



Delhi Electricity Regulatory Commission
Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi –110017.

F.11(1993)/DERC/2022-23/7405

Petition No. 31/2022

In the matter of : **Petition for seeking approval of the Commission to levy Differential Power Purchase Adjustment Cost pertaining to the period commencing from January'22 and ending in March'22 of FY 2021-22.**

Tata Power Delhi Distribution Ltd.

.... Petitioner

Coram:

Hon'ble Shri Justice Shahihul Hasnain 'Shastri', Chairperson
Hon'ble Dr. A. K. Ambasht, Member

Appearance:

Mr. Anand Srivastava, Adv., TPDDL

ORDER

Date of Order: 16.12.2022)

1. The instant Petitions have been filed by Tata Power Delhi Distribution Ltd. seeking approval of the Commission to levy Differential Power Purchase Adjustment Cost pertaining to the period commencing from January'22 and ending in March'22 of FY 2021-22 in accordance with Section 62 (4) of the Electricity Act, 2003 read with Regulation 134 of the DERC (Terms and conditions for determination of Tariff) Regulations, 2017 and Regulation 30 of the DERC (Business Plan) Regulations, 2019.

2. **PETITIONER'S SUBMISSION:**

- i. The Petitioner has levied PPAC of 8.52% pertaining to the period January'22 to March'22 (Q4) from the respective next billing cycles, i.e. for next three months, in terms of Business Plan Regulations, 2019.
- ii. Based on the audited accounts and records, the Petitioner has calculated the differential PPAC percentage for the period January'22 to March'22 is 1.18% i.e. (9.70% - 8.52%) in line with the PPAC methodology specified by the Commission.
- iii. Further, Petitioner vide its letter dated 12/08/2022 has submitted certain observations regarding the Commission's Order dated 05/08/2022, which are as follows:
 - a) The Petitioner has submitted that Short Term Open Access credit should not have been considered in calculation of Transmission Charges.

b) Exclusion of Power Purchase Cost of Dadri-I, Badarpur Thermal Power, IP Station and Cosmos Hydro Power Plant.

iv. The matter regarding Q4 was taken up for hearing on 13/09/2022. During the hearing the Counsel for the Petitioner also requested the Commission to consider the error crept out in order dated 05/08/2022 in Petition Nos. 62/2021 and 10/2022.

COMMISSION'S ANALYSIS

3. TPDDL vide letter dated 12/08/2022 has, *inter alia*, pointed out certain errors in the Commission's Order dated 05/08/2022 in Petition Nos. 62 of 2021 and 10 of 2022. The Commission has examined the errors in the Order dated 05/08/2022 and has following observations:

- a) Short Term Open Access credit was erroneously considered while computing the PPAC for Q3 of FY 2021-22;
- b) Power Purchase Cost related to Dadri-I was erroneously not considered while computing the PPAC, which is now considered for Q2 & Q3 of FY 2021-22;
- c) Arrears of Badarpur Thermal Power, IP Station and Power Purchase Cost of Cosmos Hydro Plant has not been considered in PPAC computation and the same will be considered during the True up exercise, since the said plants do not form part of base cost for FY 2021-22.

4. In view of above, the corrected and revised PPAC for Q2 and Q3 of FY 2021-22 is as follows:

Sr. No.	A	B	C	D	E	F
	Quarter of FY 2021-22	PPAC claimed By TPDDL	PPAC self-levied by TPDDL	Differential PPAC Sought (B-C)	Actual PPAC as per Bills verification and prudence check	Balance PPAC (%) (E-C)
1.	Q2	1.82%	1.64%	0.18%	1.12%	(-)0.53%
2.	Q3	11.85%	6.76%	5.09%	11.56%	4.80%

5. On the basis of prudence check of Power Purchase Bills and Transmission Bills for the period from January'22 to March'22 (Q4), the PPAC has been computed as 9.80% against 9.70% submitted by TPDDL. The calculation is as follows:

Sr. No.	Particulars	UoM	Submitted by TPDDL	Calculated by Commission
A	Total units procured from long term PPAs	MU	2464.00	2459.10
B	Proportionate Bulk Sale of Power	MU	-381.2	-381.15
C	Difference in base and actual PPC	Rs./kWh	0.55	0.55
D	Actual Transmission Cost	In Rs. Cr	254.9	259.20
E	Base Transmission Charges	In Rs. Cr	241.6	245.74
Z	Units on which PPAC shall be applicable	MU	2016.21	2011.56
	Distribution Losses	%age	7.80%	7.80%
	Average Billing Rate (ABR)	Rs./kWh	7.04	7.04
	PPAC	%	9.70%	9.80%

6. The reason for variation in PPAC claimed by the Petitioner and as calculated is on account of consideration of Power Purchase Cost for the Cosmos Power Plant by the Petitioner. However, the said plant is not a part of Base Cost of the Petitioner. The weighted average base cost of Rs. 4.57/kWh approved in para 4.128(b) of the Petitioner's Tariff Order dated 30/09/2021 does not include Cosmos Power Plant. Therefore, the said plant is not considered in PPAC calculated by the Commission.
7. The differential PPAC of 1.28% (i.e. 9.80% - 8.52%) for the Quarter January'22 to March'22 is allowed to the Petitioner, as well as the error in bill verification for the period from July'21 to September'21 (Q2) and October'21 to December'21 (Q3) is modified accordingly as per para 3 & 4 above.
8. Further, in the Order dated 05/08/2022, it was stated that the claims relating to PPAC of the Petitioner will be subsumed appropriately in the ensuing Tariff Order for FY 2022-23 and the difference, if any, will be considered/allowed with Carrying Cost, on verification of Power Purchase and Transmission Bills, in True up. However, differential PPAC for Q2 and Q3 along-with differential PPAC of Q4 as stated in para 7 is allowed.
9. In view of above, the PPAC allowed under this Order is (-)0.53% for July'21 to September'21, 4.80% for October'21 to December'21 and 1.28% for January'22 to March'22 which cumulatively arrives out as 5.55% $\{(-)0.53\%+4.80\%+1.28\}$. This is in addition to the PPAC allowed vide Order dated 31/08/2022. The PPAC of 5.55% is being allowed for a period of 3 months from the date of issuance of the Order.
10. Ordered accordingly.

Sd/-
(Dr. A.K. Ambasht)
Member

Sd/-
(Justice Shabihul Hasnain'Shastri')
Chairperson