



Delhi Electricity Regulatory Commission

Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi – 17

No F.3(288)/Tariff./DERC/2013-14/4052/

In the matter of: Review of Reassignment order dated 31.03.2007 passed by the Commission of Power Purchase Agreement to the Distribution Licensees in National Capital Territory of Delhi.

- (i) Letter No. RA/2012-13/01/A/521 dated 11.12.2013
- (ii) Letter No. RA/BYPL/2013-14/598 dated 06.12.2013
- (iii) Letter No. TPDDL/PMG/DERC/01 dated 06.12.2013

In the matter of

BSES Rajdhani Power Limited
Through its : **CEO**
BSES Bhawan, Nehru Place,
New Delhi-110019.

BSES Yamuna Power Limited
Through its : **CEO**
Shakti Kiran Building,
Karkardooma
Delhi 110 032

Tata Power Delhi Distribution Ltd.
Through its : **Managing Director**
Sub-Station Building,
Hudson Lane, Kingsway Camp
Delhi 110 009

Coram:

**Sh. P.D. Sudhakar, Chairperson, &
Sh. J.P. Singh, Member.**

**ORDER
(Date of Order 27.02.2014)**

1. The Commission vide its order dated 31.03.2007 reassigned long term Power Purchase Agreements (PPAs) to various DISCOMs supplying Power in National Territory of Delhi. The Commission in the said order issued the following directions:
 - i) NDMC and MES would be allocated a capacity of 350MW and 50 MW, respectively from the Badarpur TPS. Though the Commission visualises pitfalls in allocating capacity only from a single power station, the Commission has gone along with what was submitted by these two Licensees when consultations took place on the 30th of March 2007.
 - ii) All existing PPAs (with the exception of Badarpur TPS, NCR Dadri TPS, IPGCL and the PPCL both existing and future capacities) shall be allocated amongst the three Distribution Companies, namely, the NDPL, BRPL and BYPL in a ratio which would be in proportion to the energy drawn by them from the date of unbundling to February 2007. For the NCR Dadri TPS, IPGCL

and the PPCL, only 85% of the capacities shall be allocated amongst the three DISCOMS on the same principle. Insofar as Badarpur is concerned, only 85% of the capacity left after allocating to the NDMC and the MES would be allocated between the three DISCOMS, again on similar lines. The capacity allotted to each of the Distribution Companies arrived at on the basis of this principle is annexed along with this Order.

- iii) 15% of the capacity of NCR Dadri TPS, IPGCL and PPCL and the balance of what is left from the Badarpur TPS after allocating to the NDMC and the MES would be treated as unallocated share, analogous to what is done in the Central sector in respect of the Central Sector Power Units (CPSUs). This unallocated share of 15% would be at the disposal of the GoNCTD and may be allotted by the Government to the Distribution Company(ies) whose consumers are likely to face a relatively higher retail tariff on account of this exercise of reassignment of PPAs.
- iv) If the allocation results in any excess capacity in the hands of any of the Distribution Companies/Agency at any time, such excess capacity shall be offered to other Distribution Utilities in Delhi at the first instance and only if such spare capacity cannot be absorbed within Delhi, it shall be offered to others. Necessary arrangements for this purpose shall be evolved in the Power Procurement Group constituted by GoNCTD
- v) All transactions for sale/banking of surplus power shall be done by a transparent competitive bidding process. Necessary procedure for the same shall be prepared by the interested stakeholders and submitted to the Commission for approval.

2. The Commission with the allocation arrangements discussed above, approved the allocations made from individual stations in the PPA reassignment - March 2007 Order as follows:

Table 1: Allocation of Power – PPA reassignment as per March 2007 Order

Sl. No.	DISCOM	% allocation
1	BRPL	43.58
2	BYPL	27.24
3	TPDDL	29.18

BSES Yamuna Power Limited requested the Commission to consider suitable re-allocation of power for Delhi. Accordingly, the Commission framed the concept note on Re-assignment of PPAs among Delhi Distribution Licensees dated 22nd November, 2013 and invited views/ suggestions from DISCOMS.

3. BRPL, BYPL and TPDDL submitted their comments/objections on concept note on reassignment of PPAs among Delhi Distribution Licensees issued by the Commission.

- i) BSES Yamuna Power Limited (BYPL) submitted that due to change in the energy consumption pattern the Re-assignment of PPAs by reducing the share for BYPL is justified and will be equitable to lower income consumers which form a major part of the consumer mix in BYPL.
 - ii) BSES Rajdhani Power Limited (BRPL) requested the Commission to allocate them cheaper power from Central and State Generating Stations such as Singrauli, Unchahar-I,II & III, Rihand-I,II & Pragati – I and to allow to surrender costly power from BTPS and GT.
 - iii) Tata Power Delhi Distribution Limited (TPDDL) submitted that the proposed reassignment would increase its share by 1.50% of the overall Delhi share. It would translate into 50-70 MW (approx.) of additional power to TPDDL which would further make it power surplus.
4. The Actual Energy sales/Consumption of the DISCOMs since FY 2007-08 to FY 2011-12 is as follows:

Financial Year	BRPL		BYPL		TPDDL		Total
	MU	% of total	MU	% of total	MU	% of total	
2007-08	9,272	44.51%	5,285	25.37%	6,275	30.12%	20,831
2008-09	8,931	43.39%	5,281	25.66%	6,371	30.95%	20,583
2009-10	9,701	43.45%	5,708	25.57%	6,917	30.98%	22,326
2010-11	10,461	43.99%	6,012	25.28%	7,306	30.72%	23,779
2011-12	10,910	44.24%	6,203	25.15%	7,550	30.61%	24,663
Average	9,855	43.92%	5,698	25.40%	6,884	30.68%	22,436

5. The Commission noticed that consumption pattern of the DISCOMs have changed since the reassignment of PPAs from 1st April 2007 which was passed on average consumption pattern of the DISCOMs for FY 2002-2007.
6. The Commission has observed that there has always been revenue deficit for BYPL. In the year FY 2012-13, the Commission has projected a revenue deficit of Rs.40.47 Crore for BYPL whereas Commission has projected a surplus of Rs.290.55 Crore for BRPL and Rs.391.57 Crore for TPDDL. Such revenue loss to BYPL is higher on account of higher surplus energy than other DISCOMs. BYPL's energy drawal has gone down over the years as industrial and commercial establishments have re-located. The said revenue deficit of BYPL has been broadly on two factors, the adverse consumer mix and the higher cost of power purchase for BYPL compared to other

DISCOMS. BYPL has adverse load-mix pre-dominantly domestic consumers with relatively low contribution from high value non-domestic industrial and commercial consumers.

7. The Commission further observed that earlier the PPAs were allocated in a ratio which was in proportion to average energy drawn by utilities from the date of unbundling to February, 2007. Since, the consumption has now changed due to change in consumer mix, it is appropriate for reassignment of PPAs among Delhi Distribution Licensees as per current average energy drawn.
8. The Commission has considered the comments/objections submitted by BRPL, BYPL and TPDDL. Keeping in mind the public interest the Commission has decided to reallocate the PPAs among BRPL, BYPL & TPDDL on the basis of average energy drawl for the period FY 2007-08 to 2011-12.

Table 2: Allocation of Power – PPA reassignment as per February 2014 Order

Sl. No.	DISCOM	Present allocation	Allocation after reassignment
1	BRPL	43.58 %	43.92 %
2	BYPL	27.24 %	25.40 %
3	TPDDL	29.18 %	30.68 %

9. The Commission directs the DISCOMs that in case of availability of surplus power the Distribution Licensees may submit their demand supply analysis alongwith the proposal for surrender of expensive power out of their allocation for consideration of the Commission.
10. The Commission directs that the reassignment of PPAs shall be made effective from 1st April 2014. This order will remain in force till amended or modified by the Commission.
11. Ordered Accordingly.

Sd/-
(J.P. Singh)
Member

Sd/-
(P.D. Sudhakar)
Chairperson