



Delhi Electricity Regulatory Commission

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

F.11(2181)/DERC/2023-24/7967

Petition No. 56/2023

In the matter of: Petition regarding levy of Power Purchase Adjustment Cost (PPAC) for the Quarter of July 2023 to September 2023 (Q-2) in NDMC Area in accordance with Regulation No. 30 of DERC of Business Plan Regulation 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

Appearance:

Mr. Tushar Sannu, Advocate, NDMC

ORDER

(Date of Order: 26.06.2024)

1. The instant Petition have 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 FY 2023-24 July' 2023 to September' 2023 in accordance with law including but not limited 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 consumers 'for a period of 3 months' in Quarter – 2 (July 2023 to September 2023) FY 2023-24 and;
 - b. In terms of Business Plan Regulations 2023, for the Quarter – 2 i.e. July 2023 to September 2023, permit the Petitioner/NDMC to levy the PPAC claim of 44.89% (i.e. 44.89% - 0%) 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

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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. In accordance with the Regulation 30 of the Business Plan Regulations, 2023, the Commission specified the formula for computation of the PPAC vide its Tariff Order dated 30.09.2021. In compliance of the above said formula as well as Regulation 30 of the Business Plan Regulations, 2023, the PPAC for the period from July 2023 to September 2023 works out to 44.89%. Also, The Petitioner/NDMC will levy a PPAC of 8.75% on the bills of consumers for a period of 3 months.
- iii. The 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 Orders, the Petitioner is levying PPAC @30% for the ongoing period.
- iv. The PPAC for Quarter 2 of Financial Year 2023-24 works out to be 44.89%. The calculations have been done by the Petitioner in accordance with the methodology specified by the Commission.
- v. 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. The impact of the power shall be subject to decision by the Hon'ble APTEL. The Petitioner has received 3.68 MUs of power from GTPS Power Plant during the period from July 2023 to September, 2023 for which the billed amount was Rs. 5.25Crore, which has not been considered in the above PPAC.
- vi. Besides GTPS, 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 has not scheduled and drawn any power from the Power Station as the PPA between parties and had expired on 30.11.2020.

Commission's Analysis

4. NDMC vide its instant Petition, has submitted the PPAC computation for Q2 of FY 2023-24, and requested to allow the PPAC of 44.89%. The Commission vide its Order dated 13.02.2024, admitted the instant PPAC Petition.

- Post Admittance, prudence check of PPAC claimed was conducted by Tariff Division. During the said prudence check, it was noted that NDMC has considered power from Tehkhand Waste to Electricity Project Limited (TWEPL), which does not form part of the base cost approved in Tariff Order dated 30.09.2021. The same has not been considered in the PPAC computation.
- After Prudence check, the PPAC computed as per formula approved in Tariff Order dated 30.09.2021 is as follows:

Quarter	PPAC submitted by NDMC in Petition	PPAC Computed by Tariff Division
Quarter-2 FY 2023-24	44.89%	45.63%

- 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 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	Balance PPAC (%) to be allowed
	A	B	C = A-B	D	E = D-B
Q2 FY 2023-24	44.89%	0%	44.89%	45.63%	45.63%

- The Commission vide its Order dated 26.02.2024 in Petition No. 37 of 2023, allowed NDMC to levy 30.00% PPAC till 30.06.2024. As per the Order, the applicable PPAC to NDMC as on date is 30.00%.
- The Commission considers it prudent and accords approval to continue the existing PPAC i.e., 30.00% for the next three months i.e., 01.07.2024 to 30.09.2024. Further, the differential PPAC for Q2 FY 2023-24 may be subsumed in its True-up. 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.
- Ordered Accordingly.

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