



BEFORE THE DELHI ELECTRICITY REGULATORY COMMISSION

Filing No:

Case No. :

**IN THE MATTER
OF
AND**

**Filing of revised and additional information true up petition
for FY 2007-08**

**IN THE MATTER
OF**

**New Delhi Municipal Council
Palika Kendra, Sansad Marg,
New Delhi - 110001
("THE PETITIONER")**


Table 1: Category wise Energy Sales for the Control Period

CATEGORY WISE SALES		True Up	Projections		
	Category	2007-08	2008-09	2009-10	2010-11
1	Domestic		As per the MYT Order dated 07.03.2008		
	<i>Single Delivery Point</i>	70.44			
	<i>Separate Delivery Point</i>	128.97			
	<i>Domestic Power</i>	20.70			
	Total	220.11			
2	Non Domestic				
	<i>Single Phase</i>	53.14			
	<i>Three Phase</i>	193.28			
	Total	246.42			
3	Mixed Load				
	<i>Supply at 11 KV (HT)</i>	371.29			
	<i>Supply on LT where supply is given from NDMC sub station</i>	6.06			
	<i>Supply on LT where applicant provides built up space for sub station</i>	205.01			
	Total	582.36			
4	Small Industrial Power	0.32			
5	Public Lighting	7.63			
6	Others	4.08			
7	Total	1060.92			



AT&C LOSSES 2007-2008

S.No.	Item	Unit	2007-2008
1.	Total Unit Input	MU	2236.95
2.	UI sale	MU	712.92
3.	Bilateral sale	MU	55.84
4.	Inter Discoms Sale	MU	318.72
5.	Total Sale Other utilities (2+3+4)	MU	1087.48
6.	Units utilized with in NDMC area (1-5) (UI)	MU	1149.47
7.	Unit billed by NDMC (Ub)	MU	1061.00
8.	Amount billed (Ab)	Rs. Cr.	497.86
9.	Amount realized in(Ar)	Rs. Cr.	478.16
10.	Collection Efficiency (CE=100XAr/Ab)	%	96%
11.	Units realized $Ur\{(Ub \times CE)\} \times 100$	MU	1018.00
12.	AT&C losses (UI-Ur)	MU	131.47
	AT&C losses $\{1-(Ur/UI)\} \times 100$	%	11.25

**Table 2: Power Purchase during FY 2007-08**

Power Purchase	Projections			
Particulars	2007-08	2008-09	2009-10	2010-11
Power Purchase in MU	2236.95	As per the MYT Order dated 07.03.2008		
Capacity Charges in Rs.Cr.	80.00			
Variable Charges in Rs. Cr.	550.00			
Total in Rs. Cr.	630.00			
Average Rate of Power Purchase	2.81			

Employee Cost

Employee Cost is the cost of manpower including Salary & Allowances, Bonus, LTC & Honorarium, Pension & Terminal Benefits, Death cum retirement gratuity as well payments to the family of deceased employees.

The Petitioner submits that the entity for supply of electricity in NDMC is considered as a department of NDMC like other departments and not as a separate commercial undertaking. NDMC further submits that it is in the process of segregating the electricity business as a separate commercial entity and finally come out with electricity as a separate business in near future.

Considering the present situation of the electricity business not as a separate business and the NDMC Accounts for FY 2007-08.

Table 3: Employee Cost during FY 2007-08

EMPLOYEE COST (Rs.Cr).	True Up	Projections	
Particulars	2007-08	2009-10	2010-11
Salary & Allowances	47.14	As per the MYT Order dated 07.03.2008	
Contribution to PF	0.03		
Pension & Terminal Benefits	9.72		
Ex-gratia	0.53		
Bonus	0.05		
LTC	0.57		
Honorarium/OTA	0.16		
Total	58.20		
<i>Capitalization</i>	5.77		
Net Employee Cost	63.97		



1. NDMC has further proposed 10% capitalization of employee cost involved and associated with capital expenditure in respect of transmission and The Petitioner requests the Commission to approve the net employee cost of Rs. 6934.45, Rs. 7279.58 Lakhs, Rs. 7577.83 Lakhs & Rs. 8078.26 Lakhs for the FY 2007-08, FY 2008-09, FY 2009-2010 and FY 2010-11 respectively.

Administrative & General Expenses

Administration & General expenses include expenses on computerization, communication, security and other charges. A & G Expenses for FY 2006-07 have been estimated at Rs. 1145.94 Lakhs as per revised estimates for FY 2006-07.

For FY 2007-08, FY 2008-09, FY 2009-10 and FY 10-11, NDMC has projected expenses of Rs. 1226.88 Lakhs , Rs. 1232.20 Lakhs, Rs. 1269.41 Lakhs and Rs. 1318.59 Lakhs respectively.

Table 4 : A & G Expenses

A & G Expenses in Rs. Lakhs	True Up		Projections	
	2007-08	2008-09	2009-10	2010-11
Particulars				
Computerization	3.92	As per the MYT Order dated 07.03.2008		
Purchase of Vehicles	00			
Wireless Communication	00			
Telephone	00			
Security & Others (Civil Engg. Dept.)	4671.01			
Rent, Rates and Taxes	00			
Legal Charges/DERC				
Fee/Consultancy Fee	48.89			
Consumer Forum	0.76			
Running of Ombudsman Office	1.23			
Provision for bad/doubtful debts	00			
Implementation of RIMS	0.00			
Net A&G Expenses	4725.81			



Administrative Deptt. and Civil Engineering Deptt. Expenses

1. NDMC submits that the Honourable Commission is already aware that NDMC has a separate Administration department consisting of NDMC Board, Finance Department, General Administration. Law Department, Public Relations, Staff and Labour welfare, Vigilance department, Auto workshop, Information & Technology, Engineer-in-Chief etc.
2. NDMC further submits that there is a separate Civil Engineering Department and the services of the department are utilized for the civil portion of electrical works. Thus, the services of the Administration & Civil Engineering Department are common to all the functions carried out by the NDMC and the expenditure pertaining to these departments should be allocated to all functions of NDMC.

R & M Expenses

R & M Expenses include expenses on repair and maintenance of electrical equipments like transformers, capacitors, switchgears etc, purchase and maintenance of vehicles, furniture and fixtures & office equipments etc. R & M Expenses in FY 2007-08 have been actual at Rs. 12.00 Cr.

Methodology for R & M Expenses

The detailed assumption for working of R&M expenditure for the control period is provided below:

- The R & M Expenses have been worked out by applying the formula as per MYT regulations given by the Commission. Considering the FY 2006-07 as a base year, the value of k is calculated by considering the R&M expenses as per Commission's Tariff Order for FY 2006-07 and estimated opening level of GFA for FY 2006-07 i.e.



$$K = 1634.93 / 32757.20$$

$$= 0.0499$$

- Based on the above formula, the R & M expenses have been worked out 17.13 Cr. Against the actual expenditure 12.00 Cr.

Table 5: R & M Expenses

R & M Expenses	True Up	Projections		
Rs. in Lakhs	2007-08	2008-09	2009-10	2010-11
R & M Expenses	12.00	As per MYT Order dated 07.03.2008		

Capital Investment Plan

The revised estimates for the capital expenditure incurred during FY 2006-07 are Rs. 1103.30 Lakhs. This does not include replacement works. The same is indicated in the following table.

Table 6: Capital Expenditure during FY 2006-07

Revised Estimates for Capital Expenditure		
	Rs.in Crore	Revised Estimates for FY 2006-07
A	Total Ongoing works	838.00
B	New Investments	108.30
C	Total Miscellaneous Work	157.00
D	TOTAL	1103.30

The revised estimates for the capital expenditure for FY 2006-07 are given in the budget book for FY 2007-08.

The Petitioner would like to bring kind attention to the Commission's notice that NDMC has already submitted the Five Year Investment Plan as on Sep 18, 2007 vide letter no. A.O. (Comml.)/D-1130 to the Commission. A copy of the same has been attached as Annexures. Table summarizes the Capital Investment planned by NDMC during the four years on the first Control period.



Table 7: Capital Expenditure Plan

CAPITAL EXPENDITURE PLAN	Business Plan Projections				
	2007-08	2008-09	2009-10	2010-11	2011-12
Particulars in Rs. Lakhs					
66 KV EHV Works					
66 KV New Grid S/S at B.D.Marg, State Guest House, and Bapu Marg	514	3084	1542	0	0
66 KV New Feeder (Park Street to School Lane and Park Street to Vidyut Bhawan)	0	1739	0	0	0
Replacement of 66 KV Feeders (G.T. to Vidyut Bhawan-both Feeders)	1500	500	0	0	0
Installation of Power Transformers (20 MVA at School Lanes)	0	675	0	0	0
Total 66 KV EHV Works	2014	5998	1542	0	0
33 KV EHV Works					
33 KV New Grid S/S (Church Road, Raja Bazaar, Sanjay Camp and Constitutional Camp, Arjun Camp, Aliganj and Connaught Place)	496	2976	1860	2232	1116
33 KV New Feeders (220 KV H.C. Mathur Lane to Connaught Place, Vidyut Bhawan, Nirman Bhawan and New Feeders for the proposed grids)	0	125	861	600	0
Replacement of 33 KV Feeders (Feeders from I.P Station & Park Street)	0	450	700	0	0
Replacement of 33 KV Switchgears (at AIIMS, Nirman Bhawan, Bapu Dham, Baird Lane, Vidyut Bhawan and Electric Lane)	0	1875	1875	0	0
Balance Work at Trauma Circle & Mandi House	0	790	0	0	0
Total 33 KV EHV Works	496	6216	5296	2832	1116
11 KV/LT Works					
Augmentation of Transformers and Feeder capacities and Replacement of Switchgears and other equipments	5000	10000	10000	7500	5000
Total 11 KV/LT Works	5000	10000	10000	7500	5000
Total Maintenance Works	600	600	600	600	600
Total Metering Equipments Capex	50	50	50	50	50
Total Capex Plan	8160	22864	17488	10982	6766
Total Expenditure incurred	81.60				



Submissions

1. The Petitioner would like to submit that the Electricity Department of NDMC has the onerous responsibility of providing reliable power supply in its area having the most important buildings/institutes like Parliament House, Rashtrapati Bhawan, P.M. House, Supreme Court , High Court and VVIP Residence, Major Hospitals like AIIMS , Foreign Missions and other commercial Houses. To achieve the said goal, NDMC has proposed the above mentioned Capital Expenditure Plan for the next five years.
2. As can be seen in the table, NDMC proposes the capital expenditure to the extent of more than Rs. 550 Crore in the next five years vis-à-vis the revised estimate of Rs. 11.03 Cr of capital expenditure in the base year FY 2006-07.
3. NDMC would like to submit that NDMC has a vintage and weak distribution network, which warrants a higher degree of maintenance to ensure reasonable availability, reliability and quality of supply.
4. In view of the above, NDMC would like to submit that such investments are proposed with respect to meeting the load growth requirements, augmentation of transformers, Feeder capacities, replacement of switchgears and other equipments at all levels viz. 66 KV level, 33 KV level and 11 KV/LT level. More than 50% of the total investments are attributed to 11 KV/LT works.
5. NDMC humbly requests the Honourable Commission to approve the Capital Expenditure Plan as proposed for the first control period.



Fixed Assets & Asset Capitalization

The Petitioner with regard to Original cost of Fixed Asset submits that

1. The revised estimates of Gross Fixed Assets as on Mar 31, 2007 is estimated at Rs. 32757 Lakhs based on the capital expenditure being undertaken in FY 2006-07. The revised Capital expenditure programme during FY 2006-07 was proposed as per the NDMC's budget FY 2007-08 at Rs. 1103 lakhs excluding the replacement works of Rs. 199 lakhs. It is expected that entire works in progress and 50% of the capital expenditure for FY 2006-07 would be completed and the assets would be put in use during the FY 2006-07. Thus an amount of Rs. 1557 Lakhs gets transferred to the assets that are in use.
2. Similarly, the Capital Expenditure programme during the control period is estimated at Rs. 8160 Lakhs (FY 07-08), Rs. 22864 Lakhs (FY 08-09), Rs. 17488 Lakhs (FY 09-10) and Rs. 10982 (FY 10-11) respectively. It has been proposed that entire work in progress as on April 1, 2007 would be completed during the FY 2007-08. Hence, the amount of Rs. 4405 Lakhs, Rs. 15850 Lakhs, Rs 19839 Lakhs and Rs. 14235 Lakhs would be capitalized during the FY 07-08, FY 08-09, FY 09-10 and FY 10-11 respectively.
3. Working Capital requirement estimates are done as per the MYT regulations and are estimated as the sum of receivables for two months of revenue from sale of electricity and O & M expenses for one month less power purchase cost for one month.
4. The Security Deposits are estimated Rs. 2434 Lakhs for FY 06-07 and projected at Rs. 2542.68 Lakhs, Rs. 2656.22 Lakhs, Rs. 2774.82 Lakhs and Rs. 2898.72 Lakhs for FY 07-08, FY 08-09, FY 09-10 and FY 10-11 respectively.



Further, the petitioner submits that it expects that the entire opening work in progress as on 1 April, 2007 would be completed and the assets would be put into use during the FY 2007-08. Regarding the new investments as proposed by the petitioner during the control period, asset capitalization has been estimated on the basis of the project specific track record of capitalization during the previous years and urgency of investments required to be made during the control period.

Table 8: Capitalization Schedule for New Schemes

Rs. In Lakhs	FY 07-08	FY 08-09	FY 09-10	FY 10-11
TOTAL CAPITALIZATION PLAN	4405	15850	19839	14235

NDMC request the Commission to approve the capital expenditure plan and capitalization schedule as submitted without considering any retirement of assets during the control period.

Depreciation

In the last two tariff orders, the Honourable Commission directed NDMC to submit the break up of opening block of assets and assets capitalized during the years as per the classification specified in the Appendix II to Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 while submitting the Petition for FY 2005-06 and FY 2006-07. The Petitioner submitted that the asset value wise classification was required to evaluate the correct value of depreciation and same was not available with the Petitioner at that time. The Petitioner reiterates that the asset value wise classification is not available at this moment but the same would be available within the forthcoming year as soon as the modified Accounting Manual will be implemented within the NDMC. Pending the preparation of assets and asset wise classification, the Petitioner proposes an average rate of depreciation for distribution assets @ 3.60 % for computing depreciation for the control period in accordance with the CERC (Terms and Conditions of Tariff) Regulations, 2004. Based on the same principles, the Petitioner proposes the depreciation charges for the control period as follows:

**Table 9: Depreciation**

DEPRECIATION (Rs.Cr.)	True Up	Projections	
	2007-08	2008-09	2009-10 2010-11
Fixed Assets			
Opening balance of fixed assets	465.24		
Addition during the year	185.49		
Retirement during the year	0.00		
Closing balance of fixed assets	681.73		
Avg. fixed assets	38428.53		
Rate of Depreciation	3.6%		
Depreciation	20.07		
Depreciation against APDRP grants	0.00	As per MYT Order dated 07.03.2008	
Net Depreciation	20.07		

NDMC requests the Honourable Commission to approve the depreciation charges for the control period.

Interest Charges

No loans are outstanding against power during FY 2006-07. The Petitioner submits that it has made no fresh borrowings during FY 2007-08 till now and does not propose any borrowings during the control period. Therefore, no interest expenditure is considered during the control period.

Regulated Rate Base

As per the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2007 issued by the Commission as on May 2007, Regulated Rate Base (RRB) shall be used to calculate the total capital employed which shall include the original cost of assets and working capital, less the accumulated depreciation. Capital work in progress (CWIP) shall not form part of the RRB. Consumer contribution, capital subsidies / grants shall be deducted in arriving at the RRB.

The RRB for the i^{th} year of the control period shall be computed in the following manner:



$$RRB_i = RRB_{i-1} + \Delta AB_i/2 + \Delta WC_i;$$

Where,

'i' is the i^{th} year of the control period, $i = 1,2,3,4$ for the first control period;

RRB_i : Regulated Rate Base for the i^{th} year of the control period;

ΔAB_i : Change in the Regulated Rate Base in the i^{th} year of the control period. This component shall be the average of the value at the beginning and end of the year as the asset creation is spread across a year and is arrived at as follows:

$$\Delta AB_i = Inv_i - D_i - CC_i;$$

Where,

Inv_i : Investments projected to be capitalized during the i^{th} year of the Control Period and approved;

D_i : Amount set aside or written off an account of Depreciation of fixed assets for i^{th} year of the control period;

CC_i : Consumer contribution pertaining to the ΔRRB_i and capital grants/subsidies received during i^{th} year of the control period for construction of service lines or creation of fixed assets;

RRB_{i-1} : Regulated Rate Base for the Financial Year preceding the i^{th} year of the control period. For the first year of the control period, RRB_{i-1} shall be the Regulated Rate Base for the Base Year i.e. RRB_0 ;



Following the above methodology, NDMC has estimated the Regulated Rate Base for its electricity business for the base year FY 2006-07 and projected the same for the first control period. The computation is shown in the following Table 10.

Table 10: Computation of Regulated Rate Base for the Control Period

Rs. In Lakhs Particulars	MYT Period				
	CY FY 07	FY 08	FY 09	FY 10	FY 11
RRB - Base Year					
Opening Balance of OCFA	32757.20	35805.25	42542.86	58392.36	78230.86
Opening Balance of Working Capital	6102.11	9683.88	9957.81	10501.98	11109.91
Opening Balance of Accumulated Depreciation	23925.25	25335.52	27152.35	29611.57	32684.11
Opening balance of Accumulated Consumer Contribution (in proportion of OCFA to total OCFA + CWIP + Stores)	0.00	0.00	0.00	0.00	0.00
RRB - for each year					
Investments in capital expenditure during the year	3048.05	6737.61	15849.50	19838.50	14235.00
Depreciation for the year	1234.12	1410.27	1816.83	2459.22	3072.54
Consumer Contribution, Grants, etc for the year	2434.00	2542.68	2656.22	2774.82	2898.72
Change in Working Capital	0.00	3581.77	273.93	544.17	607.93
RRB - for each year	6397.95	11372.05	17334.21	25180.61	29920.40

The above parameters used for calculating RRB are detailed in further sections.

NDMC has estimated the Regulated Rate Base at Rs. 6397.95 Lakhs for the FY 2006-07 and further projected the same at Rs. 11372.05 Lakhs (FY 2007-08), Rs. 17334.21 Lakhs (FY 2008-09), Rs. 25180.61 Lakhs (FY 2009-10) and Rs. 29920.40 Lakhs (FY 2010-11).

NDMC as a Petitioner requests the Commission to approve the same.



Return on Capital Employed

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

$$RoCE = WACC_i * RRB_i$$

Where,

WACC_i is the Weighted Average Cost of Capital for each year of the control period

RRB – Regulated Rate Base is the asset base for each year of the control period based on the capital investment plan and working capital.

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

$$WACC = [(D/E)/(1+(D/E))] * r_d + [(1/(1+(D/E)))] * r_e$$

As NDMC does not have any debt on its books and proposes no debt financing in future for its capital expenditure plan also, NDMC proposes to consider a notional loan at 70% of the total capital employed. Hence the D/E ratio taken to calculate WACC is 70:30. The percentage of cost of debt (rd) is taken at 12.75% (benchmark used is SBI PLR) and the percentage of return on equity (re) is taken at 16%. The WACC calculated using these figures comes out to be 13.725%.

Table 11: Return on Capital Employed

ROCE Particulars	True Up		MYT Period		
	FY 07	FY 08	FY 09	FY 10	FY 11
Regulated Rate Base					
WACC (13.725%)					
Return on Capital Employed	9.98	As per the MYT Order dated 07.03.2008			

The Petitioner humbly requests the Commission to approve the ROCE as calculated and proposed for the MYT period.



Non Tariff Income

Non-Tariff Income is sourced from the income in form of meter rents, Service Connection Fees, Recovery of departmental charges & storage charges and other receipts, Misuse and Late payment surcharges.

NDMC would like to submit that NDMC has billed Rs. 43.18 Lakhs as late payment surcharges & Rs. 362.43 Lakhs as mis-use charges to various consumers during FY 2006-07. The same has been duly taken into account while determining non-tariff income.

Table 12: Non Tariff Income

Non-tariff Income (Rs. Cr.)	True Up	Projections	
Particulars	2007-08	2008-09	2009-10 2010-11
Meter Rent	1.21		
Service Connection Fees	0.61		
Recovery of Departmental Charges	00		
Recovery of Storage Charges	00		
Other Receipts	6.02		
Late payment surcharge	0.32		
Mis-use charges	7.62		
Others	0.00	As per the MYT Order dated 07.03.2008	
Total	15.78		

The non tariff income is projected as per the revised budget for FY 2007-08 and further escalated for rest of the control period at the projected sales growth rate of 4%.

The Petitioner requests the Honourable Commission to approve the non tariff income as proposed for the control period.

Aggregate Revenue Requirement for the Control Period

The Annual Revenue Requirement for the First Control Period is estimated as Rs. 57249.72 Lakhs (FY 07-08), Rs. 63283.92 Lakhs (FY 08-09), Rs. 70583.14 Lakhs (FY 09-10) & Rs. 78361.90 Lakhs (FY 10-11) by applying the principles and methodology laid down by the Commission's Regulations on Terms and Conditions for Determination of Wheeling and Retail Supply Tariff, dated May, 2007.



The following is summarized is tabulated below:

Table 13: ARR during the Control Period

REVENUE REQUIREMENT	Revised	Projections		
Particulars in Rs. Cr.	2007-08	2008-09	2009-10	2010-11
A. EXPENSES				
Power Purchase Expenses	179.4			
SLDC and STU Charges	15.08			
Open Access & Intra State wheeling Charges paid through PTC	0.38			
Share of Income Tax paid to NDPL	16.50			
Employee Cost	64.00			
R & M Expenses	12.00			
Administration & General Expenses	0.55			
Admissible Expenses	0.00			
Depreciation	20.00			
Administrative Deptt. & Civil Engg. Deptt	46.71			
ROCE	9.98			
Total Expenses	364.60			
C. NON TARIFF INCOME	15.78	As per the MYT Order dated 07.03.2008		
Total Revenue Requirement (A-C)	348.82			

In addition to above an expenditure of Rs. 21.77 Lakhs towards Truing Up expenditure for previous year and reasonable return may also be allowed in the ARRs.



2. TARIFF PROPOSAL FOR THE CONTROL PERIOD

- The Petitioner submits the category wise sales, revenue billed and the revenue to be realized in terms of Rs./unit for the FY 2006-07 as per the following table.

Table 14 : Revenue Realization per unit for FY 06-07

	CATEGORY WISE REVENUE AT EXISTING TARIFF	Revised in Rs. Lakhs	Revised Sales in MU	Rs.per unit with E-Tax	Rs.per unit without E- Tax
	Category	2006-07	2006-07	2006-07	2006-07
1	Domestic				
	Single Delivery Point	2129	63	3.37	3.24
	Separate Delivery Point	3265	124	2.64	2.53
	Domestic Power	791	21	3.77	3.62
	Total	6184	208	2.97	2.86
2	Non Domestic				
	Single Phase	2550	55	4.66	4.47
	Three Phase	9832	184	5.35	5.13
	Total	12382	239	5.19	4.98
3	Mixed Load				
	Supply at 11 KV (HT)	20327	345	5.90	5.66
	Supply on LT where supply is given from NDMC sub station	454	6	7.17	6.88
	Supply on LT where applicant provides built up space for sub station	12302	203	6.05	5.80
	Total	33083	554	5.97	5.73
4	Small Industrial Power	14	0	4.31	4.14
5	Public Lighting	301	8	3.78	3.63
6	Others	85	4	2.23	2.14
7	Total	52050	1013	5.14	4.93



Revenue from Existing Tariff during the Control Period

1. Revenue from existing tariff is required to be estimated to assess whether the annual revenue requirement is met with the existing tariff at the projected sales. If a revenue gap exists, the same needs to be bridged by means of tariff increase support from the government by way of loan and grants etc.
2. Revenues from sale of power during the first control period are determined based on the Energy sales estimated in Table and category wise billing rate for FY 2006-07.
3. The following table shows the category wise revenue during the first control period at the existing billing tariff of FY 2006-07.

Table 15: Category wise Revenue at Existing tariff for Control Period

	CATEGORY WISE REVENUE AT EXISTING TARIFF (Rs. In Lakhs)	Actual	Projections			
		2007-08	2008-09	2009-10	2010-11	
1	Domestic					
	<i>Single Delivery Point</i>	2385.94	2405.21	2609.14	2830.35	
	<i>Separate Delivery Point</i>	3421.52	3239.03	3292.89	3347.64	
	<i>Domestic Power</i>	779.89	700.01	672.26	645.60	
	Total	6587.35	6344.26	6574.28	6823.59	
2	Non Domestic					
	<i>Single Phase</i>	2470.80	2494.08	2517.29	2540.71	
	<i>Three Phase</i>	10295.18	10790.36	11537.15	12335.61	
	Total	12765.98	13284.44	14054.43	14876.32	
3	Mixed Load					
	<i>Supply at 11 KV (HT)</i>	18997.75	22130.74	23567.69	25097.94	
	<i>Supply on LT where supply is given from NDMC sub station</i>	358.67	413.90	403.36	393.09	
	<i>Supply on LT where applicant provides built up space for sub station</i>	10681.72	12335.13	12606.41	12883.65	
	Total	30038.14	34879.76	36577.45	38374.68	
4	Small Industrial Power	13.80	14.89	15.53	16.20	
5	Public Lighting	288.45	301.39	307.65	314.05	
6	Others	91.93	84.34	84.34	84.34	
	Total	49785.65	54909.08	57613.69	60489.18	
8	Revenue from sale of power	49785.65*	54909.08	57613.69	60489.18	

** Net of 4.5% Electricity Tax. For Rest of the Control Period, Electricity Tax is assumed at 5%.

**Revenue Gap/ (Surplus)**

1. Considering the Annual Revenue Requirement as estimated for the control period and the Revenue realization at the existing tariff, Revenue Gap /(Surplus) is projected as follows:

Table 16: Revenue Gap/ (Surplus)

	CATEGORY WISE REVENUE AT EXISTING TARIFF in Rs. lakhs	Actual	Projections		
	Category	2007-08	2008-09	2009-10	2010-11
1	ARR	57249.72	63283.92	70583.14	78361.90
2	Revenue at Existing Tariff	49785.65	54909.08	57613.69	60489.18
3	Revenue Gap/(Surplus)	-7464.07	-8374.84	12969.45	-17872.71

Coverage of Revenue Gap

1. Table 19 summarizes the Revenue Gaps at existing tariff at Rs. - 7464.07 Lakhs (FY 2007-08), Rs. -8374.84 Lakhs (FY 2008-09), Rs. - 12969.45 Lakhs (FY 2009-10) & Rs. -17872.71 Lakhs (FY 2010-11) during the control period respectively.
2. The total Revenue Gap over the first control period at the existing tariff is approximately in the range of Rs. 46680 Lakhs.
3. As depicted in Table 20, the total Revenue Gap of Rs. 46680 lakhs during the control period is proposed to be covered through Additional Revenue from proposed tariff revision in FY 2008-09, FY 2009-10 and FY 2010-11.



Table 17: Revenue Gap Coverage

	CATEGORY WISE REVENUE AT EXISTING TARIFF in Rs. lakhs	Actual	Projections		
		2007-08	2008-09	2009-10	2010-11
1	Category ARR	57249.72	60180.50	67349.83	74993.28
	Covered by				
2	Revenue at Existing Tariff	49785.65	54909.08	57613.69	60489.18
3	Revenue Gap/(Surplus)	-7464.07	8374.84	12969.45	17872.71
4	Cumulative Revenue Gap	46680			
	Covered by				
5	Additional Revenue @ proposed tariff		8706.56	14234.20	20707.55

Tariff Revision Proposal for the Control Period

- Table 18 summarizes the existing and proposed tariff structure for various consumer categories during the control period. NDMC submits to the Commission to approve the tariff structure proposed in Table 18.

Table 18: Proposed Tariff during the First Control Period

	CATEGORY WISE TARIFF (Rs./Kwh)	Existing	Proposed Tariff		
		2007-08	2008-09	2009-10	2010-11
1	Category Domestic				
	Single Delivery Point		3.70	3.96	4.24
	Separate Delivery Point		2.90	3.10	3.32
	Domestic Power		4.15	4.44	4.75
2	Non Domestic				
	Single Phase		5.12	5.47	5.86
	Three Phase		5.88	6.29	6.73
3	Mixed Load				
	Supply at 11 KV (HT)		6.61	7.13	7.71
	Supply on LT where supply is given from NDMC sub station		8.03	8.67	9.36
	Supply on LT where applicant provides built up space for sub station		6.77	7.31	7.90
4	Small Industrial Power		4.83	5.21	5.63
5	Public Lighting		4.16	4.45	4.76
6	Others		2.45	2.62	2.81



2. NDMC proposes to the Commission to increase the tariff by 7% across the domestic, non domestic, public lighting and other categories in order to prevent the revenue losses due to the tariff reduction approved by the Commission for FY 2006-07 at FY 2005-06 levels and to compensate for the revenue gap at existing tariff.
3. NDMC proposes to the Commission to increase the tariff by 8% across the mixed load and SIP categories to compensate for the revenue gap at existing tariff.
4. NDMC proposes to retain all other charges presently being charged from its various categories of consumers during the control period.
5. NDMC requests the Honourable Commission to approve the tariff as proposed for the control period.

8. PRAYER:

The present application is presented to the Hon'ble Commission for true up of cost for the year 2007-08. The Petitioner prays to the Hon'ble Commission that it may be pleased

1. To admit the true up Petition and consider true up of expenses along with carrying cost for the entire FY 2007-08.
2. To approve the actual expenses for the FY 2007-08 in accordance with Section 12.1 of the MYT Regulation.
3. To allow additions/alterations/changes/modifications to the application at a future date.
4. To allow any other relief, which the Hon'ble Commission deems fit.
5. Condone any inadvertent omissions/errors/rounding of differences/shortcomings

Declaration

That the subject matter of the Petition has not been raised by the Petitioner before any other competent forum, and that no other competent forum is currently seized of the matter or has passed any orders in relation there to.