



Delhi Electricity Regulatory Commission
Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi –110 017.

No. F.11(1823)/DERC/2020-21

Review Petition No. 49 /2020

In the matter of: **Application seeking review of the Commission's Tariff Order dated 28.08.2020 in Petition No.2 of 2020.**

BSES Yamuna Power Limited

....Review Petitioner

Coram:

Hon'ble Shri Justice S S Chauhan, Chairperson

Hon'ble Dr. A. K. Ambasht, Member

Appearance:

1. Mr. Buddy A Ranganadhan, Advocate, BRPL
2. Mr. Hasan Murtaza, Advocate, BRPL

ORDER

(Date of Order: 11.03.2021)

1. The instant Review Petition has been filed by BSES Yamuna Power Limited (BYPL) seeking review of the tariff order dated 28.08.2020 in Petition No. 02 of 2020 for error apparent on the face of Record.
2. Review Petitioner has sought following relief in its prayer:

Review its Tariff Order dated 28.08.2020 and rectify the issues as detailed in the present Petition.
3. The Review petitioner has submitted that:
 - i. The Hon'ble Commission, whilst computing the carrying cost for past claims, has committed a computational error in as much as the formula applied to the figures at hand is incorrect on the face of the record.
 - ii. Historically, the formula utilized by the Commission whilst calculating the carrying cost has been as follows:

(Opening Balance + Closing Balance) X Rate of Carrying Cost in %

2

WEAR FACE MASK

WASH HANDS REGULARLY

MAINTAIN SOCIAL DISTANCING

- iii. The Commission has, after computing the carrying cost further divided the resultant number by 2. In other words, it appears that in the Order under Review, the formula used by the Commission (hereinafter “the Incorrect Formula”) is as under:

$$\frac{(\text{Opening Balance} + \text{Closing Balance}) \times \text{Rate of Carrying Cost in \%}}{2}$$

$$2$$

- iv. The Review Petitioner further submitted that the Commission may kindly be pleased to correct Table 3.6 at Page 139 by re-calculating the carrying cost on the basis of the correct methodology and provide consequential relief(s) by correcting the amount of closing balance of Revenue Gap upto FY 2018-19 (computed in Table 5.2 of the Order under Review) by revising the amount of “Past Period true up”.

Commission Analysis

4. In the instant case, the review petitioner submitted that carrying cost formula is not in line with the methodology specified by the Commission in previous Tariff Orders. Accordingly, the review petitioner sought consequential relief.
5. As per Regulation 154 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017;
- “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.”*
6. As per Regulation 155 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 read as follows;
- “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.”*

7. It is observed in the tariff order dated 28.08.2020 that carrying cost worked out based on the methodology as above was further divided by 2 (two). Accordingly, carrying cost calculated at table 3.6 at page 139 of tariff order dated 28.08.2020 in Petition No. 02 of 2020 has been rectified and the impact on account of correction may be given in the subsequent tariff order.
8. The review petition is allowed.
9. Ordered Accordingly

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

Sd/-
(Justice S S Chauhan)
Chairperson