



Delhi Electricity Regulatory Commission
Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi – 17.

No. F.11(1680)/DERC/2018-19/6441

Petition No. 29/2019

**In the matter of: Petition for approval of Differential claim of PPAC for the
Quarter July 2018 to September 2018.**

M/s New Delhi Municipal Council

.....Petitioner

Coram: Hon'ble Mr. Justice S S Chauhan, Chairperson

ORDER

(Date of Order: 28.05.2019)

1. The instant Petition has been filed by New Delhi Municipal Council (NDMC) for allowing to levy differential Power Purchase Adjustment Cost (PPAC) pertaining to Quarter from July 2018 to September 2018 in accordance with Section 62 (4) of the Electricity Act, 2003 read with Regulation 134 of DERC (Terms and Conditions for determination of Tariff) Regulations, 2017 along with Regulation 30 of the DERC (Business Plan) Regulations, 2017 read with Tariff Order for FY 2018-19 dated 28.03.2018.
2. Petitioner's submission:
 - i. Based on the audited accounts and records of the Petitioner the overall PPAC for the period commencing from July 2018 to September 2018 comes to around 7.35%. As per regulations of the Commission the petitioner is levying the PPAC charges on the consumers to the extent of 4.50%. The detailed calculations towards the same have been put on the website of the Petitioner.
 - ii. The instant petition has been filed for seeking permission of this Commission to levy differential PPAC claim of 2.85% i.e. (7.35%-4.5%) on the consumers of the Petitioner.

iii. PPAC for July 2018 to September 2018 has been computed as per figure and formula as indicated in the following table :-

Legend	Description	Units	Details
A	Total units Procured from Power Stations having long term PPAs	MU	440.33
B	Proportionate bulk sale of power from Power stations having long term PPAs	MU	67.68
C	Difference between Actual average Power purchase Cost (PPC) from power stations having long term PPAs and Projected average Power purchase Cost (PPC) from stations having long term PPAs	Rs/kWh	0.52
D	Actual Transmission charges	Rs Crore	23.77
E	Approved Transmission Charges		24.39
F	Net Revenue billed from TOD		4.65
Z	[(Actual Power Purchase from Central generating stations having long term PPAs*(1-PGCIL losses in %) +Power from Delhi Gencos including BTPS*(1-DTL losses in %))]-B		367.97
Distribution %	Distribution Losses in %		9.63%
ABR	<u>Revenue at Revised tariff</u> Approved Energy sales	Rs/kWh	7.767
PPAC	PPA for nth Qtr. (%) = $\frac{(A-B)*C+(D-E)-F/{Z*(1-Distribution\ losses\ in\ \%)}*ARR}{100}$		7.35%

3. Commission's Analysis:
- i. The Figures and formula as submitted by the Petitioner have been examined on the basis of Audited Power Purchase Certificate and actual bills submitted by the Petitioner. On scrutiny, the following have been observed :-

a) The Petitioner has wrongly considered the rebate amount for a quarter as 1/4th of the total rebate. It is clarified that the base cost of Power Purchase after taking into consideration rebate of 2% is same and constant for the entire year and cannot be
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differentiated on quarter to quarter basis. The base cost for the entire year is Rs. 5.12 KW/h and not Rs. 5.19 KW/h as claimed by the Petitioner.

b) The Petitioner while putting the figures for Power Purchase Cost in formula has taken the amount in million rupees whereas for transmission cost the amount is taken in Rs. crore. This discrepancy has resulted in a wrong calculation of PPAC by the Petitioner.

c) The Petitioner has considered net transmission cost by considering the revenue earned on the basis of TOD tariff, whereas for the purpose of calculation of PPAC for the relevant period such TOD tariff need not be considered.

ii. PPAC for the Quarter from July 2018 to September 2018 of FY 2018-19 in respect of the Petitioner NDMC calculated as per the PPAC formula is 6.6%.

iii. In view of the above, differential PPAC of 2.10% for the Quarter from July 2018 to September 2018 is allowed to the Petitioner. However, as the period for recovery of PPAC is already over and now it has turn out to be an arrear, the Petitioner shall claim the amount pertaining to this differential PPAC through ARR Petition for FY 2019-20, which is under process and going to be finalised soon.

4. Ordered accordingly.

Sd/-
(Justice S S Chauhan)
Chairperson