

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

No. F.11(748)/DERC/2011-12/

**Application/Petition No. 67 & 68/2011**

**In the matter of:**            **Regulation/Diversion of Power Supply relating to BSES Rajdhani Power Limited (BRPL) for Non-payment and Non-maintenance of Letter of Credit & Show Cause Notice U/s 24 of the Electricity Act, 2003.**

**AND**

**In the matter of:**

BSES Rajdhani Power Limited  
Through its : **CEO**  
BSES Bhawan, Nehru Place,  
New Delhi-110019.

BSES Yamuna Power Limited  
Shakti Kiran Building,  
Karkardooma  
Delhi 110 032

**Coram:**

**Sh. P. D. Sudhakar, Chairman, Sh. Shyam Wadhera, Member &  
Sh. J.P. Singh, Member.**

Appearance:

1. Mr. Amit Kapur, Adv. BRPL & BYPL
2. Mr. Dushyant Manocha, Adv. BRPL & BYPL
3. Ms. Tarunima Vijra, Adv. BRPL & BYPL
4. Ms. Deepeika Kalra, Adv. BRPL & BYPL
5. Mr. Gopal K. Saxena, BRPL
6. Mr. R.L. Natarajan, BRPL
7. Mr. Ajay Kumar, BRPL
8. Mr. Sunil Shori, V.P.. BRPL
9. Mr. Prashant Dua, BRPL
10. Mr. Deepak Shankar, BRPL
11. Mr. Raj Arora, BRPL
12. Mr. Subhash C. Sharma, BYPL
13. Mr. Harish Dhawan, C.S. BRPL
14. Mr. Sushil Aggarwal, CFO, BYPL
15. Mr. Pankaj Dhir, BYPL, Legal
16. Mr. V.K. Mongia, Dy. Secretary, Power
17. Mr. Vivek Narayan Sharma, Adv. For DTL
18. Mr. R.K. Jain, Company, Sec. IPGCL/PPCL
19. Mr. Ranjan Choudhary, D(F), IPGCL/PPCL
20. Mr. Bhupender Nath, GM (Coml.) DTL
21. Mr. S.Mohari, DGM (Comml.) DTL
22. Mr. Nikka Ram C.E. (Comml.) NHPC
23. Mr. K.K. Goel, SM (F) NHPC

**ORDER**

(Date of Hearing: 20.01.2012)  
(Date of Order: 25.01.2012)

1. Mr. Amit Kapur, Ld. Counsel for BRPL & BYPL submitted that as per direction of the Commission they have provided audited monthly accounts from April 2011 to December 2011 along with complete details of revenues received and application of funds.

2. The Commission observed from the information provided by BRPL & BYPL upto 19.01.2012, that in the case of BRPL revenue collection during April and May, 2011 was as low as 82.36% and 78.44% respectively of revenue billed. In April, 2011 revenue collection was only Rs. 175.42 crore which is about 40% of average revenue collected in the other months of FY 2011-12. The Commission further observed that the above and other anomalies need to be examined and explained by the concerned distribution utilities. Also, energy billed in April and May, 2011 is about 100 MUs lower than MUs billed in the last year during the same period. Further, MUs billed in April 2011 is about 167 MUs lower than the energy sold in March, 2011.
3. The Commission also noticed that AT & C losses during first seven months (April to October, 2011) of FY 2011-12 are approximately 27.36% against the target of 15%. The collection efficiency during the April to October, 2011 in FY 2011-12 is approximately 92.6% against the target of 99.5%.
4. The Commission also observed that in the case of BYPL revenue collection during April and May, 2011 was as low as 61.37% and 79.24% respectively of revenue billed. In April 2011 revenue collection was only Rs. 89.36 Cr. which is about 40% of average revenue collected in other months. Further, energy billed in April and May, 2011 is about 60MUs lower than MUs billed in the last year during the same period. The Commission further noticed that AT & C losses from April to October, 2011 are approx. 32.28% against the target of 15%. The collection efficiency from April to October, 2011 is approx. 89.2% against the target of 99.5%.
5. The Commission has also noticed that there are prima-facie unexplained discrepancies in the information relating to power purchase by both BRPL & BYPL. The power purchase cost of BRPL in November, 2011 was Rs. 648 Cr. while in April 2011, it was Rs. 297 Cr., thus showing an increase of 117%. In case of BYPL, the power purchase cost in Nov. 2011 was Rs. 466.13 Cr. while in April, 2011, it was Rs. 216 Cr., thus showing an increase of 116%. The Commission further observed that in case of both the utilities, the power purchase cost during the month shown in one statement and in the cash flow statements do not match. In addition, the information on power purchase has not been given in the desired format prescribed by the Commission for April to December, 2011.
6. In view of the above, the Commission is unable to accept the information submitted by BRPL & BYPL without any explanations/detailed justifications. The Commission observes that the gaps in revenue collection indicated during the first seven months of the year in case of both the utilities could have been eliminated if collection efficiency had been near 99.5%. The above, coupled with other indicators such as large net cash surplus in December, 2011 (Rs. 158.40 cr. in case of BRPL and Rs. 164.72 Cr. in case of BYPL), appear to indicate that revenue realized by BRPL & BYPL in the current months is sufficient to liquidate the current outstanding dues from September, 2011 onwards in respect of generation & transmission utilities.

7. The Commission also observes that there is no compliance of the Commission's Order dated 24.11.2011 (Petition No. 51 & 52 of 2011) and Order dated 29.12.2011 by BRPL & BYPL.
8. The Commission is of the view that the distribution utilities need to make payment of dues to the power generation/transmission agencies so that there is no threat of discontinuance of power supply to the distribution utilities by these agencies. As a first step, the Commission directs BRPL & BYPL to liquidate the current outstanding dues from September 2011 onwards of all their power suppliers and transmission utilities latest by 01.02.2012 failing which the Commission shall initiate appropriate proceedings against them for non-performance of their obligations under the distribution licences granted to them.
9. The distribution utilities are also directed to liquidate the accumulated dues of the power generation/transmission agencies once the IDBI loan is sanctioned. The liquidation plan may be finalised by them in consultation with the creditors so that there is no fresh threat of regulation which may cause disruption of power supply in the National Capital Territory of Delhi.
10. BRPL and BYPL are directed to submit the compliance of this Order latest by 02.02.2012.
11. The next date of hearing will be intimated after 02.02.2012
12. Ordered accordingly.

Sd/-  
(J.P. Singh)  
Member

Sd/-  
(Shyam Wadhera)  
Member

Sd/-  
(P. D. Sudhakar)  
Chairman