



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

F.11(2056)/DERC/2023-24/7626

Petition No. 01/2023

In the matter of: **Petition regarding levy of Power Purchase Adjustment Cost (PPAC) for the quarter of July 2022 to September, 2022 in NDMC Area in accordance with Regulation No. 30 of DERC of Business Plan Regulations – 2019 read with Regulation 134 of the Delhi Electricity Regulatory Commission (Terms and Conditions for determination of Tariff) Regulations 2017**

New Delhi Municipal Council.

...Petitioner

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

Appearance:
Mr. Tushar Sannu, Adv., NDMC

ORDER

(Date of Order: 22.06.2023)

1. The instant Petition have been filed by New Delhi Municipal Council (NDMC) seeking permission to Levy Power Purchase Adjustment Cost (herein after called PPAC) and consequently recover the differential PPAC pertaining to the quarter July' 2022 to September' 2022 in accordance with Regulation 30 of the DERC (Business Plan) Regulations, 2019. The petitioner has prayed the following:
 - I. Take on record that the Petitioner/NDMC would levy a PPAC of 8.75% for the Quarter July 2022-September 2022, on the bills of all consumers for a period of three months in terms of the extant Regulations and the Petitioner's letter dated 09.12.2022
 - II. In terms of the Business Plan Regulations 2019, for the Quarter April 2022-June 2022, permit the Petitioner/NDMC to levy the balance PPAC claim of 87.55% (i.e. 96.30%-8.75%) on the bills of all consumers for a period of three months.

Petitioner's Submissions

2. The Petitioner/NDMC has preferred the present Petition *inter alia* seeking permission of the Hon'ble Commission to levy and consequently recover the

Power Purchase Adjustment Charges (hereinafter "PPAC") from its consumers in accordance with law including but not limited to the DERC (Business Plan) Regulations, 2019 (hereinafter "the Business Plan Regulations, 2019).

3. In accordance with the aforesaid Regulation 30th of the Business Plan Regulations, 2019, the Hon'ble Commission specified the formula for computation of the PPAC vide its Tariff Order dated 30th September, 2021.
4. In further compliance of the above said formula as well as Regulation 30 of the Business Plan Regulations, 2019 the PPAC for the period of July 2022 to September 2022 works out to 96.30%. This Hon'ble Commission vide their Order No. F. 3 (677)/Tariff-Engg./DERC/2021-22/7442 dated 30.09.2022 considered the PPAC for Q 4 FY 2021-22 & Q1 FY 2022-23 as 38.74% & 75.18% respectively.
5. Accordingly, this Hon'ble Commission has decided vide their order dated 30.09.2022 that 22.18% PPAC on provisional basis was to be levied by NDMC instead of @ 8.75% w.e.f. 01.10.2022 till further orders of this Hon'ble Commission. That the balance PPAC will be claimed after approval of this Hon'ble Commission through a separate petition or through the true up process at the timing of filing ARR & Tariff Petition for FY 2023-24.
6. The Petitioner/NDMC respectfully submits that in accordance with the Business Plan Regulations, 2019 the Petitioner/NDMC will levy a PPAC of 8.75% on the bills of consumers for a period of 3 months'. Moreover, in compliance with the Business Plan Regulations, 2019, the Petitioner/NDMC has duly uploaded the computation of PPAC on its website prior to levying the same on the electricity bills of the consumers.
7. Further, for the differential, i.e. 87.55% (i.e. 96.30%-8.75%), the Petitioner/NDMC is filing the present Petition seeking approval of this Hon'ble Commission. The Petitioner/NDMC submits that the calculations have been done by the Petitioner/NDMC in accordance with the methodology specified by this Hon'ble Commission.
8. The Petitioner/NDMC respectfully submits that the following bills pertaining to supply of Power from GTPS have not been considered in the PPAC computation as the Petitioner/NDMC has challenged the allocation made by the Hon'ble Commission from this Power Plant before the Hon'ble Appellate Tribunal for Electricity ("Hon'ble APTEL"). The impact of this power shall be subject to decision by the Hon'ble APTEL. It is further submitted NDMC/Petitioner has received 43.48 MUs of power from GTPS Power Plant during the period from July

2022 to September 2022 for which the billed amount was Rs. 7.60 Crore, which has not been considered in the above PPAC.

9. Besides GTPS, PPAC does not include the following withheld payments of Dadri-I Thermal, POC, Non POC and wheeling charges/Transmission Charges of PGCIL, NRLDC, DTL applicable for Dadri-I Thermal Power as NDMC/Petitioner has not scheduled and drawn any power from this Power Station as the PPA between parties had expired on 30.11.2020.

S. No.	Utility	Amount	Remarks
a)	GTPS	76073552	GTPS power is allocated w.e.f. 01.04.2021 without NDMC consent. GTPS bill is withheld
	Total	76073552	

Transmission Charges: -

S. No.	Utility	Amount	Remarks
a)	DTL-SLDC	4593	GTPS withheld
b)	DTL-Wheeling Charged	1675167	-do-
	Total	1679760	

Commission's Analysis

10. NDMC vide its above-mentioned Petition, has submitted the PPAC computation for Q2 of FY 2022-23, and requested to allow the differential PPAC of 87.55% (96.30% - 8.75%).
11. During the said prudence check, it was noted that an amount of Rs. 3.28 Crore was considered in the PPAC pertaining to PGCIL. However, there was no bill for the same. Accordingly, NDMC was directed to justify their claim which they vide their email dated 5/06/2023 justified by submitting copy of bill No. CTUIL/BCD/Serial No. 94102274 dated 3/10/2022 of CTU (PGCIL) amounting to Rs. 3.28 Crore.
12. In view of above, the PPAC computed as per formula approved in Tariff Order dated 30/09/2021 is as follows:

Quarter	PPAC Computed by Commission	Remarks
Quarter-2 FY 2022-23	96.99%	NDMC considered rebate on Power Purchase Cost and Transmission Charges

13. During analysis of the Power Purchase and Transmission Bills, it is observed that major reason for high PPAC is the total allocation of NDMC on Gas Based Thermal Power Plants for meeting its power requirement and Gas Prices have increased drastically during the said period. Summary of approved ECR (Energy Charge Rate) vis-a-vis actual ECR during the period is as follows:

Plant	Approved ECR as per TO dated 30/9/2021	Rs./kWh		
		Jul'22	Aug'22	Sept'22
PPS-I Pragati	6.27	17.69	17.88	20.25
PPS-III Bawana	1.78	4.77	4.85	4.85

14. Summary of PPAC claimed, PPAC levied and actual PPAC is as under:

Quarter	PPAC claimed by NDMC	PPAC self-levied by NDMC	Differential PPAC as claimed by NDMC	Actual PPAC as per Commission	Balance PPAC (%) to be allowed
Q2 FY23	96.30%	8.75%	87.55%	96.99%	88.24%

15. The Commission vide its Order dated 30/09/2022, allowed NDMC to levy 22.18% PPAC on provisional basis w.e.f. 1/10/2022 till further Orders. Further, Commission vide its Order dated 9/01/2023 allowed additional PPAC of 5.82% over and above 22.18% for a period of 3 months. Considering the expected surge in Power Demand during Summer, the Commission continued the applicable PPAC as on 15/03/2023 till 30/06/2023. As per Order, the applicable PPAC to NDMC as on date is 28.00%.
16. The Commission notes that PPAC for Q1 and Q2 of FY 2022-23 in Petition No. 66/2022 and Petition No. 01/2023 respectively is very high i.e. 75.18% and 96.30% and vide various orders, as stated above, the Commission has allowed PPAC of 28.00% for longer period. To avoid huge tariff shock on account of such high PPAC, the Commission carries forward PPAC to more than one quarter.
17. The Commission, taking into consideration the provisions of Regulation 30(3) of DERC (Business Plan) Regulations, 2019 directs the petitioner to levy additional PPAC of 2% from the date of issuance of this order and also directs to continue to

levy the existing ongoing PPAC of 28 % i.e. total PPAC of 30% till 31/03/2024. No other PPAC shall be levied by NDMC during this period. Surplus/deficit, if any, will be allowed with carrying cost, on verification of Power Purchase and Transmission Bills, in True-up of relevant Financial Year.

18. Ordered Accordingly.

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