



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

F.11(2261)/DERC/2024-25/

Petition No. 53/2024

In the matter of: **Petition regarding levy of Power Purchase Cost Adjustment Charges (PPAC) for the Quarter of April, 2024 to June, 2024 (Q-1) in NDMC Area in accordance with Regulation No. 30 of DERC (Business Plan) Regulations, 2023 read with Regulation No. 134 of the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017**

New Delhi Municipal Council (NDMC)

.... Petitioner

Coram:

Hon'ble Justice (Retd.) Jayant Nath, Chairperson
Hon'ble Sh. Ram Naresh Singh, Member
Hon'ble Sh. Surender Babbar, Member

Appearance:

Mr. Tushar Sannu, Advocate, NDMC

ORDER

(Date of Order: 31.12.2024)

1. The instant Petition has been filed by New Delhi Municipal Council (NDMC) seeking permission to Levy and consequently recover the Power Purchase Adjustment Cost (hereinafter PPAC) from its consumers for the Q1 of FY 2024-25 from April' 2024 to June' 2024 in accordance with law including but not limited to the DERC (Business Plan) Regulations, 2023 (hereinafter "Business Plan Regulations, 2023").
2. The Petitioner has made the following prayers;
 - a. To take on record that the Petitioner/NDMC will levy a PPAC of 8.75% on the bills of consumer 'for a period of 3 months' in Quarter – 1 (April' 2024 to June' 2024) FY 2024-25; and
 - b. In terms of Business Plan Regulations 2023, for the Quarter – 1 i.e. April' 2024 to June' 2024, permit the Petitioner/NDMC to levy the PPAC claim of 42.11% (i.e. 50.86% - 8.75%) on the bills of all consumers for the period of three months.

Petitioner's Submission

3. The Petitioner has submitted that: -
 - i. The Petitioner/NDMC is entrusted with the Distribution of Electricity to the consumers in the New Delhi Municipal area under Sections 195 to 201 of the New

Delhi Municipal Council Act, 1994 and, for the said purpose, procures power from various sources in order to meet with its universal service obligations under Section 43 of the Electricity Act, 2003 for providing uninterrupted, reliable power supply to the consumers at large.

- ii. The Commission notified the Business Plan Regulations, 2023 which are to remain in force from FY 2023-24 to FY 2027-28, unless reviewed earlier by the Commission.
- iii. The Regulation 30 of the Business Plan Regulations, 2023 provides for the mechanism for recovery of PPAC. In accordance with the said regulation, the Commission specified the formula for computation of the PPAC vide its Tariff Order dated 30.09.2021.
- iv. Further, as per compliance of the said formula and Regulation 30 of the Business Plan Regulations, 2023, the PPAC for the period from April' 2024 to June' 2024 (Financial Year 2024-25) works out to 50.86%.
- v. In accordance with the Business Plan Regulations, 2023, the Petitioner/NDMC will levy a PPAC of 8.75% on the bills of consumers of a period of 3 months.
- vi. In light of the Commission's Orders dated 15.07.2024, had directed the Petitioner/NDMC to levy PPAC of 30% for period of 3 months i.e. 01.10.2024 to 31.12.2024. As per the said Order, the Petitioner herein can levy the PPAC Charges of 8.75%.
- vii. The Bills pertaining to supply of Power from GTPS have not been considered in the PPAC computation as the Petitioner has challenged the allocation made by the Commission from GTPS before the Hon'ble APTEL. However, the Hon'ble APTEL vide its Order dated 05.10.2023 rejected the appeal due to non-payment of cost. That the petitioner herein/NDMC has preferred an appeal against said order dated 05.10.2023 before the Hon'ble Supreme Court. The e-filing No. before Hon'ble Supreme Court is EC-SCIN01-17711-2024, the same has been withdrawn as dismissed. Now the Petitioner has decided to file a Review Petition under Section 94(1) (f) of the Electricity Act, 2003 in DERC. The Petitioner has received 3.33 MUs of Power from Plant during the period from April, 2024 to June, 2024 for which the billed amount was Rs. 1.50 Crore, which has not been considered in the above PPAC.
- viii. Besides GTPS, the subject PPAC does not include the 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 Petitioner has not scheduled and drawn any power from these Power Stations, as the PPAs entered between the parties had already expired on 30.11.2020

Commission's Analysis

4. NDMC vide abovementioned Petition, has submitted the PPAC computation for the Q1 of FY 2024-25, which is summarized as follows:

Quarter	PPAC Computed by DISCOM as per DERC Regulation	PPAC claimed by DISCOM
Q1 FY 2024-25	50.86%	42.11% (=50.86% -8.75%*)

Note: * Suo-moto levy of PPAC as per clause 30(4) of DERC (Business Plan) Regulations, 2023

5. The Commission vide its Record of Proceedings dated 14/11/2024 admitted the above-mentioned PPAC Petition. A prudence check of PPAC Petition was also conducted with NDMC Officials on 11/12/2024.
6. Petition submitted by NDMC has been scrutinized, 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.
7. After verification of the Power Purchase Bills submitted by NDMC and prudence check by the Commission, the PPAC computed as per formula approved in Tariff Order dated 30/09/2021 is as follows:

Quarter	PPAC claimed by NDMC in Petition	PPAC Computed #
Q1 FY 2024-25	50.86%	50.86%

Note: # PPAC was restricted to the PPAC claimed by the DISCOM

8. In view of above, the Commission accords approval of PPAC as follows:

Quarter	PPAC claimed by DISCOM	PPAC computed
Q1 FY 2024-25	42.11% (=50.86% -8.75%**)	42.11% (=50.86% -8.75%**)

Note: ** Suo-moto levy of PPAC as per clause 30(4) of DERC (Business Plan) Regulations, 2023

9. Presently ongoing PPAC is 30.00%, which is applicable till 31/12/2024. In Petition No. 47 of 2024, the PPAC for Q4 for FY 2023-24 has been decided by the Commission which will be operative from 01/01/2025 till 31/03/2025. Further, PPAC of Q1 FY 2024-25 to be recovered works out to 42.11%. In view of this, the Petitioner is allowed to recover PPAC of 42.11% for 3 months beyond 31/03/2025 i.e., from 1/04/2025 to 30/06/2025.
10. Ordered accordingly.

Sd/-
(Surender Babbar)
Member

Sd/-
(Ram Naresh Singh)
Member

Sd/-
(Justice (Retd.) Jayant Nath)
Chairperson