



Delhi Electricity Regulatory Commission
Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi -110 017.
No. F.11(2136)/DERC/2023-24/7875

Petition No. 37/2023

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

New Delhi Municipal Council (NDMC)

.... Petitioner

Coram:
Hon'ble Justice (Retd.) Jayant Nath, Chairperson

Appearance:

Mr. Tushar Sannu, Advocate, NDMC

ORDER

(Date of Order: 26.02.2024)

1. The instant Petition have been filed by New Delhi Municipal Council (NDMC) seeking permission of the Commission to levy and, consequently, recover the Power Purchase Adjustment Charges (PPAC) from its consumers in accordance with law including but not limited to the DERC (Business Plan) Regulations, 2019 (hereinafter Business Plan Regulations 2019) pertaining to quarters April' 2023 to June'2023 (Q-1). The Petitioner has made the following prayers in its Petition:
 - a) The Petitioner/NDMC respectfully submits that in accordance with the Business Plan Regulations, 2023; the Petitioner/NDMC will levy a PPAC of 8.75% on the bills of consumers 'for a period of 3 months';
 - b) However, Hon'ble Commission vide its Order dated 12.07.2023 and 21.07.2023 has directed to levy PPAC @30% till 31.03.2024. In compliance with said order, the Petitioner/NDMC is levying PPAC @ 30% for the ongoing period. Hence, NDMC to levy the balance PPAC claim of 69.55% (i.e. 69.55% -0%) on the bills of all consumers for a period of three months; and/or
 - c) In terms of the Business Plan Regulations 2023, for Quarter April 2023 to June, 2023, permit the Petitioner/NDMC to levy the PPAC claim 69.55% (69.55%-0%) on the bills of all consumers for a period of three months.

Petitioner's Submissions

2. The Petitioner/NDMC is entrusted with the Distribution of Electricity to the consumers in the New Delhi Municipal area under Section 195 to 201 of the New Delhi Municipal Council Act, 1994 and, for the said purpose, procures power from various sources for providing uninterrupted, reliable power supply to the consumers in its area of supply.
3. The Commission notified the Business Plan Regulations 2023. These Regulations have been declared to remain in force from FY 2023-24 to FY 2027-28, unless reviewed earlier by the Commission. Regulation 30 of the Business Plan Regulations, 2023 contains provisions for recovering of PPAC and in pursuance thereof the Commission has specified the formula for computation of the PPAC vide its Tariff Order dated 30.09.2021 whereby the PPAC for the period from April'2023 to June'2023 works out to be 69.55%.
4. The Petitioner/NDMC submits that in accordance with the Business Plan Regulations, 2023 the Petitioner will levy a PPAC of 8.75% on the bills of consumers 'for a period of 3 months.' However, the Commission, vide its Orders dated 12.07.2023 and 21.07.2023 has directed to levy PPAC @30% till 31.03.2024 and in compliance with the said Orders, the Petitioner are levying PPAC @ 30% for the ongoing period.
5. The Petitioner submits that 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 this Commission from GTPS before the Hon'ble APTEL. The impact of this power shall be subject to decision by Hon'ble APTEL. NDMC has received 3.88 MUs of power from GTPS Power Plant during the period from April'2023 to June'2023 for which the billed amount was Rs. 5.55 Crore, which has not been considered in the above PPAC.
6. Besides GTPS as submitted above, the subject 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 Petitioner did not schedule and drew any power from the said Power Stations since the PPA between parties had expired on 30.11.2020.

S. No.	Utility	Amount	Remarks
1.	GTPS	55589374	GTPS power was allocated wef. 01.04.2021 without the consent of the NDMC. GTPS bill is withheld.
	Total	55589374	

Transmission Charges

S.No.	Utility	Amount	Remarks
a.	DTL-SLDC	12500	GTPS Bill is withheld
b.	DTL-Wheeling Charges	1486512	--do--
	Total	1499012	

Commission Analysis

7. The Commission vide its Order dated 13.12.2023, while admitting the Petition, had directed the concerned Officers of the Petitioner to cooperate with the Officers of the Commission for finalisation of the issue.
8. In pursuance of the said directions, the officials of the Commission conducted prudence check on 03.01.2024 wherein, inter-alia, the power purchase and transmission Bills were 100% verified and re verified on sample basis where after the PPAC computed as per formula approved in Tariff Order dated 30/09/2021 came to be calculated as follows:

Quarter	PPAC submitted by NDMC in Petition	PPAC Computed by Commission
Quarter-1 FY 2023-24	69.55%	72.83%

9. The Officials of the Commission also analysed the Power Purchase and Transmission Bills, and observed that major reason for high PPAC is the total allocation of the NDMC on Gas Based Thermal Power Plants for meeting its power requirement. It was also taken into consideration that the price of the Gas has increased drastically during the said period. Summary of approved ECR (Energy Charge Rate) vis-a-vis actual ECR during the period is as follows:

(Rs./kWh)

Plant	Approved ECR as per TO dated 30/9/2021	Apr'23	May'23	Jun'23
PPS-I Pragati	6.27	0.00	10.44	9.94
PPS-III Bawana	1.78	5.44	5.64	5.38

Landed Cost of Gas at Power Plant:

(Rs./SCM)

Plant	Sept'21	Apr'23	May'23	Jun'23
PPS-I Pragati	38	0	48	47
PPS-III Bawana	12	29	28	27

10. 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 the Commission	Balance PPAC (%) to be allowed
	A	B	C = A-B	D	E = D-B
Q1 FY24	69.55%	0%	69.55%	72.83%	72.83%

11. The Commission vide its Order dated 22.06.2023 had allowed additional PPAC of 2% over and above 28% till 31.03.2024. As per said Order, the applicable PPAC to NDMC as on date is 30%. Further, Commission, vide its Order dated 21.07.2023, decided and directed that no other PPAC shall be levied by Delhi DISCOMs unless specifically approved by the Commission.
12. Having considered the submissions of the Petitioner, the Commission directs that the levying of the ongoing PPAC of 30%, which has validity till 31.03.2024, shall be further continued for next three months i.e. till 30.06.2024. Further, the Commission vide its Order dated 19.01.2024 has withdrawn its order dated 21.07.2023, wherein the Commission had directed the DISCOMs not to levy any other PPAC unless specifically approved by the Commission and the Petitioner is allowed to levy PPAC of 8.75% also in terms of Regulation 30(4) of Business Plan Regulations, 2023.
13. In order to avoid tariff shock to the consumers at large, the Commission restricts the ongoing PPAC as stated at para 12 above and the balance claims relating to PPAC of the Petitioner will be subsumed appropriately in the ensuing Tariff Order and the difference, if any, will be considered/allowed with Carrying Cost, on verification of Power Purchase and Transmission Bills, in True up.
14. Ordered Accordingly.

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