydro was considered as Rs 1 Cr. inadvertently and the revised figure of Rs 1.23 Cr. may be considered. Accordingly, based on the Auditor's report and revised submission of the Petitioner, the Commission has considered the following transmission charges:

Table 3. 26 : Commission Approved: Transmission Charges for FY 2022-23 (Rs. Cr.)

Sr. No.	Transmission Charges	
1.	Inter-State Transmission Charges	33.53
2.	Intra-State Transmission Charges	48.09
3.	Open Access for Small Hydro	1.23
4.	STOA Charges for Large Hydro	-
5.	Payment for Goodwill to PTC	-
6.	OA Charges for Large Hydro- TPL	3.50
7.	Less : Refund from for STOA, RRAS & SCED Charges	25.13
	Total	**61.22**

REBATE ON POWER PURCHASE AND TRANSMISSION CHARGES

PETITIONER'S SUBMISSION

3.59 The Petitioner has claimed an amount of Rs. 24.52 Cr. as rebate in Power Purchase for timely payment of bills.

COMMISSION'S ANALYSIS

3.60 The Regulation 119 of *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017*, specifies that:

"Distribution Licensee shall be allowed to recover the net cost of power purchase from the long term sources whose PPAs are approved by the Commission, assuming maximum normative rebate available from each source, for supply to consumers".

3.61 The Commission has considered rebate towards Power Purchase and Transmission as Rs. 24.52 Cr.

RENEWABLE PURCHASE OBLIGATION (RPO)

PETITIONER'S SUBMISSION

3.62 The Petitioner has submitted the Renewable Purchase Obligation as per DERC Business Plan Regulations, 2019 as tabulated below:

Table 3. 27 : Petitioner Submission: Renewable Power Purchased Obligation

Sr. No.	Particulars		FY 2021-22
1	Non-Solar	Other Non-Solar	10.50%
		HPO	0.35%
2	Solar		10.50%
TOTAL			21.35%

3.63 The Energy Purchased from Non-Solar and Solar sources are as under:

Table 3. 28 : Petitioner Submission: Power Purchase Renewable and Net metering FY 2022-23

Sr. No	Particulars	Energy in MU
A	**SOLAR**	
1	From IEX (GTAM)	174.62
2	From Grid connected solar projects	1.63
3	From Net Metering	9.92
	TOTAL SOLAR POWER	**186.17**
B	**NON-SOLAR**	
1	DMSWSL	7.02
	TOTAL NON-SOLAR	**7.02**

3.64 The Renewable Purchase Obligation fulfilled during FY 2022-23 is tabulated below:

Table 3. 29 : Petitioner's Submission: RPO for FY 2022-23

RPO					Actual	Shortfall / Excess
		% of Total Energy Sales	Total Sales	RE to be Procured in MUs	MUs procured during the year	
Solar		10.50%	1121.26	117.73	186.17	68.44
Other	Other Non-Solar	10.50%		117.73	7.02	-110.71
	HPO	0.35%		3.92	0.00	-3.92
Total		**21.35%**		**239.39**	**193.19**	**-46.20**

COMMISSION'S ANALYSIS

3.65 The Regulation 27 of *Business Plan Regulations, 2019* and subsequent amendment stipulates the RPO requirement for FY 2022-23 as 10.50% for Non-Solar, 0.35% for HPO and 10.50% for Solar.

3.66 Regulatory Auditor in its report has submitted different values of RE procured for Solar and Non-Solar category. During the prudence check session held on 15/12/2025, the Petitioner has informed that inadvertently, Solar and Non-Solar MUs have been incorrectly considered for calculation of RPO obligations in the Petition.

3.67 Accordingly, based on the Auditor's report and fresh submission of the Petitioner, the details of RPO requirement and fulfilment are given as below: -

Table 3. 30: Commission's Approval – Calculation of RPO for FY 2022-23

Sr. No.	Particulars	MU
1	Total Energy Sale	1190.25
2	Less: Energy from Large Hydro	96.40
3	**Net Energy Requirement for RPO**	**1093.85**

Table 3. 31 : Commission's Approval – Calculation of Excess/ (Short Fall) in RPO for FY 2022-23

Type of Energy		Requirement		Purchased	Excess/(Short fall)
		%	MU	MU	
Non-Solar	Other Non-Solar	10.50%	114.85	100.39	(14.46)
	HPO	0.35%	3.83	0	(3.83)
Solar		10.50%	114.85	105.55	(9.30)
Total		**21.35%**	**233.54**	**205.94**	**(27.60)**

3.68 In view of above, it is observed that the Petitioner has failed to meet the RPO Targets for FY 2021-22. Accordingly, in line with Regulation 27 (5) of DERC (Business Plan) Regulations, 2019, a penalty of Rs. 0.28 Cr. is imposed on the Petitioner.

3.69 Further, the Commission vide its letter dated 22/05/2025 has sought the penalty on account of Additional Deviation Charges and Sustained Deviation Charges and SLDC vide its email dated 12/06/2025 has submitted such penalties as Rs. 3.16 Cr. as Additional Deviation Charges and Rs. 2.78 Cr. as Sustained Deviation Charges for FY 2022-23. Further, the Commission vide its letter dated-29/04/2022, had allowed Additional UI charges and Sustain Deviation Charges as a pass through in Power

Purchase Cost to Delhi DISCOMs till 31/07/2022. Accordingly, the Commission has allowed pass through of penalty on account of Additional UI charges and Sustain Deviation Charges from May'22 to July'22 and considered the Additional Deviation Charges and Sustained Deviation Charges from Power Purchase Cost for April'22 and August'22 to March'23 of the Petitioner.

3.70 Accordingly, an amount of Rs. 1.59 Cr. and 1.78 Cr. has been considered as Penalty towards Additional Deviation Charges and Sustained Deviation Charges respectively.

TOTAL POWER PURCHASE COST FOR TRUE UP

COMMISSION'S ANALYSIS

3.71 Based on the findings above, the Commission approves Power Purchase Cost for FY 2022-23 as follows:

Table 3. 32 : Commission Approved Power Purchase Cost for FY 2022-23 (Rs. Cr.)

Sr. No.	Particulars	Petitioner's Submission	Approved
1	Gross Power Purchase Cost (including Short Term Purchase)	1267.66	1270.81
2	Less: Short Term Sale of Power	40.48	43.95
3	Net Power Purchase Cost	1227.18	1226.86
4	Total Transmission Charges	60.99	61.22
5	Total Power Purchase Cost	1288.17	1288.08
6	Less: Rebate	24.52	24.52
7	Net Power Purchase Cost including Transmission Charges	1263.65	1263.56
8	Less: RPO Penalty	0.00	0.28
9	Less: Penalty on account of Add Deviation and Sustained Deviation	0.00	3.37
10	Less: UI- Violation over & above Contingency Limited	0.00	0.29
11	Trued-Up Power Purchase cost	1263.66	1259.63
12	**Average Cost Per Unit**	**9.36**	**9.28**

OPERATION AND MAINTENANCE EXPENSES

PETITIONER'S SUBMISSION

3.72 As per the *DERC (Business Plan) Regulations, 2019*, clause no. 23 (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 Distribution Licensees shall be as follows:

Table 3. 33 : Petitioner Submission: Normative O & M Expenses for NDMC for the Control Period

Sr. No.	Particulars	Units	FY 2022-23
1	66 kV Line	Ckt KM	3.320
2	33 kV Line	Ckt KM	3.320
3	11kV Line	Ckt KM	1.008
4	LT Line system	Ckt KM	7.912
5	66/11 kV Grid S/s	MVA	1.029
6	33/11 kV Grid S/s	MVA	1.029
7	11/0.415 kV DT	MVA	1.605

3.73 The actual network details as on 31/03/2023 is given in table below:

Table 3. 34 : Petitioner Submission: Revised Actual Network Details for FY 2022-23

Sr. No.	Particulars	Units	As on 01/04/2022	Addition During FY 2022-23	As on 31/03/2023
1	66 kV Line	Ckt KM	55.71	-	55.71
2	33 kV Line	Ckt KM	175.30	12.13	187.43
3	11kV Line	Ckt KM	1059.24	0.91	1060.15
4	LT Line system	Ckt KM	4286.73	323.07	4609.80
5	66/11 kV Grid S/s	MVA	490.00	-	490.00
6	33/11 kV Grid S/s	MVA	1006.00	129.00	1135.00
7	11/0.415 kV DT	MVA	863.33	1.20	864.53

3.74 Based on the actual network regarding line length, the normative O&M expenses computed for FY 2022-23 is as follows:

Table 3. 35 :Petitioner Submission: Actual Operation and Maintenance Actual Expenses FY 2022-23

S. No.	Particulars	Units	As on 31.03.2023	Rate	Amt in Lakh	Rs. Cr.
1	66 kV Line	Ckt KM	55.71	3.320	184.96	1.85
2	33 kV Line	Ckt KM	187.43	3.320	602.14	6.02
3	11kV Line	Ckt KM	1060.15	1.008	1068.17	10.68
4	LT Line system	Ckt KM	4609.80	7.912	35194.67	351.95
5	66/11 kV Grid S/s	MVA	490.00	1.029	504.21	5.04
6	33/11 kV Grid S/s	MVA	1135.00	1.029	1101.54	11.02
7	11/0.415 kV DT	MVA	864.53	1.605	1386.61	13.87
Total						**400.42**

3.75 The Petitioner has, further submitted Operation and Maintenance (O&M) Expenses of NDMC as per Annual Accounts, it consists of the following elements:

a) Employee Expenses comprises of Salaries, Dearness Allowances, Leave Travel Assistance, Earned Leave Encashment, Other allowances & Relief Bonus and

Honorarium / overtime etc.

b) Administrative and General Expenses mainly comprises of rents, telephone and other communication expenses, professional charges, conveyance and traveling allowances, other debits etc.

c) Repair and Maintenance Expenses go towards day-to-day upkeep of distribution functions of NDMC and form an integral part of NDMC's efforts towards reliable and quality power supply to its consumers and reduction of losses in its system.

3.76 The Petitioner has submitted that O&M expenses as under:

Table 3. 36 :Petitioner Submission: O&M expenses for FY 2022-23 (Rs. Cr.)

Sr. No.	Description	Amount
1	A&G Costs	8.91
2	Base Employee Costs	254.01
3	R&M Expenses	13.16
4	**Total**	**276.07**

3.77 The Petitioner has prayed to the Commission to approve the same as per Normative expenses amounting to Rs.276.07 Crore.

COMMISSION'S ANALYSIS

3.78 The Petitioner in its Petition has submitted the O&M Expenses for FY 2022-23 amounting to Rs. 400.42 Cr. The Petitioner has also submitted that the Commission has asked some clarification regarding details of line length and MVA capacity vide their letter No. F11/(1832)/DERC/202021/6992/2524 dated 11/02/2021 and the same were submitted to DERC vide NDMC letter no. O-43/Con Power / 2021 dated 27/05/2021 sent by email dated 01/06/2021. In this submission, all the details of division wise line length and MVA capacity were submitted as per format received vide Commission's letter dated 11/02/2021.

3.79 However, during the prudence check, the Commission observed that the service line is also considered in the LT line category. In this regard, Commission directed NDMC to submit the details of service line included in the LT line. The NDMC vide its letter dated 18/08/2022 submitted that the details of service line considered in LT line category as follows:

Name of Division	Length of service line as on 31.03.2021 (in KM)
Distribution South	1276.00
Distribution North	841.76
Total	**2117.76**

3.80 Accordingly, the Commission decided to reduce the capacity of the LT line on provisional basis as per details submitted by NDMC which has also been clarified in the NDMC True-up Order dated 19/07/2024.

3.81 Again, the Commission vide its email dated 10/09/2025 sought the details of length of service lines in LT Line System for FY 2021-22 & FY 2022-23. The Petitioner has submitted the details vide email dated 17/09/2025 are as follows:

Name of Division	Dist . South Division			Dist. North Division			NDMC Total
Particulars	**as on 31.03.21**	**added during the FY 2021-22**	**Total as on 31.03.2022**	**as on 31.03.21**	**added during the FY 2021-22**	**Total as on 31.03.2022**	**Total Service Line Length as on 31.03.2022**
LT System - Actual Service Line Length (in Ckt KM)	1276.00	6.260	1282.260	841.76	5.529	847.289	**2129.549**
Particulars	**as on 31.03.22**	**added during the FY 2022-23**	**Total as on 31.03.2023**	**as on 31.03.22**	**added during the FY 2022-23**	**Total as on 31.03.2023**	**Total Service Line Length as on 31.03.2023**
LT System - Actual Service Line Length (in Ckt KM)	1282.260	18.698	1300.958	847.289	6.540	853.829	**2154.79**

3.82 The Commission has reduced the length of service line from the LT Line System for calculating the normative O&M Expenses. Therefore, the O&M expenses of NDMC for FY 2022-23 approved by the Commission are as follows:

Table 3. 37: NDMC- Normative O&M Expenses for FY 2022-23

Sr. No.	Particulars	Units	As on 31/03/2022	Addition During FY2022-23	As on 31/03/2023	Rate in Lakh	Average	As Per Commission for FY 2022-23 (Rs. Cr.)
1	66 kV Line	Ckt KM	55.7	0	55.70	3.32	55.70	1.85
2	33 kV Line	Ckt KM	175.3	12.13	187.43	3.32	181.37	6.02
3	11kV Line	Ckt KM	1059.24	0.91	1060.15	1.008	1059.70	10.68
4	LT Line system	Ckt KM	2157.18	297.832	2455.01	7.912	2306.10	182.46

Sr. No.	Particulars	Units	As on 31/03/2022	Addition During FY2022-23	As on 31/03/2023	Rate in Lakh	Average	As Per Commission for FY 2022-23 (Rs. Cr.)
5	66/11 kV Grid S/s	MVA	490.00	0	490.00	1.029	490.00	5.04
6	33/11 kV Grid S/s	MVA	1006.00	129.00	1135.00	1.029	1070.50	11.02
7	11/0.415 kV DT	MVA	863.33	1.20	864.53	1.605	863.93	13.87
Total								**230.93**

CAPITAL EXPENDITURE AND CAPITALIZATION

PETITIONER'S SUBMISSION

3.83 The Petitioner has submitted the following details for capital Expenditure and Capitalization for FY 2022-23.

Table 3. 38 : Petitioner Submission: Gross Fixed Assets for FY 2022-23 (Rs. Cr.)

Sr. No.	Particulars	Actual
1	Opening GFA	1164.77
2	Capitalization	14.70
3	Decapitalization	-
4	Closing GFA	1179.47
5	**Average GFA**	**1172.12**

COMMISSION'S ANALYSIS

3.84 The Petitioner in its Petition has submitted the capitalization of assets for FY 2022-23 as Rs. 14.70 Cr. However, the Regulatory Auditor could not verify the Capitalization as the Fixed Assets Register and relevant information was not provided by NDMC for FY 2022-23. It was observed from Tariff Order that the Commission has already considered the capitalization of assets of NDMC as on 31/03/2020 as Rs. 612.76 Cr. and the GFA reported as per unaudited accounts of NDMC for FY 2020-21 is already less than the approved GFA in the Tariff Order. As NDMC has not provided any supplementary documents for capitalization. Therefore, Commission has not considered any capitalization for FY 2022-23:

Table 3. 39: Commission Approved GFA & Capitalisation for FY 2022-23 (Rs. Cr.)

Sr. No.	Particulars	Approved
A	Opening GFA	612.76
B	Capitalization	0.00
C	Deletion	0.00
D	Closing GFA	612.76

CONSUMER CONTRIBUTION

PETITIONER'S SUBMISSION

3.85 The Petitioner has submitted consumer contribution for FY 2022-23 as tabulated below.

Table 3. 40 : Petitioner Submission: Consumer Contribution for FY 2022-23 (Rs. Cr.)

Sr. No.	Particulars	Actual
1	Opening Consumer Contribution	15.11
2	Addition of Consumer Contribution	11.99
3	Closing Consumer Contribution	27.10
4	**Average Consumer Contribution**	**21.11**

COMMISSION ANALYSIS

3.86 The Commission has approved the closing Consumer Contribution for FY 2021-22 at Rs. 17.84 Cr. Further, the Commission approves the Addition of Rs. 11.99 Cr. for FY 2022-23 as claimed by the Petitioner. Accordingly, Consumer Contribution for FY 2022-23 is as follows:

Table 3. 41 : Commission Approved Consumer Contribution for FY 2022-23 (Rs. Cr.)

Sr. No.	Particulars	Approved	Remarks
A	Opening Consumer Contribution	17.84	As per FY 2021-22 True-up dated 25/10/2025
B	Addition	11.99	
C	Closing Consumer Contribution	29.83	
D	Average Consumer Contribution	23.84	

DEPRECIATION

PETITIONER'S SUBMISSION

3.87 The Petitioner has submitted that depreciation has been charged on the basis of straight-line method and on the average Gross Fixed Assets at the beginning and at the end of each year. The depreciation is based on the original cost, estimated life and residual life. Depreciation has been computed at 3.60% of average GFA during the year as summarized in the table below:

Table 3. 42 : Petitioner Submission: Depreciation for FY 2022-23 (Rs. Cr.)

Sr. No.	Particulars	Actual
1	Opening GFA	1164.77
2	Addition during the year	14.70
3	Deletion during the year	0.00
4	Closing Balance of GFA	1179.47
5	Average Balance of GFA	1172.12
6	Average Consumer Contribution	21.11
7	Average assets Net of Consumer Contribution	1151.01
8	Average Depreciation Rate	3.60%
9	**Depreciation**	**41.44**

CUMULATIVE DEPRECIATION

PETITIONER'S SUBMISSION

3.88 The Petitioner has submitted the accumulated depreciation till FY 2022-23 as under:

Table 3. 43 : Petitioner Submission: Cumulative Depreciation till FY 2022-23 (Rs. Cr.)

Sr. No.	Particulars	Actual
1	Opening Balance of Cumulative Depreciation	706.37
2	Depreciation during the year FY 2022-23	41.44
3	Closing Balance of Cumulative Depreciation	747.80

UTILIZATION OF DEPRECIATION

PETITIONER SUBMISSION

3.89 The Petitioner has submitted that no portion of the depreciation has been used to repay debt in FY 2022-23 as tabulated below.

Table 3. 44 : Petitioner Submission: Utilization of Depreciation for FY 2022-23 (Rs. Cr.)

Sr. No.	Particulars	Actual
1	Depreciation for FY 2022-23	41.44
2	Depreciation utilized for Debt repayment in FY 2022-23	0

COMMISSION'S ANALYSIS

3.90 The Commission has considered the approved GFA upto FY 2021-22 in True-up Order dated 25/10/2025 as the opening GFA for FY 2022-23 and capital addition of Zero for FY 2022-23 has been considered as approved by the Commission.

3.91 The Commission observed depreciation is provided on the basis of straight-line method, on the average Gross Fixed Assets at the beginning and at the end of each year, keeping in view the methodology adopted by the Commission in the *DERC (Business Plan) Regulations, 2019,* as no working of such Depreciation was provided. Accordingly, the depreciation has been computed at the rate of 3.60% of the average GFA during the year.

3.92 Accordingly, the Commission has considered the rate of depreciation at 3.60% as submitted by the Petitioner in accordance with appendix -1 of the *DERC (Terms and Conditions for determination of Tariff) Regulations, 2017*. The Commission has observed that the Petitioner has average Consumer contribution & grant of Rs. 23.84 Cr. for FY 2022-23, the same has been taken into account for computing depreciation. The depreciation as approved by the Commission is computed as below:

Table 3. 45 : Commission Approved Depreciation for FY 2022-23

Sr. No.	Particulars	UOM	Petitioner's Submission	Commission Approved
1	Opening GFA	Rs. Cr	1164.77	612.76
2	Addition during the year	Rs. Cr	14.70	0
3	Depreciation during the year	Rs. Cr	0	0
4	Closing GFA	Rs. Cr	1179.47	612.76
5	Average GFA	Rs. Cr	1172.12	612.76
6	Average Consumer Contribution	Rs. Cr	21.11	23.84
7	Average asset net of Consumer Contribution	Rs. Cr	1151.02	588.93
8	Average Depreciation rate	%	3.60%	3.60%
9	**Depreciation**	**Rs. Cr**	**41.44**	**21.20**

WORKING CAPITAL

PETITIONER'S SUBMISSION

3.93 The Petitioner has calculated the Working Capital requirements on normative basis as stipulated by the methodology specified in the DERC *Wheeling and Retail Tariff Regulations, 2017*. The Petitioner has requested the Commission to approve the Working Capital Requirements as per the following:

Table 3. 46 : Petitioner's Submission: Determination of Working Capital for FY 2022-23 (Rs. Cr.)

Sr. No.	Particulars	Actual
1	Aggregate Revenue Requirement (ARR)	1758.13
2	Receivables Equivalent to 2 months	292.19
3	Net Power Purchase Expense (Including Transmission, SLDC, RPO & normative rebate)	1263.66
4	1/12th of Power Purchase Expense	105.30
5	Total Working Capital	186.88
6	Less: Opening Balance of Working Capital	140.78
7	Change in Working Capital	**46.10**

COMMISSION'S ANALYSIS

3.94 The Regulation 84 (4) of the *DERC (Terms and Conditions for Determination of Tariff), Regulations 2017* specify that working capital shall consist of:

(i) For wheeling business

Receivables for two months of wheeling charges

(ii) For Retail supply business

(a) ARR for two months for retail supply business of electricity;

(b) Less: Net Power purchase costs for one month

(c) Less: Transmission charges for one month,

3.95 The Commission had approved the closing working capital for FY 2021-22 at Rs. 118.14 Cr. in its True-up Order dated 25/10/2025. The approved working capital for FY 2022-23 is as follows:

Table 3. 47 : Commission Approved Working Capital for FY 2022-23 (Rs. Cr.)

Sr. No.	Particulars	Petitioner's Submission	True-up FY 2022-23
1	ARR	1758.13	1522.96
2	Receivable equivalent to 2 months of ARR	292.19	253.83
3	Net Power Purchase Cost	1263.66	1259.63
4	Less: One Month Power Purchase charges	105.30	104.97
5	Working Capital requirement	186.88	148.86
6	Less: Opening Balance of Working Capital	140.78	118.14
7	Change in working capital	46.10	30.72

REGULATED RATE BASE

PETITIONER'S SUBMISSION

3.96 The Petitioner has submitted the computation for Regulated Rate Base for FY 2022-23 based on the *DERC Tariff Regulations, 2017* and requested for the approval of the Commission as tabulated below:

Table 3. 48 : Petitioner Submission: Regulated Rate Base for FY 2022-23 (Rs. Cr.)

Sr. No.	Description	Actual
1	**RRB - Base Year**	
A	Opening Balance of GFA	1164.77
B	Opening Balance of Working Capital	140.78
C	Opening Balance of Accumulated Depreciation	706.37
D	Opening balance of Accumulated Consumer Contribution (in proportion of OCFA to total OCFA + CWIP + Stores)	15.11
E	**(A+B)- (C+D) i.e., RRB opening**	**584.07**
F	**RRB - for the year**	
G	Investment capitalised during the year	11.99
H	Depreciation for the year	41.44
I	Consumer Contribution, Grants, etc. for the year	11.99
J	Fixed Asset Retirement / Decapitalisation during the year	-
K	Changes in Capital Investment	-38.73
L	Change in Working Capital	46.10
M	RRB Closing (E+K+L)	591.45
N	Regulated Rate Base (RRB) (i) (E+K/2+L)	610.81

COMMISSION'S ANALYSIS

3.97 The RRB has been considered based on capitalization, depreciation and working capital requirements for FY 2022-23 as detailed in the table as follows:

Table 3. 49 : Commission Approved RRB for FY 2022-23 (Rs. Cr.)

Sr. No.	Particulars	FY 2022-23
A	Opening Original Cost of Fixed Assets (OCFAo)	612.76
B	Opening Accumulated depreciation (ADo)	509.73
C	Opening consumer contributions received (CCo)/ grant	17.84
D	Opening Working capital (WCo)	118.14
E	Opening RRB (RRBo)	203.33
F	Investment capitalised during the year (INVi)	-
G	Depreciation during the year (Di)	21.20
H	Depreciation on decapitalised assets during the year	-
I	Government Grant during the year (CCi)	11.99
J	Fixed assets retired/decapitalised during the year (Reti)	-
K	Change in capital investment (ΔABi)	(33.19)
L	Change in working capital during the year (ΔWCi)	30.72
M	RRB Closing	200.86
N	**RRBi**	**217.45**

RETURN ON CAPITAL EMPLOYED

PETITIONER'S SUBMISSION

3.98 The Petitioner has submitted that capital expenditure incurred by it for creation of assets has been majorly incurred through its budgetary support and internal accruals. It has not used any type of loan for creation of assets. The Petitioner has considered normative debt-equity ratio of 70:30 for calculating RoCE. The Rate of Return on Equity (RoCE) for the first control period is kept at 16% as per the DERC *Wheeling and Retail Tariff Regulations, 2017*. Rate of Return on the Debt is considered as 6.75% (MCLR on 1/04/2022). Detailed calculation of Weighted average cost of capital (WACC) leading up to estimation of RoCE is submitted by the Petitioner is shown in the table below:

Table 3. 50 : Petitioner Submission: Return on Capital Employed for FY 2022-23 (Rs. Cr.)

Sr. No.	Description	Actual
A	RRBi	**610.81**
B	Opening Equity for Capitalization (Limited to 30%)	132.99
C	Closing Equity Limiting to 30% of net Capitalization	121.37
D	Average Equity for Capitalization (Limited to 30%)	127.18
E	Opening Debt at 70% of Net Capitalization	310.30
F	Closing Debt @70% of net Capitalization	283.19
G	Average Debt @70% of net Capitalization	296.75
H	Debt at 100% of Working Capital	186.88
I	Total Debt (G+H)	483.63

J	Rate of Return on Equity	16.00%
K	Rate of Debt (%) on Capitalization	6.75%
L	Rate of Debt (%) on Working Capital	6.75%
M	Rate of Interest on Debt (%)	6.75%
N	Weighted Average Cost of Capital (WACC) (%)	8.67%
O	**Return on Capital Employed (ROCE)**	**52.99**

COMMISSION'S ANALYSIS

3.99 The Return on Capital Employed considered by the Commission based on the RRB(i) and WACC for FY 2022-23 is as given in the table below:

Table 3. 51 : Commission Approved Return on Capital Employed (RoCE) for FY 2022-23

Sr. No.	Particulars	UOM	Petitioner Submission	Approved
A	RRBi	Rs.Cr	610.81	217.45
B	Opening Equity for Capitalisation (limited to 30%)	Rs.Cr	132.99	25.56
C	Closing Equity limiting to 30% of net capitalization	Rs.Cr	121.37	15.60
D	Average Equity for Capitalisation (limited to 30%)	Rs.Cr	127.18	20.58
E	Opening Debt at 70% of net capitalisation	Rs.Cr	310.30	59.63
F	Closing Debt at 70% of net capitalisation	Rs.Cr	283.19	36.40
G	Avg Debt at 70% of net capitalisation	Rs.Cr	296.75	48.02
H	Debt at 100% of working capital	Rs.Cr	186.88	148.86
I	Debt- balancing figure	Rs.Cr	483.63	196.87
J	Rate of return on equity (re)	%	16%	16%
K	Rate of debt (rd) on capitalization	%	6.75%	6.75%
L	Rate of debt (rd) on working Capital	%	6.75%	6.75%
M	Rate of interest on debt (rd)	%	6.75%	6.75%
N	WACC	%	8.67%	7.63%
O	**RoCE**	**Rs.Cr**	**52.99**	**16.58**

INCOME TAX

PETITIONER'S SUBMISSION

3.100 The Petitioner has submitted that it is exempted from paying the Income tax, therefore claim for such tax liabilities has not been proposed in the petition. However, the petitioner requested the Commission to allow tax liability in future in case liability arises.

COMMISSION ANALYSIS

3.101 No claim towards income tax has been considered by the Commission since the

Petitioner is exempted from paying the tax.

NON-TARIFF INCOME

PETITIONER'S SUBMISSION

3.102 The Petitioner has considered the non-tariff income from the Late Payment Surcharge (LPSC) as per actual of FY 2022-23 and as under:

Table 3. 52 : Petitioner's Submission: Non-Tariff Income for FY 2022-23 (Rs. Cr.)

Sr. No.	Particulars	Actual
1	Non-Tariff income	5.38

COMMISSION'S ANALYSIS

3.103 The Regulation 94 & 95 of *DERC (Terms and Conditions for Determination of Tariff) Regulations,* 2017 provides as follows:

> *"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 contactors and others, etc.*
> *95. The Non-Tariff Income shall be reduced from ARR."*

3.104 As per *DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017,* amount received by the licensee on account of Non-Tariff Income shall be deducted from the Aggregate Revenue Requirement in calculating the net revenue requirement of such licensee. Accordingly, the Commission has considered the Non-tariff income, as submitted by the Petitioner, of Rs. 5.38 Cr. as follows:

Table 3. 53 : Commission Approved: Non-Tariff Income for FY 2022-23 (Rs. Cr.)

Particulars	Approved
Non-Tariff Income	5.38

AGGREGATE REVENUE REQUIREMENT FOR TRUING UP FOR FY 2022-23

PETITIONER's SUBMISSION

3.105 The Petitioner had submitted the Commission the Aggregate Revenue Requirement for FY 2022-23.

Table 3. 54 : Petitioner Submission: Trued up ARR for FY 2022-23 (Rs. Cr.)

Sr. No.	Description	Actual
A	Net Power Purchase Cost	1263.66
B	Net Operation & Maintenance (O&M)	400.42
C	Depreciation	41.44
E	RoCE (Including Interest on working capital)	52.99
F	Income Tax	0.00
G	Less: Non-Tariff Income	5.38
H	**Aggregate Revenue Requirement**	**1753.13**

3.106 The Petitioner requested to Commission to allow the Aggregate Revenue Requirement of Rs. 1753.13 Crore.

COMMISSION'S ANALYSIS

3.107 Based on the above, the Commission approves the Aggregate Revenue Requirement (ARR) for True-up for FY 2022-23 as follows:

Table 3. 55 : Commission Approved - Aggregate Revenue Requirement for FY 2022-23 (Rs. Cr.)

Sr. No	Particulars	FY 2022-23
A	Net Power Purchase Cost	1259.63
B	Operation & Maintenance (O&M)	230.93
C	Depreciation	21.20
D	Return on Capital Employed (RoCE)	16.58
E	Income Tax	0.00
F	Less: Non-Tariff Income	5.38
G	**Aggregate Revenue Requirement (ARR)**	**1522.96**

REVENUE (GAP)/SURPLUS

PETITIONER'S SUBMISSION

3.108 The Petitioner has submitted that the overall gap based on the actual expenses and revenue during FY 2022-23 is Rs. 365.57 Cr. and same is tabulated as under:

Table 3. 56 : Petitioner Submission: Revenue Gap / Surplus for FY 2022-23 (Rs. Cr.)

Sr. No.	Particulars	Actual
1	Aggregate Revenue Requirement, FY 2022-23	1753.13
2	Revenue Available Towards ARR	1387.56
3	**Revenue (Gap) / Surplus**	**(365.57)**

Table 3. 57 : Petitioner Submission: Allocation of ARR for Retail Supply for FY 2022-23

Sr. No.	Particulars	Ratio	Actual
1	Cost of Power Purchase	100%	1263.66
2	Operation & Maintenance Costs	38%	152.16
3	Depreciation (including AAD)	23%	9.53
4	Return on Capital Employed	28%	14.84
5	Income Tax	28%	0.00
6	Non-Tariff Income	60%	3.23
7	**ARR for Retail Business**		**1436.96**

Table 3. 58 : Petitioner Submission: Allocation of ARR for Wheeling for FY 2022-23

Sr. No.	Particulars	Ratio	Actual
1	Operation & Maintenance Costs	62%	248.26
2	Depreciation (including AAD)	77%	31.91
3	Return on Capital Employed	72%	38.16
4	Income Tax	72%	0.00
5	Non-Tariff Income	40%	2.15
6	**ARR for Wheeling Business**		**316.17**

COMMISSION'S ANALYSIS

3.109 Based on the ARR and the revenue available towards the ARR, the Revenue Surplus/(Gap) is as follows:

Table 3. 59: Commission Approved Revenue (Gap/surplus) for FY 2022-23 (Rs. Cr.)

Sr. No	Particulars	Amount
A	Aggregate Revenue Requirement	1522.96
B	Revenue Available Towards ARR	1498.72
C	**Revenue (Gap)/Surplus**	**(24.24)**

3.110 The closing Revenue Surplus for FY 2021-22 as per the True-up Order dated 25/10/2025 is Rs. 319.69 Cr. The Revenue Surplus/(Gap) for FY 2022-23 as now approved by the Commission is summarized as follows:

Table 3. 60 : Commission Approved Net Revenue Surplus/ (Gap) at the end of FY 2022-23 (Rs. Cr.)

S. No.	Particulars	UOM	FY 2022-23
A	Opening Revenue Surplus/(Gap)	Rs. Cr	319.69
B	Revenue Surplus/(Gap) for the year	Rs. Cr	(24.24)
C	Rate of return on equity	%	14%
D	Rate of debt	%	6.75%
E	Carrying Cost Rate	%	8.93%
F	Amount of Carrying Cost	Rs. Cr	27.45
G	**Closing Revenue Surplus/(Gap)**	**Rs. Cr**	**322.90**

Annexure I

DELHI ELECTRICITY REGULATORY COMMISSION

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

F.11(2188)/DERC/2023-24/7983

Petition No. 22/2024

In the matter of: **Petition for approval of True up for FY 2022-23 alongwith ARR and determination of Tariff for FY 2024-25.**

New Delhi Municipal Council. **....Petitioner**

Coram:
Hon'ble Justice (Retd.) Jayant Nath, Chairperson

Appearance:
Mr. Tushar Sannu, Advocate, NDMC

Record of Proceedings

(Date of Hearing: 07.06.2024)
(Date of Order: 07.06.2024)

Heard. Admitted.

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

Annexure II

LIST 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	Industrial area	TPDDL	16-Dec-24

Sr.	Name	Address	Category	Company / Licensee	Date of Receipt
		DSIDC Industrial Area, Bawana, Delhi			
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
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 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 Khettarpal	DISCOM

Sr. No.	Name	Organisation/Category
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

Sr. No.	Name	Organisation/Category
36	Tarun Manik	DERC
37	Buddhidev 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